UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 98th CONGRESS

FIRST SESSION

VOLUME 129—PART 4

MARCH 7, 1983 TO MARCH 15, 1983

(PAGES 4055 TO 5413)

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SENATE—*Monday, March 7, 1983*

The Senate met at 10:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Rev. Richard C Halverson, D.D., offered the following prayer:

Let us pray.

*Praise the Lord. I will give thanks to the Lord with my whole heart, in the company of the upright * * *. Great are the works of the Lord, studied by all who have pleasure in them. Full of honor and majesty is his work, and his righteousness endures forever.*—Psalm 111: 1-3.

Righteous God, may the Senators never forget that they are national leaders, accountable to all the people. Keep them from actions, public and private, which will bring reproach upon Government. Remind them that they are examples to the world. Give them grace to conduct their duties in ways that will inspire and encourage qualified men and women to seek public office. May their lives signal to the youth of America that public office is honorable and deserves the best American youth has to offer. In the name of the Father and the Son and the Holy Spirit. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

ORDER OF PROCEDURE

Mr. LUGAR. Mr. President, under the order entered on Thursday, the reading of the Journal has been dispensed with, the call of the calendar has been dispensed with, and no resolutions shall come over under the rule.

As ordered on Thursday, at 11 a.m. the Senate will proceed to executive session to consider the Montreal Aviation Protocols under a 6-hour time limitation, equally divided. If a rollcall vote is ordered, the vote will occur at 11 a.m. on Tuesday, tomorrow.

The Senate may also consider the nomination of Lewis A. Tambs to be Ambassador to Colombia under a 1-hour time agreement, equally divided. If a rollcall vote is ordered on that nomination, the vote will occur tomorrow after the vote on the Montreal Protocols.

ORDER DESIGNATING A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. LUGAR. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m., in which Senators may speak for not more than 2 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE WEST GERMAN ELECTIONS

Mr. LUGAR. Mr. President, I shall take a moment of the leadership time this morning to say that the United States of America may now be able to proceed with greater confidence in the success of arms reduction talks on the basis of yesterday's West German elections. These were watched in this country and around the world with very great interest. I am certain that all Members who visited with Chancellor Helmut Kohl during his visit to this country and his visit with many Members of this body a short time ago wish to congratulate him, and, as well, the members of the coalition of Free Democrats who will join with the Christian Democrats to provide continuity in the Government of West Germany.

Clearly, it was an election victory achieved not only in the midst of worldwide scrutiny but also with very substantial participation by many outside forces. However, many observers of the West German election pointed out that economic circumstances within West Germany might be the most important factor to watch. Indeed, the report of 10.4 percent unemployment just before the election gave pause to many who were concerned about the continuity of the Helmut Kohl government.

It is constructive to point out that the government of Helmut Kohl has offered leadership policies which, I hope, will work cooperatively with our own toward a restoration of economic strength in the West. For many reasons I am certain this administration welcomes that partnership: It is clear, further, that our Government must proceed with the mandate that this election has given to us for cooperation with all parties in Germany which look both toward the negotiation of an arms reduction agreement and to the possibilities of strength that come through the certainty of continuity in albeit purposes.

Further Mr. President, I would note that frequently this body is given indications that our foreign policy has some problems. These we freely admit and we try to make corrections. However, today it is instructive to point out that the new Soviet leader, Mr. Andropov, has apparently struck out twice in a row: First, in the strong remarks he made to the Government of Japan in an attempt to influence, if not intimidate, the new Prime Minister there; and now in his strong intervention in the West German election. On both counts he has failed.

In fact, our alliance with Japan and our alliance with West Germany stand stronger at this particular point. I think this is a matter on which we should congratulate the President of the United States, our Secretary of State, and those who foster these foreign policies.

(Mr. DURENBERGER assumed the chair.)

Mr. THURMOND. Mr. President, will the Senator yield to me for just one moment?

Mr. LUGAR. I yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, while presiding, I listened closely to the remarks of the able Senator from Indiana. I wish to associate myself with his remarks. I think they are very pertinent and right to the point. I was delighted with the outcome of the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

election in West Germany. I compliment him on the manner in which he addressed that situation.

Mr. LUGAR. Mr. President, I thank the distinguished President pro tem.

ORDER OF PROCEDURE

Mr. LUGAR. Mr. President, I would like to yield the remainder of the leadership time which we have on this side to my colleague from the State of Indiana, Senator QUAYLE.

Would the Senator like to speak during the remainder of the leadership time?

Mr. QUAYLE. Yes; I would. Is there a time allocation?

Mr. LUGAR. There is not a special order. The time available is the remainder of the leadership time on this side.

JOBS LEGISLATION

Mr. QUAYLE. Mr. President, I take this time to alert the Senate to a problem I see coming down the pike this week. This problem relates directly to the jobs legislation.

There are many of us in this body who have worked very long and hard to try to determine what we should do in the short term, as well as the long term, on jobs legislation.

As we all know, the House of Representatives has now passed a jobs bill, H.R. 1718. I understand it will be marked up in the Senate Appropriations Committee this afternoon.

I am hopeful that we can get it to the floor as soon as possible so that we can take a look and see what our Appropriations Committee has done. I hope that it will be much different than the House bill, about which I have severe reservations.

I will get into those reservations later.

Mr. President, I do believe we have to look at our time schedule. There are some States right now that are having problems with continuing payment of unemployment compensation. Funds are running out. My home State of Indiana is going to run into a problem this Thursday.

We have to get this bill passed and get it signed by the President by this Thursday or Friday before an imminent crisis becomes real. I hope that we do not have to work under a time bomb.

If this time bomb explodes, we will have unemployed people going down to the Employment Service Office and finding out that there is simply no money. That would be the height of irresponsibility. Maybe, just maybe, we will deal with the jobs bill this week on the Senate floor, perhaps we will be able to make some carefully crafted amendments or perhaps the Appropriations Committee is going to come out with a constructive alternative to what the House has done. I believe the rhetoric that has come out of the House is a sham. "Pork barrel" or "politics as usual," is an apt description of the House bill.

What I am afraid of is this aura of crisis, that we have to do it now, that we have to swallow the political settlement between the Speaker of the House and the President, live, whole, that we cannot make any changes. That is precisely where this train is headed.

Believe me, having been in the House of Representatives for 4 years, I know a train when I see it coming down the track, and it is coming. We are going to be told that we have to sit here and take this, that we cannot make any changes. If we do make changes, they will say we will then have to go to conference, go back to the House, and make another political settlement. I am concerned that, in the end, the people we are trying to help are going to get the short end of the stick.

If we run out of time, which I think we might, I suggest that the leadership may want to call up S. 678, a bill I introduced with Senator LEVIN last week to avert this type of crisis. S. 678 would extend the unemployment compensation until the Easter break, to give us time to give adequate consideration to a jobs bill and, therefore, time to solve this problem.

I do not want to separate the jobs provisions from the unemployment compensation package. I understand the politics of it. It is good politics to put them together. I am in favor of a jobs bill, I am just not in favor of the version that has come out of the House of Representatives. But I am very, very concerned that we will not get any constructive amendments. As we go through this week, I hope that everyone does take note of the time constraints and that we enact a temporary extension of unemployment compensation benefits, then we shall have adequate time.

Even if we do make necessary amendments to the jobs bill, I am still very, very fearful that a conference will be short lived. It will be a matter of hurry up and try to conduct business as usual; we have to get it down to the President this week. That would not give us adequate time to reflect on what we are doing. I am very concerned about that.

Mr. President, I am now going to attempt to outline what the House bill has in fact done. I hope that my colleagues can follow me. Title I of this bill, as passed, contains 37 separate appropriations items, providing over $5.25 billion in outlays—really a veritable ocean of proposals. There are a tremendous amount of proposals here. I suppose I could say that this ocean reminds me of the plaint of the Ancient Mariner: "Water, water everywhere, nor any drop to drink." This ocean is brine fit to pickle pork when what we need are programs to provide relief from current high unemployment.

We all know that economic recovery is the best jobs program and we also know that, though that recovery is beginning, it will take at least a year until unemployment rates recede substantially. Many of us agree that it is appropriate for Government to provide an interim jobs program to alleviate unemployment until economic recovery does its job. However, I do not agree that the House-passed bill provides such a program and, even more emphatically, I do not agree that we should be stampeded into passing that bill because it also contains vitally needed money for the unemployment trust fund. Those funds must be provided by March 11 so that the States can continue to pay unemployment benefits. We can deal with the immediate crisis in the unemployment trust funds by providing short-term funding for the trust funds as is provided in my bill, S. 678—cosponsored by Mr. LEVIN—and we can amend the House-passed bill so that it will be consistent with its stated aims.

To clarify the current situation, let me review a little bit of background. Last year, a so-called jobs program was added to the continuing resolution. That program was opposed by the President and was, in fact, deleted from the resolution only because of his clear intention to veto the bill if it were included. At that time the administration appeared to be opposed to any interim jobs program.

On January 12, the Subcommittee on Employment and Productivity, which I chair, held the first of 4 days of hearings on jobs programs. I opened these hearings with the statement that "the question is no longer whether we should have job-creation programs, but rather, can we design programs which will actually create jobs." On January 17, I introduced, with Senator HATCH and Senator HAWKINS, S. 242, the Employment Opportunities Act of 1983, title I of which provided for a $2 billion program of incremental funding for labor-intensive programs. During the course of the hearings, we heard from over 40 witnesses. These witnesses included Council of Economic Advisers' Chairman Martin Feldstein and Congressional Budget Office Director Alice Rivlin, as well as representatives of business, labor, State and local government, education, and a wide diversity of other groups.

During this time there were a series of negotiations between the administration and the House leadership leading to a reported agreement on a $4 billion jobs program. With the administration's support of a jobs program, we have come to the point where there

really is a broad-scale consensus on the need for such a jobs program.

Our task now is to make sure that what we enact will actually produce as many jobs as possible to counter current high unemployment. The terms of the agreement between the administration and the House leadership were never made public. Therefore, we do not know whether—or to what extent—the House-passed emergency bill reflects the agreement.

We can, however, compare the current emergency bill passed by the House with the continuing resolution as passed by the House. This leopard has not changed his spots. Attachment 1, which I shall submit for the RECORD, shows the programs that are common to both bills and their level of funding in each version. What is most striking is that 75 percent of the appropriations in the House-passed emergency expenditures bill are similar to the ones which the President opposed in the House-passed continuing resolution; 27 programs are found in both House-passed bills and, in each bill, appropriations proposed for these programs amount to about $4 billion. I note that Speaker O'NEILL is quoted in Saturday's Washington Post as saying: "This jobs bill was the bill he"—the President—"called 'make-work legislation'." The emergency bill is the continuing resolution warmed over.

Mr. President, I do not oppose the emergency bill just because it is like the continuing resolution which I opposed, together with the President. I am well aware of the assertion that "a foolish consistency is the hobgoblin of little minds, adored by little statesmen * * *." I oppose it not because I opposed it before but because it is a bad bill; because it will provide little employment to the unemployed; because it will not provide that employment during the current period of high unemployment; because its costs are high and its benefits are low. I think anyone who has read the House debate on this bill can be in little doubt about the truth of these assertions but let me illustrate with some facts.

I shall introduce attachment 2, the CBO's cost estimate of the bill, showing outlays by programs by year. It is an instructive chart. Projected outlays under title I are $5.3 billion. Only 26 percent of these outlays are for programs that will spend out in fiscal years 1983 and 1984. Such programs have at least a prima facie case for being considered as relevant to the emergency relief of unemployment. Let us look at all the other programs, that is, those representing 74 percent of the total outlays under title I in which outlays persist into fiscal year 1985 and beyond. For these programs, 40 percent of the outlays will come in fiscal years 1985 through 1987. It takes no great powers of analysis to discern that outlays in these years will not provide employment in 1983 and 1984—the years of high projected unemployment. During the course of our hearings, it was pointed out both by Alice Rivlin and Martin Feldstein that the most dangerous aspect of our deficits is the fear that they will not be brought under control. These outlays will increase the deficit in the outyears—an even more serious concern than the short-term deficit. These outlays will not provide short-term relief for the unemployed; but they are a serious threat to impeding the long-term economic recovery.

Attachment 3 shows these programs in which half or more of the outlays will occur in fiscal year 1985 or later. Such programs are hard to justify as emergency relief of unemployment. Just the fiscal year 1985 and beyond costs of these programs will add $1 billion to the long-term deficit and that $1 billion will do nothing to help during the present period of excessive unemployment.

In case there are any who are not concerned with these outyear costs because they believe that these are not truly additional costs, let me call attention to the statement of the chairman of the House Appropriations Committee, page 3903, that the funds in this bill are new money and rejecting the assertion that they are just an advance on what would have been spent anyway.

The basic problem I have, Mr. President, with the House-passed bill is that it really is a "politics as usual" public works bill. About two-thirds of the bill is public works. Now, if there is one clear conclusion that came out of our hearings it is that public works programs are not a meaningful countercyclical tool. The reasons for this are many. Public works have a slow spend-out rate; a high unit cost per job produced both because public works are capital intensive and because construction workers are among the most highly paid. Public works programs in the recent past have not employed the unemployed; they have not targeted on those most in need. Finally, public works programs have not targeted relief into areas of high unemployment because the jobs go where the projects are and not where the unemployed are.

No one has stated the case against the emergency bill more eloquently than Mr. JEFFORDS, and I invite your attention to page 3910 of the CONGRESSIONAL RECORD of March 3. He points out that this bill "is basically a sham. This is basically a no-work public works package."

When I introduced S. 242, I said that those of us who disagreed with particular job-creation programs had an obligation to come up with better approaches. I do not just oppose the emergency expenditures bill in its present form—I have specific recommendations for its improvement. These recommendations are contained in a memorandum that I have sent to the chairman of the Appropriations Committee, the distinguished Senator from Oregon (Mr. HATFIELD), and I am confident that he will do his best to insure that the bill that comes from his committee will be a true jobs bill.

In that memorandum I said that it seems to me that any measure which promises to provide jobs as a countercyclical tool must be based on four principles:

First, it must provide a reasonable number of jobs in relationship to the proposed expenditure;

Second, it must provide those jobs during the current high-unemployment period;

Third, it must concentrate jobs in areas of high unemployment; and

Fourth, it must target those jobs on those hardest hit by unemployment.

Mr. President, I hope that these principles can be embraced and put into the Senate appropriations jobs bill. If that is the case and we can adhere to these four principles, then we will truly have a jobs bill.

I firmly believe that the Senate can convert the expensive and ineffective House-passed bill into a constructive countercyclical jobs bill that will actually provide both jobs and needed humanitarian relief for the unemployed. I see only one major obstacle to such a development and that is time. Once again the Senate is being asked to legislate in a crisis atmosphere, an experience that many of us had enough of during the closing days of the last Congress. I am afraid that we will be told there is no time for analysis, there is no time for amendments, there is no time for conference—and why? Because the unemployment trust fund will run out of funds this week and unemployment insurance checks cannot be issued if this bill is not on the President's desk by Friday.

Well, I do not think that the Senate should be put between that rock and that hard place; I do not think that we should be forced to choose between defaulting on our obligation to pass effective jobs legislation or defaulting on our obligation to insure that the unemployed receive the benefits that are their due.

It was in order to get us out of that uncomfortable situation that I introduced, together with Mr. LEVIN, S. 678. That bill provides sufficient funding to carry the unemployment insurance system through until the beginning of the Easter recess. Let me emphasize two points: if that bill were enacted, it would delay the jobs package only a short time, probably a few days and at a maximum 2 weeks. Second, it would in no way make it any less essential to act on the jobs program because a fur-

ther supplemental would be needed for the unemployment trust fund before the recess.

It may be that we can develop an effective jobs program during this week and that my interim funding measure will not be needed. Hopefully, the Appropriations Committee will report a bill today but we will need to see and study the report, prepare any necessary amendments and have time for what would, I hope, be a difficult conference with the other body. If that can be done during this week, it will be a great achievement. But if it cannot be done, let us recognize that we do not have to operate under crisis conditions; that the trust funds can be replenished without abdicating our responsibility for designing workable and effective jobs legislation.

Mr. President, let me conclude very briefly. I believe that we need to pass emergency jobs legislation. I am committed to it. Our committee has had 4 days of hearings, with over 40 witnesses. We believe that there are basic principles that will provide the best opportunity of relief for the unemployed, the long-term unemployed, in a short period of time. The bill that has come out of the House of Representatives is just simply inadequate, yet it has passed. It was passed primarily, I suppose, because it also contained the extension of unemployment compensation, which is fine. I do believe, however, that it is now our job to go forward with the four principles in mind, which I outlined earlier. I hope these principles will guide the action of the Senate Appropriations Committee. If not, perhaps we can do it on the floor of the Senate.

Again, I reiterate my caution of not getting under the pressure of a time bomb where it would be simple and easy to pass an emergency supplemental extending unemployment compensation to the March break. Therefore, I would keep the two parts of this House-passed bill, title I and title II, together—title I being the jobs creation part and title II being the unemployment compensation extension.

I do not want to disrupt that procedure. But I also do not want to feel that we have to be compelled to swallow this settlement that has come out of the House which was probably made on a political basis and not a substantive basis.

I believe we have to look at the substance in order to make sure that this is a jobs bill, a countercyclical jobs bill. The principles that I have outlined concerning targeting labor surplus areas and the long-term unemployed are certainly, I hope, elements that will be acceptable.

Mr. President, I ask unanimous consent that attachments 1 through 4 be inserted in the RECORD.

There being no objection, the attachments were ordered to be printed in the RECORD, as follows:

ATTACHMENT 1.—PROGRAMS FUNDED UNDER BOTH THE HOUSE-PASSED CONTINUING RESOLUTION (H.R. 631) AND THE HOUSE-PASSED EMERGENCY EXPENDITURES BILL (H.R. 1718), MARCH 3, 1983

Program	Continuing resolution	Emergency expenditures
GSA-repairing Federal buildings	$200,000,000	$125,000,000
Mass transit grants	50,000,000	110,000,000
AMTRAK grants	90,000,000	110,000,000
Repairing VA hospitals	50,000,000	75,000,000
Community development block grants	1,000,000,000	1,250,000,000
Economic Development Administration	200,000,000	200,000,000
SBA, new direct loans	230,000,000	200,000,000
SBA, natural resources development	50,000,000	50,000,000
Repairing urban parks	100,000,000	50,000,000
Improving and maintaining our national parks	50,000,000	50,000,000
Preserving our national forests	45,000,000	45,000,000
Indian health facilities	50,000,000	39,000,000
Fish and wildlife facilities	25,000,000	25,000,000
Rural water and sewer grants	200,000,000	200,000,000
Farmers Home Administrative expenses	6,500,000	6,500,000
Resource conservation and development	15,000,000	15,000,000
Soil Conservation Service—flood prevention	100,000,000	160,000,000
Corps of Engineers, emergency flood control	145,723,000	404,000,000
Bureau of Reclamation	31,600,000	101,000,000
Repairing prison facilities	95,000,000	90,000,000
Family housing for the military	489,485,000	243,000,000
Low-income weatherization, DOE	250,000,000	150,000,000
GSA, Federal motor vehicle replacement	100,000,000	75,000,000
Employment and training assistance:		
Job Corps	32,400,000	32,400,000
Displaced workers	200,000,000	75,000,000
Home Health Services	15,000,000	10,000,000
Day care services	50,000,000	50,000,000
Food distribution and shelters, FEMA	50,000,000	50,000,000
Total	3,920,708,000	3,990,900,000

ATTACHMENT 2.—HOUSE JOBS BILL (H.R. 1718)

[In thousands of dollars]

	Budget authority	Total outlays	1983	1984	1985	1986	1987	1988	Beyond
Title I:									
Treasury Department Administration	500	500	500	0	0	0	0	0	0
Federal buildings fund	125,000	125,000	30,000	95,000	0	0	0	0	0
Highway demonstration	33,000	33,000	30,000	3,000	0	0	0	0	0
Federal aid highways		500,000	40,000	260,000	75,000	25,000	25,000	25,000	50,000
Urban discretionary grants	171,000	171,000	8,550	25,650	34,200	34,200	42,750	25,650	0
Amtrak	110,000	110,000	103,000	7,000	0	0	0	0	0
Veterans medicals care	75,000	75,000	25,000	50,000	0	0	0	0	0
HUD salaries and expenses	500	500	500	0	0	0	0	0	0
Community Development Grant	1,250,000	1,250,000	25,000	475,000	650,000	100,000	0	0	0
UDAG		0	4,900	45,400	12,600	0	0	−62,900	0
EDA	200,000	200,000	28,200	84,000	44,000	30,000	13,800	0	0
SBA direct loans	200,000	19,000	50,000	144,000	−16,000	−18,000	−18,000	−18,000	−105,000
SBA capital	2,000	2,000	0	1,000	1,000	0	0	0	0
SBA grants for parks	50,000	50,000	5,000	35,000	10,000	0	0	0	0
Urban parks	50,000	50,000	2,500	15,000	17,500	15,000	0	0	0
National parks	50,000	50,000	13,530	30,440	6,030	0	0	0	0
National forests—Maintenance	25,000	25,000	10,800	14,200	0	0	0	0	0
National forests—Construction	20,000	20,000	5,000	7,500	2,500	2,500	2,500	0	0
Rural water and waste disposals	200,000	200,000	8,000	70,000	66,000	28,000	10,000	10,000	8,000
Indian health facilities	39,000	39,000	11,661	17,823	6,357	2,223	936	0	0
USFWS resource management	25,000	25,000	7,425	15,488	1,250	837	0	0	0
Operation of Indian programs	20,000	20,000	7,530	11,110	1,360	0	0	0	0
RDIF loans	(600,000)	45,200	0	1,600	7,000	10,900	12,700	13,000	0
FMHA salaries and expenses	6,500	6,500	4,200	2,300	0	0	0	0	0
Soil Conservation Service—Res. cons.	15,000	15,000	6,487	8,513	0	0	0	0	0
Soil Conservation Service—Watershed	160,000	160,000	60,880	77,840	16,000	5,280	0	0	0
ACIF loans	(25,000)	0	6,750	−6,750	0	0	0	0	0
Corps of Engineers—Construction general	125,000	125,000	38,750	76,000	10,250	0	0	0	0
Corps of Engineers—Operation and maintenance	76,000	76,000	29,184	43,852	2,964	0	0	0	0
Corps of Engineers—Flood Control	203,000	203,000	74,197	109,519	11,570	7,714	0	0	0
Bureau of Reclamation—Construction	50,000	50,000	21,600	26,050	2,350	0	0	0	0
Bureau of Reclamation—Operation and maintenance	21,000	21,000	8,158	12,842	0	0	0	0	0
Bureau of Reclamation—Loan programs	30,000	30,000	9,225	17,175	3,600	0	0	0	0
TVA	40,000	40,000	5,840	16,440	12,800	3,560	1,360	0	0
Federal Prison System—Buildings	60,000	60,000	3,600	27,600	28,800	0	0	0	0
Federal Prison System—U.S. prisons	30,000	30,000	1,800	6,600	12,000	6,000	3,600	0	0
Army housing—Maintenance	100,600	100,600	75,410	18,440	5,271	0	0	0	1,479
Navy and Marine housing—Construction	16,230	16,230	1,136	8,602	3,246	1,623	812	325	486
Navy and Marine housing—Maintenance	34,301	34,301	20,419	9,632	2,823	0	0	0	1,427
Air Force housing—Construction	51,297	51,297	1,026	22,058	12,824	10,259	2,565	1,539	1,026
Energy conservation	150,000	150,000	33,750	75,000	41,250	0	0	0	0
GSA—General supply fund	75,000	75,000	50,000	25,000	0	0	0	0	0
Employment and training assistance	207,400	207,400	130,000	77,400	0	0	0	0	0
Community Service Employment—National	19,500	19,500	10,000	9,500	0	0	0	0	0
Community Service Employment—States	5,500	5,500	3,000	2,500	0	0	0	0	0

ATTACHMENT 2.—HOUSE JOBS BILL (H.R. 1718)—Continued

[In thousands of dollars]

	Budget authority	Total outlays	1983	1984	1985	1986	1987	1988	Beyond
Health Service—Community and home health	78,000	78,000	45,474	23,010	7,254	2,262	0	0	0
Health Services—Maternal and child health	110,000	110,000	78,100	31,900	0	0	0	0	0
Centers for Disease Control	52,000	52,000	39,000	13,000	0	0	0	0	0
Alcohol drug abuse and mental health	30,000	30,000	21,300	8,700	0	0	0	0	0
Social services block grant	150,000	150,000	75,000	75,000	0	0	0	0	0
Head Start	30,000	30,000	7,000	23,000	0	0	0	0	0
Community service block grant	25,000	25,000	12,000	13,000	0	0	0	0	0
School assistance improvement aid construction	35,000	35,000	3,500	9,500	17,200	4,800	0	0	0
Food and nutrition service	250	250	240	10	0	0	0	0	0
Food distribution program	75,000	75,000	75,000	0	0	0	0	0	0
WIC	100,000	100,000	70,000	30,000	0	0	0	0	0
FEMA emergency food and shelter	50,000	50,000	50,000	0	0	0	0	0	0
Total, title I	4,898,150	5,262,350	1,516,605	2,310,970	1,111,819	272,158	98,023	−5,386	−41,839
Title II:									
Advances to unemployment trust fund	5,033,000	5,033,000	5,033,000						
Grants to States for unemployment insurance	(276,100)	276,100	276,100						
Total, titles I and II	9,931,150	10,571,450	6,825,705,	2,310,970	1,111,819	272,158,	98,023	−5,386	−41,839

ATTACHMENT 3.—THE EMERGENCY SUPPLEMENTAL APPROPRIATION ACT, H.R. 1718: SELECTED PROGRAMS FOR WHICH AT LEAST HALF THE OUTLAYS WILL NOT OCCUR UNTIL AFTER FISCAL YEAR 1984

	Outlays in fiscal year 1985 and beyond	
	In dollars	Percent of total
Mass transit grants—Interstate substitution	35,000,000	80
Mass transit grants—Urban discretionary	52,800,000	80
Community development block grants	750,000,000	60
Small Business Administration—New direct loans	1,000,000	50
Repairing urban parks	32,500,000	65
Rural water and sewer grants	122,000,000	61
Federal prison system—Support of U.S. prisoners	21,600,000	72
Family Housing, Air Force	28,213,000	55
School assistance in federally affected areas—Construction	22,000,000	63
Total	1,065,113,000	

Source: Congressional Budget Office.

[Attachment 4]

U.S. SENATE,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C.

To: Senator MARK HATFIELD,
Chairman, Senate Appropriations Committee
From: DAN QUAYLE
Date: March 2, 1983.

As you know, I am concerned that the Emergency Supplemental Appropriation Act actually be a constructive response to current high unemployment rates. It seems to me that any measure which promises to provide jobs as a countercyclical tool must be based on four principles:

First, it must provide a reasonable number of jobs in relationship to the proposed expenditure;

Second, it must provide those jobs during the current high unemployment period;

Third, it must concentrate jobs in areas of high unemployment; and

Fourth, it must target those jobs on those hardest hit by unemployment.

It is, of course, difficult to assure compliance with these principles in the context of an appropriations bill. However I believe that the very same conditions which justify an emergency bill require a non-traditional approach to that bill.

I therefore recommend that with respect to any appropriations account that is included in the emergency bill because it is designed as a jobs response to the current recession, the following provisos be added to the appropriations language:

1. No grant shall be made under the program unless the grantee certifies that funds will be used so that there will be at least one person year of direct employment for every $20,000 of funds received.

2. Funds shall be available for obligation until September 30, 1983 and for expenditure for no more than 18 months after date of obligation.

3. Funds shall be distributed so that at least 75 percent of the funds are distributed to States (in the case of State grant programs) or areas (in the case of direct grants to sub-State areas) in which the rate of unemployment for the last three months of 1982 was higher than the national average rate of unemployment.

4. No grant shall be made under the program unless 75 percent of the persons hired pursuant to the grant shall be certified by the local agency of the USES as unemployed and as having been unemployed for at least 15 weeks in the preceding six months.

The inclusion of such language would provide statutory safeguards that the maximum number of jobs be created, that they be created during the period when unemployment is projected to remain in the 10 percent range and that the jobs be targeted both to high unemployment areas and to those hardest hit by unemployment.

I believe it is important that these provisions be incorporated into the House passed bill either in the Appropriations Committee or on the floor. We are promising the American people a jobs bill and I fear that without such provisions the bill would fall short of the promise.

RECOGNITION OF THE MINORITY LEADER

(During the remarks of Mr. QUAYLE, the following occurred:)

Mr. BYRD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

Mr. BYRD. I appreciate the Chair's protecting the minority rights here. I shall be glad to yield such portion of my time to the distinguished Senator as he may need. I ask that there be no interruption in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. May I ask the distinguished minority leader, if there is a time constraint he would like me to operate under? I have a text here I would like to get most of in.

Mr. BYRD. The Senator may have my whole 10 minutes.

I simply wanted the Chair to protect the minority.

Mr. QUAYLE. I understand the distinguished minority leader. I thank the Chair for preserving regular order. I shall go ahead.

Mr. LUGAR. I thank the minority leader. The Senator from Indiana may not have known the nature of the order this morning, but there was no special order available. Each side had 10 minutes and the minority leader's point is well taken.

The PRESIDING OFFICER. The Senator from Indiana may proceed.

Mr. QUAYLE. I thank the Chair, the minority leader, and the acting majority leader (Mr. LUGAR).

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, the time designated for the leaders has expired. Pursuant to that order, there will now be a period for the transaction of routine morning business that will not last past 11 a.m. during which Senators may speak for 2 minutes each.

ONSITE NUCLEAR ARMS CONTROL INSPECTION

Mr. PROXMIRE. Mr. President, on February 27, Patrick Oster, the Washington Bureau Chief of the Chicago Sun-Times, wisely pointed out that President Reagan now has a chance to make some real progress on arms control. He can do so by pushing for the Senate adoption of the Threshold Test Ban Treaty that would ban underground weapons test explosions above a level of 150 kilotons of TNT, and of the Peaceful Nuclear Explosions Treaty that would ban underground explosions for peaceful purposes, such

as construction projects above the same level.

As Oster points out, these treaties could advance arms control in two critical areas. First, they inject an element of doubt—and a big one—into the effectiveness of using weapons. Weapons that have not been tested—might not work. Usually it takes many tests to work the bugs out of new weapons technology. So new nuclear weapons of vast power would very likely not be used because they could not be tested.

Second, the Soviets themselves have proposed adding onsite inspection to the draft of the Comprehensive Test Ban Treaty. This would constitute a tremendous breakthrough in that closed society and would add an immensely valuable verification tool that could greatly strengthen the force and effect of arms control.

Mr. President, I ask unanimous consent that the article by Patrick Oster be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Chicago Sun-Times, Feb. 27, 1983]

A-PACT MOVE UP TO REAGAN

(By Patrick Oster)

WASHINGTON.—President Reagan's recently announced willingness to move forward at last on two U.S.-Soviet nuclear test ban treaties gives him a chance to improve his arms control image.

But his previous foot-dragging on the two signed but unratified pacts has to make one suspicious about how sincere his new intentions really are.

At a time when Reagan faces an uphill battle to get Senate approval of Kenneth Adelman, his less-than-perfect candidate for arms control director, Reagan needs all the arms control sincerity he can muster.

The two treaties have been languishing since signed by Presidents Richard M. Nixon and Gerald R. Ford in 1974 and 1976 respectively.

Initial blame for delay goes to Ford and President Jimmy Carter. Ford got caught up in the pressures of the 1976 campaign. Carter was persuaded by liberals to pursue instead a comprehensive test ban treaty.

Reagan has no such excuse. His ousted arms control chief Eugene V. Rostow told Congress that he had run into a "profound stone wall" in trying to get the bureaucracy to move on the treaties. Some interpreted that to mean that there were those who didn't want any arms control pacts with the Soviets.

It's hard to see what all the fuss is about. The first of the treaties, the Threshold Test Ban Treaty, would ban underground weapons test explosions above a level of 150 kilotons of TNT. The second pact, the Peaceful Nuclear Explosions Treaty, would ban underground explosions for peaceful purposes, such as construction projects, above the same level.

The PNE provides for inspections at the explosion site by U.S. or Soviet officials, with proper notice.

Both countries have been observing the threshold limits since the treaties were signed. But exchanges of data and on-site inspections have not been available because the treaties have not been ratified.

As a result, some explosions conducted by the Soviets have created questions whether the thresholds have been exceeded. The United States has no one but itself to blame for this. While not the perfect treaties to stop nuclear testing and peaceful explosions, the pacts do at least allow the two superpowers to get a foot in the door toward a total ban.

Together with the ratified 1963 Limited Test Ban Treaty, which covers nuclear explosions in air, space and water, the two pacts would provide a good arms control foundation as work proceeds at the United Nations on a comprehensive test ban treaty.

The idea behind a ban on testing is that it injects an element of doubt into the effectiveness of using weapons. A new type of nuclear weapon that cannot be tested might not work. Therefore, it might not be used.

A threshold of 150 kilotons of TNT does not prevent the testing of some warheads on highly accurate nuclear missiles, because they can perform missions with low kilotonnage warheads.

But, notes Sen. Charles H. Percy (R-Ill.), chairman of the Foreign Relations Committee, the Soviets might want to develop a high-kilotonnage warhead to thwart the MX missile if deployed in a dense-pack mode. Or, he said, they might want a big warhead to counter a mobile U.S. intercontinental missile.

Percy pressed Reagan early in 1981 to submit the two test treaties for Senate approval to get arms reduction on a roll. After seeing the administration miss two deadlines to make a decision on the treaties, Percy threatened to hold up Adelman's confirmation hearings before his committee until action was taken.

Reagan suddenly decided to submit the treaties—but only after asking the Soviets to add some verification provisions. The most likely change, Percy told me, is to add an on-site inspection provision to the Threshold Test Ban Treaty.

The Soviets have not formally responded to the idea. But recently, they proposed adding on-site inspection to the draft of the Comprehensive Test Ban Treaty.

That's a hopeful sign about Soviet attitudes. But given Reagan's track record on these pacts, it is time on the U.S. side for deeds not words, as Reagan might say.

THE HOLOCAUST: HITLER'S CRIME AGAINST THE JEWS

Mr. PROXMIRE. Mr. President, the year 1983 presents a solemn reminder that a half-century has passed since Adolf Hitler became Chancellor of Germany. Although his rule lasted but 12 years, the repercussions which follow his relentlessness, his tyranny, and his inhumanity will be felt for generations to come. Amongst Hitler's many crimes, I will call our attention to what may be his most nefarious; his crime against the Jews.

The Nazis were racists and fierce anti-Semites. In their misbegotten desire to create a superior race, the Nazis sought to rid themselves of anyone who did not conform to their Aryan ideal. In their racist terminology, many nationalities were labeled as inferior to the German, but only Jews were considered "not at all human."

To resolve their Jewish problem, the Nazi leadership instigated the infamous "final solution," or what we would later refer to as the Holocaust. As a central act of the state, the Nazis carried out a systematic, bureaucratic extermination of 6 million Jews. To accomplish this, a number of extermination camps were established. I note here that extermination camps differ from concentration camps, although it is the latter to which people erroneously refer when speaking of the Holocaust. While concentration-camp slavery has existed in one form or another throughout history, the extermination camp was a unique, Nazi invention used exclusively for the murder of the Jews. Over 5 million Jews were gassed in these grisly extermination camps. One million more Jews perished either in mass killings, or from starvation in closed ghettos and concentration camps.

In sum, Hitler brought over 6 million people to their deaths for no other reason than they were Jews. His "final solution" was initiated for no military purpose and had no bearing on his war effort. His attack on the Jews can only be attributed to an insane scheme to create an all-Aryan race. The Holocaust must not, therefore, be viewed as a war crime, but as a genocidal act perpetrated against a group on the basis of their ethnicity and religion.

Mr. President, 5 years ago President Carter appointed a special Commission on the Holocaust. The Commission reported that "the Jews were Hitler's primary victims against whom the total fury of the Holocaust was unleashed." The Nazi genocide of the Jews was a systematic, calculated effort to exterminate an entire people.

Today I urge the Senate to learn from one of history's most appalling events. Let us work toward making such events avoidable in the future by giving our advice and consent to the Genocide Convention which provides that genocide be made an international crime against humanity.

SECOND ANNIVERSARY OF THE FIFTH REPUBLIC OF KOREA

Mr. PERCY. Mr. President, at the request of President Reagan, in 1981 I headed the U.S. delegation to the inauguration of President Chun Doo Hwan at the start of the Fifth Republic of Korea. President Chun assumed office during a time of continuing military threat from North Korea and of political and social turmoil in South Korea following the assassination of President Park Chung Hee. The inauguration represented an important turning point toward a new, brighter, and more hopeful future for the industrious Korean people.

Two years have passed and the Fifth Republic has emerged as a politically

stable government with a fast-growing economy. At present, the Republic of Korea has clearly achieved middle power status among the community of nations. For my own State of Illinois—the largest exporter of agricultural products among the 50 U.S. States—South Korea continues to be a major and stable market for Illinois corn and soybeans.

Progress also has been made in the restoration of political freedom as former opposition leader Kim Dae Jung and seven other persons who stood trial with him were released last December. The Kim case was a rallying point for critics of the Korean Government and his release had broad symbolic importance. Earlier in the year, 70 other prisoners in politically sensitive cases were freed.

Mr. President, on the second anniversary of the Fifth Republic of Korea, I would like to extend my congratulations to the Korean people led by President Chun Doo Hwan for the progress made in building their remarkable nation.

"DEZINFORMATSIYA"

Mr. MOYNIHAN. Mr. President, Americans regularly hear mention made of Soviet efforts to circulate "disinformation" in the West, or elsewhere in the world. But we are seldom given a very clear example of just what disinformation is, or how exactly the process of disseminating it works. I would like, if I may, to take a few minutes to bring to the attention of the Senate and the many readers of the CONGRESSIONAL RECORD a recent, vivid illustration of this Soviet practice.

I do not mean to suggest that Soviet disinformation is something new in the world; it has been with us since Lenin's time, and will likely outlive all of us here today.

The most authoritative Russian language dictionary, one prepared by the Soviet Academy of Sciences, defines disinformation, "dezinformatsiya" in their own language, thus: "a false, inaccurate announcement with the aim of confusing someone."

The technique is used variously to influence policies of foreign governments, disrupt relations among other nations, undermine the confidence of foreign populations in their leaders and institutions, discredit individuals and groups opposed to Soviet policies, deceive foreigners about Soviet intentions and conditions within the Soviet Union itself, and at times, simply to obscure the motives or authors of Soviet-sponsored activities around the world.

Sometimes disinformation is quite subtly done, so much so that we can never be certain with any degree of confidence that it is disinformation at all.

Recall that last autumn, before and after his selection as General Secretary of the Soviet Communist Party, American newspaper readers were treated to scores of favorable references to Yuri Andropov's liberal, even pro-American, inclinations. We learned that he is a connoisseur of American culture, a fan of our music and literature, that he likes to read Harold Robbins novels and listen to Glenn Miller records. The recurring theme in these stories was that Andropov is somehow more like us than is the average Russian Communist leader, that he can think as we do, that he speaks our language and likes to relax in much the same way many Americans do, with a racy paperback and a tumbler of Scotch.

Whether this was the result of an elaborate subrosa disinformation effort, designed to lend greater credence to Andropov's more recent "peace offensive" in the West, we simply do not know. There is some question, in fact, as to whether this alleged "Americanophile" had even spoken to an American in the decade preceding Leonid Brezhnev's death last November.

What we do know is that Andropov commanded the KGB for the 15 years in which it developed ever more sophisticated methods for suppressing political and cultural dissent—from the exiling to isolated Soviet towns of eminent, outspoken citizens, such as Andrei Sakharov, to more ruthless devices such as abuse of psychiatric science and medicine. We know also that Andropov was head of the Soviet delegation in Budapest at the time of the invasion of Hungary in 1956, and that he was centrally involved in the decisions to invade Afghanistan in 1979 and to close down Poland's free trade union, Solidarity, in 1981.

Yet, because of the careful circulation of what are, in fact, relatively insignificant bits of biographical data—data whose veracity has still not been verified today—for example, no American has ever heard him speak English—a good many people in the West were predisposed last fall to like this man Andropov. Somehow we had been led to think that he is sincerely desirous of friendly relations with America, and inclined to be accommodating toward the West, because he knows us and likes us. While we will not know with certainty for some time yet, the "somehow" may well have been a very finely tuned disinformation campaign to mislead the West with respect to Yuri Andropov's intentions.

Earlier this month, during a visit to India, a comparatively clumsy—though still effective—example of Soviet disinformation was brought to my attention.

On January 25 of this year, the daily newspaper, Patriot, an organ of the pro-Moscow Communist Party of India, or CPI, published a report that the Indian Government had obtained a copy of what was said to be an American plan to destroy India's influence in the Third World and elsewhere, and to encourage the disintegration of the state of India. Selected quotes from a paper by U.S. Permanent Representative to the United Nations, Mrs. Jeane J. Kirkpatrick, were included in this initial story. Others followed in the Patriot, on January 26 and 28.

Other papers in India soon picked up the story of Patriot's revelation. In Madras, the story was carried in News Today on January 27, accompanied by a photograph of part of a supposed Department of State cable transmitting the text of a speech by Ambassador Kirkpatrick on the subject to public affairs officers at embassies around the world.

The State Department cable that appeared in the photograph in News Today would appear to be the genuine thing to anyone familiar with State Department documents. It even included, at the start of supposed cable, the appropriate set of numerical codes and departmental acronyms.

At this point I submit for the RECORD the text of the State Department cable as it appears (incompletely) in a front page photograph in News Today, January 27, 1983 (Madras, India):

DEPARTMENT OF STATE TELEGRAM

Action: USICA Received: 0407362 Mar 82

Info: AMB, DCM, Chron P 0322542 Mar 82

From: USICA Wash DC to all principal posts Immediate, Limited Official use

For: PAOS, E.O. 126065: N/A

Subject: Statement of the U.S. Ambassador to the United Nations

1. Following is text of statement made by Jeane J. Kirkpatrick, U.S. Ambassador to the United Nations, at the annual conservative political action conference which was held 27 February 1982 in Washington.

2. Begin text of statement:

I appreciate the opportunity to discuss an issue which is of primary concern to this administration—our policy toward the countries of the Third World.

Analysis of present trends in the world situation, economic, political and military, indicates the growing significance of the raw materials and energy resources of the developing countries for the interests of the United States. A parallel interest in these resources is being evinced by other countries of the free world and of the communist bloc. The Third World itself is turning to policies of economic nationalism. As a result, we may confidently expect that the 1980s will bring confrontations and conflicts over access to the economic resources of the Third World.

In the forthcoming struggle, we must ensure for ourselves unassailable positions of strength in order to facilitate the establishment of a world environment in which we can successfully defend our values while actively resisting both the Soviets and other nations which wittingly or unwittingly oppose us in the thrust for influence in the Third World. We must take careful reckoning of a sinister aspect of the policies of

many developing nations—a wholesale revision of existing international economic relationships. In more specific terms, I refer to their efforts to achieve full state control of their natural resources, irrespective of the requirements of the world economy and in complete disregard for our own interests. Such a development could lead to a diversification of their economic ills and a restriction of the activity of American business in favor of the economic expansion of Western Europe, Japan and the Communist bloc. If that were allowed to happen, we might be unable to satisfy in full our requirements of strategic raw materials and of. . . . End text.

Mr. President, on February 6, the weekly magazine, Link, also affiliated with the Communist Party of India, published what it said was the full text of "the Kirkpatrick plan."

As Link put it editorially,

Mrs. Kirkpatrick not only authored the blueprint, "Balkanization of India," but also presented the broad outlines of her plan in Washington on February 27, 1982 before a group called the "Conservative Political Action Conference."

All of which would have been extraordinary news indeed, even a year late, save that no such Kirkpatrick plan exists, no such speech has ever been given. The entire story was disinformation of the boldest and cleverest kind because it contained many minor truths.

There is, for instance, an annual event called the Conservative Political Action Conference, put together each year by the American Conservative Union and the Young Americans for Freedom, both organizations that describe themselves as conservative in political orientation. The annual meeting of the group took place here just the week before last, and the President and members of his Cabinet spoke at various sessions of the conference.

Ambassador Kirkpatrick did in fact attend a conference dinner in Washington on the evening of February 26, 1982. She did not, however, attend any of its meeting on the 27th, the day she was alleged to have delivered her speech calling for the balkanization of India. She simply was not in attendance. She spent that day, a Saturday, at her home. And no one who spoke delivered a speech even remotely resembling the text published in India, on February 6, 1983, in Link.

On January 26, 1983, Mrs. Kirkpatrick said the following, in response to the stories circulating in India:

The charge that I authored a paper on Indian "Balkanization" is pure and malicious disinformation, a total fabrication. I have never written a paper on "Balkanization" of India or any even remotely related subject.

Yet many will be persuaded that she did. The mainstream Indian press has reported this matter in a straightforward manner, to the effect that the Patriot reported one thing and that Mrs. Kirkpatrick denies it. But what will stick in the minds of many casual readers of even these newspapers—Indians in this sense are no different from Americans—will be a vague recollection that something was reported about Americans' plans for the breakup of India.

Indeed, disinformation specialists sometimes do not mind being found out. They know the anti-American resentment aroused by such a charge will linger on even after the mendacity of the charge has been documented.

Disinformation of this sort is effective because the real authors have carefully and cleverly selected the language they use.

They know enough about the United States to use phrases and themes similar to those used by officials in the current administration. The forged Kirkpatrick speech talks of United States-Soviet competition for influence, and access to resources, in parts of the Third World, and the virtues of free enterprise and capitalism in a way that might seem to have been done by any of numerous ranking officials in the current American administration. Then the general discussion is extended to specifics that either have no basis in fact, or do not accurately reflect U.S. policy.

The authors of the Kirkpatrick plan also know enough about India, and other developing countries, to know just which charges will be most provocative. In her discussion of India, for instance, Mrs. Kirkpatrick is depicted as having said not only that—

The Gandhi regime pursues an anti-American policy on a number of issues—

But that—

Our relations with Pakistan have taken a particularly favorable turn. It is a country of strategic importance and is well placed to help our efforts to influence the policies of Iran, Afghanistan and India.

Nothing is more sure to arouse resentment in India than talk of an American attempt to influence India by cooperating with Pakistan.

Of course, the whole idea of an American plan for the "Balkanization" of India would have a particularly receptive audience in India just now given the communal troubles in Assam. This is an area of India left over from the British Raj, as you might say. The people there, while Hindu in religion, are ethnically more Burmese than otherwise, and have all the makings of a separatist movement such as the postcolonial world has seen in may parts of Asia and Africa.

Further to the pont of familiarity, I was particularly struck by the passage in the concluding paragraph which states:

This calls for the reorganization of the international communication agency and the peace corps with a view to increasing their effectiveness in propagating the American way of life throughout the world.

I served as Ambassador to India, just as the Peace Corps was phasing out. In the aftermath of widespread charges that the organization was in fact used for spying and the organization of communal unrest and the like. None of this was so. But it was widely believed to be so which of course has the consequences of a certain kind of reality. The author, who presumably works in an office building in Moscow, knows this. His ear for the English language is remarkable. I doubt anyone in the American State Department could do as good a job fabricating, for example, a Soviet plan to exploit antinuclear sentiment in Europe in order to break up NATO. On the other hand, he is not letter perfect. As many will recall, the term Peace Corps is capitalized.

The disinformation specialists have also chosen an opportune time to circulate such a text in India, knowing that the heads of state and government of the nonalined countries are now convening a summit conference in New Delhi. Accordingly, provocative assertions were included for every part of the developing world.

In the discussion of Latin America, the speech not only says that the United States is concerned about Cuban influence in Central America—true enough—but that a blockade of Cuba is in force—which of course is absolutely false.

There follows a statement implying that we would resort to military or paramilitary force to bring an end to inexcusable equivocations in Mexican foreign policy, a line obviously intended to be circulated in those parts of Mexico where nationalist resentment of the United States would be most receptive.

The discussion of American policy in Africa includes the equally provocative—and untrue—declaration that, in South Africa, "we have no quarrel with separate development as such."

The United States thus is portrayed as committed to the preservation of the abhorrent apartheid system that is, in fact, repugnant to virtually all Americans.

There are a few lapses in vocabulary. Phrases are used that few American officials, of any political persuasion, would likely ever use, such as correlation of forces. Overall, however, this is a very clever piece of work, and will inevitably persuade a certain number of persons in India, Central America, and elsewhere that the United States is indeed out to set nations against one another and establish political and military dominance over key strategic zones.

Now, Mr. President, I should say that I bring this matter to the attention of the Senate not because I am a special friend of this administration. Indeed, the distinguished journal congressional quarterly reported on January 15, 1983 that in the 97th Congress I was the Senator who voted against

the administration more often than any other, some 71 percent of the time. A member of the opposition I most certainly am. Yet there are matters of fundamental importance on which all Americans agree, that form the consensual basis upon which all other debates about particular aspects of public policy are conducted and decided. There are interests all Americans share, even as we may disagree about how best to pursue them.

One interest we all share is the integrity of the good name and reputation of the United States of America. The Kirkpatrick plan disinformation campaign I have discussed is a deliberate and provocative attempt by enemies of the United States to undermine that good name and reputation. It is an attempt to sow seeds of discord where none should exist, between the two largest democracies in the world, the United States and the Republic of India.

That attempt will be in vain as long as all concerned recognize these provocations for what they are, and—this may be equally important—acknowledge that this is neither an isolated nor even a rare event.

Mr. President, for the benefit of other Senators, I ask that at the conclusion of my remarks there appear in the RECORD the complete text of the article from Link to which I have referred, including the text of a speech alleged to have been delivered by Ambassador Kirkpatrick.

The material follows:

[From Link, Feb. 6, 1983]

OPERATION BALKANIZATION—AMERICAN DESIGNS ON INDIA

Patriot's revelation about the Master Plan of the CIA as spelt out by the US Ambassador to the United Nations, Mrs. Jean Kirkpatrick, has created indignation in the patriotic forces in the country. The American Centre in India issued a contradiction, quoting Mrs. Kirkpatrick, that this disclosure was nothing but "pure and malicious disinformation, a total fabrication". Patriot's Editor came out with a rejoinder and gave more facts to substantiate the existence of this document.

Since then a large number of readers of Patriot and Link have been urging us that the full-text of this document should be published. We are therefore publishing the full text of this document along with the photostat copy of the covering letter.

A careful study of the document makes it clear that the "Operation Balkanisation of India" has been conceived as a part of Washington's new geo-political strategy for the developing countries to achieve the objective of establishing its "political and military dominance over key strategic zones" because these countries are "striving for full control of their natural resources" and because a "drastic radicalisation of the non-aligned movement" is taking place. Apart from this aspect, Washington wants to have "a permanent American military presence in such areas". It also is seeking to establish a "dominant influence in the regions of the Third World where there are governments which pursue an open or concealed anti-American policy". In this connection countries like "Cuba, Nicaragua, Vietnam, Iran, Libya, South Yemen, Ethiopia, Angola, Mozambique as well as Algeria and India" are the special target of attack of the new American policy. It is in this context that India figures prominently in this document.

The document specifically mentions that "the Gandhi regime pursues an anti-American policy on a number of issues" and pointedly mentions that India's "weakness lies in its many unresolved domestic and international problems" and that "there is a noticeable growth of separatist movements, to the extent that there is a possibility of balkanisation of India, which would destroy its influence in the Third World and elsewhere". But it does not leave at that. It in unmistakable terms says that "even if India does not succumb to balkanisation, the non-Communist opposition to Indira Gandhi might consolidate its ranks and create an increasing possibility for the emergence of a realistic alternative government".

The word "realistic" conceals more than what it reveals because the document itself mentions that "the United States could watch the erosion of the Nehru-Gandhi tradition, almost irrespective of the form it takes with some complacency".

The document admits that "several government agencies, working in close cooperation with the State Department . . . contribute to the effective implementation of our strategy and policy in the Third World". And it is in this context that the role of the CIA has been highlighted and justifies "upgrading of the CIA" and "wider powers" granted to it.

Mrs. Kirkpatrick not only authored the blueprint, "Balkanisation of India", but also presented the broad outlines of her plan in Washington on February 27, 1982 before a group called the "Conservative Political Action Conference".

It is for the patriotic forces of India to analyse the real significance of this American Plan, fully comprehend what Washington has in mind for our great nation and draw appropriate lessons.

—THE EDITOR.

FULL TEXT OF THE KIRKPATRICK PLAN

I appreciate the opportunity to discuss an issue which is of primary concern to this administration—our policy toward the countries of the Third World.

Analysis of present trends in the world situation, economic, political and military, indicates the growing significance of the raw materials and energy resources of the developing countries for the interests of the United States. A parallel interest in these resources is being evinced by other countries of the free world and of the Communist Bloc. The Third World itself is turning to policies of economic nationalism. As a result, we may confidently expect that the 1980s will bring confrontations and conflicts over access to the economic resources of the Third World.

In the forthcoming struggle, we must ensure for ourselves unassailable positions of strength in order to facilitate the establishment of a world environment in which we can successfully defend out values while actively resisting both the Soviets and other nations which wittingly or unwittingly oppose us in the thrust for influence in the Third World.

We must take careful reckoning of a sinister aspect of the policies of many developing nations—a wholesale revision of existing international economic relationships. In more specific terms, I refer to their efforts to achieve full State control of their natural resources, irrespective of the requirements of the world economy and in complete disregard for our own interests. Such a development could lead to a diversification of their economic ties and a restriction of the activity of American business in favour of the economic expansion of Western Europe, Japan and the Communist Bloc. If that were allowed to happen, we might be unable to satisfy in full our requirements of strategic raw materials and of others essential to the prosperity and welfare of our people. I am prepared to argue with anyone on earth that world growth is inconceivable without a rich and stable United States. Any arbitrary curtailment of American business enterprise is wholly unacceptable in the interests of ourselves and of others.

It is now abundantly clear that the policy of detente, supported by previous administrations, has played into the hands of the Soviet Union and other Communist Bloc countries. In many developing countries, detente has promoted an increase in anti-American and nationalist tendencies and prompted them to open confrontation with nations wedded to the free market. They have used their raw materials as instruments of pressure and have demanded with growing stridency a remodelling of the entire system of world trade relations. Detente has also triggered interest in economic cartels and new political grouping which damage the free world far more seriously than the totalitarian systems. The Third World has been siding with the Communist Bloc in the United Nations, turning the organisation into a forum for anti-American propaganda leading to resolutions damaging to American interests. This tendency has been increasing with every passing year. It harms the image of the United States in the Third World and has found reflection, among other things, in drastic radicalization of the non-aligned movement. We must counter this development by rejecting detente in favour of tougher diplomatic action, economic measures and an increased American presence in the Third World.

In emphasising this call for more vigorous policies, I am not suggesting that the picture is wholly black. The Third World is not a cohesive international structure or a single entity. It is divided in several ways by such factors as different levels of development, disparities of wealth, ideological cleavages and even personal rivalries. These offer us promising opportunities for a new hard look at our foreign policy with a view to separating the sheep from the goats and taking tougher and firmer unilateral decisions appropriate to each category. While holding to our own principles for ourselves, it would be absurd to apply them too rigorously to most of the Third World countries whose people have no experience of their practical application and little conception of their meaning.

In the struggle for the Third World, the United States must be capable of decisive action in many areas to which I now propose to draw your attention.

We must do everything to limit Soviet influence in the Third World.

We must establish political and military dominance over key strategic zones, the Caribbean, the Mediterranean, South Africa, the Pacific and the Indian Oceans including the Persian Gulf and the Red Sea, and over regions producing essential raw materials. A multiplicity of ends must be used for this purpose, including special operations to seize the sources of essential raw materials in the event of internal or external pres-

sures threatening suspension of their production or delivery. A corollary of this is a permanent American military presence in such areas.

We must also seek a dominant influence in regions of the Third World where there are governments which pursue an open or concealed anti-American policy. To indicate the vast scope of this problem, I may give as example Cuba, Nicaragua, Vietnam, Iran, Libya, South Yemen, Ethiopia, Angola, Mozambique, as well as Algeria, India and Madagascar. These are nations to be isolated, restrained or set against one another. While we should not flinch from the threat or even the use of force in extreme cases, a necessary first step is the fostering of divisions in the Third World and the prevention of a united front of developing countries hostile to the interests of the United States. To this end, a method which should be used more consistently than in the past is the enlistment of help from friendly countries which play roles of major local influence, such as Egypt, South Africa, Zaire, Morocco, Kenya, Saudi Arabia, Pakistan and the ASEAN nations. In parallel, we must oppose any uncoordinated moves by our allies in respect to the producers of raw materials if these moves undermine our positions. I do not have to tell you that our allies need us more than we need them.

Social development in the countries of the Third World must be protected from the currupting influence of Marxist ideology and other political or religious doctrines detrimental to the ideals of the free world. It should be impressed on the most developed and influential groups in these countries, as well as on the world public, that all trends in the development of society in the Third World which reject our historical, political and economic experience, are clearly linked with organized international terrorism and, more specifically, with the growing threat of Soviet domination.

We must ensure a reliable supply of oil and other raw materials and the uninterrupted export of our own goods. These relations cannot be based on the previously proclaimed principle of mutual dependence because this principle, or rather catchword, distorts the real correlation of forces and exaggerates the importance of the countries of the Third World prompting them to make foolishly unrealistic demands which neither the United States nor any other industrial nation can meet. We must actively oppose all demands for the establishment of a new international economic order, which would be fraught with detrimental consequences for the United States and would certainly backfire on those most vocal in pushing the idea.

We must also counter, both in the UN and within the framework of the North-South dialogue, any discussion of global problems which questions the validity of the free market and of free enterprise in countries of the Third World. The scope of private national and multinational corporations should be extended by lifting unreasonable restrictions of their activity imposed by many governments of developing countries. Such countries should rely on free enterprise and recognise that their governments bear a great share of responsibility for their own backwardness. This is the result of the incompetence of their leaders to exploit their own resources or make rational use of American aid. There is now overwhelming evidence that much of foreign aid is wasted on the payrolls of inflated bureaucracies and perhaps even more on the personal enrichment of those in power.

We must ensure, in providing economic and financial assistance to the Third World, that it is not used to bolster systems or regimes inimical to the United States. Aid should be confined to reliable allies and friendly nations, even if their domstic policies may cause us qualms, or to countries of wavering loyalties when there is solid ground for believing that they would respond positively to American assistance.

There is strong case for reducing the total volume of foreign aid provided through U.S. government channels and through international organizations and foundations, to eliminate the wanton waste of resources which we have seen in the past. We must weigh once again the expedience of financing at the present level the development banks for Latin America, Asia and Africa as well as the international food aid programmes for the developing countries. Food should be used more actively as an effective instrument of our foreign policy. We should also refuse, except in overriding political or military emergencies, to subsidise the public sectors of developing nations—a prime cause of the wanton waste of resources to which I have just referred. The reduction of our aid through government channels will not be popular in much of the Third World. But adversely affected regimes should seek compensation by encouraging a greater influx of private capital into their economies which would benefit them more in the long run. Meanwhile American businessmen would contribute more actively to the implementation of U.S. foreign policy while making substantial profits as a solid contribution to the U.S. balance of payments. This administration is prepared to make vigorous efforts to support a major export drive in Third World markets hitherto.

I have spoken mainly of economic matters. I now turn to military aid. It is the administration's view that more, not less, emphasis should be laid on military assistance—and not merely assistance limited to the supply of equipment. It should harness the recipients more firmly to the strategic plans of the United States by means of standardized equipment and training, and by defense agreements and joint maneuvers to demonstrate our military capability and global reach. Existing limitations on arms deliveries to the Third World should be lifted. Careful control must be enforced to ensure that these arms do not fall into the hands of the Communist Bloc or of such terrorist organizations as the Farabundo Marti Front in El Salvador, the ANC in South Africa or SWAPO in Namibia. Countries shown to have transferred American arms without due authorization must be severely sanctioned. The sale of arms must be a major component of our foreign policy strategy. Its importance will steadily increase together with the role of special operations and the procurement of intelligence. We should also bear in mind that both Moscow and our Western allies are competing for the arms markets of the Third World, and excessive restrictions should not inhibit the aggressive salesmanship of American companies. The natural scruples of a free society should be tempered by the recognition that we live in the world as it is, not in one we would like it to be.

That concludes my statement of general considerations. I will now deal with regional issues, beginning with our nearest neighbours in Latin America.

This region has always been of extreme importance to the security of the United States, a truth enshrined long ago in the Monroe Doctrine. It is of vital necessity to retain our traditional influence there so as to ensure our access to its raw materials and their free and undisturbed transport to the United States.

The main problem for the United States in this region today is to reinforce, the commitment of OAS members states to the Rio treaty and to broaden its practical application so that any violation of stability in Central or South America would provide sufficient grounds for the automatic implementation of the mechanism calling for mutual assistance.

The activities of the Castro regime in Cuba have aroused serious concern for the stability of the continent. We cannot tolerate the continuation of activities which could lead to the emergence of other hostile regimes in close proximity to the borders of the United States. A blockade of Cuba is in force, and we are actively pursuing a policy of restricting her influence on neighboring countries. Several options are under consideration for tightening the diplomatic, economic, psychological and military pressures on the Cuban regime. In addition, there is a special plan, conceived within the framework of controlling terrorism, which will show our resolve to use all available means to counter any interference in the region.

We are following closely the alarming events in El Salvador which have developed as a result of the terrorist activity of rebel elements stimulated and fostered from outside the country. To help stabilize the situation we are stepping up all round assistance to the lawful government. Steps are also being taken to prompt other countries in the region to share responsibility for the future of El Salvador. We have in preparation resolute measures in respect of Nicaragua where a clearly pro-Cuban regime is being established which could spread its influence to El Salvador and beyond. We shall continue to exert political, economic and, if necessary, other forms of influence on the Mexican government in order to inject some measure of consistency into its foreign policy. It is a leading power in the area and its frequent and inexcusable equivocations in the past have positively encouraged unfavourable developments.

The Pentagon is grappling with the task of ensuring strategic coordination between our Pacific and Atlantic fleets. The significance of the Panama Canal is thereby enhanced and it is imperative for us to guarantee the United States unimpeded use of the waterway. Our strategic interests also call for a permanent U.S. military presence in the Panama Canal Zone, Guantanamo and other strategic locations in the Caribbean. In this connection, we have a special interest in enlisting the help of our friends in the Third World to block the adoption by the UN, the nonaligned movement and other international organizations of any resolutions on Central America which could embarrass the United States. Acting on the advice of the Secretary of State who is personally following developments in the Caribbean Basin, President Reagan has set up an inner operations group, consisting of senior State Department and Pentagon officals and fully empowered to take urgent action in the event of deterioration of the situation.

We attach great significance to our ongoing efforts to create a South Atlantic Treaty Organisation to match the NATO system in the north. If we succeed in our enterprise, we would expect the formation of such an

alliance to play a major part in strengthening our positions in Latin America and Southern Africa. The main difficulties to be overcome arise from the uncertain attitudes of Brazil and Argentina toward the issues, the product of the traditional rivalry between the two countries. As for the government in Pretoria, it has expressed its unhesitating approval for the project.

And now for one of the thorniest of the world's problems—the situation in the Middle East and the Indian Ocean. Here we have an extremely sensitive and unstable zone, a stage of fierce rivalry for political and military influence and guaranteed access to essential raw materials; major lines of naval communication pass through this area as well as the oil routes via the Mediterranean and round the Cape. It is also the home of fanatically pursued rivalries of almost inconceivable variety and complexity offering ideal opportunities for the fomenting of mischief.

American policy in this vortex is based on a balanced strategy proceeding from the fact that the process of establishing peace and the process of cooperation in the sphere of security supplement each other. That is why we attach such great importance to the maximum possible a build-up of our military presence in the region and to military agreements with friendly regimes. To this end, we envisage the strengthening of the political and military positions of Israel, which is our closest ally and a catalyst for dissent within the regimes hostile to Jerusalem. This dictates the maintenance of Israel's permanent military superiority over its local enemies. We continue to support the view that the participation of the PLO in any Middle Eastern settlement can be possible only if it reverses its policies, abandons its terrorist tactics and unequivocally acknowledges Israel's right to existence within secure and recognized borders. At the same time, we should not lose sight of the opportunity to strengthen and develop our relations with nations which, like Egypt, are prepared to help us resolve existing and potential conflicts in a manner we are able to accept. In this connection we attach special significance to our relations with Saudi Arabia, Oman and the smaller States of the Gulf and the Red Sea. We believe that they fear the spread of Soviet influence, the religious fanaticism of Iran and the erratic and mischievous policies of the Libyan leader, and that they are therefore ready for closer military cooperation with the United States. We are pursuing similar aims in Jordan and have not yet given up all hope of Iraq.

Our long-term strategy envisages the reorientation of a majority of the Arab countries toward greater reliance on the United States in the face of threatened Communist expansion in the Gulf. Our current policy should be directed toward the creation of conditions which would prompt Arab nations to seek our support as the most reliable guarantee of the stability of existing regimes. We intend to step up our role of mediator in Lebanon to increase American influence there and reduce that of Moscow's Arab allies. At the same time, we will toughen our policy of containment with respect to such Communist Bloc allies as Syria, Libya and South Yemen by means of diplomatic, economic and military pressures.

The State department and the Pentagon are cooperating closely, under presidential directive, to neutralize the efforts of certain Asian and African governments to achieve the demilitarization of the Indian Ocean. This would restrict our military presence not only in the open ocean but in the Red Sea, the Persian Gulf and a number of African countries as well. It would create serious difficulties for our rapid deployment force, the essence of which is to take immediate action in the event of an oil embargo, rebellions or revolutions in the oil producing nations, or an outbreak of local conflicts between them which could affect oil deliveries to the United States and its allies. For these decisive reasons, the demilitarization of the Indian Ocean is out of the question. On the contrary, we must strengthen our forces in the area.

At this point, I would like to emphasise that the administration rejects suggestions that have been made to limit our military presence in the Indian Ocean to a mere token force. A token force might invite the very aggression it was designed to deter, and then be unable to repel it. No, our military presence in the Indian Ocean must not only be substantial in itself, but capable of rapid reinforcement. We are not playing war games in this vital area.

Now, the conflict between Iran and Iraq is a special case, we have been careful not to intervene directly in the war since it serves to weaken the regimes of Tehran and Baghdad, both hostile to the United States, and helps our efforts to activise friendly democratic forces which might emerge after prolonged blood-letting. Yet the administration is aware that the defeat of the Hussein regime could have a negative impact on the United States, so we have not opposed the grant of aid to Iraq from Saudi Arabia, Kuwait, Qatar and Jordan. As for Iran, we are following developments closely since the further spread of Shiite terrorism and subversion would be a recipe for chaos which would endanger the political economic and military interests of the United States throughout the region. I should mention here that we must also keep an eye on the attempts of some of our European allies, France, for instance, to exploit Middle Eastern tensions to promote their selfish national interests. This could strengthen the oil-producing countries and reduce the leading role of Israel. It could seriously undermine our strategy throughout the Middle East. The Afghan crisis and Moscow's military intervention led us to launch major diplomatic and propaganda campaign in the Third World to aggravate relations between the Soviets and the Islamic nations. These campaigns had a powerful impact on such countries as Iran, Pakistan, Saudi Arabia and Guinea, to mention but a few. This could become a major factor in muting anti-American trends in the Moslem world, as was shown dramatically at the Islamic conference of January and May, 1981. Our relations with Pakistan have taken a particularly favourable turn. It is a country of strategic importance and is well placed to help our efforts to influence the policies of Iran, Afghanistan and India.

Unfortunately, for reasons too complex to discuss in detail here, the United States has generally failed to come to satisfactory terms with India since independence. The Gandhi regime pursues an anti-American policy on a number of issues, the most obvious being Afghanistan and South-East Asia, but India is not the giant it claims to be, in fact, it more aptly suggests the Chinese epithet, a paper tiger. Its weakness lies in its many unresolved domestic and international problems; apart from endemic poverty, there is a noticeable growth of separatist movements, to the extent that there is a real possibility of the balkanization of India which would destroy its influence in the Third World and elsewhere. Such a development, while raising a host of new problems, would undoubtedly seriously damage the interests of the Soviet Union, a traditional friend of neutralist India. But even if India does not succumb to balkanization the non-Communist opposition to Indira Gandhi might consolidate its ranks and create an increasing possibility for the emergence of a realistic alternative government. The United States, could watch the erosion of the Nehru-Gandhi tradition, almost irrespective of the form it takes, with some complacency.

From India I shall now move to East Asia and the Pacific. The region is of continuing importance for our interests and calls for a restoration of the former American leadership which was cast in doubt by the failure of previous administrations in Vietnam. The main problem is to create a barrier to the spread of Soviet influence, backed by the present regimes of Vietnam, Kampuchea and, to a lesser extent, Laos, such a barrier could be formed by the creation of a grouping of nations to include Japan, South Korea and the ASEAN countries, a grouping which could expect toleration, if not active support, from China. We hope to link this grouping to our strategy through economic and military agreements to ensure American support and participation in the event of aggression. The administration also considers it desirable to consolidate cooperative relations between South Korea and Taiwan through the friendly brokerage of the United States, although it recognizes the difficulty of realizing this aim without damage to our relations with China. This requires a careful balancing act. One of the main objects of such measures would be to undermine the efforts of Vietnam to create a federation of Indo-chinese nations under its own domination.

These arrangements should enable us to strengthen the American military presence in the region and to extend the presently inadequate chain of bases. This could be achieved by reactivating the abandoned military bases in Thailand, by winning access for the US navy, to the ports of Indonesia, Malaysia, Singapore and Sri Lanka, and by building new military installations in Japan, South Korea, the Philippines and Australia. We will also have to tackle the serious problem of increasing Japan's military contribution to the security of the Pacific in the face of significant opposition within Japan and of the concern which such an increase would arouse in countries formerly under Japanese occupation. Another important task is to create a favourable political climate for the more active participation of the ASEAN countries in matters of defence. We will have to exert considerable effort, including economic pressure, to persuade them to reject the concept of a South East Asian zone of peace which is being exploited by Vietnam to improve relations with ASEAN.

We also intend to intensify our efforts to discover the issues on which our views coincide with those of the Chinese leadership. It is clear that China's interest in strengthening its military capability is a base for closer cooperation with Peking. At the same time, we are aware of the need to check China's traditional drive for expansion at the expense of its southern neighbours. There have been occasions in the past when this drive was raised to the level of national policy by the Chinese Communists. We will always be prepared to safeguard our inter-

ests and those of our allies, if they are endangered by Communist China. Our relations with Peking Marxists will continue to incorporate flexibility and tactfulness in order that Taiwan remain a political and economic entity in the region. Pressure on the Marxists of Indo-China is one thing scaring ASEAN out of wits is quite another.

I must now complete this survey of American involvement in the Third World by some remarks on Africa, which has recently become yet another arena of bitter struggle against Communism for influence and access to raw materials. It is a struggle which the United States cannot afford to lose. We must be guided by hard facts, not by abstractions, by sentiment. The main goal of this administration in Africa, I do not hesitate to say, is to ensure the stability of the South African regime and to terminate its present unnatural isolation. Yet the United States must also retain, and when possible improve, its relations with the countries of black Africa. These objectives are difficult to reconcile with one another. But there is some promise in sustained attempts to associate important nations such as Nigeria and Zaire, together with the front-line States, with peaceful reforms to solve the problems of separate development in South Africa. We have no quarrel with separate development as such, only with the apparent unfairness of its present application. We are prepared to help Pretoria in mitigating that unfairness. As President Reagan not long ago reminded us, the South African whites stood beside us through two world wars and deserve better from us than a perpetual cold shoulder. We must firmly reject the application of sanctions against South Africa. Its economy is far too closely-intertwined with that of the United States and its allies to permit such irresponsible action. Nor should we try to restrain its efforts to build up a strong defence capability, since we want the South Africans to participate in SATO and play a leading role in the defence of the oil routes round the Cape. These considerations transcend by far the limits of Africa and must be cornerstone of our policy in the continent.

Our trade with black Africa is important and must be promoted with energy, but not at the cost of weakening the economy or defense potential of South Africa. The stand of black African countries on other international issues must also be given due weight. Of most immediate interest is their attitude to our determination to exclude the Marxist SWAPO from any say in the future of Namibia. We will also be swayed by the extent to which they have supported or resisted the policies of the Soviet Union and its surrogates. The administration is taking steps, including the reinforcement of US influence in their neighborhood, to curb African countries which pursue extremist policies and encourage terrorism. In this connection I may mention Ethopia, Angola, Mozambique, Algeria and Benin, among others. President Reagan has personally ordered effective measures to undermine the dictatorial Libyan regime and to discredit the Cuban presence in Africa, I need hardly tell you that the presence of Cuban troops in Angola and Ethopia has a serious obstacle to the restoration of a moderating western influence in countries which have experienced radical, social and political upheavals, with generally disastrous results. We must spare no effort to remove the Cuban factor from the African continent even if it means enlisting the resources of Pretoria.

We attach particular significance to those parts of East Africa which border directly on the Middle East. Our policy there is to encourage military cooperation with Somalia, Sudan and Kenya. This should include a stronger military presence and an unimpeded right to the use of air and sea bases. More active encouragement in the form of material aid should be extended to the separatist movements of Ethiopia in Eritrea, Tigre and Ogaden. The governments of Saudi Arabia, Sudan and Somalia are already pressing us in that direction. Elsewhere in Africa, our traditionally friendly relations with nations such as Zaire, Morocco and Tunisia should be developed in the shape of stronger political, economic and military cooperation, while the strategic importance of the African island States, Madagascar, the Scychelles and Mauritius, is moderate Government in the islands.

You are all well aware that the activities of the OAU are sometimes detrimental to U.S. interests. We propose to strengthen the moderate forces within the organisation, those which are prepared to compromise on major African and other international problems. The possibilities of the OAU have been generally neglected by previous administrations. We intend to remedy that error of omission, and I hope confidently that we shall soon see progress in consonance with our long-term interests.

In conclusion, I will touch on certain special supporting measures to secure our vital interests the world over and to restore our somewhat diminished prestige.

As a result of the weakness of the Carter administration, we did not support the Shah of Iran, although we should have done everything in our power to do so. Now we are paying the price. If we had not abandoned Somoza, Cuba would not have penetrated Nicaragua. There are other examples to demonstrate what seems to have been a sort of paralysis of the American will; with the advent of the new administration our mental attitudes must be completely changed. The use of force has always been part of the historical process and, apart from nuclear war, we need not fear it. American interests can be defended only by decisive action. If we are convinced that the measures we take are to our advantage, then we must persist to the end, without heeding the objections of our European allies, still less of the Third World.

Several government agencies, working in close cooperation with the State Department under the direction of the President, contribute to the effective implementation of our strategy and policy in the Third World.

Thus, the CIA has been granted wider powers. Upgrading of the CIA is fully justified by the current international situation which reflects a menacing confrontation with the Communist bloc. Wholesale criticism of the agency encouraged by the former administration was unfair.

Ill-considered and contrary to the national interest, the President deems it necessary to restore confidence in the intelligence community. He recommends a daring and active approach to the procurement of intelligence and the mounting of special operations, especially in the Third World.

Great importance is attached to vigorous propaganda in support of our Third World policy, we must counter the unrelenting onslaught of Communist propaganda which seeks to inflame public opinion in the poorer countries and incite them to hatred of the United States and the West in general. This calls for the reorganisation of the international communication agency and the peace corps with a view to increasing their effectiveness in propagating the American way of life throughout the world. The outcome of the battle for the minds of the present and potential leaders of developing countries is of major importance for the success of our policies. The nations of the Third World must be made to see the United States as the guarantor of their security in the face of Communist expansion as the only friend who can give them effective aid and support.

MESSAGES FROM THE HOUSE

At 10:54 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 15. Joint resolution designating the month of March 1983, as "National Eye Donor Month";

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; and

S.J. Res. 37. Joint resolution providing that the week containing March 8, 1983, shall be designated as "Women's History Week."

The message also announced that pursuant to the provisions of section 3(a), Public Law 86-380, the Speaker appoints as members of the Advisory Commission on Intergovernmental Relations the following Members on the part of the House: Mr. FRANK, Mr. WEISS, and Mr. WALKER.

At 11:53 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1718. An act making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 1718. An act making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and

documents, which were referred as indicated:

EC-391. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community and neighborhood development, and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-392. A communication from the Secretary of Transportation, transmitting, pursuant to law, a final rule that establishes criteria that States must meet in order to receive basic and supplemental alcohol traffic safety program incentive grants; to the Committee on Commerce, Science, and Transportation.

EC-393. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal years 1984 and 1985, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-394. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-395. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Overweight Vehicles—Penalties and Permits, An Inventory of State Practices"; to the Committee on Commerce, Science, and Transportation.

EC-396. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Bureau of Economic Analysis Should Lead Efforts To Improve GNP Estimates", to the Committee on Commerce, Science, and Transportation.

EC-397. A communication from the President of the National Railroad Passenger Corporation, transmitting, pursuant to law, an annual review of its basic rail passenger route system; to the Committee on Commerce, Science, and Transportation.

EC-398. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the authorization for appropriations under the Atlantic Tuna Convention Act; to the Committee on Commerce, Science, and Transportation.

EC-399. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend Section 204 of the Marine Protection, Research and Sanctuaries Act of 1972, as amended, to authorize appropriations to carry out the provisions of title II of such act for fiscal years 1983, 1984, and 1985; to the Committee on Commerce, Science, and Transportation.

EC-400. A communication from the Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, applications by Chevron U.S.A., Inc., and Transco Exploration Co., for refunds of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-401. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, a notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-402. A communication from the Chairman of the Pennsylvania Avenue Development Corporation, transmitting a draft of proposed legislation to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Energy and Natural Resources.

EC-403. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

EC-404. A communication from the Secretary of Labor, transmitting, pursuant to law, a report regarding the amount of funds expended during the second, third, and fourth quarters of fiscal year 1982 for trade adjustment assistance training and anticipated demands for fiscal year 1983; to the Committee on Finance.

EC-405. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to remove the limitation on the amounts in the Department of the Treasury Working Capital Fund; to the Committee on Finance.

EC-406. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, two reports on UNESCO; to the Committee on Foreign Relations.

EC-407. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report containing the status of each loan and each contract of guaranty or insurance to which there remains outstanding any unpaid obligation or potential liability and the status of each extension of credit for the procurement of defense articles or defense services; to the Committee on Foreign Relations.

EC-408. A communication from the Director of the Peace Corps, transmitting a draft of proposed legislation to amend the Peace Corps Act; to the Committee on Foreign Relations.

EC-409. A communication from the President of the Inter-American Foundation, transmitting a draft of proposed legislation to authorize fiscal year 1984 appropriations for the Inter-American Foundation; to the Committee on Foreign Relations.

EC-410. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to February 9, 1983; to the Committee on Foreign Relations.

EC-411. A communication from the Acting Inspector General of the Department of Labor, transmitting, pursuant to law, a report on a computer match of beneficiaries of State unemployment insurance and various Federal agency payroll records; to the Committee on Governmental Affairs.

EC-412. A communication from the Chairman of the District of Columbia Council, transmitting, pursuant to law, a copy of D.C. Initiative Measure No. 10; to the Committee on Governmental Affairs.

EC-413. A communication from the District of Columbia Auditor transmitting, pursuant to law, reports of the D.C. Boxing and Wrestling Commission for 1982 and of the Advisory Neighborhood Commission for 1982; to the Committee on Governmental Affairs.

EC-414. A communication from the Special Counsel of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report of the Secretary of the Interior relative to findings of his investigation into allegations of violation of law, mismanagement, and gross waste of funds in the sale of two parcels of land in Anchorage, Alaska, received from a Federal employee; to the Committee on Governmental Affairs.

EC-415. A communication from the Director of the Office of Management and Budget, transmitting a draft of proposed legislation entitled the "Uniform Relocation Act Amendments of 1983"; to the Committee on Governmental Affairs.

EC-416. A communication from the Acting Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, indication of a further delay in the submission of proposed legislation relative to the enlargement of the Tribe's reservation; to the Select Committee on Indian Affairs.

EC-417. A communication from the Acting Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, a report on the further delay of the submission of proposed legislation for the enlargement of the Paiute Tribe's reservation; to the Select Committee on Indian Affairs.

EC-418. A communication from the Commissioner of the Immigration and Naturalization Service, transmitting, pursuant to law, a report on orders suspending deportation of certain aliens pursuant to section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-419. A communication from the Chief Judge of the U.S. Court of Appeals, D.C. Circuit, transmitting, pursuant to law, a rule relative to bankruptcy promulgated by the U.S. District Court for the District of Columbia; to the Committee on the Judiciary.

EC-420. A communication from the Assistant Attorney General of the U.S. for Legislative Affairs, transmitting a draft of proposed legislation to authorize Government appeals of post-conviction orders for a new trial; to the Committee on the Judiciary.

EC-421. A communication from the Staff Secretary of the National Security Council, transmitting, pursuant to law, Freedom of Information annual report for 1982; to the Committee on the Judiciary.

EC-422. A communication from the Acting Deputy Director for Current Information of the Office of Information of the Department of Agriculture, transmitting, pursuant to law, the Department's 1982 annual report under the Freedom of Information Act; to the Committee on the Judiciary.

EC-423. A communication from the Federal Inspector of the Alaska Natural Gas Transportation System, transmitting, pursuant to law, the annual report under the Freedom of Information Act; to the Committee on the Judiciary.

EC-424. A communication from the Executive Secretary of the National Mediation Board, transmitting, pursuant to law, the 1982 annual report under the Freedom of Information Act; to the Committee on the Judiciary.

EC-425. A communication from the Railroad Retirement Board, transmitting, pursuant to law, its 1982 annual report under

the Freedom of Information Act; to the Committee on the Judiciary.

EC-426. A communication from the Assistant Secretary of Defense for Public Affairs, transmitting, pursuant to law, the 1982 annual report of the Department under the Freedom of Information Act; to the Committee on the Judiciary.

EC-427. A communication from the Chairman of the National Diabetes Advisory Board, transmitting, pursuant to law, its recommendation that it is inadvisable to create new institutes within NIH before completion of a review by HHS; to the Committee on Labor and Human Resources.

EC-428. A communication from the Secretary of Education, trnasmitting a draft of proposed legislation entitled the "Science and Mathematics Teacher Development Act of 1983"; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of March 3, 1983, the following reports of committees were submitted on March 4, 1983, during the adjournment of the Senate:

By Mr. DOLE, from the Committee on Finance, without amendment:

S. 690. An original bill to amend the Internal Revenue Code of 1954 with respect to diversions of farmland under programs operated by the Department of Agriculture.

By Mr. DOLE, from the Committee on Finance, without amendment:

S. Res. 82. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 690; referred to the Committee on the Budget.

AGRICULTURAL LAND DIVERSION TAX TREATMENT ACT OF 1983

● Mr. DOLE. Mr. President, on March 2, 1983, the Committee on Finance approved a bill containing a consensus package of tax amendments that will resolve the tax problems arising under the administration's payment-in-kind land diversion and conservation program.

Mr. President, I ask to have printed in the RECORD the text of the committee's bill and a technical explanation of the provisions of the committee bill.

The material follows:

S. 690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Land Diversion Tax Treatment Act of 1983".

SEC. 2. TAX TREATMENT UNDER AGRICULTURAL DIVERSION PROGRAMS.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1954 (relating to provisions affecting more than one subtitle) is amended by adding at the end thereof the following new section:

"SEC. 7872. SPECIAL PROVISIONS RELATING TO AGRICULTURAL DIVERSION PROGRAMS.

"(a) COMMODITIES UNDER PAYMENT-IN-KIND PROGRAM TREATED AS GROWN BY PARTICIPANT.—

"(1) IN GENERAL.—For purposes of this title—

"(A) in the case of a commodity received under a payment-in-kind program—

"(i) a qualified taxpayer shall not be treated as having realized income when such taxpayer receives such commodity under a payment-in-kind program, and

"(ii) the unadjusted basis of such commodity in the hands of such taxpayer shall be zero, and

"(B) any commodity received under a payment-in-kind program shall be treated as if it were produced by the qualified taxpayer.

"(2) AMOUNTS RECEIVED BY THE TAXPAYER AS REIMBURSEMENT FOR STORAGE.—A qualified taxpayer reporting on the cash receipts and disbursements method of accounting shall not be treated as being entitled to receive any amount as reimbursement for storage of commodities received under a payment-in-kind program until such amount is actually received by the taxpayer.

"(3) COMMODITY CREDIT LOANS TREATED SEPARATELY.—Paragraph (1)(A) shall apply to the receipt of any commodity under a payment-in-kind program separately from, and without taking into account, any related transaction or series of transactions involving the satisfaction of loans from the Commodity Credit Corporation.

"(4) RECEIPT INCLUDES RIGHT TO RECEIVE, ETC.—For purposes of this subsection, a right to receive (or other constructive receipt of) a commodity shall be treated the same as actual receipt of such commodity.

"(b) LAND DIVERTED UNDER QUALIFIED DIVERSION PROGRAMS.—

"(1) IN GENERAL.—For purposes of this title, in the case of any land diverted by a qualified taxpayer from the production of an agricultural commodity under a qualified diversion program, such land shall be treated as used by such qualified taxpayer in the active conduct of the trade or business of farming.

"(2) MATERIAL PARTICIPATION.—For purposes of section 2032A (relating to valuation of certain farm, etc., real property) and chapter 2 (relating to tax on self-employment income), only qualified taxpayers who materially participate in the diversion and devotion to conservation uses required under a qualified diversion program shall be treated as materially participating in the operation of such land as a farm during the period such land is required to be so diverted.

"(c) DEFINITION.—For purposes of this section—

"(1) QUALIFIED DIVERSION PROGRAM.—The term 'qualified diversion program' means any program—

"(A) under which the Secretary of Agriculture (or his delegate) provides a benefit to a person in return for—

"(i) the diversion of farm acreage from the production of an agricultural commodity, and

"(ii) the devotion of such acreage to conservation uses, and

"(B) which the Secretary of Agriculture certifies to the Secretary as being described in subparagraph (A).

"(2) PAYMENT-IN-KIND-PROGRAM.—The term 'payment-in-kind program' means any qualified diversion program under which the benefit described in paragraph (1)(A) is a payment-in-kind of any agricultural commodity.

"(3) QUALIFIED TAXPAYER.—The term 'qualified taxpayer' means any producer of agricultural commodities (as determined under the applicable qualified diversion program) who receives any benefit in return for meeting the requirements of clauses (i) and (ii) of paragraph (1)(A).".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter C of chapter 80 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 7872. Special provisions relating to agricultural diversion programs.".

(2) Subsection (b) of section 521 of such Code (relating to applicable rules for exemption of farmers' cooperatives from tax) is amended by adding at the end thereof the following new paragraph:

"(6) CROSS REFERENCE.—For tax treatment of agricultural commodities received under a payment-in-kind program, see section 7872.".

(3) Subsection (j) of section 1388 of such Code (relating to definitions and special rules involving cooperatives) is amended—

(A) by inserting "(1)" before "For provisions", and

(B) by adding at the end thereof the following new paragraph:

"(2) for tax treatment of agricultural commodities received under a payment-in-kind program, see section 7872.".

(4) Paragraph (1) of section 211(a) of the Social Security Act is amended by inserting before the semicolon at the end thereof the following: ", except that the owner or tenant shall not be treated as materially participating in the operation of any land during the period such land is diverted from agricultural use under a qualified diversion program (within the meaning of section 7872(c)(1) of the Internal Revenue Code of 1954) unless the owner or tenant materially participates in the diversion and devotion to conservation uses required under such program".

SEC. 3. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this Act shall apply with with respect to any tax imposed by the Internal Revenue Code of 1954 with respect to which the period for the assessment of a deficiency, or the filing of a claim for credit of a refund, is not barred by any law or rule of law on March 1, 1983.

(b) EXTENSION OF TIME FOR ASSESSMENT OF DEFICIENCY OR FILING A CLAIM.—If subsection (a) applies and the assessment of any deficiency of any tax (to the extent attributable to the amendments made by this Act), or the filing of a claim for credit or refund of such tax (to the extent so attributable), would be prevented, but for the application of this subsection, before March 1, 1984, by any law or rule of law, then such deficiency may be assessed, or such claim for credit or refund may be filed, at any time before March 1, 1984.

(c) SECTION 6166 OR 6166A.—In the case of section 6166 of the Internal Revenue Code of 1954 or section 6166A of such Code (as in effect before its repeal by the Economic Recovery Tax Act of 1981), the amendments made by this Act shall apply to the amount of any tax imposed by section 2001 of such Code remaining unpaid as of March 1, 1983.

(d) SOCIAL SECURITY ACT.—The amendments made by paragraph (4) of section 2 (b) of this Act shall apply to income derived from any trade or business carried on after December 31, 1953.

TECHNICAL EXPLANATION OF S. 690, THE AGRICULTURAL LAND AND DIVERSION TAX TREATMENT ACT OF 1983

I. SUMMARY

The Department of Agriculture has adopted a payment-in-kind (PIK) program under which farmers are paid with commodities (crops) for diverting farmland from production. The Department of Agriculture also sponsors other farmland diversion programs which involve payments of cash or which involve withdrawal of farmland from production in exchange for eligiblity for price support programs.

Under the bill, commodities received under a payment-in-kind program generally will be treated as if actually produced by the program participant (i.e., a producer) for all purposes of the Internal Revenue Code and the Social Security Act. Thus, recognition of income from commodities received in a payment-in-kind program of the Department of Agriculture will be deferred from the date the commodities are received (or constructively received) until the date on which the commodities are sold. Since commodities will be treated as if grown by the program participant, income from PIK commodities will be eligible for treatment as patronage source income for purposes of the tax rules affecting cooperatives.

The bill does not include special recognition rules with respect to other farmland diversion programs. The bill provides that the benefits received in those programs generally will be treated as active income derived from the business of farming for all purposes of the Internal Revenue Code and the Social Security Act. Additionally, the land withdrawn from production under those programs generally will be treated as used in the active business of farming for all such purposes.

Real property withdrawn from production under a Department of Agriculture farmland diversion program will be treated under the bill as used in an active farming use for purposes of the estate tax current use valuation and installment payment provisions. However, for purposes of the current use valuation and employment tax provisions, only individuals who materially participate in the conservation use to which real property withdrawn from production under such a program is devoted will be treated as materially participating in a farming operation in which the diverted property is used.

For example, under the self-employment income (SECA) tax, certain income tax credit provisions, and the social security benefit provisions, income from diversion programs will be treated as earned income to persons who materially participate in the conservation use to which the diverted real property is devoted.

The income tax provisions and the current use valuation provisions of the bill generally apply to returns for which the statute of limitations has not expired as of March 1, 1983. The amendment to the social security benefit provisions applies to income derived from a trade or business carried on after December 31, 1953. The amendments to the installment payment provision apply with respect to amounts of estate tax remaining unpaid under either section 6166 or section 6166A as of March 1, 1983.

Under the accrual method of accounting, income is generally recognized when all the events have occurred which fix the right to receive such income and the amount thereof can be determined with reasonable accuracy, regardless of when received (Treas. Reg. sec. 1.451). A taxpayer who uses the accrual method of accounting must recognize income when he or she has the right to receive commodities or storage fees under a payment-in-kind program, regardless of the time of actual receipt.

Thus, under both the cash and accrual methods of accounting, the taxpayer will recognize income when the commodities or storage fees are made available to the farmer. In addition, under both methods, when property other than cash is received, the amount to be included in income is the fair market value of the property on the date the taxpayer recognizes the income.

A taxpayer may elect to consider amounts received as loans from the CCC as income in the year in which received (Code sec. 77). If the election is made, the taxpayer takes a basis in the crop equal to the amount included in income. If the commodity securing such loan is later forfeited, no income would be recognized at the time of such forfeiture to the extent of such basis.

Generally, a taxpayer may elect to defer the income from the discharge of indebtedness on qualified business indebtedness. The deferral of the income the amount of the debt discharged (Code sec. 108) with a corresponding reduction in the basis of certain assets (Code sec. 1017).

II. DESCRIPTION OF THE BILL

A. Present law

1. Income Tax Treatment of Farmers

a. Timing of income

Generally, taxpayers engaged in farming may determine their income for Federal income tax purposes under either the cash or accrual method of accounting. However, corporations (other than certain "family owned" corporations, subchapter S corporations and certain corporations with annual gross receipts of less than $1 million) and certain partnerships must use the accrual method of accounting for farm operations (Code sec. 447).

Under the cash method of accounting, income is recognized for the year in which it is actually or constructively received. Income is constructively received by a taxpayer when it is credited to his or her account, set apart for him or her, or otherwise made available so that he or she may draw upon it at any time (Treas. Reg. sec. 1.451-2(a)). A taxpayer who uses the cash method of accounting must recognize income when he or she is entitled to receive commodities or storage fees under a payment-in-kind program.

b. Time for payment of tax

In general, a taxpayer is required to pay the tax shown on a tax return on the due date for filing the return (determined without regard to any extensions of time for filing the return). Corporations generally must pay at least 90 percent, and individuals 80 percent, of their current year's tax liability in quarterly estimated tax payments during the taxable year.

However, an individual whose estimated gross income from farming for the taxable year is at least two-thirds of his or her total estimated gross income from all sources for the taxable year (or whose gross income from farming shown on the preceding year's tax return is at least two-thirds of total gross income from all sources) must pay the estimated tax for a taxable year in full on or before January 15 of the succeeding taxable year.

Additionally, the requirement to make payments of estimated tax would be considered met if, on or before March 1, the taxpayer files a return for the taxable year for which estimated tax payments are required and pays in full the amount of tax due (Code secs. 6015(g), 6073(b), and 6153(b)). Corresponding payment dates would apply to taxable years beginning on a date other than January 1st. However, the addition to the tax with respect to underpayment of estimated taxes will not be imposed if the estimated tax payments are at least 66⅔ percent of the tax liability for the year (Code sec. 6654(d)).

c. Soil and water conservation expenditures

Under present law, a taxpayer engaged in the business of farming may expense amounts which are paid or incurred during the taxable year for the purpose of soil or water conservation in respect of land used for farming, or for the prevention of erosion of land used for farming (Code sec. 175). The maximum amount that may be expensed in any taxable year may not exceed 25 percent of the taxpayer's gross income derived from farming during the taxable year. Any amount not deductible in any taxable year because of the 25 percent of gross income limitation may be deducted in succeeding taxable years in the order of time so long as any taxable year's deductions under this provision do not exceed 25 percent of gross income from farming for that taxable year.

The term "land used for farming" means land used (before or simultaneously with the expenditures described above) by the taxpayer or his or her tenant for the production of crops, foods, or other agriculture products or for the sustenance of livestock.

Under present law, if a taxpayer disposes of farm land which he or she has held for fewer than 10 years, a certain proportion of the gain realized on the dispostion is treated as ordinary income (Code sec. 1252). That proportion is the lower of a percentage of the aggregate deductions allowed under sections 175 and 182 for expenditures made with respect to the farm land after 1969, or the excess of the amount realized (or the fair market value) over the adjusted basis of such land. For this purpose, the term "farm land" is land with respect to which deductions have been allowed under sections 175 or 182.

d. Expenditures by farmers for fertilizer, etc.

Under present law, a taxpayer engaged in the business of farming may elect to expense amounts that otherwise must be capitalized which are paid or incurred during the taxable year for materials to enrich, neutralize, or condition land used in farming, or for the application of such materials to the land (Code sec. 180). For this purpose, land is used in farming if it is used, either before or simultaneously with the expenditures described above, by the taxpayer or his or her tenant for the production of crops, fruits, or other agricultural products, or for the sustenance of livestock.

e. Expenditures by farmers for clearing land

Under present law, a taxpayer engaged in the business of farming may elect to treat expenditures paid or incurred in a taxable year to clear land for the purpose of making such land suitable for use in farming as a currently deductible expense (Code sec. 182). However, this deduction for any taxable year may not exceed the lesser of $5,000 or 25 percent of the taxable income derived from farming during the taxable year (as defined). Such expenditures are

subject to recapture under section 1252 (see item d, above).

f. Activities not engaged in for profit

Under present law, if an individual or a Subchapter S corporation engages in an activity not for profit, no deduction (other than itemized deductions) attributable to such activity is allowable in excess of the income from that activity (Code sec. 183). Under those rules, an activity generally is presumed to be not engaged in for profit unless the activity generates a profit at least two years out of the most recent five-year period.

g. Gain from disposition of property used in farming or farm losses offsetting farm income

Under section 1251, any person carrying on a trade or business of farming, other than any person utilizing the accural method of accounting, is required to maintain an excess deductions account (EDA). Prior to taxable years beginning after December 31, 1975, any person having a farm net loss (the excess of farm deductions over gross income derived from farming), was obligated to add such amount to his EDA.

If, at the end of any taxable year, the EDA has a positive balance, then the amount of the EDA is reduced (1) for any farm net income (the excess of farming gross income over farm deductions for that taxable year), (2) for any amounts with respect to deductions which do not result in a tax reduction for the taxpayer, and (3) the amount realized from the sale, exchange, or involuntary conversion of farm recapture property. Farm recapture property includes depreciable personal property held for more than one year, certain cattle or horses, land held for more than one year, and unharvested crops growing on land which has been held for more than one year.

h. Qualification of corporations for subchapter S status

Under present law, certain closely held corporations (commonly called "subchapter S corporations") can elect to have their income taxed to the shareholders and not the corporation, regardless of whether or not it is actually distributed during the year (Code secs. 1371-1379).

One requirement for electing subchapter S status for corporation which had accumulated earnings and profits while it was not a subchapter S corporation is that during the last three taxable years prior to the election no more than 25 percent of the gross receipts of the electing corporation be passive investment income. Passive investment income is defined to include gross receipts received from rents.

i. Self-employment income

A self-employment tax is imposed on net earnings from self-employment as defined by Code section 1402. Net earnings from self-employment means gross income derived by an individual from any trade or business, less allowable deductions attributable to such trade or businesss. Rentals from real estate including rentals paid in crop shares are excluded in determining net earnings from self-employment, unless such rentals are received in the course of a trade or business as a real estate dealer. However, this exemption does not apply to any income derived by a landlord if (1) the income is derived under an arrangement entered into between the landlord and another individual which provides for the landlord's material participation in the production or management of the production of the agricultural or horticultural commodities to be produced on the land by the individual, and (2) there is material participation by the landlord with respect to any such commodity. Thus, income which is received by a farmer who materially participates in the production of the income is treated as self-employment income. In addition, eligibility for the earned income tax credit is determined by reference to the earnings from self-employment.

On March 1, 1983, the Internal Revenue Service released questions and answers setting forth its position on the SECA tax treatment of Department of Agriculture farmland diversion payments. Those questions and answers provide that a farmer who receives cash or a payment-in-kind from the Department of Agriculture for participation in a land diversion program is liable for self-employment tax on the payment. See, IR-83-39, March 1, 1983.

j. Limitation on deduction of investment interest

In general, all interest paid or accrued during the taxable year on indebtedness is allowable as a deduction. However, if a taxpayer other than a corporation pays or accrues an amount of investment interest, then the otherwise allowable deduction with respect to that interest cannot exceed $10,000 ($5,000 in the case of a separate return by married individual), plus net investment income (Code sec. 163).

Investment interest is interest paid or accrued on indebtedness incurred or continued to purchase or carry property held for investment. Net investment income means gross income from interest, dividends, rents, and royalties, and certain other items of passive income, to the extent it exceeds investment expense. Investment expense means expenses deductible under certain provisions of the Internal Revenue Code directly connected with the production of investment income.

k. Imposition of tax on unrelated business income of charitable, etc. organizations

A tax is imposed for each taxable year on the unrelated business taxable income of certain exempt organizations. The term "unrelated business taxable income" means the gross income derived by an organization from any unrelated trade or business regularly carried on by it, less deductions allowed which are directly connected with the carrying on of such trade or business. In general, all rents from real property are excluded from the computation of unrelated business taxable income.

1. Imposition of personal holding company tax

A tax in addition to the regular corporate income tax is imposed on the undistributed personal holding company income of every personal holding company. This tax is equal to 50 percent of the undistributed personal holding company income.

In general, a personal holding company is any corporation, other than certain specified types of corporation, at least 60 percent of the adjusted ordinary gross income of which is personal holding company income. In addition, more than 50 percent in value of the outstanding stock of a personal holding company must be owned, directly or indirectly, by 5 or fewer individuals during the last half of the taxable year. The term "personal holding company income" includes adjusted income from certained rents and royalties.

2. Income Tax Treatment of Cooperatives

A cooperative is an organization, usually operating in corporate form, which is established and operated for the mutual benefit of its members and patrons by selling goods to them or purchasing products from them and returning to them any income in excess of costs. Unlike other corporations, a cooperative is allowed a deduction from its taxable income to the extent patronage source income is distributed to its members or patrons as a patronage dividend or in redemption of a non-qualified written notice of allocation. In addition, a cooperative may exclude from gross income amounts attributable to qualified per-unit retain allocations and redemptions of nonqualified per-unit retain certificates.

Patronage dividends (whether paid in cash, qualified written notices of allocation, in redemption of nonqualified written notices of allocation, or in property other than nonqualified written notices of allocation) are includible in the income of a member or patron when paid or allocated.

In general, an amount is a partonage dividend if it is payable out of patronage source income to all patrons of the cooperative equally on the basis of business done with or for patrons.[1] A per-unit retain allocation is, in general, an amount retained by the cooperative with respect to goods marketed by the cooperative for the patron. Patronage source income is income directly related to business done with or for patrons. Thus, for example, investment income or income derived from the sale or exchange of capital assets is nonpatronage source income. A patron is any person doing business with the cooperative on a mutual basis.

Exempt farmers' cooperatives are allowed more beneficial tax treatment than nonexempt cooperatives in two respects. First, they are allowed a deduction for dividends paid from nonpatronage source income (including income from business done with or for the United States) to their patrons (not including the United States or its agencies). Second, they are allowed a deduction for amounts paid as dividends on their capital stock during the taxable year as long as the dividends do not exceed the greater of 8 percent or the legal rate of interest in the State of incorporation.

A nonexempt cooperative is any cooperative other than an exempt farmers' cooperative. Nonexempt cooperatives cannot deduct dividends of nonpatronage source income, but they are not limited in the sources or amounts of their nonpatronage source income.

3. Estate Tax Treatment of Farmers

a. Current use valuation of certain farm real property

Qualification of Decedent's Estate

For estate tax purposes, real property ordinarily must be included in a decedent's gross estate at its fair market value based upon its highest and best use. If certain requirements are met, however, real property used in family farm operations and other closely held businesses may be included in a decedent's estate at its current use value, rather than its full fair market value. The

[1] A patronage dividend must be payable (1) on the basis of the quantity or value of business done with or for the patron, (2) under an obligation to pay such amount which obligation existed when the cooperative received the amount, and (3) with reference to the net earnings of the cooperative from business done with or for its patrons.

maximum reduction in value permitted under the current use valuation provision is $750,000 per estate (Code sec. 2032A).

One of the requirements for specially valuing property is that minimum percentages of the decedent's estate must consist of real property which, among other attributes, has been used in a "qualified use" during certain specified periods. First, at least 50 percent of the adjusted value[2] of the decedent's estate must consist of the adjusted value of real and personal property used in a qualified use on the date of the decedent's death. Second, at least 25 percent of the adjusted value of the decedent's estate must consist of the adjusted value of real property used in a qualified use on the date of the decedent's death and for periods aggregating at least 5 years of the 8-year period ending on the date of death. Third, all real property to be specially valued must have been used in a qualified use on the date of the decedent's death and for periods aggregating 5 years of the 8-year period ending on that date.

Another requirement is that the decedent or a number of his or her family must materially participate in the farming operation in which the real property to be specially valued is used. Material participation generally must occur during periods aggregating at least 5 years of the 8-year period ending on the date of the decedent's death. A special rule for individuals who are retired or disabled on the date of their deaths permits the material participation requirement to be satisfied by disregarding periods after the individuals began receiving social security benefits or became disabled, if the retirement or disability was continuous until the date of death.

Recapture of tax savings in certain circumstances

If, within 10 years[3] after the death of the decedent (and before the death of the heir receiving the property), specially valued property is disposed of to nonfamily members or ceases to be used for the farming or other closely held business purpose based upon which it was valued in the decedent's estate (i.e., its "qualified use"), all or a portion of the Federal estate tax benefits obtained by virtue of the reduced valuation are recaptured by means of a special "additional estate tax" or "recapture tax." During the recapture period, the qualified use requirement must be satisfied at all times.[4]

The recapture tax is imposed on the qualified heir rather than the decedent's estate. However, the tax liability is measured by reference to the estate tax saved by the decedent's estate. In the case of a partial cessation of qualified use, the recapture tax is prorated based upon the percentage of the specially valued property that is no longer used in the qualified use.

Material participation in the farm operation is also required during the recapture period. Except in the case of "eligible qualified heirs,"[5] the heir receiving the property or a member of the heir's family must materially participate in the farm operation for periods aggregating at least 5 years of every 8-year period ending after the date of the decedent's death and before expiration of the recapture period. Failure to satisfy the material participation requirement during the recapture period is deemed to be a cessation of qualified use.

Definition of qualified use

The term qualified use has the same meaning under both the pre-death requirement and the recapture period requirement. In general, a qualified use is a use in farming or in another closely held business. The business in which specially valued real property is used must be an active operation, as opposed to a passive investment activity. In the case of farms, the activity requirement is normally satisfied by the prodiction of crops or raising of animals for profit.[6]

Additionally, the decedent or a family member (during pre-death periods) and each qualified heir owning a present interest in the property (during the recapture period) must own an equity interest (i.e., be at risk) in the business operation. Thus, for example, the qualified use requirement is not satisfied during any period when the party who is to satisfy that requirement fails to use the property as a farm for farming purposes[7] or leases the property pursuant to a net cash or other fixed return lease.

On March 1, 1983, the Internal Revenue Service released questions and answers providing that real property withdrawn from production under a Department of Agriculture farmland diversion program is treated as used in an active farming (i.e., qualified) use as required under the current use valuation provision. See, IR-83-39, March 1, 1983.

Definition of material participation

Material participation means personal involvement in an active farming operation to a material degree. The determination of whether this requirement is satisfied is factual and is based on factors such as participation in making business decisions, inspection of crops, and other farm activities in which the participant engages.

Material participation for purposes of the current use valuation provision is defined by reference to the meaning of the same term as used in the social security tax provisions. Therefore, the participant's activity must be sufficient to convert his or her income from "passive rentals" to "earned income" for purposes of the self-employment income (SECA) tax. As earned income, the farm income is subject to the SECA tax. In addition, for certain persons under age 70, social security benefits may in some cases be reduced if this income exceeds prescribed amounts.

On March 1, 1983, the Internal Revenue Service released questions and answers which provide that, under present law, participation in the use to which real property diverted from production under any Department of Agriculture farmland diversion program is devoted satisfies the material participation requirements of the current use valuation provision. See, IR-83-39, March 1, 1983.

b. Installment payment of estate tax

Overview

In general, estate tax must be paid within 9 months after a decedent's death. However, if at least 35 percent of the value of the decedent's adjusted gross estate is comprised of the value of an interest in the closely held business and if certain other requirements are satisfied, payment of estate tax attributable to the interest in the closely held business may be extended and paid in installments during up to 14 years (interest for 4 years followed by from 2 to 10 annual payments of principal and interest). The determination of whether the decedent owns an interest in a closely held business is made as of the decedent's date of death (Code sec. 6166).

A special 4-percent interest rate is provided for estate tax attributable to the first $1 million in value of the closely held business interest (Code sec. 6601(j)). Tax in excess of this amount ($345,000 of tax less the amount of decedent's unified credit) accrues interest at the regular rate charged on deficiencies (Code sec. 6601(a)). The regular deficiency rate currently is 16 percent.

Under present law, proprietorships owned by the decedent may qualify as an interest in a closly held business. In addition, an interest in a closely held business may include interests in partnerships and corporations if certain "percentage tests" or "numerical tests" are satisfied.

Definition of trade or business

Only interests in active trades or businesses, as contrasted to passive investment assets, are eligible for the installment payment provision. The determination of whether an interest in an active trade or business is present is factual and must be made on a case-by-case basis.

In Revenue Ruling 75-366, 1975-2 C.B. 472, the decedent leased real property to a tenant on a crop share basis. In addition to sharing in the farm expenses and production, the decedent actively participated in important management decisions. The Internal Revenue Service ruled that the decedent was in the business of farming under these facts stating:

"An individual is engaged in the business of farming if he cultivates, operates, or manages a farm for gain or profit, either as owner or tenant, and if he receives a rental based upon farm production rather than a fixed rental. Farming under these circumstances is a productive enterprise which is like a manufacturing enterprise as distinguished from management of investment assets.

"In the present case, the decedent had participated in the management of the farming operations and his income was based upon the farm production rather than on a fixed rental.

"Accordingly, the farm real estate included in the decedent's estate qualifies . . . as an interest in a closely held business." (*Id.*)

On March 1, 1983, the Internal Revenue Service released questions and answers which provide that, under present law, real property diverted from production under Department of Agriculture farmland diversion program is treated as used in an active

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[2] The adjusted value of a decedent's estate is equal to the gross value of the estate minus indebtedness payment of which is secured by property in the estate. Similarly, the adjusted value of an asset is equal to the gross value of the asset minus indebtedness payment of which is secured by the asset.

[3] The recapture period is 15 years in the case of estates of decedents who died before 1982.

[4] A special rule disregards a period beginning on the decedent's date of death and ending not more than 2 years later; however, the recapture period is extended by a period equal to any part of this 2-year period when the qualified use requirement is not satisfied.

[5] An eligible qualified heir can satisfy the material participation requirement through "active management," a lesser standard of personal involvement than material participation. Eligible qualified heirs include surviving spouses, minors, full-time students, and disabled individuals.

[6] A so-called "hobby farm" which is an activity not engaged in for profit under Code section 183 does not satisfy the qualified use requirement (Treas. Reg. sec. 20.2032A-3(b)(1)).

[7] Property permitted to lie fallow during nonproducing seasons or as part of a regular crop rotation program is treated as satisfying the requirement during these temporary periods.

farming business for purposes of the installment payment provision. See, IR-83-39, March 1, 1983.

B. Explanation of the bill

1. Income tax provisions

a. Income tax treatment of farmers

The bill provides that a qualified taxpayer will not be treated as having realized income when he or she receives, or has the right to receive, a commodity under a payment-in-kind program. Thus, both accrual and cash basis taxpayers can defer the recognition of income that would otherwise be recognized under current law in the year the commodities are received, until the year the commodities are sold, exchanged, or otherwise disposed of.

For purposes of determining the gain or loss from the sale, exchange or other disposition of the commodity, the unadjusted basis of the commodity will be zero. The commodity will be treated as produced by the taxpayer for purposes of determining the character of the gain (ordinary income or capital gain) from the sale of the commodity. In addition, if the commodity is used by the farmer (e.g., as feed), income will be recognized on the sale of the property (e.g., livestock) the basis of which is determined by reference to the commodity.

In cases where a CCC loan is involved, the payment-in-kind of a commodity to a taxpayer may be achieved by a 3-step process: the repayment by the taxpayer of the loan from the CCC, the purchase by the CCC of the commodity securing the loan at the redemption price of the loan, followed by the receipt of the commodity by the taxpayer as a payment-in-kind. In any such case, the taxpayer who receives the commodity as payment-in-kind (in the third step of this 3-step process) will be entitled to the same tax treatment on such receipt as a taxpayer who receives a payment-in-kind where a CCC loan is not involved.

If the taxpayer has made an election under section 77 to recognize income in the year the CCC loan proceeds were received, the repayment of the loan and the purchase by the CCC of the commodity (the first and second steps of the 3-step process) will be treated by the taxpayer the repayment of the original amount of the loan (plus payment of any accrued interest and storage costs) followed by a sale to the CCC at the amount of the previously outstanding balance of the loan (the original amount of the loan plus any accrued interest and storage costs). Thus, the taxpayer will be allowed a deduction for the accrued interest and storage costs (if otherwise deductible under the taxpayer's method of accounting) and will recognize income equal to the excess of the amount realized (original loan amount plus accrued interest and charges over the taxpayer's basis in the crop).

In the case of a taxpayer who has not made an election under section 77, the repayment of the CCC loan and the purchase by the CCC of the commodity securing the loan (the first and second steps of the 3-step process) will be treated by the taxpayer as a repayment of the then outstanding balance of the loan (the original amount of the loan plus any accrued interest and storage costs) followed by a sale to the CCC at the same amount. Thus, the taxpayer will be allowed a deduction for the accrued interest and storage costs and will recognize in income an amount equal to the then outstanding balance of the loan (plus accrued interest and charges).

A qualified taxpayer who receives payments of storage costs under a qualified farmland diversion program will be permitted to defer recognition of income from the payments until the payments are actually received.

A qualifed taxpayer is any taxpayer who meets the following two requirements. First, the taxpayer must be a producer (as defined in the Department of Agriculture regulations) of agricultural commodities within the meaning of the qualified diversion program. Second, the taxpayer must divert farm acreage from production and devote such acreage to conservation uses in return for receiving any benefit under the qualified diversion program. For purposes of the requirement that a person divert acreage from production and devote such acreage to conservation uses, the term "person" includes not only the person who actually diverts the acreage from production (such as a land owner) but also any other producer who receives a payment-in-kind with respect to such acreage (such as a sharecropper).

Under the bill, a "qualified diversion program" is any program which the Secretary of Agriculture (or his delegate) certifies to the Secretary of the Treasury as a program under which the Secretary of Agriculture provides a benefit to any person in return for (1) the diversion of farm acreage from the production of an agricultural commodity and (2) the devotion of such acreage to conservation uses. For this purpose, the Department of Agriculture is considered to provide a benefit if it either (1) makes significant payments of cash or other property to persons diverting land from agricultural use to conservation use or (2) makes persons diverting land from agricultural use and to conservation use eligible for Department of Agriculture programs designed to provide significant aid primarily to farmers. A "payment-in-kind program" is a qualified diversion program under which the benefit is a payment in kind of any agricultural commodity.

Under the bill, income received under a qualified diversion program will be subject to the tax on net earnings from self-employment for only those individuals who materially participate in the diversion and devotion to conservation use under the qualified diversion program. Thus, individuals receiving benefits under a qualified diversion program who do not materially participate in the diversion and devotion to conservation uses are not subject to self-employment tax on income received under such programs.

Under the bill, for all purposes of the Internal Revenue Code and the Social Security Act, income received under a qualified diversion program will be treated as income from the trade or business of farming and the taxpayer will be treated as using in the trade or business of farming any land diverted from production under a PIK program. Thus, income received under a qualified diversion program will be treated as gross income from farming for all purposes of the Code, including (but not limited to):

(1) payments of estimated tax;

(2) method of accounting by corporations engaged in farming;

(3) expensing of certain soil and water conservation expenditures;

(4) expensing of certain expenditures by farmers for fertilizer, etc.;

(5) expensing of certain expenditures by farmers for clearing land;

(6) deductibility of expenses attributable to activities not engaged in for profit;

(7) gain from disposition of property used in farming or farm losses offsetting farm income;

(8) qualification of corporations for subchapter S status;

(9) application of self-employment tax and social security benefit provisions;

(10) limitation on deduction of investment interest;

(11) tax on unrelated business income of charitable, etc., organizations; and

(12) tax on personal holding companies.

b. Income tax treatment of cooperatives

Under the bill, commodities received under payment-in-kind program which are marketed by cooperatives on behalf of a member or patron who is a qualified taxpayer will be treated as (1) produced by that member or patron in his or her business of farming and (2) received by the cooperative from the member or patron. Thus, if a cooperative receives a payment-in-kind under a payment-in-kind program directly from the Commodity Credit Corporation (CCC) on behalf of a member or patron (because the member or patron assigned his right to receive the payment to the cooperative or because the member or patron was required to receive the payment through his or her cooperative), the income from the sale or other disposition of such commodities will be treated as patronage source income (unless there is no duty to allocate the income from such sale or other disposition on a patronage basis). Similarly, income derived by a cooperative from marketing any commodity which was first received by a member of patron under a payment-in-kind program and then sold or assigned to the cooperative also would be treated as patronage source income (unless there is no duty to allocate the income from such sale or other disposition on a patronage basis).

The effect of the bill, therefore, generally will be to treat income received from marketing commodities received under a payment-in-kind program as deductible or excludible patronage source income to both exempt and nonexempt cooperatives (unless there is no duty to allocate the income from such sale or other disposition on a patronage bases). Thus, under the bill, the exemption of exempt farmers' cooperatives will not be affected by marketing of such commodities.

Where a cooperative has a CCC loan outstanding and is required, as a condition to its participation in the payment-in-kind program, to pay off all or a portion of such loan and to sell the commodity which had been pledged as security for that loan to the CCC for the amount of loan, the transaction will be characterized as the repayment of the loan followed by a sale of commodity (regardless of whether or not a section 77 election has been made). Further, any income realized on such sale or other disposition of such commodity will be considered patronage source income only if the commodity which was security for the CCC loan would have generated patronage source income if sold.

c. Effective date

The amendments made by the bill relating to income tax provisions apply to returns for which the period for the assessment of a deficiency, or the filing of a claim for a credit or refund, is not barred by any law or rule of law on March 1, 1983. However, if such a claim would be prevented before March 1, 1984, the claim may be filed at any time before that date.

2. Estate Tax Treatment of Farmers

a. Current use valuation (Code Sec. 203A)

The bill codifies the announcement of the Internal Revenue Service of March 1, 1983, that real property removed from production under a qualified diversion program will be treated as used in an active farming (i.e., qualified) use for purposes of the estate tax current use valuation provision. This rule will apply in determining whether the following requirements are satisfied:

(a) The requirement that at least 50 percent of the adjusted value of a decedent's estate consist of the adjusted value of real and personal property used in a qualified use on the date of the decedent's death;

(b) The requirement that at least 25 percent of the adjusted value of a decedent's estate on the date of the decedent's death consist of real property used in a qualified use for periods aggregating at least 5 years of the 8-year period ending on the date of the decedent's death;

(c) The requirement that all property to be specially valued be used in a qualified use on the date of the decedent's death and during periods aggregating at least 5 years of the 8-year period ending on that date; and

(d) The requirement that heirs inheriting specially valued real property use it in the qualified use based upon which it was specially valued continuously throughout a 10 (or 15) year recapture period.

The bill also provides that, in the case of property removed from production under a qualified diversion program, the material participation requirements of the current use valuation provision will be satisfied if an individual otherwise required to materially participate in the active farming use of specially valued real property materially participates in the conservation use to which the property is devoted.

b. Installment payment of estate tax (Code Sec. 6166)

The bill codifies the IRS announcement of March 1, 1983, that real property withdrawn from production under a qualified diversion program that was used in the conduct of an active trade or business before being so withdrawn will be treated as used in such trade or business. Therefore, in determining whether at least 35 percent of the value of an individual's adjusted gross estate consists of the value of an interest in a closely held business, real property withdrawn from production under a qualified diversion program will be treated as used in the closely held business. Similarly, such property will be treated as used in an active trade or business in determining whether an individual's interest in such a business is an interest in a closely held business within the meaning of the installment payment provision.

c. Effective date

The amendments to the current use valuation provision apply with respect to any tax with respect to which the period for the assessment of a deficiency, or the filing of a claim for credit or refund, is not barred by any law or rule of law on March 1, 1983. However, if such a claim would be prevented before March 1, 1984, the claim may be filed at any time before that date.

The amendments to the the installment payment provision apply to amounts of unpaid estate tax as of March 1, 1983.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., March 4, 1983.

Hon. ROBERT DOLE,
Chairman, Committee on Finance,
Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Budget Act, the Congressional Budget Office has examined the Agricultural Land Diversion Tax Treatment Act of 1983, as reported by the Senate Committee on Finance on March 2, 1983. This legislation would permit taxpayers to defer income tax payments on crops received under the Payment-in-Kind (PIK) program initiated by the Administration until the crops are sold. Without this legislation, these crops could be treated as taxable income in the year received by farmers participating in the PIK program.

This bill does not provide for any new budget authority or any new or increased tax expenditures.

If the bill is measured against a baseline that includes both the outlay reductions and the revenue increases that will result from the PIK program, CBO estimates that it will reduce income tax receipts by $323 million in fiscal year 1984 and $81 million in fiscal year 1985, and increase revenues by $404 million in fiscal year 1986. If the bill is measured against a baseline that does not include the effects of PIK, it would have no effect on revenues, since it averts a revenue increase not included in the baseline.

If you would like additional information on this estimate, please let us know.

Sincerely,

JAMES BLUM
(For ALICE M. RIVLIN, *Director*).●

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE:

S. 690. An original bill to amend the Internal Revenue Code of 1954 with respect to diversions of farmland under programs operated by the Department of Agriculture; from the Committee on Finance; placed on the calendar.

By Mr. ARMSTRONG (for himself, Mr. COHEN, Mr. HOLLINGS, Mr. MATSUNAGA, Mr. ANDREWS, Mr. GARN, Mr. INOUYE, and Mr. TSONGAS):

S. 691. A bill to amend title 38, United States Code, to establish a new veterans' educational assistance program and a veterans' supplemental educational assistance program, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DANFORTH:

S. 692. A bill for the relief of Charles Gaudencio Beeman, Paul Amado Beeman, Elizabeth Beeman, and Joshua Valente Beeman; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 693. A bill to amend title 23, United States Code, to remove the limitation on the use of materials produced by convict labor in construction of Federal-aid highway system; to the Committee on Environment and Public Works.

By Mr. PERCY (by request):

S. 694. A bill to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1983 and to authorize appropriations for fiscal years 1984 and 1985; to the Committee on Foreign Relations.

S. 695. A bill to amend the Bretton Woods Agreements Act to authorize consent to and authorize appropriations for an increase in the U.S. quota in the International Monetary Fund and to authorize appropriations for increased U.S. participation in the IMF's General Arrangements to Borrow; to the Committee on Foreign Relations.

By Mr. BENTSEN (for himself and Mr. TOWER):

S. 696. A bill to ratify an exchange agreement concerning National Wildlife Refuge System lands located on Matagorda Island in Texas; to the Committee on Environment and Public Works.

By Mr. BENTSEN:

S. 697. A bill entitled the "Private Sector Productivity Act of 1983"; to the Committee on Governmental Affairs.

By Mr. MOYNIHAN:

S. 698. A bill to provide financial assistance for emergency shelters and related assistance for the homeless; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. CRANSTON, Mr. RIEGLE, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DODD, Mr. METZENBAUM, Mr. MATHIAS, Mr. DECONCINI, Mr. TSONGAS, and Mr. HART):

S. 699. A bill to provide for Federal support and encouragement of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, to provide for coordination of Federal programs and activities relating to domestic violence, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DURENBERGER:

S. 700. A bill to revise and extend the allocation of revenue sharing funds; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE:

S. Res. 82. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 690; from the Committee on Finance; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ARMSTRONG (for himself, Mr. COHEN, Mr. HOLLINGS, Mr. MATSUNAGA, Mr. ANDREWS, Mr. GARN, Mr. INOUYE, and Mr. TSONGAS):

S. 691. A bill to amend title 38, United States Code, to establish a new Veterans' Educational Assistance Program, and a Veterans' Supplemental Educational Assistance Program, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' EDUCATION; ASSISTANCE ACT OF 1983

● Mr. ARMSTRONG. Mr. President, Senators COHEN, HOLLINGS, MATSUNAGA, and I are introducing today, as we did in the 97th Congress, legislation to restore GI bill education benefits to our servicemen and women. We

are joined in this important effort by our colleagues, Senator ANDREWS, Senator GARN, Senator INOUYE, and Senator TSONGAS.

Now, more than ever, a new GI bill is required if we are to meet our military manpower needs at a price we can afford to pay. GI education benefits have been thought of principally as readjustment assistance for those who have served in the Armed Forces, a just and proper reward for honorable service, honorably rendered. It is that, and more than that. The GI bill also has proven to be the most effective, and cost-effective step we can take to obtain the right number of the right kind of young men and women we require to man our defenses in this increasingly technological age, a measure that can actually save us money while it strengthens our defenses.

As before, the Armstrong-Cohen-Hollings-Matsunaga GI bill is a carefully thought out compromise which blends the best features of GI bill proposals introduced by Senators COHEN, HOLLINGS, and myself in the 97th Congress, and which is compatible with the provisions of H.R. 1400, the leading GI bill proposal in the House of Representatives.

Our GI bill provided a basic benefit of $300 a month, to be funded by the Department of Defense, to service members who complete 2 or more years of honorable service dating from October 1, 1983. Benefits would vest at the rate of 1 month of benefits for each month of honorable service, to a maximum of 36 months. A benefit of $150 a month would be provided for each month of honorable service in the Reserves or the National Guard. Service Secretaries would be permitted to supplement the basis benefit to encourage enlistments in the combat arms or in fields where critical skills are required.

Our bill also would establish a career member's supplementary educational assistance program, through which service members with 10 or more years of honorable service would be permitted to contribute from $25 to $100 a month, to a maximum of $6,000, to a special education fund. After a 24-month vesting period, the service member's contribution would be matched 2 for 1 by the Department of Defense. The funds could be used either by the service member himself to supplement his GI bill entitlement, or be transferred by him to a spouse or a dependent child.

A third provision would permit career service members to utilize their GI education benefits full time without having to interrupt of abandon their military careers. The Service Secretaries, at their discretion, would be permitted to offer an education leave of absence of up to 12 months. Service members granted education leave would be required to extend their term of obligated service by 2 months for each month of education leave.

It is said by some that we do not need a new GI bill now, that, thanks to the recession, the Armed Forces are getting all the recruits they need. But I might remind my colleagues that the recession is ending, and good economic times historically have meant bad times for military recruiters.

Even in the excellent recruiting years of fiscal year 1981 and fiscal year 1982, there were ominous signs. The proportion of recruits scoring in the two highest categories on the Armed Forces qualification test (AFQT) was nearly 20 percent below what it had been before cancellation of the Vietnam-era GI bill. Will we be able to recruit the bright young men and women we need when economic times get better, and when, beginning in 1986, the proportion of military age youth in the population begins a steep decline, if we do not enact a new GI bill now? I do not think so.

The GI bill has proven its merit for 40 years. It is time, past time, to reinstate it.●

● Mr. COHEN. Mr. President, I am pleased to join today with my colleagues BILL ARMSTRONG, FRITZ HOLLINGS, and SPARK MATSUNAGA to introduce legislation calling for a return of GI bill education benefits for those serving in our Armed Forces.

When I first introduced legislation to restore GI bill benefits over 3 years ago, our military services were facing serious problems. From the standpoints of both quality and quantity, they were unable to recruit the people they needed.

Significant improvement has been made since that time. Today, recruiters are having unmatched success, and quality levels are as high as they have ever been.

Members of this body can take pride in today's strong record. After all, we initiated the legislation which reversed the decline in pay and benefits for military personnel.

We should not, however, become overly sanguine about today's successes or overly boastful over our role in bringing them about. Before we do so, we should look at our overall track record, and we should look for lessons from our past experience.

In the mid-1970's, Congress and the administration looked at the All-Volunteer Force, saw how well it was doing, and, with a feeling of confidence, dealt a series of body blows to it which almost put it in its grave. The AVF is doing so well, the reasoning went, that we can cap pay, end the GI bill, and reduce recruiting and advertising money.

Those actions, coupled with the Pentagon's implementation of a new recruit qualification test which was incorrectly calibrated, proved disastrous. By the late 1970's, the number of high school graduates entering the Army had plummeted and the percentage of category IV recruits, the lowest accepted into the service, had skyrocketed.

Congressional attention to the problem reversed the negative trend. We increased pay and benefits, made improvements in quality of life items, and imposed quality standards.

In 2 short years, those actions, coupled with a faltering economy, have brought dramatic results. It is easy to foreget just how bad things were before we stopped the pay erosion and restored the pride of wearing a military uniform.

But today's strong record could prove as transitory as that of the mid-1970's if we again allow benefits to erode. Last year, the administration and Congress concluded that service personnel could get by with a 4 percent pay increase, rather than the 8 percent needed for full comparability. This year, the administration has proposed a total freeze on military pay.

The administration has backed away from President Reagan's campaign pledge to seek educational benefits for those who serve. And many Members of Congress have indicated they do not see a need to restore these benefits at a time when the services are enjoying recruiting success.

This is, in my view, shortsighted. When the economy improves and unemployment goes down, military service may no longer be as attractive to top quality young men and women. That will especially be so if pay is again allowed to fall significantly below comparability with the civilian sector. And with a diminishing manpower pool through the decade of the 1980's, the risks of trying to cut corners in paying military personnel are made even greater.

For this reason, I hope my colleagues will join in cosponsoring this GI bill proposal. The GI bill was one of the best and most successful Government programs ever enacted. The program which replaced it and is now in effect, the veterans educational assistance program, is one of the least successful.

Better known as VEAP, it has had a low participation rate. Improvements have been made under the Pentagon's "Ultra-VEAP-with-kickers" program, but Gen. Maxwell Thurman, the Army's personnel chief, told me in a hearing last year that he would prefer reinstitution of the GI bill. His sentiments have been echoed by other military personnel experts and endorsed by service recruiters.

Yet, despite these endorsements and President Reagan's earlier strong words of support, the Defense Department has remained cool to the idea. Some DOD officials have insisted that

the services pay for the program and fund it on an accrual basis if they want a GI bill.

Payment out of Defense Department manpower funds is not unreasonable. I must say, however, that I find it unacceptable to insist that it be funded under the accrual accounting method. Only if all other programs, in the Defense Department and other agencies, are required to be funded in this manner is it valid to place this obligation on the GI bill. To do anything else is simply unfair.

I also find objectionable the apparent emphasis on econometrics for evaluating the comparative benefits of educational incentives versus increased pay. It is difficult for me to accept the argument that a top quality potential recruit is more likely to join the military with an offer of a few dollars more per month in basic pay than he is with an opportunity to earn up to 36 months of educational assistance in return for his military service.

I have read studies and heard testimony from those who argue in favor of economic, rather than educational, incentives. And I have seen their assumptions and their projections.

But I have also seen an analysis prepared for the Department of Defense in 1975 by Army manpower planners who were asked to assess the potential impact of the loss of the GI bill. They reached some very interesting—and prophetic—conclusions.

The Army said that the percentage of high school graduates would drop to about 47 percent, that the number of those in mental categories I–IIIa would go down to about 44 percent, that the number of those in category IV would be about 20 to 22 percent, and that the minority content would rise to 25 to 30 percent overall, with higher levels in some combat units; this because of the need to take more category IIIb and IV recruits. In addition, the Army said, the loss of high school graduates would mean higher attrition in training, greater stability in units, and corresponding losses in the administrative time of commanders and staffs.

One must hesitate to ascribe cause and effect, since the end of the GI bill was not the only action to make life difficult for military recruiters in the late 1970's, but 1980 Army quality figures make the 1975 estimates look prescient. Of the Army's recruits in 1980, 54 percent were high school graduates, about 30 percent were in categories I–IIIa, and over 50 percent were in category IV.

About that same time, the General Accounting Office reported that attrition, which is twice as high for non-high school graduates as it is for those with a diploma, was costing the Government $12,000 per person or about $5.2 billion total over the 5-year period.

Other services also reported an adverse impact from the end of the GI bill. In 1980, the Air Force concluded "that the termination of GI bill educational benefits has resulted in a decrease in our ability to attract the high school graduate and those young men and women of higher ability levels." It cited significant declines in both high school degree graduate and category I and II accessions.

The Marine Corps also reported in early 1980 that elimination of the GI bill had hurt recruiting. It cited a Center for Naval Analysis study which "supports the hypothesis that the termination of the GI bill had a negative impact on recruiting." The study estimated that the loss of the GI bill has resulted in a 17-percent loss in total contracts and a 24-percent decrease in high school graduate contracts.

It has been estimated that the old GI bill helped recruit between 25 to 36 percent of the volunteers entering the Armed Forces. In December 1976, the last month the GI bill was in effect, a record 27,585 individuals enlisted in the Army alone. The approximately 100,000 youths who joined the uniformed services were about twice the normal first time enlistment.

So, I do not buy the argument that return of the GI bill will make no difference, or that we can do better with small incremental increases in basic recruit pay. And I do not accept the thesis that an 18-year-old recruit is better served by receiving a $5,000 bonus for joining than he is by the promise of assistance in attending college.

I also cannot go along with those who say a GI bill is too expensive. As I prepared this proposal, I went back to review the debate back in October 1975 when the House approved, under suspension of the rules, the bill to end the GI bill. As one who voted in favor of the measure, I should add that I think that we made a serious mistake in doing what we did.

What I wanted to cite, though, is the thread which ran through the arguments of those who futilely tried to resist the penny-wise, pound-foolish mood of the House that day. One member of the Veterans' Affairs Committee discussed the cost issue. He said:

> Just last year, we had testimony from the Veterans Administration down through the Internal Revenue Service to some of the same committee members who now want to terminate these benefits, testimony which cited statistics which showed the educational program is a profitable investment, bringing back to the government three to six times the amount of money originally spent by the government on these benefits. Surely these economic factors have not changed in the last 6 to 10 months.

Another member said:

> The GI educational assistance program has for 32 of the past 35 years, during periods of war and peace, proven to be one of the most successful federal programs ever implemented. Not only has the program provided unparalleled educational opportunities for this nation's former servicemen and servicewomen, but it has been a financial winner for this country as well. According to the figures of the U.S. Department of the Treasury and the Internal Revenue Service, for every $1 spent in educational assistance to veterans, from $3 to $6 is returned in the form of taxes paid due to higher wages and greater earning capability. As a representative of one veterans' organization declared: "A guaranteed return of 300 to 600 percent on any investment is truly astonishing, but considering the nation's present economic problems, that return is little short of miraculous."

The statement of one other member is also worth noting:

> According to the committee report, studies have shown that for every dollar spent on GI educational benefits, at least $4 is realized in additional tax revenues from increased earnings resulting from increased education and training. There can be little doubt that there are further savings made available by this program, due to reduced unemployment benefits paid out to veterans who have taken advantage of the benefits.

It is also worth noting that the GI bill educational assistance funds do not simply go into some void. Rather, they are returned to college campuses in each of our States across the Nation.

When GI bill benefits were established in 1944, they were the initial step in the Federal Government's provision of educational assistance. Until 1965, they stood virtually alone as a source of aid to postsecondary students. And as late as 1975, the Vietnam-era GI bill provided over 50 percent of all student aid to those in postsecondary schools.

Today, the level is about 10 percent. In other words, about 90 percent of those receiving Federal assistance for their postsecondary education are doing so with absolutely no obligation to their country. From establishment of a program expressly designed to reward those who had served, we have come to a dramatically different point. Today, many are expressing strong opposition to the recently passed provision which simply stipulates that those receiving Federal educational aid must show that they have, if male, registered with the Selective Service System, as required by law.

With reductions being made in Federal student loan programs, reinstitution of the GI bill will serve as a reaffirmation of the tie between contributions to country and benefits from it. It can, I believe, have a salutary effect on individuals, colleges, and the services.

The presence of greater numbers of educationally motivated young men and women will, I feel, have a leavening effect on the others with whom they will serve. And greater numbers of high school graduates will lend stability to the ranks.

To those who say GI bill benefits should go only to those who have served during wartime, and not those serving in today's peacetime environs, I can only take the strongest exception. Many who served during World War II and the Korean and Vietnam conflicts did so here in the United States or in other places out of harm's way.

The young men who gave their lives in Iran, the marines who were stationed in Pakistan when the Embassy there was overrun, the sailors who spent months in the Indian Ocean, and the brave young men who are now on assignment in Lebanon would, I suspect, take issue with those who say that those serving in peacetime should not be entitled to this kind of benefit. Are they any less worthy than those who spent 2 years on stateside duty during an earlier conflict?

And I also take issue with those who say today's soldiers are being paid so well that they do not need, or should not be entitled to, educational benefits. We should not forget that in the first 4 years of the All-Volunteer Force, when military and civilian pay were comparable, military personnel were eligible for GI bill benefits. Their economic situation is no more attractive today, and their entitlement to these benefits should be no less.

Our proposal is, I believe, a reasonable and a balanced one. As opposed to earlier GI bills, it requires a 2-year service obligation for minimum benefits. Military personnel would have to serve 3 years for maximum benefits. The stipend would be $300 per month, as compared to the $342 per month a single Vietnam-era veteran now receives. Reservists would earn benefits at a lower rate, and careerists could transfer their benefits to their dependents under a contributory program. Those taking advantage of the educational leave of absence provision would be required to serve an additional 2 years.

There is, I acknowledge, a cost involved. But it is one which I believe is small when we consider the return to the soldier, to the military, and to the Nation.●

● Mr. HOLLINGS. Mr. Speaker, we are spending billions of dollars in defense on O&M, weapons procurement, and R&D. We spend billions on our manpower needs. The DOD says that we are getting the high quality, trainable personnel through the All Volunteer Force that we need in order to operate our new and advanced technology systems.

So, the DOD publicizes how it is more than meeting its recruiting objectives. This success comes only from the hard times that all our citizens are facing and from the sobering fact that the economy is in shambles. Teenage unemployment is over 24 percent; for black teenagers, unemployment is over 50 percent. The Reagan administration promises an economic revival while our young people grow desperate for work. But the DOD incredibly boasts that it is successful in meeting personnel goals. They hide the truth that their success comes only from the pains of idleness and unemployment resulting from callous policies that favor the wealthy at the deprivation of all others.

This shallow view of success ignores the broadening need for the highest quality and educated recruit for our future Army. The percent of recruits that score in category I and category II in the Armed Forces qualification test is much lower today than the percent of draftees scoring in the same category in 1964, the last prewar year before Vietnam; 33.7 percent of our draftees scored in these highest categories in 1964; in 1981 only 23.6 percent scored in categories I and II.

We must upgrade the quality of the Armed Forces and reward those that sacrifice for our national security. A new GI bill is the most effective, and cost-effective step we can take to improve the quality of recruits for our Armed Forces. To meet this goal, Senators ARMSTRONG, COHEN, MATSUNAGA, and I are pleased to introduce a new GI bill program for our Armed Forces.

Mr. President, we must recruit more high-quality, highly motivated young men and women. The manning problems of our Armed Forces will become quite severe in future years when the pool of young, service-age people is diminished and if our economy improves. The educational benefits provided by a new GI bill shall attract increased numbers of high school graduates into the services and will assist them in retaining the career middle-grade noncommissioned officers needed to train and lead our fighting men.

Under the provisions of the new GI bill, veterans could receive education assistance payments of up to $300 per month for up to a total of 36 months while attending an approved educational institution. Eligibility for benefits at this level would be attained through a number of active duty and Reserve service options. For example, a young man could enlist for 2 years of active duty and agree to serve 2 years of Selected Reserve service and 2 years of Individual Ready Reserve service and become eligible for the maximum benefits commencing at the time he is honorably discharged from active duty. A longer period of active duty would reduce the Reserve obligation. Military personnel who perform in critical skill and combat arms jobs as designated by a service Secretary could be eligible for up to a $600 a month benefit.

A unique feature of the bill is that it also provides educational benefits for persons who serve in the Reserve Forces without having served on active duty. While the benefits for eligible reservists are one-half of what is provided to active service veterans, they are still substantial and should prove to be an attractive recruitment incentive. The Reserves are experiencing even greater difficulties in filling their ranks with quality people than the Active Forces. I believe that this bill can go a long way toward providing the needed incentives to draw young men and women into the Reserve Forces.

A unique feature of the bill which should have the greatest appeal to our career military people is a provision which provides for transferability of benefits. As written, the bill would enable a person eligible for education benefits to transfer these benefits to one or more of his dependents—but not to exceed the 36-month/$300 level. This requires a contribution from the military member that is matched on a two for one basis by the DOD. Thus, for every $1,000 contributed by the serviceman, DOD will kick in $2,000. I believe that this will provide an extremely valuable retention incentive for many of the very important middle-grade noncommissioned officers. An alarmingly large number of these small unit leaders are presently leaving the services because they cannot afford to send their children to college on the military pay they receive. This bill can provide them the assistance they need to educate their children while continuing in a career that most of them prefer.

Mr. President, the Congress has moved decisively in recent years to provide our military forces with the modern, high-technology equipment they need to at least keep abreast of the Soviets in a materials sense. But, as we all know, we are now at a point where we must significantly improve the quality of our military manpower. I believe that we must now move resolutely to remedy this problem if the security of this Nation is to be assured. I believe a new GI bill can be a major step in that direction. I am very pleased to join with my colleagues today in introducing this vital legislation.●

By Mr. PERCY (by request):

S. 694. A bill to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1983 and to authorize appropriations for fiscal years 1984 and 1985; to the Committee on Foreign Relations.

BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACT, FISCAL YEARS 1983, 1984, AND 1985

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the Board for

International Broadcasting Act of 1973.

This legislation has been requested by the Board for International Broadcasting and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Executive Director of the Board for International Broadcasting to the President of the Senate dated February 25, 1983, requesting this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 694

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, This Act may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1983, 1984 and 1985".

AUTHORIZATION OF APPROPRIATIONS

SECTION 1. Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877)(a) is amended to read as follows—

"(A) $120,140,000 for the fiscal year 1983, $115,702,000 for the fiscal year 1984 and $121,371,000 for the fiscal year 1985."

BOARD FOR INTERNATIONAL BROADCASTING, U.S.A.
Washington, D.C., February 25, 1983.

Hon. GEORGE BUSH,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to make required amendments to the Board for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that Act.

The bill provides for authorization of a supplemental appropriation for fiscal year 1983 and for appropriations for the Board's operation during fiscal years 1984 and 1985.

A sectional analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has advised the Board that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

WALTER R. ROBERTS,
Executive Director.

SECTIONAL ANALYSIS

Section 1. This paragraph authorizes appropriations of additional funds in fiscal year 1983 to increase support for Radio Free Europe/Radio Liberty and to initiate support for Radio Marti and to continue these activities in fiscal years 1984 and 1985.●

By Mr. PERCY (by request):

S. 695. A bill to amend the Bretton Woods Agreements Act to authorize consent to and authorize appropriations for an increase in the U.S. quota in the International Monetary Fund and to authorize appropriations for increased U.S. participation on the IMF's General Arrangements to Borrow; to the Committee on Foreign Relations.

U.S. PARTICIPATION IN THE INTERNATIONAL MONETARY FUND

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the Bretton Woods Agreements Act.

This legislation has been requested by the President and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the President to the President of the Senate dated March 2, 1983, requesting this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 695

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by:

(a) Adding at the end thereof the following new section:

"SEC. 40. The United States Governor of the Fund is authorized to consent to an increase in the quota of the United States in the Fund equivalent to 5,310.8 million Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriation Acts."

(b) In section 17 subsection (a)—

(1) inserting "as amended in accordance with its terms," after "1962;" and

(2) deleting "$2,000,000,000" and inserting "4,250 million Special Drawing Rights, limited to such amounts as are appropriated in advance in appropriation Acts," in lieu thereof.

(c) In section 17, subsection (b), deleting "$2,000,000,000" and inserting "4,250 million Special Drawing Rights" in lieu thereof.

THE WHITE HOUSE,
Washington, March 2, 1983.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I transmit herewith a draft bill "to amend the Bretton Woods Agreements Act to authorize consent to and authorize appropriations for an increase in the United States quota in the International Monetary Fund and to authorize appropriations for increased U.S. participation in the General Arrangements to Borrow."

The proposed bill would authorize an increase of SDR 5,310.8 million (approximately $5.8 billion at current exchange rates) in the United States quota in the International Monetary Fund (IMF), to the level of about SDR 17.9 billion; and an increase of approximately $2.7 billion in U.S. participation in the IMF's General Arrangements to Borrow (GAB), to a new total of SDR 4,250 million. These proposed increases are part of an overall expansion of IMF quotas totaling about SDR 28.9 billion and an expansion of the GAB totaling about SDR 10.6 billion.

These measures are required now because the world economy faces economic and financial problems which are without precedent in the postwar era. There is a natural tendency in time of recession, high unemployment and international economic uncertainty toward protectionism and financial contraction—reactions which were the seeds of the depression of the 1930s. The International Monetary Fund was created in the aftermath of World War II, largely at the initiative of the United States, to provide a constructive counter to those tendencies and prevent a recurrence of the slide into world depression.

The IMF remains the centerpiece of international efforts to deal with these problems in an orderly and constructive way, by supporting its members' efforts to correct their balance of payments problems through adoption of sound economic policies. However, the IMF's resources are under serious strain. Its ability to commit the medium-term financing necessary to allow member countries time to implement corrective economic policies is likely to be exhausted during the course of 1983 or early 1984. It is essential that the IMF have adequate resources to fulfill its vital responsibilities. Failure to resolve current world economic and financial difficulties in an orderly manner would result in a downward spiral of world trade and billions of dollars in simultaneous loan losses. This would pose a fundamental threat to the international economic system, and to the U.S. economy. Prospects for the economic recovery and expansion necessary to generate new jobs would be dashed, not only in the United States, but around the world.

I therefore strongly recommend prompt enactment of legislation to give effect to the proposed increase in the United States quota in the IMF and to the proposed increase in United States participation in the IMF's General Arrangements to Borrow.

The world's current economic problems are attributable to several factors, including the rapid inflation of the 1970's, the twin oil "shocks" of that decade, high interest rates, the worldwide recession, and countries' failure to adjust to a rapidly changing world economic environment. These developments led to a very rapid rise in international lending and a build-up in external debt which in some cases, particularly in a period when inflation is being brought under control, are no longer sustainable. Major borrowers abroad are finding it extraordinarily difficult to find the financing needed to sustain economic activity, purchase essential imports, and service their external debts. As a consequence, important segments of the United States economy and financial system, and a number of countries of critical importance to America's national interests, are in a vulnerable position. The health of the United States economy and the well-being of its citizens are tied directly to the recovery and growth of other nations. Our own self-interests, therefore, demand that we demonstrate the leadership re-

quired to assure an orderly transition in a turbulent world environment.

The dependence of the United States on the world economy has grown rapidly. Today, nearly 20 percent of total U.S. goods produced are exported abroad. Some 40 percent of our agricultural production is exported. U.S. banks account for about one-third of total international bank lending, and they rely heavily on foreign sources for loanable funds. All told, more than 5 million U.S. jobs depend on exports, and those jobs in turn depend on healthy markets abroad. Foreign trade accounted for four out of every five new jobs in U.S. manufactures in the late 1970s. Our services trade surplus grew more than elevenfold between 1970 and 1980. Our surplus in high technology trade has increased from $7.6 billion to $30 billion in that period. Combining goods and services, estimates show that one-third of U.S. corporate profits derive from international activities. Going one step further, our trade relationships with the developing countries have expanded even more rapidly than our overall trade. In the last few years, trade with LDCs has accounted for nearly 40 percent of the overall growth of American exports.

Clearly, the United States has a major direct interest in assuring a strong world economy and a smoothly functioning international monetary system. Conversely, sharp cutbacks in imports by borrowing countries, necessitated by economic collapse or inadequate financing, would have a direct and damaging impact on not only our financial system but on American workers, farmers, manufacturers and investors. On the banking side, sudden losses on foreign loans would squeeze earnings and capital positions. This in turn would impair banks' ability to finance world trade and could lead both to a reduction in their ability to lend to domestic customers and to higher interest rates.

The IMF plays a key role in helping its member countries make the economic adjustments needed to correct their economic problems and restore their creditworthiness in the world marketplace—adjustments at the national level which are the essential ingredient of a sound international economy. The IMF also provides strong support for a more open trade environment through economic programs which emphasize reliance on market-oriented economic policies.

The proposed increase in IMF resources is one part of a comprehensive strategy to resolve current world economic problems. This strategy involves adoption of sound adjustment measures by borrowing countries; IMF support in helping those countries design their adjustment programs, in formulating comprehensive financing plans to accompany their adjustment efforts, and in providing a portion of the financing required; continued provision of financing by the commercial banking system where borrowers undertake and implement a sound IMF supported economic program; official willingness to provide emergency short-term liquidity support, where that is essential in the interim while IMF adjustment and financing programs are developed and put in place; and achievement of a broad-based, non-inflationary recovery in the industrial nations, which will provide expanding markets and a basis for the adjustments borrowers must make. The IMF is at the heart of this strategy. It simply must have adequate resources to fulfill its vital responsibility.

I believe the United States is on the verge of an impressive, non-inflationary and sustained recovery. Recovery in the United States is important to global recovery; but, by the same token, failure to deal effectively with problems facing the international economy could quickly undermine our own domestic economic efforts and prospects. Approval by the Congress of the proposed increases in our IMF quota and our participation in the General Arrangements to Borrow is a critically important component of our program to assure economic recovery and growing employment in the United States.

A report of the National Advisory Council on International Monetary and Financial Policies, which provides background information on the proposed increases in the U.S. quota in the IMF and in U.S. participation in the General Arrangements to Borrow, is being transmitted to the Congress separately. I strongly urge the Congress to consider the proposed increases promptly and favorably.

It will be appreciated if you will lay the enclosed draft bill before the Senate. An identical proposal has been transmitted to the Speaker of the House of Representatives.

Sincerely,

RONALD REAGAN.

IMF ANALYSIS

The bill adds a new section to the Bretton Woods Agreements Act. It authorizes and increase in the quota of the United States in the International Monetary Fund (IMF) of SDR 5,310.8 million. This is approximately $5,812.51 million (at exchange rates prevailing on February 11, 1983). It would raise the U.S. quota from SDR 12,607.5 million to SDR 17,918.3 million, or from about $13.8 billion to about $19.6 billion. This provision requires prior action in an Appropriation Act before the U.S. may subscribe to the increase. It is drafted so that the Appropriation Act provides the full SDR amount as budget authority.

GAB ANALYSIS

The bill amends Section 17 of the Bretton Woods Agreements Act by authorizing an increase in the U.S. participation in the General Arrangements to Borrow as amended. The bill authorizes the Treasury to make resources available to the IMF to finance IMF transactions in an amount, when merged with the previous appropriation of $2 billion, equivalent to SDR 4,250 million. At exchange rates prevailing on February 11, 1983, this represents an increase of approximately $2.7 billion, to a new level of approximately $4.7 billion. In addition to increasing the resources of the GAB's to SDR 17,000 million, the amended GAB provides access to the GAB's resources for any IMF member whose financing difficulties could threaten the stability of the international monetary system and for which the IMF's other resources are inadequate.●

By Mr. BENTSEN (for himself and Mr. TOWER):

S. 696. A bill to ratify an exchange agreement concerning national wildlife refuge system lands located on Matagorda Island in Texas; to the Committee on Environment and Public Works.

EXCHANGE OF CERTAIN LANDS ON MATAGORDA ISLAND, TEX.

● Mr. BENTSEN. Mr. President, Matagorda Island is a Texas barrier island of approximately 50,000 plus acres. Approximately 19,000 of its acres have been included since November 1971 in the Aransas National Wildlife Refuge through a memorandum of understanding between the Fish and Wildlife Service and the Air Force. Although portions of the island thus receive the protections accorded a national wildlife refuge, the Federal lands do not contain the most important wildlife habitat on Matagorda Island. That habitat instead is found on the approximately 24,000 acres of land owned by the Texas General Land Office (GLO). The GLO land contains most of the island's bayside wetlands, which are critically important to the whooping crane and many other wildlife species—private individuals own the rest of the island.

The split jurisdiction of Matagorda Island, with the most important habitat outside the national wildlife refuge, raises a unique conservation challenge. Both the Federal and State governments and many private conservation organizations believe that integrated management of all publicly owned lands on Matagorda Island would greatly benefit wildlife resources.

Although both the Federal and State government wish to see integrated management on all publicly owned lands on Matagorda Island, a means of reaching that goal has proven elusive. During a decade of negotiations, the Federal Government has sought to add the State-owned lands into the Arkansas National Wildlife Refuge as a means of insuring integrated management and of insuring that the lands continue to provide premier habitat for wildlife under the protection of applicable Federal statutes. On the other hand, while also seeking integrated management, the State of Texas has sought to have management of the Federal lands turned over to it.

After almost 10 years of negotiations, the Federal and State governments have devised a formula that resolves their differences. Their solution, supported by the largest national environmental groups, the National Audubon Society, and the National Wildlife Federation, is embodied in the document entitled "Memorandum of Agreement between U.S. Department of the Interior and State of Texas for the Management of the Matagorda Island State Park and Wildlife Management Area A Unit of the National Wildlife Refuge System in Calhoun County, Tex." and easements running to the United States and Texas (hereinafter referred to jointly as the agreement). Because this agreement represents a sound environmental management proposal, carefully crafted by the State and Federal Government, I am introducing legislation to ratify it.

The agreement provides:

First, the State-owned lands will be included in the Aransas NWR (agreement, par. 4);

Second, Texas will adopt the NWR management manual (agreement, par. 3);

Third, Texas will not permit the building or use of any causeway, highway, bridge, ferry, public airport, or other similar mode of transportation which provide land vehicle or aircraft access to the island (agreement, par. 9);

Fourth, Texas will not use or permit the use, and will take such measures as may be necessary to prevent the use or occupancy, of the publicly owned portion of the island, any purposes incompatible with the agreement or with the purposes for which MWR is established (agreement, par. 6);

Fifth, Texas will administer all portions of the island as wildlife conservation or wildlife management areas (agreement, par. 5);

Sixth, Texas will submit to the FWS for its approval 1 and 5 year operating plans for the refuge (which should result in far better planning than exists on most NWR) (agreement, par. 17);

Seventh, Texas not grant any permits, easements or rights-of-way for pipelines or any other nonwildlife or nonpark uses on the publicly owned lands on Matagorda Island without the approval of the FWS (with the exception of oil and gas leasing which will continue to be governed by existing law and guidelines) (agreement, pars. 7 and 8);

Eighth, Texas will not erect or permit the erection of any buildings or structures other than those relating to oil, gas or other minerals pursuant to paragraphs 7 and 8 of the agreement (easement, exhibit B, par. 3);

Ninth, Texas will not permit the drainage by any means of any wetlands presently occurring or recurring due to natural causes (easement, exhibit B. par. 4);

Tenth, Texas will not conduct or authorize the conduct of any recreational activities which interfere with and are not compatible with the NWR (easement, exhibit B, par. 5);

Eleventh, Texas will not manipulate the land and water or allow the manipulation of the land and water by others in any way that would diminish its value as wildlife habitat without FWS approval (easement, exhibit B, par. 1);

Twelfth, environmental groups may file petitions with the FWS bringing potential incompatible uses to its attention (agreement, par. 19). If the FWS does not act on any such petition within 30 days, its decision will be subject to court challenge;

Thirteenth, Texas will immediately halt all activities which the FWS finds incompatible with the refuge. If it does not immediately halt the activity, the FWS will reassert management authority sufficient to cure the incompatible activity (agreement, par. 18);

Fourteenth, Texas will specify personnel levels in each annual plan (agreement, par. 17); and

Fifteenth, Texas and the FWS will enter into a law enforcement memorandum of understanding (agreement, par. 16).

I believe that the agreement provides a workable solution to the Matagorda Island controversy which will benefit the island's wildlife resources. I recognize, however, that the agreement remains controversial since some private organizations take the view that the National Wildlife Refuge Act, 16 United States Code, sections 668dd-668jj, does not authorize the Secretary to enter into any agreements with any States for the management or even partial management of any portion of a national wildlife refuge.

The bill takes no position on the legal issues raised in general by this controversy; however, I believe that this particular agreement substantially benefits both migratory and endangered species of wildlife. Further, this agreement is justified given the unique challenge presented by the mosaic of Federal and State land ownership on Matagorda Island.

Paragraph 21 of the agreement permits the Secretary and the State of Texas to amend the agreement after 30 days' public notice. While ratifying the Secretary's action; which included express provision for a mechanism of amendment, Congress cannot anticipate the contents of any such amendment, and thus this ratification does not apply to the contents of any such amendments to the agreement. All contents of amendments to the agreement must comply with all applicable Federal, State, and local law.

Mr. President, I ask unanimous consent that the bill and several documents comprising the agreement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law providing for the administration by the Secretary of the Interior of the National Wildlife Refuge System through the United States Fish and Wildlife Service, the action of the Secretary of the Interior in entering into the unique exchange agreement (entitled "Memorandum of Agreement between the United States Department of the Interior and the State of Texas for the management of the Matagorda Island State Park and Wildlife Management Area A Unit of the National Wildlife Refuge System in Calhoun County, Texas" and Easements running to the United States and Texas hereinafter referred to jointly as the "Agreement", all of which are dated December 8, 1982) providing for integrated management (during the term of the Agreement) of National Wildlife Refuge System lands and State lands on Matagorda Island in Texas is ratified and approved, except that any amendments hereinafter made pursuant to the Agreement shall be consistent with the requirements of the National Wildlife Refuge System Administration Act (16 U.S.C. 668dd-668ee) and other applicable provisions of Federal law administered by such Secretary. Nothing in the Agreement or in this Act shall be construed (A) as affecting the continued applicability of the National Wildlife Refuge System Administration Act to the Federal lands covered by such Agreement or the inclusion of such lands within the National Wildlife Refuge System, or (B) as ratifying or authorizing any other such agreements applicable to any other area of the National Wildlife Refuge System.

MEMORANDUM OF AGREEMENT BETWEEN UNITED STATES DEPARTMENT OF THE INTERIOR AND STATE OF TEXAS FOR THE MANAGEMENT OF THE MATAGORDA ISLAND STATE PARK AND WILDLIFE MANAGEMENT AREA, A UNIT OF THE NATIONAL WILDLIFE REFUGE SYSTEM IN CALHOUN COUNTY, TEXAS

This Memorandum of Agreement (Agreement) is between the United States Department of the Interior (Interior), acting through the U.S. Fish and Wildlife Service (FWS), and the State of Texas (Texas), acting through the Governor, and the Texas Parks and Wildlife Department (TPWD) and the Texas General Land Office (GLO).

Whereas, it is the policy of interior to recognize the vital role of the States in proper management and conservation of our national resources; and

Whereas, Interior and Texas recognize that Matagorda Island is:

A valuable and delicate State and national resource deserving of careful management and conservation; and

One of the few remaining barrier islands in the Nation which remain essentially in a natural state, and shall be preserved in an undeveloped state, except for any improvements necessary to administer the land as a refuge and wildlife management area and for park purposes; and

Of particular importance for wildlife, especially for the protection of endangered species such as the whooping crane; and

One of the most important waterfowl areas along the Texas gulf coast, and the North American Continent, especially during annual migration and wintering periods; and

A nationally, if not internationally, significant ecosystem that must be preserved; and

A significant recreational and historical area, both to the citizens of Texas and to the Nation; and

Whereas, Interior, by and through FWS, is the Federal agency responsible for carrying out this Nation's migratory bird and endangered species program responsibilities, including providing proper protection and sound integrated management with the State for said wildlife species utilizing Matagorda Island; and

Whereas, Interior, by and through the FWS, has since 1971 managed the 19,000± acres of Federal land on Matagorda Island as part of the Aransas National Wildlife Refuge; and

Whereas, Texas has demonstrated its ability to manage its fish and wildlife resources and maintain the delicate ecosystem of its

gulf coast including State wetlands and Gulf lands on Matagorda Island; and

Whereas, GLO, the Texas agency which manages the Texas Coastal Public Lands, including the 24,893± acres of State wetlands and Gulf lands on Matagorda Island, has agreed to lease its land to TPWD to enable TPWD to manage the lands as provided for in this agreement; and

Whereas, TPWD is the Texas agency responsible for the management of wildlife in the State reservation, as well as for the administration of Texas laws relating to wildlife, fish, oysters and marine life; and

Whereas, Interior wishes to obtain a conservation easement on the 24,893± acres of State wetlands and Gulf lands on Matagorda Island to be managed as a unit of the National Wildlife Refuge System (NWRS) in exchange for a grant of easement to Texas on the 19,000± acres of Federal land; and

Whereas Texas, by and through TPWD, desires to provide integrated management of all Federal and State lands on Matagorda Island, shown on the map, Exhibit "A" (attached hereto and incorporated by reference in this Agreement) as a park and wildlife management area, under an Agreement with interior and lease from GLO; and

Whereas, Interior and Texas believe that the wildlife resources on Matagorda Island will benefit from integrated management of the Federal and State lands on Matagorda Island; and

Whereas, Interior and Texas agree there is need to define the respective rights and obligations of each in the integrated operation and management of Matagorda Island; and

Whereas, this Agreement is authorized under the National Wildlife Refuge System Administration Act (16 U.S.C. 668dd-668ee), section 6(d) of the Endangered Species Act (16 U.S.C. 1535(b)), the Fish and Wildlife Coordination Act (16 U.S.C. 661-667c), the Fish and Wildlife Act of 1956 (16 U.S.C. 742a-742j); and as authorized in the Texas Parks and Wildlife Code, and Texas Natural Resources Code Chapter 33, et. seq.

Now, therefore Interior and Texas hereby agree, That:

1. Texas shall, through TPWD, provide integrated management of all publicly-owned land on Matagorda Island, pursuant to this Agreement, the "Matagorda Island Conceptual Plan" (State conceptual plan, attached hereto as Exhibit "B" and incorporated by reference in this Agreement), as approved by Interior, and in accordance with annual operations plans approved by FWS and GLO, as a wildlife refuge, park and wildlife management area in the manner, and subject to the further terms and conditions, as hereinafter prescribed in this Agreement.

2. For the purposes of carrying out their respective obligations and responsibilities under this Agreement, Texas will be represented by the Executive Director, TPWD, and the Texas Land Commissioner, GLO; and Interior will be represented by the Regional Director, FWS, Albuquerque, New Mexico.

3. TPWD shall adopt the management principles, goals and objectives set forth in the NWRS Manual in managing all publicly-owned land on Matagorda Island. Where this Agreement is inconsistent with the NWRS Manual, this Agreement shall govern.

4. The 19,000± acres of Federal land on Matagorda Island managed by TPWD will remain under the primary jurisdiction of FWS as a unit of the NWRS. Primary jurisdiction of the 21,568± acres of State wetlands and 3,325± acres of State Gulf lands will remain with Texas. The Federal conservation easement on the State lands shall be included in the NWRS.

5. TPWD, under the terms and conditions of this Agreement, will provide integrated management of Federal and State lands on Matagorda Island in accordance with the State conceptual plan and annual operations plans (as approved by FWS) by zone (Exhibit "A") as follows:

Zone A—To be administered as a wildlife management area, excluding camping but including hunting, fishing, and other compatible wildlife-oriented research and recreational uses, subject to restrictions in applicable Federal and State laws, rules, and regulations.

Zone B—To be administered as a wildlife conservation and park area, providing compatible public use opportunities, subject to restrictions in applicable Federal and State laws, rules, and regulations.

6. Except as otherwise provided in the easement from the State to the United States, Texas shall not use or permit the use, and shall take such measures as may be necessary to prevent the use or occupancy, of the publicly-owned portion of the island, for any purpose which is inconsistent or incompatible with the purposes herein specified and in its State conceptual plan or annual operations plans for the island. In addition, TPWD shall not authorize any use affecting the Federal lands or Federal conservation easement unless it is determined by FWS, during the annual review of the annual operations plan, to be compatible with the purposes for which the refuge lands were added to the NWRS—to provide habitat for migratory birds, endangered species and other wildlife. TPWD, in managing the State lands specified in the Agreement, shall comply with this compatibility test, except for oil, gas, and mineral exploration and development which are valid existing rights held by third parties or part of the subsurface estate retained by GLO and exempt from refuge compatibility requirements. FWS Refuge System regulations regarding the administering of reserved and excepted mineral rights shall be applicable to the exercise of valid existing mineral rights.

7. Subject to valid existing rights, oil, gas, and other authorized mineral exploration and development will be permitted on the publicly-owned portion of Matagorda Island under applicable Federal and State laws, rules, and regulations necessary to assure protection of wildlife and other natural resources. The State environmental codes in the FWS approved Aransas National Wildlife Refuge Oil and Gas Plan (Exhibit C, attached hereto and incorporated by reference in this Agreement) shall be used as guidelines. Deviation from these guidelines must be recommended by TPWD and GLO and approved by the FWS Regional Director. Response from FWS shall be in writing within 30 days after receipt of such recommendations.

8. Texas shall refer to the FWS Regional Director all applications relative to permits, easements, rights-of-way for pipelines and all other proposed non-wildlife or non-park uses on or affecting the publicly-owned lands, except as provided in Paragraph 7 herein relating to oil and gas exploration and development. With such referral, Texas shall indicate its recommendations as to the application, with a statement that such proposed uses will or will not interfere with the use of the lands for the purposes for which they are made available to the State. FWS retains the authority to grant or deny applications on Federal lands. Applications affecting the Federal easement shall not be granted by Texas unless approved by the FWS Regional Director. Upon receipt of such referral, FWS shall respond in writing within 30 days except for actions requiring preparation of an environmental impact statement. Texas is, however, authorized to issue special use permits, for such daily operational matters as grazing, seismic, etc., which are consistent with annual operations plans approved by FWS.

9. No causeway, highway, bridge, ferry, public airport, or similar mode of transportation providing land vehicle or aircraft access to the island will be permitted, except that TPWD, GLO, and FWS and their respective agents and assigns, may utilize all modes of transportation necessary for the proper administration of the island. No land vehicle or aircraft will be allowed on the publicly-owned portion of the island except as authorized for administration, management, enforcement, and maintenance of the land as Matagorda Island State Park and Wildlife Management Area, and as a unit of the NWRS.

10. TPWD will obtain use of all buildings, structures, and facilities located on the Federal land including the Port O'Connor dock annex (6.9 acres) and maintain those not disposed of as provided herein. FWS reserves the right to store refuge equipment, at a mutually-agreed site, and use all docks, roads, aircraft runways, and all other access facilities for administrative use in carrying out its Federal responsibilities. All buildings, utilities, and facilities not selected for use by TPWD or FWS will be removed from the site or disposed of as mutually agreeable in accordance with the General Services Administration's rules and regulations covering disposal of excess Federal property. TPWD and FWS, subject to each other's consent, will be permitted to construct, modify, or move any building; structure, or utility system to enable it to meet its intended use as authorized by this Agreement.

11. Grazing may be permitted by TPWD on Federal lands in accordance with the State conceptual plan, annual operations plans and the NWRS Manual. Grazing on State lands will be compatible with the purpose for which the Federal easement was added to the NWRS. TPWD will prescribe in its annual operations plan the conditions under which grazing may be permitted, including livestock type and number, distribution and duration of grazing, and conditions by which livestock numbers will be manipulated in response to changes in range conditions resulting from climatological or other phenomena. FWS and GLO will be responsible for the administration of grazing leases. TPWD will monitor the grazing program and identify adjustments in its annual operations plan required to protect the range and wildlife resources.

12. Nothing in this Agreement shall impair the ability of TPWD to permit hunting and fishing on State lands in accordance with wildlife management practices and consistent with the Texas Parks and Wildlife Code. All hunting and fishing shall be managed to assure that these activities are not likely to jeopardize the continued existence of any federally listed endangered or threatened species.

13. All monies received from products of the land or other privileges granted on the 19,000± acres of Federal lands (subject to

valid existing rights) in this Agreement, shall accure to FWS for deposit into the National Wildlife Refuge Revenue Sharing Fund. All monies received from products of the land on the State lands (subject to valid existing rights) in this Agreement, shall accrue to GLO for deposit into the appropriate School Fund.

14. No admission fees of any kind shall be charged for entrance into the publicly-owned portion of the island. Fees may be charged to defray actual expenses for special programs and services including transportation to and from recreational areas, and rental of blinds and equipment; all fees so obtained may be retained by Texas.

15. For the 19,000± acres of Federal land on Matagorda Island, FWS will make payments to Calhoun County, Texas, in accordance with the Refuge Revenue Sharing Act (16 U.S.C. 715-s).

16. With respect to all of the publicly-owned lands on Matagorda Island, TPWD and FWS shall enter into a Law Enforcement Memorandum of Understanding as provided by section 3(b) of the Fish and Wildlife improvement Act of 1978, Public Law 95-616 (16 U.S.C. 742 l(b)). TPWD shall assign full-time law enforcement personnel to administer the land subject to this Agreement, and FWS shall, subject to applicable laws and regulations, authorize TPWD law enforcement personnel to enforce Federal fish and wildlife laws.

17. TPWD shall submit to the Regional Director of FWS and the Commissioner of GLO for approval a 5-year master plan by October 1 of the beginning of each 5-year period and an annual operations plan no later than October 1 of each calendar year for the following year to describe its management activities on Matagorda Island. Each 5-year plan shall include a statement of management goals and priorities. Each annual plan shall include staffing levels to achieve these goals. No irreversible commitment of resources by TPWD shall occur before the initial 5-year plan is approved. These documents shall follow the format as required by the Federal Aid in Fish and Wildlife Restoration Program. Annual reports of activities for the preceding year will be submitted in compliance with the above cited Program. FWS and GLO shall make inspections of the area at such times as they elect to ensure that the State's operations are in keeping with master and annual plans.

18. If FWS believes or has reason to believe that TPWD has conducted or permitted an incompatible activity on the Federal lands or affecting the Federal easement, FWS will notify TPWD. TPWD shall immediately cease the activity pending appeal to the Secretary. If TPWD does not cease, FWS, pending the appeal, shall assume management to the extent necessary to prevent the incompatible activity.

If FWS believes or has reason to believe that TPWD has violated any of the conditions set forth in the Agreement that do not constitute an incompatible activity, FWS shall notify TPWD. Such notice shall be in writing and shall set forth the alleged violation of the conditions of the said paragraph. A copy of the notice shall simultaneously be delivered to GLO. Upon receipt of said notice, TPWD shall immediately acknowledge receipt of said notice and respond in writing to the allegations of said notice within thirty (30) days. If TPWD agrees that corrective action is necessary, FWS, GLO, and TPWD shall mutually agree on the number of days and conditions necessary for the correction of said violation or violations. If TPWD does not agree that a violation has occurred and a settlement cannot be reached, TPWD may appeal to the Secretary who will make a final decision after notice and opportunity for a hearing pursuant to the Administrative Procedure Act.

If, after appeal, any violation is found and if said violation is not corrected within sixty (60) days after the final decision on appeal is rendered, or if other appropriate legal proceedings are not initiated within such time period, TPWD shall forfeit any interests and this Agreement shall terminate.

19. Upon receipt of a valid petition from any public or private organization or individual alleging that Texas is using or permitting use of the Federal lands or affecting the Federal easement covered by this Agreement in a manner that violates the terms of this Agreement, FWS shall, within 30 days, investigate the allegation and make a determination whether, pursuant to paragraph 18 of this Agreement, it shall notify Texas of the alleged violation. If FWS determines the petition to be invalid or does not otherwise pursue the petition, petitioner may appeal to the Secretary of the Interior who shall make a final decision after providing opportunity to the petitioner and TPWD to submit comments.

20. In the event this Agreement is terminated, Texas shall have ninety (90) days from the effective date of termination to remove any structure placed on the area by the State and to restore the land affected by such removal as nearly as possible to its original condition considering normal wear and tear. If this Agreement is terminated, interior will immediately assume direct management of the Federal lands on the island, including any permits or similar agreements which extend beyond said termination date. It is the intention of the parties that this Agreement shall transfer no permanent rights to title, ownership, or control of any Federal or State land, water, facilities, or equipment included in this document.

21. This Agreement and all documents referred to herein, may be amended in the future by mutual consent or agreement of the Executive Director of TPWD, Regional Director of FWS, and GLO Commissioner. In effecting any such amendment, FWS shall comply with the provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.). FWS shall provide 30 days public notice prior to the effective date of any amendment to this Agreement.

22. This Agreement is entered into for a period of one hundred (100) years, commencing on the date it is fully executed.

In witness whereof, the parties have executed this Agreement on the day, month, and year opposite their signatures thereto:

The United States of America, Department of the Interior:

JAMES G. WATT,
Secretary of the Interior.
ROBERT A. JANTZEN,
Director, U.S. Fish and Wildlife Service,

and

The State of Texas:

WILLIAM P. CLEMENTS, Jr.
Governor, State of Texas.
BOB ARMSTRONG,
Commissioner, General Land Office, and Chairman, School Land Board.
PERRY R. BASS,
Chairman, Texas Parks and Wildlife Commission.

December 8, 1982.

STATE OF TEXAS, GENERAL LAND OFFICE—GRANT OF EASEMENT TO UNITED STATES OF AMERICA OF MATAGORDA ISLAND, CALHOUN COUNTY, TEXAS

This indenture, made this 8th day of December, 1982, by and between the State of Texas, acting by and through the Governor of the State of Texas, the Commissioner of the Texas General Land Office (GLO), on behalf of the Public Free School Fund, pursuant to V.T.C.A. Article 5421c-13, and the Chairman of the Texas Parks and Wildlife Commission, acting pursuant to his authority to direct the policy of the Texas Parks and Wildlife Department (TPWD), hereinafter styled "Texas," and the United States of America, acting by and through the Secretary of the Interior and the Director of the U.S. Fish and Wildlife Service (FWS), or their authorized representatives, hereinafter styled "United States."

WITNESSETH

Whereas, some 24,893± acres of land and water managed by Texas on behalf of the Public Free School Fund in the vicinity of Matagorda Island in Calhoun County, Texas (as decribed in part 1 of "Exhibit A" attached hereto and made a part of this indenture), is suitable for wildlife conservation and National Wildlife Refuge System (NWRS) purposes;

Whereas, the Secretary of the Interior, acting through the Director of FWS, in the administration of the NWRS, is authorized, pursuant to section 4(b)(3) of Public Law 89-669, as amended (16 U.S.C. 668dd(b)(3)), to acquire lands or interest therein suitable for wildlife conservation and inclusion in the NWRS by exchange for lands or interests therein which are suitable for disposition, when the values of the lands or interests therein exchanged are approximately equal;

Whereas, Texas is authorized pursuant, to V.T.C.A. Article 5421c-13, to trade fee and lesser interests in Public School Land for fee and lesser interests in lands of unique biological, geological, cultural, or recreational value;

Whereas, Texas and the United States desire to exchange easements on the 19,000± acres of Federal land, including the 6.9-acre Port O'Connor dock annex, and 24,893± acres of State land on Matagorda Island in order to promote and enhance the conservation of wildlife, and continue to provide recreational opportunities for the public which are compatible, and do not interfere, with the primary purposes for which the lands are included in the NWRS;

Whereas, GLO desires to lease the Federal easement and the State lands to TPWD to provide integrated management of Matagroda Island; and

Whereas, Matagroda Island is of particular value in carrying out the Nation's migratory bird management program, and for other wildlife conservation purposes, and that such programs and purposes would be aided by the integrated management of Matagorda Island.

1. Now Therefore, for and in consideration of the concurrent conveyance by the United States of an easement for 100 years to enter and manage the land and water described in part 2 of "Exhibit A," Texas hereby grants and conveys to the United States, its successors, and assigns, subject to the terms and conditions of the memorandum of agreement between the United States and Texas executed on the 8th day of December, 1982 (attached hereto and made a part of this Indenture, hereinafter styled "Agreement"),

and the conditions and provisions hereinafter set forth, an Easement for 100 years for the conservation of the land and water described in part 1 of "Exhibit A," for inclusion in the NWRS, including the right of access thereto by authorized representatives of FWS over and across any and all adjoining lands of Texas.

2. Subject, however, to: Texas' express reservation and retention of all interests in the land and water described in part 1 of "Exhibit A," not expressly granted herein, including, but not limited to, all existing rights-of-way, all outstanding mineral rights, other valid existing rights of Texas and the United States, and third parties under patents of record, and rights of third parties under oil and gas leases or other valid existing rights of record.

3. The conveyance hereunder shall be effective on the date of execution of: (a) this grant of easement by the Governor, the Commissioner of the General Land Office, and the Chairman of the Texas Parks and Wildlife Commission, or their authorized representatives; and (b) the concurrent grant of easement from the United States to Texas.

4. Texas, for itself and for its successors, assigns, lessees, and any other person claiming under them, covenants and agrees that it will cooperate in the management of the land and water described in parts 1 and 2 of "Exhibit A" as wildlife habitat pursuant to the terms of this easement, including the agreement.

5. It is understood and agreed by both parties that this easement grants no rights and imposes no limitations or restrictions upon Texas or the United States other than those set out herein, including "Exhibit B" attached hereto and made a part of this indenture.

6. In the event that the agreement shall be terminated pursuant to paragraph 18 thereof, then all rights, titles, estates, and interests of the United States, its successors, and assigns, conveyed by this indenture shall automatically and without entry, demand, or action, terminate and be of no further effect.

7. Should the United States' rights, titles, estates, and interests terminate pursuant to the foregoing provision, then Texas' rights, titles, estates, and interests in the easement conveyed to it by the United States shall automatically and without entry demand, or action, terminate and be of no further effect.

The State of Texas:

WILLIAM P. CLEMENTS, JR.,
Governor, State of Texas.
BOB ARMSTRONG,
Commissioner, General Land Office, and Chairman, School Land Board.
PERRY R. BASS,
Chairman, Texas Parks and Wildlife Commission.

December 8, 1982.

[Exhibit B]

GRANT OF EASEMENT BY TEXAS TO UNITED STATES

TERMS AND CONDITIONS OF EASEMENT TO THE UNITED STATES OF AMERICA

Attached to and made a part of that certain Grant of Easement from Texas to the United States, dated the 8th day of December, 1982.

Now, therefore Texas hereby agrees that it shall comply with the terms and conditions of the agreement, and it shall not, except as authorized by that agreement:

1. Manipulate the land and water or allow the manipulation of the land and water by others in any way that would diminish its value as wildlife habitat without the express written concurrence in the Secretary of the Interior through the Director of FWS, or his designee;

2. Grant additional easements, rights-of-way, or other interests other than for the development of or exploration for oil, gas, or other minerals pursuant to paragraphs 7 and 8 of the agreement, in the aforesaid land and water without the express written concurrence of the Secretary of the Interior or his designee;

3. Erect or permit the erection of any buildings, structures, or other appurtenances, other than for the development of or exploration for oil, gas, or other minerals pursuant to Paragraphs 7 and 8 of the agreement, including a causeway to any portion of the land and water covered by this easement, for any purpose;

4. Drain or permit the drainage by any means of any wetlands presently occurring or recurring due to natural causes; or

5. Conduct or authorize the conduct of any recreational activities which interfere with and are not compatible with the primary purposes for which the lands are included in the NWRS.

[United States of America, Department of the Interior, U.S. Fish and Wildlife Service]

GRANT OF EASEMENT TO STATE OF TEXAS—MATAGORDA ISLAND, CALHOUN COUNTY, TEXAS

This indenture, made this 8th day of December, 1982, by and between the United States of America, acting by and through the Secretary of the Interior and the Director of the U.S. Fish and Wildlife Service (FWS), or their authorized representatives, hereinafter styled "United States," and the State of Texas, acting by and through the Governor of the State of Texas, the Commissioner of the Texas General Land Office (GLO), on behalf of the Public Free School Fund, pursuant to V.T.C.A. Article 5421c-13, and the Chairman of the Texas Parks and Wildlife Commission, acting pursuant to his authority to direct the policy of the Texas Parks and Wildlife Department (TPWD), hereinafter styled "Texas."

WITNESSETH

Whereas, the United States and Texas desire to exchange easements on the 19,000± acres of Federal land, including the 6-9-acre Port O'Connor dock annex, and 24,893± acres of State land on Matagorda Island in order to promote and enhance the conservation of wildlife, and continue to provide recreational opportunities for the public which are compatible, and do not interfere, with the primary purposes for which the lands are included in the National Wildlife Refuge System (NWRS);

Whereas, the Secretary of the Interior, acting through the Director of FWS, in the administration of the NWRS, is authorized, pursuant to section 4(b)(3) of Public Law 89-669, as amended (16 U.S.C. 668dd(b)(3)), to acquire lands or interests therein suitable for wildlife conservation and inclusion in the NWRS by exchange for lands or interests therein which are suitable for disposition, when the values of the lands or interests therein exchanged are approximately equal;

Whereas, Texas is authorized, pursuant to V.T.C.A. Article 5421c-13, to trade fee and lesser interests in Public School Land for fee and lesser interests in lands of unique biological, geological, cultural, or recreational value;

Whereas, GLO desires to lease the Federal easement and the State lands to TPWD to provide integrated management of Matagorda Island;

Whereas, Matagorda Island is of particular value in carrying out the Nation's migratory bird management program, and for other wildlife conservation purposes, and that such programs and purposes would be aided by the integrated management of Matagorda Island;

Whereas, the interest in Federal lands described below has been found to be suitable for disposition; and

Whereas, the interest in Federal lands described below has been found to be approximately equal in value to the interest in State lands conveyed to the United States by concurrent grant of easement.

1. Now therefore, for and in consideration of the concurrent conveyance by Texas of an easement for 100 years to the United States in the land and water surrounding Matagorda Island described in part 1 of "Exhibit A" (attached hereto and made a part of this indenture), the United States hereby grants and conveys unto Texas, its successors, and assigns, subject to the terms and conditions of the memorandum of agreement between the United States and Texas executed on the 8th day of December 1982 (attached hereto and made a part of this indenture, hereinafter styled "agreement"), and the conditions and provisions hereinafter set forth, an easement for 100 years to enter and manage the land and water described in part 2 of "Exhibit A," pursuant to, and for the purpose of implementing, the agreement, including the right of access thereto by authorized representatives of Texas over all land and water described in part 2 of "Exhibit A."

2. Subject, however, to: the United States' express reservation and retention of all interests in the land and water described in part 2 of "Exhibit A," not expressly granted herein, including, but not limited to, all existing rights-of-way, all outstanding mineral rights, other valid existing rights of Texas and the United States, and third parties under patents of record, and rights of third parties under oil and gas leases or other valid existing rights of record.

3. The conveyance hereunder shall be effective on the date of execution of: a) this grant of easement by the Secretary of the Interior and the Director of FWS, or their authorized representatives; and b) the concurrent grant of easement from Texas to the United States.

4. Texas, for itself and for its successors, assigns, lessees, and any other person claiming under them, covenants and agrees that it will cooperate in the management of the land and water described in parts 1 and 2 of "Exhibit A" as wildlife habitat pursuant to the terms of this easement, including the agreement.

5. It is understood and agreed by both parties that this easement grants no rights and imposes no limitations or restrictions upon Texas or the United States other than those set out herein.

6. In the event that the agreement shall be terminated pursuant to paragraph 18 thereof, then all rights, titles, estates, and interests of Texas, its successors, and assigns, conveyed by this indenture shall automatically and without entry, demand, or action, terminate and be of no further effect.

7. Should Texas' rights, titles, estates, and interests terminate pursuant to the foregoing provision, then the United States'

rights, titles, estates, and interests in the easement conveyed to it by Texas shall automatically and without entry, demand, or action, terminate and be of no further effect.

The United States of America:

JAMES G. WATT,
Secretary of the Interior.
ROBERT A. JANTZEN,
Director, Fish and Wildlife Service.

December 8, 1982.

[State of Texas, County of Calhoun]

COASTAL PUBLIC LANDS LEASE NO. CL 82-014

(1) By virtue of the authority granted in Chapter 185, Acts of the 63rd Legislature, 1973 (codified as § 33.105, Natural Resources Code) and § 51.121 of the Natural Resources Code V.A.T.S., the School Land Board of the State of Texas acting by and through Bob Armstrong Commissioner of the General Land Office and Chairman of said Board, hereinafter called LESSOR, hereby leases to the Texas Parks and Wildlife Department, whose address is 4200 Smith School Road, Austin, Texas 78744, hereinafter called LESSEE, for the purpose of managing a estaurine preserve and promoting public recreation consistent with this purpose, the Coastal Public Lands and Gulf Lands described as follows:

Part of Matagorda Island and surrounding wetland areas, 21,568 acres, as described by metes and bounds in five parcels in Addendum A attached hereto and incorporated herein for all purposes and 3,325 acres in the Gulf of Mexico, being the land located between the line of mean high or higher tide out to a distance of one thousand (1000) feet located along the publicly owned portion of said island.

(2) In addition to the property described above, this lease shall include the conservation easement covering the 19,000 acres of federal land as described in said easement attached hereto as Addendum B and incorporated herein for all purposes.

(3) This lease is for a total period of 100 years beginning on the date of execution hereof, unless the same be renewed, extended, cancelled, or changed by the proper official as authorized by law. Except as provided herein, this lease may not be assigned.

(4) A Cooperative Agreement between Lessor and Lessee herein and the Department of Interior (hereinafter referred to as cooperative agreement) is attached hereto as Addendum C, the terms of which agreement shall be considered conditions of this lease where applicable.

(5) This lease is expressly made subject to that certain conservation easement covering the 24,893 acres of State owned wetlands and gulf lands as described in said easement attached hereto as Addendum D and incorporated herein for all purposes.

(6) This lease is expressly made subject to State Grazing Lease G-47852, State Surface Lease SL 820106 and subject to the reservations and exceptions contained in that certain deed dated March 15, 1979 from American Liberty Oil Company to the State of Texas and recorded in the deed records of Calhoun County Volume 319, page 582.

(7) As consideration for this Lease, Lessee agrees to pay to the Commissioner of the General Land Office at Austin, Texas, the sum of One Thousand Two Hundred and Forty-four Dollars and Sixty-five Cents ($1,244.65) payable at the time of execution of this instrument and annually thereafter in advance upon the anniversary date hereof.

(8) In the event that Lessee fails to pay any money due under the terms of this lease when the same becomes due, or is in breach of any condition set forth herein, the Commissioner of the General Land Office shall have the right, at his option, to forfeit this lease and all rights inuring to the Lessee herein, by sending written notice of such forfeiture by certified United States mail to the last known address of Lessee. Upon the sending of such written notice, this lease shall terminate and all rights granted herein to Lessee shall revert to the General Land Office and such forfeiture and termination shall not prejudice the rights of the General Land Office for any claim of payments due.

(9) Lessee acknowledges that no minerals are granted by this lease and the Coastal Public Lands contemplated by this lease are expressly subject to leases by the School Land Board for the exploration for and development of oil, gas, and other minerals consistent with the cooperative agreement.

(10) The leased premises shall be managed in accordance with the Matagorda Island Conceptual Plan attached hereto as Addendum E, and in accordance with the cooperative agreement where applicable.

(11) Lessee shall use the highest degree of care and all proper safeguards to prevent pollution of air and water in and around the above described area. In the event of pollution caused by Lessee, Lessee shall use all means at its disposal to recapture all pollutants which have escaped and shall be responsible for all damage to public and private property.

(12) Upon termination of the cooperative agreement, Lessee shall within one hundred twenty (120) days from said termination remove all of Lessee's personal property from said leased premises, provided all money due hereunder has been paid. Lessee shall take whatever measures necessary to restore the area involved as nearly as possible to the same condition it was before the Lessee entered thereon, except as otherwise approved in writing by the Commissioner of the General Land Office.

(13) At the expiration or termination of this lease, all structures and/or man-made improvements become the property of the State of Texas, for the use and benefit of the Public Free School Fund, unless the School Land Board at its option permits Lessee to remove said improvements.

(14) The provisions of paragraph twenty (20) of the cooperative agreement shall also apply to any activity on the premises leased hereunder.

Entered into this 8th day of December, 1982.

General Land Office, State of Texas:

BOB ARMSTRONG,
Commissioner and Chairman of the School Land Board, Lessor.

Texas Parks and Wildlife Department:

PERRY R. BESS,
Chairman, Texas Parks and Wildlife Commission, Lessee.

By Mr. BENTSEN:

S. 697. A bill entitled the "Private Sector Productivity Act"; to the Committee on Governmental Affairs.

THE PRIVATE SECTOR PRODUCTIVITY ACT

● Mr. BENTSEN. Mr. President, you and my colleagues know of my long-term interest in the fundamental problems of lagging U.S. productivity. Productivity growth—rising output per man hour—is the best way our Nation or any nation can increase the material well-being of all its citizens. With rising output per worker, any society or economy will increase the total value of its output on a per person basis. Indeed, the only other way to achieve that same per capita income growth is by adding more men, women, and children to its work force.

PRODUCTIVITY GROWTH

So, rising productivity is key to rising standards of living. And it is especially critical to our Nation whose economic system is held as the exempler of a freely working capitalist economy. Our economic performance is compared continually with that of the centrally directed economies, for example, led by the Soviet Union. And it is important that we prevail in this competition for the minds of those billions of men and women across our world whose alliance and support we welcome.

Rising productivity is necessary for another much less esoteric reason. It is needed to insure that jobs in this country remain here and new ones are created. We are in competition in many fields with mature foreign economies in Japan and Europe to maintain existing markets and create new ones. And an important ingredient in the success of this effort is our ability to produce quality products at low cost. And that means high and rapidly rising productivity. If we fail to generate sufficiently robust productivity growth, we face an inevitable loss of markets and the loss of jobs which goes hand in glove with that loss. We face a formidable challenge this decade in creating sufficient jobs to meet labor-force growth and reduce our tragic toll of unemployment. As many as 20 million new jobs must be created by 1990 just to accommodate these factors, while lowering unemployment to 6 percent. That is a staggering number of jobs and the capture of foreign markets through productivity growth has a major, even pivotal, role to play in that process.

A third reason to achieve rising productivity is that our Nation has an obligation, I believe, to see her citizens well fed and housed. Our society will and should be judged on how well it provides for the greatest freedom and for the greatest number and variety of material goods for the greatest number of citizens. It is a challenge the Federal Government cannot and should not shirk. Yet, the recent history of productivity growth here is discouraging.

A fourth reason is that productivity growth offers our Nation the only positive option for breaking the Phillips curve tradeoff between soaring inflation and rising unemployment. Our macroeconomic fiscal and monetary policies are very difficult tools with which to stabilize our economy. We

can use them to push down unemployment, but the price is usually an upsurge of inflation or soaring Federal deficits and skyrocketing interest rates. We can use them instead to grind down inflation as we have successfully done since 1980. Yet, the price has been terrible and far too high in terms of lost jobs and the human tragedies that occur when families confront financial crises.

Productivity growth avoids these tradeoffs between unemployment and inflation by enabling wages to rise without pushing production costs or prices up. It is the best and clearest path to price stability and rising real growth without unemployment.

PRODUCTIVITY RECORD

Nonfarm business sector productivity grew some 0.2 of 1 percent in 1982, continuing the downward trend which began in the 1960's.

U.S. productivity averaged 2.4 percent annually during the 1950's and 1960's. That rate slid to 1.1 percent during the 1967 to 1972 period. It fell to a scant 0.3 of 1 percent during the following years to 1979. In 1980, it actually declined 0.9 of 1 percent, and it fell in three of the four quarters in 1981, as well.

Internationally, our declining productivity growth appears even more alarming. The United Kingdom, France, Italy, and Japan all experienced rising productivity in the latter years of the 1970's, for example. And they continued to score positive gains since in most cases.

As Table I shows, we are still the world's productivity leader. But the down trend here coupled with rising and higher trends abroad spell an inevitable loss of our dominance. Indeed, in a number of industries today, higher rates of investment abroad over the past years has enabled foreign workers' productivity to zoom past our own.

Mr. President, I ask unanimous consent for Table I, entitled "International Productivity Comparisons," to be inserted at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—INTERNATIONAL PRODUCTIVITY COMPARISONS

[Real gross domestic product per employed person] [1]

	Canada	France	Italy	United Kingdom	Japan	West Germany	United States
Year:							
1950	51.1	25.5	15.3	30.8	8.9	21.3	61.0
1955	61.0	31.2	19.2	34.3	12.3	29.2	69.5
1960	66.9	39.6	25.6	38.0	16.8	39.2	74.6
1965	76.9	51.2	24.5	42.6	25.3	48.4	86.6
1970	84.0	63.7	47.6	49.5	41.7	60.6	90.9
1975	91.7	76.2	53.0	54.7	51.8	70.6	95.7
1978	95.9	84.4	57.7	59.0	59.4	79.1	100.3
1979	94.8	86.6	59.9	59.2	62.2	81.8	100.0
				RELATIVE PRODUCTIVITY			
1950	84.5	41.5	25.7	51.8	14.7	35.2	100.0
1979	94.8	86.5	59.9	59.2	62.2	81.8	100.0

[1] Index, United States, 1979=100. Measured using own country price weights.
Source: Bureau of Labor Statistics.

Mr. BENTSEN. Mr. President, demographers point to the surge over the last decade of relatively untrained youths and women into our labor force as partially responsible for our lagging productivity growth. But that is scant comfort compared to the grim conclusion one must draw when looking at trends abroad and here at home on savings and investment. And economists have long recognized that investment rates are perhaps the biggest single factor influencing future productivity.

Throughout the last decade, the United States had the lowest rate of private and nonmilitary government investment (as a share of GNP) of any major economic power—lower than Italy, Japan, Germany, the United Kingdom, Canada, or the Netherlands. Our savings rate was lower, as well. Indeed, it was far less than in any of these other nations—and barely one-third the rate in nations like Italy and Japan. The robust incentives for savings and investment in the Economic Recovery and Tax Act of 1981 were designed largely to address the poor U.S. performance in these critical areas.

FEDERAL PRODUCTIVITY EFFORTS

Many other factors influence productivity, as well, including sticky Federal redtape and national R&D levels. The extent of their influence and of many other factors is not clear, however. What is clear is that we need a greater understanding both of all the forces at work which generate rising productivity, and of the role being played on these forces by the Federal Government itself.

The Federal Government has been concerned with assisting private sector productivity efforts for almost 20 years. As I noted in a speech several years ago in this Chamber, Federal concern with the declining state of U.S. innovation began as early as 1963 with President Kennedy's civilian technology program designed to upgrade the production technology utilized by small- and medium-sized U.S. companies.

An initial focus on this program, administered by the National Bureau of Standards, was the textile and apparel industries which received Federal assistance through 1979. In 1965, the State technical services program was established within the Department of Commerce to improve the dissemination and utilization of technical information to the private sector. It was terminated in 1970.

In 1971, the Nixon administration established the new technological opportunities program to spotlight Federal incentives capable of accelerating innovation. This dual-objective program was designed to increase the competitiveness of U.S. exporters and to reduce unemployment among scientists and engineers.

In 1976, a National Center on Productivity and the Quality of Working Life was established. Suffering from overly ambitious objectives which far exceeded its budget and limited access to the White House and top administration officials, the NCPQWL lasted only 2 years. It was replaced by a toothless tiger, the National Productivity Council (NPC) established within the Office of Management and Budget with a two-person staff. In 1979, I asked Elmer Staats, then Comptroller General of the United States, to evaluate the wisdom of establishing a focal point for Federal efforts to stimulate productivity. Mr. Staats and the General Accounting Office were a logical choice for this task. More than any other official, Mr. Staats had consistently stressed the urgency of renewing our productivity growth. And more than any other Federal entity, he and his staff have plumbed the best minds worldwide in fashioning solutions to the question of how best to spur productivity.

The legislation I am introducing today reflects the best thinking of the GAO. It is drawn largely on material prepared by them since 1979.

In 1981, the NPC was superseded by an even less official, temporary committee called the National Productivi-

ty Advisory Committee. This presidential advisory group of 34 members will expire next fall after conducting a White House Conference on Productivity, thus ending any high level formal interest in productivity within the Executive branch.

The ensuing vacuum must be filled, and my legislation will do so by creating the Productivity Council.

EXPLANATION OF LEGISLATION

My bill, the Private Sector Productivity Act, was introduced in 1981. It is designed to create a small, but high level, permanent entity, the Productivity Council, within the Federal Government to deal with private-sector productivity issues. It will have a small staff. My bill will not create another Federal bureaucracy. Nor will it address public-sector productivity issues better handled at the Office of Personnel Management.

As I explained several years ago when introducing the Productivity Improvement Act, the Productivity Council (PC) will develop a national productivity plan, including a review of what is underway now and what can be done by the Federal Government to increase private-sector productivity. It will receive counsel from an advisory board drawn from the private sector. It will serve as an advocate right within the Federal bureaucracy for tax and regulatory policies designed to promote productivity. The legislation assigns specific duties, as well, to the Department of Labor, the Department of Commerce, to other agencies, and to the Federal Mediation and Conciliation Service for raising productivity.

I want to make clear the distinction between this proposal and the previous NCPQWL.

The PC will have a strong leader with access to the top offices of the administration and to congressional leaders. For that reason, the chairman is subject to Senate confirmation.

The PC will be able to work closely and effectively with other Federal entities concerned with productivity, to lead, to speak for, and coordinate with them the entire Federal productivity effort.

The PC will be an extension of the Federal Government, not as an independent entity with little support from, or loyalty to, the administration. The major responsibilities assigned to the Secretaries of Labor and Commerce, and its legislative mandate to develop the Federal productivity plan, insure that the PC will be a forceful, active entity that speaks for the entire Federal Government.

Mr. President, I ask unanimous consent that the Private Sector Productivity Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. This act may be cited as the "Private Sector Productivity Act."

SEC. 2. (a) Statement of Findings and Purpose. The Congress finds and declares that—

(1) the rate of growth of productivity in the United States has been declining in recent years and is less than the rate of such growth in each of the major industrial nations;

(2) the Federal Government is taking many actions which affect productivity in the private sector, but such actions are not coordinated and are, in some cases, contradictory; and

(3) there is no comprehensive national productivity plan which addresses in a cohesive manner problems relating to productivity in the private sector and which delineates possible Federal activities to improve productivity in the private sector.

(b) Therefore, it is the purpose of this act to—

(1) improve the effectiveness of Federal policies, programs, and activities related to productivity in the private sector; and

(2) eliminate unnecessary barriers and obstacles created by the Federal Government to the improvement of productivity in the private sector.

PRODUCTIVITY COUNCIL

SEC. 3. (a) There is established the Productivity Council (hereinafter referred to as the "Council"). The Council shall be composed of—

(1) a chairperson who shall be appointed by the President by and with the advice and consent of the Senate;

(2) the Secretary of Commerce;

(3) the Secretary of Labor;

(4) the Secretary of the Treasury;

(5) the Director of the Office of Management and Budget;

(6) the Chairman of the Council of Economic Advisers;

(7) the Special Trade Representative;

(8) the Director of the Office of Science and Technology Policy;

(9) the Director of the Federal Mediation and conciliation Service;

(10) the Administrator of the Small Business Administration; and

(11) the heads of such other Federal agencies as the President may designate.

(b) The Council shall—

(1) develop and annually revise a comprehensive national productivity plan which—

(A) identifies and describes the relationship and effect of Federal policies, programs, and activities on productivity in the private sector;

(B) delineates the responsibilities of Federal agencies which carry out such policies, programs, and activities;

(C) indentifies unnecessary obstacles to productivity in the private sector which are created by the Federal Government;

(D) recommends alternative Federal policies, programs, activities, and governmental structures to facilitate the improvement of productivity in the private sector;

(E) analyzes the Budget of the United States in order to ascertain the areas in which Federal financial assistance is being provided to improve productivity in the private sector;

(F) annually assesses Federal activities to improve productivity in the private sector, including an identification of duplicative activities, successful activities, unsuccessful activities, and areas in which additional activities are necessary; and

(G) establishes priorities for short- and long-term objectives to improve productivity in the private sector and proposes recommendations for specific projects and programs to retain such objectives;

(2) bring together representatives of business, labor, academic institutions, and government to identify possible Federal activities to improve productivity in the private sector and to obtain the support and participation of the private sector in creating and implementing the national productivity plan developed pursuant to clause (1);

(3) conduct studies to assist in the refinement and annual revisions of the national productivity plan developed pursuant to clause (1);

(4) perform economic analyses of the short- and long-term impact on productivity of such Federal statutes and regulations as the Council may select;

(5) provide guidance and direction to Federal agencies concerning the implementation of the national productivity plan developed pursuant to clause (1);

(6) make recommendations to the President, the Congress, and Federal agencies concerning legislation, regulations, policies, and activities to improve productivity in the private sector;

(7) act as the primary source of information in the Federal Government concerning efforts to improve productivity in the private sector by—

(A) receiving and disseminating information relating to Federal efforts to improve productivity in the private sector;

(B) promoting the activities of national, regional, and local productivity centers, serving as a liaison between such centers and Federal agencies, and establishing mechanisms to permit the consideration by Federal agencies of recommendations made by such centers concerning Federal activities to improve productivity in the private sector;

(C) providing assistance to such centers concerning the implementation of Federal policies, regulations, programs, and activities to improve productivity in the private sector;

(D) representing the United States with foreign productivity centers and the monitoring of activities in other countries to improve productivity in the private sector; and

(E) monitoring the status of policies, programs, regulations, and activities of the Federal Government which affect productivity in the private sector;

(8) report annually to the President and the Congress concerning the implementation and revisions of the national productivity plan developed pursuant to clause (1); and

(9) delineate the functions of Federal agencies relating to the improvement of productivity in the private sector.

(c) The Chairman shall be responsible for carrying out the duties of the Council.

(d) The Secretary of Commerce and the Secretary of Labor shall serve as the Vice Chairmen of the Council. There shall be an Executive Committee of the Council, which shall consist of the Chairman and the Vice Chairmen of the Council.

(e) The Chairman of the Council is authorized—

(1) to appoint and fix the compensation of such employees as may be necessary to carry out the provisions of this Act;

(2) to procure temporary and intermittent services in accordance with section 3109 of

title 5, United States Code, at rates not to exceed the daily rate payable for GS-18 under section 5332 of such title;

(3) without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, with any public agency or with any person, and make payments (in advance, by transfer, or otherwise) and grants to any public agency or private organization;

(4) to organize and conduct, directly or by grant, contract, or other arrangement, conferences, meetings, seminars, or other forums for the purpose of—

(A) presenting and disseminating relevant information concerning productivity in the private sector; and

(B) obtaining information and opinions from sources outside the Federal Government concerning the improvement of productivity in the private sector.

(f) Upon request of the Chairman, the head of a Federal agency is authorized to detail any employee of the agency to the Council on a reimbursable basis.

(g) The Secretary of Commerce, the Secretary of Labor, and the Director of the Federal Mediation and Conciliation Service shall provide such assistance and support to the Council as may be necessary in order to carry out its functions under this Act.

PRODUCTIVITY COUNCIL ADVISORY BOARD

SEC. 4. There is established a Productivity Advisory Board, which shall be composed of up to 10 members appointed by the Chairman upon such terms and conditions as may be prescribed by the Council. The Chairman shall appoint such members from among individuals with experience in business, labor, and academics. The Advisory Panel shall advise the Council concerning appropriate activities for the improvement in the private sector.

PRODUCTIVITY IMPROVEMENT FUNCTIONS OF THE DEPARTMENT OF COMMERCE

SEC. 5. With the guidance of the Council, the Secretary of Commerce shall—

(1) carry out studies concerning productivity problems in particular industries;

(2) conduct workshops and other activities for business and industry to increase awareness of the importance of productivity growth;

(3) develop studies concerning activities to improve productivity in the private sector that may be carried out jointly by the Federal Government and the private sector, such as joint efforts to increase technological innovation;

(4) operate a clearinghouse to provide information concerning various aspects of productivity; and

(5) make such recommendations to the Council as the Secretary determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

PRODUCTIVITY FUNCTIONS OF THE DEPARTMENT OF LABOR

SEC. 6. Under the guidance of the Council, the Secretary of Labor shall—

(1) annually conduct an assessment of issues relating to the improvement of productivity in the private sector, including issues such as the need for programs for the training and retraining of workers displaced by technological change, the degree to which advanced technology is being utilized in specific industries, and significant demographic changes;

(2) identify new or improved methods to measure productivity and thereby improve productivity analysis;

(3) conduct workshops and other activities for labor to increase awareness of the importance of growth in productivity;

(4) develop studies concerning activities to improve productivity in the private sector which may be carried out jointly between the Federal Government and labor;

(5) provide information to the Secretary of Commerce for use in the productivity clearinghouse operated under clause (4) of section 5; and

(6) make such recommendations to the Council as the Secretary determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

PRODUCTIVITY FUNCTIONS OF THE FEDERAL MEDIATION AND CONCILIATION SERVICE

SEC. 7. Under the guidance of the Council, the Director of the Federal Mediation and Conciliation Service shall—

(1) provide guidance and encouragement for the establishment of cooperative advisory committees composed of representatives of labor and management to make recommendations concerning the revision of production techniques in order to improve productivity, and provide successful examples of such committees to persons seeking to establish such committees;

(2) be available and responsive to requests of representatives of labor, management, and community action groups seeking advice from counsel;

(3) identify and recommend experts and consultants, including national, regional, and local productivity centers, who are available to provide assistance in the resolution of labor, management, or community problems;

(4) provide information to the Secretary of Commerce for use in the productivity clearinghouse established pursuant to clause (4) of section 5;

(5) provide information to the Secretary of Labor for use in conducting the assessment required by clause (1) of section 6; and

(6) make such recommendations to the Council as the Director determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. To carry out the provisions of this Act, there are authorized to be appropriated $3,000,000 for Fiscal Year 1983 and each succeeding fiscal year. Funds appropriated for any fiscal year pursuant to this section shall remain available until expended.●

By Mr. MOYNIHAN:

S. 689. A bill to provide financial assistance for emergency shelters and related assistance for the homeless; to the Committee on Finance.

EMERGENCY SHELTER FOR THE HOMELESS ACT OF 1983

● Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to provide Federal assistance to aid in sheltering our Nation's homeless. My colleague from New York, Mr. RANGEL, is introducing identical legislation in the House of Representatives.

There is not now a Federal program whose paramount purpose is to provide funds to shelter the homeless. This legislation would fill that void. Existing social service programs, already hard pressed by the recent cutbacks in Federal funding, are without the resources to keep pace with the growing problem of the homeless.

There are an estimated 500,000 to 2 million homeless Americans. It is a measure of our neglect for the homeless that we do not have a more precise estimate of their number. But we do know that the number of homeless is on the rise, the result of current national economic conditions. Many families and individuals are finding themselves homeless, unable to pay rent or a mortgage, after the loss of a job. People are leaving their homes in search of work in other States only to find that none is available. Jobless and homeless, they often resort to living in their automobiles or other equally unsuitable places.

The problem of the homeless is particularly visible in our large cities—Los Angeles, San Francisco, Denver, Philadelphia, Boston, Houston, New York, and Washington, D.C. In New York City alone there are nearly 1,000 more individuals seeking shelter from the city's streets each night than there were at this time last year. New York City is providing emergency lodging to more homeless individuals than at any time since the Depression.

With the number of homeless rising, the need for emergency shelter grows. In 1978 New York City operated three shelters at a cost of $7 million. This year $38 million will be spent to operate 13 shelters containing 4,500 beds. New York State is expending an equivalent sum to help operate emergency shelters in New York City and elsewhere in the State. The Governor has requested $50 million in the 1983-84 State budget to fund the capital costs of building or rehabilitating shelters throughout the State. Next year New York City expects to spend $50 million to operate emergency shelters.

The bill I am introducing today would help States and localities provide the necessary emergency assistance to the homeless by making available $155 million in Federal funds to partially offset the operating costs ($100 million) and capital costs ($50 million) of providing emergency shelter, and for demonstration programs ($5 million) to support innovative means of delivering emergency services to the homeless. The bill also includes an amendment to the Social Security Act that removes emergency shelters from the definition of "public institution" and thus makes it possible for otherwise eligible shelter residents to receive supplemental security income (SSI) while living in a shelter. There are also provisions in the bill to provide tax credits to private developers who construct or renovate shelters for the homeless and to allow tax-

exempt bond financing for the construction of qualified shelters.

Mr. President, this is truly an emergency situation and we must act with all due speed. Let me quote to you from a December editorial in the Washington Post:

This is not a country where families can live under bridges or in "cardboard cities" while the rest of us have our turkey dinner.

This is but one line from an extraordinary set of nine editorials written by the gifted journalist Jodie T. Allen. On February 1, 1983 I asked that the series of editorials be printed in the RECORD so that my colleagues might read them. I would hope that they did and I would ask them all to join me in this effort to secure emergency Federal assistance to aid the homeless.

Mr. President, I ask unanimous consent that the complete text of the bill and an accompanying summary be printed in the RECORD in full.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE EMERGENCY SHELTER FOR THE HOMELESS ACT OF 1983

TITLE I.—SHORT TITLE AND DEFINITIONS

TITLE II.—OPERATING COSTS

Authorizes for appropriation $100 million to be used by the Secretary of Health and Human Services (HSS) to award grants to States, units of local governments, and nonprofit organizations to operate emergency shelters for homeless adults.

Funds will be made available on a 50-50 matching basis.

HHS will develop a grant formula that will take into account a locality's recent history of operating expenses for shelters, projected government expenditures for shelters, and other existing documentation on the need for emergency shelter and current bed capacity. Consideration will also be given to the local unemployment rate, the local housing vacancy rate for individuals living below the poverty level, and the number of unrelated individuals in the locality living below the poverty line.

TITLE III.—CAPITAL COSTS

Authorizes for appropriation $50 million to be used by the Secretary of HHS to make competitive grants to States, local governments, and nonprofit organizations to renovate or convert facilities to be used as emergency shelters for the homeless.

Grant applicants must provide a contribution in cash or in kind equal in value to 25% of the grant received.

In making grant awards the Secretary is to ensure the widest possible geographic distribution of emergency shelters.

TITLE IV.—DEMONSTRATION PROJECTS

Authorizes for appropriation $5 million to be used by the Secretary of HHS to make grants to States, local governments, and nonprofit organizations for the operation of demonstration projects that develop and apply innovative approaches to provide basic services to the homeless.

TITLE V.—COORDINATING COUNCIL

Establishes a Federal Coordinating Council on the Homeless to consist of the Secretaries of the Departments of HHS, Agriculture, HUD, and Labor, as well as the Administrators of the Veterans Administration and the Alcohol, Drug Abuse, and Mental Health Administration.

TITLE VI

Amends the Social Security Act to allow individuals to receive Social Security Income (SSI), if they are otherwise eligible, while residing in a shelter. Currently a shelter is considered a "public institution", making residents of shelters ineligible to receive SSI benefits.

TITLE VII.—TAX INCENTIVES

Amends the Internal Revenue Code of 1954 to provide a 25% tax credit to private developers who rehabilitate or construct shelters for the homeless.

Also amends the Tax Code to permit tax exempt bonds to be issued to finance qualified shelter facilities.

S. 698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "Emergency Shelter for the Homeless Act of 1983".

DEFINITIONS

SEC. 102. For purposes of titles II, III, IV, and V of this Act—

(1) the term "adult" means an individual who has attained the age of majority under the law of the State in which such individual is found,

(2) the term "Council" means the Federal Coordinating Council on the Homeless, established in section 501(a),

(3) the term "emergency shelter" means an entire facility, or that part of a facility, which is used or designed to be used to provide temporary housing to not fewer than 20 individuals,

(4) the term "general operating costs" means—

(A) personnel costs (including employee benefits) incurred to provide supervision, food service, security, medical counseling, job referral service, facility maintenance, and administration at an emergency shelter for homeless adults,

(B) rent or amortization of the purchase price of such shelter, including amortization of renovation costs,

(C) food and clothing for the homeless housed at such shelter, and

(D) fuel, utilities, furniture, equipment, and supplies to provide food, clothing, and services to the homeless at such shelter,

(5) the term "homeless" means individuals who are poor and who have no access to either traditional or permanent housing unless the context specifies otherwise,

(6) the term "local government" means a unit of general purpose local government,

(7) the term "locality" means the geographical area within the jurisdiction of a local government,

(8) the term "nonprofit organization" means an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code,

(9) the terms "operated" and "to operate" mean, with respect to a State or local government, operated or to be operated directly or indirectly (by contract or other agreement),

(10) the term "Secretary" means the Secretary of Health and Human Services unless the context specifies otherwise, and

(11) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States.

TITLE II—GRANTS FOR OPERATION OF SHELTERS FOR HOMELESS ADULTS

AUTHORITY TO MAKE GRANTS

SEC. 201. The Secretary may make grants to States, units of local governments, and nonprofit organizations to pay general operating costs to be incurred by States, local governments, and nonprofit organizations to operate emergency shelters for homeless adults.

ELIGIBILITY TO RECEIVE GRANTS

SEC. 202. A State, local government, or nonprofit organization is eligible to receive a grant under section 201 if—

(1) any emergency shelter for the homeless is in operation in the geographical area served by the State, local government, or nonprofit organization involved, and

(2) such State, local government, or nonprofit organization—

(A) operated an emergency shelter for the homeless at any time in the 3-year period preceding the date of the enactment of this Act,

(B) agrees to expend to operate emergency shelters for homeless adults an amount equal to the amount of any grant received under section 201, and

(C) submits to the Secretary an application in accordance with section 203.

APPLICATIONS FOR GRANTS

SEC. 203. Each application for a grant under section 201 submitted by a State, local government, or nonprofit organization shall contain—

(1) documentary material describing each emergency shelter for the homeless operated by the applicant during the period beginning 3 years before the date of the enactment of this Act and ending on the date such application is submitted and specifying the amount of funds expended during such period for such shelters,

(2) documentary material specifying the bed capacity of emergency shelters for the homeless operated by entities other than the applicant,

(3) documentary material specifying the amount of funds such applicant plans to expend, during the 1-year period beginning on the date of the enactment of this Act, to operate in such area emergency shelters for homeless adults, and

(4) with respect to the geographical area within the jurisdiction of the applicant if the applicant is a State or local government, or with respect to the area served by the applicant if the applicant is a nonprofit organization—

(A) the rate of unemployment,

(B) the rate of vacant housing affordable to individuals living below the poverty level, according to the most recent information collected by the Bureau of the Census, and

(C) the number of unrelated individuals living below the poverty level, according to the most recent information collected by the Bureau of the Census,

(5) assurances that such applicant shall—

(A) during the 1-year period beginning on the date a grant under section 201 is received by such applicant, expend such grant and not less than an amount of funds equal to such grant to provide emergency shelter to homeless adults,

(B) keep and make available to the Secretary such records of the expenditure of all

funds described in subparagraph (A), and provide to the Secretary such information regarding such expenditure, as the Secretary may require by rule, and

(C) repay to the Secretary an amount equal to 50 percent of any part of the aggregate amount of funds described in subparagraph (A) not expended in accordance with this title, and

(6) if the applicant is a State or local government, submitted a report describing the nature of a discussion had by the applicant with representatives of each community in which expenditures described in paragraph (5)(A) will be made, regarding the purposes for which such expenditures will be made.

ALLOCATION OF GRANTS

SEC. 204. In determining the amount of each grant made under section 201, the Secretary shall give primary consideration to the matters described in paragraphs (1), (2), and (4)(C) of section 203.

SEC. 205. (a)(1) Not later than 30 days after the date of the enactment of this Act, the Secretary shall issue rules to carry out this title.

(2) Not later than 90 days after an appropriation is made to carry out this title, the Secretary shall make grants under section 201.

(3) If the aggregate amount of funds requested in applications submitted and approved in the 90-day period beginning on the date such appropriation is made is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) Notwithstanding subsection (a), the aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 201 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriations.

RULES OF CONSTRUCTION

SEC. 206. This title shall not be construed—

(1) to exempt any emergency shelter for the homeless with respect to which funds described in paragraph (5)(A) are expended, from complying with any requirement or limitation imposed under any Federal, State, or local law, and

(2) to require that the entity operating any such shelter verify the status of individuals who may be admitted to such shelter.

AUTHORIZATION OF APPROPRIATIONS

SEC. 207. There is authorized to be appropriated $100,000,000 to carry out this title.

TITLE III—GRANTS FOR RENOVATING AND CONVERTING FACILITIES FOR USE AS SHELTERS FOR THE HOMELESS

AUTHORITY TO MAKE GRANTS

SEC. 301. The Secretary may make competitive grants to States, local governments, and nonprofit organizations to renovate or convert facilities to be used as emergency shelters for the homeless.

ELIGIBILITY TO RECEIVE GRANTS

SEC. 302. A State, local government, or nonprofit organization is eligible to receive a grant under section 301.

APPLICATION FOR GRANTS

SEC. 303. Each application for a grant submitted by a State, local government, or nonprofit organization shall contain—

(1) documentary material specifying the number of homeless individuals in need of emergency shelter in the area served by such applicant,

(2) a statement specifying the number of homeless individuals to whom housing will be provided at the emergency shelter with respect to which such grant is requested,

(3) documentary material specifying the location and bed capacity of each emergency shelter for the homeless then operated or proposed to be operated by such applicant,

(4) if such applicant is a State, a local government, or a nonprofit organization which is to operate the facility proposed to be operated as an emergency shelter for the homeless under a contract with a State or a local government, documentary material demonstrating that the State or local government involved has provided, to the neighborhood in which such facility is located, adequate notice and an opportunity to comment with respect to such emergency shelter,

(5) documentary material demonstrating that such applicant has the ability and resources necessary to renovate or convert such facility for use as an emergency shelter and to operate such emergency shelter, and

(6) assurances that such applicant shall—

(A) during the 1-year period beginning on the date a grant is made under section 301 to such applicant, expend such grant and a contribution in cash or in kind equal in value to 25 percent of the amount of such grant, to renovate or convert such facility for use as an emergency shelter for the homeless,

(B) keep and make available to the Secretary such records of the expenditure of funds and the making of the contribution described in subparagraph (A), and provide to the Secretary such related information, as the Secretary may require by rule,

(C) operate each facility renovated or converted with a grant made under section 301—

(i) for not less than 3 years as an emergency shelter for the homeless, and

(ii) for 4 additional years—

(I) as an emergency shelter for the homeless, or

(II) if the Secretary determines that such facility is no longer needed for use as an emergency shelter for the homeless and approves the use of such facility for another public purpose, for such public purpose, and

(D) repay to the Secretary in cash an amount equal to 80 percent of any part of the aggregate cash value of the funds and contribution described in subparagraph (A) not used to renovate or convert a facility to provide an emergency shelter for the homeless in accordance with this title, adjusted on a pro rata basis for any period such facility is used in compliance with subparagraph (C).

ALLOCATION OF GRANTS

SEC. 304. (a) Except as provided in subsection (b), in determining whether to make a grant under section 301 and the amount of any such grant, the Secretary shall evaluate—

(1) the demonstrated need for additional emergency shelters for the homeless in the area served by the applicant for such grant, and

(2) the number of homeless individuals who will be served by the facility with respect to which such grant is requested.

(b) No grant may be made under section 301 for the renovation or conversion of any facility on a site in any locality which would result in a disproportionate burden on any one section of the locality. In determining "disproportionate burden" the Secretary shall ensure the widest possible geographic distribution of emergency shelters throughout the locality, taking into consideration the many special needs of the homeless. The Secretary shall also review all the locality's current locations for sheltering the homeless to ensure that the site named in the application will not add to or create a situation in which any neighborhood or any socio-economic, racial, or ethnic group is forced to bear a disproportionate burden in the locality's plan to shelter the homeless.

DISTRIBUTION OF GRANTS

SEC. 305. (a)(1) Not later than 60 days after the date of the enactment of this Act, the Secretary shall issue rules to carry out this title.

(2) Not later than 120 days after an appropriation is made to carry out this title, the Secretary shall make grants under section 301.

(3) If the aggregate amount of funds requested in applications submitted and approved in the 120-day period beginning on the date such appropriation is made is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) Notwithstanding subsection (a), the aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 301 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriations.

AUTHORIZATION OF APPROPRIATION

SEC. 306. There is authorized to be appropriated $50,000,000 to carry out this title.

TITLE IV—DEMONSTRATION PROJECTS RELATING TO EMERGENCY SHELTERS FOR HOMELESS

AUTHORITY TO MAKE GRANTS

SEC. 401. The Secretary may make grants to States, local governments, and nonprofit organizations for the operation of demonstration projects that develop and apply innovative approaches to provide basic services to the homeless. Such innovative approaches may include—

(1) methods of providing higher quality or more extensive services to the homeless, and

(2) methods of providing services, with existing resources, to a larger population of the homeless.

ELIGIBILITY TO RECEIVE GRANTS

SEC. 402. A State, local government, or nonprofit organization is eligible to receive a grant under section 401 if such State, local government, or nonprofit organization agrees to expend, and expends, such grant and a contribution in cash or in kind equal to 10 percent of the amount of such grant, to carry out the demonstration project with respect to which such grant is made.

DISTRIBUTION OF GRANTS

SEC. 403. (a)(1) Not later than 60 days after the date of the enactment of this Act, the Secretary shall issue rules to carry out this title.

(2) Not later than 120 days after an appropriation is made to carry out this title, the

Secretary shall make grants under section 401.

(3) If the aggregate amount of funds requested in applications submitted and approved in the 120-day period beginning on the date such appropriation is made is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) Notwithstanding subsection (a), the aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 401 unless sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriations.

AUTHORIZATION OF APPROPRIATIONS

SEC. 404. There is authorized to be appropriated $5,000,000 to carry out this title.

TITLE V—COORDINATING COUNCIL TO ASSIST THE HOMELESS FEDERAL COORDINATING COUNCIL

SEC. 501. (a) There is hereby established a Federal Coordinating Council on the Homeless which shall consist of the following members:

(1) the Secretary or the designee of the Secretary,

(2) the Secretary of Agriculture or the designee of the Secretary,

(3) the Secretary of Housing and Urban Development or the designee of the Secretary,

(4) the Secretary of Labor or the designee of the Secretary,

(5) The Administration of the Veterans' Administration or the designee of the Administrator, and

(6) The Administrator of the Alcohol, Drug Abuse, and Mental Health Administration or the designee of the Administrator.

(b) The Secretary is the chairman of the Council.

REPORT BY COUNCIL

SEC. 502. (a) Not later than 90 days after the date of the enactment of this Act, the Council shall submit to the Speaker of the House of Representatives and to the President of the Senate a report—

(1) citing those Acts of Congress under the general or specific authority of which funds may be expended to provide some type of assistance to the homeless and, with respect to each act cited, each type of assistance authorized to be provided,

(2) with respect to each Act cited in accordance with paragraph (1), specifying whether such Act is administered in a manner that provides assistance to the homeless and whether such Act can be administered in a manner which provides greater assistance to the homeless, and

(3) with respect to each Act cited in accordance with paragraph (1), specifying the amount of funds expended to provide assistance to the homeless and determining whether the amounts so expended are adequate to achieve the purposes for which they are expended.

(b) The Council is terminated 30 days after the Council submits its report under subsection (a).

(c) The Secretary, on behalf of the Council, shall transmit to the chief executive officer of each State a copy of the report described in subsection (a).

TITLE VI—FEDERAL ASSISTANCE FOR ELIGIBLE HOMELESS PEOPLE UNDER SSI PROGRAM

REMOVAL OF LIMITATION ON ELIGIBILITY FOR INDIVIDUALS RESIDING IN EMERGENCY SHELTERS

SEC. 601. Section 1611(e)(1) of the Social Security Act is amended—

(1) by striking out "subparagraph (B) and (C)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)"; and

(2) by adding at the end thereof the following new subparagraph:

"(D) As used in subparagraph (A), the term 'public institution' does not include an emergency shelter for the homeless which is operated directly by a public agency, or by a nonprofit organization under contract with a public agency. For the purpose of this subparagraph, the terms 'emergency shelter' and 'homeless' have the meanings given them is section 102 of the Emergency Shelter for the Homeless Act of 1983.".

SEC. 602. The amendment made by section 602 shall apply with respect to months beginning after the date of the enactment of this Act.

TITLE VII—TAX INCENTIVES FOR EMERGENCY SHELTERS AND SINGLE ROOM OCCUPANCY FACILITIES

ALLOWANCE OF INVESTMENT TAX CREDIT

SEC. 701. (a) Subparagraph (A) of section 46(a)(2) of the Internal Revenue Code of 1954 (relating to amount of investment tax credit) is amended by striking out "and" at the end of clause (iii), by striking out the period at the end of clause (iv) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(v) in the case of shelter property, the shelter percentage.".

(b) Paragraph (2) of section 46(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(G) SHELTER PERCENTAGE.—For purposes of this paragraph—

"(i) IN GENERAL.—The shelter percentage is 25 percent.

"(ii) CERTAIN OTHER PERCENTAGES NOT TO APPLY.—

"(I) REGULAR PERCENTAGE.—The regular percentage shall not apply to shelter property.

"(II) ENERGY AND REHABILITATION PERCENTAGES NOT TO APPLY TO CERTAIN SHELTER PROPERTY.—The energy percentage and the rehabilitation percentage shall not apply to that portion of the basis of any property which is attributable to qualified shelter expenditures.".

(c) Section 48 of such Code (relating to definitions; special rules) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) SHELTER PROPERTY.—For purposes of this subpart—

"(1) TREATMENT AS SECTION 38 PROPERTY.—For the period beginning on the date of the enactment of this subsection—

"(A) shelter property shall be treated as meeting the requirements of paragraph (1) of subsection (a), and

"(B) paragraph (3) of subsection (a) shall not apply.

"(2) SHELTER PROPERTY DEFINED.—The term 'shelter property' means—

"(A) so much of the basis of any property which is attributable to qualified shelter expenditures, and

"(B) section 38 shelter property.

"(3) QUALIFIED SHELTER EXPENDITURES.—

"(A) IN GENERAL.—The term 'qualified shelter expenditure' means any amount properly chargeable to capital account which is incurred after the date of the enactment of this subsection—

"(i) for property (or additions or improvements to property) which have a recovery period (within the meaning of section 168) of 15 years, and

"(ii) for—

"(I) the construction of a qualified shelter facility, or

"(II) the rehabilitation (or reconstruction) of any qualified shelter facility.

In any case where only a portion of a building is a qualified shelter facility, the amounts which may be taken into account under the preceding sentence shall be determined under regulations prescribed by the Secretary.

"(B) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified shelter expenditure' does not include—

"(i) COST OF ACQUIRING EXISTING SHELTER.—The cost of acquiring any building (or interest therein) if, at any time during the 5-year period ending on the date of its acquisition by the taxpayer, such building was a shelter facility.

"(ii) EXPENDITURES OF LESSEE.—Any expenditure of a lessee of a building if, on the date the construction, reconstruction, erection, or rehabilitation is completed, the remaining term of the lease (determined without regard to any renewal periods) is less than 15 years.

"(C) PROPERTY TREATED AS NEW SECTION 38 PROPERTY.—Property described in paragraph (2)(A) which is treated as section 38 property by reason of paragraph (1) shall be treated as new section 38 property.

"(4) SECTION 38 SHELTER PROPERTY.—The term 'section 38 shelter property' means property which is section 38 property (determined without regard to paragraph (1) and which is used predominantly in a qualified shelter facility.

"(5) QUALIFIED SHELTER FACILITY.—

"(A) IN GENERAL.—The term 'qualified shelter facility' means that portion of any building which is—

"(i) an emergency shelter facility, or

"(ii) a single room occupancy facility.

"(B) EMERGENCY SHELTER FACILITY.—The term 'emergency shelter facility' means any adult care facility—

"(i) which is designed to accommodate at least 20 individuals,

"(ii) the use of which is limited to individuals—

"(I) who have no visible means of financial support,

"(II) who have no access to traditional or permanent housing, and

"(III) who are capable of independent living,

"(iii) which provides room and board—

"(I) at not more than a nominal charge to the individual receiving the room and board, and

"(II) only on a temporary basis,

"(iv) the users of which may receive rehabilitation and counseling services from an agency of the local government in the jurisdiction of which the facility is located, and

"(v) which is approved by such local government for use as described in this subparagraph.

"(C) SINGLE ROOM OCCUPANCY FACILITY.—The term 'single room occupancy facility' means a facility—

"(i) each dwelling unit of which consists of only 1 room, other than a bathroom (if any),

"(ii) not more than 20 percent of the dwelling units of which contain both a bathroom and a kitchen area,

"(iii) all of the dwelling units of which are for occupancy only by individuals of low or moderate income capable of independent living, and

"(iv) which is of a kind for which the Secretary of Housing and Urban Development is authorized to provide assistance under section 8(n) of the United States Housing Act of 1937.

For purposes of clause (iii) individuals of low or moderate income shall be determined as provided in section 103(b)(12)(C).

"(6) REDUCTION OF CREDIT WHERE FUNDING PROVIDED BY TAX-EXEMPT BONDS OR BY THE FEDERAL GOVERNMENT.—

"(A) Reduction of qualified investment.—For purposes of applying the shelter percentage to any property, if such property is financed in whole or part by—

"(i) any grant from the Federal Government which is not included in the gross income of the taxpayer,

"(ii) any financing provided under Federal program a principal purpose of which is to provide subsidized financing, or

"(iii) the proceeds of any obligation the interest on which is exempt from tax under section 103,

The amount taken into account as qualified investment shall not exceed the amount which (but for this subparagraph) would be qualified investment, multiplied by the fraction determined under subparagraph (B).

"(B) Determination of fraction.—For purposes of subparagagh (A), the fraction determined under this subparagraph is the greater of—

"(i) ⅗, or

"(ii) 1 reduced by a fraction—

"(I) the numerator of which is that portion of the qualified investment in the property which is allocable to amounts described in clause (i), (ii), or (iii) of subparagraph (A), and

"(II) the denominator of which is the qualified investment in the property.

"(7) BASIS ADJUSTMENT NOT TO APPLY.—Subsection (q) shall not apply to so much of the credit allowable under section 46(a)(2) as is attributable to the shelter percentage.".

(d) Subsection (a) of section 47 of such Code (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) PROPERTY CEASES TO BE SHELTER PROPERTY BUT CONTINUES TO BE SECTION 38 PROPERTY.—

"(A) IN GENERAL.—If during any taxable year of the recapture period any property with respect to which the shelter percentage was allowed ceases to be used for the purposes for which such percentage was allowed but continues to be section 38 property with respect to the taxpayer, then the tax under this chapter for such taxable year shall be increased by the product of—

"(i) the recapture percentage, and

"(ii) the net decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if, with respect to such property—

"(I) the shelter percentage had not been allowed, and

"(II) clause (ii) of section 46(a)(2)(G) had not applied to such property.

"(B) RECAPTURE PERIOD; RECAPTURE PERCENTAGE.—For purposes of this paragraph—

"(i) IN GENERAL.—Except as provided in clause (ii), the terms 'recapture period' and 'recapture percentage' have the meanings given such terms under paragraph (5).

"(ii) BUILDINGS AND STRUCTURAL COMPONENTS.—In the case of shelter property described in section 48(r)(2)(A)—

"(I) the recapture period is the 10-year period after the property is placed in service, and

"(II) the recapture percentage is the percentage equal to 100 percent, reduced by 10 percent for each full year after the property is placed in service and before the cessation referred to in subparagraph (A).

"(C) SPECIAL RULES.—

"(i) COORDINATION WITH APPLICATION OF PARAGRAPH (5).—If the application of this paragraph to any property is followed by the application of paragraph (5) to such property, proper adjustment shall be made in applying paragraph (5).

"(ii) OTHER RULES.—Rules similar to the rules of subparagraphs (C) and (D) of paragraph (5) shall apply.

"(D) BASIS ADJUSTMENT.—Under regulations prescribed by the Secretary, proper adjustments shall be made to the basis of any property—

"(i) with respect to which the shelter percentage was allowed, and

"(ii) which ceases to be used for the purposes for which such percentage was allowed to reflect the proper application of section 48(q) to such property beginning with the taxable year during which such cessation occurs.".

(e)(1)(A) Subparagraph (D) of section 47(a)(3) of such Code is amended by striking out "or a disposition, cessation, or change in expected use described in paragraph (5), then paragraph (1) or (5)" and inserting in lieu thereof "a disposition, cessation, or change in expected use described in paragraph (5), or a cessation described in paragraph (6), then paragraph (1), (5), or (6)".

(B) The heading of subparagraph (D) of section 47(a)(3) of such Code is amended by striking out "AND (5)" and inserting in lieu thereof", (5), AND (6)".

(2) Paragraph (7) of section 47(a) of such Code, as redesignated by subsection (d), is amended by striking out "or (5)" and inserting in lieu thereof "(5), or (6)".

(3) Subparagraph (B) of section 47(a)(8) of such Code, as redesignated by subsection (d), is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (7)".

(f) The amendments made by this section shall apply to periods after the date of the enactment of this Act under rules similar to the rules of section 48(m) of the International Revenue Code of 1954.

TAX-EXEMPT BONDS MAY BE ISSUED TO FINANCE QUALIFIED SHELTER FACILITIES

SEC. 702. (a) Paragraph (12) of section 103(b) of the Internal Revenue Code of 1954 (relating to projects for residential rental property) is amended by adding at the end thereof the following new subparagraph:

"(D) QUALIFIED SHELTER FACILITIES.—Any qualified shelter facility (within the meaning of section 48(r)(5)) shall be treated as described in paragraph (4)(A).".

(b) The amendment made by subsection (a) shall apply to obligations issued after the date of the enactment of this Act.●

By Mr. KENNEDY (for himself, Mr. CRANSTON, Mr. RIEGLE, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DODD, Mr. METZENBAUM, Mr. MATHIAS, Mr. DECONCINI, Mr. TSONGAS, and Mr. HART):

S. 699. A bill to provide for Federal support and encouragement of State, local, and community activities to prevent domestic violence, to provide for coordination of Federal programs and activities relating to domestic violence, and for other purposes; to the Committee on Labor and Human Resources.

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT

● Mr. KENNEDY. Mr. President, today, along with my colleagues, Senators CRANSTON, RIEGLE, RANDOLPH, MATSUNAGA, DODD, METZENBAUM, MATHIAS, DECONCINI, TSONGAS, and HART, I am introducing the Domestic Violence Prevention and Services Act. An identical bill has been introduced in the House by Congresswoman MIKULSKI. This legislation is similar to the one we passed in this body in the 96th Congress in a bipartisan effort to recognize our commitment to families who are faced with the tragic problem of spousal abuse. In the waning days of that Congress, the legislation never reached a final vote.

The Members of the body have long recognized the problem of family violence. In 1974, we enacted the Child Abuse Prevention and Treatment Act in order to focus national attention on the increasing incidence of child abuse. The success of this program is well know. Thousands of parents and children have received counseling and other needed assistance in order to recognize and cope with the severe emotional stress that accompanies this problem.

In the last few years, partly as a result of this effort, we have become increasingly aware of another form of family violence—spousal abuse. In fact, child and spousal abuse in many families go hand in hand. Parents who abuse each other often abuse their children. Children who have experienced episodes of family violence are more likely to become abusers as adults. It is impossible to ascertain how widespread the problem has become. Shame, fear, and guilt of the victim and the abuser often results in these incidents going unreported. While all 50 States now have mandatory reporting laws for suspected child abuse, only 12 States have similar laws concerning the abuse of adults. It is estimated, however, that 2 million women a year are victims of severe and repeated beatings in their own homes. An FBI uniform crime report recently released facts that 40 percent of female homicide victims are killed by family members or boy friends.

All across the country, State and local governments, community organizations, and women's groups have recognized the need for assisting the battered spouse; 700 shelters and safe

homes exist today as a result of these efforts; 44 States have enacted new legislation to provide some kind of help to battered spouses through direct grants or technical assistance. Although thousands of families are served each year by these programs, shelters are forced to turn away three times the number of people they serve. In my own State of Massachusetts 26 shelters receive State assistance in combination with local and private contributions. Last year 15 of these shelters were forced to deny services to over 2,500 family units due to lack of space. The human cost of these statistics is a tragedy.

Access to a local domestic violence shelter is often the only resource for these families. Counseling is available on a 24-hour basis and is directed at helping the abused spouse assess her own situation and options. Referrals are made for the abuser to also receive counseling. Supportive services are available if they are needed such as day care, job search, and counseling, and housing assistance. The objective of every program is helping the family work toward providing a safe environment for themselves and their children.

Families who seek these services are desparate. It is imperative that we provide the necessary resources and encouragement on the Federal level to existing shelters and incentive for new shelters to be established so that families will no longer find these doors closed to them. This is even more urgent now, as States find themselves forced to cut back on funds for social services due to decreasing Federal grants and the rising costs of the recession. The stress on families due to the disastrous rise in unemployment has dramatically increased the incidence of wife and child abuse. The Surgeon General of the United States has declared family violence a major public health problem.

The legislation we are proposing today is a modest response to this tremendous need. The bill establishes a Director of Domestic Violence under the Department of Health and Human Services that will provide technical assistance and funding resource information for shelters and related programs. The former Office of Domestic Violence was abolished in 1981. The bill establishes a Federal Interagency Council on Domestic Violence to coordinate existing programs that can assist victims of spousal abuse. It calls on States to develop a long-term plan which will include the criminal justice system, social service delivery, and public education. Finally, it makes funds available to local shelters through the States, contingent on matching local support. The cost of the proposal is $15 million the first year. It is a responsible bill that builds on the State and local commitments already in place in order to provide the desperately needed impetus to continue and add to these efforts.

The American family is our greatest resource. We must be willing to make them our highest priority. I urge you join me in supporting this legislation. I ask for unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Domestic Violence Prevention and Services Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) a significant number of homicides, aggravated assaults, and assaults and batteries occur within the home between adult members of families;

(2) the reported incidence of domestic violence represents only a portion of the total number of incidents of domestic violence;

(3) a large percentage of the deaths of law enforcement officers in the line of duty results from intervention by law enforcement officers in incidents of domestic violence;

(4) domestic violence is a complex problem affecting families from all social and economic backgrounds; and

(5) the effectiveness of State laws and State and local programs in reporting and preventing domestic violence and in providing immediate shelter and other assistance for victims and dependents of victims of domestic violence is not readily ascertainable.

(b) It is the purpose of this Act—

(1) to increase the participation by States, local public agencies, local communities, nonprofit private organizations, and individual citizens in efforts to prevent domestic violence and to provide immediate shelter and other assistance for victims and dependents of victims of domestic violence;

(2) to provide technical assistance and training relating to domestic violence programs to States, local public agencies, nonprofit private organizations, and other interested groups, officials, and persons seeking such assistance;

(3) to establish a Federal interagency council to seek to coordinate Federal programs and activities relating to domestic violence; and

(4) to provide for essential information gathering and reporting programs relating to domestic violence.

GRANTS AUTHORIZED

SEC. 3. (a)(1) In order to assist in supporting the establishment, maintenance, and expansion of programs and projects to prevent incidents of domestic violence and to provide immediate shelter and other assistance for victims and dependents of victims of domestic violence, the Secretary is authorized, in accordance with the provisions of this Act, to make grants to States that meet the requirements of this subsection.

(2) No grant may be made under this subsection unless the chief executive officer of the State seeking such grant submits an application to the Secretary at such time and in such manner as the Secretary may reasonably require. Each such application shall—

(A) provide that funds provided under this subsection will be distributed in grants to local public agencies and nonprofit private organizations for programs and projects within such State to prevent incidents of domestic violence and to provide immediate shelter and other assistance for victims and dependents of victims of domestic violence;

(B) provide, with respect to funds provided to a State under this subsection for any fiscal year, that—

(i) not less than 70 per centum of such funds will be distributed in grants to nonprofit private organizations within the State; and

(ii) in the distribution of funds by the State under this subsection, the State will give special emphasis to the support of community-based projects of demonstrated effectiveness, particularly projects which operate shelters for victims and dependents of victims of domestic violence;

(C) provide that the State, whenever feasible, in making grants under this subsection, will provide reasonable assurances, and the basis therefor, to local public agencies and nonprofit private organizations receiving such grants of the level of future support which each such agency or organization is likely to receive from the State, assuming continuation of an adequate level of Federal assistance under this Act;

(D) set forth procedures designed to assure an equitable distribution of grants and grant funds within the State in accordance with the provisions of this Act;

(E) set forth procedures for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds provided to the State under this Act, including such funds distributed by the State to local public agencies and nonprofit private organizations;

(F) specify the State agency to be designated as responsible for the administration of programs and activities relating to domestic violence which are carried out by the State under this Act and for coordination of programs within the State that are or could be used in relation to the prevention of domestic violence or the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence;

(G) provide for making such reasonable reports in such form, at such times, and containing such additional information as the Secretary may deem essential to carry out the purposes and provisions of this Act, and for keeping such records and affording such access thereto as the Secretary may deem essential to assure the correctness and verification of such reports;

(H) provide assurances of, and procedures for, compliance with the provisions of section 108, relating to confidentiality, and provide assurances that the address or location of any shelter for victims and dependents of victims of domestic violence which is in receipt of a grant under this subsection will, at the request of the person responsible for the operation of such shelter, not be made public;

(I) set forth procedures to assure active citizen participation within the State with respect to—

(i) overseeing within the State the development and implementation of Federal, State, and local programs and projects funded under this Act, including consideration of the extent to which the geographic

distribution of grants and grant funds by the State is equitable, taking into account the distribution of population within the State, and, to the extent feasible, examining and evaluating other Federal, State, and local programs providing services in the State that are or could be used in relation to the prevention of domestic violence or the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence; and

(ii) the distribution of funds to be made by the State through grants to local public agencies and nonprofit private organizations, and the development of plans for effectively meeting statewide needs;

(J) provide assurances that any project for which a grant is made under this subsection will—

(i) seek to coordinate its activities with other programs in the State that are or could be used in relation to the prevention of domestic violence or the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence; and

(ii) be administered and operated by personnel with appropriate skills, training, or experience and that, where a substantial number of individuals with limited English-language proficiency will be served, particular attention will be given to the provision of services which respect cultural sensitivities and bridge linguistic and cultural differences;

(K) provide that technical assistance will be available to local public agencies and nonprofit private organizations located in the State, in coordination with other Federal, State, and local efforts to provide such assistance, for the purpose of assisting such agencies and organizations in obtaining an adequate level of support from a variety of sources;

(L) provide for submitting annually to the legislature of the State involved the report which such State is required to submit to the Secretary under section 5; and

(M) provide such other assurances and include such other information as the Secretary deems essential to carry out the purposes and provisions of this Act.

(3) The Secretary shall approve any application that meets the requirements of this subsection, and the Secretary shall not disapprove any such application except after reasonable notice, opportunity for correction of any deficiencies, and notice of, and an opportunity for, a hearing.

(b)(1) The Secretary is authorized to make grants to Indian tribes and intertribal organizations for projects designed to prevent domestic violence and to provide immediate shelter and other assistance for victims and dependents of victims of domestic violence if such projects will be available within or will specifically serve—

(A) a federally recognized Indian reservation;

(B) any land area in Oklahoma the title to which is either (i) held by the United States in trust for the benefit of any Indian tribe or individual, or (ii) held by any Indian tribe or individual subject to a restriction against alienation imposed by the United States;

(C) a native village in Alaska (as defined in section 3(c) of the Alaska Native Claims Settlement Act); or

(D) an Indian community the members of which are recognized as eligible for services under the Indian Health Care Improvement Act (90 Stat. 1400).

(2) No grant shall be made under this subsection unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems essential to carry out the purposes and provisions of this Act. Such application shall comply, as applicable, with the provisions of clauses (E), (G), (H), and (J) of subsection (a)(2) of this section.

(3) Indian tribes and intertribal organizations seeking or receiving grants under this subsection shall have the same rights as States under subsections (i) and (j) of this section, and the duties of the Secretary under such subsections shall apply to grants under this subsection.

(c) No grant may be made under this section in any fiscal year to any single entity (other than to a State) for an amount in excess of $50,000, and the total amount of such grants to any single entity may not exceed $150,000, or be awarded in excess of three fiscal years.

(d) No funds provided through grants made under this section may be used as direct payment to any victim or any dependent of a victim of domestic violence.

(e)(1) No income eligibility standard may be imposed with respect to any individual seeking assistance or services from any local public agency or nonprofit private organization which receives a grant under this Act.

(2) No funds may be made available under this section to any local public agency or nonprofit private organization unless such agency or organization agrees to seek to recover fees for services provided by such agency or organization to victims or dependents of victims of domestic violence. The amount of such fees shall be based upon the ability of such victims to pay for the provision of such services.

(f) No grant may be made under this section to any local public agency or nonprofit private organization unless such agency or organization provides for the following local share as a proportion of the total amount of Federal funds provided under this Act to the program or project involved: 25 per centum in the first year such program or project receives a grant under this Act, 33⅓ per centum in the second such year, and 50 per centum in the third such year. Except in the case of a public entity, not less than 50 per centum of the local share of such agency or organization shall be raised from private sources in the community served by such agency or organization. The local share required under this subsection may be in cash or in-kind, fairly evaluated, including but not limited to plant, equipment, or services. The local share may not include any Federal funds provided under any authority other than this Act.

(g) The Secretary shall assure that not less than 75 per centum of the funds distributed under subsection (a) of this section and not less than 75 per centum of the funds distributed under subsection (b) of this section shall be distributed under each such subsection to entities for the purpose of providing immediate shelter and related assistance to victims and dependents of victims of domestic violence.

(h) In any case in which the Secretary approves an application submitted to the Secretary by a State for a grant under this section, the Secretary shall submit written notice of such approval as soon as practicable after the date of such approval to the State legislature for the State involved for review by such legislature. Such notice shall include such information as the Secretary considers appropriate describing the nature of activities which are proposed in such application and the reasons of the Secretary for approving such application.

(i) Whenever the Secretary, after reasonable notice and opportunity for hearing to any State which has received a grant under subsection (a) or section 3, finds that there is a substantial failure to comply with the requirements of this section in the administration of any such grant, the Secretary shall notify the State that no further payments will be made to the State under this Act (or, in the discretion of the Secretary, that further payments to the State will be limited to programs not affected by such failure) until the Secretary is satisfied that there will no longer be any such failure to comply. Until so satisfied, the Secretary shall make no further payments to such State under this Act (or the Secretary may limit further payments to programs not affected by such failure). The hearing required under this section shall be held within the State concerned unless otherwise agreed to by the Secretary and such State.

(j)(1) Any State adversely affected or aggrieved by any action of the Secretary under subsection (a)(3) or subsection (i) may, not later than 60 days after notice of such action, file a petition for review of such action with the United States court of appeals for the circuit in which such State is located. A copy of such petition shall be transmitted by the clerk of such court to the Secretary. The Secretary, after receiving such copy, shall file in such court the record of the proceedings upon which the action of the Secretary is based, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact of the Secretary, if supported by substantial evidence, shall be conclusive, except that the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may make new or modified findings of fact and may modify the previous determination. The Secretary shall certify to the court the record of any further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

(3) The United States court of appeals involved shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

SUPPLEMENTAL GRANTS AUTHORIZED

SEC. 4. (a) The Secretary is authorized, in accordance with the provisions of this Act, to make grants to any applying State that has met the requirements for a grant under section 2(a) for the purpose of paying the costs of—

(1) administering programs and activities relating to domestic violence carried out by such State in accordance with this Act;

(2) developing and implementing the State's domestic violence programs as specified in the application submitted by such State under such section;

(3) assuring active citizen participation in accordance with section 102(a)(2)(I) and providing technical assistance in accordance with section 102(a)(2)(K); and

(4) developing a media campaign to increase public awareness of the problem of domestic violence and the availability of services for its victims.

(b) An application for a grant under this section may be made by a State as part of

the application provided for under section 3(a)(2).

ALLOTMENT OF FUNDS

SEC. 5. (a) From the sums appropriated under section 114 for grants to States for any fiscal year, each State shall be allotted for payment in a grant authorized under sections 3 and 4 an amount which bears the same ratio to such sums as the population of such State bears to the population of all States, except that—

(1) each State shall be allotted not less than whichever is the greater of the following amounts: one-half of 1 per centum of the amounts available for grants under sections 3(a) and 4 for the fiscal year for which the allotment is made, or $45,000 for the purposes of section 3 and $7,500 for the purposes of section 4; and

(2) Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands shall each be allotted not less than one-eighth of 1 per centum of the amounts available for grants under sections 3(a) and 4 for the fiscal year for which the allotment is made.

For the purpose of the exception contained in paragraph (1) of this subsection only, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(b) For the purpose of this section, the population of each State, and the total population of all the States, shall be determined by the Secretary on the basis of the most recent satisfactory data available to the Secretary.

(c) If the sums appropriated under section 114 for any fiscal year for grants to States under sections 102 and 103 are not sufficient to pay in full the total amounts which all States are entitled to receive under each such section, respectively, for such fiscal year, then the maximum amounts which all States are entitled to receive under each such section for such fiscal year shall be ratably reduced. In the event that additional funds become available for making such grants for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

(d)(1) If, at the end of the sixth month of any fiscal year for which sums are appropriated under section 114, the amount allotted to a State has not been made available to such State in grants under sections 3 and 4 because of the failure of such State to meet the requirements for a grant, then the Secretary shall reallot such amount to States which are eligible to receive grants under section 3. Each such State shall be paid an amount which bears the same ratio to the total amount to be reallotted as the population of such State bears to the population of all such States.

(2) The Secretary may make available for reallotment, in accordance with the provisions of paragraph (1), such amounts made available for any fiscal year in a grant to a State under section 3 or section 4 as the Secretary determines, after consultation with such State, will not be used by such State during such fiscal year for carrying out the provisions of this Act. Any State with respect to which such a determination is made for any fiscal year shall not be eligible to receive any reallotments under this paragraph or under paragraph (1) for such fiscal year.

(3) Funds made available by the Secretary through reallotment under paragraph (1) or paragraph (2) shall remain available for expenditure until the end of the fiscal year following the fiscal year in which such funds become available for reallotment.

STATE REPORTS

SEC. 6. (a) For the purpose of furnishing information to the Congress to aid in its oversight activities, each State receiving a grant under section 3(a) shall submit to the Secretary, on or before December 1 of each year, a concise report providing specific information on the implementation of programs and projects under this Act. Each such report shall include (with amounts of funds provided under sections 3(a) and 4 shown separately) information for the preceding fiscal year as to—

(1) the amount used to administer programs and activities relating to domestic violence carried out by such State in accordance with this Act;

(2) the amount used for assuring active citizen participation in accordance with section 2(a)(2)(I), and the amount used for programs and projects to provide training and technical assistance with respect to domestic violence in accordance with section 3(a)(2)(K);

(3) the amount used for services provided and activities conducted, or caused to be provided or conducted, by the State, including the amount used by each agency and the amount used for each type of service and activity conducted or caused to be conducted by each agency;

(4) the number, nature, recipients, and amounts of grants made to local public agencies, the number, nature, recipients, and amounts of grants made to nonprofit private organizations and the number, nature, recipients, and amounts of grants to entities providing shelter and related assistance to victims and dependents of victims of domestic violence;

(5) the number of persons estimated to have been assisted in projects described in paragraphs (2) through (4), respectively, of this subsection; and

(6) such other specific information as the Secretary may deem essential to carry out the purposes and provisions of this Act.

(b) Before requiring any specific information under subsection (a)(6) of this section, the Secretary shall advise the appropriate committees of the Congress and each participating State of the reasons for requiring such information.

DESIGNATION OF DIRECTOR FOR PROGRAMS

SEC. 7. (a) The Secretary shall designate, within the Department of Health and Human Services, a director of the programs and activities carried out under this Act (including activities described in subsection (b) of this section), who shall be an individual with expertise relating to the domestic violence prevention and treatment programs administered by such Department.

(b) The Secretary shall—

(1) be responsible for overseeing all programs and activities carried out under this Act and shall seek to coordinate, through the Council, all Federal programs and activities (including research activities), to the extent such programs and activities relate to domestic violence, carried out with respect to the prevention of domestic violence or the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence;

(2) in order to aid the Congress in its legislative and oversight responsibilities—

(A) make legislative recommendations to the Congress, in coordination with the Council, concerning the need for the modification of Federal programs which may affect victims of domestic violence; and

(B) take whatever action is necessary to keep the Congress fully and currently informed with respect to the administration and implementation of this Act;

(3) provide for the acquisition of information regarding research projects relating to domestic violence; and

(4) provide for the establishment of a national information and resource clearinghouse on domestic violence and for its operation in coordination with the information clearinghouse maintained by the National Center on Child Abuse and Neglect under section 2 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101(b)(2)), in order to—

(A) collect, analyze, prepare, and disseminate information and statistics relating to the incidence and prevention of domestic violence and the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence; and

(B) provide appropriate technical assistance to persons or organizations interested in preventing domestic violence or providing immediate shelter and other assistance to victims and dependents of victims of domestic violence.

(c) The Secretary is authorized to make grants to public or nonprofit private entities or enter into contracts with public or private entities to provide technical assistance, training, and outreach services, to the extent that such assistance is not otherwise available, to States, local public agencies, and nonprofit private organizations participating or interested in participating in the programs and projects authorized by this Act. The Secretary shall inform such States, agencies, and organizations and all other interested parties, officials, and organizations of alternative sources of assistance available with respect to the prevention of incidents of domestic violence and the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence.

ANNUAL REPORTS

SEC. 8. For the purpose of furnishing information to aid the Congress in its legislative and oversight responsibilities, the Secretary on or before February 1 of each year, shall prepare and submit to the Congress a concise report providing specific information on the programs authorized by this Act. Each such report shall include for the preceding fiscal year—

(1) the name of each State to which a grant is made under section 3(a) and the amounts of funds provided to such State by way of allotment and reallotment and the name of each State to which a grant is made under section 4 and the amount of such grant;

(2) the total amounts of funds reallotted pursuant to section 5;

(3) the names of the grantees, the nature of the research activity or demonstration project, and the amounts of funds awarded for research activities and demonstration projects described in section 13(c);

(4) with respect to grants made under section 3(a), a tabulation of the data described in section 6(a);

(5) with respect to grants made under section 3(b)—

(A) the number of such grants;

(B) a listing, by State, of the grants made to Indian tribes and intertribal organizations; and

(C) the number of grants made, and the percentage of funds provided in grants, to entities providing shelter and related assistance to victims and dependents of victims of domestic violence; and

(6) any recommendation which the Secretary determines to be appropriate for improving the programs authorized or activities provided for by this Act or described in this Act.

CONFIDENTIALITY

SEC. 9. (a) Records pertaining to any individual which are maintained in connection with the provision of domestic violence prevention or treatment services to such individual by any program, project, or activity conducted, regulated, or assisted by the Department of Health and Human Services shall be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.

(b)(1) The content of any record referred to in subsection (a) of this section may be disclosed in accordance with the prior written consent of the individual with respect to whom such record is maintained, but only to such extent, under such circumstances, and for such purposes as may be allowed under regulations prescribed pursuant to subsection (g) of this section.

(2) Whether or not the individual with respect to whom any given record referred to in subsection (a) of this section is maintained gives his or her written consent, the content of such record may be disclosed as follows:

(A) To medical personnel to the extent necessary to meet a bona fide medical emergency.

(B) To qualified personnel for the purpose of conducting scientific research, management audits, financial audits, or program evaluation, but such personnel may not disclose, directly or indirectly, in any report of such research, audit, or evaluation the identity of any individual with respect to whom such record is maintained, or otherwise disclose in any manner the identity of any such individual.

(C) If authorized by an appropriate order of a court of competent jurisdiction granted after application showing good cause therefor. In assessing good cause, the court shall weigh the public interest and the need for disclosure against the injury to the individual concerned, to any professional-client relationship involved, and to the ability of the program, project, or activity concerned and of other programs, projects, and activities described in subsection (a) of this section to provide services with adequate and appropriate assurances of confidentiality.

(c) Except as authorized by a court order granted under subsection (b)(2)(C) of this section, no record referred to in subsection (a) of this section may be used to initiate or substantiate any criminal charges against an individual or to conduct any investigation of an individual.

(d) The prohibitions of this section shall continue to apply to records concerning any individual, irrespective of whether or when he or she ceases to receive the services described in subsection (a) of this section.

(e) Any person who obtains consent for disclosure of a record under subsection (b)(1) of this section shall assure that such consent is informed and voluntary.

(f) Any person who violates any provision of this section or any regulation issued pursuant to this section shall be fined not more than $500 in the case of a first offense, and not more than $5,000 in the case of each subsequent offense.

(g) The Secretary, after consultation with the heads of other departments and agencies of the United States substantially affected by the provisions of this section, shall prescribe regulations to carry out the purposes of this section. Such regulations may contain such definitions, and may provide for such safeguards and procedures, including procedures and criteria for the issuance and scope of orders under subsection (b)(2)(C) of this section, as in the judgment of the Secretary are necessary or proper to effectuate the purposes of this section, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(h) Nothing in this section shall be construed as superseding the application of State or local requirements for the reporting of incidents of suspected child abuse to the appropriate State authorities.

(i) For the purposes of this section, the term "identity" means—

(A) an individual's name or other data from which it could be reasonably anticipated that a person could—

(i) identify such individual, or

(ii) ascertain other data from which such individual might be identified, or

(B) a code, number, or other means used to identify the individual in relation to a record regarding him or her.

AUDIT PROVISIONS

SEC. 10. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the completion of any program, project, or activity authorized or assisted under this Act, have access, consistent with the provisions of section 108, for the purpose of audit and examination, to any books, documents, papers, and records of recipients which, in the opinion of the Comptroller General, after consultation with the Secretary, may be related or pertinent to, the grants or contracts authorized to be made under this Act.

EVALUATION

SEC. 11. (a) The Secretary shall review, evaluate, and report to the Congress, not later than two years after the date funds are obligated under section 3(a) for the first time after the date of enactment of this Act, as to the effectiveness of the programs administered and operated pursuant to this Act. Such review, evaluation, and report shall be conducted and prepared by persons not directly involved in the administration or operation of such programs. Such review and evaluation shall include examination of—

(1) the extent to which public awareness of the problem of domestic violence has been increased;

(2) the extent to which the availability and the effectiveness of immediate shelter and other assistance with respect to domestic violence has been increased;

(3) the extent to which assistance made available under this Act has served as a catalyst for State, local governmental, and community involvement and support (including financial and in-kind support) for projects relating to domestic violence;

(4) the extent to which limiting the dollar amount of grants which may be awarded in any one fiscal year or over a three-year period has provided more opportunities for communities and nonprofit private organizations to establish, maintain, and expand projects under this Act;

(5) the extent to which such dollar limitations have resulted in stimulating State, local governmental, and community financial support for projects with respect to domestic violence;

(6) the extent to which projects assisted under this Act have continued, without assistance under this Act, to provide services with respect to domestic violence;

(7) the extent to which the Council has assisted the Secretary in coordinating at the Federal level programs for the prevention of domestic violence and the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence;

(8) the extent to which the Secretary has provided the necessary relevant information and assistance with respect to domestic violence to participating and interested States, local public agencies and communities, and nonprofit private organizations; and

(9) the extent to which research activities and demonstration projects described in section 13(c) have been useful to projects providing shelter and other assistance relating to domestic violence.

(b) As part of such evaluations, the Secretary, to the maximum extent feasible, shall consult with the appropriate committees of the Congress, appropriate State officials, local community officials, providers of services, nonprofit private organizations, and individuals who have been victims of domestic violence.

(c) For the purpose of carrying out the evaluation activities provided for under this section, the Secretary shall reserve each year, from sums otherwise available to the Secretary, a sum equal to not less than 1 per centum nor more than 2 per centum of the sums appropriated under section 15.

DISCRIMINATION PROHIBITED

SEC. 12. (a) The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no individual with responsibilities in the operation of such program will discriminate unlawfully with respect to any such program because of race, creed, belief, color, national origin, sex, age, handicap, or political affiliation.

(b) No individual in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. Nothing in this Act shall require any such program to include any individual in any program or activity without taking into consideration that individual's sex in those certain instances where sex is a bona fide occupational qualification or programmatic factor reasonably necessary to the normal operation of that particular program or activity. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d-1). Section 603 of such Act (42 U.S.C. 2000d-2) shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that an individual may have if that individual is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

COORDINATION OF FEDERAL PROGRAMS

SEC. 13. (a)(1) In order to assist in coordinating at the Federal level programs for the

prevention of domestic violence and the provision of immediate shelter and other assistance to victims and dependents of victims of domestic violence, the Secretary shall, not later than sixty days after the date of the enactment of this Act, establish a council to be known as the Federal Interagency Council on Domestic Violence. The Council shall be chaired by the Secretary or by an officer designated by the Secretary from the Department of Health and Human Services. The members of the Council shall include—

(A) representatives of Federal agencies which have responsibility for programs and activities relating to domestic violence, including representatives of the Department of Agriculture, the Department of Defense, the Department of Housing and Urban Development, the Department of Justice (including the Law Enforcement Assistance Administration), the ACTION Agency, the Community Services Administration, the Legal Services Corporation, the appropriate Institutes within the Alcohol, Drug Abuse, and Mental Health Administration, and representatives of such other departments and agencies as the President may designate;

(B) representatives of State governments;

(C) representatives of local governments; and

(D) not less than five members of the general public who have been victims of domestic violence or who have experience in the provision of shelter and other services to victims and the dependents of victims of domestic violence.

(2) The Council shall assist the Secretary in coordinating programs and activities—

(A) for the prevention of domestic violence; and

(B) for the provision of immediate shelter and other assistance to victims of domestic violence and the dependents of victims of domestic violence;

administered under this Act with similar programs administered or assisted by other Federal agencies.

(3) The Council shall—

(A) identify, assess, and facilitate the coordination of all Federal programs, projects, and plans for programs and projects providing immediate shelter to victims and dependents of victims of domestic violence, and other services or research support relating to domestic violence;

(B) identify Federal programs which assist, or are capable of providing assistance to, programs relating to domestic violence, for the purpose of encouraging the continuation and expansion of Federal support for such programs; and

(C) make such recommendations as it considers appropriate to the President and the Congress with respect to coordination of policy, the elimination of duplication of Federal programs relating to domestic violence, and development of objectives and priorities for all Federal programs relating to domestic violence.

(4) The Council shall meet not less often than four times each year.

(5) Members of the Council, other than those regularly employed by the Federal Government, while serving on business of the Council, shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties as members of the Council, at rates provided for in subchapter I of chapter 57 of title 5, United States Code.

(b) In seeking to coordinate programs with respect to domestic violence, provide information, otherwise carry out clearinghouse functions, and make grants and contracts under this Act, the Secretary shall give particular attention to—

(1) the availability for assignment of VISTA volunteers serving under part A of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.); and

(2) the availability of assistance through the conduct of, or grants to, special volunteer or demonstration programs under part C of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4991 et seq.), and through grants and contracts made under title II of such Act (42 U.S.C. 5001 et seq.).

(c)(1) From sums otherwise available to the Secretary, the Secretary shall assure that there are applied to research such sums each year as will be adequate to conduct, directly or by grant or contract, research activities and demonstration projects that are closely associated with the provision of shelter and other assistance to victims and dependents of victims of domestic violence.

(2) Not later than ninety days after the close of fiscal year 1983 and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Education and Labor of the House of Representatives specific information for such fiscal year on—

(A)(i) the number of applications approved by the Secretary in the fiscal year reported on for grants and contracts for research which relates specifically to domestic violence, (ii) the total amount of funding requested under such applications, (iii) the number of such applications for which funds were provided in such fiscal year, and (iv) the total amount of such funds; and

(B)(i) the number of applications approved by the Secretary in such fiscal year for grants and contracts for research which relates generally to domestic violence, (ii) the total amount requested under such applications, (iii) the number of such applications for which funds were provided in such fiscal year, and (iv) the total amount of such funds.

DEFINITIONS

SEC. 14. As used in this Act:

(1) The term "Council" means the Federal Interagency Council on Domestic Violence established by section 13(a).

(2) The term "domestic violence" means any act or threatened act of violence, including any forceful detention of an individual, which—

(A) results or threatens to result in physical injury; and

(B) is committed by a person eighteen years of age or older against another such person to whom such person is or was married or otherwise legally related, or by a person of any age against another person with whom such person is or was residing in a relationship of husband and wife.

(3) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or group or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(4) The term "Secretary" means the Secretary of Health and Human Services.

(5) The term "shelter" means the provision of temporary refuge and related assistance in compliance with applicable State law or regulations governing the provision, on a regular basis, of shelter, meals, and related assistance to victims and dependents of victims of domestic violence.

(6) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and, except as otherwise provided, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. (a) There are authorized to be appropriated to carry out the provisions of this Act $15,000,000 for fiscal year 1984, $20,000,000 for fiscal year 1985, and $30,000,000 for fiscal year 1986.

(b) Of the sums appropriated under subsection (a) for any fiscal year—

(1) 75 per centum shall be used by the Secretary for making grants to States, Indian tribes, and intertribal organizations under sections 3(a) and 3(b), of which not less than one-half of 1 per centum or more than 1 per centum of such sums appropriated under subsection (a) shall be available for the purposes of making grants to Indian tribes and intertribal organizations under section 3(b);

(2) 15 per centum shall be used by the Secretary for making supplemental grants to States under section 4; and

(3) 10 per centum shall be used by the Secretary for carrying out the provisions of this Act.

REPEAL OF ACT

SEC. 16. Effective at the close of fiscal year 1985 or on September 30 of the third fiscal year beginning after the first fiscal year in which funds are first appropriated, the foregoing provisions of this Act are repealed.

STUDY OF ABUSE OF ELDERLY INDIVIDUALS

SEC. 17. (a) The Secretary shall conduct a full and complete investigation and study, including analysis of necessary data, of the nature and incidence of abuse of elderly individuals.

(b) Not later than eighteen months after the date of enactment of this Act, the Secretary shall prepare and submit a report to the President and to the Congress on the results of the study required by subsection (a) of this section, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

DOMESTIC VIOLENCE LEGISLATION

● Mr. CRANSTON. Mr. President, I am pleased to join the ranking minority member of the Labor and Human Resources Committee, the Senator from Massachusetts (Mr. KENNEDY) and others in introducing S. 699, the proposed "Domestic Violence Prevention and Services Act." This measure would provide a small but important source of funding for State and local public and private nonprofit organizations providing assistance, including emergency shelter, to victims of domestic violence.

LEGISLATIVE HISTORY

Mr. President, the legislation we are introducing today is identical to the

measure which was approved by the Conference Committee which I chaired in 1980. That conference agreement followed closely the provisions of the legislation approved by the Senate in August 1980. An earlier version of this legislation was also approved by the Senate in 1978.

Unfortunately, although the conference agreement was approved by the House of Representatives in an overwhelming vote of 276 to 117, a small minority of the Senate was able in the closing days of the 96th Congress to block Senate consideration of the final version of the legislation.

The reintroduction of this measure in the 98th Congress signifies the continuing commitment of the sponsors and supporters of this legislation to finding effective and realistic approaches to what is clearly a significant and, tragically, a growing problem. Although I no longer serve on the Labor and Human Resources Committee, I am proud to be an original cosponsor of this legislation and to join the Senator from Massachusetts in renewing our efforts in this area. It represents, I believe, a legislative initiative that has been carefully refined and focused on getting assistance to those vulnerable individuals who need and seek help.

Mr. President, a companion bill, H.R. 1397, was recently introduced in the House of Representatives by Representative BARBARA MIKULSKI, who has been a vigorous and committed leader in this area. I look forward to working with Representative MIKULSI and the other major sponsors of this legislation such as my good friend and colleague from California, Representative GEORGE MILLER, and Representative LINDY BOGGS.

DOMESTIC VIOLENCE PROBLEMS

Mr. President, during the period of my service as the chairman of the former Child and Human Development Subcommittee of the Labor and Human Resources Committee, I had the opportunity, through a series of hearings we held during the 95th and 96th Congresses, to look closely at the problem of domestic violence and to become very familiar with its tremendous costs to society.

I was particularly impressed by the testimony of law enforcement personnel, who strongly supported passage of the legislation. These individuals knew from firsthand experience how devastating domestic violence can be, how widespread is its existence, and how few resources are available to deal with these problems.

Mr. President, it has been estimated that approximately one-fifth of all deaths of police officers and 40 percent of all injuries occurring in the line of duty arise out of domestic violence incidents. Various studies have shown that domestic violence affects the lives of millions of Americans, young and old. Vulnerable women, children, and elderly individuals have been the helpless victims of this distressing phenomenon.

Tragically, there is mounting evidence to indicate that the dismal economic conditions which have afflicted our Nation in the past several years have contributed substantially to an increase in domestic violence problems. The emotional stresses caused by unemployment and economic pressures appear to have led to increases in incidents of child and spouse abuse throughout the country. Social services programs report dramatic increases in women and children seeking shelter and assistance, particularly in areas which have been hard hit by unemployment. In one State, it has been reported that 75 percent of the abuse victims surveyed cited their husbands' loss of employment as precipitating physical abuse for the first time.

The existing programs, with limited resources already, have simply been unable to cope adequately with the increased demand for help.

FEDERAL ROLE

Mr. President, the issue has persistently been raised with respect to domestic violence legislation as to whether the Federal Government shoud be involved. The opponents of this legislation have argued that help for victims of domestic violence ought to be provided by the local community.

I agree. And this legislation is based upon the notion that assistance should and must be provided by local programs. But those programs need financial help to do the job that must be done. This legislation, as its predecessors, is based upon the notion that all levels of government—State, local, and Federal—have a stake in the outcome and in the need to help provide assistance to victims of domestic violence. The fact that so much of the increased need for assistance is caused by national economic problems is all the more reason for the Federal Government to do its share in the effort to combat this problem. It is not enough simply to say that some local agency ought to be providing emergency shelter and care for the women and children and elderly individuals who need help, knowing full well that those local agencies have insufficient resources to meet the need.

This legislation would authorize the appropriation of $15 million in fiscal year 1984, $20 million in fiscal year 1985, and $30 million in fiscal year 1986—90 percent of which would go to State agencies for distribution to local public and private nonprofit agencies providing services to victims of domestic violence. Agencies receiving funds would be required to match the Federal dollars with local funds and the size of the grants would be limited to $50,000 in any fiscal year in order to spread the funds to as many organizations as possible.

CONCLUSION

Mr. President, this is not some massive Federal program. It is a small, carefully designed program to help provide financial assistance to local programs which are trying to provide shelter and other services to vulnerable individuals who seek and need this help. It is a small thing for our Nation to do for a large problem. I hope that the rhetoric and distortions that prevented enactment of this legislation in 1980 will not arise again to block consideration of this needed and humane legislation.●

By Mr. DURENBERGER:

S. 700. A bill to revise and extend the allocation of revenue sharing funds; to the Committee on Finance.

STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1983

● Mr. DURENBERGER. Mr. President, today I am introducing the State and Local Fiscal Assistance Act of 1983. It will revise and extend the general revenue sharing program.

The program created by this bill would replace the existing $4.6 billion program of general fiscal assistance to local governments with a new program funded at $11.8 billion. This expanded revenue sharing plan would not only increase payments to local governments, it would also restore State governments to the program. Funding levels for both State and local general revenue sharing would be $5.9 billion in fiscal year 1984. The program would no longer be funded by advanced authorizations, but by permanently appropriating 4 percent of annual collections from the Federal individual income tax into a trust fund. In addition, allocation formulas would be improved to distribute those Federal dollars more equitably.

I know that most of my colleagues realize the great value of revenue sharing. I know, because more than two-thirds of this body is already backing a reauthorization of the current program. The revenue sharing program is simple, effective and unusually inexpensive to administer. It works. But I am saying today that it can work even better on a wider scale. It is no coincidence that this proposal comes during a time when we are considering a New Federalism, a redistribution of responsibilities among levels of government. Indeed, an expanded revenue-sharing program can—must—serve as the cornerstone for such an initiative.

THE CASE FOR REVENUE SHARING

Why is general revenue sharing uniquely fit to this task? First, because it is the best way I know of to reduce fiscal disparities among States. While it is true that personal income in all regions of the country has been con-

verging over the past 30 years, statistical averages hide a larger truth. In terms of the amount of revenues State governments can raise from all sources, there continue to be very significant disparities between the extremely rich and the very poor States of our Nation; disparities that derive solely from the misfortunes of nature or history.

Such fiscal disparities force some States to tax themselves at a much higher rate than other States in order to provide a reasonable level of public services. Those States blessed with vast natural resource wealth find themselves able to keep other taxes on businesses and individuals at a level much lower than their less fortunate neighbors. This can cause damaging competition among States for business and residents—a contest that the poorer States are destined to lose. This is not in the best interest of the country.

By basing revenue sharing payments on States' ability to raise revenue, we make it a bit easier for the poorest States to provide reasonable levels of public service without taxing themselves at a level that puts them at a disadvantage in the competition for business and industry.

Let me say that it is not my intention to homogenize the states. It is neither desirable nor practical. Diversity is one of this Nation's greatest strengths. A healthy competition among the States protects our freedoms and spurs innovation. But when this diversity becomes transformed into disparity, an otherwise constructive competitive turns destructive. There is, therefore, a compelling Federal role in preventing this transformation from occurring.

Mr. President, I urge my colleagues not to confuse my concern over the most egregious fiscal disparities with some misguided move to massively redistribute our Nation's wealth to achieve an economic leveling. To assume such is either to misunderstand my intentions, or to intentionally mislead to protect a particular vested interest.

The second reason for making revenue sharing the centerpiece of our reformed intergovernmental grant system is closely related to the first. We desperately need a reordering of our Federal system—a New Federalism—to, in the words of the Advisory Commission on Intergovernmental Relations, "decongest" the system; to remove unnecessary and stifling Federal intrusion into the activities of State and local governments; to ease the constant drain on the Federal fisc of a system of grants and subsidies so inefficient that only a small portion of the total spent actually goes to the original problem targeted by Congress; and to give control to the American people within their local communities, not to bureaucrats in Washington. This was the bold vision of the President when he laid his framework for a New Federalism on the table last year.

But certain minimum conditions must exist before such a major reordering of responsibilities can come about. First is the assurance that all States will be fiscally capable of handling the added responsibilities New Federalism would place upon them. Block grants with uncertain futures beyond a few years, and promised studies on how best to make resources available to State and local governments, do not establish the right conditions. And in the meantime, continued cuts in the existing system of Federal grants only heighten the suspicion that New Federalism is but a euphemism for budget cuts.

The revenue-sharing program I would establish puts in place the mechamism to insure State and local governments the resources they need. It guarantees the resources first, so that a reordering of responsibilities can follow gradually in a well thought out manner. It is, Mr. President, an act of faith on the part of the Federal Government intended to pave the way for what I hope will be a continuing series of federalism reforms for years to come.

The third reason for expanding the program as proposed here is that revenue sharing is the most efficient mechanism we now have for making Federal assistance available to State and local governments. Washington can no longer afford the luxury of hundreds of small, highly restrictive categorical grants that require a dollar to produce 50 cents, or less, in results. This is a wasteful use of Federal resources, and it creates special interests within State and local communities, always with hands out to Washington.

Under the existing general revenue-sharing program, only about 0.1 percent of the cost of the program goes to administrative expenses. It does not require an army of Washington bureaucrats and auditors or local special interest and groups to stand between the governments spending these dollars and the citizens who receive the services they provide.

Finally, general revenue sharing should be preserved and expanded because it meets a Federal responsibility to local governments that often cannot raise the revenues necessary to meet their needs. Some will use the fact that many local governments now find revenue sharing indispensable as evidence that this type of program breeds dependence on Federal funds rather than providing benign assistance. I must agree that I find such local reliance on Washington a very troublesome phenomenon—one that appears to be on the increase. However, those who use it as an argument against general revenue sharing misconstrue the problem suffered by local governments that leads to the dependence in the first place: The archaic political and fiscal relationships between those local units and their State governments. That relationship makes it impossible for many local governments to raise sufficient own-source revenues, and often the State-local intergovernmental transfers designed to compensate for restricted local tax bases and limited political authority are inadequate to meet local needs. States generally have refused to deal with this fundamental problem.

Until States answer the need to reform the State-local fiscal relationship, local officials will continue coming to Washington for the help they can find nowhere else. Until local governments are given the political and fiscal tools to provide for their own needs, Congress will rightly remain in the business of making direct intergovernmental transfers to local governments. Like it or not, it is a responsibility Congress cannot shirk. But by the same token, the States should no longer be permitted to shirk their responsibility for fiscal reform that would make this Federal presence unnecessary. A genuine New Federalism must take root in State capitals as well as in Washington.

If the inadequacy of local fiscal systems is the reason Washington is sending money directly to local governments—and I believe it is the major justification for doing so—that does not imply that Congress must attach a plethora of strings to control in minute detail the way that money is spent. Rather, it makes sense for Congress simply to provide the needed fiscal assistance and then step aside letting local officials use the funding where it is most needed. This is revenue sharing.

REVISED AND EXPANDED REVENUE-SHARING PROGRAM

A large part of the bill I introduce today is reform of revenue sharing allocation formulas—formulas that are badly flawed and lead to major misallocations of funding. First, the complicated three- and five-factor interstate formulas would be replaced by a simple two-factor formula: Population and fiscal capacity.

To get an idea of the distortions this change would correct, look at payments in the most recent entitlement period. The national average per capita revenue sharing entitlement was $19.91. But because of the allocations formulas, Alaska, the richest State in the Union, received a per capita entitlement of $90.25—over 4½ times the national average. At the same time, Mississippi, the poorest State in the Union, received only $25.22 per capita. Other energy-rich (hence capacity-blessed) States also received entitlements in excess of the

national average payment: Wyoming, $23.86; New Mexico, $27.93; Montana, $23.77; and Louisiana $21.68. Why? Because while a rise in energy costs had fattened these States' revenues substantially, with little or no increase in the tax burdens of their citizens, the general revenue sharing formulas recognized them as "needier" than average. We need not put up with such mathematical perversity.

The bill I am introducing today will correct these anomalies and make revenue sharing payments inversely related to the revenue raising capacity of the State. Fiscal capacity is measured by the representative tax system approach currently employed by the Canadian Government to make major intergovernmental payments to the provinces. This approach creates an index which measures States' relative ability to raise revenues from their own tax bases. I might add that my own State of Minnesota is slightly above the national average in tax capacity when measured by this approach and will therefore receive less than the national average payment under the formula I propose today. No State will receive a per capita entitlement of less than $20 under this bill.

In addition, several changes are being made to the local allocation formula in line with longstanding recommendations by the General Accounting Office, the Advisory Commission on Intergovernmental Relations, and scholars who have studied the program in detail. The existing intrastate formula is basically sound in its design. However, there are currently a variety of constraints on the formula that prevent if from operating freely to target the money as Congress originally intended.

This bill would permit the formula freer rein to target revenue sharing dollars to local governments. Under these changes, no local government presently receiving general revenue sharing payments will ever receive less than it would have received were Congress simply to extend the existing program at the $4.6 billion funding level. The changes to the intrastate formula are as follows:

1. The formula would be "detiered" in line with recommendations by GAO. Currently, local funds are distributed in three tiers: To states, then to geographic "country areas," and then to local governments within those areas (first by local government type and then to the government itself.) This may cause localities with identical needs to receive very different amounts of aid, depending upon the county areas in which they are located. In addition, it establishes a perverse incentive for some local government to change their legal status from one type of local government to another. Under the proposed changes, the funds would go directly from states to local governments, eliminating the tiering process and the problems it engenders.

2. The per capita minimum and maximum constraints would be adjusted. Currently, no local jurisdiction can receive more than 145 percent of the per capita state allocation, and no less than 20 percent of the capita state allocation. Under the proposed changes the per capita maximum would be raised from 145 percent to 175 percent and the minimum lowered from 20 percent to 15 percent. Giving the formula freer rein will improve the targeting of funds to distressed areas.

3. The fixed budget constraint would be replaced by a variable budget constraint. Under the existing program a jurisdiction's budget is considered to consist of its own-source revenues plus its Federal and State aid; its revenue sharing allocation can equal no more than 50 percent of its budget so defined. This constraint effectively knocks "toy governments" out of the program—governments that basically exist only on paper—but it also hurts some very real, but very poor governments. Under proposed changes the budget constraint would be made a function of a jurisdiction's fiscal capacity.

4. The de minimus—the minimum allocation that can be awarded to a jurisdiction—would be increased from $200 to $500 to reflect the rate of inflation since 1972 when this absolute dollar cut off point was established.

5. Tax enclaves would be defined and their tax effort factor capped. The existing allocation formula treats tax effort as a proxy measure of need, and in most cases this is acceptable when comparing local governments within the same state. It can on occasions be misleading, however. Sometimes high tax effort means a community has more wealth, not less. For example, a jurisdiction can get substantial tax revenue from a large industrial complex, a power plant, or, if it is a resort area, from tourists. In such cases, tax effort does not reflect excessive need but great wealth relative to the jurisdiction's population and need. The proposed changes would cap a jurisdiction's tax effort factor at 250 percent of the average tax effort factor in that state.

Under the new formulas there will not be enough money available to hold all local governments harmless in some States, even given the increased local share. In these States, in order to carry out the commitment that no local government will lose funds, it will be necessary to take funds out of the State's share. However, the size of the program grows over time with the growth in the income tax, therefore this shortfall of funds at the local level will become smaller until, within a very short time, it will cease to be necessary to tap the State share.

Before leaving the issue of formula constraints I would point out that, as written, this bill leaves to the discretion of the Secretary of the Treasury the technical details of how the local formula constraints are to be implemented. There is no single obvious way to do so. Writing such instructions directly into the law is quite complex. This bill does so for the constraints on the interstate formula, and my staff is currently working on how best to do so for the local formula. I fully expect to propose technical amendments in this regard at a future date.

The final provision of the bill I introduce today is the means by which the Federal Government will pay most of the increased costs of the expanded program. It limits the deductibility of State and local taxes on the individual income tax to the excess of 1 percent of adjusted gross income. This will raise about $6 billion in fiscal year 1985, enough to cover the increased cost of including State governments in the program.

State and local governments receive Federal subsidies through three basic mechanisms: Direct cash grants, credit and interest subsidies, and tax subsidies. Of the three, virtually all experts agree that the tax subsidy approach is the least efficient in that the subsidy costs the Federal Government more than it is worth to State and local governments. The existing tax subsidies derive from the deductibility of State local taxes on an individual's personal income tax. In fiscal year 1983, the combined loss to the Federal Treasury through the deduction of State and local income, general sales, personal property, and real property taxes will exceed $32 billion—the largest single category of Federal tax expenditures in the Internal Revenue Code.

The inefficiency of this approach to subsidizing State and local governments becomes evident when one examines the value of these deductions to State and local governments in actual dollar terms. Conservative estimates indicate that for each dollar in Federal taxes that is lost through the deductibility of State and local taxes, State and local governments combined recover less than 50 cents of that dollar from their taxpayers in the form of higher than otherwise State and local taxes. Indeed, some of the best studies available have put the actual revenue-value of these deductions as low as 10 cents on the dollar. This means that the Federal Government could replace a dollar of individual tax savings from the deductibility of State and local taxes with less than 50 cents of direct intergovernmental cash subsidies, and State and local governments' spending would not suffer.

The bill I introduce today takes advantage of this great inefficiency in our Federal system to combine a widely advocated tax reform measure with sensible federalism reforms. Mr. President, let me provide some background on the compelling case for my tax proposal.

THE CASE FOR LIMITING THE DEDUCTIBILITY OF STATE AND LOCAL TAXES

The 97th Congress saw the beginnings of a dramatic reversal in Federal tax policy. The movement was driven by the recognition that the tax system as structured was not conducive to work, savings, and investment. 1981 brought the reduction of marginal tax

rates—especially in lowering the top rates on unearned income from 70 to 50 percent—the provision indexing the income tax to inflation, and other more specific provisions encouraging investment and savings, all reflecting this fundamental shift in policy. These were the first efforts at genuine tax reform in almost 50 years.

While the emphasis in 1981 was on tax rate reduction, last year's focus was on the tax base. The extent of tax base erosion was paramount in everyone's thinking.

There are now more than 100 tax expenditures in the Internal Revenue Code, the Nation's tax law. The Treasury Department estimates the present cost in lost Federal revenues at over $250 billion annually. It has been estimated that by the year 1985, the annual loss due to this tax base erosion will increase to almost $440 billion.

Compare that loss to the Congressional Budget Office's baseline projections of total income tax revenues—individual and corporate—in 1985: $429 billion. In other words, the tax base will erode to the point that the Federal Government would actually forego more revenue through tax expenditures than it would collect through the income taxes.

In an attempt to head off this trend, the Senate Finance Committee considered numerous base-broadening proposals in devising last year's tax bill.

Of particular interest was a proposal to eliminate completely the deductibility of selected State and local taxes—general sales and personal property—for individuals itemizing deductions. While this provision was dropped from the final version of the Tax Act—and for good reason—the idea of limiting deductibility of State and local taxes in a more rational way deserves careful consideration.

DEDUCTIBILITY FOR SELECTED STATE AND LOCAL TAXES

Various tax experts have argued that deductibility of real estate, personal property, and sales taxes should be totally eliminated. In the case of property taxes, the deduction currently is available only to owners, while renters pay a substantial portion of property taxes on their dwellings without receiving the benefit of the deduction. Many see this inequity itself as a compelling reason to eliminate the real property tax deduction altogether.

The sales tax deduction is subject to equally harsh judgement on strict economic grounds. To one economist, John Due:

> The deductibility of sales taxes probably has little effect on voter choices (regarding State and local tax decisions at the polls) and is little more than a windfall gain to the taxpayers.

Given these long-standing objections to deductibility of State and local taxes, combined with the renewed appetite for tax reform, proposals concerning State tax deductibility such as those seen in the Finance Committee will continue to arise. They represent economically sound Federal tax policy in that such a broadening of the base would not increase the existing bias against savings. Moreover, substantial new revenues can be raised by the selective repeal of these taxes. For example, repeal of the sales and personal property tax deductions would raise over $5 billion in new revenues in 1984 and $6 billion in 1985. Repeal of the deduction of property taxes on owner-occupied homes would raise over $11 billion in 1984 and over $12 billion in 1985.

The problem with this approach is that it constitutes poor intergovernmental relations. This, Mr. President, raises the third reason for the erosion of the Federal income tax base—American federalism.

Federalism is sewn into the very fabric of American Government and Federal tax policy must accommodate its exigencies even at the cost of some loss in efficiency. The Tax Code reflects this by permitting total deductibility of major nonbusiness State and local taxes paid by households and consumers. This policy has little to do with the economic theory of taxation, but has a great deal to do with good intergovernmental relations. Its intergovernmental benefits are threefold.

First, when two or more governments independently tax the same base, the more powerful government is capable of expropriating most of the base, crowding out the other governments. The feeling is that total deductibility of general purpose State and local taxes serves to maintain the scope of taxation that less powerful non-Federal governments now enjoy.

Second, total deductibility reduces the risk of tax competition among competing jurisdictions by reducing tax burden disparities. A jurisdiction's tax burden is thus more reflective of its true needs and preferences for public services, than when taxing decisions are tainted by fears of losing population and businesses to places with larger tax bases and lower tax rates.

Because of fiscal disparities—variation in the ability of jurisdictions to raise resources on their own—some States must exert more tax effort than others to provide comparable levels of public service. For example, in order for Alaska and Mississippi to raise equal per capita tax revenues, Mississippi, with a realtively small tax capacity, must exert over 2½ times the tax effort of Alaska. Deductibility cushions somewhat the excessive tax burdens that result form fiscal disparities.

To see how this works, consider the following example of two married taxpayers itemizing deductions, each with a taxable income of $30,000, but living in different States. Both faced marginal tax rates of 32 percent in 1982. Taxpayer A lives in a State where his combined State taxes for general sales, income, personal property, and real estate amounted to $1,000. Taxpayer B, on the other hand, lives in a higher tax State where his combined tax payments for these same taxes amount to $3,000. The disparity in tax liabilities between the two States equals $2,000 if none of these taxes is deductible on the taxpayers' Federal income tax.

If both taxpayers are permitted total deductibility of all four taxes, taxpayer A's real State tax liability drops from $1,000 to $680 while taxpayer B's real liability falls from $3,000 to $2,040. The Federal Government has in effect borne 32 percent of each taxpayer's State tax burden, and in doing so has reduced the disparity between real State tax burdens from $2,000 to $1,360, or by 32 percent.

The final intergovernmental justification for total deductibility of general purpose State and local taxes is that it mitigates the tendency of State and local tax systems to be regressive in their overall effect. On its face, this assertion seems to be in error. The actual effect of total deductibility works to reduce the progressivity of the Federal income tax by granting proportionately greater Federal tax reductions as income increases. But while this is technically correct, the real overall reduction of progressivity is insignificant. The assertion rests instead on the assumption that deductibility will induce State and local governments to rely less on regressive taxes and to increase their reliance on more progressive income taxes. The net effect then would be to make the combined Federal, State, and local tax system less regressive or more progressive.

Recognizing the important intergovernmental objectives of deductibility, many are now looking for a way to preserve these goals while also broadening the Federal tax base. The most frequent suggestion has been a selective repeal of one or two of the four general purpose State and local taxes—general sales, income, personal property, and real estate taxes—while retaining total deductibility of the other two or three.

This idea was reflected in the Finance Committee proposals to repeal deductibility of the general sales and personal property taxes. Unfortunately, this selective repeal approach fails to preserve the basic intergovernmental objectives.

INTERGOVERNMENTAL IMPLICATIONS OF SELECTIVE REPEAL OF DEDUCTIBILITY

To appreciate the intergovernmental implications of the selective repeal approach, consider some of the effects.

Property taxes are the taxes most subject to interjurisdictional competition. Eliminating deductibility for property taxes would remove an important buffer to harmful competition among local governments, where "voting with the feet" is an easy option for taxpayers. Local governments also are hardest pressed to maintain their tax bases in competition with the State and Federal governments.

The intergovernmental effects of singling out the sales tax are equally undesirable. There is tremendous variation among the States in their dependence on the sales tax as a revenue source. [See table 1.] Nationwide, the sales tax represented about 16 percent of all deductions claimed for State and local taxes under the Federal individual income tax for 1980. But the average percentage varied widely among the seperate States, ranging from less than 1 percent for Oregon, to a high of 46 percent for Louisiana. In absolute dollar terms, the average size of the sales tax deduction claimed by itemizers in 1980 was $400 nationwide, but ranged from a low of $112 in Delaware to a high of $560 in New York. [See table 2.]

In addition, Congress has expressed an intent to not influence State and local governments in their choices of major revenue sources. Selective repeal of deductibility runs directly counter to that intent. In its report on the Revenue Act of 1964, the Ways and Means Committee said:

> It was further indicated that, if property and income taxes are to be deductible for Federal income tax purposes, it also is important to allow the deduction of general sales taxes. To deny the deductibility of general sales taxes while allowing deductions for the other major revenue sources would encourage State and local governments to use these other resources in place of the sales tax. . . . it is important for the Federal Government to remain neutral as to the relative use made of these three forms of State and local taxation.

In addition, selective repeal of the sales tax deduction would penalize citizens who happen to live in States that rely heavily on sales taxes, and unfairly benefit citizens of States that do not have to rely on sales taxes because of other available sources of revenue such as large severance taxes or income taxes. Since States with large severance tax capacity tend to have above average fiscal capacity and low dependence on sales taxes, this approach would exacerbate tax burden disparities.

LIMITING DEDUCTIBILITY OF STATE AND LOCAL TAXES

Limitations on the deductibility of State and local taxes are inevitable. The question remaining is whether or not the form these limitations take appropriately reflects a concern for the fiscal condition of State and local governments. As long as Federal tax rates remain at their present high levels, partial deductibility of State and local taxes must continue in order to serve the goals of sound intergovernmental relations. However, given the vastly improved fiscal strength of modern-day State and local governments, combined with recent changes in Federal tax law, total deductibility is open to question. For example, given the 25-percent cut in marginal tax rates and indexing of the Federal income tax, the importance of deductibility has been diminished just in the past 2 years.

So, it is appropriate now to consider ways to broaden the Federal tax base by limiting State and local taxes eligible for deduction. But this limitation should be accomplished in a uniform manner that preserves the objectives total deductibility has sought in the past. None of the selective repeal proposals does so, nor does the complete exclusion of State and local taxes for selective taxpayers.

Originally, virtually all taxes—including the Federal income tax itself—paid by an individual were deductible. Gradually, Congress realized that deductibility of many of these taxes was unjustified. As a result, the deductions have been continually curtailed over the years. In 1917 Congress eliminated deductibility of the Federal income tax; in 1943 the deductibility of all Federal excise taxes was repealed; after 1964, State and local exercise on tobacco, alcohol, automobiles, drivers license fees, and other selective excise taxes—with the exception of gasoline taxes—were no longer deductible; and in 1978, the deduction for State and local excise taxes on gasoline was finally eliminated.

The apparent logical extension of this evolution of Federal tax law is to proceed to selective repeal of the remaining deductible taxes. But as we have seen, selective repeal of the remaining taxes cannot proceed further without doing irreparable damage to the intergovernmental objectives necessary for a strong Federal system of government.

The solution to broadening the Federal tax base without damaging these objectives is to pool the four major State and local taxes now eligible for total deduction and allow deductibility for some portion of those payments in the pool. This proposal is a departure from the trend of selective repeal. It successfully reconciles the need to broaden the Federal tax base without harming savings and investment incentives with the need to maintain the fiscal integrity of the Federal system.

There are a variety of ways to tax a portion of income paid as local taxes. One way is to permit deductibility of a pool of taxes up to some ceiling with only the excess of taxes paid over the ceiling being subject to taxation. The problem with this approach is that in order to produce a significant broadening of the tax base, the ceiling would have to be set so high that the level of taxation currently imposed by several States would fall beneath the ceiling. Citizens in these States would escape totally the effects of broadening the tax base. Compounding this inequity is the fact that the very States for which this is the case would tend to be States with relatively high fiscal capacity. The effect would be an increase in tax effort disparities that result from fiscal disparities, contrary to a major objective originally served by deductibility.

This problem is avoided by taking another approach: Setting a floor deduction below which everyone pays taxes and above which all payments for taxes in the pool are deductible. This floor should be expressed as a percentage of adjusted gross income rather than as a fixed dollar amount to prevent the effects from being regressive. The notion behind this approach is that everyone should experience the effects of the base-broadening up to some point, and that relief should be granted for payments in excess of that basic amount.

The level of the floor deduction suggested here is 1 percent of adjusted gross income. One percent is not a theoretical choice. Rather, it represents a practical choice that genuinely broadens the tax base without doing damage to the intergovernmental objectives or overburdening the American taxpayer.

By permitting total deductibility, present law erroneously treats 100 percent of the tax payments under consideration as if they were compulsory obligations. The 1 percent floor deduction conservatively assumes that taxpayers would be willing in a free exchange market to pay up to at least 1 percent of their adjusted gross income in exchange for the State and local public services they consume that are financed through general purpose taxes. Therefore, State and local taxes amounting up to 1 percent of adjusted gross income should, like any other consumption expenditure, be subject to Federal taxation.

While we cannot know with certainty how far in error this assumption is in each individual case, it is certain that it errs in the taxpayer's favor in the overwhelming number of cases. Only at the very lowest income levels might the assumption be invalid, but this is irrelevant, since almost none of these individuals itemizes deductions.

Of course, States vary greatly in the tax burden they place on their citizens. Expressed as a percent of adjusted gross income, deductions claimed for the four major taxes average about 6 percent, ranging from a high of over 12 percent in New York to just over 3 percent in Wyoming. So, even in the State with the lowest tax burden, this

proposal treats two-thirds of that burden as compulsory payments not justifiably taxed by the Federal Government. [See table 3.]

Therefore, no State under this proposal suffers an inordinate loss in the deductions available to its taxpayers. Furthermore, it assures that taxpayers in every State will pay their fair share of the taxes raised from the broadened tax base, while at the same time, it continues to give greater relief to taxpayers in States with above average tax burdens. As a result, this approach continues to achieve a major intergovernmental objective of State and local tax deductibility: to lessen tax burden disparities among the States.

Finally, the 1-percent floor is low enough so that voter resistence to State and local taxes is not likely to be increased measurably. The scope of taxation available to State and local governments, therefore, will not be restricted beyond its present level.

DISTRIBUTION EFFECTS OF THE FLOOR DEDUCTION

On first review, this proposal might sound regressive and so appear to fly in the face of the intergovernmental objective of reducing the overall regressivity of State and local taxes. It is quite the reverse. As one's income increases, 1 percent of adjusted gross income, of course, increases accordingly. It is the first 1 percent of adjusted gross income claimed as deductions for the pooled taxes on which the person will now pay Federal income tax, so high income individuals will pay taxes on larger absolute amounts of income. Since marginal tax rates increase with income, the proportion of that 1 percent of adjusted gross income on which an individual will now pay income taxes also increases. This proposal is actually progressive.

Under the proposal to set a floor deduction at 1 percent of adjusted gross income, a person in the 14 percent marginal tax bracket would face a tax increase of only a few dollars, while a person in the 50-percent bracket would pay several hundred dollars in additional taxes. Moreover, only those individuals who actually itemize will pay any additional tax.

REVENUE EFFECT OF THE FLOOR DEDUCTION

The Joint Tax Committee estimates that had this proposal been included in TEFRA, it would have raised about $700 million in new revenues in 1983, increasing to $4.7 billion in 1984 and $6.4 billion in 1985.

CONCLUSION

Whether or not the country eventually moves to some version of a consumption tax, and whether or not a flat tax rate is applied, it is evident that one principle has gained wide support across the political spectrum: That the Federal tax base should be broadened and that marginal tax rates should be reduced for all income levels.

Because of the convincing economic arguments, one can expect to see repeated proposals to achieve a broadened tax base by limiting deductions for State and local taxes. Unfortunately, most of the past proposals to this end, and likely many in the future, ignore the intergovernmental implications.

The proposal to set a floor deduction on State and local general purpose taxes equal to 1 percent of adjusted gross income is both sound Federal tax policy and good intergovernmental relations. It accomplishes a genuine broadening of the Federal income tax base without impeding savings and investment while preserving the beneficial effects of total deductibility on State and local governments.

The revised and extended revenue sharing program proposed in this bill and the reform to limit State and local tax deductibility combine to form a solid base upon which to erect a credible New Federalism. The problem to date with our efforts to "sort out" and "decongest" the Federal system is that in our zeal to correct problems 50 years in the making, we have designed an elaborate superstructure for New Federalism without a foundation.

Thank you, Mr. President.

TABLE 1.—*Sales tax deduction as percent of total State and local tax deductions claimed, 1980*

State	Sales
1. Louisiana	46.33
2. Tennessee	45.95
3. Wyoming	45.87
4. Washington	36.77
5. Texas	32.82
6. South Dakota	30.98
7. Mississippi	30.29
8. Alabama	29.36
9. New Mexico	28.04
10. Florida	26.64
11. Nevada	26.62
12. Arizona	24.88
13. Indiana	22.41
14. Illinois	21.22
15. Utah	20.53
16. Missouri	20.41
17. Connecticut	19.73
18. Oklahoma	19.09
19. Colorado	18.32
20. California	17.62
21. South Carolina	17.40
22. Arkansas	16.82
23. Kentucky	16.81
24. Georgia	16.73
25. Hawaii	16.45
26. West Virginia	16.43
27. Ohio	16.01
28. U.S. Total	15.94
29. North Dakota	15.80
30. Kansas	15.54
31. Nebraska	15.05
32. Maine	14.35
32. Pennsylvania	13.93
34. North Carolina	13.89
35. New York	13.62
36. Virginia	13.34
37. Idaho	12.87
38. Rhode Island	12.34
39. New Jersey	12.19
40. Alaska	11.97
41. Maryland	11.55
42. Iowa	11.52
43. Michigan	11.26
44. Wisconsin	9.67
45. D.C.	9.38
46. Minnesota	8.55
47. Massachusetts	7.92
48. Vermont	6.77
49. New Hampshire	2.09
50. Delaware	1.33
51. Montana	1.12
52. Oregon	.56

Source: CRS calculations based on IRS data not yet published.

TABLE 2.—*Average dollar size of deduction of sales tax, 1980*

State	Sales
1. New York	559.86
2. Tennessee	527.18
3. Connecticut	502.50
4. California	497.57
5. Washington	476.21
6. Illinois	474.73
7. Louisiana	471.42
8. Hawaii	466.23
9. Mississippi	463.16
10. Alabama	461.10
11. Arizona	445.73
12. South Dakota	444.44
13. New Mexico	443.18
14. Utah	438.79
15. Wyoming	413.48
16. Texas	401.48
17. U.S. Total	400.05
18. Colorado	394.40
19. Alaska	393.91
20. Maryland	370.78
21. Missouri	370.21
22. Rhode Island	357.39
23. Nebraska	356.38
24. Kentucky	354.95
25. New Jersey	353.75
26. Georgia	345.37
27. South Carolina	342.70
28. Pennsylvania	338.00
29. Maine	337.58
30. Indiana	335.86
31. Oklahoma	330.15
32. Michigan	329.61
33. Virginia	328.51
34. Florida	321.27
35. D.C.	319.98
36. North Carolina	316.58
37. Kansas	310.90
38. Wisconsin	302.54
39. Ohio	300.91
40. Nevada	288.96
41. Arkansas	287.80
42. West Virginia	272.95
43. Massachusetts	270.23
44. Idaho	264.79
45. Minnesota	258.75
46. Iowa	245.71
47. North Dakota	229.25
48. Vermont	187.25
49. Oregon	157.85
50. New Hampshire	156.12
51. Montana	145.26
52. Delaware	111.89

Source: CRS calculations based on IRS data not yet published.

TABLE 3.—*State-local taxes deducted as a percentage of AGI for itemizers, 1979, in decreasing order*

1. New York	12.5
2. Massachusetts	11.1
3. Minnesota	10.3
4. Wisconsin	10.1
5. Maryland	9.7
6. Rhode Island	9.6

TABLE 3.—*State-local taxes deducted as a percentage of AGI for itemizers, 1979, in decreasing order*—Continued

7. D.C.	9.3
8. Vermont	9.0
9. Michigan	8.9
10. Hawaii	8.5
11. Delaware	8.5
12. California	8.5
13. New Jersey	8.4
14. Oregon	8.4
15. Maine	8.0
16. Utah	7.7
17. U.S. Total	7.6
18. Pennsylvania	7.6
19. Colorado	7.5
20. Virginia	7.5
21. North Carolina	7.5
22. Iowa	7.3
23. Idaho	7.3
24. Nebraska	7.1
25. Connecticut	7.1
26. Kentucky	7.1
27. Alaska	6.9
28. South Carolina	6.8
29. Montana	6.7
30. Georgia	6.7
31. Arizona	6.5
32. Illinois	6.5
33. Missouri	6.1
34. New Hampshire	6.0
35. Arkansas	5.9
36. Ohio	5.9
37. Kansas	5.9
38. New Mexico	5.5
39. Oklahoma	5.4
40. Alabama	5.3
41. Mississippi	5.3
42. Indiana	5.0
43. West Virginia	4.9
44. South Dakota	4.9
45. North Dakota	4.6
46. Washington	4.5
47. Florida	3.7
48. Tennessee	3.5
49. Nevada	3.5
50. Louisiana	3.3
51. Texas	3.1
52. Wyoming	3.1

●

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. DOLE, the name of the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 13, a bill to amend the Internal Revenue Code of 1954 to decrease the holding period for long-term capital gain treatment from 1 year to 6 months.

S. 17

At the request of Mr. DOLE, the names of the Senator from New York (Mr. D'AMATO), the Senator from Pennsylvania (Mr. SPENCER), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 17, a bill to expand and improve the domestic commodity distribution program.

S. 41

At the request of Mr. DURENBERGER, the names of the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 41, a bill to extend the revenue sharing program for local governments through fiscal year 1986.

S. 49

At the request of Mr. STEVENS, the names of the Senator from Iowa (Mr. JEPSEN) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 49, a bill to reopen hunting and trapping lands in Alaska.

S. 60

At the request of Mrs. KASSEBAUM, the name of the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 60, a bill to amend the Natural Gas Policy Act of 1978, and for other purposes.

S. 120

At the request of Mr. DOLE, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 120, a bill to extend for 2 years the allowance of the deduction for eliminating architectural and transportation barriers to the handicapped and elderly.

S. 175

At the request of Mr. DECONCINI, the names of the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 175, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

S. 222

At the request of Mr. KASTEN, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 222, a bill to repeal the withholding of tax from interest and dividends and to require statements to be filed by the taxpayer with respect to interest, dividends, and patronage dividends.

S. 428

At the request of Mr. TSONGAS, the name of the Senator from Pennsylvania (Mr. HEINZ) and the Senator from Colorado (Mr. HART) were added as cosponsors of S. 428, a bill to provide for a study on economically strategic technologies and to identify and provide for the development of such technologies.

S. 444

At the request of Mr. DURENBERGER, the name of the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 444, a bill to provide that registration and polling places for Federal elections be accessible to handicapped and elderly individuals, and for other purposes.

S. 454

At the request of Mr. BYRD, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 454, a bill to provide for an accelerated study of the causes and effects of acidic deposition during a 5-year period, and to provide for grants for mitigation at sites where there are harmful effects on ecosystems resulting from high acidity.

S. 490

At the request of Mr. DIXON, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 490, a bill to amend the Argicultural Trade Development and Assistance Act of 1954 to improve certain agricultural commodity donation programs, and for other purposes.

S. 501

At the request of Mr. DOLE, the names of the Senator from Virginia (Mr. TRIBLE), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 501, a bill to amend the laws of the United States to eliminate gender-based distinctions.

S. 662

At the request of Mr. ARMSTRONG, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 662, a bill to provide for confirmation of the repayment contract of the Dallas Creek participating project of the Upper Colorado storage project.

S. 676

At the request of Mr. SASSER, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 676, a bill to provide for capital assistance to State and local governments.

SENATE JOINT RESOLUTION 12

At the request of Mrs. KASSEBAUM, the names of the Senator from North Dakota (Mr. ANDREWS), the Senator from Kentucky (Mr. FORD), the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Rhode Island (Mr. PELL), and the Senator from Illinois (Mr. DIXON) were added as cosponsors of Senate Joint Resolution 12, a joint resolution relative to arms control negotiations.

SENATE JOINT RESOLUTION 18

At the request of Mr. BYRD, his name was added as a cosponsor of Senate Joint Resolution 18, a joint resolution designating September 22, 1983, as "American Business Women's Day."

SENATE JOINT RESOLUTION 49

At the request of Mr. PERCY, the names of the Senator from Kansas (Mr. DOLE), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Missouri (Mr. EAGLETON), the Senator from Virginia (Mr. WARNER), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Indiana (Mr. QUAYLE) were added as cosponsors of Senate Joint Resolution 49, a joint resolution to authorize and request the President to proclaim the week of April 10-16, 1983, as "A Week of Remembrance for the 40th Anniversary of the Warsaw Ghetto Uprising".

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. SASSER, the name of the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of Senate Concurrent Resolution 5, a concurrent resolution expressing the sense of the Congress that the Railroad Retirement Board and representatives of railroad employees and carriers should explore new methods of financing the railroad retirement program.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. BOSCHWITZ, the names of the Senator from New York (Mr. D'AMATO) and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Concurrent Resolution 6, a concurrent resolution expressing the sense of the Congress that the Federal Government should maintain current efforts in Federal nutrition programs to prevent increases in domestic hunger.

SENATE RESOLUTION 82—ORIGINAL RESOLUTION REPORTED DURING ADJOURNMENT WAIVING CONGRESSIONAL BUDGET ACT

Under the authority of the order of the Senate of March 3, 1983, Mr. DOLE, from the Committee on Finance, on March 4, 1983, during the adjournment of the Senate, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 82

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 690, a bill to amend the Internal Revenue Code of 1954 with respect to diversions of farmland under programs operated by the Department of Agriculture, and with respect to the consideration of H.R. 1296, an Act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes. Such waiver is necessary in order to enable farmers to enroll in the payment-in-kind program for the 1983 crop year.

AMENDMENTS SUBMITTED FOR PRINTING

TREATY OF FRIENDSHIP BETWEEN UNITED STATES AND KIRIBATI

AMENDMENT NOS. 470 THROUGH 474

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. EAST submitted five reservations intended to be proposed by him to the resolution of ratification to the Treaty of Friendship Between the United States and the Republic of Kiribati.

TREATY OF FRIENDSHIP BETWEEN UNITED STATES AND TUVALU

AMENDMENT NOS. 475 THROUGH 479

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. EAST submitted five reservations intended to be proposed by him to the resolution of ratification to the Treaty of Friendship Between the United States and Tuvalu.

MARITIME BOUNDARY BETWEEN UNITED STATES AND COOK ISLANDS

AMENDMENT NOS. 480 THROUGH 484

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. EAST submitted five reservations intended to be proposed by him to the Treaty Between the United States and the Cook Islands of Friendship and Delimitation of the Maritime Boundary Between the United States and the Cook Islands.

MARITIME BOUNDARY BETWEEN UNITED STATES AND NEW ZEALAND

AMENDMENT NOS. 485 THROUGH 487

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. EAST submitted three reservations intended to be proposed by him to the resolution of ratification to the Treaty Between the United States and New Zealand On The Delimitation of the Maritime Boundary Between Tokelau and the United States.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget will begin the markup of the first concurrent budget resolution for fiscal year 1984 on Wednesday, March 9, at 10 a.m., in SD-608 of the Dirksen Senate Office Building. The markup will continue on Thursday, March 10, and Friday, March 11, at 10 a.m.

For further information, contact Nancy Moore of the Senate Budget Committee at 224-4129.

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mrs. HAWKINS. Mr. President, the Consumer Affairs Subcommittee of the Senate Banking Committee has scheduled an oversight hearing to investigate the issue of consumer interest rates charged by financial institutions. The hearing will be held on Thursday, March 17, 1983, at 9:30 a.m., in the Banking Committee hearing room, Dirksen Senate Office Building, room SD-538.

The purpose of the hearing is to inquire into the reasons inflation adjusted or real interest rates have remained at high levels. In particular, the subcommittee will be looking at whether lending rates charged by financial institutions have been abnormally high relative to those institutions costs of funds.

For further information, contact Beth Climo of the Banking Committee at 224-7391.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATERS

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water to consider S. 457, to require the protection, management, and control of wild, free-roaming horses and burros on public lands.

The hearing will be held on Saturday, March 19, 1983, beginning at 10 a.m., in the Rock Springs City Hall, 212 D Street, Rock Springs, Wyo.

Those wishing to testify should contact Senator WALLOP's Rock Springs, Wyo., office, 2632 Foothill Blvd., Rock Springs, Wyo. 82901; phone: 307-382-5127 no later than March 16, 1983. Witnesses will be limited in time for oral testimony, complete written statements will be placed in the record. Witnesses should bring 15 copies of their testimony to the hearing with them. Do not submit testimony in advance.

For further information regarding this hearing you may wish to contact Mr. Tony Bevinetto of the subcommittee staff at 202-224-5161 or Senator WALLOP's Rock Springs office at the above-mentioned number.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Monday, March 7, at 1:30 p.m., to hold a hearing to consider the nomination of John Franke to be Assistant Secretary of Agriculture for the Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 8, at 10 a.m., to hold an open hearing on the Pacific Island Treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized

to meet during the session of the Senate on Tuesday, March 8, at 11 a.m., to hold a committee business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AFRICAN AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on African Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 8, at 2 p.m., to hold a hearing on Foreign Relations Legislation: 1983, Africa: Legislative Issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 8, at 3:30 p.m., to consider the following nominations:

James R. Bullington, to be Ambassador to the Republic of Burundi.

Wesley William Egan, Jr., to be Ambassador to the Republic of Guinea-Bissau.

John Melvin Yates, to be Ambassador to the Cape Verde.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET SUBCOMMITTEE OF THE SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Subcommittee of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, March 8, at 10 a.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Subcommittee of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 10, at 10 a.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Subcommittee of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Friday, March 11, at 10 a.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO SECRET SERVICE AGENTS GEORGE P. LA BARGE, DONALD W. ROBINSON, AND DONALD A. BEJCEK

● Mr. DECONCINI. Mr. President, our weekend was shattered by the tragic news from California that three Secret Service agents were killed in a traffic accident that occurred while leading the Queen of England's entourage into Yosemite National Park. According to early reports, Secret Service Agents George P. La Barge of Dayton, Ohio, Donald W. Robinson of Newark, N.J., and Donald A Bejcek of Chicago, Ill., were en route from Castle Air Force Base to assume protective duties for the Queen of England in Yosemite National Park in advance of the Queen's motorcade. They apparently were in a car that was sideswiped by a Mariposa County sheriff's patrol car that then skidded head-on into another Secret Service car.

Mr. President, rarely do we read headlines in the paper about Secret Service agents. Rarely do we ever hear about the work of our Secret Service agents on the nightly news. Tragically, it seems to be that we only hear about their heroism, courage, and dedication to duty when one of them—or three of them—is injured or killed in the line of duty. But that is the way it has always been and probably always will be. Secret Service agents go about their important and often dangerous tasks with a quiet professionalism that is not flashy—just very effective. You never hear about the thousands of times when there are no incidents because the Secret Service was there on the job, protecting the President, the Queen of England, or other important Government leaders. Unfortunately, we only hear about the tragedies, such as the deaths in California this weekend or the injuries sustained by Secret Service agent Timothy McCarthy in March of 1981 at the Washington Hilton.

Mr. President, as we all mourn the death of Secret Service agents, La Barge, Robinson, and Bejcek, let us take just a moment to pay tribute to them and the nearly 2,000 other Secret Service agents who, day in and day out, put their lives on the line doing the tough jobs, the dangerous job of protecting the President and other distinguished, important Government leaders from the terrorists who infiltrate our country; from those who would threaten the stability of our Government; and from those abroad who threaten the lives of our leaders while on travel for the United States. Secret Service agents are heroes. As we send our prayers out to the families of these three brave men whom we lost so tragically this weekend, let us not forget what a better place this country and the world are today because of the brave men and women who are the U.S. Secret Service.●

ECONOMICALLY STRATEGIC INDUSTRIAL RESEARCH AND DEVELOPMENT ACT—(S. 428)

● Mr. HEINZ. Mr. President, I rise today in support of my distinguished colleague's proposal to address the danger of our Nation's faltering technological capability. The junior Senator from Massachusetts (Mr. TSONGAS) has drafted legislation which begins to address this problem.

There is no doubt that these are challenging times for science and technology. Our society is posed at the threshold of the information age, at a time where the promise of technology has never been greater for raising productivity, improving the standard of living, and changing for the better the quality of life itself. Those who have involved themselves in American science and technology can be particularly proud of this country's world leadership in innovation. However, here in 1983, there is concern that the United States could lose its preeminence in this most important area.

In the quarter century immediately following World War II, the United States was far and away the world leader in science and technology. Its high technology products earned respect and markets globally. It enjoyed annual increases in productivity of about 3 percent. The gross domestic product increased about 3 percent annually, and the inflation rate was less than 4 percent.

However, while we still lead in science, our position is eroding. Unless a turnaround occurs soon, the United States is heading for long-term inferiority. We still enjoy a positive balance of payments in high technology goods, but our share of the world market has dropped, and the balance with respect to Japan and West Germany has become negative. Innovation is difficult to gage, but one measure—patents—indicates a relative decrease. In 1966, only 20 percent of the U.S. patents were awarded to foreigners. In 1976, the figure was 36 percent. Innovation is also related to increases in productivity, and during the last several years gains in productivity have not occurred. Another symptom of our eroding position is the drop in the rate of increase in real gross domestic product, which is currently around zero.

A number of studies have been made in recent years to analyze the causes of our poor performance. Some part of our problems is due to a drastic change in energy prices. Another factor has been a bias among many corporate leaders toward quick-payoff projects in allocating corporate re-

search funds. Higher labor costs achieved by unions through collective bargaining have also played a considerable part in the reduced emphasis and investment in techological advance. Another of the principal targets of criticism has been the past policies and practices of the Federal Government. These have discouraged innovation through a multitude of regulations. The introduction of new products or processes is particularly affected by uncertainties raised by regulatory actions. Delays increase costs and add to the substantial risks that accompany innovative ventures. Perhaps the most important factor limiting innovation is the availability of capital. A leader of research and development at United States Steel was quoted as saying, "We know exactly what we need to do to compete successfully with the Japanese, but we don't have the money." In times of high inflation, a particularly troublesome factor is that replacement costs of equipment far exceed its original cost.

The time has now come for Congress to take action. In this light, I am cosponsoring the Economically Strategic Industrial Research and Development Act which addresses our eroding position in today's technological world and if enacted, will work toward insuring U.S. superiority in research and development for many years to come. This legislation is practical in that it relies on the judgment and the expertise of those closest to the problem, the private and academic research community. Through the work of such organizations as the National Academy of Sciences and the Institute of Medicine, we will be able to identify "economically strategic technologies," those which offer the greatest potential economic benefit, but whose development is endangered by the targeted research and development efforts of our competitors and an insufficient level of effort here in the United States. Once these strategic technologies are identified a plan will be recommended to develop an appropriate partnership between industry, academia, and Government. This will greatly increase our ability to face future economic challenges by properly mixing public and private effort.

Finally, this bill addresses the need for more capital as it provides for an increase in nondefense research and development funding. It will provide the President with sufficient authority to recommend spending to carry out whatever developmental plans are forwarded to him. This will increase our ability to implement quickly necessary plans and will also serve as a signal to the rest of the world that the United States will not sit idly by, but will continue to exercise world leadership in science and technology for many years to come.

I urge my colleagues to join Senator TSONGAS in helping to insure the passage of this important piece of legislation. Our technology capability has been an important element in the growth of this country during the last century. It is imperative that we enhance that capability now in 1983 to keep the United States at the forefront of scientific and technological development and protect our economic health as a nation entering the 21st century.●

A NEUTRAL LEBANON

● Mr. EAST. Mr. President, few countries in the world have experienced the suffering and destabilization that the nation of Lebanon has undergone in recent years.

Since 1970, parts of Lebanon have been under control and subject to the exploitation of the Palestine Liberation Organization (PLO), one of the principal terrorist movements of our time. In 1975, Lebanon was subjected to a ferocious civil war that destroyed much of the economic and social base of the country. The tragic events of last summer are well known, and the human suffering of the Lebanese people as well as the political future of the nation have become matters of international economic focus.

Mr. Roger Edde, the founder of the "Neutral Lebanon Movement," suggests some highly interesting proposals for Lebanon in a series of opinion editorials recently published in American newspapers. The essentials of Mr. Edde's proposals are, first, the withdrawal of all foreign military forces from Lebanese territory—including the forces of both Israel and Syria as well as of the PLO—and the disarmament of all private armed forces within Lebanon; second, the restoration of the authority of the Lebanese Central Government through the assistance of a multinational armed force; and third, the restoration of the social and moral fabric of Lebanese society so that its traditional values of tolerance and pluralism may be reasserted.

I do not necessarily endorse Mr. Edde's position, but I think that his ideas deserve consideration by those seeking to secure U.S. interests in the Middle East and to establish stability in Lebanon.

Mr. President, I accordingly ask that the articles by Mr. Roger Edde from the Baltimore Sun of July 23, 1982, and from the Washington Post of August 4, 1982, be printed in the RECORD.

The articles follow:

[From the Baltimore Sun, July 23, 1982]

FOR A NEUTRAL LEBANON

(By Roger Edde)

WASHINGTON.—For some time now, it has been increasingly clear that any further progress in the peace process in the Middle East is irreversibly tied to a stable and lasting resolution of the question of Lebanon. In turn, the resolution of this question depends on the re-establishment of a Lebanese sovereignty that was, many years ago, literally stolen from the Lebanese people by foreign forces.

All too conveniently the absence of a strong central government in Beirut has been explained as the logical outcome of a fragmented nation embrolied in an impossible civil war involving its many religious and political factions. Such an analysis has overlooked the interest on non-Lebanese forces in encouraging and providing arms for such conflicts in order to justify their own presence and their respective designs in and over Lebanon. Far from causing an irreversible dismemberment of that unfortunate country, the holocaust of the past seven years has strengthened the resolve of the various Lebanese communities to survive as one people within the inviolable boundaries of a democratic and multi-denominational state.

Beyond the daily headlines, a first imperative in the negotiations on Lebanon is therefore to break away from the false and self-serving assumption that Lebanon is hopelessly divided within itself. A strong leadership in Beirut does not require a violent leader; nor does it entail the need for a repressive army. These can only lead to further divisions and bring about a state of semi-permanent civil war. Instead, a strong leadership for Lebanon means a leader who enjoys the confidence of all the communities that comprise the country.

A second imperative in these negotiations is to move away from short-term solutions, and act boldly and quickly toward more radical alternatives which provide security for all states in the region while insuring the unity and sovereignty of Lebanon itself. Such objectives would be met most effectively if Lebanon were to be made a permanently neutral and disarmed state.

Neutrality for Lebanon is a realism of last resort. Not so much the result of a new wisdom as the consequence of evident failure, it is a policy dictated by the country's historical fact, its geographical situation and its political tradition.

The historical fact of Lebanon is such that alignment abroad risks distintegration at home. Only the neutralization and the disarmament of the country would put an end to the tangle of terrorism and violence which has already produced too many innocent victims.

Placed at the geographical heart of a region in a state of war since 1948, Lebanon—which signed an armistice agreement with Israel that formally recognized the existing boundaries between the two countries—could, with neutrality and disarmament, escape the cycle of international conflicts of which it has been made a pawn over the past many years.

And finally, once disarmed and neutral, Lebanon could once again become an example for the whole region of political democracy, cultural pluralism and peaceful coexistence among its many spiritual communities.

While postwar precedents for such solutions to the predicament of states placed in a buffer area do not abound, they do exist. Thus, in 1955—with the approval of the Soviet Union and in the space of only a few weeks—Austria escaped the East-West conflict in Central Europe by committing itself to permanent neutrality when it signed the peace treaty that put a formal end to its part in World War II. Unlike such practi-

tioners of armed neutrality as Sweden and Switzerland, Austria was left only with a small army whose sole function was to maintain order within the country. Austria nevertheless preserved institutions and sympathies that have kept it clearly on the side of the West.

Such are the aspirations of today's Lebanon which, like yesterday's Austria, has not been declared a belligerent state in the wars which have brought the Middle East to its current state of turmoil.

In short, a permanently neutral and disarmed Lebanon would require:

1. The total departure of all foreign forces now in the country, and the complete disarmament of all paramilitary groups now within the internationally recognized boundaries of Lebanon; a restructured Lebanese Army would be left with the role of an effective national police force.

2. The guarantee of the Great Powers, and the establishment on its soil of a multinational force, acceptable to all concerned parties;

3. The enforcement of true democratic procedures which, at last freed from the pressures exerted by foreign and local armed forces and factions, would permit the election of a credible Lebanese leadership for a united free Lebanon.

[From the Washington Post, Aug. 4, 1982]

WHAT'S GOOD FOR LEBANON?

(By Roger Edde)

After nearly two years of continued negotiations over the Lebanese crisis, U.S. presidential envoy Philip Habib may have some credibility and some steam left. Yet the results of his mission have hardly been commensurate with his personal efforts. The time has now come to change the approach lest it soon become necessary to change the man.

Habib's mission began in the spring of 1981 when Israel reacted to Syria's movement of missiles forward into Lebanon's eastern Bekaa Valley. Yet his many months of shuttling between Damascus, Beirut and Jerusalem did not bring the restoration of Lebanon's sovereignty any closer. Instead, two months ago, the Israeli invasion of Lebanon occurred, as had been foreseen since the beginning of the year. Now, with the expansion of Israel's stated initial objectives beyond the 25-mile limit, Begin's solemn pledge not to annex "one inch of Lebanon" is publicly rejected by the most recently appointed member of the Israeli Cabinet.

Thus, the agony of Lebanon continues and worsens under the occupation of its domineering neighbors, viciously competing to snatch up the pieces of Lebanese territory that they covet most.

Today as before, Habib's mission remains apparently satisfied with the sole achievement of buying time. But for whom and to what end? To enable Israel to soften the PLO resistance in West Beirut and deliver the world, no matter the price of what it persists in calling the "Palestinian cancer"? Or to help expose Israel to the objections raised by world public opinion to its Operation Peace for Galilee? Or to display once again the reluctance of the Arab world to welcome the PLO in its midst?

Whatever the actual objectives of the Habib mission, buying time is hardly compatible with the interests of Lebanon. For in the meantime, its territorial integrity is threatened by the respective ambitions that Syria and Israel continue to entertain in and over Lebanon. The age-old rhetoric of a Greater Syria in northern and eastern Lebanon complement, in a tacit trade-off, the aspirations of a Greater Israel that would find in the water of the rivers of southern Lebanon a commodity nearly as vital as oil is to Saudi Arabia. Or else Israel would sponsor and sustain the brutal leadership of a "new Lebanon" that would rely on a predominantly Christian army to impose such repression as to cause the exodus of thousands of Palestinians and Lebanese resisting foreign occupation, religious persecution and internal dictatorship. Accordingly, what is threatened today is no less than the very survival of Lebanon as a united, sovereign and multidenominational state.

Sensitive to the destabilizing consequences of an eventual involvement in the international conflicts of the region, Lebanon carefully avoided becoming involved in any of the Arab-Israeli wars after 1948, abiding instead by the terms of the 1949 armistice agreement that confirmed the mutually recognized borders between the two countries. In the aftermath of the 1973 war, however, Henry Kissinger's shuttle diplomacy chose to focus on the disengagement of the Egyptian and Syrian fronts with Israel. In so doing, Kissinger left a window of war on the Lebanese-Israeli border, one that was opened further as the Palestinians were left out of the peace process.

In part as a result, there emerged a PLO state within the Lebanese state, a PLO state that sought military and political recognition in Lebanon, within the region, and in the world. In turn, the PLO's meddling in Lebanese politics attracted the interference of Syria and Israel, whose objectives, as Kissinger should have known, extended beyond the status of the Palestinians and threatened the unity and the sovereignty of Lebanon. Accordingly, war lords soon emerged throughout the country and within each community, and the disintegration of the internal security forces and the splintering of the Lebanese army followed.

Miraculously enough, the Lebanese social, economic and cultural infrastructure not only endured the seven years of intense and constant turmoil that followed but also managed to prosper. Ignored by a confused world opinion, abandoned by a cynical Arab world and neglected by the Western democracies, the Lebanese were left with their best and sole resource: an exceptional ability to adapt and an extraordinary entrepreneurial spirit. Today, therefore, the Lebanese will to survive is stronger than ever before.

So it is possible to seek beyond the daily headlines of the current crisis an approach that would be right for Lebanon and would also satisfy the legitimate interests of outside powers. This must be done. To move away from short-term satisfactions, such as buying time, and to move boldly toward lasting solutions. Lebanon first requires the departure of all foreign forces now inside its internationally recognized boundaries. In addition, and to satisfy the alleged security concerns of both Syria and Israel, we seek a permanent neutrality for Lebanon. For only through neutrality could Lebanon avoid the internal conflicts that have accompanied alignment abroad. Only through neutrality could Lebanon escape the regional wars of which geography has made it a part. And only through neutrality would Syria and Israel both gain peace in Lebanon and a way out of the Lebanese quicksand.

Second, we require a complete disarmament of the Palestinians and the Lebanese private armies. With regard to the Palestinians, what the Lebanese came to resent and reject almost unanimously was the armed activities of the Palestinians within Lebanon, because such activities frustrated Lebanese sovereignty, Lebanese dignity and Lebanese freedom. Under conditions of permanent neutrality, the complete disarmament of the Palestinans, together with that of the Lebanese private armies, would protect the hundreds of thousands of remaining Palestinians in Lebanon from harassment, abuse and bloodshed.

Third, the Lebanese democratic process must be at last restored and freed from non-Lebanese pressures. It would be a dramatic error to hold the presidential elections while foreign armies control almost all of Lebanon and foreign tanks are stationed at the back door of the presidential palace. A president elected under such circumstances would be challenged by his adversaries within his own community, and within all the other communities as well, as an illegitimate puppet of foreign powers. Any peace treaty signed by such a president would be considered by the majority of the Lebanese and by the Arab world as treason. Lebanon's unity would then disintegrate, and its isolation from the rest of the Arab world would smother its economy: in other words Lebanon would become a burden whose weight would make its protectors sink economically with it.

But with the emergence of a peaceful and neutral Lebanon out of the ashes of the war, the economic boom generated by the renewed confidence of the Lebanese in their own country (and in a leadership that is strong because it is credible to all) would be sufficient to rebuild Lebanon and to reward its economically weak but militarily strong neighbors.

In October 1979, then-presidential candidate Ronald Reagan criticized, in the name of "just simple humanity," the "derelict"-negligence of the "tragic situation in Lebanon"—the U.S. lack of "help or concern or diplomatic overture." Today, the tragedy has reached new heights, and the time has come for the Reagan administration to pursue an approach that recognized that what is good for Lebanon is good for the United States, and perhaps equally good for Israel—but not the other way around.●

HEALTH CARE COSTS—"A DUBIOUS STRATEGY"

● Mr. KENNEDY. Mr. President, in a thoughtful and timely editorial, the New York Times yesterday addressed one of the most critical challenges facing our Nation today—controlling skyrocketing health care costs. The editorial notes that the administration's approach—increasing out-of-pocket payments for the elderly and shifting medicare costs to workers and employers—is a "dubious strategy" which would have "little effect on hospital practices."

The Times suggests that real incentives for hospital efficiency might be created by extending reimbursement limits to all payers—private as well as public. In this way, hospitals will no longer be permitted "simply to shift the cost of inefficiency." I share this view, and urge my colleagues to heed this message as we begin consideration

of the administration's proposals for medicare in the weeks ahead.

I ask that the Times editorial be printed in the RECORD.

The editorial follows:

[From the New York Times, Mar. 6, 1983]

THE PERILS OF FREE-MARKET MEDICINE

A package of legislation sent to Congress last week makes clear the Reagan Administration's basic response to the alarming rise in medical costs: open the system to competitive market forces. It is a dubious strategy.

According to the Congressional Budget Office, hospital costs that have been soaring for more than 20 years are likely to reduce the Medicare program to ashes by 1987. In addition to Medicare, which pays medical bills for the elderly, the flames lick at Medicaid, which pays them for the poor, and at the private health insurance plans, subsidized by tax deductions, that pay the hospital bills of most other Americans.

Though hospital costs are increasing at an average annual rate of 13.2 percent, only 2.2 percent is attributable to the fact that people live longer. Nearly 11 percent is due to general inflation and the increased "intensity of care"—the combination of inefficiency and medical progress that raise the number and costs of hospital procedures per patient.

The Administration focuses its remedies only on public programs. It would fasten a tight lid on Medicare reimbursements, forcing hospitals to shift the costs they cannot recover from Washington to privately insured patients. It would also require a hefty increase in the Medicare patient's share of the bill for short hospital stays. And it would limit the amount of company paid insurance premiums that remain tax-free to the employee.

The Administration would add some offsetting benefits, like long-term "catastrophic coverage" in Medicare. But mostly it would force consumers and private insurance companies to pay more, in hopes they will use hospitals less and lobby physicians against unnecessary procedures.

Yet it is far from clear how forcing up private insurance premiums would force down hospital costs. For the most part, patients make only one basic decision—to seek help when something hurts; after that, they put their trust in doctors. Would patients' anxiety about insurance encourage doctors to order fewer hospital procedures? Possibly.

But chances are that the most significant response of patients would be to cut back on insurance "frills"—like psychological counseling—in order to afford the costlier basic hospital coverage. And that response would have little effect on hospital practices. Indeed, more free-market medicine would give insurance companies an unhealthy incentive to sell inadequate bargain-rate plans and to seek out the healthiest customers—leaving the Government to deal with a sicker, costlier clientele.

Our guess is that the safer and fairer way to hold down hospital costs is through more Federal involvement in the system, not less. For example, the Government might create real incentives for hospital efficiency if it limited reimbursement rates by private as well as government insurance plans. Experiments at the state level suggest that such broader regulation is crucial, since it does not permit hospitals simply to shift the cost of inefficiency.

Putting the burden on private insurance may relieve the Government's problem without attacking hospital costs. The crisis, however, concerns costs to all of society, not just the Federal budget.●

THE NEED FOR RADIO MARTI

● Mr. HUMPHREY. Mr. President, last year, the Congress debated at length the merits of the administration's proposal to establish radio broadcasting to Cuba, or Radio Marti. Under the Board for International Broadcasting, Radio Marti would broadcast objective and accurate news to the people of Cuba, as Radio Free Europe/Radio Liberty disseminate news to those behind the Iron Curtain. As H.R. 5427, the proposal passed the House on August 10, 1982, by a vote of 250 to 134 and was reported favorable by the Senate Committee on Foreign Relations on September 9, 1982. Unfortunately, this body could not find its way clear to passing H.R. 5427.

On February 24, 1982, Senator HAWKINS reintroduced the legislation to establish Radio Marti, slightly modified to address previously voiced concerns regarding potential Cuban jamming of U.S. broadcasts. I am pleased to cosponsor this bill, S. 602, which has the administration's support, and hope it will be given prompt and favorable consideration.

There can be little doubt that the Cuban people desperately need accurate and comprehensive news about what their own Government is doing at home and abroad. This fact is attested to in an incisive commentary by Allan Brownfield recently published in the Washington Times. I ask that excerpts of Mr. Brownfield's article be printed in the RECORD at the conclusion of my remarks.

The dissemination of simple truthful information through such means as Radio Marti, Radio Free Europe, and Radio Liberty can be the most powerful tool of our foreign policy and, ultimately, our national security policy. I trust that when this body is called on to consider S. 602, this Nation's overriding, long-term foreign policy and national security needs will be recognized and met.

The article referred to follows:

[From the Washington Post, Feb. 8, 1983]

AN EXPERT WITNESS ON BEHALF OF RADIO MARTI

(By Allan Brownfeld)

The Reagan administration, during the last session of Congress, proposed the creation of an AM radio station to beam news and features to Cuba. The House of Representatives approved it by a nearly 2 to 1 margin last summer. It would cost less than $10 million a year and would be staffed by fewer than 200 people.

Now, the new Congress has the opportunity to take action on Radio Marti. How much this station is needed can be seen in the comments of Cuban poet Armando Valladeres, who was freed in December after 22 years in Castro's prisons. He reported that he has been kept for seven years in a cell without light.

In 1977, a book of Valladeres' poems was smuggled out of jail and published under the title "From My Wheelchair." It is the story of how the young prisoner had become paralyzed due to prison-induced starvation.

The barbarity of the Castro regime should by now be well known. On June 28, 1981, Valladeres smuggled a letter to his wife from prison which stated: "For months I have been living on a concrete slab 2½ feet wide by 6 feet long. The rest of the space is filled with a chair and a wood drawer with a hole, which they gave me three days after my arrival to use as a chamber pot . . . The hardness of the concrete is causing sores on my body . . . But the narrower my physical space, the broader my spiritual horizons . . . My situation is difficult, but I feel and am a free man."

Finally, as a result of pressure from French President Mitterrand, Valladeres, who was never tried and found guilty of any crime, was released. Discussing this case, Sen. Henry Jackson, D-Wash., said: "Mr. Valladeres' refusal to bow to the arbitrary and inhumane dictates of the Castro regime is particularly remarkable and attests to his extraordinary courage and integrity. And, his long and cruel imprisonment for his religious and philosophical views is yet another example of the lengths to which the Castro government will go to silence dissenting points of view."

One of Valladeres' first acts upon reaching the United States was to testify in December before a joint session of two house subcommittees. When Rep. Jonathan Bingham, D.-N.Y., asked what the United States could do to promote change within Cuba, Valladeres replied: "At the present time, the United States could do the best service by giving the Cuban people access to information. That could lead to change. That is why I consider Radio Marti so important."

Liberals called the hearing to consider whether the tough line the United States has followed in dealing with Castro should be relaxed in favor of more conciliatory approach. Valladeres, who painted a detailed picture of repression in Cuba, said that the Cuban People have become disenchanted with communism, and said the United States should condemn Castro's imprisonment of dissenters and other human rights violations in "all possible forums."

Discussing the need for Radio Marti, Charles Z. Wick, head of the U.S. Information Agency, said, "The weapons of hardware are a needed deterrent, but you can't do anything positive with them. The weapons of ideas are our only viable alternative. We're trying to increase the only available tool we have to persuade others of the benefits of a free society."

So concerned is the Castro government about the idea of Radio Marti that it has threatened to disrupt radio broadcasting within the United States. This, in turn, led some American broadcasters to oppose the creation of the new station—and some senators to curry favor with them by also opposing Radio Marti.

Former Sen. Richard Stone of Florida, vice chairman of the Presidential Commission on Radio Broadcasting to Cuba, states that, "There is a news blackout within Cuba, and we want to provide the missing information." This is a task worthy of support.●

EDITORIAL PRAISE OF REAGAN NATURAL GAS BILL

● Mr. McCLURE. Mr. President, on February 28, 1983, President Reagan sent to the Congress a comprehensive proposal designed to restrain natural gas price increases and insure adequate long-term supplies of natural gas. The following day, the bill received considerable editorial praise. The New York Times called it "a fine start," and "an inventive, even elegant solution to an increasingly aggravating problem. * * *" The Washington Post referred to the bill as "an elegant and intelligent compromise, very much worth discussing further." The reasoning supporting these conclusions is worthy of the attention of all Members as we begin a full-scale assessment of two alternative approaches to natural gas pricing: increased reliance on the free market, or continued Federal controls on wellhead prices. I ask that the two editorials be printed in the RECORD at this point.

The editorials follow:

[From the New York Times, Mar. 1, 1983]

A NATURAL ANSWER FOR NATURAL GAS

Some Democratic responses to President Reagan's proposal to deregulate natural gas have been quick, bitter and misguided. One liberal opponent labels it a joke; another calls it absurd. In truth, the proposal is an inventive, even elegant solution to an increasingly aggravating problem: how to protect both consumers and producers during the present transition to an efficient competitive market for natural gas.

The plan could stand improvement. For instance, some of the revenue windfall received by some producers could be taxed. But it's a fine start.

Under the Natural Gas Policy Act painfully put together in the Carter years, prices were partially decontrolled. Controls on newly discovered gas were liberalized and set to expire in 1985. Prices for "old" gas, discovered before the legislation, were frozen forever. Everyone hoped that this compromise would create adequate incentives for exploration and conservation while cushioning consumers against price increases.

The hopes, alas, have collapsed. Incentives to sell gas from very deep wells proved too generous; gas from lower-cost wells goes begging for customers. Consumers with access to "old" gas still pay bargain rates that encourage wasteful overuse; consumers elsewhere reel from dramatic price increases. And, judging by the cost of competing fuel oil, average gas prices have risen about as much as they would have without any controls.

Unless something is done, gas prices, and the economy, will continue to suffer painful distortion. One approach would be to tinker with regulation again. But Mr. Reagan's advisers have found a shrewder way—one that uses the free market to smooth the transition. All controls on gas, including "old" gas, would be removed on Jan. 1, 1986. On that date, buyers and sellers would have the right to abrogate contracts signed before the new legislation. But in the meantime, they would be free to decontrol themselves right now by negotiating new long-tern contracts, subject only to temporary price ceilings.

That idea improves on partial decontrol in two ways. First, it would give consumers a sturdier umbrella of price protection. Second, it would give buyers and sellers strong incentives to negotiate new contracts now rather than later, and at terms both believe will be competitive under deregulation. In the long run, some prices would undoubtedly go up—but some would almost certainly fall, reflecting the anticipated cost of competing fuels.

Extrapolating from the grotesquely high prices some pipelines have paid for small quantities of deep-well gas, Democratic opponents find that prospect hard to accept. And so they are likely to resist by trying to postpone the date of decontrol. If their aim is to hold prices down over all, that could be self-defeating. Delay would undermine the incentive to bargain created by the Reagan plan. A more profitable avenue of compromise would be to tax the decontrolled "old" gas. Such a tax would not discourage production, yet would recoup some of the revenue windfall.

Opponents seek to make an ally of the unknown. Prices under the Reagan plan might go up, they say; at least no one can be certain they won't. But that's a conjectural problem. The country must deal, right now, with a known one: the distortions under the present law and the certain prospect that when it expires in 1985, the economy will suffer a painful transition. The Reagan plan would ease the way.

[From the Washington Post, Mar. 1, 1983]

THE LATEST GAS BILL

The last attempt to write rational and fair price controls for natural gas has turned out spectacularly badly. Prices keep rising in the midst of a dramatic surplus. Cheap gas goes unsold while expensive gas flows at a pleasant profit to its producers. The spectacle evokes mixed feelings, as the Reagan administration now begins the slow and difficult process of enacting something better. Just about everybody agrees that reform legislation is necessary. But it's hard to find any three people who agree on precisely what direction it ought to take.

President Reagan sent to Congress yesterday a bill that deserves to be taken seriously as at least a point of departure. It gives the pipelines an opportunity to renegotiate or even to break the take-or-pay contracts that are responsible for much of the current rise in prices. It promises the gas producers a competitive market and freedom from controls. It offers consumers the protection of a cap on the prices that pipelines can pass through to their customers. It's an elegant and intelligent compromise, very much worth discussing further.

But nothing about gas pricing is simple. The malfunction of the present law, enacted in 1978, is largely the result of its authors' misjudgment of the rise in energy prices. Much of the industry, not to mention its customers, now fears that the present bill similarly misjudges falling energy prices. Suppose a year or two from now oil suddenly swings around and gets more expensive, once again drawing gas prices upward with it. The pipelines are fearful of being caught between a competitive market in the gas fields, at one end of their lines, and the federal cap on the prices it can pass along at the other. Producers are uneasy about the prospect that, if prices start up again, Congress might lose its enthusiasm for free competition in the gas fields and reimpose controls. Many of the consumers' organizations, having seen the rise in prices under the present regulations, mistrust the regulators.

In American politics it sometimes happens that a bill is so bitterly contested by so many deeply divided interests that clear and efficient legislation becomes impossible. Natural gas pricing is a conspicuous example. Over three decades of price controls, the rules have become steadily more turgid and intricate in character while becoming more perverse and unsatisfactory in effect. At present there is no majority visible in Congress for any bill. Nobody wants to live with the present law. But it's far from clear that the president's alternative, or any other, can actually be passed.●

HERITAGE FOUNDATION'S STUDY OF UNITED NATIONS' STAFFING

● Mr. DECONCINI. Mr. President, the Heritage Foundation has recently published a study which analyzes certain aspects of America's declining influence within the United Nations. This study, entitled "Americans at the U.N.: An Endangered Species," quantifies the dramatic change in staffing the United Nations in the past few decades. The study describes how Americans are being shut out of key staff positions.

The study also focuses on an alarming trend—the increasing employment of so-called stateless persons, mostly Palestinians and Arabs. These individuals are hired with virtually no investigation into their background. According to the study, most, if not all, of the Palestinians employed by the United Nations are members of the Palestinian Liberation Organization. If that is indeed the case, it should be a matter of urgent concern to U.S. policymakers.

I urge my colleagues to read this study closely, not only because it highlights a problem which may have severe repercussions for American foreign policy, but also because it cites State Department neglect as a major cause of these rapidly growing trends. I especially hope that my colleagues on the Foreign Relations Committee will pay close attention to the study and, if warranted, pursue the matter.

I ask that this study be printed in the RECORD.

The material follows:

AMERICANS AT THE U.N.: AN ENDANGERED SPECIES

(By Juliana Geran Pilon, Policy Analyst)

INTRODUCTION

A painful but valid maxim of governance is that those who enforce policy end up shaping policy. And the United Nations is no different than anywhere else. There, policy is enforced by the personal of the Secretariat and other bureaucracies. And as with other aspects of the U.N. world, the United States is not fairly represented. Americans at the U.N., in fact, may be becoming an endangered species.

Though the U.S. contributes one-quarter of the assessed U.N. budget (and, often more than that of the voluntary budgets),

Americans comprise a mere one-sixth of U.N. Secretariat personnel. Moreover, the share is shrinking; among assessed agency professional posts, the American contingent has melted from 14.6 percent in 1972 to 12.6 percent today in the U.N. system. Even U.N. Secretary-General Javier Perez de Cuellar admits that the number of U.S. citizens in senior and policymaking U.N. posts is well below the "desirable" range—and falling.[1]

This means that the U.S. faces a double handicap at the U.N. Almost constantly outvoted in the General Assembly and in nearly every U.N. agency, the U.S. is also deprived of sufficient control of the administrative and policy posts to ameliorate the U.N.'s anti-U.S. and anti-Western pronouncements and resolutions. Examples abound of the deteriorating and unfair situation vis-a-vis Americans at the U.N.

At the U.N. Industrial Development Organization (UNIDO), a quasi-independent agency under the aegis of the Security Council, for example, the number of high-level posts filled by U.S. nationals declined between 1973 and 1982.

PERCENTAGE OF TOTAL PROFESSIONAL POSTS

	1972	1977	1982
Total U.S. UNIDO posts subject to geographic distribution	17.93	13.41	11.21
Total U.S. high-level posts (D–1 and above) [1]	12.5	7.69	3.12

[1] Secretariat positions, in decreasing order of importance, are: Under-Secretary-General, Assistant Secretary-General, D–2, D–1, P–5, P–4, P–3, P–2, and P–1. The D posts are managerial, while the P posts are technical experts.

Several high officials at UNIDO have told a U.S. House of Representatives Investigating Committee that "a successful vendetta has been carried out against the U.S. to reduce its impact on this organization," [2] Assistant Secretary of State for International Organizations Gregory Newell is making a strong effort to resist this tide, but according to his Deputy, Mark Edelman, there is yet little reason for hope.

In January 1982, the U.S. and British candidates failed to be reelected to the International Civil Service Commission, even though American Civil Service salaries are the standard by which U.N. system salaries are determined, and even though both nations have permanent Security Council membership and make huge contributions to the U.N. This is not only a loss in prestige, it may also be costly. The Commission can recommend higher salaries and increased benefits (as it did in its September 15, 1982 report) [3] without the U.S. or Britain being able to object, and with little chance that a vote in the General Assembly would give the U.S. a chance to reverse a Commission decision. The recommended higher salaries, of course, would be paid for, to a great extent, by U.S. taxpayers. The trend was halted—if only temporarily—by the appointment to that Commission on December 21, 1982, of an American, though not the same person who had done so fine a job for many years.

Confidential information, however, indicates that the circumstances of the appointment are sufficiently extraordinary that the U.S. should be prepared for a possible future disappointment once again.

Not only is the U.S. share of U.N. bureaucrats declining, so is its share of influential, policymaking posts. In the Personnel Department itself, for example, an American formerly was the only one who held a managerial D–2 position. Today he is one of four, and the highly influential post of Director of the Division for Policy Coordination is held by Victor Elisseyjev of the USSR.

The Director of the Department of Public Information once was an American; the post currently is held by a Japanese, Yasushi Akashi. The Director of the Administrative Management Service, an American, J. Robert Webb, has retired this past year; a colleague in the Secretariat, who at the time expressed some doubt whether his replacement would be an American, was proved right; and in-house announcement by the Secretary-General has just stated that the new Acting Director is from Ghana.

Not only the U.S. loses when Americans disappear at the U.N. Though a number of other nations have sent hardworking, well-qualified nationals to the U.N., Americans are widely acknowledged to be among the most efficient employees. In addition, according to a high-ranking American who has worked in the Secretariat almost straight through from its inception, most other nationals, especially from the developing states of the Third World, "do not understand the profit motive," and thus are less inclined to save the U.N. money and run it in a businesslike fashion. Some Secretariat employees appear to take for granted that a U.N. job is to be used for private gain; this practice seems more prevalent, or at least more obvious, among non-Americans.

The same official relates the story of a Secretariat employee who wanted to transfer to another U.N. department and tried to sell himself because he had lobbied successfully with government representatives on behalf of his former program, though according to U.N. regulations, this is illegal; it is, however, a commonplace among many nations at the U.N. One of the best-known cases of personal corruption is that of the former Director of Personnel, Muhammed Ghareb of Tunisia, who placed Arab nationals in key positions throughout the U.N. system. Another very high-ranking Secretariat official, also an American, apparently attempting to mute criticism of Ghareb, said that the actions was mere corruption, "nothing political." Corruption would seem bad enough. But James Jonah, Assistant Secretary-General for Field Operational and External Support Activities and former head of U.N. Personnel, saw political motives involved and said that Ghareb was "doing what Executive Heads had been doing for years." Though Jonah does not exempt Americans from criticism, he agrees with the almost universal perception that Americans are among the most hardworking of U.N. employees.

Dr. Arkady Shevchenko of the USSR, who was Under-Secretary-General for Political and Security Council Affairs until his defection to the U.S. in 1978, told The Heritage Foundation that the American presence at the Secretariat is a vital matter. He explains that the Secretariat is extremely important in "setting the tone" at the U.N. by drafting committee resolutions, setting up expert teams, preparing reports, and carrying on a wide range of other tasks—including interpreting broadly worded U.N. resolutions—that affect the degree of politicization in the organization. Shevchenko feels that Washington does not appreciate the significance of adequately staffing the U.N. He is echoed by many observers, including senior officers of the Secretariat, as well as members of the U.S. Mission to the U.N., the House Investigative Committee, and the General Accounting Office. They accuse the State Department of having paid little attention to the political sensitivity of U.N. staffing. Indeed, despite recent efforts in this area by its own Bureau of International Organizations, the State Department still regards the U.N. as a low priority item.

Finally, the U.N.'s institutional obstacles have resulted in blocking the hiring of Americans on the U.N. staff, while Palestinians and other "stateless persons" (mainly Arabs) are working for the Secretariat. Unless the U.S. takes serious steps, even to the point of cutting off funds to U.N. agencies that do not raise the level of U.S. staffing to "desirable ranges" by the U.N.'s own standards, Americans will remain woefully underrepresented at the U.N.

U.S. VERSUS OTHER NATIONALS IN THE U.N. SYSTEM TODAY

Articles 100 and 101 of the U.N. Charter state that "the paramount consideration in the employment of [U.N.] staff shall be the necessity of securing the highest standard of efficiency, competence, and integrity." At the same time, the U.N. Charter declares that "due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible." At first, personnel quotas mirrored the size of a nation's financial contribution to the U.N. Eventually, however, the developing countries of the Third World forced a reinterpretation of the Charter provision that stressed "equitable geographical distribution." The weight of financial contributions was reduced, and now affects only 55 percent of the quota. According to O. Richard Nottidge, Deputy Director for Policy Coordination at the U.N. Personnel Office, this proportion is likely to continue to diminish.

The latest State Department figures indicate that, for its nearly $1 billion assessed and voluntary contributions, which comprise about 25 percent of U.N. spending, the U.S. furnishes only about 12 percent of the entire professional staff and only about 10 percent at the specialized agencies. In the World Health Organization (WHO) and United Nations Education, Scientific, and Cultural Organization (UNESCO), the U.S. fills only 11.83 percent and 8.59 percent of the total professional posts respectively. In the Food and Agriculture Organization (FAO) and the International Labor Organization (ILO)—areas in which the U.S. has envied expertise—the U.S. is shockingly underrepresented, with only 8.02 percent of the FAO's total 3,192 professional posts and only 6.41 percent of the ILO's 1,372 professional posts. In the U.N. Industrial Development Organization (UNIDO), which a high-ranking State Department official has called "a disaster situation," the U.S. has only 3.12 percent of the professional posts.

For years, the State Department has emphasized "quality" of U.S. personnel—their rank and influence in the U.N. Even so, compared with other countries, the U.S. has placed far lower numbers of professional staff. As Table I demonstrates, in almost no agency does the proportion of professional posts held by Americans amount to even half the proportion of U.S. funding. The Soviet Union, it appears, fares even worse. One reason for Soviet underrepresentation is the USSR's lack of interest, until recently, in U.N. staffing. In addition, according to Theodore Meron, former Israeli representative to the Fifth Committee and former Visiting Professor of Law at the New York University Law School, Soviet underrepre-

[1] Footnotes at end of article.

sentation in the Secretariat is largely because Soviet policy has a built-in bias against permanent, rather than temporary contracts for employment of Soviet nationals.[4]

TABLE I.—NUMBER AND PERCENTAGE OF SELECTED PROFESSIONAL STAFF IN THE SECRETARIAT OF THE U.N. SYSTEM (AS OF DECEMBER 1981) AND PERCENTAGE OF CONTRIBUTIONS TO THE REGULAR BUDGET (FOR CALENDAR YEAR 1982)—STATE DEPARTMENT 10/IR 2, 3/82

Agency[1]	U.S. contribution	U.S. staff	U.S.S.R. contribution	U.S.S.R. staff	United Kingdom contribution	United Kingdom staff	France contribution	France staff
UN	25.00	17.32	11.10	6.04	4.46	4.16	6.26	5.05
FAO	25.00	9.31	none	none	5.45	9.78	7.66	8.37
ICAO	25.00	10.00	10.64	1.76	4.92	8.82	5.77	5.29
IMCO	4.53	5.35	5.61	3.57	6.07	21.43	2.73	1.78
ILO	25.00	9.16	11.02	3.87	4.43	8.55	6.21	11.00
ITU	7.00	9.23	7.00	3.73	7.00	9.94	7.00	11.80
UNESCO	25.00	11.05	10.98	3.05	4.41	3.18	6.19	6.86
UPU	4.75	.....	2.37	.....	4.75	3.77	4.75	5.66
WHO	25.00	11.22	10.91	3.15	4.38	6.59	6.15	5.47
WIPO	11.62	7.86	7.65	4.49	6.66	4.49	7.45	15.73
WMO	24.57	2.08	10.36	10.42	5.74	8.33	4.66	8.33
IAEA	25.81	19.14	11.59	9.16	4.66	5.09	6.54	4.68

[1] U.N.: United Nations Secretariat; FAO: Food and Agriculture Organization; ICAO: International Civil Aviation Organization; IMCO: Inter-Governmental Maritime Consultative Organization; ILO: International Labor Organization; ITU: International Telecommunication Union; UNESCO: U.N. Educational, Scientific, and Cultural Organization; UPU: Universal Postal Union; WHO: World Health Organization; WIPO: World Intellectual Property Organization; WMO: World Meteorological Organization; IAEA: International Atomic Energy Agency.

While the U.S. is shortchanged when it comes to U.N. staffing, France and Britain do well. At many agencies, the share of their nationals equals or even exceeds their share of the funding. But this is nothing compared to the success of Third World states at landing key posts. Unfortunately, staffing figures by country for the U.N. agencies are not available either through the U.S. Headquarters or the State Department—a glaring example of the lack of coordination in this area.

The most severely underrepresented states in the U.N. Secretariat, however, are Japan, Israel, and the Federal Republic of Germany. The overrepresented are chiefly the underdeveloped states of the Third World, as Table II indicates.

TABLE II.—DISTRIBUTION OF POSTS SUBJECT TO GEOGRAPHICAL DISTRIBUTION IN U.N. SECRETARIAT—AS OF JUNE 30, 1982

	Percent of contribution to U.N. (assessment)	Number of U.N.-determined "desirable range"	Number of actual staff	Percent of total staff
Overrepresented Countries (selected)				
Algeria	0.12	4–16	20	0.67
Egypt	.07	3–15	21	.67
Ethiopia	.01	2–14	25	.84
Ghana	.03	3–14	19	.64
Nigeria	.16	5–17	20	.67
Tunisia	.03	3–14	20	.67
Tanzania	.01	2–14	21	.67
Uganda	.01	2–14	16	.54
P.R. China	1.62	33–44	57	1.92
India	.60	13–25	54	1.82
Pakistan	.07	3–15	18	.60
Philippines	.10	4–15	57	1.92
Thailand	.10	4–15	36	1.21
Argentina	.78	17–28	36	1.21
Chile	.07	3–15	36	1.21
Iraq	.12	4–16	22	.68
Lebanon	.03	3–14	26	.87
Syria	.03	3–14	15	.50
Guyana	.01	2–14	16	.50
Jamaica	.02	2–14	21	.67
Underrepresented Countries (selected)				
Japan	9.58	161–217	101	3.41
F. R. Germany	8.31	140–190	100	3.41
Israel	.25	7–18	4	.13
Communist bloc (East Europe and U.S.S.R.)	17.50	374–504	312	10.54

Staffing at the highest levels is, of course, especially important. Arkady Shevchenko, for example, explains that in his capacity as Under-Secretary-General for Political and Security Council Affairs, his advice was asked on key issues in the Security Council and the First Committee of the General Assembly. He had occasion to influence policy as well in the twenty-seven committees in his charge, whose agendas were drafted mainly by his staff. Under-Secretary-General for Political and General Assembly Affairs William Buffum, the highest ranking American in the Secretariat, has much less power and more limited jurisdiction than did Shevchenko. To be sure, notes Dr. Homer A. Jack, Chairman of the Non-Governmental Organizations (NGO) Committee on Disarmament at U.N. Headquarters, "the Under-Secretary for General Assembly Affairs has always been an American"; yet this post has changed considerably since the days of Ralph Bunche, who was Under-Secretary-General in 1955 and then became Secretary-General for Special Political Affairs in 1957. In his detailed study, "The U.N. Secretariat," Theodore Meron notes that:

"To distinguish from the Soviet and the Chinese Under-Secretary-General, the American Under-Secretary-General (since January 1976, Mr. William Buffum) does not head a large department. Indeed, the important political, diplomatic, and trouble-shooting functions previously fulfilled by American Under-Secretary-General [Ralph] Bunche (and shared to a certain extent with Jose Rotz-Bennett of Guatemala) have been divided between two non-American Under-Secretary-Generals: Guyer of Argentina and Urquhart of the United Kingdom. . . . The post of the American Under-Secretary-General does not, despite its title, have as much political content as previously. Nor does it entail management of a large constitutent body of the secretariat."[5]

Yet even in the high level posts, the U.S. is being shortchanged, as Table III indicates.

TABLE III.—PERCENTAGE DISTRIBUTION OF STAFF IN SENIOR AND POLICYMAKING LEVEL POSTS (D–1 AND ABOVE) SUBJECT TO GEOGRAPHICAL DISTRIBUTION BY REGION FROM A/37/378/ADD. 1, OCT. 28, 1982

	Percentage of high-level posts	Percent contribution to U.N.
Africa:		
1978	11.4	1.6
1982	13.6	.....
Asia:		
1978	15.6	14.71
1982	19.5	.....

TABLE III.—PERCENTAGE DISTRIBUTION OF STAFF IN SENIOR AND POLICYMAKING LEVEL POSTS (D–1 AND ABOVE) SUBJECT TO GEOGRAPHICAL DISTRIBUTION BY REGION FROM A/37/378/ADD. 1, OCT. 28, 1982—Continued

	Percentage of high-level posts	Percent contribution to U.N.
Eastern Europe (including U.S.S.R.):		
1978	11.1	17.54
1982	11.6	.....
Western Europe:		
1978	26.1	31.56
1982	23.7	.....
Latin America:		
1978	9.1	3.88
1982	9.0	.....
Middle East:		
1978	6.0	2.36
1982	6.9	.....
North America:		
1978	19.6	28.42
1982	15.4	.....
Others (nonmember States, permanent observers, and stateless):		
1978	1.1	.....
1982	[1] 0.3	0

[1] One Swiss national.

The State Department's traditional emphasis [6] on attempting to secure primarily professional staff in the U.N. has been criticized as possibly shortsighted. A European diplomat underlined the significance of seemingly minor positions in the Secretariat. Mr. Shevchenko agrees; the USSR, he says, is well aware that someone strategically placed, say, in the U.N. Department of Public Information, can be of considerable use to his government.[7] The State Department's emphasis is now changing, according to Assistant Secretary of State Gregory Newell, but without any dramatic results as yet.

Some countries are greatly overrepresented, particularly in the nonprofessional staff. Lebanon has no fewer than 368 employees in the U.N. Secretariat—or 200 more than Canada, which pays 310 times more to the U.N. Jordan has 189 U.N. employees in the Secretariat, Syria 129, Palestine 22, and 52 are "stateless" (mainly Arabs).[8] A high level official in the U.N.'s Department of Personnel states that the appointment of stateless people is limited to "exceptional situations." There is a real problem, however, in verifying whether a person is truly stateless. According to Assistant Secretary-General James Jonah, the U.N. does not take great pains to check the Claims.

The Palestinians in the U.N. present a rather special difficulty. The PLO's Permanent Observer at the U.N., Zehdi Labib Terzi, told The Heritage Foundation that "all the Palestinians working at the U.N. are members of the PLO. Even if they are not a part of the PLO's administration, they are still considered members." Terzi claims to know the Palestinians in the Secretariat and to be in regular contact with them—though he emphasizes that most of them are listed as nationals of other Arab states.

Most of the Palestinians and stateless Arabs are employed in general services jobs. The same high official in the U.N. Personnel Department considers these jobs rather insignificant; "we don't really care exactly what nationality these people are; quotas come into consideration only at the professional level anyway." Yet employing Palestinians in the U.N. system deserves closer scrutiny. It should be checked whether their appointment does, indeed, involve "exceptional situations." It is noteworthy that Taiwan is unrepresented on the U.N. staff, that Latvians and Lithuanians in exile are not among the stateless personnel in the U.N. system. Palestinian interpreters can be found at the U.N. but no non-Soviet Russian interpreters. The reason, according to Professor Meron, is that:

"It appears that one of the understandings reached between the U.N. and the Soviet Union was . . . that the U.N. would not recruit Russian interpreters (and translators) except from the Soviet Union. Thus an exception was established to the salutary policy of the U.N. whereby language staff (which is not subject to the principle of geographical distribution) is recruited on the basis of competitive examinations open to all." [9]

Such instances of politicization of U.N. staff and their implications for the U.S. are ominous.

INSTITUTIONAL OBSTACLES FOR AMERICANS AT THE U.N.

In Resolution 1852 (XVII), of December 19, 1962, the General Assembly recommended a new formula for "desirable ranges," or quotas for national representation in the U.N. Secretariat as the first step toward diminishing the role of financial contributions in calculating those quotas. In Resolution 31/26 of November 29, 1976, another step was taken, when even those member states whose U.N. contribution was nominal were guaranteed two to seven posts in the Secretariat. The Secretary-General was told to give priority to recruitment of candidates from underrepresented countries.

The key change came with Resolution 33/143 of December 20, 1978, which accepted the report of the Rapporteur to the Fifth Committee of the General Assembly, Hamzah M. Hamzah of Syria, who presented a plan requesting the Secretary-General "to establish a target of 40 percent of all vacancies arising in professional posts [in the Secretariat] subject to geographical distribution" for the purpose of appointing nationals of underrepresented countries. And in a further departure from the U.N.'s primary commitment, by Charter, to a staff independent of governmental pressure, Mr. Hamzah's report requested that "competitive methods of recruitment be used in consultation with the governments concerned, organized on a national, subregional or regional basis, for selection of staff" [10] at the professional level, to achieve a "more equitable" distribution. This amounted to one more step in the direction of politicization of the U.N. Secretariat.

According to the Secretary-General, the 40 percent target has now been reached.[11] O. Richard Nottidge of the U.N. Personnel Department explains that, in his opinion, "there is some justice in this state of affairs." As he puts it, "the Western countries needed to take into account the realities of the world as it is now." He adds, however, that he expects Third World nations to press further for even greater representation in U.N. staffing. In fact, a report prepared for discussion in the current session of the General Assembly by Alexander S. Bryntsev, Joseph A. Sawer, and Zakaria Sibahi, for the U.N. Joint Inspection Unit, now asks that "60 percent of vacant posts in each entity [in the Secretariat] should be filled by nationals of unrepresented and underrepresented countries."

Aside from restrictions on employment of U.S. nationals imposed by the U.N.'s revised quota system, the U.S. has its own recruitment problems. According to a high-level official at the U.S. Mission, the Secretariat has become a place where foreign service officers, sometimes friends of State Department officials, retire on fat incomes. Indeed, contrary to a report by a congressional investigation staff, Americans are not at a financial disadvantage at the U.N. Though their gross salaries are taxed, unlike the U.N. salaries of most foreigners, the U.N. reimburses the Americans for the taxes they pay. Those salaries, especially when appended to generous U.S. government pensions, are lucrative. U.N. salaries are higher—by about 35 percent—than those of U.S. civil servants, as Senator J. Bennett Johnson, U.S. Representative to the Fifth Committee, has pointed out.

Grade	Gross salary [1] (as of Jan. 1, 1982)
Under-Secretary General	$96,765.
Assistant Secretary General	85,864.
D–2	67,009 to 72,927.
D–1	55,919 to 66,755.
P–5	48,661 to 61,231.
P–4	38,167 to 52,173.
P–3	30,518 to 43,375.

[1] The actual salary at any one level depends on longevity of service to the U.N.

Source: 10/IR/13/82, State Department.

How much work is demanded for such fat U.N. salaries is unclear. Though some U.N. employees are very industrious, U.N. diplomats point out that others "do nothing." A member of a Western European mission states that everyone realizes that the Secretariat is mostly "dead wood." Arkady Shevchenko speculates that the entire Secretariat could function better with one-fourth of its present staff. When asked what the new trend toward geographical "equity" has meant to the quality of the Secretariat, a high official in the U.N. Personnel Department admits that it has meant a deterioration. As Robert Rhodes James, Director of the Institute for the Study of International Organization at the University of Sussex, wrote as early as 1970 in his monograph "Staffing the U.N. Secretariat":

While it would be simplistic and unfair to blame geographical distribution requirements for the undeniable decline in Secretariat standards in recent years, it has been without a doubt a significant element." [12]

This observation is echoed by many today. Richard Nottidge, for example, states that "Third World countries may have good, qualified people—but not necessarily available for employment by the U.N." United Press International Senior Editor Peter Costa reported on October 10, 1982, that in a recent poll a majority of the 1,011 U.N. delegates polled criticized the quality of U.N. personnel, 70 percent saying that the general performance has declined. A major factor in the decline was "political interference" by governments. Susanna H. Johnson, head of the U.N. Staff Union, told a press conference, as reported in Diplomatic World Bulletin of November 1-8, 1982, that "the emphasis on politics over competence which had existed [she claimed] for some time where top jobs were concerned, now was seeping down to lower levels."

POLITICIZATION OF THE U.N. STAFF

An important obstacle in placing more Americans in the U.N. system is politicization. In their article "The U.N. Secretariat Revisited," S. M. Finger, Professor of Political Science at the Graduate Center and the College of Staten Island, City University of New York, and Director of the Ralph Bunche Institute on the U.N., and his assistant Nina Hanan call attention to "the political pressure and interference exerted by member governments at all levels of the Secretariat in the area of recruitment and promotion." [13] Former head of U.N. personnel James Jonah charges that most foreign governments "seem to regard the Secretariat as a dumping ground for officials unwanted at home," complaining that "many staff members use the U.N. for private gain." Jonah also charges that "few governments truly take seriously the independence of the international civil service." [14] He even accuses "some staff members of giving advance information or warning to their governments of action contemplated by the [U.N.] Administration to which the staff members are opposed." [15]

Private ambitions and political goals at times merge. The activities of Muhammed Ghareb of Tunisia, the former director of the personnel department, who allegedly extorted "loans" from individuals seeking jobs or promotion in the organization, are well known at the U.N. Ghareb, who was also accused of operating a ring of prostitutes for Arab diplomats, was finally ordered by former Secretary-General Kurt Waldheim to leave his post for that of Secretary-General of the Conference on New and Renewable Energy Sources. He resigned only recently, but is still a diplomat; he was reassigned by his government as Ambassador to Moscow.

Politicization is significant at every level. Even lesser positions in the Secretariat can be used to acquire information and to influence the policymaking process of the U.N. Arabs occupy many low-level jobs as secretaries and security officers, which enables them to gain access to sensitive information. Many of them are believed to take advantage of these opportunities for political or personal purposes.

Though it is impossible to determine how a particular candidate among several is selected for a U.N. post, high level U.N. personnel officials admit that non-Americans generally have a better chance of being hired at the Secretariat and elsewhere in the U.N. system, particularly outside New York. This is true even where the U.S. is underrepresented, such as at the World Health Organization. Although the WHO professes to seek qualified Americans,[16] its performance belies the promise. One young U.S. biologist, Andrew Kramer, for example, who wanted to try to redress what he perceived to be a heavily anti-American, anti-Western, anti-free enterprise bias at the WHO, re-

cently was given the runaround while applying, despite his excellent qualifications.

At times, Americans are appointed to the U.N. in a manner that seems, at the least, questionable. For example, Richard Hennes, Executive Director of the Bureau of International Affairs at the State Department, for years the highly respected U.S. representative to the U.N. Civil Service Commission, explains that the Commission decided in January 1982 to violate its own statute when it replaced him with a non-American. His job was especially significant to the U.S. since the Commission sets the salaries of U.N. employees. Indeed, the entire U.N. Civil Service is modeled after the American system. Henne's input throughout his years on the Commission accomplished a great deal in minimizing costs.

On January 1, 1982, the U.S. also lost its seat on the Statistical Commission, one of the subsidiary bodies of the U.N. Economic and Social Council (ECOSOC), despite the fact that the U.S. provides perhaps the greatest input into that Commission. In light of the history of statistical inaccuracies (often politically motivated) elsewhere in the U.N.,[17] losing this position provided one less opportunity for the U.S. to prevent other nations from censuring information.

INTERNATIONALIZATION: A PROBLEM UNIQUE TO U.S. NATIONALS AT THE U.N.

Americans at the Secretariat who were interviewed invariably see themselves as international civil servants carrying out the interests of the international community as defined by the U.N. This is certainly in line with U.N. staff regualtions, which state that the responsibilities of the members of the secretariat "are not national but exclusively international." [18] Most Americans in the Secretariat who were interviewed failed to see any political significance for the U.S. in their own positions, claiming that nearly everything in the U.N. "is an open book." A top official of the U.S. Mission to the U.N. disagrees, doubting that anyone could possibly deny that many, if not most, positions in the Secretariat are politically significant. He charges that anyone who states otherwise 'is simply lying." One European member speculates that in some cases American attitudes appear "naive"—adding his wish that this "idealistic" approach to the U.N. be tempered with greater "realism."

Shevchenko also notes the "internationalization" of American staff at the U.N. He defines this as their reluctance to cooperate in any significant way with American officials, not even those at the U.S. mission. This is rare behavior at the U.N. He confesses that, as Under-Secretary-General, he was in daily contact with the Soviet mission to the U.N.—a matter that was common knowledge. Professor Meron notes in his book on "The United Nations Secretariat:"

"The Soviet Union's attitude that Soviet national in the Secretariat fulfill a function on behalf of the Soviet Union and serve her national interests does not appear to have changed, but it is no longer articulated publicly. There is every reason to believe that the Soviet government continues to exercise strict control over its nationals in the Secretariat, including control over the duration of their stay abroad." [19]

The Charter explicitly forbids Secretariat staff from taking orders from governments. This is a restriction that seems to be most rigorously honored by Americans. An official at the U.S. Mission notes ironically that he receives unsolicited useful information from Secretariat staff of other Western nations more frequently than from Americans. A senior American in the Secretariat defended such noncooperation by stating that it earns a great deal of respect for Americans in the U.N. system, to which a European diplomat smiled and quipped: "It may be rather that Americans are not very good diplomats." Perhaps, he added, this American "internationalization" may be a way of rationalizing an unwillingness or inability to "play the game" by the rules known to everyone else. A similar point was made by an official at the U.S. Mission with U.N. experience. He speculated that "one of the reasons why many Americans in the U.N. system defend it, and sometimes tend to be quite critical of U.S. policies, is that it must be difficult to admit that you are working for a corrupt organization which can have pernicious effects. The psychological complexities involved are worth exploring."

It seems that every American working in the Secretariat is very loyal to the U.N. Sally Swing Shelley, an American who is Chief of the Non-Governmental Organizations Section of the Department of Public Information, for example, says: "I've worked for the U.N. for twenty-six years; I am totally dedicated to the organization." Such an attitude is admirable, but puts the U.S. at a great disadvantage since it is shared by so few U.N. staffers from other countries. Admits a high-level official in the U.S. Mission: "Sometimes I think the free world would be better off if we had some good Western Europeans in place of Americans working on the U.N. and the agencies." [20]

CONCLUSION

Assistant Secretary of State for International Organization Gregory J. Newell includes as one of his "Five Priorities for U.S. Policy" to "insist on increasing U.S. Personnel in international organizations." [21] This is welcome news. Newell seems to be breaking with the traditional indifference of the State Department to personnel matters at the U.N. Over the years, states the General Accounting Office (GAO) in its May 15, 1977, study, despite reports "on the low number of Americans working in the U.N. organizations, and [its having] made recommendations for improving the U.S. recruiting systems . . . the Department of State has done little to improve the situation."[22]

Some GAO analysts currently speculate that the reason the GAO has not been asked to do a follow-up study may be State Department dissatisfaction with its earlier report card. A House of Representatives Investigation report released in early 1982 blames the State Department for not having up-to-date information regarding available positions in the U.N. Members of the House staff complain as well, in private, that some of those whom the State Department recommends for U.N. positions are by no means the best possible candidates. Through Karl Grip, the head of the Office of U.N. System Recruitment at the State Department, insists that State recommends good candidates, a former official from the Bureau of International Organizations, Virginia C. Housholder, a member of the U.N. Advisory Committee on Administrative and Budgetary Questions, says: "It is impossible to do so complex a job properly with only one or two people working on it."

To be sure, institutional barriers at the U.N., the mounting politicization of U.N. posts, and the internationalization of Americans at the U.N. are serious obstacles to appropriate U.N. representation for the U.S. A number of steps could be taken, however, to ensure that Americans at the U.N. do not become an endangered species:

The State Department should give higher priority to the quality of Americans it recommends for U.N. staffs.

The U.S. should consider cutting its funding to U.N. agencies that do not raise the level of U.S. staffing to "desirable ranges."

Congress should require the Secretary of State to report annually on his implementation of a more aggressive plan for improving participation.

Congress should commission a study of U.N. personnel practices to determine whether the massive U.S. funding of U.N. personnel is being used effectively, efficiently, and in American interests.

Such steps would lead to a clearer understanding of the role of the United States at the United Nations, of the problems inherent in U.S. staffing, and of the U.S. staffers' position relative to friends and enemies. Thus armed, the U.S. could improve its quantitative and qualitative status within the United Nations by positive measures—or by withdrawal from significant participation and financial support.

FOOTNOTES

[1] A/37/378/Add. 1, page 7.

[2] Hearings before a Subcommittee of the Committee on Appropriations, House of Representatives, 97th Congress, 2d session, part 8, "Interim Report on Selected Organizations and Programs of the United Nations," p. 1142.

[3] ". . . the majority of the members of the Commission favored an increase in salaries for staff in the professional or higher categories." A/37/30, S 118, p. 31. See statement by by Senator J. Bennett Johnson, USUN Press Release 128-(82), Nov. 16, 1982.

[4] Theodore Meron, "The United Nations Secretariat" (Lexington, Massachusetts: Lexington Books, 1977), p. 30. Another reason for Soviet underrepresentation in the U.N. Secretariat was revealed by former head of U.N. Personnel, James Jonah: "When I used to interview prospective U.N. employees in the USSR, many candidates—whose names had been given to the U.N. by the Soviet government—begged me not to select them." The reason, said Jonah, was that U.N. employment would often mean being separated from immediate family (to discourage defection to the West) and losing important employment opportunities with the Soviet Government.

[5] Ibid., p. 96.

[6] General Accounting Office Report to the Senate Committee on Governmental Affairs, May 16, 1977: "In reply to our previous reports on the low number of Americans in the international organizations, the Department of State said that its primary emphasis is on placing Americans in key positions, with total numbers a secondary objective." p. 30.

[7] The very significant European Unit of that Department is headed by Arkady Chapayev of the USSR; two other officers in that Unit are also Soviet. A high official in the Department, currently in New York, has charged that the nongovernmental organizations in Europe work in close cooperation with the Soviet officers for propaganda purposes.

[8] A/C.5/37/L.2 This document is of "limited" circulation—belying the theory that everything at the U.N. is an "open book."

[9] Meron, p. 35.

[10] Dec. 19, 1978, A/33/525, p. 4.

[11] A/37/378 Add, 1 Oct. 28, 1982, S. 9, p. 4.

[12] Robert Rhodes James "Staffing the U.N. Secretariat" (Institute for the Study of International Organization, University of Sussex, First Series, no. 2, 1970), p. 17.

[13] S. M. Finger and Nina Hanan, "The U.N. Secretariat Revisited," Orbis Spring 1981, p. 197.

[14] "Independence and Integrity of the International Civil Service: The Role of Executive Heads and the Role of States," p. 4, unpublished version. The published version in "International Law and Politics," vol. 14: 841, 1982, pp. 841-859, omits this and several other crucial statements.

[15] Jonah, op. cit., only in unpublished version, p. 11.

[16] See report to the Senate Committee on Governmental Affairs, "Greater U.S. Government Efforts to Recruit Qualified Candidates for Employment by U.N. Organizations," May 16, 1977, p. 12.

[17] Juliana Pilon, "Through the Looking Glass: The Political Culture at the U.N.," Heritage Foundation "Backgrounder" No. 206, Aug. 30, 1982.

[18] ST/SGB/Staff Regulations/Rev. 12, p. 1, Regulation 1.1.

[19] Meron, p. 34. See also Finger and Hanan, p. 201.

[20] One way to alleviate the phenomenon of "internationalization" was suggested to The Heritage Foundation by a high official in the U.S. Office of Personnel Management which used to handle the so-called "loyalty check" for Americans applying to work for the U.N. The Executive Order 10422, signed on January 9, 1953, by President Harry Truman, required a "full field" investigation. That system was changed by a new Executive Order, 11890, signed on Dec. 10, 1975, by President Gerald Ford, requiring only a "National Agency Check." This new system is so lax as to be—according to the same high-level OPM official—"virtually worthless." State Department officials are opposed to reverting to the old system, arguing that it was too time consuming. The merits of the arguments on both sides are worth investigating.

[21] Speech to the United Nations Association, Aug. 18, 1982.

[22] Report to the Senate Committee on Governmental Affairs, p. i.●

ADMINISTRATION'S HEALTH INCENTIVES REFORM PROGRAM

● Mr. DURENBERGER. Mr. President, in my first year as a U.S. Senator, I introduced the Health Incentives Reform Act of 1979. At the first of the so-called procompetition health proposals, the Health Incentives Reform Act included provisions to limit the tax exclusion of employee health benefits, extend catastrophic protection to Americans, and increase consumer choice. The bill was designed as a package to improve coverage for our citizens and stimulate competition among hospitals and physicians.

Although the Health Incentives Reform Act never passed, the ideas spawned by the bill have been discussed, debated, and refined. They are ideas that continue to grow and adjust to a changing health system. And they have slowly worked their way into the thinking of others in Congress, in the administration, and in the private sector.

The administration has incorporated many of these same ideas into its health incentives reform program. The tax cap places a limit on the tax-exempt amount an employer can contribute to an employee's health plan. From a health policy standpoint, the tax cap makes a lot of sense. It protects the employer/employee setting as the best place to provide working Americans with health coverage, and at the same time it discourages the purchase of excessive and wasteful insurance coverage.

The medicare voluntary voucher proposal extends the private sector choices made available to beneficiaries last year through TEFRA. These choices benefit consumers by giving them opportunities to secure better health care coverage. And it rewards efficient physicians, and hospitals by directing additional business their way.

The administration's catastrophic proposal extends to medicare beneficiaries the same protection most working Americans enjoy. Health insurance was initially conceived to cover extraordinary expenses. The medicare program should restore the principle of catastrophic coverage.

Finally, the administration's program includes provisions to trim the growth in medicare spending. Short-term spending cuts may be necessary as we engage in longer term reform. But we must be careful not to unfairly shift costs in our efforts to cut Government spending.

The administration's package deserves careful review. And with some refinements, many of its elements should be passed. Our health system cannot afford continued stopgap tinkering. It is time to give health incentives reform a chance.●

KUWAIT SHOULD NOT BE ALLOWED TO INVEST IN U.S. MINERALS

● Mr. MELCHER. Mr. President, I rise to express my opposition to Secretary Watt's preliminary decision that Kuwait is entitled to invest in mineral leases issued pursuant to the Mineral Leasing Act of 1920. Secretary Watt's preliminary decision ignores the plain meaning of the 1920 act, and arrives at an absurd result.

Section 1 of the Mineral Leasing Act, 30 U.S.C. 181, provides that:

[C]itizens of another country, the laws, customs, or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this Act.

This provision clearly provides for a reciprocal arrangement regarding foreign investment in U.S. minerals. A citizen of a foreign country may invest in U.S. minerals only if the foreign government accords "similar or like privileges" to American citizens wishing to invest in the minerals of that foreign country. For this reason, this provision has become known as the reciprocity provision.

Kuwait is not a reciprocal nation for the simple reason that it has nationalized its minerals industry, thereby precluding Americans from any opportunity to invest in the minerals of Kuwait. Kuwait not only denies Americans "similar or like privileges," it denies them any privileges whatever. The proper result under the 1920 Act is clear: Kuwait should not be granted the privilege of investing in U.S. minerals.

Secretary Watt, however, does not accept this conclusion. He argues that because Kuwait precludes all private investment in its minerals industry, not just private investment by Americans, that Americans are accorded "similar or like privileges" within the meaning of the 1920 act. In other words, Secretary Watt, believes that Kuwait is a reciprocal nation because it does not specifically discriminate against investments by Americans.

This interpretation is totally untenable for at least two reasons. First, it destroys the reciprocity principle of the provision by allowing Kuwait to invest in U.S. minerals while precluding investment by Americans in Kuwait minerals. The legislative history makes it clear that Congress did not intend such a lopsided result. For example, during debate on the House floor, Representative Raker stated that:

The bill says that a citizen of a country that does not permit mineral ownership by an American citizen can not own stock in a corporation of the United States that applies for a lease. 58 Cong. Rec. 7528 (1919).

Second, Secretary Watt's interpretation renders the reciprocity provision essentially meaningless. I challenge the Secretary to name a single nation that is not reciprocal under his interpretation. Cuba? Libya? The Soviet Union?

If Secretary Watt believes that the reciprocity provision should be modified or repealed, he should forthrightly come to Congress and seek appropriate legislation. But he should not emasculate the provision through administrative interpretation.●

REMEMBRANCE OF WAR

● Mr. ARMSTRONG. Mr. President, Alexandr I. Solzhenitsyn is a man of vast experience and great wisdom. So also is Vermont Royster, a distinguished journalist with a long memory and extraordinary insight.

So when I read Mr. Royster's March 2d article in the Wall Street Journal, the text of which follows my remarks, it was natural to recall Solzhenistyn's observation that:

There is one psychological peculiarity in the human being that always strikes one: to shun even the slightest signs of trouble on the outer edge of your existence at times of well being . . . to try not to know about the sufferings of others and your own or one's own future sufferings, to yield in many situations, even important, spiritual and central ones—as long as it prolongs one's well being.

I urge my colleagues to reflect on Solzhenitsyn's comment in the context of Mr. Royster's article.

The article follows:

[From the Wall Street Journal, Mar. 2, 1983]

THINKING THINGS OVER—REMEMBRANCE OF WAR

(By Vermont Royster)

For those who survive a great war, be they soldiers or civilians, the experience is unforgettable. All else is anticlimax.

If you think not so, listen to old soldiers gather to talk of Dunkirk, Anzio, Okinawa

or more lately even of Vietnam. Or to civilians who lived through the terror of London or Coventry.

So when the television recently brought us that 18-hour marathon account of the coming of World War II, there were two separate audiences among the millions who watched. Those who remember. And those who can't.

I can speak only for those who remember. And as I watched Herman Wouk's tale, with all the contrivances and coincidences of story the critics harped upon, I couldn't help wondering if those too young to remember drew from it the lessons those times have to offer.

Some of the lessons may have been obscured in the television telling. Hitler's Mein Kampf, for example, is mentioned in passing. Was it clear to the young that Hitler told the world then exactly what he planned to do—and no one believed him?

The destruction of Poland, the fall of France, the plight of beleaguered Britain, all this was vividly told. Was it clear to the young that none of this need have happened if Poland, France, Britain had not ignored the gathering storm?

To many younger viewers Mr. Wouk's fictionalized Jewish scholar, Aaron Jastrow, seemed merely a naive, even foolish, old man in his refusal to flee the menace of Naziism. Did they understand he was symbolic of many who said what was true, that there were good Germans as well as bad ones, and so were long blind to the evil that engulfed them all?

* * * * *

Through the figure of President Roosevelt, our own effort to rearm at the last minute was recounted. Do the young know that even after Hitler came to power in 1932 we left our arms in disrepair? that on the very eve of being engulfed by the war our soldiers were drilling with brooms as make-believe rifles, driving trucks as make-believe tanks, because we had none other?

Thus when my own time came to be wrenched from a happy civilian home, I was put aboard a destroyer that had no radar, no sound-searching gear, no modern guns to defend the convoys we were supposed to shepherd against marauding submarines. Those called to man land armies were no better served.

Yet that is the way it was. With Europe already conquered by Nazi legions, with Great Britain upon the edge of defeat, with Pearl Harbor but a few weeks away, our country preferred to think the war would not come our way. Were there not, after all, two great oceans that lay like moats to keep us safe? The politicians in Congress were not alone in asking what need we had of calling our young to arms, of spending our treasure on the arms for them, when there were so many other needs here at home in a nation still suffering from the Great Depression.

I hope the young will not suppose that this myopia, from Munich to Pearl Harbor, sprang from selfish or immoral motives. It was rooted in one of the deepest desires of the human spirit, to live in peace. It was expressed clearly in a slogan heard everywhere in those days, "Peace, it's wonderful!" It was said in prayers, sung where good people gathered, chanted in street parades to protest the horrors of war.

That war came anyway despite the prayers, and brought with it horrors up to then unimagined, was not the fault of those of good will and one cannot fault them for those prayers. War came anyway because not all men are men of good will, because evil has not been banished from the earth.

Nor can one fault those men of good will, either, when the trial came. Once it became clear the choice was war or surrender to evil, men of good will went off and died by the millions lest evil triumph unopposed.

The truth is that peace is easy to achieve. The Poles, the French, the Belgians, the British, could have easily had their peace. All they had to do was say "better to be Nazi than dead," lay down their arms, fight no more, and they would have had their peace. The question is whether the world would have been better for such a peace.

That is why those of us who remember, watching the unfolding story on a television screen, have a sense of *deja vu* the young cannot know, seeing the parades today of those who once more cry, "Peace, it's wonderful!" and seek it by laying down arms while, across the world, others build arms and more arms.

* * * * *

We find it strangest when this cry is heard in Europe. In that last war our country was spared the worst largely because people far away bore the brunt of war before us. Our own country has never been invaded and occupied. But the peoples of Europe, from the coast of Norway to the Mediterranean Sea, lived under a brutal heel until at long last, and after much dying, it was removed.

Can they really have forgotten how it was? Have those who remember nothing to say to the young who cannot? Can the young, looking eastward to neighbors already under a brutal heel, think peace is wonderful as to be bought at such a price?

For now, as before, it can be bought at a price. Western Europe can easily have its peace, as can we. All that is required is to lay down arms, to think it better to be red than dead, and all danger of another war will vanish. Conquerors have no need of war when there are neither arms nor will to resist them.

As one who remembers how it was before, I wonder if the voices of surrender speak today for the peoples of Europe. Perhaps I can find out if I go back again and listen.●

AFL-CIO ON IMMIGRATION REFORM

● Mr. KENNEDY. Mr. President, at the recent executive council session of the AFL-CIO in Bal Harbour, Fla., the council unanimously adopted an important statement on the need for immigration reform.

Today, Lane Kirkland, president of the AFL-CIO, elaborated on this statement in testimony before the Subcommittee on Immigration and Refugee Policy.

I believe it is an extraordinarily thoughtful statement, one that reflects the longstanding concern of the American labor movement over immigration reform. It also outlines an enlightened and humane approach to this complex issue, and I would like to share it with my colleagues.

Mr. President, I ask that today's testimony by Lane Kirkland and the Bal Harbour statement by the AFL-CIO executive council be printed at this point in the RECORD.

The statements referred to follow:

STATEMENT OF LANE KIRKLAND, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Mr. Chairman, I appreciate both this opportunity to present the views of the AFL-CIO on immigration reform and your consideration in making time in your schedule today to provide that opportunity.

As you know, the AFL-CIO has long sought new legislation on immigration that would respond more effectively than does the current law to the surge of unauthorized migrants into our country, and to all of the resulting ills.

We said to you just less than a year ago that the original Simpson-Mazzoli bill was "in general consistent with the goals of the AFL-CIO," and should, "with some modification and improvement," be adopted. Since that time, both your original bill and our perception of what must be done to achieve what I firmly believe to be our shared goals, have undergone change. It is, therefore, my purpose in this testimony to tell you where we stand, to explain the modifications that we believe the present bill requires, and to urge this subcommittee's rapid favorable action upon the bill thus modified.

I would state these shared goals to be as follows:

(1) A legislative prohibition on the employment of undocumented workers—backed by substantial and workable sanctions to deter employers from violating the prohibition—is the single most important deterrent to illegal immigration. We know from experience that there are employers who will, given the chance, capitalize on the desperate need of undocumented aliens to find and keep a job. we know also—particularly by reason of the concerns voiced last year in both houses of Congress—that there are widespread and deeply-held fears that the enactment of sanctions will lead to employment discrimination against individuals on the basis of their national origin or race. Any bill worth passing must address both aspects of the problem

(2) Fairness requires that a bill providing such sanctions must also provide employers, who wish to comply with the law, a sure and simple means of so doing. So far as we are concerned, this means that the bill must establish an identity and eligibility verification system that is secure, and must assure the employer who uses this system that his good faith reliance thereon meets the law's requirements.

(3) At the same time the steps just outlined are taken steps must also be taken to legalize the status of those aliens who, though their presence in the country is not authorized, have become settled, contributing members of their communities. Thus, we support the most generous practical legalization program for such persons. Unless that is done, we will as a society be contributing to the continuing victimization of an underclass, made up of those whose fear of deportation makes them vulnerable to exploitation by unscrupulous employers and who are unable to protect themselves or to call upon the government for protection.

(4) Importation of foreign non-immigrant workers for short term or long term temporary jobs must be limited to the greatest extent possible and confined to the specific purposes presently authorized by law. This has two practical implications: First, administration of the existing law must be substantially improved so that non-immigrant visas to workers are issued only to persons who meet the specified requirements. Three

present immigration programs have an adverse impact on American workers—those covering H-1 visas, H-2 visas and B-1 visas. All three have been misused to admit non immigrant aliens who do not meet the requirements specified by Congress. Second, the Congress should not enact any "guestworker" or "bracero" program.

(5) Border and interior enforcement of the immigration laws must be strengthened principally by affording the Immigration and Naturalization Service the additional resources necessary to do that enforcement job.

Without attempting to get into the niceties of the legislative language, I wish to return to each of these matters and to provide certain particulars.

EMPLOYER SANCTIONS

Substantial and workable sanctions for violation of a prohibition are the heart and soul of the prohibition. Unless such sanctions are included, enacting new prohibitions is a meaningless formality. The present immigration law may be the single best demonstration of that proposition.

That may sound like a call for increasing the bill's criminal sanctions, but it is not. We understand the limitations of the criminal law enforcement process. The cost, the competing demands upon federal prosecutors, and the reluctance of the government in matters of this kind to proceed with anything less than the clearest cases means that criminal process will be used rarely.

Thus, civil remedies that will cause a potential violator to pause before action and, upon reflection to refrain from committing a violation, must also be provided. And while we have doubts about the efficacy of the rather complex administrative enforcement procedure in Title I of the bill, we believe that with relatively narrow and straightforward amendments that procedure can be made to work.

In essence what is needed, we believe is: a substantial increase in the civil penalties for knowingly hiring unauthorized aliens and a graduated schedule of such penalties for repeated violations; granting the Attorney General the authority to obtain an injunction against any employer who is found to have committed a second such hiring violation or who engages in a pattern or practice of such hiring; and a private right of action for persons aggrieved by the knowing hiring of an undocumented alien. Such a private right of action should be modelled on the right to sue given to individuals under Title VII of the Civil Rights Act. Finally, we believe that actions to collect civil penalties should be in the federal courts of appeals, which are familiar with such enforcement actions, not in the district courts.

IDENTITY VERIFICATION

The AFL-CIO fully agrees with you, Mr. Chairman, that a system for verification of the identity of job applicants that will demonstrate the individual's legal entitlement to work and that is secure and forgery-proof is essential. As the resolution on immigration recently adopted by our Executive Council stated, "The legislation we seek must enable employers to ascertain in simple fashion the eligibility for employment of those they hire, and it must ensure that employers cannot use these sanctions as an excuse not to hire legal resident aliens or citizens who "look foreign."

The bill goes far toward meeting those criteria, particularly through its requirement that within three years the President is to take any and all steps necessary to render the verification system truly secure. But with regard to these provisions, too, we believe the bill falls somewhat short.

The exemption of employers of three or fewer employees cannot be justified. Universality of the requirement that employers inspect and attest to the adequacy of a job applicant's documents is an indispensable protection both for those employers and for the hispanics and other minorities who reasonably fear that discrimination may follow the bill's enactment.

We urge also that a provision be added to the requirement now in the bill that under the verification system which the President is to establish, "a verification that an employee or prospective employee is eligible to be employed may not be withheld for any reason other than that [the person] is an unauthorized alien". That is a fundamental safeguard, but it does not go quite far enough: the bill should provide as well that—once issued—any such verification, whether in the form of a document or in some other form, may not be revoked for any reason other than a legal determination, after proper proceedings, that the person is in fact an unauthorized alien.

It is our view that the verification system is so important that it must be safeguarded by enforcement provisions of greater substance than those provided in the bill. We have in mind increases in the civil penalty and a graduated scale of penalties for first, second and subsequent employer failures to comply with the identity verification requirement along the lines proposed by the House Education and Labor Committee. And because injunctive relief is so clearly the most effective remedy, we believe that provision for such a remedy must be made—something S. 529 neglects to do.

DISCRIMINATION

I spoke a moment ago about the discrimination that some fear may be encouraged by enactment of this bill. Two proposals to meet this concern that were offered in the House last year seem to us well-suited to the prevention and correction of any such discrimination. One of these would require employers to keep a record of the names and addresses of persons who apply, but are not hired, for a job within a designated period prior to the time the job is filled, which record must be made available to law enforcement agencies. The other provision would create a private right of action so that a job applicant who believes himself or herself to have been discriminatorily denied employment may challenge that denial through the administrative system provided in the bill.

LEGALIZATION

In our view, as in yours, legalization is the counterpart to the prohibition on hiring of undocumented workers. As we move to close our borders to those not entitled to enter, we must regularize the status of those persons who are in our midst, functioning as law-abiding and contributing residents of their communities. These persons are uniquely disabled from claiming equal treatment, whether in wages and working conditions, the right to bargain collectively, or even the right to local police protection. Their susceptibility to deportation renders them victims. The AFL-CIO Executive Council resolution therefore called for "the most generous, practical amnesty for these people."

In legislative terms, we believe this means that permanent legal resident status should be made available to aliens who have lived in the United States continuously for some reasonable period of time and who have a demonstrated attachment to the community. We are seriously concerned about the two-tier proposal in the bill which would give only temporary legal status to some. We foresee a host of human and administrative problems, should a two-tier system be adopted.

Finally, when an eligible alien applies, the Attorney General should be required to adjust the alien's status to that of legal resident. We do not know why S. 529 provides that "The Attorney General may, in his discretion. . ." make that adjustment, but it appears to us that if Congress makes the judgment that legalization is good policy, then the executive branch should be obligated to follow that policy.

THE H-2 PROGRAM

We are aware of the contention by agricultural employers and their advocates in the Congress that those employers, having become dependent upon a ready supply of undocumented workers, cannot now be deprived of that manpower source without being provided an alternative in the form of unlimited numbers of H-2 temporary workers. We cannot comprehend such an argument at a time of unprecedented unemployment and want. We know first hand, we read in the daily press, and we see on the television, great numbers of persons pleading for a job, any job. True, there may not be a perfect match between the jobless and the agricultural jobs that we are told will go unfilled if Title I is approved, but we believe the burden must be on those making the anticipatory hardship claim to provide evidence, not simply argument.

The AFL-CIO, in short, continues to oppose any program which would permit importation of foreign labor to undercut the wages and working conditions of American workers. All such "bracero" or "guestworker" programs are contrary to the interests of American workers, whatever label may be given them. A bracero program was tried and found wanting and was rejected by Congress in 1962.

We continue to support the recommendations of the Select Commission on Immigration and Refugee Policy that the government, employers and unions should cooperate to end dependence of any industry on a constant supply of temporary foreign workers, to remove current disincentives to hiring U.S. workers, and to maintain labor certification by the U.S. Department of Labor.

On the particulars, we commend to the subcommittee the work done on this subject last year by the House Education and Labor Committee. I wish to underline the importance of protections contained in that Committee's proposals for both American workers, who must have first claim on jobs on these shores, and those foreign workers here temporarily to fill positions for which, demonstrably, there are no American workers. These include a limit on the length of time of certification; Department of Labor certification; the requirement of nationwide recruitment of United States workers before certification for temporary foreign workers may be issued; retention of the present certification test (that there are insufficient "qualified workers available" to perform the work); employer disbarment; application filing time; and a prohibition on issuance or continuance of a certification where a strike is in progress. The points I have underlined

are no more than codification of present regulations.

BETTER BORDER CONTROL

We strongly support an increase in border patrol and other enforcement activities of the Immigration and Naturalization Service in order to prevent and deter the illegal entry of aliens into the United States.

It should go without saying, but regrettably must be said, that this purely federal function must remain the province of the Immigration and Naturalization Service in order to assure that it is the laws of the United States that are carried out and not local views—whether those views represent local law or local prejudices. It is profoundly disturbing to learn that the Attorney General has directed the INS to foster state and local law enforcement officers' involvement in the policing of the immigration laws. This new policy can only stimulate the fears of hispanic persons and others whose appearance is different from that of the local majority. One might have thought that the Justice Department had suffered enough self-inflicted wounds in its role as protector of civil rights, but that is apparently not the case.

Adequate support by the Executive Branch and adequate funding by Congress are the heart and soul of the matter. As we have in the past, we urge that the funding and staffing of the INS be increased to the point where this government agency can perform its important mission of controlling immigration to the United States. We note further that to improve administration and employee morale at the long-under-funded and long-under-staffed INS, it will take better pay, better working conditions, better benefits and resolution of long-standing labor-management problems.

We insist on color-blind enforcement of the nation's law on immigration and asylum. There is a widespread perception that Haitian refugees seeking asylum in the United States have been treated in a manner different from the treatment we have accorded other refugees. We believe such differential treatment is an affront to human dignity and we call on Congress and the Administration to reject such differential treatment.

Immigration, legal and illegal, is a complex, difficult and politically charged issue. The AFL-CIO will support you in your efforts to get action by Congress this year on comprehensive and humane immigration legislation that is consistent with the needs and goals of American workers.

I appreciate this opportunity to present some of the concerns of the AFL-CIO. Thank you.

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON IMMIGRATION

The AFL-CIO reaffirms its support for an immigration policy that is consistent with the nation's compassionate and humane traditions and that safeguards the welfare of American citizens and American workers.

We urge action by the 98th Congress on immigration legislation that achieves these goals. Such legislation should prevent wholesale illegal immigration but should also legalize the status of those aliens who, though their presence in the country is not authorized, have become settled, contributing members of their communities. We support the most generous, practical amnesty for these people.

Most undocumented workers come to the United States to seek jobs and are vulnerable to exploitation by unscrupulous employers because of their fear of deportation. Unable to protect themselves or to call upon government to enforce federal law on fair wages and working standards, such workers undermine the rights, the job opportunities and the working conditions of others.

The single most important deterrent to illegal immigration would be legislative prohibition on the employment of undocumented workers. This must be accompanied by an efficient enforcement system providing for sanctions of sufficient severity against employers of undocumented workers—including injunction—to deter violators, and for private legal action where the government fails to act.

Essential to workable and fair sanctions against employers is a system for verification of the identity of job applicants that will demonstrate the individual's legal entitlement to work and that is secure and forgery-proof. The legislation we seek must enable employers to ascertain in simple fashion the eligibility for employment of those they hire, and it must ensure that employers cannot use these sanctions as an excuse not to hire legal resident aliens or citizens who "look foreign."

The AFL-CIO supports a compassionate program for the legalization of undocumented workers and their families now within the U.S. Such a program must be accompanied by the adoption of a program of effective prohibition on the hiring of undocumented workers and by the appropriation of sufficient moneys to strengthen border control and interior enforcement of the immigration laws.

The AFL-CIO continues to oppose any program which would permit importing of foreign labor to undercut U.S. wages and working conditions. "Guestworker" or "bracero" programs are contrary to the interests of American workers, whatever label may be given them. We continue to support the recommendations of the Select Commission on Immigration and Refugee Policy that the government, employers and unions should cooperate to end dependence of any industry on a constant supply of temporary foreign workers, to remove current disincentives to hiring U.S. workers, and to maintain labor certification by the U.S. Department of Labor.

Any new immigration legislation must maintain and increase the authority and responsibility of the Secretary of Labor to determine in advance that admission of foreign workers will not adversely affect job opportunities, wages, hours, or other conditions of employment for U.S. workers. The AFL-CIO will continue to press these and other labor protections along lines endorsed in 1982 by the House Education and Labor Committee.

Three immigration programs under present law have an adverse impact on American workers: H-1 visas, intended for persons of distinguished merit and ability coming to perform work requiring those qualities; H-2 visas, for person coming to perform temporary work for which qualified American workers are not available; and B-1 visas, for business visitors. All three have been used improperly by agencies administering the visa program to admit non-immigrant aliens who do not meet the specified requirements.

The AFL-CIO urges the Congress to enact new legislation to adequately protect against unfair competition for jobs from undocumented workers. The Departments of State, Justice, and Labor should better enforce programs relating to the admission of non-immigrant alien workers into the United States.●

KENNETH ADELMAN SHOULD BE CONFIRMED

● Mr. EAST. Mr. President, the dictatorship in the Soviet Union has made it known to the U.S. Senate that they do not want Kenneth Adelman to be confirmed as the Director of the Arms Control and Disarmament Agency.

Only a few years ago, it would have been unthinkable for the U.S.S.R. to attempt to interfere in a purely internal affair of the United States. Try to imagine the outrage that would be generated by the international and domestic mass media should our Government openly reject the representative of the Soviet regime at disarmament talks. "Cold war," "hard liner," "confrontational," all of the standard cliches would be thrown out to denounce our "refusal to seek peace with the East." Yet, we hear very little about the intentions of the Soviets in this unprecedented maneuver in which they attempt to dictate our internal policy.

The Soviet Union has proven itself very adroit at playing one side against the other in those few remaining countries that allow democracy. The Soviet attempt to sink the Adelman nomination is an example of this type of activity.

While the Soviets attempt to use domestic political forces in the United States to do their bidding, they are also continuing to put pressure on NATO. The nature of the Communist threat is much more of a reality to our European allies who can see the barbed wire, mine fields, machinegun towers and armed patrols that prevent the slaves of the "workers paradise" from escaping. The proximity of thousands of Soviet tanks and missiles is used as an effective tool of intimidation and fear against the remaining free countries of Europe.

Mr. President, I ask that two articles from the Washington Times, which I am providing, be printed in the RECORD at the conclusion of these remarks. Both articles bear on the continuing use of Soviet power as a means of dictating policy to Western governments.

I am reminded of the statement by Leonid Brezhnev in Prague in 1973:

"Trust us comrades, for by 1985 . . . we will have achieved most of our objectives in Western Europe. We will have consolidated our position . . . And a Decisive shift in the balance of forces will be such that come 1985, we will be able to exert our will whenever we need to."

1985 is only 2 years away.

The articles follow:

CRACKING THE ATLANTIC ALLIANCE

You get a distinctively different sense of the nuclear argument here in Europe, even in neutral Switzerland.

Though, of course, far from being neutral, Switzerland is very much part of the West, and, with its cosmopolitan culture, a kind of distillation of Europe itself.

Here, in Geneva, arms limitation talks take place. Here, in Geneva, the U.N. commission on human rights endlessly discusses things like the transgressions of Chile, meanwhile ignoring the forced displacement of 2 million people in Nigeria: That is "not on the agenda."

But also, here in Geneva—and you become conscious of it in the West European press and media—you are much closer to the East than you are in New York or Washington. That is, you are now only a few hundred miles from 40,000 Warsaw Pact tanks and a few short minutes from the newly deployed Soviet intermediate-range missiles which are targeted on every major West European city.

Intellectually, we know all that, even if we live in Los Angeles. But the geography here concentrates the mind.

The Soviets are not going to attack West Europe with their tanks and missiles, but they certainly mean to intimidate it and affect its strategic disposition. Specifically they do not want their present strategic advantage—and their power to intimidate—counteracted by new U.S. deployments. From Moscow's perspective, no Pershing or cruise missiles in West Europe, thank you. And, from Moscow's perspective, it would be very desirable if the left won in next month's West German elections.

"It is curious how, when the Soviets want policy put into effect, all sorts of opinion groups—church groups, community groups, service groups, all led by certified non-political non-leftist personalities—spring up like mushrooms to promote it and collect signatures for petitions in its favor."

These are not the observations of some latter-day Sen. Joseph McCarthy, but of Maurice Cranston, professor of political science at the London School of Economics. Cranston defines himself as a liberal, but his observation here is empirically correct. It is especially true here in Europe where the campaign against the new American deployment is especially strong.

It has to be said, however, that this campaign feeds on a general sense of uncertainty about American intentions. Put most starkly, such doubt goes: "Do you really think that any American president would put American cities on the line if London or Paris or Hamburg or Marseilles came under Soviet atomic blackmail?"

The European doubters deserve a clear answer to that question, an answer, it seems to me, in the form of explicitly stated U.S. strategic doctrine.

If, as we say, the security of Western Europe is indeed a vital U.S. interest—and is sure is—the question of a U.S. response to Soviet atomic blackmail cannot be left in doubt.

In most forms of warfare as traditionally practiced, it is useful to "keep the enemy guessing." This maxim does not seem to apply to strategic confrontation in the atomic age.

If the Soviets were informed of precisely what the penalty would be for, say, the atomic destruction of Marseilles—that it would be assuredly the destruction of a comparable city in the U.S.S.R. by U.S. intercontinental missiles, say Odessa or Volgagrad—then that would remove the aura of uncertainty from the strategic confrontation.

It also would assure the Europeans of a continuing convergence of interest with the United States.

As against Soviet efforts to "de-couple" the alliance, such a clear U.S. statement would "re-couple" it.

EUROPE WARNED TO REJECT MISSILES

Moscow.—The Soviet government newspaper Izvestia yesterday sternly warned West European nations to reject NATO plans to station medium-range nuclear weapons on their territory. Comparing the anti-war movement in the West to a hammer and the position of the United States at arms talks in Geneva to an anvil, Izvestia said: "Between the hammer and the anvil is not among the most comfortable places to be."●

STATE OF THE NATION'S AGRICULTURE

● Mr. MELCHER. Mr. President, Montana Gov. Ted Schwinden, a wheat producer from Wolf Point, Mont., has written an eloquent treatise on the state of the Nation's agriculture which appears in the current issue of the Governors' Bulletin. It is appropriate that our Governor share his thoughts on this important subject at this time, not only because of the sorry state of the farm economy, but because Governor Schwinden has just assumed the chairmanship of the committee on agriculture of the National Governors' Association.

Through his communication with Governors in all 50 States Governor Schwinden's essay states his belief that the farm crisis has to do with more than economic considerations. Ted Schwinden writes that the Nation's 2.4 million farm and ranch families are deeply troubled by a sense that their destiny is slipping away from them, leaving them at the mercy of a myriad of forces beyond their control. Unquestionably, a sound farm program remains the Governor's central objective. Nevertheless, the Governor does make the point that large questions about the direction and character of American agriculture remain to be resolved.

Mr. President, I would like to share this essay with my colleagues and I ask to have it printed in the RECORD.

The essay follows:

THE STATE OF THE NATION'S AGRICULTURE

(By Montana Governor Ted Schwinden)

America's farmers and ranchers have finally made the 'big-time' media the hard way! Angry crowds at farm auctions reflect an industry in severe trouble. Three straight years of depressed income and bleak prospects for the new year add up to a continuing financial crisis. To make matters worse, the value of capital assets, especially land values, are falling.

The seriousness and depth of the situation can hardly be overstated. The significant fiscal impact on states is being felt in budget offices in virtually every state capital. 'Busted' farmers are not buyers.

The impact of the agricultural depression reaches far beyond the farm gate, affecting a food system that encompasses 30 percent of the Gross National Product and some 22.8 million jobs.

The economic situation is critical, but it would be a mistake to totally focus our attention in that direction. The despair of the nation's food and fiber producers is born out of more than economic circumstances.

Farmers are troubled by eroding soils; rapidly changing markets controlled by weather, world events, and changing dietary patterns; progressively complicated and potentially dangerous pesticides and farm chemicals with a corresponding regulatory burden; and technological advances. When these considerations are coupled with falling prices, high interest rates, and a rapidly deteriorating financial position and outlook, the seeds of frustration take root.

The American farmer, whose spirit of determination has carried him through more than 200 years of challenges, feels he has lost control of his destiny. Farmers did not create the Soviet grain embargo; yet they suffered—almost alone—its consequences.

Farmers did not create advanced farm chemicals; yet they must use them—and use them scientifically in accordance with sophisticated rules—to stay in business.

The last Congress tried to address the present woes of American agriculture. Last year, the House of Representatives passed legislation, H.R. 5831, designed to help the Farmers Home Administration (FmHA) farmer-borrowers survive the current squeeze by allowing individual borrowers to defer payments on agency loans under specified conditions. This bill, incidentally, required the farmer to demonstrate that he is a competent manager and in financial difficulty through no fault of his own. This legislation is intended to stall anticipated foreclosures of young, financially vulnerable producers, thereby providing an element of stability to the situation. Unfortunately, the Senate did not follow with similar legislation, so H.R. 5831 died.

Meanwhile, banks, the FmHA and other farm credit institutions are attempting to develop a lending strategy.

Some analysts believe that 20 percent of our producers are in severe financial difficulty. Perhaps as many as 40 percent more are in a precarious financial position and will have trouble making it through another poor year. Finally, the remaining 40 percent are concerned about the health of the farm economy but are sufficiently capitalized for the present.

One of the bitter ironies of this situation is that farmers have been penalized for their productivity. American agriculture has been characterized by rapid productivity growth since the second World War.

Today, agriculture is the bright star in productivity in the U.S. economy with high technology sharing the spotlight. The difference lies in profitability. Stock in high-tech firms is skyrocketing; International Harvester's shares are almost worthless.

Today, we export more dollars in feed grains than any other product except jet aircraft. Much of the strength of the dollar is attributable to farm exports, and the strength of the dollar has been a major factor in the reduction of inflation.

Yet the strong dollar has been a significant factor in the erosion of foreign demand for U.S. wheat, corn, soy beans, tobacco and other farm products, putting the farmer in the position of bearing double the price of economic policy.

While there are bulging stocks of food and fiber at the moment, the long term outlook

is for scarcity. Farmers around the globe will have to double food production by the year 2000 if they are to keep pace with population growth, let alone increases in demand associated with rising affluence. But much of the demand rests with the world's poor who lack the dollars to buy the food that will fill their stomachs.

Indeed, it is truly that our grain bins are overflowing and yet hunger is so pervasive. It is estimated that 19 human beings die every minute from hunger and nutrition-related diseases and 15 of those are infants and children under the age of five.

This statistic becomes especially poignant in view of the fact that the budget for the Public Law 480 "Food for Peace" program is less than 1 percent of the entire Defense Department budget. PL 480 has yet to become the "total for peace" that President Eisenhower envisioned for it when he asked Congress to create this most important program.

Meanwhile, the federal government is struggling to reduce stocks by reducing production. The latest approach is called the Payments-in-Kind (PIK) program, which will provide participating and qualified farmers with certificates representing existing government-held or controlled stocks if they reduce production.

This approach, announced Tuesday by the president to a farm group in Dallas, is the latest in a series of efforts by the administration to turn the farm economy around by reducing supplies.

While important questions have yet to be asked about this proposal, the farm economy demands the best possible policy response that can be mustered.

The PIK program, as bold as it may be, will likely not stop the tractors of the American Agriculture Movement that are slowly grinding their way to Washington. These farmers will be heard because politicians of both political parties seem motivated to seek change in national farm policy.

Whether this response will meet the needs of our farm community remains to be seen. Nevertheless, we in state capitals must examine what we can do. To assume that states cannot significantly assist American agriculture is to overlook a potential source of help.

Governors are examining a series of steps, including the possibility of interstate grain compacts and minimum grain pricing legislation. While we must be concerned about effective legislation, we also must be concerned about meeting the needs of our citizens and strengthening the rural economy that means so much to America.

Historically, states have had a significant role in agricultural policy. Since the Great Depression states have played a role in marketing orders for several farm commodities in addition to the major grains. And in the past decade no less than 30 states have established an agricultural marketing presence abroad.

In addition to these activities, states pick up a large share of agricultural research and soil conservation activities.

My own Ad Hoc Committee on Agriculture meets regularly to examine the policies and programs that are available to us in Montana. That group permits farmers, ranchers, and others to have a voice on those agricultural issues.

In Kansas, Gov. John Carlin has taken the bold step of establishing a Governor's Commission on Agriculture that has been asked to leave no stone unturned in its review of both federal and state agricultural policies and programs.

Gov. Carlin's commission is new in that the members of the commission are not members because of their associations with farm or commodity organizations.

It is not my intention to suggest that the farm sector is the only sector of the U.S. economy that is in trouble. It is not my intention to suggest that agriculture should be singled out for special attention in federal policy.

Clearly, America has deep problems with 10.8 percent unemployment and a federal budget deficit that could reach $200 billion.

In Montana, all sectors of our economy—forest products, mining, tourism and agriculture—have suffered the consequences of the national recession.

The next few months will be critical in assessing new roles for states in agricultural policy. In any event, it is evident that states will no longer totally delegate the formulation and execution of farm policy to the national government.●

MUNCIE, IND., STUDENTS COMMENT ON SOCIAL SECURITY

● Mr. QUAYLE. Mr. President, a current affairs class conducted at Cowan High School in Muncie, Ind., taught by Ms. Lew Rita Moore, has recently studied the history of the social security system and the current crisis, as well as the Greenspan Commission report. A number of the students enrolled in this class recently wrote to me expressing their concerns and questions.

These students, who range in age from 15 to 18, indicate grave concern that they will never receive anything from social security. They also indicate concern about the level of taxation required to keep the system going, as well as some of the equity issues we must address.

I ask that some of their letters be reprinted in the RECORD.

The letters follow:

DEAR MR. QUAYLE: Personally, I don't think the new plan is of much good. It will increase the taxes and it's not completely guaranteed to work. It's not fair to raise someone's taxes who's earnings have not even kept up with the rate of inflation.

I think the government should crack down on the people who collect Social Security Benefits and don't really need them. It shouldn't give money to people who are just looking for a free way to get money.

I don't think the government should tax peoples' pensions they receive when they retire, because they worked for it and no one should be allowed to put taxes on it. It's a little late but it's good that finally the federal workers will have to pay to take care of the needy and disabled people too.

Also I don't think it's fair that the retirement age will be raised to 66 it should be left at 65 like the rest of the people retired at.

Thank you for listening to me talk.

Sincerely,

JOE.

DEAR SENATOR QUAYLE: I am a high school student in Muncie. I'm writing this to explain why I am against Greenspan's plan.

The plan lessens our benefits while it takes more money from us. I don't think it's fair that we have to pay all our lives for social security and are never guaranteed to get some of it back.

I think that people should be given an opportunity to choose whether or not they even want to be a part of the Social Security System. I also think it is unfair to tax middle and upperclass people on their Social Security checks. They put more money into Social Security and should get more benefits.

Sincerely,

DIANA WILLIAMS.

DEAR SENATOR QUAYLE: Hi, my name is Jill McCammon, a 15 yr. old sophomore at Cowan High School in Muncie.

In my Current Problems class we are discussing Social Security. I realize this is not a new problem. So I am in hopes that you will take a few minutes to read a few of my suggestions and thoughts.

First of all I think you should drop social security to kids with deceased parents (after 18). Because these kids are under no disability, and they are perfectly able to work. Giving social security until the age of 23, (if attending college) is not necessary.

Second of all, is why can some farmers work all of these years and never pay on social security, then when it comes to the age of retirement they can go up and pay a sum of money and draw social security. I know your job is not easy. But I think you should try to find a better solution to this. I think the Social Security should go out to the people who need it. Not just to anyone.

I think you need to think about this for my friends and I be of voting age when your re-election occurs. I appreciate you taking the time to read this.

Yours truly,

JILL MCCAMMON.

DEAR SENATOR QUAYLE: I am a sixteen year old student at Cowan High School. I am writing to you on the subject of social security, and the shape it is presently in. I believe that on a federal level social security should be stopped totally.

If the system were reworked and set at the county level this would provide an improved system that would be much more aware of the needs of the people in the community. The transferral of the system from national to local levels would also take the burden of social security off of the Federal Government.

Sincerely,

DOUG BAKER.

DEAR MR. QUAYLE: I am a sixteen year old student writing to you in concern of Social Security. It is my understanding that by the time I am able to receive Social Security, there will not be any funds left. By this summer I hope to have a job, and if I do get one, I will have money taken out of my paycheck for Social Security. I don't think it's fair or right for me or anyone else to pay into Social Security that might not receive it.

I know a girl whose father died when she was very young. A couple of years later, her mother married a wealthy man. This girl and her mother are receiving money from Social Security that they don't need. Her mother and step-father both have jobs, and for that matter are well off. If there was a law which said that people under a certain income level could receive Social Security, there would be more money for the people who really need it.

Sincerely,

TANYA CLOWDIS.

DEAR SENATOR QUAYLE: I am writing today to tell you about my feelings on the new Social Security plan proposed by the National Committee on Social Security Reform.

I believe the plan itself is a good one, and it will be a step in the right direction. However, I do not agree with some of the supplemental proposals.

I don't agree with the proposal to increase the retirement age to link it to the average life span, which will occur in the year 2020. This new supplemental proposal will affect many people who are already in the work force, or who will soon be entering it.

I also feel that the Federal employees should have to pay into Social Security now, and not in the year 2003, to help Social Security get out of its current deficit. I also believe that tips should be taxed.

Although I believe that the new plan may work to help Social Security in the immediate future, I am concerned about whether or not it will be there for me when I retire. I do not want to pay into social security for forty years, only to find out my money isn't there for me anymore. I think paying into Social Security should be optional. I would rather save for my own retirement, and not pay for someone else's. However, before you are given that option, you should have a stable, well-paying job, and promise to pay into a retirement account of your own, (So you won't become the government's responsibility when you retire, even though you didn't pay into Social Security). You could be given the option to pay into Social Security if you would so desire.

Respectfully yours,

LORI MILLER.●

COMMITTEE ON FOREIGN RELATIONS SUBCOMMITTEE ASSIGNMENTS

● Mr. PERCY. Mr. President, I wish to report to the Senate the subcommittee assignments for the Committee on Foreign Relations during the 98th Congress and ask that they be printed in the RECORD.

The material follows:

COMMITTEE ON FOREIGN RELATIONS,
SUBCOMMITTEE ASSIGNMENTS[1]

Western Hemisphere Affairs: Helms (Chairman), Lugar, Kassebaum, Pressler, Murkowski, Zorinsky (Ranking), Tsongas, Cranston, and Dodd.

European Affairs: Lugar (Chairman), Mathias, Boschwitz, Baker, Percy, Biden (Ranking), Glenn, Sarbanes, and Zorinsky.

International Economic Policy: Mathias (Chairman), Lugar, Boschwitz, Murkowski, Dodd (Ranking), Biden, and Sarbanes.

African Affairs: Kassebaum (Chairman), Mathias, Percy, Tsongas (Ranking), and Dodd.

Near Eastern and South Asian Affairs: Boschwitz (Chairman), Baker, Percy, Pressler, Sarbanes (Ranking), Glenn, and Tsongas.

Arms Control, Oceans, International Operations and Environment: Pressler (Chairman), Helms, Kassebaum, Cranston (Ranking), and Zorinsky.

East Asian and Pacific Affairs: Murkowski (Chairman), Baker, Helms, Glenn (Ranking), and Cranston.●

[1] Senator Percy and Senator Pell are ex officio members of all subcommittees.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to sections 276 (h) through (k) of title 22, United States Code, as amended, appoints the Senator from Illinois (Mr. PERCY) as chairman of the Senate delegation to the Mexico-United States interparliamentary group during the 98th Congress.

The Chair, on behalf of the Vice President, pursuant to Public Law 86-420, appoints the Senator from Connecticut (Mr. DODD) as vice chairman to attend the Mexico-United States Interparliamentary Conference.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION—MONTREAL AVIATION PROTOCOLS NOS. 3 AND 4

The PRESIDING OFFICER. Under the previous order, the Senate will now go into executive session to consider Executive Calendar Order No. 1, Montreal Aviation Protocols Nos. 3 and 4.

Time for debate on the resolution of ratification will be 6 hours, equally divided between and controlled by the chairman of the Foreign Relations Committee, Mr. PERCY, and the ranking minority member, Mr. PELL, or their designees.

If a yea and nay vote is ordered, it will occur at 11 a.m. on Tuesday, March 8, 1983.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. LUGAR. The time to be charged equally.

The PRESIDING OFFICER. Without objection, it is to be so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, first I wish to express great appreciation to the majority leader, Senator BAKER, for agreeing to call up these treaty protocols at this time.

I realize that with the number of items on his list it has not been an easy judgment about when and how to fit them into the schedule.

Second, I wish to commend the distinguished Senator from Kansas, Senator KASSEBAUM, for her leadership and persistence on this issue.

It has been a long and laborious task to bring these protocols to the Senate floor, and I wish to express the appreciation of the committee for her conduct of hearings in the last Congress and her direction of the matter to date.

If the distinguished Senator from Kansas will be available I would very much appreciate her managing the floor as much as possible.

Mr. President, the Committee on Foreign Relations conducted hearings on the Montreal protocols late in 1981 and has twice voted overwhelmingly to recommend them to the Senate. No one will argue that the issues presented by these protocols are simple, or that we might not wish to redraft certain provisions in the treaty if we had the luxury of simply devising a system which the rest of the world will live by. But as the Senator from Kansas has indicated at an earlier time, that is not the choice we face in voting on these protocols. Failure to approve them would not only forgo an opportunity to make significant improvements in the present system of accident compensation, but would undermine our influence in the international aviation system and make future improvements in that system even harder to obtain.

Let me emphasize the point made by the Senator from Kansas in committee hearing earlier. The Montreal protocols are the result of an initiative by the United States stretching back many years to improve upon the existing Warsaw system rather than abandon the advantages of a fair and uniform system of jurisdiction and compensation. Those who propose rejecting these protocols should be made to explain their assumptions about the situation which would result from such a decision. At best, the uncertainties would be great and some Americans would be left with no recourse from the very low limits of liability maintained in certain parts of the world.

Mr. President, I would also like to explain the committee's actions in reporting a resolution of ratification to the Senate on the Montreal Protocols. The committee did so with three conditions or provisos. That may be a new term to some of my colleagues, but it is simply what we call one type of condition which the Senate can place upon its advice and consent. These provisos refer to conditions which

have domestic rather than international legal significance and effect. They do not affect the international obligations of the United States under a treaty, but rather the obligations of the President and the executive branch with respect to implementation or domestic activities affected by the treaty. In other words, they amount to binding understanding between the Senate and the President. Some Members of the Senate may remember the committee's proposed resolution of ratification to the SALT II Treaty and the three parts to that resolution which were designed to distinguish the three different types of Senate conditions. The provisos contained in this resolution correspond to the first type of conditions contained in the SALT II resolution. As such, they would be fully binding upon the President, but would not affect the international legal obligations of the United States under the protocol.

Two of the conditions recommended by the committee relate to the domestic supplemental compensation plan to be described by the Senator from Kansas. The first would require that before the President takes the formal steps necessary to bring the protocols into force, the Civil Aeronautics Board must take a thorough look at the proposed supplemental plan and satisfy itself that the plan adequately and fairly protects American air travelers. They must review, perhaps revise, and then approve a plan before the United States can participate fully in the revised Warsaw system.

The second condition simply makes clear that such reviews of the supplemental plan should continue to take place after the protocols come into force, and that if for any reason such supplemental compensation becomes unavailable or is subsequently deemed to be inadequate by either the Board or the President himself, the United States would no longer be bound to remain within the Montreal system.

The third condition reflects the committee's view that the United States should continue its longstanding efforts—as reflected in the protocols themselves—to increase the liability limit provided for in the treaty and not remain satisfied with the limits provided for in the protocols. Over time, the rest of the world should be willing to make such increases, even beyond the automatic increases contained in the protocols themselves.

With these conditions, Mr. President, the committee recommends that the Senate give its advice and consent to ratification of these protocols. Whatever the reservations which some Members may feel about taking this step, we are better off doing so than remaining with the present system.

As evidence of the widespread support for U.S. ratification, I would like to introduce editorials of endorsement which appeared last week in both the Washington Post and the Washington Times, a commentary which appeared in this morning's Washington Times by former Secretary of Transportation Brock Adams, and letters of support from former President Ford, former Secretary of State Ed Muskie, his former Deputy Warren Christopher, as well as George Shultz, James Baker, and Drew Lewis. A summary of the comments made by these and other supporters has been sent to each Member of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 2, 1983]

TREATY HELP FOR AIRLINE PASSENGERS

Most people who buckle in for a plane trip haven't heard of the "Montreal Protocols" and, because they will complete their trips safely, need not learn about this carefully negotiated treaty that would greatly improve a passenger's recourse to compensation in the event of an accident. After years of negotiation, study and support from the Ford, Carter and Reagan administrations, the treaty is now up for consideration by the Senate. It also is a critical part of a package of international agreements covering hijackings, aviation sabotage and other air services. With overhelming approval of the Senate Foreign Relations Committee, the agreement deserves ratification.

Under the protocols, passengers in accidents would no longer have to endure lengthy (often up to six years) and costly litigation to prove fault of the airlines. There are incentives for the settlement of all disputes within six months, and—an important improvement—injured passengers would be able to secure payments for unlimited medical costs as incurred, without waiting for the conclusion of a trial.

Under current practice, international air passengers to and from the United States are limited to recovery of $75,000, unless they are able to prove willful misconduct on the part of the airlines. The protocols would raise the airline liability limit to about $120,000; yet another insurance pool would provide an additional $200,000. According to reviews of airline settlements and verdicts, more than 85 percent have fallen below the maximum amount provided in this agreement.

Supporters cite current litigation delays: three years after an American Airlines DC10 crash in Chicago, 42.6 percent of the cases remained unsettled (though this is a domestic rather than an international case); and some plaintiff lawyer fees in this litigation were reported to have been as high as $10,000 for an hour of actual work.

Who is opposed? The trial lawyers, of course. But the American Bar Association has strongly endorsed ratification as a critical part of U.S. leadership in international aviation matters. Other opponents claim that litigation helps keep the airlines aware of safety. Even if airlines didn't care enough about safety or its implications to their business success, there are government agencies, boards of inquiry, safety rules and procedures for determining causes of accidents. If these are insufficient, they should be stiffened. Threatening lawsuits is not the way to do it.

[From the Washington Times, Feb. 28, 1983]

"NO FAULT" FOR AIR TRAVELERS

When the family breadwinner dies in an overseas airline crash, his widow and kids won't get more than $75,000 to make up for their loss. That limit hasn't been changed in 17 years, and it's far too low. The only way to get more than $75,000 is to hire a lawyer who'll try to prove the airline guilty of "willful misconduct." That's tough to do, and the lawyer will take a third of the recovery—or more—for his trouble.

That's the way things work under today's international agreements governing airline liability for the death or injury of American citizens on flights abroad. When the U.S. joined the 1929 Warsaw Convention in 1934, the damage limit was $8,300 unless there was willful misconduct. American threats to withdraw from the convention led to the Montreal Agreement of 1966, which raised to $75,000 coverage for Americans beginning or ending their international travel in the U.S., but leaving Americans living and traveling abroad to the often untended mercies of other nations' less generous damage limits.

Seventy-five thousand bucks won't be much help to the surviving spouse and kids of a 35 year old executive earning $25,000 or $30,000. Even if their lawyer tells them they should sue to prove willful misconduct, they likely won't see a penny for as much as six or eight years. And what they'll get will be after inflation—and after the attorney's 25-40 percent contingency fee.

U.S. pressure to raise survivors' recoveries led to the 1975 Montreal Protocols 3 and 4, modernizing international cargo and ticketing procedures and establishing a new $120,000 limit for passenger death or injury. Each ratifying country—the U.S. Senate will vote on the agreement Thursday—may require supplemental coverage for its citizens anywhere in the world, even if their flight doesn't touch down in the home country. The proposed U.S. system will add $200,000 to the first $120,000. There'll be no limit at all on hospital and medical costs for injured crash survivors.

Few countries have ratified the Montreal Protocols, waiting for the U.S.—which pushed for the higher limits in the first place—to take the lead. The U.S. has served notice it will immediately cancel the existing agreement if the Senate approves the Montreal accords. That will expose foreign carriers to unlimited liability in American courts, so other governments are expected to ratify quickly following favorable Senate action.

The Montreal Protocols eliminate all recovery beyond the $320,000 maximum. American trial lawyers don't like that, and their lobbying is largely to blame for the eight-year delay since the protocols were negotiated. They argue that the limit is unfair to the 10 or 15 percent of travelers whose affluence would win their survivors higher net recoveries after legal fees. But they can well afford to purchase private travel insurance, widely available at reasonable cost.

The American supplemental system will initially be funded by a $2 fee on international tickets. Only 7 percent of the fund will go for overhead, a far cry from the exorbitant contingency fees lawyers collect. The ticket charge will be adjusted to cover actual payouts, and limits on recovery will be periodically reviewed in light of inflation.

"No fault" is a good idea for automobile insurance because it takes litigation expense

and delay out of the system. It's also a good idea for airline travelers. The Senate should ratify the Montreal Protocols for international flights. And then get to work on "no fault" insurance for domestic air passengers.

[From the Washington Times, Mar. 7, 1983]

UPDATING INTERNATIONAL AGREEMENTS ON AIRLINE LIABILITY FOR INJURY, DEATH

(By Brock Adams)

The U.S. Senate is expected to decide tomorrow whether to ratify the Montreal Protocols to the Warsaw Agreement of 1929, the international agreement governing airline liability for injury and death. The United States has been the prime mover in recent efforts to improve passenger protection under the Warsaw Agreement, and ratification will significantly increase the financial compensation received by Americans injured while flying abroad and by the families of U.S. citizens killed in overseas air crashes.

The Warsaw Convention contains uniform rules relating to the liability of an air carrier in cases of death or injury from an international aviation accident. The treaty is badly out of date and does not adequately protect U.S. air travelers. As an example, unless the treaty is modernized, the liability limits will remain based on the "poincaré franc," a measure of gold equivalency which is of course completely outdated, since currencies no longer trade on the gold standard.

The Montreal Protocols would make the measure "special drawing rights." These would allow a U.S. traveler to collect damages based on the value of the dollar rather than on a conversion factor based on the "gold franc."

Since 1934, the United States has participated in the Warsaw Convention. However, the United States long ago became convinced that recovery limits based on "gold francs," limited to approximately $10,000 per death or injury were woefully inadequate. During the 1960s, the United States threatened to renounce the convention and began negotiations to increase the liability limit.

The Montreal Protocols represent the efforts of seven U.S. administrations, starting with President Eisenhower's, to seek greatly improved benefits, increasing the liability ceiling for U.S. citizens to approximately $320,000. It would be tragic should the United States, having taken the lead to increase liability limits over the objections of nearly every other nation in the world, fail to ratify its own foreign policy initiative.

The new system would provide $120,000 of liability without fault for each international passenger plus an additional $200,000 for each U.S. passenger, as well as unlimited medical and hospital benefits. The total amount exceeds 85 percent of all settlements that have been achieved for airline passengers under the present system.

Currently, in order to avoid the absolute limits of the convention, the plaintiff must prove "willful misconduct." This is very difficult to do and has resulted in litigated cases averaging between three and four years before award, going as long as six or even eight years in some cases. The Montreal Protocols would provide an incentive to settle through imposition of attorneys fees and absolute liability, which is expected to produce recoveries within six months.

The new system would also make the U.S. courts available to assist U.S. travelers in achieving not only the much-higher limits of liability but also the capacity to collect judgments without having to sue in foreign courts. Among the 25 million passengers who depart the United States annually, approximately half of whom are U.S. citizens, many thousands purchase additional tickets abroad for further international travel. In addition, nearly 2.5 million Americans reside in foreign countries and purchase airline tickets to places other than the United States. Under the treaties, as they now stand, these people are limited to recoveries of $10,000 to $20,000, and are confronted with a maze of conflict-of-laws questions and the vagaries of foreign legal systems.

U.S. withdrawal from the Warsaw Convention is not a viable atlernative. With no treaty, U.S. passengers would have no assurance of even a minimal recovery. As an example, in one "non-Warsaw" crash in Brazil, the Brazilian limit of $170 was applied to the U.S. victims; this was upheld by a U.S. Court of Appeals on the ground that Brazilian law took precedence over American law.

The opponents of the ratification of the Montreal Protocols argue that plaintiffs can hire lawyers with great skills to litigate these cases and that the American principle of unlimited liability should not be touched. This argument doesn't apply to international air travel. We cannot export the U.S. domestic air travel system or U.S. tort law to the international arena except by agreement with other sovereign nations. For those individuals whose income and status in life would make them feel that the limit of $320,000, plus unlimited medical and hospital expenses is not enough, there is always additional insurance available at low cost for amounts above the $320,000 limit.

For protection of U.S. international air travelers throughout the world, and the completion of a 17-year U.S. effort to modernize the Warsaw Convention, I would hope that the Senate will ratify the Montreal Protocols when they are presented this week.

JUNE 16, 1982.

Hon. HOWARD H. BAKER, Jr.,
U.S. Senate,
Washington, D.C.

DEAR HOWARD: Shortly before I left the White House, I had the privilege of submitting the formal request for advice and consent to ratification of Montreal Protocols 3 and 4 to the Warsaw Convention. I was deeply gratified to learn that, after a second full hearing on the matter last Fall, the Senate Foreign Relations Committee voted 16 to 1 in favor of the requested ratification.

I understand that the request for advice and consent is now coming before the full Senate for a final vote but that it is being vigorously opposed by certain parties. On the other hand, there is strong support for ratification from the American Bar Association and from the airlines of the United States and the world, which were fully weighed by the Reagan Administration in reaching its firm decision to request this long overdue updating of an almost universally accepted treaty.

Montreal Protocols 3 and 4 are instruments largely designed by U.S. Delegations; they represent the successful culmination of two decades of effort by our government to modernize this fifty-year old treaty to provide the best possible world-wide protection for international air passengers and shippers, and to accommodate air transportation to today's technology. The past four Administrations have been convinced that these instruments are highly desirable amendments to a treaty which clearly serves the best interests of U.S. citizens using international air transportation. Protocol 3 in particular will assure sufficient coverage regardless of the location of an accident and streamline the legal process by which the victims or their families receive compensation in the wake of such a tragic event.

In a very real sense, these Protocols represent a long-standing commitment by the United States Government to its partners in the world aviation community and to the rule of law in international commerce. I hope and trust you can support the request for advice and consent to ratification of Montreal Protocols 3 and 4. The Ford Administration submitted the Protocols for advice and consent and I was pleased that the Senate Committee so firmly endorsed this action. If appropriate, I would appreciate my views on this matter be called to the attention of your colleagues in the Senate.

Yours very truly,

GERALD R. FORD.

WASHINGTON, D.C., *June 29, 1982.*

Hon. HOWARD BAKER,
U.S. Senate,
Washington, D.C.

DEAR HOWARD: I am writing you in support of ratification of Montreal Protocols 3 and 4, which amend the Warsaw Convention—the governing treaty on airline liability in international air transportation. These Protocols were adopted in 1975 and were first submitted to the Senate for ratification in January 1977 by the administration of President Ford. The Carter administration also supported ratification of the Protocols, as does the administration of President Reagan.

The bipartisan support for the Montreal Protocols, as demonstrated by three different administrations, is easy to understand. The Protocols will update a badly outmoded system of airline liability in international air transportation. The new regime, if approved, would provide for an expedited "no-fault" recovery procedure and would eliminate costly and protracted litigation. The Protocols provide for higher liability limits on air carriers and permit the establishment of supplemental compensation plans by participating nations to operate within their respective territories. In the case of United States citizens the maximum allowable recovery under the Protocols and the supplemental compensation plan would be $317,000 plus unlimited hospital and medical benefits.

The United States has been a leading force in negotiating the Montreal Protocols and the distinct improvements for United States citizen international air travelers which they embody. I strongly recommend Senate ratification of these Protocols.

With all good wishes, I am,

Sincerely,

EDMUND S. MUSKIE.

O'MELVENY & MYERS,
Washington, D.C., July 2, 1982.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: In a short time, the Senate will have before it Montreal Protocols 3 and 4 to the Warsaw Convention, dealing with recoveries in cases of airline accidents in international travel. I write to strongly urge your approval of these important agreements. This is the same position that has been taken by, among others, the American Bar Association, the Air Transport Association, and the Executive Branch

of the United States Government, including the Department of Transportation and the Department of State.

The chief beneficiary of the Protocols will be the American consumer. With the Protocols in place, the likelihood is that the air crash passenger or his estate will recover more swiftly and more completely than under the present system—and vastly the United States were to disapprove the Protocols and international cooperation in this realm were to begin to unravel.

There would, of course, also be some losers if the Protocols were ratified—principally attorneys who benefit from contingency fee arrangements fostered by the present system, under which the attorney may receive one-third even more of the net recovery. Under the Protocols, which establish a "no fault" basis of recovery on international flights, the bulk of the attorney's share instead would go to the victim.

The opposition to this approach is centered on Montreal Protocol 3, dealing with compensation for passengers and baggage. You may already be familiar with its main provisions. In brief summary they include:

Compensation for U.S. citizens up to $320,000, made up of an airline liability of 100,000 SDRs, or approximately $120,000, augmented by a U.S. Supplemental Compensation Plan of $200,000, plus unlimited hospital and medical benefits. This compares to the present ceiling under the Montreal Agreement of 1966, which applies unless willful misconduct can be shown.

Recovery would be assured without any need to prove that the airline was at fault. Therefore, any need for claimants to pay high attorneys' fees out of their recoveries would be dramatically reduced.

A strong settlement inducement provision would virtually guarantee recovery within six to eight months, in contrast to delays of four to six years which are commonly endured by plaintiffs in cases which go through the judicial system. The provision would require full judgment but all related costs, including those of the claimant in bringing suit.

Under the Protocol, hospital and medical costs would be paid as they come due, with no delays. Under the existing system, recovery for such bills can take years.

The coverage of U.S. citizens to the full extent of $320,000, plus medical and hospital costs, would exist regardless of where the crash occurs. Presently if an American travels on an airline which does not operate in and out of the United States, on a flight that both originates and terminates in other countries, he may be subject to a ceiling on recovery of as little as $10,000, even if jurisdictional obstacles can be surmounted.

The main area of controversy with respect to the Protocols has been the ceiling on potential recoveries. It is especially important, therefore, to evaluate fairly what claimants could expect to receive under the Protocols as compared to the alternatives.

As noted, the highest existing agreed ceiling on recoveries, established in Montreal in 1966, is $75,000—far below the potential recovery under the Protocols.

Under existing U.S. law, it is possible to avoid that ceiling on recoveries on international flights by demonstrating that the airline or its personnel engaged in willful misconduct. Even then, however, experience has shown that the vast majority of actual recoveries—in the 85% range—fall below the amount that would be authorized by the Protocols without the need to prove fault and without the costs and delays that follow. For example, the Air Transport Association has surveyed settlements of five major accidents in the last five years. Its preliminary information indicates that out of 775 individual claims, 665—or 85.8%—were for less than $325,000. Earlier studies by the Civil Aeronautics Board and the Department of State reached similar results.

But this still leaves out two crucial elements in the real value of any recovery—how soon it is available, and how much of it the claimant gets to keep under the present system.

As noted above, a delay of as much as six years is not at all uncommon in a litigated proceeding aimed at establishing the airline's liability. This compares to the strong probability of recovery in six months under the Protocols. Then, when recovery finally does come under the litigated case, a third or more commonly goes to pay the attorney.

Both the delay and the attorney's fees deplete the value of the recovery in major ways.

For example, using the standard discount formula and a 15% rate, and assuming a one-third contingency fee arrangement, a claimant would have to recover $1,110,240 six years from now in order to receive the equivalent value of $320,000 today—and this does not consider inflation.

Only in very rare circumstances are settlements at such levels attained. Of course in the extraordinary circumstances in which an individual's earning potential is high enough to expect such a recovery, it is highly likely that any recovery gaps would be filled by other insurance.

Morever, a purely economic analysis cannot account for the non-monetary costs associated with the delay. Consider a family with dependent children in which the only breadwinner is lost in an airline crash. Such a family could become bankrupt and forced on welfare, meanwhile being obliged to relive the emotional trauma, through years of litigation, before recovering anything. It is precisely such prospects that inspired the United States Government to take the lead in negotiating a system under which sufficient recoveries could be assured within a reasonable time.

So it is clear that the vast majority of claimants would fare much better under the new system. The exceptions aside from claimants' attorneys, would be people with very high incomes, who certainly have the ability to secure additional coverage if the supplemental compensation plan does not completely cover their needs. The U.S. Government did not want the ordinary traveler to have to pay the higher overall costs for the supplemental plan that would have been needed to cover the few extraordinary recoveries.

I hope you also will recognize the importance of these Protocols as a means of continuing U.S. leadership in the international aviation community. The increase in compensation limits and the right to adopt a supplemental compensation plan, in particular, constitute significant victories for U.S. diplomacy. Indeed, the entire regime encompassed by these Protocols is a product of U.S. urging, since U.S. citizens have always been more active in international air travel than those of other countries. Because of these efforts, more than 100 countries have agreed to participate in the international system to compensate the traveling public when there are accidents, notwithstanding the conflict between that principle and the legal systems of many of the participating countries.

The 16-1 vote in favor of the Protocols by the Senate Committee on Foreign Relations underscores their importance not only as a program to advance the interests of our consumers, but also as a significant element in our international relations. Accordingly, a failure by the Senate to ratify the Protocols would be harmful both to our consumers and to our diplomacy.

Having strongly favored these new Protocols as Deputy Secretary of State, as well as earlier, and again now as one of the counsel to the Air Transport Association, I hope you will be able to support them when they come before the Senate.

Sincerely,

WARREN CHRISTOPHER.

THE SECRETARY OF STATE,
Washington, August 9, 1982.

Hon. HOWARD H. BAKER, Jr.,
U.S. Senate.

DEAR SENATOR BAKER: I understand that the Senate may soon consider Montreal Protocols 3 and 4. I would like to again express strong Administration support for favorable action by the Senate on this priority treaty issue.

The Montreal Protocols are the result of decades of effort by the United States to improve the existing Warsaw treaty system, a system which provides uniform international rules for the protection of travellers and shippers. The Protocols, as supplemented by a domestic supplemental compensation plan, would increase levels of compensation, encourage speedier settlement of claims, and improve rules regarding baggage handling, ticketing procedures, and cargo documentation. The United States has been the clear leader within the international community to forge agreement on these modernizing amendments, and that agreement represents a major diplomatic success. Failure to ratify the Montreal Protocols would seriously undermine our credibility in the international aviation community.

This Administration and the Foreign Relations Committee have both concluded that the Protocols are in the best interests of the United States and the citizens we seek to represent. It is my strong hope that the full Senate will concur in this view and give favorable consideration to this important Administration initiative.

Sincerely yours,

GEORGE P. SHULTZ.

THE WHITE HOUSE,
Washington, June 22, 1982.

Hon. HOWARD H. BAKER, Jr.,
Majority Leader, U.S. Senate, Washington, D.C.

DEAR SENATOR BAKER: One of the priority matters now awaiting Senate action is the long-standing request for advice and consent to ratification of the Montreal Protocols 3 and 4 to the Warsaw Convention.

The United States has long been the preeminent leader among nations engaged in international civil aviation. It is vital that we reaffirm our leadership in this area, as that role today faces serious challenges from abroad. The need for prompt action on the Montreal Protocols is heightened by the fact that many other sovereign governments have indicated that their own ratifications of these modernizations of an almost universally adopted treaty await U.S. action. This deference to us reflects not only a recognition of our leadership in the world aviation community, but also, in this instance, a reliance upon an implicit U.S. commitment

to instruments which were largely U.S.-designed.

We understand that certain traditional objections to the Protocols have been raised; we expect them to be raised at any time the matter of their ratification is finally considered. But we firmly believe that, in delivering a 16 to 1 vote in favor of ratification, the Senate Foreign Relations Committee reached the right conclusion in terms of the public interest and our national security. I therefore urge that, notwithstanding any Member's objection, you bring the Protocols to the floor for final consideration as soon as the legislative calendar would permit.

Sincerely,

JAMES A. BAKER III,
Chief of Staff, Assistant to the President.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 25, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On November 17, 1981, the Committee on Foreign Relations voted sixteen to one to report Montreal Protocols 3 and 4 to the Senate for ratification. The Administration supports ratification of these two treaties, which together will make overdue improvements in the international rules governing airline liability in connection with the carriage of passengers, baggage and cargo.

The current liability rules are set forth in the Warsaw Convention of 1929, one of the most widely accepted treaties in the international legal system. Yet, as might be expected of a treaty drafted more than fifty years ago, its provisions are seriously outdated.

For more than ten years the United States Government has vigorously promoted revision of the Warsaw Convention. These efforts culminated in 1975 with the adoption, in Montreal, of Protocols 3 and 4. President Ford sent these treaties to the Senate in January of 1977 and requested expeditious approval. The Carter Administration testified in support of ratification in the summer of that year.

We believe that the Montreal Protocols embody a critically needed modernization of the international rules governing liability in air transportation. The Protocols establish a simple, speedy and certain system of recovery regardless of the cause or location of the accident and without the need to prove fault. Together with a domestic supplemental compensation plan, they guarantee recovery for United States citizens of up to $320,000—with unlimited amounts for medical expenses. The U.S. domestic supplemental compensation plan would be subject to continuing review by the Civil Aeronautics Board, which could revise the limits or other terms set forth in the plan.

Similarly, the Protocols simplify recovery for loss, damage or delay of baggage and cargo, raise the applicable baggage liability limits, eliminate the paperwork burden associated with the current rules, and permit application of modern technology to international ticketing and air waybill procedures.

The United States has long been a leader in the development of uniform ruels to govern international air transportation. It is essential that American travelers and shippers be protected by worldwide standardized rules. Failure of the United States to ratify treaties it has long sought can diminish its future effectiveness in promoting uniform rules for international aviation.

I respectfully urge prompt Senate ratification of these Protocols.

Sincerely,

DREW.

Mr. PERCY. Yet if there is such widespread support for U.S. ratification of these protocols, why has it been difficult to bring this matter to a vote in the Senate? Why is it that this issue has remained unresolved since President Ford first submitted these protocols to the Senate 7 years ago? The answer is that they have been vigorously opposed by a very skillful and determined group of aviation litigation specialists who do not want a system of absolute liability to come into force. And the arguments used to oppose these long-overdue treaty amendments are couched in terms which seem to make the Montreal protocols into something radically new, outrageous, and detrimental to the American consumer.

Mr. President, that is simply not the case. The principle of limited liability as a trade-off for uniform, predictable, and worldwide coverage has been a fundamental fact of life in international aviation for over 50 years. Furthermore, these protocols would make a significant improvements in that system which should benefit all Americans.

Let us take, for a moment, the arguments made against the protocols in the "Dear Colleague" letter circulated last Thursday by Senators BIDEN and HOLLINGS. They make a series of indictments against the protocols.

First, they suggest that the liability of airlines under the Montreal Protocols for the death of a passenger is limited to $91,743. I do not know where that figure comes from, but it is a simple matter to determine exactly what that figure is on a day-to-day basis. The level of liability would be set by the protocols, when they come into force, in relation to the value of a well-established international unit of account: the so-called special drawing right, or "SDR," of the International Monetary Fund. That value is published each day in the Wall Street Journal, among other places. The value of an SDR today is listed at a dollar factor of 1.0891. Since article 22 of the protocols sets the liability limit at 100,000 SDR's, you simply multiply the dollar factor by one SDR by one hundred thousand, which gives you a value of $108,910.

Because the value of an SDR does fluctuate moderately against the dollar, and all other currencies, that figure is actually lower today than it has been for some time because of the relative strength of the dollar. We have been using a figure of $120,000 as a rough benchmark, because that is a conservative average of the levels measured over the last decade. I would ask that a table showing the yearly average values of 100,000 SDR's during the past decade appear in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Dollar values of 100,000 special drawing rights 1972–82

1972	$108,570
1973	119,220
1974	120,260
1975	121,420
1976	115,450
1977	116,750
1978	125,220
1979	129,200
1980	130,150
1981	116,396
1982	109,520

Mr. PERCY. Why peg the figure set in the protocols to a measure like the SDR? Because it is necessary to establish some easily usable, reliable, and relatively stable unit of account for the entire world. The original convention was pegged to a variant of the gold standard, but the enormous volatility in the price of gold during the past decade makes is essential to have a more reliable unit of measurement. The SDR has increasingly come to be used for this purpose and should provide an objective and far more stable unit of worldwide measurement than gold or any particular currency.

The second argument made by the opponents of the protocols is that compensatory settlements in international aviation accidents exceeding $1 million are common. There have indeed been a few settlements at such high figures. But they represent a very small percentage of awards in aviation accidents generally, and even a smaller percentage of international accident awards. The guiding principle in designing and negotiating the system represented by the protocols and their supplemental compensation plan has been to cover the vast majority of likely awards, somewhere between 80 and 90 percent of Americans. The few people who might expect to receive awards higher than the amounts provided for by this system are generally those who carry large amounts of personal insurance. The system would not require the vast majority of American travelers to share the increase costs required to insure the few much more affluent travelers.

At this point, I would like to introduce a statistical summary of the awards made to date for the seven major airline accidents for which data is available during the last 6 years.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATISTICAL ANALYSIS OF U.S. AIRLINE SETTLEMENTS FOR MAJOR AIRLINE ACCIDENTS FROM 1977 TO FEB. 28, 1983

Date and accident	International			Domestic			Total			
	Number	Total	Average amount	Number	Total	Average amount	Number	Amount	Average amount	Percent under $325,000
March 1977—Tenerife (PA):										
Injury	53	$7,685,000	$145,000							
Death	325	6,518,000	20,100							
Total	378	14,203,000	37,600				378	$14,203,000	$37,600	99.7
April 1977—Atlanta (SO):										
Injury				4	$1,557,000	$389,200				
Death				90	18,744,000	208,300				
Total				94	20,301,000	216,000	94	20,301,000	216,000	78.7
March 1978—Los Angeles (CO):										
Injury				53	1,754,200	33,100				
Death				6	628,300	104,700				
Total				59	2,382,500	40,400	59	2,382,500	40,400	98.3
September 1978—San Diego (PS):										
Injury										
Death				113	18,442,000	163,200				
Total				113	18,442,000	163,200	113	18,442,000	163,200	84.1
December 1978—Portland (UA):										
Injury	1	146,700	146,700	86	499,200	5,800				
Death	2	280,300	140,200							
Total	3	427,000	142,300	86	499,200	5,800	89	926,200	10,400	100.
May 1979—Chicago (AA):[1]										
Injury										
Death	9	1,275,000	141,700	180	64,052,000	355,800				
Total	9	1,275,000	141,700	180	64,052,000	355,800	189	65,327,000	345,600	52.4
October 1979—Mexico City (WA):[2]										
Injury	13	5,525,000	425,000							
Death	56	11,101,600	198,200							
Total	69	16,626,600	241,000				69	16,626,600	241,000	84.1
Total:										
Injury	67	13,356,700	199,400	143	3,810,400	26,600				
Death	392	19,174,900	48,900	389	101,866,300	261,900				
Total	459	32,531,600	70,900	532	105,676,700	198,600	991	138,208,300	139,500	85.8

[1] 69 death cases still outstanding.
[2] 1 injury case still outstanding.

Mr. PERCY. These statistics include settlements for passengers not coming under the existing Warsaw Convention at all—those who were on purely domestic flights. What is notable in these figures is that the settlements are generally much higher in cases of injury than where death occurs. It is important to recognize that this difference is also reflected in the proposed supplemental compensation plan which we would require as a condition of U.S. ratification, and which would provide for unlimited hospital and medical benefits to injured victims without regard to the limits of the convention.

These statistics also indicate that in most cases, the level of $320,000 would be adequate to cover the vast majority of recent settlements—more than 80 percent of the awards made in these seven accidents, and an even higher percentage of the awards in international accidents. Futhermore, where higher recoveries have been obtained, such as in the DC-10 accident outside Chicago 4 years ago, they must be discounted substantially by at least one-third to reflect the percentage paid to attorneys on a contingent fee basis. In my statement last week, I cited a few examples of such fees, which also appear on page 12 of the committee report. I also quoted a senior Federal judge overseeing that litigation who referred to the "gouging" and "shafting" of accident victims which those fees illustrate. I would ask that two articles about these cases by Rob Warden, editor of Chicago Lawyer, appear in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Chicago Lawyer, Feb. 1981]

GOUGING—LAWYERS IN DC-10 CASE CHARGE FAMILY OF ONE VICTIM $383,244

(By Rob Warden)

To Pester, Goldberg & Schiff, attorneys for the plaintiff in the said action, as and for the expenses thereof, the sum of $266.000.

To Pester, Goldberg & Schiff, attorneys for the plaintiffs in said action, as and for their legal fee, the sum of $383,244.00.

A law firm collected a legal fee of $383,244, plus $266 expenses for negotiating the out-of-court settlement of a wrongful death case stemming from the 1979 crash of American Airlines Flight 191 near O'Hare Airport, court records show.

The law firm, Pester, Goldberg & Schiff of Carle Place, New York, represented the widow of Rene Valle, a 31-year-old Chilean physician who was in this country on a fellowship at the University of Southern California in Los Angeles.

The firm represented Maria Teresa Valle for less than nine months before signing the settlement, which totaled $1,150,000, out of which the legal fee was paid.

Mrs. Valle received $396,824.93 and her children, 2 and 5 at the time of the crash, together received $357,165.07. A guardian ad litem for the children was paid $12,500.

To reach the settlement, two lawyers from the Pester firm met three times with the defendants' attorneys, arranged for an economist's report estimating what Dr. Valle's lifetime income would have been, exchanged a few letters with the defendants' attorneys, rejected an initial settlement offer of $1,100,000, accepted an offer of $50,000 more three months later, filed probate papers, and collected their fee, which was 33.3 percent of the settlement.

Although the firm surely did work not reflected in the record, no lawsuit was filed.

When asked how the firm justified a fee probably exceeding $10,000 per hour, Monroe Pester, senior partner, told Chicago Lawyer, "With all due respect to you, we don't have to justify what we charge to anyone." He refused to discuss the case further.

The American Bar Association Cannons of Ethics adopted in 1908 state: "In fixing fees, it should never to forgotten that the profession is a branch of the administration of justice and not a mere money-grabbing trade."

Chicago Lawyer began an ivnestigation of the legal fees in the DC-10 crash cases after Senior U.S. District Court Judge Hubert L. Will commented at a November 6, 1980, pretrial conference that some plaintiffs' lawyers were charging "fees that no knowledgeable lawyer would call reasonable."

Will may have chosen precisely those words because the ABA Code of Professional Responsibility says that a "lawyer shall not enter into a fee for, charge or collect [a] clearly excessive fee." The code says a fee is excessive when "a lawyer of ordinary prudence would be left with a definite and firm conviction that the fee is in excess of a reasonable fee."

Will warned that he and Senior Judge Edwin A. Robson, who jointly are handling more than 100 DC-10 cases consolidated in the U.S. District Court here, would not "stand by and watch lawyers gouge clients and do nothing about it."

Will continued, "I see lawyers back there shaking their heads on the theory that, to hell with you, whatever agreement I make is what I make, and if I want to give my client a good shafting, it's OK with them, and there's nothing you can do about it.

However, Will did not say what he and Robson considered to be "shafting," and fee arrangements in the cases are secret. Most plaintiffs' lawyers in the cases have percentage fee agreements with their clients. Under a local rule of federal court here these agreements must be filed with the court, but are not part of the public record.

Since some states require the disclosure of legal fees when estates are probated Chicago Lawyer began a nationwide search for any records of fees in the DC-10 cases. The search turned up documents showing the legal fees in the Valle case and in three other cases stemming from the crash.

In the other three cases:

Richard E. Moore, a Newport Beach, California, lawyer, received a $172,000 fee for negotiating a $550,000 settlement for the death of x-ray technician Philip Higginbotham of Tustin, California. Higginbotham and his wife, Mary, 36, had a son, 15, and twin sons, 12. Each child received $33,000 out of the settlement, and Mrs. Higginbotham received $278,000. Moore waived $4,556.42 in expenses. His fee was 31.3 percent of the settlement.

Amount allocated to Mary A. Higginbotham (spouse)	$278,000
Amount allocated to minor children	
Todd Higginbotham	33,000
Brian Higginbotham	33,000
Paul Higginbotham	33,000
Amount allocated to Richard E. Moore and Gerald A. Garrett for attorneys fees	172,000

Philip E. Howard, a Chicago lawyer, received an $83,333.33 fee for negotiating a $250,000 settlement for the death of Park Ridge mechanic Andrew D. Green. Green and his wife, Ann Marie, 49, had three children, ranging in age from 19 to 24. Mrs. Green received $129,166.67 of the settlement. Each child received $12,500. Howard's fee was 33.3 percent of the settlement.

The Los Angeles law firm of Magana, Cathcart, McCarthy & Pierry received a $94,434.44 fee for negotiating a $450,000 settlement for the death of Clark Turner, 48, of Costa Messa, California, regional sales manager for King-Seeley Thermos Company. Turner and his wife, Nancy, 45, had two children, 18 and 14. Each child received $55,000 and Mrs. Turner received $240,000. A $4,985.03 lien against the estate and $670 court costs were paid out of the settlement. The Magana firm's fee was 21 percent of the settlement.

There have been about 100 other cases settled to date, but there are no public records of the legal fees in those cases, although sources close to the litigation told CHICAGO LAWYER that the range is from 10 percent to 40 percent of the settlements.

But it is clear from the four cases in which records of the fees were found that the lawyers' fees bear little, if any, relationship to the amount of work done. In fact, judging from the record, the lawyers in the Valle case did less work to collect $383,244 than the lawyers did in the Higginbotham, Green and Turner cases to collect far smaller fees. (See box on facing page detailing the records in the cases.)

The fees in all four cases, however, appear to be many times higher than the fees charged on an hourly basis by the top lawyers in the country. Senior partners in the nation's top law firms typically charge $150 to $200 per hour, and the latter is rarely exceeded.

While there is no way of knowing how much time the lawyers in the four DC-10 cases actually spent, knowledgeable outside lawyers interviewed by Chicago Lawyer estimated that the Pester firm collected $10,000 to $15,000 per hour in the Valle case, that the Magana firm collected $3,000 to $5,000 per hour in the Turner case, that Moore collected from $1,500 to $2,000 per hour in the Higginbotham case and that Howard collected from $750 to $1,250 per hour or more in the Green case.

Assuming that the Pester firm spent 35 hours on the Valle case—which is the highest estimate made by outside lawyers who looked at the record at the request of Chicago Lawyer—the legal fee would have been only $7,000 had the time been billed at $200 per hour. The Pester firm charged Dr. Valle's survivors more than 50 times that much.

Higginbotham's survivors, if the highest time estimates are accurate, could have hired top legal talent for less than 10 percent of what they paid Moore; Turner's for less than 15 percent of what they paid the Magana firm; and Green's for about 25 percent what they paid Howard.

Then why did these four women enter into percentage fee agreements?

That question cannot be answered with certainty, since the women all declined to discuss the fees they paid, as well as other aspects of their cases. Chicago Lawyer contacted them all. Mrs. Higginbotham and Mrs. Turner both responded, "No comment." Mrs. Green said, "I'm very satisfied with what my lawyer did." Mrs. Valle said, "I look upon him [Stanley Goldberg of the Pester firm] as a personal friend. He did excellent work and the money was worth it. I don't know much about [fee arrangements], but I don't want to talk about it."

A likely answer to the question, however, is suggested by something U.S. District Court Judge John F. Grady, a former personal injury lawyer, said five years ago at the annual luncheon of the Chicago Council of Lawyers.

"Many personal injury plaintiffs who could afford to pay a reasonable non-percentage fee, and would be happy to do so if the advantages of that alternative were explained to them, are never given the opportunity to do so. They are simply told that it is customary to handle these cases on a 'contingent fee' basis, with the usual explanation that the lawyer will receive nothing in the event there is no recovery. Emphasis is usually placed on this 'contingent' aspect of the arrangement rather than on the large percentage of the recovery the client is committing himself to pay."

Grady added, "Many persons whose cases are being handled on this basis are being grievously disserved. Take, for example, the case of a widow with a suit for the wrongful death of her husband. By reason of his death, she may have come into a substantial amount of money with which she could easily pay a lawyer to handle the wrongful death case on some basis other than a percentage fee. For example, she may have received several hundred thousand dollars worth of insurance benefits. . . .

"In short, the widow may be in a more solvent position than the lawyer himself. She could then pay him the reasonable value of his services. Yet, in almost every instance, such a case will be handled by the lawyer on a percentage of the amount recovered, which in the case of a young widow with several children could result in a fee of several hundred thousand dollars."

Put differently, the percentage fee agreements in personal injury cases are so conventional that the public neither questions them nor realizes that there is an alternative.

The moral logic typically used to justify contingency fees is that the system benefits persons who have valid claims to damage recoveries, but who could not afford to hire a lawyer at an hourly rate. It is reasoned that, since the lawyer takes a risk of not being paid at all, he is entitled, if he wins, to a larger fee than he would have earned working at his customary hourly rate.

But it is easy to see how the contingency fee system can be turned into a tool for gouging clients, who often have little idea either of the chance of their case succeeding or of the amount of legal work involved.

Instead of working by the hour in an open-shut case that requires little effort, a lawyer can negotiate a contingency fee agreement and take a third of the recovery. This is not condoned under the ABA Code of Professional Conduct, which says, "A lawyer should be mindful that many persons who desire to employ him may have had little experience with fee charges of lawyers, and for this reason he should explain fully to such persons the reason for the particular fee arrangement that he proposes."

The ABA code also says, "Although a lawyer generally should decline to accept employment on a contingent fee basis by one who is able to pay a reasonable fixed fee, it is not necessarily improper for a lawyer, where justified by the particular circumstances of a case, to enter into a contingent fee contract in a civil case with any client who, after being fully informed of all relevant factors, desires that arrangement."

Probably the most common contingency fee—or at least the one that the public seems to perceive as most common—is one-third of the settlement. This level was established many years ago when damage recoveries often were limited by law to small fractions of what they may be today.

Until the early 1970s in Illinois, for instance, the statutory maximum recovery in a wrongful death case in Illinois was $30,000. The statutory limit was removed, but the standard one-third contingency agreement was not adjusted downward accordingly.

As the Valle, Higginbotham and Green cases show, one-third is not uncommon even in a case where there is no serious question of liability and no serious question that the recoveries will be substantial.

In his talk before the Council of Lawyers five years ago, Grady commented that "Many lawyers who handle personal injury cases . . . have never considered informing

the client that there is an alternative to a percentage fee agreement. It is time they started doing so."

And he predicted that this would happen soon, not out of any sudden surge of ethics in the bar, but as a result of the "play of the free market." He noted that the ban on lawyer advertising was ending, that the U.S. Supreme Court had decided in Goldfarb v. Virginia, 421 U.S. 773 (1975), that the organized bar could not prevent lawyers from undercutting their competition by lowering fees, and that the nation's lawyer population was growing rapidly.

"This situation is bound to result in a large supply of legal talent which is willing and eager to work for reasonable fees," he said. "An oversupply of sellers is the classic setting for elimination of excess profits."

The prophecy, however, has not come to pass.

[From the Chicago Lawyer, Feb. 1981]

WHAT LAWYERS DID TO "EARN" HUGE FEES IN DC-10 CASES

Valle case—$383,244 fee. Rene Valle, 31, was a Chilean physician temporarily affiliated with the University of Southern California, Los Angeles. He was married and the father of two children, 2 and 5. Mrs. Valle was represented by Pester, Goldberg & Schiff, 1 Old Country Road, Carle Place, New York.

1979: June 1, two lawyers from the Pester firm attended a pretrial meeting in New York; June 7, the defendants sent a letter to the firm asking for vital information needed to formulate a settlement offer, June 19, the firm wrote to American Airlines asking for a copy of Dr. Valle's flight ticket, which was sent; June 20 and July 23, the defendants again wrote, asking for the vital information; August 9, the firm responded that the vital information was being compiled; September 21, the defendants wrote to inquire about progress on compiling the information; September 25, the firm supplied an economist's report estimating what Dr. Valle's lifetime earnings would have been; October 23, two lawyers from the firm met with the defendants' attorneys in New York; November 7, the defendants offered to settle for $1,100,000; November 26, two lawyers from the the firm met with the defendants' attorneys in New York, and the offer was raised to $1,150,000; 1980: February 15, the firm accepted the offer; April 15, the firm presented a petition to the Surrogate's Court of New York for approval of the settlement; April 29, Surrogate's Court issued a citation to all persons interested in the state to show cause by May 20, 1980, why the settlement, including attorneys' fees of $383,244, plus expenses of $266, should not be approved; June 30, Surrogate's Court Judge Marie M. Lambert approved the settlement.

Higginbotham case—$172,000 fee. Philip Higginbotham, 42, was an x-ray technician for McDonnell Douglas Corporation. He was married and the father of three sons, one age 15, and twins, 12. Mrs. Higginbotham was represented by Richard E. Moore, 1201 Dove Street, Newport Beach, California.

1979: June 6, the defendants sent a standard letter to Mrs. Higginbotham saying they hoped to offer a generous settlement promptly (the standard letter is controversial because it criticized percentage agreements, suggesting that the plaintiffs did not need lawyers) and Moore simultaneously advised the defendants by letter that he represented Mrs. Higginbotham; June 19, the defendants wrote to Moore asking for vital information; June 22 and July 20, the defendants wrote to Moore requesting meetings; July 27, Moore sent the vital information; August 6, the defendants offered a $450,000 settlement; September 14, Moore wrote, saying he was not prepared to give an answer on the offer; September 14, Moore filed suit in U.S. District Court for the Southern District of California; September 25, Moore flew to Chicago for a pretrial meeting on the consolidated litigation; October 2, Moore received an economist's report; October 16, Moore wrote the defendants, offering to settle for $928,500; October 22, Moore flew to Chicago for a pretrial meeting; October 25, the defendants wrote to Moore suggesting that he reconsider the $450,000 offer; November 16, the defendants wrote, asking Moore to sign a standard stipulation on liability discovery; December 6 and December 13, Moore flew to Chicago for pretrial meetings; 1980: First week of January, the defendants served 21 interrogatories on Mrs. Higginbotham; January 9, the defendants took the depositions of Mrs. Higginbotham and her children; February 26, Moore signed the liability discovery stipulation; February 27, Moore reduced his demand to $850,000; March 4, the defendants rejected the $850,000 demand; March 20, Moore flew to Chicago for a pretrial meeting; April 22, Moore reduced his demand to $650,000; Late April, May or early June, the defendants increased their offer to $550,000; June 20, Moore reduced his demand to $600,000; June 20, Moore flew to Chicago for a pretrial meeting; July 18, the defendants rejected the $600,000 demand; First week of August, Moore accepted the $550,000 offer, September 29, Moore signed a release on behalf of Mrs. Higginbotham.

Turner case—$94,434.44 fee. Clark turner, 48, was a regional sales manager for King-Seeley Thermos Company. He was married and the father of two children, 18 and 14. Mrs. Turner was represented by Magana, Cathcart, McCarthy & Pierry, 1801 Avenue of the Stars, Los Angeles.

1979: June 7, the defendants sent their standard letter to Mrs. Turner, June 22, Mrs. Turner advised the defendants that she might be represented by Elmer Montano, a California attorney; Late June, Montano advised the defendants that he was a personal friend of Mrs. Turner's but would not represent her; July 9, the Magana firm filed suit in the Superior Court for the State of California, Los Angeles; Mid-July, the defendants wrote to the firm asking for vital information needed to formulate a settlement offer; July 31, Thomas Pierry of the Magana firm asked for a meeting with the defendants; Early August, the defendants again asked for the vital information; August 28, Pierry met in California with the defendants' attorneys, provided the vital information, and the defendants offered a $410,000 settlement; September 4, the defendants confirmed the settlement offer by letter; About October, Pierry informed the defendants that there was a compensation lien against any potential recovery (California law requires employers to contribute to a program administerd by private insurance carriers providing as death benefit of up to $55,000 per employee, and under the law the carriers may recover the benefit from damage awards in wrongful death cases), and the defendants increased their offer to $450,000 upon the condition that the firm reduce its fee to no more than 10 percent of the settlement; November 16, the firm rejected the offer; About December, the defendants dropped the demand that the firm take no more than 10 percent of the settlement; 1980: January 4, the firm accepted the settlement; Subsequently, the settlement was filed in the Superior Court for the State of California, Los Angeles, revealing the settlement information, and the fact that the lien was satisfied for $4,895.03.

Green case—$83,333.33 fee. Andrew D. Green, 54, was a self-employed auto mechanic. He was married and the father of three children, ranging from 19 to 24. Mrs. Green was represented by Philip E. Howard, Ltd., 180 N. La Salle Street, Chicago.

1979: June 6, the defendants sent their standard letter to Mrs. Green; July 2, Howard filed suit in U.S. District Court in Chicago; mid-July, the defendants served interrogatories on Mrs. Green and requested vital information to formulate a settlement; September 7, the defendants deposed Mrs. Green and her children; September 13, the defendants sent their standard liability discovery stipulaton to Howard; September 28, the defendants offered to settle for $240,000; 1980: September 8, an attorney representing Howard appeared at a conference before a retired Cook County judge who agreed to serve as an arbiter in the case; October 27, the defendants increased their offer to $250,000 during a conference with the arbiter. Subsequently, Howard filed an accounting of the estate in the Probate Division of the Cook County Circuit Court, disclosing the legal fees, which he justified in part on the ground that he negotiated a $7,000 legal fee she owed in a condemnation case down to $3,545 and settled $11,675 in Internal Revenue Service liens against the state for $9,500 (Green had failed to file income tax for several years).

[From the Student Lawyer, Apr. 1981]

SHOULD A LAWYER MAKE $10,000 AN HOUR?

(By Rob Warden)

As American Airlines flight 191 lifted off runway 31 at Chicago's O'Hare International Airport on May 25, 1979, its number one engine ripped away from the left wing. The plane, a DC-10 bound for Los Angeles, rose about 500 feet, veered slightly to the left, and crashed into a field a quarter of a mile from the end of the runway. All 272 persons on board and a man on the ground were killed. Flight 191, which was in the air just 31 seconds, became the worst aviation disaster ever in this country.

Now, less than two years later, the worst U.S. aviation disaster is turning into a bonanza for plaintiffs' lawyers—a bonanza that a federal judge has described in terms of "a good shafting" and "gouging"; he has also called it "excessive" and "seriously out of line."

Such strong language has not been applied before in our federal courts to what the public and even much of the legal profession regards as the standard one-third contingent fee agreement in personal injury cases. For the first time, as a result of the Flight 191 litigation, the public and the legal profession as a whole have been alerted to truths that the personal injury bar has kept to itself for years.

Paramount among these truths is that the "standard one-third" is by no means standard. In fact, it is widely considered to be unethical in cases where liability is not questioned. In such cases, many lawyers charge 11 to 18 percent; some charge as little as 5 percent. Certainly in big cases that are settled without going to trial, or without even a lawsuit being filed, one-third agreements

lead to legal fees vastly out of proportion to the work performed.

Take the case of Flight 191 victim Rene Valle, a 31-year-old Chilean physician who was on a fellowship in obstertries and gynecology at the University of Southern California in Los Angeles. He had been in Chicago for a conference on infectious disease and was returning home on board Flight 191 when it crashed.

Through the Chilean Embassy in Washington, D.C., his widow, also Chilean, got in touch with a lawyer named Stanley Goldberg, a partner in the small firm of Pester, Goldberg & Schiff of Carle Place, New York. The record shows that Goldberg and another partner, Monroe Pester, attended three meetings in New York with defense counsel, hired an economist to project Dr. Valle's lifetime earnings, rejected an initial settlement offer of $1,100,000 accepted $50,000 more three months later, filed probate papers, and collected a one-third contingency fee of $383,244.

Although Goldberg and Pester surely did things that aren't detailed on the record, they did not attend a single meeting in Chicago where Flight 191 cases filed nationwide have been consolidated; they had no need to do research and, because no lawsuit was filed, took no depositions and served no interrogatories. The firm's total expenses, which were deducted from the settlement, came to $266.

I asked five knowledgeable personal injury lawyers, all of whom represent clients in the Flight 191 crash litigation or have handled previous air crash cases, to estimate how much time Goldberg and Pester spent on the Valle case. The estimates ranged from 25 to 35 hours. If these estimates are accurate, Goldberg and Pester received from $10,000 to more than $15,000 per hour.

The top lawyers in the top law firms in the country typically change $150 to $200 per hour, rarely more. If Goldberg and Pester spent 35 hours on the case, the legal fee would have been only $7,000 if billed at $200 per hour. Yet Dr. Valle's heirs paid more than 50 times that much.

After paying the legal fee, paying Goldberg and Pester's $266 expenses, and paying a guardian ad litem $12,500, Mrs. Valle received $396,824.93 and her children, two and five years old at the time of the crash, together received $357,165.07.

When I asked how Goldberg and Pester could justify taking more of the settlement than the children received and almost as much as the widow received, Pester responded: "With all due respect . . ., we don't have to justify what we charge to anyone." Goldberg said it was "outrageous" to suggest that a wrongful death case ought to be handled for a fixed hourly fee. He added that "the one-third contingency fee is common."

But the man who considers fees like those collected by Goldberg and Pester representative of "a good shafting" and "gouging" is not some consumer advocate who has it in for the legal establishment. He is Judge Hubert L. Will, one of two senior federal judges handling the consolidated Flight 191 litigation in Chicago. When plaintiffs' lawyers assembled recently in Chicago for one of the frequent pretrial conferences that Will and Judge Edwin A. Robson hold in this multidistrict litigation, Will said: Judge Robson and I are somehat concerned about what we are going to see . . . in the cases that are on file here which are settled. We are also seeing settlement reports with respect to claims in which no cases have been filed. . . .

"And, for what it's worth, I can tell you that there's a fairly wide disparity between the fee arrangements . . . and we are concerned that the plaintiffs' counsel make every effort to reduce the disparity, get some kind of consensus, and attempt to do what we think professionals sought to do, which is police themselves. . . .

"Now, I recognize that if a lawyer says, 'I have a contract, and I don't care what the rest of you fellows think, and I don't even care what the judges think,' that he probably is immune from direct action, although I don't think he's immune from the possibility that somebody will report to an appropriate committee of a bar association or an integrated bar that this conduct is seriously out of line.

"I see lawyers back there shaking their heads on the theory that 'to hell with you, whatever agreement I make is what I make, and if I want to give my client a good shafting, it's okay with them, and there's nothing you can do about it. . . .'

"You can shake your head all you like, but you do not have a license to steal because you are admitted to the practice of law, nor do you have a license to gouge because you are admitted to the practice of law.

"You know, you cannot just sit idly by and say, 'Well, that's all right. These were arm's length bargains between knowing people, and sure, this lawyer is getting a tremendous windfall, but what the hell, this is his lucky day. . . .'

"I'm not sure what we can do, . . . [but] I do not think that judges can stand by and watch lawyers gouge clients and do nothing about it."

So far, out of approximately 110 Flight 191 cases settled, the legal fees are public in only the Valle case and three others.

Contingency contracts generally are impounded on the theory that contracts between lawyers and clients are none of the public's business. The Flight 191 cases are no exception, but in some states, including New York, Illinois, and California, the legal fees become a matter of public record when the estate is probated. The fees in the Valle case and three other Flight 191 cases are now public.

Judging both from the fees that have been revealed in the three other cases and from Judge Will's remarks, the standard one-third is not uncommon. In the other three cases in which the fees are public:

Richard E. Moore, a lawyer from Newport Beach, California, received a $172,000 fee for negotiating a $550,000 settlement for the crash death of Philip Higginbotham, an X-ray technician from Tustin, California. The record shows that Moore flew to Chicago five times for pretrial conferences, filed a lawsuit, attended the deposition of Higinbotham's wife and two children, arranged for an economist's report, rejected a first settlement offer for $450,000, and accepted $100,000 more a year later.

Moore defended the fee, saying, "There's more to a case like this than you know. First you've got to decide whether you want to be in state court or federal court, and if I go into federal court and don't like what I'm hearing, can I get back to state court? They serve you with a standard stipulation, and you've got to decide—do you sign the stip, don't you sign the stip?"

Asked how much time he spent on the case, Moore replied, "Quite a bit."

Could he be more specific? "No, I didn't keep track," he claimed. "But I attended nine pretrial conferences in Chicago. To go to a pretrial, you have to be away from the office all day."

Would 100 hours be a reasonable estimate, counting travel time? "I would say that would be a low estimate. Nine pretrial conferences in Chicago. I would say one hundred hours would be a minimum," Moore said.

A subsequent review of the record revealed that Moore attended only five pretrial conferences, not nine. And the transcripts of those conferences show that he didn't say anything at any of them. Moore would not discuss the case further when I tried to interview him a second time.

Mrs. Higginbotham received $278,000 of the $550,000 settlement, and each of her three children, Ranging from 12 to 15, received $33,000. Together, the three children received less than Moore received. His $172,000 fee was 31.3 percent of the settlement and more than half of what the widow received.

Philip E. Howard, a Chicago lawyer, rceived an $83,333.33 fee for negotiating a $250,000 settlement for the death of mechanic Andrew D. Green, a Park Ridge, Illinois, man who was killed on the ground.

Howard defended the settlement, saying he had done work without charge for Green's wife in other matters, including negotiating down a fee she owed to a law firm that represented her in a small condemnation case. He also said he persuaded the Internal Revenue Service to reduce or drop all of several liens it had against the estate because Green had failed for several years to pay federal income taxes.

Mrs. Green received $129,166.67 of the settlement. Her three children, ranging from 19 to 24, each received $12,500. Howard's fee was 33.3 percent of the settlement.

The Los Angeles law firm of Magana, Cathcart, McCarthy & Pierry received a $94,434.44 fee for negotiating a $450,000 settlement for the death of Clark Turner, of Costa Mesa. California, regional sales manager for King-Seeley Thermos Company.

James McCarthy of that firm contended that the fee was "well within the range of reasonability." The record shows that Thomas Pierry of the firm filed a lawsuit, rejected an initial settlement offer of $410,000, rejected a second settlement offer of $450,000 that was conditional upon the firm agreeing to reduce its fee to 10 percent of the settlement, and accepted the $450,000 immediately when the fee condition was dropped.

Mrs. Turner received $240,000 of the settlement, and her children, 14 and 18, each received $55,000. A $4,985.03 lien against the estate and $670 court costs were paid out of the settlement. The Magana firm's fee was 21 percent of the settlement

Although the lawyers in the Higginbotham, Green, and Turner cases obviously did more work to collect their relatively smaller fees than Goldberg and Pester did in the Valle case, their fees nonetheless greatly exceeded the price at which the nation's top legal talent may be hired on an hourly basis.

The personal injury lawyers whose opinions I sought estimated that the Magana firm collected $3,000 to $5,000 per hour in the Turner case; that Moore collected from $1,500 to $2,000 per hour, counting travel time, in the Higginbotham case; and that Howard collected from $750 to $1,250 per hour or more in the Green case.

Clients are reluctant to discuss why they would enter into agreements resulting in such large fees. Mrs. Valle, interviewed by

telephone in Chile, would say only that she considers Goldberg "a personal friend." She said that she didn't know much about fee agreements but that Goldberg "did excellent work and the money was worth it."

Mrs. Green said, "I'm very satisfied with what my lawyer did." Mrs Higginbotham and Mrs. Turner both reponded with a "no comment."

The likely reason for the widows' agreeing to pay such fees, however, is suggested in remarks made a few years ago by U.S. District Court Judge John F. Grady of the Northern District of Illinois. Grady, a former personal injury lawyer, is opposed to contingent fee agreements in cases in which the clients can afford to pay reasonable fixed rates.

"Many persons whose cases are being handled on this basis are being grievously disserviced," Grady said. "Take for example, the case of a widow with a suit for the wrongful death of her husband. By reason of his death, she may have come into a substantial amount of money with which she could easily pay a lawyer to handle the wrongful death on some basis other than a percentage fee. For example, she may have received several hundred thousand dollars worth of insurance benefits. . . .

In short, the widow may be in a more solvent position than the lawyer himself. She could then pay him the reasonable value of his services. Yet, in almost every instance, such a case will be handled by the lawyer on a percentage of the amount recovered, which in the case of a young widow with several children could result in a fee of several hundred thousand dollars.

"Many lawyers who handle personal injury cases . . . have never considered informing the client that there is an alternative to a percentage fee agreement. It's time they started doing so."

In other words, the typical personal injury client has no idea that there is an alternative to agreeing to pay a large contingent fee unless the lawyer mentions the alternative. But the lawyer, according to Grady, hardly ever considers mentioning it, even though this is unethical, according to the American Bar Association Code of Professional Responsibility, which says, "A lawyer should be mindful that many persons who desire to employ him may have had little experience with fee charges of lawyers, and for this reason he should explain fully to such persons the reason for the particular fee arrangement that he proposes."

The ABA code says further that lawyers "generally should decline to accept employment on a contingent fee basis by one who is able to pay a reasonable fixed fee. . . ."

The U.S. Court of Appeals for the Seventh Circuit held recently that "although an attorney may contract with a client for a contingent fee . . . his right to do so is not unrestrained. . . . The right to contract is limited to a 'reasonable' contingent fee."

The moral logic typically used to justify contingent fees is that this system benefits those who have valid claims to damage recoveries, but who could not afford to hire a lawyer at a fixed hourly rate. It is reasoned that, since the lawyer takes a risk of not being paid anything, he or she is entitled, upon winning the case, to a larger fee than he or she would have earned working at a fixed rate. It is sometimes asserted that lawyers' "one-third" cases make up for all the "losers" they handle.

But, according to Judge Grady, this is nonsense. "At least ninety-five percent of the total claims handled by lawyers are settled before trial, and many of these settlements involve very little work time. We know that roughly fifty percent of cases that go to trial are won by defendants. . . . Adding the cases that are settled without trials, we find that, of the total claims handled by plaintiffs' lawyers, something like two and a half percent are tried and lost."

The "to hell with you" attitude that Judge Will attributed to some plaintiffs' lawyers when he raised the gouging issue no doubt stems from the lawyers' smug sense of security—a belief that nothing will be done.

Certainly any concerted action on the issue would raise serious antitrust implications. The Justice Department traditionally has taken an extremely dim view of any exchange of price information among competitors. That such an exchange would be directed at avoiding excesses, rather than encouraging excesses, probably does not matter.

And despite Judge Will's urging that the plaintiffs' lawyers "get some kind of consensus" on fees, there is a question of what real power the lawyers have to deal with their colleagues. Apart form the issues of legality and power is the question of whether it is realistic to think lawyers would move forcefully on a matter in which their own direct economic interest is at stake.

One avenue, as Will suggested, would be to take the complaints to appropriate committees of the integrated bar or state disciplinary bodies. But this remedy operates only after the fact—and, given the nature of disciplinary proceedings, very long after the fact, if at all. Moreover, it could serve only to discipline offending lawyers, not to prevent the excessive fees in the first place.

But if the ABA standard against excessive fees—a standard that has been upheld repeatedly by the courts—is being violated, then surely the court has a right to act. One simple mechanism would be for the court, upon being advised of a settlement, to refuse to dismiss the case if there is evidence of an improper fee. Another approach would be for the court to exercise its own disciplinary powers by referring the matter of excessive fees to its own executive committee before permitting settlements to go forward.

On March 6, Judge Will ordered an embargo on payment of DC-10 damages until the court is satisfied that the attorney's portion of the award is not excessive. Without making specific charges of gouging against any attorney, he ordered lawyers representing 11 families to show cause why they should not be held in contempt because they have not filed their contingency fee agreements with the court, as ordered.

Perhaps now lawyers will realize that the standard one-third is not always the standard of fairness.

Mr. PERCY. A third argument made by the opponents of ratification is that the supplemental compensation plan to be approved and supervised by the Civil Aeronautics Board is, in their words, a "sham." They argue that the $2 surcharge suggested as an initial figure for the establishment of a compensatory fund is unnecessarily high and that unlimited liability insurance would be available for between 29 and 53 cents.

Mr. President, the answer to that claim is a simple one. The Civil Aeronautics Board will be charged to determine the facts of the matter once the Senate has given the go-ahead for the proposed system. There is no magic in the $2 figure. If the CAB determines that a supplemental compensation plan of at least $200,000 additional coverage can be established for less than the $2 surcharge it approved 5 years ago, it can do so, just as it can determine that an even higher level of available coverage should be set. That is the point of having an expert and independent agency like the CAB, with special expertise on these matters, construct and supervise the supplemental plan. If it can do so more cheaply or with higher levels of coverage than those originally approved, than the Board is not only able to, it is supposed to adjust the plan accordingly. No one wants to pay a penny more than is justified to maintain a system of adequate and fair compensation.

The fourth argument made by the two Senators opposing the protocols concerns the exchange of the so-called willful misconduct exception for a system of absolute liability, with no need to prove fault. I have already addressed that question in my statement last week, and I understand that other Senators will do so later, so I will not repeat the arguments on this question at this time. I would simply note that in the only case during the past two decades that a court has actually found willful misconduct, an accident in the South Pacific in 1974, nearly a third of the victims remain uncompensated 9 years later as a result of the continuing litigation in that case. It illustrates the enormous difference between the ideal theory of compensation by litigation expounded by the opponents of these protocols and the harsh facts of life of most aviation accident victims.

Finally, Mr. President, the two Senators opposing these protocols suggest that there are recent court decisions which call into question the viability of the proposed system. In fact, what they call into question is the viability of the existing system and the pressing need for the revisions made in the Montreal Protocols. Again, I understand that other Senators will address this question, so I will not at this time, although I am quite prepared to return to these issues later in the day.

In short, Mr. President, there are no devestating arguments to be made against the ratification of the Montreal Protocols by the United States. They represent a U.S. initiative which made sense when it was first proposed and continue to make sense today. They are by no means a perfect solution to the problem of assuring adequate compensation for American in international travel, but they are certainly a great improvement over the present system, which benefits only a very few of the most affluent citizens at the expense of everyone else. And

they would preserve an international approach to an international problem which cannot be handled only by the unilateral actions of the United States. I urge the Senate to give its advice and consent to these protocols.

Mr. PELL. Mr. President, today the Senate is being asked to give its advice and consent to ratification by the United States of Montreal Protocols 3 and 4. Ratification would enable the United States to adopt the most recent rules on the international air carriage of passengers, baggage, and cargo and to participate in a revised and modernized international system for aviation accident liability and compensation.

In 1934 the United States became a party to the 1929 Warsaw Convention which established uniform rules on passenger ticketing, baggage checking, and cargo documentation; delineated the conditions under which a carrier would be liable with respect to passengers, baggage, and cargo; and set limits of liability. As a nation whose citizens account for the great majority of international travelers, the United States, since the early 1950's, has led the effort to raise the limits of liability and to establish a no-fault system under which recoveries would be adequate, certain and speedy. In spite of vigorous opposition to these reforms by many nations party to the convention, liability limits were increased in the Hague Protocol of 1955 and the Guatemala City Protocol of 1971. Montreal Protocol 3 contains the rules adopted at Guatemala City concerning passengers and baggage and expresses liability limits in terms of the International Monetary Fund's special drawing right (SDR). Montreal Protocol 4 includes basic amendments to the cargo provisions of the Warsaw Convention as revised by the Hague Protocol and sets liability limits in terms of SDR's. Together, Montreal Protocols 3 and 4 are the culmination of the ongoing American effort to increase protection for U.S. citizens traveling and shipping abroad by air.

The Montreal Protocols establish a no-fault system which has four outstanding features: First, increased limits of liability including an unbreakable limit of 100,000 SDR's—which have averaged approximately $120,000 over the last decade—regardless of fault, in the case of passenger death or injury; second, recognition of the right of each participating state to supplement the recoveries of its citizens by establishing a compensation plan to operate within its territories; third, facilitation of suits against foreign airlines by permitting an action in the domicile of the passenger if the airline has an "establishment" there; and fourth, a settlement inducement clause designed to force airlines to settle a claim within 6 months by subjecting them to added costs (including attorneys' fees) if in a subsequent trial a court awards more than the airline's offer.

It should be noted that the provision regarding a domestic supplemental compensation plan was included in the Guatemala City Protocol at the insistence of the United States. In the past, many Americans objected to the limits of passenger liability set by the Warsaw Convention ($8,300) and the Hague Protocol ($16,600) on the ground that they were too low. In fact, domestic dissatisfaction prevented the United States from ratifying the Hague Protocol. Agreement on the right to establish a domestic supplemental compensation plan was regarded by the United States as absolutely necessary to increase recoveries for American citizens. The United States would not consider ratification of the Guatemala City Protocol, or subsequently the Montreal Protocols, until a domestic plan to supplement the passenger liability limit was developed.

In 1977 the United States developed a domestic supplemental compensation plan with Prudential Insurance Co. as the contractor. This plan, as approved by the Civil Aeronautics Board in July 1977, would provide Americans with up to $200,000 in provable damages, without reference in fault, in cases of passenger death or injury and unlimited hospital and medical benefits, payable as they come due. The plan would be funded by a surcharge, initially set at $2 but variable as circumstances require, on each ticket. To promote speedy recoveries, the contractor would make compensation within 60 days of settlement by the carrier. Thus, under the plan and the protocols combined, Americans would recover a maximum of approximately $320,000 in the case of passenger death or injury.

Mr. President, I firmly believe that ratification of the Montreal Protocols would serve both the interests of American citizens and the national interests of the United States. In effect, the protocols allow for a three-tiered system of recovery for U.S. citizens. The carrier would be liable for the first $120,000 per passenger; the supplemental compensation plan would provide an additional $200,000 of coverage. The third tier of recovery would be the individual's personal life insurance which is in no way limited by the Montreal Protocols.

In my view, this three-tiered system would provide Americans with adequate, certain and speedy recovery. The $320,000 provided by the protocols and the domestic supplemental compensation plan are adequate in the majority of cases. For example, data relating to the five most recent domestic airline accidents—in which Warsaw limits do not apply—shows that 85 percent of the settlements in these cases were less than $320,000. Moreover, if this level is not adequate under current economic conditions, the United States can revise the supplemental compensation plan to increase coverage. The Montreal protocols in no way limit the U.S. prerogative in this regard.

I recognize that opponents of ratification argue that higher recoveries, $600,000 or more in some cases, can be obtained under the current proof of fault system in the case of passenger death or injury. It is not certain, however, that this high level of recovery would be obtained in the great majority of cases. In addition, the passenger or his family would have to employ high-priced legal specialists and engage in a lengthy legal contest over a minimum of approximately 2 years. The protocol and the supplemental compensation plan, on the other hand, provide certainty of recovery up to $320,000 since damages rather than fault must be proved and facilitate speedy recovery within 6 months of the accident. The protocols also provide Americans with reliable coverage in the event of an accident involving a foreign carrier because they allow Americans to sue for damages in U.S. courts if the carrier has an establishment here.

In my view it is essential that a satisfactory supplemental compensation plan be in place when the United States ratifies the protocols. In November 1981, the Foreign Relations Committee favorably reported the protocols by an overwhelming vote of 16 to 1 with a proviso to this effect and with two additional provisos: That the United States would denounce the protocols if, at any time, a satisfactory compensation plan is not in place or if the interests of American citizens are no longer served by the Montreal system and that the United States would continue to seek higher limits on the liability of air carriers. I believe that ratification under these conditions would insure that the interests of U.S. citizens are protected.

For many years, the United States has been in the contradictory and embarrassing position of advocating higher liability limits while refusing to ratify protocols to the Warsaw Convention which work toward this end. Ratification of Montreal Protocols 3 and 4 would share up the credibility of the United States as a leader in the international aviation community, thereby enabling the United States to play a constructive role in international aviation forums, such as the U.N. Civil Aviation Organization, which shape the international civil aviation system. Ratification would also promote greater efficiency in the handling of cargo and baggage and foster uniformity in the international aviation community with respect to the transportation of passengers, baggage, and cargo.

For these reasons, Mr. President, I believe that the Senate should give its advice and consent to ratification of Montreal Protocols 3 and 4.

(Mr. HOLLINGS addressed the chair.)

The PRESIDING OFFICER. Who yields time to the Senator from South Carolina?

Mr. PELL. Mr. President, I yield as much time as he may require to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague and the chairman of the committee.

Mr. President, have we had the yeas and nays on the treaty? Are they ordered?

Mr. PELL. They have not yet been ordered.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. PELL. We give the Senator assurance there will be the yeas and nays.

Mr. HOLLINGS. Mr. President, the business before the Senate today involves two very obscure treaties which will seriously impair, if they are ratified, the basic rights of over 27 million U.S. citizens who annually embark on international airline flights.

I will say right at the opening remark, and emphasize, when passengers embark on international airline flights, Mr. President, it is quite obvious that most embark near their residence. In this particular vicinity its at Dulles Airport. If you are going to fly from Dulles to New York and then to an overseas destination, should the plane crash on takeoff, and let me emphasize this Mr. President, this particular treaty, would cover those passengers.

What we are about today is amending the basic law that governs international air travel—the Warsaw Convention—with Montreal Protocols 3 and 4.

Careful study convinces me that the Montreal Protocols should be rejected by the Senate. The defeat of these treaties is necessary to insure the right of every American to secure adequate and just compensation for personal injuries or death caused by the negligence of an international airline. The treaties under consideration strike at the very heart of the well-developed U.S. common law principle that a culpable tortfeasor be responsible for fully compensating his victim. The treaties, because they place a strict limit on liability, will do serious harm to the high level of safety that we have come to routinely expect from air travel. And finally, the treaties impose a costly system of liability insurance that is inadequate to meet the needs of today's international air traveler and is, therefore no more than a ripoff of the flying public.

LIMITED LIABILITY AND THE WILLFUL MISCONDUCT EXCEPTION

No one questions the need for the United States to join the international community to seek ways to improve air travel. We have been leaders in this regard and will continue to be. However, I question the wisdom of the documents put before this body for ratification. The push for uniform international aviation laws in not justified if the American air traveler's rights are going to be so severely restricted.

The Montreal Protocols are extensions of the now outmoded Warsaw Convention of 1929. Charles Lindbergh had proved the practicality of air transit with his historic flight 2 years earlier. In a day when aviation was considered miraculous and mysterious it was considered prudent to guarantee passengers a recovery in the event of an accident, and at the same time limit the liability of an infant industry, thereby insuring its growth.

Several foreign governments that shared this point of view got together to protect the airlines. These governments created a treaty, the Warsaw Convention, which limited the damages that their airlines would be required to pay in the event of an accident to $8,300—in U.S. dollars. If a passenger could prove the airline was guilty of willful misconduct, there would be no limit on liability. In 1934, the United States ratified the treaty. All of this occurred long before the popularity of international travel we routinely take for granted today. Presently, there are 117 signatories to the Convention.

Airlining has come of age with the passage of time. Change and advances have come with such regularity that it is difficult to realize the great progress we have made in air travel in such a short period. At the same time, with more and more Americans exposed to the risks associated with international air travel, and after a few airline accidents, it became apparent to the United States that the Warsaw Convention was outmoded and its limitations on recoveries were inadequate and unjustified.

In 1966, President Lyndon Johnson denounced the Warsaw Convention on behalf of the United States, but the denouncement was withdrawn when the airlines agreed to increase the limitation to $75,000. This amount currently remains as the liability that imposed on airlines under international law, subject to the "willful misconduct" exception.

The efforts to protect the growth of the fledgling airline industry have now come to fruition—the aim of the original Warsaw Convention has been accomplished. We can all take pride in the system of air travel that has emerged, but we must realize that the limits imposed by the Convention can no longer be justified today. I say this with the support of the world's most renown authorities in the field of international aviation law.

In 1980, the Air Law Committee of the International Law Association recommended unlimited liability for personal injuries or death to individual passengers. This Air Law Committee consists of 38 distinguished international scholars, many of whom have been instrumental in the development of the Warsaw Convention and its progeny of treaties. They include no less than Chairman Bin Cheng, professor at the University of London; J. G. Gasdik of Canada, former general counsel of the International Air Transport Association; Dr. P. K. Roy, of India and Canada, who formerly headed the Legal Committee of the International Civil Aviation Organization, and Dr. G. Fitzgerald, its former secretary. It also includes such prominent names as A. Garnault of France, D. Goedhuis of the Netherlands, W. Guildimann of Switzerland, R. Manziewicz and N. M. Matte of Canada, and Lord Wilberforce of the United Kingdom.

When a group such as this puts its support behind the proposition that airlines in international aviation should be subject to unlimited liability, one would be hard-pressed to justify a treaty to the contrary.

Yet, the Montreal Protocols would continue to provide the international airline industry the protection of limited liability. The protocols, in amending the Warsaw Convention, would raise the limitations a small amount, to $109,000. An airline would be strictly liable for provable economic damages up to this amount. This is a term used to define the loss of future income suffered by the victim or by the victim's family. However, the protocols would eliminate the potential of unlimited liability on the part of an airline by removing the "willful misconduct" section currently in effect under the Warsaw Convention.

It is interesting to note the net monetary effect of these treaties. We here in Congress are very familiar with cost-of-living adjustments. We protect our pensions regularly, all of us here, at the desk and on the floor, so let us talk about inflation. The current $75,000 limitation under the Convention has been in effect since 1966.

Adjusted for inflation, the real value of $75,000 in 1966 dollars is approximately $25,000 in 1983 dollars. The Montreal Protocols provide for $100,000 special drawing rights. Currently this is approximately $109,000, or only $34,000 more than the present $75,000 limit. When you consider the $75,000 figure set in 1966 has been de-

valued to $25,000 due to inflation, and you add on the $34,000 increase you find that the claimant would be strictly limited to damages worth approximately $59,000. Because of the impact of inflation since 1966 and the concurrent elimination of unrestricted liability by the protocols, the claimant's right to full compensation for his loss have been greatly diminished. Further, the net effect is to allow compensatory damages far below the figure President Johnson fought for, and the signatories agreed to, in 1966.

Mr. President, let us stop for a moment to consider what the effect of the elimination of this willful misconduct exception to limited liability means. Two cases immediately come to mind. Recently a Japanese aircraft crashed with loss of life because the pilot, who had been drinking and had a history of psychiatric problems, deliberately flew the plane into the ground. Were this flight subject to the Warsaw Convention the conduct would have clearly constituted willful misconduct and any limitation on recovery would have been set aside. Under the protocols, however, even such a gross example of negligence would be protected—that is the limitation would not be broken under any circumstances.

(Mr. RUDMAN assumed the chair.)

Mr. HOLLINGS. Another example, Mr. President, is the fiery crash last July 19 of a Pan American World Airways 727 in New Orleans that took the lives of all 146 passengers, some of whom, 18 Americans included, were flying on international tickets that showed previous stops in South America. Absurdly, had such an accident occurred under the new treaties, surviving families of the victims flying on domestic tickets could receive compensation commensurate with their loss—$1 million or more as the case may be—while families of victims holding international tickets would be limited to settlements of less than $109,000 from the airline, even though pilot error may have contributed to the crash.

These cases demonstrate the absurdity of probable outcomes should these treaties be ratified. For the reasons I express I believe strongly that the limit on liability is ample to reject these treaties. They are not in the best interest of the American international airline passenger.

SAFETY CONSIDERATIONS

The investigatory process which is inherent in the litigation of the issue of fault has proven on many occasions to be beneficial to airline safety, and the development of safety procedures now in use by the airlines.

Examples would include maintenance procedures by the airlines, improvement in pilot training, elimination of defective products, enhancement of air traffic control systems and procedures, and many others. Elimination of the issue of fault would likewise eliminate the incentive on the part of international carriers to improve these safety-related areas.

Any business would like a guarantee on its liability; that is, a guarantee on the limits of its liability. Why just single out the airline industry for this most preferential treatment? More particularly, why single out the international airline industry, a bunch of foreign governments, for this most preferential treatment.

No one wants plaintiffs putting their feet to the fire, so to speak; they are afraid of the examination into their alleged fault which is inherent in our tort system. This has a most salutory effect and maximizes business practices designed to insure the utmost safety in the operation of our airlines, airlines everywhere, not just our domestic airlines that operate at the highest level of safety.

Being scrutinized and having to open one's files can be embarrassing to say the least. An example which we all remember was the uncovering, Mr. President, of a devastating memorandum in the Paris DC-10 air crash. The distinguished Presiding Officer, as a great trail lawyer and attorney general, would take note of this one.

There, one of the aircraft manufacturers' engineers had drawn attention to the "inherent catastrophic failure mode" of the DC-10 and predicted that during the life history of the aircraft one would come apart killing everyone on board. This is precisely what happened when the Turkish airplane disintegrated over Paris. Needless to say the defendant manufacturers in the case were not thrilled about the memorandum, and what it represented, coming to light via the efforts of the passengers' attorneys. Will it make airline travel any safer to remove the potential for such an examination? I think not, and that is another reason to defeat this no-fault concept.

Mr. President, you can just forget about memorandums or anything else, safety precautions, and otherwise. They would just open up another club for the executives with the money saved on this one to enjoy themselves. Forget about safety, it is all a cost of doing business. Forget about the consumer.

Proudly, I am from the trial lawyer discipline. And if you want to see the forerunner of OSHA, the Occupational Safety and Health Administration it is us trial lawyers who, over the past years and years and years, have brought care and concern and safety to the workplace. trial lawyers attempt to do the same for the flying public as well.

If anything, this particular removal here, not just the money amount involved in this protocol, is a matter of a fundamental safety practice in our society which has been developed and supported by the public at every particular turn. Now here in a little thing called a treaty, a protocol that the public would not understand, we are going to try and remove an important mechanism for insuring safe air travel.

To remove from potential discovery the carelessness—or even recklessness—of airlines, both foreign and domestic, is to thwart one of the two primary goals of the American tort system: Prevention. To limit the possible recovery of an American family consisting of, for example, a widow and three or four children who lost their husband and father who was earning $25,000 to $50,000 a year, is to destroy the other goal of our tort system, namely, compensation. The Montreal Protocols are unique in that they would nullify both goals simultaneously.

SUPPLEMENTAL INSURANCE PLAN

As mentioned earlier, the protocols would require the creation of a mandatory passenger insurance program. Proponents of the protocols insist that this supplemental compensation plan (SCP), coupled with the airlines' liability limit of $109,000 would have adequately compensated 85 percent of the claimants involved in airline disasters over the past 6 years. This assertion is obviously suspect because of the lack of independent scrutiny and the obviously dubious documentation of the statistics.

Yet the use of questionable statistics to erroneously assure our international airline travelers of adequate compensation in the event of an accident is only part of the problem I have with the supplemental compensation plan.

Presently, airlines carry unlimited liability insurance for every passenger transported. The airlines themselves purchase this insurance and pass this expense on to the passenger as part of the cost of the ticket. Specifically, to cover the round trip domestic flight, airlines now pay approximately 29 cents per passenger for unlimited liability insurance. The passengers have no limitations on the monetary amounts they can recover. The cost is 53 cents for an international round trip flight. Thus, the protocols not only shift the liability burden to the airline passenger but they do so at a quadrupling of the price and perhaps even more. It is an alarmingly increased cost in price at an alarmingly decreased rate of return.

This provision is outrageous and is a monumental ripoff. Why should an airline passenger be forced to pay up to eight times the amount airlines currently pay for unlimited liability insurance, and get so little insurance coverage in return? Even more appalling is the fact that prudential insurance, operator of the SCP, and the air-

line carriers have acknowledged that the passenger surcharge may possibly have to exceed $4. There was never a showing by the airlines or insurance companies at any Foreign Relations Committee hearing that the present system of insurance coverage was inadequate to meet the needs of the airlines at a reasonable rate. On the contrary, insurance experts assure me that the insurance market is as strong as ever and very capable of meeting the requirements of the airline industry.

What motivates the protocols' architects to design this obnoxious plan? By eliminating the insurance cost to international airlines and requiring the passenger to pay a higher fee for a diminished product, our U.S. airline travelers are being forced to subsidize the international airlines. Where is the equity in this? Where is the justification? On what information or what evidence is this based? I thought the object of these treaties was to protect the interests of the U.S. airline passenger, not those of foreign airlines, the majority of which are nationalized to boot.

To add insult to injury, in order to realize the insured $200,000, the passenger would be bound to legally establish provable damage up to that limit.

What happens to the concept of certainty? What happens to the speed of recovery, on which proponents have justified the treaty?

Prudential is going to pay damages over the $109,000 limitation, but only on those damages which have been approved by Prudential or finally adjudicated by a court of competent jurisdiction. (See section 3.4 of the supplemental compensation plan.) Such a plan will not eliminate the redtape involved in a settlement. It will create more of it for the claimant.

Proponents of the treaties call this plan the second tier in a three-tiered passenger compensation system. But in truth, it slows the speed and certainty of recovery it is designed to accomplish and it destroys the claimant's right to be fully compensated. This plan does nothing more than create another hurdle to jump before compensation is received. A claimant would have to prove his damages first to the airlines, then to Prudential, and finally to his private insurance carriers, if there are any. The supplemental compensation plan is not as advertised.

Furthermore, the legal validity of the plan is highly questionable. In 1977, in accordance with the Senate provisos to the protocols, the Civil Aeronautics Board (CAB) approved the supplemental compensation plan. This approval was immediately challenged in the U.S. Court of Appeals for the District of Columbia and a motion to reconsider its approval was made to the Board. The basis of the challenge was twofold. First, it was alleged that the CAB lacked the statutory authority to require airline passengers to purchase airline accident insurance. Second, and not surprisingly, it was alleged that the CAB used erroneous statistics on which to base its decision and had not held proper on-the-record evidentiary hearings as required by the Federal Aviation Act.

What were the problems with the study on which the CAB made its decision in 1977? First, it relied on accident recoveries during the 1960 to 1974 time frame, and these statistics would be hopelessly out of date in light of the inflation and higher recoveries which have occurred over the past 10 years. Second, independent researchers from Cumberland University found that the CAB's methodology was flawed because it excluded many of the higher recovery figures during the time period studied. This evidence that the $200,000 insurance limit was outdated and too low was presented to the Foreign Relations Committee in 1977 and again in 1981. And it has never been rebutted.

The CAB has never answered the motion to reconsider the approval or the challenge in court. Rather, each month the CAB has advised the U.S. Court of Appeals that the Board's staff was considering other possible ways of providing additional compensation to international airline accident victims.

Thus, it is obvious that the supplemental compensation plan being proposed by proponents of the protocols is not the security blanket it is made out to be. It is outdated, inequitable, and possibly illegal. Why should the Senate be forced to accept it? Clearly, it should not.

Yet, even with the inherent problems concerning the adequacy and legality of the supplemental compensation plan, as outlined above, there exists a possibly more alarming side to the saga. If we adopt the protocols, we are going to establish a most dubious institutional precedent. Instead of having been presented with the facts and rationale behind the development of an adequate plan, we are going to be giving the President and the CAB carte blanche authority to decide on a plan themselves.

I always thought the reason the Senate was required to ratify a treaty was to insure the protection of the interests of our citizens from possible faulty judgments made by the Executive. If we want to protect the Senate's role as an adequate check against the executive branch, we simply cannot just rubberstamp these treaties. The President and the CAB obviously think the supplemental compensation plan is adequate. Just the opposite is true. Serious questions have been raised about its adequacy. On institutional grounds, I think we owe it to ourselves as Senators and representatives of U.S. citizens who are international air travelers to demand an updated plan. The CAB has the authority and capacity to provide us with a variable, up-to-date, truly compensatory plan. We cannot forgo our duty, our responsibility, to require such a verifiable and reasonable plan be offered to us by the CAB for consideration before we are asked to ratify these treaties. Withholding ratification is our only way to insure that such a plan will be put in place to benefit U.S. citizens.

Let me say, at this particular point, I can hear the arguments coming: How long they have worked, how many years have been spent, how many meetings they have had? There always seems to be some kind of persuasion with this august body that if you work hard and you work long, your work product should be accepted. Regardless, if you have not come up with the right answer, or if you still have not adequately considered the problem, the attitude is since you have not completed your task, since you have been working so long on the original testimony and evidence, you deserve to be supported by your colleagues, that somehow or another it is a sort of ho hum shrug of the shoulders, "Let us get this off our backs; let us do our duty." We all too often pass legislation for all the wrong reasons.

"I will join with them on that; let us do our duty." But let us not argue about the time and the effort and how this committee, that committee, and everybody else has considered it because the fact is, they have not. They tried to give the bum's rush to the protocols in the lameduck session and they are trying here in this early part to move it forward without adequate consideration, when everyone is looking at other things they consider more important. Our duty is to the traveling public. We should not shirk that responsibility.

INADEQUACY OF RECOVERY UNDER THE PROTOCOLS

It is most obvious that the American international airline passenger would be disadvantaged by these anachronistic treaties. The average American family would receive grossly inadequate damages if its breadwinner were killed on a flight governed by these treaties. A wage earner's lifetime earnings would far exceed the limitation of recoveries contained in the Montreal Protocols.

Why do we do that? There is no reason. It is just to get together with foreign governments updating the treaties to save money and look out for themselves. They are not looking out for the passengers. They are talking about saving time. Let us look at these treaties and see how much it

takes. They are trying to make the argument in the case of no fault. Bam, bam, you crash, and the company comes around in a week's time and gives you your money. That is absolutely false. You are just starting on a longer road for proof.

What will bring that company around, as you and I know as practicing attorneys, is willful misconduct.

The family does not know that. The insurance companies and the airline lawyers all know it. They hire what they call adjusters. Those adjusters will run around. They have a dark suit on and a black tie and look so mournful. They want to say, "Under the protocols, we want to give you this and the other." Bam, bam, if they can get them signed and do not have to go into willful misconduct, do not have to have their operating practices investigated, then they can really come off with a savings of money and continue on with the unsafe practices. That is what brings them around to the quick settlements. They will not come at all now under the protocols.

A wage earner's lifetime earnings would far exceed, Mr. President, as I stated, the recoveries contained in these Montreal protocols. As flawed as the present system is, by threatening to take their case to a jury on willful misconduct grounds in recent years, surviving families with a strong case often have received more than $600,000 in settlements from the airlines. Domestic flight settlements—listen to this, Mr. President—not covered by the international conventions limits have consistently averaged over $400,000 and individual settlements often exceed $1 million.

If I could not get $1 million for the Presiding Officer, I would be the sorriest lawyer in town, I can say that right now, if he went down in a plane, or my distinguished colleague from Kansas (Mrs. KASSEBAUM)—millions, and they would be worth it. And it still would not compensate their families.

Let us not just put down a figure here of $109,000 and put something in a machine and overcharge the people by eight times for the insurance that is being carried now by every domestic flight for unlimited liability and willful misconduct. It is covered now. There is no crisis. There is no bill in this National Congress to say that the trial lawyers are grabbing and getting a lot of money and the airlines are going broke and the insurance companies cannot pay it.

The trial lawyers have done a magnificent job of bringing safety to industry through their practices here in America. I have been in these cases. I have seen them. I can tell you as a trial lawyer that people have come to me long after the adjuster has totally ignored them and tried to settle a case where the family knew something was wrong and they deserved way more. That has been, Mr. President, the success of the trial practice and the individual protection, if you please, for the disadvantaged or the economically disadvantaged—let us say poor.

In America, we have difficulty under this administration of keeping Legal Services alive and well. We have legal services for the rich. Go outside and you can see legal services for the rich. In fact, if we did away with legal services for the rich, this would be a ghost town.

I remember that the AT&T just last year filed their legal costs. $388 million for an antitrust suit. That is all taken off of revenues.

Where is BOB DOLE, who is always watching the store? He is not here talking about that loss of revenue of $388 million? That for one company is legal services for the rich. That is a writeoff from their expenses, their tax base. But what about legal services for the poor?

Mr. President, the airline representatives testified before the Senate Committee on foreign Relations that 85 percent of the claims in six major airline accidents were settled within the Protocol's liability limits. Those figures were introduced into the CONGRESSIONAL RECORD on March 1 by the distinguished chairman. That makes a compelling case until one looks at the circumstances surrounding the data.

First, note that the airlines include the supplemental compensation plan amount of $200,000 within their $325,000 limited liability figure. This amount is misleading, for the supplemental insurance is paid for by the passenger, not the airline. They immediately come in and take credit for it, after they have charged the passenger for it. Then they have the company come up and tell you, "It may not be enough, we are going to have to charge more." But they do not delay at all in taking credit for that $200,000. The $2 tariff is paid acting under the guidelines established by the CAB. The airlines' liability ceiling is still, according to their figures, $125,000.

Second, note that the airlines contend that the liability limitation has been increased to $125,000. Under the protocols, the limitation was established as 100,000 units of Special Drawing Rights. These SDR's are the monetary unit used by the International Monetary Fund for its currency conversion. Three years ago, 100,000 SDR's would have approximated 120,000 U.S. dollars. But as of March 2, 1983, the conversion value of 100,000 SDR's equaled approximately 109,000 U.S. dollars.

I repeat: the liability limitation of airlines under the Montreal Protocols is worth about $109,000, not $125,000 and not $117,000. So our State Department has negotiated an increase in the liability from 75 up to the 109. They have done wonderful work over these many years and they have had all the experts look at this and it has been greatly worked over in a most expert fashion. And they have given birth to a mouse. They have gone up $34,000.

The airlines have generously agreed to go along. That is not much consolation to a family whose breadwinner might be killed on an international flight. The IMF can modify SDR conversion rates as it pleases, so there is no assurance that the American dollar value of SDR's is not going to decrease even further. In the past 3 years, the dollar value relative to the SDR's has dropped over 12 percent. What is to prevent it from dropping 12 percent more? That would leave the liability limitation worth even less than the $75,000 provided for under the present Warsaw Convention. We must not shift the risk of downward valuations to our potential American claimants.

Third, Mr. President, note the source of the figures. Let me quote them:

> The statistics in each case were provided by the airlines and insurance companies, on a confidential basis, through the Air Transportation Association (ATA). While this information cannot be made public, officials from the Department of State and the Department of Transportation have carefully scrutinized the individual figures and information upon which the tables were based. Those officials, having thoroughly reviewed this data, believe that this analysis is accurate.

(Mr. WILSON assumed the chair.)

Mr. HOLLINGS. Mr. President, I do not criticize the officials of the State and Transportation Departments or doubt the integrity of their judgment, but the fact remains I am highly skeptical of the current representative nature of the data. Who can be sure of the accuracy of ATA's figures unless all public information is brought forth and analyzed? How can the Senate be assured that the airlines and the insurance industry have not modified their calculations to promote their own interests? If these statistics are readily accessible, why would not the airlines and insurance companies disseminate the information? What do they have to hide? In light of the fact that the ATA has lobbied hard for the ratification of these treaties, disclosure is the least that can be done to insure impartiality.

Three prominent experts on airline insurance and airline crash settlements suspect that there is something to hide, Mr. President. Before I explain these experts' opinions on the ATA's statistics, let me provide a little background.

First, John V. Brennan, a lawyer, is president of the U.S. Aviation Underwriters, which manages the United States Aircraft Insurance Group, the USAIG, the country's leading insurer of airlines. USAIG is primary liability

insurer of virtually every major trunkline—American, United, TWA, Eastern, Pan-Am—in the United States.

The second gentleman, George Tompkins, is one of the most active airline defense lawyers in the United States. He is senior litigating partner of Condon & Forsyth, in New York City, and has represented the airlines in most of the major foreign airline accident cases brought in the United States over the last two decades, including Turkish Airlines Paris DC-10 and KLM's Tenerife. Currently he represents the airline in the recent Air Florida Washington, D.C. accident. He is chairman-elect of the Aviation Committee of the Tort and Insurance Practice Section of the American Bar Association.

Lee S. Kreindler is a prominent plaintiffs' aviation lawyer. He has been plaintiffs' lead counsel or co-lead counsel in many famous aviation cases over the last 30 years, including Paris DC-10, Chicago DC-10, Air France—Orly, and Sabena—Brussels. He is author of the two-volume book Aviation Accident Law. He is currently chairman of the Aviation Law Committee of the litigation section of the American Bar Association, and is a former president of the International Academy of Trial Lawyers.

These three leading airline crash settlement authorities share my skepticism of the accuracy of the ATA's information. For instance, ATA's statistics included the Pan American accident at Tenerife in March of 1977, which involved some 600 passengers when two 747's collided on the runway. Messrs. Brennan, Tompkins, and Kreindler agree that the settlement average in this case was comparatively low due to the elderly age of the majority of the passengers. Since most of these passengers had few if any dependents and limited economic earnings potential, the average settlement tended to be unusually low. The above-average number of claims coupled with the below-average settlement awards would downwardly distort settlement statistics involving the other five accidents.

Besides, these statistics are based on incidents which occurred anywhere from 3 to 6 years ago. Averages including any but the most recent accidents are considerably outdated as inflation and sympathetic juries push settlement awards even higher.

Mr. Brennan has informed me within the last week that the 1979 DC-10 crash in Chicago would be one of the more representative cases for currently determining settlement statistics. Mr. Brennan's company is presently representing American Airlines in this matter. Since the Foreign Relations Committee has dramatically illustrated this case with points of reference to isolated facts concerning it, I think it is only appropriate to point out that the average settlement to date in this particular crash approximates $436,000. At this time, 198 of the 259 claims have been settled by adjudicatory judgment or settlement between the parties. According to Mr. Brennan, the average continues to climb as the final outstanding claims are settled.

Mr. Brennan acknowledged the accuracy of the chairman's reference to the percentage of cases settled within the first 6 months, year, and 3-year period after the accident. However, many claimants are purposefully cautious in pressing their claims to settlement. As a tactical matter, a claimant often feels that the longer he holds out on his claim, the better chance he has to realize a fair settlement recovery. In many instances, it takes an extended period of time to calculate the exact amount of the losses incurred. Earnings potential. Present value worth determinations. Pain and suffering. Emotions. It is often times hard to quickly put a dollar figure on a lost or injured loved one when one considers the intricate factors involved in such a determination. It is even harder for two adverse parties to agree to a specific dollar determination.

It stands to reason that the airlines desire a speedy settlement procedure not for the passenger's sake, but for the sake of the airlines. If the protocols are ratified, than a defendant international airline is merely subject to a $109,000 claim for each passenger. That is the most an airline would have to pay, and the burden would be on the claimant to prove that amount. No wonder the airlines are lobbying so hard for this treaty. Their liability potential is diminished from unlimited to less than $92,000 per passenger. That is a great ripoff for them.

I deeply share the concern that the chairman has regarding excessive attorney's fees I deplore any attorney who would abuse his client by charging unreasonable and excessive fees. However, the isolated instances of outrageous and unethical charges for attorney fees is no ground for imposing restricted or limited liability. The courts and bar associations can restore a client who has been excessively charged for legal fees, but they generally cannot increase monetary recovery potential when it has been limited by law. Furthermore, my three experts inform me that the average attorney fee in airline disaster cases normally runs around 17 percent and drops with multiple cases, and that fees in excess of 20 percent are highly atypical. Further, under the contingency fee arrangement, poor claimants as well as wealthy claimants have no difficulty arranging representation.

That is fundamental in the legal practice and in our society over the many, many years. I will be glad to debate, Mr. President, at any particular time about the contingency fee. It sounds good at the clubhouse or cute on the Senate floor about getting a percentage, but when the client comes in you more or less many, many times—I would say in the majority of instances by far—take that risk with him, and many times there is no recovery, even though there has been a trial. The client cannot pay for the investigatory fees and charges. He cannot pay for the inquiries and discoveries that take place, not just the lawyer's time. He cannot pay for the printing of the briefs and the transcript of the record to go up on appeal to the court.

I can go right into the tremendous investment that goes into the trial lawyer's case on a contingency basis, contingent, of course, upon recovery. And that must be understood and appreciated.

If there is a better way and if you folks want to stop yaking and trying to abolish the legal services or corporation and try to expand upon legal services for the poor, then let us all get on board, but do not come in here going both ways now. You beat us the last 2 years in this U.S. Senate trying to abolish it for the poor, so let us not talk about crying hearts now, about what you think about the poor people and contingency lawyers. I can tell you right now they are benefited and our society has benefited from them, and I hope we can continue to expand on legal services. And until that occurs, there is a fine expert group that has worked.

We trial or plaintiffs' lawyers have finally learned the habit of charging by the hour. I never heard of that in my first 10 years of law practice, but we have finally been able to put that over in society. For anybody able to pay, you immediately start letting the clock tick. In fact, we have computers and we have accountants and everything else, and the longer we study and the longer we peruse and the longer we palaver, the more we pay plaintiffs' and defendants' lawyers. And a lot of the plaintiffs' lawyers now, the ones who do not want to go through the hard work of investigation, the ones who are not intrigued like the Lee Kreindlers, the real artisans in the International College of Trial Lawyers who really are intrigued that justice be done, that really get at the heart and the cause of these particular accidents, not so much just to get a big verdict but, more than anything else, to bring these people to the bar of justice and insure the safety of the traveling public in America. They are the ones who really should be hailed, in my opinion, for the thorough work done with respect to the Montreal Protocols in bringing the truth to the floor of the U.S. Senate.

JUDICIAL COMPLICATIONS FOR THE PROTOCOLS

Let us assume, for a moment, that the protocols are ratified by the Senate. Proponents have stated that speed and certainty of settlement recovery is assured an injured claimant. This is something to look into thoroughly. Most Senators have not realized that. They think they are coming down with a treaty that is going to expediate things. On the contrary, it is going to delay settlements, not expedite them.

I have already shown the error of that assertation by outlining the three hurdles a claimant must overcome in collecting damages from the airline, Prudential, and his personal accident insurance carrier. But the pursuit of the full settlement does not end there.

If a claimant's damages exceed the $309,000 liability limit on airlines and the supplemental compensation plan, is that the end of the claimant's compensatory rope? Think about it. If you were one of the 1979 Chicago DC-10 claimants, whose damages averaged $436,000, you would want to satisfy the $127,000 in damages you suffered but could not collect under the protocols. Where would you go to perfect your claim?

Mr. President, a claimant would have two options. First, he could sue the manufacturers of the component parts of the airplane. Second, he could sue the U.S. Government. In legal terms of art, it is called going after the deep pocket.

Suits against the manufacturers of airline component parts are common in airline disaster cases.

Incidentally, this is like Ralph Nader's leadership in bringing about safety in automobiles.

In 1983, as a result of trial lawyers—and Mr. Nader was one—from time to time, General Motors, Ford, or others called in cars. Do you think any private, free-enterprise corporate entity would call back the product and go to the expense of correcting it if you did not have trial lawyers? Do you think they would be doing that if you did not have the willful misconduct measure in our society today? Why eliminate it?

Let us go to the two options, Mr. President. First, he could sue the manufacturers of the component parts of the airplane. Second, he could sue the U.S. Government. Suits against the manufacturers of component parts are common in airline disaster cases.

The claimant procedurally joins the manufacturers with the airline as defendants and the burden is usually shifted to the individual defendants to prove themselves innocent of culpability. Since manufacturers and airlines often have mutual insurance carriers, the end result is typically a proration of the liability according to culpability of the manufacturer's percentage of its composition of the aircraft. The judicial maze confronting the claimant is readily apparent. But with the new liability limits imposed, the judicial wrangling among the component manufacturers will make claim settlements all the more difficult.

Suits against the U.S. Government would generally arise under two theories. The most typical would be a suit for negligence. Since the job is so closely tied to the safe transport of an airline, suits for negligence against air traffic controllers can be expected. Negligent airline inspections by the Federal Aviation Authority might justify a lawsuit as well.

The second theory for suit against the U.S. Government would not be based on negligence per se. Instead, recent case law decisions have developed a backdoor suit against the Government on constitutional "unjust taking" grounds.

A recent U.S. Court of Appeals decision indicates that the U.S. Government would very likely be subject to a plaintiff's claim for damages in excess of those limited by the protocols. In August 1982, the court in "In Re Aircrash in Bali, Indonesia, on April 22, 1974" held that the plaintiffs had a right to compensation, from the U.S. Government, if their claims had been unreasonably impaired by the $75,000 cap that the Warsaw Convention put on th airline's liability. The court further held that whether the recovery limitation imposed by the treaty constituted an unconstitutional taking without just compensation was a question within the jurisdiction of the Court of Claims.

The court avoided the question of whether the Warsaw Convention itself was unconstitutional by noting that unjust taking could be remedied by full compensation to the plaintiffs under the Tucker Act, section 1491 of title 28, United States Code. Thus, the conclusion to be drawn is that if one currently has a claim for damages against an airline in excess of the Warsaw Convention limit, he can take that claim to the U.S. Court of Claims. If the Court of Claims finds that the limitation was an unjust taking, the U.S. Government has to foot the bill. The same situation would exist if the protocols were ratified.

I would deem the chances of success for such a plaintiff quite good. The court in Bali quoted Justice Powell's concurrence from a prior case. He noted that—

[T]he Government must pay just compensation when it furthers the nation's foreign policy goals by using as "bargaining chips" claims lawfully held by relatively few persons and subject to the jurisdiction of our courts.

Should the protocols be ratified, the international airlines would receive two subsidies: one from the passenger with his mandatory supplemental insurance; the other from the U.S. Government which would pick up the inevitable excess liability. Can it truly be said that our protocols negotiators were looking out for our best interests?

Let me now suggest to you one of the more subtle reasons the airline industry is so compelled to have the protocols ratified. It is something the proponents never mention in their discussions of the protocols. Like the Bali case mentioned before, it is a matter of recent case law development.

On February 15, 1983, a U.S. district court decision was handed down which radically affects the liability limitation currently imposed by the Warsaw Convention. In the case of "In Re Aircrash at Kimpo International Airport, Korea, on November 18, 1980," the court held that the current airline liability limitation set by the Warsaw Convention was not enforceable. The court found that the Warsaw Convention established the liability limit in terms of a gold standard which is so uncertain and ambiguous as to prevent enforcement of the limitation. Parties to the Convention had used four different methods of converting the limitation's gold standard into their currency, which resulted in obvious disparities. Since there was considerable international disagreement on the basic conversion unit creating the liability limit, there could be no agreement as to the limit, and thus it was unenforceable.

The Kimpo court was the first to hold that a personal injury claim was not subject to the Convention's liability limits. But it had been foreshadowed by a similar court holding involving the cargo liability limitations imposed by the Convention. The Franklin Mint case, (525 F. Supp. 1288), was decided on September 28, 1982.

These recent cases effectively eliminate the Warsaw Convention. With the Convention unenforceable, where does that leave the international airlines? Subject to unlimited liability. No willful misconduct exception is now needed for a claimant to recover the full extent of his losses incurred in an international airline accident.

Perhaps the rush to ratify the treaties during the lameduck session was with an eye toward the Kimpo decision being handed down as stated above. But you never heard mention of this scenario by the proponents of the protocols.

U.S. PRESTIGE IMPAIRED?

Instead of focusing on the needs of the U.S. citizen, emphasis has been placed on the need to protect national prestige.

What national prestige? I do not think there is anything prestigious about this nonsense. I am embarrassed by it. I am absolutely embarrassed by it, knowing the cases as I do.

Proponents acclaim the treaties for their importance in maintaining our national prestige as the international leader in aviation.

We will become the international leader in a ripoff of the American traveling public; that is, the majority of passengers involved here. And I can tell you this: We are sending more foreign aid to the national governments that run these airlines.

They are all national entities. They have all national procurement plans. Look at them. And here we are now subsidizing those governments.

No wonder when the state crowd looks at getting together with governments, like international trade, we have been sold out again.

Time and again, Mr. President, we see desks over at that State Department. What we need is not the Asian desk, European desk, African desk, and the Latin desk. What we need is an American desk at the State Department to look after the interests of the American citizenry and hear the American traveling public.

To fail to ratify the protocols they say will be a national embarrassment since the American delegates have pushed the countries into accepting the treaties.

This is inherently shallow reasoning. The United States does not need to twist the arms of foreign countries to get them to join these treaties. On the contrary, the foreign countries to save all of this money to protect themselves from this kind of liability to promote the unsafe carrying as they do in some of those airlines would be perfectly delighted to jump into these treaties immediately.

Look at the incredible benefit their airline industry would enjoy, a reduction of the liability risks at no added expense.

We do not need to push them. Five other nations have already jumped at the opportunity: Brazil, Portugal, Sweden, Colombia, and The Netherlands. They do not need our lead to take action on the protocols.

It is understandable that other countries are waiting for the United States to ratify before taking similar action. Their negotiators knew the Senate would have serious doubts about the wisdom and propriety of these threaties. The delegates to the International Civil Aviation Organization that formulated the Montreal protocols were well aware of the fact there was considerable Senate opposition against any treaty that continued to limit the liability of airlines. Foreign nations are purposely hesitating to act on the protocols. In doing so, they give U.S. proponents the ammunition for the "national prestige" argument being presented to us today. We must not let ourselves be fooled by this rhetorical appeal to a sense of national pride.

Look at the facts and see where the pride belongs. It belongs in the corner of those who are trying to oppose these treaties.

There is no embarrassment in rejecting these treaties. On the contrary, every Senator should be proud to do so. We were elected to protect America's national interest, not to pawn it away. What we are saying is that the final agreement we have been presented is flawed beyond repair and our negotiators must realize this and work with our international friends for a fair resolve.

UNIFORMITY

Protocols supporters would ratify the treaties, they say, for the sake of uniformity. Well that is just great. Each year Americans constitute over 50 percent of the international air traveling public. Americans annually generate over one-half the revenues that the international airlines receive. Yet, what will Americans have to show for it under the protocols?

Get uniformity. There is no compensation to call up the poor widow and say, "Your husband has just crashed and I want to call on you and tell you about what I have got you from the U.S. Senate. Uniformity—that is what I am going to give you." A uniform means of limiting the monetary liability of negligent airlines. Americans, with one of the highest standards of living in the world, would be uniformly forced to settle just claims for less compensation than justified, less compensation than they would dare settle for here in the domestic market.

Where is the compulsion in the international market? The compulsion, the momentum, the thrust, the persuasion should be in the other direction, to have these international airlines come forward, if you please, with even more safe practices like our domestic airlines have to comply with. Our citizens do not deserve such treatment.

EXPANDED COURT JURISDICTION QUESTIONABLE

Proponents of the protocols have vigorously argued the necessity of ratification of the basis of expanded jurisdiction that a claimant gets under the treaties. This sounds attractive, but the argument lacks any real substantive merit.

Under the Warsaw Convention, a claimant presently can sue a defendant airline in four alternative places. These four options include: First, the domicile of the carrier; second, the carrier's principle place of business; third, the carrier's place of business through which the contract was made; and fourth, the place of destination, not of the flight, but of the entire transportation shown on the ticket. That is cited in the Warsaw Convention, article 28.

The Montreal Protocols would add a fifth place where a passenger could sue—the place of his domicile provided the airline has an establishment there. The illusory nature of this provision is obvious. In the overwhelming majority of cases, a passenger buys his ticket in the place of his domicile which, under the above options provided in the Warsaw Convention, he already has the right to sue. In nearly every case, it should be obvious that this added forum under the Montreal protocols will have a minimal positive impact on a claimant's case.

SUMMARY

As we meet here today to consider the relative merit of these treaties I cannot help but recall the "Dear Colleague" letter some of our colleagues circulated in 1978. The questions they presented, and the concerns they raise, are just as relevant to us as we come to a decision on the protocols.

First, is the proposed ticket surcharge excessive in view of the proposed coverage benefits to the international air traveler?

Second, is it in the best interest of consumers of air transportation services to be denied the right to bring suit against an air carrier of foreign air carrier for damages resulting from injury or death in an airline accident involving international air transportation, even in cases of gross negligence and willful misconduct?

Third, does the supplemental compensation plan and the limits on recovery provided in the protocols, $309,000 for death benefits, represent a fair and reasonable recovery limitation for American air travelers?

Fourth, should the committee approve the protocols when the supplemental compensation plan (SCP), which is inextricably tied to the protocols, is being challenged in the Federal Courts and before the Civil Aeronautics Board?

Fifth, does current law or the proposed protocols provide adequate requirements that passengers receive notice of the limitations of liability applicable pursuant to the Warsaw Convention before departure?

These questions are as salient now as they were in 1978. It is my strong opinion that none of these questions can be answered in the affirmative. For that reason, and the remarks I have presented on limit liability and the willful misconduct exception, the supplemental compensation plan, safety, and rebuttal to arguments presented by proponents of the treaties, I hope my colleagues will join me in rejecting these flawed and inequitable and, may I add, precedent-setting treaties.

We have tried over the years with the law to go the route of safety in this land of ours. Now, if we are going to try to quick fix international air travel by actually lowering the compensation and removing that element so fundamental to safety in America,

namely willful misconduct, which is the attraction and in the trial of the case quite frankly to go in and get the records, have discovery, interrogatories, hire the experts, and make certain exactly how that particular accident occurred. If that is going to be removed, it is not only the little widow here or the child there, but rather everyone within the sound of my voice will be facing even greater safety hazards in the zeal to pass a very, very bad treaty supported by this administration. We have gone and turned the corner now on the environment. We have turned it on the national park system. We have turned it on the hungry poor. We have turned it on education.

Having gone down through the whole litany, there is one other thing this crowd has left out, and that is safety; they say, let us turn our backs on safety now and just actuarialize it, get an actuary to put a little figure there and then forget about safety. It is similar to the Volunteer Army, forget about defense, it is paid for.

I think it is a tragic thing, Mr. President, with respect to these particular treaties, not for the real damage done the traveling public or anything else, but the damage done to safety in our land and internationally in flight. It does pertain to our land. Take off from Dulles, the Concorde comes back through New York and then down in Washington, get on the Concorde, and you are going up to New York, you pick up your business partner for that international flight, and you are credited when you take off from Dulles as being on an international flight and you are hooked. Let us not get hooked by these treaties.

Mr. President, I ask unanimous consent that several articles be included in the RECORD at the end of my remarks.

I thank my distinguished colleagues for their indulgence and I yield the floor.

There being no objection, the articles were ordered to be printed in the RECORD as follows:

[From the New York Times, Sept. 30, 1982]

CHEATING AIR TRAVELERS

(By Ernest F. Hollings)

WASHINGTON.—Before Congress adjourns, two little-understood treaties that could severely restrict the rights of all international airline passengers and their families will be coming up for Senate ratification.

The treaties, which are called the Montreal Protocols, are manifestly unfair, violate the basic tenets of American jurisprudence and impose a costly system of liability insurance that is no more than a ripoff of the flying public.

The protocols are extensions of the now outmoded Warsaw Convention of 1929. Two years after Charles A. Lindbergh proved the practicality of intercontinental air travel, several governments, including ours, got together to guarantee a degree of passenger-insurance protection, but also to limit international airlines' liabilities in order to insure the growth of the infant industry.

The convention, ratified shortly afterward by the Senate, limited accident damages that airlines were required to pay to $8,300 per passenger. No limit, however, was placed on liability if a passenger or surviving family could prove that an airline was guilty of willful misconduct.

That was 1929. But as airlines became bigger and stronger and more and more Americans risked international air travel, it became obvious that these limits were grossly inadequate.

In 1966, President Lyndon B. Johnson threatened to withdraw from the convention and relented only when international airlines agreed to increase their liability to $75,000 per passenger. Liability remained unlimited in the event of proved willful misconduct.

Now along come the Montreal Protocols, ostensibly meant to update and reform the outmoded Warsaw Convention. But while the new treaties raise the liability limit per passenger a small amount, to $117,000, they completely eliminate the willful-misconduct clause.

Thus, under the protocols, no matter how grossly negligent an airline is, no matter how blatant its culpability, only $117,000 could be recovered from the airline for any passenger killed or injured on an international flight.

For the average American family, this is a grossly inadequate figure for damages if a breadwinner were killed on a flight governed by the treaties. As flawed as the old system was, by threatening to take their case to a jury on willful-misconduct grounds, in recent years surviving families with a strong case often have received more than $600,000 in settlements from airlines. Domestic-flight settlements—not covered by the international convention's limits—have consistently averaged well over $400,000, with individual settlements often exceeding $1 million.

The fiery crash last July 19 of a Pan American World Airways 727 in New Orleans took the lives of all 146 passengers, some of whom, 18 Americans included, were flying on international tickets that showed previous stops in South America. Absurdly, had such an accident occurred under the new treaties, surviving families of the victims flying on domestic tickets could receive compensation above $1 million, while families of victims holding in ternational tickets would be limited to settlements of only $117,000, even though pilot error may have contributed to the crash.

The architects of the Montreal Protocols, anticipating concern over such a low limitation, have tried to make it more palatable by proposing that a special fund be set up, with each passenger required to pay $2 a flight for an additional $200,000 of liability coverage. But a combined total of $317,000 is still too low a ceiling, and this fund has yet to be made final in a form that courts will approve. In addition, the actual cost to the airlines for liability insurance is not $2 but only 29 to 63 cents per round trip, and that's for unlimited coverage.

Clearly somebody is being taken here. American passengers constitute about 50 percent of the world's international air travelers, but obviously our negotiators in Montreal were unable to stand up for American consumer rights against the international airline lobby.

By removing the willful-misconduct exception, the protocols do violence to the fundamental American concept of justice that a wrongdoer must pay for all the damages caused by his deliberate and knowing actions.

Furthermore, not only would innocent relatives be denied recovery of their real damages, but the examination into fault that protects the public's safety would also be lost, reducing significantly the incentive international airlines might have to maintain state-of-the-art technology and flight-safety procedures.

Liability limits for airlines might also shift the focus of legal recourse elsewhere, encouraging claims against the Government for air-traffic-control negligence and against aircraft manufacturers.

The ill-advised Montreal Protocols do not serve the public interest. International airlines should shoulder their responsibilities and not try to pass the burden of risk to people who can least afford it, the American passenger.

[From the New York Times, Feb. 23, 1983]

KEEP AIRLINES ACCOUNTABLE

An obscure international agreement to set new limits on airline liability to crash victims seems finally headed for Senate debate. Negotiated seven years ago but still unratified, it would both improve and diminish protection for airlines. The pact's weakness outweighs its strength.

The basic agreement on international aviation was negotiated in Warsaw in 1929, just two years after Charles Lindbergh demonstrated the potential for spanning the oceans by air. Now observed by 117 countries, it sets uniform rules for ticketing, baggage checks and cargo waybills. Its most controversial section establishes ceilings for how much airlines must pay for loss of life, limb or property in a crash of an international flight.

The Warsaw Convention has been modified over the years and would be changed again by the pending 1976 agreement, known as the Montreal Protocols. Among other things, it would raise from $75,000 to about $120,000 the maximum liability of an airline for a passenger's injury or death. This increase was something of a concession to the United States, which for reasons of social policy or legal tradition has favored higher limits than most other signatories and fought for them. (Washington has also worked out an insurance supplement for crashes of international flights in American territory, but this would be financed by a $2-per-ticket surcharge, not by the airlines.)

Supporters argue that besides raising the liability limit the protocols would speed up the settlement of passenger claims, overcoming some obstacles of multiple jurisdictions. This could relieve much anguish.

But the protocols also contain an important catch. They would close off the present opportunities for going to court to try to prove an airline at fault and thus to break the basic liability limit.

A higher limit and greater efficiency in processing claims are desirable. But the most important consideration is air safety. The right to go to court helps to keep the airlines aware that there is no ceiling on the value of human life.

[U.S. Court of Appeals for the Ninth Circuit]

In re: Aircrash in Bali, Indonesia, on April 22, 1974.

JOHN P. CAUSEY, JR., ETC., ET AL., PLAINTIFFS-DESIGNATED APPELLANTS *v.* PAN AMERICAN WORLD AIRWAYS, INC., ETC., DEFENDANTS-DESIGNATED APPELLEES; SIMONE RYDER, ETC., EL AL., PLAINTIFFS-DESIGNATED APPELLANTS *v.* PAN AMERICAN WORLD AIRWAYS, INC., ETC., DEFENDANTS-DESIGNATED APPELLEES; MARGARET G. JOHNS, ETC., ET AL., PLAINTIFFS-DESIGNATED APPELLANTS *v.* PAN AMERICAN WORLD AIRWAYS, INC., ETC., DEFENDANTS-DESIGNATED APPELLEES

(Nos. 79-3341, 78-3761, 78-3762, 78-3763; M.D.L. No. 215; Nos. CV 75-1364-DWW, CV 76-1120-DWW, CV 75-3293-DWW)

OPINION

Appeal from the United States District Court for the Central District of California, Judge David W. Williams, Presiding.

Argued and Submitted—October 6, 1980.

Withdrawn and Resubmitted—January 29, 1982.

Before: Fletcher and Pregerson, Circuit Judges, and Solomon,* District Judge.

Fletcher, Circuit Judge:

These suits arise out of an aircrash in Bali, Indonesia, on April 22, 1974, in which plaintiffs' decedents and 104 other persons were killed. A jury found defendant Pan American World Airways, Inc. (Pan Am) negligent, and awarded damages in the amount of $300,000 to the Causey plaintiffs and $651,500 to the Ryder plaintiffs. The district court declined to reduce the verdicts to the limits imposed by the Warsaw Convention, October 12, 1929, 49 Stat. 3000 (1934), 137 L.N.T.S. (1929) (art. 17 & 22).

Defendant-designated appellee Pan Am appeals from the trial court's ruling that the Warsaw Convention is not applicable, and plaintiffs-designated appellants cross-appeal to attack evidentiary rulings made by the court in the course of trial.

I

BACKGROUND

A. The Warsaw Convention

The Warsaw Convention is a multilateral treaty. The Convention was drafted in 1929 and adhered to by most countries whose airlines have international routes. The United States adhered to the treaty in 1934. 49 Stat. 3000 (1934). The Convention standardizes, among the contracting countries, the documentation required for passengers and cargo on international [1] flights, *id.* at art. 3, 4, 5-16, and makes uniform various procedural rules relating to claims for loss and damage, *id.* at art. 26-31. It also limits the liability of air carriers in the event of accident or loss, *id.* at art. 22.

The Convention creates an express presumption that any accident is the result of carrier negligence unless the carrier can prove that all necessary measures were taken to avoid damages, or that it was impossible to take such measures. *Id.* at art. 17, 20. The Convention excepts from the limit on the carrier's liability, injury or death caused by the carrier's "willful misconduct." *Id.* at art. 25. The Convention permits the passenger and the carrier to contract for a higher limit on liability, *id.* at art. 22, but invalidates any contract that purports to lower or remove the carrier's liability, *id.* at art. 23. Other provisions require the application of forum law to certain questions of procedure, *id.* at art. 28(2), contributory negligence, *id.* at art. 21, and to the determination of who has the right to bring suit and what their respective rights are, *id.* at art. 24(2). Article 28 regulates venue, and article 29 sets the statute of limitations for actions brought under the Convention. Other technical provisions are not relevant here.

Because of dissatisfaction with certain provisions of the Warsaw Convention, particularly the low limit set for personal injury or death,[2] an international conference convened at The Hague in September, 1955, for the purpose of amending the Convention. The agreement eventually raised the limit on carrier liability for injury from $8,300 to roughly $16,600, and amended the language of Article 25 relating to "willful misconduct." Hague Protocol, September 28, 1955, 478 U.N.T.S. 371; *see* Lowenfeld and Mendelsohn, The United States and the Warsaw Convention, 80 Harv. L. Rev. 497, 504-09 (1967) [hereinafter cited as Lowenfeld and Mendelsohn]. The United States has not adhered to the Hague Protocol, at least in part because the limit on liability is still too low to satisfy critics of the Warsaw Convention. Lowenfeld and Mendelsohn, 80 Harv. L. Rev. at 509-16, 532-46; *see* Senate Comm. on Foreign Relations, Hague Protocol to Warsaw Convention, S. Exec. Rep. No. 3, 89th Cong., 1st Sess., and appendix (1965). Instead, in November, 1965, the United States denounced the Warsaw Convention, effective May, 1966 (the Convention requires six months' notice of withdrawal). 50 Dep't State Bull. 923 (1963). In an accompanying press release, the United States offered to withdraw its denunciation before it became effective if, prior to May, 1966, an international agreement could be reached that would substantially raise the limits on liability. *Id.* at art. 924.

In response, in 1966, international air carriers reached a private agreement, with the participation of the Department of State, the Civil Aeronautics Board, and the International Air Transport Association. Montreal Agreement, CAB Order No. E-23680, 31 Fed. Reg. 7302 (1966). The Montreal Agreement provides that the signatory airlines accept absolute liability for injury to passengers, up to a limit of $75,000 per passenger. The Agreement has the status of a special contract under article 22 of the Warsaw Convention. It applies to international transportation as defined in the Warsaw Convention, on airlines signatory to the agreement, provided that the intended journey includes a point of departure or agreed stopping place in the United States. Montreal Agreement § 1, 31 Fed. Reg. 7302.

B. Proceedings Below

The plaintiffs in the case at bar challenged the application, validity, and constitutionality of the Warsaw Convention, the Hague Protocol and the Montreal Agreement. They also attempted to avoid the liability limitations by showing "willful misconduct" on the part of Pan Am. The jury found no willful misconduct. The Causey plaintiffs, who would have been entitled to the benefit of the Montreal Agreement's provision of strict liability up to a maximum of $75,000, chose instead to attack the Agreement and go to trial on negligence theories.

After the jury returned its verdict, the trial court ruled that under California law a decedent cannot by contract compromise his survivor's right to wrongful death recovery. Hence the contractual limitations imposed by the Warsaw Convention and subsequent agreements could have no operation. *In re Air Crash in Bali, Indonesia*, 462 F. Supp. 1114, 1126 (C.D. Cal. 1978). The court thus never reached plaintiffs' challenge to the constitutionality of the Convention.

II

ANALYSIS

A. The District Court's Decision

The district court, in refusing to apply the limitations on liability imposed by the Warsaw Convention, relied on California law. It reasoned that the Warsaw limitation is based on a contract between the passenger and the carrier, because (1) the Convention requires delivery of the ticket and written notice to the passenger of the limitation on liability before the limitation can be invoked, 462 F. Supp. at 1119-20; *see Warren v. Flying Tiger Line*, 352 F.2d 494 (9th Cir. 1965); (2) the passenger and the carrier may, by contract, agree to a higher limit on liability, 462 F. Supp. at 1120; and (3) the applicability of the Convention depends on the place of departure and the destination stated in the contract of carriage between the parties, *id.* at 1119. California does not permit a decedent to compromise by contract his survivors' right to wrongful death recovery. *Id.* at 1117; *see Robinson v. Leigh*, 153 Cal. App. 2d 730, 315 P.2d 42 (1957); *Earley v. Pacific Electric Ry. Co.*, 176 Cal. 79, 167 P. 513 (1917). Any limitation based on contract with the decedent, therefore, can have no application against survivors under California law. The court then examined the federal public policy behind the Warsaw Convention. Finding that federal policy does not require broad application of the Convention's limitations, 462 F. Supp., at 1124-26 (citing 1 L. Kreindler, *Aviation Accident Law*, § 11.01(2), (5) (1975)), the court entered judgment on the jury's verdict for plaintiffs.[3]

B. Application of California Law

1. Choice of Law

The district court's decision presents two threshhold questions: (1) Was the proper choice of law made? (2) Does the Warsaw Convention preempt local law in respect to limitation of liability for wrongful death? The Warsaw Convention requires recourse to local law to determine certain issues. *See* page 3, *supra*. This is not disputed, but Pan Am challenges the court's choice of California law. The jurisdiction of the federal district court in California is not challenged. It is proper both for purposes of diversity jurisdiction and under the jurisdictional provisions of the Warsaw Convention. Pan Am contends, however, that either Virginia law or the law of New South Wales, Australia, should be applied. The Causey decedents were residents of Virginia, the Ryder decedent a resident of New South Wales. Either of these states' laws, apparently, would impose a low dollar limit on wrongful death recovery even in the absence of the Warsaw Convention.

Pan Am first argues that Virginia law should govern the Causey case because the Causeys first filed in Virginia and then transferred the action to California. *See Van Dusen V. Barrack*, 376 U.S. 612, 639 (1964). We find this argument unpersuasive since the Causey plaintiffs filed a second action in California, and it is on that action that the Causeys chose to go to trial. The transferred case was dismissed.

Since both the Causey and Ryder cases were filed in California, California's choice of law rules must be applied. *Klaxon v. Sten-*

* Hon. Gus J. Solomon, senior U.S. district judge for the District of Oregon, sitting by designation.

tor Electric Co., Inc., 313 U.S. 487, 496 (1941). Plaintiffs and Pan Am appear to agree on the substance of California's choice of law rule, but disagree on its application to the facts of this case. As both parties agree, California has adopted the "governmental interest" approach to questions of conflicts of laws. *Hurtado v. Superior Court*, 11 Cal. 3d 574, 522 P.2d 666, 114 Cal. Rptr. 106 (1974). Under *Hurtado*, California will decline to apply its own law to a case brought in California only if it is shown that another state has a greater interest in having its law applied. Id. at 581, 522 P.2d at 670, 114 Cal. Rptr. at 110. The instant case presents a classic example of a "false conflict," *i.e.*, a case in which more than one law could be applied, but in which only one state has any real interest in seeing its law applied. *Id.* at 581 & n.3., 522 P.2d at 670 & n.3, 114 Cal. Rptr. at 110 & n.3. As California has recognized, a limitation on wrongful death recoveries is intended to protect defendants from large verdicts. *Id.* at 583-84, 522 P.2d at 671, 114 Cal. Rptr. at 111. It is not an attempt to limit the compensation of plaintiffs. Pan Am has its principal place of business in California; plaintiffs reside in Virginia and Australia. Neither Virginia or Australia has an interest in protecting a California defendant from wrongful death awards and California has chosen not to protect its resident defendants.[4] We conclude therefore that the trial court was correct in applying California law.

2. Preemption

The district court apparently did not consider whether the Warsaw Convention preempts the application of California's rule regarding the limitation by contract of wrongful death recoveries.

Although the district court may have concluded that the Warsaw Convention did not expressly preempt California law, it did not consider whether the application of California law would conflict with the Congressional scheme embodied in the Convention. *See Ray v. Atlantic Richfield Co.*, 435 U.S. 151, 157-58 (1978); *City of Burbank v. Lockheed Air Terminal, Inc.*, 411 U.S. 624, 633 (1973). This is clearly not a case in which Congress intended to preempt all state legislation in the field, since the Convention specifically requires the application of local law to some issues. *See* page 3, *supra*. However, federal law may also preempt the application of state law where the state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941).

Congress ratified[5] the Warsaw Convention in 1934. The Convention's application is to international air transportation. Its purposes are two-fold: providing uniformity in respect to documentation and certain procedural matters, and imposing limitations on liability. When the Convention was transmitted to the Senate for ratification, it was accompanied by a letter from then-Secretary of State Cordell Hull, which stated in part:

"It is believed that the principle of limitation of liability will not only be beneficial to passengers and shippers as affording a more definite basis of recovery and as tending to lessen litigation, but that it will prove to be an aid in the development of international air transport, as such limitation will afford the air carrier a more definite and equitable basis on which to obtain insurance rates, with the probable result that there will eventually be a reduction of operating expenses for the carrier and advantages to the travelers and shippers in the way of reduced transportation charges." S. Doc. Exec. G., 73d Cong., 2d Sess. 3-4 (1934).

Although there were no hearings and no debate in the Senate at the time the Convention was ratified, Secretary Hull's letter and subsequent history make it clear that the limitation on liability was an important feature of the Convention. *See, e.g.*, Hearings on the Hague Protocol to the Warsaw Convention. Before the Senate Committee on Foreign Relations, 89th Cong., 1st Sess. 49-54 (1965); S. Rep. 2032, 88th Cong., 1st Sess. (1963); H.R. 8386, 88th Cong., 1st. Sess. (1963); Senate Comm. on Foreign Relations, Hague Protocol to Warsaw Convention, S. Exec. Rept. No. 3, 89th Cong., 1st Sess. (1965). *See generally*, Lowenfeld and Mendelsohn, 80 Harv. L. Rev. at 509-16, 532-46.

Whatever its benefits were in 1934, the district court noted that the low limitation on liability cannot be justified today by the conditions that existed in 1934, 462 F. Supp. at 1124-26. The court observed that the airline industry is no longer in its infancy: "[t]he pioneering conditions and the lack of technical advancement and passenger safeguards which faced the industry when Warsaw was adopted have been supplanted by a technologically and commercially mature industry." *Id.* at 1125. Unfortunately, we know of no doctrine that would allow us to examine congressional enactments too see if they still serve the purpose for which they were designed. If the Warsaw Convention was intended to preempt state law in the area of liability for wrongful death on international flights, we may not avoid preemption by substituting our judgment for that of Congress to hold that the Convention has outlived its usefulness. Furthermore, Congress has had ample opportunity to reconsider the wisdom of the Convention, but it yet to effect any changes. *See, e.g.*, Hearings on the Hague Protocol to the Warsaw Convention Before the Senate Committee in Foreign Relations, 89th Cong., 1st Sess. (1965).

The application of California law suggested here necessarily conflicts with the congressional scheme. Neither uniformity nor an effective limitation of the airlines' liability could be achieved if state law doctrines could be invoked to circumvent the application of the limitation. Accordingly, we hold that California law is preempted by the Warsaw Convention to the extent that California law would prevent the application of the Convention's limitation on liability. *See Bradfield v. TWA*, 88 Cal. App. 3d 681, 687, 152 Cal. Rptr. 172, 175 (1979).

III

CONSTITUTIONALITY OF THE WARSAW CONVENTION

Plaintiffs contend that if California law is preempted by the Warsaw Convention, the limitation on liability is unconstitutional.[6]

Although courts are not often called upon to review the constitutionality of treaty provisions, there is no doubt that the power to make treaties is circumscribed by substantive provisions of the Constitution, and that the courts are competent to pass on the constitutionality of treaties. *Reid v. Covert*, 354 U.S. 1, 16-19, (1965); *See Geofroy v. Riggs*, 133 U.S. 258, 267 (1898). *See generally*, W. Cowles, Treaties and Constitutional Law: Property Interferences and Due Process of Law (1941); L. Henkin, Foreign Affairs and the Constitution 205-24 (1972). Treaties, under the Constitution, are the supreme law of the land. U.S. Const. Art. IV. As such, treaty provisions which create domestic law have the same effect as legislation, and supersede previous conflicting legislation. By the same token, such provisions are subject to the same substantive limitations as any other legislation. *Reid v. Covert*, 354 U.S. at 16-18. Were this not so, a constitutional limitation on governmental power could be circumvented by means of a treaty, although the same objective could not be accomplished through legislation. *Id.*

Of course, statutes are entitled to a presumption of constitutionality, *Duke Power Co. v. Carolina Environmental Study Group*, 438 U.S. 54, 83 (1978); *Usery v. Turner Elkhorn Mining Co.*, 428 U.S. 1, 15 (1976), and treaties are entitled to the same deference. Furthermore, a court, in the process of reviewing treaty provisions, must studiously avoid imposing its own view of foreign policy objectives and must accept the foreign policy formulations of the executive and legislative branches. *See Narenji v. Civiletti*, 617 F.2d 745, 748 (D.C. Cir. 1979). Nonetheless, there are ends which may not be accomplished either by statute or by treaty, however compelling the foreign policy interests may be. We conclude that the treaty at issue here must withstand essentially the same tests as would domestic legislation against a claim that it denies rights guaranteed by the Constitution.

A. Plaintiffs' Constitutional Arguments

Plaintiffs make three constitutional challenges to the limitation: 1) that it is so arbitrary and unreasonable as to deprive them of substantive due process; 2) that it deprives them of equal protection of the laws; and 3) that it impermissibly burdens their constitutional right to travel.

The first two arguments are very similar to those made by the plaintiffs in *Duke Power Co. v. Carolina Environmental Study Group*, 438 U.S. 59 (1978). That case dealt with the constitutionality of the Price-Anderson Act, 42 U.S.C. 2210 (1976), which sets a limit on the maximum liability for injury resulting from nuclear power plants accidents.

The plaintiffs in *Duke Power* claimed that the amount of the limitation was arbitrary and unreasonable, depriving them of due process and equal protection. The Court first held that the Price-Anderson Act, as an economic regulation under the Commerce Clause, would not violate due process unless arbitrary or irrational. *Id.* at 83. After reviewing the need for limitation of liability, and examining the procedural provisions of the Act, the Court concluded that it was not unconstitutional. *Id.* at 86-87. We conclude that article 22 of the Warsaw Convention, like the Price-Anderson Act, is an economic regulation which would be constitutional under the Commerce Clause unless arbitrary or unreasonable.

Plaintiffs' third argument is that the severe limitation on recovery for wrongful death impermissibly burdens their decedents' right to travel. International travel, like interstate travel, is a fundamental right. *Zemel v. Rusk*, 381 U.S. 1, 13-14 (1965); *Aptheker v. Secretary of State*, 378 U.S. 500, 505-06 (1964); *Kent v. Dulles*, 357 U.S. 116, 126 (1958). Restrictions on international travel, therefore, must be carefully tailored to serve a substantial and legitimate government interest. *Aptheker*, 378 U.S. at 507-08. The imposition of a penalty on the exercise of the right to travel is the constitutional equivalent of a direct restriction. *See Shapiro v. Thompson*, 394 U.S. 618, 641-42 (1969). Although a right-to-travel challenge to the Warsaw Convention involves the assertion by survivors of their dece-

dents' right to travel, this may be one of the cases in which constitutional rights can be successfully protected only if interested third parties are permitted to raise them. *See Griswold v. Connecticut,* 381 U.S. 479, 481 (1965). Surely penalties that would be unconstitutional if imposed on the traveller himself cannot be validly imposed on his survirors, simply because they were not the ones who sought to exercise the right.

In support of their constitutional arguments, plaintiffs allege the following facts. Plaintiffs assert that, whatever the need for limitation of airline liability might have been in 1934, the need no longer exists and therefore cannot support the treaty provisions before us. The airline industry is no longer in its infancy. The fatality rate has dropped from 45 per 100 million passenger miles in 1925, to .55 per 100 million passenger miles in 1965. ICAO, Annual Report (1965). The statistical materials assembled for the proceedings leading up to the Montreal Agreement suggest that the increased cost of insurance if the Warsaw limitation were removed would be insignificant. *See* ICAO, 2 *Special ICAO Meeting on Limits for Passengers Under the Warsaw Convention and the Hague Protocol* 72-173 (1966); Lowenfeld and Mendelsohn, 80 Harv. L. Rev. at 566-67. Furthermore, it appears that the cost to airlines of additional insurance would be less than the cost to individual passengers of purchasing trip insurance. *See* 1 L. Kreindler, Aviation Accident Law § 11.01[5] (1975); Lowenfeld and Mendelsohn, 80 Harv. L. Rev. at 560-61. There is no allegation that domestic airlines, which are not protected by the Warsaw Convention limitations or comparable legislation, have been unable to procure insurance. Similarly, no one contends that the additional insurance, if required, would not be available. *Compare Duke Power,* 483 U.S. at 64 (potential liability beyond ability of private insurance companies to absorb).

The United States responds that in negotiations over the conditions of international air travel, concessions, particularly as to the limitation of liability, are necessary to gain the cooperation of foreign countries. The United States does not assert any national interest in limiting liability *per se.* In fact, continuing efforts are being made by the United States to raise or dispense with the limitations altogether. *See,* Lowenfeld and Mendelsohn, 80 Harv. L. Rev. 497 *passim;* 1 L. Kreindler, Aviation Accident Law § 12B.01 (1980).

Plaintiffs also argue that the supposed benefits of the Warsaw Convention to some plaintiffs, *e.g.,* the presumption of liability and the venue provisions, are illusory and do not constitute a *quid pro quo* for the liability limitation. *Compare Duke Power,* 438 U.S. at 87-90. It has been persuasively argued that, for U.S. plaintiffs at least, the Convention confers to procedural benefits in personal injury suits. *See, e.g.,* Lowenfeld and Mendelsohn, 80 Harv. L. Rev. at 516-32; 1 L. Kreindler, Aviation Accident Law § 11.01[5] (1980). The United States takes issue with this view, and argues that the benefits to plaintiffs may in some cases be significant.

We conclude that plaintiffs' due process and right-to-travel arguments, while substantial, would fail if another remedy were available that would provide them with full compensation. We find that such a remedy is available under the Tucker Act, 28 U.S.C. § 1491, if the liability limitation constitutes a "taking" under the fifth amendment.

B. The Just Compensation Clause

No party to this litigation has argued that the Warsaw Convention limitation constitutes a "taking" that entitles plaintiffs to compensation by the United States under the just compensation clause of the fifth amendment. We raised this issue *sua sponte* and requested supplemental briefs from the parties for the reason that, if compensation is available under the Tucker Act, 28 U.S.C. 1491, we do not reach the question of whether the Warsaw Convention is unconstitutional.

We do not by this resolution imply that substantive due process and just compensation are completely complementary protections.[7] There are some government regulations for which no adequate compensation could be paid, because they deprive persons of some aspect of life or liberty. In these cases, the regulation may be a violation of substantive due process. *See, e.g., Moore* v. *City of East Cleveland,* 431 U.S. 494, 500-06 (1977); *Roe* v. *Wade,* 410 U.S. 113, 164 (1973). There are cases, however, in which both a deprivation of substantive due process and a taking without just compensation are claimed. *See Penn Central Transportation Co.* v. *New York City,* 438 U.S. 104, 119 (1978); *Duke Power,* 438 U.S. at 82, 94 n.39. Generally, if the loss claimed is compensable, the regulation will not be found unconstitutional. *See Duke Power,* 438 U.S. at 94 n.39. In *Dames & Moore* v. *Regan,* 453 U.S. 654, 689-90 (1981), the Supreme Court held that if the executive agreement entered into with Iran to secure the release of American hostages ever effected a taking of the claimants' property, the Tucker Act remedy would be available. Justice Powell, concurring and dissenting, noted that, "[t]he Government must pay just compensation when it furthers the nation's foreign policy goals by using as 'bargaining chips' claims lawfully held by relatively few persons and subject to the jurisdiction of our courts." *Id.* at 4979. *See generally,* L. Henkin, Foreign Affairs and the Constitution 259-66 (1972).

We first note that the "treaty exception" to the jurisdiction of the Court of Claims under the Tucker Act, 28 U.S.C. 1502 (1976), is not a bar to suit by these plaintiffs in the Court of Claims. *See Dames & Moore,* 453 U.S. at 689.90. The exception is applicable only where the right asserted is created by or depends for its existence upon some treaty provision. That limitation has been narrowly construed. *See Hughes Aircraft Co.* v. *United States,* 534 F.2d 889, 902-06 (Ct. Cl. 1976). The right asserted by plaintiffs here arises under California law, not treaty.[8] The Court of Claims would therefore have jurisdiction over any claim of a "taking" of that right.

We next look to whether plaintiffs' wrongful death claims are "property" within the meaning of the just compensation clause of the fifth amendment. Plaintiffs have a right under California law to recover damages caused by the wrongful death of their decedents.[9] There is no question that claims for compensation are property interests that cannot be taken for public use without compensation. *Ware v. Hylton,* 3 U.S. (3 Dall.) 199, 245 (1796); *Gray v. United States,* 21 Ct. Cl. 340, 392-93 (1886). *See also, Regional Rail Reorganization Act Cases,* 419 U.S. 102, 124-25 (1974); *Cities Service Co. v. McGrath,* 342 U.S. 330, 335-36 (1952).[10] We can see no reason why these plaintiffs' claims are any different, for fifth amendment purposes, from the claims of various creditors against the government of Iran, *see Dames & Moore,* 453 U.S. at 689.

Of course, whether or not a particular limitation amounts to a taking is a difficult question. "Takings" cases frequently turn on questions of degree. *See, e.g., Penn Central Transportation Co. v. New York City,* 438 U.S. 104 (1978); *United States v. Causby,* 328 U.S. 258 (1946). We need not decide now whether the Warsaw Convention may effect a taking, because the issue may not arise in this case. The question is properly one for the Court of Claims, when and if the Warsaw Convention limitation is applied to these plaintiffs. *See Regional Rail Reorganization Act Cases,* 419 U.S. 102, 146-47 (1974). Although the value of plaintiffs' claims against Pan Am has been established,[11] it has yet to be determined whether the impairment of that claim by the Warsaw Convention would constitute a taking. We hold only (1) that plaintiffs have a right to compensation if their claims have been unreasonably impaired by the treaty, and (2) that the Court of Claims has jurisdiction to make that determination and to enforce the right.[12]

IV

TRIAL ERRORS

Because we cannot uphold the district court's judgment, the case must be remanded for further proceedings. On remand, Pan Am will be required to prove ticket delivery and adequate notice before the Warsaw limitation could be applied.[13] Additionally, plaintiffs urge on their cross-appeal that the district court erred in not admitting certain training records of the aircraft's pilot, and in not allowing plaintiffs' expert to testify as to the pilot's competence and as to whether Pan Am was negligent in allowing the pilot to command the flight in question. Plaintiffs argue that these errors entitle them to a new trial on the issue of willful misconduct.

We agree that the court's evidentiary rulings were erroneous and reversible because the excluded evidence could have provided the jury with a basis to find Pan Am guilty of willful misconduct. A verdict of willful misconduct would render the Warsaw Convention limitations inapplicable.

A. Exclusion of Evidence

Plaintiffs sought to prove that Pan Am was negligent in entrusting the aircraft to pilot Zinke because Pan Am knew that Zinke was incompetent and on prior occasions had made errors similar to the error that caused the Bali aircrash. As proof, plaintiffs offered pilot Zinke's training records both as independent evidence and as the basis for the opinion of their expert, Captain Cusmano, that the pilot was incompetent and should not have been allowed to fly the flight in question. Captain Cusmano was permitted to give his opinion as to the cause of the accident based on the events immediately preceding the accident, but he was not permitted to testify about Zinke's competence in general or as to what Pan Am's conduct in light of his incompetence should have been. Plaintiffs intended to rely primarily on the excluded evidence to show willful misconduct on the part of Pan Am.

The trial court excluded the proffered evidence on several grounds: (1) that the theory of negligent entrustment had not been raised in the pleadings or preserved in the pretrial order; (2) that the records were too old to be relevant; and (3) that they were improper evidence of habit or custom.

A trial court has broad discretion to admit or exclude evidence, and we review its decision only for abuse of that discretion.

Campbell Industries v. M/V Gemini, 619 F.2d 24, 27 (9th Cir. 1980). Even if there is error, reversal is appropriate only if we can say that the error affected the substantial rights of the parties. Fed. R. Civ. P. 61; *International Merger and Acquisition Consultants, Inc. v. Armac Enterprises, Inc.*, 531 F.2d 821, 823 (7th Cir. 1976).

First, we do not agree that plaintiffs' theory of negligence was "new." Defendants argue that they were unfairly surprised by the theory because it was not raised in the pleadings, and that the plaintiffs are precluded from relying on it because it was not comprehended in the pretrial order.

As to the complaint, all that is required is specificity adequate to give notice to the defendant. Fed. R. Civ. P. 8(a); *Trixler Brokerage Co. v. Ralston Purina Co.*, 505 F.2d 1045, 1050 (9th Cir. 1974); *Ross Island Sand & Gravel Co. v. General Insurance Co.*, 472 F.2d 750, 752 (9th Cir. 1973). The complaint alleges negligence in landing on the part of the crew, and negligence on the part of Pan Am, its agents and employees. Furthermore, Pan Am provided plaintiffs with pilot Zinke's training records during discovery and the records were attached to the pretrial order, to be admitted "without objection save as to relevance." Prior to trial, Pan Am deposed plaintiff's expert, Captain Cusmano. In his deposition, Cusmano stated that, based on the training records, he considered Zinke incompetent. We find that Pan Am had adequate notice that plaintiffs would seek to prove that Pan Am was negligent in allowing pilot Zinke to fly.[14]

As to the pretrial order, Pan Am's argument turns on the meaning of the language in "Plaintiffs' Contentions." The relevant portion reads:

"Plaintiffs contend that Pan Am and the decedent pilots willfully breached their duty to the passenger plaintiffs in the following particulars:

* * * * *

"(1) that all crew members were qualified and competent to conduct the flight of April 22, 1974, designated Flight 812."

A fair reading of the order as a whole leaves the clear impression that plaintiffs were contending that Pan Am *failed* to ensure that all crew members were qualified and competent. There is no other reasonable explanation for the paragraph appearing under "Contentions," rather than under "Admitted Facts." Furthermore, many of plaintiffs' other contentions concern negligence and misconduct on the part of the crew. It is impossible to read these paragraphs consistently with a contention that the crew was competent. Furthermore, pilot Zinke's training records were attached to the order as plaintiffs' exhibits and listed in the order. Pan Am was not misled into believing that the plaintiffs conceded the issue of pilot competence. Accordingly, we find that neither the pleadings nor the pretrial order preclude plaintiffs from presenting evidence of negligent entrustment.

The trial court also held that the records were too old to be relevant, and that they were inadmissible evidence of habit or custom. We disagree.

The records were the continuous training records of pilot Zinke maintained by Pan Am from 1965 until the date of the expert, that Zinke had demonstrated certain inadequacies as a pilot on several prior occasions, and that, in the opinion of their expert, Pan Am should not have allowed Zinke to pilot the flight in question. This testimony would certainly have been relevant, and for this purpose the records themselves need not be independently admissible. Rule 703 of the Federal Rules of Evidence permits an expert to base an opinion on any facts or data, admissible or not, which are "of a type reasonably relied on by experts in the particular field in forming opinions or inferences upon the subject." As long as plaintiffs can establish that the training records fall into this category, they are entitled to have their expert give an opinion based on them. *Bauman v. Centex Corp.*, 611 F.2d 1115, 1120 (5th Cir 1980); *see United States v. Featherston*, 325 F.2d 539, 542-43 (10th Cir. 1963). The trial court's failure to allow Captain Cusmano to testify as to his opinion of Zinke's competence, based on his training records, was error.

Furthermore, the records were not inadmissible because they did not meet the standard for evidence of habit or custom. Plaintiffs offered the evidence on two alternative theories. First, the records were offered to show that because pilot Zinke had made similar mistakes on prior occasions, he was likely to have made a mistake on this occasion. For this purpose they may have been inadmissible, as the trial court ruled. *See* Fed. R. Evid. 404. However, they were also offered to show that Pan Am had notice of Zinke's alleged incompetence, and that it should not have allowed him to fly. For this purpose they are relevant and admissible. *See* Advisory Committees Notes, Fed. R. Evid. 404 (". . . the competency of the driver in an action for negligently entrusting a motor vehicle to an incompetent driver [does not involve the] problem of the general relevancy of character evidence, and the present rule therefore has no provision on the subject."); *Breeding v. Massey*, 378 F.2d 171, 181 (8th Cir. 1967); 2 Weinstein's Evidence ¶ 404[20]. The training records themselves are admissible hearsay under Fed. R. Evid. 803(6) because they are "kept in the course of a regularly conducted business activity." This is not disputed. The trial court was concerned, however, that portions of the records might be double or triple hearsay, and that some might be too old to be relevant. It is open to the trial court on remand to exclude any portions of the records that is inadmissible hearsay, Fed. R. Evid. 802, or that is more prejudicial than probative, Fed. R. Evid. 403.

We must conclude that, because the evidence was central to plaintiffs' case, and the legal objections to it were not well-taken, it was an abuse of discretion for the judge not to permit plaintiffs' expert to testify on the issue of pilot competence and Pan Am's negligent entrustment, and to exclude all of the pilot's training records.

Plaintiffs proffer an alternate theory for admission of the evidence, which we think has merit. Pan Am's expert Baggott was permitted to testify that all of Pan Am's pilots, and Zinke in particular, we competent. He was also permitted to testify regarding the role of training records in the investigation of an accident, and was cross-examined regarding pilot competence generally. Plaintiffs argue that evidence of Zinke's incompetence is therefore admissible as rebuttal testimony. If Zinke's competence had not been at issue before, Pan Am put it in issue through the testimony of its own expert.

For the reasons stated, the judgment of the trial court must be reversed and the case remanded for a new trial on the issue of willful misconduct.

B. Punitive Damages

Plaintiffs contend that they should have been permitted to amend their complaint to state a claim for punitive damages. However, during the pendency of this appeal, this court held that California law does not permit punitive damages in wrongful death actions, and that this is not a denial of equal protection. *In re Paris Aircrash of March 3, 1974*, 622 F.2d 1315, 1319-20 (9th Cir. 1980). *See also, Georgie Boy Mfg., Inc. v. Superior Court*, 115 Cal. App. 3d 217, 171 Cal. Rptr. 382 (1981) (denial of punitive damages in wrongful death action not violative of state constitution). The trial court was therefore correct in not permitting plaintiffs to amend their complaint.

V

CONCLUSION

We hold that evidentiary errors mandate a new trial on the issue of willful misconduct. We further hold that the Court of Claims is the proper forum in which to litigate the question of taking if that should become necessary. 28 U.S.C. 1491.

REVERSED and REMANDED for further proceedings consistent with this opinion.

FOOTNOTES

[1] The provisions of the Warsaw Convention apply only to "international transportation," which is defined in the Convention as "any transportation in which, according to the contract made by the parties, the place of departure and the place of destination, whether or not there be a break in transportation or a transhipment, are situated either within the territories of two High Contracting Parties, or within the territory of a single High Contracting Party, if there is an agreed stopping place within a territory subject to the sovereignty, suzerainty, mandate or authority of another power, even though that power is not a party to this convention. Transportation without such an agreed stopping place between territories subject to the sovereignty, suzerainty, mandate, or authority of the same High Contracting Party shall not be deemed to be international for the purposes of this convention."—Art. 1(2), Warsaw Convention, Oct. 12, 1929, 49 Stat. 3000 (1934), 137 L.N.T.S. (1929).

[2] Article 22 sets a limit of 125,000 French francs for injury to passengers, and 250 francs per kilogram of goods or checked baggage. On the date of the accident, the limitation for personal injury in U.S. dollars was approximately $10,000. In the Matter of Warsaw Convention Liability Limitations as Expressed in U.S. dollars, CAB Order 74-1-16 (Jan. 3, 1974). However, the treaty limitation is expressed in gold "Poincare" francs, and what the present value of the limitations may be, given the increased dollar value of gold, is an open question.

[3] Because the court held the Convention limitations inapplicable to the present suit, it did not reach the issues of notice and ticket delivery. *See* note 13, *infra*.

[4] We also note that Virginia apparently does not have an interest in limiting wrongful death recoveries. Although Virginia law placed a $25,000 limit on dollar recoveries at the time the Causey case was filed, the Virginia legislature had already voted to repeal the law. Virginia now places no limit on recovery. *Compare*, Va. Code Ann. § 8-636 (Cum. Supp. 1973) *with* Va. Code Ann. § 8.01-52 (Cum. Supp. 1974).

[5] We reject plaintiffs' claim that the Warsaw Convention is not a valid treaty of the United States because not ratified. The Constitution requires the Senate's "consent" to a treaty, art. II § 2. The consent appears at 78 Cong. Rec. 11,582 (1934). Were that in error, the Senate has had forty-seven years in which to disclaim its "consent". That it has not done so, we find persuasive.

[6] Pan Am and the United States agrgue that the Ryder plaintiffs, residents of Australia, have no standing, or limited standing, to raise constitutional objections, citing, *e.g., Pauling v. McElroy.*, 278 F.2d 252, 254 n. 3 (D.C. Cir. 1960). The fifth amendment applies to "persons," however, which certainly includes persons who have a valid claim over which our federal courts have jurisdiction. See *Wong Wing v. United States*, 163 U.S. 228, 238 (1896); *Yick Wo v. Hopkins*, 118 U.S. 356, 369 (1886). Although there are undoubtedly constitutional provisions the protection of which nonresident aliens may not claim, *See Johnson v. Eisentrager*, 339 U.S. 763, 784-

85 (1950), the fifth amendment surely does not permit in a case which as this one, the application of different rules of decision to resident and nonresident suing on the same cause of action in the same court.

[7] It has been suggested that one who contests the constitutionality of a law which deprives the claimant of some property interest may not "sue in inverse condemnation and thereby transmute an excessive use of the police power into a lawful taking for which compensation in eminent domain must be paid." *Agins v. City of Tiburon*, 24 Cal. 3d 266, 273, 598 P.2d 25, 28, 157 Cal. Rptr. 372, 375 (1979). This does not, however, appear to be the law. Four justices of the Supreme Court have stated that "[t]his holding flatly contradicts clear precedents of [the Supreme] Court." *San Diego Gas & Electric Co. v. San Diego*, 101 S. Ct. 1287, 1301 (1981) (Brennan, J., dissenting). At least one other Justice has expressed agreement with this view. *Id.* at 1294 (Rehnquist, J., concurring). Justice Rehnquist agreed with the majority that the *San Diego* case was not appealable for lack of a final judgment, but observed that "I would have little difficulty in agreeing with much of what is said in the dissenting opinion" on the merits. *Id.* Thus, we take it to be the view of the majority of the Supreme Court that "[t]he general rule at least is, that while property may be regulated to a certain extent, if regulation goes too far it will be recognized as a taking." *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 415 (1922) (quoted in *San Diego Gas & Electric*, 101 S. Ct. at 1302 (Brennan, J., dissenting)). Thus, not withstanding the view of the California Supreme Court, we assume that the excessive exercise of the government's law-making powers may constitute a "taking" under the fifth amendment, for which just compensation must be paid. *See, e.g., Penn Central Transportation Co. v. New York City*, 438 U.S. 104, 122 (1978); *Goldplatt v. Town of Hempstead*, 369 U.S. 590, 594 (1962); *United States v. Central Eureka Mining Co.*, 357 U.S. 155, 168 (1958).

[8] It might be argued that if the Warsaw Convention creates a cause of action, as at least one circuit has held, *Benjamin v. British European Airways*, 572 F.2d 913, 918-19 (2d Cir. 1978), the right asserted is "dependent upon" the treaty. *But see Maugnie v. Compagnie Nationale Air France*, 549 F.2d 1256, 1258 n.2 (9th Cir. 1977). However, the Convention has never been read to *limit* plaintiffs to a cause of action arising thereunder, but rather to limit the recovery in suits for injury. *See* Warsaw Convention, *supra* note 1, at art. 24.

[9] The right to wrongful death recovery is also a feature of the federal common law, *Moragne v. States Marine Lines*, 398 U.S. 375, 409 (1970), and its denial the exception, *id.* at 393.

[10] The Supreme Court, in a footnote to *Duke Power*, observed that "[a] person has no property, no vested interest, in any rule of the common law." 438 U.S. at 88 n.32 (quoting *Second Employers' Liability Cases*, 223 U.S. 1, 50 (1912)). The cases cited for this proposition, with one exception, dealt with statutes creating, not extinguishing, liability. *Silver v. Silver*, 280 U.S. 117 (1929), the one exception, dealt with an automobile guest statute, which barred liability. In that case, however, the due process question was not raised, and the statement quoted is pure dictum

Furthermore, we are not dealing here with a change in a rule of the common law. Plaintiffs are not complaining of a change in law, but of the limitation of an independently existing right under state law. By the same token, plaintiffs in *Dames & Moore* and *Duke Power* held or would hold claims created by the operation of state law. The Constitution does not create property rights; it merely forbids the extinguishment of those rights. The source of property rights is necessarily common law or statute, usually state statute. This is precisely the type of property to which the fifth amendment is addressed, as the Supreme Court implicitly recognized in *Duke Power*, 438 U.S. at 94 n.39.

The Court further observed that "statutes limiting liability are relatively commonplace and have consistently been enforced by the courts." *Id.* at 88 n.32. The cases cited for this proposition are most notable for their lack of authority. *Silver v. Silver*, 280 U.S. 117, presented an equal protection challenge to an automobile guest statute. Several states have since decided that *Silver* is no longer good law, and the guest statutes are unconstitutional. *E.g., Thompson v. Hagan*, 96 Idaho 19, 523 P. 2d 1365 (1974); *Henry v. Bauder*, 213 Kan. 751, 518 P. 2d 362 (1974); *Laakonen v. Eighth Judicial District Court*, 91 Nev. 506, 538 P. 2d 574 (1975); *McGeehan v. Bunch*, 88 N.M. 308, 540 P. 2d 238 (1975). *Providence & New York S.S. Co. v. Hill Mfg. Co.*, 109 U.S. 578 (1883) involved no constitutional challenge to the limitation of a vessel owner's liability, and the court noted that the limitation dated from "time immemorial." *Id.* at 593. *Indemnity Ins. Co. of North America v. Pan American Airways*, 58 F. Supp. 338 (S.D.N.Y. 1944), involved a due process challenge to the Warsaw Convention, that was rejected in a single sentence.

[11] We note that the right to just compensation entitles the claimant to the full pecuniary value of his claim. *United States v. Reynolds*, 397 U.S. 14, 15-16 (1970). Plaintiffs' damages have already been determined by the jury, so the value of their claim is not an issue.

[12] There is no danger that the statute of limitations will have run before plaintiffs can bring a suit in the Court of Claims, because no taking will have occurred until the Warsaw limitation is applied to them, if it ever is.

[13] We note that adequate notice to the passenger requires delivery of a ticket to him "in such a manner as to afford him a reasonable opportunity to take self-protective measures." *Mertens v. Flying Tiger Line*, 341 F.2d 851, 857 (2d Cir.), *cert. denied*, 382 U.S. 816 (1965). *See also Warren v. Flying Tiger Line*, 352 F.2d 494, 498 (9th Cir. 1965). Inconspicuous and hypertechnical "notice" may not satisfy this requirement. *See Lisi v. Alitalia-Linee Aeree Italiane*, 370 F.2d 508, 512-14 (2d Cir. 1966). The current notice required by the CAB informs passengers that recovery "is limited in most cases to proven damages not to exceed U.S. $75,000 per passenger . . . "on trips having an "agreed stopping place in the United States of America," or "in most cases to approximately U.S. $10,000 or U.S. $20,000" on other international trips. CAB Form 263 (Jan.—, 1976). We need not decide here whether the notice required by the CAB is adequate to advise a passenger of the effect of the limitation. What notice was actually given and the manner of its display on tickets is not in the record before us.

[14] The trial court conceded that such an interpretation was possible, but that it was also possible to read the complaint as alleging only a theory of *respondeat superior*. * * *

[U.S. District Court, Central District of California—MDL-482]

MEMORANDUM OPINION

(In Re Aircrash at Kimpo International Airport, Korea on November 18, 1980)

BACKGROUND

On November 18, 1980, a Korean Air Lines ("Korean") jet crashed after a flight from the United States to Kimpo International Airport near Seoul, Korea. Several passengers, including plaintiffs' decedents, were killed. Others, including some plaintiffs, were injured. They now seek to recover damages.

The issues presented to this court are 1) whether the Warsaw Convention ("Convention") limits the damages recoverable for death or personal injury that results from an accident involving an international air carrier, and 2) the method of calculating damages if the Convention is applied.

The plaintiffs urge this court to strike the defense of the Convention's limitation on liability, asserting that, *inter alia*, there was sufficient notice of the applicability of the Convention to that particular flight and California's Wrongful Death Statute, Cal. Code Civ. Proc. § 377, provides the plaintiffs an independent basis for suit. Alternatively, plaintiffs suggest that, if the Convention is applicable, the method of converting the limitation into dollars should be based upon the free market price of gold, rather than any of the other possible conversion methods discussed below.

The Warsaw Convention

The Convention is a multilateral treaty drafted in 1929 and adhered to by most countries that have international airlines. The United States adhered to the Convention in 1934. 49 Stat. 3000 (1934). A primary purpose of the Convention is to limit the liability of international air carriers in the event of an accident or loss.

Article 22 sets a limit of 125,000 "Poincare" francs as damages for injury to passengers. Article 22(4) defines the franc as a gold coin consisting of 65.5 milligrams of gold "which may be converted into any national currency in round figures." The dollar value is calculated by converting the gold value into United States dollars. In 1965, this represented a ceiling on damages of $8,291.88. The United States expressed dissatisfaction with this low amount and gave the necessary six month's notice to formally denounce the Convention.

As a result, the international carriers met in Montreal and drafted the Montreal Agreement ("Agreement"), which provides that the airlines accept absolute liability for injury to passengers up to a limit of $75,000 per passenger. The Agreement is a special contract under Article 22 which allows the parties to agree to a higher limit than that provided for by the Convention. However, Article 23 prohibits "[a]ny provision tending to relieve the carrier of liability or to fix a lower limit than . . . this convention . . ." Therefore, Article 22, or special contracts allowed by it, cannot be a vehicle to reduce the liability of a carrier below the Convention limits. The Civil Aeronautics Board ("CAB"), in Order No. E-23680, 31 Fed. Reg. 7302 (1966), ordered carriers to use this higher limit if the point of departure or a planned stop was in the United States.

It should be noted that not all airlines or countries are parties to the Agreement. If they are not, the Convention's lower limits are still applicable. Furthermore, some parties, including Korea but not the United States, are parties to the Hague Protocol of 1955, which doubled the Convention limits to 250,000 Poincare francs.

Two other protocols, the Guatemala Protocol and the Montreal Protocol, contain amendments to Article 22 changing the unit of reference from the Poincare franc to the Special Drawing Right ("SDR") of the International Monetary Fund ("IMF"). However, these protocols have been ratified by very few countries. The United States Senate has not ratified either.

The gold standard

When the Convention was drafted, gold served official monetary functions internationally, and its price was set by law in most countries, including the United States. It was selected as the unit of conversion to ensure judgments of uniform value as well as a stable and easily calculable limitation on liability.

In 1976, Congress repealed Section 2 of the Par Value Modification Act, 31 U.S.C. 449, thus abolishing the official price of gold. However, the CAB and the airlines in the United States continued to rely upon the last official price as the method to determine liability under the Convention.

However, other parties to the Convention have chosen other conversion methods. French courts have held that the current French franc is comparable to the Poincare franc and is to be used as the measure of liability under the Convention. The SDR has been adopted legislatively by Britain and Sweden and by court decisions in the Netherlands and Italy. Courts in India and Greece and a United States District Court for the Southern District of Texas have chosen the free market price of gold.

Because there are four units of conversion currently recognized, this court is asked to select the correct one. The four methods are: (1) the last official price of gold, (2) the free market price of gold, (3) the Special Drawing Right ("SDR") of the International Monetary Fund ("IMF"), and (4) the current French franc.

DISCUSSION

Which of the four available units of conversion is to be used to measure liability under the Convention is an open question in this circuit. *In Re Aircrash in Bali, Indonesia on April 22, 1974*, 684 F. 2d 1301, 1305 n.2 (9th Cir. 1982). However, a month after the Ninth Circuit decided *Bali*, the Second Circuit addressed that issue. *Franklin Mint Corp.* v. *Trans World Airlines, Inc.*, 525 F. Supp. 1288 (S.D.N.Y. 1981), aff'd 690 F.2d 303 (2d Cir. 1982). The *Franklin Mint* trial court had determined that the CAB's reliance on the last official price of gold was persuasive and ruled that that unit of measure was still applicable. The Second Circuit held that selection of a unit of conversion was a political question unfit for judicial resolution. Therefore, the Convention's limits on liability were rendered unenforceable. However, the court made its ruling prospective and otherwise affirmed the trial court.

In discussing three of the four currently available units of conversion, the Second Circuit noted:

"Neither the free market price of gold nor the current French franc was ever agreed to by the treaty's framers, and, as to latter, there is ample evidence that it was specifically rejected. . . . The free market price of gold, however, is simply the daily fluctuating price of a commodity, affected by conditions relating to supply and nonmonetary uses affecting demand. The French franc is similarly flawed.

* * * * *

"The inappropriateness of . . . adopting SDR's as the unit of conversion is plain. The Convention itself contains not the slightest authority for its use and the Senate has thus far declined to ratify the Montreal Protocols. Moreover, the decision . . . to use SDR's is only the first step. After that, a further step must be taken to define the limitation of liability in terms of a particular number of SDR's. . . . Finally, the SDR is a creature of an international body, the IMF, and is subject to modification or outright elimination by that body."—690 F.2d at 310.

After consideration of the fourth unit of conversion, the last official price of gold used by the court below, the Second Circuit held:

"The repeal of the Par Value Modification Act was an explicit abandonment of the previously established unit of conversion. While Congress may not have focused explicitly upon the Convention in repealing that Act, its purpose, abandonment of a price which was out of touch with economic reality, plainly encompasses use of that price to convert judgments to United States currency values. Congress thus abandoned the unit of conversion specified by the Convention and did not substitute a new one. Substitution of a new term is a political question, unfit for judicial resolution. We hold, therefore, that the Convention's limits on liability . . . are unenforceable in United States Courts."—690 F.2d at 311.

The well-reasoned, comprehensive *Franklin Mint* opinion has persuaded this court that, indeed, the limitation on damages that is imposed by the Convention is unenforceable.

The Second Circuit made its decision prospective, expressly limiting its effect to events occurring at least 60 days from the decision. 690 F.2d at 312. However, in its discussion the court noted:

"The need for a unit of conversion is self-evident. Without it, a rational limit on liability cannot exist, much less one which produces judgments of equal value in different currencies.

"The lack of an internationally agreed upon unit is also obvious. The very convening of the Montreal meeting in 1975 was a recognition by the Warsaw parties that the Convention's unit had been eliminated by events."—690 F.2d at 309.

It is clearly established that the airlines knew that "a rational limit on liability cannot exist" without an internationally agreed upon unit and "the Montreal meeting in 1975 was a recognition by the Warsaw parties that the Convention's unit had been eliminated." Therefore, airlines, including Korean, presumptively knew that this "international disarray" would prevent the Convention from shielding them in any rational manner, and they would be expected to protect themselves and obtain additional insurance.

Furthermore, the knowledge of this "international disarray" and the "recognitions by the Warsaw parties that the Convention's unit had been eliminated by events," contrary to the holding in *Franklin Mint*, would allow the airlines to see—as early as 1975—that, eventually, a court would refuse to enforce the Convention. Therefore, this Court's decision as to the enforceability of the Convention is applicable to this action.

On the basis of the unenforceability of the damages limitation imposed by the Convention, the plaintiffs' motion to strike the defense of the Warsaw Convention is granted.

Dated: February 15, 1983.

TERRY J. HATTER, Jr.,
U.S. District Judge.

MONTREAL AVIATION PROTOCOLS—FACTSHEET

The Congressional Record, Senate of March 1, 1983, pages 3289-3291 records the remarks of Senator Percy in support of the Montreal Aviation Protocols. The following comments and critique are offered in response:

"Mr. PERCY. Mr. President, the Senate will soon be asked to consider Montreal Protocols Nos. 3 and 4 and to give its advice and consent to their ratification by the United States. The protocols provide essential reforms of existing international aviation agreements and are in the best interest of Americans flying beyond our shores. Rejection of the protocols serves the interests of only a fraction of the most wealthy American travelers and of a small group of aviation litigation specialists."

Wrong. Rejection of the Protocols will serve the interest of all Americans who fly. Absent the Warsaw Convention-Montreal Protocol system of liability each aircrash loss will have an immediate settlement value far greater than under the Montreal system.

"The Montreal Protocols, with the Senate conditions recommended by the Foreign Relations Committee, represent a comprehensive package of coverage for all Americans traveling on international flights. This package would have the following results:

"Raise the present limit on most recoveries from $75,000 to at least $320,000—and even higher if the Civil Aeronautics Board is able to construct a reasonable supplemental compensation plan with higher levels;"

Wrong. Under the most recent cases, *Franklin Mint* v. *TWA*, 690 F.2d 303 (2d Cir. 1982) and *In re Air Crash at Kimpo International Airport, Korea*, U.S.D.C., C.D.Calif., Feb. 15, 1983 there is at present no enforceable limit at all. Assuming, however, that there is a $75,000 limit, it is not raised to $320,000. Protocol 3 (the only one applicable to death and injury) fixes the limit at 100,000 Special Drawing Rights (SDR's), a fluctuating amount which is now about $109,000.

The Civil Aeronautics Board has proposed a supplemental compensation plan which does not affect the airline's liability. If enacted it would establish a mandatory insurance program which upon proof of damages by a passenger or his family would provide additional payments of up to $200,000. This plan probably lacks statutory authority, however, and has been challenged both in the C.A.B. itself and in the United States Court of Appeals for the District of Columbia Circuit. The C.A.B. has not responded or acted upon these challenges, despite the passage of years. In any event, the airline's limit of liability under the Protocols would be $109,000 at current exchange rates.

"Provide unlimited hospital and medical benefits in the event of injury—without regard to the $320,000 level;"

Wrong. As indicated, there is no "$320,000 level." In any event the medical payments provision is not in the Protocols. It is in the proposed Prudential Life Assurance Society supplemental insurance plan which has been challenged in both the C.A.B. and the D.C. Circuit.

"Assure access to U.S. courts by American citizens;"

Wrong. The Protocols extend the limited venue provisions of the Warsaw Convention by adding the place of passenger domicile. Since, in almost all cases, the passenger has bought his ticket there anyway, and since the place of purchase of the ticket has already been specified in the Warsaw Convention, this adds very little to what he has under the Convention. Absent the Warsaw Convention, completely, venue would be broader, since virtually any airline can be sued in the United States. As a practical matter these Conventions only have the affect of limiting venue. They do not expand the number of places where a passenger may sue.

"Assure cash recoveries, in most cases, within 6 months of an accident rather than years later;"

Yes and no, but misleading. If a passenger is killed in a crash and he leaves a wife and three children it would not do them much good if the recovery were limited to $150.00 even if it were received the next day.

Most of the delay in litigation today is related to damages, not liability. In the *American Airlines Chicago DC-10* litigation, for example, liability to passengers was admitted after three months, but 24 percent of the cases are still unsettled. That is because the families of 24 percent of the decedents have not accepted American Airlines' offer, even though in most cases it far exceeds Protocol limits.

It is absurd to allege a benefit, in the form of speedy recoveries, by virtue of reducing damages far below what the poor family has suffered.

"Reduce Legal expenses to normal hourly rates rather than 20 to 40 percent of the victims' recoveries."

Wrong. First of all fees in major airline cases range around 15-20 percent today and not 20-40 percent. In the famous *Turkish Airlanes Paris DC-10 Cases* Judge Peirson Hall's study shows that the average was 18 percent, and it is lower today.

Secondly all negligence cases in the United States today are handled on a contingent fee basis, whether liability is admitted, or not. The contingent fee has proved to be more economic and productive for clients than hourly charges which generate a lot of needless work. In any event the only lawyers in the United States with experience in proving damages work on a contingent fee basis, and in most cases that is the only fee basis the poor victims of accidents can afford.

"Mandate annual review of the system by the Civil Aeronautics Board and withdrawal by the United States if the system proves inadequate:

"Assure automatic increases in liability levels every 5 years and continues efforts by the U.S. Government to negotiate ever higher levels or airline liability;

"Preserve international consensus on a uniform system of compensation which would protect Americans worldwide and not leave some citizens to the mercy of foreign courts and very low limits on recoveries."

Annual review of an archaic and inadequate system is of no value, and automatic increases in levels that are far too low in the first place are useless.

Americans do not need or want a uniform system of compensation. They are entitled to fair damages by American standards for airlines that pay for American airplanes and accept their American dollars for their airfare.

Absent Montreal Americans would not be at the mercy of foreign courts. They would sue foreign airlines in American courts, which would not, under modern choice of law rules, enforce low, foreign limits on recoveries.

"First, most Americans who have been the victims of international aviations accidents during the past two decades have been compensated with $75,000 or less."

Wrong. By virtue of the willful misconduct exception, which permits recoveries above $75,000 most American plaintiffs have settled their cases for far more.

"Second, during the same time period only once has a U.S. court determined that an airline was guilty of 'willful misconduct,' which is the only existing test for exceeding the present $75,000 limit. There have been settlements at a higher figure, but the determination itself is virtually never made."

Acutally not true, but insignificant in any event. Where willful misconduct has been alleged, as was done in the Air France *Atlanta Art Association* case, the *Sabena Iceskating Team* case, the Pan American *Bali* case, and hundreds of other cases, the cases have been settled far in excess of the limit. In almost any case today the settlement value far exceeds the limit by virtue of the willful misconduct exception.

"Third, if the proposed Montreal Protocol package is rejected by the Senate, we will eventually have to replace it with a similar type of system.

"Let me now elaborate on each of these points."

Wrong. If Montreal is rejected we can survive under the Warsaw Convention which, under the two most recent cases, *Franklin Mint* and *Kimpo*, provide for unlimited recoveries. A better alternative would be to denounce the Warsaw Convention completely, as we did, under President Johnson, in 1966 (the denunciation as withdrawn before the end of the six month period). There is no need whatsoever for a Convention in the year 1983. It is a relic of 1929, two years after Lindburgh flew the Atlantic.

"1. COMPENSATION

"Despite what opponents of the protocols suggest, during the past two decades the actual recoveries of international accident victims are most often limited to $75,000 or less. During the past 6 years, in fact, recoveries in international aviation accidents have averaged only $65,200. In comparison, the combined system represented by the Montreal Protocols and supplemental compensation plan would provide a potential $320,000 in recovery. At that level, more than 85 percent of the settlements resulting from recent domestic and international accidents would be covered. Furthermore, the payouts would occur much more quickly and with much lower legal fees."

Wrong. The statistics submitted to the Foreign Relations Committee in 1981 in confidence are made out of holed cloth. They are wrong. The Air Transport Association has never made the numbers public and the records of the airline liability insurance carriers refute them. Unfortunately the aviation liability insurance carriers were never invited to testify before the Foreign Relations Committee, in its hearings.

Because the ATA has refused to display the figures it is impossible to show how they have been misused. It would appear, however, that most of the alleged settlements are taken from the Tenerife accident which involved, for the most part, elderly passengers from California retirement communities.

The average award, to date, in the *American Airlines Chicago DC-10* case, for example, is $436,000, with 76 percent of the cases settled, and many of the largest cases are still remaining. It is clear, therefore, that the statistics set forth in Senator Percy's statement do not reflect current experience in evaluating these lawsuits.

Averages miss the point, in any event. If a young executive is killed, leaving a wife and children, the case is worth upwards of $500,000 by today's standards. That is because it will cost a lot of money to educate and raise young children and support a family in 1983 and future years. Why should those children and that mother bear that economic loss caused by a negligent airline?

The suggestion that 85 percent of the recoveries would be covered by a $320,000 limit (even if that were the correct figure, which it is not) is wrong.

"Consider how the present system has worked in the most recent accident for which data is available, the 1979 DC-10 crash in Chicago. In the first 6 months after that crash, less than 5 percent of the 258 cases were settled. Less than 20 percent were settled within 1 year; 3 years after the accident, 40 percent of the cases remain unsettled. Of the cases that have been settled, let us consider how some of the victims' families have fared. Of the higher settlements reached so far, one widow received over $1 million, of which her attorneys received nearly $400,000. One reporter has estimated that this amounted to somewhere between $10,000 and $15,000 per hour. Another widow received $278,000 for herself and $33,000 for each of her three children, but paid to her lawyers $172,000. In a third case, a widow received $129,000 and $12,500 for each of her three children, while the attorney pocketed $83,333. In a fourth case, a widow and two children received $350,000, compared with her lawyers fee of $94,434. Reacting to such facts, a presiding senior Federal judge temporarily halted all damage payments to review their fairness and described the existing practices as 'gouging,' 'shafting,' and 'seriously out of line.'"

The information is either wrong or out of context.

One hundred and ninety-eight (198) cases have been settled to date out of a total of 259 in the American Airlines Chicago DC-10 accident. The average settlement is $436,000. The average fee has not been computed publically, but will be about 17 percent. The particular cases reported in Senator Percy's statement were cases of abuse, where the court refused to permit excessive fees and criticized the responsible lawyers from deviating from the norm.

"Therefore, the real question is not whether the system of compensation provided in the Montreal Protocols is ideal, but whether it is better than the existing alternative. At this point, I ask unanimous consent to include in the RECORD a summary of the best available statistics on accident recoveries over the past 5 or 6 years, as provided to the committee by the Department of State.

"There being no objection, the summary was ordered to be printed in the RECORD, as follows:

"COMPARISON OF RECOVERY LEVELS FROM AIRLINE ACCIDENTS

	Number of Claims	Total settlement amount	average settlement
International:			
Injury	58	$12,102,000	$208,700
Death	388	16,971,000	43,700
Total	446	29,073,000	65,200
Domestic:			
Injury	144	5,610,000	39,000
Death	347	83,083,000	239,500
Total	491	88,691,000	180,600
Combined International and domestic:			
Injury	202	17,712,000	87,700
Death	735	100,052,000	136,100
Total	937	117,764,000	125,700

Note.—For combined international and domestic recoveries, the percentage falling under $325,000=83.3 percent.

Source: The above date is the result of a case-by-case analysis of seven major accidents which involved both international (Warsaw) and domestic cases: Pam Am at Tenerife, March 1977; Southern near Atlanta, April 1977; PSA at San Diego, September 1978; United at Portland, December 1978; Continental at Los Angeles, April 1979; American's DC-10 at Chicago, April 1979; Western at Mexico City; October 1979.

The statistics on each case were provided by the airlines and insurance companies, on a confidential basis, to the Air Transport Association. While this information cannot be made public, officials from the Department of State and the Department of Transportation have carefully scrutinized the individual figures and information upon which the tables were based. These officials have thoroughly reviewed this data, believe that this analysis is accurate."

As indicated, the statistics are questionable at best.

The details of these statistics have never been made public. There is nothing confidential about them and there is no reason to withhold them if they are fair and accurate. They appear to be inaccurate in the extreme. For example, they purport to include the Tenerife claims as well as Western Airlines Mexico City, both of which were international. Only 436 international claims are averaged, however, and there were more than 600 in Tenerife alone. The comparison gives no time period covered, so that is is im-

possible for one to know which claims are being referred to. It obviously does not include many American Airlines Chicago cases (although you would think from the text that it included them all) since these are apparently the same figures given to the Foreign Relations Committee in September, 1981. It is impossible to reconcile the purported average of $125,000 per case with the known average to date in American-Chicago of $436,000.

"2. SAFETY

"Mr. PERCY. Mr. President, I shall now turn to safety.

"There is no real basis to the suggestion that the Montreal Protocols, by removing the provision for findings of 'willful misconduct,' will lower the safety standards of airlines and result in sloppier practices and more frequent accidents. As noted above, we have found only one case in the past 15 years in which a court has actually made a determination of willful misconduct. That accident occured in the South Pacific in 1974. It may be of interest to note that of the 91 people killed in that accident nearly 9 years ago, almost a third of them remain uncompensated today. Of those who have settled, the average settlement is $89,000."

Aviation litigation has contributed materially to aviation safety. The number of cases tried to verdict on wilful misconduct is not the important thing. It is the exposure of the industry to public scrutiny that produces safety. The cases of bad conduct usually get settled before trial, but the system still exposes fault. It is the discovery practice, with the production of documents and the deposition testimony, which exposes evidence of corner-cutting and wrongdoing.

"3. WORLDWIDE COVERAGE

"Opponents of the protocols would have us believe that we can simply strip away the Warsaw system on our own and operate without an international agreement of any kind. In effect, they suggest that U.S. denunciation of the Warsaw Convention would lead to a system of unlimited liability, with every American or his surviving family being able to bring a case in a U.S. court even if the accident itself occurred in some other part of the world. Furthermore, they assert that operation without an agreement would pose no serious problems for Americans and no problems for the U.S. Government, the American carriers, or American manufacturers."

Right. That is exactly what the situation would be. The suggestion that American courts would deny justice to Americans, virtually all of whom bought their airline tickets here, demonstrates lack of knowledge of the workings of our litigation system.

"For without a system which provides a uniform set of standards on questions of jurisdiction—which courts decide—choice of law—which standards control—and damages—what recoveries people are entitled to—American citizens would force a maze of legal problems, often in foreign, unfamiliar settings, and often in countries whose limits on liability are much lower than even the $75,000 figure presently applicable on flights to and from the United States. In other words, without a system providing worldwide protection to American travelers, some Americans would be left out in the cold."

Wrong. Americans can sue virtually all airlines here and there is no maze of legal and choice of law problems under modern choice of law rules. Whoever wrote this for Senator Percy is referring to the old lex loci delicti rule which is now almost uniformly discarded by our courts.

"As a result, the advantages of maintaining a uniform system would very soon lead the United States back into a system very much like the modified system we are proposing in the protocols, except that the credibility and influence of the United States would be seriously undercut by our failure to approve these protocols, since they were largely the result of a U.S. initiative in the first place."

The representatives of foreign governments (which own airlines) will think we are naive if we do ratify these Protocols, since all they do is limit the rights of Americans for the benefit of mostly foreign airlines. These delegates have known from the beginning that any system of limited liability for airlines would have tough going in the United States Senate.

(During the foregoing remarks Mr. WILSON assumed the chair.)

Mrs. KASSEBAUM. Mr. President, I would just like to say to the Senator from South Carolina (Mr. HOLLINGS) that I thoroughly enjoyed his stemwinding account of what travails would befall us if we ratify the Montreal Protocols.

I would also like to say that if I needed a trial lawyer, that the Senator from South Carolina would be at the top of my list.

Mr. HOLLINGS. Mr. President, will the Senator from Kansas yield? If I needed a client you would be my choice. [Laughter.]

Mrs. KASSEBAUM. However, I would have to say that I would disagree with some of the statements the Senator made. In fact, I do not believe they have been accurately interpreted. But we do share a great concern about the health and safety of aviation.

It is not just a quick fix. We have been anguishing over this issue for 6 years at least, and certainly I do not think the Senate will be rubberstamping the treaties, Mr. President, with the distinguished Senator from South Carolina guarding the gate.

I would like to just touch on a couple of issues the Senator raised because I believe the Montreal protocols are in the best interests of passengers traveling on international flights.

The Senator raised the question many times about unlimited liability. Unlimited liability, Mr. President, is unattainable internationally. Conflicts of law issues of enormous proportions would result from denunciation of the Warsaw Convention. This is one of the most basic factors which motivated over 120 nations to adhere to the Warsaw Convention, and which moved the American Bar Association to overwhelmingly support the protocols by a house of delegates vote of 209 to 81.

The 1982 edition of "World Airline Fleets" lists nearly 3,000 commercial air carriers operating worldwide. The great majority of them could never be brought into U.S. courts, but they all transport U.S. citizens.

I would like to ask the Senator from South Carolina what he would say today to the poor widow whose husband is killed on a Brazilian airline and tries to collect in the United States? By not ratifying the protocols she would have to settle for $170, as did the victims of the crash involving the Navy band which was traveling on a Brazilian flight.

This is quite a bit different—17 percent and 33 percent.

Contrary to what opponents to ratification may say, the choice we confront is not between the Warsaw system and some ideal system fashioned by American lawyers in American courts. It is not a question of uniformity but instead is a choice between the present outdated system of accident compensation and a significantly improved system.

It has been said we have not updated this issue, that it has been one that has not been carefully analyzed; to which I would just say we have gone through in the past year an extensive hearing in the Foreign Relations Committee. I think if the true alternatives are faced realistically we will all have to agree that it is high time that the United States followed through with reform efforts which we ourselves initiated years ago and which provide fair and more reliable protection for Americans than the present system.

I would also like to emphasize that the issues for me and, I think, for all of my colleagues on the Foreign Relations Committee, who have twice voted overwhelmingly in favor of the Montreal protocols, is whether the system of accident compensation provided under these agreements is better for the vast majority of Americans traveling on international flights than a system which we presently operate under.

This is why I think it is to our advantage and in our interest not just to try to find a uniform method for settlement. It is trying to improve the system so that, indeed, it will be a fairer settlement.

Much has been made also about willful misconduct, the fact that if willful misconduct can be proven, and it seldom has, then it will indeed be a means to keep safety as a factor always uppermost in the minds of the airlines.

I think as far as the need for safety, the fact that the FAA, which has frequently gounded aircraft, and the National Transportation and Safety Board continued exhaustive studies on trying to assure the safety of aviation, as I say, is a better means and, as I say, rarely if ever has willful misconduct been proven. But it just serves to allow the trial lawyers to drag out settlements for up to 6 years before some victims are compensated.

Certainly, as the Senator from South Carolina has stated, the question of legal fees is one that has been frequently raised, and he gave the figure of 17 percent, approximatley. I would just like to read into the RECORD this statement:

With regard to attorneys' fees, in November of 1980, Judge Hubert L. Will, one of two senior federal judges handling the Chicago American Airlines accident, admonished the plaintiffs' attorneys at a pre-trial conference. He charged that some plaintiffs' lawyers were charging "fees that no knowledgeable lawyer would call reasonable. . . ." He stated "you do not have a license to steal because you are admitted to the practice of law, nor do you have a license to gouge. . . . I'm not sure what we can do, . . . but I do not think that judges can stand by and watch lawyers gouge clients and do nothing about it".

I would also like to read this statement into the RECORD:

In a presentation to the Air Law Group Symposium on Manufacturers' Liability for Aviation Accidents held in the United Kingdom on February 1, 1971, one of the authors, Mr. Kreindler, stated: "I would say that nationwide the standard fee in a negligence case, if there is a standard fee, is probably 33.3 percent".

The United States ratified the Warsaw Convention in 1934 and remains a party to that treaty. Under the terms of the original Warsaw Convention the liability of airline accidents was limited to $8,300 per person.

Mr. President, whatever may have been the merits of the level of $8,300 that were set at that time, it certainly was clear to the U.S. Government by the end of World War II—when international aviation went through an enormous expansion and the dollar underwent a significant contraction—that such a level was unacceptably low and that amendments to the treaty would have to be made to raise the limit substantially.

The initiative for such changes came from the United States, but they encountered great resistance from almost every other country in the world. Although the U.S. proposal was for a $25,000 ceiling, the best that could be negotiated in 1955, when an amendment was agreed to at The Hague, was a doubling of the original Warsaw figure to $16,600. Therefore, in recommending The Hague protocol to the Senate years later, the administration coupled the $16,600 limit with a $50,000 insurance plan per person to increase the limit to $66,600. For various reasons, however, the Senate never did approve The Hague protocol, so that as a technical matter, we are still party to a treaty which limits liability to $8,300. Among the other countries of the world, some are party to The Hague protocol and some are not, but in no case is there a treaty limit higher than $16,600.

What we do have, as an alternative to this admittedly ridiculous level of $16,600, is something called the Montreal Agreement, which is not a treaty but an agreement among the carriers serving the United States. Under that agreement, carriers agree in practice to waive the limit of $16,600 up to a level of $75,000, inclusive of legal fees and costs. With a few exceptions, however, this 1965 intercarrier agreement applies only to airlines which fly to and from the United States. As a result, Americans flying abroad face either of two possibilities in the event of an accident. Where the intercarrier agreement applies, they face a limit of $75,000, and where it does not apply—such as in many flights in the Third World—they face a limit of either $8,300 or $16,600 depending upon whether the country concerned has ratified the earlier Hague protocol.

Under either circumstance, it may be possible to avoid the liability limit entirely if it can be proven that the airline involved in a particular accident was guilty of "willful misconduct."

But I think, as I said earlier, this is seldom, if ever, proved. As a safety factor, we have the safeguards necessary to make sure we are constantly evaluating and reevaluating the needs for aviation safety.

Now let us contrast the system which would be in effect if the United States enters into the Montreal protocols and thereby amends the Warsaw Convention. In that case, the liability limit will be raised to $117,000, or 14 times the limit originally provided for in the Warsaw Convention. That limit would be automatically increased every 5 years, and would already be much higher if the United States had approved them when originally negotiated. The United States also negotiated a provision which allows for each country to establish a supplemental compensation plan (SCP) to provide for still higher recoveries. The Civil Aeronautics Board 5 years ago reviewed and approved one such plan, which would provide $200,000 of additional coverage per passenger, bringing the total available to $320,000. In addition, it would provide for unlimited hospital and medical costs and provide incentives for all claims to be settled within 6 months. Both the executive branch and the CAB calculatd in 1977 that such a plan would cover 85 percent of all accident claims.

I think this, in and of itself, speaks well for the merits of the Montreal protocols.

A supplemental plan along these lines would clearly provide combined coverage which substantially improves the situation for all Americans traveling on international flights. However, because of the intervening time since the Civil Aeronautics Board last reviewed the plan, and the need for detailed and careful hearings on the economic features of such a plan, the Committee on Foreign Relations insisted—and added an explicit condition to its proposed resolution of ratification—that the Board must review the entire matter once again as soon as Senate approval is given but prior to formal ratification by the United States.

I think this would take care of one of the questions raised by the Senator from South Carolina that we have not had continual updates.

We regarded the approval and continued review of the supplemental plan as an essential part of U.S. participation in the revised Warsaw system. In fact, the CAB may well conclude, on the basis of new testimony or economic circumstances, that important features of the plan will need to be modified. However, it was the committee's decision that the Board was better placed to make such judgments and that the basic question for the Senate was not on the details of the compensation plan but on the desirability of ratification of the protocols combined with a plan at least as attractive as the one approved 5 years ago. Finally, any questions which have arisen regarding the Board's jurisdiction and authority to review and approve the plan would be removed by including an explicit directive in the Senate's resolution of ratification.

Mr. President, for these reasons, I believe the Montreal Protocols are a substantial and necessary improvement over the present state of affairs, and I ask my colleagues to give their favorable advice and consent of ratification.

Mr. DECONCINI. Mr. President, we have before us today Montreal Protocol Nos. 3 and 4, the latest in a long line of international agreements attempting to find a just and equitable middle ground upon which to reconcile the divergent interests of limited liability within the international airline industry and the legitimate rights of injured or deceased passengers.

The task of reconciling these interests into a workable framework of international uniformity of recovery is a difficult one to be sure. Unfortunately, the Montreal Protocol has failed in this most important regard. Three facets of the protocol are subject to criticism: It alters the basic nature of American tort law, does not insure prompt settlement of claims, and provides a subsidy to an industry of questionable necessity through the imposition of a harsh tax on the victim's of international air disasters. I believe these criticisms justify rejection of the protocol.

One of the basic tenants of American tort law is that one who injures another must put the victim in the position he was in prior to the injury. The American personal injury system is designed with flexibility in mind. The system recognizes that compensation for one injured party may not be

adequate for another injured party who lives under a different standard of living. The Montreal Protocol, on the other hand, seeks merely to insure that injured persons are compensated. Under the agreement, some Americans will receive less than their full measure of actual damages. I do not believe that our system of compensation in personal injury cases should be cast by the wayside in favor of strict Federal regimentation of recovery awards. Further, the protocol alters the delicate balance between the States' authority to fashion legal remedies and that of the Federal Government. The remedies of tort law have historically been reserved to the States. This reliance on State law was premised on the belief that local governments are closely attuned to the needs of its citizens, and that local governments are the most qualified to incorporate the force of law behind society's judgment of what is faulty conduct and what adequate compensation for such "unsocial" conduct should be.

Ratification of the Montreal Protocol Nos. 3 and 4 would remove this critical element of local control over the type of conduct a State may wish to discourage.

Finally, passage of this agreement will establish precedent for further alteration of our present system of tort law. The same arguments of uniformity and certainty of result put forth today in favor of the Montreal protocol will most assuredly be put forth in the future in an attempt to impose comparable limitation on liability in accidents arising out of domestic air travel. I do not believe that it is prudent to abandon the American system of tort law which has served us well, alter the balance of federalism, and establish precedent for further change in our system in the name of uniformity and certainty.

Further, one of the most viable concepts supporting the agreement, the attainment of damages without the costs of prolonged litigation, is not assured. While the concept of the settlement inducement provision which encourages dispute resolution by enabling the carrier to avoid the imposition of additional costs by making a written offer of settlement may be laudable, it is based on the presumption that the claimant will be faced with a reasonable offer he will accept. With the minimal amount suggested by the agreement and its inability to compensate the victim, it is doubtful that many settlements will be forthcoming.

The settlement inducement provision is fraught with pitfalls which may ultimately act to negate its effectiveness. The first problem emerges with the specificity of article 22, section 3, which contains one of the greatest potential delaying factors in the revised Warsaw Convention. Before the carriers make an offer, the claimant must give "a written notice to the carrier of the amount claimed including the particulars of the calculation of that amount." Because there is no corresponding requirement that the carrier advise the claimant of this unusually explicit notice provision, the document may neglect to satisfy this requirement.

From a practical point of view, the claimant will not be aware of the notice requirement. As a result, the claimant will advise the carrier of his damage amount in a manner falling short of the particularity required in article 22, section 3. The carrier is then at liberty to delay the making of any settlement offer. The carrier has 6 months following the claimant's notice in which to respond. Unless the claimant commences his action contemporaneously with giving the article 22, section 3, notice, the 6-month period will be extended. Where the claimant's action is commenced after his notice is given, the effect is to stay the 6-month clause until the complaint is filed.

Carriers may be expected to follow this provision in order to retain corporate process as long as possible. Article 29, section 1, provides still another delaying element. This provision extinguishes claimant's damages unless the action is brought within 2 years. Specifically, it provides three alternatives for the time frame: First, from the date of arrival at the destination; second, from the date on which the aircraft ought to have arrived; third, from the date on which the transportation stopped. Which of these alternatives is utilized is left to the court hearing the case.

The problems are compounded by the fact that the Convention statutes of limitations do not always parallel American statute of limitations and may bar an otherwise worthy claim. In light of these delaying elements and the lack of a reasonable ceiling on damages, it is doubtful that settlements will be reached, reducing the time and resources dedicated to lengthy litigation.

It should be further noted that inducing settlements is not always in the public interest. The carrier may be induced to forgo defenses and settle a claim which it knows to be invalid. The cost of these "wholesale" settlements will undoubtedly work against the public interest, and they will affect travel prices. I do not believe that we should approve an agreement which will not necessarily achieve its primary purposes, particularly when those purposes may not ultimately be in the public interest.

Finally, the economic impact of this agreement on the air carriers, aircraft manufacturers, and air travelers must be considered. It is clear that the liability limitation imposed by the agreement will benefit the air carriers. It is important to note that this limitation on liability differs greatly from earlier limitations. Early limitations on air carriers were premised on promoting air commerce and encouraging a developing industry. Today that industry stands strong; such limitations are no longer necessary. Larger liability limitations will not cripple a sophisticated and flourishing air travel network.

Another critical issue is the effect these conventions will have on the American aircraft manufacturer. As it stands under the conventions, the aircraft manufacturer is not permitted to receive indemnification from a negligent air carrier. An air carrier may extricate itself entirely from liability if an aircraft manufacturer is even minimally liable. If the insurers of the aircraft manufacturers are faced with having to fund the negligence of the air carrier in addition to the negligence of the aircraft manufacturer, the increase in premium would severely stifle the aircraft manufacturing industry. But the real burden is placed on those least capable of bearing it, the victims of international aviation disasters. The victims are required to pay a subsidy to the air carriers. The amount of this tax is calculated by the degree to which the available recovery falls short of the victims proven damages.

If the United States deems subsidization of international air transportation a necessity, the cost of the subsidy should be spread to all those who benefit from the availability of air transportation; it should not reflect a method which so heavily burdens the most ill-fated.

In conclusion, let it be recognized that it is desirable to provide certainty of recovery in international air disasters. But this is not the only interest to be considered. The United States also has an interest in assuring that its citizens will be compensated to the full extent of their damages. While this interest is not served by the agreement, the agreement also fails to assure prompt settlement and imposes large costs on those least capable of paying. As a result, I do not believe that ratification is in the public interest. I urge my colleagues to reject ratification of Montreal Protocol Nos. 3 and 4.

Mr. PERCY. I do not know of any further speeches to be made on the minority side, though I have not cleared that with the ranking minority members, Senator PELL. I think we ought to notify everyone and staff that may be listening to this announcement that we know of no further speeches.

It would be, I presume, the intention then on both sides to yield back the remainder of their time, with the understanding that there is an hour reserved tomorrow, 1 hour prior to the

vote, for debate, equally divided, on this issue. But if any Senators do wish to speak today, they should come to the floor fairly soon because we will not have need to hold the floor any longer if we have no indication that any one wishes to speak today.

Mrs. KASSEBAUM. Mr. President, I have no objection and I would be happy to yield back what time I have remaining and I know of no one else desiring to speak today.

Mr. PERCY. Mr. President, I thank my colleague for yielding. I very much appreciate her devotion to this issue. I know it is an important issue. I wish to express again my appreciation to the leadership for scheduling this time today and the time certain for a vote tomorrow.

I urge our colleagues to take a very careful look at this issue. It has been overwhelmingly approved by the Foreign Relations Committee. The hearings held under the leadership of Senator KASSEBAUM were very thorough and complete hearings. I think this is a matter very much in the interest of every single user of the airlines.

I thank my distinguished colleague for her great leadership in moving us this far forward. We need some help now to convince those that have not spent the time on it but that are concerned about it to study it. I trust that they will support the Foreign Relations Committee and those who believe that this is a good treaty in the interest of consumers and users of airlines and will bring order out of what otherwise is a rather unhappy situation of uncertainty at this time.

Mrs. KASSEBAUM. I thank the chairman.

Mr. President, I believe we have reached agreement on yielding back time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. PERCY. Mr. President, as I announced about a half hour ago, to my best knowledge, there is no one who now desires to speak any further on the Montreal Protocols. In that event, I yield back the remainder of my time and Senator PELL's time as well, who is managing the time for the minority.

The PRESIDING OFFICER. Without objection, all time is yielded back.

Mr. PERCY. Mr. President, I ask for the yeas and nays on the vote to be held tomorrow.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the rollcall vote will occur at 11 a.m. tomorrow.

DEPARTMENT OF STATE

NOMINATION OF LEWIS ARTHUR TAMBS, OF ARIZONA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES TO COLOMBIA

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to consider Executive Calendar Order No. 30, the nomination of Lewis Arthur Tambs, of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia. The time for debate on this nomination will be 1 hour, equally divided and controlled by the chairman and ranking minority member of the Foreign Relations Committee or their designees.

The Senator from Illinois.

Mr. PERCY. Mr. President, at the request of the minority, I ask for the yeas and nays on the Tambs nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this afternoon we are considering the nomination of Mr. Lewis Tambs, of Arizona, to be U.S. Ambassador to Colombia. Inasmuch as I have the privilege of serving as chairman of the Western Hemisphere Subcommittee, I have been acquainted with Mr. Tambs for a number of years. Mr. Tambs is a fine American, and unhesitatingly I give him my unqualified endorsement. He is, in my judgment, one of the most outstanding candidates ever to have been nominated to such a post.

Mr. President, Lewis Tambs is currently a consultant at the National Security Council. Previously he was professor of history at the University of Arizona for over a dozen years. He is eminently qualified to represent our country in this South American Republic. He has lived or traveled throughout most of the Central and South American region, and he speaks fluent Spanish and Portuguese.

Mr. President, not only is Mr. Tambs a distinguished academician and a recognized authority on Latin American affairs, but he also had a very successful career as an independent businessman, both in the United States and in Latin America. In Venezuela he worked for Creole Petroleum as a pipeline engineer, and later was the general manager for an oilfield construction business in that country.

Mr. Tambs' experience in the business world in Latin America convinced him of the need to bring a sense of realism to Latin American studies in the United States. It was this realization that brought Mr. Tambs back to the United States for further academic study. He went on to earn a masters degree in Latin American studies and a doctorate in history.

Mr. Tambs' understanding of the history and culture of Latin America are evidenced by his numerous publications, which now number in the eighties. Furthermore, he has been the recipient of various fellowships in the past 20 years. It is clear that the nominee is well qualified, so I need not elaborate further on his accomplishments. I believe it would be of interest to my colleagues, though, to look briefly at some of the points Mr. Tambs makes in a report by the Committee of Santa Fe, of which he was editor. The study is entitled, "A New Inter-American Policy for the Eighties," and it is an important work dealing with our relationship with our Latin American neighbors.

The document states that "a United States-Latin American policy which fosters American and Ibero-American security, based on mutual national independence and inter-American dependence, promotes autonomous economic and political development based on our cultural and religious heritages, accepts limits on U.S. impulses to promote internal reforms in Ibero-America, and recognizes and respects that the dignity and sensibilities of our neighbors should be pursued." The report goes on to argue that the defense of a nation's sovereignty and preservation of a people's cultural identity are basic to survival. These elements, it says, are being suppressed by international communism.

Mr. President, an entire section of the Sante Fe document focuses on specific proposals for the United States to aid the nations of the Western Hemisphere in developing their petroleum, agricultural, and industrial energy potential. These recommendations include: Stimulating small, creative for profit ventures that will reinvest a significant portion of their profits in technical training and assistance to local farmers; encouraging direct foreign private investment; working with and through the AFL-CIO and other independent workers' organizations, to foment the free labor movement in Latin America; and helping protect middle group Latin American industries from destruction by the multinational corporations.

Mr. President, this timely study examines the effects of subversion in the

Latin American countries. The committee urges the United States to take the diplomatic initiative in aiding these nations which are victims of subversion, in revitalizing the Rio Treaty and the Organization of American States; in reproclaiming the Monroe Doctrine and in tightening ties with key countries.

Mr. President, the committee concludes that only the United States can, as a partner, "protect the independent nations of Latin America from Communist conquest and help preserve Hispanic-American culture from sterilization by international Marxist materialism."

Mr. President, Mr. Tambs exemplifies the true American spirit of freedom and democracy. He has an intense desire to help our Latin American allies realize that same freedom. And for more than 20 years, Mr. Tambs has championed the cause of these friends.

The Reagan administration has remained keenly interested and concerned in the events of the Latin American region. The President himself indicated while on his Latin American trip last December, that we are committed to the strengthening of the democratic system in that region. Colombia is a fine example of the successful functioning of that system.

Mr. President, not only does Mr. Tambs have the support of the President of the United States along with nearly two dozen Senators who have endorsed him for a top-level appointment, he also has the support of the President and people of Colombia. It is important that we let the Colombian people know that we are dedicated to maintaining our long-standing friendship with them by sending a man the caliber of Lewis Tambs to Bogota.

Mr. President, I state again that Mr. Lewis Tambs is one of the most distinguished gentlemen ever to be appointed to the rank of Ambassador. He is, without a doubt, the man for the job, and I am confident that he will represent us well. I am delighted to endorse this nomination, and I do so vigorously.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I understand that this side is prepared to yield back its time under the unanimous-consent agreement on the Tambs nomination, and I do so yield it back.

Mr. BYRD. We do the same.

The PRESIDING OFFICER. All time is yielded back.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not longer than 10 minutes, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have a number of routine matters that appear to have been cleared by the minority leader and I shall propose them now for his consideration and that of other Senators.

ORDER TO PRINT BILL AS PASSED—S. 47

Mr. BAKER. Mr. President, I ask unanimous consent that S. 47, the Ocean Shipping Act of 1983, be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I have a number of items on my executive calendar that are cleared for action by unanimous consent on this side of the aisle. I inquire of the minority leader if he is prepared to consider all or any part of those items under nominations, excluding, of course, the Tambs nomination which has already been debated and which will be voted on tomorrow, if he is in a position to consider any or all of those for action by unanimous consent at this time.

Mr. BYRD. Mr. President, this side is prepared to proceed with all nominations following new reports going through page 4.

Mr. BAKER. I thank the Senator.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to executive session for the purpose of considering the nominations under new reports beginning with U.S. Arms Control and Disarmament Agency, the Department of State, Federal Labor Relations Authority, and nominations placed on the Secretary's desk in the Foreign Service.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The first nomination will be stated.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

The legislative clerk read the nomination of Manfred Eimer, of Maryland, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Morton I. Abramowitz, of Massachusetts, a career member of the Senior Foreign Service, class of Career Minister, for the rank of Ambassador during the tenure of his service as the Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL LABOR RELATIONS AUTHORITY

The legislative clerk read the nomination of Barbara Jean Mahone, of New York, to be a Member of the Federal Labor Relations Authority.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of John Carl Miller, of Ohio, to be general counsel of the Federal Labor Relations Authority.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Foreign Service placed on the Secretary's desk.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

11-059 O-87-4 (Pt. 4)

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I am prepared to ask the Senate to recess over until tomorrow.

I have two other brief matters that I wish to consider.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING THE RECESS OF THE SENATE

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until tomorrow, the Senate may receive messages from the House of Representatives and that the Vice President and President pro tempore, be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE RECORD REMAIN OPEN UNTIL 3 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that today's RECORD be held open until 3 p.m. for the introduction of bills, resolutions, and the submission of statements and for committees to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, that concludes my requirements for the day.

I inquire of the minority leader if there is anything further he wishes to present to the Senate.

Mr. BYRD. I thank the majority leader. There is nothing further.

Mr. BAKER. Mr. President, I thank the minority leader.

Is there an order for tomorrow?

The PRESIDING OFFICER. There is no order for convening time for tomorrow. There are two orders for votes.

Mr. BAKER. Two special orders?

The PRESIDING OFFICER. Two orders for rollcall votes.

Mr. BAKER. I thank the Chair. But no special orders; is that correct?

The PRESIDING OFFICER. There are none.

PROGRAM

ORDER FOR RECESS UNTIL 9:45 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MONTREAL PROTOCOLS DEBATE TO BEGIN AT 10 A.M.

Mr. BAKER. Mr. President, there is an order, is there not, for the Senate to renew the debate on the Montreal Protocols beginning at 10 a.m.?

The PRESIDING OFFICER. The Senator is correct.

ORDER WITH REFERENCE TO LEADERSHIP TIME

Mr. BAKER. The mathematics of the matter would indicate then that the minority leader and I would not be able to utilize the entire time granted us under the standing order.

I inquire of the minority leader then if he is agreeable to dividing equally the time that remains between 9:45 a.m. and 10 a.m. for that purpose?

Mr. BYRD. Mr. President, I have no problem with that.

Mr. BAKER. I thank the minority leader.

Then I make that unanimous-consent request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I know of no further business to come before the Senate. I see no Senator seeking recognition.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. BYRD. Will the Senate be in recess tomorrow for the meeting of conferences?

Mr. BAKER. Yes. Mr. President, I believe no provision has been made for that either; is that correct?

The PRESIDING OFFICER. The Senator is correct; there is no provision for the Senate to recess.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M. TOMORROW

Mr. BAKER. Mr. President, I remind Senators and those who read the RECORD and are interested in such things that on Tuesdays Members on both sides caucus off the floor of the Senate and those caucuses are of a quasi-official nature in the sense that they often produce deliberations that are valuable later on the floor of the Senate and help in the formulation of policy by both parties.

It seems wise, therefore, to provide a time for Senators on both sides to attend those caucuses and for that purpose on tomorrow, Mr. President, I ask unanimous consent that at 12 noon the Senate stand in recess until the hour of 2 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Is there anything else?

Mr. BYRD. That is all.

RECESS TO 9:45 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, and I believe there is not, I move now in accordance with the order just entered that the Senate stand in recess until 9:45 a.m. tomorrow.

The motion was agreed to; and at 1:37 p.m., the Senate recessed until tomorrow, Tuesday, March 8, 1983, at 9:45 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 7, 1983:

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Manfred Eimer, of Maryland, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency.

DEPARTMENT OF STATE

Morton I. Abramowitz, of Massachusetts, a Career Member of the senior Foreign Service, Class of Career Minister, for the rank of Ambassador during the tenure of his service as the Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

FEDERAL LABOR RELATIONS AUTHORITY

Barbara Jean Mahone, of New York, to be a Member of the Federal Labor Relations Authority for a term of 5 years expiring July 29, 1987.

John Carl Miller, of Ohio, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years.

FOREIGN SERVICE

Foreign Service nominations beginning Frank Bennett Kimball, and ending John R. Westley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 14, 1983.

HOUSE OF REPRESENTATIVES—*Monday, March 7, 1983*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
March 3, 1983.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, March 7, 1983.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, for friends and family and colleagues who are a source of strength and support. We are grateful for people who, in spite of their own needs, carefully and quietly use their time to help others by easing the pain or hurt of the moment, by giving encouragement for each new day. O God, we are appreciative of those who work for a sense of community and caring among us, and we will all come to see the opportunities about us where we can minister one to another with love and respect.

In Your name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed joint resolutions and bills of the following titles, in which the concurrence of the House is requested:

S. 47. An act to improve the international ocean commerce transportation system of the United States;

S. 420. An act to quiet title and possession with respect to a certain private land claim in Livingston Parish, La.;

S. 459. An act to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir;

S. 473. An act to authorize the Secretary of the Interior to acquire certain lands by exchange for addition to Effigy Mounds National Monument in the State of Iowa, and for other purposes;

S. 577. An act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho;

S.J. Res. 18. Joint resolution designating September 22, 1983, as "American Business Women's Day"; and

S.J. Res. 25. Joint resolution redesignating the Saint Croix Island National Monument in the State of Maine as the "St. Croix Island International Historic Site."

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON GOVERNMENT OPERATIONS AND CHAIRMAN OF THE COMMITTEE ON ENERGY AND COMMERCE

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Government Operations and the chairman of the Committee on Energy and Commerce:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 3, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to inform you, pursuant to the provisions of House Rule L (50) Section 2, that Lester O. Brown, a member of the professional staff of the Committee on Government Operations and formerly a member of the professional staff of the Energy and Commerce Committee, has been served with a subpoena to testify on behalf of the Plaintiff Frank E. Lawrence at the taking of a deposition in the case *Frank Lawrence* v. *U.S. of America, et al.*, and to bring to him any documents in his possession relating to this matter. That appearance is scheduled for 1:30 p.m., on March 8, 1983.

While we will assist Mr. Brown in undertaking the necessary determinations required by Section 3 of House Rule L (50), in consultation with counsel, we believe it is incumbent upon us to advise you that this subpoena appears to raise serious questions concerning the rights and privileges of the House.

Sincerely,

JACK BROOKS,
Chairman,
Committee on Government Operations.

JOHN D. DINGELL,
Chairman,
Committee on Energy and Commerce.

COMMUNICATION FROM THE HONORABLE MARILYN LLOYD BOUQUARD, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable MARILYN LLOYD BOUQUARD, a Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 1, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In compliance with Rule L(50) of the Rules of the House of Representatives, I am informing you that Mary Ricketts of my Chattanooga office has been served with a subpoena to appear before the United States District Court for the Northern District of Georgia.

I will consult with the General Counsel to the Clerk of the House and make the necessary determinations required under Paragraph Three (3) of the Rule.

Sincerely,

MARILYN LLOYD BOUQUARD,
Member of Congress.

PERMISSION TO SUBMIT AMENDMENTS TO H.R. 1900, THE SOCIAL SECURITY ACT AMENDMENTS OF 1983, FOR PRINTING

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that the gentleman from Texas (Mr. PICKLE) and the gentleman from Florida (Mr. PEPPER) may have until 8 p.m. tonight to submit amendments to H.R. 1900, the Social Security Act Amendments of 1983, for printing in today's CONGRESSIONAL RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. WORTLEY. Mr. Speaker, reserving the right to object, I have no objection to the late filing. However, I would ask, can the leadership inform us as to when the body will convene on Wednesday?

The SPEAKER pro tempore. May the Chair respond to the gentleman's question?

It is the understanding of the Chair that a rule will be sought tomorrow in the Committee on Rules which would allow some 6 hours in all of debate, including general debate and debate upon two amendments of which the gentleman from New York is aware, and, in addition to that, 1 hour upon the rule. There being the probability of some 7 hours of debate, and this not counting the time consumed in taking votes, the gentleman from Massachu-

setts (Mr. SHANNON) is going to ask unanimous consent that when the House adjourns tomorrow, we adjourn to meet at 10 a.m. on Wednesday, rather than 3 p.m., since Wednesday's session would be a very, very late session otherwise.

Mr. WORTLEY. Mr. Speaker, I just wanted to be sure that our membership knew when we would be convening on Wednesday, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, March 8, 1983, it adjourn to meet at 10 a.m. on Wednesday, March 9, 1983, instead of 3 p.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DRAFT REGISTRATION PROVES SUCCESSFUL

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, as one of the initial sponsors of selective service registration I am convinced that peacetime registration is necessary. After listening to the arguments against this requirement, I continue to believe that it is a minimum requirement for citizenship.

Registration has been successful. Over 95 percent of eligible young men have registered but the law clearly states that all young men at age 18 must register. To avoid registration is a crime.

If a young man decides to not register he is breaking the law and undermining the potential strength of the Nation. I therefore believe that the Federal Government should not support these criminals. For this reason, I sponsored, and Congress enacted, legislation preventing nonregistrants from receiving Federal financial aid for higher education.

For those who questioned this legislation last year, I am submitting to the RECORD an editorial from Saturday's Washington Post which poses several important questions of its own. For supporters and opponents of registration, the editorial makes important comments about registration and the Federal Government's role in enforceing the law.

COLLEGES AND DRAFT REGISTRATION

Congress last fall amended the Military Selective Service Act to make draft registration a condition of eligibility for federal higher education student assistance. Those programs help roughly 5 million students annually, slightly more than half of whom are men, at a cost this year of $10.7 billion. Is the law fair that links compliance with the registration requirement to student aid? And what about a college that substitutes school loans for government loans? Isn't it essentially subsidizing the violation of a law?

Linking eligiblity for government programs to registration isn't crucial to enforcement. Registration has been a general success. There are 9.6 million men registered, which is 96 percent of all those covered by the law, and 98 percent of those in the age group that would be drafted first if there were a national emergency tomorrow.

The justification for the link rests simply on principle. Congress has decided that, whether or not a military draft is ever needed, a prudent national security policy requires prior registration of that group of citizens most likely to be called upon in the event of national emergency. To back up this requirement the law makes evasion of its provisions a felony—punishable by up to five years in prison and a $10,000 fine.

People may not agree with the necessity for the law and may work to change it. But it is on the books, and the government reasonably is seeking to enforce it. It is hardly surprising that Congress, having decided that registration is an important enough civic responsibility to warrant criminal penalties, should seek to limit federal subsidies to those who evade the law. Civil disobedience has an honorable tradition, but there is an obvious inconsistency in asking the government to help subsidize its practice.

Higher education subsidies are an obvious target. They are a major benefit for the age group in question, and they are more broadly distributed across middle-income groups than most forms of public aid. Higher education is still a scarce commodity. Why offer aid to a youth who is not willing to accept the minimum requirements of citizenship?

It is true that wealthy students who have no need of government aid will not be affected by these restrictions. And it is also true that—apart from job training assistance—no such limitation has been placed on other government programs that may be of interest to men in this age group: food stamps, unemployment insurance and so forth. But saying that Congress could theoretically do more if it wanted to is not the same thing as saying that what it has done is wrong.

There is something unappealing about the action of several colleges that have offered substitute aid. Schools can choose whether and how to coddle their charges, and some schools have much more money than others with which to do so. But how can a school justify to itself shifting resources from students who have complied with the law to those who have not?

DIALOG FOR PEACE SOUGHT IN EL SALVADOR

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, I share the deep concern of numerous religious groups and human rights organizations in this country concerning the policy of this administration toward El Salvador. Instead of seeking to promote a peaceful resolution of the crisis, this administration has chosen to continue military aid to the Salvadoran Government while increasing American military involvement.

The United States should not support a government whose armed forces have been linked to numerous human rights violations and thousands of civilian deaths including the murder of four American churchwomen. I recognize that both sides in this conflict have been linked to such atrocities. Yet I believe that in such a brutal, war-torn environment, the United States should try to enhance the possibility of peace. We will not achieve this through arms which contribute to the evil cycle of death and destruction.

I join those calls for a peaceful dialog between the opposing forces of El Salvador that have been made by numerous religious leaders, including the Pope. I am shocked that leading officials of this administration would cast aspersions on the efforts of American religious leaders to end violence and social injustice in El Salvador. I suggest the administration listen to criticism, rather than cruelly questioning the integrity of its critics. The United States should not be an accomplice to violence and destruction. Instead, our country should join other nations in the search for peace, democracy, and social justice.

NONPROFIT ORGANIZATIONS HAMPERED BY OMB RESTRICTIONS

(Mr. SIKORSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKORSKI. Mr. Speaker, President Reagan's Office of Management and Budget proposed in January restrictions on nonprofit agencies that would effectively deny them their first-amendment rights to speak out, assemble, and petition. A storm of protest washed over these rules.

Last week it appeared that the administration was bowing to the pressure by announcing that substantive revisions would be made. Unfortunately, it looks like the changes are even worse. Now OMB is considering exempting "standard marketing activities of grantees." This restriction would likely allow defense contractors to do their Government lobbying but not permit nonprofits—from Catholic Charities to the League of Women Voters—their input into our decisionmaking. This new loophole is big enough to fit an MX missile, but too small to fit a wheelchair, or a Meals on Wheels food tray.

The administration should withdraw these misguided, vengeful proposals once and for all.

MESSAGE TO AN ABC COMMENTATOR

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, I wonder if anyone here happened to notice the look on ABC's Sam Donaldson's face when he reported the Sunday evening news last night. He could hardly stand it—because the news was so good for America and so favorable to President Reagan—

First, the Reagan-backed candidate in Germany won decisively over the favorite of Andropov and the Russians; and

Second, the Pope was treated with great dignity and respect by the Reagan-backed Salvadoran Government while the Communist Sandanistas in Nicaragua treated the Pope with disdain and humiliated him; and

Third, oil prices were dropping, inflation was going down, and all economic indicators were up, demonstrating that the American economy is on the move again.

Poor Sam Donaldson, he had to report all that good news instead of his usual cynical character assassination of President Reagan.

Too bad, Sam, but you better get used to it. Reaganomics is working, in spite of people like you.

□ 1215

GERMAN ELECTION RESULTS STRENGTHEN ALLIANCE

(Mr. COLEMAN of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Missouri. Mr. Speaker, in an election characterized by some observers as the most important German election since World War II, Germany voted yesterday to continue to support the themes of joint NATO partnership and close relations with the West. We here in the United States watched intently as Chancellor Helmut Kohl and his Christian Democrats sparred with the Social Democrats over issues of great importance not only to their countrymen, but also to the United States and the world.

While the state of the economy and high unemployment seemed to concern German voters the most, it was not these issues which riveted our attention. Rather, as some observers put it, it was the "crisis of confidence" in the hearts and minds of some Germans that worried us most. The joint NATO decision in 1979 to deploy modern nuclear weapons in Europe to counter newly installed Soviet nuclear weapons quickly emerged as a most important issue in the campaign.

In difficult times such as these, the need for leadership is more important than ever. Last year such a leader emerged in Germany. Helmut Kohl represents the new breed of German political leaders of the postwar era. He worked his way up through the political system. Personally he projected efficiency, self-assuredness, and, above all, stability. More importantly, he exerted leadership when it was sorely needed. Those personal qualities stiffened the resolve of his supporters and bolstered the sagging spirits of those who were wavering.

One would hope that Helmut Kohl's victory has taught the Soviet Union a lesson. The Soviets openly supported Khol's opponent and attacked Khol's strong support for NATO. Further, the Soviet leadership blatantly tried to bully the West German electorate by taking advantage of genuine public concern over nuclear weapon deployment in Europe. But Kohl never waivered in his support for NATO. Thanks largely to his honesty and forthrightness, the United States-German alliance remains strong.

So yesterday saw a political victory in Germany although not just a personal victory for Chancellor Kohl. But a victory of the German spirit of democracy and the continued willingness of the West German people to stand firm in their support for joint United States-German security.

And I think there is clear lesson for all of us here in Congress. Chancellor Kohl summed up his victory with the following phrase, "Honest politics is persuasive politics." As we debate and discuss difficult questions in the area of arms reductions here on Capitol Hill, these too should be our guiding words.

CONGRATULATIONS, CHANCELLOR KOHL

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I am certain that all of my colleagues here today will join me in congratulating Helmut Kohl. His hard work and fine efforts won for him a resounding victory in the recent West German parliamentary elections. This is also an opportunity to congratulate the German people for having chosen Mr. Kohl in this very important election.

In electing Chancellor Kohl, the German electorate chose to follow a path leading to stability and continuity in international relations. This choice to continue time-tested relationships in the Western alliance and to continue alliance dealings with the Soviet Union on arms negotiations is both commendable and well appreciated by America.

The vote is also testimony to the fact that the German people understand the threat which the Soviet Union still poses to all of us in the free world. The events in Afghanistan and Poland and the wholesale violation of the Helsinki accords say something about Soviet intentions in the international arena.

Although all of us in the West have energetically pursued a peaceful relationship with the Soviet Union, it was the Soviets, not the Western nations, which added destabilizing SS-20 missiles into Europe. In response to NATO's request to offset the new Soviet threat, the United States offered to add medium-range missiles to counter the Soviet edge in this critical balance. The Soviets have yet to accept President Reagan's offer to remove all medium-range missiles in that area under his zero option approach. Their counterproposal still gives the Soviets a significant edge in the area of nuclear forces in Europe.

I praise the German people for realizing that the United States and the nations of the West are seriously trying to reduce tensions between the East and the West. The ongoing arms talks are evidence of our good intentions in this area.

I was also delighted to hear of the administration's efforts to work with Germany and other NATO allies on a possible compromise in our Government's zero option proposal and trust that the Soviet negotiators will realize that a modification of their position may result in an understanding which will benefit all of mankind, and bring us closer to peace.

I again congratulate Chancellor Kohl and the German people for their commitment to the alliance and their vote to continue our mutual quest for peace in the world.

THE VIOLENCE IN EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, the archbishop of the city of San Salvador, Arturo Rivera y Damas, observed the other day that outsiders "provide the arms; we provide the bodies." Now, the archbishop is a cautious man, but his denunciation of violence in his country is clear and to the point: Murder by anybody is wrong, and there is no political justification that can ever make it right. He knows that no matter whether the killers in El Salvador are rightwing or leftwing, the suffering is by the innocent who want only to get on with their lives.

The archbishop knows the truth of Gabriel Zaid, the Mexican writer and

thinker, in his observation made 2 long years ago, and I quote: "Those on the top cannot agree about how to treat those on the bottom." This is the driving force behind the violence in El Salvador, and this is likewise the dilemma in neighboring countries.

Zaid is telling us, as others have, likewise, long ago, that the civil war in El Salvador is among the privileged, be they the privileged of the old oligarchy, or be they the privileged among those who would overthrow the oligarchy and claim power for themselves. Neither side cares much about the people; both sides simply want to bend the people and to get them subjugated and bent to their own peculiar uses.

Two years ago, the privileged of our country, the United States, decided that El Salvador was going to become a testing ground. Our Secretary of State 2 years ago said he was drawing the line in El Salvador, the smallest country in the Western Hemisphere. For what? Not for reform, badly needed as that is, but for holding the line. What line? He said against Marxist-Leninist incursion threatening the stability and security of the United States.

In the intervening 2 years since our Government abandoned economic and social reform in favor of military confrontation, the revolutionaries of El Salvador have only grown stronger. Correspondingly, the government and its enemies alike have become more extremist in their actions and in their attitude alike.

And what is the attitude of our Government? "We must persevere." That was the policy enunciated recently before a committee here by Thomas Enders.

And at this point, Mr. Speaker, I am including in the RECORD the most recent interview, published in Newsweek of March 14, 1983, of Mrs. Kirkpatrick, Ambassador Jeane Kirkpatrick, chief U.S. delegate at the United Nations who, apparently, under this administration is the real power in diplomacy. After all, she was able to knock out a tremendous power, Alexander Haig.

The title of this article or interview is: "Kirkpatrick on the 'Contagion'." I insert this in the RECORD at this point because it is illustrative, as nothing else can be, of that policy presently pursued by this administration.

The article is as follows:

KIRKPATRICK ON THE "CONTAGION"

WATSON. How critical is the military situation in El Salvador?

KIRKPATRICK. I certainly was not told by anyone in El Salvador, American or Salvadoran, that the situation was critical—it would be only if we did not continue to provide military aid. . . . The guerrillas have targeted the Salvadoran economy very effectively over the last three years, and they have produced serious economic problems. Meanwhile, they've kept up military pressure. So far there hasn't been much success in interdicting the flow of arms to the guerrillas. . . . The Soviets are providing training and, in some cases, giving the guerrillas better weapons than anybody is providing to the government.

Q. What happens if that part of the world goes into a Marxist-Leninist orbit?

A. They become incorporated in a system for the projection of Soviet military power. Why should that concern us? Because the Caribbean and Central America constitute our fourth border. We defend a lot of places that are really quite remote from us, and we think their well-being is relevant to our security . . . . If the Gulf of Aqaba is relevant to our national security, so is the Gulf of Mexico. . . . Ultimately, I am concerned about the potential strategic threat to the United States that a strong Soviet military presence in the Caribbean and Central America could constitute, and what it does to our ability to act elsewhere in the world.

Q. What did leaders of other countries in the area tell you about the significance of El Salvador for their futures?

A. The level of anxiety in the area is quite high. . . . They said repeatedly that North Americans don't like to talk about dominoes, but that they on the other hand felt that Marxist-Leninist contagion in Central America would be very high [if El Salvador falls] and that Americans should not count even on there being such containment as there has been in Southeast Asia. . . . In Panama, for example, I heard that there are today something over 100 Panamanians studying in the Soviet Union and the Eastern bloc on fully funded fellowships, compared to about four provided by the United States. In Costa Rica, I was told that there are today some 700 Costa Ricans studying either in Cuba or in an Eastern-bloc country on all-expense-paid training and education fellowships—for labor leaders, among others—again, with virtually no U.S. counterpart. . . . This is very disturbing to the leadership in these countries, because they feel that it represents a longer-range strategy—the establishment of cultural hegemony—which is incompatible with their own democratic aspirations.

Q. Is $60 million for this fiscal year enough to preserve El Salvador?

A. That's our best estimate. And it's reasonable. It doesn't constitute a large increase—but sustains previous levels.

Q. Will the Salvadorans ultimately require U.S. helicopter pilots or even fighter-bomber pilots in order to stay afloat?

A. I have heard no such question raised in any official circles, ever. There is no person at an authoritative level of this government who has even alluded to the possibility of U.S. participation in any combat role.

Q. Can the war be won in a military sense, or must the solution be political?

A. Nobody is demanding, as the United States and Brtiain did in World War II, unconditional surrender. . . . We're dealing here with a regional problem. The American people and the Congress will have to decide, ultimately, whether we regard the Caribbean and Central America as important to U.S. national security. If we do, then we need to think about a fairly broad program that would involve economic development assistance [and] exchange programs to strengthen our links with one another—and also more military assistance, a good deal of which should be in training.

Q. Mexico, Venezuela, Colombia, Honduras and Costa Rica have proposed regional negotiations.

A. My view is that we should wish them good luck. If the countries affected can work out a satisfactory solution for preserving peace and democracy, this would be the best of all possible worlds.

Q. Do you think they can do it?

A. They can try.

But that is a policy that misses the point. Persevere toward what? It is the people of El Salvador who are being asked to persevere, not us. Yet the Secretary makes it plain that "we," the United States, have to persevere not in behalf of justice, but against the long war, the guerra prolongada. Does he not remember the basic reality that a government that does not serve the real needs of its people cannot expect to hold their loyalty? What happened in El Salvador was simply that corruption finally festered into the open wounds, as it is throughout that great teeming mass south of us. And it is a different world, vastly different from what it was, even, in 1965, when President Johnson sent the troops to the Dominican Republic. The one thing that can or ever will stem the fires of rebellion will be a government that provides justice, real justice.

The British Government received a few days ago a report on the administration of justice in Ireland. You will recall the vast and terrible violence going on in this great country of Ireland. The British Government instituted all kinds of repressive measures, but the violence only grew. But after the government altered its policy and elected for open justice instead of secret trials, secret confinements, it opted for clear charges instead of vague political arrests, the level of violence went down and has gone down.

Not every nation has the kind of justice system that Great Britain has nor enjoys the long tradition of law. But that experience ought to be revealing to us as we consider El Salvador and her neighbors. It is not—in El Salvador or anywhere else—terror that wins political arguments. It is justice. And the further removed justice becomes from the people, the greater is the potential and the actuality of violence. Terror can create silence, but it can never equate with loyal support.

This has been the precise argument for generations between those who believe in democracy and those who do not. Those who only want to control and use the people may hold sway for a while, but they will eventually lose out either to the violent ambitions of others of their own kind or to the disgust and the anger of the people finally aroused. But those who believe in law can sleep with confidence, because law is a concept stronger then any force. What we have to ask ourselves is this: Are we calling for the rule of law, are we calling for the rule of justice in El Salvador? If we are not, then it does not really matter to the people

which army wins, because neither will be on their side.

As a matter of fact, the people in El Salvador do not care what the color of the uniform is, whether it is an Amrican soldier's uniform or not. As a matter of fact, some of the first of our American soldiers to be sent down there happened to be my constituents, and that is exactly what they have reported to me. The government of Rios Montt, in the neighboring country of Guatemala, the man that President Reagan says has been misunderstood, a born-again Christian, operates courts that meet in secret, never telling anyone what the crime is, and lets the defense lawyers know of the fate of prisoners and clients by anonymous letters or anonymous phone calls. That is a system of terror as stark as any in the world. It is not a system that is worthy of our support, but we do not condemn it. As a matter of fact, we aid it. As a matter of fact, it is American bayonets—I repeat, and I have said this before—that have and continue to rip open the bellies of 6-month-old infants, 1-year-olds, 2-year-olds. In the name of what? Exterminating the Communist Leninist-Marxists. American bayonets are being used to perform those acts, even today as I speak.

□ 1230

Who are we—who are we to talk about intrusion of alien forces into situations like that when instead of seeking out the analysis of the justice of the cause we immediately condemn it because it is supposed to have received some help from some suspicious countries?

It is not a question of whether a terrorist calls himself a capitalist or a Marxist, let me assure you those Guatemalan peasants as well as the Salvadorans or for that matter as well as the Mexicans, are the most pacifist, peace-seeking individuals you will find in this whole vast array of human mass in the world. All they want is to be left alone, a chance in the world, that is all.

But go and see the 20,000, 30,000 that fled in terror into the Mexican side of the border between Guatemala and Mexico. Talk to some of those who witnessed these horrors and by whom perpetrated. This man who challenges the Pope in Guatemala and who brazenly defied the Pope's request for mercy for six individuals who were first tortured then killed by that regime even though the Pope was pleading for leniency.

As I say it is not a question, never has been. If Zapata's revolution in Mexico in 1913, 1914 were taking place today, he would be charged with being a Marxist-Leninist. Though heaven knows that kind of dilectic is far removed from the perception of the people in that part of the world.

Terrorists are simply not worthy of our support no matter what they call themselves, born-again Christians, or anything else.

The Secretary of State testily says that church critics of the regime in El Salvador are making things easy for the opposition and giving comfort to the Marxists.

Our Vice President says the same thing. He cannot understand how priests can be associated with Marxist-Leninists in that part of the world.

With that and what is reflected in the centerview of Mrs. Kirkpatrick, it does not take a prophet to see that our country is hellbent to one more debacle.

Let us not compare it to Vietnam because this is far more fateful, this is our front porch and it will not be stemmed and it will not be constrained and we will have to address it one way or the other. What I am suggesting and have suggested since April 1, 1980, for I have not only been critical, I have offered suggestions since April 1, 1980, specifically with reference to El Salvador. And certainly those who would say that I am partisan because the administration happens to be Reagan's and Republican cannot say that because on April 1, 1980, it was President Carter and his regime who were in power.

All I am saying is it is much later than the average American realizes and I just hope there will be an awakening in time. There may be a little time, but not much.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1824

Mr. LOWRY of Washington. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor of H.R. 1824.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

INTRODUCTION OF JOINT RESOLUTION TO AUTHORIZE THE PRESIDENT TO DESIGNATE APRIL 23, 1983, AS ARMY RESERVE DAY

(Mr. NICHOLS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. NICHOLS. Mr. Speaker, today it is my pleasure to introduce a joint resolution to authorize and request the President to designate April 23, 1983 as Army Reserve Day.

Since the establishment of the Army Reserve, over 75 years, the members of these citizen soldier units have played an important role in our Nation's defense effort. The contributions of these units have not just been in augmenting the active duty forces during peacetime drills, but fighting side by side with defenders of freedom in World Wars I and II, and in Korea.

Today, we are thankfully at peace and the Army Reserve remains an important part of our peacekeeping force. Under our total Army concept, Army Reserve units make up over 30 percent of the Army's tactical support unit requirements and over 25 percent of the general support unit requirements.

For those close to the Reserve and familiar with the accomplishments of our Reserve units and individual reservist, we know that these dedicated citizen/soldiers can get the job done. Over the years they have proven themselves on the battlefield, in training, and in the community. It is time we pay a fitting tribute for their contributions and that is why I am pleased to introduce this joint resolution today.

Mr. Speaker, I include a copy of the joint resolution for printing, as follows:

H.J. RES. 184

Joint resolution to authorize and request the President to designate April 23, 1983, as "Army Reserve Day"

Whereas April 23, 1983, will mark the seventy-fifth anniversary of the establishment of the United States Army Reserve;

Whereas the United States Army Reserve has made many valuable contributions to the defense of the United States during the seventy-five years since it was established;

Whereas the members and former members of the United States Army Reserve have displayed courage and personal sacrifice in serving in the United States Army Reserve during those seventy-five years; and

Whereas the Nation relies on the readiness of the 938,600 members currently serving in the United States Army Reserve to defend the United States if the need arises: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 23, 1983, as "Army Reserve Day", and calling upon all Federal, State, and local government agencies and people of the United States to observe the day with appropriate programs, ceremonies, and activities.●

PRODUCTIVITY AND UNEMPLOYMENT FORECASTS REMAIN PESSIMISTIC

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PERKINS. Mr. Speaker, in the forecasts of the Reagan administration, unemployment will remain high for years to come. Underlying this prediction however is an even more pessimistic assumption. Basically there is assumed to be little or no recover in the U.S. rate of growth of productivity for the next decade. If productivity growth were to recover during the

Reagan administration, they would have to present an even more pessimistic forecast for future unemployment. While one can argue about the trend rate of growth of productivity, it would be highly unusual if there were no cyclical recovery in productivity, yet this is exactly what the Reagan administration has forecast. As a result, there is every reason to believe that even if their GNP growth forecast is 100-percent correct, their unemployment forecast is overly optimistic.

But imagine an America with present or higher levels of unemployment for years to come. Is that the kind of America we want? What are the social consequences? To ask the questions is to answer them. An economic strategy that leaves unemployment high for years is not an acceptable economic strategy. Yet that is the current strategy. The Reagan administration and the Federal Reserve Board should be asked to go back to the drawing boards to come up with a strategy that will realistically get unemployment down to reasonable levels within the foreseeable future.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WORTLEY) to revise and extend his remarks and include extraneous material:)

Mr. FIELDS, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WORTLEY) and to include extraneous matter:)

Mr. BROYHILL.

Mr. BROOMFIELD in two instances.

Mr. LEWIS of Florida.

Mr. PORTER.

Mr. MCKERNAN.

Mr. KEMP in three instances.

Mr. RUDD.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. DINGELL in two instances.

Mr. MINETA.

Mr. STARK in two instances.

Mr. REID.

Mr. MARKEY in two instances.

Mr. MATSUI.

Mr. NATCHER.

Mr. SIKORSKI.

Mr. MAZZOLI.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. BROWN of California in 10 instances.

Mr. OTTINGER.

Mr. PEASE.

Mr. SYNAR.

Mr. BEDELL.

Mrs. SCHROEDER.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 420. An act to quiet title and possession with respect to a certain private land claim in Livingston Parish, La.; to the Committee on Interior and Insular Affairs.

S. 459. An act to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir; to the Committee on Interior and Insular Affairs.

S. 473. An act to authorize the Secretary of the Interior to acquire certain lands by exchange for addition to Effigy Mounds National Monument in the State of Iowa, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 577. An act to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho; to the Committee on Interior and Insular Affairs.

S.J. Res. 18. Joint resolution designating September 22, 1983, as "American Business Women's Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 25. Joint resolution redesignating the St. Croix Island National Monument in the State of Maine as the "St. Croix Island International Historic Site"; to the Committee on Interior and Insular Affairs.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 35 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 8, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

487. A letter from the Deputy Administrator, U.S. Environmental Protection Agency, transmitting a report on cost estimates for control of combined sewer discharge to marine bays and estuaries; to the Committee on Appropriations.

488. A letter from the Deputy Assistant Secretary of Defesne, transmitting a report to exclude the examination of records by the Comptroller General from a contract with the United Kingdom Ministry of Defence, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

489. A letter from the General Counsel, Federal Emergency Management Agency, transmitting a draft of proposed legislation to amend the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and title XII of the National Housing Act to reflect organizational changes, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

490. A letter from the Secretary of Education, transmitting the final report of the Advisory Panel on Financing Elementary and Secondary Education, pursuant to section 1203(f) of Public Law 95-561; to the Committee on Education and Labor.

491. A letter from the Office of the General Counsel, Department of Energy, transmitting notification of meetings related to the international energy program, pursuant to section 252(c)(1)(A)(i) of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

492. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of November 1982, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

493. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Defense Mapping Agency's proposed lease of defense articles to the Government of Peru, pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

494. A letter from the Director of the Defense Security Assistance Agency, transmitting notice of the Department of the Army's proposed leases of defense articles to the Government of Norway, pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

495. A letter from the Comptroller General of the United States, transmitting the 1982 annual report of the General Accounting Office; to the Committee on Government Operations.

496. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

497. A letter from the Chairman, Commodity Futures Trading Commission, transmitting the Commission's activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

498. A letter from the Acting Director, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

499. A letter from the General Counsel, Administrative Conference of the United States, transmitting a report on the activities of the Conference under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

500. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend sections 5315 and 5316 of title 5, United States Code, to change the position of Chief Counsel for the Internal Revenue Service, Department of the Treasury, from level V to level IV of the Executive Schedule; to the Committee on Post Office and Civil Service.

501. A letter from the Acting Secretary of Health and Human Services, transmitting a draft of proposed legislation to permit disclosure from tax records of the addresses of individuals who have defaulted on health education loans; to the Committee on Ways and Means.

502. A letter from the Administrator, Veterans' Administration and the Secretary of Defense, transmitting recommendations and guidelines to promote the sharing of healthcare resources, pursuant to 38 U.S.C. 5011(f); jointly, to the Committees on Armed Services and Veterans' Affairs.

503. A letter from the Comptroller General of the United States, transmitting a report on the potential for joint civil and military use of military airfields (RCED-83-98, March 1, 1983); jointly, to the Committees on Government Operations, Armed Services, and Public Works and Transportation.

504. A letter from the Secretary of Commerce, transmitting a report evaluating the one-stop export information centers, pursuant to section 302(d) of Public Law 96-481; jointly, to the Committees on Small Business and Foreign Affairs.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Submitted March 4, 1983]

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1900. A bill to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes; referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93-344 (Rept. No. 98-25, Pt. I). And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN (for himself, Mr. WRIGHT, Mr. BREAUX, and Mr. DINGELL):

H.R. 1935. A bill to ratify an exchange agreement concerning national wildlife refuge system lands located on Matagorda Island in Texas; to the Committee on Merchant Marine and Fisheries.

By Mr. ASPIN:

H.R. 1936. A bill to amend title 37, United States Code, to extend certain expiring enlistment and reenlistment bonuses for the Armed Forces; to the Committee on Armed Services.

By Mr. BENNETT (for himself, Mr. BADHAM, Mr. BEREUTER, Mr. BARNARD, Mr. BONER of Tennessee, Mr. BRITT, Mr. CHAPPELL, Mr. COELHO, Mr. CORCORAN, Mr. DUNCAN, Mr. EVANS of Iowa, Mr. FASCELL, Mr. FORD of Tennessee, Mr. SAM B. HALL, JR., Mr. HILLIS, Mr. HUNTER, Mr. LEHMAN of Florida, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. MARTIN of New York, Mr. MATSUI, Mr. WON PAT, Mr. PETRI, Mr. PRITCHARD, Mrs. SCHROEDER, Mr. SISISKY, Mr. SMITH of Florida, Mr. SMITH of Iowa, Mr. SMITH of New Jersey, Mr. SUNIA, Mr. UDALL, Mr. VANDER JAGT, and Mr. WHITEHURST):

H.R. 1937. A bill to amend title 10, United States Code, to establish a program to provide high school graduates with technical training in skills needed by the Armed Forces in return for a commitment for enlisted service in the Armed Forces; to the Committee on Armed Services.

By Mr. CAMPBELL:

H.R. 1938. A bill to amend the Tariff Schedules of the United States to clarify for duty purposes the distinction between dress gloves and work gloves; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 1939. A bill to amend title 10, United States Code, to provide for improved control of excess profits on negotiated defense contracts; to the Committee on Armed Services.

H.R. 1940. A bill to repeal the subtitle of the Tax Equity and Fiscal Responsibility Act of 1982 relating to withholding on interest and dividends; to the Committee on Ways and Means.

By Mr. McNULTY:

H.R. 1941. A bill to allow the United States to recover from a third person the amount of social security benefits paid on account of a disability caused by circumstances making that person liable for money damages; to the Committee on the Judiciary.

H.R. 1942. A bill to amend chapter 171 of title 28, United States Code, to allow members of the Armed Forces to sue the United States for damages for certain injuries caused by improper medical care; to the Committee on the Judiciary.

By Mr. MINETA:

H.R. 1943. A bill to amend title 38, United States Code, to provide a presumption of service connection for diseases and disabilities caused by or attributable to exposure to nuclear radiation occurring in certain veterans who were exposed to nuclear radiation during active military, naval, or air service; to the Committee on Veterans' Affairs.

By Mr. EDGAR:

H.R. 1944. A bill to amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces; jointly, to the Committees on Veterans' Affairs and Armed Services.

By Mr. MOLLOHAN:

H.R. 1945. A bill to suspend the duty on certain surface active agents until the close of June 30, 1986; to the Committee on Ways and Means.

H.R. 1946. A bill to suspend the duty on certain nitrogenous chemical compounds until the close of June 30, 1986; to the Committee on Ways and Means.

H.R. 1947. A bill to suspend the duty on certain benzoid chemicals until the close of June 30, 1990; to the Committee on Ways and Means.

By Mr. PEASE (for himself, Mr. ENGLISH, and Mr. DOWNEY of New York):

H.R. 1948. A bill to amend the Tariff Act of 1930 regarding the public disclosure of certain manifest information; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 1949. A bill to direct the Secretary of the Army to design and construct a project for flood control on Licking River at Salyersville, Ky.; to the Committee on Public Works and Transportation.

By Mr. RANGEL (for himself, Mr. WEISS, Mr. FAUNTROY, Mr. MURPHY, Mr. MARKEY, Mr. SMITH of Iowa, Mr. OTTINGER, Mr. SCHUMER, Mr. MITCHELL, Mr. BONIOR of Michigan, Mr. STOKES, Mr. TOWNS, Mr. LOWRY of Washington, Mrs. COLLINS, Mr. BIAGGI, Mr. MINISH, Mr. DIXON, Mr. SMITH of Florida, Mr. EDGAR, Mr. DWYER of New Jersey, Mr. RATCHFORD, Mr. KOGOVSEK, Mr. MCHUGH, Mr. FORD of Michigan, Ms. OAKAR, Mr. DELLUMS, Mr. SAVAGE, Mr. SOLARZ, Mr. FRANK, Mr. GARCIA, Mr. BARNES, Mr. ADDABBO, Mr. SCHEUER, Mr. CLAY, and Mr. OWENS):

H.R. 1950. A bill to provide financial assistance for emergency shelters and related assistance for the homeless; jointly, to the Committees on Banking, Finance and Urban Affairs and Ways and Means.

By Mr. RATCHFORD:

H.R. 1951. A bill to amend the Tariff Schedules of the United States to suspend temporarily the duty on 4'Bis (a,a-dimethylbenzyl) diphenylamine; to the Committee on Ways and Means.

By Mr. SYNAR (for himself, Mr. GEPHARDT, Mr. WYDEN, and Mr. ZSCHAU):

H.R. 1952. A bill to allow businesses to jointly perform research and development; jointly, to the Committees on the Judiciary and Science and Technology.

By Mr. STARK:

H.R. 1953. A bill to extend permanent duty-free treatment to semiconductors; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself, Mr. FUQUA, Mr. WINN, Mr. LUJAN, and Mr. ROE):

H.R. 1954. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. NICHOLS:

H.J. Res. 184. Joint resolution to authorize and request the President to designate April 23, 1983, as "Army Reserve Day"; to the Committee on Post Office and Civil Service.

By Mr. WEBER (for himself, Mr. DAUB, Mr. STANGELAND, Mr. HARTNETT, Mr. EVANS of Iowa, Mr. ROBERTS, Mr. ROE, Mr. BURTON of Indiana, Mr. EDWARDS of Oklahoma, Mrs. SNOWE, Mr. STENHOLM, Mr. PATMAN, Mr. WINN, Mr. KASICH, Mr. KINDNESS, Mr. SILJANDER, Mr. TAUKE, Mr. ROTH, Mr. EMERSON, Mr. HUBBARD, Mr. WHITTAKER, Mr. HORTON, Mr. FRENZEL, and Mr. BETHUNE):

H. Con. Res. 81. Concurrent resolution expressing the sense of the Congress that the President should develop and implement a national program to expand exports of agricultural commodities produced in the United States; to the Committee on Foreign Affairs.

By Mr. BOLAND:

H. Res. 124. Resolution providing amounts from the contingent fund of the House for expenses of investigations and studies by

the permanent Select Committee on Intelligence in the first session of the 98th Congress; to the Committee on House Administration.

By Mr. GONZALEZ:

H. Res. 125. Resolution to urge a reaffirmation and a revitalization of the U.S. commitment to the protection of human rights in Latin America and to call upon the President to request the Organization of American States to take certain steps to promote economic progress in the hemisphere and an end to the violence in Latin America; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

24. The SPEAKER presented a memorial of the Senate of the State of Arizona, relative to the Navajo-Hopi land dispute; to the Committee on Interior and Insular Affairs.

25. Also, memorial of the General Assembly of the State of Colorado, relative to the Tax Equity and Fiscal Responsibility Act of 1982; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. MAZZOLI, Mr. ECKART, Mr. COELHO, Mr. FAZIO, Mr. MCHUGH, Mr. GUNDERSON, Mrs. MARTIN of Illinois, Mr. HUGHES, Mr. ROBINSON, Mr. RUSSO, Mr. FRENZEL, Mr. WILLIAMS of Montana, Mr. BARNARD, Mr. PANETTA, Mr. RUDD, Mr. MOLLOHAN, Mr. PURSELL, Mr. FROST, Mr. MCNULTY, Mr. BATES, and Mr. SMITH of New Jersey.

H.R. 135: Mr. BOEHLERT.

H.R. 657: Mr. GOODLING.

H.R. 676: Mr. VANDER JAGT, Mr. JEFFORDS, and Mr. MITCHELL.

H.R. 677: Mr. JEFFORDS, Mr. FRENZEL, Mr. SOLOMON, Mr. MARTIN of New York, Mr. GARCIA, Mr. BARTLETT, Mr. BARNARD, Mr. BOLAND, Mr. WASHINGTON, Mr. CONTE, Mr. MCCAIN, Mr. FORD of Michigan, and Mr. FRANK.

H.R. 1015: Mrs. BOUQUARD.

H.R. 1031: Mr. HIGHTOWER, Mr. SILJANDER, and Mr. VANDERGRIFF.

H.R. 1052: Mr. STARK, Mr. SIMON, Mr. RATCHFORD, Mr. MARKEY, Mr. JEFFORDS, Mr. SUNIA, and Mr. CORRADA.

H.R. 1390: Mr. HANCE, Mr. WILSON, and Mr. LEATH of Texas.

H.R. 1491: Mr. WEAVER, Mr. SOLOMON, Mr. DASCHLE, Mr. BARTLETT, and Mr. SILJANDER.

H.R. 1604: Mr. SHELBY, Mr. ROWLAND, Mr. HARTNETT, and Mr. BARNARD.

H.R. 1883: Mr. CROCKETT, Mr. ROE, Mr. MITCHELL, Mr. STENHOLM, and Mr. SEIBERLING.

H.J. Res. 120: Mr. JONES of Oklahoma.

H.J. Res. 153: Mr. BARNARD, Mr. SUNIA, Mr. HORTON, Mr. HATCHER, Mr. MARKEY, Mr. GINGRICH, Mr. PORTER, Ms. OAKAR, Mr. FROST, Mr. STOKES, Mr. WYLIE, Mr. FAUNTROY, Mr. COATS, Mr. WINN, Mr. ROWLAND, Mr. ORTIZ, Mr. RAHALL, Mr. DOWNEY of New York, Mr. BRITT, Mr. MARTINEZ, Mr. DWYER of New Jersey, Mr. THOMAS of Georgia, and Mr. BATES.

H. Con. Res. 25: Mr. FISH, Mr. GRAY, Mr. BORSKI, Mr. EVANS of Illinois, Mr. FAZIO, Mrs. BOXER, Mr. GILMAN, Mrs. KENNELLY, Mr. DONNELLY, Mr. GREEN, Mr. HARKIN, Mr. COYNE, Mr. MCGRATH, Mr. MAVROULES, Mr. DOWNEY of New York, Mr. JEFFORDS, Mr. PATTERSON, and Mr. SMITH of New Jersey.

H. Con. Res. 26: Mr. FISH, Mr. GEJDENSON, Mr. GILMAN, and Mr. DONNELLY.

H. Con. Res. 69: Mr. MAVROULES, Mr. SMITH of Florida, Mr. DORGAN, Mr. HORTON, Mr. HOYER, Mr. MRAZEK, Mr. LEHMAN of Florida, Mr. EDGAR, Mr. GINGRICH, Mr. BEREUTER, Mr. PORTER, and Mr. CROCKETT.

H. Res. 17: Mr. PERKINS, Mr. ADDABBO, Mr. COUGHLIN, Mr. FEIGHAN, Mr. FORD of Michigan, Mr. FRANK, Mr. GARCIA, Mr. GORE, Mr. GUARINI, Mr. HYDE, Mr. LIVINGSTON, Mr. LONG of Maryland, Mr. MARTINEZ, Mr. MATSUI, Mr. MINETA, Mr. MOODY, Mr. PANETTA, Mr. PETRI, Mr. ROSE, Mr. ROYBAL, Mr. SCHUMER, Mr. SOLARZ, Mr. WIRTH, and Mr. WOLPE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1824: Mr. LOWRY of Washington.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

38. The Speaker presented petitions of American Legion Post No. 79, New Port Richey, Fla., relative to veterans; to the Committee on Veterans' Affairs.

39. Also, petition of Tufts Community Union Senate, Medford, Mass., relative to student loan programs; jointly, to the Committees on Armed Services and Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1900

By Mr. PARRIS:

—Page 5, line 5, strike out line 5 and all the following down through line 15 on page 13, and redesignate subsequent sections accordingly and make necessary conforming changes to the table of contents.

By Mr. PEPPER:

—Strike out title II of the bill (beginning on line 6 of page 84 and ending on line 8 of page 86) and insert in lieu thereof the following:

TITLE II—ADDITIONAL PROVISIONS RELATING TO LONG-TERM FINANCING OF THE SOCIAL SECURITY SYSTEM ADJUSTMENTS IN OASDI TAX RATES

SEC. 201. (a)(1) Subsection (a) of section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees for old-age, survivors, and disability insurance), as amended by section 123(a)(1) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"1990 through 2009..... 6.2 percent
2010 or thereafter..... 6.73 percent."

(2) Subsection (a) of section 3111 of such Code (relating to rate of tax on employers for old-age, survivors, and disability insurance), as amended by section 123(a)(2) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"1990 through 2009..... 6.2 percent
2010 or thereafter..... 6.73 percent."

(b)(1) Subsection (a) of section 1401 of such Code (relating to rate of tax on self-employment income for old-age, survivors, and disability insurance), as amended by section 124(a) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"Dec. 31, 1989.....Jan. 1, 2010..... 12.40
"Dec. 31, 2009..... 13.46."

(2) Paragraph (1) of section 1401(c) of such Code (relating to credit against self-employment taxes), as amended by section 124(b) of this Act, is further amended by striking out "beginning after December 31, 1987" and inserting in lieu thereof "beginning after December 31, 1987, and before January 1, 2010, and 2.1 percent in the case of taxable years beginning after December 31, 2009".

In the table of contents of the bill, strike out the items relating to sections 201 and 202 and insert the following:

"Sec. 201. Adjustments in OASDI tax rates."

By Mr. PICKLE:

—Strike out sections 201 and 202 (beginning on page 84, line 9, and ending on page 86, line 8) and insert in lieu thereof the following new section (with a conforming amendment to the table of contents):

INCREASE IN RETIREMENT AGE

SEC. 201. (a) Section 216 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Retirement Age

"(l)(1) The term 'retirement age' means—

"(A) with respect to an individual who attains early retirement age (as defined in paragraph (2)) before January 1, 2000, 65 years of age;

"(B) with respect to an individual who attains early retirement age after December 31, 1999, and before January 1, 2005, 65 years of age plus the number of months in the age increase factor (as determined under paragraph (3)) for the calendar year in which such individual attains early retirement age;

"(C) with respect to an individual who attains early retirement age after December 31, 2004, and before January 1, 2017, 66 years of age;

"(D) with respect to an individual who attains early retirement age after December 31, 2016, and before January 1, 2022, 66 years of age plus the number of months in the age increase factor (as determined under paragraph (3)) for the calendar year in which such individual attains early retirement age; and

"(E) with respect to an individual who attains early retirement age after December 31, 2021, 67 years of age.

"(2) The term 'early retirement age' means age 62 in the case of an old-age, wife's, or husband's insurance benefit, and age 60 in the case of a widow's or widower's insurance benefit.

"(3) The age increase factor for any individual who attains early retirement age in a calendar year within the period to which subparagraph (B) or (D) of paragraph (1) applies shall be determined as follows:

"(A) With respect to an individual who attains early retirement age in the 5-year period consisting of the calendar years 2000 through 2004, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2000 and ending with December of the year in which the individual attains early retirement age.

"(B) With respect to an individual who attains early retirement age in the 5-year period consisting of the calendar years 2017 through 2021, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2017 and ending with December of the year in which the individual attains early retirement age.".

(b)(1) Section 202(q)(9) of such Act is amended to read as follows:

"(9) The reduction factors for early retirement specified in paragraph (1) shall be periodically revised by the Secretary so that—

"(A) in the case of old-age insurance benefits, wife's insurance benefits, and husband's insurance benefits, the reduction factors applicable to an individual initially becoming entitled to such benefits at an age not more than 3 years less than the retirement age applicable to such individual will be the same as those specified in paragraph (1), and each such factor will be increased by five-twelfths of 1 percent for each month below that age which is 3 years or more lower than the applicable retirement age; and

"(B) in the case of widow's insurance benefits and widower's insurance benefits, the reduction factors applicable to an individual initially becoming entitled to such benefits at early retirement age shall be the same as those specified in paragraph (1), and the reduction factors applicable to individuals initially becoming entitled to such benefits at a greater age shall each be established by linear interpolation between the applicable reduction factor for such early retirement age and a factor of unity at the applicable retirement age.".

(2) Section 202(q)(1) of such Act is amended by striking out "If" and inserting in lieu thereof "Subject to paragraph (9), if".

(c) Title II of the Social Security Act is further amended—

(1) by striking out "age 65" or "age of 65", as the case may be, each place it appears in the following sections and inserting in lieu thereof in each instance "retirement age (as defined in section 216(1))":

(A) subsections (a), (b), (c), (d), (e), (f), (q), (r), and (w) of section 202,

(B) subsections (c) and (f) of section 203,

(C) subsection (f) of section 215,

(D) subsections (h) and (i) of section 216, and

(E) section 223 (a);

(2) by striking out "age sixty-five" in section 203(c) and inserting in lieu thereof "retirement age (as defined in section 216(1))"; and

(3) by striking out "age of sixty-five" in section 223(a) and inserting in lieu thereof "retirement age (as defined in section 216(1))".

(d) The Secretary shall conduct a comprehensive study and analysis of the implications of the changes made by this section in retirement age in the case of those individuals (affected by such changes) who, because they are engaged in physically demanding employment or because they are unable to extend their working careers for health reasons, may not benefit from improvements in longevity. The Secretary shall submit to the Congress no later than January 1, 1986, a full report on the study and analysis. Such report shall include any recommendations for legislative changes, including recommendations with respect to the provision of protection against the risks associated with early retirement due to health considerations, which the Secretary finds necessary or desirable as a result of the findings contained in this study.

By Mr. SKELTON:

—Page 13, insert after line 5 the following:

(e) It is the sense of the Congress that the amendments made by this section should not be construed to express as an intent of the Congress that benefit levels (and adjustments thereto) which are provided for under the terms of the Civil Service Retirement System or any other retirement system covering Federal employees established by or under a law of the United States should be reduced below the benefit levels (and adjustments thereto) which are provided for under the terms of such system as in effect on the date of the enactment of this Act.

—Page 151, insert after line 16 the following the new section (and made necessary conforming changes to the table of contents on page 3):

CRIMINAL PENALTIES FOR WILLFUL DESTRUCTION, ALTERATION, OR ABUSE OF EQUIPMENT AND RESOURCES

SEC. 341. (a) Chapter 65 of title 18, United States Code, is amended by adding at the end of the following:

"§ 1365. Social security system facilities

"Whoever willfully destroys, alters, or abuses the equipment, facilities, support systems, or material resources which the Commissioner of the Social Security Administration determines by rule are vital to the operations of the Federal social security and thereby causes damage in the amount of $500 or more shall be imprisoned not less than three nor more than ten years, and may be fined not more than $50,000. A sentence of imprisonment imposed under this section shall not be suspended, nor shall probation be granted with respect to such a sentence. A person serving a sentence of imprisonment imposed under this section is not eligible for parole. Fines imposed under this section shall be deposited into the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund, as determined appropriate by the Secretary of Health and Human Services.".

(b) The table of sections at the beginning of chapter 65 of title 18, United States Code, is amended by adding at the end the following new item:

"1365. Social security system facilities.".

EXTENSIONS OF REMARKS

FTC OVERSIGHT OF PROFESSIONS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. DINGELL. Mr. Speaker, the Congress will soon be asked to consider legislation to reauthorize the Federal Trade Commission. As part of that process, we will once again be asked to consider FTC regulation of the professions.

Failure to sustain the FTC's authority to regulate illegal business practices on the part of professionals such as price fixing of fees for services and illegal kickbacks will lead to higher costs at a time when the public can ill afford it.

The FTC's actions with respect to professions and their associations have been reasonable, consistent with the law and of significant benefit to consumers.

For example, on February 18, 1983, the FTC issued opinions on certain practices of the Indiana Federation of Dentists and the Michigan State Medical Society.

The Indiana Federation case grew out of charges of organized efforts by dentists in Indiana to restrict submission of X-rays to insurance companies. In 1977, the federation adopted a work rule directing its members to prevent anyone who had not performed a complete dental examination from determining a patient's condition. The clear understanding of this rule was that insurance company use of X-rays—without an examination of the patient—was a form of "determination" of the patient's condition that the dentist was obliged to prevent. The practical effect of the federation's work rule was a coordinated refusal to submit X-rays for claims review, which not only reduced competition among dentists to cooperate with dental reimbursement plans, but also thwarted the efforts of individual insurance companies to contain the costs of dental insurance.

The FTC rejected the argument of the federation and the State of Indiana, which intervened as a party in the proceeding, that its activities were protected by Indiana law. The Indiana Legislature did not authorize, or even contemplate, private agreements among dentists not to cooperate with dental insurers. The Commission stated that—

> The authority of the State of Indiana has not been questioned by the Commission in this case [and] the Commission's order does not impinge on the ability of the State of Indiana, acting as sovereign, to regulate the practice of dentistry in the manner the state sees fit.

The Commission's order only prohibits the federation from telling its member dentists they should refuse to submit X-rays in response to a request for use in determining benefits. Nor can the federation tell its members to "refuse to deal in any particular way" with insurers.

However, Members should note, to the FTC's credit, the Commission unanimously overturned a 1980 FTC administrative law judge's order to dissolve the federation, saying "we note that * * * [the Federation's] constitution and bylaws contain objectives other than coercing dental insurers." The order issued does not prevent the federation from pursuing those objectives. The order also does not prohibit members of the Federation, "acting individually and not at the encouragement or inducement" of the federation, from dealing with dental insurers as the members see fit; nor does it prohibit the federation from adopting guidelines concerning the exposure of dental patients to radiation.

At the same time, the FTC upheld a 1981 administrative law judge's finding that the Michigan State Medical Society (MSMS) had unlawfully conspired to boycott cost containment and reimbursement policies of Blue Cross/Blue Shield of Michigan and the State medicaid program. According to a 1979 FTC complaint, on facts brought to the FTC's attention by auto workers in Detroit, MSMS attempted to fix fees and influence Blue Cross/Blue Shield and medicaid policies by negotiating collective agreements with the insurers, and by using or threatening to use coercive means such as group boycotts against insurers.

An order was issued with the 1981 decision that would have prohibited the medical society from initiating any communication with insurers about reimbursement. The medical society argued this would prevent it from adequately representing its members. In response to this concern, the Commission issued a less stringent order, permitting the society to discuss reimbursement and other issues, provided such discussions fall short of actually entering into agreements on behalf of members.

The Commission also narrowed the judge's order by stating specifically that the society is not prevented from providing information to private insurance companies, or from participating in government and judicial proceedings, including those dealing with medicaid reimbursement issues. The order also does not prevent the society from participating in peer review of physicians' fees.

The Commission's actions have been responsible and fair. The antitrust laws should be enforced by the FTC for the protection of my constituents.

I encourage you to give careful consideration to this issue.

I call your attention to the correspondence which follows these remarks. It concerns H.R. 918, a bill to impose a moratorium on the FTC over professions and professional associations. I think you will all agree on careful consideration that H.R. 918 is bad law.

COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., February 14, 1983.

HON. DANIEL B. CRANE,

U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR COLLEAGUE: Your bill, H.R. 918, to impose a moratorium on the authority of the Federal Trade Commission over professions and professional associations has been referred to the Committee on Energy and Commerce. A copy of your "Dear Colleague" of January 2, 1983 has come to my attention.

As I am sure you are aware, the American Medical Association was a most vocal supporter of the Luken-Lee Amendment to H.R. 6995 which would have completely exempted professionals from the consumer protection and antitrust authority of the Federal Trade Commission. In support of their exemption, the AMA argued, among other things, that the professions would still be subject to State and Federal antitrust laws. Your "Dear Colleague" urges Members to co-sponsor your bill because it "would in no way affect the ability of the Attorney General of the United States to prosecute any antitrust or other action arising under the Sherman Act or the Clayton Act."

In response, I feel constrained to inform you that the Board of Trustees of the AMA has adopted a resolution calling for amendment of the Federal and State antitrust laws. A copy of the AMA's resolution is attached for your information and will be inserted in the CONGRESSIONAL RECORD. This resolution calls for the AMA to seek enactment of Federal and State legislation that would exempt certain activities in the health care field from antitrust laws. Suffice it to say that if these amendments were adopted, especially in conjunction with a moratorium on FTC antitrust enforcement, it would be virtually impossible to stop anticompetitive conduct by health professionals.

The standards which the AMA resolution seeks to impose on the courts would under-

mine the basic premise of our antitrust laws. The Supreme Court of the United States has clearly stated that to permit anticompetitive conduct on the basis of public safety or welfare justifications would be tantamount to repeal of the Federal antitrust laws. *National Society of Professional Engineers* v. *U.S.*, 435 U.S. 679 (1978).

In reflecting upon the statements in your letter and the statements that the AMA made last Congress in support of the Luken-Lee Amendment against the total picture, which includes the action being taken behind the scenes by the AMA Board of Trustees, H.R. 918 becomes one piece of a larger puzzle granting the AMA total antitrust immunity and I find that I cannot in good conscience support a moratorium or exemption of the kind you propose.

Health care costs in this country are staggering and hospital costs are rising three times as fast as the consumer price index. At the same time, the nation is in the midst of a national recession—12 million Americans are out of work. Unemployment in my state is now 17.2% with pockets of unemployment reaching over 20%. Since most health insurance protection is provided through employment-based group health plans, these unemployed and their families are without any means to meet sky-high medical bills. If we do nothing else in the next decade, we should find a way to reduce costs and improve the quality of care by achieving a good mix of responsibilities among the various participants: individuals, the health care profession, government and private business. There is good evidence that the discipline of market forces, maintained by uniform Federal antitrust regulations, can make useful contributions to this task. Antitrust immunity has no place in this equation.

Since the FTC authorization legislation was not completed last Congress, we will be reconsidering such legislation this year. The Commission's role with respect to the professions will no doubt be reexamined and it is entirely possible that a compromise on this issue may be considered again. The Broyhill sustitute, which narrowly missed passage last year, would enable the FTC to pursue anticompetitive behavior by professionals, while preserving the traditional role of the states in regulating professional groups. I think this strikes an appropriate balance and is indeed the formulation that is supported by the overwhelming majority of professionals and their associations.

Thank you for your consideration.

Sincerely,

JOHN D. DINGELL,
Chairman.

Enclosure.

REPORT OF THE BOARD OF TRUSTEES

Subject: Remedial Antitrust Legislation (Resolution 9, I-81).

Presented by Joseph F. Boyle, M.D., Chairman.

Referred to Reference Committee B (Malcolm O. Scamahorn, M.D., Chairman).

Resolution 9 (I-81), which was referred to the Board of Trustees, calls upon the AMA to seek enactment of federal and state legislation that would recognize that certain reasonable activities in the health care field do not violate antitrust laws.

The Board concurs with the Council on Legislation, which has studied this matter carefully, that the intent of this resolution can be carried out by development of draft legislation amending the Sherman and Clayton Acts at the federal level and amending state antitrust laws. Draft legislation applicable to the sale and delivery of health care services has been developed to accomplish this reform.

The Board has approved two model bills recommended by the Council on Legislation to amend federal and state antitrust laws. These bills would require courts reviewing antitrust cases involving the sale or delivery of health services to consider whether the activities are directed, authorized or encouraged by the federal or state government, whether the activity is intended to maintain or improve the quality of health care in the public interest, and whether the activity is intended to control costs in the public interest.

The Board recommends adoption of this report in lieu of Resolution 9.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 20, 1983.

DEAR COLLEAGUE: As those of you who were members of the 97th Congress will recall, on December 1, 1982, the House of Representatives considered and passed the Federal Trade Commission Authorization Bill, H.R. 6995. An important amendment to this bill was also adopted on that day, an amendment that provided for a moratorium on FTC regulation of State-regulated professions.

This amendment embodied the language of H.R. 3722 as introduced by Congressmen Thomas Luken and Gary Lee, and as you may also recall, the amendment passed the House on December 1 by a vote of 245 to 155.

Since the full Senate failed to consider an FTC Authorization Bill during the 97th Congress, the moratorium language adopted by the House did not become law. For this reason I plan to introduce a new bill in this Congress that will again clearly state that the FTC may not regulate the State-regulated professions unless the Congress expressly grants the FTC such authority. This new legislation will embody the same language and concepts that were contained in H.R. 3722.

For those of you who were not members of the 97th Congress, the purpose of this legislation is to insure that any Federal decisions to regulate a profession that is already regulated by the States and by the professions themselves will be made by the directly elected representatives of the American people and not by a government agency. Moreover, this legislation would in no way affect the ability of the Attorney General of the United States to prosecute any anti-trust or other action arising under the Sherman Act or the Clayton Act.

If you would like to become an original cosponsor of this legislation, or if you have any questions, please contact Mark Scherer at 5-5001.

Sincerely,

DANIEL B. CRANE,
Member of Congress.●

THE POPE'S VISIT TO LATIN AMERICA

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. MARKEY. Mr. Speaker, last week our distinguished former colleague, Father Robert F. Drinan, S.J., wrote an editorial in the Los Angeles Times regarding the Pope's visit to Latin America. Entitled, "What Will Pope Tell Latin America About Justice," the article addresses the role of the church and the Pope in a region which as been ravaged by human rights violations. Although my former professor at Boston College Law School is no longer with us here in Congress, his absence being sorely missed, I might add, Father Drinan continues to provide truly insightful perspectives to international constituencies concerning the world's most serious problems. I therefore would like to submit the article found in the March 2, 1983, Los Angeles Times.

[From the Los Angeles Times, Mar. 2, 1983]

WHAT WILL POPE TELL LATIN AMERICA ABOUT JUSTICE?

(By Robert F. Drinan)

When Pope John Paul II visits El Salvador this weekend, what will he say about the martyrdom of Archbishop Oscar Arnulfo Romero?

Comments to date by the Holy See about the murder of the archbishop in March, 1980, have been muted and unclear. Many people in Latin America think that Romero went too far, that he intervened too directly in politics when in a sermon he told the soldiers of El Salvador to disobey their military superiors and refuse to kill guerrillas. Actually, the archbishop was simply articulating, in a forthright way, what the Roman Catholic Church has been telling its followers at least since Vatican II: Resist the forces that will enslave you, assert your rights to economic justice and political participation.

Now on his fourth pilgrimage to Latin America, where about half the members of his church reside, many of them in wretched circumstances, the Holy Father recognizes the delicacy of the mandate that he must communicate. He must tell priests to be prophets but not politicians. He must urge the faithful to resist injustice but not engage in violence. And he must tell the political and economic leaders of the eight nations on his itinerary that the economic exploitation and the political repression that characterize some of these regimes violate both the Gospels and the concept of basic economic justice to which the church has grown more committed in modern times.

But the Pope probably will not be able or willing to respond satisfactorily to the priests and prelates who increasingly are becoming convinced that the church must do more than preach and pray, and that revolutionary political action like that in Nicaragua may be necessary.

The members of the political and military oligarchies in Central American nations will scrutinize the pontiff's words for statements that they can emphasize, expand and exploit to justify their demands that the peasants be quiet and trust their leaders. The leaders of the insurgents and dissidents will fine-comb his declarations to discover words that will support their assaults, whether military or moral, on repressive governments and unjust economic structures. The Holy Father will probably be content if his message is deemed to have been neither discouraging to the insurgents nor entirely satisfactory to the Establishment. That was

more or less the outcome after the Pope's previous visits to Latin America.

But the situation today is very different. Today, the United States is underwriting a war against *campesinos* in El Salvador, is seeking to destablize the Sandinista government in Nicaragua and has given $6.3 million in military aid to a dictatorship in Guatemala. Will the Pope be able or willing to say that the United States should not intervene in the governments of Central America? He clearly is against intervention in Latin America by the Soviet Union, and opposed to collaboration by the church in Latin America with the principles or the proponents of Marxism; logically, should he not also be opposed to intervention by the other superpower?

Will the Pope be responsive to the demands of the Catholic bishops of the United States who have urged the recall of American military advisers from El Salvador and a cutoff of all military aid to that country?

Will the Pope, consciously or otherwise, endorse a "Polish solution" whereby the church refrains from publicly criticizing the state in order to maintain some degree of influence on it?

Will the Pope openly support the bishops of Latin America who, in 1968 in Medellin, Colombia, urged the Catholics of Latin America to oppose "institutionalized violence" and to become the "masters of their own destinies"?

To many in the church, the memory of Archbishop Romero represents the several dozen priests and religious who have been murdered in El Salvador and Guatemala in the last five years, virtually all apparently by government agents. It seems unlikely that the Pope will exalt their example. To do so might unleash revolutionary forces within the church in Latin America that could topple governments, turn prelates into politicians, prompt counterrevolutions from the right and endanger the political and economic stability of the area in unforeseeable ways.

As he did in Poland, John Paul can be expected to urge the priests and bishops of Latin America to lead their flocks in prayer and patience but not to march with them in revolutions. Only history will reveal whether that is the appropriate and best approach at this time for Christians in Latin America who are crushed by economic injustices and political repression. But the message echoes a theme that recurs throughout the Old Testament and the New: Priests should be prophets and not politicians. The line that separates these two roles is seldom bright, and the Holy Father now has an opportunity to make it clearer and more comprehensible.

I recall from a conversation with Romero that the injustice that disturbed him the most was the deportation, harassment and silencing of priests in his archdiocese who had promoted the rights of the poor. He refused to deal with the government until these priests were vindicated. His intransigence on this point surely was one of the reasons for his murder.

The church in Central America today is even more militantly on the side of the poor, though there remain within the church not a few priests and prelates who are reactionary. In his pastoral visit, Karol Wojtyla would do well to remember in all his statements the words that Romero uttered a short time before his death:

"Our persecutors are confused. They are not used to seeing the face of a church converted to the poor . . . . That is why they have no other category for us but that of subversives. And they treat us in the only way that they know: with violent words and violent actions."

[Robert F. Drinan, a Jesuit, served five terms as a Democratic member of Congress before resigning from elective politics in 1980 at the request of Pope John Paul II. He now teaches law at Georgetown University Law Center.]●

RETIREMENT OF HENRY SHERIDAN, MAMARONECK HARBORMASTER

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. OTTINGER. Mr. Speaker, this month marks the retirement of Henry Sheridan, who has served the village of Mamaroneck, N.Y., as master of its harbor for 13 years, making it one of the safest and friendliest ports on Long Island Sound.

In his years as habormaster, Mr. Sheridan—Hank—has quietly and unselfishly devoted his time and talents to his harbor and his community. He has heroically saved lives and property without regard to his own personal safety. He has been commended for everything from putting out fires to rescuing four people and a dog from a sinking boat. He has grimly pulled lifeless bodies from his harbor's waters, and he has taught little children with fishing rods how to hook a flounder. In the words of his daughter, "you know that he cares about you by the fact that he is there when you need him, you can depend on him."

A crafty skipper aboard a boat which he crewed during the summers of his boyhood encouraged Hank to enroll in the Merchant Marine Academy. After graduation he joined the U.S. Navy as an ensign, and by 1945 had risen to the rank of commander.

After the Second World War, Hank returned home to his wife Peggy and started a towing and salvage business in Mamaroneck. The Korean war quickly ended this enterprise, and Hank once again served the Nation as commander of the Reserve Training Center in Newport, R.I.

In 1967 Hank became the master of Mamaroneck Harbor, one of the largest naturally enclosed small-boat harbors on the eastern seaboard. Mr. Sheridan singlehandedly brought the village's waterfront into the 20th century. He built long rows of docks and floats, equipped them with life rings and fire emergency equipment, marked hidden obstacles to boaters, and even built racks for smaller sailboats. Hank is an expert seaman and fireman. For almost 33 years he has served as a member of the Mamaroneck Volunteer Fire Department and at one point served as the captain of the department.

Hank has served as an example for youngsters and oldsters alike, caring about the people on and off shore, and always ready with a firm, helping hand.

Hank has been honored many times for his distinguished service to the community of Mamaroneck. Mamaroneck Mayor Suzi Oppenheimer said he was "indispensable for all the things he does and has been doing for the harbor as long as he has been down there." Others have stated that when Hank retires, "he will have to be replaced by at least four people."

In many ways Henry Sheridan is like the waters of his harbor: ageless, untiring, a placid exterior belying a quiet strength underneath, given to occasional storms, and a gentle provider. I am delighted to join the citizens of Mamaroneck in honoring Henry Sheridan on his retirement. He will be sorely missed by all of us.●

RESOLUTION ON NAVAHO-HOPI LAND DISPUTE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. RUDD. Mr. Speaker, I submit for the attention of my colleagues Senate Memorial 1003, passed by the Arizona State Senate, urging the Congress of the United States to enact legislation to settle the Navaho-Hopi land dispute without acquiring private property for purposes of relocation.

The memorial follows:

SENATE MEMORIAL 1003

Whereas, for over a century the Navajo and Hopi Indians have been involved in a dispute over the right to use certain lands set aside by Executive Order issued by President Chester A. Arthur on December 16, 1882; and

Whereas, this land dispute is of great concern to all people of Arizona, Indian and non-Indian, and should be of great concern to all people of the United States; and

Whereas, in 1974 legislation was enacted (P.L. 93-531) and amended in 1980 (P.L. 96-305) requiring the relocation of Navajo Indians from lands partitioned to the Hopi Tribe and the relocation of Hopi Indians from lands partitioned to the Navajo Tribe; and

Whereas, the relocation mandated by the federal legislation has already caused untold hardship for hundreds of Indian families and has already cost millions of dollars and will eventually affect over seven thousand five hundred Indians who will be relocated against their will at a cost to United States taxpayers of over one-half billion dollars; and

Whereas, the federal legislation also provides for the acquisition of hundreds of thousands of acres of private land for the resettlement of the Navajo and Hopi Indian relocatees; and

Whereas, this acquisition of private property will, in turn, force hundreds of non-Indians off their land, disrupt their lives and

cause them the same type of hardship as is being forced on the Indian relocatees; and

Whereas, any attempt to mitigate the human suffering with federal money does not address the true issues involved, but does cause a real burden to the federal budget, the United States taxpayers and the national economy; and

Whereas, the taking of private property, as provided by the federal legislation, will deplete Arizona's already small private land area and diminish the tax base of the state and the counties in which the lands are located.

Wherefore, your Memorialist, the Senate of the State of Arizona, prays:

1. That the Congress of the United States repeal or amend P.L. 93-531 and P.L. 96-305 and provide a true, fair and final solution to the Navajo-Hopi land dispute without requiring federal funds for relocation and without the acquisition of private lands.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.●

SITUATION IS GROWING WORSE IN EL SALVADOR

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. EDWARDS of California. Mr. Speaker, the situation in El Salvador is growing steadily worse. The human rights violations continue unabated. The oppression of the people grow.

Last year at this time, we were told by the administration wait until after the March elections before making any changes in the U.S. policy toward El Salvador. The elections have come and gone, the new government has been in power for almost a year, yet the atrocities against the citizens of El Salvador persist. To add insult to injury, twice since these elections President Reagan, himself, has certified that the country is making progress in controlling these abuses, and that the investigation into the deaths of the four American women who were killed in December 1980, is proceeding.

The similarities between El Salvador and Vietman are terrifying. Of course we all understand that these are two distinct and different countries. However, the situations now being confronted in El Salvador are all too familiar. My question at this time is, Did we learn anything from our involvement in Vietnam? Apparently from the continuing response from President Reagan to the problems in El Salvador, the answer to that question is "No."

The San Jose Mercury newspaper on March 3, 1983, had an excellent editorial which expressed the concerns of many Americans with respect to the administration's policies toward El Salvador. I have enclosed that editorial for the RECORD in the hopes that you will find it enlightening.

[From the San Jose Mercury, Mar. 3, 1983]

OUT OF THE QUAGMIRE

"I don't know whether he's a murderous, fascist son of a bitch or not," said U.S. Ambassador Deane Hinton of El Salvador's President Roberto D'Aubuisson. "He's been accepted by the Salvadorans. He's an important fellow."

Hinton's statement sums up a lot about what's wrong in El Salvador and with American policy there. It also suggests the futility of the Reagan administration's hope of winning hearts and minds by sending another $60 million and new advisers to bolster D'Aubuisson's regime.

Our man D'Aubuisson is indeed a brute. His supporters recently denounced the defense minister for helping the United States bring to trial the suspected murderers of the former head of El Salvador's land reform program and two American advisors. D'Aubuisson's death squads have helped make the country an intolerable place for moderates and true democrats.

But Hinton's statement also reveals much about our government's perception of events—a twisted view if he truly believes that the Salvadorans have "accepted" the likes of D'Aubuisson. His victory in a wartime election supervised by government troops hardly demonstrates overwhelming support.

This same failure of perception lies behind the Reagan administration's efforts to bail D'Aubuisson out of a losing situation. "I wouldn't describe the situation as going well at all," Defense Secretary Caspar Weinberger admitted. Government forces can't hold onto territory or to the loyalty of the people. Nor do they follow the advice our advisers give them. Yet the administration wants to up the ante without any guarantee of turning the situation around.

The growing commitment to a seemingly hopeless guerrilla war stirs memories of Vietnam . . . a parallel the administration takes pains to deny. "The Vietnam analogy is really false," Thomas Enders, assistant secretary of state for inter-American affairs, told a congressional committee. "We are not escalating little by little. Nobody has suggested sending in military advisers."

But the United States already has advisers there—up to 55 are permitted by Congress—and some of them have already violated rules prohibiting them from entering combat operations. If the administration gets its way and sends in more aid and advisers, that will indeed be "escalation."

The justification for that course, intriguingly also takes its cue from the Vietnam era. If the guerrillas win in El Salvador, Enders warned, "then no government in the Isthmus will be safe." The revolution "would head south across Costa Rica, which has no army, toward the (Panama) Canal. It would head north, putting enormous pressure on Honduras and reviving the guerrilla war in Guatemala and moving toward the Mexican border. So the struggle would go on, but on battlefields where the stakes would be much higher."

Nestor Sanchez, deputy assistant secretary of defense for inter-American affairs, made the same case. Asked by Rep. Gerry Studds, D-Mass., if he was referring to "the domino pattern" Sanchez replied, "Yes, if you want to call it the domino theory."

El Salvador isn't Vietnam, of course, and history doesn't always repeat itself. But there's no reason to suppose that, as in the case of Vietnam, deepening our commitment won't simply prolong the war and bloody our face.

As for the domino theory, that was tested and found wanting in Southeast Asia. Communist forces now control the area that was once French Indo-China; in short, just the area, and no more, that they fought in since 1945. Thailand, Malaysia and Burma, the "dominos," are more secure than ever.

The way to keep the dominos from tumbling in Central America is to recognize that revolutions are made at home; they can't be exported from Cuba. Cuban arms no doubt have made a difference in El Salvador. And one doesn't have to be sanguine about the repression that would certainly follow the victory of Marxist rebels there. But the real question for the United States—whose own allies are repressive enough—is whether a negotiated settlement, or even a Communist victory, would endanger our national security.

The United States will not tolerate a Soviet military base in Central America. The best way to prevent that is not to "oppose negotiations over power sharing," as one State Department spokesman summarized official policy. It is, instead, to come to terms with whatever parties finally emerge victorious. Marxist movements backed by the Soviets have repeatedly denied them military bases—witness Angola and Mozambique, for example, not to mention China.

No one can be sure what policy will best suit American interests in the region. But of one thing we can be certain: Present administration policy will only lead us further into the quagmire.●

THE NATIONAL COMMISSION ON SOCIAL SECURITY REFORM'S PROPOSAL FALLS SHORT

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. PORTER. Mr. Speaker, I submit for the RECORD an article I recently wrote expressing my view that the National Commission on Social Security Reform's proposal for restoring solvency to the ailing social security system does not address the real problems facing the system and will provide only short-term stability to a system in need of fundamental long-term reforms:

It is no secret that the social security system is headed for long-term insolvency unless substantial corrective steps are taken soon.

To rescue our ailing agency, President Reagan last spring created the National Commission on Social Security Reform to study the long and short term financial difficulties facing the system and to make recommendations to stabilize the system at once.

Unfortunately, the commission emerged after almost a year with a plan that is not good news. As I had feared, the long term solutions have not been addressed. The worst thing that could happen is to continue to raise taxes year after year to feed a system that is not working already. Yet that

is essentially what the commission has come up with. For example, the scheduled 1985 payroll tax hike would be moved up to 1984 and a portion of the scheduled tax hike for 1990 would be moved up to 1988.

The commission's scheme to tax the social security benefits paid to those earning $20,000 a year or more would be a breach of faith with people who paid into the system for years and years with the understanding that they would receive their benefits on retirement tax-free. Moreover, it would turn social security into a welfare system, something it has not been during its entire 48-year history.

The problems that plague our federal retirement plan are rooted in history. Since 1939, a pay-as-you-go plan has been in effect, meaning that the money is taken from the workers' paychecks and handed out in retirees benefits. The money is never invested in a trust fund, only quickly passed through a checking account.

Spending has outstripped ability of the system to pay for it. The system is flawed and those flaws will only get worse as demographics work against us. In its early years, 16 employees were paying into the system for one person collecting benefits. But America has been aging and soon there will be only two payees for each recipient.

In my judgment, the solution does not and cannot lie in ever-increasing taxes. Benefit increase have vastly outstripped the increase in wages upon which they depend. Obviously, benefits must be more closely aligned with wage increases if the system is to be made sound.

Current commitments must be honored and benefit levels for today's beneficiaries must not be cut, but for long-term solvency of the social security system it is perfectly rational to gradually and prospectively increase the retirement age from 65 to 68 over the next 30 years. People are living longer and working longer today. Age 65 in 1935 is a far cry from 65 in 1983.

The best way to cut to the heart of the problem may lie in making social security a vested system of individual privately invested retirement accounts. A congressional study of the merits and costs of such a retirement plan ought to be made now so that if feasible, Washington could begin its implementation soon.

Under such a plan, social security would no longer be subject to the whims of politics in Washington. There would be no resentment on paying into the system because each individual could see his or her pension plan grow and know that it was secure.

The difficulty of switching to a new system when one is already in place, is how to provide for those already on retirement or who have paid into the system. Of course they are entitled to every penny. For those who would fall in the transition, a scale must be devised so that they pay into and earn retirement funds from both systems on a partial basis.

Another structural problem occurred when the social security program built up a surplus. Congress could not stand to see all that money left so it created Medicare and the disability programs and funded them through Social Security where they really don't belong. As deficits are eliminated, non-retirement social security programs should be shifted to general revenue funding.●

THE CHALLENGE OF CHANGE IN NATURAL GAS PRICING

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. BROYHILL. Mr. Speaker, our colleague from Illinois, TOM CORCORAN, the senior Republican on the Fossil and Synthetic Fuels Subcommittee, delivered a speech this morning in Chicago at a meeting of the Midwest Gas Association. For the benefit of our colleagues, I insert in the RECORD at this point the text of Congressman CORCORAN's speech regarding natural gas policy.

REMARKS OF CONGRESSMAN TOM CORCORAN ON THE CHALLENGE OF CHANGE IN NATURAL GAS PRICING

I appreciate the opportunity to meet with you today to discuss the topic of natural gas policy. I thought the title of this particular session—"The Challenge of Change in Natural Gas Pricing"—was especially appropriate because change is definitely necessary, and modifying pricing policy will certainly be a challenge.

OUR NATURAL GAS POLICIES AT A CROSSROADS

We have reached a crossroads in our natural gas policy in the United States. The time has come for Congress, once again, to choose which path is to be followed. How we, the Congress, respond to this challenge, by the choices we make, will shape the future of the entire gas industry.

Like any complex public policy question, the answers are not easily ascertained; nor do they promise to be painless for the various segments of the industry. I'm beginning to believe that solving the problems confronting the gas industry are analogous to the solution to "Rubic's Cube"—just when you think you have one side all worked out, you realize another is out of place. However, the analogy can be taken one step further. Just as "Rubic's Cube" has a solution, so too do the problems currently confronting the gas industry. But it won't be easy and it is going to require that Congress receive a heavy dose of creative thinking—some of which can be, and needs to be, injected by people like you.

This group does not need to hear a litany about the problems confronting the natural gas industry—you know them all too well. Let me just say that, in my opinion, most of the questions that plague us today are a direct result of government regulation constraining market forces. Constraints on the free operation of the market have hurt everyone—from producer to end user. By the same token, I believe many of the perverse economic outcomes we see all around us today—like escalating prices when demand is falling and supplies are abundant—would be significantly rectified if market forces were allowed to operate in a less regulated environment.

OUR NATURAL GAS POLICIES ENCOURAGE HIGH-COST FOREIGN AND DOMESTIC SUPPLIES

Consider the case of imported natural gas. I've been told by my friends at Peoples Gas and Ni-Gas that they are currently losing industrial load to number 6 fuel oil. In fact, my staff estimates that the delivered price of natural gas in Chicago is approximately 30 cents per Mcf higher than the price of number 6 fuel oil. That means one thing: the price of natural gas should be falling. If this reality at the burner-tip were being accurately transmitted to pipelines and producers, we wouldn't be importing liquefied natural gas (LNG) from Algeria, or natural gas from Canada or Mexico at the current prices.

That's why I introduced "The Natural Gas Import Policy Act of 1983" (H.R. 1441) on February 15. This bill would require pipelines to renegotiate imported gas contracts with foreign suppliers so that the price is consistent with current U.S. market realities. If such renegotiation has not taken place within nine months, the import licenses involved would be suspended. As I have repeatedly stated, in the U.S. and in Canada, my preference would be for the parties themselves to renegotiate directly without the threat of the heavy hand of government. Far from being heavy handed, my bill has been credited in the energy trade press with waking up the Canadians. In the current market, and the foreseeable future, they have more gas than we have demand. I have nothing against Canadian Gas, but we don't need $6 and $8 gas, and that's its price by the time it's delivered to market. I remember a series of four trade press articles about my bill. The first was titled something like: "Corcoran Outrages Canadians." The last one, however, reporting on my trip to Canada was titled: "Canadians See Wisdom of Flexible Pricing Policy." Others have also seen the bill's wisdom: H.R. 1441 has attracted over 30 cosponsors.

This bill also helps draw attention to the problems in our domestic gas policy. In the late 1970's, many "experts" were saying we were running out of gas. Pipelines were encouraged by the Natural Gas Policy Act of 1978 (NGPA) to acquire new supplies at virtually any cost. That's why I've been saying all along, let's not blame the pipelines—let's blame the policy that caused them to make these decisions. Pipelines were playing by the rules, but now we know the rules were all wrong!

Many of the same criticisms of NGPA, and its effect on imported natural gas, can be made in relation to high priced domestic gas such as Alaskan supplies. For this reason, later this week, I will be reintroducing the joint resolution I introduced last April that would place a two-year time limit on the effectiveness of the Alaska pipeline waivers that became law in late 1981. You may remember the heated debate that took place in the fall of 1981 regarding "waivers" to the Alaska Natural Gas Transportation Act of 1976. Under this scheme, Illinois gas consumers could pay $20-101 more for gas in each of the next 20 years for gas they may never get and indeed don't need. I led the opposition in the House to those waivers and was especially pleased that only three Illinois Congressmen voted in support of them. Although those waivers passed the Congress and were signed into law by President Reagan, the recent concerns expressed by natural gas consumers across the country about $5/Mcf Canadian and Mexican gas and $7 Algerian LNG would presumably be even greater about $18 Alaskan gas. The fact that a proposal such as the Alaska pipeline would be even seriously considered should be warning enough that our extant natural gas laws are in desperate need of repair. Those whose exotic projects depend upon the existence of a federally skewed market must not be allowed to stop the reform that is needed.

OUR NATURAL GAS LAWS REQUIRE MAJOR SURGERY

Last Wednesday, I was joined by a bipartisan group of Congressmen in introducing (by request) the Administration's "Natural Gas Consumer Regulatory Reform Amendments of 1983" (H.R. 1760). I believe Secretary Hodel should be commended for formulating a comprehensive reform proposal that both attempts to free the marketplace and to provide the much needed consumer protection that the American people desperately require.

Essentially, the bill includes three major provisions: (1) Consumer Protection, (2) Freedom to Renegotiate Contracts, (3) Increased Competition. The consumer protection provision would impose a new regulatory review on the gas acquisition practices of pipelines. Many have raised concerns about this section of the bill: is this review temporary or permanent? How will it be implemented? Will it penalize some pipelines and reward others? While I recognize these concerns, I think we can live with the basic concept of consumer protection during a transition period from a regulated market with high prices to a competitive market with lower prices. I am confident, however, we can address the more specific concerns during the legislative process.

The second provision, freedom to renegotiate contracts, is perhaps the most novel and, at the same time, the most controversial element of the bill. It allows each party to existing contracts to opt out if they find a better deal elsewhere. The economic premise of the Administration, which is becoming more accepted in a variety of circles, is that the buyers' market for natural gas will be with us for the next several years. The critical question is, What will this do to the price of gas at the burner-tip? I think it will bring them down; I think the average price of gas can decline. The politically intriguing aspect of the bill is that the consumer protection part acts to limit what pipelines can pass along to their consumers based on a nationally adjusted formula plus inflation. The bottom line for distribution companies and pipelines is that they will be able to shift the risk of marketing high cost natural gas supplies away from their customers and themselves to the producers of those high-cost supplies. In this way, the Administration's bill is designed to be the reverse of the current gas policy: it maximizes production and allocation of low-cost domestic reserves as opposed to maximizing the return on the highest-cost gas. I think it's in all of our interests to produce all the lowest-cost gas we can first, not shut it in as some pipelines are now doing.

The third part of the Administration plan is aimed at increasing competition. There are a great many natural gas producers, with an excess amount of supply, that would be happy to sell their product. They know they would have to cut their price and would be happy to do so. At the same time, there are a great many consumers of natural gas unhappy with the price they are receiving from their current supplier. Let's let these people do business together. Exactly how we implement these competitive incentives—indeed all the ideas outlined above—will be an important part of the legislative process. It's a concept well worth the effort. After all, competition has served us well as a fundamental economic principle for the past two hundred years.

Nonetheless, while I believe the bill can be improved, this has not deterred me from introducing it. The problems in the gas industry are so severe, nothing short of comprehensive, legislative action will provide a solution. That's why it was imperative that we get a bill from the President. I believe the problems are so complex, and the potential solutions so controversial, that anything short of a bill with the President's strong stamp of approval would have little chance of being enacted into law.

Congress only has three options: the status quo, this bill or a variation of it, or recontrol. The status quo is in no one's interest, especially the consumer. Recontrol would simply rerun the shortages of the bitter 1977 winter and invite an invasion of high-priced imports. So I think the "Challenge of Change in Natural Gas Pricing" means industry cooperating with Congress on passing the best version of the Administration's bill.

Above all, I believe our efforts should include several broad goals and objectives. These goals will serve as the general parameters I will seek to achieve in the next several months. Above all, I believe we should attempt to achieve a natural gas policy that replaces regulation with competition. This can only be done by removing the structural inefficiences which prohibit us from achieving a truly national market for gas. By giving distribution companies the right to "shop around" for the cheapest possible gas, by having market forces make pipelines purchase the lowest-cost supplies, by giving producers and distribution companies broader access to markets, we will allow the consumer to enjoy the benefits of declining oil prices. By accomplishing this goal, we put the consumer—rather than the government—in charge. The end result of such an effort will provide the consumer with a choice, a chance, and a change; it will benefit us all by providing the maximum amount of gas at the cheapest possible price. I look forward to working with you to reach this mutually desired objective.●

SUMMARY OF THRIFTWAY WAIVER: FAVORITISM AT EPA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mrs. SCHROEDER. Mr. Speaker, Frank O'Donnell, a Washington-based reporter for Coal Outlook and Synfuels Week, recently filed a story recounting the sequence of events in the EPA waiver of Federal lead in gasoline standards for Thriftway Co., a New Mexico refiner.

Apparently our environmental and health laws have been reduced to a single procedure: A private meeting with the EPA Administrator.

The article follows:

WASHINGTON.—At 11 a.m. on Dec. 11, 1981, Anne M. Gorsuch convened a meeting in her 12th floor office at the Environmental Protection Agency to hear a plea from a New Mexico refiner for a "waiver" from EPA rules designed to limit the amount of toxic lead in gasoline.

Claiming that the EPA lead standards were causing a "substantial operating loss" for his firm, William F. Cockrell, Jr., an attorney for the Thriftway Co. of Farmington, N.M., pleaded for help.

Near the close of the 40-minute meeting, Gorsuch told him the company could simply ignore the law—without fear of prosecution. Taken aback, Cockrell asked Gorsuch to put that pledge in writing. She refused. How, asked Cockrell, could Thriftway be sure it wouldn't be prosecuted?

"You have the word of the administrator of EPA," Gorsuch replied.

The next day, according to reports filed with EPA, Thriftway began violating the federal lead-in-gasoline standard.

Now, because of a lower level EPA staff decision to fine Thriftway for the lead violations, the embattled Gorsuch, now Mrs. Anne M. Burford after her recent marriage, may find perjury charges added to her list of woes.

No verbatim transcript was kept of the Thriftway meeting with Burford. However, the story as reported here is based on sworn affidavits given by the seven meeting participants—Burford, three Thriftway representatives, two EPA staff members and an aide to then-Sen. Harrison Schmitt, R-N.M.—to recently fired EPA Inspector General Matthew Novick. Of the seven, only Burford denied that a pledge not to prosecute was made to Thriftway.

Asked at a July 22, 1982 congressional hearing to explain the seeming discrepancy between her version of the meeting and the versions of other participants, Burford said under oath that the testimony of the others was "in error, to the extent that they conflict with my own." She added, "I did not, nor have I ever, recommended to anyone to violate any one of our environmental laws. Nor will I."

This past December, Thriftway was notified by EPA staff officials that it was being fined $126,526 for violating lead standards. In a Feb. 16, 1983, letter to EPA general counsel Robert Perry, Thriftway attorney Cockrell angrily responded that the refiner violated the standards "solely because of, and in complete reliance on" Gorsuch's "unequiviocal commitment" not to prosecute.

Cockrell charged that, in the July 22 hearing, Burford may have perjured herself when she testified under oath that no such commitment to Thriftway had been made. He also raised the possibility of a civil suit against Burford if EPA attempts to collect the fine from Thriftway.

Thriftway sought an exemption from EPA rules governing the amount of lead that refineries can add to gasoline. Lead, which is known to cause brain damage in children, is restricted because of its high toxicity. Several weeks after the Thriftway meeting, Burford formally proposed to re-examine the existing lead standards. Though she didn't specifically say she wanted to relax those standards, her proposal caused an outcry among public health experts, and late last year Burford agreed to make the existing standards even stricter.

The Thriftway meeting was the subject of a report last year by Inspector General Novick, who was asked to investigate the incident by Rep. Toby Moffett, D-Conn., then-chairman of the House Government Operations subcommittee on environment. Moffett, who ran unsuccessfully for the Senate last year, did not return to the House, and an aide with the environment subcommittee, who asked not to be named, confirmed that the Thriftway investigation remains open.

In the affidavits collected by Novick, the participants, other than Burford, recalled:

The company representatives arranged the meeting to seek a "waiver" from the

lead restrictions that all refineries must meet. Richard Wilson, EPA's top staff air pollution enforcement official and a meeting participant, noted that the agency had no procedures to grant such a waiver, and Burford said she didn't want to set a precedent that would "open the floodgates" for waiver requests by other refiners. Burford also noted that EPA would soon re-examine the need for national lead standards.

Burford told the company representatives that they were free to ignore the lead standards, at least during the months that EPA conducted its re-examination.

As the 40-minute meeting broke up, Burford called the Schmitt aide aside. She said she didn't want to tell Thriftway explicitly to break the law, but added, "I hope they got the message." The aide assured her that they did. Burford then told another EPA employee that she had "solved one problem" for the company. Meeting among themselves, the company representatives agreed to "keep our mouths shut" about the meeting.

Three days later, Thriftway attorney Edward Shipper, another meeting participant, called EPA's Wilson to confirm his understanding of the meeting. Wilson agreed that Gorsuch had promised them immunity. Shipper pledged to "keep our lips sealed," and Wilson thanked him.

Burford denied to the inspector general that she specifically authorized Thriftway to break the law. She said she told Thriftway that "it did not make sense to use our limited enforcement resources to enforce a regulation after changes had been proposed" but added she was speaking of a "generic (industrywide) process" and that "potential relief should be granted to all parties." Burford also said that she had told the Schmitt aide privately, "I did not intend to authorize or encourage people to break the law."

The Thriftway meeting and Novick's subsequent report have generated controversy within EPA, too. At an April 14, 1982, House hearing, Wilson—in open disagreement with his boss—testified that Burford had pledged to Thriftway not to enforce the law. Wilson called the incident "unfortunate," saying it "creates the appearance of some favoritism."

At the same time, Byron Nelson, then-director of EPA's press office, contended in a letter to several newspapers that the Inspector General's investigation of the Thriftway incident vindicated Gorsuch of all wrongdoing. But Novick responded in a harsh memo to Burford that "the facts contained in Nelson's letter are absolutely false! Congressman Moffett knows this, and as a result, he has started a new round of questions. The Congressman could allege that false statements were made by your spokesman in an attempt to vindicate you of any wrongdoing."

Last April, a House subcommittee asked President Reagan and White House counsel Fred Fielding to investigate the matter, which involves the same charges of mismanagement and industry favoritism at EPA that since have been levelled against ousted EPA official Rita Lavelle. Neither Reagan nor Fielding has responded to the congressional request.●

A WAY TO KEEP THE GOVERNMENT HONEST: SENATOR DOLE ON INDEXING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. KEMP. Mr. Speaker, one issue will be the touchstone of our efforts to make tax policy fair, and to preserve incentives for working and saving: Whether we retain the 1981 provision to inflation proof or index the Tax Code.

No one has fought harder for this vital provision than Senator BOB DOLE. In yesterday's New York Times, he clearly outlined the case for indexing: Repealing indexing would be unjust, would be especially unfair to those with low and moderate incomes, "is no solution to the deficit problem," and would be a powerful temptation for further Government-caused inflation. In short, says Senator DOLE, tax indexing "is not only a pledge to be honest with the American people: it is a sign to lead the world to an economic recovery that will last."

I commend this excellent article to my colleagues.

The article follows:

[From the New York Times, Mar. 6, 1983]

THE SPLIT OVER TAX INDEXING—A WAY TO KEEP THE GOVERNMENT HONEST

(By Bob Dole)

There are certain things that everyone is in favor of as a matter of principle, but that somehow never seem to win out when real decisions are made and votes are counted. Balancing the budget is one example; getting rid of pork-barrel projects in the Federal budget is another. At times we make some progress to support these goals, but the fact remains that real, significant, lasting political reforms are rare indeed. That is why we ought to consider very carefully before we undo the most vital reform of the past decade—the decision to index our progressive income tax to inflation.

The problem that tax indexing addresses is simply stated. For many years we have held fast to the notion that those who have more ought to contribute more to support public services and provide for our national needs. To achieve that goal we have instituted a system of income taxation with a series of tax brackets, with the applicable rate of tax increasing as the taxpayer's income rises, from the lowest to the highest bracket.

Inflation, however, plays havoc with the system, first by eroding the dollar's purchasing power. As a consequence, it also erodes the real value of cut-off points for each tax bracket, which are stated in dollar terms. As the value of the dollar declines in real terms, effective tax rates go up. A $15,000 income is taxed at the same rate even after, say, 10 percent inflation. Yet that $15,000 is worth 10 percent less to the taxpayer.

Take the example of a family of four in 1980 that had a 10 percent cost of living increase in its annual income, to $16,500 from $15,000. This pushed it from a tax bracket of 18 percent to the 21 percent tax bracket. The value of the personal exemption—$1,000 per taxpayer—also fell by 10 percent because of inflation. Thus, this family's tax bill rose by more than 23 percent—from $1,242 to $1,530—while its income grew by one 10 percent.

As a simple matter of equity, it would seem that tax indexing to eliminate this unlegislated bracket creep ought to have universal support. To be fair, opponents of indexing generally acknowledge that bracket creep is a real problem; they simply reject indexing as a solution. Generally, they make two arguments: that Congress provides ad hoc inflation adjustments by periodically legislating tax cuts and that fiscal policy in a period of inflation requires bracket creep to automatically dampen the economy and keep up with the rising cost of Government.

Unfortunately, these arguments are self-contradictory, and both miss the real point. Congress does cut taxes, but it tends to redistribute the tax burden when it does—it does not compensate all taxpayers equally for their inflation tax increases. Further, automatic tax increases do not stabilize the economy when inflation is accompanied by little or no real growth. In any event, the Government always manages to find a way to spend whatever revenues it can get its hands on. They fact that the Government can always use more money is no justification for unlegislated tax increases.

Eliminating tax indexing is no solution to the deficit problem. Fiscal responsibility means making the necessary legislative choices to bring revenues and expenditures as nearly into balance as the state of the economy permits. We may make mistakes, but at least we will be making decisions, openly and honestly, that the public can judge on their own merits.

That is just what we in Congress have been trying to do over the past two years. It is a slow and painful process, but it is necessary. It has to continue. With tax indexing, revenues will continue to rise with inflation—they simply will not rise faster than inflation, as they do under the nonindexed system. That should be adequate to finance increments in Government expenditures caused by inflation. If we need to spend still more, for defense, food stamps or whatever, we can vote to raise the necessary revenues.

Proponents of tax indexing have no reason to be on the defensive. It is the advocates of repeal who had better be prepared to explain their case to the American people. As President Reagan has stated, this is fundamentally an issue of accountability. Will we take responsibility for our tax and spending decisions, or will we again resort to evasion of the inflation tax? Low-and moderate-income taxpayers—who are hit hardest when we fail to index the rate bracket, the zero bracket and the personal exemption—will be watching what we do. No issue is more vital to the working man and woman than tax indexing.

But the voters will not be the only ones watching. Financial markets and economic decision-makers around the world understand the implication of tampering with tax indexing. As Martin Feldstein, chairman of the Council of Economic Advisers, said last year, eliminating the indexing would send a signal that the Government intends to reduce the deficit by inflating the economy, pushing taxpayers into higher brackets, and collecting more taxes.

Tax indexing is a potent symbol of our will to resist inflating the economy. At this crucial juncture in our campaign to achieve

long-term stable growth, we need tax indexing more than ever before. It is not only a pledge to be honest with the American people: It is a sign of our commitment to lead the world to an economic recovery that will last. Indexing will have lasting significance for our political process and for our economy. This is one political reform that should be preserved.●

ACID RAIN

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. SIKORSKI. Mr. Speaker, as a Representative of a State which is being drastically affected by acid rain, I wish to express my concern today about the delays and disruptions in the negotiations between Canada and the United States toward a bilateral air quality agreement. Time and again during the negotiating process we have seen administration spokesmen disagree with the Canadians and strongly resist acceptance of the fact that acid rain is a serious problem and that we know enough now to begin controlling its sources.

On February 21, the Canadian Environment Minister John Roberts was forced to unilaterally release reports of the working groups set up under the August 1980 memorandum of intent signed by himself and the former EPA Administrator, Douglas Costle. The memorandum of intent committed Canada and the United States to work toward a bilateral air quality agreement while taking interim actions to begin controlling air pollution which results in acid rain.

The statement which Mr. Roberts made before releasing the working group reports clearly shows the dismay he and the Canadian Government feel about the lack of action and initiative from our side of the border. I wish to enter his statement in the CONGRESSIONAL RECORD today, so that my fellow Members of Congress may be aware of the importance of these reports, and I want to say that I join with my Canadian friends in an expression of serious concern about the acid rain problem itself and the lack of progress being made toward a solution by our two countries.

STATEMENT BY HON. JOHN ROBERTS

I am releasing today the final reports of the Canada-United States work groups, established under the 1980 memorandum of intent. These reports were prepared by scientists from both countries. They describe the nature, causes and solutions to the acid rain problem. The reports provide the most up-to-date scientific information on acid rain.

The information being released today adds significantly to the growing body of scientific evidence that acid rain is mainly caused by man-made emissions of pollutants, primarily sulphur dioxide, and that abatement programs are urgently needed to control environmental damage cause by acid rain. The scientific evidence leads inexorably to the conclusion that action must be taken now.

The U.S. scientists have not accepted that the acid rain impacts clearly evident in the hundreds of lakes and rivers studied from Algoma through New England to Nova Scotia apply generally to the thousands of aquatic ecosystems now identified as sensitive to acid rain fallout.

Canada and the United States in 1980 signed a memorandum of intent which recognized acid rain as "an important and urgent bilateral problem." The central instrument for action created by the memo of intent was a joint work group structure.

The work group process and the release of these reports has not moved as quickly as I hoped. The final work group reports are more than a year late.

We believe that the U.S. and Canada must each act with the sense of urgency which our two countries clearly expressed in the memorandum of intent. I am unhappy about the delays in negotiations. Canada recognizes acid rain as a clear and present danger to the environment. We want to stop acid rain.

We are referring this scientific information to peer review groups. I am pressing for a speedy review in Canada by an international group of scientists. I am confident that the peer review will support the conclusions drawn by Canadian Scientists.

The essential points in the reports where Canadian and U.S. scientists did reach agreement were:

Damage in both the short and long term is occurring in areas vulnerable to acid rain as a result of sulphur deposition;

Wet sulphate deposition above 20 kg/ha/yr (18 lbs per acre) in vulnerable areas is associated with damage areas with deposition less than 20 kg/ha/yr have no recorded damage;

The damage is caused by sulphur deposition and the solution is to reduce it;

Acid rain occurs in eastern North America in and downwind from the major industrial regions;

Technology exists to reduce emissions by substantial amounts; and

If there are no changes in abatement programs, emissions are forecast to increase through the remainder of this century.

These points strongly support the Canadian position that the vast majority of vulnerable areas would be protected at wet sulphate deposition rates of less than 20 kg/ha/yr and that to achieve this objective, SO_2 emissions must be reduced by about 50 percent.

This is the position we took a year ago in our negotiations with the United States. Last February, my provincial colleagues (the Ministers of the Environment for Ontario, Quebec, Manitoba and New Brunswick) and I looked carefully at the information contained in the earlier reports of the Work Groups. We concluded that acid deposition was causing serious environmental damage in Canada and the United States and that the extent and intensity of the damage would increase unless remedial action was taken. We concluded, from the Work Group reports, that a reduction of wet sulphate deposition to a level less than 20 kg/ha/yr would protect moderately sensitive lakes, rivers and streams, leaving only the most vulnerable areas open to damage. To achieve this, we committed ourselves to reduce our sulphur dioxide emissions east of the Saskatchewan/Manitora border by 50 percent by 1990 contingent on parallel action in the United States. This represented a doubling of the cut-backs that had already been initiated unilaterally in Canada. We submitted this proposal to the U.S. negotiators.

Based on the conclusions of the final reports of the Work Groups, I urge the U.S. to reconsider the proposal we have made. The findings and conclusions in the reports strongly support the position taken by Canada at this time last year

We are ready to resume negotiatiing the abatement measures described in our proposal immediately.

I do therefore welcome the recent initiative of U.S. Secretary of State Schultz to accelerate the negotiations underway between our two countries. The information provided in these Work Group reports should be a significant stimulus to the progress of those discussions.●

CONGRESSMAN FORD WARNS OF PROTECTIONISM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. DINGELL. Mr. Speaker, I insert into the RECORD for the benefit of my colleagues an article which appeared in the February 18, 1983, issue of the UAW Washington Report which highlights the observations of my good friend and colleague, Congressman WILLIAM D. FORD, during his recent 4 days of meetings in Tokyo with Japanese Government officials and businessmen. Congressman FORD's message to our trading partners reflects a rapidly growing view of the American worker—that the continuing flood of imported Japanese products, particularly automobiles, has created massive unemployment and has worked to the disadvantage of our industrial competitiveness. This view represents the sentiment of a growing number of my colleagues and our trading partners should not take our sentiments lightly.

If our trading partners fail to take the steps necessary to resolve our trading differences and cease to engage in unfair trade practices, Congress must take decisive steps to insure that jobs, our basic industries, and our national security are safeguarded.

The article follows:

[From UAW Washington Report, Feb. 18, 1983]

WARNS PROTECTIONISM ON RISE—BILL FORD'S JOBS MISSION TO JAPAN

Japanese trade and automobile leaders were warned by Michigan's Cong. Bill Ford they will fan the flames of protectionism if they fail to stem the flow of imported automobiles into the United States.

Ford recently arranged four days of meetings in Tokyo with Japanese government officials and businessmen to warn that protectionism is growing at the grass roots of America. People feel their jobs and stand-

ards of living are being attacked by foreign competition, he told them.

"This is unlike protectionism of the past motivated by corporate greed," Ford said. "This is the result of frustration over unemployment and the fear of unemployment at a time when the U.S. is in the grips of the worst recession since the Great Depression.

"American workers perceive they are at a disadvantage in the trade relationship between the U.S. and Japan. And they are demanding that their government address the problem."

Ford told the Japanese he wanted to correct an impression created by President Reagan in his talks with Japanese Prime Minister Yasuhiro Nakasone that automobile importation is not a burning issue in the U.S.

The Michigan congressman said he was surprised that Reagan was preoccupied in the talks with the exportation of oranges and beef.

"There is no political interest in the U.S. about how much oranges and beef we sell abroad," he said "We are importers of beef. Americans are worried about manufactured goods—especially automobiles. And this issue will affect the future relationship between the United States and Japan."

The Tokyo talks convinced Ford that the Japanese are no more likely to act against their own economic self interest than American politicians would be if the roles were reversed. He urged passage of the local content bill now before Congress as the only real solution to the problem.

Ford is a cosponsor of the bill, H.R. 1234, known officially as the "Fair Practices in Automotive Products Act." It would require any company which sells large numbers of vehicles in the U.S. to use a certain percentage of American made parts and American labor in those vehicles.

"Failure to pass this bill will condemn hundreds of thousands of American auto workers to permanent unemployment and delay the U.S. economic recovery," Ford said.

Ford pointed out that an important aspect of the bill is the relief it would bring to U.S. parts manufacturers who are suffering because U.S. auto makers have built parts plants in countries with cheap labor to supply domestic production.

Ford said he was impressed with the awareness of Japanese officials that high unemployment in the U.S. is having a negative impact on Japanese-U.S. relations.

"Nonetheless," Ford said, "they feel that passage of the local content bill would 'send too strong a message' to Japan."

The primary purpose of the talks, Ford said, was to let the Japanese officials know that the American public is increasingly aware that $13 billion of the $20 billion trade balance with Japan is the result of auto imports and that the Reagan Administration is not reflecting the mood of the people.

Ford said the idea that some Administration officials seem to be exploring as a possible solution—the sale of Alaskan oil to the Japanese—is no solution at all.

"It would not put a single unemployed worker back to work or improve our chances of economic recovery," he said. "Moreover, it ignores long-term energy concerns."

It is apparent, Ford said, that the Japanese are prepared to go no farther than a continuation of the present voluntary restraints which, he said, are not enough for the battered American auto worker.

"It is very evident to me," he added, "that internal problems in Japan—including record unemployment and a distressed economy—make it politically impossible for Japanese leaders to support any kind of meaningful solution. So it is up to us to do something."

Ford said he would prefer a voluntary solution if one were possible. "All my life I have been a liberal free trader," he said "believing that, in the long run, protectionism works against our own enlightened self interest.●

MARINE SANCTUARY PROGRAM

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. McKERNAN. Mr. Speaker, I was very pleased to learn that the National Oceanic and Atmospheric Administration (NOAA) has finally dropped the Frenchman Bay, Maine, site from its list of recommended marine sanctuaries.

As you know, the marine sanctuary program, title III of the Marine Protection, Research, and Sanctuaries Act of 1972, was enacted to protect discrete ocean, coastal, or Great Lakes areas that are important for their conservation, recreational, ecological, or esthetic values.

Although I believe that the marine sanctuary concept presents many positive opportunities for a coastal State such as Maine and feel that designation of a site as a marine sanctuary will not prevent compatible public or private uses, the initial phase of the program has been handled poorly in the Frenchman Bay area, where misinformation has generated major opposition from the downeast fishermen.

Those fishermen have come to believe that a marine sanctuary means another layer of fisheries management. Although this is not the case, I feel the fishermen's impression is justified because of a lack of explicit language in title III regarding the type and extent of regulations within a designated marine sanctuary. Currently, regulations only become known after a site-specific draft designation document has been prepared.

Unless the fishermen's fears of additional and undue regulation can be allayed, they will probably oppose any future marine sanctuary site proposal. This is unfortunate because the marine sanctuary program can provide research opportunities important for a viable fishery resource.

On February 24, the Subcommittee on Oceanography conducted a joint hearing with the Subcommittee on Fisheries and Wildlife Conservation and the Environment, on which I am honored to serve, to consider the reauthorization of the marine sanctuaries program. During that hearing I proposed, following the lead of my colleague from the Maine delegation, Senator COHEN, that language changes be made in title III which will help alleviate the fishermen's confusion and concern regarding the impact of sanctuary designation on their activities.

Specifically, these changes include language which will: Require the Secretary of Commerce to direct NOAA to confer, early in the site-evaluation process, with the appropriate regional fishery management council in the region where a proposed site exists; require the Secretary to consult with, and give due consideration to the views of the responsible State officials, including but not limited to the State fishery official; and require a broad outline of the types of regulation which may be expected within a marine sanctuary.

I have further proposed that an alternative for the word "sanctuary" be selected. A sanctuary implies a wilderness area where no activities may take place. This has proved to be a "red flag" to the working watermen in my State.

Mr. Speaker, I believe that by adopting the above changes, not only will the fishermen's interests be considered early on in the site-evaluation process, but unnecessary duplication of regulation can be avoided. In this way, we can allay the fishermen's fears of further bureaucratic involvement in their activities and begin to foster their support for future programs.●

TWO VITAL FACTORS: TRUST AND VERIFICATION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. BROOMFIELD. Mr. Speaker, I want to share some thoughts with my colleagues on the elements of trust and verification in America's dealings with the Soviet Union. In general terms, I would be very cautious in the ongoing arms control negotiations between the United States and the U.S.S.R. I would also be absolutely certain that Soviet promises to comply with any weapons agreements can be fully verified by our Government.

As all of you know, trust and confidence are essential in any meaningful relationship, not only among men, but also among nations. Man's emergence from his primitive warring state to today's relatively peaceful world has resulted, in part, from the triumph of trust over mistrust. In essence, trust has made today's level of civilization and the existence of peace possible. In the highly important area of diplomacy and relations among nations, the element of trust is fundamental and essential.

In our Nation's quest for peace, the question of trust has always played a key role. Since the end of World War

II, our Government has led the world in serious disarmament and arms control proposals. From initiating an accord to prohibit nuclear weapons tests in the atmosphere, in outer space and under the sea, to freezing the quantity of strategic ballistic missile launchers, America has led the way. I am proud to unequivocally say that America has complied with the spirit and the letter of these international accords. We have not betrayed the confidence which other nations placed in us.

I have some concern about the track record of the Soviet Union in living up to its international pledges. During the critical period of détente between our two nations, the Soviet Union introduced SS-20 nuclear missiles into Europe. This action essentially destabilized the rough parity of missiles in that vital area. It was also during this so-called period of reduced tensions between the superpowers that the Soviets invaded Afghanistan and used Cuban surrogates to further the aggressive policy aims of the U.S.S.R. in Africa.

Recent history has shown that the Soviets used the shield of détente to mask its unprecedented arms buildup. As a result of this arms buildup, the Soviet Union is ahead of the United States in many vital facets of national defense. This basic betrayal of not only signed agreements, but high level understandings is of great concern to me.

An additional problem is that the Soviet Union is a party to two existing international arms control agreements affecting chemical and biological weapons.

The Geneva Protocol prohibits the use of these weapons in war. The Biological Weapons Convention prohibits the production, development, and stockpiling of biological and toxin weapons. The extensive use of chemical and toxic agents in both Afghanistan and Southeast Asia, and the embarrassing accident at the Soviet city, Sverdlovsk, are frightening testimony to what the Kremlin's leaders think of agreements which they have signed, and what trust really means to them. The Soviet violations of the Helsinki accords regarding human rights are yet another example of Soviet hypocrisy in this area.

Another unfortunate aspect of Soviet duplicity in complying with international accords is that many nations in the free world believe Soviet pronouncements concerning their good intentions. These Soviet statements often create the illusion of security and leave the peace-loving democratic countries confused and often defenseless as they are deluged with unilateral pacifist propaganda.

In dealing with a country which exhibits contempt for the international agreements it has signed, America should be wary of entering into any agreements with the U.S.S.R. without full confidence in the verification provisions of the accords. A case in point is the ongoing MBFR talks in Geneva. One of the most controversial issues in these talks is the Warsaw Pact's refusal to accept the onsite inspection program which NATO countries have proposed. To compound the problem created by the East's intransigence on this issue is the fact that the pact intentionally underestimated Warsaw Pact troop strength levels.

The chemical and biological weapons conventions are other examples of agreements which were violated because of inadequate verification arrangements.

At this moment, American negotiators are engaged in serious talks with the Soviets both in Vienna and in Geneva. Any accords resulting from these talks will directly affect America's defense posture and the security of future generations. Let us not sign any accords which do not have adequate verification provisions carefully spelled out in the agreements. Without adequate compliance provisions, neither we nor the Soviets will have the confidence needed to accept the deep reductions which will ultimately reduce the risk of war. I believe that America's efforts to reduce the level of nuclear terror are a sound and moral approach which all of us can support.

Let us then proceed ahead in our negotiations with the Soviets always mindful of the fact that we must learn from the lessons of the past, if we are to avoid the mistakes of the past. The survival of the West is at stake. We must never forget that we are and must continue to be the masters of our own destiny.●

GIRL SCOUTS OF THE UNITED STATES OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. NATCHER. Mr. Speaker, it is a privilege for me to join with the 2,247,000 Girl Scouts of America as they celebrate their 71st anniversary this week with a new national theme—"We Found a New World."

Since Joliette Gordon Low organized the first group of girls on March 12, 1912, in Savannah, Ga., the Girl Scouts has become the largest voluntary organization for girls and women in the world. It is open to all girls ages 6 through 17—or in grades 1 through 12—in four program levels: Brownie Girl Scouts, Junior Girl Scouts, Cadette Girl Scouts, and Senior Girl Scouts.

The commitment to fully developing the potential of each member has not changed, although the activities have changed to keep pace with the changing interest of the girls. Girl Scouts of America is working to help today's girls become productive, socially responsible women through a broad range of activities. The girls have fun, make new friends, and acquire an understanding about themselves and others through community service.

I am particularly proud of the Girl Scouts in the Second District of Kentucky, which I have the privilege to represent. In the fall of 1982, the Kentuckiana Girl Scouts held a kickoff and launched a "reach-out-and-touch" project designed for interpersonal friendships and relationships with handicapped people. The Kentuckiana Girl Scout Council renovated three of their campsites to acommodate handicapped children. And the Kentuckiana Cadette and Senior Girl Scouts, in a cooperative effort with the Corps of Engineers, completely cleaned out the Barren Reservoir in western Kentucky.

At this time I would like to offer my continued support and best wishes for success in future endeavors to the Girl Scouts of America.●

EARNINGS OF CLERGY REGARDING TAXATION

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. BEDELL. Mr. Speaker, I am introducing legislation to correct an inequity regarding taxation of the earnings of members of the clergy in this country.

Under current law, members of the clergy are considered self-employed for purposes of taxation by the Internal Revenue Service (IRS) and the Social Security Administration (SSA), and thus are required to pay taxes on their wages commensurate with that paid by self-employed persons.

The problem with this current situation is that many clergy men and women consider themselves to be employees of their churches or synagogues. The current self-employed status of these individuals imposed upon them by the IRS and SSA, requires the clergy to pay taxes at a higher rate.

Mr. Speaker, my legislation is very simple and straightforward. It will permit duly ordained, commissioned, or licensed ministers to enter into voluntary agreements with their churches for the treatment of such clergypersons as employees of the church or synagogue.

I learned of this problem when my attention was drawn to it by constituent mail. In northern Iowa, as in every community throughout the

United States, clergy men and women play an important and unique role in the lives of our people. Few citizens' lives have not been touched in some way by the work and dedication of members of the clergy.

I believe this legislation not only will give members of the clergy the choice of being considered employees of the church under the U.S. Tax Code, but will also assure that they are taxed appropriately and fairly.

H.R. 1754

A bill to amend title II of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to permit ministers and their employers to enter into voluntary agreements for the treatment of such ministers as employed persons

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 210 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"ELECTIVE COVERAGE FOR MINISTERS AS EMPLOYEES

"(r) Service performed in the exercise of his ministry by a duly ordained, commissioned, or licensed minister of a church who has made an election under section 3121(v)(1)(A) of the Internal Revenue Code of 1954 with respect to such service shall constitute employment under this section beginning with the first day of the calendar quarter in which coverage becomes effective with respect to such service under section 3121(v)(3) of such Code.".

(b) Section 210(a)(8)(A) of such Act is amended by striking out "except that" and inserting in lieu thereof the following: "except as provided in subsection (r), and except that".

(c) The last sentence of section 211(c) of such Act is amended by inserting "(i)" after "unless", and by inserting before the period at the end of the sentence the following: "or (ii) in the case of service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry as described in paragraph (4), the service constitutes employment under section 210(r)".

SEC. 2. (a) Section 3121 of the Internal Revenue Code of 1954 (definitions under Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(v) MINISTER.—

"(1) TREATMENT OF SERVICE AS EMPLOYMENT.—Service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry, shall constitute employment under this section if—

"(A) he has elected to have such service covered as employment under this section; and

"(B) the church has elected to have such service covered as employment under this section.

"(2) ELECTION BY MINISTER AND CHURCH.—

"(A) Any minister who makes an election under paragraph (1)(A) shall file a certificate of such election in such form and manner, and with such official, as the Secretary shall by regulations prescribe. Such certificate shall specify the date on which the minister wishes such election to become effective for him, but in no case shall such election become effective (i) prior to the first day of the earliest calendar quarter which begins on or after the first day of the sixth calendar month before the month in which the minister files such certificate, or (ii) later than the first day of the quarter following the quarter in which the minister files such certificate.

"(B) Any church which makes an election under paragraph (1)(B) shall file a certificate of such election and a waiver of exemption from the taxes imposed by section 3111 in such form and manner, and with such official, as the Secretary shall by regulations prescribe. Such certificate shall specify the date on which the church wishes such election to become effective for the church, but in no case shall such election become effective (i) prior to the first day of the earliest calendar quarter which begins on or after the first day of the sixth calendar month before the month in which the church files the certificate of such election, or (ii) later than the first day of the quarter following the quarter in which the church files such certificate.

"(C) In any case where a church is subject to the control of a national, regional, or other governing body with respect to the selection and compensation of its ministers (under the constitution, by-laws, or other administrative arrangements of the denomination of which such church is a part), the election under paragraph (1)(B) through the filing of a certificate under subparagraph (B) may be made on behalf of the church by such governing body; and any election so made shall be deemed for purposes of this subsection to be the election of the church.

"(3) EFFECTIVE DATE OF COVERAGE.—Coverage shall become effective with respect to service specified in paragraph (1) on the first day of the first quarter for which both an election by the minister is effective under paragraph (2)(A) and an election by the church is effective under paragraph (2)(B). Such service shall constitute employment under this section beginning with the first day of the calendar quarter in which coverage is effective with respect to such service.

"(4) APPLICABILITY OF ELECTION.—

"(A) Any election under this subsection shall be irrevocable. An election made under this subsection by a minister shall apply with respect to any service performed by such minister in the exercise of his ministry in the employ of any church which has made an election under this subsection; and an election made under this subsection by a church shall apply with respect to any such service performed in the employ of such church by a minister who has made an election under this subsection.

"(B) A church which has made an election under this subsection shall not, for purposes of sections 3102 and 3111, be considered to be the employer of any minister who has not made an election under this subsection.".

(b) Section 3121(b)(8)(A) of such Code is amended by striking out "except that" and inserting in lieu thereof the following: "except as provided in subsection (v), and except that".

(c) The last sentence of section 1402(c) of such Code is amended by inserting "(i)" after "unless", and by inserting before the period at the end of the sentence the following: "or (ii) in the case of service performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry as described in paragraph (4), the service constitutes employment under section 3121(v)".

(d) The second sentence of section 1402(e)(3) of such Code is amended by inserting "and shall not be affected by any election subsequently made under section 3121(v)(1)(A)" immediately before the period at the end thereof.

SEC. 3. The amendments made by this Act shall apply with respect to service performed on or after the first day of the first calendar quarter which begins after the date of the enactment of this Act.●

JOBS BILL OR BUDGET BUSTER?

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mrs. HOLT. Mr. Chairman, every sign indicates that the recession is over. Economic recovery has come sooner and is advancing at a stronger rate than anybody expected. The unemployment rate will be coming down more rapidly than earlier projections deemed possible.

This is precisely the wrong time to be enacting a $4.6 billion public works jobs bill. It comes too late to fight the recession, but would increase a budget deficit that is already so huge that it is a threat to a sustainable economic recovery.

The best way to deal with the unemployment problem is to pursue fiscal policy that will promote strong and sustainable economic growth in the months and years ahead.

Falling oil prices will provide substantial stimulus to the economy. So will a 10-percent cut in personal income tax rates scheduled for July 1. And these stimulators will do their work in an economy already on a healthy growth pattern.

The greatest danger to economic recovery lies in the towering Federal budget deficits projected for this year and the years immediately ahead. Before us today is legislation to increase deficit spending and put upward pressure on interest rates.

This bill tells the financial markets that Congress has abandoned the goal of fiscal responsibility. This legislation tells the financial markets that they have much to fear from future inflation.

Frankly, I worry greatly about the impact of this kind of signal on long-term interest rates. I worry that this legislation will kill more jobs than it purports to create.

If we want a strong, sustainable economic recovery that will provide abundant job opportunities for the American people, we will be concentrating our efforts on reducing the budget deficit.

I want to make clear that I endorse the $5 billion portion of this bill for extended unemployment benefits. It will be many months before employment is restored to acceptable levels in

the industries of our country, and we will continue to have many workers enduring hardship for lack of jobs. These people will not be employed in the public works jobs and therefore will need assistance until they can be trained for other work or until their industries here returned to work.●

RELIEF FOR RADIATION SUFFERERS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. MINETA. Mr. Speaker, I am introducing a bill today that would provide relief for the thousands of veterans who are suffering the effects of exposure to radiation.

This legislation creates a presumption of causality between a veteran's participation in the U.S. occupation of Hiroshima and Nagasaki or service at an atomic or nuclear test site and any disability or disease attributable to exposure to radiation. In most cases under current law and VA regulations, in order for a veteran to claim compensation for a disability, the disability or disease must manifest itself within 1 year from the date of separation of service.

There is evidence of a significant correlation between exposure to nuclear radiation and the development of leukemia. However, because of cancer's latency period, veterans who develop cancer as a result of nuclear exposure are effectively denied an opportunity for just compensation.

Mr. Speaker, these veterans served their country in good faith and honorably fulfilled their obligations. This bill gives us an opportunity to fulfill our obligations to them. We should not turn our backs on our responsibilities to those who served their country at a great personal sacrifice.●

SEMICONDUCTOR TARIFF REDUCTION LEGISLATION INTRODUCED

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. STARK. Mr. Speaker, today, I am introducing legislation to suspend the duty on semiconductors.

This proposal, which has been included as part of other high-technology trade bill proposals, is part of an initiative sponsored by the U.S. semiconductor industry to challenge Japan to likewise eliminate its tariffs on semiconductors, so that both Nations may compete equally and fairly in the trade of this most important product.

The introduction of this legislation, as requested by the Semiconductor Industry Association, is a message to Japan that the United States seeks fair and equal trade in these key electronic components.

While the bill itself makes no reference to reciprocal action by Japan, its movement through the Congress will be accompanied by discussions with the Japanese as to their response to this free trade initiative.

Semiconductors will be the industrial "oil" of the future. They are key to almost all modern, computer assisted and operated products. From missiles to robots to watches to medical devices, "chips" are all around us—so small as to be nearly invisible—but fundamentally altering our lives and our lifestyles. Fair trade and creative competition in semiconductors will lead to new and breathtaking advances for mankind. But unfair trade or trade in which one side is protected by higher tariffs can only endanger the American industry and our industrial future.

The Semiconductor Industry Association is calling for a level playing field—a zero tariff in trade between the United States and Japan in semiconductors. The introduction of this legislation throws down the gauntlet to Japan to take similar action and to compete in the spirit of free trade to which they give so much lip service. The SIA is to be commended for this positive and creative response to the Japanese semiconductor challenge. All too many other industries would be seeking higher tariffs and governmental protection as a response; this industry is willing to resist protectionism and to compete without the artificial barriers of Government tariffs and duties.

I hope that the Subcommittee on Trade will be able to consider this bill in their first round of tariff bill hearings, and that this initiative can be discussed with the Japanese at all appropriate times.●

THE NUCLEAR FREEZE RESOLUTION: STOPPING THE ARMS RACE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. OTTINGER. Mr. Speaker, I recently joined again as an original cosponsor of the nuclear freeze resolution, House Joint Resolution 2. Passage of this bill is a vital step in reversing an insane and wasteful nuclear arms race.

The United States has far more than enough nuclear firepower to deter a Soviet attack. The Soviets clearly know that a first strike on the United States would be followed by retaliation on the Soviet Union so devastating that it would return them to the Stone Age. Indeed, only two U.S. Poseidon submarines, representing a fraction of the U.S. nuclear force, could deliver 16 missiles each, with 10 warheads each, obliterating 160 Soviet cities and killing 30 million people. We simply do not need more nuclear weapons.

Yet the Reagan administration plans a massive expenditure over the next 5 years on nuclear weapons. It plans to build 17,000 new nuclear warheads and buy new sea- and land-based ballistic missiles, cruise missiles, and strategic bombers while seeking the ability to fight and win a nuclear war. The administration has refused to push for the ratification of SALT II, abandoned negotiations for a comprehensive test ban treaty (CTB), sought major changes in the peaceful nuclear explosions (PNE) treaty and the threshold test ban treaty (TTB), proposed abrogation of the treaty limiting space-based weapons, and is considering abrogating the antiballistic missile defense treaty (ABM). In addition, the administration has proposed expenditures of $4.5 million for civil defense, including ludicrous plans for delivering the mail to survivors of a nuclear holocaust.

Millions of Americans have rejected these senseless and dangerous policies and joined the grassroots disarmament movement. At the center of this movement is the nuclear freeze resolution. The freeze resolution has three objectives:

First, the bill calls for the ratification of SALT II, one of the most significant arms control agreements to date between the United States and Soviet Union. SALT II places useful quantitative and qualitative limits on the nuclear arsenals of the superpowers, including a ceiling on the total number of strategic nuclear launching vehicles (SNLV's) with various sublimits. It also places limits on the number of warheads per missile, and limits the development of new missiles. SALT II provides for adequate verification by prohibiting interference with national technical means of verification and requiring information exchanges. If approved, SALT II would require the Soviets to dismantle 250 delivery systems.

Second, the resolution calls for a mutual and verifiable freeze in the testing, production, and deployment of nuclear weapons. This would halt the senseless expansion of Soviet and American nuclear arsenals. In addition to enhancing our military security, a freeze would greatly enhance our economic security. A freeze would save this country an estimated $90 billion over the next 5 years, allowing us to rebuild our social, political, and eco-

nomic structures, which are also essential to our national security.

Third, ratification of SALT II and a halt to the development of new weapons would provide the base from which to negotiate reductions in nuclear arsenals. The freeze resolution places priority on eliminating the most destabilizing weapons, particularly those with high accuracy, multiple warheads, large explosive force, and short flight time. Such weapons have the appearance—if not the reality—of first-strike weapons and could force the United States and Soviet Union to adopt launch-on-warning policies, greatly increasing the chance of accidental nuclear war.

Millions of Americans have voiced their concerns over the nuclear arms race and have called for a nuclear freeze in a number of State and local referendums. I join them in this effort and will do everything in my power to insure passage of the nuclear freeze resolution in this Congress.●

PROFESSORS MUNDELL AND TRIFFIN ON THE MONETARY ROOTS OF ECONOMIC INSTABILITY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. KEMP. Mr. Speaker, there have been many "scapegoats" for our economic problems of the last 15 years, from Japanese automakers to excessive labor costs to the "malaise" of the American people. But none has received more blame than OPEC.

I take a back seat to no one in opposing economic cartels and price fixing, but it has long been a belief of mine that much of the OPEC price hikes were only the result of the explosion in monetary reserves and devaluations of the dollar that resulted from the breakdown of the Bretton Woods international gold exchange standard.

It is now clear that the price of oil, along with the price of gold and other commodities, has been following the fall and rise of the dollar. As the dollar rapidly declined through the 1970's after President Nixon's decision to close the gold window in 1971, the price of these commodities went through the roof. Now, with worldwide deflation and recession going hand in hand with a radical cutback in monetary reserves, commodity prices are suffering the result of a deflation which is, or was, as bad as the inflation.

If we are ever going to end this hair-raising roller coaster ride, fundamental reform of the international monetary system is a must. Leonard Silk, a prominent economic columnist for the New York Times, impressively outlines several proposals for monetary reform put forward by Prof. Robert Triffin of Yale University and Prof. Robert Mundell of Columbia University. I urge my colleagues to carefully consider these proposals to end the danger our present monetary "non" system poses to worldwide output, employment, and price stability.

[From the New York Times, Mar. 2, 1983]

GOLD, INFLATION, AND DEFLATION

(By Leonard Silk)

The plunge in the price of gold to $400 an ounce this week, sparked by the unloading of bullion by Middle Eastern oil-producing countries, marks one more sickening lurch in the roller-coaster ride gold has taken since the Bretton Woods monetary system broke down in 1971.

After President Nixon shut the gold window in 1971, ending the convertibility of the dollar into gold at the official price of $35 an ounce, gold climbed to $197.50 in 1974, fell to a low of $103 in 1976, climbed to $850 in 1980, and is now more than halfway back to where it came from, ending yesterday at $414, a rise of $5.50 for the day. The drop in inflationary expectations, focusing on the oil price fall, is making gold dangerous to hold.

But what are the implications of the falling gold price for the world's monetary system and its economy? Some economists are worried that the post-Bretton Woods floating-rate system, with no dollar-gold link, has been first a breeder of the worst peacetime inflation the world has known and now is threatening serious deflation.

Robert Triffin, professor emeritus of Yale who is now an adviser to the European Monetary System from his home base in Louvain, Belgium, calls the present world monetary system "a triple scandal." In a recent paper published in the Economic Notes of an Italian bank, Monte dei Paschi, Professor Triffin says the first element in the scandal is the wildly inflationary creation of official reserves resulting first from the accumulation of dollars by foreign central banks and then by the soaring price of gold. Measured in dollars, world monetary reserves—the foreign exchange and gold that nations hold to pay their foreign bills—increased twelvefold from 1970 through 1980. This, Professor Triffin says, meant that world reserves grew 11 times more in 11 years than in all the previous "centuries since Adam and Eve." At the beginning of 1970, total world monetary reserves were $79 billion and by September 1980 these had risen to $1,046 billion.

The second scandal, he argues, is the way governments invested their reserves, shifting them from poorer to richer countries. Despite what he calls "pious" resolutions in the United Nations calling on the richer countries to devote some percentage of their gross national product to poorer countries, the direction of reserve investments has been the opposite. The poorer countries have piled up enormous debts to pay for oil and other costly imports.

The third scandal, Professor Triffin says, "is the abdication by responsible officials of all serious attempts by responsible officials of all serious attempts to remedy these two blatant failures"—along with the tendency of their economic advisers and academic economists to "whitewash" these failures as unavoidable.

But he regards the explosion of monetary reserves as the critical mistake, seeing the huge increases in oil prices as the consequence, not the cause, of the inflationary increases in world money reserves that followed the collapse of Bretton Woods, the floating of exchange rates and the ballooning gold price.

Prof. Robert Mundell of Columbia University, in a talk last week sponsored by New York University's C.V. Starr Center for Applied Economics, shared much of Professor Triffin's diagnosis, while putting greater stress on the destabilizing effects of floating exchange rates. Professor Mundell was particularly concerned about the dangers to the world economy stemming from the piling up of debts in excess of $500 billion by the less developed countries, which, he said, could not have happened under fixed exchange rates. When the dollar was released from its anchor to gold, he argued, the world monetary system moved to "accommodate" the soaring price of oil, and world inflation and the world debt problem were exacerbated. But the world was building up to a monumental crash. Extricating the monetary system from such a crash is the task that has barely begun. To strengthen the system, Professor Mundell is calling for a stabilization of the price of gold, a return to fixed exchange rates and the creation of a world central bank to resolve the world debt crisis.

Professor Triffin wants a place for gold in a reformed system, and would sterilize the huge gold profits—or losses—currently incurred on official gold reserves by governments. He also proposes to permit governments to exchange their national currency holdings for secure international assets. He, too, favors an international central bank to perform the role of "lender of last resort" and ward off future crises and panics.

The fall of gold has now effectively cut the value of the world's monetary reserves by roughly one-half. That drop in monetary reserves appears to have played a major role in the world economic slump, the worst of the postwar period, and has slowed inflation and brought down the price of oil. The primary world economic problem has now shifted from inflation to unemployment.

But the danger of uncontrolled deflation could be as great as, or greater than the danger of inflation. The time has come to focus governments' attention on the need to reform the world monetary system in the interest of creating greater financial and economic stability. This should be a major agenda item for the economic summit conference of the leaders of the seven leading industrial nations in Williamsburg, Va., next May.●

U.S.S. "PAUL HENRY CARR" LAUNCHED

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. SYNAR. Mr. Speaker, the U.S. Navy launched a frigate last Saturday, March 5, 1983, that bears the name of one of the most heroic sailors to serve in World War II. Paul Henry Carr, from Checotah, Okla., displayed bravery in battle that exemplifies the strength of the human spirit. I com-

mend the U.S. Navy for its decision to name its new missile guided frigate the U.S.S. *Paul Henry Carr.* The story of this brave young man should be told to all those who will be serving on this ship. I encourage my colleagues to read this inspiring story from the McIntosh County Democrat.

The article follows:

NAVY TO CHRISTEN U.S.S. "PAUL HENRY CARR"—CHECOTAH, STATE TO HONOR WORLD WAR II HERO SATURDAY

(By Don Campbell)

OKLAHOMA CITY.—Oklahoma Governor George Nigh has proclaimed Saturday, Feb. 26, 1983 as Paul Henry Carr Day in Oklahoma. Checotah Mayor Floyd Beaird has also declared Saturday as Paul Henry Carr Day in Checotah.

But Checotah and Oklahoma are not the only places where Paul Henry Carr will be honored on Saturday. At the Todd Pacific Shipyard in Seattle, Wash., The United States Navy will christen the USS Paul Henry Carr in honor of the Checotah Silver Star Winner.

Launching the ship on Saturday will be Carr's widow, Mrs. Goldie Bensilhe of Riveria, Ariz., and Lucille Seifert, one of Carr's eight living sisters. According to a spokesperson for the Carr family, all eight of Carr's living sisters, five of whom live in the Checotah-Muskogee area, will be on hand for the launching.

The sisters include Katie Peterson of Checotah; Edith Wilson, Ruth Cox, Juanita Rush and Irene Schulze of Muskogee; Peggy Dodd of Davis; Tressie Woodward of Locust Grove; and Lucille Seifert of Corpus Christi, Texas.

Carr, a former Checotah all-conference football center, and 88 of his shipmates on the USS Samuel B. Roberts perished in Leyte Gulf (near the Philippines) in the Battle of Samar.

Navy historians have described the battle as the most gallant, and bloodiest, Navy action in American history. 1,130 were killed and 913 were wounded in the battle that has been credited with breaking the back of the Japanese fleet and speeding the end of the war.

Carr, a third class gunner's mate and captain of a 5-inch gun mount crew, suffered critical wounds when an explosion killed all but three of his crew. Despite these wounds ranging from his neck to his thighs, Carr persisted in trying to reload the last 54-pound projectile even though the breech of the gun had been blown into an unrecognizable mass of steel.

One of the officers on the ship said Carr and his crew expended, in a period of 50 minutes, over 300 rounds of 5-inch ammunition and when all common and anti-aircraft projectiles were gone, the crew used the start shells. In fact, every round available except one was expended.

A petty officer who entered the gun mount after the explosion said Carr pleaded with him for help in getting off the last round. Carr was credited with 40 possible hits on one Japanese cruiser.

Carr died within five minutes after he was carried from the gun mount. He was awarded the Silver Star posthumously, and was recommended for the Navy Cross, but lacked enough witnesses to his herioc deeds.

Carr served in the Navy from May 27, 1943, until his death on Oct. 25, 1944. He married Goldie Jamison while on his last leave. The wedding took place in the middle of a country road near Checotah.

Carr is one of only a handful of enlisted men to have a ship named in his honor. He is also the second member of the crew of the USS Sammuel B. Roberts to receive this honor. The USS Copeland was named in honor of Lt. Comdr. Robert W. Copeland, commanding officer of the Roberts, on Aug. 7, 1982. Copeland attained the rank of Real Admiral in the United States Navy Reserve before his death Aug. 25, 1973.●

GAHR HIGH SCHOOL BAND TO TRAVEL TO TAHITI

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. PATTERSON. Mr. Speaker, for 81 high school students from the city of Cerritos, March 25 will be an unforgettable day. For on that day, these students, all members of the Richard Gahr High School Band, will be the first such band from the United States ever to visit the Island of Tahiti.

The band, under the direction of Kenneth Haar, will visit Tahiti and other islands of French Polynesia for 7 days, at the invitation of the French Government, as part of a cultural exchange. During its stay, the band will perform five concerts, featuring American popular songs and big band arrangements, as well as some popular Polynesian songs.

The French Government will provide some financial help, but most of the expenses of the trip will be covered by fundraising activities that have been performed by the students themselves—truly an impressive achievement.

Mr. Speaker, to properly memorialize this unprecedented event by the Gahr High School Band, I would like to read into the RECORD names of the members of the band:

Susie Alderette, Vicki Allen, George Anderson, Barbara Baital, Ann Barlow, Kevin Beggs, John Bilek, Laura Bukowiecki, Vincent Clardy, Scott Minikus, Jim Cude, Paul Curatolow, Nicol Deckard, Cari Donovan, Michelle Presquez, Roseanna Garmboa, Carolyn Garcia, Jim Greene, Helen Guyt, Tia Hanson, Sonya Haro, Jeff Havlen, Tom Hawkins, Eric Howard, Patrick Howard, Sherry Jackson, Laura Johnson, Michelle Kaplan;

Tae Kim, Andrew Knobeloch, Bobby Kolb, Carol Kusumi, Jodi Lancaster, Jim Langiewicz, Kurt Lantz, Kristen Lantz, Jeff Leal, Jim Libhart, Bill Lopez, Nelson Loureiro, Debby Lowe, Kirk Lowe, Carol Lucas, Sherri Lucas, Glenda McKeen, Diane McKeen, Richard Malin, Kevin Malone, Mark Martinez, Steve Martinex, David Matthews, Bobby Mathews, Paula North, Tim Oliver, Janice Pacente, Stacy Pryor, Danny Puskas, Ryan Puskas;

Jill Redmayne, Kim Reuder, Tracey Reuder, Tim Robbins, Bill Robertson, Mike Robertson, Pat Robertson, Mark Sawires, Nancy Sawires, Sue Sarrail, Julie Shumway, Chris Sirag, Milisa Smith, Christie Stewart, Keith Swenson, Suradech Sriwanthana, Jodi Tarrish, Andrew Van Derlasky, Kathy Van Saun, Linda Van Saun, Gary Zerr, Jerry Harr, and David Harr.

Mr. Chairman, please join me in saluting these outstanding young people for representing the United States and American musical artistry in French Polynesia.●

TRIBUTE TO JANET LEVY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. MATSUI. Mr. Speaker, I would like to take this opportunity to commend Mrs. Janet Levy, former director of the California State Department of Aging, for her outstanding contribution over the years to the well-being of the Sacramento community. Through more than two decades of service, Mrs. Levy has provided invaluable leadership in the development and implementation of social service programs for older Americans. She has made a significant contribution to the quality of life of many senior citizens in the Sacramento area.

In recognition of her work, Mrs. Levy is being honored in Sacramento on March 9 with a gala dinner and celebration. Although I am unable to attend the gala personally, I consider it a privilege and a pleasure to join the friends and colleagues of Mrs. Levy in honoring her. On behalf of my colleagues in the Congress of the United States, I offer my sincere admiration for her many years of dedicated service to the residents of our community, and offer my best wishes for the future.●

LEGISLATION TO AMEND TARIFF ACT OF 1930

HON. DON PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

● Mr. PEASE. Mr. Speaker, today I am introducing legislation to improve public availability to information about imports coming into the United States. Current practices of the Customs Service limit public access to certain basis information about imports. Fuller access to this information is important to a wide range of U.S. businesses and governmental units for a variety of reasons. For example, U.S. port authorities need the information for long-range planning, to improve their services, and to attract new shipping business. U.S. manufacturers

could use the information to identify importers who might be potential customers for domestically manufactured goods U.S. shipping and other transportation companies need the information to identify potential customers for their services. The information could also help State trade and development agencies improve their planning and promotion of domestic companies.

My legislation is modeled after export legislation which Congress enacted in 1980. At that time Congress required the Customs Service to make available more complete information on U.S. exports. Ironically, as a result, there is more information available about U.S. exports than about imports. My legislation will correct this. It will require the Customs Service to adopt the same practices regarding imports as they now must follow on exports.

Adequate import information is extremely important; however, also recognize that some of the information about imports may represent trade secret information for a U.S. importer. For that reason, my bill contains a provision to protect trade secret information from disclosure. Like the export law, my bill also contains a procedure under which an importer can file a biennial certification claiming that information about him and his foreign shipper is trade secret.

Following is a detailed analysis of my bill.

The proposed legislation would amend section 431(a) of the Tariff Act of 1930 to require that the name of the shippers of merchandise be included on the import manifest. As a practical matter, this amendment will not require any change in current practices. The name of the shipper is already routinely included on the import manifest. The amendment merely formalizes the requirement that the name be included on the manifest.

The proposed legislation also adds a new subsection to section 431 which spells out what information will be available to the public from the import manifest. The following information will be available: The name of the importer or consignee; the name of the shipper; a detailed account of the merchandise; the number of packages and gross weight; the name of the vessel or carrier; port and country of exit; the city and country of the shipper; the port of destination; the city and state of the importer or consignee; and the city and country or origin of the merchandise. An importer/consignee may obtain confidential treatment of his or her identity and the identity of his or her shipper by filing a biennial certification with the Secretary of the Treasury requesting that such information be withheld because it is trade secret.

Under new section 431(c)(2), any of the items listed above will not be disclosed if they are classified defense or foreign policy information.

Subsection (c)(3) requires the Secretary of the Treasury to establish procedures to insure timely access to publication of the information. The procedures shall provide a procedure to protect against public disclosure of protected information.

Mr. Speaker, all of us are concerned about the U.S. competitive position in world trade. Better access to import data can strengthen the U.S. position without erecting any trade barriers. I urge the speedy enactment of my bill.

SALUTE TO JOHN FREEMAN

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 7, 1983

Mr. LEWIS of Florida. Mr. Speaker, today I would like to recognize a young man from my district who is about to become the first Floridian this year to be honored by the Boy Scouts of America as a recipient of their most coveted award, the Honor Medal for Lifesaving.

Last December 26, 12-year-old John Freeman of Palm Beach Gardens, Fla., risked his own life to save the lives of a mother and son from the Atlantic surf off Riviera Beach. A very courageous and alert young man, John Freeman swam over 50 yards in heavy surf to assist Jeremy Nucelli and his mother, Pamela as they fought and struggled against the heavy cross current that threatened to pull them out to sea.

John Freeman's quick thinking and selfless act with total disregard for himself serves as a shining example to all of us that courage and responsibility are still in vogue. We are all very proud of John Freeman.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 8, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

8:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1984 for military construction programs of the Department of Defense.
SD-124

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for elementary and secondary education, education block grant, and impact aid.
SD-116

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 607, authorizing funds for fiscal years 1984 and 1985 for the Federal Communications Commission.
SR-232A

9:30 a.m.
Agriculture, Nutrition, and Forestry
Soil and Water Conservation Subcommittee
To hold hearings on proposed legislation providing for soil and water conservation programs.
SR-328A

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.
SR-253

Energy and Natural Resources
To hold hearings on S. 615, providing for a free market to establish long term incentives to produce and market ample natural gas supplies at a reasonable cost, and related measures, including S. 60, S. 239, S. 291, S. 293, and S. 370.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To hold closed hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings to review the current status of the multilateral development banks of the Department of the Treasury.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Architectural and Transportation Barriers Compliance Board, and the Office of Inspector General, Department of Transportation.
SD-138

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 644, authorizing funds through fiscal year 1986 for housing, community and neighborhood development, and related programs.
SD-538

Budget
Business meeting, to begin markup of the first concurrent resolution on the fiscal year 1984 congressional budget.
SD-608

Finance
Business meeting, to mark up S. 1, proposed social security amendments.
SD-215

Foreign Relations
To hold hearings on S. 660, authorizing funds for fiscal years 1984 and 1985 for the Department of State, and S. 608, authorizing funds for fiscal years 1984 and 1985 for the U.S. Arms Control and Disarmament Agency.
SD-419

Judiciary
Security and Terrorism Subcommittee
To hold oversight hearings on the U.S. Attorney General's domestic security investigative guidelines.
SD-226

Labor and Human Resources
Education, Arts, and Humanities, Subcommittee
To continue hearings on S. 530, to provide Federal assistance to upgrade instruction in mathematics, science, computer technology, and foreign languages in the Nation's elementary, secondary, and postsecondary institutions, and to provide assistance for employment-based vocational training programs, and related proposals.
SD-430

Veterans' Affairs
To hold hearings on proposed legislation providing for veterans' health care services.
SR-418

1:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Science Foundation.
SR-253

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Park Service of the Department of the Interior.
SD-192

Foreign Relations
European Affairs Subcommittee
To hold hearings on United States/European relations.
SD-419

Small Business
Business meeting, to mark up S. 499, to require the usage of tax-exempt financing in connection with the Small Business Administration's section 503 Certified Development Company program.
SR-428A

MARCH 10

8:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for overseas construction programs (including NATO infrastructure, burden sharing, Indian Ocean/Persian Gulf).
SD-192

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for vocational and adult education, education for the handicapped, and rehabilitation services and handicapped research.
SD-116

9:00 a.m.
Armed Services
Tactical Warfare Subcommittee
To resume closed hearings on S. 675, authorizing funds for fiscal year 1984 for the Department of Defense, focusing on Army tactical programs.
SR-222

Commerce, Science, and Transportation
To resume hearings in conjunction with the National Ocean Policy Study on proposed legislation authorizing funds for the National Oceanic and Atmospheric Administration, Department of Commerce, focusing on fisheries programs.
SR-253

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1984 for programs of the Department of Commerce.
S-146, Capitol

Armed Services
Manpower and Personnel Subcommittee
To resume hearings on S. 675, authorizing funds for fiscal year 1984 for the Department of Defense, focusing on active duty manpower requirements and trends.
SR-232A

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 644, authorizing funds through fiscal year 1986 for housing, community and neighborhood development, and related programs.
SD-538

Energy and Natural Resources
To continue hearings on S. 615, providing for a free market to establish long term incentives to produce and market ample natural gas supplies at a reasonable cost, and related measures, including S. 60, S. 239, S. 291, S. 293, and S. 370.
SD-366

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
S-126, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Veterans' Administration.
SD-124

Budget
Business meeting, to continue markup of the first concurrent resolution on the fiscal year 1984 Congressional Budget.
SD-608

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on automobile safety, focusing on occupant protection.
SD-562

Foreign Relations
To hold hearings on the nomination of Edward J. Derwinski, of Illinois, to be Counselor of the Department of State.
SD-419

Judiciary
Separation of Powers Subcommittee
To hold hearings on the Taiwan Communique.
SD-226

Veterans' Affairs
To Continue hearings on proposed legislation providing for veterans' health care services.
SR-418

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Geological Survey of the Department of the Interior.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Energy Regulatory Commission of the Department of Energy, and the Nuclear Regulatory Commission.
SD-138

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1984 and 1985 for the Nuclear Regulatory Commission.
SD-406

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold oversight hearings on activities of the Copyright Office.
SD-226

MARCH 11

9:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on automobile safety, focusing on the role of government and industry in bringing improved car safety technology to the marketplace.
SR-253

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 615, providing for a free market to establish long term incentives to produce and market ample natural gas supplies at a reasonable cost, and related measures, including S. 60, S. 239, S. 291, S. 293, and S. 370.
SD-106

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Railway Association, and Conrail.
SD-138

Budget
Business meeting, to continue markup of the first concurrent resolution on the fiscal year 1984 Congressional Budget.
SD-608

Finance
To hold hearings to examine certain tax preferences for banks, credit unions, savings and loan associations, and other financial services.
SD-215

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on S. 637, authorizing funds for fiscal years 1984 and 1985 for international security and development assistance programs.
SD-419

*Judiciary
Courts Subcommittee
To hold hearings on the proposed Courts Improvements Act of 1983.
SD-226

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

MARCH 12

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 615, providing for a free market to establish long-term incentives to produce and market ample natural gas supplies at a reasonable cost, and related measures, including S. 60, S. 239, S. 291, S. 293, and S. 370.
SD-366

MARCH 14

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for student financial assistance, student loan insurance, higher and continuing education, higher education facilities loan and insurance, and educational research and training activities overseas.
SD-116

9:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings on the status of Federal nutrition programs.
SR-328A

Commerce, Science, and Transportation
To resume hearings on proposed legislation authorizing funds for fiscal year 1984 for the National Oceanic and Atmospheric Administration, Department of Commerce, focusing on weather and satellite programs.
SR-253

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 267, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.
SD-366

Judiciary
Courts Subcommittee
To hold oversight hearings on home and farm foreclosures as they relate to personal bankruptcy.
SD-226

1:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1984 for Amtrak.
SR-253

Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on S. 41, to extend the revenue sharing program for local governments through fiscal year 1986, and S. 525, to require that installment payments of revenue sharing allocations be paid at the beginning of each quarter.
SD-215

MARCH 15

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institute of Education, education statistics, bilingual education, and libraries, all of the Department of Education.
S-126, Capitol

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.
SR-253

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
Federal Credit Programs Subcommittee
To hold oversight hearings on activities of the Federal Financing Bank.
SD-538

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on conservation and renewable energy programs.
SD-366

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 336, to revise prohibitions against persons guilty of criminal offenses holding specified offices or positions, and clarifying the jurisdiction of the Department of Labor relating to the detection of and investigation of criminal violations relating to ERISA.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Interstate Commerce Commission.
SD-138

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to investigate the use of offshore banks and companies to facilitate crime in the United States.
SD-342

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
SD-407, Capitol

10:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Commodity Credit Corporation, Foreign Agricultural Service (including Public Law 480), Office of International Cooperation and Development, Department of Agriculture.
SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior, and the Department of Energy.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for departmental administration of the Department of Energy.
SD-192

MARCH 16

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for college housing loans, special institutions, Howard University, departmental management (salaries and expenses), Office for Civil Rights, and Office of the Inspector General, all of the Department of Education.
SD-116

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Terrence M. Scanlon, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.
SR-253

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of the U.S. Trade Representative, Securities and Exchange Commission, and the U.S. Arms Control and Disarmament Agency.
S-146, Capitol
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on S. 397, S. 407, and S. 434, bills to improve the enforcement of export administration laws.
SD-538
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Civil Aeronautics Board.
SD-138
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
Governmental Affairs
To hold hearings on the annual report of the U.S. Postmaster General.
SR-385
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate the use of offshore banks and companies to facilitate crime in the United States.
SD-342
Veterans' Affairs
To hold hearings on proposed legislation providing educational assistance for certain members of the Armed Forces.
SR-418

10:30 a.m.
*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 564, to establish the U.S. Academy of Peace.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.
SD-192
Armed Services
To hold hearings on the nomination of Bernard A. Maguire, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and routine military nominations.
SR-222
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on the status of emergency preparedness in the District of Columbia.
SD-342

MARCH 17

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Railroad Retirement Board, ACTION (domestic programs), Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the Soldiers' and Airmen's Home.
SD-116

9:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold oversight hearings on the status of the strategic petroleum reserve.
SD-366
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to receive legislative recommendations for fiscal year 1984 from AMVETS and the Blinded Veterans Association.
334 Cannon Building

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and the National Agriculture Library, Department of Agriculture.
SD-124
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold oversight hearings on consumer interest rates charged by financial institutions.
SD-538
Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on cost management policies relating to the transfer of Federal funds to State and local governments.
Room to be announced
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To continue hearings on the status of emergency preparedness in the District of Columbia.
SD-562

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Railroad Administration of the Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
SD-138
Governmental Affairs
To hold hearings on S. 121, to establish a U.S. Department of Trade.
SD-342
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Institutes of Health, Department of Health and Human Services.
SD-430
Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Surface Mining of the Department of the Interior, and the Advisory Council on Historic Preservation.
SD-192
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for atomic energy defense activitives of the Department of Energy.
SD-192
Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

MARCH 18

8:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Oceanic and Atmospheric Administration of the Department of Commerce, Marine Mammal Commis-

sion, and the Small Business Administration.
S-146, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
SD-430

10:00 a.m.
Judiciary
Agency Administration Subcommittee
To hold oversight hearings on the indemnification of and contributions to Government contractors.
SD-226

MARCH 21

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Rehabilitation Act of 1973, and the Education of the Handicapped Act.
SD-430

Labor and Human Resources
Labor Subcommittee
To hold hearings on the current health and future prospects of defined benefits pension plans under the Employee Retirement Income Security Act.
SD-562

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation authorizing funds for programs of the Defense Production Act.
SD-538

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on fossil energy programs.
SD-366

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Appalachian Regional Commission, and the Tennessee Valley Authority.
SD-192

MARCH 22

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Mediation and Conciliation Service, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mine Safety and Health Review Commission, and the President's Commission on Ethical Problems in Medicine.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Economic Research Service, Statistical Research Service, and the World Agricultural Outlook Board, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on proposed legislation authorizing funds for the Export-Import Bank of the United States.
SD-538

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Highway Administration, Department of Transportation.
SD-138

Labor and Human Resources
Family and Human Services Subcommittee
To hold hearings on the broken family, focusing on its effects on children.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Land Management of the Department of the Interior.
SD-138

MARCH 23

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings to receive testimony from the U.S. Attorney General on the overall budget for the Department of Justice, and on proposed budget estimates for fiscal year 1984 for general legal activities, Antitrust Division, general administration, Executive Office for U.S. Attorneys, U.S. Marshals Service, and the Office of Justice Assistance, Research and Statistics.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for rural housing programs.
SD-538

Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Education of the Handicapped Act.
SD-430

Small Business
To hold hearings on umbrella contracting procedures and their impact on small business.
SR-428A

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Panama Canal Commission, and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
SD-138

Governmental Affairs
To hold oversight hearings on management activities of the Department of Defense.
SD-342

Select on Intelligence
Budget Authorization Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Pennsylvania Avenue Development Corporation, and the Smithsonian Institution.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

2:30 p.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration.
SR-418

MARCH 24

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Governmental and Public Affairs, Office of the General Counsel, Office of the Inspector General, Office of the Secretary, and departmental administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Legal Services Corporation, U.S. Information Agency, and the Equal Employment Opportunity Commission.
S-146, Capitol

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on proposed legislation authorizing funds for the Export-Import Bank of the United States.
SD-538

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Science and Technology Policy, and the Council on Environmental Quality.
SD-124

Labor and Human Resources
Family and Human Services Subcommittee
To continue hearings on the broken family, focusing on its effect on adults.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy conservation programs of the Department of Energy.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

MARCH 25

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed legislation authorizing funds for the Securities and Exchange Commission.
SD-538

APRIL 4

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Health and Human Services.
SD-116

APRIL 5

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Health Resources and Services Administration, and the Office of the Assistant Secretary for Health, both of the Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Food and Nutrition Service, and the Human Nutrition Information Service, Department of Agriculture.
SD-138

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Minerals Management Service, and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 6

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Social Security Administration, and refugee programs, Department of Health and Human Services.
SD-116

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to radiation, and other related matters.
SR-418

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 7

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Health Care Financing Administration, Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Farmers Home Administration, Federal Crop Insurance Corporation, Office of Rural Development Policy, and the Rural Electrification Administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Bureau of Investigation, Drug Enforcement Administration, drug task forces, Immigration and Naturalization Service, and the Federal prison system.
S-146, Capitol

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Environmental Protection Agency.
SD-124

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 530, to provide Federal assistance to upgrade instruction in mathematics, science, computer technology and foreign languages in the Nation's elementary, secondary, and postsecondary institutions, and to provide assistance for employment-based vocational training programs, and related proposals.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Forest Service of the Department of Agriculture.
SD-138

Appropriations
Energy And Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 8

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Human Development Services, Department of Health and Human Services.
SD-116

APRIL 11

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

APRIL 12

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Food and Drug Administration, Department of Health and Human Services, the Farm Credit Administration, and the Commodity Futures Trading Commission.
SD-138

Labor and Human Resources
To hold hearings on the nomination of Edward A. Knapp, of New Mexico, to be Director of the National Science Foundation.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Aviation Administration, Department of Transportation.
SD-192

*Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' health care services, proposed legislation providing educational assistance for certain members of the Armed Forces, and proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration.
SR-418

Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 13

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management (salaries and expenses).
SD-116

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, Commission on Security and Cooperation in Europe, and the Commission on Civil Rights.
S-146, Capitol

Finance
To hold hearings on S. 544, to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region.
SD-215

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on proposed legislation on health promotion.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 14

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Centers for Disease Control, Department of Health and Human Services.
SD-116

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Science Foundation.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Urban Mass Transportation Administration, Department of Transportation.
SD-192

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on the implementation of vocational education programs administered by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Endowment for the Humanities, and the Office of Federal Inspector, Alaska Natural Gas Transportation System.
SD-192

APRIL 15

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of Health and Human Services.
SD-116

APRIL 18

10:30 a.m.
Labor and Human Resources
To hold hearings on a radiation/epidemiological study.
SD-430

APRIL 19

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Indian Health Service of the Department of Health and Human Services, and the Office of Indian Education.
SD-192

9:30 a.m.
Labor and Human Resources
To hold hearings on railroad retirement program.
SD-430

APRIL 20

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, U.S. International Trade Commission, and the Federal Maritime Administration.
S-146, Capitol

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on proposed legislation relating to smoking.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for fossil energy research and development programs of the Department of Energy.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.
S-146, Capitol

APRIL 21

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, receiving testimony from public witnesses on energy research, conservation and renewable energy, nuclear energy, and nuclear waste activities.
SD-366

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of State, and certain international organizations.
S-146, Capitol

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of bilingual education programs administered by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Fish and Wildlife Service of the Department of the Interior.
SD-192

APRIL 25

9:30 a.m.
Labor and Human Resources
To hold hearings on unemployment cycles.
SD-430

2:00 p.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192

APRIL 26

9:30 a.m.
Labor and Human Resources
To continue hearings on unemployment cycles.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior.
SD-138

APRIL 27

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

9:30 a.m.
Labor and Human Resources
Business meetings, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192
Labor and Human Resources
To hold hearings on disease prevention.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the land and water conservation fund.
SD-192

APRIL 28

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Emergency Management Agency, and the Neighborhood Reinvestment Corporation.
SD-124
Judiciary
Constitution Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430
Labor and Human Resources
To hold joint hearings with the Committee on the Judiciary's Subcommittee on Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the strategic petroleum reserve, and the naval petroleum reserves, Department of Energy.
SD-138

APRIL 29

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

10:00 a.m.
Judiciary
Constitution Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430
Labor and Human Resources
To continue joint hearings with the Committee on the Judiciary's Subcommittee on Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

MAY 2

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

MAY 3

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the Legal Services Corporation.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

MAY 4

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on proposed legislation on science education.
SD-430

MAY 5

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Revenue Sharing (New York City loan program), Federal Home Loan Bank Board, and the National Credit Union Administration.
SD-124

MAY 10

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care services.
SD-430

MAY 11

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To continue hearings on home health care services.
SD-430

MAY 12

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Housing and Urban Development.
SD-124

MAY 13

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

MAY 18

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on activities of the Equal Employment Opportunity Commission.
SD-430

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-418

2:00 p.m.
Veterans' Affairs
To continue oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-418

MAY 23

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

MAY 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

JUNE 8

10:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 15

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review certain health care and other services provided Vietnam veterans.
SR-418

JUNE 22

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on certain health care services for veterans.
SR-418

JUNE 29

10:00 a.m.
Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' compensation.
SR-418

CANCELLATIONS

MARCH 8

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings on S. 431, authorizing funds for fiscal years 1983 through 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.
SD-406

MARCH 9

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on S. 431, authorizing funds for fiscal years 1983 through 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.
SD-406

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MARCH 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue hearings on S. 431, authorizing funds for fiscal years 1983 through 1987 for clean water programs, and S. 432, extending the 1984 compliance date for certain requirements of the Clean Water Act.
SD-406

10:00 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on problems occurring from the manufacture and distribution of imitation controlled substances, known as look-alike drugs.
SD-430

APRIL 12

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the domestic volunteer services program.
SD-430

APRIL 13

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on the implementation of vocational education programs.
SD-430

HOUSE OF REPRESENTATIVES—*Tuesday, March 8, 1983*

The House met at 12 o'clock noon.

The SPEAKER. Today we have the pleasure of having with us the former Chaplain of the House of Representatives, Dr. Edward G. Latch.

Rev. Edward G. Latch, D.D., former Chaplain of the House of Representatives, offered the following prayer:

God is our refuge and strength, a very present help in trouble.—Psalm 46: 1.

O God, our Father, who art the source of light and life, let Thy spirit arise within us as we pray and remain with us as we face the duties of this demanding day. Open our hearts that we may receive the good seeds of Thy word and let Thy spirit ripen them into the fruits of righteousness and good will. Give prosperity to our Nation, work to our people, and may a friendly spirit come to new life in the hearts and homes of our Republic.

Bless our President, our Speaker, these representatives of our Nation and all who work under the dome of this Capitol. Break through their best as they labor that justice and truth, peace and love may come to new life in our day and in our generation.

Be with us Lord and may we be with Thee this day and all the days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Monday, March 7, 1983:

H.R. 1572. An act to repeal section 311 of the Federal Public Transportation Act of 1982;

S.J. Res. 15. Joint resolution designating the month of March 1983 as "National Eye Donor Month";

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; and

S.J. Res. 37. Joint resolution providing that the week containing March 8, 1983, shall be designated as "Women's History Week."

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House:

Mr. BONIOR of Michigan; and
Mr. PACKARD of California.

SELLING OFF THE WEATHER SERVICE? LET US BE CAREFUL

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, this morning's papers report that a proposal is on the President's desk to "sell off" parts of the Weather Service starting with its satellites. This is one that we need to look at very very skeptically, as it could directly affect the lives of millions of Americans.

As chairman of the Science Subcommittee with jurisdiction over aviation R&D, I have become very familiar with the importance of good, sound, dependable weather information to our aviation community. In fact, in recognition of that, FAA Administrator Helms not too long ago followed our recommendation and named a point man on aviation weather within the FAA. The "privatization" that is being discussed could unwisely complicate access to information that is essential for the safety of the flying public.

Access to timely, accurate weather information is also of vital concern to other sectors of our economy, most notably agriculture. Farmers have been hit hard by the recession. The last thing we need to do is hit them again. Not being able to have whatever little notice is now available to protect their crops could likely hurt our productivity and our competitiveness in world markets.

Finally, we need to look at the long term when we talk about cost effectiveness. We need to think about the sizable Federal investment in developing the weather technologies which might be sold off. We also need to think about what it would cost to contract for the services that our Government will still need.

In sum, on this one, let us move very very slowly.

INTRODUCTION OF AGENT ORANGE COMPENSATION LEGISLATION

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Mr. Speaker, I am now introducing legislation which will compensate a few hundred Vietnam veterans suffering from either soft tissue cancer or a severe liver condition known as porphyria cutanea tarda, and as many as 2,500 suffering from a skin affliction known as chloracne. It is very likely that these conditions were caused by exposure to toxic herbicides, including agent orange, while the veteran served in Vietnam.

Over 16,500 Vietnam veterans have filed claims with the Veterans' Administration for diseases and illnesses they believe were caused by service in Vietnam and exposure to agent orange. In light of the Government decision to compensate residents of Times Beach, Mo., I believe it is even more important for Congress to act and approve legislation to compensate a limited group of veterans suffering from serious or disfiguring diseases.

To put the issue into better perspective I would like to compare the dioxin levels found in certain herbicides used in Vietnam with the levels found at Times Beach. Agent orange contained dioxin levels 20 times those found in Times Beach and 2,000 times above the Environmental Protection Agency danger level for domestic use of herbicides containing the contaminant. Herbicides used before 1965 in Vietnam contained dioxin levels as much as 650 times above levels at Times Beach and 65,000 times above the EPA danger level.

Mr. Speaker, we have deliberated this issue long enough and 112 of my colleagues agree that it is time to do something about it. This is a modest step and I am confident that I will be on the floor again in a few months acknowledging floor consideration of agent orange compensation legislation.

AGENT ORANGE LEGISLATION

(Mr. RICHARDSON asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I am cosponsoring the legislation introduced today by the gentleman from South Dakota, in the spirit of caring. This bill will allow the Veterans' Administration to assist those veterans who served in Southeast Asia and to compensate them for diseases and illnesses caused by exposure to dioxin related chemical compounds—specifically agent orange.

When the hostages returned from Iran they were given a heros welcome. When the Vietnam vet came home from war they were ignored. For several years now, the veterans exposed to agent orange have carried with them the wounds of having served their country. Some of those vets are suffering from nervous disorders—others from various types of cancer, skin ailments and other health related problems.

These veterans have filed claims for compensation and their claims are consistently denied—usually on the finding that the veteran has failed to conclusively prove that the illness suffered and tour of duty are scientifically related.

I assure you Mr. Speaker, that it is not difficult to prove that the veteran toured Vietnam. There are 45,000 Vietnam veterans in New Mexico. Twenty-six thousand fought on ground combat zones and many of them may have come in contact with agent orange. Only 616 of those New Mexico Vietnam vets have been tested for agent orange symptoms at the Veterans' Administration hospital in Albuquerque. Many of the 15,000 vets in my district live in rural areas. It is hard enough for them to get to a veteran's hospital for tests and it is an even harsher reality to face the possible humiliation that their Government will treat their claims for agent orange compensation in a callous manner.

Our Government has undertaken the study of agent orange. Meanwhile, the Vietnam veterans have waited patiently on the sidelines while the matter has been studied and restudied. We as politicians have responded to our veterans that they would be compensated for service-connected disabilities and injuries.

If our promises are impractical now, they were impractical during the Vietnam war—and we never should have made them.

At every turn we are told that this legislation will cost too much. But cost, cost, cost has been the litany of opposition to every social justice since the New Deal.

I am tired of hearing from the politicians and officials who are skeptical of these claims. They were not skeptical when our Government tried to work its will in an Asian jungle.

One week of the Vietnam war at its height could end up costing more than all of the agent orange claims may eventually cost. I encourage all of my colleagues to regard this bill as priority legislation and to act to promote its passage with all deliberate speed.

FREE SPEECH ENDANGERED

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, there is a pattern emerging in the Reagan administration—a pattern which suggests a concerted effort to stifle dissent, suppress information, and inhibit the dialog so necessary for a democracy.

A few examples include the labeling of three Canadian films as propaganda, two dealing with acid rain and one with nuclear war.

Then there are the proposed OMB rules to strictly control the free speech of nonprofit organizations which receive Federal funds.

We all know about the refusal to share EPA documents with Congress. And the efforts to restrict access to information under the Freedom of Information Act, to wipe out the Legal Services Corporation, increase the amount of information which is "classified" and withheld from the public, and just today new FBI guidelines broadening domestic security investigations of political groups.

We in the Congress must be protectors of our democracy and its basic guarantee of freedom of expression. I trust we will challenge these actions. I have written the President regarding these and other alarming developments.

VETERANS' ADMINISTRATION UNMOVED BY AGENT ORANGE EVIDENCE

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute.)

Mr. BONIOR of Michigan. Mr. Speaker, over 3 years ago, two independent epidemiological studies related exposure to 2,4,5-T, a main ingredient of agent orange, to soft tissue cancers, yet the VA was not moved to grant compensation.

Over 2½ years ago, two distinguished Government research arms completed a review of those studies, finding them "among the most carefully conducted investigations * * *" but the VA was not moved.

Over 1 year ago, an independent review of four additional exposed groups found the same correlation, but the VA still was not moved.

Ten months ago, in the distinguished New England Journal of Medicine, two doctors from Emory University reported the deaths of three Vietnam veterans from soft tissue cancers. But the VA still was not moved.

Vietnam veterans have waited long enough for the unmovable VA to be touched by shame, if not compassion.

Today, with over 100 of our colleagues, the distinguished gentleman from South Dakota (Mr. DASCHLE) and I are introducing legislation to compel compensation. I urge my colleagues' support.

A DIFFERENT APPROACH WITH NEWLY INTRODUCED AGENT ORANGE LEGISLATION

(Mr. EDGAR asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, I join my colleagues, the gentleman from South Dakota (Mr. DASCHLE) and the gentleman from Michigan (Mr. BONIOR), in support of legislation dealing with the issue of agent orange.

As chairman of the House Veterans' Affairs Subcommittee on Hospitals and Health Care, I rise in support of the bill introduced by the gentleman from South Dakota.

As an original cosponsor of this legislation, I feet it is high time that we addressed the specific compensation needs of those of our Vietnam veterans exposed to the defoliant agent orange during the Vietnam war.

In years passed legislation has been introduced before the Congress which would authorize a presumption for disability compensation for veterans exposed to dioxin. While we have waited interminably for the Veterans Administration and other agencies to proceed with definite studies on the effects of agent orange exposure, these bills have been overlooked and ignored as being too broad and too general in nature.

The legislation we are introducing today takes an entirely different approach. The bill is specific as to what disabilities we would be providing compensation for. While this is only a first step—a foot in the door—we feel that there is ample evidence to provide compensation for these disabilities—chloracne, soft tissue sarcomas, and the liver condition, porphyria cutanea tarda—at this time.

I strongly believe that our Veterans have waited long enough for the Congress to move on this issue. I would like to commend the gentleman from South Dakota, TOM DASCHLE and the 107 other Members of the House who join us today in introducing this legislation.

□ 1215

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT ON H.R. 1900, SOCIAL SECURITY ACT AMENDMENTS OF 1983

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the bill, H.R. 1900, Social Security Act Amendments of 1983.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FARM LEGISLATION IS IMPORTANT FOR ALL TAXPAYERS

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I take this moment to thank the leadership, to thank the gentleman from California (Mr. STARK) and the gentleman from Illinois (Mr. ROSTENKOWSKI) for the fact that they are bringing forward today some important legislation for the farmers of all of America and indeed important legislation for all of the taxpayers.

People should understand that the IRS rule that the corn which is to be given to my corn farmers in place of their planting corn in order to get supply and demand into balance was ruled as income at the time it was given to them, rather than as corn, which it is, which would then be income at the time they sell it, as is true with the corn that they raise.

This bill corrects that problem. I am most thankful to my colleague, the gentleman from Iowa (Mr. HARKIN), who introduced the legislation, and I am pleased that we are moving so expeditiously to bring supply and demand into balance so not only will the farmers be able to get a proper price for their products but so that the taxpayers of our country will not have to continue to pay these excessive amounts that are involved in the storage of the large surpluses of grain that we have on hand at this time.

DEMOCRATIC TASK FORCE ON SOCIAL SECURITY

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, I have had the pleasure to serve as chairman of the Freshman Democratic Task Force on Social Security. We held numerous meetings in a very short period of time, and I wish to thank the members for their dedication and hard work. If I had to point to a single highlight, it would have to be the overwhelming resolve that new Members showed toward making social security solvent once again. We know the choices will be difficult, but I feel the freshman Democratic class is prepared to represent the best interests of their constituents and face the issue directly. Based on my experience with the task force, I believe that new Members are willing to support a responsible solution and, above all, to continue a review of the entire system to avoid more financial problems in the future. We reached a consensus agreement on six points we believe should be included in the social security package. I have submitted the proposals to Chairman ROSTENKOWSKI and Chairman PICKLE for their review.

I am confident the freshman class is prepared to do its part to avoid a potential crisis in social security.

ENDING THE TOBACCO SUBSIDY

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, today several of us are introducing legislation which will end the Federal tobacco subsidy.

We are introducing this legislation, which is entitled the Tobacco Deregulation Act of 1983, to end a glaringly inconsistent Government policy of warning people that smoking is hazardous to health on the one hand, while subsidizing tobacco on the other.

Ending the tobacco subsidy would also save the Government tens of millions of dollars a year. Administrative costs alone average about $15 million. While no one knows the full cost of the tobacco subsidy, the General Accounting Office recently estimated that the amount of money lost in just the uncollected interest over the life of the tobacco subsidy program cost the taxpayer over $591 million.

Deregulation would create a free market for growing tobacco, which would be in the best interest of the Nation and the family tobacco farmer. The acting subsidy creates a feudalistic system whereby tobacco farmers are required to pay extremely high rents to private investors for the right, called an allotment to grow tobacco. This is a free country. No farmer should have to pay another individual simply for the right to grow a crop.

AMERICAN FREE ENTERPRISE

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. PORTER. Mr. Speaker, the news last week contained a very disturbing article, one that stated that the president of American Airlines had attempted to fix airfare prices with his counterpart at Braniff, prior to its demise.

I do not assume American's guilt, newspaper accounts are no basis on which to predicate legal conclusions. But if they are guilty—and the presumption from a recorded telephone conversation is clearly a strong one—they have struck a knife blow to the heart of American free enterprise that this country and their fellow businessmen cannot easily forgive.

Many of us in the Congress work incessantly to prevent the futher unreasonable incursions of Government into business that have characterized so much of public domestic activity for the past 35 or more years.

I wonder if American's President knows how it is to have our arguments for a public policy based upon free, honest, and open business competition be turned aside by a simple reference to "leaders of American business" who operate like he does, because that is exactly what we will hear as justification for more and more Government regulation.

If American Airlines and its president have broken the law, they should be punished severely. If their conduct is as alleged, but does not constitute a violation of the law, the law should be changed so that in the future it will. In either case, this betrayal of the principles of free enterprise should be decried by every number of the American business community.

SOCIAL SECURITY REFORM PACKAGE

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, we are scheduled to vote upon the most important legislation that Congress has faced in decades. I speak of the so-called social security reform package. It is heralded by the House leadership and the President as the solution for what ails social security. That is like saying the Speaker is a card-carrying conservative Republican. How anyone can call this reform legislation is beyond me. Reform, as I understand it, means to improve by alteration, correction of error, or removal of defects. The Social Security System Amendments of 1983 reflect the belief that the source of social security's financial problem is a lack of tax revenues versus unrestrained benefit growth. This was the thinking of Congress in 1977 when major tax increases were enacted to "save social security." The taxes created by the 1977 law will raise an additional $437 billion between 1977 and 1989. Under current law, total social security tax revenue will be nearly $2 trillion between 1983 and

1989. But, this will not be enough. We are again being asked to raise taxes to support a program in which a majority of Americans have no faith. There have been no corrections or improvements proposed for social security; there is no reform. We are making matters worse if we approve this legislation.

Time does not permit further discussion of the problems of this package here; however, we must keep in mind that the American people deserve responsible congressional action. To approve this social security compromise would be the height of irresponsibility and cowardice. I plead to my colleagues to reject the package and send it back to the Committee on Ways and Means for real reform.

ENTERPRISE ZONES

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONABLE. Mr. Speaker, one of the more imaginative proposals for grassroots economic development is the enterprise zone concept which we have discussed here for several years. It encourages initiative by local and State government, with cooperation and assistance from the Federal Government, to boost ecomomic activity and create jobs in areas which have been economically depressed. It is an excellent example of creative federalism, bringing together all levels of government to provide incentives of tax and regulatory relief without requiring heavy expenditure of taxpayer revenues. I believe it can be an effective tool for making depressed areas attractive to investors and entrepreneurs and broadening our economic recovery.

I am today introducing a revised legislative version of this plan, titled the Enterprise Zone Employment and Development Act of 1983. More than 80 Members of both parties have joined in sponsoring this measure. Later in today's session I intend, under special order, to discuss the provisions of the bill and its merits, and I invite other Members with special interest in this concept to participate in the discussion.

ECONOMIC RECOVERY UNDERWAY

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LOEFFLER. Mr. Speaker, I would like to bring to the attention of the House the results of a recent survey involving the economic expectations of chief executive officers of small businesses across the country. The Heller/Roper Small Business Barometer which regularly surveys CEO's of more than 1,000 firms indicates that for the first time since the end of 1981 these business leaders are optimistic about the future and see rising trends in sales, profits and hiring.

The survey indicates that more than two-thirds of these executives are also optimistic about the long-term effects of the President's economic policies and favor continued adherence to these policies. I think it is particularly significant that employment propects are anticipated to improve with 29 percent of those polled planning to add to their payrolls. This figure is up 7 points from the 22 percent last September.

Together with the dramatic improvement in the leading economic indicators during the month of February, these findings certainly confirm the fact that an economic recovery is underway.

EPA REGULATIONS GOVERNING WATER POLLUTION BY THE STEEL INDUSTRY

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WORTLEY. Mr. Speaker, amid all the tales of gloom and doom, I am glad to report that there is some good news on the environmental front. The Washington Post, hardly a mouthpiece of Republican big business, has reported with approval that the Environmental Protection Agency has agreed with industry and with conservation groups on final regulations governing water pollution by the steel industry. Through 10 years and 4 administrations, the EPA has failed to put these regulations into final form. It took that so called "woefully mismanaged and antienvironmental" EPA of Anne Burford to produce these regulations protecting the general public.

Only a process and an atmosphere of reasoned cooperation among all concerned parties can produce the kind of environmental protection that the American people demand. The process of confrontation and litigation is slow and costly and takes years to produce results. Those Members of this House who criticize the EPA for avoiding litigation when possible should reflect upon the new regulations. Relentless litigation may do much to punish industry, but cooperation may well be the best way to protect the public.

TAX BRACKET INDEXING IS ULTIMATE SUNSHINE LAW

(Mr. McCANDLESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCANDLESS. Mr. Speaker, probably the most important reform enacted by the 97th Congress was its decision to index tax brackets to the rate of inflation, thus ending the Federal Government's profit from pushing workers into higher tax brackets. Now the chairman of the Ways and Means Committee and his Democratic colleagues are urging Congress to repeal this important reform. It is ironic that these champions of fairness want to repeal indexing, because indexing primarily protects the poor and other American workers. Moreover, indexing is the one sure way of insuring honesty and openness in budget decisions.

Indexing helps the poor because the rich are already in the highest 50 percent tax bracket. No matter how high inflation gets, it cannot push the rich into a higher bracket, because there are no higher brackets. It is the poor and the American workers in the lower brackets who are in danger of having their limited earnings inflated into higher tax brackets. The National Journal last month indicated that if indexing were repealed by 1986, taxes collected from persons making less than $10,000 a year would increase by 9.4 percent, while taxes collected from those earning over $200,000 a year would go up by only 0.5 percent.

Most importantly, indexing forces Members of Congress to make real decisions about our taxing and spending policies. We will no longer be able to rely on secret tax increases every year brought about by inflation. Those who think that Government spending ought to be cut will have to stand up and say where. Those who think that Americans are fundamentally undertaxed will have to stand up and say what taxes they would raise. Indexing, then, is the ultimate sunshine law.

SUPPORT VIETNAM VETERANS AGENT ORANGE ACT

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I rise in support of the Vietnam Veterans Agent Orange Act of 1983 which has been introduced today by my friend from South Dakota and colleague on the Veterans' Affairs Committee (Mr. DASCHLE).

As an original sponsor, I believe that we can and must pass this legislation and begin to pay back part of the debt this Nation owes to our Vietnam veterans and their families.

Mr. Speaker, we have seen growing indications that certain disabilities including genetic damage are attributable to herbicides such as agent orange

used in Vietnam. These disorders include cancer, liver, and intestinal diseases, and metabolic and neurological disorders related to dioxins used in the herbicides. As a result of Government mishandling of this very real problem, as documented recently by the Government Accounting Office, our Vietnam veterans have suffered.

I believe the time for footdragging on this issue has ended. The chairman and ranking member of the Veterans' Affairs Committee, the gentleman from Mississippi (Mr. MONTGOMERY) and the gentleman for Arkansas (Mr. HAMMERSCHMIDT) have worked dilligently over the past several months to allow the Center for Disease Control to take over the agent orange study. While this study goes on, however, our veterans still wait and suffer.

The solution—the only real solution to this crucial situation—is to compensate those veterans today who suffer disabilities caused by exposure to agent orange and the other herbicides.

Mr. Speaker, our purpose as sponsors of this bill is to pay a debt which is long overdue. We now stand firm in our commitment to the men, women, and children who have been exposed to this highly toxic chemical. We believe the Government has a responsibility to these veterans. And finally, we believe that compensation should begin as soon as possible unless the Government can prove, in fact, that these disabilities were not caused by exposure to herbicides.

The Vietnam veterans did not ask the Government to give them more time when they were told to serve this Nation. Therefore, Mr. Speaker, the Government should not ask these brave men and women to wait just a few more years. We need answers today because these individuals cannot wait any longer. I would ask all of my colleagues to cosponsor this bill and to ask for immediate consideration.

□ 1230

INCENTIVES TO FAMILIES WHO CARE FOR THEIR ELDERLY OR DISABLED RELATIVES

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today I am introducing legislation to change the incentives we provide to families who care for their elderly or disabled relatives.

The current law actually compensates the family for institutionalizing the elderly or disabled. If the family places the individual in an institution, then the household income is no longer considered when determining medicaid eligibility. This discourages home care and, at times, actually encourages institutionalization.

My bill, which I am entitling the Community Care Act of 1983, uses only the beneficiary's income when determining medicaid eligibility. This will allow an individual to receive care in a home environment and still maintain medicaid eligibility.

The bill also provides a tax credit to those who provide care for their elderly or disabled relatives at home.

Mr. Speaker, this legislation will give the family the ability to provide supportive and loving care while maintaining the older or disabled individual in the home.

Today's Wall Street Journal has an excellent front page story that highlights the importance of home care as a highly desirable alternative to institutionalization.

VETERANS OF FOREIGN WARS HONOR STUDENT VOICE OF DEMOCRACY CHAMPION

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the Veterans of Foreign Wars, which is well-known to our membership as a patriotic and enterprising organization which embodies the spirit of our country in so many different ways, is gathered in Washington today to honor, among other things, to honor their student Voice of Democracy champion.

I rise to speak not just to honor the Veterans of Foreign Wars organization for sponoring such a worthwhile program, but also out of a sense of pride as a Pennsylvanian and as a Congressman from the 17th District to let everyone know that the champion this year is a young woman from Sunbury, Pa., Miss Melissa Houghton who attended high school there and won the Voice of Democracy contest locally, regionally, and now comes to Washington to receive the crown of championship from the Veterans of Foreign Wars.

I commend the organization for its continuing patriotic program and also want the record to reflect my own personal pride in the accomplishment of Miss Houghton, our constituent from Sunbury, Pa.

NOTICE OF FEDERAL CONTRACT OPPORTUNITIES

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 272) to improve small business access to Federal procurement information, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. WISE). Is there objection to the request of the gentleman from Maryland?

Mr. WORTLEY. Mr. Speaker, reserving the right to object, has this been cleared with the minority?

Mr. MITCHELL. Will the gentleman yield?

Mr. WORTLEY. I yield to the gentleman form Maryland.

Mr. MITCHELL. Yes; it has.

Mr. WORTLEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8(e) of the Small Business Act is amended to read as follows:

"(e)(1) It shall be the duty of the Secretary of Commerce, and the Secretary is hereby empowered, to obtain notice of all proposed competitive and noncompetitive defense procurement actions of $10,000 and above, and all competitive and noncompetitive civilian procurement actions of $10,000 and above, from any Federal department, establishment or agency engaged in procurement of property, supplies and services in the United States; and to publicize such notices in the daily publication Commerce Business Daily, immediately after the necessity for the procurement is established: *Provided,* That nothing in this paragraph shall require publication of such notices with respect to those procurements in which it is determined on a case-by-case basis that (A) the disclosure of the Federal department, establishment, or agency's need for the property, supplies, or services to more than one source would compromise the national security, or (B) the Federal department, establishment, or agency's need for the property, supplies, or services is of such unusual and compelling urgency that the Government would be seriously injured if the time periods provided for in paragraph (2) were complied with, or (C) a foreign government reimburses the Federal department, establishment, or agency for the cost of the procurement of the property, supplies, or services for such government, or the terms of an international agreement or treaty between the United States and a foreign government require that all such procurement shall be from sources specified within such international agreement or treaty, or (D) a statute provides that the procurement be made through another Federal department, establishment, or agency or from a specified source, or (E) it is determined in writing by the head of the Federal department, establishment or agency, with the concurrence of the Administrator, that advance notice is not appropriate or reasonable.

"(2) Whenever a procuring activity is required to publish notice of procurement actions pursuant to paragraph (1) of this subsection, such activity may not—

"(A) issue a solicitation until at least fifteen days have elapsed from the date of publication of a proper notice of the action in the Commerce Business Daily, except where the solicitation will be for procurement of requirements classified as research or development effort, in which case until at least thirty days have elapsed from the date of such publication;

"(B) foreclose competition until at least thirty days have elapsed from either (i) the date of issuance of the solicitation, or (ii) in the case of orders under a basic agreement, basic ordering agreement, or similar arrangement, the date of publication of a proper notice of intent to place the order; or

"(C) commence negotiations for the award of a sole source contract until at least thirty days have elapsed from the date of publication of a proper notice of intent to contract that provides such specifications and information as practicable regarding the service or performance, and that interested persons are invited to respond or submit proposals in response to such notices within such period of time.

"(3) Whenever notice is required by paragraph (1), such notice shall include—

"(A) a description of the property, supply, or services to be contracted for, which description is not unnecessarily restrictive of competition;

"(B) the name and address of the officer or employee of the Federal department, establishment or agency who may be contacted for the purpose of obtaining a copy of the solicitations; and

"(C) a statement that any person may submit a bid, proposal, or quotation which shall be considered by the Federal department, establishment or agency.

"(4) Notwithstanding any other provisions of law, a procuring activity may not enter into negotiations for the award of a sole source contract for more than $100,000 unless—

"(A) the head of the procuring activity has approved the proposal to negotiate such a contract, and the procuring activity has considered all responses to the notice of procurement action as required in paragraph (2) of this subsection; or

"(B) the negotiation would be conducted pursuant to this section or section 9 of this Act.

"(5) In the case of all procurement actions in excess of $10,000 in which the award of a contract is likely to result in the award of subcontracts under such contract, unless the disclosure of such contract would compromise the national security, the Federal department, establishment or agency shall promptly furnish for publication by the Secretary of Commerce a notice announcing the award in the Commerce Business Daily.

"(6) As used in this section, the term 'sole source contract' means a contract for the purchase of property, supplies or services which is entered into or proposed to be entered into by an agency after soliciting or negotiating with only one source.".

(b)(1) The amendments made by this Act shall apply with respect to procurement actions to be initiated forty-five days after the date of enactment of this Act.

(2) The provisions of this Act shall apply to the Tennessee Valley Authority only to the extent it deems practicable, consistent with the purposes and conduct of its programs and the policies of the Small Business Act.

MOTION OFFERED BY MR. MITCHELL

Mr. MITCHELL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MITCHELL moves to strike out all after the enacting clause of the Senate bill, S. 272, and to insert in lieu thereof the provisions of H.R. 1043 as passed by the House on February 15, 1983.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend section 8(e) of the Small Business Act."

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 272

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill, S. 272, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland? The Chair hears none, and, without objection, appoints the following conferees: Messrs. MITCHELL, SMITH of Iowa, ADDABBO, LAFALCE, WYDEN, ECKART, SAVAGE, LUKEN, MCDADE, CONTE, BROOMFIELD, and WILLIAMS of Ohio.

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 7, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 4:00 p.m. on Monday, March 7, 1983 and said to contain a message from the President whereby he transmits a special message on the Enterprise Zone.

(2) At 4:00 p.m. on Monday, March 7, 1983 and said to contain a message from the President wherein he transmits the 16th Annual Report of the U.S.-Japan Cooperative Medical Science Program.

(3) At 4:00 p.m. on Monday, March 7, 1983 and said to contain a message from the President wherein he transmits the 3rd Annual Report of the Department of Education.

With kind regards, I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

THIRD ANNUAL REPORT OF DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

(For message, see proceeding of the Senate of today, Tuesday, March 8, 1983.)

SIXTEENTH ANNUAL REPORT OF UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceeding of the Senate of today, Tuesday, March 8, 1983.)

THE ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-25)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means, the Committee on the Judiciary, and the Committee on Banking, Finance and Urban Affairs, and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, March 8, 1983.)

CONSTITUTIONAL AMENDMENT TO RESTORE PRAYER IN PUBLIC SCHOOLS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-26)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary, and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, March 8, 1983.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken today after debate has been concluded on motions to suspend the rules.

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1296) to amend the Internal Revenue Code of 1954 to allow any taxpayer to elect to treat for income tax purposes any crop received under a Federal program for removing land from agricultural production as produced by the taxpayer, to allow any taxpayer to elect to deter income on any cancellation under such a program of any price support loan, and to provide that participation in such a program shall not disqualify the taxpayer for the special use valuation of farm real property under section 2032A of such Code, as amended.

The Clerk read as follows:

H.R. 1296

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Payment-in-Kind Tax Treatment Act of 1983".

SEC. 2. INCOME TAX TREATMENT OF AGRICULTURAL COMMODITIES RECEIVED UNDER A 1983 PAYMENT-IN-KIND PROGRAM.

(a) INCOME TAX DEFERRAL, ETC.—Except as otherwise provided in this Act, for purposes of the Internal Revenue Code of 1954—

(1) a qualified taxpayer shall not be treated as having realized income when he receives a commodity under a 1983 payment-in-kind program,

(2) such commodity shall be treated as if it were produced by such taxpayer, and

(3) the unadjusted basis of such commodity in the hands of such taxpayer shall be zero.

(b) EFFECTIVE DATE.—This section shall apply to taxable years ending after December 31, 1982, but ony with respect to commodities received for the 1983 crop year.

SEC. 3. LAND DIVERTED UNDER 1983 PAYMENT-IN-KIND PROGRAM TREATED AS USED IN FARMING BUSINESS, ETC.

(a) GENERAL RULE.—For purposes of the provisions specified in subsection (b), in the case of any land diverted from the production of an agricultural commodity under a 1983 payment-in-kind program—

(1) such land shall be treated as used during the 1983 crop year by the qualified taxpayer in the active conduct of the trade or business of farming, and

(2) any qualified taxpayer who materially participates in the diversion and devotion to conservation uses required under a 1983 payment-in-kind program shall be treated as materially participating in the operation of such land during such crop year.

(b) PROVISIONS TO WHICH SUBSECTION (A) APPLIES.—The provisions specified in this subsection are—

(1) section 2032A of the Internal Revenue Code of 1954 (relating to valuation of certain farm, etc., real property),

(2) section 6166 of such Code (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business),

(3) chapter 2 of such Code (relating to tax on self-employment income), and

(4) title II of the Social Security Act (relating to Federal old-age, survivors, and disability insurance benefits).

SEC. 4. ANTIABUSE RULES.

(a) GENERAL RULE.—In the case of any person, sections 2 and 3 of this Act shall not apply with respect to any land acquired by such person after February 23, 1983, unless such land was acquired in a qualified acquisition.

(b) QUALIFIED ACQUISITION.—For purposes of this section, the term "qualified acquisition" means any acquisition—

(1) by reason of the death of a qualified transferor,

(2) by reason of a gift from a qualified transferor, or

(3) from a qualified transferor who is a member of the family of the person acquiring the land.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) QUALIFIED TRANSFEROR.—The term "qualified transferor" means any person—

(A) who held the land on February 23, 1983, or

(B) who acquired the land after February 23, 1983, in a qualified acquisition.

(2) MEMBER OF FAMILY.—The term "member of the family" has the meaning given such term by section 2032A(e)(2) of the Internal Revenue Code of 1954.

(3) MERE CHANGE IN FORM OF BUSINESS.—Subsection (a) shall not apply to any change in ownership by reason of a mere change in the form of conducting the trade or business so long as the land is retained in such trade or business and the person holding the land before such change retains a direct or indirect 80-percent interest in such land.

(4) TREATMENT OF CERTAIN ACQUISITIONS OF RIGHT TO THE CROP.—The acquisition of a direct or indirect interest in 80 percent or more of the crop from any land shall be treated as an acquisition of such land.

SEC. 5. DEFINITIONS AND SPECIAL RULES.

(a) GENERAL RULE.—For purposes of this Act—

(1) 1983 PAYMENT-IN-KIND PROGRAM.—The term "1983 payment-in-kind program" means any program for the 1983 crop year—

(A) under which the Secretary of Agrculture (or his delegate) makes payments in kind of any agricultural commodity to any person in return for—

(i) the diversion of farm acreage from the production of an agricultural commodity, and

(ii) the devotion of such acreage to conservation uses, and

(B) which the Secretary of Agriculture certifies to the Secretary of the Treasury as being described in subparagraph (A).

(2) 1983 CROP YEAR.—The term "1983 crop year" means the crop year for any crop the harvesting or planting period for which occurs during 1983.

(3) QUALIFIED TAXPAYER.—The term "qualified taxpayer" means any producer of agricultural commodities (within the meaning of the 1983 payment-in-kind programs) who receives any agricultural commodity in return for meeting the requirements of clauses (i) and (ii) of paragraph (1)(A).

(4) RECEIPT INCLUDES RIGHT TO RECEIVE, ETC.—A right to receive (or other constructive receipt of) a commodity shall be treated the same as actual receipt of such commodity.

(5) COMMODITY CREDIT LOANS TREATED SEPARATELY.—Subsection (a) of section 2 shall apply to the receipt of any commodity under a 1983 payment-in-kind program separately from, and without taking into account, any related transaction or series of transactions involving the satisfaction of loans from the Commodity Credit Corporation.

(b) REGULATIONS.—The Secretary of the Treasury or his delegate (after consultation with the Secretary of Agriculture) shall prescribe such regulations as may be necessary to carry out the purposes of this Act, including (but not limited to) such regulations as may be necessary to carry out the purposes of this Act where the commodity is received by a cooperative on behalf of the qualified taxpayer.

SEC. 6. STUDY.

(a) GENERAL RULE.—The Secretary of the Treasury or his delegate, after consultation with the Secretary of Agriculture, shall conduct a study of—

(1) the 1983 payment-in-kind program, and

(2) the tax treatment provided with respect to such program by this Act.

(b) REPORT.—Not later than September 1, 1983, the Secretary of the Treasury shall submit to the Congress a report on the study conducted under subsection (a), together with such recommendations as he may deem advisable.

SEC. 7. TREATMENT OF CERTAIN AGRICULTURAL ORGANIZATIONS.

(a) GENERAL RULE.—Any agricultural organization described in subsection (b) (and any affiliate of such organization) shall be treated for purposes of the Internal Revenue Code of 1954 as described in section 501(c)(5) of such Code so long as such organization (or affiliate)—

(1) is operated on a nonprofit basis primarily for collective bargaining with respect to unprocessed agricultural commodities produced by its members,

(2) does not engage in any substantial processing activities, and

(3) in its marketing activities—

(A) acts solely as agent for its members, and

(B) returns in cash to its members not less than 90 percent of the proceeds of the sales of the commodities.

(b) ORGANIZATIONS TO WHICH SUBSECTION (A) APPLIES.—An organization is described in this subsection if—

(1) such organization is an agricultural organization organized in 1955, and

(2) such organization was ruled by the Internal Revenue Service to be exempt from tax under section 501(c)(5) of such Code in 1957.

(c) EFFECTIVE DATE.—This section shall apply to taxable years beginning after December 31, 1983.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 20 minutes, and the gentleman from Tennessee (Mr. DUNCAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1296, presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983, resolves the uncertainty surrounding the tax consequences of participation in the administration's recently announced payment-in-kind or, so-called PIK, program for the 1983 crop year. Under this program, farmers will be paid by the Federal Government with commodities for diverting all or certain portions of their farmland from production.

With the March 11, 1983 deadline for farmers to sign up for the PIK program immintent, the Committee on Ways and Means determined that expeditious action was necessary, so that farmers would not be deterred from participation solely because of the tax law. On February 23, 1983, H.R. 1296 was the subject of a hearing and markup by the committee's Subcommittee on Select Revenue Measures. The full committee then promptly approved the bill less than a week later, on March 1, 1983. The bill was approved unanimously, and enjoys the support of the administration.

The bill reported by the Committee on Ways and Means eliminates any disincentive the tax law might present to participate in the 1983 PIK program generally be: First, deferring recognition of income from payments received under the 1983 PIK program until the commodities are sold; second, treating income from 1983 PIK commodities as active income derived from farming for all tax law purposes; and third, treating property withdrawn from production under the 1983 PIK program as used in active farming for Federal estate tax purposes.

Despite this expedited schedule, Mr. Speaker, the bill before us today represents a responsible balance of agricultural and tax policy. I urge support for its passage.

Mr. Speaker, I now yield such time as he may consume to the gentleman from California (Mr. STARK), chairman of the Subcommittee on Select Revenue Measures for a more detailed explanation of the bill.

Mr. STARK. Mr. Speaker, I want to thank the chairman.

Mr. Speaker, H.R. 1296, as amended by the Committee on Ways and Means, eliminates any adverse tax consequences that might result from participation in the administration's 1983 payment-in kind (PIK) program. To eliminate any adverse income tax consequences of PIK participation, the bill allows taxpayers to defer recognition of income from commodities received in the 1983 PIK program from the date the commodities are received (or constructively received), until the date the commodities are sold.

To eliminate any unfavorable estate tax consequences of PIK participation, the bill provides that real property withdrawn from production under the 1983 PIK program will be treated as used in an active farming use for purposes of the Federal estate tax current use valuation and installment payment provisions. Also, an individual who materially participates in the required conservation use under the PIK program will satisfy the estate tax current use valuation material participation requirement.

For all purposes of the tax law, income from commodities received under the PIK program will be treated as farm income. For self-employment tax, social security benefit, and income tax credit purposes, this income will be treated as earned income for individuals who materially participate in the required conservation use.

In order to limit the opportunity for abuse of the favorable tax treatment afforded by these provisions, the bill provides an antispeculation rule. Further, a study by the Department of the Treasury on the PIK program and the tax treatment afforded its participants is mandated by September 1, 1983. This study should provide Congress with the data with which to evaluate whether an extension of the bill's favorable tax treatment beyond the 1983 crop year is appropriate. As reported by the committee, the bill applies only to PIK payments for crops normally planted or harvested on or before December 31, 1983.

H.R. 1296 also grants tax-exempt status to the National Farmers Organization.

Mr. Speaker, under revised baseline assumptions not available to the committee before it acted, it has been estimated that H.R. 1296 will reduce fiscal year budget receipts by $323 million in 1984, $81 million in 1985, and increase budget receipts by $404 million in 1986. The assumption available to the committee when it acted indicated that budget receipts would have been unaffected by the bill, since the unanticipated increased receipts under present law due to PIK were not included in the budget's baseline and would have been offset by H.R. 1296.

H.R. 1296, as reported, is the result of careful efforts by the committee to remove potentially adverse tax consequences as a factor from a farmer's consideration of whether to participate in the 1983 PIK program. It is my belief that it achieves a delicate balance between farm and tax policy, and deserves the support of the House. I urge passage of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983.

□ 1245

The bill was reported out unanimously from the subcommittee and unanimously from the full committee and I urge the passage of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 1296, which complements a program of great importance to this country's agriculture industry—the payment-in-kind program.

This program will pay farmers for their acreage reduction in certain commodities. The payments will not be in cash, however; instead, the Government will use its surplus commodities to pay the farmers. Maintaining these surplus commodities requires the Government to pay costly storage fees. A reduction in the surplus will benefit the Government by reducing its storage fee payments. It will also benefit the farmer by stabilizing the market in these commodities.

It is important that we pass H.R. 1296, as it resolves the tax issues raised under this program. First, it places the farmer in the same position as if he had grown the crop himself by taxing him when the commodity is sold, rather than when it is received. Second, it clarifies the estate tax treatment of farms which participate in the PIK program. Third, it provides an antispeculation rule so that only persons actively engaged in farming may use all the tax benefits.

The success of the PIK program will depend on H.R. 1296, without this bill, many farmers would not enter this program which is a vital part of our agriculture program.

I urge the immediate adoption of this important piece of legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL), who has been very helpful on this legislation and has worked long and hard.

Mr. FRENZEL. Mr. Speaker, today the U.S. House of Representatives has an opportunity to enact legislation to help the troubled agricultural economy. The bill before us, H.R. 1296, makes several minor, but very important, changes in the Tax Code that will help promote the use of the new payment-in-kind (PIK) program for farmers.

Under the PIK program, farmers will withdraw land from production, thereby helping to reduce surpluses. However, instead of increasing the deficit by paying farmers cash for withdrawing the land from production, farmers will be paid with crops purchased by the Government under previous support programs.

H.R. 1296 is necessary, however, in order to make sure that farmers are not unfairly taxed for participating in the program. Under the bill, farmers will only pay taxes on the crops they receive under the PIK program when they are eventually sold, not when the

farmer receives the commodities from the Government.

H.R. 1296 also contains provisions that will insure that farmers do not lose because of their involvement in the PIK program any of the special provisions Congress has enacted into the estate tax laws to help perpetuate family farms. Under the bill, land withdrawn from production under the PIK program will still be considered active farmland for purposes of the current use valuation and the installment payment of estate taxes. In my State, as well as in many other States with large farming communities, this last issue has been a major concern of many family farmers.

The bill also contains a provision that clarifies that agricultural organizations operating on a nonprofit basis as a bargaining agent with respect to the marketing of agricultural commodities produced by their members would be considered a tax-exempt organization for purposes of the Internal Revenue Code. This provision is intended to clear up an ongoing problem the National Farmers Organization has been having over the past several years.

In general, H.R. 1296 is a good bill. It received unanimous approval by the Ways and Means Committee, and is vital to the success of the PIK program. I urge all of my colleagues to join me in support of this legislation.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. FLIPPO).

Mr. FLIPPO. Mr. Speaker, I rise in support of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983. This legislation affords farmers deserved relief from any unfavorable tax consequences resulting from participation in the Department of Agriculture payment-in-kind, or PIK, program for the 1983 crop year.

The Department of Agriculture announced the PIK program on January 11, 1983 and established March 11 as the deadline for farmers to join this program. The Department, however, apparently overlooked the tax consequences of joining the program. The uncertainty surrounding the tax consequences of PIK participation has discouraged farmers from signing up for the program.

The Committee on Ways and Means has acted expeditiously to eliminate this uncertainty. I want to commend Representative PETE STARK, chairman of the Subcommittee on Select Revenue Measures and Mr. ROSTENKOWSKI, chairman of the Committee on Ways and Means for the leadership they have provided in speedily bringing this important legislation to the House floor. Their prudent action in shaping this legislation in a timely fashion reflects a genuine concern for the dismal economic plight of the American farming community and a commitment to help solve the problems of the hard-pressed farmers.

The bill before the House today permits the Nation's farmers to make the decision whether to participate in PIK without regard to any adverse tax consequences. The bill does not construct a tax loophole for farmers or convey an unearned tax benefit to the agriculture community. The bill simply provides that recipients of PIK program payments can defer recognition of income until the commodities they received are sold. This provision is absolutely necessary to insure that farmers can join the PIK program without fear of being forced to prematurely sell the commodities they receive in payment in kind for not planting a crop.

The payment-in-kind program designed by the Department of Agriculture has the laudable goal of reducing crop surpluses and returning the agricultural industry to profitability. While there may be some valid concerns over the merits of this approach as agricultural policy, the tax laws do not properly belong in that debate.

Therefore, I urge my colleagues to give H.R. 1296, as reported by the Committee on Ways and Means, their unqualified support. The deadline for joining the PIK program is fast approaching, the House should provide a strong vote of support for the farmers of America by passing H.R. 1296 with an overwhelming vote today.

Mr. STARK. Mr. Speaker, in addition to the last speaker, the gentleman from Alabama, the gentleman from North Dakota (Mr. DORGAN), a member of our committee, has done an outstanding job of looking after the interests of the agricultural community in his first year on the Committee on Ways and Means.

Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN. Mr. Speaker, I rise in support of this bill.

This bill is simple but important. This bill straightens out for the farmers the taxability or the treatment for tax purposes of the receipt that farmers would get under the PIK farm program.

The Internal Revenue Service has determined under present law the receipt the farmers would get under the PIK farm program would be reportable for income tax purposes when the farmer receives it. Now that is a departure from the way farmers have been able to treat their crops that they raise for normal tax purposes.

Normally they treat the crops they raise for tax purposes as taxable when they sell the crop.

So it is important for all of us to understand that we want the PIK farm program to work.

The way to help make this PIK program work is to make certain there is not a tax disincentive to the farmers who participate in it. That is the reason for this bill.

Is this a giveaway to the farmers? Absolutely not. If we do not pass this law, the Government is going to have about a $450 million windfall in taxes that they should not otherwise expect. This would force some farmers to pay taxes on two crops in 1 year.

Let me point out that the PIK program is important because farmers are losing money and the farmers are the economic all stars. Some say that we are losing our edge in steel and autos and so on, but the fact is we are losing the edge in agriculture. If you want a management lesson in agriculture you do not go to Japan, you go to Kansas, Iowa, or North Dakota. The farmers are the economic all stars, technologically and productively. And yet, they are losing money. They are losing money for reasons that they cannot control.

And that is why it is critically important that the PIK farm program, which is the only one that is out there right now, that this administration has offered, be allowed to work. One way to allow that to work to provide the incentive for the kind of signup that is necessary is to make sure we straighten out this tax problem for the farmers, to let them know that the PIK certificate that they receive under the PIK program will be treated just as if they raised that crop, that they will report that PIK certificate when they in fact sell the crop that that certificate represents.

And that is why I support this bill. It is a critically important bill for American agriculture and I urge my colleagues to support it as well.

Mr. DUNCAN. Mr. Speaker, I yield 2 minutes to the gentleman from Montana (Mr. MARLENEE).

Mr. MARLENEE. Mr. Speaker, I rise in support of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983. As ranking Republican of the Wheat, Soybeans, and Feed Grains Subcommittee of the Agriculture Committee, I am acutely aware of the travesty if the IRS ruling that payment-in-kind grain will immediately be taxable upon the right to receipts of the grain were not changed by this legislation. I am also acutely aware of the huge surpluses that we must bring under control by attempting to encourage participation in a farm program that is somewhat nebulous and questionable.

The IRS ruling, if left standing would in fact discourage participation in the PIK program. Let me define the bottom line of the question on when to properly tax a product. Timber standing in a forest is not taxable until sold. Grain standing in a field or in a bin is not taxable until sold. An attorney's advice is not taxable until sold to a client. When an artisan cre-

ates a product and it reposes in his gallery or home, it is not taxable until sold. Likewise, a farmer or a cash basis who raised and produced grain and has his grain in the bin should have no taxable income until he sells that grain.

Mr. Speaker, H.R. 1296 would allow the producer who participates in the PIK program the opportunity to defer the recognition of income from the receipt of the PIK grain until he sells or otherwise disposes of it. This change would allow the same tax treatment as the farmer gets who actually produces the crop on his land. This change that H.R. 1296 puts into place avoids penalizing a producer just because he participates in the PIK program.

Simply stated, the current tax problem is that a producer would realize income as soon as he had the right to receive a PIK commodity. Suppose that earlier in the year of receipt of the PIK grain, a producer had disposed of another crop from a prior taxable year; in this instance, the producer would realize the income from the two crops in the same taxable year, creating an obvious tax hardship.

While this bill is not perfect, it is an important, critical step toward quick resolution of this problem. It reinstitutes the tax-exempt status for the National Farmers Organization, a provision the retention of which I would recommend in the event of a conference in this matter. It has a term of only 1 year while the bill in the other body runs long enough to cover a 1984 program almost sure to come. The Treasury Department has attempted to resolve any possible estate tax questions administratively by regulation, possibly making that portion of H.R. 1296 unnecessary.

Regardless of whether or not the Department of Agriculture failed to analyze and anticipate the existing law tax problem associated with the PIK program, everyone seems to agree that this problem could significantly reduce participation in the program. Obviously, there is a national interest in having a strong agricultural community and this means we all have an interest in enhancing the likelihood of this program's success. The administration is on record as strongly favoring this effort. Mr. Speaker, I urge my colleagues to support H.R. 1296. At this point, it is the very least we should do for the American farmer.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Mr. Speaker, I rise in support of this important piece of legislation which is designed to alleviate one of the numerous problems, known and as yet unknown, which will surround the implementation of the PIK program. Taxable income must be properly apportioned before a farmer can afford to participate in this program.

I would like to bring my colleagues attention to what this single problem represents for the larger agricultural community. We have in the case of this tax problem a difficulty which we can resolve prior to the onset of the program, although it has taken rather extraordinary legislative action to do so. Our colleagues on the Ways and Means Committee should be congratulated for their responsiveness and sensitivity.

In addition, it has become known recently that many water districts in agricultural communities may well find themselves short of revenue this year if acreage reductions as large as 50 percent reduce the volume of water individual farmers take from their districts. This in turn will put considerable financial pressure on districts whose only source of revenue is water sales. I have asked Secretary of the Interior James Watt to look into this situation, which he has agreed to do, to see in those instances where Bureau of Reclamation water contracts are involved whether the Bureau cannot waive repayment obligations to the extent the PIK program makes them onerous.

However, there are other difficulties with which we cannot satisfactorily deal, either because we cannot anticipate them or because they lie beyond the purview of Government in any event. Attached for my colleagues' benefit is a copy of one of many letters I have received outlining the enormous difficulties the PIK program has created for the agricultural support sector. I would request that this letter be reprinted in the RECORD. Mr. Tomlinson's views deserve wide distribution.

It seems to me that when the PIK program was formulated it seemed such a popular idea because it took care of problems faced by two very conspicuous elements of our crop surplus problem: The Commodity Credit Corporation and the taxpayers behind it, plus the farmers themselves. However, neglected through this approach were the impacts of substantially reduced new crop production on the entire agricultural support community. Mr. Tomlinson's letter eloquently underscores those problems, and shows us why we cannot continue to resolve problems faced by two parties to the situation at the expense of the less conspicuous third.

Thank you, Mr. Speaker.

AGRI-TILL, INC.,
AGRICULTURAL MACHINERY RENTALS,
Yuba City, Calif., January 9, 1983.

Hon. VIC FAZIO,
House of Representatives,
Washington, D.C.

DEAR MR. FAZIO: I would like you to seriously consider the consequences of implementing a Payment in Kind (PIK) program as a solution to this nation's agricultural over-supply problem. This sort of program, however well intended, would only serve as a one-year "Band-Aid" to the problem of commodity carry-over. I agree that reduced production is necessary in a poor world market. However, any payment in kind must be at some time converted to cash, serving only to glut the market further. I feel that the short-term advantage to this program to the grower is far outweighed by the long-term consequences to growers and suppliers alike. A 50% reduction in acreage would be a devastating blow to all aspects of agriculture. Most affected by a program of this kind are the hundreds of businesses, including equipment suppliers, fuel suppliers, fertilizer and chemical suppliers, which are dependent on agriculture for their very existence. You must also consider what a large reduction of producing acres would do to already unacceptable unemployment figures.

I would very much appreciate your consideration of these consequences before supporting the PIK portion of the 1983 Set Aside Program.

Sincerely,

THOMAS N. TOMLINSON,
Sacramento Valley Agent.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. HARKIN), the author of H.R. 1296 and the Member who has been the driving force for seeing this legislation come to the floor today.

Mr. HARKIN. Mr. Speaker, I rise in support of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983.

I want to begin by thanking the leadership, Chairman ROSTENKOWSKI, Subcommittee Chairman STARK and their colleagues on the Ways and Means Committee for their quick action on this bill. It was only through their willingness to cooperate and move this bill on the fast track that it is possible to have H.R. 1296 before us today.

When I introduced H.R. 1296 on February 7, it seemed a tall order to achieve the goal of giving farmers answers about the payment-in-kind program's (PIK) effect on their taxes before the March 11 signup deadline; farmers have until this Friday to decide whether or not to sign up for the PIK program.

So it is with great pleasure that I stand here today to urge my colleagues in the House to join me and the bill's 77 cosponsors, including all of the Members of the Iowa delegation, in urging you to support the passage of H.R. 1296.

Farmers have a great deal riding on the decision we make here today. Most immediately, they must know how PIK payments will be taxed.

Under present law, when something of value is received—whether it is cash or payment-in-kind—it is normally taxed in that same tax year. Unfortunately, in this specific case, the law does not fit the realities of the process.

The PIK program is designed to replace a farmer's crop with the same

commodity supplied from Government stocks. Most farmers normally sell their crop in the year after they harvest it; by doing this, the farmer avoids having to sell at harvest time, when the market is often at its lowest point.

The tax laws allow a farmer to treat his crops as taxable when they are sold or when the animals to which the crops are fed are sold.

For the Department of Agriculture's program to work, PIK grain must be treated as if the farmer had planted it and harvested it himself. And that is the philosophy of my bill—that the PIK payment be taxed in the same way it would be taxed if the farmer had grown it himself.

If this is not done, the program will force a significant proportion of farmers—perhaps four out of five—to bunch 2 years of income into 1983.

These farmers would have only 1 year's costs to apply against 2 years' worth of income in 1 year and in another year, they would find themselves with costs to deduct but no income to deduct it against.

In these depressed times, farmers are in no position to pay 2 years of taxes in a single year; net farm income is expected to decline for the third year in a row. A recent report stated that, adjusting for inflation, net farm income will be down 75 percent since 1973. This situation is caused by American agriculture's ability to overproduce and by the unattractiveness of the Reagan administration's farm programs. In addition, if the PIK commodity is not treated as if the farmer had grown it, the farmer will lose many of the tax incentives that are available to promote soil conservation and other important beneficial activities.

PIK will not do much to increase farm income immediately. The Department of Agriculture estimates that even with PIK payments included, this year will see yet another decline in net farm income. However, I hope that, with a good signup, PIK will reduce the planted acres in 1983 and thereby decrease the huge carryover stocks which have been accumulating over the past 2 years and have lead to lower market prices.

PIK's most immediate effect will be a reduction of the Government's cost of operating the farm program. In the past, budget cutters at OMB tried to save money by limiting and reducing the benefits of the farm program. Farmers responded by essentially ignoring the program and staying outside its supply-control mechanisms. Now, prices have fallen and the policymakers see little hope for a rebound in market prices to levels above the release levels soon.

The Congressional Budget Office estimates that PIK could reduce the Government's costs through lower storage, interest and deficiency payments by nearly $5 billion over the next 3 years. That figure does not include the value of the CCC assets converted into PIK payments. In addition, CBO has estimated that without PIK, market prices would remain below the target price levels and that the Commodity Credit Corporation would wind up paying $5 billion to keep these commodities off the market and provide farm income support.

PIK's contribution to increasing farm income and causing savings in the Federal budget is predicated on the number of farmers who sign up for the program. This legislation will go a long way in providing a boost to that signup.

And make no mistake, many farmers will not supply that needed boost unless the tax questions are answered. I cannot fault their hesitancy—it is a big gamble for a farmer to retire up to 50 percent of his base acreage, or in some cases his entire base, to participate in a new program. Farmers cannot sign up on good faith that an administrative directive will resolve the tax uncertainties.

The bill before us has been narrowed from the original version because of concern that speculators might benefit from some provisions in the legislation. Essentially, the bill now provides that farmers participating in PIK during the 1983 growing season will be allowed to delay paying income taxes until they sell their PIK commodities. Also, all PIK set-aside land will meet the various tests to qualify for special use provisions of the estate tax laws. By September 1, 1983, recommendations from the Secretary of the Treasury will be available to guide us as we make changes in next year's PIK program.

Once we act here, I hope that the Senate will act as soon as possible in order to get this legislation on the President's desk before the March 11 deadline. If the Senate will accept the bill as we pass it here today, then we could have it to the President for his signature tomorrow. We in the House have acted expeditiously, let us hope the Senate will do likewise for our farmers.

Finally, I would like the record to show my appreciation for the fine support I have received from my colleague, GERRY SIKORSKI of Minnesota. He has worked long and hard to secure quick passage of this important piece of legislation, and he deserves to be commended for his efforts in behalf of the farmers in his district. Due to a clerical error, he was inadvertently omitted from the list of cosponsors of H.R. 1296.

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Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Speaker, I rise in support of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983. H.R. 1296 amends the Internal Revenue Code of 1954 to allow exceptions to provisions governing certain income taxes, estate taxes, and other taxes as they relate to farmers who participate in USDA's payment-in-kind (PIK) program for the 1983 crop year.

The PIK program provides, as a payment to farmers, a quantity of a commodity as compensation for removing a portion of their land from active production. The in-kind payment thus limits production of agricultural commodities such as corn, wheat, sorghum, rice, and upland cotton. At the same time, the program reduces commodity stockpiles and the maintenance costs associated with the excess agricultural commodities.

This program is in addition to the previously established acreage reduction and price support programs available to farmers. The previous programs provide for cash, rather than in-kind payments. Farmers must be participants in these cash payment programs as a condition of eligibility for the PIK program.

H.R. 1296 amends the tax law to allow any taxpayer receiving agricultural commodities through the 1983 PIK program to defer recognition of the commodities as income until after they are sold, rather than on the date they are received as under current tax law.

This bill also provides that any real property or farmland withdrawn from production as part of the PIK program will be treated as if it were in active farming, thus permitting the estate value to be calculated on the basis of the current-use valuation and the estate taxes to be paid in installments.

In addition, H.R. 1296 provides that income from the sale or disposition of commodities received is considered as farm income; such income also will be included in the self-employment tax base in the same year in which it results in taxable income to the recipient.

I am pleased at the prompt action the Ways and Means Committee has taken on this bill. At a recent farm forum I held in my Ohio district in February, many farmers were greatly concerned about how their grain would be taxed. They must decide whether or not to participate in PIK by March 11. I hope this bill will become law before that date so that the farmer will know the tax consequences while he still has a choice. In the absence of the passage of this legislation, the entire PIK program could be jeopardized.

I urge that H.R. 1296 be adopted by the Congress in the expectation that higher prices will be received by our

deserving farmers and that the tremendous surplus grain stocks, now so costly to the Federal Government, will be reduced.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. COLEMAN).

Mr. COLEMAN of Texas. Mr. Speaker, I appreciate the opportunity to speak for a few minutes on the U.S. Department of Agriculture's payment-in-kind (PIK) program and on the PIK Tax Treatment Act of 1983 that is being considered by the House today.

On December 9, 1982, President Reagan indicated that the USDA had been authorized to explore the feasibility of a payment-in-kind type of program designed to reduce Government supplies of various agricultural commodities. The core concept of the plan was that of a crop swap—the farmer would receive payument in the form of Government-held supplies in return for idling a portion of his farm for a year.

On January 11, 1983, President Reagan unveiled the PIK program before a farm organization convention in Dallas. Signup for the program started on January 24 and the deadline for participating was set for March 11.

Since the announcement on January 11, the farm community has been deluged with conflicting stories and information regarding the PIK plan and what the consequences of participating in it would be. Over this past weekend I traveled through my district in west Texas and spoke with dozens of my constituents within the farming community who expressed confusion about PIK. Many complained that the UDSA county offices were unable to explain certain segments of the program or to furnish needed information.

Last week, the Government Operations Subcommittee on Government Information, Justice, and Agriculture held hearings on the implementation and status of the PIK program. Witnesses from the Internal Revenue Service and the Agriculture Department painted a grim picture of a farm program that was poorly planned, hastily executed, and subject to constant revision as the signup deadline of March 11 nears. These witnesses were unable to articulate any comprehensive program by which farmers either had been or could conceivably be informed of all the revisions and changes in time for the March 11 deadline.

Aside from the several problems with the PIK program that have been articulated by the agricultural community, many of the farming constitutents of my district indicated that they were reluctant to participate in PIK because of their confusion over the consequences of the PIK program. It is this confusion and lack of information that will limit the effectiveness of the PIK program by discouraging the inclusion of many acres of farmland.

Now, on March 8, 3 days before the deadline for signing up for PIK, Congress is still wrestling with the mechanisms and consequences of the PIK program. We are today considering legislation that is needed to make this plan viable and attractive to the farm community at large. More importantly, we are dealing with tax issues that should have been resolved by the USDA and the IRS long before the program was formally announced.

I support H.R. 1296 without reservation. The farmer electing to participate in the PIK plan should have the option of being taxed in either the year a commodity is received or in the year in which a gain or loss is realized through the sale of that commodity. Also, this legislation would permit an individual who materially participates in the required conservation use under the PIK plan to satisfy the estate tax current use valuation material participation requirement. Finally, there are relevant provisions covering the tax treatment of commodities paid to cooperatives. The bottom line of this legislation is that it makes the tax consequences of PIK participation less onerous than they would have been under the original PIK plan put forward by the USDA.

What I find troublesome is the fact that we must be making yet another alteration in the PIK program only days before the signup deadline is upon us. Once again the farmer will be at the mercy of the USDA's county officials in receiving further necessary information about the effects of PIK participation. Once again it is the farmer who is forced to bear the burden of inept planning and management within the bureaucracy of the USDA.

I would like to take this opportunity to make two brief points regarding the element of timing that seems to be missing from much of this program.

First, I would urge the Secretary of Agriculture to extend the signup period for the PIK program to March 31. This was the date originally set when the USDA first announced the paid diversion programs last fall. In light of all the changes already in effect and in view of the legislation being considered today, this extension is necessary to allow farmers an opportunity to examine all their options regarding their participation in PIK.

Second, if this type of program is to be carried over into the next year, I would strongly recommend that the USDA make an earlier announcement of the plan. In my home district of west Texas many of the farmers have already planted significant amounts of winter crops and have begun to prepare their land for future plantings. The January 11, 1983, announcement of PIK was simply too late to allow them to consider participation in the PIK program.

Mr. Speaker, the PIK program is an acceptable short-term proposal to a problem that begs for long-term policies. We should view the PIK plan as simply the beginning step on the long road to a comprehensive and responsive farm program. I would also strongly urge the USDA to reexamine its implementation decisions surrounding the PIK initiative so that future programs of this type do not suffer from lack of information brought on by hastily conceived policies.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Speaker, I commend the chairman, the gentleman from California (Mr. STARK) and all those members, including the author or this legislation, the gentleman from Iowa (Mr. HARKIN), for their attention to this matter.

I think we have all addressed very adequately the problem here and the way this bill addresses that problem. I think it does it very successfully.

I think now there are two things we have to urge and that is that the Senate move very quickly on passage of this legislation this week, and should they fail to act in an expeditious manner, that the administration consider extending the deadline of March 11 to an adequate time to allow farmers who may be waiting to find out what our final decision may be on this legislation, that time to consider this legislation when they make their final plans. Certainly that is important if we are going to consider fairness, if we are going to consider the flexibility that we have all talked about in insuring the kind of signup and hopefully the kind of success that we all would like to see in the PIK program.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN of Missouri. Mr. Speaker, on behalf of our Nation's farmers I urge my colleagues to support this legislation to clarify the tax status of grain awards made under the payment-in-kind (PIK) program.

Our decision regarding this tax matter will have a great impact on farmer participation in PIK, and I believe will ultimately have a real effect on commodity prices in the coming years.

Commodity prices have fallen dramatically in recent years, as production has greatly outrun domestic and international demand. In response to this oversupply problem, Congress and the administration have fashioned a paid diversion program and the PIK program. Under a combination of

these two programs, farmers can divert up to 50 percent of their productive cropland in return for cash and grain payments.

I have found a great deal of support for the PIK program from farmers, and from agribusiness people who depend on a healthy farm economy to prosper. While these groups sometimes have diverse interests, they have joined together in support of the PIK program. Even seed and fertilizer dealers, who will see their short-term volume of business go down, have given PIK their support.

For many farmers, the stakes of this year's harvest are the biggest ever. Production must be stabilized if farm prices are to be bolstered. I believe that we, here in Congress, should do everything possible to insure farmer participation in PIK, and reversing this harmful tax ruling is one important step.

PIK provides a good incentive for farmers to reduce harvests and bring them in line with current demand. It also provides an added bonus by drawing down the massive supply of grain in the Government-held reserve, which costs the Federal Government over $40 million a month to maintain.

The effectiveness of PIK will be greatly harmed, however, if the IRS ruling that these grain payments are taxable income upon receipt is allowed to stand. Frankly, this ruling just does not make sense. Farmers have always paid tax on their grain when they sell it on the open market. PIK grain should be treated the same way.

Once this grain is sold on the marketplace, it will be entirely appropriate to tax the income from the sale, and provide much the same revenue to the Treasury.

Other, larger questions regarding the IRS ruling and how it potentially affects at-risk status for family farms should also be put to rest by Congress.

In conclusion, prompt action by Congress to provide a clearer indication to farmers on the taxation issue will help assure the success of the payment in kind program.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. EMERSON).

Mr. EMERSON. Mr. Speaker, I rise today to urge that we act positively and quickly on this legislation and to commend the Ways and Means Committee for its prompt and favorable action, and urge the other body to do likewise.

In the weeks since the Treasury Department announced its plans for taxing payment-in-kind commodities upon receipt by the farmer, I have encountered a great deal of bewilderment among the farm community. The farmers in my district place a great deal of stock in commonsense, and to them, it is difficult to understand how one Federal Department can implement a program like the payment-in-kind initiative, and then have a ruling by another Department place that program in jeopardy.

To our farmers, that does not make sense—and they are absolutely right. The idea behind the PIK program is to essentially substitute Government-held commodities for those that would otherwise be produced. The program is designed to allow the farmer to use those commodities as if he had actually produced them and to give him the flexibility he needs to make wise market decisions.

Unfortunately, it appears that existing tax law does not allow us to provide tax treatment of those commodities that is consistent with the purpose of the program. If the farmer is required to pay taxes on PIK commodities at the time he takes possession, he loses the flexibility that is built into the program, and is potentially forced to sell the commodities not because of the market, but because he needs cash with which to pay the taxes.

Mr. Speaker, it is not difficult to see what kind of impact that this inconsistency could have on participation in a program that appears to otherwise be headed for success. To me, it would be inexcusable for us to allow a simple complication in the tax law to undermine a major initiative such as the payment-in-kind program. With sign-up for the PIK program ending on Friday, it is essential that this question be resolved now—and in such a way that our farmers can participate in the PIK program with the assurance that there will be no problem with the tax treatment of the commodities they receive.

By making this change in the law and allowing farmers to pay taxes on these commodities when they are sold, we will be giving them that assurance. Beyond that, we will be proving that we can, indeed, bring contradictory Federal policies into line with commonsense and consistency of purpose.

Mr. STARK. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Speaker, I first of all wish to commend my colleague, the gentleman from Iowa (Mr. HARKIN) for introducing this legislation. I want to commend the gentleman from California (Mr. STARK) and the gentleman from Illinois (Mr. ROSTENKOWSKI) and the rest of the Ways and Means Committee for moving so expeditiously.

I would point out that this is not just a bill for farmers. This is a bill for the taxpayers of our country as well, because until we get these excessive surpluses under control so the taxpayers do not have to pay the extensive expenses of maintaining those surpluses, we are going to continue to have these heavy expenditures for our agricultural products.

Upon the passage of this bill, the House will have done its job. The question is now, will the Senate move equally expeditiously.

The leadership of the House has done its job. Will the leadership of the Senate now see that no extraneous matters are added to this legislation? Will they move expeditiously so that we can see that our farmers know what this program will be as they come to sign up for the program so that we help our farmers, so that we help our taxpayers and move forward as government is meant to move forward.

Farmers are not seeking any special tax treatment. In fact, according to the Congressional Budget Office, this bill will not result in a net revenue loss to the Federal Government over the years. However, it should be emphasized, that by making possible widespread participation in the PIK program, this legislation will assist the effort to reduce Federal farm program costs and save taxpayer dollars.

The majority of my farmers out in northern Iowa are anxious to participate in the PIK program. They understand that they must reduce production if we hope to get our agricultural surplus down to manageable levels and put our farm economy back on its feet. But they simply cannot participate as long as this cloud hangs over PIK program benefits.

To many of my farmers, the recent IRS ruling on the tax consequences of the PIK payment has made the Federal Government appear—and rightly so—as though its left hand does not know what the right hand is doing. They are baffled by attempts on the part of USDA to implement an effective acreage reduction program, only to have the program apparently undermined by the IRS. Farmers are looking to the Congress to make some sense out of our Federal farm policy.

Farmers are merely asking that PIK benefits be treated as crops that the farmers would have otherwise produced. This consistent tax treatment is important because farmers operate on a cash basis, and usually recognize income only when the crop is sold or marketed through livestock. Similarly, crops that a farmer may receive as a crop share payment for land rented to another farmer are taxed only when those crops are sold by the landlord/farmer.

Farmers had also sought assurances that receipt of the PIK payment will in no way disqualify them from having their land valued under the special use valuation for estate tax purposes. I am pleased to note that both IRS and USDA have made it absolutely clear that participation in any form of this acreage reduction program will not affect an individual's estate tax liability.

Mr. Speaker, as a cosponsor of this legislation, I am pleased to urge its prompt adoption.

IV. OTHER MATTERS TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clause 3(l)(3) and 2(l)(4) of Rule XI of the Rules of the House of Representatives, the following statements are made with respect to the committee action on H.R. 1296, as amended.

OVERSIGHT FINDINGS

With respect to subdivision (A) of clause 2(l)(3) (relating to oversight findings), the committee advises that the Subcommittee on Select Revenue Measures conducted a hearing on February 23, 1982, to determine whether there was a need to modify the tax treatment of farmers and cooperatives participating in the 1983 PIK program. The Subcommittee unanimously reported H.R. 1296, with an amendment, to the full committee on February 23, 1983. As a result of these oversight activities, the committee concluded that it is appropriate to enact the provisions contained in the bill.

NEW BUDGET AUTHORITY AND TAX EXPENDITURE

With respect to subdivision (B) of clause 2(l)(3), after consultation with the Director of the Congressional Budget Office, the committee states that the changes made to existing law by this bill involve no new budget authority or new or increased tax expenditures.

CONSULTATION WITH CONGRESSIONAL BUDGET OFFICE ON BUDGET ESTIMATES

With respect to subdivision (C) of clause 2(l)(3), the committee advises that the Director of the Congressional Budget Office has examined the committee's budget estimates (as indicated in part III of this report) and submitted the following statement:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 2, 1983.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Budget Act, the Congressional Budget Office has examined H.R. 1296, which would amend the tax laws to permit taxpayers to defer income tax payments on crops received under the Payment-In-Kind (PIK) program initiated by the Administration. Without this legislation, these crops could be treated as taxable income in the year received by farmers participating in the PIK program.

This bill does not provide for any new budget authority or any new or increased tax expenditures.

If H.R. 1296 is measured against a baseline that includes both the outlay reductions and the revenue increases that will result from the PIK program, CBO estimates that it will reduce income tax receipts by $323 million in fiscal year 1984 and $81 million in fiscal year 1985, and increase revenues by $404 million in fiscal year 1986. If H.R. 1296 is measured against a baseline that does not include the effects of PIK, it would have no effect on revenues, since it averts a revenue increase not included in the baseline.

If you would like additional information on this estimate, please let us know.

Sincerely,

JAMES BLUM
(For Alice M. Rivlin, Director).

INFLATIONARY IMPACT

In compliance with clause 2(l)(4), the committee states that the enactment of this bill is not expected to have a significant overall effect on prices and costs in the operation of the national economy, as the price maintenance aspects of the PIK program are expected to be offset by the income tax receipts from the sale of released surplus commodities and the reduction in budget outlays to store and maintain surplus commodities.

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. CRAIG).

Mr. CRAIG. Mr. Speaker, I would like to commend the chairman and the subcommittee chairman for their expeditious action on this legislation. I stand in support of it.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I commend the Ways and Means Committee for acting expeditiously on H.R. 1296, a bill to clarify the tax treatment of payment-in-kind program benefits received by farmers.

The reception and response to the PIK program by the farmer has been clouded by the tax ruling of the Internal Revenue Service, which would treat the PIK certificate of entitlements as income to the farm at the time they are received. In addition, the IRS has stated a producer could lose the special use valuation benefits for estate tax purposes if he is within the 10- or 15-year recapture period. Furthermore, participation in the PIK program could result in an ineligibility to select the special use valuation of an estate if the recent IRS ruling is allowed to stand.

The payment-in-kind program signup deadline date is this Friday, March 11. By this date, farmers will have to make important financial decisions. For the Hard Red Winter wheat producer in my district, participating in the PIK program means destroying a growing crop. That is a rough economic decision that cannot be made by the farmer when he does not know the tax consequences of participating.

The farmer cannot make a rational decision on assurances from the Treasury and the USDA that the tax problem will be cleared up. In recent years, the imposition of grain embargoes and trade sanctions and the continued mingling of foreign affairs and agricultural policy has made trusting the Federal Government a perilous proposition. The farmer needs to know now exactly where he will stand in the eyes of the IRS when it comes to the treatment of the payment-in-kind. I urge the House to pass this legislation. This bill will clear up the confusion and let the farmer know just what the tax consequences are of participating in the PIK program.

However, I want to make one thing very clear. This legislation does not allow the farmer to avoid any taxes. According to the Congressional Budget Office baseline projections, the cost of this bill nets out to zero. This legislation would only afford the farmer the same tax treatment on his payment-in-kind grain that is currently made available on the crop produced. This action is necessary to avoid the possibility that farmers may be taxed for 2 years' production in 1 year. Once again, I urge my colleagues to look favorably on this legislation.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I rise in strong support of H.R. 1296, which permits farmers to defer the payment of income taxes on commodities received under the Agriculture Department's payment-in-kind program and, in addition, specifies that farmland removed from production under the PIK program would continue to be valued as active farmland for estate tax purposes. I am pleased to have been a cosponsor of this legislation, and I commend the gentleman from Iowa (Mr. HARKIN) for introducing it.

As the Members here know, under the administration's PIK program, which was announced in January, farmers who agree not to plant a portion of their land will be paid with Government surplus commodities. The purpose of this program is to reduce the stocks of Government surplus agricultural commodities, avoid budget outlays under current price support programs and, ultimely, to raise the prices received by farmers for their commodities.

However, the Treasury Department has indicated that under present tax law, a farmer who receives payments-in-kind under the PIK program would be subject to income tax, as if he had received a cash payment. This is in contrast to the tax laws which apply to crops grown by the farmer himself, which are taxable in the year sold, not grown.

Mr. Speaker, this ruling has jeopardized the success of the administration's PIK program. Farmers cannot afford to pay taxes on commodities before they have received cash for those commodities.

Thus, farmers are reluctant to sign up to participate in the PIK program unless this tax question is taken care of before the March 11 signup deadline. Moreover, I should point out that, unlike previous farm programs, farmers who sign up for PIK will be severely penalized if they drop out after March 11.

H.R. 1296 treats PIK payments as if grown by the farmer, and allows farmers to defer their taxes until the grain, or the animals that it was fed to, are sold. Mr. Speaker, this is not special tax legislation for farmers. It merely

puts the farmer on the same basis as any other taxpayer—fully liable for taxes as soon as he receives income from the sale of his product.

Mr. Speaker, it is imperative that we act swiftly on this legislation. The March 11 signup deadline for the PIK program is nearly upon us. Passage of this bill today under suspension of the rules will help give farmers confidence in this important program.

□ 1310

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Speaker, and Members of the House: I, as many of you have in the last 3 or 4 weeks, met with as many farmers in our respective areas as we could humanly muster for the purpose of soliciting questions as to this particular issue.

I, for one, can attest, as many of my colleagues can, that there is unanimity for the need for the PIK program. I went out on a limb with these farm groups and individuals by engaging in Congress occupational hazard of predicting action. I predicted that the House and the Senate and the President would sign and complete a law that would remove that anomaly of giving an advantage to the farmers who would engage in this program and then taking it away by a ruling of the Internal Revenue Service.

So I rise in support of this program today so that I can live up to my prediction, and happily announce back home that this Congress has acted very fast in their best interests.

From the very first moment that the President of the United States announced this program, the farmers in my district felt that it was about time some innovative approach to their huge series of problems on the home farm were being met. This program should not be allowed to die by reason of not acting expeditiously.

I commend, too this House and its various committees, and the gentleman from Tennessee especially, for yielding time for me to express my sentiments.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GEKAS) consumed 2 minutes.

Mr. STARK. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. SLATTERY).

Mr. SLATTERY. I thank the gentleman from California for yielding this time to me.

Mr. Speaker, I would like to rise in support of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983.

I commend subcommittee Chairman STARK, Chairman ROSTENKOWSKI and the leadership for their expeditious handling of this matter.

Many farmers in Kansas are in dire financial straits. They have been victimized by a cheap food policy for years, and recently have been devastated by high interest rates and a vicious cost-price squeeze.

The PIK proposal is not a total solution to the problems facing the American agricultural sector, but it will help reduce commodity surpluses if farmers participate. H.R. 1296 will clarify the tax treatment of grain under the PIK program. This clarification is absolutely critical if we are to realize adequate farmer participation.

I support H.R. 1296 and I urge its prompt passage by this body, and I also urge the Senate to act as quickly as possible to resolve this question as soon as it possibly can.

Mr. DUNCAN. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Tennessee (Mr. DUNCAN) has 6 minutes remaining.

Mr. DUNCAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. I thank the gentleman from Tennessee for yielding this time to me.

Mr. Speaker, I rise to enthusiastically support H.R. 1296, providing a 1-year exception to the present tax treatment of farm commodities and property to permit farmers to pay taxes on payment-in-kind (PIK) commodities when they sell them, and to permit cropland idled under PIK to be valued as active farmland for estate tax purposes.

For our farmers, for our beleaguered economy, and for sustaining the burgeoning recovery, passage of this legislation is an absolute vital necessity. With the March 11 signup facing us, it is imperative that Congress show overwhelming support for this program so that it will have maximum chance to succeed in helping pull our agricultural economy from the Depression days levels to which it has sunk.

Regardless of the legalities in the Internal Revenue Service decision to tax PIK commodities when they are made available, as a farm State Member of Congress I can tell my colleague here today in no uncertain terms that the decision is not based upon commonsense.

The PIK program has been sold to Congress and to producers as a way for them to reduce production, help bring supplies back in line with demand, and at the same time receive payments for idling ground in the form of commodities that they can use as if they were grown on the farm.

I bring to the House's attention the remarks of President Ronald Reagan on December 9. I quote: "They would then be paid in kind from our bulging Government surpluses. In other words, they would be paid in bushels of the same surplus commodity they might otherwise have grown. These farmers would then have full discretion to feed, sell, et cetera, the commodity received as payment in kind" unquote.

Again on December 9, before the Senate Agriculture Committee and on December 16, before the House Agriculture Committee, Secretary of Agriculture, John Block, said, and I quote again: "The actual value of the in-kind payment would depend on how and when a farmer chose to market the commodity received * * * just as it would on any commodity that farmer actually produced.

The IRS ruling, while it may be consistent with tax law, is obviously in direct opposition to the objectives of the PIK program; a program that was passed by the House during the lame-duck session.

I know that many Members of the House are not familiar with the farm situation or the significance of the payment-in-kind program.

To put things in perspective for those of you not familiar with farm programs, PIK is as significant to farm States as a comprehensive jobs program is for urban States with high unemployment.

The USDA's chief economist, Assistant Secretary Bill Lesher, opened his testimony before my Agriculture Appropriations Subcommittee by saying that the Nation's largest industry, agriculture, will be facing the 4th straight year of depressed income—this is not a doom-and-gloom politician, but a respected agricultural economist saying these words.

I have just returned from my district where I can sense a real conviction that the Government is trying to help the situation through PIK. Let us not ruin that perception by letting IRS get in the way of its success.

The basic problem involves income tax, although there are other problems with estate taxes and cooperative taxes. Many producers have over the years developed a system whereby crops produced in one year are actually sold in the following year. For example: last years corn grown and harvested in 1982 is being marketed in 1983.

Now under present policy and law, if they participate in the PIK program, they will be taxed on the PIK payment in 1983 as well as the crop they grew last year and are marketing this year. It amounts to double taxation in one year based on what amounts to false income.

The prospect of double taxation has ruined the economic advantage of participating in the crop reduction program in favor of full production. This is exactly what we do not need. Many counties are reporting a standstill in producer signup because of the tax questions.

In conclusion Mr. Speaker, the administration supports this Tax Code change, Members of Congress from both sides of the aisle and in both Houses support this change, and farmers not only support, but desperately need the change.

Time is of the essence as producers need to know by March 11, what to expect—their economic lives depend on it. I urge you to support H.R. 1296.

Mr. SPEAKER pro tempore. The gentlewoman from Nebraska (Mrs. SMITH) consumed 4 minutes.

Mr. STARK. Mr. Speaker, may I inquire how much time we have remaining on this side?

The SPEAKER pro tempore. The gentleman from California (Mr. STARK) has 5 minutes remaining.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DURBIN).

Mr. DURBIN. Mr. Speaker, let me state again, as I did in my testimony before the House Committee on Ways and Means, my commendation for the leadership of the House, Chairman ROSTENKOWSKI and my colleague from Iowa, Mr. HARKIN, for the prompt action that has enabled this body to consider this valuable legislation in a timely manner.

In applauding Secretary Block and the administration for initiating the much needed PIK program I do so with some reservation. With only 3 days remaining before the deadline for the farmer to sign-up to participate, it seems unfortunate that Congress was put in the position of having to initiate legislation to move IRS to a favorable ruling. We were faced with one agency of the Federal Government actively pursuing promising programs to address the plight of the American farmer at the same time another agency, the Department of Treasury threatened to cripple the program with a ruling which defies simple logic. Because of the lack of direction by the administration at the appropriate time we must pass this legislation on to the Senate with the understanding that if they so much as take the time to make a technical change the bill, the PIK program will have escaped us.

My home district, the 20th District of Illinois harbor 4 of the top 10 corn-producing counties in Illinois. Moultrie, Christian, Macon, and Sangamon Counties, all averaged over 150 bushels per acre yield in 1982. The yield in these four counties is an astonishing 32 percent higher than the national average for production of corn per acre. My home State of Illinois is second only to Congressman HARKIN's home State of Iowa in total production of corn in the United States. You can see the reason for my concern when I sense an undercurrent of skepticism and reluctance in my recent visits to the district. Most if not all of this reluctance comes from the IRS's handling of both the income and estate tax question.

Frankly Mr. Speaker if this legislation is not passed overwhelmingly out of this House today and subsequently passed by the Senate and signed by the President I do not get the impression in talking with my farmers that they are going to trust the assurances of IRS, Secretary Block, or Congress. They quite simply are not inclined to gamble the family farm or trust that the Federal Government is going to treat them fairly after they have signed on the dotted line.

I strongly urge my colleagues in the House to vote this bill out today and send it to the President for his signing. The future of the PIK program, and quite possibly the recovery of the depressed farm economy, hinges upon the rapid action of Congress. Time is certainly of the essence.

PIK is a gamble—a gamble that we hope will put the farm economy in our country back on its feet—but if the Congress does not pass H.R. 1296 immediately we may never have a chance to deal the cards.

□ 1320

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. PENNY).

Mr. PENNY. Mr. Speaker, we all understand that we must reduce the surplus of farm commodities in order for grain prices to rise. The administration has implemented the PIK program to achieve that objective.

We need a high participation level by farmers if this program is to work. The IRS ruling to tax PIK grain when it is received is discouraging participation in the PIK program. We need to pass H.R. 1296 today to clarify that PIK grain will be treated like other grain and taxed when the farmer sells it.

Mr. Speaker, as a coauthor of this bill, I strongly urge a favorable vote. I trust the Senate will follow the lead of the House and move quickly to pass this much needed legislation.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume, and I yield to the gentleman from Iowa, Mr. SMITH, for an inquiry.

Mr. SMITH of Iowa. Mr. Speaker, first I want to thank the gentleman from California, Mr. STARK, for bringing this bill to the floor promptly, and I thank all those who have worked on it for their efforts in rewriting the bill.

Mr. Speaker, in order to participate in the PIK program one must first participate in a diversion program and in a set-aside program. Some of the questions relating specifically to the set-aside program as it relates to material participation are not completely addressed in this bill. I understand they are to be addressed by regulations, and, frankly, I see no reason why they should be adverse to producers. But I want to make this clear here, and I want to ask the gentleman this:

Although all the questions that have been raised are not fully covered by this bill, it is intended that there be no inference drawn as a result of this bill because a producer participates in PIK diversion and set-aside, and I understand that the Treasury Department is not to interpret the bill's silence with respect to the tax treatment of cash diversion payments as guidance that there is to be developed an adverse ruling; is that correct?

Mr. STARK. Mr. Speaker, the gentleman is approximately correct.

The bill does not specifically address the cash diversion program. However, there is intended to be no inference as to the appropriate tax treatment of cash payments under this bill, and the committee report specifically states that.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman very much.

Mr. STARK. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri, Mr. VOLKMER.

Mr. VOLKMER. Mr. Speaker, I rise in support of this bill to defer recognition of income on grain received under the 1983 PIK program. H.R. 1296 corrects a major problem with the PIK program which had resulted from a decision by the Internal Revenue Service to treat commodities received as payment-in-kind as income in the year received. As a result of this ruling, a great many farmers were understandably hesitant to register for the PIK program, and high participation is necessary if the program is to significantly reduce the surplus of commodities now owned by the CCC.

Mr. Speaker, I wish to congratulate my colleague and friend from Iowa, Mr. HARKIN, for introducing this much-needed legislation. I also wish to commend and thank Chairman ROSTENKOWSKI for the expeditious handling which H.R. 1296 received in the Ways and Means Committee in order to facilitate its passage before the March 11 deadline for signup for the PIK program. I believe that with this corrective legislation PIK will become much more attractive to farmers across the Nation, as well as in my district, and lead to greater participation in the program.

Mr. STARK. Mr. Speaker, I have no further requests for time. I urge favorable passage of the bill, and I yield back the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana, Mr. HUCKABY.

Mr. HUCKABY. Mr. Speaker, I would just like to take a moment to commend the members of the Com-

mittee on Ways and Means and the subcommittee chairman for moving very rapidly on this legislation. I think it is absolutely necessary to insure the integrity of participation in the PIK program that we need to help American agriculture get out of the situation we are in. I think, given this option here, that going on a cash accrual basis is absolutely necessary.

● Mr. LONG of Louisiana. Mr. Speaker, I rise in support of H.R. 1296, legislation which would allow farmers who elect to participate in the new payment-in-kind program to defer paying income taxes on the commodities they receive until such time as they sell those commodities.

The resolution of the tax questions is greatly needed. This legislation comes at the time when the deadline is right upon those who must make a decision on participating in the program. I understand that the Senate stands ready to act promptly on the bill.

In addition, I am pleased to see that the bill we are considering on the floor today will clarify the questions which clouded the status of farmers under the estate tax laws. It appeared, under IRS rules, that the election to join the PIK program could jeopardize the value-use designation for family farms for estate tax purposes. Clearly this is not the incentive we want to give farmers when urging them to give up production on as much as one-half of their land.

I would like to applaud the members of the Ways and Means Committee for acting so quickly on to resolve the uncertainty which surrounded the payment-in-kind program. I urge my colleagues to give it their fullest attention and support.●

● Mr. DINGELL. Mr. Speaker, I rise in strong support of H.R. 1296, payment-in-kind tax treatment, and urge that this legislation be approved and quickly enacted into law.

Under the current tax law, PIK commodities are regarded as income. As a result, these payment-in-kind commodities would be taxed in the year in which they were received. This policy, however, is at variance with the tax treatment of crops grown by farmers which are taxed in the year they are sold.

Also, under current tax law, land that is used in active farming is valued, for estate tax purposes, at its current use valuation value, rather than the higher full fair market value. In order to qualify for this special current use valuation, either the deceased or a family member must have been personally involved in the farming operation for a specified period of time. Estate taxes on active farming businesses can also be paid over a 14-year period. Taxes on other types of estates must be paid within 9 months of the owner's death.

This tax treatment of PIK commodities, along with the estate tax requirements, has created a major disincentive for farmer participation in the voluntary PIK program which was initiated on January 11 of this year. This is particularly troublesome to the farmers and other agricultural interests in Monroe and Lenawee Counties in my 16th Congressional District. By retaining the current tax structure, the very intent of the PIK commodity program, which is to reduce massive agricultural surpluses in the country, will be defeated.

H.R. 1296 would rectify these inequities by providing a 1-year exception to the present tax treatment of farm commodities and property. The most important part of the legislation would permit farmers to defer payment of income taxes on commodities received under the PIK program until those commodities are sold. The bill, however, applies only to those crops that would normally be planted or harvested on or before December 31, 1983.

The legislation also alters the estate tax provisions of applicable law by specifying that farm land removed from production under the 1983 PIK program would continue to be valued as active farm land for estate tax purposes.

The legislation also grants tax exempt status, beginning in 1984, to nonprofit agricultural cooperatives that market commodities produced by their members. The provision would only apply to the National Farm Organization.

Congress must act quickly on this legislation and get the word out to farmers that tax disincentives to participating in the PIK commodity program will be eliminated. Since the deadline for signing up for the PIK program is March 11, Congress must act now.●

● Mr. GUNDERSON. Mr. Speaker, I rise in strong support of H.R. 1296 that would amend existing Federal law to defer Federal income taxes on commodities received through participation in the payment-in-kind (PIK) program until after they are sold.

Faced with an ever-increasing supply of grains and depressed prices for these commodities, last year the USDA proposed a PIK program to remedy these extraordinary problems. While a PIK program is neither new nor novel to American agriculture, it is a creative and timely solution.

However, to be effective, PIK requires participation. It is, therefore, in the best interest of the Federal Government to encourage, rather than discourage, participation in the PIK program.

Under existing tax law, crops raised by a farmer are not considered income until they are sold by the farmer. Commodities received under the PIK program, on the other hand, are considered income to the farmer upon their receipt by the farmer. The distinction will undoubtedly cause many farmers who are in a poor cash flow position presently to avoid participation in the PIK program.

H.R. 1296 would remedy this problem by treating commodities received under the PIK program the same as commodities grown by the farmer for tax purposes. As such, any tax barrier to participation has been removed.

Some members of the Ways and Means Committee have expressed concern that passage of this legislation might open the door to other tax deferral schemes by other sectors of our economy. I believe that concern is ill founded.

We are dealing with a situation that will have little precedential value to others seeking some sort of deferral since we are simply conferring the same tax status on a participating farmer that he would have had if he had grown the crops himself.

Passage of H.R. 1296 will, thus, encourage producers to participate in the PIK program. This is in the financial interest of taxpayers since higher levels of participation will cut down on the cost of the wheat and feed grains programs. It is also in the financial interest of producers since a diminished surplus should enhance commodity prices.

Accordingly, I urge my colleagues to join me in voting for H.R. 1296.●

● Mr. SISISKY. Mr. Speaker, agriculture is in a depression today. Every day more family farms go out of business. With them goes a way of life that has provided not only cheap food and fiber for a hungry world but a way of life which has been the backbone of the American economy.

The payment-in-kind program, or PIK, is not the total solution to farm problems, but it should help to improve market conditions while reducing Government commodity surpluses.

So what happens as we attempt to give the Nation's largest industry a shot in the arm? The Federal Government, through IRS, injects a very bitter pill. The IRS says farmers will be taxed before they even sell PIK commodities received through the program.

IRS would tax the commodities when they are received by farmers. They would demand cash payments when no cash has been received by the producer.

And what if that commodity, let us say it is corn, is fed to livestock? The corn is taxed; then the livestock is taxed at the marketplace—all this in a program designed to help farmers. The net result would be double taxation by the Federal Government.

This is the reason I cosponsored H.R. 1296, a bill designed to correct

tax problems associated with the PIK program. This bill will allow farmers to defer taxes on PIK commodities until the year in which the commodities are actually sold.

It will avoid the problems I have described, such as a tax on commodities which are fed to a farmer's own livestock. Whether the tax is on the PIK commodity or the livestock, the Government will get its fair share when either is brought to market.

But let us be fair to the farmers. They should not have to pay two taxes on the same commodity any more than they should have to pay taxes on two crops in the same year. This bill, H.R. 1296, solves both problems. It allows the farmer to treat the PIK commodity as if he raised it himself and it allows the farmer to avoid the tax confusion I described.

Let us hope that it also tells the farmer that we are all in this together and that the Government will encourage agricultural production and market stability in every way possible. This spirit of mutual cooperation and understanding is what can become the foundation of an optimistic future for agriculture in the United States.●

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of H.R. 1296, as reported by the Committee on Ways and Means. H.R. 1296 removes concerns by many farmers regarding the taxation of commodities received by producers under the recently announced PIK program of the Department of Agriculture.

This program provides for payments in the form of commodities as compensation for the diversion of acreage in 1983 from the production of wheat, feed grains, upland cotton, and rice to conservation uses. The Department has undertaken the program as the most effective tool immediately available to deal with the excess supply problem currently facing the farmers of the United States.

This excess supply has contributed to a reduction in net farm income to the lowest levels since the days of the depression of the 1930's, and no substantial improvement in this picture is anticipated during 1983. The USDA, for example, has estimated that net farm income fell from $25 billion in 1981 to $20.4 billion in 1982 and may range between $16 and $20 billion in 1983. The Department is also predicting that the value of agricultural exports may be down 8 percent in the current fiscal year.

We cannot tell whether the PIK program as currently designed will work as well as the administration hopes to reduce crop surpluses but we do believe that in the interest of farmers, taxpayers, and consumers we must do what we can to give the program a fair chance to work. This means that we must try to eliminate obstacles to participation in the program—and we must get the job done, if possible, before signup in the program ends March 11.

Thus far, the tax concerns of producers have been a serious impediment to their participation in the program. Unless current law is changed the program may not have a fair chance to succeed. To this end, I have sponsored legislation to make the necessary changes in the tax laws and many Members of the House from agricultural districts have sponsored comparable legislation to provide equity under the tax laws. H.R. 1296 under consideration today makes the necessary changes in the tax laws.

Under current law farmers who receive PIK commodities must consider them as taxable income at the time the commodity becomes available to the producer. This discourages farmers from participating because they face the prospect of paying taxes on products from which they have not received any cash. In addition it would mean for many farmers that income taxes would be due for two crops within 1 tax year.

H.R. 1296 permits farmers to defer payment of income taxes on commodities received under the PIK program until those commodities are sold, thereby allowing farmers to treat commodities for tax purposes in the same manner as those they produce themselves.

In addition, H.R. 1296 specifies that farmland removed from production under the PIK program for 1983 would continue to be valued as active farmland for estate tax purposes. This means that the land would be valued at the current use value instead of the high fair market value and that estate taxes could be paid over a 14-year period instead of within 9 months.

Immediate action on this legislation is necessary. I encourage my colleagues to join me in support of this legislation.

I wish to conclude my remarks by expressing my appreciation to chairman ROSTENKOWSKI, to PETE STARK, chairman of the subcommittee, and to the other members of the Ways and Means Committee for the courtesies they have extended me and for their cooperation in expediting floor consideration of the bill. They could not have been more helpful.●

● Mr. ALBOSTA. Mr. Speaker, I rise in strong support of H.R. 1296, legislation permitting farmers to defer payment of income taxes on grain received under the payment-in-kind program. Also known as PIK, operated by the U.S. Department of Agriculture this year.

What H.R. 1296 does is allow farmers to pay taxes on the grain they receive under the PIK program when that grain is sold and they realize income from it. This is a basic principle of American tax law. A person pays taxes when he realizes income. Farmers are no different and all a farmer receives under the PIK program is a certain amount of grain in return for setting aside a certain portion of his land during the 1983 crop year.

Without this legislation, farmers would be paying income taxes on PIK grain before they realized any income from the grain and therefore this legislation is absolutely necessary if the PIK program is to be effective. All major farm groups support this bill as does the Reagan administration.

The PIK program is intended to balance our supplies with our consumption and world market sales. We need to make sure the PIK program operates as USDA intends and that no unfair side effects exist. H.R. 1296 will correct one problem and help make the PIK program work for farmers, consumers, and the Federal Government.

I urge my colleagues to vote for H.R. 1296 today.●

● Mr. BOUCHER. Mr. Speaker, I rise in support of H.R. 1296 to allow more farmers to participate in the payment-in-kind program by clarifying the tax status of commodities received by farmers in this program.

As the representative of southwest Virginia where agriculture is key to the health of the overall economy, I am pleased that this legislation has advanced quickly for an early vote. The past several years have seen declining agricultural exports, falling commodity prices, rising commodity surpluses, and a steady decline in farm income. By reducing surpluses through the PIK program, farm income can be improved.

I am convinced that a high level of participation in the PIK program will produce real benefits for family farmers. At the same time, it will help achieve two other important goals: Reducing Government spending and contributing to soil and water conservation by idling farmland. Full implementation of the PIK program may idle more land in 1983 than has been idled at any time during the past quarter of a century. The benefits for soil and water conservation will be realized as millions of acres are placed in conservation use.

For these reasons, I urge my colleagues to vote for H.R. 1296. Passage of this legislation will allay farmers' valid concerns about the tax implications of participation in the PIK program. Just as a businessman is taxed at the time of sale rather than at the time of receipt of his products, so should the farmer. Without this bill, farmers participating in the program would face serious cash-flow problems. In addition, this bill will relieve an onerous burden with regard to estate taxes. For the farmer, whose savings

and inheritance are his land, any uncertainty about how these lands will be valued for estate purposes is a major concern.

I hope my colleagues will join with me in addressing the concerns of farmers by supporting this important legislation.●

● Mr. BEREUTER. Mr. Speaker, I rise in strong support of this measure to permit farmers who participate in the payment-in-kind program to defer the tax consequences of commodities received under the program until the commodity is sold, and I urge my colleagues to join with me in voting for the bill.

Although I do not believe that the payment-in-kind program is, in and of itself, the ultimate answer to our economic problems on the farm, I do believe that it must be a part of a larger effort to address the chronic low commodity prices from which our producers are suffering. With this thought in mind, it is important that we in the Congress make every effort to assist in making the PIK program a success. This bill will alleviate a major problem concerning the tax consequences of the PIK payment.

As my colleagues know, the IRS has ruled that the PIK payment must be treated as income to the producer in the year that he receives it, under existing law. This ruling puts many producers in a difficult position, and will result in much lower participation in the program, unless the Congress approves the bill which is before us.

Mr. Speaker, I also want to let my colleagues know that the administration supports this bill, as well as the Treasury Department and the IRS. The revenue impact of passage of the bill itself will, over the long run, be almost negligible. I would also point out that if the Congress fails to act, we can expect significantly higher outlays for farm programs, because of lower producer participation and continued low commodity prices.

I urge my colleagues to support this much-needed change in the tax law as it relates to the payment-in-kind program.●

Mr. CRAIG. Mr. Speaker, seldom does this body have the opportunity to act in a more fair and responsive way than have demonstrated with H.R. 1296, which is before this House today. Mr. HARKIN, Mr. EVANS of Iowa, and many others, plus the members of the Ways and Means Committee and the Agriculture Committee are to be commended for their efforts.

In early January of this year, the President announced the details of a payment-in-kind program. The USDA had found main goals which they hoped to accomplish with this program. First, to reduce the production significantly, second, to reduce surplus holdings; third, to avoid increased budget outlays which would otherwise be necessary under current price support programs; and fourth, to improve the prices farmers receive for their commodities.

Without congressional action the PIK program cannot accomplish its goals due to the current IRS ruling. This ruling states that commodities received by farmers from PIK are to be considered as income during the year the commodities are received. The farmer's hands are tied through this unjust requirement and, thus, many farmers are unable to participate in the program.

To the wheat farmers of my district, and farmers across the Nation, passage of this legislation is a major hurdle in helping the seriously ailing agriculture community. There is an urgent need to settle this issue quickly since the date for participate is March 11, 1983.

I lend my full support to this measure and urge quick passage by the House and Senate, and the immediate signature of the President.

Mr. DUNCAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 1296, as amended.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

PUBLIC LANDS AND NATIONAL PARKS ACT OF 1983

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1213) to amend certain provisions of law relating to units of the national park system and other public lands, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Lands and National Parks Act of 1983".

SEC. 2. (a) The Secretary of the Interior is authorized to accept a conveyance of approximately four acres of land adjacent to the Effigy Mounds National Monument in the State of Iowa, and in exchange therefor to convey the grantor, without monetary consideration, approximately three acres of land within the monument, all as described in subsection (b) of this section. Effective upon consummation of the exchange, the land accepted by the Secretary shall become part of Effigy Mounds National Monument, subject to the laws and regulations applicable thereto, and the land conveyed by the Secretary shall cease to be part of the monument and the boundary of the monument is revised accordingly.

(b) The land referred to in subsection (a) which may be accepted by the Secretary is more particularly described as that portion of the southeast quarter of the southeast quarter of section 28 lying south and east of County Road Numbered 561, and the land referred to in subsection (a) which may be conveyed by the Secretary is more particularly described as that portion of the northeast quarter of the northeast quarter of section 33 lying north and west of County Road Numbered 561, all in township 96 north, range 3 west, fourth principal meridian, Allamakee County, Iowa.

SEC. 3. (a) In order to preserve and interpret for the inspiration and benefit of present and future generations the former home of Harry S Truman, thirty-third President of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by donation, purchase with donated or appropriated funds, transfer from another Federal agency, or otherwise, the residence and real property known as 219 North Delaware Street in the city of Independence, Missouri, together with such property adjacent thereto as passed to Bess Wallace Truman upon the death of her husband. The Secretary may also acquire, by any of the above means, fixtures, and personal property for use in connection with the residence.

(b) The property acquired pursuant to subsection (a) is designated as the Harry S Truman National Historic Site and shall be administered by the Secretary in accordance with the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1-4), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461-467). The Secretary is further authorized, in the administration of the site, to make available certain portions thereof for the use of Margaret Truman Daniel subject to reasonable terms and conditions which he may impose.

(c) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 4. Section 9 of the Act entitled "An Act to provide for the establishment of Cape Cod National Seashore", approved August 7, 1961 (16 U.S.C. 459b-8), is amended by striking out "$33,500,000" and inserting in lieu thereof "$42,917,575".

SEC. 5. Section 8 of the Act entitled "An Act to provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina, and for other purposes", approved March 10, 1966 (16 U.S.C. 459g-7), is amended by striking out "$7,903,000" and inserting in lieu thereof "$13,903,000".

SEC. 6. Section 15 of the Act entitled "An Act to establish in the State of Michigan the Sleeping Bear Dunes National Lakeshore, and for other purposes", approved October 21, 1970 (16 U.S.C. 460x-14), is amended by striking out "$66,153,000" and inserting in lieu thereof "$82,149,558".

SEC. 7. Section 5(a) of the Act of October 18, 1976, entitled "An Act to authorize the establishment of the Congaree Swamp National Monument in the State of South Carolina, and for other purposes" (Public Law 94-545; 90 Stat. 2517; 16 U.S.C. 431 note) is amended by striking out

"$35,500,000" and substituting "$60,500,000".

SEC. 8. (a) For purposes of section 7(a)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-9(a)(3)), the statutory ceilings on appropriations established by the amendments made by this Act shall be deemed to be statutory ceilings contained in a provision of law enacted prior to the convening of the Ninety-fifth Congress.

SEC. 9. (a) Section 4 of the Act of October 26, 1972 (86 Stat. 1181; 16 U.S.C. 433c note) is amended by striking the phrase "$9,327,000" and inserting in lieu thereof "$9,825,000".

(b) Section 5 of the Act of June 2, 1936 (49 Stat. 1393; 16 U.S.C. 433e), is hereby repealed.

SEC. 10. (a) The Pennsylvania Avenue Development Corporation Act of 1972 (86 Stat. 1266, 40 U.S.C. 871) is amended as follows:

(1) by striking out in paragraph (10) of section 6, the figure "100,000,000" and inserting in lieu thereof "120,000,000"; and

(2) by adding at the end of section 17(a) the following: "There are further authorized to be appropriated for operating and administrative expenses of the Corporation sums not to exceed $3,250,000, each, for the fiscal years ending September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, and September 30, 1988.".

(b) Section 5(e) of the Pennsylvania Avenue Development Corporation Act of 1972 is amended by—

(1) inserting "(1)" after "(e)";

(2) striking out "The Corporation" in the second sentence thereof and substituting:

"(2) The Corporation"; and

(3) adding the following new paragraph at the end thereof:

"(3) Any alteration, revision, or amendment of the plan and any other action taken by the Corporation which is not a substantial change in the plan within the meaning of paragraph (2) but—

"(A) which is a significant change in the plan, or which is another significant action taken by the Corporation, and

"(B) which relates to housing, any major structure, historic preservation, parks, office space, or retail uses, within the development area

shall not take effect until thirty days after notice of such change or other action has been submitted to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate, unless prior to the expiration of such thirty-day period each of such committees notifies the Corporation in writing that the committee does not object to such change or other action. Such notice to the committees shall include an explanation of the reasons why the change or other action is proposed and a summary of any recommendations received by the Corporation from the Secretary of the Interior, the Mayor of the District of Columbia, or from any other interested agency, organization, or individual.".

(c)(1) Section 3(c) of the Pennsylvania Avenue Development Corporation Act of 1972 is amended by inserting "(7)" at the beginning of the unnumbered paragraph following paragraph (6).

(2) Section 5(a)(10) of such Act is amended by inserting "a" before "whole".

(3) Section 5(b) of such Act is amended by striking out "Cooperation" and substituting "cooperation".

(d) Section 11 of the Pennsylvania Avenue Development Corporation Act of 1972 is amended by inserting "(a)" after "SEC. 11." and by adding the following new subsections at the end thereof:

"(b) Within six months after the date of the enactment of this subsection, the Corporation shall transmit to the Congress an estimate, for each fiscal year, of the additional funds which will be necessary for the Corporation to carry out the development plan through the fiscal year 1990. Such estimate shall include a detailed statement of the projects and other expenditures for which such funds are proposed to be used, together with an estimate of the projected costs thereof.

"(c) The report submitted under subsection (a) shall include a detailed discussion of the actions the Corporation has taken within the reporting period to protect and enhance the significant historic and architectural values of structures within the boundaries of the Corporation's jurisdiction, and indicating similar actions it plans to take and issues it anticipates dealing with during the upcoming fiscal year related to historic and architectural preservation. Such report shall indicate the degree to which public concern has been considered and incorporated into decisions made by the Corporation relative to historic and architectural preservation.".

SEC. 11. (a) With respect to the land described in subsection (c), the right of reverter and the reserved mineral interests held by the United States in such land are hereby conveyed, without warranty, to the State of Florida for the purpose of allowing the State of Florida to exchange such lands for privately owned lands, such conveyance to the State of Florida to be contingent and effective upon the conveyance to the United States of marketable title to the land described in subsection (d), in fee simple absolute, free and clear of all liens and encumbrances, except those acceptable to the Secretary of the Interior.

(b) Immediately upon receipt by the United States of title to the land described in subsection (d), the Secretary of the Interior shall convey, without warranty, the land described in subsection (d) to the State of Florida. The document of conveyance shall—

(1) reserve to the United States all mineral deposits found at any time in the land and the right to prospect for, mine, and remove the same; and

(2) provide that the land shall revert to the United States upon a finding by the Secretary of the Interior that for a period of five consecutive years such land has not been used by the State of Florida for park or recreational purposes, or that such land or any part thereof is being devoted to other uses.

(c) The land referred to in subsection (a) is approximately 0.69 of an acre of land, presently encroached upon by the adjoining landowners or occupants, within an area generally described as lot 2, southwest quarter southwest quarter section 15, township 4 south, range 15 west, Tallahassee meridian, Florida. Part of the tract was included in the land conveyed by the United States to the State of Florida on May 10, 1954, by patent numbered 1144377, and part was included in the land conveyed by the United States to the Florida Board of Forestry and Parks (presently named the Florida Department of Natural Resources) on July 26, 1948, by patent numbered 1123723.

(d) The land to be received in exchange for the land described in subsection (c) consists of approximately 1.10 acres of land located in a tract generally described as section 16, township 4 south, range 15 west, Tallahassee meridian, Florida, and more particularly described as follows: Begin at the intersection of the south right-of-way line of Thomas Drive (State Road Numbered 392) and the east line of section 16, township 4 south, range 15 west, Bay County, Florida. Thence south 0 degree 31 minutes 37 seconds west along the east line of said section 16 for 468.20 feet to the south line of said section 16; thence north 89 degrees 28 minutes 23 seconds west along said south line of section 16 for 205 feet; thence north 24 degrees 10 minutes 23 seconds east for 511.11 feet to the point of beginning, containing 1.10 acres more or less.

(e) The State of Florida shall pay promptly to the Secretary of the Interior, any and all costs, including administrative overhead, that may be incurred by the United States in connection with the transactions authorized under subsection (a).

SEC. 12. (a) For the purposes of this section only, the limitation provision of section 1 of the Act of December 22, 1928 (45 Stat. 1069; 43 U.S.C. 1068), popularly known as the Color-of-Title Act, that limits conveyances under that Act to not more than one hundred and sixty acres, shall not apply to any claim for a patent that may be filed under the Color-of-Title Act for a parcel of land described as section 39, township 5 south, range 4 east, Saint Helena Meridian, Louisiana.

(b) Except as provided in subsection (a) of this section, all provisions of the Color-of-Title Act shall apply to any claim for a patent under the Color-of-Title Act for the parcel of land described in subsection (a) of this section.

SEC. 13. (a) To eliminate a conflict between the official cadastral survey and a private survey of certain lands known as the Hartland subdivision located within the boundaries of the Sequoia National Forest in Tulare County, California, and described in subsection (b), all right, title, and interest of the United States in the lands described in subsection (b) is hereby conveyed to those persons who submit a written application to the Secretary of Agriculture within five years after the date of enactment of this Act, with such proof of title as the Secretary may consider appropriate.

(b) The lands to be conveyed under subsection (a) are described as follows:

PARCEL A—MOUNT DIABLO MERIDIAN, CALIFORNIA

Township 14 South, Range 28 East

Section 32: That portion of the south half southeast quarter southwest quarter more particularly described as follows:

Beginning at the south quarter corner of said section 32, said corner being marked by 2½-inch aluminum monument with aluminum cap;

thence along the north line of Hartland as said subdivision is delineated in volume 17 of maps at page 48, Tulare County records, north 89 degrees 24 minutes 20 seconds west 152.79 feet to the northwest corner of lot 1 of said Hartland subdivision, said corner being marked by a 2- by 2-inch clear stake;

thence leaving said north line of Hartland north 84 degrees 15 minutes 50 seconds west 55.00 feet to a point on the northeasterly prolongation of that line between lot 7 and lot 8 of Hartland;

thence south 89 degrees 27 minutes 50 seconds west 148.98 feet to the most westerly corner of said lot 8;

thence along the north line of Hartland north 88 degrees 50 minutes 45 seconds west 232.26 feet to the northwest corner of lot 11 of said Hartland subdivision, said corner being marked by a three-fourth inch iron pipe;

thence continuing along the north line of Hartland north 88 degrees 50 minutes 45 seconds west 100.00 feet to the most westerly corner of lot 12 of said Hartland subdivision, said corner being also the most westerly corner of Hartland, according to said record map;

thence leaving the boundary of Hartland south 41 degrees 01 minutes 05 seconds east 70.64 feet to a point on the south line of said section 32;

thence along said south line of section 32 north 86 degrees 21 minutes 18 seconds east 643.62 feet to the point of beginning.

PARCEL B—MOUNT DIABLO MERIDIAN, CALIFORNIA

Township 14 South, Range 27 East

Section 14:

West half southwest quarter southwest quarter northwest quarter southwest quarter southeast quarter,

Northwest quarter northwest quarter northwest quarter southwest quarter southwest quarter southeast quarter.

SEC. 14. (a) To provide for consolidation of lands in the San Juan and San Isabel National Forests, lands administered by the Bureau of Land Management, Montrose District, and lands acquired by the Bureau of Reclamation as a part of the McPhee Dam and Reservoir, all in Colorado, and to provide for more efficient administration of those lands, the exterior boundaries of the San Juan and San Isabel National Forests in the State of Colorado are hereby modified as shown on United States Department of Agriculture, Forest Service maps entitled "Boundary Modification, San Juan National Forest", and "Boundary Modification, San Isabel National Forest", dated August 1981. The maps and legal description of the boundaries of such lands shall be on file and available for public inspection in the offices of the Chief of the Forest Service, Department of Agriculture; the Director of the Bureau of Land Management, and the Commissioner of the Bureau of Reclamation, Department of the Interior; and appropriate field offices of those agencies.

(b) All Bureau of Land Management-administered lands that, by reason of the boundary modification described in subsection (a), fall within the boundaries of the San Juan or San Isabel National Forests, comprising about twenty-five thousand five hundred and fifty-nine acres and depicted as areas 1-8 on the maps referred to in subsection (a), are hereby added to the respective national forests and shall be administered in accordance with the laws, rules, and regulations applicable to the national forest system.

(c) All national forest system lands that, by reason of the boundary modification described in subsection (a), no longer fall within the boundaries of the San Juan National Forest, comprising about thirty-one thousand six hundred and seven acres and depicted as areas 9-11 on the maps referred to in such section, are hereby removed from the national forest system and transferred to the Secretary of the Interior to be administered in accordance with the laws, rules, and regulations applicable to the public lands as defined in section 103(e) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2746; 43 U.S.C. 1702(e)).

(d) Notwithstanding subsection (a) or any other law, the Secretary of the Interior shall retain jurisdiction over all lands administered by the Bureau of Reclamation that, by reason of the boundary modification described in the first section of this Act, fall within the boundary of the San Juan National Forest, until such time as the Secretary of the Interior, by agreement with the Secretary of Agriculture, transfers such jurisdiction to the Secretary of Agriculture. Upon such transfer, the land involved shall be added to the San Juan National Forest and shall be administered in accordance with the laws, rules, and regulations applicable to the national forest system.

(e) For the purpose of section 7 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 903, as amended; 16 U.S.C. 460l-9) the boundaries of the San Juan and San Isabel National Forests, as modified by subsection (a), shall be treated as if they were the boundaries of those forests on January 1, 1965.

(f) Nothing in this section shall affect valid existing rights, or interests in existing land use authorization, except that any such right or authorization shall be administered by the agency having jurisdiction over the land after the enactment of this Act in accordance with subsections (b) and (c) and other applicable law. Reissuance of any such authorization shall be in accordance with applicable law and the regulations of the agency having jurisdiction, except that the change of administrative jurisdiction shall not in itself constitute a ground to deny the renewal or reissuance of any such authorization.

(g) Those parts of the areas which on December 15, 1981, were designated as Bureau of Land Management Wilderness Study Areas (Needle Creek, CO-030-229B; West Needles contiguous, CO-030-229A; Whitehead Gulch, CO-030-230B; and Weminuche contiguous, CO-030-238B) contained within area 3 and that are made a part of the national forest system by this section shall be studied in conjunction with the West Needles Wilderness Study Area in accordance with the provisions of section 105 of the Colorado Wilderness Act of 1980, including the requirement that the Secretary of Agriculture review the suitability or unsuitability of such lands for inclusion in the National Wilderness Preservation System and report to Congress by December 31, 1983. All portions of such areas which are not included within the national forest system by this section shall be reviewed as to their suitability or nonsuitability for preservation as wilderness, and recommendations thereon shall be submitted to the Congress, in the same manner as with respect to those areas required to be reviewed pursuant to section 603 of the Federal Land Policy and Management Act of 1976, and during the period of review and until Congress has determined otherwise, such portions shall be managed pursuant to section 603(c) of such Act.

(h) The provisions of this section shall take effect on the date of enactment of this Act.

SEC. 15. Any provision of this Act (or any amendment made by this Act) which, directly or indirectly, authorizes the enactment of new budget authority described in section 402(a) of the Congressional Budget Act of 1974 shall be effective only for fiscal years beginning after September 30, 1983.

The SPEAKER pro tempore. Is a second demanded?

Mr. CRAIG. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. CRAIG) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, H.R. 1213 would amend certain provisions of law relating to units of the national park system, national forests, public lands, and historic sites. Most of the provisions are essentially identical to several measures that passed the House during the 97th Congress but were not acted on by the Senate. Changes made were those requested by the administration.

The bill includes the following items:

A boundary exchange at Effigy Mounds National Monument in Iowa;

Establishment of the Harry S Truman National Historic Site in Independence, Missouri;

Increased authorizations for land acquisition for four national park system units;

Increased authorization for development for Perry's Victory and International Peace Memorial in Ohio;

Reauthorization of funding for the Pennsylvania Avenue Development Corporation;

Resolution of certain inadvertent trespass cases in Florida and California;

Facilitation of the removal of clouds from the title of certain lands in Livingston Parish, Louisiana;

And adjustment of the boundaries of two national forests in Colorado.

Mr. Speaker, most of the provisions in the bill are basically "housekeeping" matters to facilitate better administration of existing parks, forests, and historic sites. I urge all Members to support the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. CRAIG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill now under consideration, H.R. 1213. This is a simple bill which aggregates a number of generally unrelated matters in need of legislative attention. Most of the contents of this bill passed the House last year and were not controversial.

Substantially everything in the bill is either supported, or not opposed, by the administration.

The bill deals principally with units of the national park and national forest systems and the public lands. Various boundary adjustments, clearing of title, and authorization ceiling increases are entailed. The bill also establishes a national historic site to protect the home of former President Harry S Truman, in Independence, Mo., and provides further authoriza-

tions and direction for the Pennsylvania Avenue Development Corporation in the District of Columbia.

I commend the chairman of our subcommittee for putting together a bipartisan omnibus bill to expedite consideration of bills left from last session. I am hopeful the other body will give it prompt consideration.

Mr. SEIBERLING. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 1213, which contains the language of H.R. 1304, a bill I introduced, to authorize the Harry S Truman National Historic Site.

□ 1330

H.R. 1304 was cosponsored by the entire Missouri congressional delegation.

I also wish to add a special commendation and word of thanks to the gentleman from Ohio for the work that he did on this last year to help us get it taken over by the Park Service last year and to proceed with this bill. Unfortunately, the bill died in the Senate, and here we are now to complete the work and to make sure that the Harry S Truman National Historic Site is a reality. So I thank the gentleman.

Legislation to authorize this site was approved by both the House and the Senate last year. The language was contained in an omnibus bill, S. 1661. Unfortunately, because of the rush of the "lameduck" session, the bill never achieved final passage.

Despite this initial hesitancy, Secretary of Interior James Watt assumed custody of the Truman home, which was bequeathed to the people of the United States by former First Lady Bess Truman, who died last October at the age of 97. This action has provided much-needed protection for the house but it falls short of insuring preservation of the home for posterity.

The provisions contained in H.R. 1213 will assure that the Harry S Truman National Historic Site is managed by the U.S. Park Service, as are the homes of 26 other former Presidents. This measure would authorize the Secretary of the Interior to administer the property, provide for its long-term preservation, and to develop it for visitation by the public.

The house, carriage house, and grounds are a most fitting memorial to Missouri's finest citizens, Harry and Bess Truman. The Trumans lived at 219 North Delaware Street in Independence, Mo., for more than half a century. Even though Mr. Truman rose to the most powerful position in our Nation, he and his family never forgot their roots. They never forgot the importance of home and community. That is why this legislation is so important to all of us. It is a most accurate reflection of the values and motivations of our beloved President Truman and of what he hoped for his fellow Americans: A simple and serene life, and the strength one can find through his community.

I urge my colleagues to support this bill.

Mr. EMERSON. Mr. Speaker, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Speaker, I commend my colleague from Independence for his leadership on this bill, and I am delighted that our subcommittee was able to give it the expeditious consideration that it did.

Mr. SKELTON. Mr. Speaker, I wish to thank the gentleman from southeast Missouri (Mr. EMERSON), as well as all of the other Members of the Missouri delegation, for joining in my bill and putting in as an amendment on this legislation. I do appreciate it.

Mr. SEIBERLING. Mr. Speaker, I want to thank the gentleman from Missouri (Mr. SKELTON), the gentleman from Missouri (Mr. EMERSON), and also the gentleman from Idaho (Mr. CRAIG) for their kind remarks. It has been a pleasure to work on this bill, especially since it involves some historic as well as important natural areas, and the most important one, of course, is the home of our great former President, Harry S. Truman, which his widow left to the country in her will when she died last year. I think it is entirely fitting not only that the administration accepted it but that the Congress has enacted appropriate legislation clarifying its status in the park system.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Speaker, I rise in support of the bill, H.R. 1213.

Mr. Speaker, ordinarily I do not rise to take exception to the statements of Secretary of the Interior James Watt, but his statements before the Udall committee on Interior and Insular Affairs on January 26, 1983, were so outrageous that I felt that I had to take this time to set the record right. Any resemblance of Mr. Watt's testimony to the truth on that day is purely coincidental.

For example, on page 95 of the transcript of that testimony, he said:

. . . when I came in, I believe we were flushing raw sewage water into the streams and lakes of our national parks.

Raw sewage? The thought is so horrible that I immediately got in touch with the Director of the Parks, Russ Dickenson, and asked him for the truth respecting the Secretary's statement. I received a reply from the Director of the Park System saying that no one in the Park Service could identify any streams or lakes in national parks into which the National Park Service was flushing raw sewage water.

And when the Park Service regional directors were before my subcommittee last week, not one—and I asked each of them—could identify a park, lake or stream into which raw national park sewage was being flushed.

Another item that I read with interest was a January 26 Department press release regarding Mr. Watt's appearance before the Udall committee, which said:

Watt pointed out that Federal funding for both park land acquisition and maintenance had declined steadily and rapidly the four years before he became Secretary.

That may be true for land acquisition. The Congress has added money for land acquisition since Mr. Watt became Secretary. And with respect to maintenance, Mr. Speaker, these are the facts. Let me read to you the figures on National Park Service requests and appropriations for the past several years:

In 1977, the request was $123,918,000; the Congress appropriated $126,738,000.

In 1978, the request was $142,589,000; Congress appropriated $144,368,000.

In 1979, the request was $165,124,000; the Congress appropriated $167,573,000.

In 1980, the request was $155,904,000; the Congress appropriated $159,166,000.

In 1981, the request was $165,660,000; the Congress appropriated $192,078,000.

All of these figures show that there was not the steady and rapid decline in maintenance that Mr. Watt stated there was. In fact, with one exception, there were increasing amounts requested and appropriated.

Then on page 16 of the Udall transcript, in regard to an October 1980 GAO report, Mr. Watt said:

I looked through the history and I saw that every year in the four preceding years, the budget was cut for taking care of the national parks, cut every single year of the four preceding years. Congress cut the budget which was supposed to take care of the national park system. No wonder it was hurting.

Well, Mr. Speaker, let me provide you and the RECORD with the figures on operation of the national park system, the basic operating appropriation, and the construction figures for those 5 years. These are the figures:

In 1977, the request was for $424,942,000; there was appropriated $426,125,000.

In 1978, the request was for $485,276,000; the amount appropriated was $502,677,000.

In 1979, the amount requested was $495,890,000; the amount appropriated was $506,294,000.

In 1980, the amount requested was $493,725,000; the amount that was appropriated was $500,302,000.

In 1981, the amount requested was $497,949,000; the amount appropriated was $502,408,000.

These figures show that Congress appropriated more than had been requested for operation and construction in the parks in each of those years. There were not the cuts that Mr. Watt said that he found.

And then he went on to say that he doubled the commitment to the national parks that the previous administration sought—a twofold increase. He did not propose to increase the Park Service from $500 million to $1 billion. On the contrary, he requested for construction an increase only, from $61,635,000 to $108,721,000—hardly doubling the request for just that appropriation, much less doubling the total National Park Service budget.

That is the record, Mr. Speaker. Such cuts as were made were in low-priority areas or where the request exceeded authorizations. The record shows that the national parks program has moved forward, not because of Secretary Watt's policies, but in spite of them. I thought the RECORD should show the truth, and the truth will show that Secretary Watt was wrong.

Mr. SEIBERLING. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. WHEAT).

Mr. WHEAT. Mr. Speaker, I would like to take this opportunity to express my support for H.R. 1213 which includes establishment of the Harry S. Truman National Historic Site in Independence, Mo.

Presidential homes, by definition, are considered to be historically significant.

The home of the 33d President of the United States, Harry S. Truman is in my congressional district of Independence, Mo.

The Truman home is located at 219 North Delaware Street and served as the permanent residence of President and Mrs. Truman from their marriage in 1919 until his death in 1972. Mrs. Truman continued to live there until her death in October 1982, when she bequeathed the home, carriage house, and grounds to the people of the United States.

The 2½-story Victorian, white frame home—beautiful yet simple—stands as a fitting tribute to a great President known for his unpretentiousness. Through H.R. 1213, the wishes of the Truman family, as expressed in Mrs. Truman's will, can be carried out.

This legislation, H.R. 1213, will provide immediate protection of the Truman home. It authorizes the Secretary of the Interior to acquire the Truman home and make it a unit of the National Park System.

As a unit of the National Park System, the Truman home will be preserved, maintained, and interpreted by the Secretary, thereby assuring that it is properly administered for the benefit of the American people.

The Truman home will be the 27th Presidential home in the National Park System.

□ 1340

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 1213, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GLADYS NOON SPELLMAN PARKWAY

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 174) entitled the "Gladys Noon Spellman Parkway," as amended.

The Clerk read as follows:

H.R. 174

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that Gladys Noon Spellman, elected to four terms in the House of Representatives from the State of Maryland, should be afforded recognition not only for her personal efforts in upgrading one of the Capital region's most important transportation corridors, but more broadly for the dedication, commitment, and concern she expended on behalf of the people of Maryland. The quality of her service to the public exemplifies the high ideals and principles she held paramount.

SEC. 2. The parkway under the jurisdiction of the Secretary of the Interior, in the State of Maryland known as the Baltimore-Washington Parkway, shall hereafter be known as the Gladys Noon Spellman Parkway. Any reference in any sign, law, map, regulation, document, record, or other paper of the United States to such parkway shall be held to be a reference to the "Gladys Noon Spellman Parkway" and any future signs, regulations, records, maps, or other documents of the United States referring to this parkway shall bear the name Gladys Noon Spellman Parkway. The Secretary of the Interior shall, before October 1, 1984, replace the existing signs for such parkway with appropriate signs designating the parkway as the "Gladys Noon Spellman Parkway".

SEC. 3. The Secretary of the Interior is authorized in cooperation with the State of Maryland, to design and erect at a suitable location adjacent to the Gladys Noon Spellman Parkway an appropriate marker commemorating the outstanding contributions of Gladys Noon Spellman.

SEC. 4. Effective October 1, 1983, there are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from Idaho (Mr. CRAIG) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 174 would designate that portion of the Baltimore-Washington Parkway under the jurisdiction of the Secretary of the Interior as the Gladys Noon Spellman Parkway.

Nineteen miles of the Baltimore-Washington Parkway linking the two cities are currently under the jurisdiction of the Secretary of the Interior and are administered by the National Park Service. Gladys Noon Spellman, elected to four terms in the House of Representatives, was instrumental in obtaining governmental cooperation and funding for the maintenance of this outstanding example of a prototype parkway. Through her efforts, the parkway has been kept as a pleasant, well-maintained greenbelt of open space running through a highly developed area. H.R. 174 is the same bill, with two technical amendments, as was passed by the House by a voice vote on June 8, 1982. Unfortunately, the other body took no action on the bill during the 97th Congress, and consequently this bill was introduced again by our distinguished and persevering colleague from Maryland, STENY HOYER.

Mr. Speaker, there is little need for me to recount the contributions of Gladys Noon Spellman during her four terms in the House of Representatives. I had the privilege of not only being in Congress with her, but of serving with her on the Democratic steering and policy committee. All of us who served with her and worked with her had a great admiration for her intellect, her character, and above all, her warm and outgoing personality. She was truly an outstanding Congresswoman.

I believe this bill will provide a well-earned and fitting tribute to her and I

urge all of my colleagues to join me in supporting its passage.

Mr. CRAIG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill now before us is a simple measure which renames the Baltimore-Washington Parkway as the "Gladys Noon Spellman Parkway," in honor of our former House colleague.

The parkway, as its current name implies, connects the cities of Baltimore and Washington, and is administered by the National Park Service. While the name change would occur immediately upon enactment, signs and Federal publications would depict the name change on a phased-in basis.

Mr. Speaker, in times past there have been protracted wrangles over the renaming of national park system areas after persons in a commemorating fashion. Longstanding policy of both the National Park Service and the Congress has been to not name park units after an individual unless that individual was clearly historically instrumental in the early protection and establishment of the area, or unless the area itself is principally established to commemorate the actions of that individual.

When there has been interest in the past in commemorating a deserving individual, the usual approach has been one of selecting a development item or structure within a park unit. In this case the parkway itself constitutes that development. The parkway itself is technically not an individual unit of the national park system, but rather, is a component unit of a system of areas administered as part of the National Capital Parks. Were it a district and separate unit of the national park system, the name change proposed by this legislation would not likely be so acceptable in consideration of forementioned longstanding policy of both the executive branch and the Congress.

With that explanation, Mr. Speaker, I have no objection to this bill.

Mr. SEIBERLING. Mr. Speaker, I yield 6 minutes to the gentleman from Maryland (Mr. HOYER) and I ask the gentleman to yield to me.

Mr. HOYER. I yield to the chairman.

Mr. SEIBERLING. I want to commend the gentleman for his perseverence in bringing this bill to Congress and in working to get it passed. He has established himself already as an outstanding Member of this institution, a worthy successor to Gladys Spellman and a true son of Maryland.

I simply want to thank him for all the support he has given us on this bill.

Mr. HOYER. I thank the chairman for his very generous remarks.

Mr. Speaker, I rise in support of H.R. 174, the legislation which would change the name of the Baltimore-Washington Parkway to the Gladys Noon Spellman Parkway.

First, Mr. Speaker, I want to take just a moment to express my sincere gratitude to Chairman John Seiberling, and the members of his Subcommittee on Public Lands and National Parks, as well as the members of the full Committee on the Interior and Insular Affairs for their expeditious handling of this bill. As they did in the 97th Congress, they have again shown their compassion and affection by seeing that their former colleague and friend, Gladys Noon Spellman, can be honored in this most appropriate manner.

My colleagues will recall that the forerunner of this bill, H.R. 4848, was unanimously passed by this House and sent to the Senate during the 97th Congress. Unfortunately, the press of other legislation took its toll, and the time simply ran out before the Senate Committee on Energy and Natural Resources could consider it. Senators PAUL SARBANES and CHARLES MCC. MATHIAS have again sponsored an identical bill this year and I have been assured by them that they will be making an all-out effort to see that it is adopted in the Senate as quickly as possible.

Since the passage of H.R. 4848 in the last session, the State of Maryland has moved quickly to rename its portion of the parkway for Gladys Spellman. Those of you who travel along the parkway no doubt have seen very large green and white signs intersperced between Route 175 and the Baltimore city line, designating it as the Gladys Noon Spellman Parkway. We now have a rather confusing condition for the traveling public inasmuch as 20 miles of the Federal portion still remains the Baltimore-Washington Parkway while the 10 miles of the Maryland portion have already been renamed. I am certain that my colleagues can understand the need to move swiftly with the name change for the Federal portion in order to bring continuity to the parkway signing.

There is little need, I believe, for me to reiterate to the Members of the House, so many of whom have served with Gladys during her service from November 1974 until her untimely illness caused her seat to be vacated in February of 1981, of the quality of her public work and the depth of her commitment to the ideals she held paramount. Many of you are aware of the personal interest and effort Gladys expended on the parkway. Appeals to the House Appropriations Subcommittee on the Interior, important assistance from the Subcommittee Chairman SIDNEY R. YATES III, and help from another member of the subcommittee, Maryland Representative CLARENCE LONG, enabled Gladys Spellman to free up $5.7 million in new funds for the repair of the parkway which stretches from Washington, D.C., through the Fifth Congressional District, to the Baltimore city limits.

Mrs. Spellman then guided the appropriations first through the House and the Senate, working closely with the Maryland Senators, finally to achieve the President's signature. Many would have considered enactment of that appropriation the final step—the crowning achievement—of their efforts to aid the parkway and its users. But not Gladys Spellman. She knew her work was just beginning. With the money now available, she set about the task of having the repair work completed as quickly at possible with a minimum of disruption for the commuting public. She worked closely with the contractor, the community, and the National Park Service forging a working coalition to accomplish the resurfacing in time for the Bicentennial Celebration and its attendant high volume of traffic. The bulk of the work was completed on time, but Mrs. Spellman continued to monitor followup work on access ramps, truly making the beautiful, graceful parkway her very special endeavor.

Mr. Speaker, Gladys Spellman was a dedicated, committed public servant whose unflagging spirit we all admire. Her 65th birthday passed last week, but I am sorry to relate that she continues to remain in the same semicomatose condition in which she has been for over 2 years, the result of a sudden cardiac arrest. To place her honorable name on the entire parkway which runs through the very heart of the county Gladys loves, a parkway which passes by so many communities upon which she left her positive mark, will be a lasting monument to her two decades of good work. The passage of H.R. 174 will insure that she will not be forgotten by any of us and she will be remembered daily by those who travel along the graceful path of the Gladys Noon Spellman Parkway. I urge my colleagues to adopt H.R. 174, the Gladys Noon Spellman Parkway.

● Mr. MITCHELL. Mr. Speaker, I am pround to join with other Members who support the bill under suspension today, to honor one of our outstanding former colleagues. The bill, H.R. 174, directs the Interior Department to rename sections of the Baltimore-Washington Parkway under its jurisdiction as the "Gladys Noon Spellman Parkway."

This tribute to Gladys is one of the small ways we can show our respect and gratitude for the exemplary service she displayed while a Member of this House. As we all know, Gladys Spellman stood in the forefront on behalf of Federal workers and others who must often bear the brunt of national economic ills and proposals to

address them. Her allegiance to her constituents was steadfast. However, there were not many of us who could not call on her when we needed support for citizens throughout the Nation.

The measure before us today also authorizes the erection of an appropriate marker commemorating the outstanding contributions of Gladys Noon Spellman and authorizes such sums as necessary to carry out the bill's provisions. This is a most appropriate tribute and it should be endorsed unanimously.

Again, let me reiterate my concern that we honor Gladys and say that I am happy to join in this tribute.●

□ 1350

Mr. CRAIG. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. I thank the gentleman from Ohio for yielding.

Mr. Speaker, I think this is a very fitting and proper memorial to a very lovely and charming person who served with us through the years. Although I was not a close friend of Mrs. Spellman, I did work with her here in this chamber. I came to admire her greatly. This is a matter about which all of us can speak and say what a wonderful person she was, and down through the decades hereafter people will know her name and remember what a fine person, a distinguished legislator and a great moral character she was.

The SPEAKER pro tempore. The gentleman from Ohio.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SEIBERLING. Mr. Speaker, I yield myself 1 additional minute.

With respect to the comments made by the gentleman from Idaho about the policy of naming units of the park system for individuals, I generally concur with that policy but I make an exception for naming parts of units.

I would like to point out that the parkway, itself, would be named for Gladys Noon Spellman but that it does not deal with the park unit as a whole. Therefore, I think that this fits in with the distinction that I usually make. And there are units within parks which I think are appropriately named for individuals. For example it is my intention at some appropriate time to seek to name some appropriate portion of the Cuyahoga Valley National Recreation Area, some new development, perhaps, for the late William Birdsell, who was the first superintendent of that area, who is now deceased, just as we designated a portion of the Chesapeake and Ohio National Historical Park in honor of Justice William O. Douglas some years ago.

I do feel that does not breach the principle of not naming the entire park for the individual.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman.

Mr. CRAIG. I appreciate the gentleman pointing that out. I did make that clear in my comments that certainly this is not the park, in itself, but a unit thereof.

Mr. SEIBERLING. A portion.

Mr. CRAIG. A portion of the National Capital Park System.

Mr. SEIBERLING. Correct.

Mr. CRAIG. Clearly it is appropriate. In no way was I indicating, nor do I want to cast aspersions on the actions of the chairman or those of the committee. I think the actions are commendable and very appropriate in this case.

Mr. SEIBERLING. I thank the gentleman.

● Mr. ALBOSTA. Mr. Speaker, I would like to take this opportunity to voice my support for H.R. 174. This legislation would designate the portion of the Baltimore-Washington Parkway under the jurisdiction of the Secretary of the Interior, as the Gladys Noon Spellman Parkway.

In her years in office, Gladys Spellman brought distinction to the House of Representatives, and in so doing, she gained the respect and admiration of all who came to know her. I was privileged to work closely with Gladys on the Post Office and Civil Service Committee and to sit on the subcommittee she chaired.

As a member of the committee, Gladys was committed to protecting the rights and benefits of Federal and Postal employees. Her office was always open to them. As the chairwoman of the Compensation and Employee Benefits Subcommittee, Gladys was a distinguished leader, an excellent teacher, and a dedicated legislator.

The designation of the Gladys Noon Spellman Parkway is a fitting tribute to an individual whose contributon to this House, to her district, and to the Nation as a whole, is immeasurable. I urge my colleagues to vote in favor of H.R. 174.●

● Mr. MIKULSKI. Gladys Noon Spellman is a friend as well as a colleague. it is fitting that the name of the Baltimore-Washington Parkway be changed to the Gladys Noon Spellman Parkway. Her ability to organize and get the job done for her constituents along the road was key to her success as a Congresswoman. Her reliability, her steady and soothing manner made her a welcome associate.

Above all her loyalty to her constituents is a model for all of us here. Her mission as a representative was to look after the needs of the people in her district. We cannot forget that she was the driving force behind the resurfacing of the parkway we seek to rename in her honor; an effort that all who drive the road appreciate.

It is a small token of our love and respect for someone who has touched our lives that I urge the passage of this bill.●

● Mr. ANNUNZIO. Mr. Speaker, I wish to add my support to this legislation in honor of Congresswoman Spellman. It was my distinct privilege to serve with her on the Banking Committee as well as an honor to have her sit on the Subcommittee on Consumer Affairs and Coinage, which I chair.

She was a dedicated Member of Congress during her tenure. Not only did she make substantial legislative contributions, but she was also devoted to her home district and constituents. I miss her and pray for progress in her devastating illness. She deserves the recognition this bill offers.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 174, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on the motion on which further proceedings were postponed.

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1296, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 1296, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 1, not voting 31, as follows:

[Roll No. 21]

YEAS—401

Ackerman	Eckart	Kostmayer
Addabbo	Edgar	Kramer
Akaka	Edwards (AL)	LaFalce
Albosta	Edwards (CA)	Lagomarsino
Alexander	Emerson	Lantos
Andrews (NC)	English	Latta
Andrews (TX)	Erdreich	Leach
Anthony	Erlenborn	Leath
Applegate	Evans (IA)	Lehman (CA)
Archer	Evans (IL)	Lehman (FL)
Aspin	Fascell	Leland
AuCoin	Fazio	Lent
Badham	Feighan	Levin
Barnes	Ferraro	Levine
Bartlett	Fiedler	Levitas
Bateman	Fields	Lewis (CA)
Bates	Fish	Lewis (FL)
Bedell	Flippo	Lipinski
Beilenson	Florio	Livingston
Bennett	Foglietta	Loeffler
Bereuter	Foley	Long (LA)
Berman	Ford (MI)	Long (MD)
Bethune	Ford (TN)	Lowery (CA)
Bevill	Forsythe	Lowry (WA)
Biaggi	Frank	Lujan
Bliley	Franklin	Luken
Boehlert	Frenzel	Lundine
Boggs	Frost	Lungren
Boner	Fuqua	Mack
Bonior	Garcia	MacKay
Bonker	Gaydos	Madigan
Borski	Gejdenson	Markey
Bosco	Gekas	Marlenee
Boucher	Gephardt	Marriott
Bouquard	Gibbons	Martin (IL)
Boxer	Gilman	Martin (NC)
Breaux	Gingrich	Martin (NY)
Britt	Glickman	Martinez
Brooks	Gonzalez	Matsui
Broomfield	Gore	Mavroules
Brown (CO)	Gradison	Mazzoli
Broyhill	Gramm	McCain
Bryant	Green	McCandless
Burton (CA)	Gregg	McCloskey
Burton (IN)	Guarini	McCurdy
Byron	Gunderson	McDade
Campbell	Hall (IN)	McDonald
Carney	Hall (OH)	McEwen
Carper	Hall, Ralph	McGrath
Carr	Hall, Sam	McHugh
Chandler	Hamilton	McKernan
Chappell	Hammerschmidt	McKinney
Chappie	Hance	McNulty
Cheney	Hansen (ID)	Mica
Clarke	Hansen (UT)	Mikulski
Clay	Harkin	Miller (OH)
Clinger	Harrison	Mineta
Coats	Hartnett	Minish
Coelho	Hatcher	Moakley
Coleman (MO)	Hawkins	Molinari
Coleman (TX)	Hefner	Mollohan
Conable	Heftel	Montgomery
Conte	Hertel	Moody
Cooper	Hightower	Moore
Corcoran	Hiler	Moorhead
Coughlin	Hillis	Morrison (CT)
Courter	Holt	Mrazek
Coyne	Hopkins	Murphy
Craig	Horton	Murtha
Crane, Daniel	Howard	Myers
Crockett	Hoyer	Natcher
D'Amours	Hubbard	Nelson
Daniel	Huckaby	Nichols
Dannemeyer	Hughes	Nielson
Daschle	Hunter	Nowak
Daub	Hutto	O'Brien
Davis	Hyde	Oakar
Dellums	Ireland	Oberstar
Derrick	Jacobs	Obey
DeWine	Jeffords	Olin
Dicks	Johnson	Ortiz
Dingell	Jones (NC)	Ottinger
Dixon	Jones (OK)	Owens
Donnelly	Jones (TN)	Oxley
Dorgan	Kasich	Packard
Dowdy	Kastenmeier	Panetta
Downey	Kazen	Parris
Dreier	Kemp	Pashayan
Duncan	Kennelly	Patman
Durbin	Kildee	Patterson
Dymally	Kindness	Paul
Dyson	Kogovsek	Pease
Early	Kolter	Penny
Pepper	Selberling	Thomas (GA)
Perkins	Sensenbrenner	Torres
Petri	Shannon	Torricelli
Pickle	Sharp	Towns
Porter	Shelby	Traxler
Price	Shumway	Udall
Pritchard	Shuster	Valentine
Pursell	Sikorski	Vander Jagt
Quillen	Siljander	Vandergriff
Rahall	Sisisky	Vento
Rangel	Skeen	Volkmer
Ratchford	Skelton	Vucanovich
Ray	Slattery	Walgren
Regula	Smith (FL)	Walker
Reid	Smith (IA)	Watkins
Richardson	Smith (NE)	Waxman
Ridge	Smith (NJ)	Weber
Rinaldo	Smith, Denny	Weiss
Ritter	Smith, Robert	Wheat
Roberts	Snowe	Whitehurst
Robinson	Snyder	Whitley
Rodino	Solarz	Whittaker
Roe	Solomon	Whitten
Roemer	Spence	Williams (MT)
Rogers	Spratt	Winn
Rose	Staggers	Wirth
Rostenkowski	Stangeland	Wise
Roth	Stark	Wolf
Roukema	Stenholm	Wolpe
Rowland	Stokes	Wortley
Roybal	Stratton	Wright
Rudd	Studds	Wyden
Russo	Stump	Wylie
Sabo	Sundquist	Yates
Savage	Swift	Yatron
Sawyer	Synar	Young (AK)
Scheuer	Tallon	Young (FL)
Schneider	Tauke	Young (MO)
Schroeder	Tauzin	Zablocki
Schulze	Taylor	Zschau
Schumer	Thomas (CA)	

NAYS—1

Anderson

NOT VOTING—31

Annunzio	Edwards (OK)	Morrison (WA)
Barnard	Fowler	Neal
Bilirakis	Goodling	Shaw
Boland	Gray	Simon
Brown (CA)	Jenkins	St Germain
Collins	Kaptur	Washington
Conyers	Lott	Weaver
Crane, Philip	McCollum	Williams (OH)
de la Garza	Michel	Wilson
Dickinson	Miller (CA)	
Dwyer	Mitchell	

□ 1410

Messrs. TORRES, HOWARD, and TAUKE changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: "A bill relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes."

A motion to reconsider was laid on the table.

□ 1420

RESOLUTION DEALING WITH OUTLAW MOTORCYCLE GANGS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, today, I am reintroducing a resolution which calls on the President to establish a Federal strike force and a program to investigate and prosecute crimes committed by members of outlaw motorcycle gangs.

Recently, congressional committees have held hearings on these gangs and their activities. Witnesses explained how the thousands of members of these gangs are involved in a wide variety of crimes, from robbery and drug trafficking to murder and welfare fraud. These gangs, by any definition, are a form of organized crime, and need to be handled as such. State and local law enforcement officials, working independently, do not have the information or resources necessary to deal with gangs that are active in many parts of the country.

The resolution I am reintroducing is a product of hearings held in the House, 4 years ago. Those hearings demonstrated the existence of a major national crime problem. There is no evidence that the situation has improved over the past 4 years. In fact, the situation has probably worsened.

I urge the House to approve this resolution and to hold hearings that will clarify the extent of this criminal problem and determine what Federal action should be taken.

THE UNITED STATES OLYMPIC CHECKOFF ACT

(Mr. FIELDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FIELDS. Mr. Speaker, it is with great pleasure that I introduce today, along with Congressman CHARLES RANGEL, Congressman GUY VANDER JAGT and over 170 of our colleagues, the United States Olympic Checkoff Act of 1983.

This important legislation, which I first introduced on September 10, 1981, was enthusiastically supported and cosponsored by a bipartisan group of over 200 Members of the 97th Congress.

With the 1984 Olympic games quickly approaching, I believe it is important that we provide our amateur athletes with the financial resources they need to effectively compete in international competition.

This legislation is designed to provide this badly needed financial support by allowing every American taxpayer an additional opportunity to contribute directly to the U.S. Olympic Committee.

This opportunity would be afforded by allowing an individual to check off a box on his or her yearly 1040 tax form indicating their desire to contribute $1 to the USOC.

Although this checkoff system would be similar to the existing Presi-

dential checkoff, the key difference, which I emphasize, is that under this legislation individuals would have to contribute or deduct from their refund a dollar of their own money and not the Federal Government's in order to assist the USOC.

In addition, this legislation stipulates that all reasonable administrative costs incurred by the Treasury Department while implementing this program would be deducted from the proceeds collected for the USOC.

This legislation, therefore, will not cost the Federal Government any money whatsoever but will provide an important new funding mechanism for amateur athletics in this country.

As a result of the Amateur Sports Act of 1978, the USOC became the coordinating body for all amateur sports in this Nation. While I believe the USOC has met that challenge with distinction, the USOC's new role constitutes a significant change in its historical responsibilities which were limited to sending teams to the Pan American and Olympic games. Today, the USOC conducts a broad range of programs that attempts to reach the novice competitor as well as the Olympic level participant. In fact, only 14 percent of the USOC's 1976-80 budget was used to send U.S. teams to the Pan American and Olympic games.

In order to fulfill the purposes of its Federal charter, however, the USOC needs more funds to reach athletic performers of all ages and abilities, with new emphasis on the handicapped, minorities, and women. As a quick example, it now costs $3,000 a year to train a competitive swimmer, $10,000 for an individual gymnast and between $15,000 to $20,000 to properly train a world class figure skater.

I believe that as a nation we must provide our athletes with the proper resources to effectively compete in international competition. For too long, America's athletes have participated in Olympic games with one hand tied behind their backs because of poor facilities and lack of training funds. While I am not suggesting direct Federal appropriations to the USOC, we should provide the American people with additional opportunities to financially support our Olympic movement.

One excellent mechanism for this support is contained within this legislation I am introducing today which will allow Americans to give of themselves to these amateur athletes who spend endless hours training for the chance to represent our Nation.

Additionally, this legislation is particularly timely in light of the fact that the 1984 summer games will be held in this country for the first time in 52 years in Los Angeles, Calif.

With this in mind, I believe that Olympic great Edwin Moses best characterized the need for this legislation in his testimony before the Senate Finance Committee on October 30, 1981. In his testimony, Edwin noted that "the Soviet Union and their satellites view the Olympic games as an opportunity for propaganda. They would like nothing more than to come to our soil in 1984 and beat the United States badly. Whether we like it or not, the United States must face this issue and face it immediately. Our choices are three: First, we can quit international sports, saying that we cannot compete effectively against the socialist system; second, we can continue to contest these countries in the haphazard way of the past; or third, we can respond to the challenge."

I believe we must respond to this challenge, that we must pick up this Olympic torch and that we must provide the opportunities for the USOC and all amateur athletes in this country to fulfill their dreams of athletic excellence.

While much has been written about the problems of teenage delinquency, it is my firm belief that this legislation offers a rare positive opportunity to effectively deal with the problems facing America's troubled youth. From my own observations, I have witnessed the positive effects of athletic competition and feel athletics provides a real alternative to teenage crime and offers these individuals hope for a productive future.

Unfortunately, time is short for the Olympic games are only a year away and the USOC faces an evergrowing need to reach a greater number of potential athletic participants each year. I, therefore, am extremely hopeful that the distinguished chairman of the Ways and Means Committee. Congressman ROSTENKOWSKI, will agree to hold hearings on this important legislation at the earliest opportunity and that this entire body will be able to debate the merits of this proposal this year.

Finally, Mr. Speaker, I would like to express my deep appreciation to the Members of this body who have joined with me today as sponsors of this legislation.

Together, I believe we in this Congress can provide the U.S. Olympic Committee with the financial resources, at no governmental cost, for not only the 1984 Olympic games but for future athletic programs for millions of Americans.

I would like to thank you, Mr. Speaker, and I urge the swift adoption of this legislation, the United States Olympic Checkoff Act of 1983.

VIOLATION OF HUMAN RIGHTS BY THE SOVIETS IN AFGHANISTAN

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, it is interesting that many of the same people who condemn the United States for trying to stop the spread of communism throughout the world continue to ignore the growing list of the Soviet Union's violations of human rights in countries such as Afghanistan.

The Wall Street Journal yesterday reported another gross violation of human rights by the Soviets in an article detailing the vicious Soviet artillery campaign against Afghan villages, the slaughter of innocent women and children and the looting and destruction of private homes. These Soviet actions force Afghan people to flee their homeland and become refugees in neighboring countries.

This is the kind of disregard for human life the United States is trying to avoid by checking the growth of communism in the world. Unfortunately, our battle against expansion of Communist influence continues to be portrayed as an infringement of rights by many who choose to ignore the violation of the rights of victims of Soviet aggression.

Mr. Speaker, the American people should not be denied this type of information and I submit the Journal article for review.

[From the Wall Street Journal, Mar. 7. 1983]

AFGHANS SAY SOVIET BRUTALITY GROWS

(By Paul A. Gigot)

NASIR BAGH, PAKISTAN—Mohammad Hakim says the shelling began one evening late in January in Nawa, his home village a few miles from the Afghanistan capital, Kabul.

Soviet artillery pounded the village all night, he says. The next morning Soviet tanks surrounded Nawa and troops began a house-to-house search. "They pulled us from our houses," Mr. Hakim says, demanding to know the whereabouts of mujihadeen rebels who are fighting the Soviets. "We said we didn't know," Mr. Hakim recalls, "but they said, 'You give them water, food and shelter. You're helping them.' "

The Soviets brought three men and three women, all elderly, to the town center. "They shot them in front of us," Mr. Hakim says. They also blew up the town's main water well. Mr. Hakim says the Soviets then broadcast over loudspeakers that everyone must either leave or be killed. They left.

Mr. Hakim's story, told at this refugee camp last week through an interpreter, highlights an ugly turn in the already ugly three-year-old war between about 100,000 Soviet troops and a like number of Afghan rebels. Frustrated by unremitting rebel harassment, the Soviets appear to be resorting to what one diplomat calls "a selective scorched-earth policy." Villages far from rebel fighters are ignored. But villages in rebel strongholds have been bombed, their houses searched, some civilians shot and vineyards and granaries burned, refugees say.

The strategy, say diplomats and non-rebel Afghans in Pakistan, appears to be to ter-

rorize civilians into fleeing to Pakistan or Iran, thus denying the rebels a major source of food and shelter. Another goal may be to put more pressure on Pakistan, which already has absorbed 2.8 million Afghan refugees and is the main rebel sanctuary.

"They're hitting civilian targets," says one European diplomat in Islamabad, Pakistan's capital. "It looks like a deliberate policy to encourage refugees."

Towns in the Lowgar Valley, to the south of Kabul, and in the Panjshir Valley, to the north, also have been targets, diplomats say. Food shortages are hurting rebels in both areas, they and other sources add. But the attacks on villages near Kabul, known as the *deh-sabz* or green villages area, have become especially rough in recent weeks, sending streams of new refugees to Pakistan. In Nawa, Mr. Hakim says, all 600 residents left after the Soviet barrage in January.

Like other refugee reports, Mr. Hakim's can't be confirmed independently. But sources say a Soviet attack on the area makes good tactical sense, because rebels have used the villages as staging grounds for increasingly brazen assaults on Kabul. In the past several months the Soviets have tried frequent raids to dislodge the rebels, to little effect. The rebels escape to the hills and return after the Soviets depart.

Mr. Hakim and others admit they have helped the rebels. And most claim to want to return to join them as soon as they find food and shelter for their wives and children.

RECENT ARRIVALS

Meantime, they are living at Nasir Bagh, a sprawling camp of tents and adobe-like mud homes a few miles northwest of Peshawar on the Afghanistan border. The official camp population is 14,300, but many refugees have come from the Kabul region in the last month and the refugees say 400 families, or about 2,000 people, have arrived in the past week.

As yet unregistered, most sleep without tents, making do with the few blankets and provisions they took with them on the 10-day walk from Kabul. (A refugee relief official says they will receive food and tents when they register.)

Hundreds of women and children are among them. But the Afghan men do the talking, and many tell stories similar to Mr. Hakim's.

Abdul Wadood, a 45-year-old from the village of Sanga, says the bombing began in November, usually from artillery. In early February, the shelling got worse. Then one morning Soviet and Afghan government troops—he estimated 10,000—and tanks surrounded the village.

"They said we were helping the mujihadeen," says Mr. Wadood, who, like most other Afghan men, wears a turban, a full black beard and several layers of dusty clothing. The Soviets searched every home, he says. As examples to everyone, he adds, the Soviets chained "several" men to tanks and dragged them through the streets, killing them.

"The Russians told us everyone who didn't go must die," Mr. Wadood says. So most villagers headed for Pakistan. "We had nothing, we traveled empty-handed," he says. More than 50 people, often young children, died on the way, he says, usually from exposure caused by the mountain snow. He adds: "No one is left in the village."

OTHER REPORTS OF BRUTALITY

Askar (Afghans often use only one name), a 30-year-old from Qala-e-Qazi, says he came to Pakistan four months ago, shortly after the periodic shelling began. He traveled on a mule, nursing his leg, which was wounded during an artillery barrage. He later lost his right leg well above the knee and carries a long wood pole for support.

Spahi, 62, says he's from Tarakhel, also near Kabul. Although the rebels and many others fled the village when the artillery barrage began five months ago, Mr. Spahi says he stayed until earlier this month, when tanks surrounded the village in the early morning. Groups of five or six Soviets entered his home and pushed his wife and him into the street. He saw the same thing being done at other homes. The Russians stole many household goods, he says, including "a radio, tape recorder, my watch and carpets," loading them onto their tanks and trucks. Then they set fire to the village granaries. They told everyone to leave."

"We had to leave," Mr. Spahi adds. "We were living in a battlefield." Mr. Spahi says he fled with his wife. The families of five of his six children also fled. (One son was abducted by the Soviets more than three years ago, Mr. Spahi says. "I don't know where he is.") "The village is already empty," he adds.

Lal Mohammad says he is from Zerma, also near Kabul. The Soviets bombed the village, he says, then came with tanks and Parchemis, or members of the Afghan Communist Party faction that has ruled the country since the 1979 Soviet invasion.

"The Parchemis showed the Russians the houses of the mujihadeen sympathizers," he says. They called them ashrar, or bandits, he says, adding that, "They took one of them, an old man, and killed him in front of all of us."

(The Soviets brought three men and three women, all elderly, to the town center. "They shot them in front of us," says Mohammad Hakim.)

ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, on behalf of myself and numerous cosponsors, I am pleased to introduce today in this 98th Congress the Enterprise Zone Employment and Development Act of 1983. This legislation, developed by the administration in consultation with Members of Congress who previously advanced this concept, has the strong endorsement of President Reagan and bipartisan support from Members of this body.

Enactment of this bill would provide additional catalysts and tools for cities and States working in partnership with the private and community sectors, to deal with the severe problems of our Nation's depressed areas. The basic concept of this program is to create a productive, free-enterprise environment in distressed areas that is conducive to new business activity and job creation. This legislation encourages State and local governments to develop courses of action including such incentives as tax relief, reduction of unnecessary and inhibiting Government regulations and other administrative procedures, involvement of residents in zone activity, and increasing the level or efficiency of support services, including job training, and employer and employee technical and financial assistance, some of which may be provided by private entities, organizations, neighborhood associations, and community groups. It also provides attractive Federal tax incentives to encourage job creation and training, and capital formation and investment in distressed enterprise zone areas.

Because the program is based on removing Government burdens, rather than providing direct subsidies, it will involve no Federal appropriations. In fact, increased business activity and job creation should actually provide increased revenues, and cut costs by reducing the number of persons receiving unemployment and other support, and provide people the satisfaction of having a job. States and cities will still have the option of using funds from Federal assistance programs—particularly CDBG, UDAG, and revenue sharing—in their enterprise zones if they desire, or other State, local, or private sector resources.

As I stated last year, enterprise zones is not just a Federal initiative. In fact, as of this past December, 11 States have enacted enterprise zone legislation and many more are considering legislation this year. In my view, enterprise zones is creative federalism at its best. State and local governments will provide incentives and contributions to the zones under the program. In fact, it is these governments which must first take the initiative by nominating eligible areas for zone designation and developing packages of incentives and contributions best suited to local conditions and preferences. The quality and strength of these incentives and contributions will determine which areas will be federally designated. The programs's integration of efforts at all three levels of governments epitomizes this creative federalism.

I am pleased to note that this legislation enjoys bipartisan support from Members of Congress, mayors, Governors, businessmen, and others. The President reaffirmed his strong support for enterprise zones in his recent state of the Union address, reminding us of its importance in offering, "both short-term help and long-term hope for our unemployed . . ." and that it, "will create new incentives for jobs and opportunity."

Mr. Speaker, this is no cure-all. Neither is it intended as a substitute for other Federal programs. It is an attempt, at relatively little or no net cost, to try something new at a time when our Nation needs new approach-

es to all too familiar economic and employment problems.

I will press for expeditious consideration of this enterprise zone bill in the Ways and Means Committee and urge my colleagues on the Banking and Judiciary Committees to do the same.

Mr. Speaker, I include here a review of the principal features of the proposed legislation for printing in the RECORD.

SUMMARY OF THE ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983

OBJECTIVES

The proposed Enterprise Zone program is an experimental, free-market initiative for dealing with economic distress in inner cities and rural towns. Its objectives are twofold:

To create jobs in depressed areas of our Nation's cities, large and small, particularly jobs for disadvantaged workers and long-term unemployed individuals.

To redevelop and revitalize the geographic zone areas themselves.

CONCEPTS

The underlying concept of Enterprise Zones is to create a free-market environment in depressed areas through: relief from taxes, regulations and other government burdens; improved municipal services; and involvement of private entities, organizations, neighborhood associations, and citizens groups. Because the program is based on the concept of removing government burdens rather than providing government subsidies, it involves no Federal appropriations.

The removal of these burdens will create a climate for the enterprise system to flourish within the zones, allowing private sector firms and entrepreneurs to create jobs and expand economic activity.

The program is intended primarily to stimulate new economic activity within the zones which would not otherwise have occurred at all, anywhere, rather than to encourage existing outside activity to relocate into the zones. In addition, the intent behind the program is not to stimulate a particular kind of business, but rather to let the market decide what activities should take place in the zones. While the Federal tax incentives are skewed towards labor-intensive businesses and jobs for disadvantage workers, the program generally provides a balanced set of stimuli for a broad range of economic activities and businesses.

PROGRAM STRUCTURE

The proposed legislation establishes what areas are eligible to be designated Enterprise Zones based on criteria concerning poverty, unemployment, and other indicators of distress. However, this is not an entitlement program, and, consequently, eligible areas do not automatically become Enterprise Zones. Rather, an eligible area must first be nominated by its local and State governments. Both the nominating State and local governments would then apply to the Secretary of Housing and Urban Development for Federal designation. In general, any jurisdiction satisfying the minimum population requirements and which is eligible under the UDAG program would be eligible for State and local nomination if it meets the distress criteria.

The Secretary of Housing and Urban Development will then evaluate the zone nomination on a competitive basis. The primary criterion for choosing which proposed zones will receive Federal designation will be the quality and strength of the incentives to be contributed by the State and local governments. Particular emphasis will be given to incentives and contributions consistent with the overall Enterprise Zone theme of creating an open market environment through the removal of government burdens. These contributions may include tax relief, regulatory relief, increase in the level of efficiency of local services possibly through experimentation with private sector providers of public services, and involvement in the program of private entities, and neighborhood and community groups. Other contributions and factors will also be considered in this competition.

A maximum of 75 zones will be approved during the first three years of the program. There is a rural setaside of at least one-third of the zones designated over the three year period. Each zone's designation will last for the period chosen by the nominating State and local governments, with a maximum of 20 years of Federal participation, plus a four-year phaseout of that participation. The Department of Housing and Urban Development will administer the program.

FEDERAL TAX INCENTIVES

The major features of the Federal tax package are:

a nonrefundable investment tax credit for capital investments in an Enterprise Zone. For personal property, such as machinery or equipment, this credit will be 5 percent. For the construction or rehabilitation of commercial, industrial, or rental housing structures within a zone, the credit will be 10 percent. Unused investment tax credits may be carried over for the life of the zone or 15 years, whichever is longer.

a nonrefundable 10 percent income tax credit to employers for payroll paid to qualified zone employees in excess of payroll paid to such employees in the year prior to zone designation.

a special strengthened, nonrefundable 50 percent income tax credit to employers for wages paid to zone employees who were disadvantaged individuals when hired.

a nonrefundable 5 percent income tax credit to employees for wages paid to zone employees for wages earned in zone employment.

the elimination of capital gains taxes within the zones.

the designation of suitable Enterprise Zone areas as Foreign Trade Zones, providing relief from tariffs and import duties.

the continued availability of Industrial Development Bonds (IDBs) to small businesses in Enterprise Zones when the availability of such bonds is terminated elsewhere after 1986, and use of accelerated cost recovery for IDB-financed property.

a carryover of any unused employment tax credits for the life of the zone in which a firm is located or 15 years, whichever is longer, and a carryback of up to three years.

COST AND EFFECT OF THE TAX PACKAGE

The Administration estimates that the cost of the Enterprise Zone program in FY 1984 would be $87 million, since tax incentives would effect taxable years beginning after January 1, 1984; and the cost in terms of foregone revenues would be $400 million in FY 1985, when it is assumed that the increased business activity would have occurred in any event elsewhere. The total cost of the program would then increase commensurately in future years for increased numbers of zones. When, however, any of the business activity is new and would not have occurred otherwise, the net cost will be substantially reduced.

FEDERAL REGULATORY RELIEF

Under this proposal, Federal regulatory bodies (all agencies covered by the Administrative Procedures Act) will be given discretionary authority to relax or eliminate their nonstatutory regulatory requirements within Enterprise Zones, but only upon the request of the State and local governments.

To utilize this authority, the State and local governments governing each zone must request Federal agencies to relax or eliminate particular regulations within the zone. The Federal bodies that promulgated the regulations will have the statutory power to grant such requests at their discretion. Congressionally mandated standards will dictate how the agencies use this discretion. The standards will include an instruction to each body to weigh the special job creation and economic revitalization purposes of the zones against other important aspects of the public welfare which may underlie the regulation, and to relax or eliminate each particular regulation within the zone when appropriate. A Federal regulatory body will have no authority to take any action without a prior request from both the State and local governments governing each zone.

Regulations which are specifically imposed and spelled out by statute will not be affected by this authority. The minimum wage law, for example, will not be affected, since the statute expressly requires that a minimum of $3.35 an hour be paid. The authority will only be used to relax regulations where agencies now have some discretion. Regulations affecting civil rights or the relaxation of which would harm the public safety or health, including environmental health, will be exempted from this authority.

STATE AND LOCAL GOVERNMENT ROLE

The Enterprise Zone program is not simply a Federal Government effort. To be successful, the program must have substantial contributions from State and local governments. In fact, State and local contributions may make the critical difference as to whether a zone succeeds or fails.

The proposed State and local contributions will determine which zones will be Federally approved. The Federal posture towards these contributions will be highly flexible. No particular element of tax relief or regulatory relief, or any other possible contributions will be required. Failure to include one element in a State and local package or contributions can be offset by greater strength in the other elements. It should be remembered, however, that each State and local contribution package will be competitively evaluated against the other State and local packages.

In the area of tax relief, State and local governments may provide reductions in State and local income taxes, property taxes, sales taxes, and other taxes which vary among the jurisdictions.

State and local deregulation may be provided in such areas as zoning, occupational licensure laws, usury laws, price controls, permit requirements, central planning regulations, and building codes.

It the area of service improvement, "contracting out" or "privatization" may be one means of improving local services, along with increased police or fire protection or street or sewer repairs.

State and local governments may also provide funding for projects which contribute to economic development in a zone, such as job training or infrastructure improvements. These governments may use their Community Development Block Grants, Urban Development Action Grants, or Revenue Sharing funds for these efforts.

To encourage local community involvment, State and local governments may encourage the creation of enterprise associations by zone residents. These associations may undertake the provision of some city services in their areas; help local residents to participate in the economic success of the zones, particularly through mechanisms providing for equity participation; and support volunteer, self-help efforts for the zone areas. Participation in the program by other private sector organizations in performing these functions may also be encouraged by the State and local governments. The extent to which residents of the zone have a stake in the success of the zone will be an important factor in the Federal designation competition.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I want to take this opportunity to thank the gentleman from New York (Mr. CONABLE) for taking this special order today and for his leadership. It is vital that we look today at our inner cities and the urgent need for their revitalization and realize that the urban jobs and enterprise zone concept can make a positive difference.

Two years ago, when BOB GARCIA and I were first introducing the Urban Jobs and Enterprise Zone Act, we emphasized that what we are trying to do is reopen the debate on the problems of urban poverty and decay by introducing this new concept—the jobs and enterprise zone.

□ 1430

I have been pleased over the last session of Congress and now this session to work with my colleague, the gentleman from New York (Mr. CONABLE), in advancing legislation which, in the gentleman's words, is an important part of this country's policy toward trying to revitalize the private sector and thus the economy of not only urban areas but those areas of our country that have had economic problems that go far beyond just the normal cyclical problems that our economy might engender.

The gentleman made a comment with which I would strongly associate myself. Very frankly, I associate myself with all his comments, but, most particularly, that part of his statement which alluded to the fact that States which have already passed enterprise zones are encouraged by this national initiative, and if it does not pass soon, we are going to leave those States out on a limb, so to speak, having passed legislation that would be focusing attention not only on local and State impediments to economic growth but also some of those Federal tax laws that discourage entrepreneurs from locating and starting up their businesses in rural or urban areas of our country, particularly in the Northeast, where the gentleman and I come from, which have had such difficult problems generating new job development and job creation over the last several years.

The gentleman has made an important contribution to tax policy in this Congress, and I think it helps the passage of this legislation to have the gentleman's leadership in this area because he is one of those who, sitting on a committee, has had so much to do with trying to encourage the type of legislation that would form capital, create savings, and endanger more entrepreneurial activity in this country.

Mr. CONABLE. Mr. Speaker, while I thank my friend, the gentleman from New York (Mr. KEMP) for his comments about my leadership in this, I think I would be a fraud if I did not mention at this time that this idea was pioneered by Messrs. KEMP and GARCIA, of New York. It has, of course, been changed in modest ways, and as I envision this legislation moving forward, I think it is entirely possible that the Congress, through its procedures, will make additional changes to the legislation beyond those already added by the administration.

I see it as something that can not only bring forth not only the best in State and local initiatives but can challenge the Congress to work its will in ways which will deal with a pressing national problem that has been too long ignored or dealt with on the manna-from-heaven basis, which has not proved effective in dealing with problems of urban blight.

Mr. KEMP. Mr. Speaker, I am glad to hear the gentleman also make a comment about the fact that this does not replace other urban economic development programs. CDBG, UDAG, and revenue sharing, which the gentleman has had so much to do with, are still going to be continued. This is not to replace existing economic development proposals, it is to be another tool that the Federal Government, States, and localities can use to try to encourage entrepreneurship.

Mr. CONABLE. Mr. Speaker, if I may comment on another thing that my friend, the gentleman from New York, has said, he said that if this did not move soon, it could be most unfortunate because the States have already taken some initiatives on this issue.

I agree with that, but I do believe that there is some point in the encouragement of States and localities to go ahead and not to wait for final enactment, because we have provided in this year's version of the bill for some protection of States and localities even if they are out ahead of the final enactment by the Federal Government.

Mr. KEMP. Mr. Speaker, will the gentleman yield at that point?

Mr. CONABLE. Yes; I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I was glad to see the President make that suggestion yesterday. I was with the gentleman, as well as with other Members of the Congress on both sides of the Capitol, and from both parties, by the way, meeting with the President and listening to both the President and the Secretary of Housing and Urban Development, Sam Pierce, talk about that very progressive idea that for those States that passed the legislation, they would also have the opportunity and retroactivity, those businesses that took advantage of that State legislation would retroactively have the opportunity to engage these Federal compensatory tax incentives.

Let me just say this—and I will not take much more time that as the gentleman from Oklahoma (Mr. WATKINS), who represents a more rural area of the country, stands up to speak, it reminds me that there is a broad consensus within the House and the Senate—Democrats, Republicans, Liberals, Conservatives, members of the Black Caucus, the gentleman from New York, Mr. BOB GARCIA from the South Bronx, the gentleman from upstate New York (Mr. CONABLE) and my friend, the gentleman from Michigan (Mr. PURSELL), who has so much to do with the Northeast-Midwest Coalition, for which we are so very grateful around here. I think that this is probably a coalition or a consensus that has a great opportunity. I hope that it moves swiftly because I do not believe this country can wait. If a general economic recovery comes—and I think it will—it is not enough to just allow that recovery to come if we do not reach out further and target those areas of the country, be they urban or rural, that are going to be left behind.

My hope is, as one who joined this effort back in 1980 with the gentleman from New York, Mr. BOB GARCIA and the gentleman from Pennsylvania, Mr. BILL GRAY, Members from the South Bronx and Philadelphia, respectively, to have a Federal program such as that mentioned by the gentleman from New York that would reach out over existing cyclical business activity and target those areas of the country that might otherwise be left behind, because we cannot leave anybody behind.

Mr. Speaker, that is why I was so pleased to see my friend, the gentleman from Oklahoma (Mr. WATKINS), stand up, and I again just want to thank my friend, the gentleman from New York (Mr. CONABLE), for his efforts in this area.

Today, I am pleased that our coalition is growing, that this concept is being endorsed by one organization after another and that today we have introduced legislation backed by the present administration which will be cosponsored by a good number of Members in this body—from both sides of the aisle and of all political persuasions and philosophies.

The National Urban League, the NAACP, the League of Cities, the National Urban Coalition and members of the Congressional Black Caucus have all endorsed the concept of enterprise zones. Both the Republican and Democratic platforms urged that this idea be explored back in the summer of 1980. Mayors across the Nation—in my own city of Buffalo—in Baltimore, New York, New Orleans, Miami, San Diego, and many other cities—have applauded this initiative. Enterprise zone committees and conferences and task forces have been springing up for the past several years. State legislatures have debated and many have passed enterprise zone legislation. And now, President Reagan has committed his administration to establishing enterprise zones in the Nation's poorest communities and areas.

The enthusiasm reflects, in large part, the frustration we can see with the wasteland of ideas for helping cities. The key behind the enterprise zone concept is that people below the poverty line are not some special helpless class, to be set aside as if they suffered from some permanent affliction. Columnist William Raspberry once made this point particularly well:

> A lot of us are beginning to question the assumption, implicit in many of our social welfare programs, that poor people are essentially beyond salvations and that the only humane thing to do is to take care of them. We are learning, at last, that the better care we take of people, the more helpless they become. And we are starting to think less about how best to take care of people and more about ways to move them toward self-sufficiency.

Despite their predicament, the poor are no different in their goals, their aspirations, from other Americans. They want to be productive and self-sufficent in providing for their families. They want jobs, they want to save and even invest. But they need tangible economic opportunities, which are now missing from our inner cities.

It is nonsense to suggest that it will take extremely high wages to lure inner-city residents back to work. It is fact that we must never underestimate just how quickly human captial can be mobilized in our inner cities.

And, this is far more than money capital. It is productive capability and exists in the minds, hands and creativity of the people. People will take a chance on a better future, they will invest their human capital, if they believe they have some chance to succeed. This is true of the inner-city poor, and it is true of the potential inner-city entrepreneur as well.

While most are in agreement on the risk involved to start up a business in an inner city, we must also realize that we can reduce these risks, such as increased police protection. But many risks are inherent in the nature of inner-city businesses and communities.

Recognizing that risk is likely to remain in the inner city—and that risk is, anyway, an inevitable part of entrepreneurship—the Urban Jobs and Enterprise Zone Act concentrates its efforts on the other half of the risk-reward calculation: the rewards.

Why anyway, does an individual take a chance and start up a business? Not for immediate profits—most new small businesses do not make a profit for several years. Instead, entrepreneurs choose the risky course of starting their own business because they calculate that, in the long run, they will reap a greater personal and financial reward. The Urban Jobs and Enterprise Zone Act increases that record by providing dramatic tax incentives to entrepreneurs who create jobs for disadvantaged workers in the inner city.

Future-oriented tax incentives make more capital available in the present. By reducing capital gains and income taxes, in particular, the Urban Jobs and Enterprise Zone Act promises a greater reward to those who succeed in their initial risktaking investment. In this way we tap the greatest resources available for our inner cities: the huge pool of private resources seeking a significant, aftertax rate of return in these uncertain and recessionary times.

It has been my belief that small businesses most need startup venture capital; the vast majority of it comes from personal savings of entrepreneur, followed by individual investors. Lowering the tax on small business income does not help until the business is already earning a profit, which may not happen for a few years. Equity expensing would increase the incentive to invest in this high-risk enterprises. Therefore, I plan on working with the bill that has been introduced, along with Mr. GARCIA and several of our colleagues, in amending the legislation to provide this seed money.

The original Kemp-Garcia Urban Jobs and Enterprise Zone Act "greenlines" some of our poorest communities by dramatically increasing incentives for working, producing, and risktaking within these areas.

Because the poor on welfare face what are, effectively, the very highest marginal tax rates of all, the bill provided a 5-percent refundable personal income tax credit for wages earned by zone employees, up to a cap of $1,500. This reduces the tax rate faced by individuals leaving welfare for work, and will also provide an important incentive for badly needed skilled workers and managers to take jobs in the inner city.

To provide an additional incentive to employers for hiring disadvantaged workers, the Urban Jobs and Enterprise Zone Act offered a 5-percent refundable business income tax credit equal to 5 percent of the wages paid to CETA-eligible employees. Along with the personal income tax credit, this is designed to offset the disincentives of the payroll tax, which discourages employers from hiring the untrained poor, particularly teenagers. In addition, because this credit applies as long as the originally eligible worker is employed by a zone enterprise, it offered an important incentive for training and retraining employees.

Finally, to create a new sense of economic buoyancy and expand entrepreneurial activity in the zone, the bill eliminated capital gains taxes, excluded half of all income earned by zone enterprises, and interest income earned on loans to zone enterprises, from taxation, and extended the loss carryforward to 20 years. This last provision made the income tax reduction more valuable, by allowing early losses to be written off against later gains. To qualify for these incentives a business needs to hire 40 percent of its new employees from among CETA eligible workers.

I am pleased, in closing, to say that I am glad that the administration has endorsed the enterprise zone concept. I look forward to working with the members of the Ways and Means Committee and the House Banking, Finance and Urban Affairs Committee in drafting a sound proposal—one which address the needs of our inner cities. We need tax and regulatory relief to generate new, small, locally owned businesses in depressed urban neighborhoods.

I am also looking forward to working with community groups, mayors, local officials, small businessmen and women, academic experts seeking suggestions about how we could improve our bill. We cannot neglect the importance of local and State participation and support.

Mr. Speaker, I am glad that we have a bill in the 98th Congress. This is an idea that has been a long time coming and I, as an original supporter of this concept, am dedicated to helping perfect the bill and enacting it into law and to bring hope to the disadvantage, poor and unemployed that we have not forgotten our goal of justice, opportunity, and prosperity for all.

Mr. PURSELL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Speaker, I just briefly want to congratulate both the gentleman from New York (Mr. CON-

ABLE) and the gentleman from New York (Mr. KEMP) and others who support this legislation.

We are now looking at changes in tax policy that develop incentives to rehabilitate older areas. We on the Appropriations Committee look at funding of HUD and transportation and other categories in a fragmented sense of rehabilitating and redeveloping cities.

I would hope that some day we could couple tax policy with the appropriation of expenditures and put it in a comprehensive sense so that a mayor can say in a phased-in plan over a number of years, with scarce resources, that we are going to rehabilitate a city by using so much money in transportation, so much in housing, so much in roads, and so much in tax policy, so that a small businessman or a homeowner or a large industrial corporation can look at the development and the future of that particular city and know that there is a comprehensive blueprint for progress in such a way that we take scarcer resources but we can use them more efficiently on a coordinated basis.

I really think the time has come for this Nation to quit sending out individual appropriation bills and put them in a redevelopment plan so that a mayor, a Governor, Members of Congress, and the President can have a blueprint for a given XYZ city so that there is better use of our scarce tax dollars.

Mr. CONABLE. Mr. Speaker, the gentleman from Michigan (Mr. PURSELL) makes a very good point. Coordination is badly needed. We do tend to fragment our approach to pressing national problems of this sort.

One of the big advantages of the enterprise zone approach is that it does put the requirement of leadership on the locality and the State as well as on the Federal Government. The Federal Government is providing significant tax advantages to those successful units of government which compete for enterprise zone classification, but clearly the initiative lies with them.

Coupled with appropriate coordination at the Federal level, we should have a much better integrated approach to the problem of urban blight which until now has not been dealt with on anything but a helter-skelter categorical grant basis. I think the gentleman makes a very good point.

Mr. PURSELL. Mr. Speaker, I congratulate the gentleman from New York (Mr. CONABLE) and I wish him well.

Mr. CONABLE. Mr. Speaker, I would like to yield to the gentleman from Oklahoma (Mr. WATKINS) and, first, I thank him for his assistance in trying to broaden the base for support of this bill by including the entitlement for rural areas to participate so it will not be limited entirely to central cities. Does the gentleman wish to have me yield to him?

Mr. WATKINS. I do, Mr. Speaker, and I thank the gentleman from New York for yielding to me to say a few words in support of the Enterprise Zone Employment and Development Act. I would like to point out a few things to a number of my colleagues and to the people.

Nearly 2 years ago there was an urban enterprise zone bill introduced that basically did not have any setasides. The attempt may have been there to include the rural areas, but as all of us from rural areas know, it is impossible for rural areas to have the grantsmanship and the professional staff to be able to compete.

In turn, I introduced a rural enterprise zone bill in order to provide a voice for the Members who represent the forgotten people in rural America. As we all know, in the past year to 18 months we did not receive the action or perhaps the overall support that was needed for enterprise zone legislation.

I am indeed pleased and very happy—and I expressed that to the President and I expressed it to my friend, the gentleman from New York—that in the Enterprise Zone Employment and Development Act of 1983, it is not either/or, it is not either urban or rural, but it is both, because in this particular bill 30 percent, one-third of them—that is one-third of the 75 enterprise zones or 25 of them—will be in rural areas. I think personally that the enterprise zone legislation will work probably just as well, if not better, in the rural areas of this Nation with chronic unemployment and low income.

□ 1440

Mr. Speaker, I might mention to the gentleman from New York that I am from an area that in every single county we have lost 50 percent of the population, or more, in the last 50 years. In some of those rural counties, nearly 70 percent of the people have left in search of a job. We have to do something different. We have tried to provide a number of dollars in there for infrastructure, but we still did not have the job-producing incentives for manufacturers or new businesses to come to those particular counties and to those rural distressed areas.

I think this is a tool—this may not be the total answer—this could be the job-producing employment answer, to try to help not only the inner cities but also the rural depressed areas of this Nation.

I would like to say that, in looking at the eligibility areas, in rural areas or in the enterprise zone areas, they are looking not only at the unemployment, which the gentleman's bill states has got to be 1½ times, but No. 2, if it has 20 percent poverty, or, No. 3, if 80 percent of the households have an income below the median income; and also, then, if there is outmigration of at least 20 percent between 1970 and 1980.

I would like to ask my good friend, the gentleman from New York, that he might, somewhere along the way, amend that to add also those areas—and I have counties that meet all three of those criteria—but he might add in there, also, for many of the rural depressed areas, those counties that have lost at least 50 percent of their employment in the last 50 years, those counties that have not been able to rebuild since the last Great Depression, that the economic conditions are so low that the problems are there in the economically distressed areas so that it is impossible for them to lift their own situation out of that depressed condition.

So I hope that that might be considered along the way to help improve this, because it is just something that a lot of people have not thought about a great deal.

Mr. CONABLE. Mr. Speaker, the gentleman's vision augers well for the future of this legislation, and I appreciate his comments.

I would be happy to consider, for my part, which will, of course, be, as usual, a modest effort, including changes of the sort he has indicated. It is clearly within the province of the Congress to make appropriate changes to the legislation as proposed. It is a piece of legislation uniquely adapted to the addition or subtraction of such provisions as the Congress sees fit to add or subtract. And I am very hopeful that we will get something that will be a flexible and significant tool in dealing with the problems of poverty.

Mr. WATKINS. If the gentleman will yield further, I think it is very key, the flexibility, even allowing some of the communities to go down to a thousand population in cluster in order for them to be able to provide an area big enough to support the kind of enterprise zone I think that many of us can feel and envision could be workable in many of the rural areas, as well as the inner cities, such as the Bronx, Harlem, and many other areas.

I just want to stand in support and ask many of my colleagues to support this legislation. It is employment legislation. It is a jobs bill legislation. It is one that is necessary to help those most distressed areas of this Nation. And I think we should not forget the forgotten people, the people who have been left behind—and many of them have lost hope, they feel like people are not trying to answer their questions—and I would like to ask both sides of the aisle, the majority as well as the minority, to join hands, and let us all work together to provide this legislation which can only help in

some degree in many of these areas that cannot receive any kind of support otherwise.

I know this: There are not a lot of major industries, Fortune 500 industries, that are interested in coming to rural distressed areas. They are just not looking there. They can go to a thousand other areas. We have to look at some type of incentive, some type of an opportunity for them to come there and try to invest there.

I would like to say to the gentleman from New York that I appreciate his leadership on this, and I stand willing to help.

Mr. CONABLE. I thank the gentleman.

Mr. Speaker, this type of legislation is particularly adapted toward indigenous business, that is, toward raising the inhabitants of an area by their own bootstraps. It is not necessarily a magnet for the giants of this world, and it will work properly only if it does permit the people living in that area to advantage themselves through the various incentives that are implicit in the legislation. I thank the gentleman for his contribution.

Mr. Speaker, I would like to recognize now, for such time as he may use, the distinguished gentleman from New York, who has been one of the pioneers of this proposal, and whose contributions have given a credibility to it that otherwise it would not have. We appreciate his input and his help in moving this legislation along. I yield to the distinguished gentleman from the South Bronx (Mr. GARCIA).

Mr. GARCIA. I thank my colleague for yielding.

Mr. Speaker, there are a couple of points that I would like to make, especially for those Members who may be in their offices right now, who, over the course of the last month or two, have asked me when I was going to sign on to the administration's bill. For those who are listening, I want to make it very clear that the answer is that I have signed on and that I am hopeful that those who are concerned about that period of time when I was going to sign on, that they can hopefully feel free to sign on, as well.

Just let me say to my colleague, the gentleman from New York, that I do not want anybody who is watching or listening to this colloquy today to think for 1 moment that the enterprise zones in themselves are the answer to all of the problems of urban America. That is not the fact. It was introduced in 1980 by my colleague, the gentleman from New York (Mr. KEMP), and I—we have now become known as the odd couple in Congress—but we introduced it with the hope that we would be able to at least, in those areas of America, try to entice some businesses to expand or to start from scratch.

I believe that the program is worth a good solid try. I believe that enterprise zones offer a hope. I know that in areas like mine, where the unemployment rate is at least twice the national average, we have long sought and looked for an enterprise zone or some sort of program which would make companies comfortable in coming in and trying to put those persons who are unemployed back to work.

Historically, many people say that those who come out of America's ghettos, as we know them today, America's inner cities, whether they be black, Hispanic or red, I have heard only too often that they are really not interested in working, they are much more interested in handouts, they are much more interested in welfare or subsidized housing. Well, I just want to assure everybody that that is not the case. The fact is that we have not had the programs that were essential and necessary to put people back to work.

I would like to say here publicly that the difference between the enterprise zone meeting we held last year or the year before and this year was that this time the President came into the Oval Office and he spent all the time with us, at least half an hour, discussing the program. The last time he came in, and was in 5 minutes he was out. But this time he opened the debate and he was there to close the debate. And we received some assurance from him that he was going to make every effort to push this legislation.

To my colleagues on both sides of the aisle, this legislation from the very beginning was not intended to be partisan legislation, one party or the other. This is a piece of legislation that all of us agree strongly about, both Republicans and Democrats, both conservatives and liberals, that this is a program that is worth trying. And that is why I am delighted to be here today, because, after so many years of pushing and hoping that the enterprise zones would finally become part of this congressional debate, I feel very optimistic, based on yesterday's conversation, that in fact it will be part of the 1983 debate here in Congress. And so to my colleague, the gentleman from New York, a very respected Member of this body, I want to say that I thank him for allowing me the time, and I thank him very much for the support that he has given this legislation.

□ 1450

Mr. CONABLE. If my friend will permit me, on both sides of the aisle we are grateful for his leadership on this issue also.

I can confirm what the gentleman said about the seriousness of purpose of the President on this subject. He sees it as a needed part not just of his program, but of an addendum for the Nation.

If that seriousness of purpose evokes a similar reponse from the Congress, there is little doubt that together we can work considerable legislative opportunity into the Nation's program and inevitably it will be of benefit not just to the underprivileged in the blighted areas of this country, but to the entire country because it will create wealth and stability where it is hard to find now. Therefore, we will all benefit.

I thank the gentleman for his leadership.

Mr. Speaker, I have no further request for time and I yield back the balance of my time.

● Mr. LIVINGSTON. Mr. Speaker, I am pleased to cosponsor the Enterprise Zone Employment and Development Act of 1983. The enterprise zone concept provides a good opportunity to revive economically distressed areas without diverting Federal appropriations. In my home State of Louisiana, under the leadership of Gov. David C. Treen, the State enterprise zone program is already flourishing, and I believe that the incentives from the Federal program will be very helpful in encouraging business to locate in these areas. This in turn will lead to jobs, particularly targeted toward disadvantaged workers. In this regard, I would like to insert in the RECORD the following article appearing in the Business Week magazine on November 29, 1982, entitled "States Prove More 'Enterprising'."

[From Business Week, Nov. 29, 1982]

TAXES: STATES PROVE MORE "ENTERPRISING"

When Joseph A. Maciaszek, a chemist and engineer from western Kentucky, teamed up last June with Louisiana salesman Thomas Allen to make chemicals for the pulp industry around Monroe, La., it was possible in part because "my wife and I managed to put away $30,000 to get me started." Already, reports the 39-year-old Maciaszek, their Macallen Chemical Co. has "hired five people since we began in business," will "add another this week," and then add "at least 15 to 20 people as we expand." The state's "enterprise-zone benefits have been quite a part of it all."

Indeed they have. The $200,000 that Maciaszek and Allen together invested in their new venture—during a deep recession—is a lot less daunting in light of Louisiana's commitment: twice that much in enterprise-zone tax relief in the next five years.

Congress has not yet acted on President Reagan's request for a federal enterprise-zone law, although it has now taken up an assortment of new job-creating proposals. The major zone bill is sponsored by Representatives Jack F. Kemp (R-N.Y.) and Robert Garcia (D-N.Y.) and would, among other things, make capital gains on any sale of zone properties tax-free. But meanwhile, states are moving ahead on their own. In little more than a year, 14 states have passed the needed laws, with Louisiana the first to get people hired.

A zone program offers tax and related advantages to a new business or an existing one that expands, usually in a poor neighborhood. The U.S. Treasury estimates that

25 federal zones—averaging a zip code area in size—would cost it some $250 million per year in revenues over the first three years. Most states, however, including Louisiana, have shied away from ballpark estimates and have assumed that a zone program would result in close to a net "wash."

LOCAL COOPERATION

Louisiana has created a strikingly high total of 411 zones, in which one-eighth of its people live. In contrast to the more typical approach of experimenting in one or two communities, Louisiana contacted nearly 1,000 locales with sluggish employment, enlisting those that were willing to cooperate by giving up some local taxes. The state has signed contracts with four companies—expected to create some 930 jobs—and eight more are pending. "We're thinking of 3,000 new jobs a year within three years, and maybe up to 5,000 if it goes well," says F. Ben James Jr., Louisiana's commerce secretary. That could absorb in a year about a fifth of the state's jobless industrial workers.

For a company that expands or starts up in one of its zones, Louisiana offers five years of freedom from state and local sales and use taxes (from 3 percent to 8 percent in New Orleans). In city zones, it adds a five-year exemption from the state corporate income tax of 4 percent to 8 percent of net income after federal tax. And in a rural area, companies get a $2,500 first-year tax credit for each new job generated, instead of the corporate tax break. The five-year term is renewable once. Savings can mount rapidly. "Our sales will be just over $1 million for 1982," notes Maciaszek, "and if expansion goes according to our five-year plan, we'll have sales up to $4 million. The zone exemptions will save us $350,000 in state income taxes and $40,000 to $60,000 in sales taxes, spread over five years."

TIPPING THE BALANCE

Louisiana is also having some success in selling the zone concept to established out-of-state companies. For example, SFE Technologies, a maker of ceramic electronic parts based in San Fernando, Calif., has picked a site for a new $9.5 million plant in New Orleans. "A phone call from the Louisiana Commerce Dept. man on the same day we decided we needed a new plant sold us on New Orleans," says SFE's president, Alan D. Rubendall. "The enterprise-zone savings tipped the decision."

Rubendall figures that his company, with sales of more the $45 million in 1981, will save $600,000 in the coming year and about $2.4 million over 10 years. As for jobs, he adds: "In the next two years we will create 400 new jobs in New Orleans. Over 10 years we'll double that." By recruiting out-of-state businesses, Louisiana is quieting a common political criticism—that zones may just lure companies from elsewhere in the same state or city.

Florida has zones picked in 26 cities and 4 counties, including a mammoth one for Dade County's Liberty City, the object of a revitalization drive. "The Miami riots in 1980 are what sparked 'Liberty' and later our zone laws," says Thomas Ross McSwain, a state program aide. Besides tax credits for enterprises within zones, companies get a 50 percent credit against state corporate income tax if they contribute to community projects in zone neighborhoods.

HELPING THE LITTLE GUY

"A business can be anywhere in Florida and get this credit," McSwain adds. "We've taken in nearly $750,000 since July, and all this leads to more jobs." He notes that the state will add a twist to its enterprise-zone laws: a credit for new jobs that will go to noncorporate businesses. "This will help the little one-man business," he says.

Connecticut's program focuses on Hartford, New Haven, and four other cities with seriously depressed neighborhoods. The incentives include an 80 percent abatement of local property taxes over 5 years and a 50 percent cut in corporate income taxes for 10 years if at least 30 percent of a zone company's employees live in the zone. An employer also gets a $1,000 grant for each new job and low-cost loans. For each $1,000 invested, the incentives can reach $150 to $200.

In the Norwalk zone, for example, the unemployment rate is 12 percent—doubled the overall city rate. "In the next 12 months, we'll have 100 new jobs in the zone, and in five years we will see 500 new jobs," says Rod C. Johnson, head of Norwalk's development agency. But Johnson, 41, a Yale-trained architect, frets that Connecticut could achieve much more if Washington would reinforce its program with federal incentives. "We wonder about their lack of progress," he chides.

One innovative approach is shown in New Haven's Science Park enterprise zone, which borders Yale University's campus. Access to Yale's talent and facilities will help the zone "attract high-technology and research-and-development companies," notes Lucian De Shong, a veteran personnel executive on loan to the zone program from Olin Corp. in Stamford. So far, International Biotechnologies Inc., a two-month-old maker of products related to cancer research, is the sole occupant of Science Park. But the fledgling accounts for some 30 jobs, and the zone's overall goal is to generate 200 to 300 jobs within a year. "We hope for 800 to 1,000 jobs in five years," De Shong says.

BLESSINGS FOR BORROWERS

Kansas, Kentucky, and Illinois are also making adventurous moves into zones. In Kansas, a whole town—Winfield, caught in the economic downdraft of nearby Wichita's light-aircraft industry—is the state's only zone. Binney & Smith Inc., a maker of crayons, and Gott Corp., a plastics manufacturer, will gain liberal tax breaks by expanding their existing Winfield plants and hiring some 140 new employees. Kentucky has set up urban zones on public property that it will lease to businesses, earmarking the rents for improving the neighborhoods of zone workers. Illinois' approach, along with tax breaks, stresses better anticrime and sanitation services in zone neighborhoods.

Often, an unstated benefit of being in a zone becomes evident when a venturesome business seeks a bank loan. Says W. Rex Bryan, vice-president for economic development at First National Bank in Shreveport, La.: "The tax incentives reduce a company's costs, and that makes their project somewhat easier to finance. It becomes more loanable."●

A PROGRESSIVE COLA PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, crises, whether at hand or envisioned, present us with difficult and often painful choices, but also with great opportunities. As we confront the short- and long-term crises of the social security system, we have the opportunity to move beyond the specific recommendations of the Social Security Commission and devise ways to make the social security system more equitable and secure for those who are now dependent upon it and for those who will depend on it in the future.

I offer for your consideration today a plan I first proposed last year during our budget deliberations: a progressive cost-of-living adjustment, or a progressive COLA. The progressive COLA plan I will outline provides a much-needed reform in the present COLA system and, at the same time, significant short- and long-term savings in outlays.

I think we will all agree that the COLA was instituted to help beneficiaries cope with inflation. Yet, the beneficiary most vulnerable to inflation in the cost of basic necessities—the individual or couple with a low monthly benefit forming all or the greatest part of income—receives far less of an increase from the COLA, in dollars, than those with higher monthly benefits. Last year, for example, a couple receiving the maximum monthly benefit of $1,093 [1] and a COLA of 7.4 percent realized approximately an $81 increase in monthly income; an individual with a monthly benefit of $382,[2] on the other hand, received a COLA of approximately $28. When we consider that succeeding COLA's will be figured as a percentage of the enhanced benefits, we realize that our present COLA provisions produce a dramatically widening gap in income favoring those less likely to be primarily dependent upon their social security benefit.

The progressive COLA improves the equity of the social security system and improves its financial soundness. Stated simply, I propose providing the full COLA on a base amount of the monthly social security benefit. That base would be 40 percent of the maximum monthly social security benefit check—or a yearly amount which would place the recipient slightly above the poverty line. As the size of the recipient's benefit increases beyond this base figure, the COLA on the amount of the monthly check in excess of the base would be a progressively lower percentage.

The chart before you presents the concept of the progressive COLA in terms of percentages. As the chart shows, 100 percent of the CPI indexed COLA would be provided to individuals whose monthly benefit was equivalent to or lower than 40 percent of

[1] The maximum monthly benefit for a couple in 1982, assuming that both the worker and the spouse are 65 years of age and that the spouse is not entitled to a benefit of his or her own.

[2] The approximate amount of a benefit, which, if it were the sole source of income, would place an individual at the projected 1982 poverty level for the aged ($4,603 per year).

the maximum monthly benefit. A recipient whose monthly benefit exceeds the 40 percent of maximum base would receive 100 percent of the CPI-indexed COLA on the base amount, with a declining COLA percentage on the remaining amount of his or her monthly benefit.

[Chart not printed in RECORD.]

The progressive COLA plan offers protection against inflation to all beneficiaries; unlike our present COLA provisions, however, it targets the greatest protection to those who most need it to meet the rising costs of basic necessities. The progressive COLA offers a means of limiting the spiraling growth in benefits which does not fall harshly on the shoulders of any recipient. It provides a more compassionate and equitable means of controlling the growth in benefit outlays and realizing significant savings than freezes or caps on the COLA. A freeze has the greatest adverse effect on the low-income recipient likely to be entirely dependent on his or her benefit.

The short- and long-term savings which would result from the implementation of the progressive COLA will allow us to rely less heavily than H.R. 1900, the legislation developed from the Commission's recommendations, on increasing taxes as a means of addressing the short-term and long-term crises in the Social Security System.

Let me offer a few observations on H.R. 1900.

First, I am seriously concerned about the effects of moving up the scheduled significant increases in payroll taxes on employers and employees as we are struggling to reduce unemployment and emerge from a recession. Similarly, the recommended increase in the tax on the self-employed comes at a time when many small businesses are struggling to survive. Those small businesses are the major source or new jobs in our society. And while H.R. 1900 sweetens the recommended increase in the tax on the self-employed with the provision of a tax credit, we must keep in mind that such credits are an indirect form of supplementing the social security system with general revenues at a time when we are facing severe deficit problems.

Second, I am also concerned about the impact on savings and investments of the recommended tax on half of the social security benefit or half of the income in excess of a base figure for individuals with incomes of $25,000 and couples with incomes of $32,000, including social security benefits. This tax will discourage savings and investments and will penalize those who have wisely prepared for their own retirement, often through considerable sacrifice during their working years.

Third, I believe it is necessary to insure that consideration of the proposal to include all new Federal and postal workers in the social security system be accompanied by consideration of companion legislation providing for a supplementary Federal retirement system. This companion legislation should keep funds flowing into the Federal retirement system to maintain benefits for those now covered by Federal retirement and to avoid saddling a future generation with an enormous unfunded liability.

Fourth, I am encouraged that H.R. 1900 contains provisions for including all Members of Congress, the Vice President, the President, and certain other Government officials in the social security system. The revenues realized from this would be small, but including ourselves would do much to restore the public's confidence in the viability of social security, in the plan devised for insuring that viability, and in our own willingness to invest in a secure retirement through social security.

In conclusion, I ask once again that you give every consideration to incorporating a progressive COLA in the plan devised for stabilizing the social security system and insuring its long-term viability. It is a fair, compassionate, and effective means of addressing one of the root causes of the crisis we face today and the problem we know will face a future generation and a future Congress unless we act, and act wisely.

Thank you for your attention to this progressive COLA plan.●

WITHHOLDING MUST BE REPEALED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. FIELDS) is recognized for 5 minutes.

● Mr. FIELDS. Mr. Speaker, as an original sponsor of H.R. 500, I urge the distinguished chairman of the House Ways and Means Committee to schedule early hearings on this legislation to repeal the 10-percent withholding requirement on interest and dividend income.

As my colleagues well know, this onerous withholding requirement was incorporated within the $100 billion tax increase bill which passed this House in August of last year.

At that time, I rose to express my strong opposition to this legislation and my deep concern over the impact of the 10-percent withholding requirement.

It was my view then and now that the 10-percent withholding requirement on dividend and interest income is an absoute disaster. It will create a paperwork nightmare for our financial institutions and will rob thousands of Americans of the benefits of their hard-earned income by withholding interest that previously compounded the amount of their earnings.

In addition, it sends the worst possible signal to the American people that they will be penalized for being good citizens by saving a few dollars for their retirement years.

It is indeed tragically ironic that at a time when this administration is encouraging people to save rather than spend more of their income, we now see looming on the horizon this major new disincentive to savings.

While time is short, this Congress must do what is right and just by repealing this withholding requirement. As a nation, we can ill afford to allow this additional savings disincentive to take effect and to thus further shrink the amount of available equity capital.

With the Federal Government consuming an escalating amount of our Nation's financial resources, we should be trying to create rather than reduce our savings pool because this capital represents the economic backbone of our Nation.

Without this capital, we will not be able to insure long-term economic growth because employers will not be able to secure the necessary funds to modernize and expand their facilities, to start new businesses, and to create the thousands of new jobs that are desperately needed today in our economy.

Finally, the cost of implementing this program is a staggering $1.5 billion, with an additional $1 billion required each year to maintain it. While we may naively hope our financial institutions will assume these administrative costs, I think we must recognize that some or all of this investment will be passed on in the form of higher service charges for each and every banking consumer.

Mr. Speaker, the 10-percent withholding law is unfair, confusing, and costly. It will unjustly penalize millions of Americans who are honest, law-abiding citizens who pay their taxes today on interest and dividend income.

I would again urge the chairman of the Ways and Means Committee to schedule, at the earliest opportunity, hearings on H.R. 500 and encourage my colleagues to join with me in this important repeal effort.

Thank you, Mr. Speaker.●

CORRECTING INEQUITY IN TARIFF LAWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. RAY) is recognized for 5 minutes.

Mr. RAY. Mr. Speaker, I would like to direct the attention of the House to H.R. 1226, a bill introduced on February 2 by Mr. WHITTEN, Mr. GIBBONS, and myself.

The purpose of this measure is to rectify an inequity in the tariff schedule which unfairly penalizes one of America's leading corporations and future employees of this company in the Third District of Georgia.

The Kimberly-Clark Corp. has announced a new $100 million manufacturing plant in LaGrange, Ga. It will be the largest investment by a new industry located in that city's history. It will employ almost 200 persons, almost all of them from the LaGrange, Troup, Columbus, Ga., areas, with a $4 million annual payroll.

The plant will be involved in the manufacture of nonwoven fabrics which will have several uses. Among the end products will be surgical gowns and drapes.

A critical part of these drapes is a polypropylene base sheet. After being manufactured in Georgia, the sheet is shipped to Arizona for cutting and then goes to Mexico for assembly into gowns and drapes. It then comes back into this country for sterilization and transportation to its markets.

The purpose of this legislation is to correct an inequity in the tariff schedule which unfairly penalizes one of America's leading corporations. The Kimberly-Clark Corp. is soon to be an employer in the Third District of Georgia.

As they are presently constituted, the tariff schedules apply a duty rate of 16 cents per pound. In addition, a 24-percent ad valorem tax is added because these products are 100 percent polypropylene. Competitive disposable gowns and drapes receive only a 5.6-percent tariff rate under the law because they are classified as reinforced paper when, in fact, they are actually 55 percent polyester and only 45 percent wood pulp.

The situation here is really quite simple. We have two products that are made from largely similar components and which are put to virtually identical usage. Yet one of them is assessed a significantly higher tariff than the other.

Kimberly-Clark has two options: the passage of this bill, or they could probably challenge this tariff schedule in court and would have an excellent chance of winning. However, this might have the effect of driving their competitors up to the same tariff rate with which Kimberly-Clark is presently saddled.

This would do no one any good. Hospital costs are already out of control, and it makes no sense to further increase them needlessly.

Mr. Speaker, we should be very clear about what is being asked for here. No one is seeking special favors. We are not applying for duty-free treatment, simply a duty equalization. Further, our bill is not even permanent; it is limited to a temporary period of 5 years.

I urge the support of my colleagues for this proposal. I stand here before the House today, in part, because the jobs and the investments involved here are located in my congressional district. But also there are 12 million Americans, and indirectly this legislation will benefit them. I would also be a poor Congressman if I did not try to protect these jobs, as well as my constituents in the Third District.

But this bill deserves enactment on its merits. It simply reinforces the basic principle of our American free enterprise system. Substantially similar products should be given an equal chance to compete. Our laws should be structured in such a way as to foster and not inhibit competition.

I invite my colleagues' support for this measure, and will be pleased to respond to any questions which they may have as deliberation on this proposal continues.

COMMUNITY ASSISTANCE REVITALIZATION ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 5 minutes.

● Mr. MITCHELL of Maryland. Mr. Speaker, today, I am introducing H.R. 1735, the Community Assistance Revitalization Act of 1982 (CARA). This legislation would amend the Internal Revenue Code of 1954 to encourage the development of businesses in the Nation's distressed communities. This bill is the result of the combined efforts of Senator GARY HART and myself to develop an alternative to other enterprise zone legislation. Senator HART and I believe that the priorities of the other enterprise zone legislation are wrong. Community residents and disadvantaged employees should be the primary beneficiaries of this type of legislation.

Although CARA primarily consist of tax incentives, most of its components are designed to fit into an overall economic revitalization program for distressed communities. We recognize that such an overall program would require a massive Federal effort, combined with a national commitment to provide residents of distressed communities with a meaningful stake in the economic vitality of their community. These incentives, however, are no substitute for Federal assistance, housing, and income security programs. Instead, CARA complements these programs, while building upon local strengths, and more importantly, insuring that community residents, particularly the poor, share in the success of new businesses established in revitalization areas.

Under the provisions of CARA, areas that are designated as revitalization areas would be eligible for tax incentives that are designed to attract and retain capital, encourage employee ownership plans, and to establish community-owned development corporations. Revitalization areas are defined as generally small areas suffering from high unemployment, poverty and other forms of economic distress. CARA is designed to decrease the tax liabilities of businesses operating in the revitalization area, attract investment and debt capital for businesses and to increase State and local government's participation in the revitalization and development process.

Recent discussion concerning aid to distressed communities has focused on proposals which are solely tax and regulatory incentives for businesses. Even though some of these proposals advocate local community participation, they fail to provide a vehicle to maximize the community's participation in the development process. CARA deals with this problem by allowing the residents of designated communities to create a General Stock Ownership Corp. (GSOC). The GSOC would be a real estate development and commercial investment corporation owned by the residents of the distressed communities. Through their ownership of the GSOC shares community residents will have significant input into the determination of the types of businesses and housing that will exist in the area.

Other proposals to aid distressed communities acknowledge that a major objective of their program is to increase employment and training opportunities for the poor and hard-to-employ. They attempt to fulfill these objectives by solely providing businesses tax credits or deductions. CARA improves upon this approach by requiring that Federal aid be directed to revitalization areas; and requiring that the Secretary of Housing and Urban Development should promote and coordinate revitalization efforts in these areas. In addition, CARA offers beneficial tax advantages such as allowing area businesses the option of electing tax credits for each disadvantaged individual hired or a deduction from the income of the business based upon the percentage of disadvantaged individuals in his work force. CARA also offers employers significant incentives in the form of capital gains tax reductions, tax credits and deductions to develop employee stock ownership plans. This integrated approach should deal with some of the problems that are traditionally associated with hiring the poor and hard-to-employ. The use of targeted job tax credits (TJTC), tax credits or deductions for employing the poor or the hard-to-employ will also reduce employers expense associated with tax liabilities during an employee's initial training period. Moreover, CARA further strengthens target jobs tax credit (TJTC) by allowing a business to claim a maximum tax

credit of $5,000 instead of $3,000 on each worker's first-year wages for hiring the poor and hard-to-employ. The TJTC current law is scheduled to expire on December 31, 1984. However, the TJTC has been sufficiently valuable to the small business community to warrant its becoming a permanent provision of the law.

CARA provides for the elimination of the capital gains tax on the sale of stock or other-type of equity interest where ownership is transferred to at least 51 percent of the nonoffice holding employees. It is well documented that employee stock ownership plans increase employee motivation and productivity by impressing on managers and employees that their mutual success will depend upon their cooperative efforts. CARA increases tax deductions from 25 percent to 50 percent which can be taken by a qualified business for contributions to an employee owned trust in payment of a trust loan. We believe that this will make the American worker more productive.

The successful revitalization of distress areas should not result in wholesale displacement of community residents. Increased business activity in a revitalization area will undoubtly affect the housing market. In order to assure that involuntary residential displacement is not an inevitable byproduct of a successful community revitalization program, CARA offers an investment tax credit for low-income rental housing. CARA also requires State and local governments to specifically discuss the issue of involuntary displacement in its application for designation as a revitalization area. Retention of low-cost housing minimizes involuntary displacement of revitalization area residents.

We believe that small businesses generally offer greater employment and training opportunities. A recent study indicated that small businesses are responsible for the creation of a large percentage of new jobs and innovative products. Thus, a primary objective of CARA is to insure the continuing viability of small businesses operating in revitalization areas. It has been long recognized that poor management and lack of capital are major factors that contribute to the high failure rate of small businesses. CARA attempts to ameliorate these problems by providing tax credit for the creation of an Entrepreneurship Development Center (EDC). The EDC is a for-profit facility located in a revitalization area that provides managerial assistance in such areas as financing, taxation, marketing and management techniques. The EDC shall also provide physical resources which meet the needs of qualified businesses such as machinery, computer services, laboratories and office space. Qualified area businesses would be eligible for Entrepreneurship Development Center assistance when at least 30 percent of the business' work force is hired from the poor or hard-to-employ.

It is counterproductive to help small business create new jobs for the unemployed if those businesses fail within a short period of time and the jobs created disappear with them. Most small businesses have problems raising sufficient capital to adequately operate their business. CARA deals with the capital formation needs of area businesses by providing incentives designed to encourage investors to direct their money to revitalization area businesses. To accomplish this, CARA defers the imposition of the capital gains tax on any transaction where the proceeds of such transactions are reinvested in revitalization areas. We recognize that most new small businesses do not earn sufficient taxable income to benefit from the tax credits and deductions provided by this legislation. In this regard, startup companies, companies with economic losses, and companies that had other large tax deductions or credits often could not use all of these tax benefits to obtain a current reduction in tax liability necessary to absorb the benefits. In other words, these businesses need capital and not tax deductions or credits to expand the business, hire additional employees or to invest in equipment and machinery. To address this problem CARA provides an expense deduction for the purchase of small revitalization area business stock or debentures. Expensing allows an investor to deduct on his or her tax return the cost of the small business stock or debenture. It is common knowledge that many investors are reluctant to invest in a small business because of the high failure rate for new, small businesses. This provision will offset some of these investments risks by creating a more favorable investment environment. Only those investors who invest in a qualified small business are eligible to use expensing. In general, a qualified business is defined as a revitalization area business whose average annual gross receipts do not exceed $4 million. The maximum allowable expensing deduction that may be taken by an investor for any taxable year shall not exceed $10,000 or $20,000 in the case of a joint tax return. And more importantly, expensing creates a new financing tool for the small businesses that have been unable to obtain access to capital markets. In addition, CARA amends the Small Business Act to provide at least $50 million in direct loans for small businesses operating in revitalization areas. Also, CARA allows a 30 percent tax credit for installing energy conservation equipment. This will help area businesses reduce costs associated with the purchase of energy and encourage conservation of our scarce natural resources.

Unlike other enterprise zone legislation our proposal requires that HUD shall conduct a base line survey of the revitalization area every 4 years to measure its impact on area businesses and residents.

CARA is not a cure for all of the ills that plague distressed communities. However it is an integral part of a comprehensive revitalization program which our distressed communities sorely need. When CARA is compared to other enterprise zone proposals it is clearly a superior revitalization program. On the one hand, it provides community residents with an economic vehicle that maximizes their participation in economic development activities. On the other, it provides area businesses with the tools they require to attract and retain capital. Both sides would profit from its enactment: Local business would increase its earnings through tax incentives, and employee motivation and productivity would increase through participation in the employees stock plan and the General Stock Ownership Corp.

A section-by-section analysis of CARA is as follows:

SECTION-BY-SECTION ANALYSIS

TITLE I—DESIGNATION OF REVITALIZATION AREAS

This title establishes the process by which a state or local government may nominate an area as a "revitalization area" and seek approval by the Federal government. Approval entitles the revitalization area to several targeted Federal tax incentives provided for in this bill to promote revitalization of distressed areas and enhance the quality of life of their residents.

Section 101. Subsection (a) defines a "revitalization area" as any area so nominated by a state government and designated by the Secretary of Housing and Urban Development (HUD), after consultation with the secretaries of Commerce, Labor, and the Treasury and the Administrator of the Small Business Administration.

Subsection (b) provides that the designation of an area as a "revitalization area" shall remain in effect for 20 years unless revoked. The Secretary of HUD may revoke the designation if he determines that the local government is not substantially complying with the revitalization area development plan submitted as part of the application for designation. Before revocation, the Secretary must provide the local government with reasonable notice and an opportunity for a hearing.

Under subsection (c), the Secretary may designate revitalization areas from January 1, 1984, until December 31, 1993. He must designate 30 revitalization areas in 1984, 30 in 1985, 35 in 1986, 45 in 1987, and 65 in 1988.

Subsection (d) permits the local government to nominate an area for designation as a revitalization area if, within 60 days after it requests the State, the State fails to nominate the area.

Subsection (e) requires the Secretary to report to Congress every four years after an area's designation on the effects of the designation in attracting business, providing

jobs, and improving the welfare of its residents.

Section 102. Subsection (a) authorizes the Secretary to give preliminary approval of an area as a revitalization area if it meets the requirements of subsection (b) and if the local government has (1) prepared a revitalization area development plan; (2) established a revitalization area management authority; and (3) consulted with area residents, businesses, and quasi-public and private organizations on the possible designation, the plan, and the management authority.

In addition the state (or in its failure the local government) must submit the revitalization area development plan to the Secretary along with other information the Secretary may require.

Subsection (b) sets forth several sets of requirements for an area to qualify as a revitalization area.

The area must meet all the elements in the first set of requirements. Consequently, it must:

(1) fall within the jurisdiction of the designating government;

(2) have a continuous boundary which includes, if feasible, proximately located vacant or underutilized lands or buildings conveniently accessible to residents;

(3) have a population of at least 4,000, if any portion of the area falls within a standard metropolitan statistical area with a population of 50,000 or greater, or 2,500 in any other case, or fall within an Indian reservation; and

(4) comprise at least one square mile.

As a second requirement, the area must also suffer from pervasive poverty, unemployment, and general distress, as determined by the Secretary.

Finally, the area must meet one element of the third set of requirements. It must either have an average rate of unemployment of 1½ times the average national rate of unemployment for the most recent 18 month period; qualify as a low-income poverty area; have at least 60 percent of its residents with incomes below 80 percent of the median income of the residents of the designating state or local government; or both experience a decrease of 10 percent in aggregate population of all census tracts in the area between 1970 and 1980 and suffer chronic abandonment or demolition of, or substantial tax arrearages for, its commercial or residential structures.

The Secretary must base his determinations under this title on data from the Federal government and data submitted by the designating government, if he determines the data is reasonably accurate.

Subsection (c) sets out the requirements for the revitalization area development plan developed by the local government.

In general, the plan must provide an assessment of the economic and social conditions of the revitalization area, specify the development objectives for the area and assign priorities; provide for the creation of a revitalization area management authority to implement the plan and coordinate the activities under this Act with other local programs; specify the powers of this authority, particularly with respect to any General Stock Ownership Corporation (GSOC) established for the area; and establish guidelines for making investment and development decisions for the area and for monitoring and evaluating the effectiveness of the plan.

In addition, the plan must address several specific areas of concern. First, it must evaluate the equity possessed by, or available to, area residents and specify the equity they will receive as a result of the area's development.

This equity may include shares of stock in an area GSOC or an interest in a business, partnership, employee stock ownership plan, cooperative or joint venture; home ownership through homesteading, cooperatives, creative financing mechanisms or similar means; or public ownership of area property.

Second, it must evaluate employment opportunities in the area, the employment status, job skills, and training needs of residents, the employment and job and managerial training needs of area businesses, and the existing jobs, entrepreneurial and managerial training resources available to area residents and business.

In addition, it must specify the commitments state and local governments and others will make to assist in meeting the employment, and job, entrepreneurial and managerial training needs of area residents and businesses.

Third, the plan must evaluate the resource and employment requirements, and the management assistance and other needs, of small, minority, and ownership-expanding businesses in the area; evaluate the financial, managerial and technical resources available to these types of businesses; identify for them potential business opportunities and additional sources of financial and other resources; and specify any commitments state and local governments and others will make to meet the needs of these types of businesses.

Fourth, it must evaluate the status of efforts to improve energy efficiency in the area and specify any commitments state and local governments and others will make to encourage energy efficency and investment by area residents and businesses in energy property, renewable energy source property, insulation, and other energy conserving components, as defined in the Internal Revenue Code.

Fifth, the plan must specify any commitments of other resources to the development of the area and to limit resulting residential displacement and mitigate its effects. Moreover, it must specify any commitment from the local government that at least 10 percent of the proceeds from its industrial development bonds will be used directly or indirectly by area businesses. In determining which area businesses will receive the proceeds, the government must give preference to small, minority-owned, and ownership-expanding businesses.

The plan must also specify any government commitment to donate property within the area to an area GSOC or a tax-exempt educational organization.

Finally, the plan must specify any commitments to encourage and assist minority and youth entrepreneurship; maintain and increase the availability of low- and moderate-income housing; simplify or streamline government regulation, not directly related to health and safety of area employers and employees; improve public services; provide police, fire or other public safety measures; reduce fees, taxes, or other expenses for area businesses; encourage use of eminent domain powers for any area GSOC, except if it would deprive area residents of adequate housing; and encourage the use of private businesses within the area to provide public services.

Section 103. Subsection (a) authorizes the Secretary to give final approval to the designation of a revitalization area if he (1) has given preliminary approval and (2) finds the local government has taken adequate measures to assure fulfillment of the commitments made in the revitalization area development plan.

Subsection (b) directs the Secretary to give preference to areas with the highest levels of general distress and where the local government demonstrates the most comprehensive and determined commitment to pursue the revitalization area development plan. In addition, the Secretary must consider the local government's economic ability to make the commitments in the development plan and the extent to which the application for designation corresponds to any State plan for revitalizing distressed areas.

Section 104. Subsection (a) defines "ownership-expanding business" as a revitalization area business organized and operated as a producer cooperative or which establishes an employee stock ownership plan or tax credit employee stock ownership plan. In addition, nonmanagerial employees must own at least 35 percent of (1) the total voting power of all voting stock, or the total value of all stock, if a corporation or (2) the value of the business, if not a corporation. Moreover, the business must distribute at least 10 percent of its profits each year to its employees equally and, if requested, pay the cost of an audit of its records.

Subsection (b) directs the Secretary, 180 days after enactment, to prescribe regulations providing (1) deadlines to apply for preliminary and final approval of a designation and (2) the form and manner for submitting the applications.

Subsection (g) provides definitions for this section.

Section 105. Subsection (a) directs the Secretary of HUD to promote the coordination of all Federal housing, community and economic development, banking, financial assistance, and employment programs within the revitalization area; expedite, to the greatest extent possible, the consideration of applications for these programs; and provide, whenever possible, for the consolidation of periodic reports required under these programs into one summary report submitted at intervals.

Subsection (b) provides that any reduction of taxes under the area development plan in section 101 shall be disregarded in determining the eligibility of a state or local government for, or the amount or extent of, any assistance or benefits under any law of the United States.

Section 106. Subsection (a) requires the head of each Federal department, agency or program that distributes Federal funds or awards Federal contracts for job training to give preference to (1) any program, organization or local government located in, or primarily serving, a revitalization area over all other programs, organizations or local governments; (2) those programs or organizations specified as part of the job-training commitments under the area development plan over all other programs or organizations serving the area; (3) community-based organizations or entrepreneurship development centers located in, or primarily serving, the area over all other organizations serving the area.

Subsection (b) directs the same Federal officials to take such actions as necessary to assure that a recipient of Federal job-training funds or contracts will give special consideration to the preferences in subsection

(a) in distributing these funds or awarding any subcontracts under these contracts.

Subsection (c) defines a "community-based organization."

TITLE II—TAX INCENTIVES

Section 201. This section defines "revitalization area business" as any business that (1) receives 50 percent of its gross receipts each year from the conduct of a trade or business that produces goods or provides services within a revitalization area and (2) at least 30 percent of the employees hired after designation of the area (or after commencing business in the area) are qualified employees.

A business active in an area before designation as a revitalization area does not qualify as a revitalization area business for any taxable year unless, on the average, the number of its employees for such taxable year is at least 10 percent greater than the number of its employees during the taxable year preceding designation of the area. If a business relocates from another distressed area into a revitalization area, it must maintain its new level of activity in the revitalization area, and remain owned or controlled by the same persons, for at least three years to obtain the tax benefits it would otherwise receive under CARA.

Section 211. This section adds a new section 44H to the Internal Revenue Code to allow an electing, qualified corporation to take a credit against taxes based on the percentage of its stock held by or for qualified employees. For every ten percent of outstanding shares of stock owned by, or on behalf of, its qualified employees, a qualified corporation may take a tax credit equaling 2 percent of its taxable income.

The tax credit may not exceed $50,000 for any taxable year.

In the case of a controlled group of corporations, the $50,000 ceiling shall be reduced for each member of the group by apportioning it among the component members as the Secretary of the Treasury shall by regulation prescribe.

The tax credit under this subsection may not exceed the tax imposed by this chapter of the Internal Revenue Code for the taxable year, reduced by the sum of the credits allowable under a section of this subpart with a lower number or letter designation than this section, other than those allowed by sections 31, 39, and 43.

This section prohibits a corporation from electing to take this tax credit if it elects to take the tax credit under section 44G.

A qualified corporation is defined as a revitalization area business in which at least 70 percent of its employees own shares of its stock.

Section 212. This section adds a new section 1041 to the Internal Revenue Code. Subsection (a) of the new section 1041 provides that a taxpayer shall not recognize gain from the sale or exchange of any share of stock in an area business with (1) an employee stock ownership plan or a tax credit employee stock ownership plan investing primarily in stock issued by the area business, if it meets the requirements of subsection (b); or (2) the area business if it is a producer cooperative.

Subsection (b) of new section 1041 requires that, during the taxable year:

(1) at least 51 percent of the total number of shares of stock of the area business sold or exchanged by the taxpayer to, or with, the plan under subsection (a) must be allocated to the accounts of nonmanagerial employees;

(2) the plan must allocate at least 51 percent of the total number of shares of stock of the business held by the plan among at least 51 percent of the nonmanagerial employees;

(3) in the case of a tax credit employee stock ownership plan, all shares sold or exchanged which are allocated to the accounts of employees must vest within 5 years after the date of the sale; and

(4) the taxpayer maintains such records and provides such information as the Secretary of the Treasury may require by regulation.

Subsection (c) of the new section 1041 provides definitions for the section.

Section 221. This section adds a new section 1042 to the Internal Revenue Code to allow a taxpayer to defer the recognition of any capital gain reinvested in qualified properties.

Subsection (b) defines:

(1) "qualified property" as any tangible personal or real property acquired for business use by the taxpayer in an existing revitalization area or any stock or interest acquired in a small revitalization area business.

(2) "a small revitalization area business" as any revitalization business with average annual gross receipts less than $4 million.

Under paragraph (3) of section 1042(b), a person is a "qualified employee" if he or she performs at least 50 percent of his or her services in a revitalization area and either has been unemployed for 10 weeks, has a poverty level income, receives public assistance, or is eligible for the Targeted Jobs Tax Credit.

Paragraph (4) of section 1042(b) includes low income rental housing as "qualified property" if it is located in the area and it was built, or each of its units has received at least $10,000 in rehabilitation, after the area's designation as a revitalization area.

Paragraph (5) of section 1042(b) extends the deferral of capital gains for all revitalization area transactions to the first exchange occurring after the revitalization area designation ends.

Subsection (c) requires the taxpayer to reinvest his or her capital gain in a revitalization area business or property within a 24 month period of the date of the sale in which he earns his capital gain. This period will include the 3 months prior to, and the 21 months immediately following, the sale.

Subsection (d) requires a taxpayer using section 1042 to defer recognition of capital gain to decrease, by the amount of the deferral, the basis in any qualified property he or she purchases.

Section 222. The section adds a new subparagraph (H) to subsection 48(a) of the Internal Revenue Code to allow a taxpayer to take as a tax credit the investment for property described under paragraph 1042(b)(4) of the Code, if he or she spends $10,000 or more to rehabilitate a unit of low income housing 30 or more years old and located in a revitalization area.

The taxpayer can take a 25 percent tax credit for the rehabilitation of certain 30 year old structures and a 30 percent tax credit for the rehabilitation of certain 40 year old structures.

Section 223. This section amends section 46 of the Internal Revenue Code to allow investors in an Entrepreneurial Development Center to take an additional 10 percent investment tax credit (up to a total of $750,000 per taxpayer). This credit will be available for the investors for no more than 7 years after the Center is placed in service.

Subsection (c) adds a new subsection (9) to section 48 of the Internal Revenue Code to define an Entrepreneurial Development Center as a for-profit facility, established in a revitalization area within 18 months after designation, that provides financial and managerial assistance and physical resources (i.e., machinery, computer services, etc.) to revitalization area businesses.

It also requires that fees charged for the Center's services bear a reasonable relationship to its operating costs.

Section 231. This section adds a new section 44J to the Internal Revenue Code to allow a taxpayer to take a tax credit based on a percentage (the applicable percentage) of the compensation paid to all new qualified employees. The credit depends upon the length of employment of each qualified employee.

The applicable percentages are as follows:

If a qualified employee worked in the area business for:	*Percent*
Less than 1 year	40
At least 1 year but less than 2 years	30
At least 2 years but less than 3 years	20
At least 3 years but less than 4 years	10
4 years or more	0

Section 232. This section adds a new section 1257 to the Internal Revenue Code to allow a taxpayer to take an immediate deduction not equal to the lesser of $10,000 (or $20,000 for a joint return), or the cost of a stock or debenture purchased from a qualified small business.

Subsection (e) requires the taxpayer to reduce the basis of the stock or debenture by the amount of the deduction and establishes a minimum holding period of three years.

Section 233. Direct loans under section 7(a) of the Small Business Act to revitalization area businesses.

Section 7(a) of the Small Business Act (15 U.S.C. Sec 636) is amended by adding the following new paragraph:

"(16) Notwithstanding any other provision of law, at least $50 million of the funds authorized by this Act to be appropriated for new direct loan obligations pursuant to this subsection shall be obligated with small business concerns located in revitalization areas as defined by Sec. 101 of the Community Assistance Revitalization Act of 1983."

Section 241. This section amends subsection 51(b) of the Internal Revenue Code to increase from $3,000 to $5,000 the maximum tax credit an employer can take for wages paid to each first-year employee.

Subsection (b) eliminates the termination date for section 51 of the Code, making it a permanent provision.

TITLE III—GENERAL STOCK OWNERSHIP PROVISIONS

Section 310. This section sets out the procedures for establishing, in a revitalization area, a General Stock Ownership Corporation (GSOC), an entity already recognized in section 1391 of the Internal Revenue Code.

Subsection (a) provides that within 180 days after the Secretary of HUD gives final approval to an area designation, the local government having jurisdiction over the area shall hold an election to select at least five individuals from among eligible candidate to serve as the area (GSOC) planning board.

The local government must divide the number of seats on the board into classes and assign a length of term to each seat. The class division shall insure that, if the board becomes the board of directors for an area GSOC, at least one-third of all seats on the board shall be open for election every two years.

The ballot for this election must include the names of all eligible candidates who secure a specified number of signatures. It must also indicate the length of the term of office assigned to the seat for which each eligible candidate is seeking election.

To qualify as an eligible candidate, an individual must be a resident of the revitalization area and must be at least 18 years old.

Within one year after the designation of a revitalization area is approved, the board, by a majority vote, must determine whether establishment of an area GSOC would be in the best interests of the area. If it decides negatively, the board shall cease to exist within 15 days after that determination. If it decides affirmatively, the board must formulate a plan creating an area GSOC that will meet the needs of the area and submit the plan to the Governor.

Subsection (b) authorizes the legislature or Governor of a State to charter an area GSOC but only if the area GSOC planning board has submitted a plan for creating an area GSOC; the charter issues within 90 days after the plan is submitted to the Governor; and the legislature or Governor finds that the requirements of this section have been met and the proposed area GSOC meets the requirement of the Internal Revenue Code.

Subsection (c) provides that the area GSOC planning board shall serve as the initial board of directors of the area GSOC. Each member shall have the term of office assigned to the seat on the area GSOC planning board for which the member was elected.

The local government shall determine a term of office for subsequent board members which is equal in length for each member and provides for the expiration every two years of the terms of at least one-third of the members.

If the term of a board member expires, or a vacancy occurs, the local government must hold an election similar to that held under subsection (a) to choose a successor or fill the vacancy.

The board of directors has the sole right to manage the property and affairs of the area GSOC.

Subsection (d) directs the board, within 90 days after the state charters the area GSOC, to propose a business plan for the area which specifies the objectives of the area GSOC, the type of investments the area GSOC may make, and the manner in which the area GSOC proposes to develop the area. If approved by a majority of the shareholders, the plan must become a part of the bylaws of the area GSOC, amendable only with the approval of a majority of the shareholders. The area GSOC may not make any investment, or take any action, until the shareholders approve the business plan.

Section 302. This section establishes the area GSOC as a recognized taxable entity by amending existing section 1391 of the Internal Revenue Code, which already recognizes the GSOC as a taxable domestic corporation, if, among other things, its shares of stock are held by all residents of a state.

Subsection (a) adds a new subsection (e) to section 1391 to define an area GSOC as a GSOC chartered by the State under the provisions of section 301 of the CARA, authorized by its charter to acquire and develop real estate in the area, and having a charter that provides:

(1) the shares of its stock shall be issued directly to eligible area residents on an equal basis;

(2) each share shall have full voting rights;

(3) except as provided in this subsection, no share shall be transferable other than by will or by the laws of descent and distribution;

(4) at least 40 percent of all employees of the area GSOC at any time must be qualified employees as defined in section 1042 (b) of the Internal Revenue Code;

(5) the GSOC must qualify as an area GSOC under this subchapter; and

(6) the board of directors of the GSOC must authorize the issuance of as many shares of GSOC stock as necessary to assure that each present and future eligible area resident receives stock on an equal basis.

This subsection also defines an eligible area resident as any person who is at least 18 years old and has been an area resident at all times for one year prior to issuance of the share of stock of the area GSOC.

In addition, this subsection requires that all area residents receive at least an equal number of shares of the area GSOC stock.

An exception is allowed for certain "exempt residents" who may receive, under rules prescribed by the board of directors, up to 25 percent more shares of stock. These individuals may include employees of the area GSOC, persons who have performed voluntary services for the area GSOC, and disabled individuals.

Finally, any shareholder may sell his nonforfeitable rights in any share of area GSOC stock to the area GSOC but not sooner than five years after the stock is issued. The area GSOC must purchase the stock at its fair market value.

Subsection (b) amends the general definition of GSOCs to reflect the provision of area GSOCs under the CARA. In addition, it extends the date by which a state may charter a GSOC from January 1, 1984, to January 1, 1995.

Further, it prohibits the transfer of shares of stock in the area GSOC, other than by will or the laws of descent or distribution, until five years after the stock is issued unless the shareholder ceases to be a resident of the area.

A shareholder may not transfer his stock to any person other than the area GSOC.

This subsection also adds a new subsection (f) to section 1391 providing that a GSOC shall not be considered a member of affiliated group solely because it owns stock in a real estate corporation if it owns less than 80 percent of the voting power of all class of stock, and less than 80 percent of each class of nonvoting stock, of that corporation.

A real estate corporation is defined as a corporation deriving at least 95 percent of its gross income, for any taxable year in which a GSOC owns more than 20 percent of the voting power of all classes of stock in the corporation, from (1) rents or property, (2) gain from the sale or other disposition of real property, and (3) amounts described in section 856(c)(2)(G) of the Internal Revenue Code.

The area of GSOC must distribute at least 10 percent of its taxable income for any taxable year.

The amendments in this section take effect for taxable years ending after December 31, 1983.

Section 303. This section amends subsection 170(c) to provide that contributions to an area GSOC qualify as charitable contributions.

Section 304. This section adds a new section 1043 to the Internal Revenue Code to provide that a taxpayer must recognize only 50 percent of the gain realized from the sale or exchange of any property to, or with, an area GSOC.

TITLE IV—EMPLOYEE STOCK OWNERSHIP PROVISIONS

Section 401. This section amends section 404(a)(10) of the Code to increase from 25 to 50 percent the amount that may be deducted from income tax for contributions paid into an employee stock ownership plan which are applied to the repayment of the principal of a loan used to acquire the employer's stock.

Section 402. This section adds a new subsection (j) to section 404 of the Code to allow an employer to deduct the amount of any cash dividend he pays on any share of his stock under either of two conditions. First, the stock must be held on the record date by a tax credit employee stock ownership plan or an employee stock ownership plan and, under the terms of the plan:

(i) the plan participants receive the dividend in cash within 60 days after the year in which the plan receives the dividend, or

(ii) the plan applies the dividend to repay a loan used to acquire the employer's stock.

Second, the stock is held by a former employee who received it in a distribution from a tax credit employee stock ownership plan or an employee stock ownership plan.

Section 403. This section further amends subsection 170(c) of the Code by adding a new paragraph (7) to permit a taxpayer to deduct a contribution to a tax credit employee stock ownership plan or an employee stock ownership plan as a charitable contribution.

The section attaches six conditions for the deduction to qualify. First, it must consist exclusively of employer securities. Second, it must be allocated, under the terms of the plan, to participating employees consistent with the nondiscrimination requirements of section 401(a)(4) of the Code.

Third, no part of the contribution may be allocated under the plan for the benefit of (1) the taxpayer or decedent, or any related person, under subsection 267(b), or (2) any other person owning more than 25 percent in value of any class of outstanding employer securities or qualifying employer securities, under subsection 318(a).

Fourth, the contribution must be made only under the provisions of the plan. Fifth, the plan must attribute the employer securities to employer contributions.

And sixth, the taxpayer cannot otherwise take a deduction under section 404 or a tax credit under section 44G for the contribution.

Section 404. This section provides that the amendments to the Code in Title V of the CARA shall take effect for the taxable years ending after December 31, 1983.

TITLE V—ENERGY PROVISIONS

Section 501. This section amends section 44C of the Internal Revenue Code to increase the qualified energy conservation expenditure, for purposes of calculating the residential energy credit, from 15 percent to 40 percent of the energy conservation expenditures on a dwelling unit made by the taxpayer during taxable years ending after 1983. It also extends the residential energy credit for dwelling units in revitalization

areas indefinitely beyond its current expiration date of December 31, 1985. Finally, it permits the carry over of unused credits until the taxable year beginning after December 31, 2004.

Section 502. This section amends section 46(a) of the Internal Revenue Code to provide that, between January 1, 1984, and December 31, 2002, a revitalization area business may apply an energy percentage of 30 percent for its energy property.●

AGENT ORANGE COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, Mr. PANETTA as vice chairman of the Vietnam veterans in Congress, and myself as chairman, are introducing legislation that will to an extent provide financial relief for a limited group of Vietnam veterans suffering from the effects of toxic chemical exposure from their service in Vietnam; 111 of my colleagues from both sides of the aisle have joined with me in this effort.

I believe this legislation is even more compelling after the administration's decision to compensate the residents of Times Beach, Mo. Though the extent of Federal Government culpability at Times Beach is still somewhat unclear, the decision to purchase the property in the community implies an acknowledgment that dioxin, the same contaminant in the herbicide agent orange, is dangerous enough to pay for the evacuation of an entire community of 2,500 people. If this Government is willing to accept this responsibility for Times Beach, it has even more of a responsibility to provide compensatory relief to individuals it was directly responsible for exposing to the very same chemical in Vietnam.

My colleagues may be interested to learn that dioxin levels at Times Beach, averaging 100 parts per billion, are approximately 20 times less than the mean level of dioxin in agent orange, 2 parts per million. Dioxin levels in agent purple averaged 32 parts per million and in agents green and pink they averaged 65 parts per million. Herbicides pink, purple, and green used primarily before 1965, thus had dioxin levels hundreds of times higher than levels discovered at Times Beach and thousands of times above the EPA danger level of 1 part per billion for domestic use of herbicides containing the contaminant.

We thus believe it especially appropriate to introduce legislation which would compensate certain Vietnam veterans for illnesses and disabilities which may be related to their service in Vietnam. Current law allows for the establishment of presumptions, and the payment of compensation, when there is doubt as to whether a specific illness originated during a veteran's service or not. This legislation would establish three new presumptions for compensation purposes in section 312 of title 38, United States Code. The new presumptions are for soft tissue sarcomas, a liver condition known as porphyria cutanea tarda, and a skin affliction called chloracne. Scientific studies presently show a strong correlation between these illnesses and dioxin exposure. There would be no presumptive period applicable to these illnesses, but in recognition of the largest and probably most costly epidemiological study ever undertaken, there is a sunset provision which would terminate benefits within 1 year of the first report from the Centers for Disease Control epidemiology study unless the results of the study indicate that there continues to be a significant correlation between service in Vietnam and certain health effects. Since the CDC study is expected to have initial findings by 1987, the sunset provision would likely become effective sometime in 1988.

A few hundred veterans suffering from soft tissue cancers and porphyria cutanea tarda will benefit from this legislation as would some 2,500 veterans with chloracne or chloracneform lesions should Veterans' Administration extrapolations of current chloracne cases prove accurate. This legislation is expected to cost only $3 to $4 million a year. The following chart provided by the Veterans' Administration lists the number of agent orange related compensation claims filed with the agency as well as a breakdown of the specific type of illness claimed:

AGENT ORANGE CLAIMS

	Number	Percent
A. Total number of claims	16,564	100.0
Claims with diagnosis confirmed	8,261	49.9
Claims with diagnosis not confirmed	4,368	26.4
Claims with no disability alleged	3,935	23.7
B. Claims with diagnosis confirmed	8,261	100.0
Allowed for reason other than agent orange	[1]1,275	15.4
Denied	[2]6,986	84.6

[1] Approximately 95 percent or 1,207 of the total 1,275 claims allowed are service connected for skin condition. Balance of 5 percent or 68 claims were allowed for cancer, psychiatric, and neurological conditions and various other miscellaneous disabilities.

[2] These 6,986 claims having more than one claimed diagnosis fall into the following categories:

Skin condition (acne, alopecia, eczema, keloids, and uticaria)	4,232
Nervousness, headaches, and fatigue (claimed)	2,452
Paralysis or numbness and other symptoms of extremities	911
GI and GU conditions	796
Malignancies (leukemia, lymphoma, melanoma, Hodgkin's etc.)	501
Imparied sexual activity (alleged)	360
EENT pathology	466
Lung condition	293
Cardiovascular and hypertension	251
Miscellaneous	146

As my colleagues can see, veterans have filed claims for a number of adverse health effects from agent orange exposure. Virtually all of these conditions have been described in scientific literature on phenoxy herbicides and dioxins. For reference purposes, I would refer my colleagues to chapter 5 of the Review of Literature on Herbicides, Including Phenoxy Herbicides and Associated Dioxins, ordered by Congress in Public Law 96-151, and completed in September 1981. An updated review should be available in several months. This document, as well as a bibliography with over 1,116 references on the subject is available from the Government Printing Office. Certainly, there is no shortage of information on this subject. Despite the large number of adverse effects noticed in exposed populations to dioxin, I felt that at this time the legislation should be limited to those illnesses which are most indisputable.

The efforts of the Army Agent Orange Task Force will also enable us to verify in most cases whether or not a veteran was actually exposed to herbicides. The task force, which has been busy identifying cohort groups of veterans who were exposed, not exposed, as well as those who did not serve in Vietnam for the two Centers for Disease Control epidemiology studies on the Vietnam experience and effects of agent orange exposure, is a most capable and credible source to conduct this research and is completely willing to assist the Congress and Veterans' Administration with this particular effort.

Mr. Speaker, the alleged scientific uncertainty surrounding all the definitive effects of agent orange exposure in my opinion will continue to be expressed for some time. After all, if we have been unable to find conclusive evidence after publication of over 1,100 studies and reports on the chemical spanning decades of work, what can we expect those studies now underway to add to the current knowledge that has not already been revealed. I personally believe that decisions can and must be made on the evidence which is already available and there is sufficient evidence to do so. The social policy implications of agent orange poisoning have been ignored too long. Regardless of whether agent orange can be definitely linked to an illness or is merely correlative, there are over 16,500 Vietnam veterans with severe illnesses they believe are caused by their exposure to agent orange. To hold their fate in the balance while Congress, the VA, and the scientific community deliberate the conclusiveness of the science is a mockery of their service to this Nation and to their suffering. The legislation I am now introducing is a tightly crafted bill which will entitle certain Vietnam veterans with painful and debilitating diseases to compensatory relief currently not available. If compensation can be provided to residents of Times Beach, and I think it should, it definitely should be provided certain Vietnam veterans as well. Following is the text of the legislation:

H.R. 1961

A bill to amend title 38, United States Code, to provide a presumption of service connection for the occurrence of certain diseases related to exposure to herbicides or other environmental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Veterans Agent Orange Relief Act".

SEC. 2. The Congress finds that—

(1) certain adverse health effects occurring among persons who served in the Armed Forces in Southeast Asia during the Vietnam era, and certain birth defects occurring among the children of such persons, may be the result of the exposure of such persons during such service to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides or to other factors involved in such service including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions; and

(2) a comprehensive review and scientific analysis of the literature covering studies relating to whether there may be long-term adverse health effects in humans from exposure to any of the class of chemicals known as the dioxins produced during the manufacture of the various phenoxy herbicides (including the herbicide known as Agent Orange), as required by section 307(a)(1)(B) of Public Law 96-151, has been completed and submitted to the Veterans' Administration.

SEC. 3. Section 312 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) For the purposes of section 310 of this title and subject to the provisions of section 313 of this title, in the case of a veteran who served in Southeast Asia during the Vietnam era and who after such service suffers from a disease described in paragraph (2)(A) of this subsection, such disease shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of evidence of such disease during the period of service.

"(2)(A) The diseases referred to in paragraph (1) of this subsection are the following:

"(i) Soft-tissue sarcomas.

"(ii) Prophyria cutanea tarda.

"(iii) Active and residual chloracne and chloracneform lesions.

"(iv) A disease listed in a regulation prescribed by the Administrator under subparagraph (B) of this paragraph.

"(B) The Administrator may determine, and prescribe by regulation, diseases (in addition to those listed in subparagraph (A) of this paragraph) that medical research has shown may be due to exposure to herbicides, chemicals, medications, or environmental hazards or conditions. The Administrator shall include in such regulations a specification of the standards used by the Administrator in making such determination.

"(3) Paragraph (1) of this subsection shall terminate on the first day of the first month beginning after the end of the one-year period beginning on the date the Administrator submits to the appropriate Committees of Congress the first report required by section 307(b)(2) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1098).".●

STOP GIVING AWAY VA PROPERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, today I have introduced legislation to revise procedures with respect to the disposal of real property of the Veterans' Administration. For the past several years the Administrator of Veterans' Affairs has come under increasing pressure from the General Services Administration and the Property Review Board to excess VA land and, in many cases, existing buildings located at various VA medical centers throughout the country.

In attempting to deal with this problem, a couple of years ago the Congress passed legislation requiring the Administrator of Veterans' Affairs to submit any recommendation to excess VA real property to the committee before the recommendation was submitted to the General Services Administration. This was done so that our committee could at least have an opportunity to review the justification for the excessing of such property.

I am personally opposed to excessing any VA land at this time because of the tremendous number of aging veterans that the VA must care for in the coming years. We now have the bulk of the World War II veterans reaching an age when they will be seeking more care in VA hospitals. Not only will they be coming into the system in greater numbers, but the length of each stay, because of the increased age of the veteran, will be longer. There are many other reasons why I feel so strongly that we should not be excessing VA property. I will not take the time of the House now to explain, except to say that, hopefully, legislation will bring about an understanding between the appropriate committees of Congress and the Administrator of Veterans' Affairs so that the Congress can have some say in whether or not the current practice is to continue. Until Mr. Harry Walters, the current Administrator, assumed command of the VA, we had little to say about this issue.

The excessing of VA property concerns all of the national service organizations who represent so many veterans, and I invite all of my colleagues to join me in cosponsoring this bill. The Committee on Veterans' Affairs will hold hearings within the next few weeks, and our plan is to bring a bill to the floor no later than midsummer.

Any member who wishes to cosponsor the legislation may call Mrs. Graves of the committee staff on extension 53527.●

TRIBUTE TO RAYMOND E. ANDRUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, I speak today in tribute to and recognition of a longtime friend of mine, Raymond E. Andrus, who died last Tuesday at age 88 in my hometown of Mayfield, Ky.

Andrus had been associated with the Exchange Bank in Mayfield for 65 years. His banking career began as a clerk and he rose to the position of bank president in 1942. Andrus was named president emeritus in 1980.

A native of south Graves County, he was active in a number of important organizations—secretary-treasurer of the Mayfield Electric & Water Board, elder in Mayfield's First Christian Church, and treasurer of the local Red Cross chapter. I held my friend, Raymond E. Andrus, in high esteem for the many years during which I knew him. He was very interested in good government and wrote me hundreds of letters during the 16 years I served as his State senator and congressman.

Andrus is survived by his wife, Julia Thompson Andrus, his son, James Raymond Andrus, of Fulton, Ky., two daughters, Mrs. James E. Jones, of Mayfield, Ky., and Mrs. Bob Griffith, of Gainesville, Ga., and two sisters, Mrs. Fred Maddox, Jackson, Tenn., and Mrs. Barber Boyd, of Murray, Ky. He is also survived by 10 grandchildren and 6 great-grandchildren.

I extend my sympathy to the survivors and friends of this outstanding Kentuckian and American who was indeed an inspiration to those of us who admired and knew him.

□ 1500

A CONGRESSIONAL VETO OF BUREAUCRATIC RULES IS NEEDED—WHO MAKES THE LAWS ANYWAY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 10 minutes.

● Mr. LEVITAS. Mr. Speaker, our Government belongs to the people of this country. It should not oppress them. It should serve them. The people who make the laws and regulations that govern their lives should be accountable to the American people. In recent years, this Government has not always acted in this fashion.

In an effort to help our Government return to its proper role, I am introducing legislation which would begin to restore to the people a measure of control over executive and independent agency rulemaking, because the rules spewing forth from these un-

elected bureaucracies are a major cause of the problem.

It is a problem of rampant government. It is a problem of cynicism of Americans about government because of that type of unaccountable and unresponsive and unelected government.

Embodied in the principles of the Magna Carta, the Declaration of Independence, the Constitution, and the Bill of Rights is the basic tenet that government must be by the consent of the governed and that the process of law is fundamental and essential. Would any American citizen seriously argue that a person should be deprived of liberty or property under decrees which no elected official has participated in promulgating? Yet today the fact is that vastly more rules are made by the decree of the unelected bureaucracy than by the elected Members of Congress. In most instances a consequence of violating these administrative rules is imprisonment or fine or both.

If you ask the man on the street who makes the laws in this country, he would likely tell you that Congress does. But, he would be wrong, because more edicts regulating his life are promulgated by unelected bureaucrats than are passed by the elected Congress. An administrative rule is, in effect, a law. It has the same force and effect as a law. A person can go to jail, in many instances, for violating an administrative, bureaucratic rule just the same as if he had violated an act of Congress.

One has only to glance at the daily Federal Register to realize that executive and independent agencies have evolved into a fourth branch of Government with hosts of regulations which carry the force of law without legislative consideration. While it may be true that Congress has previously given—or abandoned—to the bureaucracy the power to enact these administrative laws, that does not justify continuing this practice.

There is definitely a need to have administrative rulemaking to fill the gaps between the broad principles embodied in acts of Congress, but this does not mean that Congress should leave it to civil servants or appointed officials to pass thousands upon thousands of far-reaching rules that can put citizens in jeopardy of losing liberty or property without having anyone elected by the people or answerable to them involved in the process.

The bill which I am introducing will give the public, through their elected representatives, an input into and a control over the rules which govern their lives by means of a legislative, or congressional, veto procedure for administrative rules and regulations. This bill will help cut down on bureaucratic redtape, reduce the regulatory outpouring from Federal agencies, and make the rules that are adopted more reasonable.

Congressional veto of administrative rules and regulations is not a new idea. The House of Representatives particularly has shown strong support for this concept. In the 94th Congress, the House Judiciary Committee reported a bill applying congressional veto of administrative rules and regulations across the board. This bill was debated on the floor under suspension of the rules near the end of the session. Unfortunately, it failed by two votes to receive the necessary two-thirds vote for passage. However, the strong vote in favor, 265 to 135, clearly demonstrates the support of the House. That support was bipartisan with 165 Democrats and 100 Republicans, including liberals, moderates, and conservatives, joining in voting for this bill.

In the 95th Congress, no comprehensive bill was reported for consideration by the House. However, 186 Members of the House cosponsored my bill providing for congressional veto of administrative rules and regulations, and signficant votes were taken on the issue. On at least five separate occasions, congressional veto amendments patterned after the comprehensive bill were approved on the House floor to various agency or program authorizations such as HUD, FTC, and the FIFRA program. In addition, similar amendments were often offered during committee and subcommittee consideration of legislation, such as the Department of Education Organization Act and the Surface Transportation Assistance Act.

The most noteworthy votes on this issue were taken on the FTC conference report. Although the House passed an amendment providing for congressional veto of FTC regulations by a 2-to-1 vote, 272 to 139, the Senate refused to accept this provision in conference.

On two separate occasions in the 95th Congress, the House voted to reject the FTC conference report because it did not contain a congressional veto of FTC regulations. The first vote was 146 to 255; the second vote was 175 to 214. In the 96th Congress, the House voted unanimously to reject Senate amendments to the bill which would have eliminated the congressional veto, and voted 257 to 115 to instruct the House conferees to insist on the legislative veto language in the House bill. And, again in the 97th Congress, efforts to eliminate the legislative veto over FTC rules were soundly defeated. That two-time rejection of the conference report by the 95th Congress and the overwhelming support for the congressional veto in the 96th and 97th Congress, constituted unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform. That fight was finally won with regard to the FTC when the conference committee included a meaningful and effective legislative veto which was accepted by both Houses and signed into law by President Carter on May 28, 1980.

Even greater strides were made in the 97th Congress as the Senate unanimously passed legislation which provided for a comprehensive legislative veto over agency rules and regulations.

Last week, I reintroduced in the House comprehensive legislation to provide for congressional veto of administrative rules and regulations. This bill is similar to the one reported by the House Judiciary Committee in 1976. Congressional veto of administrative rules and regulations provides an ongoing procedure whereby Congress may review and reject agency actions—a mechanism that is necessary to insure that the principles upon which our country was founded are upheld.

The procedure set forth in this bill provides that whenever a rule or regulation is adopted under the Administrative Procedures Act, it will be referred to Congress for 60 days before it becomes effective. If during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed. While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses of Congress could participate in the process, the principle of bicameralism is respected.

My proposal provides for an expedited procedure for bringing such resolutions to the floor of the House or Senate modeled after the procedures used for consideration of Presidential rescission and deferral messages. In addition, it contains a retroactive provision which will allow either House of Congress to review regulations previously adopted and, if necessary, refer them back to the administrative agency for reconsideration and repromulgation under the procedures of congressional veto.

Legislative review of executive actions is not a startling new proposal. There is ample precedent for such action in both Federal and State law. Since 1932, approximately 210 different acts of Congress with 318 separate provisions mandating some sort of congressional approval or disapproval of executive implementation of those laws, have been passed. Thirty-five States have on their books laws which provide for legislative review and/or veto of administrative rules and regulations.

Section 1013 of Jefferson's Manual for the 97th Congress lists the many laws providing various procedures

whereby Congress has reserved to itself the right to review, by approval or disapproval, certain actions of the executive branch or independent agencies and, in one case, the rules of evidence recommended by the Supreme Court.

Congress has not only repeatedly provided for congressional veto of administrative rules and regulations, but has exercised that power. For example, both the House and Senate have exercised one-House vetoes of regulations promulgated by the General Services Administration pursuant to the Presidential Recordings and Materials Preservation Act.

In 1980, the House acted to veto regulations promulgated by the Federal Energy Regulatory Commission under the Natural Gas Policy Act of 1978, and acted with the Senate to veto President Carter's oil import fee, and, on four separate occasions, acted to veto regulations of the Department of Education.

And more recently, in the 97th Congress, both the House and Senate voted to disapprove a rule promulgated by the Federal Trade Commission dealing with the sale of used cars.

Congressional veto of administrative rules and regulations addresses a central and most serious question: Who makes the laws in this country? Is it the elected Congress or the unelected bureaucrats who rule by administrative fiat?

Time and time again, the administrative agencies have usurped the authority of Congress through their quasi-legislative process of rulemaking. We have seen our legislative efforts frustrated or distorted when the implementing rules and regulations are published. The administrative agencies have oftentimes promulgated rules which are oppressive, arbitrary, or go clearly beyond the intent of Congress in passing the enabling act. Once that pithy little clause, "The Secretary shall have the power to promulgate regulations * * *", it is your guess and mine how far the administrative agency will go or, indeed, how lenient it will be.

What has resulted is a citizenry that is becoming increasingly cynical, frustrated, and angry with their Government. If we look just at the sheer number of regulations promulgated within a year, we can understand the extent of their anger.

Congress during a 2-year period enacts approximately 500 laws. During this same period of time, however, the bureaucracy issues about 10,000 regulations. It becomes clear who is running the lives and schools and local governments and businesses of this country—unelected bureaucrats, not elected representatives.

The means of recourse presently available to our citizens are limited. Judicial review is a costly process prohibitive to the average citizen when a decision may be put off for years and particularly when the scope of judicial review is circumscribed. The nature of judicial review is not only limited and expensive, it is always ex post facto, and all presumptions favor the agency rule. A mere scintilla of supporting evidence can justify a rule in court even in face of overwhelming evidence to the contrary. This point is illustrated by a Supreme Court decision of a few years ago in Union Electric Co. against EPA that held the economic and technological infeasibility of regulations cannot even be considered in judicial determinations.

While the administrative comment period theoretically does afford the citizen the opportunity to express his views on a proposed regulation, it does not require the agency to take serious note of the comments submitted. Moreover, unless the average citizen reads the Federal Register daily, which would not make him an average citizen, the comment period is likely to go by without his knowing about the rule until it becomes effective.

Remedying legislation can be, and oftentimes, is introduced, but we know too well that this is a cumbersome and time-consuming process which is not adequate to repeal or change administrative rules. Also, why should the full mechanism of enacting a law be required to reject mere agency rules? Greater oversight, stricter standards for the appointment of Cabinet members, agency chairmen and commissioners, and greater reliance on the authorization and appropriations process are additional tools available to Congress to control executive and independent agencies in general. But, these mechanisms are also not adequate to address the problem a particular regulation may present. They are not targeted, and their remedies are ex post facto—after the damage has been inflicted on the public. Congressional veto of administrative rules and regulations would prevent the damage.

Congressional veto of administrative rules and regulations would have a twofold effect. It would make the administrative agencies more responsive to the public and to congressional intent by establishing the unquestioned realization in each agency that they cannot promulgate regulations with impunity. They will know that Congress is paying attention to what they are doing, looking over their shoulders, and can take action if they go off on the wrong track. It is axiomatic that we will see more carefully drafted regulations, as well as more attention being paid to the views of citizens during the comment period. In short, the main benefit of the congressional veto is that it exists. Its very existence will sensitize the bureaucracy and make it more responsive.

It would also force Congress to draft legislation more carefully and to spell out its intent more clearly. Congress is far too lax in delegating authority broadly and without guidelines to administrative agencies. When hard decisions have to be made, we pass the buck with vaguely worded statutes. Who can or should vote against safe cars, clean air, or nondiscrimination? But when the implementing regulations are published loading cars up with expensive equipment of little benefit, or EPA imposes a parking ban on cities, or EEOC refuses to let a police-department ask potential employees if they have a criminal record, the actual benefits of cafe cars, clean air, or nondiscrimination is called into question. If we realize that we have the ultimate responsibility for the administrative rules that flow from these enabling acts, we will be more careful.

Moreover, the public will have a larger voice in the rulemaking process. Access to Congressmen and Senators is far easier than access to anonymous, faceless bureaucrats. Most Federal administrators are hardworking, dedicated, and talented people who do their job and serve the public faithfully and well. Some few, however, are zealots who in some elitist way think they—not the people or the elected Congress—run the country. The purpose of a congressional veto is to deal with this problem and to see that the public is given an input, through their elected representatives, in the promulgation of administrative rules. That is why so many organizations and individual citizens support this idea—because it gives them a say-so in the rules that run their lives. It provides a remedy to the citizens of this country for us, as their elected representatives, to say when the bureaucracy has gone too far, perverted the intent of Congress and promulgated arbitrary and oppressive regulations.

To say that Congress has neither the time nor the resources to review administrative rules and regulations is begging the question. These rules and regulations can be as far-reaching in effect as laws, and we cannot shirk our responsibility and let them go by without scrutiny simply because they are not called such. Some of the bills we consider are not as significant in effect as the regulations we ignore because they are called regulations. In the 95th Congress, approximately 18,000 bills were introduced for consideration. This amounted to almost twice the number of rules and regulations promulgated. Only those bills and resolutions which were important and necessary were considered in committee and eventually received attention by Congress. Such would be the case with congressional veto of administrative regulations.

In addition, committees already have a review and investigations subcommittee with the responsibility of monitoring a particular function of the bureaucracy. The staffs of these, and other legislative subcommittees review the activities of the Federal agencies every day, as well as review the regulations promulgated by the agencies. The problem is they cannot really do anything about the bad regulations. Congressional veto will be an asset to oversight activities in that it will help the committee staff to focus on problem areas without allowing the administrative excess or abuse to continue while long-range oversight activities get underway. It will not necessarily add to staff size, but it will make them function more effectively. If any minor additional costs are incurred, though it is unlikely, they will be well worth it. It will overwhelmingly save the public millions or even billions of dollars resulting from oppressive regulations.

It is interesting to note that one of the specific grievances enumerated against King George to justify American independence and revolution as penned in the Declaration of Independence was:

> He (King George) has erected a multitude of new Offices, and sent hither swarms of officers to harass our people, and eat out their substances.

Legislative veto of administrative rules and regulations is a way to make a start toward restoring to the people those rights for which the declaration of Independence spoke over 200 years ago. It is our chance to restore to the people their right to govern themselves and to restore their confidence in their own Government. If we truly believe in a system of government by the people, our support of this principle is a way to make our words and beliefs match our votes and our deeds.

My bill cannot be termed liberal or conservative; it crosses ideological lines. Indeed, more than 250 Members of the House in the 97th Congress, and already more than 100 Members in the 98th Congress, have joined me in cosponsoring my bill, and they have come from all across the political spectrum. The American people are demanding a return to representative government. They have given us a mandate to move away from a government of unelected bureaucrats who rule by administrative fiat.

I commend this bill to my colleagues in the 98th Congress and hope for a united front in reclaiming for ourselves and our citizens the right of rule by the people and not by bureaucracy.●

FIRST AMENDMENT PROTECTION FOR FOREIGN FILMS AND PUBLICATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 10 minutes.

● Mr. KASTENMEIER. Mr. Speaker, a serious incursion in the area of first amendment rights recently came to light when three Canadian films were determined by the Justice Department to be political propaganda. There has been widespread indignation at the idea that the U.S. Government would judge the political content of these films before they might be viewed by the American public. Responding to this criticism, the Justice Department asserts it is merely doing the job Congress asked it to do in the Foreign Agents Registration Act.[1]

Today I am introducing legislation that will eliminate the role of the Justice Department in reviewing, labeling, and keeping track of films and other materials merely because the source of those materials is registered under the Foreign Agents Registration Act. This bill leaves intact all other requirements under the act. The proposed legislation will simply end what I view as unwarranted Government intrusion into activities in an area clearly protected by the first amendment.

Before discussing this bill further, I would like to review a little bit of the history of the Foreign Agents Registration Act. The act was passed by Congress in 1938 in reaction to the threat posed by prewar Nazi infiltration in this country.[2] The act underwent extensive revision in 1966, shifting in focus to reflect the change in the nature of foreign influence, from what might be viewed as subversive activities to lobbying and public relations.

The act requires an agent of a foreign principal—a foreign government, political party, organization, or individual—engaging in certain activities under the direction or control of the foreign principal, to register with the Department of Justice. The legislation I propose today does not disturb this requirement.

The problem addressed by this bill is that printed and visual material which may be disseminated by anyone who is mandated to register under the act must first be reviewed by the Justice Department and, if determined to be within the act's broad definition of "political propaganda," is subject to labeling, filing, and reporting requirements.

Ironically, the original justification for this provision was an argument rooted in the first amendment: that disclosure of the foreign source of written, audio, and visual material would allow readers, listeners, and viewers to better judge that material for themselves.

However, as sometimes happens, the law and the regulations promulgated by the Justice Department to enforce the law extend significantly beyond the purpose of the legislation. In order to understand the law in operation, I shall turn to the example of the three Canadian films.

The Canadian Film Board is proud of its films—one has been nominated for an Academy Award—and each film is clearly identified as produced by that entity. But the law requires more. Each film must bear an additional, stigmatizing label stating its connection with a foreign agent required to register with the Department of Justice. The label must also state that reports of the dissemination of the film are filed with the Department and are open to public inspection. Last, the label contains a disclaimer of approval by the U.S. Government. It is not difficult to imagine how requiring such an alarming message at the beginning of a film might have a chilling effect on those who would choose to exercise their first amendment rights by showing or viewing such a film. The required label—and the chilling effect—are the same for printed materials.

In addition to the label required by law, Justice Department regulations impose the additional obligation to file a report containing information that is—or should be—none of the Government's business. This report must include the name of any broadcast station, organization, or theater using the film, the dates shown, and the estimated audience. In the case of printed material, any person or organization receiving 100 or more copies must have their name and address reported to the Justice Department. As stated in the label, these reports are open to public inspection. Why should the Justice Department collect these names, and to what purpose?

This matter is not to be taken lightly. Failure to comply with the law is punishable by a $10,000 fine and 5 years imprisonment in some cases, and, if the violator is an alien, may subject that person to deportation.[3]

The subjects of these films are matters of great public importance—the threat of nuclear war, the effects of acid rain on the environment. Yet ironically it is precisely because these films address important issues that they must bear their onerous label. Political propaganda, as defined by the Foreign Agents Registration Act,

[1] 22 U.S.C. 600 et seq.

[2] Congressional Research Service, Report to the Senate Committee on Foreign Relations, 95th Cong., 1st sess., The Foreign Agents Registration Act 12-15 (Comm. Print 1977). See generally, Congressional Research Service, History of the Foreign Agents Registration Act of 1938 (1978).

[3] 22 U.S.C. 618.

includes any material which might tend to persuade any segment of the American public on an issue of public interest.[4]

Any first amendment interest—or any other Government interest—has been overshadowed by the intrusion into protected first amendment rights by this bureaucratic entanglement of requirements. The public has a right to see these films without Government interference. The bill I propose today simply deletes the provisions calling for Justice Department review, labeling, filing, and reporting of materials which happen to be disseminated by entities required to register under the Foreign Agents Registration Act. It does not change the act in any other way. I respectfully urge my colleagues to support this measure by their cosponsorship of my bill.●

DINGELL-JOHNSON SPORT FISH RESTORATION AND BOATING ENHANCEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of North Carolina. Mr. Speaker, I am pleased to cosponsor H.R. 1724, a bill to amend the Dingell-Johnson Sport Fish Restoration Act to provide additional revenues to the States for projects to improve, restore, and manage the Nation's recreational fishery resources, and to provide funds for boating safety and boating facility improvement programs.

The current Dingell-Johnson bill is a compromise package that would benefit all recreational fishermen and boaters. The funds generated for these programs result from the 9-cent-per-gallon fuel tax that is paid by recreational motorboat users. These proceeds would be equally divided among boating safety programs, boating facility improvement programs, and sport fishing programs. In addition, H.R. 1724 would expand the Dingell-Johnson tax to include all fishing tackle items not currently covered, including electric trolling motors. Proceeds from fishing tackle items would, of course, be used to fund the Dingell-Johnson sport fishing programs.

The Dingell-Johnson program has served the recreational sport fishermen of this Nation for over 30 years—and served them well. The funds in this program are allocated to the States based on the size of each State and the number of licensed sport anglers in each State. These funds must then be matched on a 25-percent basis by the States. In response to improvements to sport fishery resources made possible by the Dingell-Johnson program, the number of anglers in the United States has increased dramatically. In 1980 over 50 million Americans engaged in some form of sport fishing activity and they contributed over $17.3 billion to our economy in doing so. Clearly, this sport is of major importance to the citizens of the United States. Unfortunately, while the number of anglers has grown, the resource—that is to say, the number of fish—and the amount of funds available to manage the sport fisheries have not kept pace. Studies have shown that approximately $100 million in additional funds are needed by the States to properly manage this valuable resource.

The Dingell-Johnson sport fish restoration and boating enhancement bill, if enacted, will help to resolve the many sport fishing management and research funding shortfalls currently experienced by nearly all the State fishery agencies. Furthermore, it will serve to enhance both the safety and ease with which the Nation's recreational boaters ply our lakes, rivers, bays, and oceans. The Dingell-Johnson program and the boating safety and facility improvement programs are laudable in that they operate on funds paid for by the users and enhance valuable programs that benefit these same users as well as the general public. The Dingell-Johnson sport fish restoration and boating enhancement bill is supported by a coalition of State fishery agencies, conservation groups, boating groups, and many tackle manufacturers.

Mr. Speaker, it is time that, in return for their contributions, the users of our lakes, rivers, streams, bays, and oceans receive the benefit of effective management programs and are provided with accessible and safe boating as well as a well-managed sport fishery. I fully support H.R. 1724 and urge my colleagues to lend their support as well.●

SOCIAL SECURITY NEEDS FUNDAMENTAL REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 5 minutes.

● Mr. SEIBERLING. Mr. Speaker, in 1977 many of us in Congress voted for a social security financing bill we disliked because we were given a choice between supporting that bill and letting social security go bankrupt. Tomorrow we will again face the choice of voting higher and more regressive payroll taxes or letting the system go bankrupt.

While the proposal before us could be faulted on many grounds, its worst feature is that it increases social security's reliance on the regressive payroll tax. From an economic point of view, the payroll tax is just about the worst tax there is. It increases unemployment by making it more expensive for employers to hire new workers. It also increases inflation, since most employers simply pass the tax increase through to consumers in the form of higher prices.

Furthermore, it violates the principle that, where possible, taxes should be based on ability to pay. Lower income workers pay a higher percentage of their income in social security taxes than the well to do. It is a truly regressive tax. The business section of the February 27 Washington Post contained an article by Thomas B. Edsall examining how our overall tax system has become progressively less progressive in the past few years. According to the article, social security payroll taxes today are three times higher, as a percentage of Federal revenues, than they were a quarter century ago. During that same time span, the percentage contribution of personal income taxes, which are based on ability to pay, has remained constant while the corporate income tax today contributes barely one quarter of what it used to.

This sad situation is made sadder by the fact that it is unnecessary. There are other alternatives—reasonable alternatives—to higher payroll taxes. One in particular which I have supported for many years is to remove medicare from payroll tax funding and fund it with general revenues. The 1981 National Commission on Social Secretary recommended that half of medicare's costs be paid from general revenues, with the other half of medicare tax being transferred as needed to the OASDI program.

The social security financing bill would become the means of correcting this unfair situation, if the Rules Committee would allow the House to consider Congressman PANETTA's bill, H.R. 1542, as an amendment to the committee bill. The Panetta bill separates social security into retirement and survivors benefits on the one hand, and health and disability insurance on the other. Disability and medicare would be gradually removed from payroll tax financing and put onto a permanent consolidated trust fund supported by general revenues. To accomplish this, a specified amount of the payroll tax would be paid into the consolidated disability and health insurance trust fund through 1990. In addition, the income tax cut scheduled for July would be reduced to 5 percent, with the remaining 5 percent set aside during the transition period into the consolidated trust fund.

This proposal would permit the regressive payroll tax to be cut back as of 1991 to 5.1 percent, since thereafter it would be used only to fund the retirement and survivor programs.

Mr. Speaker, there is another benefit to the Panetta bill. The committee bill does not address the serious fund-

[4] 22 U.S.C. § 611.

ing deficiencies facing medicare. The actuarial estimates provided by the Social Security Administration show that the HI trust fund will continue to decline and be depleted in about 1990. Thus, even if the committee bill becomes law, we will still have to come back in several years to address the serious deficiencies in the medicare program, dealing yet another body blow to public confidence in the long-term stability of social security. It would be far better to tackle that problem now through the sort of structural reform envisioned in the Panetta bill.

Mr. Speaker, the full text of the Thomas B. Edsall article follows these remarks:

[From the Washington Post, Feb. 27, 1983]

RECENT REVISIONS BENEFIT THE RICH RELATIVELY MORE

(By Thomas B. Edsall)

Deeply ingrained in the federal tax system is the populist principle that the rich should pay a higher tax rate than those with less income.

"The tax upon incomes is levied according to ability to pay," the House Ways and Means Committee wrote in 1913 when the current income tax was first enacted. "It would be difficult to devise a fairer tax." This concept was translated into an income tax system in which the very poor are exempt, and the rates progressively rise as the taxpayer's income grows.

But over the past generation, this basic principle—that the affluent should pay more than the working man or woman through what is called a progressive rate system—has been severely eroded.

Until recently, the decay of the progressive system of federal taxation has not resulted from a conscious decision by Congress and past administrations.

Instead, the decline in the progressivity of the system has grown out of the fact that the Social Security payroll tax has grown by leaps and bounds while the corporate income tax has taken a nose dive.

Unlike the federal income tax. the Social Security payroll tax is regressive: The effective rates are higher for the poor than for the rich.

The Social Security tax has an inherently regressive effect on the system because it is a flat tax with a ceiling on the amount of income on which it is collected (13.4 percent, paid in equal parts by employer and employe, of the first $35,700, at present). Because of this ceiling the rate for persons making more than $35,700 is lower than for those making less than $35,700.

Over the past 25 years, Social Security revenues, as a percentage of total federal revenues, have nearly tripled. During the same period, the percentage of revenues provided by the individual income tax has remained almost constant, while the percentage provided by the corporate income tax has plunged to barely more than a quarter of what it had been.

The consequences for the distribution of the tax burden between income groups have been dramatic.

When the two basic federal taxes paid by individuals—the income tax and the payroll tax—are combined and compared over time, the results are as follows:

In 1955, according to the Treasury Department, a four-person family with one earner making $2,424, half the median income, faced an average tax rate of 4 percent. For a similar family making twice the median income, $9,694, the tax rate was 12.4 percent. In other words, the rate of the more affluent family was just over three times that of the poorer family.

By 1982, the family making half the median income, $14,066, faced an average tax rate of 20.1 percent. The family making twice the median income, $56,252, had a tax rate of 25.95 percent. Over the 27-year period, what had been a three-to-one ratio had fallen to a 1.3-to-one ratio.

While both families faced a significant increase in their average rate of taxation, the rate for the family making half the median income grew from 4 to 20.1 percent, a fivefold increase, while the family making twice the median income saw its rate slightly more than double.

In addition, average earnings in the United States grew much faster than the inflation rate during this period from 1955 to 1982. As a result, both families may have faced higher tax rates in 1982, but, in terms of constant dollars, both families had more after-tax income in 1982 than in 1955.

(The Treasury study assumed, as many economists do, that the entire cost of the payroll tax is passed on to the employe. In addition, by selecting a one-earner family instead of a two-earner family, the study emphasized the decline in progressivity, but, in either case, the trend would be the same.)

In recent years, the decline of the progressive rate structure has been actively encouraged by Congress and Reagan administration policy. Congress, acting in defiance of the Carter administration in 1978, passed a tax cut that was not tilted to benefit the poor, but instead was targeted to help the upper middle class and the rich.

In 1981, the shift in policy became more extreme under the Reagan administration. The three-step tax cut, along with the reduction in the tax rate on income from investments from 70 to 50 percent passed that year, is significantly reducing the progressivity of the income tax.

Now President Reagan and Congress are preparing major tax legislation that will accelerate the decline of progressivity. Almost certain to be enacted is a proposal that would raise Social Security taxes by about $110 billion over the next seven years, to rescue the Social Security System from insolvency.

The administration and the congressional tax-writing committees are also considering raising an additional $130 billion in new taxes starting in 1985 and 1986 to reduce huge prospective budget deficits. Two of the major proposals—a surtax on income and an energy excise tax—would further reduce the progressivity of the tax system.

Before 1978, a Democratic-controlled Congress generally attempted to skew tax cuts to the poor.

The targeting to the poor was, however, relatively minor. And the cuts' progressive effects were overwhelmed by the massive growth in the Social Security tax, a regressive levy.

From 1955 to 1982, no other federal tax grew at the rate of the Social Security tax. It went from $8.7 billion, or 12.9 percent out of $67.4 billion in total federal tax receipts to $201.5 billion, or 32.6 percent of $617.8 billion in total federal taxes.

Just as the Social Security tax was shooting upward, the corporate income tax, as a percentage of federal receipts, declined sharply. In 1955, corporate income taxes produced $18.9 billion, or 28 percent of federal tax receipts. By 1982, corporate taxes were 49.2 billion, or 8 percent of federal revenues.

There is a running debate over who actually pays the corporate income tax—shareholders, management and employes, or consumers—but to the degree that it falls on shareholders and corporate management, both of whom tend to be in upper-income brackets, the corporate tax would be considered progressive.

Just over half of the decline in corporate taxes results from a decline in corporate profits. The rest, however, results from tax cuts.

The Reagan administration's 1981 tax cut provided for a business tax cut of $153 billion over six years, about half of which was later taken back by Congress in the 1982 bill. The individual tax cut provisions in the 1981 legislation, however, are accelerating the erosion of the progressivity of the system.

The measure cut all tax rates, but it did not alter either the personal exemption or the standard deduction. These two provisions in the code function to give far greater tax relief to the working poor and the lower middle class than to the rich: A $1,000 personal exemption eliminates 10 percent of income subject to taxation for someone making $10,000, but only 1 percent for someone making $100,000. While failing to increase the benefits of these provisions, the bill gave the single largest cut—the reduction from 70 to 50 percent on the maximum rate on unearned income—to the affluent holders of stock and other forms of capital income.

A Congressional Research Service study of the 1981 tax bill that concentrates on tax rates for different income classes from 1980 through 1984 demonstrates who the major beneficiaries of the tax cut are:

For a person making $10,000 and filing a joint return in 1980 whose income grows in proportion with inflation through 1984, there will be no tax cut at all. Instead, this person's after-tax disposable income will be $67 less in 1984 than it was in 1980. This amounts to a 0.71 percent decline.

This higher categories of income, the tax cut does result in some benefit, but the amount, in either dollar or percentage terms, grows steadily as the 1980 income approaches $350,000 a year. At $20,000 in 1980, the tax cut will amount to $185 in 1985, or an increase in disposable income of 1.05 percent. At $50,000, the 1984 cut amounts to $898, or a 2.16 percent increase in disposable income. At $350,000, this grows to $19,287, or an increase of 8.72 percent of disposable income.

From another vantage point, the study found that there will be a significant compression of the range of effective income tax rates—in other words, a lessening of the progressivity—from 1980 through 1984. In 1980, the effective rate for the $10,000 person was 5.7 percent while for the $350,000 earner the rate was 36.8 percent, a spread of 31.1 percentage points.

By 1984, the range for the same two persons (with their incomes adjusted upward for inflation) would be 6.4 percent to 31.3 percent, a spread of 24.9 percentage points. This means that the progressivity in the income tax system between the $10,000 taxpayer and the $350,000 taxpayer will be reduced by one-fifth in five years.●

LIVING UP TO OUR COMMITMENTS: VIETNAM VETERANS AND THE QUESTION OF AGENT ORANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, as vice chairman of Vietnam-Era Veterans in Congress it is a privilege and an honor to join my distinguished colleague from South Dakota, VVIC Chairman TOM DASCHLE, in introducing legislation to establish a presumption of service connection for the occurrence of certain diseases in veterans exposed to chemical defoliants while serving in Vietnam.

It has been over 20 years since the beginning of the American involvement in Vietnam and almost a decade since that involvement ended. Those years were among the most painful and decisive in recent history as Americans confronted profound questions both at home and abroad.

It is perhaps only natural that there remain today a number of unresolved questions stemming from our experiences in Southeast Asia; lingering reminders of this painful era that have long been repressed as we searched as a nation for unity and psychological healing. One such legacy involves the long-term health consequences for U.S. service personnel exposed to chemical herbicides used extensively as defoliants between 1962 and 1971. The practice was discontinued in early 1971 following the release of a study sponsored by the National Cancer Institute that linked exposure to the herbicide with birth defects in laboratory animals and the appearance of numerous South Vietnamese newspaper articles which reported health problems among the rural populations sprayed with the defoliants. Concerns mounted following the discovery of significant levels of dioxin, a chemical contaminant considered to be one of the most toxic man-made substances known, in agent orange and other phenoxy herbicides sprayed in Vietnam. In all, an estimated 2.8 million American GI's were stationed in Vietnam during periods in which the defoliants were used in a campaign to deprive enemy forces of ground cover and food supplies.

The Veterans' Administration has received, to date, over 18,000 claims filed by veterans for disabilities they believed resulted from exposure to agent orange and other dioxin-contaminated herbicides. A report released last fall by the General Accounting Office found that roughly 93 percent of agent orange and related disability claims adjudicated by the VA between April of 1978 and July 1982 were dismissed. The VA has as a policy refused to recognize veterans' claims of service-connected disability for chronic illnesses attributed to agent orange, except for a rather limited number of cases involving a skin condition known as chloracne. It is the agency's oft-stated position that expansion of coverage would be premature in the absence of conclusive medical data to document a cause-and-effect relationship between exposure to the chemical agents in question and specific health effects other than chloracne.

As my colleagues may recall, Congress responded to reports of alarming incidences of serious medical disorders and chronic health conditions in Vietnam veterans by directing the VA in 1979 to undertake a study into long-term health effects associated with exposure to phenoxy herbicides and dioxin. After 3 years of troubling delays, during which numerous criticisms were leveled at the VA by veterans service organizations and Government officials, the agency reluctantly agreed to transfer the agent orange study to the Center for Disease Control. Current estimates are that initial results from the epidemiological study will not be available before 1987.

On the basis of medical research and detailed analysis of industrial accidents involving the manufacture of the chemical agents in question, specific toxic reactions have been linked to dioxin exposure. I commend to the attention of my colleagues a series of Swedish studies which reported a five- to six-fold increased risk of soft-tissue sarcoma in lumberjacks exposed to herbicides containing dioxin. In addition, a National Institute of Occupational Safety and Health (NIOSH) dioxin registry has revealed significantly higher rates of soft-tissue cancers in U.S. industrial workers exposed to the chemical. In fact, the VA has on record nearly 1,200 documents relevant to the issue of herbicide toxicity.

While the Veterans' Administration maintains that it would be imprudent to change its present policy on agent orange prior to completion of the epidemiological study, it is important to keep in mind the study is designed only to assess the prevalence of cancer and other disorders among Vietnam veterans relative to their peers. It is not, nor should it be, expected that the ongoing study will demonstrate a conclusive medical cause-and-effect relationship between chemical exposure and adverse health effects. It should also be noted that the VA already lists several dozen disorders it presumes to be service related, despite limited evidence to support many of the claims.

Mr. Speaker, I submit to you that there exists today ample evidence to presume that the occurrence of certain illness in Vietnam veterans are attributable to exposure to agent orange and other dioxin-contaminated herbicides. I need only to point to the massive cleanup and relocation effort at Times Beach, Mo., following the discovery in that community of the same deadly dioxin known to have been present in agent orange, as evidence that other branches of the Federal Government recognize the serious health risks associated with dioxin exposure.

Each step of the path toward resolving this issue has seemed interminable. For Vietnam veterans now suffering from cancer or other chronic illnesses, the wait must be one of hopeless despair. The call to action is long overdue. We must act now by shifting the burden of proof from the veteran to the VA in awarding service-connected disability claims attributed to agent orange. At a minimum a presumption should be established that soft-tissue cancers and certain chronic skin disorders appearing in Vietnam veterans are related to their service in Vietnam and are, therefore, compensable.

Vietnam veterans with cancer are today fighting battles of a war long since over. For these veterans and there families, the battlefields they face are in corridors of Congress and the Veterans' Administration. The question that we as legislators must face is whether we are to acknowledge the long-term health risks posed by exposure to highly toxic herbicides—a point supported by an abundance of medical research and data—and whether we are today willing to accept the consequences of our actions. It is of utmost importance that we never lose sight of the fact that veterans today are coping with the very real consequences cancer and related disorders.

I urge my colleagues to join us in this effort.●

VOICE OF DEMOCRACY PROGRAM IS INSPIRATION TO HIGH SCHOOL STUDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GEKAS) is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, as I have related earlier today, the Veterans of Foreign Wars constitutes an organization whose very purpose from its very beginning has been to espouse patriotic causes. Not only to rise to speak out in favor of a strong defense for our Nation, not only to work on behalf of our veterans who, over the generations and the many wars in which our country has been engaged, to make sure that the country does right by these people who have dedicated their bodies and their lives to the cause of freedom; but in some other special domestic ways about which our people really have not learned deeply about the work of Veterans of Foreign Wars.

One of the programs in which I have been personally involved over the

years has been the Voice of Democracy activities of the Veterans of Foreign Wars.

This is a program whereby high school students enter nationwide in, first, a local, then a regional, then a State, then a national structure, a speech contest, a radio-tape speaking contest on a patriotic topic chosen by the Veterans of Foreign Wars each and every year. This particular program results in a tumult of activity within local high schools across the Nation, all in the name of some patriotic theme, the working of democracy. And as the contest progresses a high school victor is proclaimed, a regional champion is proclaimed, a State champion. Then they all gather, the State champions here in Washington for the national contest, and there a winner is declared.

We are here today in Washington observing that the Veterans of Foreign Wars are gathered in the Nation's Capital at the very shadow of this Capitol and tonight they will be honoring the champion of this Voice of Democracy contest held nationwide in 1983.

My reason for rising to address the House this aftenoon is not only to pay tribute to the Veterans of Foreign Wars as an organization, for being in the forefront of rekindling the spirit that has made our country great by a continuation of such a patriotic program, but also to point out with personal pride that a constituent of mine from the 17th District of Pennsylvania, from the community of Sunbury, Pa., Northumberland County, has emerged as the national champion. Melissa Houghton of the community of Sunbury won all those championships all up the line, came to Washington and has now the honor of going back home to be accorded the privileges and plaudits that are accorded to a champion of any type, let alone one who has done so in a forensic contest, one where the theme is America at its best and one in which the championship brings pride not only to herself and to her family, not just to the community, but to everyone who has an interest in th continuation of the American dream.

I personally will do everything I can in the years to come to continue to foster the Voice of Democracy program and to urge the citizens across the land to pay special attention to the programs in their high schools of similar stripe. And when, next, the Voice of American cycle returns to our high schools to proclaim another champion, that each of us who wants to do everything we can to reinspire in our youth the ideals of our country, will do everything to signal to the Veterans of Foreign Wars our commendation for that program and to offer our own personal help in making sure that it remains successful.

I thank the Speaker.

ECONOMIC RECOVERY OVERSHADOWED BY NEGATIVE FORCES

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PERKINS. Mr. Speaker, while there are two potential positives in the economic picture for 1983—housing and autos—there are three negatives. Plant and equipment investment will be falling because of the huge overhang of idle capacity. State and local government spending will be falling because of demography—fewer schoolchildren—falling tax revenues due to the recession and falling grants-in-aid from the Federal Government. Because of the high value dollar in 1982 and the slumping economies around the world, exports are going to be falling and imports rising. The swing in net exports is apt to have a large damping economic effect on growth during 1983. Orders for American goods were down substantially in 1982 and those lower orders will show up as lower shipments in 1983. This will lead to fewer exports to Europe. In the Third World, 35 countries are broke. If you are broke and need foreign exchange, you will be willing to dump goods into the American market at almost any price to get the dollars you need.

Given the negatives in our economic horizon, we cannot afford to depend upon a weak recovery on housing and autos based on interest rates that are still too high. If the two positives are to have any chance of offsetting the three negatives, interest rates are going to have to fall sharply throughout 1983. Yet such a decline is not on the horizon due to the policies at the Federal Reserve Board.●

ENERGY SELF-SUFFICIENCY REMOTE AS SYNFUELS PROMOTION LAGS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PERKINS. Mr. Speaker, a few years ago, in the backwash of the second Arab oil embargo, the Congress and the country got excited and charted a course toward energy self-sufficiency through synthetic fuels. We established a corporation to stimulate and foster a synthetic fuels industry based on coal, shale, solar, and other resources. We were determined not to be subject to the kind of petroleum blackmail that was practiced upon us in 1973 and 1977.

Those efforts have languished, and the current administration seems to have no interest in promoting the development of a synthetic fuels industry. The goal of energy self-sufficiency seems as far away today as it was a decade ago.

Last Sunday, the March 6 edition of the Washington Post contained an article on the impact of lower oil prices on the petroleum industry of this country.

Some of the experts interviewed predicted a decline in drilling and exploration as a result of declining market prices. And some saw the slowdown in exploration as a "time bomb." The chief economist of Standard Oil of Indiana was quoted:

> You really won't see it for 5 or 6 years. Then everybody will say, "Gee, we're running out of oil and gas."

The logical conclusion is that we are likely to be using more OPEC oil in the future than we are today.

Mr. Speaker, have we learned nothing about energy in this last turbulent decade?

Isn't it time we told the administration and the Synthetic Fuels Corporation to set about its business in earnest and get some production facilities in operation?●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOLAND (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. BILIRAKIS (at the request of Mr. MICHEL), for today, on account of official business.

Mr. MCCOLLUM (at the request of Mr. MICHEL), for today, on account of official business.

Mr. MORRISON of Washington (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. JOHNSON) to revise and extend their remarks and include extraneous material:)

Mr. CONABLE, for 60 minutes, today.
Mr. MADIGAN, for 30 minutes, today.
Mr. TAUKE, for 5 minutes, today.
Mr. FIELDS, for 5 minutes, today.
Mr. GEKAS, for 5 minutes, today.
Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. MARKEY) to revise and extend their remarks and include extraneous material:)

Mr. GAYDOS, for 60 minutes, today.
Mr. RAY, for 5 minutes, today.
Mr. GONZALEZ, for 30 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. MITCHELL, for 5 minutes, today.
Mr. DASCHLE, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.

Mr. LEVITAS, for 10 minutes, today.

Mr. KASTENMEIER, for 10 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. SEIBERLING, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, on March 9.

Mr. FRANK, for 60 minutes, on March 15.

(The following Member (at the request of Mr. RAY) to revise and extend his remarks and include extraneous material:)

Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MITCHELL, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,952.

(The following Members (at the request of Mrs. JOHNSON) and to include extraneous matter:)

Mr. FRENZEL.
Mr. DANNEMEYER.
Mr. HILER.
Mr. VANDER JAGT.
Mr. WILLIAMS of Ohio.
Mr. FIELDS in four instances.
Mr. KEMP in two instances.
Mr. LENT.
Mr. WOLF.
Mr. CORCORAN in two instances.
Mr. ZSCHAU.

(The following Members (at the request of Mr. MARKEY) and to include extraneous matter:)

Mr. RODINO.
Mr. YATRON.
Mr. FAZIO.
Mr. AUCOIN.
Mr. DOWNEY of New York.
Mr. STARK in two instances.
Mr. GEPHARDT.
Mr. OBERSTAR.
Mr. LEHMAN of Florida.
Mr. DWYER.
Mr. EDGAR in two instances.
Mr. STOKES.
Mr. DINGELL.
Mr. ADDABBO.
Mr. WILLIAMS of Montana.
Ms. FERRARO in two instances.
Mr. FLORIO.
Mr. HARRISON in two instances.
Mr. DYSON.
Ms. OAKAR.
Mr. SYNAR.
Mr. FRANK.
Mr. MCNULTY.
Ms. KAPTUR.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles.

S.J. Res. 15. Joint resolution designating the month of March 1983 as "National Eye Donor Month";

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; and

S.J. Res. 37. Joint resolution providing that the week containing March 8, 1983, shall be designated as "Women's History Week."

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1572. An act to repeal section 311 of the Federal Public Transportation Act of 1982.

ADJOURNMENT

Mr. RAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to, accordingly (at 3 o'clock and 7 minutes p.m.) under its previous order, the House adjourned until Wednesday, March 9, 1983, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

505. A communication from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1983 for increased U.S. participation in the International Monetary Fund (H. Doc. No. 98-27); to the Committee on Appropriations and ordered to be printed.

506. A letter from the Director, Office of Management and Budget, transmitting a watershed plan and environmental impact statement for the East Carroll Watershed, Louisiana, pursuant to sections 104 and 204 of Public Law 89-80; to the Committee on Agriculture.

507. A letter from the Secretary of the Navy, transmitting written reports on the unit cost breaches reported in February (Ex. Com. No. 315) to further comply with the reporting requirements, pursuant to section 1107 of Public Law 97-252; to the Committee on Armed Services.

508. A letter from the Acting Secretary of Health and Human Services, transmitting draft of proposed legislation to extend various health authorities, and for other purposes; to the Committee on Energy and Commerce.

509. A communication from the President of the United States, transmitting notice of his intention to issue an Executive order extending for an additional year the waiver of the application of restrictions governing the retransfer or reprocessing of nuclear fuel exported from the United States to the European Atomic Energy Community (EURATOM), pursuant to section 126a(2) of the Atomic Energy Act of 1954, as amended (H. Doc. No. 98-28); to the Committee on Foreign Affairs and ordered to be printed.

510. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

511. A letter from the Comptroller General of the United States, transmitting the interim report on the implementation of the Farm Credit Act Amendments of 1980; (GAO/GGD-83-26; March 7, 1983); jointly, to the Committees on Government Operations and Agriculture.

512. A letter from the Comptroller General of the United States, transmitting the report on the examination of the Government National Mortgage Association's financial statements for the fiscal year ended September 30, 1982, (GAO/AFMD-83-46; January 21, 1983); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. House Resolution 126. Resolution providing for the consideration of H.R. 1900, a bill to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes (Rept. No. 98-26). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE (for himself, Mr. GARCIA, Mr. KEMP, Mr. MICHEL, Mr. APPLEGATE, Mr. BARTLETT, Mr. BATEMAN, Mr. BEREUTER, Mr. BIAGGI, Mr. BLILEY, Mr. BOEHLERT, Mr. CORRADA, Mr. COUGHLIN, Mr. DANIEL B. CRANE, Mr. DAUB, Mr. DAVIS, Mr. DEWINE, Mr. DREIER of California, Mr. ECKART, Mr. EDWARDS of Alabama, Mr. EVANS of Iowa, Mr. FISH, Mr. GILMAN, Mr. GINGRICH, Mr. GRADISON, Mr. GUARINI, Mrs. HOLT, Mr. HORTON, Mr. HYDE, Mrs. JOHNSON, Mr. KASICH, Mr. LAGOMARSINO, Mr. LATTA, Mr. LENT, Mr. LIVINGSTON, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNGREN, Mr. MCCAIN, Mr. MCDADE, Mr. MCEWEN, Mr. MCGRATH, Mr. MCKINNEY, Mr. MADIGAN, Mrs. MARTIN of Illinois, Mr. MARTIN of New York, Mr. MAZZOLI, Mr. MILLER of Ohio, Mr. MINETA, Mr. MOORHEAD, Mr. O'BRIEN, Mr. OTTINGER, Mr. OXLEY, Mr. PARRIS, Mr. PORTER, Mr. PRICE, Mr. PURSELL, Mr. RATCHFORD, Mr. REGULA, Mr. SAWYER, Mrs. SCHNEIDER, Mr. SCHULZE, Mr. SHAW, Mr. SHUMWAY,

Mr. SILJANDER, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. SUNDQUIST, Mr. TAUKE, Mr. VANDER JAGT, Mr. WATKINS, Mr. WEBER, Mr. WHITEHURST, Mr. WORTLEY, Mr. WOLF, Mr. WYLIE, Mr. LOTT, Mr. BADHAM, Mr. BURTON of Indiana, Mr. CORCORAN, Ms. FIEDLER, Mr. COATS, Mr. COURTER, Mr. MARTIN of North Carolina, Mr. CAMPBELL, and Mr. THOMAS of California):

H.R. 1955. A bill entitled: "The Enterprise Zone Employment and Development Act of 1983"; referred to the Committee on Ways and Means; and referred concurrently to the Committee on Banking, Finance and Urban Affairs only for consideration of such portions of section 303 as fall within that committee's jurisdiction under clause 1(d), rule X, and to the Committee on the Judiciary only for consideration of such portions of sections 301 and 302 as fall within that committee's jurisdiction under clause 1(m), rule X.

By Mr. CHAPPIE:

H.R. 1956. A bill to require that certain lands in the Shasta National Forest be managed for uses other than wilderness; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. DWYER of New Jersey:

H.R. 1957. A bill to provide relief from paracresol imports by increasing the duty thereon; to the Committee on Ways and Means.

By Mr. DYSON:

H.R. 1958. A bill relating to the transfer of civil land-remote-sensing space satellite systems and meteorological satellite systems to the private sector; to the Committee on Science and Technology.

By Mr. EDWARDS of California (for himself, Mr. DASCHLE, Mr. EDGAR, Mr. SAM B. HALL, JR., Mr. LOWRY of Washington, Mr. OBERSTAR, Mr. RICHARDSON, and Mr. WYDEN):

H.R. 1959. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans' Affairs.

By Ms. FERRARO:

H.R. 1960. A bill to amend title XVIII of the Social Security Act to compensate the social security trust funds for payroll tax receipts that are lost when the unemployment rate is above 6 percent; to the Committee on Ways and Means.

By Mr. DASCHLE (for himself, Mr. PANETTA, Mr. BONIOR of Michigan, Mr. EDGAR, Mr. LONG of Maryland, Mr. WILLIAMS of Ohio, Mr. RICHARDSON, Mr. APPLEGATE, Mr. GARCIA, Mr. KASTENMEIER, Mr. OLIN, Mr. SMITH of New Jersey, Mr. MOAKLEY, Mr. OTTINGER, Mr. WHITEHURST, Mr. BARNES, Mr. KASICH, Mr. LELAND, Mr. FEIGHAN, Mr. RATCHFORD, Mr. DUNCAN, Mr. FORD of Michigan, Mr. SMITH of Florida, Mr. FRANK, Mr. TALLON, Mr. YOUNG of Alaska, Mr. MURTHA, Mr. STARK, Mr. MORRISON of Connecticut, Mr. OWENS, Mr. SIMON, Mr. ROE, Mr. FAUNTROY, Mr. MITCHELL, Mr. SCHEUER, Mr. STUDDS, Mr. DORGAN, Mr. LAFALCE, Mr. ERDREICH, Mr. CORRADA, Mr. ECKART, Mr. FORD of Tennessee, Mr. TRAXLER, Mr. SPRATT, Mr. WILLIAMS of Montana, Mr. OBERSTAR, Ms. MIKULSKI, Mr. PERKINS, Mr. LOWRY of Washington, Mr. MCKINNEY, Mr. HERTEL of Michigan, Mr. WIRTH, Mrs. SCHNEIDER, Mr. LANTOS, Mr. MARTINEZ, Mr. BERMAN, Mr. SHANNON, Mr. KILDEE, Mr. D'AMOURS, Mrs. COLLINS, Mr. FOGLIETTA, Mr. LEVINE of California, Mr. WEISS, Mr. HARRISON, Mr. FAZIO, Mr. MINETA, Mr. STOKES, Mr. DWYER of New Jersey, Mr. MURPHY, Mr. WEAVER, Mr. MCHUGH, Mr. HOWARD, Mr. DURBIN, Mr. MARKEY, Mr. BATES, Mr. SEIBERLING, Mr. VENTO, Mr. BORSKI, Mr. DONNELLY, Mr. SUNIA, Mr. MRAZEK, Mr. ADDABBO, Mr. RODINO, Mrs. KENNELLY, Mr. BEREUTER, Mr. DELLUMS, Mrs. BOXER, Mr. EDWARDS of California, Mr. JEFFORDS, Mr. BROWN of California, Mr. SHARP, Mr. PENNY, Mr. FISH, Mr. ASPIN, Mr. KEMP, Mr. FLORIO, Ms. OAKAR, Mr. GORE, Mr. HARKIN, Mr. OXLEY, Mr. DE LUGO, Mr. MCCLOSKEY, Mr. GUNDERSON, Mr. GILMAN, Mr. KOGOVSEK, Mr. TORRICELLI, Mr. HORTON, Mr. DIXON, Mr. EVANS of Illinois, Mr. MILLER of California, Mr. WOLPE, Mr. GLICKMAN, and Mr. SLATTERY):

H.R. 1961. A bill to amend title 38, United States Code, to provide a presumption of service connection for the occurrence of certain diseases related to exposure to herbicides or other enviromental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era; to the Committee on Veterans' Affairs.

By Mr. FLIPPO:

H.R. 1962. A bill to provide for the conveyance of certain real property of the United States to the Alabama Space Science Exhibit Commission; to the Committee on Armed Services.

By Mr. FRANK:

H.R. 1963. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to remove the ceiling on the amount of an individual's wages and self-employment income which is subject to social security tax; to the Committee on Ways and Means.

H.R. 1964. A bill to amend title II of the Social Security Act to eliminate the disparity between the benefits payable to individuals who retired in or after 1979 (when the decoupling changes in the benefit formula became effective) and the benefits payable to individuals similarly situated who retired before that year, by providing that the benefits payable to the former individuals may never be less than those payable to the latter; to the Committee on Ways and Means.

H.R. 1965. A bill to amend title II of the Social Security Act to increase the primary insurance amounts of individuals who retire after attaining age 62, in or after 1979 (when the decoupling changes in the benefit formula became effective), in order to aid in eliminating the present disparity between the benefits payable to such individuals and the benefits payable to individuals similarly situated who retired before 1979; to the Committee on Ways and Means.

H.R. 1966. A bill to amend the Internal Revenue Code of 1954 to repeal the option to expense intangible drilling and development costs in the case of oil, gas, and geothermal wells, to repeal percentage depletion in the case of such wells, and to repeal certain benefits enacted by the Economic Recovery Tax Act of 1981 with respect to the windfall profit tax on domestic crude oil; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 1967. A bill to provide for an extension of the duty reduction on certain unwrought lead for a period of 5 years; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 1968. A bill to provide greater discretion to the Supreme Court in selecting the cases it will review; to the Committee on the Judiciary.

H.R. 1969. A bill to deregulate first amendment activities under the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. KINDNESS, Mr. WILSON, Mr. SUNIA, Mr. NOWAK, Mr. LEHMAN of Florida, Mr. ROE, Mr. MCNULTY, Mr. HORTON, Mr. RALPH M. HALL, Mr. FASCELL, Mr. HUGHES, Mr. MRAZEK, Mr. MAZZOLI, Mr. RATCHFORD, Mr. FRENZEL, Mr. PORTER, and Mr. FAZIO):

H.R. 1970. A bill to establish an Intercircuit Tribunal of the U.S. Court of Appeals, and for other purposes; to the Committee on the Judiciary.

By Mr. LEATH of Texas (by request):

H.R. 1971. A bill to amend title 38, United States Code, to extend educational assistance benefits to dependents of veterans with a service-connected disability of 80 percent or more; to the Committee on Veterans' Affairs.

By Mr. LUJAN:

H.R. 1972. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

By Mr. MCDADE:

H.R. 1973. A bill to repeal certain provisions of the Internal Revenue Code of 1954 relating to the reporting of tips in the case of certain food and beverage establishments; to the Committee on Ways and Means.

H.R. 1974. A bill to amend the Trade Act of 1974 to insure reciprocal trade opportunities, and for other purposes; jointly, to the Committees on Ways and Means, Foreign Affairs, Energy and Commerce, Banking, Finance and Urban Affairs, the Judiciary, and Rules.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, and Mr. EDGAR):

H.R. 1975. A bill to amend title 38, United States Code, to revise procedures with respect to the disposal of excess real property of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. PETRI (for himself, Mr. BEILENSON, Mrs. SCHROEDER, Mr. LAGOMARSINO, Mrs. ROUKEMA, Mr. MARKEY, Mr. GINGRICH, Mr. FRANK, Mr. LEHMAN of Florida, Mr. MURPHY, Mrs. MARTIN of Illinois, Mr. TAUKE, Mr. PAUL, Mr. CORCORAN, Mr. GREEN, Mr. PORTER, Mr. FRENZEL, Mr. REGULA, Mrs. COLLINS, Mr. DANIEL B. CRANE, Mr. D'AMOURS, Mr. HANSEN of Utah, Mr. CROCKETT, Mr. PRITCHARD, Mr. WAXMAN, Mr. SHUMWAY, Mr. LANTOS, Mr. BATES, Mr. WYDEN, and Mr. LEACH of Iowa):

H.R. 1976. A bill to repeal provisions of law concerning price support for, and marketing of, tobacco; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. PRICE (for himself and Mr. DICKINSON) (by request):

H.R. 1977. A bill to authorize appropriations for civil defense programs for fiscal year 1983, and for other purposes; to the Committee on Armed Services.

By Mr. REGULA (for himself, Mr. MADIGAN, Mr. KINDNESS, Mr. ECKART, Mr. DUNCAN, Ms. MIKULSKI, Mr. CHAPPIE, Mrs. MARTIN of Illinois, Mr. KOGOVSEK, Mr. TALLON, Mr. HAMMERSCHMIDT, and Mr. SUNIA):

H.R. 1978. A bill to amend title XIX of the Social Security Act to extend medicaid coverage of home care to certain disabled individuals over 18 years of age and to amend the Internal Revenue Code of 1954 to provide a credit for households with certain qualified disabled dependents; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. RINALDO:

H.R. 1979. A bill to require that installment payments of revenue-sharing allocations be paid at the beginning of each quarter; to the Committee on Government Operations.

By Mr. SOLARZ:

H.R. 1980. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project to control beach erosion and provide storm protection along the Atlantic coast of New York City from Rockaway Inlet to Norton Point; to the Committee on Public Works and Transportation.

By Mr. SOLARZ (for himself and Mr. WAXMAN):

H.R. 1981. A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any religious articles therein; to the Committee on the Judiciary.

By Mr. BEDELL:

H.J. Res. 185. Joint resolution proposing an amendment to the Constitution of the United States to provide for 4-year terms for Members of the House of Representatives, and for other purposes; to the Committee on the Judiciary.

By Mr. CONTE:

H.J. Res. 186. Joint resolution to authorize and request the President to designate the week of April 10, 1983, through April 16, 1983, as "National Mental Health Week"; to the Committee on Post Office and Civil Service.

By Mr. STARK:

H.J. Res. 187. Joint resolution to designate the week of April 17, 1983, as "National Architecture Week"; to the Committee on Post Office and Civil Service.

By Mr. WALKER:

H. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the President should establish a Federal strike force and a program in each U.S. judicial district to investigate and prosecute crimes committed by members of outlaw motorcycle gangs; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Res. 127. Resolution providing amounts from the contingent fund of the House for expenses of investigations and studies by standing and select committees of the House in the 1st session of the 98th Congress; to the Committee on House Administration.

By Mr. LEVITAS (for himself and Mr. LOTT):

H. Res. 128. Resolution providing for the consideration of the bill (H.R. 220) to amend title 5, United States Code, to make regulations more cost effective, to insure review of rules, to improve regulatory planning and management, to enhance public participation in the regulatory process, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

26. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Virginia, relative to payments in lieu of taxes; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRYANT:

H.R. 1982. A bill for the relief of Robert Jayson, William Jayson, and Jennie Jayson; to the Committee on the Judiciary.

PRIVATE RESOLUTION

By Mr. BRYANT:

H. Res. 129. Resolution to refer H.R. 1982 to the Chief Commissioner of the U.S. Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 427: Mr. AUCOIN, Mr. STUDDS, Mr. YATES, Mr. TORRICELLI, Mr. FRANK, Mr. TOWNS, Mr. SOLARZ, Mr. FAUNTROY, Mr. DELLUMS, Mr. CLAY, Mr. MILLER of California, Mrs. BOXER, Mr. SUNIA, Mrs. SCHROEDER, Mr. DIXON, Mr. WEAVER, Mr. GARCIA, Mr. FAZIO, Mr. MORRISON of Connecticut, Mr. EDWARDS of California, Mr. BERMAN, Mr. BATES, Mr. MCKINNEY, Mr. CROCKETT, Mr. MITCHELL, Mr. EDGAR, Mr. GREEN, Mr. LEVINE of California, Mr. ROYBAL, Mr. RANGEL, Mr. KOSTMAYER, Mr. SABO, Mr. STARK, Mr. DYMALLY, and Mrs. COLLINS.

H.R. 500: Mr. CROCKETT, Mr. DUNCAN, Mr. EDGAR, Mr. FORD of Michigan, Mr. FORD of Tennessee, Mr. FROST, Mr. KOLTER, and Mr. RIDGE.

H.R. 565: Mr. OBERSTAR, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. HORTON, Mr. MCGRATH, Mr. MCNULTY, Mr. FORSYTHE, Mr. BEILENSON, Mr. MRAZEK, Mr. HOWARD, Mr. GLICKMAN, Mr. LEVIN of Michigan, Mr. ROE, Mr. MATSUI, Mr. GORE, Mr. CLINGER, Mr. JEFFORDS, Mr. FAZIO, Mr. DASCHLE, Mr. LAFALCE, and Mr. OWENS.

H.R. 674: Mr. MCDONALD, Mr. VANDERGRIFF, Mr. SAM B. HALL, JR., Mr. DANIEL B. CRANE, and Mr. HARTNETT.

H.R. 835: Mr. BROWN of California and Mr. FAZIO.

H.R. 836: Mr. FAZIO, Mr. SUNIA, Mr. BROWN of California, Mr. WON PAT, and Mr. SMITH of New Jersey.

H.R. 912: Mr. BOUCHER, Mr. FAZIO, Mr. KINDNESS, Mr. SIMON, and Mr. WHEAT.

H.R. 1015: Mr. NIELSON of Utah.

H.R. 1063: Mr. MITCHELL.

H.R. 1065: Mr. MITCHELL.

H.R. 1081: Mrs. BOXER.

H.R. 1147: Mr. DWYER of New Jersey, Mr. DYSON, and Mr. EDWARDS of California.

H.R. 1190: Mr. ANTHONY, Mr. HARKIN, and Mr. OBERSTAR.

H.R. 1234: Mr. WOLPE, Mr. GINGRICH, Mr. KOGOVSEK, Mr. GAYDOS, Mr. MADIGAN, Mr. MOODY, Mr. OWENS, Mr. HOWARD, Mr. KASTENMEIER, Mr. LANTOS, and Mr. BIAGGI.

H.R. 1245: Mrs. HALL of Indiana, Mr. WILLIAMS of Montana, Mr. SIMON, Mr. WASHINGTON, Mr. SILJANDER, and Mrs. COLLINS.

H.R. 1272: Mr. EVANS of Iowa, Mr. MICHEL, Mr. SNYDER, Mr. SUNIA, and Mr. LAGOMARSINO.

H.R. 1337: Mr. RODINO, Mr. FISH, Mr. LOWRY of Washington, Mr. HOWARD, Mr. WALGREN, Mr. HYDE, Mr. SHAW, Mr. DEWINE, and Mr. SYNAR.

H.R. 1418: Mr. GEJDENSON, Mr. DUNCAN, Mr. LONG of Louisiana, Mr. FROST, Mr. ANNUNZIO, Mr. DE LUGO, Mr. YATRON, Mr. JACOBS, Mr. GLICKMAN, Mr. VENTO, Mr. RUDD, Mr. WORTLEY, Mr. STUDDS, Mr. IRELAND, Mr. SWIFT, Mr. SCHUMER, Mr. WASHINGTON, Mr. LEHMAN of Florida, Mr. DURBIN, Mr. HANCE, Mr. O'BRIEN, Mr. SNYDER, Mr. KOGOVSEK, Mr. SYNAR, Mr. SISISKY, Mr. VOLKMER, Mr. HANSEN of Idaho, Mr. WILSON, Mr. SUNIA, Mr. STANGELAND, Mr. MCGRATH, Mr. HORTON, Mr. BARNARD, Mr. SMITH of Florida, Mr. SEIBERLING, Mr. FOWLER, Mr. MRAZEK, Mr. TAUZIN, Mr. NOWAK, Mr. HOWARD, Mr. SHANNON, and Mr. MILLER of California.

H.R. 1436: Mr. FRANK.

H.R. 1437: Mr. VENTO.

H.R. 1544: Mr. HORTON.

H.R. 1555: Mr. SHELBY.

H.R. 1593: Mr. FRANK, Mr. COELHO, Mr. TOWNS, Mr. FEIGHAN, Mr. TORRES, Mr. LEVIN of Michigan, Ms. OAKAR, Mr. DYMALLY, Mr. DIXON, and Mr. DELLUMS.

H.R. 1607: Mr. BROWN of Colorado and Mr. MATSUI.

H.R. 1609: Mr. ARCHER.

H.R. 1624: Mr. BROYHILL.

H.R. 1691: Mr. FAZIO, Mr. SUNIA, Mr. LAGOMARSINO, Mr. CROCKETT, Mr. DANIEL, Mr. AUCOIN, Mr. KINDNESS, and Mr. FROST.

H.R. 1795: Mr. STANGELAND.

H.R. 1936: Mr. HILLIS, Mr. MONTGOMERY, Mrs. HOLT, Mrs. SCHROEDER, Mr. HUNTER, Mrs. BYRON, Mr. HARTNETT, Mr. SKELTON, Mr. DICKINSON, Mr. SPRATT, Mr. MCCLOSKEY, Mr. ORTIZ, and Mr. COLEMAN of Texas.

H.J. Res. 2: Mr. OBEY, Mr. SUNIA, Mr. GAYDOS, and Mr. ACKERMAN.

H.J. Res. 73: Mr. CORCORAN.

H.J. Res. 80: Mr. GARCIA, Mr. AKAKA, Mr. ANDREWS of North Carolina, Mr. ANNUNZIO, Mr. ARCHER, Mr. AUCOIN, Mr. BARNARD, Mr. BARNES, Mr. BEILENSON, Mr. BERMAN, Mr. BIAGGI, Mr. BILIRAKIS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mrs. BOXER, Mr. BRITT, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BRYANT, Mr. BURTON of California, Mr. CHANDLER, Mr. CLAY, Mr. COATS, Mr. COELHO, Mrs. COLLINS, Mr. CORCORAN, Mr. CORRADA, Mr. COURTER, Mr. COYNE, Mr. DAUB, Mr. DE LA GARZA, Mr. DIXON, Mr. DOWDY of Mississippi, Mr. DWYER of New Jersey, Mr. DYSON, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. ERDREICH, Mr. EVANS of Illinois, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Ms. FERRARO, Mr. FISH, Mr. FLIPPO, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FOWLER, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GEJDENSON, Mr. GILMAN, Mr. GORE, Mr. GREEN, Mr. GUARINI, Mr. HANCE, Mr.

HARKIN, Mr. HERTEL of Michigan, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JEFFORDS, Mr. KASICH, Mr. KASTENMEIER, Mr. KEMP, Mrs. KENNELLY, Mr. KILDEE, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEATH of Texas, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LENT, Mr. LEVITAS, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LONG of Louisiana, Mr. LOWERY of California, Mr. MCCOLLUM, Mr. MCGRATH, Mr. MCHUGH, Mr. MCKERNAN, Mr. MCNULTY, Mr. MADIGAN, Mr. MARRIOTT, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MICA, Ms. MIKULSKI, Mr. MINISH, Mr. MOAKLEY, Mr. MOLINARI, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. MURTHA, Mr. NEAL, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. O'BRIEN, Mr. ORTIZ, Mr. OTTINGER, Mr. OWENS, Mr. PATTERSON, Mr. PERKINS, Mr. PORTER, Mr. RATCHFORD, Mr. REGULA, Mr. REID, Mr. RITTER, Mr. RODINO, Mr. ROE, Mr. ROTH, Mr. RUDD, Mr. SABO, Mr. SCHEUER, Mr. SCHUMER, Mr. SIMON, Mr. SISISKY, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STENHOLM, Mr. STOKES, Mr. STRATTON, Mr. SUNIA, Mr. SYNAR, Mr. TALLON, Mr. TAUZIN, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. VANDERGRIFF, Mr. WALGREN, Mr. WALKER, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WHITTEN, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WIRTH, Mr. WOLPE, Mr. WON PAT, Mr. WORTLEY, Mr. WYDEN, Mr. WYLIE, Mr. YATRON, Mr. YOUNG of Missouri, Mr. ACKERMAN, Mr. ANDERSON, Mr. BLILEY, Mr. BORSKI, Mr. DANIEL B. CRANE, Mr. HARTNETT, Mr. MAZZOLI, Mr. SMITH of Iowa, and Mr. TRAXLER.

H.J. Res. 86: Mr. BATES.

H.J. Res. 97: Mr. GOODLING and Mr. MARTINEZ.

H.J. Res. 101: Mrs. BYRON, Mr. GORE, Mr. WASHINGTON, Mrs. HALL of Indiana, Mr. WAXMAN, Mrs. COLLINS, Mr. NIELSON of Utah, Mr. LOWERY of California, and Mr. DENNY SMITH.

H.J. Res. 120: Mr. HARKIN and Mr. ACKERMAN.

H.J. Res. 133: Mr. CORRADA.

H.J. Res. 136: Mr. FORSYTHE, Mr. GINGRICH, Mr. LAGOMARSINO, Mr. NEAL, Mr. PARRIS, Mr. PEPPER, Mr. RATCHFORD, Mr. SMITH of Florida, and Mr. WON PAT.

H. Con. Res. 47: Mr. HEFNER, Mr. SUNDQUIST, and Mr. MARTINEZ.

H. Con. Res. 60: Mr. WASHINGTON, Mr. FORSYTHE, and Mr. OWENS.

H. Res. 33: Mr. MORRISON of Washington.

H. Res. 119: Mr. ST GERMAIN, Mr. MURPHY, Mr. STOKES, Mr. LOWRY of Washington, Mr. SEIBERLING, Mr. OWENS, Mr. BONIOR of Michigan, Mr. SCHEUER, Mr. LEVINE of California, Mr. FROST, Mr. KOGOVSEK, Mr. ORTIZ, Mr. SCHUMER, Mr. YATES, Mr. FEIGHAN, Mr. MAVROULES, Mr. FAUNTROY, Mr. GEJDENSON, Mr. RATCHFORD, Mr. HOWARD, Mr. FASCELL, Mr. D'AMOURS, Mr. LEVIN of Michigan, Mr. FRANK, Mr. TOWNS, Mr. WOLPE, Mr. BERMAN, Mr. FISH, Mr. HEFTEL of Hawaii, Mr. WAXMAN, and Mr. MCCLOSKEY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1900

By Ms. OAKAR:

—(1) Page 99, insert after line 8 the following (and conform the table of contents on page 3 accordingly).

APPOINTMENT OF ADDITIONAL TRUSTEES TO THE BOARDS OF TRUSTEES OF THE TRUST FUNDS

SEC. 305. (a) Section 201(c) of the Social Security act is amended—

(1) by inserting "(1)" after "(c)";

(2) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(3) by striking out "in paragraph (2) above" and inserting in lieu thereof "in subparagraph (B)";

(4) by striking out "the Secretary of Health, Education, and Welfare, all ex officio" and inserting in lieu thereof "the Secretary of Health and Human Services, all ex officio, and two individuals appointed by the President, by and with the advice and consent of the Senate, in accordance with paragraph (2)"; and

(5) by adding at the end thereof the following new paragraph:

"(2)(A) The President shall appoint, by and with the advice and consent of the Senate, two individuals to be members of the Board of Trustees for terms of four years, except that, of the individuals first appointed, one shall serve for a term of two years, as designated by the President at the time of appointment. The two individuals shall be chosen on the basis of their experience, integrity, impartiality, and good judgment, without reference to political affiliations and solely on the ground of fitness to perform the duties of the office.

"(B) Vacancies occurring in the positions for which appointments are authorized under subparagraph (A) shall be filled in the same manner as original appointments, and any individual so appointed shall serve out the unexpired term of his predecessor.

"(C) Each individual serving as a member of the Board of Trustees pursuant to appointment under subparagraph (A) who is not a full-time employee of the Federal Government shall be entitled to per diem compensation at rates fixed by the President, but not more than the current per diem equivalent of the annual rate of basic pay in effect for level III of the Executive Schedule for each day (including traveltime) during which the member is engaged in the actual performance of duties vested in the Board, and such individual shall be allowed, while away from his home or regular place of business in the performance of service for the Board, travel expenses (including per diem in lieu of subsistence) in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.".

(b) Section 1817(b) of such Act is amended—

(1) in the first sentence, by striking out "composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio" and inserting in lieu thereof "composed of the members of the Board of Trustees of the Federal Old-Age and survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (as specified in section 201(c))"; and

(2) by inserting after the first sentence the following new sentence: "Each individual serving as a member of the Board of Trustees who is not a full-time employee of the Federal Government shall be entitled to compensation and travel expenses in connection with service for the Board (to the extent such individual is not entitled to compensation and travel expenses for concurrent service under section 201(c)) in the same manner and to the same extent as is provided in section 201(c)(2)(C) in connection with service for the Board of Trustees to which such section applies.".

(c) Section 1841(b) of such Act is amended—

(1) in the first sentence, by striking out "composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio" and inserting in lieu thereof "composed of the members of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (as specified in section 201(c))"; and

(2) by inserting after the first sentence the following new sentence: "Each individual serving as a member of the Board of Trustees who is not a full-time employee of the Federal Government shall be entitled to compensation and travel expenses in connection with service for the Board (to the extent such individual is not entitled to compensation and travel expenses for concurrent service under section 201(c) or 1817(b)) in the same manner and to the same extent as is provided in section 201(c)(2)(C) in connection with service for the Board of Trustees to which such section applies.".

(d) The President shall make the first appointments under section 201(c)(2) of the Social Security Act not later than 30 days after the date of the enactment of this Act.

—(2) Beginning on page 97, strike out line 16 and all that follows down through line 8 on page 99 and insert in lieu thereof the following (and conform the table of contents on page 3 accordingly).

REMOVAL OF TRUST FUND OPERATIONS FROM THE UNIFIED BUDGET

SEC. 304. (a) Section 201 of the Social Security Act (relating to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund) is amended by inserting before subsection (n) (as added by section 152 of this Act) the following new subsection:

"(m) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 shall not be included in the totals of the budget of the United States Government as submitted by the President and as adopted by the Congress and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.".

(b) Section 1817 of such Act (relating to the Federal Hospital Insurance Trust Fund) is amended by adding at the end thereof the following new subsection:

"(k) The receipts and disbursements of the Trust Fund and the taxes imposed under sections 1401(b), 3101(b), and 3111(b) of the Internal Revenue Code of 1954 shall not be included in the totals of the budget of the United States Government as submitted by the President and as adopted by the Congress and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.".

(c) Section 1841 of such Act (relating to the Federal Supplementary Medical Insurance Trust Fund) is amended by adding at the end thereof the following new subsection:

"(j) The receipts and disbursements of the Trust Fund shall not be included in the totals of the budget of the United States Government as submitted by the President and as adopted by the Congress and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

(d) The amendments made by this section shall apply with respect to fiscal years beginning on or after October 1, 1984, except that such amendment shall apply with respect to the fiscal year beginning on October 1, 1983, to the extent it relates to the budget of the United States Government as adopted by the Congress and any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

—(3) Page 5, beginning on line 19, strike out "December 31, 1983" and insert "December 31, 1984" in lieu thereof.

Page 6, line 3, strike out "December 31, 1983," and insert "December 31, 1984," in lieu thereof.

Page 7, beginning on line 19, strike out "December 31, 1983," and insert "December 31, 1984," in lieu thereof.

Page 9, beginning on line 5, strike out "December 31, 1983" and insert "December 31, 1984" in lieu thereof.

Page 9, line 14, strike out "December 31, 1983," and insert "December 31, 1984," in lieu thereof.

Page 11, beginning on line 6, strike out "December 31, 1983," and insert "December 31, 1984" in lieu thereof.

Page 13, beginning on line 4, strike out "December 31, 1983." and insert "December 31, 1984." in lieu thereof.

By Mr. PICKLE:

—Strike out sections 201 and 202 (beginning on page 84, line 9, and ending on page 86, line 8) and insert in lieu thereof the following new section (with a conforming amendment to the table of contents):

INCREASE IN RETIREMENT AGE

SEC. 201. (a) Section 216 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Retirement Age

"(l)(1) The term 'retirement age' means—

"(A) with respect to an individual who attains early retirement age (as defined in paragraph (2)) before January 1, 2000, 65 years of age;

"(B) with respect to an individual who attains early retirement age after December 31, 1999, and before January 1, 2005, 65 years of age plus the number of months in the age increase factor (as determined under paragraph (3)) for the calendar year in which such individual attains early retirement age;

"(C) with respect to an individual who attains early retirement age after December 31, 2004, and before January 1, 2017, 66 years of age;

"(D) with respect to an individual who attains early retirement age after December 31, 2016, and before January 1, 2022, 66 years of age plus the number of months in the age increase factor (as determined under paragraph (3)) for the calendar year in which such individual attains early retirement age; and

"(E) with respect to an individual who attains early retirement age after December 31, 2021, 67 years of age.

"(2) The term 'early retirement age' means age 62 in the case of an old-age, wife's, or husband's insurance benefit, and age 60 in the case of a widow's or widower's insurance benefit.

"(3) The age increase factor for any individual who attains early retirement age in a calendar year within the period to which subparagraph (B) or (D) of paragraph (1) applies shall be determined as follows:

"(A) With respect to an individual who attains early retirement age in the 5-year period consisting of the calendar years 2000 through 2004, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2000 and ending with December of the year in which the individual attains early retirement age.

"(B) With respect to an individual who attains early retirement age in the 5-year period consisting of the calendar years 2017 through 2021, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2017 and ending with December of the year in which the individual attains early retirement age.".

(b)(1) Section 202(q)(9) of such Act is amended to read as follows:

"(9) The reduction factors for early retirement specified in paragraph (1) shall be periodically revised by the Secretary so that—

"(A) in the case of old-age insurance benefits, wife's insurance benefits, and husband's insurance benefits, the reduction factors applicable to an individual initially becoming entitled to such benefits at an age not more than 3 years less than the retirement age applicable to such individual will be the same as those specified in paragraph (1), and the reduction factors for each month below the age which is 3 years lower than the applicable retirement age shall each be five-twelfths of 1 percent; and

"(B) in the case of widow's insurance benefits and widower's insurance benefits, the reduction factors applicable to an individual initially becoming entitled to such benefits at early retirement age shall be the same as those specified in paragraph (1), and the reduction factors applicable to individuals initially becoming entitled to such benefits at a greater age shall each be established by linear interpolation between the applicable reduction factor for such early retirement age and a factor of unity at the applicable retirement age.".

(2) Section 202(q)(1) of such Act is amended by striking out "If" and inserting in lieu thereof "Subject to paragraph (9), if".

(c) Title II of the Social Security Act is further amended—

(1) by striking out "age 65" or "age of 65", as the case may be, each place it appears in the following sections and inserting in lieu thereof in each instance "retirement age (as defined in section 216(l))":

(A) subsections (a), (b), (c), (d), (e), (f), (q), (r), and (w) of section 202,

(B) subsections (c) and (f) of section 203,

(C) subsections (f) of section 215,

(D) subsections (h) and (i) of section 216, and

(E) section 223(a);

(2) by striking out "age sixty-five" in section 203(c) and inserting in lieu thereof "retirement age (as defined in section 216(l))"; and

(3) by striking out "age of sixty-five" in section 223(a) and inserting in lieu thereof "retirement age (as defined in section 216(l))".

(d) The Secretary shall conduct a comprehensive study and analysis of the implications of the changes made by this section in retirement age in the case of those individuals (affected by such changes) who, because they are engaged in physically demanding employment or because they are unable to extend their working careers for health reasons, may not benefit from improvements in longevity. The Secretary shall submit to the Congress no later than January 1, 1986, a full report on the study and analysis. Such report shall include any recommendations for legislative changes, including recommendations with respect to the provision of protection against the risks associated with early retirement due to health considerations, which the Secretary finds necessary or desirable as a result of the findings contained in this study.

By Mr. STANGELAND:

—Page 18, insert after line 17 the following new section:

FLAT RATE COST-OF-LIVING ADJUSTMENT

SEC. 112. (a) Section 215(i)(2)(A) of the Social Security Act is amended—

(1) by redesignating clause (iii) as clause (v);

(2) in the matter in clause (ii) following subdivision (III), by striking out "The increase" and all that follows down through "Any increase" and inserting in lieu thereof the following:

"(iii) For purposes of subdivision (II) of clause (ii), the increase shall be derived by adding to each primary insurance amount described in such subdivision (including each such amount as previously increased under this subparagraph) the applicable benefit increase amount. Any increase"; and

(6) by inserting before clause (v) (as redesignated by paragraph (1) of this subsection) the following new clause:

"(iv) For purposes of subdivisions (I) and (III) of clause (ii), the increase shall be derived by multiplying each of the amounts described in such subdivision (including each of those amounts as previously increased under this subparagraph) by the applicable increase percentage. Any amount so increased which is not a multiple of $0.10 shall be decreased to the next lower multiple of $0.10.".

(b) Section 215(i)(1) of such Act is amended—

(1) by redesignating subparagraph (C) as subparagraph (E); and

(2) in subparagraph (B), by striking out "and" at the end thereof; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) the term 'applicable increase percentage' means, with respect to any cost-of-living computation quarter, the same percentage (rounded to the nearest one-tenth of 1 percent) as the percentage by which the Consumer Price Index for that cost-of-living computation quarter exceeds such index for the most recent prior calendar quarter which was a base quarter under subparagraph (A)(ii) or, if later, the most recent prior cost-of-living computation quarter under subparagraph (B);

"(D) the term 'applicable benefit increase amount' means, with respect to any increase under this subsection taking effect with the month of December of any year, an amount equal to the product derived by multiplying—

"(i) the average primary insurance amount on the basis of which benefits were paid under this title for November of such year (rounded, if not a multiple of $0.01, to the next lower multiple of $0.01), by

"(ii) one-half of the applicable increase percentage,

which product, if not a multiple of $0.10, shall be rounded to the next lower multiple of $0.10; and".

(c) Section 215(i)(4) of such Act (as amended by section 111(b)(1) of this Act) is further amended by striking out "section 111(b)(2)" and inserting in lieu thereof "sections 111(b)(2) and 112".

(d) The amendments made by the preceding provisions of this section shall apply with respect to cost-of-living increases determined under section 215(i) of the Social Security Act for years after 1982.

Page 18, line 18, strike out "Sec. 112." and insert in lieu thereof "Sec. 113.".

Page 18, line 23, insert "(as amended by section 112 of this Act)" after "Act".

Page 19, strike out lines 6 through 9 and insert in lieu thereof the following:

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (H) and (I), respectively; and

(4) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

Page 21, line 20, strike out "and".

Page 21, strike out lines 21 through 25.

Page 22, line 1, strike out "(c)" and insert in lieu thereof "(b)".

Page 22, line 21, strike out "percentage" and insert in lieu thereof "increment".

Page 22, line 24, strike out "percentage" and insert in lieu thereof "increment".

Page 23, line 2, strike out "be" and insert in lieu thereof "be—".

Page 23, beginning on line 3, strike out "the difference" and all that follows down through "paragraph," on line 10 and insert in lieu thereof the following:

"(i) in the case of amounts described in such subdivision (II) of paragraph (2)(A)(ii), the difference between—

"(I) the total applicable benefit increases that would have been paid if all increases under paragraph (2) had been made on the basis of the CPI increase percentage, and

"(II) the total applicable benefit increases that were actually paid under paragraph (2) and this paragraph, or

"(ii) in the case of amounts described in such subdivisions (I) and (III) of paragraph (2)(A)(ii), the difference between—

"(I) the compounded percentage benefit increases that would have been paid if all increases under paragraph (2) had been made on the basis of the CPI increase percentage, and

"(II) the compounded percentage benefit increases that were actually paid under paragraph (2) and this paragraph,

Page 24, line 3, strike out "percentage" and insert in lieu thereof "increment".

Page 24, line 7, strike out "percentage" and insert in lieu thereof "increment".

Page 24, line 10, strike out "percentage increase" and insert in lieu thereof "increment".

Page 25, strike out lines 3 through 6 and insert in lieu thereof the following:

(2) Section 215(i)(4) of such Act (as amended by sections 111(b)(1) and 112(c) of this Act) is further amended by striking out "sections 111(b)(2) and 112" and inserting in lieu thereof "sections 111(b)(2), 112, and 113".

Page 25, line 21, strike out "Sec. 113." and insert in lieu thereof "Sec. 114.".

Page 32, line 7, strike out "Sec. 114." and insert in lieu thereof "Sec. 115.".

Conform the table of contents accordingly.

—Page 18, insert after line 17 the following new section:

FLAT RATE COST-OF-LIVING ADJUSTMENT

Sec. 112. (a) Section 215(i)(2)(A) of the Social Security Act is amended—

(1) by redesignating clause (iii) as clause (v);

(2) in the matter in clause (ii) following subdivision (III), by striking out "The increase" and all that follows down through "Any increase" and inserting in lieu thereof the following:

"(iii) For purposes of subdivision (II) of clause (ii), the increase shall be derived by adding to each primary insurance amount described in such subdivision (including each such amount as previously increased under this subparagraph) the applicable benefit increase amount. Any increase"; and

(6) by inserting before clause (v) (as redesignated by paragraph (1) of this subsection) the following new clause:

"(iv) For purposes of subdivisions (I) and (III) of clause (ii), the increase shall be derived by multiplying each of the amounts described in such subdivision (including each of those amounts as previously increased under this subparagraph) by the applicable increase percentage. Any amount so increased which is not a multiple of $0.10 shall be decreased to the next lower multiple of $0.10.".

(b) Section 215(i)(1) of such Act is amended—

(1) by redesignating subparagraph (C) as subparagraph (E); and

(2) in subparagraph (B), by striking out "and" at the end thereof; and

(3) by inserting after subparagraph (B) the following new subparagraphs:

"(C) the term 'applicable increase percentage' means, with respect to any cost-of-living computation quarter, the same percentage (rounded to the nearest one-tenth of 1 percent) as the percent by which the Consumer Price Index for that cost-of-living computation quarter exceeds such index for the most recent prior calendar quarter which was a base quarter under subparagraph (A)(ii) or, if later, the most recent prior cost-of-living computation quarter under subparagraph (B):

"(D) the term 'applicable benefit increase amount' means, with respect to any increase under this subsection taking effect with the month of December of any year, an amount equal to the product derived by multiplying—

"(i) the average of the primary insurance amounts consisting of that 20 percent of the primary insurance amounts, on the basis of which benefits were paid under this title for November of such year, which were the lowest (which average, if not a multiple of $0.10, shall be rounded to the next lower multiple of $0.10), by

"(ii) the applicable increase percentage, which product, if not a multiple of $0.10, shall be rounded to the next lower multiple of $0.10; and".

(c) Section 215(i)(4) of such Act (as amended by section 111(D)(1) of this Act) is further amended by striking out "section 111(b)(2)" and inserting in lieu thereof "sections 111(b)(2) and 112".

(d) The amendments made by the preceding provisions of this section shall apply with respect to cost-of-living increases determined under section 215(i) of the Social Security Act for years after 1982.

Page 18, line 18, strike out "Sec. 112." and insert in lieu thereof "Sec. 113.".

Page 18, line 23, insert "(as amended by section 112 of this Act)" after "Act".

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(3) by redesignating subparagraphs (D) and (E) as subparagraphs (H) and (I), respectively; and

(4) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

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Page 23, line 2, strike out "be" and insert in lieu thereof "be—".

Page 23, beginning on line 3, strike out "the difference" and all that follows down through "paragraph," on line 10 and insert in lieu thereof the following:

"(i) in the case of amounts described in such subdivision (II) of paragraph (2)(A)(ii), the difference between—

"(I) the total applicable benefit increases that would have been paid if all increases under paragraph (2) had been made on the basis of the CPI increase percentage, and

"(II) the total applicable benefit increases that were actually paid under paragraph (2) and this paragraph, or

"(ii) in the case of amounts described in such subdivisions (I) and (III) of paragraph (2)(A)(ii), the difference between—

"(I) the compounded percentage benefit increases that would have been paid if all increases under paragraph (2) had been made on the basis of the CPI increase percentage, and

"(II) the compounded percentage benefit increases that were actually paid under paragraph (2) and this paragraph,".

Page 24, line 3, strike out "percentage" and insert in lieu thereof "increment".

Page 24, line 7, strike out "percentage" and insert in lieu thereof "increment".

Page 24, line 10, strike out "percentage increase" and insert in lieu thereof "increment".

Page 25, strike out lines 3 through 6 and insert in lieu thereof the following:

(2) Section 215(i)(4) of such Act (as amended by sections 111(b)(1) and 112(c) of this Act) is further amended by striking out "sections 111(b)(2) and 112" and inserting in lieu thereof "sections 111(b)(2), 112, and 113".

Page 25, line 21, strike out "Sec. 113." and insert in lieu thereof "Sec. 114.".

Page 32, line 7, strike out "Sec. 114." and insert in lieu thereof "Sec. 115.".

Conform the table of contents accordingly.

SENATE—*Tuesday, March 8, 1983*

(Legislative day of Monday, March 7, 1983)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, we pray for those in this large Senate family who are hurting. We remember Senator LAUTENBERG in the death of his beloved sister and especially his mother with her sense of inestimable loss. May the blessing of Thy love and comfort abide upon the entire family. If there be others in our midst who grieve, encourage them with Thy gracious peace and love.

Merciful God, strong men and women are inclined to conceal their pain. They hurt but do not reveal it, lest they impose upon their friends. May there be that about our personal relationships today that will minister to others' needs even if we are uninformed about them. Let Thy love fill their hearts and overflow to those whose lives we touch. Forgive us for being afraid to love as though it were weak or maudlin or mere sentimentality. Give us tough love that cares and forgives and supports and serves. We pray this in the name of Him who loved impartially, unconditionally, and sacrificially all people. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE TODAY

Mr. STEVENS. Mr. President, the Senate should be on notice that under the previous order rollcall votes will occur early today. Specifically, a rollcall vote will occur at 11 a.m. on the Montreal Aviation Protocols Nos. 3 and 4 after 1 hour of debate which has been previously ordered between 10 a.m. and 11 a.m.

Following the vote on the Montreal Protocols there will be a vote on the nomination of Lewis Arthur Tambs to be Ambassador to Colombia.

At 12 noon, Mr. President, the Senate will stand in recess for 2 hours for the respective policy committee meetings of the two parties.

SENATE SCHEDULE FOR REMAINDER OF WEEK

When the Senate reconvenes at 2 p.m., the leadership is hopeful that arrangements will have been made to consider other items on the executive and legislative calendars for the remainder of the week. The leadership wishes to notify the Senate that every effort will be made to expedite consideration of the supplemental jobs bill, which the Senate Appropriations Committee marked up yesterday, and which we are grateful to the chairman, Senator HATFIELD from Oregon, for expediting.

There is hope that consideration of that matter can begin tomorrow or we hope at the latest Thursday. In any event, due to the time sensitivity needed to complete the legislative process on that matter the leadership intends to complete the bill during the course of this week if at all possible.

OFFSHORE OIL AND GAS EXPLORATION

Mr. STEVENS. Mr. President, Secretary of the Interior James Watt is actively implementing a 5-year plan to lease over 1 billion acres of the Outer Continental Shelf (OCS) nationwide for oil and gas exploration. This plan is expected to generate between $10 billion and $12 billion annually for the Federal Treasury and, more importantly, help make the United States less dependent on foreign oil.

Most of us support these objectives even though we may question the size and pace of the leasing schedule. However, as the law currently stands, coastal States are being asked to bear all of the impact of this development while enjoying no greater share of its benefits than inland States.

Unlike onshore mineral development in which the Federal Government shares revenues with the States involved, all revenues from OCS development currently go to the Federal Treasury. Inland States receive a healthy share of Federal revenues from development which impacts them.

If offshore development is to go forward Alaska and other coastal States must become partners with the Federal Government in the leasing process and be guaranteed the necessary funds to evaluate the risk each faces in such development. Additionally, communities that will be most affected must be assured of direct economic benefits to offset the population increases and disruption in lifestyles that offshore development may bring.

I believe the sharing of OCS revenues would be a step toward these goals. We will be introducing in the next few days a bill which would require the Federal Government to share revenues from offshore development with other coastal States. If passed, it would make the States and coastal communities direct financial partners with the Federal Government in OCS oil and gas activities.

This partnership would not be a substitute for a prudent leasing policy, but it would help assure that States and local governments would be able to cope with the research, planning, and capital improvements required for cooperative development of the OCS.

Under the legislation, 5 percent of revenues from OCS lands would be distributed to coastal States. A minimum of 40 percent of the State revenues would go to local coastal communities affected by OCS development. The States would have flexibility to use the funds to help lessen the impact of OCS development.

The funds could help build roads, schools, ports and other facilities needed due to population increases and activity from offshore development. They could be used to fund a State program of fisheries and ocean research, such as the sea grant program, and coastal management and conservation efforts.

Such coastal research programs have received generous Federal support in the past; however budgetary problems and the overall economic recession have forced cuts in Federal programs. Our OCS revenue-sharing bill would guarantee continued funding that would not be subject to yearly approval by Congress.

If properly conceived and administered, revenue sharing could help turn uncompensated risks into well-balanced opportunities for our coastal communities.

If such a program is not enacted, I am concerned that needed domestic oil and gas production will be severely delayed by lawsuits based on fear—a fear which can be eliminated by a properly

funded State program of research and planning.

I had planned to introduce legislation on this issue today, however, we are still working on an agreement with other principal cosponsors from last year. I intend to complete negotiations quickly and introduce legislation this week. My hope is we can move this bill early on the Senate side. The House passed an OCS revenue-sharing bill with overwhelming support last year. We simply did not have time to complete action in the Senate.

Once again the House is proceeding with its legislation. I am confident we will be able to work out any differences in opinion among Senate Members and with the administration. I look forward to working with my colleagues to pass this imperative piece of legislation to enhance our national energy policy and as a means of adequately addressing the deep concerns of the coastal States.

MACAVITY: THE MYSTERY CAT

Mr. BAKER. Mr. President, this week's poem was written by T. S. Eliot, and is entitled "Macavity: The Mystery Cat." The poem is from the collection "Old Possum's Book of Practical Cats," which was first published in 1939 and will be reissued this year. It was to T. S. Eliot's godchildren in the 1930's that he first revealed himself as "Old Possum," and for whom he composed his poems. I ask unanimous consent that the poem be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

MACAVITY: THE MYSTERY CAT

Macavity's a Mystery Cat: he's called the Hidden Paw—
For he's the master criminal who can defy the Law.
He's the bafflement of Scotland Yard, the Flying Squad's despair:
For when they reach the scene of crime—Macavity's not there!
Macavity, Macavity, there's no one like Macavity,
He's broken every human law, he breaks the law of gravity.
His powers of levitation would make a fakir stare,
And when you reach the scene of crime—Macavity's not there!
You may seek him in the basement, you may look up in the air—
But I tell you once and once again, Macavity's not there!
Macavity's a ginger cat, he's very tall and thin;
You would know him if you saw him, for his eyes are sunken in.
His brow is deeply lined with thought, his head is highly domed;
His coat is dusty from neglect, his whiskers are uncombed.
He sways his head from side to side, with movements like a snake;
And when you think he's half asleep, he's always wide awake.
Macavity, Macavity, there's no one like Macavity,
For he's a fiend in feline shape, a monster of depravity.
You may meet him in a by-street, you may see him in the square—
But when a crime's discovered, then Macavity's not there!
He's outwardly respectable (they say he cheats at cards.)
And his footprints are not found in any file of Scotland Yard's.
And when the larder's looted, or the jewel-case is rifled,
Or when the milk is missing, or another Peke's been stifled,
Or the greenhouse glass is broken, and the trellis past repair—
Ay, there's the wonder of the thing! Macavity's not there!
And when the Foreign Office find a Treaty's gone astray,
Or the Admiralty lose some plants and drawings by the way,
There may be a scrap of paper in the hall or on the stair—
But it's useless to investigate—Macavity's not there!
And when the loss has been disclosed, the Secret Service say:
"It *must* have been Macavity!"—but he's a mile away.
You'll be sure to find him resting, or a-licking of his thumbs,
Or engaged in doing complicated long division sums.
Macavity, Macavity, there's no one like Macavity,
There never was a Cat of such deceitfulness and suavity.
He always has an alibi, and one or two to spare:
At whatever time the deed took place—Macavity Wasn't There!
And they say that all the Cats whose wicked deeds are widely known
(I might mention Mungojerrie, I might mention Griddlebone)
Are nothing more than agents for the Cat who all the time
Just controls there operations: The Napoleon of Crime!

Mr. STEVENS. Mr. President, I reserve the remainder of the leader time on this side.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The distinguished acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, whatever time I do not consume, I ask unanimous consent that it be reserved for the minority leader at a later time during the morning.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONGRESS MUST UNDERSTAND NUCLEAR TESTING VERIFICATION RELIABILITY

Mr. PROXMIRE. Mr. President, a haunting fear that prevents many Americans from supporting a nuclear arms treaty with the Soviet Union is the fear that the U.S.S.R. would cheat, violate the treaty without our knowledge, get away with it, and rush ahead to prefect technologies that would give them military dominance. Scientists must find a way to meet this fear, because a limit on testing lies at the very heart of any agreement that can effectively stop the nuclear arms race.

A freeze on the number of nuclear weapons or even a sharp cutback in the number and megatonnage of weapons would not significantly arrest the arms race if either side or both sides can continue to perfect more accurate, reliable and devastating weapons through research and the testing which is quintessential. A ban on testing would provide us with more assurance that we are bringing the arms race under control than any other kind of restraint.

In an article in this morning's New York Times, Judith Miller reports that scientists are sharply divided over whether we have the technological means to detect testing of new nuclear weapons by the Soviet Union above a kiloton level low enough to prevent the effective development of weapons that could give the Soviet Union a new nuclear advantage.

The development of effective verification of Soviet testing must be a top objective for American science, so that we can negotiate a treaty the American people can rely on. The first step to secure that verification capability is an understanding of its importance by the U.S. Congress so that we can encourage this research. For that reason I ask unanimous consent that the article entitled "Debate Over Nuclear Ban: Can U.S. Spot Cheats?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 8, 1983]

DEBATE OVER NUCLEAR BAN: CAN U.S. SPOT CHEATS?

(By Judith Miller)

When President Reagan announced several months ago that he was postponing United States efforts to negotiate a complete ban on nuclear testing, the underlying arguments for that decision began a debate among scientists that has grown more heated with each passing week.

The Administration decision, aides said, was motivated partly by its belief that the United States lacked the ability to determine whether the Soviet Union would be able to cheat by secretly detonating nuclear tests.

But does it lack the ability? Some scientists feel that the capacity for adequate "verification" as it relates to a nuclear ban—as well as to two key treaties that limit atomic testing—is available from current technology. They contend that the Administration is using a technical rationale for a political decision—namely, that testing is in the nation's security interests.

The scientists' attack on the Administration's position began in earnest last October in Scientific American, when Jack F. Evernden, a program manager at the United

States Geological Survey's National Center for Earthquake Research, and Lynn R. Sykes, a geologist at Columbia University and former member of the delegation that negotiated a threshold treaty in 1974, said: "We are certain that the state of knowledge of seismology and the techniques for monitoring seismic waves are sufficient to insure that a feasible seismic network could soon detect a clandestine underground testing program involving explosions as small as one kiloton," Mr. Sykes said in an interview that a "sufficient" network for monitoring a comprehensive test ban would be 15 seismic stations, small measuring devices, planted outside the Soviet Union, and 15 inside.

Seismologists have long been able to detect underground events of very low magnitudes; the challenge, they say, is to distinguish earthquakes from tests.

To do this they would rely on seismic stations, the so-called "black boxes" already planted throughout the world, that measure waves generated by underground events. Compression waves, similar to sound waves—primary, or P waves, as they are called—predominate in the energy release of a nuclear test. They are generated in a nearly radial symmetry around the focus of the explosion. Earthquakes, by contrast, generate predominantly S waves, shear or secondary waves, which travel more slowly and are produced in asymmetrical patterns that depend on the kind of quake and the characteristics of its motion.

In addition, seismologists measure waves that travel over the earth's surface. These waves too are apt to differ, depending on whether they originate in earthquakes or nuclear explosions. The waves are assigned a series of magnitudes, which are related to the energy released at the site of an event. For nuclear tests, energy released is measured in kilotons.

Most underground events do not have to be monitored closely, Mr. Sykes and Mr. Evernden say, because the events are too deep to be nuclear weapons, or are located in countries not likely to be testing such weapons, or occur at sea, where, they maintain, hydroacoustic stations can easily distinguish between a test and an earthquake.

As a result, the two scientists and many of their colleagues argue, the United States would have to be concerned only about closely measuring events on Soviet land, or events less than 25 kilometers at sea, and only those whose calculated depth is less than 50 kilometers. These, they say, represent only about 0.5 percent of the world's earthquakes, or about 100 earthquakes a year with a magnitude greater than one kiloton in hard rock.

"With 15 seismic stations outside the Soviet Union, the largest test they could detonate without it being identified would be about one kiloton in hard rock, or about two kilotons in soft rock, provided the Soviets do not attempt to cheat," Mr. Sykes said.

Most analysts do not believe that tests of that magnitude would give the Soviet Union a military advantage worth the risk of being caught cheating.

But what if the Soviet Union attempted to disguise the size of its tests? As Pentagon analysts have noted, Moscow could detonate explosions in large cavities within salt deposits, a technique that would mask or muffle its shock waves.

To prevent this, seismic stations inside the Soviet Union at key sites would be required. Mr. Sykes contends that 15 well-placed black boxes in Russia would permit the United States to detect tests that are one kiloton or larger in any environment.

Milo Nordyke, director of verification programs for Lawrence Livermore Laboratory, a weapons research and testing center in northern California, disagrees with Mr. Sykes and Mr. Evernden on several key points.

First, he argues, identification of tests in water is by no means simple or certain. Similarly, if the Soviet Union wanted to test, it could do so in outer space without much possibility of detection.

But most directly, Mr. Nordyke takes issue with his colleagues' assessment of the value of 15 seismic stations inside the Soviet Union.

"There is far more salt in Russia than they identify," Mr. Nordyke said. "A test that is detonated inside a large cavity that masks waves could make a 10-kiloton explosion look like two-tenths of a kiloton."

Mr. Nordyke maintains that even with seismic stations inside the Soviet Union, Moscow could thus manage to detonate several five- to 10-kiloton tests a year without certain detection.

"We might suspect," he concluded, "but even this uncertainty would have an adverse effect on our political relations and other arms control efforts."

The scientific community is also divided over whether the United States can adequately verify the two treaties that limit explosions to 150 kilotons.

The treaties with which the scientists, as well as Reagan Administration officials, are concerned are the Threshold Test Ban Treaty, signed in 1974, and the Peaceful Nuclear Explosions treaty, signed in 1976. Both limit tests to the explosive equivalent of 150,000 tons of TNT. The Administration officials said they could not confidently determine whether the Soviet Union was complying with these agreements. On 14 occasions since the treaties were signed, they say, Soviet tests appeared to have exceeded the 150-kiloton threshold.

Pentagon and Arms Control and Disarmament Agency officials say that the United States has experienced considerable difficulty estimating the actual yield of underground Soviet tests.

The signals, or waves, from underground tests are recorded by the seismic stations and are then calibrated into a range of "yield estimates." The problem, officials explain, is that the range can be off by a factor of two. In other words, Soviet tests estimated at 150 kilotons could actually be as low as 75 kilotons, or as high as 300 kilotons.

Proponents of the treaties argue that once they are ratified, Moscow would have to provide detailed geological data about its designated test sites. The treaties also require both countries to provide the yields of calibration shots at a test site. This would permit the United States to readjust its seismic stations, using data from the calibration shot. Hence, they argue, ratification would enhance the nation's ability to measure the Soviet test yields and narrow the range of uncertainty.

But Manfred Eimer, head of the arms control agency's verification division, has argued that even if the United States got this additional information it would have no independent means of checking its accuracy.

The Administration wants the Russians to amend the treaty to permit American experts to go to the Soviet Union before the detonation of any test larger than 75 kilotons. American officials would then watch their Soviet counterparts place special sensors in the testing cavity. These would be attached to a portable black box kept by the Americans.

If acceptable to the Soviet Union, this on-site inspection would narrow the uncertainty of yield estimates to about 65 percent, instead of a factor of two, officials maintain.

But other experts argue that these changes are unnecessary, and could lead to the unraveling of the threshold accords.

Mr. Sykes and Mr. Evernden flatly dispute the Administration's reports of suspected threshold violations by the Soviet Union. The Administration's figures, they said, "are based on a miscalibration of one of the curves that relates measured seismic magnitude to explosive yield."

Simply stated, the Administration and its critics disagree in part because they are using different formulas for assigning waves a specific magnitude.

The formulas can not be discussed in detail, because they are secret.

Scientists from Lawrence Livermore insist that the band of uncertainty is wide, and troubling. But for the most part, they do not assert that there is evidence that the Soviet Union has violated the treaty.

Michael M. May, associate director of Livermore, recently concluded that "there was no evidence that the Soviets had cheated on the Threshold Test Ban Treaty."

On the other hand, Warren Heckrotte, another Livermore scientist, has concluded that the evidence is not "inconsistent with a distribution of actual yields in which there are some events above 150 kitotons." This, Mr. Heckrotte concludes, "reflects the statistical nature of the problem," according to a summary of his work that appeared this month in the Bulletin of the Atomic Scientists.

A WARNING FROM ZIMBABWE

Mr. PROXMIRE. Mr. President, recently the nation of Zimbabwe has suffered from troubles which are both political and tribal in origin. Mr. Robert Mugabe, who is the Prime Minister, is a member of the Shona Tribe. His chief rival, Mr. Joshua Nkomo, is a member of the Ndebele Tribe.

This rivalry has turned violent. Mr. Mugabe has sent a specially trained unit of the army, whose recruits are from the Shona Tribe, into Matabeleland, which is the stronghold of Mr. Nkomo and the Ndebele Tribe. There have been reports of a number of killings.

These reports are still fragmentary. No one is certain what is happening in Matabeleland. But the troubles which face Zimbabwe can serve as a warning to the rest of the world. Many nations contain ethnic, racial, or religious minorities. Political rivalries are sometimes based on these divsions.

It is under these circumstances that acts of genocide can germinate. Governments allow longstanding racial or religious animosities to fester. The economy turns sour and scapegoats have to be found. A determined and immoral leader comes to power and

plays on these tensions. The result can be an act of genocide.

One other factor is necessary before genocide can take place—secrecy. The world has been horrified too often by acts of genocide. If the bright light of public attention can be turned on the offending nation, even the most determined leader will have second thoughts about proceeding.

Mr. President, that is where the Genocide Treaty will be of significant help. That treaty is an unmistakable signal that the nations of the world consider genocide a crime which will not be tolerated. I urge the Senate to ratify this treaty. The United States should join those nations which have ratified this treaty and make it crystal clear that we will not tolerate genocide.

Mr. President, I reserve the remainder of the leader time. In a few minutes, I expect to use a small part of that time.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HAPPY BIRTHDAY SENATOR RANDOLPH

Mr. PROXMIRE. Mr. President, I understand that today is that birthday of the distinguished Senator from West Virginia, Senator JENNINGS RANDOLPH.

Now, the rumor is that he is 81 years old, but I think anybody looking at him knows that that rumor cannot be true. Senator RANDOLPH does not look a day over 40 years old. He has not changed one bit in the 25 years I have been here in the Senate. He is a remarkable man. He has a marvelous record starting with 1933 when he and FDR came to Washington at the same time.

We all think the world of JENNINGS RANDOLPH. He has certainly done a great deal for his State and for his country. It is a great honor to have an opportunity to pay a tribute to him.

I might point out, Mr. President, that today is also the birthday of my grandson, William Rockefeller Proxmire. While JENNINGS has 80 years on him, I am hopeful that William Rockefeller Proxmire may also have a distinguished career sometime, perhaps not in the Senate, perhaps not in politics, but in making an honest living.

(Laughter.)

Mr. HOLLINGS. Will the distinguished Senator yield?

Mr. PROXMIRE. Yes.

Mr. HOLLINGS. Today is also the birthday of my son, but he is out in California and I do not want to wake him up right yet. But as soon as 3 hours elapse, I will join you all in wishing JENNINGS and your grandson and my son a happy birthday.

Mr. PROXMIRE. I wish to extend my wishes to the distinguished Senator from South Carolina, also.

Mr. HOLLINGS. I thank the Senator.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, is there an order for the Senate to go into executive session at 10 a.m.?

The PRESIDENT pro tempore. That is correct.

EXECUTIVE SESSION—MONTREAL AVIATION PROTOCOLS NOS. 3 AND 4 (EX. B, 95-1)

The PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session to consider Executive Calendar No. 1, the Montreal Aviation Protocols Nos. 3 and 4. There is 1 hour of debate, evenly divided between the Senator from Kansas (Mrs. KASSEBAUM) and the Senator from West Virginia (Mr. BYRD).

Mr. BAKER. Mr. President, Senator KASSEBAUM is designated to manage the time on this side of the aisle between now and 11 a.m.

The PRESIDENT pro tempore. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I would like to make one comment which, to me, is enormously important in favorably considering the Montreal Protocols today.

Mr. President, NBC presented a short segment on these protocols during its evening news program last night. I think all of us owe a debt of gratitude to NBC, because they gave us a dramatic example of what is so wrong with today's system of compensating victims of international air disasters. They interviewed the widow of 1 of the 91 passengers killed in a Pan American crash at Pago Pago on January 30, 1974. The widow was one of only three cases which have received judgments in excess of $320,000—in her case, at the top award to date of $600,000. She mentioned that her case was still on appeal. What a tragedy, Mr. President! Over 9 years after the accident, she is still waiting for compensation for her husband's death. And she has to look forward to having at least $200,000 of that $600,000 extracted for her specialist attorney fees, discovery, and other litigation costs. If she could have received the $320,000 offered by these protocols, within 6 months of filing her claim as is assured by these protocols, paid out a probable maximum of $20,000 to her family lawyer for proving her economic loss, and invested the remainder at even a modest 10 percent interest over that time, she would have had roughly $650,000 for her own use today—not to be shared with high-priced attorneys and accident investigators.

Mr. President, the Pago Pago case represents the one willful misconduct decision in a U.S. court in the last 20 years. The families of 28 of the 91 victims remain uncompensated today—9 years later! The average settlement for the 63 victims thus far compensated was $89,000. Discovery and other out-of-pocket costs for plaintiffs have run between $500,000 and $1 million. The legal fees for the plaintiffs and defendants in this case will far exceed the ultimate payoff to the next of kin. Over $2 million will go for contingency fees—for proving fault, which will not be necessary under these protocols. That is why, 2 weeks ago, the chairman of the plaintiff attorneys' committee wrote to the chief judge of the Ninth Circuit Court of Appeals pleading for an end to the litigation at the earliest possible time, for the sake of the impoverished, totally uncompensated families of many victims of the Pago Pago crash 9 years ago.

Mr. President, that is an ongoing tragedy that will be a thing of the past when this body takes the long overdue step of ratifying these protocols.

Mr. President, what will the protocols do?

I think it is important to remember that the protocols will raise the present limit on most recoveries from $75,000 to at least $320,000—and even higher if the Civil Aeronautics Board is able to construct a reasonable supplemental compensation plan with higher levels; provide unlimited hospital and medical benefits in the event of injury, without regard to the $320,000 level.

This means if there is an injury which would mean a permanent injury and care for the rest of that person's life, those medical expenses will be paid for and taken care of.

The protocols will guarantee recovery for damages without the need to prove fault, specifically including acts of terrorism, war, sabotage, hijacking, and natural disasters; assure access to U.S. courts by American citizens; assure cash recoveries, in most cases, within 6 months of an accident rather than years later; reduce legal expenses to normal hourly rates rather than 20 to 40 percent of the victims' recoveries; mandate annual review of the

system by the Civil Aeronautics Board and withdrawal by the United States if the system proves inadequate; assure automatic increases in liability levels every 5 years and continued efforts by the U.S. Government to negotiate even higher levels of airline liability; preserve international consensus on a uniform system of compensation which would protect Americans worldwide and not leave some citizens to the mercy of foreign courts and very low limits on recoveries.

As I mentioned yesterday during this debate, such a case occurred in the late 1960's in Brazil when our Navy Band was traveling on a Brazilian airliner which crashed in Brazil. Under Brazilian law, the widow of one of the victims received $170. This would prevent that from happening. If, indeed, we do not enact the protocols, we could go forward to this same kind of situation when U.S. citizens would be traveling on another nation's airline and not have recourse to the courts for settlements which are fair and equitable.

I think it is very important for us to ask at this time, what would happen if, indeed, the protocols are not passed? I think we would go back to enormously complicated, unfair, and deteriorating, as a matter of fact, structures in international aviation litigation.

We have operated under the Warsaw Convention, but if these protocols are not passed, I think we would see a further breakdown of the agreements not under that convention, but the intercarrier agreements which have been working in recent years.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. DANFORTH). Who yields time?

Mr. BURDICK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

Mr. DANFORTH. Madam President, in support of the Senator from Kansas, I yield myself 4 minutes.

I am pleased to join my colleagues in urging the Senate to give its consent to the Montreal aviation protocols. This package of amendments to the old Warsaw Convention provides a long-overdue reform of the complicated rules and standards governing international aviation accidents.

The present system confines most Americans to a very low limit of recovery in such accidents—generally less than $75,000. Under the revisions incorporated into the protocols, Americans would be eligible for much larger recoveries—up to $320,000—and would generally receive them more quickly and with much lower legal fees. These increased levels of recovery are the result of more than two decades of effort by U.S. negotiators.

Critics of the protocols make much of the fact that there is a tradeoff for substantially raising the existing limits on recoveries in this manner and accelerating the payouts to accident victims and their families. That tradeoff involves giving up the right to exceed existing limits if it can be proven that an accident resulted from the willful misconduct of the carrier.

Madam President, this argument has been greatly overstated. The fact of the matter is that the great majority of aviation accidents do not involve deliberate misbehavior, and very few victims ever succeed in proving willful misconduct. The litigation required to establish such a finding is generally lengthy, expensive, and unpredictable, and the recoveries obtained are normally much lower than the amounts of the original lawsuits—particularly when the victims' recoveries are discounted by the size of the legal fees involved.

The two basic issues involved here, Madam President, are whether the United States needs to be part of an international treaty system governing aviation accident liability and compensation, and whether this treaty is the best that can be obtained. I submit that the answer to both questions is an unequivocal "yes."

It is clearly in the best interests of our country that it be party to an international treaty. Absent a treaty, U.S. citizens traveling abroad have no guarantee of protection should an accident occur in a foreign country. While it might be possible in some instances for individuals to obtain U.S. court jurisdiction and damage awards measured by U.S. standards, this will not always be the case. Many Americans would be forced to litigate abroad, under foreign law and subject to foreign limits on recovery. At best, American citizens will be left to fight a maze of conflict of law questions, at great expense of time and money, and with no assurance of compensation.

Moreover, it is clear that the Montreal Protocols represent the best treaty terms that can be obtained. While the absolute limit on recovery is of concern, it is fundamental to an international air transportation liability accord. Foreign negotiators strongly oppose the high liability standards of the United States, and flatly rejected the concept of unlimited liability. Without a limitation on liability, there would be no treaty. The Montreal Protocols accommodate the needs of U.S. citizens as dictated by experience. They guarantee recovery without regard to fault. They provide for far more compensation, far more quickly, than is provided for today. They assure U.S. victims and their families access to U.S. courts.

In short, Madam President, the Montreal Protocols are in the best interests of this country and its citizens who travel internationally by air. I join with the administration, with the Department of Transportation, with the Department of State, and with the leadership of the Foreign Relations Committee—including the Senator from Kansas (Mrs. KASSEBAUM)—in supporting ratification.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Public Citizen relative to the Montreal protocols, and also a very persuasive letter from the Consumer Federation of America.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Public Citizen]

DEAR SENATOR: Let's suppose (God forbid) that one of your Senate colleagues was killed on a flight to London or Montreal or any other foreign point. Do you think that the airline's liability to his or her family should be capped at $300,000? How about $250,000 or even $400,000? Regardless of the particular figure, do you think that the President should determine what would be a "satisfactory" ceiling on the airline's liability, not only for you, but for all Americans flying overseas?

That's the issue the Senate will confront today or tomorrow when it is scheduled to take up the "Montreal Protocols" to the Warsaw Convention. The Protocols would eliminate the possibility that crash victims and their families could recover fully for their loss in an international air crash. The Protocols would put an absolute ceiling on an airline's liability once the Senate has voted, and let the President determine what that ceiling will be.

Proponents make the catchy argument that these Protocols are a "no fault" system, whch would speed up accident litigation and cut lawyers' fees, but this obscures the Protocols' most fundamental flaw—in their current form, the Protocols could eliminate the possibility that crash victims and their families would recover fully for their loss.

Because of this glaring deficiency, the Protocols should either be recommitted or else amended to assure that U.S. citizens travelling overseas are fully compensated for their loss. If these changes are not made, however, the Senate should vote "No."

Denying crash victims full recovery is bad in principle, and there is no reason for it here. U.S. and foreign airlines routinely insure themselves for $400,000,000 to $500,000,000 per accident—enough to pay $1,000,000 per passenger if a fully loaded B-747 crashed with no survivors. Passengers pay as little as twenty cents per thousand miles travelled for this amount of liability.

Under the Montreal Protocols, however, and particularly under an implementation plan which airlines proposed to the CAB in 1975, that would all change. An airline's liability would be absolutely limited to about $300,000, and passengers would have to pay an extra $2 per ticket to set up a fund to pay crash victims. Why should passengers be forced to pay higher fares for a lower recovery?

Experienced trial lawyers and independent researchers have disputed the adequacy of a $300,000 liability ceiling, noting that when a breadwinner is killed, a figure like $300,000 is usually the airline's initial offer, not the ceiling. Proponents, by contrast, argue that a figure like $300,000 is enough to compensate most Americans killed in such accidents. The best that can be said is that the factual evidence on this point was sharply disputed. Rather than resolve the dispute—by directing the CAB to determine what sum would be enough to compensate 100% or even 90% of all U.S. travellers—, the Foreign Relations Committee ducked the issue. Instead, it recommended that the Senate ratify the Protocols now, but delay formal U.S. adherence until the President has certified that a "satisfactory" ceiling is in place.

This is the worst possible approach, since the Senate is being asked to vote for a liability ceiling without knowing what that ceiling will be.

Nor do foreign policy concerns require fast action. The Foreign Relations Committee took no action on the Protocols between 1978 and 1981, and during that time there was no significant effort from foreign governments, the Carter Administration or the Reagan Administration to pry them loose. It was only when the Committee, on its own initiative, decided to revive the issue in mid-1981 that foreign countries showed interest in the Protocols, which many had long since written off.

Despite the serious deficiencies of the protocols in their current form, the Administration is now pressing the Senate to vote for this package on a take-it-or-leave-it basis. If that's the choice, we'd say, vote on the side of innocent U.S. passengers, and leave it.

Sincerely,

JOAN CLAYBROOK.

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., March 8, 1983.

DEAR SENATOR: Today you will be asked to vote on the "Montreal Protocols" to the Warsaw Convention. Consumer Federation of America urges opposition to the Protocols in their current form, as they could eliminate the possibility of full recovery by the victims of international air crashes and their families.

If you are not inclined to oppose this liability limitation outright, we would urge you to (1) vote to recommit the Protocols for further study, or (2) vote to amend the Protocols to assure that U.S. citizens are fully covered for their loss.

Under the present system, airlines insure themselves for $400 million to $500 million per accident—enough to pay at least $1,000,000 each to the victims of these crashes. The cost of this unlimited coverage is as low as 20 cents per thousand miles travelled.

This would change under the Protocols and an implementation plan submitted by the airlines to the CAB. Under the plan, an airline's liability to individual victims would be capped at $300,000. In certain cases, this limitation on liability would impose serious economic harm on families who lose their major source of income. In addition, the limitation would weaken incentives for airline safety by allowing negligent airline conduct to go unpenalized.

Accordingly, CFA asks that you vote for safe skies by opposing the Protocols.

Sincerely,

DAVID I. GREENBERG,
Legislative Director.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "The Warsaw Convention: Can It Survive?" by Marc S. Moller.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WARSAW CONVENTION: CAN IT SURVIVE?

(Marc S. Moller)

I.

Two recent decisions by Federal appellate courts have struck serious blows to the continuing vitality of the Warsaw Convention limited liability scheme for death or injury in the course of international air transportation. The decisions may well portend the long overdue demise of that archaic treaty scheme. The two cases are *In Re: Aircrash at Bali on April 22, 1974,* decided by the United States Court of Appeals for the Ninth Circuit on August 24, 1982; and *Franklin Mint* v. *Trans World Airlines* decided September 26, 1982 by the United States Court of Appeals for the Second Circuit.

Published at a time when the United States Senate may be asked to give its "advice and consent" to Montreal Protocols No. 3 and No. 4 which would increase the Warsaw Convention damage limit to about $117,000, while eliminating the provision which denies airlines' limited liability if their misfeasance rises to the level of willful misconduct, the *Bali* and *Franklin Mint* cases are especially important. The holdings of the two cases tell much of the story. In *Bali* the plaintiffs argued that California law gave the decedents' heirs an independent right to action against the airline for wrongful death damages and that the Convention could not limit that right; they challenged the constitutionality of the Warsaw Convention and claimed that certain evidentiary rulings by the trial court deprived them of a fair trial in that they were unable to put on proof crucial to the issue of willful misconduct. On appeal the appellate court held that the Warsaw Convention pre-empted California law to the extent that California law might otherwise prevent application of the treaty's damage limitation, declined to rule that the treaty was unconstitutional and ruled that evidentiary errors by the trial judge required that the case be remanded for a new trial on the liability issues.

The most important feature of the *Bali* decision, however, lies in its consideration and analysis of the constitutional issues. In particular, the court questioned whether the Warsaw Convention limitation of liability constitutes a "taking" and consequently whether plaintiffs are entitled to be compensated by the United States under the "just compensation clause" of the Fifth Amendment of the United States Constitution. What is remarkable is that the "taking" issue was not raised by the parties, but by the Court *sua sponte.* The Court identified three constitutional challenges to the limitation of liability provisions of the Warsaw Convention, as follows:

"Plaintiffs make three constitutional challenges to the limitation: (1) that it is so arbitrary and unreasonable as to deprive them of substantive due process; (2) that is (sic) deprives them of equal protection of the laws; and (3) that it impermissibly burdens their constitutional right to travel."

While the court expressly declined to rule that the Warsaw Convention was unconstitutional, the unmistakable tone of the decision, the citations, and legal analysis give persuasive testimony to the fact that the panel which decided *Bali* believes that unless victims of air crashes have a remedy by which they can recover the full compensation for death or injury allowed generally by state law, the Warsaw Convention may constitute an unconstitutional denial of due process and equal protection of laws. The court therein stated:

"We conclude that plaintiffs' due process and right-to-travel arguments, while substantial, would fail if another remedy were available that would provide them with full compensation. We find that such a remedy is available under the Tucker Act, 28 U.S.C. § 1491, if the liability limitation constitutes a 'taking' under the fifth amendment."

The logic is simple and persuasive. If the Warsaw Convention limitation of liability deprives victims or their survivors of full compensation, then, since the treaty is an expression of national policy, the government may be called upon to make up the difference between the compensation paid under the treaty and full compensation if the limitation is an unreasonable or arbitrary economic regulation. Citing *Dames* and *Moore* v. *Regan,* 453 U.S. 654, 689-90 (1981), the Ninth Circuit held:

We hold only

(1) That plaintiffs have the right to compensation if their claims have been unreasonably impaired by the treaty, and

(2) That the Court of Claims has jurisdiction to make that determination and to enforce the right.

The Tucker Act, 28 U.S.C. § 1491 established the Court of Claims and its jurisdictional limitations.

The Franklin Mint case stands for the proposition that the damage limitation provision in the Warsaw Convention articulated in terms of a gold value is unenforceable. The trial judge had ruled that damages under the "gold" clause of the Convention should be calculated with reference to the last U.S. official price of gold, in other words $42.22 per ounce. Inexplicably, however, the court applied its mandate to causes of action arising 60 days after the date of the decision, and affirmed the ruling by the court below.

Of the two decisions my view is that while both are extraordinary Bali will have the greater impact. Both decisions would present a real challenge for the United States Supreme Court which would be expected to hear the cases if writs of certioari are filed. Both cases challenge the enforceability, scope and effect of a treaty which has been in force for more than half a century. Aviation law pundits may well be betting whether the Bali and Franklin Mint decisions will

stand up to the scrutiny of the Supreme Court. In this regard it would be wise to examine some of the authorities upon which both decisions rest.

(A) The Bali case . . . .

The two cases cited by the Ninth Circuit which most effectively support the conclusion that depriving victims of international airplane accidents of full compensation may constitute a "taking" creating a legitimate cause of action against the United States in the Court of Claims are the Regional Rail Reorganization Act Cases, 419 U.S. 102 (1978) and Dames and Moore v. Regan, 453 U.S. 654 (1981). The Regional Rail Reorganization Act Cases, dealt with fundamental constitutional issues raised by the Regional Rail Reorganization Act of 1973 (Rail Act), 45 U.S. § 701 et seq. When Congress passed the Rail Act it created a government corporation to acquire and operate railroad properties in the northeastern portion of the United States. The new corporation was called the United States Railway Association (USRA). Pursuant to the Act, the USRA was required to develop and implement a "Final System Plan" for restructuring the railroads into a "financially self-sustaining rail service system". The Act also required that the Final System Plan provide for transfer of designated rail properties to a private state-incorporated corporation called Conrail. While the Act empowered Conrail to acquire the properties of the railroads it limited payment for the properties to securities of Conrail plus up to $500,000,000 of USRA obligations guaranteed by the United States. What constituted "fair and equitable" compensation was to be decided by a Special Court established for that purpose. Some of the affected railroads argued that the Rail Act would effect a "taking" without just compensation. Moreover, they claimed that two kinds of "taking" were involved. One was called "erosion taking"; that is losses sustained by the railroads during the period after the USRA became functional but during which they were required to operate until a Final System Plan was arranged and their properties were actually acquired. The second was "conveyance taking". "Conveyance taking" was effectively defined as paying the railroad estates less than the constitutionally required equivalent of full compensation for the value of the properties at the time of acquisition. If by reason of the limitations of the Rail Act the USRA lacked sufficient funds to pay full compensation to the railroad, or if there was "conveyance taking" or "erosion taking" the U.S. Supreme Court was asked to consider whether the United States Government was obligated to make up the difference between what the railroad estates received as compensation for their properties from USRA under the Rail Act and full compensation. And, if so, where was this claim to be adjudicated. It was at this point that the Tucker Act was raised. The Tucker Act (28 U.S.C. § 1491) provides that:

"The Court of Claims shall have jurisdiction to render judgment on any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, or upon express or implied contracts with the United States, or for liquidated damages in cases not sounding in tort."

The Supreme Court in the Railroad Reorganization Act Cases stated:

"The major issues dividing the parties are (1) whether an action at law in the Court of Claims under the Tucker Act, 28 U.S.C. § 1491 [28 U.S.C. § 1491], will be available to recover any deficiency of a constitutional dimension in the compensation provided under the Rail Act for either the alleged 'erosion taking' or the alleged 'conveyance taking', and (2) if the Tucker Act remedy is available, whether it is an adequate remedy."

The United States, as one might expect, contended that there was no jurisdiction in the Court of Claims for these alleged "takings". The United States further argued that to read a Tucker Act remedy into the Rail Act would be "judicial legislation". The Supreme Court addressed the issues head-on:

"The Special Court, speaking through Judge Friendly, comprehensively canvassed both sides, and in a thorough opinion, concluded that the Rail Act does not bar any necessary resort to the Tucker Act remedy and that the remedy is adequate. Our independent examination of the issues brings us to the same conclusion, substantially for the reasons stated by Judge Friendly in Parts VII and VIII A of the Special Court opinion. 384 F Supp 895, 941-953 (1974). 419 U.S. at 121."

The Court continued:

"A claim founded upon a taking of property for public use by operation of the Rail Act without just compensation in violation of the Fifth Amendment plainly would fall within the literal words of 'any claim against the United States founded . . . upon the Constitution . . . .' The District Court, however, inquired whether the Rail Act affirmatively provided the Tucker Act remedy, and held that to 'read a Tucker Act remedy into the [Rail] Act' would be 'judicial legislation on a grand, if not arrogant, scale.' 383 F Supp, at 529."

The District Court made the wrong inquiry. The question is not whether the Rail Act expresses an affirmative showing of congressional intent to permit recourse to a Tucker Act remedy. Rather, it is whether Congress has in the Rail Act withdrawn the Tucker Act grant of jurisdiction to the Court of Claims to hear a suit involving the Rail Act 'founded . . . upon the Constitution.' For we agree with the Special Court that

'the true issue is whether there is sufficent proof that Congress intended to prevent such recourse. The [Rail] Act being admittedly silent on the point, the issue becomes whether the scheme of the [Rail] Act, supplemented by the legislative history, sufficiently evidences a Congressional intention to withdraw a remedy that would otherwise exist.' 383 F Supp, at 942.

Our decisions affirm that this is the correct inquiry. The general rule is that whether or not the United States so intended, '[i]f there is a taking, the claim is 'founded upon the Constitution' and within the jurisdiction of the Court of Claims to hear and determine.' United States v Causby, 328 US 256, 267, 90 L Ed 1206, 66 S CT 1062 (1946). '[I]f the authorized action . . . does constitute a taking of property for which there must be just compensation under the Fifth Amendment, the Government has impliedly promised to pay that compensation and has afforded a remedy for its recovery by a suit in the Court of Claims.' Yearsley v Ross Construction Co. 309 US 18, 21 84 L ED 554, 60 S CT 413 (1940). See also Hurley v Kincaid, 285 US 95, 76 L Ed 637, 52 S CT 267 (1932). In Yearsley, the Court, speaking through Mr. Chief Justice Hughes, went on to hold that 'it cannot be doubted that the remedy to obtain compensation from the Government is as comprehensive as the requirements of the Constitution . . . .' 309 US, at 22, 84 L Ed 554. (Emphasis supplied.)

In the Rail Act Cases, the Supreme Court also discussed two canons of statute construction.

"A new statute will not be read as wholly or even partially amending a prior one unless there exists a 'positive repugnancy' between the provisions of the new and those of the old that cannot be reconciled; and that when a statute is ambiguous, construction should go in the direction of constitutional policy."

The "new" statute was the Rail Act; the "old" was the Tucker Act.

Dames & Moore v. *Regan* was concerned with whether Presidential Orders nullifying post-November 14, 1979 attachments of Iranian assets by American creditors of Iran was a constitutional exercise of Presidential power. As a result of the 1979 American hostage crisis in Iran creditors of the Iranian government commenced suits by attachment in the United States to secure their obligations or satisfy outstanding claims. The President nullified all the attachments relying upon authority conferred upon him by the International Emergency Economic Powers Act, 50 U.S.C. § 1702. Nullification of the attachments, clearly exposed the American creditors to the risk of substantial losses.

While upholding the President's power to nullify the attachments the High Court stated: "We reemphasize the narrowness of our decision. We do not decide that the President possesses the power to settle claims, even as against foreign governmental entities." The Supreme Court continued:

"We do not think it appropriate at the present time to address petitioner's contentions that if the suspension of claims, if authorized, would constitute a taking of property in violation of the Fifth Amendment of the United States constitution in the absence of just compensation. Both petitioner and the government conceive that the question whether the suspension of the claims constitutes a taking is not ripe for review. [Brief for Petitioner 34, n 32; Brief for Federal Respondents 65. Accord, Chas. T. Main Int'l, Inc. v. Khuzestan Water & Power Authority, supra, at 814-815; American International Group, Inc. v. Islamic Republic of Iran, 493 F. Supp. 522 (DC, DC 1980), remanded American International Group, Inc., v. Islamic Republic of Iran, 211 App. DC 468, 657 F.2d 430 (1981).] However, this contention, and the possibility that the President's actions may effect a taking of petitioner's property, make ripe for adjudication the question whether petitioner will have a remedy at law in the Court of Claims under the Tucker Act (citations omitted) in such event. That the fact and extent of the taking in this case is yet speculative is inconsequential because 'there must be at the time of taking "reasonable, certain adequate provision for obtaining compensation."' [Regional Rail Reorganization Act Cases (citations omitted)]."

The Court concluded, ". . . To the extent petitioner believes it has an unconstitutional taking by the suspension of the claims, we see no jurisdictional obstacles to an appropriate action in the United States Court of Claims under the Tucker Act." Justice Powell, concurring in part and dissenting stated: "I would leave both 'taking' claims open for resolution on a case-by-case basis in actions before the Court of Claims."

The Ninth Circuit in *Bali*, however, seized upon the following language in Justice Powell's opinion in *Dames & Moore:*

"The Government must pay just compensation when it furthers the Nation's foreign policy goals by using as 'bargaining chips' claims lawfully held by a relatively few persons and subject to the jurisdiction of our courts. The extraordinary powers of the President and Congress upon which our decision rests cannot, in the circumstances of this case, displace the Just Compensation Clause of the Constitution."

In support of this position, Justice Powell cited *Armstrong* v. *United States*, 364 U.S. 40 (1960) for the proposition that:

"The Fifth Amendment's guarantee that private property shall not be taken for a public use without just compensation was designed to bar the Government from forcing some people alone to bear public burdens which, in all fairness and justness, should be borne by the public as a whole."

The principles must be examined in the contest of the Warsaw Convention. Any lingering doubt about the right to compensation for wrongful death which preceded Lord Campbell's Act in 1856 has long evaporated. Indeed, it is even recognized by the Supreme Court as a common law right. *Moragne* v. *United States Lines*, 409 F.2d 32 (5th Cir. 1969) rev'd 398 U.S. 375 on remand 446 F.2d 906 (5th Cir. 1971). Whatever its origins, the right to compensation for wrongful death is now a generally recognized right throughout the country.

There is no meaningful *quid pro quo* to American air crash victims or their survivors to justify depriving them of full compensation. The suggestion that the Convention creates a presumption of air carriers' liability and offers possible jurisdictional benefits has no practical value in 1982 to offset the injustice of limiting air carriers' liability. In recent hearings before the Senate Foreign Relations Committee considering Montreal Protocols 3 and 4, representatives of the airlines, the Department of State, the Department of Transportation appeared and filed statements. Obviously, the Administration has made the judgment that cooperation with foreign governments in aviation matters predominates over passengers' rights to full compensation. Indeed, the United States has admitted that the treaty limitations, even as they would be amended by the Montreal Protocols would unfairly and inadequately compensate American accident victims.

Five Administrations (Johnson, Nixon, Ford, Carter and Reagan) have publicly stated that in the absence of some system or plan which would allow for recoveries in excess of the treaty the Protocols would not be ratified. This is a clear admission that the Warsaw Convention, Hague Protocols and pending Montreal Protocols in-and-of-themselves do not provide "just compensation" for Americans. Those familiar with the airline/government concoctions to provide "benefits" to supplement the low Montreal Protocol limits know about The Supplemental Compensation Plan approved by the C.A.B. in July, 1977. That plan would tax every international passenger who buys a ticket in the U.S. $2.00 to be deposited in a special Prudential Insurance Company-managed fund against which passengers could claim up to $200,000 in provable damages.

If the Ninth Circuit perceived limited liability standing alone as a possible unconstitutional penalty on the right to travel, the $2.00 surcharge to preserve that right must surely be unconstitutional. The United States must recognize that if the Ninth Circuit's Tucker Act analysis holds up, the United States will be underwriting the liability for full compensation of the airlines over and above the limitations of the Warsaw Convention, presently $10,000, or $117,000 if the pending Montreal Protocols are ratified. The United States in that event would be assuming a liability which everyone in the international aviation business knows the airlines are perfectly capable of assuming themselves, and no doubt already have assumed. It is well known and universally agreed that insurance is readily available to the international aviation community at rates which presently are fixed at not in excess of 63 cents per round trip per international passenger.

The airlines should wake up to the fact that their free ride at the expense of international aviation accident victims is coming to an end. They should recognize that they are no longer entitled to the preferred insulated position established with airlines constituted an industry struggling to develop.

(B) The Franklin Mint case . . .

The holding of Franklin Mint is unequivocal.

"While international disarray as to the proper unit of conversion under the Convention alone might not disable us from enforcing a new unit, such a unit must be selected either through treaty ratification by the Senate or by legislation passing both Houses of the Congress. The repeal of the previously established unit of conversion. While Congress may not have focused explicitly upon the Convention in repealing that Act, its purpose, abandonment of a price which was out of touch with economic reality, plainly encompasses use of that price to convert judgments to United States currency values. Congress thus abandoned the unit of conversion specified by the Convention and did not substitute a new one. Substitution of a new term is a political question, unfit for judicial resolution. We hold, therefore, that the Convention's limits on liability for loss of cargo are unenforceable in United States Courts."

Article 22 of the Warsaw Convention fixes the limitation of liability at "125,000 francs" and defines "francs" in terms of a specific gold value. A 1974 Civil Aeronautics Board interpretation of Article 22 calculated the gold value at $42.22 an ounce, the U.S. "official" price of gold in 1973. This converts to $10,000 in U.S. currency. If the limitation of liability spelled out in Article 22 of the Warsaw Convention were calculated in terms of the "market value of gold" the limitation would be increased at least ten-fold. The damage limitation provision of the Warsaw Convention is clear. Article 22(1) states:

"In the transportation of passengers the liability of the carrier for each passenger shall be limited to the sum of 125,000 francs. Where, in accordance with the law of the Court to which the case is submitted, damages may be awarded in the form of periodical payments, the equivalent capital value of the said payments shall not exceed 125,000 francs. Nevertheless, by special contract, the carrier and the passenger may agree to a higher limit of liability."

The "franc" and, hence, the limitation of an air carrier's liability referred to in the foregoing paragraph, is specifically defined in Article 22(4) of the Convention as follows: "The sum mentioned above shall be deemed to refer to the French franc consisting of 65½ milligrams of gold at the standard of fineness of nine hundred thousandths. These sums may be converted into any national currency in round figures."

The minutes of the Warsaw Convention, the Convention itself and the inclusion of similar "gold clauses" in other treaties demonstrate that the "franc", albeit identified as the "French franc" in the Warsaw Convention, was considered an "imaginary unit of account." A "gold value" was adopted to achieve a uniform method by which the damage limitation could be calculated by all the contracting parties. Tying the limitation to such a standard divorced calculation of the limits from any national currency (as distinguished from conversion into national currencies) and protected the real value of the "limitations". Though the minutes of the Warsaw Convention are not extensive, the recorded comments by the Swiss Representative underscore the drafters' intention that no nation shall have the unilateral power to place a value upon "gold" which would then determine the value of the Article 22 damage limitation.

The minutes of the Warsaw Convention contain the following exchange:

"Of course, when we wrote our text, the French franc was variable, as it has since been stabilized. But the fact that currency has been stabilized does not imply that it is a definitive act; a law can always modify another law. This is why in Switzerland, we have preferred to stand by the gold standard which is the same in all countries, since there is only one quality of gold.

We would not be opposed to a return of the French franc, but to a gold French franc, i.e., based upon a weight of gold of such or such thousandth of fineness.

Of course, one can say 'French franc' but the French franc is determined by your national law and modifications of that law which suffice to overthrow the economy of this provision. We must have as a basis an international value, and we took the dollar. We can take the gold French franc, I do not care, as long as we take a gold value. I count on the editing committee to find a formula, but I would like the conference to be consulted on the opportunity to take as a basis of computing a gold value, whether American or French."

Mr. Pittard, the Swiss representative continued:

"We do not object to taking the French franc as a basis, but what I am objecting to is the fact that we refer to a French law of 1928; bring into our international convention the same formula you have in France and we accept it. The French representative then agreed: "Then we shall put 'French franc' corresponding to a weight of gold of so much."

The President obtained the agreement of the Convention when he asked, "The conference to declare itself on the French formula, i.e. definition of the value in French francs corresponding to a given weight in gold." Minutes of the Warsaw Convention, pp, 114-146. This articulated intention was then reflected in treaty language which defined "francs" in terms of "65½ milligrams of gold at standard fineness of nine hundred thousandths" (Article 22(4)), and completely divorced the "'maginary" and artificial currency unit from any national currency or national gold value.

Since the United States adhered to the Warsaw Convention in 1934, the government has periodically modified its interpretation of the value of the $125,000 franc damage limitation depending upon the changed price of gold. In 1934, the value of gold in U.S. dollars was $20.67 per ounce,

and the damage limitation was interpreted to be the equivalent of $5,000. When the price of gold increased to $35 an ounce, the limitation of liability was increased to $8,291.87. And, when the United States "official" price of gold was increased to $42.22 per ounce, the damage limitation was fixed at $10,000.

The fact that the increases in the U.S. gold price resulted in a corresponding increase in the Convention's damage limit is highly significant. The action confirms that the U.S. Government never took the position that the damage limitation provisions were immutable, but rather that they had to respond to inflation which is the underlying economic force which causes gold prices to increase and currencies to become worthless. When the CAB determined in 1974 that the "$125,000 franc" Warsaw Convention damage limitation was the equivalent of $10,000 in United States currency, "official" United States price of gold was $42.22. The "official" price, according to the 1974 CAB Order, was derived from Section 2 of the 1973 Par Modification Act which established that the par value of the dollar was $42.22 per ounce of gold. On October 19, 1976, Congress repealed Section 2 of the Par Value Modification Act abolishing the "official" price of gold. The Act became effective on April 1, 1978. Whatever merit there may have been prior to April 1, 1978 to the argument that Article 22 contemplated the applicability of the "official" price of gold then ceased to exist. However, the CAB and the airlines refused to acknowledge that enactment of the 1976 Par Value Modification Act invalidated the January 3, 1974 CAB Order which called for calculation of the Warsaw Convention damage limit at $42.22. The 1974 CAB Order itself makes evident the fact that its applicability expired in 1978. It provides: "The liability limits in the Warsaw Convention are set forth in terms of gold francs so that as long as the value of the dollar in terms of gold remained constant, no change was required in the dollar amount of the liability limits contained in the tariffs."

Dr. Allan Mendelsohn in commenting on the use of Warsaw Convention-type gold clauses in other international agreements said: "The policy embodied in the convention[s] . . . was designed to protect potential victims from the effects of inflation." Mendelsohn, The Value of the Poincare Gold Franc in Limitation of Liability Conventions, 5 J. Mar. L. & Com., 125, 127 (1973). A national or "official" price of gold set by a country may not keep pace with inflationary trends:

The following tables show that during the period from 1933/1934 to 1973/1974 the increases in the price of gold on the private market is more in line with the increase in wages and retail prices, than the increase in the official value of gold and in the limits of liability agreed at Warsaw and at The Hague (if these limits were to be converted into national currencies at this official value):

Hourly wage rates:	*Cents*
U.S.A.:	
1937/38	62.4
1973/74	420.0
United Kingdom:	
1937/38	17.8
	Pence (old)
1973/74	197
Retail price index:	*Index*
U.S.A.:	
1933/34	100.0
	Pence (old)
1973 (11 months average)	331.0
United Kingdom:	
1933/34	100.0
1973	468.5
Gold per fine ounce:	*U.S. dollars*
Official value:	
1934	35
1974 (December)	42.22222
1974 (June)	42.22222
Private market price about:	
1934	35
1974 (December)	
1974 (June)	160

Until Franklin Mint the airlines' continued adherence to the $42.22 gold value was all the more remarkable since our research discloses no government or private commercial gold transactions anywhere in the world today are based upon the $42.22 per ounce gold value which has long since been rejected by the United States. Only the airlines and their insurers cling to the vestige of the economics of yesteryear for their sole benefit and to the disadvantage of the international air passenger who is killed or injured by reason of airline negligence or other culpable conduct.

Since the applicability of the Warsaw Convention was first challenged in American courts, the Judiciary has sought to circumvent the treaty or at least to mitigate its harsh effects. The most successful challenges have been those in which there was some physical defect in the ticket or defective delivery of the tickets so as to enable the court to find an absence of the unequivocal notice of the liability limitations required by Article 3 of the Convention. In Bali, the district court determined that the Warsaw Convention and Montreal Agreement at best created "contracts of adhesion" which were not binding upon the heirs of decedents with whom the air carrier had no relationship. Though this aspect of Bali was reversed on appeal, it demonstrates a prevailing judicial attitude. This demonstrated judicial bias is relevant to the "gold" issue in that it suggests that where the Warsaw Convention is susceptible to an interpretation which enables passengers to obtain higher recoveries, courts will rule in favor of the passenger. Franklin Mint bears this out.

Liberality is one of the foremost rules of treaty interpretation. The Supreme Court has stated:

"In choosing between conflicting interpretations of a treaty obligation, a narrow and restricted construction is to be avoided as not consonant with the principles deemed controlling in the interpretation of international agreements. Considerations which should govern the diplomatic relations between nations, and the good faith of treaties, as well, require that their obligations should be liberally construed so as to effect the apparent intention of the parties to secure equality and reciprocity between them. For that reason if a treaty admits of two constructions, once restricting the rights which may be claimed under it, and the other enlarging them, the more liberal construction is to be preferred. Factor v. Laubenheimer, 290 U.S. 276, 293 (1933)."

Treaty language must be interpreted and construed to reflect the intent of the "contracting" nations. In light of the historical background against which the Warsaw Convention text must be evaluated, it is truly remarkable that the CAB did not reject the "official" price of gold argument in 1978. The United States has consistently spoken out against low liability limitations. Our government's refusal to adhere to the Hague Protocol, although doubling the Warsaw limit, was motivated by its low limits of liability.

When the United States was participating in the negotiations which led up to the signing of the Hague Protocol the Chairman of the United States Delegation explained that the United States was interested in maximum recoveries for the injured parties or their survivors. On November 15, 1965, the United States gave six months notice of denunciation of the Warsaw Convention and emphasized that such action was taken because of the Convention's low limits of liability for personal injury or death to passengers. Subsequently, when the United States participated in the preliminary discussion which culminated in the Guatemala Protocol of 1971, the United States sought higher levels of recovery and protection for Americans than any other nation. It is because the limits of recovery are too low under the Guatemala Protocol, among other reasons, that a decade after it was signed it has yet to be ratified by the U.S. Senate, is still not effective.

Further evidence in support of rejection of archaic damage limitations lies in our government's promotion of free market forces in the aviation industry. Recent acts of Congress and Civil Aeronautics Board actions confirm this policy. Although prior to *Franklin Mint* the issues have not been considered by United States appellate courts, courts in at least three other countries have held that the Warsaw Convention's "gold value" clause contemplates the application of the fair market price of gold. In *Zakoupolos* v. *Olympic Airways*, No. 246/1974 (Feb. 14, 1974), a Greek court decided that the fair market price of gold as set on the Athens Bourse was the appropriate valuation for liability limits of the Warsaw Convention. Likewise, in *Saga* v. *Sagoland*, (Lower Court, Goteburg, Sweden, October 2, 1973), a Swedish Court held that the fair market price of gold was the appropriate valuation for liability limits of the Warsaw Convention. More recently, an Argentinian court was confronted with the gold issue in the context of an international air carrier's loss of baggage. Article 22(4) of the Warsaw Convention applies to property loss recoveries as well as to death and personal injury claims. The Argentinian court held that the market value of gold was the proper standard.

There are, as one might expect, decisions which reach different conclusions. The Netherlands Supreme Court in 1972 held in *Hornlinie* v. *Societe Nationale desPetroles Aquitane*, (NJ 1972, 269) that conversion of the "franc" must be based upon the gold parity of the Dutch guilder and not on the market price of gold. While the *Hornlinie* "franc" was the "Poincare" franc, the treaty involved was *not* the Warsaw Convention, but rather the "International Convention Relating to Limitations of the Liability of Owners of Sea Going Ships" of 1957. *Hornlinie* involved a controversy between shipowners for damages sustained in a collision in Dutch territorial waters. Recoverable damages were limited by the International Convention which had a "gold clause" similar to Article 22(4) of the Warsaw Convention. At issue was whether the free market value of the "official" gold value of the Dutch Guilder governed the conversion. The Dutch Commercial Code § 760(d) was held to be dispositive. It specifically provided that the "franc" used in the shipping convention "shall be converted into Dutch

currency on the basis of the [Dutch] rate of exchange. . . ." The fact that there was then a disparity between the "official" gold price and the market price was disregarded by reason of the "statutory" gold value and the conversion price Dutch law mandated. The distinctions between *Hornlinie* and the situations prevailing in the United States are obvious. There is no comparable statutory provision in the United States to the Dutch Commercial Code § 760(d) and there is no "official" price of gold in the United States. *Hornlinie* is irrelevant.

In an even more radical departure from the underlying premises which gave rise to gold clauses in treaties and essentially overruling *Hornlinie*, the Netherlands' Supreme Court (Hoge Road) in May, 1981 determined that the "gold clause" like the one found in the Warsaw Convention should be calculated in terms of Special Drawing Rights. One Poincare "franc" was held to be the present equivalent of one-fifteenth Special Drawing Right.

A 1980 French Appellate Court decision, *Chamie* v. *Egyptair*, is in point because it actually involved the Warsaw Convention, but the rationale underlying the holding is in my opinion completely illogical and legally unsound. Egyptair, in the course of a flight between Damascus and Paris, via Cairo, lost plaintiff's baggage and offered to pay compensation for 50 kilos lost. The lower tribunal ruled that conversion of the 250 francs per kilo limit of Article 22 of the Warsaw Convention should be in terms of the market value of gold. The appellate court reversed, holding that the "franc" referred to in Article 22 had evolved to become the actual French franc in use as of the date of judgment. The French "paper" money argument rests upon the following premises. First, ICAO opined in 1974 that it preferred the "official" price of gold and not the market price. Second, while recognizing that Article 22 defines a unit of account whose value is fixed by reference to a gold quantity and gives it the characteristics of a unit of constant value to be used as reference to a level in all signatory states, the court found reference to a gold value of the current French franc impossible. The gold value of the French franc was eliminated in 1978. The French decision is plainly misguided. While it is true that gold has been temporarily eliminated from the international monetary system, the Warsaw Convention is not an agreement which has any role in *that* system. Article 22 merely specifies a value in terms of gold which may then be converted into a national currency. Turning to French paper money to determine the value of the Convention damage limit is the opposite of what the drafters sought in 1929. They sought to avoid any effect upon the damage limit by acts of national legislators. To apply the French court's logic then is to do in 1980 what all nations refused to do in 1929. While bearing in mind the drafters' desire to frame the damage limit in terms of international value, it is important to recall that gold is used precisely because it has an easily determinable international value. French paper money (and all national currencies) have national events and policies. Furthermore, in times of inflation, national currencies lose value, and do not retain their purchasing power. That, indeed, is the consumer's definition of inflation. The French decision is, therefore, wholly inconsistent with the letter and spirit of Warsaw.

In Italy, a Rome Civil Court in 1976 after observing that "it is not possible to calculate the gold content of the Lira directly" and noting the devaluation of currencies since 1929, made the mistake of trying to convert French francs into Lira by comparing their intrinsic gold values. This was obviously impossible. *Linee Aeree Italiane* (CAI) v. *Riccioli*, Rome Civil Court, Division 4, 5/IV/1976. See also, *Association Aeronau Figue* v. *Thierache* (Tribunal de Grande Instance, Paris 10 Feb. 1973) and *Campanhia de Seguros Maritinos* v. *Varig* (Federal Court of Appeals, Brazil, 3 June 1975). It then made a calculation for "working out the lira equivalent to the franc". The extraordinarily complex computations set forth in the Italian court's opinion results in a figure near the lira/franc exchange rate as of the date of payment of the judgment.

The difference between the Italian and French decisions is that the Italians at least struggle to apply some gold value, but the Italians, like the French, seek a value close to the "official" value of *its* currency. The decision, however, is subject to the same criticism as inveighed against *Chamie*.

Rebus Sic Stantibus; Warsaw May be Dead

Inspired by *Chamie* and the Italian decisions, at least one airline in litigation in the United States has recently contended in *In re Air Crash Disaster at Warsaw Poland on March 14, 1980*, 535 F. Supp. 833 (E.D.N.Y. 1982) that it is *impossible* to apply the Convention gold standard, the effect upon Warsaw is far more drastic than the airlines realized or than other courts have thus far acknowledged. *Franklin Mint* makes the point. It is basic axiom of treaty law, statutory construction, and contract law that if circumstances so change as to render a treaty, statute or contract impossible to perform by reason of changed circumstances, the viability of the instrument or the objectionable term expires. In treaty law the principle is encapsulated in the term *rebus sic stantibus*. In the context of the Warsaw Convention, if Article 22 is no longer capable of application by reference to a gold value, Article 22 which limits damages no longer is viable. Damage limitations in international air transportation no longer exist. Courts have no power to substitute new terms for treaty provisions which can no longer be implemented. Substituting French francs, Lira or other values for "gold" is simply *ultra vires* judicial authority. While not tied to the language of the Warsaw Convention, it is no less true that since the underlying purpose of the Convention was to protest the infant airline industry and that purpose has been fully served, *rebus sic stantibus* would terminate the treaty.

CONCLUSION

The Warsaw Convention served its purpose. In the post World War II period it was utilized by the airlines as a shield to insulate them for paying full compensation to passengers who were victimized by airline mistakes. *Bali* and *Franklin Mint* reflect the judicial disfavor to which the Warsaw Convention has become subject. How long will it be for Congress and the President to reach the same conclusion?

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I yield to the Senator from Pennsylvania (Mr. SPECTER) for a few minutes.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I think it useful to engage in a colloquy with the distinguished Senator from Kansas (Mrs. KASSEBAUM) concerning the aspect of the Montreal Protocol relating to medical expenses and all expenses incidental thereto, such as nursing home, hospitalization—medical expenses would obviously cover doctors' bills and medicines, and the use of any kind of equipment.

The purpose of the colloquy is to be as sure as we can that there are no limitations of liability under the protocol on payments that would be paid to someone who survived an air accident and is the confined with very extensive injuries.

I have seen cases, as many of us have, where someone as a result of an automobile accident or industrial accident may be totally and permanently incapacitated and may find it necessary to be on life-sustaining devices, may find it necessary to have a protracted period of time in a hospital with enormous expenses that would far exceed the limitations which are recited in the Montreal protocols.

I have substantial reservations about the protocols in general or any type of legislative or treaty effort which limit liability because of the policy considerations against limitations of liability, and I have considered the protocols at length, have had discussions with a number of my colleagues and have examined the record and documents and have had extensive discussions with the distinguished Senator from Kansas yesterday on the protocols generally but specifically on the issue of no liability where somebody may be totally and permanently disabled and has enormous expenses arising out of the incident.

In order to be as precise as possible on this subject, I propound that question to the distinguished Senator from Kansas so that the record may be clear on this point.

Mrs. KASSEBAUM. I appreciate the remarks of the Senator from Pennsylvania. As we did discuss, there are unlimited medical and health benefits. If anyone would be injured in an accident, those benefits would be covered for the rest of that person's life. If they are in a care home, for instance, as a result of the injury, those expenses would be covered.

I appreciate the inquiry because I think it is important. I know there are those who are troubled by setting some sort of cap on liability. But, as

pointed out in this debate, the benefits in this will be of enormous importance to U.S. citizens traveling on international airlines.

Mr. SPECTER. I appreciate the response of the distinguished Senator from Kansas, and I compliment her on her extensive and good work on this bill.

I am aware of the very important considerations on both sides of the issue, and the comments which she has made reassure me and, I think, are important on the record so that if anyone is in a situation of having extensive medical expenses the full range will be covered of hospitalization or nursing homes or the use of any kind of equipment which relate to or are caused by that kind of disabling circumstance. That is correct; is that right?

Mrs. KASSEBAUM. That is correct.

Mr. SPECTER. I thank the Senator.

Mrs. KASSEBAUM. I would just like to say in commenting here, in conclusion, that the U.S. Senate has not rejected a treaty for over 20 years. Senators coming to the floor here today should give very careful thought and consideration to this vote. It is not a vote that should be taken lightly just at the whim of the trial lawyers who are indeed trying to intimidate us on this issue. I think we must carefully consider it in light of the risk that it places passengers in, as a matter of fact, in future travel on international aviation flights.

I feel it is enormously important that we reflect on it more than as just a legislative issue that comes before us at this time because it is a major responsibility we have here as a body to advise and consent on treaties.

I ask that the remainder of my time be protected.

Mr. PERCY. Mr. President, will the Senator yield 1 minute?

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I want to reiterate once again what I said yesterday.

Mr. President, it would be a serious mistake if the Senate does not approve the Montreal Protocols this morning. The issue is how best to provide adequate protection to the vast majority of Americans who travel abroad. The protocols are a substantial improvement over the existing system and should be approved.

But it would be especially tragic, Mr. President, for Members to vote down these protocols on the basis of some of the arguments made by the opponents of U.S. ratification. Those arguments are highly misleading and do not reflect the actual facts of the situation.

The opponents would have you believe that the Montreal Protocols do something radically new in setting a limit on airline liability. But the fact is that there is today a limit on liability, and in most countries of the world it is $10,000 or $20,000, not the $320,000 that we are talking about here. For American citizens on flights serving the United States, that limit is $75,000, or less than a fourth of the amount we are proposing. These limits are existing facts of life and they explain why it is that the average recovery for American victims of an international aviation accident has been less than $75,000. The present situation is not one in which most Americans receive huge recoveries by suing the airlines in U.S. courts.

The opponents will then tell you that the saving grace of the current system is the ability of Americans to break through those limits by proving in court that an airline has been guilty of "willful misconduct." Last night on "NBC News" a woman was interviewed whose husband was killed in a serious airline accident in the South Pacific in 1974. The court has awarded her a $600,000 damages. But what the story did not make clear, Mr. President, is that she still has not received that money. Nine years after the accident that case is still being litigated.

Let me read from a letter written by a lawyer for the victims in that case asking the court to expedite its deliberations: He wrote to the judge as follows 2 weeks ago:

> My purpose in writing to you is to seek your assistance in getting a ruling on the Petition for Rehearing at the earliest possible time. The accident which gave rise to this litigation occurred on January 30, 1974. The passengers who survived, four in number, and the families of the deceased passengers have been waiting over nine years to receive damages due them. As to some of the families the loss of loved ones caused immediate financial hardship. Some of the victims of this accident have ever since been in dire economic straits. Each day that this litigation continues inflicts additional hardship upon them. Your assistance in bringing the Petition for Rehearing to a conclusion at an early date will be greatly appreciated.

Mr. President, I hope my colleagues will take note of this example. There was one other $600,000 award in that accidents, and one $400,000 award, but the average for nearly 100 victims was about $89,000 a person. And 9 years later they have not received a penny while the issue of willful misconduct is being litigated. How can anyone defend this system as providing adequate compensation to American citizens? And those amounts do not even take into account the large attorneys' fees which the victims will have to pay out.

If the victims of that accident had received $320,000 within 6 months as these protocols would provide with a supplemental plan, they would already have received a million dollars in interest from investing it. Which way, I ask my colleagues, would they have been better off.

Finally, Mr. President, the argument that there are recent court decisions which call into question the legality or adequacy of these protocols is a complete reversal of the truth. What those cases reflect is a growing frustration, and even rebellion, by the U.S. court system against the present system. The protocols would actually resolve the problems raised in the Franklin Mint and Kimpo cases by establishing a uniform, reliable unit of measurement. They would also go a long way in easing the problem raised by the court in the Bali case, which resulted because of a concern by the court that the present system could not be said to provide adequate compensation to accident victims.

Mr. President, the longer we wait to reform this system, the longer most Americans will be exposed to an unfair and inadequate system of compensation in which only a very few people are actually benefiting with large awards and large fees. I urge the Senate to consider these implications and to give its consent to the Montreal Protocols without further delay.

Mr. THURMOND. Mr. President, I rise today in support of the resolution of ratification of the Montreal Aviation Protocols Nos. 3 and 4, as reported by the Senate Foreign Relations Committee.

Mr. President, I have not come to the decision to support this resolution lightly, but only after long and careful consideration. I have heard from many people on both sides of this matter, and find many of their arguments to be highly persuasive.

The most controversial provision of this agreement limits the liability of international air carriers for the death of, or serious bodily injury to, their passengers to 100,000 special drawing rights (SDR's), roughly equivalent to $100,000. This limitation is absolute, and cannot be exceeded even in the face of willful misconduct on the part of the air carrier or its employees.

Viewing the protocols from the standpoint of what is in the best interest of the American traveling public, as well as from my personal experience as a trial lawyer and judge, I am concerned about any limitation on the right of an injured party to recover damages from his or her wrongdoer. I find it particularly unappealing that this limitation should apply even in the face of willful or intentional misconduct.

Despite these feelings, Mr. President, it is my considered opinion that the ratification of these protocols, with the provisos supplied by the Foreign Relations Committee, will provide greater protection for a majority of the American traveling public than is provided under current international

agreements. First, the present limitation on the amount of recovery, in the absence of a showing of willful misconduct, will be increased by approximately one-third, from $75,000 to $100,000 SDR's. This will give more injured parties the chance of obtaining a greater recovery than under the current system.

Second, the protocols offer the injured party an additional forum in which to bring his or her claim. Under the protocols, a claim may be brought in any country in which the passenger is domiciled or resides and the carrier has an "establishment." This should insure Americans access to U.S. courts in almost all cases.

Third, the protocols provide for the award of court costs and attorneys' fees if a defendant fails to offer to settle within the applicable liability limits no later than 6 months from the filing of a claim and the plaintiff subsequently establishes damages in excess of the settlement offer. This provision should dramatically reduce both the incentive to make a low offer and the amount of time between the filing of a claim and full recovery.

Fourth, the protocols do not in any way limit the amount which may be recovered from a wrongdoer other than the carrier. If a passenger or his representative can establish fault on the part of another party, such as the manufacturer of the aircraft or the air traffic controller guiding it flight, then recovery may be had against that party as well, under the principles generally applicable to joint tort feasors.

Fifth, the protocols permit and, in fact, encourage the establishment of vehicles for compensation in excess of the limitation on air carrier liability. The U.S. Government, in cooperation with the Prudential Insurance Co., has developed a supplemental compensation plan offering American passengers an additional $200,000 coverage, to be funded by a $2 surcharge on international tickets. The provisos to the protocols supplied by the Senate Foreign Relations Committee prohibit the President from depositing the instruments of ratification until he determines that a satisfactory supplemental compensation plan is in place, and require him to denounce the protocols if he subsequently determines that such a plan is not in operation, or that the best interests of American passengers are not otherwise served by adherence to the protocols.

Last, but not least, Mr. President, the provisos to the resolution of ratification require the United States to actively seek to negotiate higher limits of air carrier liability. It is my sincere hope that, if these protocols are ratified, the State Department, with the active participation of the Justice Department and all other affected Government agencies, will press assiduously for such higher limits. As I have indicated, the protocols offer a number of advantages to the American public; however, I feel strongly that our Government has responsibility to future victims of international air disasters and their families to diligently pursue upward modification of these limits, which, in my opinion, are now unreasonably low.

Mr. President, for these reasons, it is my intention to cast my vote in favor of the resolution of ratification.

● Mr. LAUTENBERG. Mr. President, it is with some misgivings that I will vote against consent to the Montreal Protocols. The protocols are intended to achieve goals that I wholeheartedly endorse. And if the protocols did indeed achieve those goals, fairly and effectively, I would vote for them.

The protocols are intended to control the excessive costs of litigation. I believe very strongly that we must find a way to reduce the burdensome costs to business, which spends increasing amounts of money on lawyers and insurance, money that should go instead to investment in productive endeavors that would enhance our position in the world economy. I am also talking about the costs to individuals, who must wait years for fair compensation for injuries they have suffered.

Mr. President, the protocols would reduce litigation costs—by imposing a limit on the amount that could be recovered by an injured party. Unfortunately, it is an arbitrary limit, that has little or no relation to the actual damages of each injured person, or the type of conduct of the airline. Our workers compensation schemes have limits too, but they are related to the earnings and real losses of the injured worker. There is some fairness in that system. Unfortunately, there is little fairness in the protocols' limits.

For me, that is the crux of the issue. I need not go into the various points and counterpoints raised in the debate about the protocols. We should be able to do better than the Montreal Protocols—to reduce litigation costs, to reduce delay, and still to preserve fairness.●

● Mr. BIDEN. Mr. President, I rise to oppose Senate consent to Montreal Protocols 3 and 4. Liability in international air transportation is currently governed by the international treaty known as the Warsaw Convention. The Montreal Protocols would amend that convention to increase the limit of airlines from $75,000 to approximately $92,000 per person. Unfortunately, the protocols would also make this $92,000 limit an absolute limit. Even if an airline is guilty of willful misconduct, a passenger or a passenger's family could recover only $92,000.

I should note that when the Montreal Protocols were first considered by the Foreign Relations Committee, the limit on recovery was said to be approximately $117,000. But the limit found in the Montreal Protocols is not $117,000, but 100,000 special drawing rights, which today is equal to approximately $92,000.

In 1977, the Civil Aeronautics Board approved a supplemental compensation plan which would provide an additional $200,000 for loss of life, but this still leaves victims with an absolute limit of about $292,000. I believe it has not yet been demonstrated that this amount is enough to compensate victims of air crashes and their families. Under the current system, airlines can be held fully liable when they are guilty of willful misconduct. It is hard for me to believe that passengers would prefer a system where airlines know their liability is absolutely limited, even if airlines engage in willful misconduct. If the willful misconduct exception is eliminated, examinations into airline fault will be eliminated. And I feel that this would reduce the incentive for airlines to be safety conscious.

Regarding the supplemental compensation plan, the legality of that plan is still in doubt. Nobody can say with certainty that courts will accept it as currently formulated. In addition, the supplemental plan may be unfair to the American public. For example, the cost of unlimited liability insurance is under 80 cents per passenger per round trip. But under the plan each passenger will have to pay $2 per trip for limited recovery. Needless to say, we need to look at the plan more carefully to see who is really profiting from it.

Finally, I think my colleagues should consider the possibility that the protocols constitute an elaborate game of risk-shifting. For example, a recent case in the U.S. Court of Appeals for the Ninth Circuit held that survivors of passengers killed in an airline crash have a right to compensation from the U.S. Government, under the Tucker Act, if their claims for full compensation against an airline have been unreasonably impaired by the Warsaw Convention's liability limitations. What this means is that the U.S. Government's financial exposure would be increased if the protocols go into effect. I might also add that since manufacturers are not covered by the Warsaw Convention, victims would probably sue manufacturers if they are dissatisfied with their limited recovery. So what we have here is a treaty that is largely a risk-shifting mechanism, shifting the risk from international airlines, including foreign airlines, to American passengers, to the U.S. Government and to airline manufacturers.

I fully understand the importance of maintaining American leadership in international aviation matters. But I think the protocols are simply not in

the interest of the American people. Accordingly, I cannot support their ratification.●

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I understand the controversy that swirls around this issue. I, too, am a trial lawyer, and I understand the situation I think as well as most of my colleagues, my former colleagues, at the bar.

Mr. President, these undertakings represent the best judgment of those who negotiated the treaty, of the President of the United States, the Department of State, and, I hope, of the majority of the Members of the Senate of the United States. I think it would be extraordinarily unfortunate if this treaty were to fail. Therefore, I will support it and do so enthusiastically, and I urge Members of the Senate to do the same.

Mr. President, I ask unanimous consent that a letter from the Secretary of State and the Secretary of Transportation addressed to me, and dated March 7, 1983, in support of these matters appear at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF TRANSPORTATION,
Washington, D.C., March 7, 1983.

Hon. HOWARD H. BAKER, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAKER: Questions have been raised about the limit of liability established by the Montreal Protocols, and the fluctuating value of the SDR. We would like to emphasize again our basic policy position in this area.

Since the specific negotiations which led to adoption of the Protocols began, under the Administration of Lyndon Johnson, all Administrations have supported the principle that the limit must be set at a level which assures a sufficient and substantial recovery in all international aviation accident cases. More specifically, recent Administrations have stated that the figure would be set at a level so that at least 85 percent of cases would not be affected by it, in terms of net recovery by a claimant against an air carrier.

The Reagan Administration subscribes to this basic policy position. If the Senate acts favorably on the Protocols, the U.S. will not deposit its instrument of ratification until the Civil Aeronautics Board has reviewed the Domestic Compensation Plan and assured that it, together with the Protocols, meets this test. We will request the board to examine settlements and judgments in recent aviation accident cases and approximate net recovery against carriers in order to arrive at the 85 percent figure. Further, we anticipate at least biennial review, with reports to the Congress, and the Departments of State, Transportation, and Justice, to make sure that the limit is up-to-date. The Plan must also provide unlimited recovery for all medical costs of injured persons.

The effect is a fixed limit providing a complete recovery in the vast majority of cases, and a substantial recovery in all cases, based upon current settlements and judgments in aviation accident cases.

Sincerely yours,

ELIZABETH HANFORD DOLE,
Secretary of Transportation.
GEORGE P. SHULTZ,
Secretary of State.

Mr. HOLLINGS. Mr. President, how much time do I have?

The VICE PRESIDENT. The Senator has 6 minutes, 41 seconds remaining.

Mr. HOLLINGS. Just for a minute, because we do have an 11 a.m. agreement, and I want to be sure my colleague's time is protected.

Mr. President, this is not a trial lawyer issue. This is an issue of public safety. Over the many years of practice right here in America today we will not ask for our own domestic travel rule under the willful misconduct measure, the incentive to really go in and investigate and require extreme safety practices with airlines.

Look at the icing right now on the Air Florida crash. You can bet your boots now that they all check icing very, very thoroughly. That is as a result not of being able to obtain a $100,000 recovery or $102,000 in special drawing rights, plus your $200,000 insurance policy, but rather obtaining, if you please, on an average of $464,000 in settlements.

These are substantial settlements—not substantial to the poor widow and children who are left of the distinguished Presiding Officer, where I can get millions in a case of that kind. He knows it and I know it. But when they are faced with this particular charge for public safety then they act cautiously.

What we are doing to the international traveling public, who are the majority of Americans, Mr. President, is voting down their particular protection at this time, and everyone who has treated with it, not the President and the State Department who have an inducement to get along with the other countries who own these airlines, they are the ones to save—and the traveling public of America should be protected and the treaty should be voted down.

I yield under my agreement to the distinguished Senator from Kansas.

Mr. BAKER. Mr. President, parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BAKER. Am I correct in that the vote occurs at 11 a.m. under the previous order?

The VICE PRESIDENT. The majority leader is correct.

Mr. BAKER. I thank the Chair.

The VICE PRESIDENT. There are 30 seconds remaining. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I know the distinguished Senator from South Carolina has spoken about the need for safety. I know that all of us voting on this issue want to make sure that safety is assured and that passengers are protected. I believe it is. But I think when we speak of the anguish of those who suffer in an airline tragedy, it is hard to actually weigh how much compensation there should be, and with the amount of time that is lost in those trials that is something that is truly tragic, as I pointed out earlier, and I think that is why through these protocols we have facilitated an arrangement that not only does protect safety but it also protects liability. I thank the Chair.

The VICE PRESIDENT. The hour of 11 a.m. having arrived, the question is on agreeing to executive B, 95th Congress, 1st session, Montreal Aviation Protocols Nos. 3 and 4. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY (when his name was called). Present.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), the Senator from Florida (Mrs. HAWKINS) and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG) and the Senator from Georgia (Mr. NUNN) are necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 50, nays 42, as follows:

[Rollcall Vote No. 9 Ex.]

YEAS—50

Abdnor	Gorton	Percy
Armstrong	Hart	Quayle
Boren	Hatfield	Randolph
Boschwitz	Hecht	Rudman
Bradley	Heinz	Sarbanes
Burdick	Jackson	Simpson
Chafee	Jepsen	Specter
Cranston	Kassebaum	Stevens
Danforth	Kasten	Symms
Denton	Lugar	Thurmond
Dodd	Mathias	Tower
Dole	Matsunaga	Trible
Durenberger	McClure	Tsongas
Exon	Moynihan	Warner
Garn	Murkowski	Wilson
Glenn	Nickles	Zorinsky
Goldwater	Pell	

NAYS—42

Andrews	East	Melcher
Baker	Ford	Metzenbaum
Baucus	Grassley	Mitchell
Bentsen	Hatch	Packwood
Biden	Heflin	Pressler
Bingaman	Helms	Proxmire
Byrd	Hollings	Pryor
Chiles	Huddleston	Riegle
Cochran	Johnston	Roth
Cohen	Kennedy	Sasser
DeConcini	Lautenberg	Stafford
Dixon	Leahy	Stennis
Domenici	Levin	Wallop
Eagleton	Mattingly	Weicker

ANSWERED "PRESENT"—1

Humphrey

NOT VOTING—7

Bumpers	Inouye	Nunn
D'Amato	Laxalt	
Hawkins	Long	

The VICE PRESIDENT. On this vote the yeas are 50, the nays are 42, one voting "present." Two-thirds of the Senators present not having voted in the affirmative, the resolution of ratification is not agreed to.

The majority leader is recognized.

Mr. BAKER. Mr. President, I enter a motion to reconsider the vote by which the resolution of ratification regarding Executive B, 95-1 Montreal Protocols Nos. 3 and 4 was defeated.

Mr. HOLLINGS. I move to table the motion to reconsider.

The VICE PRESIDENT. The motion is entered. It is not subject to a motion to table.

DEPARTMENT OF STATE

NOMINATION OF LEWIS ARTHUR TAMBS, OF ARIZONA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES TO COLOMBIA

● Mr. BINGAMAN. Mr. President, my concern for the very delicate situation in Central America has led me to vote today against the nomination of Lewis Tambs as U.S. Ambassador to Colombia.

I am troubled by Mr. Tambs' lack of diplomatic experience at a time when experience is essential to any envoy we sent to the area. I am also concerned that Mr. Tambs may not possess an adequate sensitivity to present problems in Central America.

At a time when Colombia is actively working with other Latin nations to affect a peaceful solution to the problem in El Salvador, it would be a mistake to send as our representative a man with a preference for military rather than diplomatic solutions in Central America.

I look toward Colombia and its fellow Latin American democracies, Venezuela and Mexico, to play a positive role in the coming months in initiating a peaceful resolution to the conflict in El Salvador. Negotiations should be in order of the day in El Salvador, not massive arms transfers and further bloodletting.●

Mr. BAKER. Mr. President, what is the business before the Senate?

The VICE PRESIDENT. The nomination of Lewis Tambs. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), the Senator from Florida (Mrs. HAWKINS), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Colorado (Mr. HART), the Senator from Hawaii (Mr. INOUYE), and the Senator from Los Angeles (Mr. LONG) are necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 20, as follows:

[Rollcall Vote No. 10 Ex.]

YEAS—73

Abdnor	Garn	Nunn
Andrews	Glenn	Packwood
Armstrong	Goldwater	Pell
Baker	Gorton	Percy
Baucus	Grassley	Pressler
Bentsen	Hatch	Pryor
Biden	Hatfield	Quayle
Boren	Hecht	Randolph
Boschwitz	Heflin	Roth
Bradley	Heinz	Rudman
Burdick	Helms	Simpson
Chafee	Humphrey	Specter
Chiles	Jackson	Stafford
Cochran	Jepsen	Stevens
Cohen	Johnston	Symms
Danforth	Kassebaum	Thurmond
Denton	Kasten	Tower
Dixon	Lugar	Trible
Dole	Mathias	Wallop
Domenici	Matsunaga	Warner
Durenberger	Mattingly	Weicker
Eagleton	McClure	Wilson
East	Melcher	Zorinsky
Exon	Murkowski	
Ford	Nickles	

NAYS—20

Bingaman	Kennedy	Proxmire
Byrd	Lautenberg	Riegle
Cranston	Leahy	Sarbanes
DeConcini	Levin	Sasser
Dodd	Metzenbaum	Stennis
Hollings	Mitchell	Tsongas
Huddleston	Moynihan	

NOT VOTING—7

Bumpers	Hawkins	Long
D'Amato	Inouye	
Hart	Laxalt	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there is an order, I believe, for the Senate to recess at 12 noon and reconvene at 2 p.m.; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, it appears there is no business that can, or perhaps should, be transacted in the 15 minutes between now and 12 noon.

Is there an order for the Senate to proceed to another matter at 2 p.m.?

The PRESIDING OFFICER. There is not.

Mr. BAKER. I thank the Chair.

Mr. President, there is a possibility that we will turn to another nomination.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the order returning us to legislative session be vitiated and the Senate remain in executive session during the recess and be in executive session when we return.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BAKER. I thank the Chair.

RECESS UNTIL 2 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 11:46 a.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, in a moment, it is my intention to ask the Senate to turn to the consideration of the nomination of John Svahn, of Maryland, to be Under Secretary of Health and Human Services. While we make sure that the clearance process is completed on both sides of the aisle, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOMINATION OF JOHN A. SVAHN, OF MARYLAND, TO BE UNDER SECRETARY OF HEALTH AND HUMAN SERVICES

Mr. BAKER. Mr. President, I am advised by the representatives of the minority leader that there is no objection to proceeding to the consideration of this item. I see the distinguished Senator from Arkansas (Mr. PRYOR) on the floor, who, I believe, has a particular interest in his nomination. Our cloakroom has cleared it for action.

I ask now that the Chair lay before the Senate, Executive Calendar No. 38, Message No. 83, the nomination of

John A. Svahn, of Maryland, to be Under Secretary of Health and Human Services.

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of John A. Svahn, of Maryland, to be under Secretary of Health and Human Services.

Mr. BAKER. Mr. President, could I inquire of the distinguished Senator from Arkansas if it is his intention to ask for the yeas and nays on this nomination?

Mr. PRYOR. Mr. President, I will respond in the affirmative. I do think it will require the yeas and nays.

Mr. BAKER. If the Senator wishes to do that now, I am prepared to second his request.

Mr. PRYOR. Mr. President, I ask on this vote for the yeas and nays on the nomination of Mr. Svahn.

The PRESIDING OFFICER. Is there a sufficient second? Apparently there is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, on March 2, 1983, the Committee on Finance held an executive session on the nomination of John A. Svahn to be Under Secretary of the Department of Health and Human Services. The committee unanimously reported this nomination.

Mr. Svahn, as I am sure my colleagues are aware, is currently Commissioner of the Social Security Administration. We have worked closely with Mr. Svahn in his present capacity over the past few years in our efforts to secure the financial health of the social security program and have found him to be of great assistance to us. Mr. Svahn brings with him to the position of Under Secretary extensive experience administering a large Government program, experience he will surely find helpful in assisting the new Secretary.

I look forward to a continued open line of communication between the Department and Congress, aided by Mr. Svahn as HHS Under Secretary. Mr. President, I am pleased today to report the committee's recommendation of Mr. Svahn, and I ask that this nomination be confirmed.

Mr. BAKER. Mr. President, I am prepared to suggest that the Senator from Arkansas may wish to go ahead while we await the arrival of others who wish to speak on this nomination.

Mr. PRYOR. Mr. President, I thank the very distinguished majority leader for yielding to me.

Mr. President, today I rise in opposition to the nomination of Mr. John Svahn, who has been nominated by the President to become Under Secretary for the Department of Health and Human Services.

Mr. President, I first would like to say that I am not here today to call Mr. John Svahn an evil man. I do not think he is an evil man. But I do think that he is a man that past experience has demonstrated is not the person to undertake a job of the magnitude that dealing with the human lives of millions of Americans which the job of Under Secretary of the Department of Health and Human Services requires.

Mr. President, last week this Senate confirmed the nomination of Margaret Heckler, a former Congresswoman from the State of Massachusetts, a very good friend of mine and a friend of many in this body. I had the privilege of serving with her in the other body for a number of years. I had the privilege of hearing her recently before the Finance Committee nomination hearing, and I thought that she made a very good statement in her behalf to become Secretary of this huge department of Government, the Department of Health and Human Services.

It is true that last week Mrs. Heckler was confirmed by a very large vote—I think only three dissenting votes, as a matter of fact—by the Senate, and she will become the head of the Department of Human Services.

But, Mr. President, the question I ask today is, who is going to really run this Department? Who is going to be there when she is not there, who is going to be there setting policy, who is going to be there doing the hiring and firing of employees, and who is going to be there really deciding what the philosophy of that Department is going to be at any given time?

Not taking anything away from Mrs. Heckler, who is a very fine individual, I think that the President has chosen as Under Secretary someone that he considers to be an administrator who he will expect to actually run the day-to-day operations of the Department of Health and Human Services. I am not saying, Mr. President, that an administrator is not needed for this Department, nor do I say at this point that a good administrator should not be called upon to administer the day-to-day activities of the Department.

Mr. President, I do say that any administrator, especially in this capacity, running this Department, which deals with the human lives and all of those most important programs which affect human beings, I say that that person must not only be an administrator, a good administrator, but I think that that individual must also embody the elements and characteristics of human concern and human compassion for his fellow citizens. That, Mr. President, is what I think Mr. Svahn lacks. I think he lacks it because he has demonstrated to me and to, I think, several in our body, a lack of sensitivity to the real hurts, to the real ailments, and to the real pains and agonies of today's economic times and today's human miseries.

A few weeks ago, we had Mr. Svahn before the Senate Committee on Finance. I had the opportunity at that time to question Mr. Svahn for a period of almost 1 hour, asking him a barrage of questions about his activities as Social Security Administrator. Of particular concern, Mr. President, to me, relative to Mr. Svahn in that position as Administrator of our social security system was the acceleration social security disability review process, which has resulted in some 300,000 American citizens who had been drawing social security disability being stricken from the rolls.

Mr. President, I wish to say that I do not support one individual of this country, drawing social security disability if he or she is not entitled to it. I want to make that point very clear. But I do say and do maintain that the system that Mr. Svahn and his people, his team, set up to determine social security disability in these thousands and thousands of cases, I think, demonstrated lack of concern for those individuals. I think it probably put them in the position of doing battle with a bureaucracy that was not only massive, confusing, at many times contradictory, but, at many times, Mr. President, beyond the comprehension of these poor individuals who were ultimately stricken from the rolls of social security disability.

Mr. President, Mr. Svahn testified before the Senate Finance Committee that he was not aware, did not know of, certain memorandums written by his own people as to the very basic policy of social security's disability review process. I maintain, Mr. President, that if he did not know of these policy memos sent out across this Nation to those people who are being reviewed that it demonstrates negligence on Mr. Svahn's part.

If Mr. Svahn did know of those policies, if he was aware of those memorandums, then I think, Mr. President, he manifested, by those memos and by condoning those memos, a very callous disregard for the human misery suffered by thousands of people removed from disability payments, stripped of human dignity, who, Mr. President, cannot find a job in today's economy. It is that simple.

I think what this whole process forgot from the beginning is the individual human attention that each of these cases so rightly deserves. Mr. Svahn did not see to it that such a system of safeguards was implemented into the system of determination of social security disability.

Also, Mr. President, I feel that Mr. Svahn and those individuals, that team that he chose to make these determinations in a system that he implemented, basically undermined that process. I think he undermined that process to the extent that on occasion

after occasion Mr. Svahn or his people were guilty of harassing the administrative law judges in many instances and in several States. In fact, I submitted for the record in the Finance Committee proceedings of that day the affidavits of three particular administrative law judges which attest that they had been called in for "peer review" immediately after testifying before a hearing I held, which amounted to harassment, and which contributed to, Mr. President, in my opinion, a total undermining of the independence of the administrative law judge corps.

As I have said, some 300,000 Americans have now been cut off from disability payments. Many, many of these are over 50, over 55. Many have not been engaged in our work force for a period of 10 or 15 years. They are untrained, they are unskilled, and for them today there is absolutely no recourse nor is there any place to go.

Many, many, more have been terminated and embarked on the difficult appeals process, suffering physical, mental and financial strain only to be reinstated at a much later date.

Only in December, Mr. President, did this Congress in its wisdom finally realize the depth of hurt that this administration had caused to some of these thousands of people when we, by legislation, thankfully signed ultimately by the President, gave to these individuals who were going through this extensive, tortuous, complicated appeals process, continuation of benefit payments until that appeal was finally adjudicated.

Early last year, in fact, in March of 1982—I should say as late as March 1982—Mr. Svahn testified before a House committee that he opposed the granting of continued benefits to these individuals throughout this very bureaucratic and complicated process that he and his team had instituted.

I think, too, Mr. President, I am going to predict today, one, that John Svahn will be confirmed. He is going to be confirmed. There may be one, two, three or four votes in the negative.

I say that this position is one of the most important positions in the Government of the United States, especially during such times of unrest, economic recession, and joblessness.

It is for that reason, Mr. President, that I think the President should send another nominee to this body, someone who represents the best of our Government.

Mr. President, in all due respect to Mr. Svahn, I think he does not represent the best of what we can offer the American people to administer this giant department. Mr. Svahn has constantly and consistently, Mr. President, tolerated abuses toward disabled persons and he has instigated reprisals against administrative law judges who have understood and who have seen these cases and have met these individuals face to face.

Mr. Svahn was either poorly informed or not completely candid in his responses to my questions posed to him in the Senate Finance Committee confirmation proceedings.

My prediction is, Mr. President, not only that he will be confirmed today, that he will take his new office in the next several days, and also we will begin seeing Mr. Svahn taking with him to the Department of Health and Human Services those same individuals who lack the necessary human compassion. He will be taking those individuals with him to that Department and they will be administering large segments of those programs dealing with very sensitive issues relative to human need.

In closing, I would say, Mr. President, that John Svahn, I think, would probably make a very, very fine administrator for, let us say, the General Services Administration. They deal in property and file cabinets, desks and chairs. They do not deal in human beings. This job that he is about to take, which we are about to confirm and provide him with, is a job that does deal with human lives, human concerns. I think in addition to being an efficient administrator, there also should be an individual there who has an equal amount of human concern for the human condition, and that is what I think this nominee, Mr. John Svahn, is lacking in, especially if history is to repeat itself.

Mr. President, I know of no other speakers in opposition to Mr. Svahn.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I believe there is no further debate on this nomination.

The PRESIDING OFFICER. The question is on agreeing to the nomination of John A. Svahn. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), the Senator from Florida (Mrs. HAWKINS), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Colorado (Mr. HART) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 80, nays 11, as follows:

[Rollcall Vote No. 11 Ex.]

YEAS—80

Abdnor	Ford	Nunn
Andrews	Garn	Packwood
Armstrong	Goldwater	Pell
Baker	Gorton	Percy
Baucus	Grassley	Pressler
Bentsen	Hatch	Quayle
Biden	Hatfield	Randolph
Bingaman	Hecht	Roth
Boschwitz	Heflin	Rudman
Bradley	Heinz	Sarbanes
Burdick	Helms	Sasser
Chafee	Huddleston	Simpson
Chiles	Humphrey	Specter
Cochran	Jackson	Stafford
Cohen	Jepsen	Stennis
Cranston	Johnston	Stevens
Danforth	Kassebaum	Symms
DeConcini	Kasten	Thurmond
Denton	Leahy	Tower
Dixon	Lugar	Trible
Dodd	Mathias	Tsongas
Dole	Matsunaga	Wallop
Domenici	Mattingly	Warner
Durenberger	McClure	Weicker
Eagleton	Moynihan	Wilson
East	Murkowski	Zorinsky
Exon	Nickles	

NAYS—11

Boren	Levin	Proxmire
Byrd	Melcher	Pryor
Kennedy	Metzenbaum	Riegle
Lautenberg	Mitchell	

NOT VOTING—9

Bumpers	Hart	Inouye
D'Amato	Hawkins	Laxalt
Glenn	Hollings	Long

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was greed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business until 3 o'clock in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. LUGAR). The Chair, on behalf of the Vice President of the United States and pursuant to Public Law 69-20, appoints the Senator from Texas (Mr. BENTSEN) to the Joint Committee on Taxation.

THE 81ST BIRTHDAY OF SENATOR JENNINGS RANDOLPH

Mr. THURMOND. Mr. President, I could not let this day pass without recognizing the 81st birthday of my good friend and esteemed colleague from West Virginia, Senator JENNINGS RANDOLPH.

Since he first came to the Senate in 1958, I have had the distinct privilege and pleasure of working with JENNINGS on many important issues. He has always been an excellent U.S. Senator, a man of great integrity, and, of course, a good friend. I know I speak for all my colleagues in saluting him on his birthday, which, incidentally, is on the eve of his 34th anniversary as a Member of the Congress.

Mr. President, JENNINGS RANDOLPH can take great pride in his accomplishments in the House of Representatives and the Senate. He first came to Washington, as a Member of the House, in 1933. He served there with distinction until 1947, and in 1958, he won election to the Senate. JENNINGS has served in this Chamber continuously since that time. He is a former chairman of the House Environment and Public Works Committee, and has also done an outstanding job as a member of the Senate Veterans Affairs and Labor and Human Resources Committees.

In addition, Senator RANDOLPH has always had a keen interest in children and our youth and our Nation's military veterans.

The list of Senator RANDOLPH's legislative accomplishments is long, but I feel compelled to mention several of the more notable and historic measures he has sponsored.

Few men, Mr. President, have the honor of sponsoring an amendment to the U.S. Constitution that actually becomes a part of that illustrious document. JENNINGS RANDOLPH is one man who can claim that honor. He is, of course, the author of the 26th amendment to the Constitution, the provision which granted 18 year olds the right to vote.

He is also the principal sponsor of the Appalachian Regional Development Act, which established the Appalachian Regional Commission, an organization which helped spur dramatic economic growth in West Virginia and in other States, including six counties in South Carolina.

In addition, JENNINGS RANDOLPH authored legislation establishing the Economic Development Administration, which has assisted many communities.

That is certainly an impressive record, and one which speaks for itself. It is for that reason that I am pleased to join my colleagues in wishing JENNINGS a very happy birthday and much success in the years ahead.

DEATH OF MRS. MARION ROSENSTADT, SISTER OF SENATOR LAUTENBERG

Mr. BYRD. Mr. President, it is with great sorrow and regret that I report to my colleagues the death of Marion Rosenstadt, sister of our colleague, Senator LAUTENBERG. Mrs. Rosenstadt died suddenly last week at the age of 53. She is survived by her husband and four children.

Mrs. Rosenstadt was an active member of her community in Rye, N.Y., and an active member of the League of Women Voters.

Our sympathies extend to her entire family, to Senator LAUTENBERG and his family, and to all of those who were fortunate enough to come to know her.

THE NUCLEAR FREEZE

Mr. CRANSTON. As a citizen deeply concerned about the threat nuclear war poses to the survival of our planet, I am greatly heartened to see that citizen efforts to achieve a nuclear freeze have grown to a nationwide movement. The freeze movement is a symbolic expression by people from all walks of life throughout this country of a deep yearning to halt the mindless growth of nuclear weapon stockpiles. And it is a practical effort to make a simple, sound and specific step towards ending the arms race by halting the quantitative and qualitative growth in the superpowers' bloated nuclear arsenals.

With the freeze, citizens are being motivated to become politically active in numbers not seen in recent memory.

The reason for this is simple.

They are motivated by a new consciousness of how real is the threat of planetary extinction.

As one who has pushed for arms limitation measures since the bombs fell at Hiroshima and Nagasaki, I am convinced that nuclear arms control is in many respects a local issue. Since our national leaders and representatives have failed to accomplish meaningful arms reductions, grassroots efforts have become all the more important.

The American people are far ahead of their leaders in demanding an end to the nuclear arms race.

People are becoming increasingly angry that governments that created the nuclear threat are not bringing it under control.

Public fears are turning into outrage.

Spreading popular support for a mutual nuclear arms freeze with the Soviet Union is a sign that more and more people are exasperated with governmental footdragging on this issue, and that they are not going to put up with it any more.

Nuclear arms control is a local issue in another sense:

If we fail to address courageously and to tame effectively the nuclear monster which the superpowers have created, we will have failed the young and the old, the rich and the poor—we will have failed to protect our local communities' two most precious resources—our continuity as a civilization and our precious life-giving natural environment.

If an all-out nuclear war erupts by accident or by mad design, the result may well be the extinction of all life on our planet. The product of 4½ billion years of natural and supernatural creation could be extinguished in a few careless moments.

We have known of the devastation a full nuclear exchange could possibly reap.

We have known that there can be no security in more and more nuclear weapons.

We have known that the path of uncontrolled nuclear armament is ultimately the path of extinction.

But we have proceeded to build our nuclear arsenals, as George Kennan recently wrote: "like the victims of some sort of hypnotism, like men in a dream, like lemmings heading for the sea."

Thoughts of nuclear holocaust can become a cataclysmic vision of despair, a vision from which we each try daily to avert our eyes.

But we each have an obligation as citizens and human beings to face this vision squarely, and to look for hope amidst the despair.

I have hope for a world where no one need fear extinction as we sit quietly reading with our families.

I have hope for a world where a new generation can grow up without the grim specter of nuclear annihilation hanging over its head each minute.

If we are to realize such a world, we must stand up and say "no" emphatically to the combined United States-Soviet military buildups.

The nationwide call for a nuclear freeze is part of this effort.

It is a call for a Reagan administration which has been in office for 26 months finally to take seriously the number one issue of our time—nuclear arms control.

It is a call for realism in addressing the staggering statistics of nuclear overkill.

It is a call for sanity in our arms and defense policies.

Somehow in the political life of our Nation, those who would construct a vision of a world free from the crushing danger of nuclear annihilation have been labeled "extreme" by those who would have us deploy more accurate and more effective warheads of destruction. To fight for a reduction of the threat that our civilization might be exterminated is radical or utopian, while it is the realists who would add nuclear weapons to an arsenal which already contains more than 1 million times the destructive power of the bomb which obliterated Hiroshima.

Today our overkill capacity is absurd.

Just two of our Poseidon submarines, with their 240 missiles could obliterate every one of the Soviet cities with a population greater than 100,000. And we have more than 15 of our 30 strategic nuclear subs on our patrol at any given time. And we have 1,053 intercontinental nuclear missiles based in the United States which can reach Soviet targets. And hundreds of nuclear bomber aircraft. Plus thousands of nuclear weapons in Europe.

Of course, the Soviets have their overkill, too. And they are aggressively adding to their arsenal as are we.

The Soviet Union has 7,000 strategic nuclear weapons which it could launch within hours, most of them within minutes, and utterly destroy every American city and town with over 5,000 people.

The size of our overkill renders meaningless Reagan administration claims that a bilateral freeze would leave the United States in an inferior position. There is not a responsible U.S. military official alive today who would trade our strategic nuclear arsenal for the Soviets. Asymmetries in certain systems must not be used as an excuse for addressing the compelling need for a freeze and reduction of our bloated nuclear arsenals.

The size of our respective nuclear overkill suggests that Einstein may have been right when he wrote decades ago that "the unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophe." We have chosen as a civilization—consciously chosen—to live at the edge of nuclear extinction. And our politics have not helped us to escape this danger, for our leaders have failed to accept and recognize that life cannot indefinitely endure atop the growing nuclear stockpile.

My concern about the threat of nuclear war began shortly after World War II ended—in the wake of Hiroshima and Nagaski. I was 1 of 50 Americans who gathered in Dublin, N.H., to discuss the dangers of the nuclear age.

I came away from that meeting convinced that the threat of nuclear war would be the dominant problem of our time. I met Albert Einstein soon thereafter, and he led me to an understanding of the significance of the dawning of the nuclear age.

In the three decades that followed, that threat has been growing ever stronger. We must end the escalating, dangerous, costly arms race before it ends us.

In my 14 years in the Senate, I have concentrated on arms control, defense, and foreign policy so that I could work, constructively and creatively, against the holocaust of modern war. I was a leader in the Senate for the SALT II Treaty.

As an original cosponsor of the nuclear freeze resolution in the last Congress, I led the fight in the first congressional test of the nuclear freeze resolution in the Senate Foreign Relations Committee.

We lost this battle. One of the reasons for our defeat was the inability to reach agreement with Senators supporting the Jackson-Warner resolution. I tried to negotiate such an agreement so as to garner support for our resolution. I even cosponsored the Jackson-Warner resolution so I would be more acceptable as a moderator inasmuch as I had previously cosponsored the Kennedy-Hatfield freeze resolution.

I worked hard to try to bring both sides together so we could present a united front in what I knew would be a tough battle. Unfortunately, we could not find common ground and Senators I had hoped would support our resolution opposed it. I then led a successful effort in the Foreign Relations Committee to remove the word "freeze" from a resolution favored by a majority of the committee. I argued that it was misleading to include the word "freeze" in the resolution since it did not contemplate an immediate mutual freeze of the sort intended in the Kennedy-Hatfield resolution. I am not deterred in my determination to continue to work for the achievement of a bilateral and verifiable nuclear weapons freeze. In the new Congress, I have again cosponsored the nuclear freeze resolution (I will not cosponsor the Jackson-Warner resolution) and I will again work with peace and freeze organizations at the grassroots level and at the national level to help bring about a United States-Soviet nuclear freeze.

We who advance the freeze effort in swelling numbers throughout this country do this not out of fear, but out of hope and love, love for our families, for our community, for our environment, for our history as a civilization.

We in the freeze movement are the true conservatives—who would conserve the beauties of our species and our planet.

ADMIRAL HYMAN RICKOVER

Mr. THURMOND. Mr. President, I had the distinct privilege last week of attending a banquet honoring the father of this Nation's nuclear Navy, Adm. Hyman Rickover, who recently retired.

Joining me at that banquet were three former Presidents, Richard Nixon, Gerald Ford, and Jimmy Carter, which, incidentally, demonstrates the high regard our Government has for Admiral Rickover. His reputation as a naval officer of great ability truly transcends political parties. He is respected by Democrat and Republican alike.

Mr. President, Hyman Rickover's life is an outstanding example of what a person can do with perseverance and hard work. As the admiral said in remarks at the banquet in his honor, "I love my country in an old-fashioned way; she has allowed an immigrant boy to realize every opportunity available to individuals who work hard."

We can all learn something from this remarkable man. In his beliefs lies the formula for success in all endeavors. We can also learn what true patriotism is all about, that unselfish desire to serve one's country.

I know I speak for all my colleagues in saying thank you to Admiral Rickover for all that he has done for this Nation. A grateful group of Americans gathered last week to pay him still another tribute and to express their appreciation for all that he has done.

Admiral Rickover's speech to that illustrious group bears repeating, and I ask unanimous consent that an excerpt of his remarks, published in the March 6, 1983 edition of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EDUCATION OF HYMAN RICKOVER—IT STARTED IN STEERAGE CLASS ON A BOAT TO ELLIS ISLAND

(Hyman Rickover, 83, the father of the nuclear navy, spent more than 63 years in the U.S. Navy before his involuntary retirement in 1982. He is now president of the newly formed Rickover Foundation, which he plans to use to "make it possible for youngsters to have what I did not have"—opportunities for high quality education. Last week Rickover was honored at a Washington banquet where he talked in an unusually personal vein about his own background. This is an excerpt from his speech)

(By Hyman G. Rickover)

I love my country in an old-fashioned way; she has allowed an immigrant boy to realize every opportunity available to individuals who work hard.

I was born in Poland, then a part of Russia. I was not allowed to attend public schools because of my Jewish faith. However, starting at the age of 4, I attended a religious school where the only learning was from the Old Testament, in Hebrew. School hours were from sunrise to sunset, six days

a week. On the seventh day, we attended the synagogue a good part of the day.

I remember the Russo-Japanese war of 1905. A company of Russian soldiers, wearing white trousers and carrying rifles, marched through our village looking for a bivouac for the night. The school served their purpose—we pupils had to leave.

I also remember the first time I ate an orange. Each year, just before the holy days, the Jewish settlers in Palestine, nearly all of whom had come from Russia or Poland, shipped boxes of oranges to the Jews in Russian and Polish towns. It was the duty of each family to buy at least one orange to help the sellers. So once each year, my mother bought an orange and shared it with my sister and me.

My father immigrated to the United States shortly before 1900, and saved enough money from his work to send tickets for my mother, my sister and me. My mother packed as much of our possessions as she could carry in a sheet. This included bedding and 10 days' supply of kosher food.

For two days we traveled in a canvas-covered wagon to the border between Poland and Germany. At one time, a company of Cossacks on horseback rode by. They whipped the sides of our wagon and the horses. The driver had a hard time controlling them.

We came to the border at night. My mother and sister walked across the wide border; I was carried on the guide's back. We then went by wagon to the railroad station where we boarded a train which eventually got us to Antwerp. There we stayed one night in an old hotel near the waterfront.

On board ship, we, and many other immigrants, were in steerage. The only food the ship provided was a barrel of stale bread and a barrel of salt herring. But my mother had brought her own food, because it was unlawful for us to eat anything made of parts of a pig. She feared the bread had been baked with lard.

My sister and I ran around the lower decks while my mother sat on the steel deck the entire time, guarding the sheet with all our worldly possessions. The second-class passengers from the deck above occasionally threw us children an apple or orange, as we looked up at them from between decks.

The night before the ship reached New York harbor, the ship's purser gathered all the immigrants and told them they should send a telegram to their next of kin to assure being met at Ellis Island. My mother gave him all that was left of the money my father had sent for the voyage. But, apparently, the purser kept the money and did not send the telegram, because my father was not at Ellis Island to meet us. In fact, he did not greet us until day 10, the last day our family could remain at Ellis Island before the steamship company was required to return us to the port of departure.

It so happened that a man who knew my father and mother in Poland came to Ellis Island to meet his wife who just had arrived. He saw my mother sitting in a large hall with her bundle of possessions and reported this to my father. He came just in time to retrieve us. During my naval career, many contractors have probably cursed the man who reported my arrival and thus prevented my being shipped back to Poland.

I started grammar school at the age of 6½ in Brooklyn, knowing only a few words of English. Shortly thereafter, my mother, who worked at a Catholic hospital washing clothes, brought home for me a number of old St. Nicholas magazines, given her by the nuns. It was my first gift. I read them avidly. They greatly helped me learn English. Twelve years later at the Naval Academy, I finished near the top of my class in English.

I was probably as poorly prepared academically as any plebe who had ever entered the Naval Academy. Each week of the years at high school, I worked more than 70 hours a week, with no vacation during the entire time.

I remember those high school years vividly. Trying to study a book while delivering Western Union telegrams was difficult. It would have been wonderful to have had the opportunity for more study, for reading good books. But I did not have that opportunity.

CHAPTER 1

Mr. PRESSLER. Mr. President, funding through chapter 1 of the Education Consolidation and Improvement Act of 1981 assisted over 14,000 educationally deprived children in my home State of South Dakota. Chapter 1, formerly title I of the Elementary and Secondary Education Act, is designed to expand and improve school programs for educationally deprived children who need special assistance in order to raise their level of educational attainment to that appropriate for children of their age group. This program has proved most successful.

The fiscal year 1981 South Dakota title I, ESEA annual evaluation report indicated overall gains were positive by grade, and in total. Conversion of the normal curve equivalent gain of 3.7 points to percentiles indicate an overall reading gain of 5.9 percentile points. Better yet, conversion of the normal curve equivalent gain of 6 points to percentiles indicates an overall mathematics gain of 9.9 percentile points. Similar impressive progress was made in 1980.

The success of the local district efforts is clear. For example, in Pierre, S. Dak., 105 students in grades 1 to 6 are served by chapter 1 funds. These students spend part of their schoolday with a chapter 1 teacher who not only gives them the 1-to-1 attention they need to make marked progress in math and reading, but also improves their self-esteem and self-confidence. With these advantages, these educationally deprived children function much more efficiently in their classrooms.

In the West Central school system located in my hometown area, 90 students are involved in remedial reading programs and 63 students are involved in chapter 1 programs. With two teachers and three aides giving these students assistance during the day, the district shows an overall normal curve equivalent gain of 3 points in reading and 7 points in math.

Due to the success of these programs and others in South Dakota and the Nation as a whole, the administration has realized the significance of this program and has not requested devastating cuts.

Last year, the Senate approved $3.16 billion in funding for chapter 1. The President's rescission request would cut this program back to $3.034 billion and the fiscal year 1984 budget proposal suggests reducing the program to a flat $3 billion. While the administration's requests may impact only slightly on the local education agencies, I intend to fight any and all cuts in this most important program.

I have long believed that young people are this country's greatest resource. We cannot afford to make any cuts which could jeopardize their educational opportunities.

VOCATIONAL EDUCATION

Mr. PRESSLER. Mr. President, on Wednesday, February 23, 1983, I submitted testimony to the Education Subcommittee urging speedy reauthorization of the Vocational Education Act of 1963. I urged that subcommittee and I urge the full Senate to work not only for early reauthorization, but also for adequate funding for this most important program.

I have long believed that vocational education offers one of the fundamental means by which our country prepares its work force and utilizes the talents and resources of its people. On my very first day in Congress, I spoke on the floor of the House of Representatives about the need for strengthening the vocational education systems of this country. I have continued that fight in the U.S. Senate. As my prior testimony and legislative proposals have indicated, I am in support of speedy and effective reauthorization of the Vocational Education Act.

As the reauthorization process begins, our country is facing staggering unemployment and overwhelmingly high youth unemployment. It is therefore obvious that vocational education has never been more essential. With over 8 million people involved in secondary and postsecondary vocational education programs, the need for continuing occupation-specific training is clear.

In my own State of South Dakota, vocational education programs are vital. Last year, more than 26,000 South Dakotans were enrolled in secondary, postsecondary, and adult vocational education programs.

These figures indicate that vocational education serves people—not only youth obtaining sophisticated skills needed to land their first jobs, but also workers displaced by new technology and the need for upgraded skills.

The success of the Vocational Education Act is also illustrated in high placement rates. South Dakota continues to boast a 90-percent placement rate for postsecondary vocational edu-

cation graduates. It is most enlightening to learn that in these difficult economic times when unemployment is everyone's No. 1 concern, graduates of machine technology, ag-business, architecture, drafting, and many other vocational programs are finding employment and finding it in South Dakota. Over 87 percent of our graduates are remaining within the State, which results in a $12 return for every $1 invested in vocational education. Moreover, trade and industrial programs result in a $17 return for each dollar invested. This return in taxes and purchasing power makes vocational education an investment rather than an expenditure.

While difficult reauthorization issues face the Education Subcommittee and Congress as a whole, the importance of the program cannot be overemphasized. We must make a strong commitment to a Federal vocational education program.

Difficult budget decisions also must be faced. The administration's budget proposal for fiscal year 1984 requests only $500 million for vocational and adult education. This $324 million slash in funding would devastate South Dakota's vocational education programs.

While I agree that we must get control of Government spending, I do not believe that cuts should be borne by only a few programs such as vocational education. I will be fighting to prevent the massive devastation of programs which inspire youth initiative, rescue disoriented unemployed, and solve many social problems to which continued high unemployment will lead.

COMPETITION IN THE DELIVERY OF FIRST-CLASS MAIL

Mr. SYMMS. Mr. President, this Congress is deeply involved in legislation which recognizes the need for substantive change in Federal laws which govern telecommunications. Yet, as appropriate and overdue as this is, such review unfortunately has not addressed an area of communications which is equal to telecommunications in importance to our national welfare. This area is mail delivery in the United States, and it has been a decade since major change was provided for by congressional action.

This past summer I held hearings in the Joint Economic Committee on the future of mail delivery in our country. Discussed during these hearings were the development of the private express statutes and changes in the postal laws which would be required by deregulation of the postal monopoly. Also discussed during these hearings was how we should prepare for inevitable advances in the telecommunications field which will directly affect first-class mail delivery. We as a nation must review our present mail delivery arrangements in light of certain revolutionary changes in technology and needs. In the next few years we will have access to technology and electronic systems that will permanently change how we, as members of a society, communicate with one another. Mail services that we now consider commonplace and necessary will not be required or needed. The structure of our present mail-delivery system which meets our current needs, will of necessity require substantial alteration to meet the demands of the future. Because the future is upon us, it is necessary that we take action now which will permit us to control the course of events in this matter.

The committee was fortunate to receive testimony from the distinguished Chairman of the Federal Trade Commission, James C. Miller III. Recently, Mr. Miller responded to an editorial in the Washington Post expressing his views which support competition in the delivery of first-class mail. I encourage my colleagues to read the following response which clearly and concisely addresses some of the popular myths associated with this issue.

I ask unanimous consent that the response of Mr. Miller be printed in the RECORD.

There being no objection, the response was ordered to be printed in the RECORD, as follows:

A CHALLENGE FOR THE POST OFFICE

Robert Hardesty, chairman of the board of governors of the U.S. Postal Service, wonders why there is such interest in permitting competition for the delivery of first-class mail ["So You Want to Let Free Enterprise Take Over the Mail Delivery," op-ed, Jan. 21]. In view of recurring displeasure with the postal service, I wonder why he wonders.

There are familiar arguments in favor of laws to protect the postal service from competition. For example:

"The Constitution requires it." Not so. Article I gives Congress the power "to establish post offices and post roads." It does not require Congress to do so or prevent private firms from providing postal service.

"The public demands uniform service, and private firms would only serve the best routes." This is highly questionable. The same arguments were made by those opposing airline and trucking deregulation. And they were wrong. Anyway, there are less costly ways of dealing with this problem than protecting a state-run monopoly.

"Postal service is a natural monopoly." Actually, these are quite rare. By definition, natural monopolies realize such economies of large scale that no other firm could compete. Were that true of the postal service, there would be no need for laws to keep out competition. But if the postal service thinks otherwise, let it make its case. Months ago, in congressional testimony, I suggested that the postal service use the data at its disposal to settle the natural monopoly argument once and for all. So far, it has produced nothing.

Hardesty raises another rationale for the postal monopoly—guarding postal privacy. This is a serious matter, but there would seem to be no reason why the privacy laws could not be applied to competitors as well.

Actually, Hardesty's most attractive argument is his contention that competition would rob center cities, rural America and less densely populated suburbs of postal service. This could theoretically occur to the extent that these services do not pay for themselves and must be cross-subsidized by more profitable services, such as first-class business mail. As mentioned above, the evidence suggests that the advent of competition would not leave these areas without postal service.

But service to such areas is important, and the matter cannot be resolved to everyone's satisfaction by debate alone. Therefore, I offer a modest experiment:

Let's allow firms to compete with the postal service in those sensitive markets Hardesty wishes to protect. If competition succeeds in those areas, there would seem to be no reason to retain the postal monopoly. If Hardesty is correct, no private firm will be able to do a better job than the postal service.

In either event, we would know a lot more about the warring allegations over the rightness or wrongness of the existing statutory monopoly on first-class mail.

DEAN OF IDAHO JOURNALISTS HONORED

Mr. SYMMS. Mr. President, the Idaho Legislature recently honored Ben Plastino with a memorial citing his outstanding contributions to our free press and our free society. Ben is the dean of political journalists in my State. For nearly half a century he has reported and commented on the political scene in Idaho, earning the respect of his professional colleagues, his readers and the politicians he has covered.

Ben has not always written things about me that I was praying to see in print, but he has always treated me fairly. And when we have disagreed on issues, he has given me a chance to present my views to the public through his talented pen.

Ben has played a very important role in Idaho journalism, yet after all these years and honors, he still is not ready to retire because, as he puts it, he cannot really find a good reason to stop doing what he does so well. I hope he never does.

Mr. President, I ask that the following article, "Ben Plastino: Politics Is His Game" by Ron Zellar of the Idaho Statesman, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Idaho Statesman (Boise) Dec. 27, 1982]

BEN PLASTINO: POLITICS IS HIS GAME

(By Ron Zellar)

IDAHO FALLS.—Ben Plastino calls himself the dean of Idaho political writers, and almost anyone who could argue the point is dead or retired.

For 40 years, Plastino has covered politics for the Idaho Falls *Post-Register*. He said he

has interviewed every president since Harry Truman except Eisenhower.

Acquaintances put his age at over 70. He refused to say, commenting only that he is "three or four years" beyond retirement age.

Not everyone finds politics as entertaining as he does, Plastino said, and perhaps the game has lost something since the days when campaigns were confined to a few short months before an election. But the players and fans expanded the season, and could not have done so without public acceptance.

"People curse the politicians, but they know that what happens in the political arena affects their entire lives," he said.

Campaigns have gotten more serious and more expensive in recent years, Plastino said, but some ingredients remain the same—particularly the tendency, when all else fails, to rely on slogans.

Former Sen. Frank Church, a Democrat, beat Republican Herman Welker in 1956 when Welker took advice from Joe McCarthy and campaigned against communism in Idaho, Plastino contends.

"There wasn't any Red menace in Idaho and everybody knew it. Church beat him decisively," he said.

Likewise, he said, Lt. Gov. Phil Batt shed his moderate philosophy to enlist Republican conservatives in his recent effort to unseat Gov. John Evans. Batt's support of the conservative right-to-work cause might have gained him a few votes, Plastino said, but the candidate wasn't comfortable with the role and that worked against him.

"Batt the candidate lacked the humor and warmth I knew when he was lieutenant governor," he said.

Political analysis is the main dish served in Plastino's twice-weekly columns in the *Post Register*. He also writes news stories about political leaders, Congress and the Legislature.

During the legislative session he makes periodic trips to Boise, gathering enough interviews and pictures to supply his columns for days afterwards.

John Corlett, former Statesman political editor, recalled that Plastino set his own agenda when he came to town and occasionally found things other reporters had missed.

"He'd come in and sit down with the governor and other political leaders. He came up with some pretty good stories," said Corlett.

From his Idaho Falls office, Plastino covers the Statehouse by telephone. He uses a computer terminal to type stories, but prefers a typewriter for notes. Phone interviews are punctuated by the tapping of keys and the periodic whoosh of files drawers being opened to retrieve tattered news clippings for reference.

The 520-mile distance from the capital leads to occasional wrong leads.

Public Utilities Commission President Perry Swisher said Plastino called him when his nomination to the PUC was being considered by the Senate. According to Swisher, Plastino said eastern Idaho lawmakers were of a mind to block confirmation if the nominee didn't change his stance on nuclear power.

Swisher said he neglected to inform Plastino that Gov. John Evans had called 10 minutes earlier to tell him he had been confirmed.

The PUC commissioner, however, credits Plastino with accurately predicting Don Samuelson would beat incumbent Gov. Robert Smylie. Swisher ran in the race as an independent.

"He was out there talking to people. None of the other reporters would believe it, but he called it right," Swisher said.

With the arrival of political action groups and negative campaign advertisting, politics has lost some of its appeal, Plastino said. Yet he dodged questions of when he might retire.

"I'm on the last trail," he said. "It's just a question of when the last time will be."

He paused, adding, "I'm still trying to find a reason for retiring."

TRIBUTE TO SENATOR JENNINGS RANDOLPH

Mr. KENNEDY. Mr. President, I am proud to join in this day of honor and tribute to our outstanding colleague and friend, the senior Senator from West Virginia (Mr. RANDOLPH), on the auspicious anniversaries of two extraordinary events—his 81st birthday today, and the 50th anniversary of his swearing-in ceremony in the U.S. Congress on March 4, 1933.

Roosevelt and Randolph—the New Deal twins. It has a ring to it, and well it should. For there are few Members in the history of this institution who have served their State and their nation with as much dedication and conviction as JENNINGS RANDOLPH. And there is no Member in this Chamber today who stands more clearly for the enduring values of hope and human progress for which Franklin Roosevelt stood.

JENNINGS RANDOLPH came to Washington with FDR. He is now the sole remaining Member of that historic 73d Congress, which was the midwife of the New Deal and which changed forever the social and economic landscape of our Nation. And what a survivor our colleague is—a powerful voice that makes him truly the namesake of William Jennings Bryan and that shakes the rafters in these Chambers at any hour on a minute's notice; and a power to his commitment that matches the power in his voice—an unselfish dedication to all those in society who need our help the most, and an unshakable belief in economic progress and social justice for every citizen in a nation where none is left behind.

If, as has been said, the New Deal is still a big deal in Congress and America, it is because of the skill and experience of men and women in public service like JENNINGS RANDOLPH, who have worked to keep it so.

Years ago, they asked the great physicist, Lord Rutherford, how he always happened to be riding the crest of the wave. And he replied, "Well, I made the wave, didn't I?" And that is how we think of JENNINGS RANDOLPH in this Chamber—he helped to make the New Deal a reality in the lives not only of the people of West Virginia but of all Americans.

For 50 years, he has been at the forefront of every major policy debate of our time. More than that, he has shaped and guided many of the most important and far-reaching Federal programs of the past and present generation in our public life.

In the House of Representatives, and later as a member of the Senate Committee on the Environment and Public Works, which he served as chairman for 14 productive years, JENNINGS RANDOLPH pioneered the idea of an Interstate Highway System and brought it to reality. More recently on that committee, he presided over the enactment of the Clean Air Act, the Clean Water Act, and other monumental legislation to protect the environment and preserve the magnificent natural heritage of America. On issues of economic and regional development, Senator RANDOLPH has also been a leader of vision and achievement. He is the architect of the legislation that established both the Appalachian Regional Commission and the Economic Development Administration and that has done so much to reduce the blight of poverty for millions of our people.

The compassion and concerns of JENNINGS RANDOLPH reach out as well to other vital areas. He has been a tireless advocate for worker safety, education, health care and the rights of the disabled. He was one of the earliest sponsors and strongest supporters of the constitutional amendment that lowered the voting age to 18 and made young Americans full citizens of our democracy. For all his public life, he has been a champion of legislation for the disabled and the handicapped. The blind vendor program created in the Randolph-Sheppard Act of 1936 is one of the great historic landmarks in this area and was the forerunner of so many other bills that have helped the handicapped in more recent years.

As Shakespeare might have written of JENNINGS RANDOLPH, age cannot wither him nor custom stale his infinite variety. Throughout his long and brilliant career in the Congress, Senator RANDOLPH'S vision has never dimmed, and his convictions have never wavered. Administrations and slogans have come and gone, but JENNINGS RANDOLPH'S goals—of a national transportation system, a safe work place and a clean environment, the right to a decent education and decent health care, and the hope of a better life for all the citizens of West Virginia and the Nation—all goals that have never changed. For half a century, he has served his country with wisdom and courage. We are proud to work with him as a friend and colleague, and I wish we had more like him.

URGENT SUPPLEMENTAL—TITLE I TARGETING FORMULA

Mr. HATFIELD. Mr. President, the Senate Appropriations Committee yes-

terday reported a targeting formula that applies to some of the funds made available under title I of the urgent supplemental from the House. Because many of my colleagues have sought clarification on how the targeting formula operates, I thought I would take this time to explain the formula and to dispel some of the myths that are circulating about what the formula does and does not do.

First, the targeting formula applies only to 15 of the line items in title I. If a program is not specifically listed in section 101(d) of the act, then the targeting formula does not apply. All programs that are not specifically mentioned in section 101(d) will have their funds distributed under the provisions of existing law.

So, again, only 15 programs in the entire bill are subject to the targeting formula. Those 15 programs were selected because they lend themselves to formula distribution on a nationwide basis. Most of the 15 programs are formula grant programs, and the remainder are programs which involve all 50 States and therefore allow for a formula-type distribution. The 15 programs that are specified as programs subject to the targeting formula comprise approximately $3.2 billion of the entire package, of which approximately $2 billion involves new budget authority.

How are the funds for the 15 programs distributed? Two key points should be kept in mind. First, all States will receive a portion of the funds being made available in these 15 programs. There has been a common misconception that because the targeting amendment applies to certain programs, that only a select group of States will be sharing in the distribution of the funds from those programs. That is simply not the case.

Second, one must keep in mind the fact that there is a provision in the targeting amendment which makes a portion of the funds appropriated to those 15 programs available to only those States that qualify as long-term unemployment States. To be a long-term unemployment State, a State's unemployment rate must have been above the national rate for each month in 1982. Under that definition, 15 States are eligible to take part in the distribution of a portion of the funds made available to the 15 programs subject to the targeting formula.

Mr. President, it is important that all of my colleagues keep those two points in mind; namely, that all States will receive some of the money made available to the specified 15 programs that operate under the formula, and that the 15 States that qualify as long-term unemployment States are dividing up among themselves only a portion of the money appropriated or otherwise made available in these 15 programs.

With that understanding, let us now turn to exactly how the money made available for these 15 specified programs is distributed. A good way to do this is by way of an example. Let us use as example the $300,000,000 social services block grant appropriation, because it is one of the 15 programs specified as subject to the targeting formula. The first step is to take the appropriation and split it into three equal parts, or so-called tiers. Thus, tier 1 receives $100 million, tier 2 receives $100 million, and tier 3 receives $100 million. For each separate tier, there is a different way the funds are distributed.

In tier 1, each State receives money, and the percentage of the $100 million in tier 1 that each State receives is determined by their per capita unemployment percentage as of December 1982. This percentage is computed by dividing the total number of unemployed persons in the State by the total number of unemployed persons in the entire United States. Each State takes that percentage and multiplies it by $100 million, and that is the amount of money that each State will receive in tier 1 in social security block grants. Large States like California and New York will receive greater shares of the money in tier 1 than small States like Oregon and New Hampshire, and this is because there are more unemployed persons in the former States than there are in the latter States. But again, every State will receive money under tier 1.

In tier 2, only States which qualify as long-term unemployment States, will be eligible for some of the $100 million available in tier 2 in social services block grants. The percentage of the $100 million in tier 2 that every long-term unemployment State receives is determined by their capita unemployment percentage as of December 1982. This percentage is computed by dividing the number of unemployed persons in the long-term unemployment State by the total number of unemployed persons in all long-term unemployment States. Each long-term unemployment State takes that percentage and multiplies it by $100 million, and that is the amount of money that each long-term unemployment State will receive in tier 2 in social services block grants.

In tier 3, each State receives money, and that percentage of the $100 million in tier 3 in social services block grants is determined by existing law. In the case of formula grants, each State will receive money according to how they normally receive under the various formula grants. In the case of nonformula programs, the funds are distributed by the head of the Federal agency pursuant to the authorizing statute for the program.

The foregoing explanation on how the money is distributed in social services block grants can be applied to each of the 15 programs specified as subject to the targeting formula. The States, or the agency heads, know how to distribute the money for the programs to which these appropriations apply. They have procedures already in place. All the targeting amendment does is calculate how much each State is to receive for 15 specific appropriations.

Mr. President, I would like to briefly address a concern raised by my colleague from New Hampshire, Senator RUDMAN, concerning the plight of States that do not have a high statewide unemployment rate, but that do have areas within the States that are experiencing serious high unemployment. It has been argued that because these States do not qualify as long-term unemployment States, that they will somehow be shortchanged by our targeting formula.

This is a legitimate concern, and it is one which I believe is adequately addressed in the committee's targeting formula.

Take the State of Minnesota, for example. Minnesota does not have a high enough unemployment rate to qualify as a long-term unemployment State, and yet, areas in the State such as Duluth, have an above-average unemployment rate. Under the targeting formula, the State of Minnesota would receive funds under tier 1 and tier 3—as well as any funds that accrue to the State through the many other programs in title 1 to which the targeting formula does not apply—and the bill directs these States to target the money within the State to the areas of greatest need, to the extent practicable. Thus, when Minnesota receives money for summer youth employment, for example, it can divert those funds to the areas within the State that need it the most. And this can be accomplished without Congress having to adopt a complex formula that invites bureaucracy and regulation.

Let me point out that because community development block grants are distributed differently from most formula grant programs, that our committee adopted language in the targeting formula that is aimed at the distribution of CDBG money.

Mr. President, I am hopeful that some of my colleagues' concerns regarding the committee's targeting formula have been mollified, and that my colleagues will support the targeting formula when it comes to the floor tomorrow or Thursday.

A GRAND AND GLORIOUS HAPPY BIRTHDAY, SENATOR RANDOLPH

Mr. STAFFORD. Mr. President, few Members of this body ever attain legendary status. Fewer still attain that status while they are still Members of the U.S. Senate. But we are today honoring one of that rare group, my friend, JENNINGS RANDOLPH.

Fifty years ago JENNINGS was sworn in as a Member of the Congress. Fifty years ago, he worked diligently, as he has ever since, to improve the way Government worked, to overcome problems, to make America better. His service to this Nation has spanned one-quarter of the life of the Republic.

And the amazing fact is that JENNINGS RANDOLPH is contributing as much today as he contributed a decade ago, or five decades ago.

I have had the honor to work closely with JENNINGS RANDOLPH since my first day as a Member of the Senate. Our work together on three committees has been among the most rewarding aspects of my service as a Senator.

I look forward to continuing that relationship, that friendship, for another 2 years or so long as the people of West Virginia have the wisdom to utilize the talents of this rare and legendary Senator.

JENNINGS, we, your friends, salute you. We also wish you a grand and glorious happy birthday.

WOMEN'S HISTORY WEEK

Mr. HATCH. Mr. President, it is with pleasure that I recognize this week as Women's History Week. With the passage of Senate Joint Resolution 37 last week, we all voted to designate this week of March 8 as a week to take time to remember the many accomplishments and contributions women have made. This is the fourth time I have sponsored such a resolution and I am pleased it has enjoyed such enthusiastic support. I hope the observance of Women's History Week will become an ongoing activity in all our States and communities.

I come from a State that is rich in history. Utah has always emphasized its heritage and the vital role women have played in that heritage. Utah was unique in that it is perhaps the only State in the Union that was settled by at least as many women pioneers as men. These women not only fulfilled the role traditionally held by women—that of wife and mother and homemaker—but also held political office, were active in the business world, organized to provide welfare services to incoming settlers and those needing a helping hand. These women brought culture and academia to a desert and nourished both in the midst of building shelters and raising food.

Every other State in the Union also has accomplishments by women in its history of which it is proud. Across this country, women have built and established the foundation for the high standard of living we enjoy. Their contributions have many times been so fundamental and so quietly accomplished that they have gone unnoticed. The resolution I introduced and that we passed here last week is an attempt to remedy that situation. We must acknowledge and commemorate these vital contributions. We must make our sons and daughters aware not only of the contributions of their forefathers but also of the women who are also an essential part of our heritage.

I would like to take this time to note that this resolution has enjoyed enthusiastic bipartisan cosponsorship. I want to express my appreciation for the support of my colleagues and particularly for the generous support of the district chairman of the Senate Judiciary Committee, Senator THURMOND, who expedited the measure through committee.

Finally, I would like to say that I hope that the passage of this resolution last week will serve as an impetus for continued observance of Women's History Week on the community level. I hope that all of you will take back to your home States the enthusiasm for this resolution we have expressed here and strongly encourage its ongoing celebration.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT—PM 22

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 426 of the Department of Education Organization Act (P.L. 96-88), I transmit herewith the third annual report of the Department of Education which covers fiscal year 1982.

RONALD REAGAN.

THE WHITE HOUSE, *March 7, 1983.*

ANNUAL REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM 23

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 5(h) of the International Health Research Act of 1960 (P.L. 86-610), I transmit herewith the Sixteenth Annual Report of the U.S.-Japan Cooperative Medical Science Program for Calendar Year 1982.

RONALD REAGAN.

THE WHITE HOUSE, *March 7, 1983.*

ENTERPRISE ZONE EMPLOYMENT AND DEVELOPMENT ACT OF 1983—MESSAGE FROM THE PRESIDENT—PM 24

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

I am transmitting to the Congress today legislation entitled, "The Enterprise Zone Employment and Development Act of 1983." This legislation will provide for the creation of meaningful jobs within the private sector and the long-term revitalization of our Nation's most depressed areas. It is offered as one element of a comprehensive jobs package intended to attack unemployment, including such other elements as supplemental unemployment benefits, tax credits for hiring the long-term unemployed, a summer youth program, and additional funds for job training and relocation assistance.

In my January 25 state of the Union message, I indicated that we would reintroduce Enterprise Zone legislation in the 98th Congress. While this legislation carries forward the tax and regulatory relief measures of our earlier proposal in the 97th Congress, it contains several important additions which reflect the combined wisdom of the growing coalition supporting this idea, including the ideas of the small business community, State and local officials, labor organizations and the many members of Congress who stud-

ied and debated our earlier legislation. We are confident that the net result is strong, farsighted legislation designed to unleash the creative energies of our free market economy in our most distressed urban areas. In these difficult days of high unemployment, the legislation is drafted to be of direct, primary benefit to disadvantaged workers and the long-term unemployed.

The high level of success experienced by the dozen or so State and local Enterprise Zone programs is very encouraging. Prompt Federal action is warranted to bolster State and local efforts, and it is in that spirit that I urge the early enactment of this legislation.

THE CONCEPT OF ENTERPRISE ZONES

The Enterprise Zone program will improve the private sector's ability to provide new employment opportunities, and in turn, urban regeneration. It creates a productive free market environment in economically depressed areas by reducing taxes, regulations and other government burdens on economic activity. The removal of these burdens will create and expand economic opportunity within the zone areas, allowing business firms and entrepreneurs to create jobs—particularly for disadvantaged workers—and expand economic activities.

Enterprise Zones are a fresh approach for promoting economic growth in the inner cities. The old approach relied on heavy government subsidies and central planning. A prime example was the Model Cities program of the 1960s, which concentrated government programs, subsidies and regulations in specific, depressed urban areas. The Enterprise Zone approach would remove government barriers, freeing individuals to create, produce and earn their own wages and profits.

Mindful of the need to control public expenditures, Enterprise Zones require no Federal appropriations other than necessary administrative expenses. Of course, states and cities have the option of allocating existing Federal funds for their Enterprise Zones if they desire, or to appropriate additional funds of their own for such zones.

Enterprise Zones are more than just a Federal initiative. State and local contributions to these zones will be critically important in the competitive, Federal designation of zones, and probably determine whether individual zones succeed or fail. In keeping with Constitutional requirements of federalism, State and local governments retain broad flexibility to develop the contributions to their zones most suitable to local conditions and preferences.

THE ELEMENTS OF ENTERPRISE ZONES

The Enterprise Zone program includes four basic elements:

—Tax reduction at the Federal, State and local levels to lessen the economic impediments to business investment and employment.

—Regulatory relief at the Federal, State and local levels to reduce costly burdens which are unnecessary to legitimate health and safety concerns.

—New efforts to improve local services, including experimentation with private alternatives to provide those services.

—Neighborhood involvement so that local residents participate in the economic success of their zones. For example, resident owned Enterprise Zone businesses might provide local services which were previously monopolized by government.

By combining all these elements we will create the right economic environment for our Nation's depressed areas.

THE STRUCTURE OF THE ENTERPRISE ZONE PROGRAM

Title I of the Act describes the program's structure and how the zones will be established.

The initial designation or establishment of each zone will depend on local leadership and initiative. To obtain the Federal incentives for Enterprise Zones, State and local governments must nominate eligible areas to the Secretary of HUD.

As defined by the Act, eligible areas include all UDAG eligible jurisdictions which have significant unemployment, poverty or population loss. Based on these criteria, currently more than 2,000 cities, rural areas and Indian reservations qualify. The Enterprise Zone program is a potential source of economic assistance to distressed areas of all types, shapes and sizes, all across the country.

The Secretary of HUD will be authorized to designate up to 75 zones over a three-year period. The actual number designated will depend on the number and quality of the applications.

Federal designation of nominated zones is not automatic. The Secretary of HUD will evaluate the various applications on a competitive basis, choosing the best applications for the limited number of Federal designations authorized. The key criterion in this competitive process will be the nature and strength of the State and local efforts to remove government burdens and to revitalize Enterprise Zone areas.

Thus, the Federal evaluation of State and local contributions will be highly flexible and not prescriptive. In this regard, the Secretary of HUD will not insist upon any particular item of tax and regulatory relief. A weakness of State and local incentives in one area, such as tax relief, could be offset by greater strength in another area such as regulatory relief.

Each Enterprise Zone will last for the period chosen by the nominating State and local governments. The Federal incentives will apply to an approved zone for this entire period, up to a maximum of 20 years plus a 4-year, phase-out period.

THE FEDERAL INCENTIVES OF THE ENTERPRISE ZONE PROGRAM

Title II of the Act describes the Federal Tax incentives applying within Enterprise Zones, which include:

—A 5 percent tax credit for capital investments in personal property in an Enterprise Zone;

—A 10 percent tax credit for the construction or rehabilitation of commercial, industrial or rental housing structures within a zone;

—A 10 percent tax credit to employers for payroll paid to qualified zone employees in excess of payroll paid to such employees in the year prior to zone designation, with a maximum credit of $1,750 per worker;

—A special, strengthened tax credit to employers for wages paid to qualified zone employees who were disadvantaged individuals when hired, with the credit equal to 50 percent of wages in each of the first 3 years of employment, and declining by 10 percentage points in each year after that;

—A 5 percent tax credit, up to $525 per worker to qualified zone employees for wages earned in zone employment;

—The elimination of capital gains taxes for qualified property within Enterprise Zones;

—The designation of suitable Enterprise Zone areas as Foreign Trade Zones, providing relief from tariffs and import duties for goods subsequently exported to other countries;

—The continued availability of Industrial Development Bonds to small business in Enterprise Zones, even if the availability of such bonds is terminated elsewhere; and

—The permission for excess Enterprise Zone tax credits to be carried back three years and forward up to the life of the zone.

The Federal tax reductions applying to Enterprise Zones are substantial. They include reductions for employers, employees, entrepreneurs and investors. They include incentives for attracting venture capital, hiring workers, particularly disadvantaged workers, and starting and building up new businesses. They include the reduction, and in some cases elimination, of corporate income taxes, individual income taxes and capital gains taxes.

The cost of the Enterprise Zone tax package should be minimal given the small amount of tax revenue presently generated in Enterprise Zones. Moreover, as the Enterprise Zone concept succeeds, the tax revenue attendant to increased economic activity should

offset the tax losses in the intitial years.

Title III of the Act describes the Federal regulatory relief applying within Enterprise Zones. Under these provisions, State and local governments may request relief for their Enterprise Zones from any Federal regulation, unless it would directly violate a requirement imposed by statute. There is no authority for any Federal regulatory relief within an Enterprise Zone without a request for such relief from both the State and local governments.

This regulatory relief authority expressly does not apply, however, to regulations designed to protect any person against discrimination because of race, color, religion, sex, marital status, national origin, age or handicap. It also does not cover any regulation whose relaxation would likely present a significant risk to the public safety, including environmental pollution. The minimum wage law would not be covered by this authority because it is specifically imposed and spelled out by statute.

THE ROLE OF STATE AND LOCAL GOVERNMENTS

While these Federal incentives are substantial, strong State and local contributions to the zones will be necessary for the program to succeed.

These contributions can be from each of the four basic categories noted earlier: tax relief; regulatory relief; improved local services; and increased participation by neighborhood organizations. More traditional urban efforts, such as job training, minority business assistance or infrastructure grants, can also be contributed to the zone. Once again, consistent with the Administration's policy of restoring the Constitutional principle of federalism, the Federal government will not dictate to State and local governments what they must contribute to the zones.

The State and local contributions to the zones need not be costly. For example, regulatory relief, service improvements through privatization, and private sector involvement all entail no budgetary cost. Finally, as with the Federal tax relief, the cost of State and local tax relief should be modest because of the little economic activity currently existing in potential Enterprise Zone areas. State and local expenditures would be reduced as individuals who formerly received government aid are employed in the zone.

The legislation I am sending you today is based on the work of many Members from both sides of the aisle. I encourage these innovative individuals to work for early, bipartisan passage of this legislation.

More than government expenditures and subisidies, residents of economically-depressed areas need opportunities. This is the focus of the Enterprise Zone program. The program will identify and remove government barriers to entrepreneurs who can create jobs and economic growth. It will spark the latent talents and abilities already in existence in our Nation's most depressed areas. The success of State Enterprise Zones confirms that the concept deserves to be given a chance to work on the Federal level.

RONALD REAGAN.

THE WHITE HOUSE, *March 7, 1983.*

CONSTITUTIONAL AMENDMENT ON SCHOOL PRAYER—MESSAGE FROM THE PRESIDENT—PM 25

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which were referred to the Committee on the Judiciary:

To the Congress of the United States:

On May 17, 1982, I transmitted for your consideration a proposed constitutional amendment to restore the simple freedom of our citizens to offer prayer in our public schools and institutions. I know that already this Session there is growing bipartisan support for the amendment and as I forward this package, I am calling on the Congress to act speedily to pass it.

The public expression through prayer of our faith in God is a fundamental part of our American heritage and a privilege which should not be excluded by law from any American school, public or private.

One hundred fifty years ago, Alexis de Tocqueville found that all Americans believed that religious faith was indispensable to the maintenance of their republican institutions. Today, I join with the people of this Nation in acknowledging this basic truth, that our liberty springs from and depends upon an abiding faith in God. This has been clear from the time of George Washington, who stated in his Farewell Address:

"Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. . . . And let us with caution indulge the supposition that morality can be maintained without religion. . . . [R]eason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

Nearly every President since Washington has proclaimed a day of public prayer and thanksgiving to acknowledge the many favors of Almighty God. We have acknowledged God's guidance on our coinage, in our National anthem, and in the Pledge of Allegiance. As the Supreme Court stated in 1952, "We are a religious people whose institutions presuppose a Supreme Being."

The founders of our Nation and the framers of the First Amendment did not intend to forbid public prayer. On the contrary, prayer has been part of our public assemblies since Benjamin Franklin's eloquent request that prayer be observed by the Constitutional Convention:

"I have lived, Sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. . . . I also believe that without his concurring aid we shall succeed in this political building no better than the Builders of Babel: We shall be divided by our little partial local interests; our projects will be confounded, and we ourselves shall become a reproach and bye word down to future ages. . . .

"I therefore beg leave to move—that henceforth prayers imploring the assistance of Heaven, and its blessings on our deliberations, be held in this Assembly every morning before we proceed to business. . . ."

Just as Benjamin Franklin believed it was beneficial for the Constitutional Convention to begin each day's work with a prayer, I believe that it would be beneficial for our children to have an opportunity to begin each school day in the same manner. Since the law has been construed to prohibit this, I believe that the law should be changed. It is time for the people, through their Congress and the State legislatures, to act, using the means afforded them by the Constitution.

The amendment I proposed will remove the bar to school prayer established by the Supreme Court and allow prayer back in our schools. However, the amendment also expressly affirms the right of anyone to refrain from prayer. The amendment will allow communities to determine for themselves whether prayer should be permitted in their public schools and to allow individuals to decide for themselves whether they wish to participate in prayer.

I urge that this amendment be quickly adopted, for the vast majority of our people believe there is a need for prayer in our public schools and institutions. I look forward to working with the Congress to achieve the passage of this amendment.

RONALD REAGAN.

THE WHITE HOUSE, *March 8, 1983.*

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of March 7, 1983, the Secretary of the Senate, on March 7, 1983, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill and joint resolutions:

H.R. 1572. An act to repeal section 311 of the Federal Public Transportation Act of 1982;

S.J. Res. 15. Joint resolution designating the month of March 1983 as "National Eye Donor Month";

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; and

S.J. Res. 37. Joint resolution providing that the week containing March 8, 1983, shall be designated as "Women's History Week".

Under the authority of the order of the Senate of March 7, 1983, the enrolled bill and joint resolutions were subsequently signed on March 7, 1983, during the recess of the Senate, by the President pro tempore (Mr. THURMOND).

MESSAGE FROM THE HOUSE

At 3:03 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes; and

H.R. 1310. An act to provide assistance to improve elementary, secondary, and postsecondary education in mathematics and science; to provide a national policy for engineering, technical, and scientific personnel; to provide cost sharing by the private sector in training such personnel; to encourage creation of new engineering, technical, and scientific jobs; and for other purposes.

The message also announced that pursuant to the provisions of section 5 Public Law 420, 83d Congress, as amended, the Speaker appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. BONIOR of Michigan and Mr. PACKARD.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 1310. An act to provide assistance to improve elementary, secondary, and postsecondary education in mathematics and science; to provide a national policy for engineering, technical, and scientific personnel; to provide cost sharing by the private sector in training such personnel; to encourage creation of new engineering, technical, and scientific jobs; and for other purposes; to the Committee on Labor and Human Resources.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary reported that on March 7, 1983, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 15. Joint resolution designating the month of March 1983 as "National Eye Donor Month";

S.J. Res. 21. Joint resolution to designate April 1983 as "National Child Abuse Prevention Month"; and

S.J. Res. 37. Joint resolution providing that the week containing March 8, 1983, shall be designated as "Women's History Week".

REPORT OF THE COMMITTEE ON APPROPRIATIONS SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of January 3, 1983, the following report of the Committee on Appropriations was submitted:

By Mr. HATFIELD, from the Committee on Appropriations, with amendments, and an amendment to the title:

H.R. 1718. An act making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes (Rept. No. 98-17) (with additional views).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATFIELD, from the Committee on Appropriations, without amendment:

S. Con. Res. 6. Concurrent resolution expressing the sense of the Congress that the Federal Government should maintain current efforts in Federal nutrition programs to prevent increases in domestic hunger (Rept. No. 98-18).

By Mr. COCHRAN, from the Committee on Appropriations, without amendment:

S. Res. 18. Resolution disapproving the proposed deferral of budget authority for the dairy indemnity program (Rept. No. 98-19).

By Mr. LAXALT, from the Committee on Appropriations, without amendment:

S. Res. 49. Resolution disapproving deferral D 83-43, relating to Economic Development Assistance Programs (Rept. No. 98-20).

By Mr. DOMENICI, from the Committee on Appropriations, without amendment:

S. Res. 82. Resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 690.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PERCY (by request):

S. 701. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations.

By Mr. DANFORTH (for himself, Mr. MOYNIHAN, and Mr. MITCHELL):

S. 702. A bill to correct any misinterpretation in the classification of textile fabrics, articles, and materials, coated, filled, or laminated with rubber or plastics; to the Committee on Finance.

By Mr. GRASSLEY:

S. 703. A bill to amend title II of the Social Security Act to provide that no payments may be made under such title to inmates of penal institutions; to the Committee on Finance.

By Mr. HEINZ:

S. 704. A bill to establish the crime victim's assistance fund; to the Committee on the Judiciary.

By Mr. TOWER (by request):

S. 705. A bill to amend section 171 of title 10, United States Code, to provide that the Commandant of the Marine Corps shall be a member of the Armed Forces Policy Council; to the Committee on Armed Services.

By Mr. HATCH:

S. 706. A bill to increase the competence of American secondary students in science and mathematics by narrowing the gap between the current supply of qualified teachers of science and mathematics at the secondary school level and the current need for such teachers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. RIEGLE (for himself, Mr. LEVIN, Mr. FORD, Mr. METZENBAUM, Mr. EAGLETON, Mr. RANDOLPH, Mr. SARBANES, Mr. PROXMIRE, Mr. LAUTENBERG, Mr. CRANSTON, Mr. GLENN, Mr. KENNEDY, and Mr. HOLLINGS):

S. 707. A bill to establish domestic content requirements for motor vehicles sold or distributed in interstate commerce in the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI:

S. 708. A bill to improve the operations of certain water resources projects; to the Committee on Environment and Public Works.

S. 709. A bill to modernize certain aspects of the authorities of the U.S. Army Corps of Engineers; to the Committee on Environment and Public Works.

By Mr. HART:

S. 710. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics; to the Committee on Finance.

By Mr. PROXMIRE (for himself and Mr. GORTON):

S. 711. A bill to require that the receipts and disbursements of the Federal Financing Bank be included in the Federal budget, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ:

S. 712. A bill to exclude from social security coverage services performed by members of certain religious sects; to the Committee on Finance.

By Mr. WEICKER:

S. 713. A bill to provide that the Secretary of Health and Human Services may grant deemed certification status under the medicare program with respect to comprehensive outpatient rehabilitation facilities and other outpatient rehabilitation clinics and agencies accredited by a national organization to the same extent and under the same conditions as with respect to other providers; to the Committee on Finance.

By Mr. PERCY (by request):

S. 714. A bill to amend the Foreign Assistance Act of 1969 to authorize fiscal year 1984 appropriations for the Inter-American Foundation, and for other purposes; to the Committee on Foreign Relations.

By Mr. CRANSTON:

S. 715. A bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Thanksgiv-

ing in Peshawar"; to the Committee on Foreign Relations.

By Mr. STEVENS:

S. 716 A bill for the relief of M. Sgt. Paul D. Camp, Sr., U.S. Air Force (retired); to the Committee on the Judiciary.

By Mr. THURMOND:

S. 717. A bill to amend section 8 of the Uniformed Services Survivor Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

By Mr. SPECTER:

S. 718. A bill to establish a Commission on High Technology and Employment Potential; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 719. A bill to amend subchapter II of chapter 73 of title 10, United States Code, to eliminate the social security offset against annuities provided for under such subchapter to the extent that the social security benefits of the annuitant are based on the annuitant's own employment; to the Committee on Armed Services.

By Mr. THURMOND (for himself and Mr. HART) (by request):

S. 720. A bill to authorize certain construction at military installations for fiscal year 1984, and for other purposes; to the Committee on Armed Services.

By Mr. GRASSLEY:

S. 721. A bill to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes; to the Committee on the Judiciary.

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. 722. A bill to amend the Foreign Trade Zones Act to exempt bicycle component parts which are not reexported from the exemption from the customs laws otherwise available to merchandise in foreign trade zones; to the Committee on Finance.

By Mr. ANDREWS:

S. 723. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to permit the making of certain loans by an employee benefit plan, and for other purposes; to the Committee on Finance.

By Mr. STAFFORD (for himself and Mr. RANDOLPH):

S. 724. A bill to authorize the U.S. Army Corps of Engineers to undertake activities to provide new public works investment, grants to the several States to encourage and foster the construction of necessary public capital investment projects, to assist in creating new and productive jobs, and for other purposes; to the Committee on Environment and Public Works.

By Mr. METZENBAUM:

S. 725. A bill to provide assistance to cities and other communities for emergency food and shelter assistance, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ANDREWS (for himself, and Mr. GOLDWATER, Mr. INOUYE, Mr. MELCHER, Mr. ABDNOR, Mr. BAUCUS, Mr. BURDICK, and Mr. PRESSLER):

S. 726. A bill to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. ANDREWS (for himself and Mr. BURDICK):

S. 727. A bill to authorize the Secretary of the Interior to set aside certain judgment funds of the Three Affiliated Tribes of Fort Berthold Reservation in North Dakota, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. MATHIAS:

S. 728. A bill to amend title 5, United States Code, to provide that retired administrative law judges may be reappointed under regulations prescribed by the Director of the Office of Personnel Management, and for other purposes; to the Committee on Governmental Affairs.

By Mr. TSONGAS:

S. 729. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefit payments shall not be denied to individuals unable to engage in an "active search for work" on account of jury duty or hospitalization; to the Committee on Finance.

By Mr. GARN (for himself, Mr. PROXMIRE, and Mr. LUGAR):

S. 730. A bill to amend the Depository Institutions Deregulation and Monetary Control Act of 1980; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MITCHELL:

S. 731. A bill for the relief of Grace Baptist Church, Portland, Maine; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. DOLE, Mr. GRASSLEY, Mr. HATCH, Mr. LEAHY, Mr. HEFLIN, Mr. BINGAMAN, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. CRANSTON, Mr. D'AMATO, Mr. DOMENICI, Mr. DURENBERGER, Mrs. HAWKINS, Mr. HELMS, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LUGAR, Mr. MOYNIHAN, Mr. NUNN, Mr. STAFFORD, and Mr. TSONGAS):

S.J. Res. 53. Joint resolution to authorize and request the President to designate the month of May 1983, as "National Physical Fitness and Sports Month"; to the Committee on the Judiciary.

By Mr. NICKLES:

S.J. Res. 54. Joint resolution to authorize and request the President to designate the month of January 1984 as "National Eye Health Care Month"; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S.J. Res. 55. Joint resolution to recognize the pause for the Pledge of Allegiance as part of National Flag Day activities; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HART:

S. Res. 83. Resolution for Strategic Talks on Prevention (STOP); to the Committee on Foreign Relations.

By Mr. JACKSON (for himself, Mr. MCCLURE, Mr. JOHNSTON, Mr. BRADLEY, and Mr. WARNER):

S. Res. 84. Resolution relating to the strategic petroleum reserve; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. Res. 85. Resolution to withdraw the proposed Office of Management and Budget revision to Circular A-122; to the Committee on Governmental Affairs.

By Mr. LUGAR:

S. Con. Res. 14. Concurrent resolution in commemoration of the bicentennial of the birth of Simon Bolivar, hero of the independence of the Americas; to the Committee on the Judiciary.

By Mr. GARN (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DOLE, Mr. DOMENICI, Mr. EAST, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, Mr. KASTEN, Mr. LAXALT, Mr. LONG, Mr. LUGAR, Mr. MCCLURE, Mr. MATTINGLY, Mr. MELCHER, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PRESSLER, Mr. PRYOR, Mr. QUAYLE, Mr. RANDOLPH, Mr. ROTH, Mr. RUDMAN, Mr. SASSER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. TOWER, Mr. TRIBLE, Mr. WALLOP, Mr. WARNER, and Mr. ZORINSKY):

S. Con. Res. 15. Concurrent resolution to express the sense of the Congress that the national security policy of the United States should reflect a national strategy of peace through strength; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY (by request):

S. 701. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations.

AUTHORIZATION FOR THE PEACE CORPS

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to further amend the Peace Corps Act.

This legislation has been requested by the Peace Corps and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Foreign Relations Committee.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with an analysis and the letter from the Director of the Peace Corps to the President of the Senate dated February 15, 1983.

There being no objection,the material was ordered to be printed in the RECORD, as follows:

S. 701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 3(b) of the Peace Corps Act (22 U.S.C. § 2502(b)) is amended by striking out the first sentence thereof, and by inserting in lieu thereof: "There are authorized to be appropriated to carry out the purposes of this

Act for the fiscal year 1984 not to exceed $108,500,000, and for the fiscal year 1985 such sums as may be necessary."

PEACE CORPS ACT AMENDMENT

ANALYSIS

The bill amends section 3 of the Peace Corps Act to authorize the appropriation of not to exceed $108,500,000 for fiscal year 1984, and such sums as may be necessary for fiscal year 1985. The amendment also deletes obsolete material restricting to $500,000 the amount of fiscal 1967 funds which are authorized for expenditure for research.

PEACE CORPS,
Washington, D.C., February 15, 1983.

Hon. GEORGE BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to transmit to you a draft bill which will authorize continuation of the activities of the Peace Corps on behalf of world peace and friendship for the fiscal year 1984 and 1985.

The bill requests authorization of an appropriation of $108,500,000 for fiscal years 1984, and of such sums as may be necessary for fiscal years 1985 to support programs authorized by the Peace Corps Act.

The Office of Management and Budget has advised that there is no objection to the submission of this legislation to the Congress from the standpoint of the Administration's program.

Sincerely,

LORET MILLER RUPPE,
Director.●

By Mr. DANFORTH (for himself, Mr. MOYNIHAN, and Mr. MITCHELL):

S. 702. A bill to correct any misinterpretation in the classification of textile fabrics, articles, and materials coated, filled, or laminated with rubber or plastics; to the Committee on Finance.

DUTY ON CERTAIN COATED FABRICS

● Mr. DANFORTH. Mr. President, I am introducing today a bill intended to correct an anomaly in the rate of duty applicable to textile fabrics, articles, and materials coated, filled, or laminated with rubber or plastics.

The problem this legislation would correct results from two recent Customs Court cases which have overturned the intent of Congress and have the potential for damaging the American textiles and coatings industries and for causing significant losses of customs duties. Since the current "Tariff Schedules of the United States" were enacted in 1962, fabric coated with plastic materials has been classified in tariff schedule 3, the schedule pertaining to fiber, fabric, and apparel. Recently, however, the Customs Court, in United States against Canadian Vinyl Industries and United States against Elbe Products Corp., ruled that such products should be classified in schedule 7, which covers plastic materials. The U.S. Treasury strenuously, but unsuccessfully, opposed such a ruling.

When classified in schedule 3, these coated fabrics were subject to duties as high as 13 percent ad valorem plus 10 cents a pound. They also were subject to the provisions of the Multifiber Arrangement and any bilateral agreements negotiated under it. As a result of the court decisions, these fabrics now are subject to duties ranging between 3.7 percent and 5.3 percent and are not subject to the Multifiber Agreement. However, as classified in schedule 7, these products are eligible for the generalized system of preferences and subject to zero duty.

Coated fabrics are an important segment of the domestic textile industry, which already is beleaguered by imports. Coated fabrics include such products as tarpaulins, sports equipment, pollution and erosion control fabrics, and safety equipment. Their domestic markets amount to about 460 million square yards a year. At an estimated value of $3 a yard, this market is worth more than $1.3 billion.

The bill would make certain that these coated fabrics would be classified as textiles, as Congress intended.●

By Mr. HEINZ:

S. 704. A bill to establish the crime victim's assistance fund; to the Committee on the Judiciary.

CRIME VICTIMS ASSISTANCE FUND

● Mr. HEINZ. Mr. President, a few days ago, the President's Task Force on Victims of Crime released its final report. The task force concluded that the treatment of victims by our criminal justice system has been careless and shameful. In many cases, the criminal has received more consideration and fairer treatment than the innocent individual he has victimized. In the words of the task force: "Innocent victims of crime have been overlooked, their pleas for justice have gone unheeded, and their wounds—personal, emotional, and financial—have gone unattended."

Last year with my distinguished colleague and friend, the Senator from Nevada (Mr. LAXALT), and 25 cosponsors, I introduced legislation to begin to address this problem. I am pleased to note that this legislation—the Omnibus Victim's Protection Act of 1982—was passed by Congress and signed into law on October 12, 1982.

Today, with my distinguished colleague from Iowa, Senator GRASSLEY, I am introducing legislation that will more fully address the needs of the millions of Americans who are victimized by crime each year. I want to emphasize and I am pleased to note the elements of this legislation—the Federal Crime Victims Compensation Act—are nearly identical to recent key recommendations of the President's Task Force on Crime.

Before I describe this bill, I would like to illustrate, in human terms, the problem it addresses.

In September of 1981, the Senate Committee on Aging received testimony concerning "Older Americans Fighting the Fear of Crime." One of the witnesses at that hearing was Mrs. Harriet Cunningham of Chester, Pa. Mrs. Cunningham was 77 at the time. She was the victim of a robber who snatched her shoulder bag and threw her to the ground. As a result of her fall, her shoulder blade and upper arm were shattered.

Mrs. Cunningham's assailant was caught and convicted. He received a sentence of 2 to 4 years of incarceration, did his time and was released. He paid his debt to society and was allowed to get on with his life.

But what of his debt to Mrs. Cunningham?

Last December Mrs. Cunningham died. Pat Johnstone, director of the senior safety project of Delaware County, informs me the robbery and its repercussions were contributing factors to her death. Mrs. Cunningham never knew a day free from pain after her assault. She had extensive surgery on her shoulder, was hospitalized for 49 days and had outpatient therapy twice a week for more than 11 months. She tried several doctors, but never regained the use of her hand. Because of the cost of these medical procedures, she had to give up her house and relocate.

Mrs. Cunningham is but 1 of the more than 40 million Americans who are victimized each year. She is one of many whose lives are shattered and fundamentally altered by random acts of violence and other crimes.

As part of his sentence, Mrs. Cunningham's attacker was ordered to pay restitution of $126. That is right, $126. Perhaps the court was correct in judging this to be reasonable based on the criminal's ability to pay, but this sum did not begin to reflect the financial impact of the crime on Mrs. Cunningham. Her medical bills alone were 100 times the amount of the restitution ordered.

Tragically, the Cunningham case is unusual not for the amount of restitution ordered, but for the fact that restitution was ordered at all. Even with the requirements of the recently enacted Omnibus Victim's Protection Act, there will not be an order of restitution in most cases for the simple reason that in most cases the criminal will not be caught and successfully prosecuted. In fact, the President's task force reports a successful resolution of less than 10 percent of all violent crimes.

To address this problem, 36 States and the District of Columbia have established victims compensation programs. Unfortunately, according to Ronald Zweibel, president of the National Association of Victim's Compensation Programs, virtually all of these

State crime victims compensation programs are experiencing financial problems. As a result, the President's task force found many States are being forced to limit the amount of their award. Others do not advertise program availability for fear of depleting available resources or overtaxing numerically inadequate staff.

In addition, because of funding problems in many States, victims may have to wait months before the compensation claim can be processed or sufficient revenue is generated to pay the claim. Mrs. Cunningham, for example, experienced a 6-month delay from the time her claim was filed in 1979 until payment was made. Victims who file a compensation claim in Pennsylvania today, according to the senior safety project, might not receive payment for more than 1 year.

The Federal Victim's Compensation Act I introduce today would address this problem by establishing a crime victims assistance fund to compensate victims of crime. In addition, the legislation would provide financial support for State and Federal victim's and witness assistance programs. This support is essential if we are to fully implement the provisions of the Omnibus Victim's Protection Act passed last year.

Revenue for these purposes will be generated from sources related to the commission of the crime—such as increased fines, criminal forfeitures, improved collection procedures, and a specific, one-time compensation fee to be levied at the time of sentencing on all Federal crimes.

The purposes of this legislation would be accomplished without the creation of a new Federal bureaucracy. Nor would it burden taxpayers. Administration of the fund—supported by fund revenues—would be lodged within the Department of Justice. Compensation funds would be distributed by the Attorney General to existing State programs based on a formula reflecting the proportion of the State's compensation activity to the national experience. These State programs—some operational for more than 15 years—minimally compensate for medical, counseling, and therapy expenses associated with victimization. Most programs also reimburse for lost wages, loss of support to dependents and funeral expenses. Property losses are generally excluded.

There are only three preconditions to Federal support: First, States would only be eligible for Federal funds after their compensation programs have been operational for 1 year. The purpose of this qualification is to insure the State has made an independent commitment to the program and to establish their level of activity; second, participating States must agree to compensate all those victimized within the State's jurisdiction; and third, participating States must agree to include payment for psychological counseling as one of the basic elements of their compensation programs.

In instances of exclusive Federal jurisdiction, victims will be allowed to apply to any participating State for compensation. The resulting awards would be reimbursed dollar for dollar from the trust fund. Related administrative costs would be reimbursed by actual cost up to a cap of 25 percent of the compensation award.

Based on the experience of the 36 States with existing compensation programs and 1981 crime statistics, I estimate $30 million will be required for compensation during 1984. State awards range anywhere from $500 in emergency funds to $50,000 in maximum benefits. State programs received 34,586 claims in fiscal year 1981. Over 17,000 awards were made totaling $49 million. The average award was about $2,900. The funding elements I have described above would generate a minimum of $45 million to support and extend these efforts and for victims and witnesses assistance programs. They have the potential of generating more than $125 million for these purposes.

Under the provisions of this bill half of the total collected will be made to the States through the compensation fund. The remainder of the fund will be available to support State and Federal victim and witness assistance programs and to support administration of the program. This portion of the fund would support training of law enforcement officials, improving facilities for victims and witnesses, supporting State and Federal victim's and witness assistance programs, public awareness programs and other related purposes. Funds generated in excess of the needs of these of the compensation and victims/witness assistance programs would be transferred out of the Federal crime victim's assistance fund and into general revenues on a yearly basis.

Mr. President, near the entrance of the Supreme Court stands a figure, the Contemplation of Justice, by the sculptor James L. Fraser. The figure, clasping the sword of justice, is blindfolded to symbolize our need to be fair and impartial in assessing the guilt or innocence of those accused of crimes. While it is appropriate that justice be blind in measuring guilt, it must not be deaf to the pleas of those who have been victimized. Without the cooperation of victims, the criminal justice system would collapse. We must not forget it was their interest the criminal justice system was organized to protect. Last year, we began to recognize their needs. This legislation would extend the purpose we embraced in enacting the Omnibus Victims Protection Act and more fully protect the rights and needs of those who have been victimized.●

By Mr. HATCH:

S. 706. A bill to increase the competence of American secondary students in science and mathematics by narrowing the gap between the current supply of qualified teachers of science and mathematics at the secondary level and the current need for such teachers, and for other purposes; to the Committee on Labor and Human Resources.

SCIENCE AND MATHEMATICS TEACHER DEVELOPMENT ACT OF 1983

● Mr. HATCH. Mr. President, today I am introducing a bill designed to take a step in the direction of reducing the Nation's shortage of teachers qualified to teach mathematics and science at the secondary school level.

This bill is identical to President Reagan's Science and Mathematics Teacher Development Act, and is designed to ease the shortage of math and science teachers that many of our schools are experiencing. It also contains provisions to assist those teachers who are marginally qualified in these fields to increase their technical competency to teach.

The bill would authorize science and mathematics block grant assistance to States for scholarships to be awarded to individuals who can become qualified, within 1 year, to teach science or mathematics at the secondary level, in grades 9 through 12.

The bill would authorize assistance of $50 million per year for 4 years. The funds would be distributed to the States on the basis of the number of children aged 14 through 17 residing in the State—a formula designed to reflect the number of high school-aged students. Federally recognized Indian tribes would also be eligible to apply directly for block grant funds.

Under section 5 of the bill, any State desiring to receive a grant would be required to submit an annual proposed use report. The purpose of this report is to assure accountability to the citizens of each State. In this report the State would describe how it would use the funds to address the purposes of the act—that is, how the State's program would improve the quality of secondary school science and mathematics instruction by meeting the need for additional qualified teachers, especially in areas where there is a shortage of teachers or where there are plans to increase science or mathematics enrollments for graduation requirements.

In those cases in which the State chose to operate the program through local educational agencies, the proposed use report would describe how the funds would be distributed to local educational agencies. In addition to a number of standard assurances, the

report would also describe how the State would provide students attending private secondary schools equitable opportunities to benefit from the State's program. Each report after the first would contain an assessment of the State's program. The bill would require the report to be made public prior to its submission to the Secretary.

Section 8 of the bill describes the authorized use of funds provided under this act. It provides that the funds would be used for scholarships that would enable recipients to receive the instruction needed to become qualified to teach science or mathematics in public or private secondary schools.

The funds are intended for individuals who can quickly become qualified to teach science or mathematics. Eligible individuals must hold a bachelor's degree and must be able to become qualified to teach math or science at the secondary level within 1 year. Prime candidates for these scholarships include teachers currently qualified in fields other than science and mathematics, including those who are teaching mathematics or science courses on a provisional basis but are not certified in these subject areas, and individuals with the interest and the aptitude in these subject areas who lack the academic preparation necessary to teach.

The assistance provided to a State under this act could be used to pay for no more than $5,000 per individual scholarship. Although the bill would not require States or localities to match Federal funds, we anticipate that the funds provided under this act would be supplemented by funds from State, local, and private sources. With the assistance provided under this bill, we estimate that some 10,000 teachers could be trained each year.

In order to insure that the funds are used to train individuals who will teach, the bill would require the State or local educational agencies to condition selection as a scholarship recipient upon that person's agreement to teach science or mathematics for a reasonable period of time in a particular school. The bill would also authorize waiver or modification of these agreements in circumstances prescribed by the State or local educational agencies. The bill would not require scholarship recipients to teach for a specified number of years because we believe that the type of commitment to be required of recipients is a determination that is properly left to State and local discretion.

In requiring a State to provide for equitable opportunities to students attending private secondary schools to benefit from the State's program, the bill makes it clear that no funds provided under that act could be used for religious worship, instruction, proselytization, or any activity of a school of divinity. The bill would also require the State to take account of the relative numbers and needs of these students in providing for their equitable participation in the program.

The bill also makes applicable certain sections of the General Education Provisions Act but fails to make applicable section 431 providing congressional review of departmental regulations. This is one area in which the Congress and the administration strongly differ. I will continue to be consistent in my support of the review of regulations by the Congress and of the legislative veto.

Despite this weakness, Mr. President, this is a workable piece of legislation that will make an almost immediate impact upon the quality of math and science instruction in our secondary schools. I commend the Secretary and the administration for their work in this area, and ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SCIENCE AND MATHEMATICS TEACHER DEVELOPMENT ACT

SECTION-BY-SECTION ANALYSIS

Section 2. Section 2 of the bill would state the purpose of the Act to be the improvement of the quality of science and mathematics instruction in the United States by helping States and localities to meet the critical need for additional numbers of such teachers at the secondary level, particularly in areas where there is a shortage of such teachers, and by making it possible for States and localities to increase science or mathematics enrollments or graduation requirements at the secondary level. To accomplish this purpose, the Act would authorize assistance to States to pay the costs of scholarships for persons to qualify as teachers of science or mathematics at the secondary level.

Section 3. Section 3 of the bill would authorize annual appropriations under this Act of $50,000,000 for fiscal years 1984 through 1987.

Section 4. Section 4 of the bill would prescribe how funds appropriated under this Act would be allotted to the States and Insular Areas. First, the Secretary would be authorized to reserve for grants to the Insular Areas not more than one percent of the amount appropriated. From the remainder, the Secretary would be required to allot funds to the States according to the ratio that the number of persons aged fourteen through seventeen, inclusive, residing in the State bears to the number of such persons residing in all of the States. If a State chose not to participate in this program, or indicated that it would not need the full amount of its allotment for any fiscal year, the Secretary would be authorized to reallot those funds to one or more States that had a current need for the funds. In addition, federally recognized Indian tribes would be authorized to receive funds directly under this Act.

Section 5. Section 5 of the bill describes the annual Proposed Use Report a State would be required to submit to the Secretary in order to participate in this program. The report would describe how the funds under this Act will be used. In addition, the report would describe how the States would achieve the general purposes of the Act as well as the State's specific goals; how the State would use the funds awarded under the Act, or, to the extent the State did not operate the program directly, how funds would be distributed to local educational agencies; and how the State would provide secondary level students attending private schools equitable opportunities to benefit from the State's program. The report would also include assurances regarding proper administration, fiscal control, and accounting procedures. Each report, after the first, would contain an assessment of the success of the State's program during the preceding fiscal year. The report would be made public in the State.

Section 6. Section 6 of the bill would make certain sections of the General Education Provisions Act applicable to programs and activities conducted under this Act.

Section 7. Section 7 of the bill would provide for independent audits of all programs and activities supported with Federal funds awarded under this Act.

Section 8. Section 8 of the bill would provide for the use of funds awarded under the Act. The State would be required to use its grant, either directly or through local educational agencies, to increase the number of teachers who are qualified to teach science or mathematics at the secondary level in public or private schools in the State, by awarding scholarships which would enable recipients to receive necessary instruction at institutions of higher education. A State would be authorized to use funds awarded under the Act to pay a portion or the total amount of each scholarship (including tuition and stipend). The period covered by a scholarship would be no more than one period of twelve consecutive months, and the Federal funds would pay no more than $5,000 toward the total amount of the scholarship.

Section 9. Section 9 of the bill would require that scholarship recipients have at least a Bachelor's degree and, at the time the scholarship is awarded, lack qualifications to teach science or mathematics at the secondary level, but be able to become qualified within one year. In order to ensure that the secondary school populations with the greatest need for additional science or mathematics teachers benefit from this program, a State or a local educational agency would be required to condition selection as a scholarship recipient upon the recipient's agreement to teach science or mathematics at the secondary level for a reasonable period of time in a public or private school determined by the State or the local educational agency to have a need for such a teacher. In addition, a State would be authorized to require a local educational agency or private school at which a scholarship recipient would teach to contribute a portion of the total amount of the scholarship. The bill clarifies that it would not require a scholarship recipient to become certified under State law.

Section 10. Section 10 of the bill would require the State to provide secondary level students attending private schools opportunities to benefit from its program. These opportunities would have to be equitable compared to the opportunities offered to secondary level students attending public schools, taking into account the relative numbers and needs of those student populations. Section 11 would also prohibit funds

awarded under this Act from being used for any religious worship, instruction, or proselytization, or any activity of a school or department of divinity.

Section 11. Section 11 of the bill would define a number of terms used in the Act. The terms "science" would be defined as the natural sciences and "mathematics" as all branches of mathematics, including computer science. The term "secondary level" would be defined to mean grades nine through twelve.

Section 12. Section 12 of the bill would set an effective date of October 1, 1983 for the Act and an expiration date of October 1, 1987.●

By Mr. RIEGLE (for himself, Mr. LEVIN, Mr. FORD, Mr. METZENBAUM, Mr. EAGLETON, Mr. RANDOLPH, Mr. SARBANES, Mr. PROXMIRE, Mr. LAUTENBERG, Mr. CRANSTON, Mr. GLENN, Mr. KENNEDY, and Mr. HOLLINGS).

S. 707. A bill to establish domestic content requirements for motor vehicles sold or distributed in interstate commerce in the United States; to the Committee on Commerce, Science, and Transportation.

FAIR PRACTICES IN AUTOMOTIVE PRODUCTS ACT

Mr. RIEGLE. Mr. President, today I am introducing S. 707, the Fair Practices in Automotive Products Act. I am joined in this effort by Senator LEVIN, Senator FORD, Senator METZENBAUM, Senator EAGLETON, Senator RANDOLPH, Senator SARBANES, Senator PROXMIRE, Senator LAUTENBERG, Senator CRANSTON, Senator GLENN, Senator KENNEDY, and Senator HOLLINGS.

This legislation will be a major factor in bringing jobs back to the domestic automobile industry, and it addresses the continuing dangerous industrial crisis facing our Nation.

For over 3 long years, the U.S. auto industry has been hit by a devastating combination of high interest rates, lingering recession, and rising Japanese imports. The Japanese attack on our auto industry threatens an entire industrial base because auto manufacturing is the end product of many of of our strategic industries: steel, rubber, glass, textiles, electronics, and others.

The trade problem is not going away. Auto layoffs have risen to 254,350—matching a year ago, and for every auto layoff, 2.2 persons are laid off in the suppliers industry. In addition, 38,000 white-collar auto industry jobs have been lost. Taking related industries into account, the auto crisis has thrown at least 1 million Americans out of work.

Thousands of U.S. businesses have also been damaged or destroyed. Car manufacturers and suppliers have had to cut hundreds of million of dollars from plans to improve production processes and develop new products. And there is now a growing realization that basic American industries may not participate fully in any rebound in demand for autos because of the Japanese trade invasion.

Let me describe this invasion wave by wave. In 1978, the Japanese sold 1.3 million cars in this country, an 11.7-percent market share. In 1979, that number grew to 1.7 million cars—a 16.1-percent market share. In 1980, they gained over 21 percent of our market, selling 1.9 million of their cars over here. The Japanese share of our market grew to 21.2 percent in 1981 when they sold another 1.8 million cars here. Last year, the Japanese automakers captured 22.6 percent of the domestic auto market, and in January 1983, took 25.1 percent of the total U.S. auto sales.

These number are history, but a look into the future shows further damage on the way unless we take strong action. According to Merrill Lynch, foreign automakers will capture 40 percent of our market by 1990. Chase Econometrics says they'll own a 36-percent share. The National Academy of Engineers projects that foreign automakers could take up to 65 percent of the American market by the end of this decade. This illustrates the emergency situation facing our auto makers and auto workers.

Let me point out another little known fact regarding the Japanese automakers. They have shifted to more luxury models so that their U.S. profits have increased at a higher rate than their unit sales. They are targeting precisely those American consumers who will lead any recovery of auto demand over the next year or so. This nearly doubling of their share of the domestic market is occurring in the face of a so-called voluntary import limit set by the Japanese automakers themselves.

As a result of this continuing invasion of Japanese cars, the U.S. auto trade deficit with Japan rose to $16.7 billion in 1982. This financial outflow provides Japanese companies with a huge industrial war chest with which to challenge our competitiveness for years to come.

U.S. debate on this problem has tended to be sidetracked into sterile arguments about free trade and protectionism. One of the louder reactions invokes a violation of GATT charge. This latter legalistic argument has long been used by American officials who do not want the Congress to take any firm action. None of the other 30 countries with auto-content rules have ever been challenged under GATT rules. GATT procedures would require Japan to try to iron out difficulties with the United States before filing a formal complaint. If Japan files a complaint, we could file countercharges against the Japanese complicity in auto-trade-restraint policies in Europe, Australia, Indonesia, and Latin America. Rather than resort to GATT protests in countries where import restrictions have been set, Japan has instead invested in many of these countries. Once they have begun to comply in earnest with these restrictions, Japanese companies have discouraged their Government from pursuing a GATT complaint. It is not practical for the Japanese to go the GATT route, and past practices bear this out.

All of this fear over a "trade war" or GATT violations is missing the major point, which is that Japan—unlike the United States—has a shrewd and effective strategy for encouraging stable growth in their employment base. Auto exports are a key element of that strategy.

We are standing by watching our auto industry suffer from this trade invasion while other nations have taken strong and effective action. France, last year, cut Japanese penetration of their market back to 2½ percent. Italy does not permit more than 2,200 autos a year to enter its market from Japan. Germany limits the Japanese to 10 percent of its market, and in the United Kingdom, where Prime Minister Margaret Thatcher shares some of the same economic thinking as our administration, they have limited the Japanese to 10 to 11 percent of the British market, and further forced the Japanese to build trucks there.

In contrast to these actions, the United States has done nothing while the Japanese share of our market has doubled in the past 5 years. We simply have no comparable strategy to strengthen our own industrial employment base. The Japanese initiative, if left unchecked, could destroy a major part of our economy and lower the U.S. standard of living permanently.

No other industrial country would expose its employment base to such a threat, but this administration remains blind to the trade devastation taking place. At times, administration officials try tough talk to encourage the Japanese to open their markets as we do—as if sales of American oranges, beef, and tobacco could somehow make up for the collapse of employment in our core manufacturing industries. At other times, administration officials have stood by and let the Japanese take credit for auto-export restraints that actually permit record levels in the Japanese share of U.S. auto sales. As I mentioned earlier, these so-called voluntary restraints have given the Japanese, so far, well over 20 percent of our market.

The Fair Practices in Automotive Products Act (S. 707)—known as the domestic content bill—is the only legislation before this Congress that squarely addresses the need to strengthen our industrial base and promises to put many American workers back on the job. All companies

with annual sales here of over 100,000 vehicles would be required to locate some production here, hire workers here, and buy parts here. The provisions of the bill would commence with the 1984 model year, and set the following requirements for American-built content: 1984: 10 percent for all firms selling over 100,000 units; 1985: up to 30-percent content for all firms selling at least 100,000 units; 1986: up to 60-percent content for all firms selling at least 100,000 units; after 1986: up to 90-percent content for all firms selling at least 100,000 units.

As these percentage requirements are increased, the heaviest percentage will be required on those manufacturers selling more than 900,000 units in the United States.

This legislation would clearly establish the principle that companies that sell a large number of cars to Americans should also create jobs for Americans. Domestic content gets to the fundamental question of fairness in international trade.

Despite our historic economic strength, America cannot allow a trading ally to exploit a short-term situation in the world economy at our expense and threaten to destroy the heart of our national economy.

This legislation simply recognizes practical realities of international trade, and the hard truth that the Japanese and others will continue to act entirely in their own self-interest. Let me illustrate some of the self-interest that opponents of this measure have ignored in the past. These are some of the more colorful examples, but they make the point. If you want to sell cigarettes in Japan, so I am told—you can. But you have to do your advertising in English. Only recently did it become possible for Japanese baseball players to purchase the famed Louisville Slugger baseball bat. Prior to a new agreement, Japanese trade officials insisted on inspecting every single bat shipped into Japan, thereby making this effort to break into the Japanese market unproductive. Efforts have been made to improve this particular situation, but these restrictive trade policies still persist when it comes to exporting American autos to Japan. Their trade policies are so restrictive that a midsize American car could cost four times as much in Japan as it does here—that is if it ever gets through the maze of prohibitive tariffs, unreasonable product standards, an individual inspection, and similar bureaucratic barriers. One other problem occurs as well. There are no domestic/import dealers in Japan as there are here.

We need changes in economic policy to deal with the inequities in foreign trade. Domestic content is really about fair trade and American jobs. This legislation would create or keep over 1 million jobs, including 200,000 auto jobs and 500,000 supplier jobs—jobs that we will not otherwise have if current import trends continue. If we can put this many people to work by 1990, as this bill would do—let us go ahead, there is nothing that the American economy needs more, now, than to keep these jobs in America.

I am confident the Senate will act quickly on this legislation affecting American jobs and American industry. It is my hope that we will move concurrently with similar legislation (H.R. 1234) introduced in the House by Congressman RICHARD OTTINGER.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Practices in Automotive Products Act".

SEC. 2. PURPOSE.

The purpose of this Act is to encourage the production in the United States by American workers of automotive products which are sold or distributed in interstate commerce.

SEC. 3. DEFINITIONS.

(a) IN GENERAL. As used in this Act—

(1) The term "automotive products" means motor vehicles and parts for use in the production of new motor vehicles.

(2) The term "added domestic value", when used with respect to a vehicle manufacturer for any model year, means the aggregate of—

(A) the production costs of all automotive products sold by the vehicle manufacturer in the United States, other than for export, during that model year, and

(B) the export value of all automotive products that were either—

(i) manufactured by the vehicle manufacturer in the United States and exported from the United States by, or on behalf of, such manufacturer during that model year, or

(ii) manufactured in the United States by any other person and purchased by the vehicle manufacturer and exported from the United States by, or on behalf of, such manufacturer during that model year, but only to the extent that the export value of such automotive products is not included in automotive products to which clause (i) applies;

reduced by the aggregate appraised value, as determined for purposes of the customs laws, of all automotive products that were entered by, or on behalf of, the vehilce manufacturer during that model year.

(3) The term "domestic content ratio" means, with respect to a vehicle manufacturer for any model year, the percentage determined by multiplying by one hundred the factor obtained by dividing—

(A) the added domestic value determined for that manufacturer for that model year under paragraph (2); by

(B) the production costs determined, for purposes of paragraph (2)(A), for that manufacturer for that model year.

(4) The term "entered" means entered, or withdrawn from warehouse for consumption, within the customs territory of the United States.

(5) The term "model year" means a vehicle manufacturer's annual production period (as determined by the Secretary) which includes January 1 of a calendar year, or if a vehicle manufacturer does not have an annual production period, the calendar year. A model year shall be designated by the year in which January 1 occurs.

(6) The term "motor vehicle" means any three-wheeled or four-wheeled vehicle propelled by fuel which is manufactured primarily for use on the public streets, roads, and highways (except any vehicle operated exclusively on a rail or rails), and which is rated as ten thousand pounds gross vehicle weight or less. Such term does not include (A) any motorcycle, or (B) any vehicle determined by the Secretary to be an automobile capable of off-highway operation within the meaning of section 501(3) of the Motor Vehicle Information and Cost Savings Act.

(7) The term "production cost" means, with respect to an automotive product, the wholesale price to dealers in the United States for that product as set forth in the vehicle manufacturer's official dealer price list that is in effect at the time the product is sold at wholesale.

(8) The term "Secretary" means the Secretary of Transportation.

(9) The term "vehicle manufacturer" means any person engaged in the business of producing motor vehicles for ultimate retail sale in the United States and includes as one entity all persons who control, are controlled by, or are in common control with, such person. Such term also includes any predecessor or successor of such a vehicle manufacturer.

(b) DETERMINATION OF ADDED DOMESTIC VALUE.—For purposes of applying paragraph (2) of subsection (a)—

(1) Two or more vehicle manufacturers may not include, for purposes of determining their respective added domestic values, the value of the same automotive product; but such manufacturers may, under rules prescribed under section 4(b), apportion the value of that automotive product among them.

(2) The term "export value" means, with respect to an automotive product—

(A) the free-on-board price for which the vehicle manufacturer sells the product for exportation from the United States; or

(B) if the vehicle manufacturer sells the product for such exportation to a buyer that controls, is controlled by, or is under common control with, such manufacturer, the price at which such or similar products are freely offered for free-on-board sale to all purchasers in the principal markets of the United States in the usual wholesale quantities and in the ordinary course of trade for such exportation.

SEC. 4. DOMESTIC CONTENT RATIOS FOR MODEL YEAR 1985 AND THEREAFTER.

(a) RATIOS.—In order to carry out the purpose of this Act, for each model year beginning after January 1, 1984, the minimum domestic content ratio for a vehicle manufacturer shall not be less than the higher of—

(1) the domestic content ratio achieved by the vehicle manufacturer in model year 1984 reduced by 10 per centum; or

(2) the applicable minimum content ratio specified in the following table:

Model year 1985

Number of motor vehicles produced by the manufacturer and sold in the United States during such year:	Minimum domestic content ratio:
Not over 100,000	0 percent.
Over 100,000 but not over 900,000.	The number, expressed as a percentage, determined by dividing the number of vehicles sold by 30,000.
Over 900,000	30 percent.

Model year 1986

Number of motor vehicles produced by the manufacturer and sold in the United States during such year:	Minimum domestic content ratio:
Not over 100,000	0 percent.
Over 100,000 but not over 900,000.	The number, expressed as a percentage, determined by dividing the number of vehicles sold by 15,000.
Over 900,000	60 percent.

Each model year after model year 1986

Number of motor vehicles produced by the manufacturer and sold in the United States during such year:	Minimum domestic content ratio:
Not over 100,000	0 percent.
Over 100,000 but not over 900,000.	The number, expressed as a percentage, determined by dividing the number of vehicles sold by 10,000.
Over 900,000	90 percent.

(b) ALLOCATION OF AUTOMOTIVE PRODUCTS AMONG MANUFACTURERS.—In order to carry out the purpose of this Act, the Secretary shall prescribe rules for allocating automotive products among vehicle manufacturers in appropriate cases such as where—

(1) a vehicle manufacturer sells automotive products manufactured by it in the United States to another vehicle manufacturer;

(2) two or more vehicle manufacturers in joint venture produce automotive products in the United States; and

(3) a vehicle manufacturer produces motor vehicles for ultimate retail sale in the United States, some of which will be sold by that manufacturer and some by another vehicle manufacturer.

SEC. 5. INFORMATION AND REPORTS.

(a) VEHICLE MANUFACTURERS RECORDS AND INFORMATION.—Each vehicle manufacturer that produces more than one hundred thousand motor vehicles for sale in the United States during any model year after model year 1983 must establish and maintain such records, and provide such information, regarding the production and sale of automotive products by it as the Secretary by rule shall require for purposes of carrying out section 4(a) and the enforcement provisions of section 6.

(b) AUTHORITY TO OBTAIN INFORMATION.—(1) The authority granted to the Secretary under subsection (b)(1) of section 505 of the Motor Vehicle Information and Cost Saving Act (as in effect on the date of the enactment of this Act) to obtain information and data, and access thereto, that is deemed advisable by him for purposes of carrying out part V of that Act may be used by the Secretary for purposes of obtaining the information and data, and access thereto, that is necessary or appropriate to carry out section 4(a) and section 6.

(2) The authority granted to the district courts of the United States under subsection (b)(2) of such section 505 to enforce compliance with action taken by the Secretary under subsection (b)(1) of such section may be used by such courts to enforce actions taken by the Secretary pursuant to paragraph (1) for purposes of carrying out this Act.

(3) The Secretary shall disclose any information and data obtained under this subsection and subsection (a) to the public only in accordance with section 552 of title 5, United States Code; and any matter described in subsection (b)(4) of such section shall not be disclosed to the public, except that where such matter may be relevant to any administrative or judicial proceeding to enforce this Act, such matter may be disclosed in such proceeding only in a manner which would not result in competitive damage or disadvantage, as determined by the Secretary or a court, because of such disclosure.

(c) ANNUAL REPORTS.—As soon as practicable after the close of each model year after January 1, 1984, the Secretary shall prepare and make available to the public a report setting forth the domestic content ratio achieved by each vehicle manufacturer during such model year.

SEC. 6. ENFORCEMENT.

(a) PENALTY FOR FAILURE TO MEET DOMESTIC CONTENT RATIOS.—(1) In furtherance of the purpose of this Act, it is unlawful for a vehicle manufacturer to fail to meet for any model year the applicable minimum domestic content ratio required under section 4(a).

(2) If the Secretary finds, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, that a vehicle manufacturer has violated paragraph (1), the Secretary shall issue an order prohibiting the vehicle manufacturer from entering or having entered on its behalf, during the twelve-month period beginning on the date on which the finding becomes final—

(A) a quantity of motor vehicles that exceeds the total quantity of motor vehicles that was entered by, or on behalf of, that manufacturer during the model year in which such violation occurred reduced by the number of motor vehicles that bears to such total quantity the same percentage by which the vehicle manufacturer failed to meet the domestic content ratio for that model year; and

(B) parts for motor vehicles in an aggregate value (as appraised for purposes of the customs laws) that exceeds the total aggregate appraised value of parts for motor vehicles that were entered by, or on behalf of, that manufacturer during the model year in which such violation occurred reduced by parts of an aggregate value that bears to such total aggregate value the same percentage by which the vehicle manufacturer failed to meet the domestic content ratio for that model year.

(3) An order issued pursuant to paragraph (2) shall specify the total number of motor vehicles and the aggregate appraised value of parts for motor vehicles that may be entered during the applicable twelve-month period by, or on behalf of, the vehicle manufacturer.

(4) Any person against whom an order is issued under paragraph (2) may, within sixty calendar days after the date of the order, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have jurisdiction to enter a judgment affirming, modifying, or setting aside in whole or in part, the order of the Secretary, or the court may remand the proceeding to the Secretary for such further action as the court may direct.

(b) OTHER VIOLATIONS.—(1) Any person who knowingly violates any provision of this Act (other than failure to meet the applicable domestic content ratio for any model year) or any rule or regulation issued under this Act shall be liable, after notice and opportunity for a hearing, to the United States for a civil penalty of not more than $10,000. Each day of a continuing violation under this subsection shall constitute a separate offense.

(2)(A) Before issuing an order assessing a civil penalty against any person for violation of paragraph (1), the Secretary shall provide to such person written notice of the proposed penalty.

(B) The Secretary shall promptly assess such penalty, by order, after the date of the receipt of the notice under subparagraph (A) of the proposed penalty.

(C) If the penalty has not been paid within sixty calendar days after the assessment order has been made under subparagraph (B), the Secretary shall institute an action in the appropriate district court of the United States for an order affirming the assessment of the civil penalty. The court shall have authority to review de novo the law and the facts involved, and shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part, such assessment.

(D) If any person fails to pay an assessment of a civil penalty after the appropriate district court has entered final judgment in favor of the Secretary under subparagraph (C), the Secretary shall institute an action to recover the amount of such penalty in any appropriate district court of the United States. In such action, the validity and appropriateness of such final assessment order or judgment shall not be subject to review.

(3) The Secretary may compromise, modify, or remit, with or without conditions, any penalty that is subject to imposition or that has been imposed under this subsection.

SEC. 7. STUDY OF DISCRIMINATORY PRACTICES AFFECTING DOMESTIC PRODUCTION OF MOTOR VEHICLE PARTS.

Within one year after the date of the enactment of this Act, the Secretary and the Federal Trade Commission shall jointly undertake an investigation, and submit to Congress a written report, regarding those policies and practices of vehicle manufacturers that are used to persuade United States motor vehicle dealers, in choosing replacement parts for motor vehicles, to favor foreign-made parts rather than domestically produced parts. Such report shall include, but not be limited to, recommended admin-

istrative or legislative action that the Secretary and the Federal Trade Commission consider appropriate to assure that domestic producers of replacement parts are accorded fair access to the United States market for such parts.

By Mr. DOMENICI:

S. 708. A bill to improve the operations of certain water resources projects; to the Committee on Environment and Public Works.

WATER PROJECTS IMPROVEMENTS

● Mr. DOMENICI. Mr. President, I am today reintroducing legislation that seeks to preserve the agricultural character of the small watershed program within the responsibility of the Department of Agriculture's Soil Conservation Service. This legislation would affect only those small watershed projects submitted to the Committee on Environment and Public Works for review and possible authorization.

This bill is similar to legislation I have introduced in past Congresses. While this legislation has won full Senate approval in the past, it has never become law due to the failure of Congress to complete action on a comprehensive water resources development bill.

Section 1 of the bill requires that the full Congress pass on any SCS project that would cost in excess of $10,000,000, rather than leaving that responsibility to the discretion of the Committees on Public Works of the two Houses. I do not believe the committees alone should have the responsibility for such authorization.

Section 2 of the bill requires that at least 20 percent of the benefits of a SCS project relate directly to agriculture. Too often, I believe, the SCS program has moved into urban areas, rather than focusing attention on the many water resources problems still facing rural America. The requirement for a 20-percent agricultural benefit appears to be a fair and equitable one.

Section 3 of the bill adds a requirement for a report to the Congress on the ways to assure public recreational opportunities at SCS projects. I do not believe the Federal taxpayers should pay to construct lakes that are closed to the general public.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the definition of "works of improvement", contained in section 2 of Public Law 83-566, as amended, is further amended by adding after "$250,000" the following: "but not more than $10,000,000, for any projects submitted to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives: Provided, That any project with an anticipated Federal cost exceeding $10,000,000 must be authorized by Act of Congress."

SEC. 2. Section 2 of Public Law 83-566, as amended, is further amended by deleting the period and inserting a colon at the conclusion of the proviso, and adding the following: "And provided further, That each such subject must contain benefits directly related to agriculture that account for at least 20 per centum of the total benefits of the project."

SEC. 3. The Secretary of Agriculture, acting through the Administrator of the Soil Convervation Service, shall study and report to the appropriate committees of the Senate and the House of Representatives by April 1, 1984, on the feasibility, the desirability, and the public interest involved in requiring that full public access be provided to all water impoundments that have recreation-related potential and that were authorized by Public Law 83-566, as amended.●

By Mr. DOMENICI:

S. 709. A bill to modernize certain aspects of the authorities of the U.S. Army Corps of Engineers; to the Committee on Environment and Public Works.

WATER PROJECTS AMENDMENTS OF 1983

● Mr. DOMENICI. Mr. President, I am today introducing legislation intended to improve and strengthen the operation of the U.S. Army Corps of Engineers in several important ways. These changes, together with other, more sweeping reforms that I believe are needed, will enable the programs of the U.S. Army Corps of Engineers to operate more efficiently, and thus to serve more effectively the needs of the American people.

This bill is similar to legislation I introduced in recent Congresses. Many of the provisions of this bill have been passed by the full Senate on three separate occasions. But these provisions were included in omnibus water resources bills that failed to win passage by the full Congress for reasons totally unrelated to these provisions.

Each of these provisions, I believe, continues to merit the consideration and support of the Congress.

Section 2 of the bill would lessen the major windfall benefits that might occur to the advantage of a single, large landowner as a result of a Federal water resources project. The language would require that beneficiaries of such large windfalls share in the cost of the project.

Section 3 amends a 1909 Act of Congress, clarifying the ability of the Corps of Engineers to rebuild navigation projects without specific congressional authorization. The corps has sought such a clarification following a court decision sharply limiting the scope of the 1909 act.

Section 4 requires the specific development of information regarding dam safety for any proposed Federal water resources dam project.

Section 5 requires that Federal water agencies submit information on recreational alternatives when proposing a water resources project.

Section 6 requires that the Department of Transportation undertake the analysis of transportation benefits for future navigation projects, since that Department carries the broad responsibility of our national transportation policy. Work on such projects, of course, would remain with the corps.

Section 7 establishes a system to deauthorize automatically older project authorizations. It is estimated that as much as $25 billion in authorized, but backlogged, corps projects may never be built. We need to remove unneeded project authorizations so that the Nation can get going on its priority work.

Section 8 establishes a system to rescind automatically the authorization of unused and unnecessary studies.

Section 9 establishes an advisory board that would assist the Congress and the Corps of Engineers in evaluating the merit of complaints relating to water resources projects.

Mr. President, this is a sound and needed piece of legislation. I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Water Projects Amendments of 1983."

ELIMINATION OF WINDFALL BENEFITS

SEC. 2. (a) Prior to initiating construction of any water resources project authorized prior to this Act, or subsequent to the Act, which is under the jurisdiction of the Secretary of the Army, acting through the Chief of Engineers (hereinafter in this Act referred to as the "Secretary"), and which can be anticipated to provide flood control benefits, more than 10 per centum of which are produced by an increase in anticipated land values to a single landowner, the Secretary shall enter into an agreement with such owner or owners that provides that such owner or owners will contribute, either prior to construction or when such benefits are realized, 50 per centum of that portion of the project's costs allocated to the owner's benefits.

(b) For any study initiated by the Secretary subsequent to the enactment of this Act, the Secretary shall, if appropriate, include information in such study report on the likelihood that any single landowner would be subject to the requirements of subsection (a) of this section.

NAVIGATION REHABILITATION

SEC. 3. Section 4 of the Act of July 5, 1884 (23 Stat. 147), as amended by the Act of March 3, 1909 (33 U.S.C. 5), is hereby amended to read as follows:

"SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, is authorized to operate, maintain, and keep in repair and rehabilitate any project for the benefit of navigation belonging to the United States

or that may be hereafter acquired or constructed: *Provided*, That whenever, in the judgment of the Secretary of the Army, the condition of any of the aforesaid works is such that its reconstruction or replacement is essential to efficient and economical maintenance and operation, as herein provided for, and if the cost shall be less than $25,000,000, the Secretary may proceed with such work: *Provided further*, That the project does not increase the scope or change the location of an existing project: *And provided further*, That nothing herein contained shall be held to apply to the Panama Canal."

DAM SAFETY INFORMATION

SEC. 4. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary or the Secretary of Agriculture, acting under Public Law 83-566, as amended, which recommends the possible construction of a water impoundment facility, shall include information on the possibility of failure of such facility due to geologic or design factors, the potential impact of the failure of such facility, and information on the design features that would prevent, lessen, or mitigate such failure or the impact of such failure.

RECREATIONAL BENEFITS INFORMATION

SEC. 5. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary or the Secretary of Agriculture, under authority of Public Law 83-566, as amended, shall describe the benefits of other, similar recreational facilities within the general area of the project, and the anticipated impact of the proposed project on such existing recreational facilities.

TRANSPORTATION BENEFIT CALCULATIONS

SEC. 6. Beginning in the first full fiscal year after enactment of this section, the Secretary of Transportation shall be responsible for the preparation of all calculations on transportation-related benefits for any future water resources project proposed by the Secretary. As a part of such calculations, the Secretary of Transportation shall identify, with reasonable specificity, the impact of such proposed project on the usage and the economic viability of competing modes of transportation.

DEAUTHORIZATIONS OF BACKLOGGED PROJECTS

SEC. 7. (a) Any project, that is under the responsibility of the Secretary, and for which construction has not commenced within ten years following the date of the authorization of such project shall no longer be authorized after such ten-year period unless the Secretary notifies the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives that continued authorization of such project remains needed and justified and, within sixty calendar days (excluding days on which either the House of Representatives or the Senate is not in session because of any adjournment of more than three calendar days to a day certain) following transmittal of such notification to the Congress, each committee adopts a resolution directing the continued authorization of the project.

(b) Any project qualifying for deauthorization, or which will qualify within one hundred and eighty days of enactment of this section, shall not be deauthorized until such one hundred and eighty days have elapsed, utilizing the terms and procedures of subsection (a) of this section.

DEAUTHORIZATION OF BACKLOGGED STUDIES

SEC. 8. (a) Any resolution authorizing a survey by the Secretary is automatically rescinded and is no longer authorized if no funds are expended for such survey within four full fiscal years following its approval.

(b) The Secretary is authorized and directed to submit to the Congress, within six months of enactment of this section, a list of all existing studies, whether authorized by resolution or by law, that have an inactive or deferred status, and all surveys on such list may be deauthorized within ninety days thereafter by resolution of either the Committee on Environment and Public Works of the Senate or Committee on Public Works and Transportation of the House of Representatives.

ADVISORY BOARD ON WATER RESOURCES COMPLAINTS

SEC. 9. (a) There is hereby established an Advisory Board on Water Resources Complaints (hereinafter referred to as the "Board"), which is authorized to evaluate complaints of any existing water resources project undertaken by the Secretary and to make recommendations thereon. The scope of Board review shall include changes in project operations, possible constuction of new facilities or devices that would alleviate any anticipated or actual damages or other adverse and definable unintended effects, or changes in requirements for local interests to provide, pay for, or share in the costs of, any features of any project undertaken by the Secretary.

(b) The Board, which is authorized to hire necessary staff, shall be comprised of three members. One member shall be a Federal employee serving at the pleasure of the President. Two members shall be appointed by the President from the general public for terms of four years. Such public members, while attending meetings of the Board, shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS-18, as provided in the General Schedule under section 5332 of title 5 of the United States Code, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses including per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently. Anyone who has been an employee or officer of the United States Army Corps of Engineers shall be ineligible to serve as a public member of the Board.

(c)(1) The Board shall meet at least four times annually to review matters referred to it by any State or local public agency, the Secretary, the Committee on Environment and Public Works of the Senate, or the Committee on Public Works and Transportation of the House of Representatives. At such meetings, the Board is authorized to review all information relating to any request for a change affecting an authorized project, and to recommend alterations in the project that can be achieved administratively or by appropriate legislation. Any recommendation by the Board shall include a statement evaluating the reasonableness and equity of the request; an estimate, if appropriate, of the cost of such alteration and the effect such cost would have on the relation of total project benefits to costs; an explanation of how the request meets or fails to meet established national water resources policy. Recommendations by the Board are advisory and not subject to judicial review.

(2) A copy of any recommendation by the Board under paragraph (1) of this subsection shall be transmitted to the Secretary and to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, as well as any interested State or local public agency. Following a review of any such recommendation, the Secretary shall promptly notify the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives of any decision or proposal based upon such recommendations, together with a statement detailing any disagreement with the Board's recommendation.

(d) The Board shall, from time to time, report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives on issues and problem areas brought before it for advisory opinions, together with any recommended changes in the procedures or practices of the Secretary that would alleviate such problems in future projects.

(c) To carry out the purposes of this section, there is authorized to be appropriated to the Board the sum of $750,000 for the fiscal year ending September 30, 1984, and for each fiscal year thereafter.●

By Mr. HART:

S. 710. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics; to the Committee on Finance.

TAX CREDIT FOR PASSIVE SOLAR CONSTRUCTION

● Mr. HART. Mr. President, I am pleased to reintroduce today legislation providing homebuilders and developers a performance-based tax incentive for incorporation of passive solar energy systems in new homes.

It is clear from the overwhelming and bipartisan support this measure has enjoyed in previous Congresses that solar energy continues to be of major importance to our energy policy. In several respects, solar is the ideal energy source because of its individual, decentralized application and profoundly positive effect on both the economy and the environment. We have made significant progress in solar application since the oil embargoes of 1973-74 and 1978-79 underscored the vulnerability of a national economy based upon inexpensive, imported oil. The supply disruptions and price increases of the 1970's emphasized the need for a well balanced, broadly based energy policy—including solar and renewable technology. Today, in response to the 1970's disruptions, Americans are using considerably less energy to do the same things and our quality of life has not been measurably diminished.

Unfortunately, our progress in energy policy is in danger today. The worldwide oil glut and recent developments in the OPEC cartel threaten to slow if not reverse the momentum of growth in solar and renewable energy technologies. Ironically, our considerable success at saving energy over the past few years has contributed significantly to the current oversupply and corresponding drop in prices. The international recession has also played a role in addition to increased oil production of nations other than the Persian Gulf OPEC states. Unfortunately, it has become easy for us to become complacent about energy issues when oil supplies are plentiful, the price of gasoline continues to fall, the winter has been mild, and our attention is drawn to other, more immediate problems.

We have learned several lessons by now that emphasize the danger in continuing our heavy reliance on foreign oil. It is abundantly clear that no oil supply is too stable and no oil price can be expected to remain constant over time. It is important that we not allow the oil glut to desensitize us to the possibility and likelihood of another, probably more severe, oil-supply disruption. Perhaps more important, we must not allow this to erode our commitment to solar and renewable technologies, resources that will continue to substantially contribute to our energy security.

Equally devastating to the solar industry as the current oil glut has been the Federal Government's sudden reduced commitment to achieving energy independence. Solar and renewable energy programs have suffered ill-timed and unreasonable cutbacks since the current administration set about revitalizing the American economy. For the third consecutive year the administration has recommended a 56-percent cut in solar programs. In fact, taking into account recommended funding for solar programs in fiscal year 1984, this administration has reduced the budget for solar alone by an estimated 85 percent since 1981.

Mr. President, many of us in this Chamber have recognized the danger of this course and attempted to preserve existing programs and restore funding. Again this year the Congress must restore solar funding and, where appropriate, implement new programs and policies that will continue to move us toward energy independence.

An estimated 7 percent of our total domestic energy diet is consumed by heating and cooling our homes. A well-designed passive solar system can reduce the heating load of a home by as much a 80 percent. Thus, the potential for passive solar homes to reduce our disastrous reliance on fuel oil, natural gas, and electricity is substantial.

Passive solar systems rely on an assembly of natural and architectural techniques, including collectors and thermal storage, rather than mechanical means to maximize use of the Sun's energy. In short, passive solar techniques are relatively simple, inexpensive, and often easily applied to new house construction. Passive solar features can be as simple as Trombe walls to capture heat during the day and slowly release it at night and eaves constructed to block the high summer Sun and permit direct light from the low winter Sun.

Passive solar applications are generally the most cost-efficient solar application for heating and cooling a home. Although opportunities exist to retrofit existing homes with passive solar equipment, the greatest potential for energy savings is realized when passive solar features are incorporated into the design of a new home. In order to prevent future generations of Americans to be locked in to costly and uncertain supplies of energy, it is important that new housing incorporate to the greatest extent possible passive solar systems and other energy-saving techniques. Furthermore, today's interest rates have dropped enough to serve as sufficient stimulus to the housing industry and the administration has in recent weeks indicated its intention to provide further incentives to stimulate employment in the housing and related industries. Thus, the time is right to introduce and implement the legislation we are introducing today.

Despite the obvious advantages of passive solar systems, they are not widely incorporated in new homes today. Although passive solar systems pay for themselves in just a few years, the savings and benefits normally accrue to the owner rather than to the builder. And builders and developers who compete in extremely tight capital markets are discouraged from making additions to any home which will increase its building costs. For energy sake, we need to provide strong incentives to builders who include passive solar features. The credit is based solely on the extent to which the passive solar system reduces the overall energy load of the home, as opposed to providing a credit based on the cost of the system components. The credit will encourage builders to incorporate passive solar in new tract housing and has the added advantage of encouraging low-cost, high-performance passive features.

To be eligible for the credit a builder must demonstrate that all the elements of the passive solar system are included in the design of the house. To determine the amount of the credit, the builder is required to contribute three pieces of information: First, the location of the home; second, the number of square feet of collector area; and third, the energy efficiency of the new home. These factors are plotted on chart which predetermines the amount of the credit based on the extent to which the passive solar system has reduced the heating and cooling requirement of the home.

The maximum credit available would be $2,500; the average cost of a new home in the United States is $83,000. It is expected the credit for an average passive system would be $1,000. On average, this constitutes about a 20-percent subsidy for residential passive systems and builders would be eligible for the tax credit beginning September 30, 1983.

This proposal has been endorsed in the past by a broad coalition of groups including labor, industry, and environmental. In the last Congress, the bill was supported by a number of national organizations including: National Conference of State Legislatures, National League of Cities, National Association of Home Builders, Sierra Club, Friends of the Earth, Solar Lobby, Environmental Action, National Wildlife Federation, Environmental Policy Center, League of Women Voters, American Institute of Architects, and National Woodwork Manufacturers Association.

Mr. President, we have neglected to enact this important legislation for better than two Congresses. In so doing, we have neglected to establish the incentive necessary to move our housing industry toward a more efficient, more secure future. I can think of no better time to implement a program with such lasting benefits than the present time. We must continue our efforts to achieve energy independence and security through a balanced energy policy, promoting solar, renewable, and other energy necessary technologies that cost so little and save so much.

The arguments in favor of this are clear. The facts are in and the consensus strong. The energy future this Nation faces demands we pursue new housing incorporating passive solar systems. This legislation provides important incentives toward that goal and I encourage my colleagues to once again support it.●

By Mr. PROXMIRE (for himself and Mr. GORTON):

S. 711. A bill to require that the receipts and disbursements of the Federal Financing Bank be included in the Federal budget, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

TRUTH IN BUDGETING ACT OF 1983

Mr. PROXMIRE. Mr. President, today I am introducing a bill to put the Federal Financing Bank in the budget of the United States. The exclusion of the Federal Financing Bank from the budget is a gigantic loophole that misleads the American people about the true size of the Federal defi-

cit. It has also contributed to the proliferation and rapid growth of Federal credit programs which many economists believe have helped drive up interest rates and weaken productivity in the private sector.

Concern over the unchecked growth of Federal credit programs began in the Carter administration and continued in the Reagan administration. Many Members of Congress are now beginning to realize that Federal loans and loan guarantees are not cost free and that their uncontrolled growth can dry up the availability of credit in the private economy to meet productive needs.

The Budget Committees in both the House and Senate have taken the lead in focusing more attention on Federal credit programs and on bringing them under better control through the budget and appropriations process. Senator GORTON has chaired a temporary subcommittee of the Senate Budget Committee on Federal credit programs and held a highly informative set of hearings in the last Congress.

More recently, the Senate Banking Committee has established a new Subcommittee on Federal Credit Programs under the chairmanship of Senator TRIBLE. The Senate Banking Committee is in a key position in controlling Federal credit programs since it has jurisdiction over the Federal Financing Bank. It also originates most of the programs involving the use of loans or loan guarantees. I was pleased to learn that Senator TRIBLE has scheduled hearings of the Subcommittee on Federal Credit Programs on March 15 and that the Federal Financing Bank will be a principal subject of the hearings.

Mr. President, the significance of the Federal Financing Bank can only be understood within the context of the explosion in Federal credit programs that has occurred over the last several years. For example, during the last 6 years, Federal lending has grown twice as fast as Federal spending. The net amount of new credit made available under all Federal credit programs increased from $37 billion in 1977 to a projected $131 billion in 1983. This represents an annual growth rate of 24 percent, whereas Federal spending grew only 12 percent a year during the same period. About 95 percent of the growth in Federal credit programs occurred outside the unified budget. Excluding federally sponsored agencies, nearly 40 percent of all Federal credit programs are financed through the Federal Financing Bank.

The rapid growth of Federal credit programs has diverted an increasingly larger share of our national savings away from productive investments in the private economy. In 1977, Federal credit programs absorbed 12 percent of the total amount of credit available in the economy. By 1982, Federal credit programs claimed 22 percent. When the Federal deficit is added in, the total amount of credit absorbed by the Federal Government was 49 percent in 1982 and it could exceed 75 percent in 1983. It is little wonder that interest rates have remained so high.

Most of the rapid growth in Federal credit programs occurred without any systematic determination of priorities by the Congress. We made loan guarantees to bail out New York City and Chrysler while thousands of small businessmen went bankrupt because of high interest rates. We are making billions of dollars in loan guarantees available to synthetic fuel plants too risky for the private market to finance while the housing industry was practically deciminated. We have guaranteed billions of dollars in loans to Soviet bloc countries when the prospects for repayment are dubious. And we have made subsidized credit available to increase our exports of long-distance jet aircraft when U.S. companies have had a virtual monopoly of the market.

Clearly, we must bring Federal credit programs under better control if we are to spur out lagging productivity and bring down the astronomically high interest rates that have devastated our economy.

Efforts to control Federal credit programs have proceeded along two channels. The first is to establish binding ceilings on the aggregate amount of Federal credit activity through the congressional budget process as reflected in legislation introduced by Senator PERCY and Congressman MINETA. The second is to close some of the gaps in the unified budget that permit Federal credit activity to be recorded outside the unified budget. The most notable gap is the exclusion of the Federal Financing Bank. Both approaches are needed to bring Federal credit programs under better control by the Congress.

The Federal Financing Bank is a relatively obscure agency of the Treasury that operates wholly outside the budget and the regular appropriations process. It has no tellers, no windows, no pillars, and is not even listed in the phone book. It has only seven full-time employees and yet it holds over $125 billion in outstanding loans and makes new loans of over $25 billion a year. In just 9 years it has become the largest bank in the United States.

The Bank was established by the Congress in 1973 to provide a more efficient method of financing Federal credit programs. Prior to 1973, many Federal agencies sold their own securities directly in the Government securities market but often at a cost substantially above the cost of Treasury borrowing. The Financing Bank was created to provide lower cost financing for these agencies with funds borrowed from the Treasury. The effect of the Financing Bank legislation is to substitute Treasury borrowing for agency borrowing at a lower net cost to the Government. The 1973 legislation also provided that the receipts and disbursements of the Bank shall be excluded from the unified budget.

The Federal Financing Bank certainly plays an important role in our system of Government finance. I supported the establishment of the Bank in 1973 and I continue to support its existence. However, I strongly believe that the time has now come to include the operations of the Bank in the unified budget. The same conclusion was reached by the General Accounting Office and the House Budget Committee. Similarly, a recent report by the Congressional Budget Office has documented the disortions arising from the Bank's budget exemption.

A budget serves two main purposes: First, it should provide a complete and accurate picture of the total operations of the U.S. Government; second, it should provide a rational method for allocating scarce dollars among competing uses. Excluding the Federal Financing Bank from the budget violates both of these purposes.

Excluding the Federal Financing Bank from the budget misleads the public about the true size and scope of the Federal Government's activities and its true budget deficit. Had the operations of the Bank been included in the budget in fiscal year 1982, total outlays and the Federal deficit would have been $14 billion higher.

At a time when we are trying to reverse the relentless expansion of the Federal Government, we do not serve our purposes well by attempting to conceal $14 billion in additional deficit spending. This money must be borrowed by the Treasury along with the money needed to finance the recorded budget deficit. There is no difference in either type of borrowing. Each has the same inflationary effect on financial markets and the economy. We are simply fooling ourselves and impairing our own credibility when we perpetuate these budgetary gimmicks.

Keeping the Federal Financing Bank offbudget also undermines our ability to allocate dollars wisely. The availability of offbudget financing through the Bank gives certain favored credit programs an unfair advantage in the competition for Federal funds. For example, outstanding loans held by the Bank increased at a 29-percent annual rate over the last 5 years, a growth rate that is more than twice the rate of increase in spending for onbudget programs. Most of the growth in Bank-financed credit program probably met legitimate needs. However, there is a strong likelihood that some of those programs would not have expanded quite as fast if

they had to compete, dollar for dollar, with all other Federal programs that are included in the budget.

Previous attempts to put the Federal Financing Bank in the budget have met with technical objections from the Treasury. One argument has been that it would not be appropriate to assign the budget authority and outlays to the Treasury when the underlying transactions are initiated by other Federal agencies. Another argument is that placing the Bank in the budget would cause Federal agencies to finance their programs directly in the Government securities markets again, thereby resurrecting all of the problems that gave rise to the establishment of the bank in 1973.

My bill, is designed to overcome these technical objections while still placing the activities of the bank in the budget.

First of all, it repeals section 11(c) of the Federal Financing Bank Act which provides that none of the receipts and disbursements of the Bank shall be included in the budget of the United States.

Second, the outlays resulting from any loan by the Financing Bank would be assigned to the agency originating the transaction. These agencies would have to obtain the budget authority in advance through the regular appropriations process. The Director of the Office of Management and Budget is authorized to issue implementing regulations that would override various special statutory provisions such as the favorable treatment given to certificates of beneficial ownership issued by the Farmers Home Administration.

Third, the legislation would prohibit Federal agencies from financing their program in the Government securities market unless the securities were first offered to the Bank. The Secretary of the Treasury would be permitted to waive bank financing in cases where the security was not an appropriate investment for the Bank.

Fourth, my proposed legislation would not become effective until fiscal year 1985. This will avoid any disruption in considering the budget for fiscal year 1984, which has already been submitted to the Congress.

Putting the operations of the Federal Financing Bank in the budget will provide the Congress and the public with a more accurate picture of the size and scope of the Federal Government's activities. It will also insure that Federal Credit programs financed through the Bank compete, dollar for dollar, with all other Federal programs. I believe this legislation is an essential first step toward truth in budgeting and I am hopeful it can be enacted this year.

Mr. President, I ask unanimous consent that the text of the legislation be included in the RECORD at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Truth in Budgeting Act of 1983".

REPEAL OF BUDGET EXEMPTION

SEC. 2. Section 11(c) of the Federal Financing Bank Act of 1973 (Public Law 93-224) is amended to read as follows:

"(c) All receipts and disbursements of the Bank shall be reflected in the unified budget. Amounts paid by the Bank for the purchase of loans made or guaranteed by a Federal agency shall be recorded as outlays by that agency and shall not exceed amounts of budget authority provided the agency for such purposes. The Director of the Office of Management and Budget is authorized and directed to issue regulations prescribing the manner in which this subsection is to be implemented, and such regulations shall have precedence over any prior provision of law or other regulation to the contrary.".

LIMITATIONS ON AGENCY FINANCING

SEC. 3. Section 7 of the Federal Financing Bank Act of 1973 (Public Law 93-224) is amended by adding at the end thereof the following new subsection:

"(d)(1) A Federal agency may not—

"(A) issue or sell an obligation of a type which is ordinarily financed in investment securities markets unless that obligation is first offered for sale to the Bank; or

"(B) guarantee an obligation of a type which is ordinarily financed in investment securities markets unless the terms of the guarantee provide that it will cease to be effective if the obligation is held by any person or governmental entity other than the agency making the guarantee or the Bank.

"(2) The Secretary of the Treasury shall issue regulations to carry out the provisions of this subsection, and such regulations shall list the types of obligations to which this subsection applies.".

EFFECTIVE DATE

SEC. 4. (a) The amendments made by this Act shall take effect on October 1, 1984.

(b) The amendments made by this Act shall not be deemed to be superseded, modified, or repealed except by a provision of law which is enacted after the date of enactment of this Act, and which amends the Federal Financing Bank Act of 1973.

● Mr. GORTON. Mr. President, I am pleased to be given this opportunity to support the bill offered by my distinguished colleague from Wisconsin which will bring the operations of the Federal Financing Bank (FFB) in the unified Federal budget. My colleague is entirely correct in saying that the exclusion of the FFB from the unified budget is the single largest loophole in the current budget process. That was also the finding of the Budget Committee Task Force on Federal Credit, of which I was chairman. This finding is shared by others who have studied the issue, including the House Budget Committee, the Congressional Budget Office, and the General Accounting Office.

A budget should provide a complete and accurate accounting of the entire fiscal operations of the Government, and it should provide the information necessary to allocate scarce Federal resources rationally among the many competing uses. The present exclusion of the Federal Financing Bank from the unified budget defeats both purposes. This bill would remedy this defect by placing the activities of the FFB on-budget.

Nothing in this bill would hinder the Federal Financing Bank in the useful function it performs. The bank would continue operating, as it has the last several years, as a clearinghouse for the issuance of debt by Federal agencies. Prior to the creation of the FFB, numerous Federal agencies were permitted to borrow in private credit markets, often at rates above that available to the Treasury. The Federal Financing Bank was created in 1974 to issue a single security as a substitute for the multitude of agency debt issues then in existence, and to relend the proceeds to Federal agencies in need of financing to operate their programs. The FFB has proven effective in reducing the number of Government securities and in reducing the cost of borrowing to Federal agencies.

The legislation which created the FFB has, however, some unfortunate side effects for truth in budgeting. The enabling legislation specifically placed the bank's operations off-budget. This, in my view, is a shortcoming which must be corrected, since it results in an understatement of the true extent of Government fiscal operations. In fiscal year 1981, the FFB, in its support of Government agencies, borrowed $21 billion from the U.S. Treasury. The Treasury in turn had to borrow a like amount from the public, in addition to the $58 billion which was borrowed to finance the onbudget deficit. While the budget showed a deficit of $58 billion, the Treasury had to borrow $79 billion—the amount of the true deficit. The exclusion of the activities of the FFB from the budget thus understates the true deficit and keeps the Federal budget from providing a complete and accurate accounting of the entire fiscal operation of the U.S. Government.

The existing legislation authorizing the Federal Financing Bank allows the circumvention of the budget process by disguising the true level of activity of certain Government agencies. The statute allows certain agencies to sell certificates of beneficial ownership (CBO's) to the Federal Financing Bank in return for cash to expand a program beyond the level authorized by congressional appropriations. An agency which has made several direct loans can replenish its lending author-

ity by issuing CBO's to the Federal Financing Bank, in return for which the FFB will advance funds to the agency. This transaction is treated as a sale of loans, although neither the actual loan nor the risk of default is transferred to the FFB. The scoring of outlays and budget authority expended is correspondingly reduced by the transaction. Thus, within existing appropriations, the agency is free to loan the newly acquired funds. In this way an agency, by using the FFB, can cirvumvent the budgetary restrictions placed on it by Congress.

This bill would eliminate both of the budgetary problems created by the Federal Financing Bank. It would require that the receipts and disbursements of the Federal Financing Bank be included in the budget of the United States. Thus, the Federal budget will reflect more accurately the fiscal operation of the U.S. Government.

This bill also repeals the section of the Federal Financing Bank Act which requires that the activities of the bank be excluded from the budget. It would require also that Federal agencies responsible for transactions with the FFB be assigned the resulting budget authortiy and outlays. This bill insures that Federal agencies will not return directly to the securities markets by requiring that they first offer their loans and securities to the FFB. Finally, this bill would not take effect until fiscal year 1985 to allow time to adjust to the new provisions.

I believe that this bill will be a positive step toward improving the budget process. The inclusion of the activities of the Federal Financing Bank in the unified Federal Budget would not only improve the accuracy of the budget, it also would make the budget a better instrument for allocating and controlling Federal expenditures. I urge its adoption.●

By Mr. HEINZ:

S. 712. A bill to amend the Social Security Act to provide an exemption from coverage under the social security program, for employees who are members of the Amish sect, or a sect which opposes participation in such program and to provide a similar exemption for employers engaged in farming and their employees in cases where both are members of such faiths; to the Committee on Finance.

EXEMPTION FROM SOCIAL SECURITY FOR AMISH, AND OTHER SIMILAR RELIGIOUS SECTS

● Mr. HEINZ. Mr. President, today I am introducing S. 712, an exemption from social security for the Amish, and members of other religious sects. In 1965, Congress amended the social security law to exempt self-employed members of certain religious sects. The exemption was extremely limited and applied to only those few sects which have been in existence since 1950, which are conscientiously opposed to the acceptance of private or public insurance and which makes provision for the care of its dependent members. To be exempt, a member must waive his right to all social security payments, including medicare benefits, which may be payable to him or his dependents.

The Amish community is the most notable sect to which this exception applies. It is the Amish belief that they, with God's help, should provide for themselves in their old age as well as their parents, and that it is a sin to participate in any type of government program which would provide assistance for their members.

The 1965 exemption was very narrowly drafted to apply only to those who are self-employed since the persons to whom the law applied were farmers dedicated to the principles of separation from the world and related principles of self-sufficiency and mutual aid. Due to this philosophy, most, if not all Amish workers were, in 1965, self-employed as farmers. Due to economic problems in this country, as well as the dramatically increasing value of farmland, some Amish cannot afford to purchase their own farm. These members now work for other farmers.

The expanded exemption which I propose would only benefit this narrowly defined, clearly recognizable group of Amish who are forced into the situation of working for others; and it only applies if both employer and employee are Amish.

The Amish are not opposed to all taxes. They are opposed only to inclusion into the insurance programs which would erode their principle of self-sufficiency for themselves and future generations.

Nor would this bill encourage people to convert to become Amish to avoid payment of social security tax. There have been relatively few converts in the past due to the rigorous life style and deep commitment to support the community. On an average farm of 60 acres, an Amish family might earn $7,000 in a good year—plus the pigs, chickens and vegetables they eat themselves. Hard as their life seems, few Amish leave it. If they do leave the community and the religion, they will no longer be exempt from the social security provisions.

The total population of the Amish community today is estimated at 90,000. While the Amish do not keep precise records of their membership, we know that approximately 50 percent of the number are children under 16 and 99 percent of Amish women do not seek employment outside the home. It is estimated that the Amish men in the work force who are not self-employed number approximately 8,000 persons. Obviously, the number of workers to be exempted in my bill is small and their labor generates only a small amount of wages and taxes. Exempting a group of believers of this size has minimal impact on the revenues of the social security trust funds and hardly endangers the solvency of the social security system. The cost to the Government in accommodating the religious beliefs of those unquestionably sincere sects is minuscule compared to the magnitude of the religious compromise forced upon them by requiring that they pay the social security tax.

The expanded exemption would only benefit a narrowly defined, clearly recognizable group. In matters of administration, I am informed that the Social Security Administration carefully scrutinizes all applications for the existing self-employment exemption to determine whether a sect is a legitimate one meeting statutory requirements. Therefore, granting the exemption proposed in my bill would not lead to abuse, uncontrollable expansion, or an undermining of the soundness of the social security system.

What motivates this bill is a recent U.S. Supreme Court case, United States against Lee, in which an Amish farmer failed to pay social security taxes on his Amish employees. The court held that under the 1965 statute, he owed the taxes and that it was up to Congress to provide otherwise.

It is now time for Congress to provide explicitly otherwise—to narrowly expand an already narrow exemption from the Social Security Act. It is time for Congress to continue to provide an exemption to members of those few religious sects who feel that it is a sin to be involved with any form of a social insurance program designed to provide for health and retirement benefits.●

By Mr. WEICKER:

S. 713 A bill to provide that the Secretary of Health and Human Services may grant deemed certification status under the medicare program with respect to comprehensive outpatient rehabilitation facilities and other outpatient rehabilitation clinics and agencies accredited by a national organization to the same extent and under the same conditions with respect to other providers; to the Committee on Finance.

MEDICARE ELIGIBILITY OF OUTPATIENT REHABILITATION FACILITIES

● Mr. WEICKER. Mr. President, the legislation which I am introducing today authorizes the Secretary of Health and Human Services to accept accreditation by the Commission on Accreditation of Rehabilitation Facilities (CARF) in determining the medicare eligibility of outpatient rehabilitation facilities. The bill simply gives the Secretary the discretion to recog-

nize CARF accreditation in lieu of certification by a State medicare agency.

Under present law, all rehabilitation agencies and comprehensive outpatient rehabilitation facilities which provide medicare services must be certified by State medicare agencies. Each year, the State agency must survey each facility and certify that it meets the standards required to be a medicare provider. This process insures that beneficiaries under the program are receiving the quality services to which they are entitled.

Many of the same facilities which must undergo annual surveys by their State agencies also seek accreditation by CARF. CARF is a private, nonprofit organization established by and for the field of rehabilitation to adopt and supply standards in facilities throughout the United States. Rehabilitation facilities seek CARF accreditation because it is a symbol of excellence among health care professionals and the public.

In order to receive CARF's approval, strict adherence to quality service is required.

CARF surveys are conducted by recognized experts who are knowledgeable in the delivery of services to individuals with disabilities. Surveyors are selected based on their familiarity with the particular type of programs operated by the facility requesting accreditation. Site survey teams spend approximately 1½ days in the facility applying the standards and making a determination of the specific strengths and weaknesses of the facility and program with respect to the standards. A detailed survey report is then prepared. The report goes to the CARF Board of Trustees which makes the final accreditation decision.

The commission's member organizations have grown over the years to include a number of national organizations involved in rehabilitation. These members, which effectively provide a broad base of representation of the various segments and points of view in rehabilitation, include: the American Hospital Association; Goodwill Industries of America, Inc.; the National Easter Seal Society; the National Rehabilitation Association; and the United Cerebral Palsy Associations, Inc. the Board of Trustees of the Commission on Accreditation of Rehabilitation Facilities is composed of representatives of these members, plus at-large trustees appointed by the board.

A few years ago, some of the sponsoring members of CARF asked the Secretary of Health and Human Services to create "deemed status" for CARF-accredited facilities. The officials at the Health Care Financing Administration (HCFA) who undertook the long and tedious process of evaluating and comparing them with medicare regulations for outpatient providers were impressed with the commission's standards. The Director of Health Standards and Quality Bureau indicated that CARF's program is "an effective standardization instrument and is symbolic of the excellence of your total organization efforts directed toward improving the quality of rehabilitation services." In the final analysis, however, HCFA officials indicated that they were precluded by statute from granting "deemed status" to CARF. HCFA based its decision on an opinion by the Office of General Counsel which stated that the "failure to provide the authority" was apparently "an oversight on the part of Congress, rather than a conscious choice."

My bill would give the Secretary the discretion to accept CARF accreditation if it is determined that CARF's standards meet the criteria in the medicare regulations. It would not mandate the Secretary to do so. Furthermore, if "deemed status" is established for CARF-accredited facilities, those facilities which are not CARF accredited could continue to provide medicare services as long as they are certified by the State medicare agency. The measure, if approved, would simply eliminate the need for outpatient rehabilitation facilities to undergo two essentially duplicative surveys. This would not only save the facilities administrative expenses incurred from site surveys, but would also reduce unnecessary Government expenditures.

My bill has been endorsed by the National Easter Seal Society; the Easter Seal Society of Connecticut, Inc.; and the seven Easter Seal rehabilitation centers in the State of Connecticut.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 713

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1865(a) of the Social Security Act is amended—

(1) by inserting ", the Commission On Accreditation of Rehabilitation Facilities," after "American Osteopathic Association"; and

(2) by striking out "or (dd)" and inserting in lieu thereof "(p), (cc), or (dd)".●

By Mr. PERCY (by request):

S. 714. A bill to amend the Foreign Assistance Act of 1969 to authorize fiscal year 1984 appropriations for the Inter-American Foundation, and for other purposes; to the Committee on Foreign Relations.

AUTHORIZATION OF APPROPRIATIONS FOR THE INTERAMERICAN FOUNDATION

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the Foreign Assistance Act of 1969 to authorize approprations for the Inter-American Foundation.

This legislation has been requested by the Inter-American Foundation and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is referred to the Foreign Relations Committee.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the President of the Inter-American Foundation to the President of the Senate dated January 31, 1983.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 714

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 401(s)(2) of the Foreign Assistance Act of 1969 (22 U.S.C. 290f(s)) is amended to replace the phrase "$12,000,000 for each of the fiscal years 1982 and 1983" with the phrase "$10,705,000 for the fiscal year 1984 and such sums as may be necessary for fiscal year 1985" as follows:

"(2) There is authorized to be appropriated not to exceed $10,705,000 for the fiscal year 1984 and such sums as may be necessary for fiscal year 1985 to carry out the purposes of this section. Amounts appropriated under this paragraph are authorized to remain available until expended.".

INTER-AMERICAN FOUNDATION,
Rosslyn, Va., January 31, 1983.

Hon. GEORGE BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with Office of Management and Budget Circular No. A-19, revised, the Inter-American Foundation respectfully submits proposed legislation amending the Foreign Assistance Act of 1969 to authorize the sum of ten million seven hundred and five thousand dollars ($10,705,000) for Fiscal Year 1984, and such sums as may be necessary for Fiscal Year 1985.

The Office of Management and Budget advises us that there is no objection to the presentation of this draft proposal to the Congress from the standpoint of the Administration's program.

If there are any questions, please contact us.

Sincerely,

PETER D. BELL,
President.●

By Mr. CRANSTON:

S. 715. A bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Thanksgiving in Peshawar"; to the Committee on Foreign Relations.

RELEASE OF FILM ENTITLED "THANKSGIVING IN PESHAWAR"

Mr. CRANSTON. Mr. President, I am introducing today a bill allowing the U.S. Information Agency (USIA) to release for distribution in this country the film, "Thanksgiving in Pesha-

war." USIA is prohibited from distributing films it produces in the United States unless the Congress grants an exception through legislation. I believe this film justifies such a waiver.

The subject of "Thanksgiving in Peshawar" is the trip that Kirk Douglas undertook to the Afghan refugee camps on the Pakistani border during the Thanksgiving holidays of 1982. Mr. Douglas is well known to us all as the outstanding actor with numerous excellent films to his credit. The purpose of his trip was to see firsthand the plight of the Afghan refugees and the problems that these refugees are creating for Pakistan. Mr. Douglas also conveyed the concern of the American people for the tremendous hardships that the people of Afghanistan face as a result of the Soviet invasion and occupation of their country.

The film documents Mr. Douglas' experience, and I believe people here in the United States would benefit from seeing it. Thus, I hope that the Senate will act expeditiously on this resolution so the film can be made available to the American people as soon as possible.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(A) the Director of the United States Information Agency shall make available to the Administrator of General Services a master copy of the film entitled "Thanksgiving in Peshawar"; and

(B) subject to paragraph (2), the Administrator shall reimburse the Director for any expenses of the Agency in making that master copy available, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(2) The Administrator shall carry out his duties under clause (B) of paragraph (1) only after the United States Government has acquired, after the date of enactment of this Act, any remaining license or other rights which are not Government-held before such date and which are required for distribution within the United States of the film entitled "Thanksgiving in Peshawar" without use of funds appropriated or otherwise made available to any department, agency, instrumentality, or office of the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

By Mr. STEVENS:

S. 716. A bill for the relief of M. Sgt. Paul D. Camp, Senior, U.S. Air Force (retired); to the Committee on the Judiciary.

RELIEF OF PAUL D. CAMP, SENIOR

Mr. STEVENS. Mr. President, in April 1973 U.S. Air Force M. Sgt. Paul Camp received an injury while opening a door at Keesler AFB, Miss., that resulted in a stiff right little finger. Improper and negligent treatment of this minor injury led to amputation of his right arm, complete uselessness of his upper right extremity, and continuous searing pain.

Sergeant Camp's tortuous experience of multiple operations, each one making his hand worse, each one causing him more pain, is explained in detail in the following account. It is sufficient to say here that medical and legal experts maintain that in normal, civilian circumstances the treatment Sergeant Camp received would have constituted gross malpractice. The result of this series of tragic mistakes and blunders for Paul Camp is a life ruled by pain, disfigurement, depression, and anxiety.

In his summary of the events leading to this tragic situation, Sergeant Camp stated:

". . . I was used by doctors to gain experience in hand surgery. I am informed that a zig-zag incision known as a Brenner's Incision is never used in hand surgery but this type of incision was used on my hand.

Multiple operations were performed on my hand within a ten months period. I am told that multiple operations should never have been performed on a hand in less than one year and the time should be eighteen months.

I have been fighting for six and a half years to try to get some relief from the malpractice that was involved in early 1973. . . . I am in extreme pain most of the time. Any stress, excitement, sexual activity, anxiety, or weather change all trigger the electrical type shocks and burning sensations all the way up the base of my skull.

This treatment, which the Air Force claims "may have been negligent," and was termed "inadequate" by the Air Force's own doctor in 1976, resulted in a peptic ulcer disease in conjunction with reflex esophagitis. These maladies cause Mr. Camp the severe pain he feels, for which there seems to be no medical cure.

His life shattered by the negligence of Air Force doctors, Paul Camp's fight for "relief" is legally thwarted by the holding of *Feres* v. *United States,* 340 U.S. 135 (1950). In that case, the Supreme Court held that service personnel may not recover damages in a suit against the Government under the Federal Tort Claims Act (28 U.S.C. 2671 et. seq.) for injuries sustained incident to military service.

The Court's decision in the Feres case was based on two considerations. The first of these is the potential for an adverse effect upon military discipline if servicemen could "haul their superiors" into court for alleged negligence. The second consideration in the Feres case is the compensation system set up by Congress to provide servicemen with recoveries. According to the Court:

The compensation system, which normally requires no litigation, is not negligible or niggardly. . . . The recoveries compare extremely favorably with those provided by most workman's compensation statutes.

A system of parallel compensation for parallel liability between the civilian and military spheres is thereby established.

I am submitting this bill because Sargeant Camp has suffered greatly because of a Government action. This award would help give him the relief for which he has struggled. The award would not set, and is not intended to set, a precedent harmful to military discipline. This case has been termed by one Air Force doctor "the most bizzare I have even seen," and constitutes a special circumstance that warrants a waiver of the Feres principle. Finally, the compensation Sergeant Camp would receive without passage of this measure would be grossly inadequate both in comparison to a parallel situation in civilian life, and to the concept of substantial justice.

I am submitting this bill because I believe that the Feres principle does not apply to the present case. This bill is an attempt to right a wrong, to sooth pain, to heal wounds. It is offered in the hope that justice can be accomplished in one man's life.

By Mr. THURMOND:

S. 717. A bill to amend section 8 of the Uniformed Services Survivor Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

SURVIVOR BENEFIT PLAN FOR MILITARY WIDOWS

Mr. THURMOND. Mr. President, today, for the fourth time, I am introducing legislation for a long-ignored and well-deserving segment of the military community known as the forgotten widows. This legislation will provide the survivors benefit plan (SBP) for the aged widows of retired military personnel who died before the SBP program was established by Congress on September 21, 1972, under Public Law 92-425. Unfortunately, these widows were not included in the plan at that time.

This bill will provide an SBP annuity for these widows which is equal to 55 percent of their deceased husband's retired pay at the time of death, to include future cost-of-living increases.

There are less than 40,000 of these elderly widows. Now through the new defense enrollment eligibility report system (DEERS) data base for military health care, the Defense Department should be able to establish more accurately the exact number of the forgotten widows. This problem was one of the dilemmas previously facing the Defense Department which will no longer exist when the DEERS program is fully implemented.

Mr. President, in my judgment, Congress has far too long ignored these inequities created among the same categories of people. In its 1978 study, the President's Panel on Military Compensation did not directly address this problem. However, members of the Panel recommended that Congress determine "the adequacy of survivor benefits for certain military widows."

A precedent for the objective sought in this legislation was established for civil service widows. The civil service survivor benefit plan was passed in 1948. In 1958, it was made retroactive to include all pre-1948 widows. In contrast, the military SBP was not passed until 1972, and it has not been made retroactive, thereby creating the inequity and discriminatory situation which my bill seeks to remove. Military personnel are Federal employees in every sense of the word. They deserve the same rights and privileges Congress has accorded the nonmilitary Government employees.

Mr. President, there are those who feel that adequate opportunity existed for these widows to be covered by the retired serviceman's family protection plan (RSFPP). A closer look reveals that the RSFPP was poorly drafted and flawed by inconsistencies that proved to be prohibitive. Due to low military pay at that time, only 15 percent of service personnel could afford to purchase the coverage afforded by the plan. Moreover, in some instances, the premiums were 2½ to 5 times as great as those charged contemporary civilians for the same coverage.

To understand the plight of these widows, one must consider what they have been through. Most of these women functioned in traditional family roles as wife, homemaker, and mother in the context of military service. During long periods, they supported the military work of their husbands, while also contributing to the economic and emotional well-being of the family unit. In most cases, of course, the servicemen's inadequate pay and transitory lifestyle made a normal home and savings program impossible.

Additionally, few military widows were aware of the ramifications of their husbands' deaths. Survivor benefits were assumed. These women trusted that the military would not simply close the deceased's file and forget them. In many cases, upon the death of the servicemen, all monetary benefits ceased. The earlier RSFPP was so poorly programmed it often did not reach the field. Not until the passage of the SBP program in 1972, did it become mandatory by law that the spouse be notified in writing, if the serviceman did not participate in the SBP program.

Mr. President, most of these forgotten widows are very elderly women of diminishing means. Some of them whose husbands were covered by social security after 1957 and rely solely on that source of retirement have annual incomes of as little as $2,810. Those whose husbands retired prior to 1956 are not covered by social security under their husband's earnings. Most do not have alternative means of support.

Mr. President, these military widows are victims of long periods with low pay and many are today existing in poverty. They spent most of their lives in a military transient status. Now, economic captives, their current problems include dependence on welfare, evictions from apartments as the buildings are converted to condominiums, skyrocketing health care costs, unaffordable nursing home charges, and ever-increasing inflation, generally. Many are minimum-income widows who are in dire straits due to the fact that their income simply has not kept pace with inflation.

Over the past several years I have received hundreds and hundreds of pleading letters from these elderly widows from across our country. Many of them are barely surviving; most of them manage to keep their pride and dignity even in poverty.

The SBP program as passed in 1972 was not flawless. Clearly, it has proven to be a sound improvement over the disastrous RSFPP program; however, legislation has been necessary to correct certain oversights and inequities since 1972.

In 1981, one glaring oversight in the SBP program was corrected. Congress made the program retroactive to include widows whose husbands were eligible to retire but who died on active duty prior to the enactment of the SBP program in 1972.

Mr. President, it is time to give the forgotten widows equitable consideration. Not only have we ignored their plight for these many years, but we have failed to acknowledge their cause. Understandably, they feel rejected and many are bitter. It is as if the country had turned its back on their courageous husbands who gave 20, 30, and in some cases 40 years of the most productive years of their lives for our country. We must now give these forgotten widows the recognition and compensation they deserve.

Mr. President, I call to the attention of my colleagues that the military survivor benefit plan since 1972 has collected from retirees $1.7 billion more than has been paid out by the Treasury to widows. It should be emphasized that the costs for this measure are not expected to be excessive. Moreover, the costs will decline rapidly, because most of these senior citizens are very elderly. By the year 2000, it is doubtful that any of these widows will be living.

Mr. President, the passage of my bill would be a milestone for these elderly widows who, in support of their husbands, gave the best years of their lives for our country. It is inconceivable that our country has deserted them. The Congress must face its responsibility to these widows. This is another opportunity to restore the faith we have not maintained for our military community.

The bill I am introducing today will correct this injustice for these proud and elderly widows who made many sacrifices for our country. I urge my distinguished colleagues to act favorably and with compassion on this vital legislation.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (B) of section 5(a)(1) of the Uniformed Services Survivor Benefits Amendments of 1980 (10 U.S.C. 1448 note) is amended to read as follows:

"(B) had served on active duty in the uniformed services for a period of not less than twenty years; and".

SEC. 2. The amendments made by the first section of this Act shall be effective on the first day of the second calendar month following the month in which this Act is enacted and shall apply to annuities payable by virtue of such amendment for months beginning after such date.

(b) No benefits shall accrue to any person by virtue of the enactment of this Act for any period before the effective date of this Act.

By Mr. SPECTER:

S. 718. A bill to establish a Commission on High Technology and Employment Potential; to the Committee on Governmental Affairs.

COMMISSION ON HIGH TECHNOLOGY AND EMPLOYMENT POTENTIAL ACT OF 1983

Mr. SPECTER. Mr. President, I am today introducing a bill to establish a National Commission on High Technology and Labor Potential. This legislation recognizes and addresses the problem of America's rapidly changing economy and the displacement of thousands of workers formerly employed in labor-intensive industries.

It is a commonly held belief that technological innovation necessarily leads to the elimination of jobs.

Recent data, however, indicates that this view is a harmful misconception. Most healthy industries that employ high technology will actually realize reduced costs as they increase demand and create new wealth. This wealth can then be used to create new products and services which will stimulate employment. Advanced technology, which includes such fields as robotics, biotechnology, computers, and telecommunications is expected to generate more than 1 million jobs nationwide within this decade.

But while employment opportunities have become increasingly available, there is an acute shortage of technologically skilled labor to fill these positions. The Department of Labor's Bureau of Labor Statistics estimates a shortage of 2.5 million skilled workers in all technical fields during the 1980's. This mismatch between jobs and available labor is alarming; a shortage of skilled personnel may well inhibit the future technological growth this Nation is counting on to remain the world's industrial leader. Furthermore, a shortage of skilled labor presents a significant threat to our national security. Richard D. Delauer, Defense Under Secretary for Research and Engineering, reported to the Senate Subcommittee on Science, Technology, and Space in March of last year that the lack of trained labor is the most disturbing problem facing the defense buildup.

While there is a genuine need to meet the immediate and growing demand for highly skilled labor, there is an even greater concern to provide meaningful employment to the thousands who have been laid off from manufacturing and other labor-intensive industries. These displaced workers are a potentially invaluable resource as many already posses the fundamental skills required for technical vocations.

Mr. President, I wish to share with my colleagues a most encouraging project to begin next month at the Community College of Allegheny County. A State-funded program, developed by the United Steelworkers and the community college, will attempt to cross-train unemployed steelworkers by building on existing skills in a short period of time. The next phase of this program will focus on laid off workers with electrical proficiency and train them to be robotics technicians.

Another important program worthy of recognition is the Ben Franklin Partnership, established by the Pennsylvania General Assembly to marshal the resources of the academic, government, and private sector. The partnership's objective is to formulate long-range plans for harnessing the products of technological innovation. To reach this goal, Pennsylvania will be funding innovative projects in robotics, agriculture, biotechnology, and computers, and taking inventory of scientific and technical research facilities in higher education and the private sector.

These promising endeavors represent a positive approach to addressing this country's structural unemployment problem. It is my sense that a national dialog is needed to promote the exchange of information regarding high technology and employment potential. The results of these projects, and other pioneer programs around the country, should be made available for the benefit of other States and regions with displaced workers and technology needs.

The legislation I present today is necessary if this Nation is to keep pace in the race to cultivate computer-based technologies. The Commission I propose in the bill was originally suggested by Dr. Richard M. Cyert, president of Carnegie-Mellon University, in a public address.

Clearly, it is essential that we begin to forge a national strategy that will enable us to employ our existing labor resources to meet the urgent demand for technical skills. The Commission, comprised of members from business, labor, and academic communities, will report to the Congress on how our Nation can implement a comprehensive national policy on training the unemployed from manufacturing industries to meet the labor demands in the growth of high technology enterprises. This effort will include and examination of future industrial needs for technically skilled labor, the educational and training qualifications necessary to meet these labor demands, and the existing public and private institutions and organizations available to provide this crucial training. Additionally, the Commission will report on how we can prepare those entering the work force for emerging jobs that require technical skills.

Mr. President, the establishment of this national Commission is an important first step in recognizing our evolving economy and ensuring our preparedness in the current technological revolution.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commission on High Technology and Employment Potential Act of 1983".

COMMISSION ESTABLISHED

SEC. 2. (a) There is established a Commission to be known as the Commission on High Technology and Employment Potential (hereinafter in this Act referred to as the "Commission").

(b) The Commission shall be composed of nine members appointed by the President, by and with the advice and consent of the Senate, of whom—

(1) three members shall be appointed from among individuals who are representative of the business community;

(2) three members shall be appointed from among individuals who are representative of labor organizations; and

(3) three members shall be appointed from among individuals who are representative of the educational and academic community.

(c) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

(d) Five members shall constitute a quorum. The Chairman shall be selected by the members from among the members of the Commission.

FUNCTIONS OF THE COMMISSION

SEC. 3. (a) The Commission shall make a complete and full study of the means of implementing a comprehensive national policy on training and educating employees in traditional manufacturing industries to meet the labor demands in the growth of high technology industries, including a consideration of—

(1) the projected growth of industries in fields utilizing high technology, including computers, robotics, biotechnology, and telecommunications;

(2) the projected decline in the demand for labor in traditionally labor intensive manufacturing industries;

(3) the projected need and future demand for labor in the developing high technology industries;

(4) the educational and training qualifications necessary to meet labor demands in high technology industries;

(5) the identification of segments of existing and future work forces which may benefit from retraining or training to meet labor demands in high technology industries;

(6) the existing public and private institutions and organizations available to provide training and education and their adequacy in terms of implementing a national policy;

(7) the means of financing such a national policy; and

(8) the role of Federal, State, and local governments, educational institutions, academicians, labor organizations, and the business community in implementing such a policy.

(b) The Commission shall submit to the President and to the Congress such interim reports as it deems advisable and not later than one year after the date of enactment of this Act, a final report of its study and its recommended national policy, together with any other recommendations, including recommendations for legislation, as it deems advisable.

(c) The Commission shall cease to exist 60 days after the submission of its final report.

POWER AND ADMINISTRATIVE PROVISIONS

SEC. 4. (a) The Commission may, for the purpose of carrying out the provisions of this Act, hold such hearings as may be required for the performance of its functions under this Act, and consult with such representatives in the business community, organized labor, educational institutions, Federal, State, and local governments, and other organizations, associations, and individuals as the commission deems advisable to perform its functions.

(b) Each department, agency, and instrumentality of the executive branch of the Federal government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such information as the Commission deems necessary to carry out its functions.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, is authorized—

(1) to appoint and fix the compensation of such staff personnel as he deems necessary, including an executive director who may be compensated at a rate not in excess of that provided for level V of the Executive Schedule in title 5, United States Code, and

(2) to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

COMPENSATION OF MEMBERS

SEC. 5. Members of the Commission shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. THURMOND:

S. 719. A bill to amend subchapter II of chapter 73 of title 10, United States Code, to eliminate the social security offset against annuities provided for under such subchapter to the extent that the social security benefits of the annuitant are based on the annuitant's own employment; to the Committee on Armed Services.

MILITARY WIDOWS

Mr. THURMOND. Mr. President, with the enactment of Public Law 92-425 on September 21, 1972, Congress established the military survivor benefit plan—SBP—providing benefits for survivors of military retirees and active duty members who are retirement eligible. SBP is not only a vital element of the total military compensation package, it also demonstrates compassion for the families of our servicemen and women whose sacrifices for this great Nation are legendary.

Public Law 92-425 gave military careerists survivor benefits on a cost-sharing basis patterned after the plan that had first provided civilian employees of the Government with survivor benefits 24 years earlier. However, from the beginning, the military SBP contained a provision which I believe was contrary to the intent of Congress as indicated in the legislative history of Public Law 92-425; namely, applying an offset against social security benefits received by military widows based on their own—as opposed to their deceased husband's—earnings record.

Mr. President, to enable Congress to correct this apparently unintentional provision of Public Law 92-425, I am introducing this bill which would eliminate the social security offset for those widows who received social security benefits based on their own earnings. Eliminating this offset does not impact or affect in any manner the social security old age, survivors, and disability insurance program. Its impact is restricted solely to the military survivor benefit plan program. Further, passage of my bill will result in no addition to the retired pay appropriation account for the Department of Defense, since an estimated $1.7 billion more has been paid into the Treasury than has been disbursed to SBP recipients.

Mr. President, under Public Law 92-425 a widow who is entitled to spousal social security benefits has her SBP offset by the amount of that spousal benefit which is based on her deceased husband's post-1956 active military earnings. Any social security entitlement based on earnings other than military service is not included in the offset calculation; therefore, it makes no sense to impose an offset on a widow whose entire social security benefit is based on nonmilitary earnings.

Mr. President, a review of Senate Armed Services Committee Report No. 92-1089 accompanying S. 3905 clearly reveals it was not the intent of the committee that an offset would be imposed when military widows received social security benefits based on their own earnings. In my view, it simply is not equitable to impose a social security offset when a military widow is not receiving a spousal security entitlement based on her late husband's active military service.

Mr. President, to illustrate how the current law contravenes the intent of its framers, I quote from page 20 of Senate Report 92-1089:

S. 3905 provides a survivor payment to a widow of up to 55 percent of a military member's retired pay. After age 62 the Social Security attributable to military service is offset from this 55 percent level.

It is important to note, the committee does not mention earnings, outside military service; therefore, it is apparent they did not intend that such earnings be considered as a part of the offset.

Mr. President, I also quote from page 30 of this same report, which reveals that the current offset being imposed upon widows entitled to social security benefits on their own work record was not the intent of the committee:

In other words, when the widow reaches age 62, her annuity based on her husband's military retired pay would be offset by the equivalent of the Social Security payment which is attributable to her husband's military service.

It should be noted that the committee placed such importance on the words "attributable to her husband's military service" that they had it italicized in their report.

The committee further emphasized their point on page 31 with the statement:

It cannot be over emphasized that the only Social Security payments which are taken into account in this integration of benefits are the payments to the widow based on her husband's Social Security earned as a result of active duty in military service.

Mr. President, this unjustified offset against a widow's own social security benefits earned through her prior employment is clearly an inequity that should be rectified. I hope the Armed Services Committee and my distinguished colleagues will join me in promptly removing this offset.

Mr. President, I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1451(a)(3) of title 10, United States Code, is amended—

(1) by striking out in the first sentence "would be entitled" and inserting in lieu thereof "is entitled"; and

(2) by striking out the period at the end of the second sentence and inserting in lieu thereof the following: "or to the extent that the benefit to which the beneficiary is entitled is based on the beneficiary's own earnings or self employment.".

By Mr. THURMOND (for himself and Mr. HART) (by request):

S. 720. A bill to authorize certain construction at military installations for fiscal year 1984, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1984

Mr. THURMOND. Mr. President, by request, for myself and the senior Senator from Colorado (Mr. HART), I introduce for appropriate reference a bill to authorize certain construction at military installations for fiscal year 1984, and for other purposes.

There has been much discussion about the unemployment situation and the need for a "jobs bill" to "put America back to work." Most "jobs bill" proposals have no mechanism to implement them or they are "make work" proposals that simply put people to work at odd jobs for the sake of putting them to work. This is not the case with the military construction program. Traditionally, military construction projects have provided the construction industry with mean-

ingful and productive work while at the same time providing vitally needed facilities for our military service personnel.

Last year the construction industry reached an unemployment rate of 23 percent. I am encouraged by the latest economic reports that indicate that in January the unemployment rate among construction workers fell to 20 percent, the lowest level of joblessness in the industry since last June. The jobs created by the proposed request for military construction will help continue this trend.

In the near future the Senate Armed Services Committee will hold hearings and review the proposed fiscal year 1984 bill. Let me assure my colleagues that our review will not only scrutinize the proposed projects but will do so expeditiously.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1984".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 101. The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $31,100,000.
Fort Campbell, Kentucky, $20,250,000.
Fort Carson, Colorado, $15,760,000.
Fort Douglas, Utah, $910,000.
Fort Drum, New York, $1,500,000.
Fort Hood, Texas, $68,500,000.
Fort Hunter Liggett, California, $2,850,000.
Fort Irwin, California, $36,950,000.
Fort Lewis, Washington, $31,640,000.
Fort Meade, Maryland, $5,150,000.
Fort Ord, California, $6,150,000.
Fort Polk, Louisiana, $16,180,000.
Fort Richardson, Alaska, $940,000.
Fort Riley, Kansas, $95,800,000.
Fort Stewart, Georgia, $29,720,000.
Presidio of Monterey, California, $1,300,000.

UNITED STATES ARMY WESTERN COMMAND

Schofield Barracks, Hawaii, $33,700,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Carlisle Barracks, Pennsylvania, $3,700,000.
Fort Benning, Georgia, $21,750,000.
Fort Bliss, Texas, $34,730,000.
Fort Eustis, Virginia, $3,400,000.
Fort Jackson, South Carolina, $790,000.
Fort Knox, Kentucky, $4,200,000.
Fort Leavenworth, Kansas, $27,550,000.
Fort Lee, Virginia, $5,930,000.
Fort Leonard Wood, Missouri, $12,600,000.
Fort McClellan, Alabama, $4,220,000.
Fort Rucker, Alabama, $9,650,000.
Fort Sill, Oklahoma, $2,150,000.
Fort Story, Virginia, $9,000,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $2,750,000.

UNITED STATES ARMY MATERIAL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $30,050,000.
Detroit Arsenal, Michigan, $270,000.
Harry Diamond Laboratories, Maryland, $400,000.
Fort Monmouth, New Jersey, $12,400,000.
Kansas Army Ammunition Plant, Kansas, $1,150,000.
Louisiana Army Ammunition Plant, Louisiana, $4,250,000.
Letterkenny Army Depot, Pennsylvania, $1,600,000.
Milan Army Ammunition Plant, Tennessee, $550,000.
Picatinny Arsenal, New Jersey, $460,000.
Pine Bluff Arsenal, Arkansas, $10,200,000.
Red River Army Depot, Texas, $1,250,000.
Redstone Arsenal, Alabama, $25,400,000.
Rock Island Arsenal, Illinois, $22,000,000.
Sierra Army Depot, California, $3,950,000.
Tobyhanna Army Depot, Pennsylvania, $9,200,000.
White Sands Missile Range, New Mexico, $310,000.

AMMUNITION FACILITIES

Iowa Army Ammunition Plant, Iowa, $2,000,000.
Lake City Army Ammunition Plant, Missouri, $600,000.
Lone Star Army Ammunition Plant, Texas, $1,300,000.
Longhorn Army Ammunition Plant, Texas, $270,000
Milan Army Ammunition Plant, Tennessee, $340,000.
Radford Army Ammunition Plant, Virginia, $4,620,000.
Scranton Army Ammunition Plant, Pennsylvania, $1,000,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $1,250,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, New York, $12,840,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick Maryland, $1,650,000.
Walter Reed Army Medical Center, Washington, District of Columbia, $4,200,000.

CLASSIFIED PROJECT

Various Locations, $1,300,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY, JAPAN

Okinawa, $1,400,000.

EIGHTH UNITED STATES ARMY

Korea, $59,730,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Kwajalein, $5,620,000.

UNITED STATES ARMY FORCES COMMAND OVERSEAS

Fort Buchanan, Puerto Rico, $1,550,000.
Panama, $1,460,000.

UNITED STATES ARMY, EUROPE

Europe, $19,000,000.
Germany, $325,250,000.
Greece, $4,880,000.
Italy, $2,710,000.
Turkey, $5,250,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND OVERSEAS

Korea, $260,000.

FAMILY HOUSING

SEC. 102. (a) The Secretary of the Army may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Various Locations, Alaska, six units, $1,158,000.
Aliamanu, Hawaii, community center, $9,900,000.
Fort Greely, Alaska, thirty-eight units, $5,203,000.
Fort Polk, Louisiana, two hundred units, $15,342,000.
Fort Stewart, Georgia, two hundred forty-four units, $14,626,000.
Wildflecken, Federal Republic of Germany, one hundred fifty-three units, $12,157,000.
Bayreuth, Federal Republic of Germany, thirteen units, $1,132,000.
Kitzingen, Federal Republic of Germany, one hundred three units, $11,140,000.
Vicenza, Italy, two units, $354,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 103. (a) Subject to section 2825 of title 10, United States Code, the Secretary of the Army may make expenditures to improve existing military family housing units in an amount not to exceed $108,551,000, of which $26,623,000 is available only for energy conservation projects.

(b) Within the amount specified in subsection (a), the Secretary of the Army may, notwithstanding the maximum amount per unit for an improvement project for family housing units under section 2825 of title 10, United States Code, carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Aberdeen Proving Ground, Maryland, one hundred sixty units, $6,816,000.
Fort Hamilton, New York, one hundred eight units, $5,280,000.

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 104. The Secretary of the Army may carry out architectural and engineering services and construction design in connection with military family housing construction (including improvements), in the amount of $6,750,000.

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 201. The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Air Station, Beaufort, South Carolina, $3,530,000.
Marine Corps Base, Camp Lejeune, North Carolina, $31,760,000.
Marine Corps Camp Base, Pendleton, California, $39,070,000.
Marine Corps Air Station, Cherry Point, North Carolina, $1,805,000.
Marine Corps Air Station, El Toro, California, $14,030,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $7,900,000.
Marine Corps Air Station, New River, North Carolina, $2,730,000.
Marine Corps Camp Detachment, Camp Elmore, Norfolk, Virginia, $1,160,000.
Camp H. M. Smith, Oahu, Hawaii, $2,700,000.
Marine Corps Development and Education Command, Quantico, Virginia, $2,570,000.
Marine Corps Recruit Depot, San Diego, California, $10,690,000.
Marine Corps Air Station, Tustin, California, $465,000.
Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $25,120,000.
Marine Corps Air Station, Yuma, Arizona, $8,920,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $9,720,000.
Naval Station, Annapolis, Maryland, $405,000.
Naval Space Surveillance Field Station, Hollandale, Mississippi, $495,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $7,800,000.
Naval Air Station, Cecil Field, Florida, $17,670,000.
Naval Station, Charleston, South Carolina, $39,250,000.
Naval Air Station, Key West, Florida, $15,635,000.
Naval Amphibious Base, Little Creek, Virginia, $9,170,000.
Naval Station, Mayport, Florida, $25,520,000.
Naval Submarine Base, New London, Connecticut, $12,840,000.
Naval Station, Norfolk, Virginia, $2,560,000.
Naval Air Station, Oceana, Virginia, $3,895,000.
Tactical Training Group, Atlantic, Virginia Beach, Virginia, $3,750,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Station, Adak, Alaska, $2,970,000.
Naval Submarine Base, Bangor, Washington, $8,040,000.
Naval Air Station, Barbers Point, Hawaii, $890,000.
Naval Amphibious Base, Coronado, California, $21,222,000.
Naval Air Station, Fallon, Nevada, $11,900,000.
Naval Air Station, Lemoore, California, $20,920,000.
Naval Air Station, Miramar, California, $2,020,000.
Naval Air Station, Moffett Field, California, $1,870,000.
Naval Air Station, North Island, California, $20,650,000.
Fleet Intelligence Center, Pacific, Pearl Harbor, Hawaii, $1,823,000.
Naval Station, Pearl Harbor, Hawaii, $3,350,000.
Naval Submarine Base, Pearl Harbor, Hawaii, $2,590,000.
Tactical Training Group, Pacific, San Diego, California, $3,260,000.
Naval Station, San Diego, California, $980,000.
Naval Submarine Base, San Diego, California, $6,660,000.
Naval Station, Mare Island, Vallejo, California, $210,000.
Naval Air Station, Whidbey Island, Washington, $3,160,000.

NAVAL EDUCATION AND TRAINING COMMAND

Naval Air Station, Chase Field, Texas, $2,625,000.
Naval Air Station, Corpus Christi, Texas, $495,000.
Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $12,190,000.
Naval Guided Missiles School, Dam Neck, Virginia, $1,860,000.
Naval Air Station, Kingsville, Texas, $4,830,000.
Naval Air Station, Memphis, Tennessee, $11,800,000.
Naval Air Station, Meridian, Mississippi, $610,000.
Naval Submarine School, New London, Connecticut, $12,180,000.
Naval Education and Training Center, Newport, Rhode Island, $4,270,000.
Fleet Anti-Submarine Warfare Training Center, Atlantic, Norfolk, Virginia, $4,130,000.
Fleet Training Center, Norfolk, Virginia, $1,120,000.
Naval Training Center, Orlando, Florida, $19,690,000.
Naval Technical Training Center, Pensacola, Florida, $210,000.
Fleet Anti-Submarine Warfare Training Center, Pacific, San Diego, California, $14,200,000.
Naval Air Station, Whiting Field, Florida, $6,030,000.

BUREAU OF MEDICINE AND SURGERY

National Naval Medical Center, Bethesda, Maryland, $37,170,000.
Naval Regional Medical Center, Long Beach, California, $8,370,000.
Naval Submarine Medical Center, New London, Connecticut, $6,510,000.
Naval Regional Medical Clinic, Pearl Harbor, Hawaii, $8,490,000.

NAVAL MATERIAL COMMAND

Naval Air Rework Facility, Alameda, California, $26,300,000.
David W. Taylor Naval Ship Research and Development Center, Bethesda, Maryland, $5,030,000.
Naval Supply Center, Puget Sound, Bremerton, Washington, $200,000.
Naval Ordinance Test Unit, Cape Canaveral, Florida, $60,400,000.
Naval Weapons Station, Charleston, South Carolina, $1,570,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $20,040,000.
Naval Weapons Center, China Lake, California, $31,100,000.
Naval Weapons Station, Concord, California, $2,720,000.
Naval Surface Weapons Center, Dahlgren, Virginia, $5,355,000.
Fleet Combat Direction Systems Support Activity, Dam Neck, Virginia, $4,000,000.
Naval Weapons Station, Earle, New Jersey, $465,000.
AEGIS Combat System Engineering Development Site, Fort Dix, New Jersey, $2,040,000.
Naval Construction Battalion Center, Gulfport, Mississippi, $2,960,000.
Naval Ordnance Station, Indian Head, Maryland, $1,950,000.
Naval Air Rework Facility, Jacksonville, Florida, $2,875,000.
Naval Submarine Base, Kings Bay, Georgia, $39,410,000, of which $400,000 may be used to provide community impact planning assistance to the communities near the submarine base.
Naval Air Engineering Center, Lakehurst, New Jersey, $4,195,000.
Navy Ships Parts Control Center, Mechanicsburg, Pennsylvania, $15,800,000.
Naval Air Rework Facility, Norfolk, Virginia, $3,020,000.
Naval Supply Center, Norfolk, Virginia, $6,400,000.
Naval Coastal Systems Center, Panama City, Florida, $670,000.
Naval Air Test Center, Patuxent River, Maryland, $10,150,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $1,440,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $13,100,000.
Pacific Missile Test Center, Point Mugu, California, $840,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $8,850,000.
Naval Transmitter Facility, Republic, Michigan, $13,000,000.
Naval Ocean Systems Center, San Diego, California, $8,000,000.
Naval Supply Center, San Diego, California, $1,110,000.
Navy Public Works Center, San Francisco, California, $220,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanographic Office, Bay St. Louis, Mississippi, $6,320,000.
Fleet Numerical Oceanography Center, Monterey, California, $6,980,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Atlantic, Norfolk, Virginia, $1,690,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $3,490,000.
Naval Security Group Detachment, Sugar Grove, West Virginia, $7,400,000.

OUTSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Air Station, Iwakuni, Japan, $750,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Bermuda, $810,000.
Naval Facility, Bermuda, $1,110,000.
Naval Station, Guantanamo Bay, Cuba, $730,000.
Naval Station, Keflavik, Iceland, $60,080,000.
Naval Station, Panama, Canal Zone, $1,490,000.
Naval Station, Roosevelt Roads, Puerto Rico, $1,300,000.
Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, $1,945,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Commander, U.S. Naval Forces Korea Detachment, Chinhae, Korea, $460,000.
Navy Support Facility, Diego Garcia, $34,500,000.
Naval Magazine, Guam, Mariana Islands, $22,300,000.
Fleet Activities, Okinawa, Japan, $680,000.
Naval Station, Subic Bay, Republic of the Philippines, $7,860,000.

COMMANDER IN CHIEF, NAVAL FORCES, EUROPE

Naval Support Activity, Holy Loch, Scotland, $9,810,000.
Navy Personnel Support Activity, Naples, Italy, $640,000.
Naval Support Activity, Naples, Italy, $4,700,000.
Naval Station, Rota, Spain, $9,250,000.
Naval Air Station, Sigonella, Italy, $23,380,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanography Command Center, Rota, Spain, $980,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $3,020,000.

Naval Communication Area Master Station Western Pacific, Guam, Mariana Islands, $980,000.

Naval Communication Station, Nea Makri, Greece, $4,930,000.

Classified Location, $1,280,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Detachment, Guantanamo Bay, Cuba, $1,700,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various Locations, $2,970,000.

FAMILY HOUSING

SEC. 202. The Secretary of the Navy may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Marine Corps Air Station, El Toro, California, one hundred thirty units, $11,666,000.

Marine Corps Base, Camp Pendleton, California, three hundred units, $23,160,000.

Navy Support Office, La Maddalena, Sardinia, Italy, one hundred thirty-four units, $14,000,000.

Naval Air Station, Sigonella, Italy, two hundred five units, $20,000,000.

Navy Public Works Center, Subic Bay, Republic of the Philippines, three hundred units, $29,300,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 203. Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may make expenditures to improve existing military family housing units in an amount not to exceed $13,240,000, of which $3,953,000 is available only for energy conservation projects.

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 204. The Secretary of the Navy may carry out architectural and engineering services and construction design in connection with military family housing construction (including improvements), in the amount of $7,395,000.

MODIFICATION OF LEASING LIMITATION FOR NAVAL AIR STATION, LEMOORE, CALIFORNIA

SEC. 205. Section 2 of Public Law 92-378 (86 Stat. 530) relating to leases of lands for agricultural and grazing purposes at the Naval Air Station Lemoore, California, is amended by striking the phrase "160 irrigable acres" and inserting in lieu thereof the phrase "960 irrigable acres".

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 301. The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $16,155,000.

Kelly Air Force Base, Texas, $22,590,000.

McClellan Air Force Base, California, $800,000.

Newark Air Force Station, Ohio, $800,000.

Robins Air Force Base, Georgia, $18,680,000.

Tinker Air Force Base, Oklahoma, $9,730,000.

Wright-Patterson Air Force Base, Ohio, $6,010,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $12,370,000.

Brooks Air Force Base, Texas, $10,110,000.

Cape Canaveral Air Force Station, Florida, $9,400,000.

Eastern Launch Site, Florida, $6,000,000.

Edwards Air Force Base, California, $11,910,000.

Eglin Air Force Base, Florida, $9,840,000.

Laurence G. Hanscom Air Force Base, Massachusetts, $3,670,000.

Johnson Space Center, Texas, $700,000.

Los Angeles Air Force Station, California, $2,670,000.

Patrick Air Force Base, Florida, $2,392,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $2,000,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $10,210,000.

Columbus Air Force Base, Mississippi, $1,650,000.

Fort Hamilton, New York $500,000.

Goodfellow Air Force Base, Texas, $740,000.

Gunter Air Force Station, Alabama, $1,750,000.

Keesler Air Force Base, Mississippi, $6,320,000.

Lackland Air Force Base, Texas, $7,800,000.

Laughlin Air Force Base, Texas, $2,120,000.

Long Beach Naval Base, California, $500,000.

Mather Air Force Base, California, $4,460,000.

Reese Air Force Base, Texas, $1,550,000.

San Antonio Area, Texas, $12,000,000.

Sheppard Air Force Base, Texas, $12,900,000.

Vance Air Force Base, Oklahoma, $1,250,000.

Williams Air Force Base, Arizona, $3,200,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $52,390,000.

Elmendorf Air Force Base, Alaska, $12,070,000.

Galena Air Force Base, Alaska, $3,950,000.

Shemya Air Force Base, Alaska, $45,600,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $18,200,000.

Andrews Air Force Base, Maryland, $2,200,000.

Bolling Air Force Base, District of Columbia, $4,270,000.

Dover Air Force Base, Delaware, $1,300,000.

Kirtland Air Force Base, New Mexico, $2,240,000.

Little Rock Air Force Base, Arkansas, $5,970,000.

McChord Air Force Base, Washington, $12,410,000.

McGuire Air Force Base, New Jersey, $620,000.

Pope Air Force Base, North Carolina, $2,800,000.

Scott Air Force Base, Illinois, $790,000.

Travis Air Force Base, California, $1,200,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $3,150,000.

PEACEKEEPER CONSTRUCTION

Various Locations, $379,000,000.

SPACE COMMAND

NORAD Cheyenne Mountain Complex, Colorado, $5,660,000.

Peterson Air Force Base, Colorado, $78,700,000.

SPECIAL PROJECT

Various Locations, $24,000,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $20,170,000.

Beale Air Force Base, California, $5,550,000.

Blytheville Air Force Base, Arkansas, $9,070,000.

Carswell Air Force Base, Texas, $3,400,000.

Castle Air Force Base, California, $6,500,000.

Classified Location, $14,800,000.

Classified Location, $5,900,000.

Dyess Air Force Base, Texas, $8,400,000.

Ellsworth Air Force Base, South Dakota, $6,700,000.

Fairchild Air Force Base, Washington, $5,720,000.

Forsyth Air Force Station, Montana, $4,770,000.

Grand Forks Air Force Base, North Dakota, $8,525,000.

Griffiss Air Force Base, New York, $5,700,000.

Grissom Air Force Base, Indiana, $500,000.

Havre Air Force Station, Montana, $4,970,000.

K. I. Sawyer Air Force Base, Michigan, $41,460,000.

Loring Air Force Base, Maine, $36,400,000.

Malmstrom Air Force Base, Montana, $630,000.

March Air Force Base, California, $3,550,000.

McConnell Air Force Base, Kansas, $2,840,000.

Minot Air Force Base, North Dakota, $52,800,000.

Offutt Air Force Base, Nebraska, $35,020,000.

Plattsburgh Air Force Base, New York, $1,890,000.

Vandenberg Air Force Base, California, $46,382,000.

Wurtsmith Air Force Base, Michigan, $5,000,000.

TACTICAL AIR COMMAND

Bangor International Airport, Maine, $10,100,000.

Bergstrom Air Force Base, Texas, $6,800,000.

Cannon Air Force Base, New Mexico, $6,800,000.

Davis-Monthan Air Force Base, Arizona, $5,850,000.

England Air Force Base, Louisiana, $3,890,000.

George Air Force Base, California, $220,000.

Homestead Air Force Base, Florida, $4,060,000.

Langley Air Force Base, Virginia, $8,300,000.

Luke Air Force Base, Arizona, $9,690,000.

MacDill Air Force Base, Florida, $6,380,000.

Moody Air Force Base, Georgia, $1,300,000.

Mountain Home Air Force Base, Idaho, $6,590,000.
Myrtle Beach Air Force Base, South Carolina, $1,570,000.
Nellis Air Force Base, Nevada, $4,665,000.
Seymour-Johnson Air Force Base, North Carolina, $5,240,000.
Shaw Air Force Base, South Carolina, $10,040,000.
Tyndall Air Force Base, Florida, $6,790,000.
Unspecified Location, $1,500,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $10,085,000.

OUTSIDE THE UNITED STATES

AIR FORCE SYSTEMS COMMAND

Ascension Island, South Atlantic Ocean, $4,010,000.

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $1,400,000.
Rhein-Main Air Base, Germany, $1,870,000.

PACIFIC AIR FORCES

Clark Air Base, Republic of the Philippines, $8,940,000.
Diego Garcia Air Base, Indian Ocean, $58,200,000.
Kadena Air Base, Japan, $11,360,000.
Korea, Various Locations, $5,900,000.
Kunsan Air Base, Korea, $31,060,000.
Kwang-Ju Air Base, Korea, $210,000.
Misawa Air Base, Japan, $31,800,000.
Osan Air Base, Korea, $42,350,000.
Saechon Air Base, Korea, $210,000.
Suwon Air Base, Korea, $400,000.
Taegu Air Base, Korea, $2,750,000.
Yokota Air Base, Japan, $1,250,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $10,210,000.
Classified Location, $16,000,000.

TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $690,000.
Greenland, Various Locations, $20,530,000.

UNITED STATES AIR FORCES IN EUROPE

Camp New Amsterdam, The Netherlands, $2,050,000.
Denmark, Various Locations, $4,900,000.
Germany, Various Locations, $73,904,000.
Italy, Various Locations, $47,880,000.
Norway, Various Locations, $1,500,000.
Oman, Various Locations, $39,600,000.
Prestwick Airport, Scotland, $1,820,000.
Spain, Various Locations, $8,232,000.
Turkey, Various Locations, $73,220,000.
United Kingdom, Various Locations, $69,535,000.
Various Locations, $127,065,000.

FAMILY HOUSING

SEC. 302. The Secretary of the Air Force may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Lajes Field, Portugal, one hundred fifty units, $12,262,000.
Havre Air Force Station, Montana, five units, $496,000.
Forsyth Air Force Station, Montana, fifty units, $4,000,000.
F. E. Warren Air Force Base, Wyoming, two hundred seventy units, $20,000,000.
Camp New Amsterdam, The Netherlands, fifty units, $5,218,000.
RAF Upper Heyford, United Kingdom, three hundred units, $33,982,000.
RAF Greenham Common, United Kingdom, two hundred fifty units, $24,246,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 303. (a) Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may make expenditures to improve existing military family housing units in an amount not to exceed $65,908,000, of which $11,225,000 is available only for energy conservation projects.

(b) Within the amount specified in subsection (a), the Secretary of the Air Force may, notwithstanding the maximum amount per unit prescribed in section 2825(b) of title 10, United States Code, carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installation.

Carswell Air Force Base, Texas, two hundred three units, $7,477,500.
Kadena Air Base, Japan, three hundred forty-two units, $20,586,200.
Kirtland Air Force Base, New Mexico, one hundred twenty-five units, $4,463,700.

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 304. The Secretary of the Air Force may carry out architectural and engineering services and construction design in connection with military family housing construction (including improvements), in the amount of $5,000,000.

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS AND LAND ACQUISITION FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Adak, Alaska, $14,200,000.
Defense Property Disposal Office, Anchorage, Alaska, $2,500,000.
Defense Fuel Support Point, Ozol, California, $1,100,000.
Defense Fuel Support Point, Long Beach, California, $42,100,000.
Defense Depot, Tracy, California, $480,000.
Defense Property Disposal Office, Vandenberg, California, $880,000.
Defense Property Disposal Office, Colorado Springs, Colorado, $810,000.
Defense Fuel Support Point, Escanaba, Michigan, $1,000,000.
Defense Fuel Support Point, Cincinnati, Ohio, $3,200,000.
Defense Depot, Mechanicsburg, Pennsylvania, $18,000,000.
Defense Depot, Memphis, Tennessee, $750,000.
Defense Property Disposal Office, San Antonio, Texas, $500,000.
Defense Property Disposal Office, Tooele, Utah, $420,000.
Defense Property Disposal Office, Norfolk, Virginia, $940,000.
Defense Property Disposal Office, Fort Lewis, Washington, $650,000.

DEFENSE MAPPING AGENCY

Hydrographic/Topographic Center, Brookmont, Maryland, $1,830,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, $31,000,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $3,000,000.
Defense Systems Management College, Fort Belvoir, Virginia, $4,700,000.
Presidio of Monterey, California, $29,100,000.

DEFENSE INVESTIGATIVE SERVICE

Fort Holabird, Maryland, $210,000.

DEFENSE NUCLEAR AGENCY

Armed Forces Radiobiology Institute, Bethesda, Maryland, $10,900,000.

DEFENSE COMMUNICATIONS AGENCY

Pentagon Building, Virginia, $1,000,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Hanau, Germany, $1,300,000.

DEFENSE NUCLEAR AGENCY

Johnston Island, $600,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Location, $10,000,000.

NATIONAL SECURITY AGENCY

Classified Location, $21,550,000.
Classified Location, $25,200,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Ansbach, Germany, $6,330,000.
Baumholder, Germany, $1,850,000.
Darmstadt, Germany, $8,030,000.
Giessen, Germany, $6,040,000.
Spangdahlem Air Base, Germany, $7,720,000.
Wildflecken, Germany, $6,240,000.
Comiso, Italy, $12,990,000.
Vicenza, Italy, $2,310,000.
Subic Bay, Republic of the Philippines, $4,690,000.
Clark Air Base, Republic of the Philippines, $8,020,000.
Lajes Field, Portugal, $4,590,000.
Zaragoza Air Force Base, Spain, $680,000.
Incirlik Air Base, Turkey, $7,170,000.
RAF Greenham, Common, United Kingdom, $12,770,000.
RAF Lakeenheath, United Kingdom, $1,240,000.
RAF Wethersfield, United Kingdom, $3,120,000.
Classified Location, $9,690,000.

FAMILY HOUSING

SEC. 402. The Secretary of Defense may construct of acquire family housing units, (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Classified Locations, eleven units, $1,210,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 403. Subject to section 2825 of title 10, United States Code, the Secretary of Defense may make expenditures to improve existing military family housing units in an amount not to exceed to $35,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

AUTHORITY OF THE SECRETARY OF DEFENSE TO MAKE CONTRIBUTIONS

SEC. 501. The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the amount authorized to be appropriated in section 605.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND RECURRING ADMINISTRATIVE PROVISIONS

AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 601. (a) Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,615,879,000 as follows:

(1) For projects authorized by section 101 that are to be carried out inside the United States, $695,630,000;

(2) For projects authorized by section 101 that are to be carried out outside the United States, $427,110,000;

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $32,000,000;

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $188,000,000;

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $500,000;

(6) For military family housing functions—

(A) For construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by Title I, $186,313,000;

(B) For support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act [12 U.S.C. 1715m]), $1,086,326,000 none of which may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $86,858,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, NAVY

SEC. 602. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,929,577,000 as follows:

(1) For projects authorized by section 201 that are to be carried out inside the United States, $889,545,000;

(2) For projects authorized by section 201 that are to be carried out outside the United States, $197,655,000;

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $22,000,000;

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $115,600,000;

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $900,000;

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by Title II, $118,761,000; and

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act [12 U.S.C. 1715m]), $585,116,000, of which not more than $149,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $18,063,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 603. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $3,179,086,000 as follows:

(1) For projects authorized by section 301 that are to be carried out inside the United States, $1,315,814,000.

(2) For projects authorized by section 301 that are to be carried out outside the United States, $698,846,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $19,000,000;

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $186,000,000;

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $12,250,000;

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocations of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by Title III, $171,112,000; and

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act [12 U.S.C. 1715m]), $776,064,000, of which not more than $492,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $58,866,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 604. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $418,144,000 as follows:

(1) For projects authorized by section 401 that are to be carried out inside the United States, $169,270,000;

(2) For projects authorized by section 401 that are to be carried out outside the United States, $162,130,000;

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $4,000,000;

(4) For construction projects under the contingency construction authority of the Secretary of Defense under section 2804 of title 10, United States Code, $30,000,000;

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $33,000,000;

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by Title IV, $1,245,000; and

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act [12 U.S.C. 1715m]), $18,499,000, of which not more than $15,231,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, NATO

SEC. 605. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983 for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of construction projects for the North Atlantic Treaty Organization Infrastructure program, as authorized by Title V, $150,000,000.

TITLE TOTAL LIMITATION ON COST VARIATIONS

SEC. 606. Notwithstanding the cost variations by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under each of titles I, II, III, and IV of this Act may not exceed the total amount authorized under sections 601, 602, 603, and 604, respectively, to be appropriated for the military department concerned or the Secretary of Defense, as the case may be.

EXPIRATION OF AUTHORIZATIONS: EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS

SEC. 607. (a)(1) Except as provided in paragraph (2), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisitions, family housing projects, and contributions to NATO Infrastructure, and all authorizations of appropriations therefor contained in sections 601 through 605, expire on October 1, 1985, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1986, whichever is later.

(2) The provisions of paragraph (1) do not apply to authorizations for military con-

struction projects, land acquisitions, family housing projects, and contributions to NATO Infrastructure, land acquisition, and authorizations of appropriations for such projects, for which appropriated funds have been obligated before October 1, 1985, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1986, whichever is later, for construction contracts or land acquisition.

(b) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Pub. L. 97-321, 96 Stat. 1549), authorizations for the following items authorized in sections 101 of the Military Constuction Authorization Act, 1982 (Pub. L. No. 97-99, 95 Stat. 1359), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Solid Waste Incinerator construction in the amount of $4,100,000 at Fort Dix, New Jersey;

(2) Rapid Deployment Force Facilities in the amount of $36,000,000 at Ras Banas, Egypt.

(c) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Pub. L. No. 97-321, 96 Stat. 1549), authorization for the following item authorized in section 201 of the Military Construction Authorization Act, 1982 (Pub. L. No. 97-99, 95 Stat. 1359), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Steam Distribution Line in the amount of $16,000,000 at the Naval Station, Charleston, South Carolina.

(d) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Pub. L. No. 97-321, 96 Stat. 1549), authorization for the following item authorized in section 201 of the Military Construction Authorization Act, 1981 (Pub. L. No. 96-418, 94 Stat. 1749), and extended in section 606(d) of the Military Construction Authorization Act, 1983 (Pub. L. No. 97-321, 96 Stat. 1549), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Nautilus Memorial in the amount of $1,930,000 at the Naval Submarine Base, New London, Connecticut.

(e) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Pub. L. No. 97-321, 96 Stat. 1549), authorization for the following item authorized in section 201 of the Military Construction Authorization Act, 1980 (Pub. L. No. 96-125, 93 Stat. 928), and extended in section 705(d) of the Military Construction Authorization Act, 1982 (Pub. L. No. 97-99, 95 Stat. 1359), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Municipal Sewer Connection Construction in the amount of $2,200,000 at the Naval Submarine Base, New London, Connecticut.

(f) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Pub. L. No. 97-321, 97 Stat. 1549), authorizations for the following item authorized in section 301 of the Military Construction Authorization Act, 1982 (Pub. L. No. 97-99; 95 Stat. 1369), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Rapid Deployment Force Facilities in the amount of $70,400,000 at Ras Banas, Egypt.

ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

SEC. 608. For projects or contracts initiated during the period beginning on October 1, 1983, and ending on the date of the enactment of the Military Construction Authorization Act for fiscal year 1985 or October 1, 1984, whichever is later, the following amounts apply:

(1) The maximum amount for an unspecified minor military construction project under section 2805 of title 10, United States Code, is $1,000,000.

(2) The amount of a contract for architectural and engineering services or construction design that makes such a contract subject to the reporting requirement under section 2807 of title 10, United States Code, is $300,000.

(3) The maximum amount per unit for an improvement project for family housing units under section 2825 of title 10, United States Code, is $30,000.

(4) The maximum annual rental for a family housing unit leased in the United States, Puerto Rico, or Guam under section 2828(b) of title 10, United States Code, is $6,000.

(5)(A) The maximum annual rental for a family housing unit leased in a foreign country under section 2828(c) of title 10, United States Code, is $16,800.

(B) The maximum number of family housing units that may be leased at any one time in foreign countries under section 2828(c) of title 10, United States Code, is 33,000.

(6) The maximum rental per year for family housing facilities, or for real property related to family housing facilities, leased in a foreign country under section 2828(f) of title 10, United States Code, is $250,000.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 609. Titles I, II, III, IV, and V shall take effect on October 1, 1983.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 701. There are authorized to be appropriated for fiscal years beginning after September 30, 1983, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under Chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities) the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States $55,300,000; and

(B) for the Army Reserve, $52,700,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $24,800,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States $79,900,000; and

(B) for the Air Force Reserve, $42,200,000.

TITLE VIII—GENERAL PROVISIONS

HOUSING ASSURANCE PROGRAM

SEC. 801. (a) Chapter 169 of Title 10, United States Code, is amended by adding at the end of Subchapter II the following new section:

"§ 2833. Housing Assurance Program

"(a) In lieu of constructing new housing, or acquiring or leasing existing housing, and in order to satisfy the need for new family housing for the Department of Defense by stimulating the development of new housing in and by the private sector, the Secretaries of the Military Departments, under uniform regulations established by the Secretary of Defense, may enter into agreements to assure the occupancy of rental housing constructed by private developers or by State or local housing authorities on private land or land owned by states or local governments, when such rental housing is located near new military installations or existing military installations that have a shortage of housing to meet the demands of military personnel with or without accompanying dependents.

"(b) Agreements made under the authority of subsection (a) shall:

"(1) not assure the occupancy of more than 97 percent of the units constructed under such an agreement,

"(2) establish initial rental rates reasonably equivalent to comparable rental dwelling units in the same general market area, and include an escalation clause for operation and maintenance costs to be effective for the term of agreement,

"(3) not apply to existing housing,

"(4) require that housing be constructed to normal industry standards,

"(5) not exceed 15 years,

"(6) not be renewed,

"(7) assure only shelter rent determined on the basis of amortizing initial construction costs,

"(8) only be entered into where vacancies of adequate existing private housing within the commuting area are less than the number of military families on the waiting list for existing military controlled housing or are projected to be less than the waiting list plus any projected increase in families due to authorized increased manning or establishment of a new installation,

"(9) only be entered into if existing military controlled housing at all installations within the commuting areas (except for new installations or those projecting a significant increase in families due to authorized increased manning) has exceeded 97 percent utilization at least for the prior 18-month period, excluding units temporarily inactivate for major repair or improvements,

"(10) provide for military priority of occupancy, and

"(11) include a clause rendering the agreement null and void if the owner of the housing fails to maintain a satisfactory level of operation and maintenance in keeping with normal industry standards.

"(c) The Secretary of the Military Department concerned shall assure that housing to be contructed under the authority of this section is modest in design.

"(d) The Secretary of the Military Department concerned may require that disputes arising under agreements entered into under the authority of subsection (a) be decided in accordance with the contract dispute procedures provided for by the Contract Disputes Act of 1978 (Pub. L. No. 95-563, 92 Stat. 2383).".

INCREASE OF HIGH-COST LEASES

SEC. 802. Section 2828(e)(1) is amended by deleting the phrase "200" and substituting in lieu thereof the phrase "225".

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 803. Subsection (a) of section 2807 of title 10, United States Code is amended—

(a) by deleting the phrase "such purposes" the first time it appears and inserting in lieu thereof the phrase "military construction and military family housing"; and

(b) by inserting in the first sentence after the word "projects" and before the word "not" the phrase ", family housing projects, and projects undertaken in connection with the authority provided under 10 USC 2854,".

TITLE IX

SEC. 901. There are authorized to be appropriated for fiscal year 1985 such sums as may be necessary for the Secretary of Defense and the Secretaries of the Army, Navy and Air Force to establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment.

GENERAL COUNSEL
OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., February 10, 1983.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of legislation "To authorize certain construction at military installations for Fiscal Year 1984, and for other purposes." This legislation is consistent with the Budget of the United States for Fiscal Year 1984. Appropriations in support of Titles I throught IX of this legislation are discussed in that Budget.

Titles I, II, III, and IV of this proposal would authorize $8,142,686,000 in new construction and family housing support requirements for the Active Forces as follows: $2,615,879,000 for the Department of the Army; $1,929,577,000 for the Department of the Navy; $3,179,086,000 for the Department of the Air Force; and $418,144,000 for the Defense Agencies. Also included in Title I, pursuant to Section 138 of Title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities. Title V would authorize $150,000,000 for the United States' share of the NATO Infrasturction Program.

Title VI contains Authorizations for Appropriations and recurring Administative Provisions applicable to the Military Construction Program in accord with the Military Construction Codification Act (Public Law 97-214). Title VIII contains nonrecurring general provisions.

Title VII, totaling $254,900,000 would authorize construction for the Guard and Reserve Forces as follows: $55,300,000 for the Army National Guard; $52,700,000 for the Army Reserve; $24,800,000 for the Naval and Marine Corps Reserve; $79,900 for the Air National Guard; and $42,200,000 for the Air Force Reserve. These authorization are in lump sum amounts, and will be utilized in accordance with the requirements of Chapter 133 of Title 10, United States Code.

Title XI provides authorization for Fiscal Year 1985 to meet the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

The projects that would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the Military Departments.

Sincerely,

WILLIAM H. TAFT IV.

By Mr. GRASSLEY:

S. 721. A bill to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force or violence, and for other purposes; to the Committee on the Judiciary.

PHARMACY PROTECTION AND VIOLENT OFFENDER CONTROL ACT OF 1983

Mr. GRASSLEY. Mr. President, I am reintroducing a bill, the Pharmacy Protection and Violent Offender Control Act of 1983, that will have the effect of providing greater deterrents to the rash of robberies, assaults, and senseless murders in retail pharmacies that have plagued this country in the last decade. At present, an entire class of health care specialists has been targeted by criminals as an easy source of controlled drugs.

Robbery is the only method of obtaining a controlled substance that is not provided for under Federal law. Congress has provided that a person who manufactures, distributes, dispenses, or possesses a controlled substance with intent to distribute, is subject to Federal criminal prosecution and penalties under section 401 of the Controlled Substances Act of 1970. Similarly, if a person knowingly or intentionally acquires possession of a controlled substance by misrepresentation, fraud, forgery, deception, or subterfuge, section 403 of the act provides Federal jurisdiction and penalties. But, the act is silent with reference to the acquisition of drugs through violence. The implication is that this is of no Federal concern. This is simply not the message that we in Congress want to convey.

Pharmacy robberies are accelerating at an alarming rate. From 1976 to 1981 when robbery nationally increased by one-third, the robbery of pharmacies to obtain controlled drugs, increased by 113 percent. Pharmacy thefts increased by 19 percent. During this same period, robbery as a percent of total pharmacy theft increased by almost 100 percent from 15 percent to 28 percent.

Since 1973, when legislation to make such robberies a Federal offense was introduced in the Senate, 11,786 pharmacies have been the victims of robberies to obtain controlled substances. Justice Department—Federal Bureau of Investigation and Law Enforcement Assistance Administration—studies reveal that one in five robberies result in death or some injury to victims. From 1973 to 1982 then, 2,357 pharmacists, employees or customers have been injured or killed in the course of robberies.

Federal criminal jurisdiction over crimes of violence and other unlawful conduct relating to controlled substances would provide for more uniform law enforcement action and punishment of violators. As it is now, punishment of drug-related crimes in pharmacies rests upon the varying provisions of State criminal laws. A Federal law would provide a sanction universally applicable in this country that would be more readily understood and more uniformly applied.

Mr. President, I ask unanimous consent that the text of the bill along with a section-by-section analysis of its key provisions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pharmacy Protection and Violent Offender Control Act of 1983".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) robbers and other vicious criminals seeking to obtain controlled substances have targeted pharmacies with increasing frequency;

(2) the dramatic escalation of the diversion of controlled substances for illegal purposes by persons who rob and terrorize federally registered pharmacies is directly related to successful efforts by the Department of Justice to prevent other forms of diversion of such substances;

(3) Congress did not intend that terrorization and victimization of pharmacists and their families, employees, and customers should result from the aggressive enforcement of Federal drug laws;

(4) in order to address a discrepancy in Federal law, it is necessary to make robbery of a pharmacy to obtain controlled substances a Federal offense, as is the case when such substances are obtained by fraud, forgery, or illegal dispensing or prescribing; and

(5) any truly comprehensive strategy designed to curb pharmacy crime must, in cases of robbery, make available the investigative and prosecutorial resources of the Federal Government which are made available when controlled substances are obtained by other unlawful means.

PURPOSE

SEC. 3. It is the purpose of this Act—

(1) to assist State and local law enforcement officials to more effectively repress pharmacy related crime;

(2) to enhance the expeditious prosecution and conviction of persons guilty of pharmacy crimes;

(3) to assure that convicted offenders, especially repeat offenders, receive appropriate mandatory penalties; and

(4) to provide additional protection for pharmacies and pharmacists against the increasing level of violence which accompanies unlawful efforts to obtain controlled substances.

PROHIBITED ACTS

SEC. 4. (a)(1) Part D of the Controlled Substances Act is amended by adding at the end thereof the following new section:

"ROBBERY OF A CONTROLLED SUBSTANCE FROM A PHARMACIST

"SEC. 413. (a) Whoever, by force and violence, or by an intimidation, takes, or attempts to take, from the person or presence of another, any material, compound, mixture, or prescription containing any quantity of a controlled substance and belonging to, or in the care, custody, control, management, or possession of any pharmacist shall be fined not more than $5,000 or imprisoned not less than five years, or both. Whoever violates this subsection after one or more convictions under this subsection or subsection (b) or (c), or one or more convictions under section 406 relating to an offense under this section, shall be fined not more than $10,000 or imprisoned not less than ten years, or both.

"(b) Whoever, in committing, or in attempting to commit, any offense defined in subsection (a) of this section, assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not more than $10,000 or imprisoned for not less than ten years nor more than life, or both. Whoever violates this subsection after one or more convictions under this subsection or subsection (a) or (c), or one or more convictions under section 406 relating to an offense under this section, shall be fined not more than $20,000 or imprisoned for not less than twenty years.

"(c) Whoever, in committing, or in attempting to commit, any offense defined in subsection (a) of this section, kills or maims any person, shall be imprisoned for not less than twenty years. Whoever violates this subsection after one or more convictions under this subsection or subsection (a) of (b), or one or more convictions under section 406 relating to an offense under this section, shall be imprisoned for not less than forty years.

"(d) Notwithstanding any other provision of law, the imposition or execution of any sentence under this section shall not be suspended and probation shall not be granted.

"(e) As used in this section, the term 'pharmacist' means any person registered in accordance with this Act for the purpose of engaging in commercial activities involving the dispensing of any controlled substance to an ultimate user pursuant to the lawful order of a practitioner.".

(2) The table of contents for the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by inserting after the item relating to section 412 the following new item:

"Sec. 413. Robbery of a controlled substance from a pharmacist.".

(b) Section 406 of such Act is amended—

(1) by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (b), any"; and

(2) by adding at the end thereof the following new subsection:

"(b) Whoever violates this subsection relating to an offense under subsection (a), (b), or (c) of section 413 after one or more convictions under such section or under this section relating to an offense under such section, is punishable by imprisonment or fine, or both, which may not exceed the maximum punishment for such offense prescribed in the last sentence of subsection (a) of section 413, the last sentence of subsection (b) of section 413, or the last sentence of subsection (c) of section 413, as the case may be.".

COLLECTION OF DATA

SEC. 5. In order to provide accurate and current information on the nature and extent of pharmacy crime, the Department of Justice shall collect relevant data and include pertinent results in its annual Uniform Crime Report.

SECTION-BY-SECTION ANALYSIS

Section 2.—Findings: States the findings of Congress regarding pharmacy crime and finds that pharmacies are increasingly the target of criminals seeking Federally controlled drugs; finds that the increase in pharmacy crimes is directly related to Federal law enforcement activity; finds that such victimization of the pharmacy community was not intended by Congress; finds that the recognition of such robberies—without conditions relating to value, amounts involved or the presence of violence—corrects an obvious discrepancy in Federal law; finds that any rational attack on the problem must involve the investigative and prosecutorial resources of the Federal Government; and that a close cooperative working relationship with pharmacy practitioners is essential to the success of any pharmacy crime campaign.

Section 3.—Purpose: Establishes the purpose of the Act to assist state and local law enforcement officials to more effectively repress pharmacy crime; to enhance the speedy prosecution and conviction of those guilty of pharmacy crimes; to assure that all such offenders, but expecially repeat offenders, are actually imprisoned; to protect pharmacists and their pharmacies against violence directed at obtaining federally controlled drugs; and to assure the widest possible involvement of the pharmacy community in the national effort to curb pharmacy crime.

Section 4.—Prohibited Acts: Establishes Federal penalties for the robbery or attempted robbery of federally controlled drugs from a pharmacy. It provides for a minimum penalty of 5 years imprisonment; ten years if armed or assault is involved; and twenty years if anyone is maimed or killed.

Section 413 (a).—Provides for substantial additional penalties for each subsequent conviction and requires that all extra penalties for such repeat violations be served consecutively and concurrently.

Section 413 (b).—Provides for substantial additional penalties where armed or assault is involved.

Section 413 (c).—Provides for substantial additional penalties if anyone is maimed or killed.

Section 413 (d).—Prohibits suspension of sentence or probation for all stated offenses.

Section 5.—To assure that the nature and extent of pharmacy crime is both current and accurate this section requires that the Department collect appropriate information and that it be published in the annual Uniform Crime Report.

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. 722. A bill to amend the Foreign Zones Trade Act to exempt bicycle component parts which are not reexported from the exemption from the customs laws otherwise available to merchandise in foreign trade zones; to the Committee on Finance.

EXEMPTION OF CERTAIN BICYCLE PARTS

● Mr. HUDDLESTON. Mr. President, today I am introducing legislation that is a companion bill to H.R. 657, introduced in the House. This legislation was introduced in both Houses last session as S. 3090 and H.R. 7350.

Senator FORD, my good friend and colleague is joining as a cosponsor of this bill.

The purpose of this legislation is to amend the Foreign Trade Zones Act so that the present exemption from the customs laws otherwise available to merchandise in foreign trade zones will not be available to bicycle component parts, unless those parts are reexported from this country.

Over the years, a delicate balance of the interests of the bicycle industry and the bicycle component parts industry has been reached through repeated revision of the "Tariff Schedules of the United States" so as to allow duty-free import of those categories of bicycle component parts which are not manufactured domestically. At the same time, the bicycle industry faces strong domestic and foreign competition for U.S. sales of bicycles.

That balance, and the continued existence of domestic bicycle parts manufacturers and bicycle manufacturers, is threatened by a pending application before the Foreign Trade Zones Board for foreign trade subzone status at the Huffy Corp.'s Celina, Ohio, bicycle and bicycle parts manufacturing and assembly facility.

If this application is granted, it will cause irreparable damage to several domestic bicycle parts manufacturers, including Wald Manufacturing Co., Inc., in Maysville, Ky.

Grant of this application will also have an adverse impact on competing domestic bicycle manufacturers, forcing them to apply for subzones themselves—and thereby multiplying the harm to the domestic parts industry—or if for reasons such as size or location subzone status is not available or economically feasible for them, transferring sales and employment from the plants of those competing bicycle manufacturers to the Huffy Corp.'s Celina, Ohio, facility.

Virtually all of the domestic bicycle component parts manufacturers and the domestic manufacturers have filed comments with the Foreign Trade Zones Board opposing the Huffy application. These companies are located throughout the United States, often in small communities where they are major employers.

In recognition of the devastating impact upon these industries and their communities that grant of the application would have, many local governmental leaders and U.S. Congressmen and Senators have gone on record in opposition to the application.

This fact is not surprising when one considers that grant of the application would result in a loss of thousands of jobs in the bicycle parts and manufacturers industry, not to mention the multiplier effect on incidental suppliers.

At a time of very high unemployment—in fact, the highest since the Depression—and at a time when foreign competitors are being subsidized and when many foreign countries are erecting barriers to American imports, the last thing we need to do is export American jobs through the granting of foreign trade subzone status.

Wald Manufacturing has been in business in Kentucky since 1905, and it has operated in Maysville since 1924. At its peak in 1973-74, Wald employed 411 people. Today, because of imports and the recession, that number is down to 201.

If the foreign trade subzone is granted, it could endanger the very existence of Wald Manufacturing. That, if it occurred as a result of Government action, would be an outrage.

I sincerely hope the Commerce Department will reject this request. I think that action is the only appropriate course of action. I know that in the past such applications have been approved with certain stipulations designed to protect domestic industries. The problem with this approach is that it is dependent on policing by undermanned customs offices—which are even now suffering further personnel reductions.

Thus, the only appropriate action would be rejection of the request.

Failing that, we will have no choice but to pursue this legislation.

I ask unanimous consent that my letter to Secretary Baldrige on this matter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., November 19, 1982.

HON. MALCOLM BALDRIGE,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: I want to register my strong objections to the pending application to grant foreign trade subzone status to Huffy Corporation at its Celina, Ohio bicycle manufacturing and assembly facility.

To grant such status would place several domestic bicycle manufacturing facilities at a severe disadvantage with foreign manufacturers of bicycle parts. In fact, it would have a tremendously adverse impact on one of my constituents, Wald Manufacturing Company, Inc. of Maysville, Kentucky.

At a time when so many foreign countries are subsidizing their exports, and at a time when so many of them are erecting artificial barriers to the import of American goods, and especially at a time when unemployment in this country is the highest since the Depression, it makes absolutely no sense to grant such an application.

I simply cannot register my objections strongly enough.

If the administration is serious in its statement against growing protectionist sentiments, it will certainly not take actions which will, on the part of this senator, simply further encourage those sentiments.

Sincerely yours,

WALTER D. HUDDLESTON.●

● Mr. FORD. Mr. President, I am pleased to introduce today, along with Senator HUDDLESTON, legislation that would amend the Foreign Trade Zone Act to exempt bicycle component parts which are not reexported, from the special custom laws otherwise available to merchandise in foreign trade zones.

We are taking this action to prevent possible injury to the domestic bicycle component parts industry that will arise from approval of a pending application that Huffy Corp. has to form a trade subzone at its bicycle manufacturing plant in Celina, Ohio. If the Commerce Department grants foreign trade subzone status, Huffy will be able to import bicycle parts duty free into the trade subzone. If those bicycle parts are assembled on bicycles that are exported, all import duties will be avoided. This is fine—it will benefit the Huffy Corp., making Huffy bicycles more competitive with foreign brands. We are supportive of this use of foreign trade zones.

The concern is that those imported bicycle parts will be assembled on bicycles sold domestically. If this occurs, Huffy will enjoy the reduced duty rates that apply to finished bicycles. That may well be good for Huffy, but it will put a lot of domestic bicycle parts manufacturers out of business by creating a special administratively created incentive for Huffy to import parts from abroad in competition with U.S. manufacturers.

The Foreign Trade Zone Board is now considering the Huffy application with broad latitude to grant trade subzone status subject only to the limitations that it be in the public interest. We think that the Huffy subzone is clearly not in the public interest. It will undermine the domestic bicycle parts manufacturing industry, reducing its already shrinking domestic market share in favor of foreign manufacturers. The obvious injury this will cause to domestic manufacturers and the reduction in domestic employment should require the Foreign Trade Zone Board to reject the application for a special purpose trade subzone.

The Foreign Trade Zone Board is now considering this issue and investigating the bicycle manufacturing industry. We think the facts will indicate that foreign trade subzone status should not be granted. However, if this is not the case, this legislation we are introducing today would specifically exempt bicycle parts that are not reexported from the special foreign trade zone duty treatment.

I want to say I am generally supportive of the concept of foreign trade zones and wish to compliment the Foreign Trade Zone Board and its staff for the fine work they are doing in processing the many applications for foreign trade zones. However, Congress does have a role to play in this process to insure that each foreign trade zone is in the public interest and actually results in net economic gain to the United States in terms of increased employment and investment.●

By Mr. STAFFORD (for himself and Mr. RANDOLPH):

S. 724. A bill to authorize the U.S. Army Corps of Engineers to undertake activities to provide new public works investments, grants to the several States to encourage and foster the construction of necessary public capital investment projects, to assist in creating new and productive jobs, and for other purposes; to the Committee on Environment and Public Works.

PUBLIC INVESTMENT/JOBS ACT OF 1983

● Mr. STAFFORD. Mr. President, I am pleased to introduce a bill that is intended to carry this Nation far toward resolving two of the great challenges that confront us during the 1980's: The need to rebuild our depleted public infrastructure while simultaneously creating new jobs to put Americans back to productive work.

It is particularly gratifying that the bill is cosponsored by the ranking minority member of the Committee on Environment and Public Works (Mr. RANDOLPH), who is celebrating his 50th anniversary as a Member of Congress.

Someone once asked me to name a 14-letter word that means all things to all people. The answer, of course, is the word "infrastructure."

It is a long word, a broad word. To some of my colleagues in the Senate it means our urban-water-supply systems. To others, it is potholes and collector sewers. It includes our city libraries, our schools, and playgrounds, our port facilities, our railroads, our airports, our urban parks. Anything that contains concrete is likely to be infrastructure. It is steel. It is glass. It is most everything of substance.

Because it is everything to everybody—and because Federal priorities have differed at various times—it is an issue that is difficult to solve.

Our constituents understand these needs. In some cities, drinking water is still pumped to homes through wooden pipes. Our urban parks are often unkempt. Many of our library buildings are neglected. Schools need to be refurbished.

Before there was a Federal-aid highway system, the Spanish poet Cervantes wrote: "There is no road so level as to have no rough places."

The needs are great, yet fortunately, we in Congress have begun to move to

meet these needs. We began this effort to renew America with passage last year of the Surface Transportation Assistance Act of 1982. This week, the Senate will develop a supplemental jobs package. This proposal will put into place, earlier than planned, public works that were previously authorized. I applaud that decision. But we must recognize that this is a short-term solution, one designed to bring jobs and a temporary improvement. It is not a decision that looks toward future problems and challenges.

We must move forward with related, longer term efforts.

Before explaining some of the details of this bill, I want to emphasize to my colleagues that Senator RANDOLPH and I do not offer this legislation on a take-it-or-leave-it basis. The dollar levels, as well as the time periods, appear justified to me. But they do not represent an intractable position.

The bill is offered to present concepts that will help to focus the national debate on the real issues involving our public works infrastructure and jobs, to set parameters for these topics.

And make no mistake, our Nation faces a vast challenge. It is one that will not be overcome during this Congress. It may not be resolved in this century. Yet, we must tackle it.

We owe a solution to ourselves; we owe it to our children. We owe it to this Nation to begin to rebuild the foundations upon which our standard of living rests, to repair the gutters and sump pumps of this house we call America.

Admittedly, that is not a glamorous task. It is not one for which we can expect dancing in the streets, or regular coverage from Dan Rather. But is probably as necessary to our survival as a prosperous society as our defense policy or a variety of far more visible and costly issues.

Let me simply cite some numbers. It has been estimated that America's public capital investment over the past 15 years has dropped by over 25 percent, that per person capital works spending by this Nation has declined from $174 yearly in 1965 to $110 in 1980, that the share of the gross national product spent on public capital investments has been cut by more than half—from 3.6 percent in 1965 to 1.7 percent in 1980.

The Associated General Contractors have produced one estimate of the need simply for water resources projects: $119.4 billion for dams, $41.7 billion for locks and waterways, $9.4 billion for ports, $110 billion for urban water systems, and $119 billion for sewage treatment facilities.

This exists at a time when an increasing percentage of Americans are out of work.

The Committee on Environment and Public Works has completed 3 days of extensive testimony on these issues. We heard from mayors, governors, economists, public works executives, women's groups—a wide range of interests. Each of our witnesses encouraged the committee to tackle this challenge, to seek to develop a long-term solution to reverse the decline in public investment. In an effort to focus the issue, we asked our witnesses, as we ask the American people, questions such as these:

What types of public works projects have the greatest investment need?

What types of Federal public works programs are most helpful and why? To what degree do those programs need to be reshaped?

Should the evolution of the Federal interest force the Government to drop support for certain types of projects?

What new Federal initiatives, if any, are justified?

What can be done to speed Federal projects already in the pipeline?

If we were to attempt to create a countercyclical jobs program, what kind of trigger should we use to determine when a recession began?

How can a Federal public works program reach out successfully to women, low-income youths, and to persons who are unemployed because of the evolution of the economy, such as jobless steelworkers or autoworkers?

Mr. President, I cannot state that the bill we offer today will answer each of those questions. But it does go far toward the overall goal.

This bill contains five basic thrusts:

Title I establishes a cooperative 10-year capital investment program with the States, one that will begin the effort to cut into the huge backlog of infrastructure needs. As we looked at this issue, one other thing besides the magnitude of the problem becomes clear—the need to decentralize the decisions on what to build and where. This program would be funded at $5 billion a year, with a sunset provision after 10 years of investment.

The State must match the Federal contribution with money going into a State-established revolving fund.

Projects built from this State fund must have payback mechanisms to perpetuate the fund, as well as repair and maintenance arrangements.

The program would cover a broad category of public works: water supply, roads, bridges, sewage treatment, parks, and so forth.

States can also put their waste water construction money into fund, for use for waste water grants on loans.

Money will be allocated on a formula—half population, half road mileage, with a passthrough for larger cities.

The Corps of Engineers will dispense the funds.

Personally, I believe that we must also explore opportunities for assured funding mechanisms as a method to finance this program. For example, I am intrigued by the thought of some sort of modest Federal surtax that would be used exclusively for an infrastructure effort.

This bill's second title creates the Economic Stabilization and Job Creation Act of 1983, replacing the existing Economic Development Act with a program that is likely to prove effective.

This title will establish, under the Army Corps of Engineers, an ongoing economic development program with one more oriented toward rural areas. It will allocate some $250 million yearly to economic development districts and other areas of economic need. It is a program not intended to blanket the Nation, but focus on areas of need.

Title III creates a countercyclical public works program that will assure funding for needed projects which are kept on the shelf ready for construction, until a recession hits. We need to have a tool to use in times of economic distress, not after them.

A total of $200 a year would accumulate until needed to counter a recession.

One of the dangers we always face is that we act too often after the fact. If we are to use public works wisely as a tool to fight recession, we need to have that program on the shelf, ready to go. That's what this title seeks to do.

The Corps of Engineers would also runs this program through its district offices.

Title IV establishes a one-year program for historic preservation, allocating $525 million to renovate historic structures.

For a given investment of public funds, historic preservation projects create more jobs than the same investment in new construction. Less investment is required for site preparation, materials, and heavy construction equipment because rehabilitation of historic buildings utilizes the existing site, building shell, internal structure, and, often, interior details.

And there preservation projects put people to work quickly. Rehabiliation work primarily involves updating mechanical systems and interior finishings. Because most work is on the interior, it is a year-round activity in all areas of the country.

Finally, the bill's fifth title creates a job strategy to put more young Americans to work in necessary public activities. There is an opportunity for the rehabilitation of urban parks, which have been permitted to deteriorate in many cities. There is a need for immediate construction, and for equipment. Yet the existing Federal program has gone unfunded.

This title provides for the employment of 16- to 19-year-old unemployed

youths in labor-intensive community improvement projects. It also creates the Young Adult Conservation Corps for 16- to 23-year-olds to work on improvement projects on public lands. The program brings together two needs—unmet community needs and the need of our youth for jobs.

I believe that early work experience is an essential link to the adult world. It is a way to instill the work ethic in the young. Ignoring this group now will create a few years hence a group of young adults with no attachment to the labor force.

This title uses an already existing system in the community for delivery of services. Community-based organizations are eligible applicants for running the program. The bill provides a maximum flexibility for project applicants. Priority is given to project applicants with a summer-youth component.

The community improvement projects include work on public facilities, urban parks, replacing asbestos in elementary and secondary schools, weatherization of low income and elderly homes, rodent control, energy conservation, and removal of architectural barriers in public facilities and polling places. The project will be labor intensive and can begin promptly.

This title also provides for the maximum flexibility in the use of funds to select and complete the projects. The community-based eligible applicants will set the criteria for each project and the necessary allocation of funds to complete the project.

The Young Adult Conservation Corps projects will include forestry and wildlife management, recreation development, road and trail management, reclamation and fire prevention. Activities are similar to those adopted in 1978 legislation. The project will carry the same labor intensive and prompt initiation requirements that the youth community improvement program has.

The Young Adult Conservation Corps program allows for the establishment of Conservation Corps Centers, and would be administered by the Secretaries of Interior and Agriculture.

Under this title, $3 billion would be authorized yearly beginning in fiscal year 1984. The appropriation is split evenly between the youth community conservation program and the Young Adult Conservation Corps, creating 300,000 jobs for young people per year.

Just last week, our Committee on Environment and Public Works recommended that the Budget Committee allocate an additional $4 billion in the 1984 fiscal year for jobs/infrastructure/economic development. That was a sound decision. It is one we must build upon.

It is my intention to have the Committee on Environment and Public Works continue hearings on this proposal, and related legislation, within coming weeks, with the hope that we can move a bill to the Senate floor by early- or mid-May.

Mr. President, we face a challenge, a difficult task. Possibly our travail was stated best by the British historian, George Macauley Trevelyan, when he wrote: "A man and what he loves and builds have but a day and disappear."

We must work to build for a far longer period.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Investment/Jobs Act of 1983."

TITLE I.—PUBLIC CAPITAL INVESTMENT

FINDINGS AND DECLARATIONS

SEC. 101. (a) The Congress finds and declares that—

(1) A sustained program of public capital investment is essential for the nation's continued prosperity and long-term economic vitality;

(2) Building, rehabilitating, and maintaining the nation's public capital investment will produce jobs during the period of construction, and then create long-term economic efficiencies that benefit the economy and all Americans; and

(3) The annual expenditure by the American people for new or renovated public capital investment projects has declined in recent years by more than 50 per centum, as a percentage of the gross national product.

(b) It is, therefore, the policy of the United States that—

(1) The declining trend in public capital investment should be reversed;

(2) Any strategy for wise public capital investment must be long-range and sustained;

(3) Because of climatic, historic, and economic differences, the several states can more effectively establish realistic priorities for most public capital investment decisions than the Federal government; and

(4) Any long-term public capital investment program should involve a partnership between the Federal government and other levels of government.

SEC. 102. The Secretary of the Army, acting through the Chief of Engineers (hereinafter in this Title referred to as the "Secretary"), is authorized to make grants to any state under procedures established by the Secretary pursuant to this Title for the purpose of the construction or rehabilitation of public capital investment projects.

SEC. 103. (a)(1) Any State may submit to the Secretary an application for a public capital investment grant under this Title. Such application shall contain information, as the Secretary shall require, to determine that—

(A) Monies granted to the state will be utilized exclusively for the purpose of improving the public capital investment in such state;

(B) The state will contribute annually from non-Federal revenues a sum no less than the monies it receives annually under this Title, with such state monies to be used exclusively for the purposes of improving the public capital investment in such state;

(C) Monies granted to the state under this Title, or provided by the state to meet the requirements of this Title, will be placed in an appropriate fund (hereinafter in this Title referred to as the "Fund") established pursuant to state law, and will be utilized exclusively to construct or rehabilitate public capital investment projects undertaken as a result of a plan developed by such state, after public hearings, that establishes priorities and is applicable to such investments throughout such state;

(D) The state requires repayment into the Fund of user charges or other payments sufficient to maintain such Fund for the foreseeable future so that the Fund will continue to be available to finance public capital investments throughout such state following the termination of this Title;

(E) The state requires that any project constructed or rehabilitated using funds provided by this Title will be maintained and repaired on a scheduled basis during its useful life, utilizing monies other than those available under the terms of this Title;

(F) The state has established, in connection with projects to be financed under the terms of this Title, training programs satisfactory to the Secretary that are designed to assure that work on the design, construction, rehabilitation, maintenance, repair, and operation of projects constructed with monies made available under this Title are fully available to women and persons of ethnic or racial groups that are considered economically disadvantaged, including a provision of child-care facilities available to persons employed on such project;

(G) The state will permit access, on a reasonable basis, to representatives of the Secretary to review the operation of the Fund in order to assure the state's compliance with this section; and

(H) If such state contains one or more cities with a population exceeding 250,000, that such city or cities shall be assured over any five-year period the receipt of its proportional share of the monies in the state Fund, based on the city's population as a percentage of the population of the state.

(2) Whenever the Secretary finds that a state has met the requirements under paragraph (1) of this subsection, the Secretary shall within 30 days approve the application, and such states shall receive a grant under the terms of this Title.

(b)(1) Once approved for a grant under this Title, a state shall receive subsequent annual grants under this Title, provided the Secretary does not find, as a result of periodic audits pursuant to subsection (a)(1)(G) of this section, that such state has failed to maintain its program substantially as originally proposed.

(2) Whenever the Secretary finds under paragraph (1) of this subsection that a state has failed to maintain its program substantially as originally proposed, the Secretary shall withdraw approval of the grant, and refuse to make any additional grants to such state under this Title until such state has submitted a new application under this title, and such application is reviewed and approved by the Secretary under the terms of this section.

(c) Monies received by a state under this Title may be utilize by the state, or loaned

to any local unit of government in such state, for the purposes of public capital investments.

(d) Following consideration of the requirements of subsection (a)(1)(H) of this section, two or more states may utilize monies deposited in the Funds in such states for use to finance a regional authority, if the primary purpose of such authority is to construct, and rehabilitate public capital investments of a regional character.

SEC. 104. (a) Sums appropriated under this Title shall be made available to the states on the basis of a formula, established by the Secretary, based 50 per centum on the population of the State as a percentage of the population of all the states, and 50 per centum on the basis of the paved highway mileage in the State as a percentage of the paved highway mileage in all the states, provided, however, that no state identified under Section 401(a)(6)(A) of this Act shall receive less than one half of one per centum of the funds made available annually under this Title, if such state's application is approved by the Secretary.

(b)(1) Sums allocated to any state in any given fiscal year, for which an application is not received from such state for such sums, shall be returned to the Treasury of the United States on the first day of the succeeding fiscal year.

(2) Sums allocated to any state in any given fiscal year, for which an application for such sums is not approved by the Secretary, shall be returned to the Treasury of the United States on the final day of the succeeding fiscal year.

SEC. 105. (a) Each Federal agency shall review and, where necessary, revise its rules and regulations to assure, consistent with existing law, that any permit to be issued by the United States will be reviewed and acted upon expeditiously when such permit is necessary for the repair or rehabilitation of any public capital investment undertaken by a non-Federal public body.

(b) The Secretary, together with other appropriate Federal officials, shall seek to develop and publish criteria and information on techniques for establishing inventories of existing and needed public capital improvements that will be consistent among Federal agencies, the several states, and other levels of government.

SEC. 106. Of those sums made available annually to the Secretary pursuant to this Title, one-quarter of one per centum shall be allocated by the Secretary to support research and development activities intended to augment the cost-effectiveness of the nation's system of public capital investments. The Secretary may, under this section, contract with appropriate non-Federal research organizations.

SEC. 107. On April 15 of the year following enactment of this Act, and on each April 15 thereafter, the Secretary shall report to Congress on the disbursement of funds under this Title, and the use of those funds by participating states.

SEC. 108. In Section 205 of the Clean Water Act, add a new subsection as follows:

"(l)(1) Notwithstanding any other provision of this Title, any sums allotted to the states for the fiscal years ending September 30, 1983, the fiscal year ending September 30, 1984, and the fiscal year ending September 30, 1985, may be utilized for revolving loans or grants or combinations thereof for the construction of waste water treatment works, provided that the funding of such works meets with all applicable regulations concerning project eligibility and priorities for funding of the Administrator of the Environmental Protection Agency. Repayment of these loans shall be made to the states and the funds repaid may be used for additional loans or grants or combinations thereof, pursuant to this subsection.

"(2) Sums allocated to the states to be used in revolving loan programs shall be made available in total as grants to states at the time of allotment."

SEC. 109. There is authorized to be appropriated to the Secretary for the purposes of this Title, including necessary administrative expenses, the sum of $5,000,000,000 for each of the fiscal years beginning with the fiscal year ending September 30, 1985, through the fiscal year ending September 30, 1994, with such sums to remain available until expended.

SEC. 110. Except for the provisions of Sections 105 and 108 of this Title, the authorities of this Title shall terminate on October 1, 1994.

SEC. 111. This Title shall be termed the "Public Capital Investment Act of 1983."

TITLE II.—ECONOMIC STABILIZATION AND JOB CREATION

SEC. 201. (a) The purposes of this Title are—

(1) to maintain the national economy, particularly in rural areas, at a level sufficient to serve the best interests of the United States;

(2) to establish a framework within which Federal, State, and local governments can combine their resources to achieve economic development in all regions of the Nation;

(3) to assist in the creation of a strong investment climate promoting economic development and job opportunities for local communities and their residents;

(4) to help various regions, areas, and communities that suffer from substantial and persistent unemployment and underemployment to take steps that are effective in planning and financing needed public capital investments essential for growth and development;

(5) to facilitate local and regional economic adjustment and economic development diversification in changing local and national economies through coordinated long-range planning and Federal grant assistance; and

(6) to provide new employment opportunities by developing and expanding new and existing public works and other facilities.

(b) The Congress, therefore, declares that, in furtherance of maintaining the national economy—

(1) the assistance authorized by this title should be made available in rural areas as well as in those urban areas suffering from unusually high rates of unemployment;

(2) that such assistance be available for planning for economic development prior to the occurrances of economic distress so as to avoid such condition; and

(3) that such assistance be used for long-term economic revitalization in areas where long-term deterioration of the economy has occurred or is taking place.

SEC. 202. (a) Upon the application of a State, economic development district, local unit of government, or Indian tribe, the Secretary of the Army, acting through the Chief of Engineers, (hereinafter in this title referred to as the "Secretary"), is authorized to make a grant for a portion of the cost, as provided under subsection (b) of this section, of a project for public capital investment or development facility usage, if he finds that the project—

(1) will improve the opportunities in the project area for the location of job creation facilities,

(2) will otherwise assist in creating long-term employment opportunities,

(3) will fulfill a pressing need of the area for which the grant is being sought, and

(4) is part of a local investment strategy on file with the Secretary for the area.

(b) The amount of any grant under this section for any project shall not exceed 50 per centum of the cost of such project, except that any such grant shall not exceed 80 per centum in the case of an Indian tribe.

(c) Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

(d) There is authorized to be appropriated to the Secretary, to carry out the provisions of this section, not to exceed $150,000,000 for each fiscal year ending September 30, 1984, through the fiscal year ending September 30, 1988.

SEC. 203. (a) A state may apply for a grant under this title for an eligible project within any local unit of government within the State, other than a local unit of government with a population of 50,000 or more, if such unit meets the requirements of section 204 of this title and is not within the boundaries of an economic development district.

(b) A local unit of government within a State, other than an urban area with a population of 50,000 or more, which meets the requirements of section 204 of this title and is not within the boundaries of an economic development district, may apply for a grant under this title for an eligible project within such unit.

(c) An economic development district may apply for a grant under this title for an eligible project within any local unit of government within such district, if such unit meets the requirements of section of this title.

(d) A local unit of government within an economic development district may apply for a grant under this title for an eligible projection within such unit if such unit meets the requrirements of section 204 of this title.

(e) An Indian tribe may apply for a grant under this title.

(f) A local unit of government with a population of 50,000 or more, which has an unemployment rate 3 percentage points above the national average percentage for the most recent 24 month period for which statistics are available may apply for a grant under this title.

SEC. 204. (a) In order to be eligible for a grant under this title, the applicant must certify that any activity or project to be funded under such grant will be carried out or located in an area which meets any one of the following criteria:

(1) the area has a per capita income of 80 per centum or less of the national average;

(2) the area has an unemployment rate 1 percentage point above the national average percentage for the most recent 24-month period for which statistics are available; or

(3) the area has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment of the area, and which, in the judgment of the Secretary is likely to persist.

(b) Documentation of distress shall be supported by Federal data, when available, and in other cases by data available through the State government. Such documentation shall be accepted by the Secretary unless it

is determined to be inaccurate. The most recent statistics available must be used.

SEC. 205. (a) In carrying out his duties under this title, the Secretary is authorized to provide technical assistance that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment

(1) to areas eligible for assistance under section 204, and

(2) to other areas that he finds have substantial need for such assistance. Such assistance shall include project planning and feasibility studies and studies evaluating the needs of, and development potential for, economic growth of such area.

(b) There is authorized to be appropriated to the Secretary, to carry out this section, not to exceed $10,000,000 for each of the fiscal years ending September 30, 1984, through September 30, 1988.

SEC. 206. (a) The Secretary is authorized, upon application of any State, local unit of government, Indian tribe, or economic development district, to make a grant to such applicant to pay up to 80 per centum of the cost for economic development planning. The planning assisted under this section shall include systematic efforts to reduce unemployment and increase local economic activity. Such planning shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program.

(b) The development plan prepared under this section shall be submitted to the Secretary and updated from time to time as necessary. Project applications approved under section 202 must be consistent with the development plan submitted to the Secretary.

(c) There is hereby authorized to be appropriated to the Secretary to carry out this section not to exceed $40,000,000 for each of the fiscal years ending September 30, 1984, through September 30, 1988.

SEC. 207. For the purposes of this Title, (a) the term "economic development district" means—

(1) an economic development district designated on or before January 1, 1983, under section 403(a)(1) of the Public Works and Economic Development Act of 1965 (—— U.S.C. ——); and

(2) any district within a State which is designated by the Secretary, which district is of sufficient size or population and contains sufficient resources to foster economic development on a scale involving more than one county and does not contain within its boundaries any part of another economic development district designated under paragraph (1) or under this paragraph; and

(b) the term "Indian Tribe" means the governing body of a tribe, an Indian authority or tribal organization or entity, an Alaskan Native village, or any Indian group which is recognized as an Indian tribe by the Secretary of the Interior.

SEC. 208. There is authorized to be appropriated to the Secretary for salaries and administrative expenses to carry out the provisions of this Title the sum of $25,000,000 for each of the fiscal years ending September 30, 1984, through the fiscal year ending September 30, 1988. Appropriations authorized under this section shall remain available until expended, unless otherwise provided by appropriations acts.

SEC. 209. The Public Works and Economic Development Act of 1965, as amended, (—— U.S.C. ——) is hereby repealed.

SEC. 210. This Title may be cited as the "Economic Stabilization and Job Creation Act of 1983."

TITLE III.—STANDBY PUBLIC INVESTMENT

CONGRESSIONAL FINDINGS AND DECLARATIONS

SEC. 301. (a) The Congress finds that—

(1) The state of the public capital investment of the nation is critical to the economic welfare of the nation;

(2) The nation's economic strength is determined to a great extent by the economic vitality of its regions, States, and communities, and the status of the public capital investment in such States, regions, and communities.

(3) The maintenance of economic vitality serves the interest of the nation and its citizens;

(4) Unemployment, whether cyclical or permanent, produces great hardship for people; and

(5) Government at all levels must be responsive to public need.

(b) In recognition of the findings in subsection (a) of this Section, the Congress declares there is a need to—

(1) reverse decades of neglect in the public capital investment, and

(2) create a standby counter-cyclical program that will contribute to the renovation of public capital investments and long-term economic vitality to utilize the nation's resources and manpower more effectively by employing them at a time when they would otherwise stand idle.

PLANNING AND TECHNICAL ASSISTANCE

SEC. 302. (a) The Secretary of the Army, acting through the Chief of Engineers (hereinafter in this Title referred to as the "Secretary"), is authorized to provide technical and planning assistance to States, local units of government, and Indian tribes for the development of long-range plans and programs for the construction, rehabilitation, and repair of public capital investment projects.

(b) A State, local unit of government, or Indian tribe may submit to the Secretary an application for a grant for planning or technical assistance, and upon a satisfactory showing that the status of its public capital investment is threatened with deterioration, receive such assistance.

(c) Grants under this section shall be used, to the maximum extent possible, to develop an investment plan designed to coordinate future investment in public capital investment projects with economic development, the creation of jobs, and activities under Titles I and II of this Act.

(d) For the purposes of this section, there is authorized to be appropriated to the Secretary, for each of the fiscal years ending September 30, 1984, through September 30, 1988, the sum of $20,000,000 to remain available until expended.

AUTHORIZATIONS

SEC. 303. (a) There is established in the Treasury of the United States a "Counter-Cyclical Trust Fund" (hereinafter in this Title referred to as the "Trust Fund"), consisting of the funds appropriated under the terms of this section, Provided That, the balance in the Trust Fund shall not accumulate in excess of $2,000,000,000.

(b) For the purposes of this section, there is authorized to be appropriated to the Secretary, for immediate transfer to the Trust Fund, the sum of $200,000,000 in each of the fiscal years ending September 30, 1984, through September 30, 1993, together with such additional sums as may be necessary to fulfill the purposes of this Title, subject to the limitation contained in subsection (a) of this section.

(c)(1) Sums in the Trust Fund shall become available to the Secretary for distribution to approved projects following a declaration under the terms of section 306(b) of this title.

(2) Following a declaration under the terms of section 306(b) of this title, the Secretary shall utilize all of the monies in the Trust Fund, or such portion of the Trust Fund as he deems necessary, to fulfill the purposes of this title.

(3) No project shall receive funds from the Trust Fund unless such funds can be fully obligated within one year of the date such funds are made available.

STANDBY CAPITAL GRANTS

SEC. 304. (a) The Secretary is authorized to agree to make grants for the repair, rehabilitation, or construction of public capital investments upon the application of any State, local unit of government or Indian tribe. Such grants shall become available during the six-month period following a declaration under the terms of section 306(b) of this title.

(b) The percentage of any grant under this section shall not exceed 75 per centum of the cost of the work to be undertaken.

(c) Eligible public capital investments under this title include, but are not limited to:

(1) Sewers and wastewater treatment facilities,

(2) Stormwater collection systems,

(3) Water treatment and distribution facilities,

(4) Solid waste disposal facilities,

(5) Urban streets, bridges, and roads not included on the Federal-aid system of highways,

(6) Sidewalks,

(7) Public transportation facilities (excluding rolling stock),

(8) Parks,

(9) Schools,

(10) Libraries, and

(11) Publicly owned historical properties and museums.

(d) Projects eligible for grant assistance under this section must be contained in any investment plan developed by a state under the terms of Section 302(c) of this title, and have designs, specifications, and engineering acceptable to the Secretary. Such project must also be capable of having the funds for such project obligated fully within six months of the receipt of its grant.

ELIGIBILITY REQUIREMENTS AND TRIGGER

SEC. 305. The Secretary shall, prior to approving any project for a State, local unit of government, or Indian tribe, determine that—

(a) the project is part of an area-wide counter-cyclical investment plan, developed under the terms of Section 302(c) of this title;

(b) the area at the time of application, is suffering economic problems, as measured for the most recent six months for which data is available from the Bureau of Labor Statistics:

(1) per capita income that is 80 per centum or less of the national average, and

(2) unemployment has been, on average, one percentage point or more above the national average; and

(c) the applicant has not postponed its ongoing local public capital investment activity, or the maintenance and rehabilitation thereof.

PROGRAM TRIGGER

SEC. 306. (a) The Secretary shall accept applications from jurisdictions eligible under the terms of section 305(b) of this Title, in accordance with the provisions of section 304 of this title, whenever the Secretary determines that the Index of Total Industrial Production has declined for three consecutive months.

(b) Funds for the purposes of section 304 of this Title shall be made available whenever the Secretary makes a finding, and publishes notification thereof in the Federal Register, that the rate of total civilian unemployment exceeds by at least one and one half percentage points the prevailing rate of unemployment recorded during the first month of observed decline in the Index used to initiate applications under the terms of subsection (a) of this section: Provided, That the specified increase in the rate of unemployment shall occur during a period not to exceed nine months.

SHORT TITLE

SEC. 307. This Title may be cited as the "Standby Public Investment Act of 1983."

TITLE IV—HISTORIC SITES

FINDINGS AND PURPOSES

SEC. 401. (a) The Congress finds that—

(1) the use of buildings and structures with an historical character, as well as the renovation of such buildings and structures for productive reuse, preserves and enhances the culture of the United States, while conserving energy and material;

(2) projects for the preservation of historic buildings and structures utilize the labor of this Nation more efficiently than many other types of activity;

(3) projects for historic preservation often restore vitality to urban and rural areas that have become economically depressed; and

(4) projects for historic preservation can be initiated more expeditiously than new construction because renovation is less likely to be delayed by seasonal factors or site preparation.

(b) It is, therefore, the purpose of this Title to stimulate the creation of productive jobs, enhance economic recovery, and to preserve the best of the Nation's cultural environment by—

(1) rehabilitating buildings, structures, districts, sites, and objects that have been significant in the history, architecture, and culture of the United States, and

(2) improving the public capital investment that supports such resources.

SEC. 402. The sum of $500,000,000 is authorized to be appropriated to the Secretary of Interior (hereinafter in this Title referred to as the "Secretary") to be allocated among the States for the fiscal year ending September 30, 1984, or thereafter, such sums to remain available until expended.

(b) The sums authorized by this section shall be allocated among the States by the Secretary as follows:

(1) 25 per centum of such funds shall be divided equally among the States, provided that the areas cited in section 601(a)(6)(B) of this Act shall be considered as one State for the purposes of this paragraph;

(2) 25 per centum of such funds shall be distributed on the basis of population of each State; and

(3) 50 per centum of such funds shall be distributed on the basis of the number of persons unemployed in each State, as of the date of enactment of this Act, as a percentage of all persons unemployed as of such date.

(c) Projects eligible for funding under this Title shall include, as their primary purpose, the rehabilitation, restoration, stabilization, maintenance, or reconstruction of—

(1) properties (including districts, buildings, sites, objects, and structures) that have been designated by the Secretary as a National Historic Landmark,

(2) properties listed in, or eligible for listing in, the National Register of Historic Places,

(3) properties, as determined by the appropriate State Historic Preservation Officer (designated pursuant to Section 101(b) of the National Historic Preservation Act of 1966, as amended), in conjunction with a State historic preservation review board (defined pursuant to Section 301(12) of the National Historic Preservation Act of 1966, as amended), that meets substantially the criteria for listing of properties in the National Register of Historic Places,

(4) properties determined by the appropriate State Historic Preservation Officer, in conjunction with a State historic preservation review board (defined pursuant to Section 301(12) of the National Historic Preservation Act of 1966, as amended), to contribute to the historic significance of a district listed in, or eligible for listing in, the National Register of Historic Places, or a district determined by the appropriate State Historic Preservation Officer that meet substantially the criteria for listing in the National Register of Historic Places, or

(5) public facilities, including streets, sidewalks, lighting, and public areas (including parks and playgrounds) that, in the opinion of the State Historic Preservation Officer, directly contribute to the vitality of historic properties,

(d) No project shall be eligible for funds under this Title unless—

(1) the state and owner of the property agrees to conduct all work in a manner consistent with the Secretary's "Standards for Historic Preservation Projects," and

(2) the owner of the property conveys to the State a binding agreement to preserve and maintain the historic elements of a property for which assistance is given pursuant to this Title for a period of not less than 25 years.

(e) In selecting projects under this Title, States shall give priority to projects that—

(1) provide the greatest number of jobs per dollar invested, and attract the greater share of private investment for each Federal dollar invested;

(2) utilize vacant or underutilized properties, including public buildings, schools, and factories,

(3) provide training opportunities related to the rehabilitation of buildings and other structures for persons who are unemployed and underemployed;

(4) provide maximum opportunity for existing residents to participate in the revitalization of their community;

(5) contribute to comprehensive strategies that help us minimize any anticipated displacement of existing neighborhoods or residents, and

(6) contribute to comprehensive strategies that will revitalize commercial areas.

(f) Not more than 5 per centum of the allocation to any State or the National Trust for Historic Preservation under this Title may be devoted to administrative costs.

(g) Funds under this Title may be used for direct grants, matching grants, loans, revolving funds, and other forms of assistance, provided that any funds repaid to a State under this subsection are devoted thereafter solely to projects of the type that are eligible for funding under this Title.

(h) No funds shall be provided for more than 50 per centum of the aggregate amount of all grants made pursuant to this Title within any state during any fiscal year.

(i) State Historical Preservation Officers shall have sole discretion to select projects under this section, provided each such project meets the eligibility requirements established by Title.

SEC. 403. The sum of $25,000,000 is authorized to be appropriated to the Secretary for transfer to the National Trust for Historic Preservation, provided such sums will be distributed by the National Trust to non-profit neighborhood-based organizations for housing and community economic development projects assisted by the "Inner City Ventures Fund," administered by the National Trust.

SEC. 404. The Secretary shall allocate funds authorized by this Title within 30 days of the receipt of such funds, and monitor implementation of the program. The Secretary shall deny funds to any state that fails to meet the requirements of this Title.

SEC. 405. In cooperation with the National Trust for Historic Preservation and the National Conference of State Historic Preservation Officers, the Secretary shall study, monitor, and review the program established by this Title and make recommendations to the President and the Congress as to future authorization for this program.

SEC. 406. Any State shall be eligible to receive funds under this Title if:

(a) at the time of the allocation of funds, such state has a state historic preservation program approved by the Secretary pursuant to Section 101(b)(1) of the National Historic Preservation Act of 1966, as amended, and

(b) the state has certified that it will abide by the terms and priorities established for the program established by this Title.

SEC. 407. Each state shall encourage, to the maximum extent feasible, review and comment from elected public officials of the area in which any proposed project under this Title exists. States shall actively encourage public participation in the project selection process.

SEC. 408. The Advisory Council on Historic Preservation shall provide for an expedited process to comment, pursuant to the requirements of Section 106 of the National Historic Preservation Act of 1966 as amended, on projects proposed for funding under this Title.

SEC. 409. This Title may be cited as the "Historic Sites Development and Jobs Act of 1983."

TITLE V—YOUTH EMPLOYMENT

STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to establish a community conservation and improvement program and a Young Adult Conservation Corps to provide eligible youths employment, work experience, skill training, and community service opportunities.

PART A—YOUTH COMMUNITY CONSERVATION AND IMPROVEMENT PROJECTS

DEFINITIONS

SEC. 511. As used in this part—

(1) The term "community-based organization" has the same meaning given that term by section 4(5) of the Job Training Partnership Act.

(2) The term "community improvement project" means any project providing work which would not otherwise be carried out, including, but not limited to—

(A) the rehabilitation or improvement of public facilities;

(B) neighborhood improvements including the creation or renovation of urban parks;

(C) projects involving replacing asbestos in public elementary and secondary schools;

(D) weatherization and basic repairs to low-income and elderly housing;

(E) moderate rehabilitation for low-income and elderly housing (to include the removal of ureaformaldehyde foam insulation);

(F) projects designed to improve the lives of elderly or low-income individuals or families;

(G) projects involving the control of rodents;

(H) energy conservation including solar energy techniques, especially those utilizing materials, and supplies available without cost;

(I) removal of architectural barriers to access, by handicapped persons, to public facilities and polling places; and

(J) conservation, maintenance, or restoration of natural resources on publicly held lands other than Federal lands.

(3) The term "eligible applicant" means—

(A) any eligible entity receiving assistance under the Community Services Block Grant Act in fiscal year 1983,

(B) any successor agency to such eligible entity qualified to receive assistance under the Community Services Block Grant Act in succeeding fiscal years;

(C) any sponsor of Native American programs qualified under section 401 of the Job Training Partnership Act; and

(D) and any sponsor of migrant and seasonal farmworkers programs qualified under section 402 of the Job Training Partnership Act.

(4) The term "eligible project" means any project—

(A) which is a community improvement project;

(B) which can be initiated or strengthened within a reasonable period of time; and

(C) a substantial portion of which can be completed within 12 months after financial assistance under this part is received by an eligible applicant.

(5) The term "eligible youth" means any individual who is unemployed and, at the time of entering employment under this part, age sixteen to nineteen, inclusive.

(6) The term "institution of higher education" has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965.

(7) The term "local educational agency" has the same meaning given that term by section 1001(f) of the Elementary and Secondary Education Act of 1965.

(8) The term "project applicant" means—

(A) any State and public agency thereof,

(B) any unit of general local government and any agency thereof,

(C) any combination or association of such governmental units when the primary purpose of such combination or association is to assist such governmental units to provide public services,

(D) any special purpose political subdivision having the power to levy taxes and spend funds or serving such special purpose within an area served by one or more units of general local government,

(E) any local educational agency,

(F) any institution of higher education,

(G) any community-based organization,

(H) any community development corporation,

(I) any nonprofit group and any organization serving native Americans, and

(J) any other private nonprofit organization or institution engaged in public service.

(9) The term "Secretary" means the Secretary of Health and Human Services.

(10) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

ALLOCATION OF FUNDS

SEC. 512. (a) The Secretary shall allocate not less than 95 percent of funds available to carry out this part for any fiscal year among the States on the basis of the relative number of unemployed persons within each State as compared to all States, except that not less than one-half of 1 percent of such funds shall be allocated for projects under this part within any one State and not less than one-half of 1 percent of such funds shall be allocated in the aggregate for projects in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(b) Two and one half percent of the funds available for this part, shall be available for projects for Native American eligible youths, and 2½ percent shall be available for projects for eligible youths in migrant and seasonal farmworker families.

YOUTH EMPLOYMENT FOR COMMUNITY IMPROVEMENT PROJECTS AUTHORIZED

SEC. 513. The Secretary is authorized, in accordance with the provisions of this part, to enter into agreements with eligible applicants to pay costs of youth employment for community improvement projects to be carried out by project applicants employing eligible youths and appropriate supervisory personnel.

SUMMER YOUTH EMPLOYMENT FOR COMMUNITY IMPROVEMENT PROJECTS

SEC. 514. The Secretary shall, to the extent practical and in accordance with the provisions of this part, approve agreements with eligible applicants under which the eligible applicants, in approving applications from project applicants, will give priority to projects that can be completed in the summer months or projects under which the employment of eligible youths during the summer months can be increased.

PROJECT APPLICATIONS

SEC. 515. (a) Project applicants shall submit applications for funding of projects under this part to the appropriate eligible applicant.

(b) In accordance with regulations prescribed by the Secretary, each project application shall—

(1) provide a description of the work to be accomplished by the project, the jobs to be filled, and the approximate duration for which eligible youths would be assigned to such jobs;

(2) describe the wages or salaries to be paid individuals employed in jobs assisted under this part;

(3) set forth assurances that there will be an adequate number of supervisory personnel on the project and that the supervisory personnel are adequately trained in skills needed to carry out the project and can instruct participating eligible youths in skills needed to carry out the project;

(4) set forth assurances that any income generated by the project will be applied toward the cost of the project;

(5) set forth assurances for acquiring such space, supplies, materials, and equipment as necessary, including reasonable payment for the purchase or rental thereof;

(6) set forth assurances that, to the maximum extent feasible, projects carried out under this part shall be labor intensive; and

(7) set forth such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the provisions of this part.

PROPOSED AGREEMENTS

SEC. 516. (a) Each eligible applicant desiring funds under this part shall submit a proposed agreement to the Secretary, together with all project applications approved by the eligible applicant. With its transmittal of the proposed agreement, the eligible applicant shall provide descriptions of the project applications approved by the eligible applicant, accompanied by the recommendations of the eligible applicant concerning the relative priority attached to each project.

(b) The proposed agreement submitted by any eligible applicant shall—

(1) describe the method of recruiting eligible youths, including—

(A) a description of how such recruitment will be coordinated with plans under other provisions of this Act, including arrangements required by section 121 of the Job Training Partnership Act;

(B) a description of arrangements with school systems, the public employment service (including school cooperative programs), the courts of jurisdiction for status and youthful offenders; and

(C) a description of arrangements with public assistance agencies on the employment of youth from families receiving public assistance, including parents of dependent children.

(2) describe the arrangements under which the participating eligible youths will be furnished, as necessary, basic literacy skills and continuing education opportunities;

(3) provide a description of job training and skill development opportunities that will be made available to participating eligible youths, as well as a description of plans to coordinate the training and work experience with school-related programs, including the awarding of academic credit; and

(4) set forth such other assurances as the Secretary may require to carry out the purposes of this part.

APPROVAL OF AGREEMENTS

SEC. 517. (a) The Secretary may approve or deny on an individual basis any of the project applications submitted with any proposed agreement.

(b) No funds shall be made available to any eligible applicant except pursuant to an agreement entered into between the Secretary and the eligible applicant which provides assurances satisfactory to the Secretary that—

(1) the standards set forth in part C will be satisfied;

(2) projects will be conducted in such manner as to permit eligible youths employed in the project who are in school to coordinate their jobs with classroom instruction and, to the extent feasible, to permit such eligible youths to receive credit from the appropriate educational agency, postsecondary institution, or particular school involved; and

(3) meet such other assurances, arrangements, and conditions as the Secretary deems appropriate to carry out the purposes of this part.

WAGE PROVISIONS

SEC. 518. Rates of pay under this part shall be no less than the higher of—

(1) the minimum wage under section 6 (a)(1) of the Fair Labor Standards Act of 1938;

(2) the State or local minimum wage for the most nearly comparable employment; or

(3) the prevailing rates of pay, if any, for occupations and job classifications of individuals employed by the same employer, except that—

(A) whenever the eligible applicant has entered into an agreement with the employer and the labor organization representing employees engaged in similar work in the same area to pay less than the rates provided in this paragraph, youths may be paid the rates specified in such agreement;

(B) whenever an existing job is reclassified as restructured, youths employed in such jobs shall be paid at rates not less than are provided under paragraph (1) or (2) of this section, but if a labor organization represents employees engaged in similar work in the same area, such youths shall be paid at rates specified in an agreement entered into by the appropriate eligible applicant, the employer, and the labor organization with respect to such reclassified or restructured jobs, and if no agreement is reached within 30 days after the initiation of the agreement procedure referred to in this subparagraph, the labor organization, eligible applicant, or employer may petition the Secretary of Labor who shall establish appropriate wages for the reclassified or restructured positions, taking into account wages paid by the same employer to persons engaged in similar work;

(C) whenever a new or different job classification or occupation is established and there is not dispute with respect to such new or different job classification or occupation, youths to be employed in such jobs shall be paid at rates not less than are provided in paragraph (1) or (2) of this section, but if there is a dispute with respect to such new or different job classification or occupation, the Secretary of Labor shall, within 30 days after receipt of the notice of protest by the labor organization representing employees engaged in similar work in the same area, make a determination whether such job is a new or different job classification or occupation; and

(D) in the case of projects to which the provision of the Davis-Bacon Act (or any Federal law containing labor standards in accordance with the Davis-Bacon Act) otherwise apply, the Secretary is authorized, for projects financed under this part under $7,500 to prescribe rates of pay for youth participants which are not less than the applicable minimum wage but not more than the wage rate of the entering apprentice in the most nearly comparable apprenticeable trade, and to prescribe the appropriate ratio of journeymen to such participating youths.

PART B—YOUNG ADULT CONSERVATION CORPS

ESTABLISHMENT OF YOUNG ADULT CONSERVATION CORPS

SEC. 531. To carry out the purposes of this title, there is established a Young Adult Conservation Corps to carry out projects on Federal or non-Federal public lands or waters. The Secretary of the Interior and the Secretary of Agriculture shall administer this title and may enter into such interagency agreements with the Secretary of Health and Human Services, the Secretary of Labor and the Secretary of Education as may be necessary. Pursuant to such interagency agreements, the Secretary of the Interior and the Secretary of Agriculture shall have responsibility for the management of each Corps center, including determination of the work assignments, selection, training, discipline, and termination of Corps members, and shall be responsible for an effective program at each center.

SELECTION OF ENROLLEES

SEC. 532. (a) Enrollees of the Corps shall be selected by the Secretary of the Interior and the Secretary of Agriculture.

(b)(1) Membership in the Corps shall be limited to individuals who, at the time of enrollment—

(A) are unemployed;

(B) are between the ages sixteen to twenty-three, inclusive;

(C) are citizens or lawfully permanent residents of the United States or lawfully admitted refugees or parolees; and

(D) are capable of carrying out the work of the Corps for the estimated duration of each such individual's enrollment.

(2) Individuals who, at the time of enrollment, have attained age sixteen but not attained age nineteen and who have left school shall not be admitted to membership in the Corps unless they give adequate assurances, under criteria established by the Secretary of Education, that they did not leave school for the purpose of enrolling in the Corps and obtaining employment under this title.

(c) The Secretary of the Interior and the Secretary of Agriculture shall make arrangements for obtaining referral of candidates for the Corps from the public employment service, eligible applicants under part A of this Act, sponsors of Native American programs and sponsors of migrant and seasonal farmworkers programs.

(d) Preference shall be given to youths residing in rural and urban areas within each such State having substantial unemployment.

(e)(1) No individual may be enrolled in the Corps for a total period of more than 24 months, with such maximum period consisting of either one continuous 24-month period, or three or less periods which total 24 months, except that an individual who attains the maximum permissible enrollment age may continue in the Corps up to the 24-month limit provided in this subsection only as long as the individual's enrollment is continuous after having attained the maximum age.

(2) In carrying out paragraph (1) of this subsection the Secretary of the Interior and the Secretary of Agriculture shall encourage, whenever practical, the enrollment of individuals in the Corps for periods during the summer.

ACTIVITIES OF THE CORPS

SEC. 533. (a) Consistent with each interagency agreement, the Secretary of the Interior or the Secretary of Agriculture, as appropriate, in consultation with the Secretary of Labor shall determine the location of each residential and nonresidential Corps center. The Corps shall perform work on projects in such fields as—

(1) tree nursery operations, planting, pruning, thinning, and other silviculture measures;

(2) wildlife habitat improvements and preservation;

(3) range management improvements;

(4) recreation development, rehabilitation, and maintenance;

(5) fish habitat and culture measures;

(6) forest insect and disease prevention and control;

(7) road and trail maintenance and improvements;

(8) general sanitation, cleanup, and maintenance;

(9) erosion control and flood damage;

(10) drought damage measures;

(11) trail management in wilderness areas;

(12) fire prevention;

(13) reclamation and improvement of stripmined land;

(14) improvement of abandoned railroad beds and rights of way;

(15) urban park revitalization;

(16) wildlife management; and

(17) other natural disaster damage measures.

(b)(1) The Secretary of the Interior and the Secretary of Agriculture shall undertake to assure that projects on which work is performed under this part are consistent with the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and the Wilderness Act, and such other standards relating to such projects as each Secretary shall prescribe consistent with other applicable provisions of Federal law.

(2) The Secretary of the Interior and the Secretary of Agriculture shall place individuals employed as Corps members into jobs which will diminish the backlog of relatively labor intensive projects which would otherwise be carried out if adequate funding were made available.

(c) To the maximum extent practicable, projects shall—

(1) be labor intensive;

(2) be projects for which work plans could be readily developed;

(3) be able to be initiated promptly;

(4) be productive;

(5) be likely to have a lasting impact both as to the work performed and the benefit to the youths participating;

(6) provide work experience to participants in skill areas required for the projects;

(7) if a residential program, be located, to the maximum extent consistent with the objectives of this title, in areas where existing residential facilities for the Corps members are available; and

(8) be similar to activities of persons employed in seasonal and part-time employment in agencies such as the National Park Service, United States Fish and Wildlife Service, Bureau of Reclamation, Bureau of Land Management, Bureau of Indian Affairs, Forest Service, Bureau of Outdoor Recreation, and Soil Conservation Service.

(d)(1) The Secretary of the Interior and the Secretary of Agriculture, may provide for such transportation, lodging, subsistence, medical treatment, and other services, supplies, equipment, and facilities as they may deem appropriate to carry out the purposes of this part. To minimize transportation costs, Corps members shall be assigned to projects as near to their homes as practicable.

(2) Whenever economically feasible, existing but unoccupied or underutilized Federal, State and local government facilities and equipment of all types shall, where appropriate, be utilized for the purposes of the Corps centers with the approval of the Federal agency, State, or local government involved.

(e) The Secretary of the Interior and the Secretary of Agriculture, in carrying out the purpose of this title, shall, pursuant to an agreement with the Secretary of Education, make suitable arrangements under which academic credit may be awarded by educational institutions and agencies for competencies derived from work experience obtained through programs established under this part.

CONDITIONS APPLICABLE TO CORPS ENROLLEES

SEC. 534. (a) Except as otherwise specifically provided in this subsection, Corps members shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits:

(1) For the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.) Corps members shall be treated as members of the Peace Corps.

(2) For purposes of subchapter I of chapter 81 of title 5 of the United States Code, relating to compensation to Federal employees for work injuries, Corps members shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and provisions of that subchapter shall apply, except that the term "performance of duty" shall not include any act of a Corps members while absent from the member's assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction and supervision of the Secretary.

(3) For purposes of chapter 171 of title 28 of the United States Code, relating to tort claims procedure, Corps members shall be deemed civil employees of the United States within the meaning of the term "employee of the Government" as defined in section 2671 of title 28, United States Code, and provisions of that chapter shall apply.

(4) For purposes of section 5911 of title 5 of the United States Code, relating to allowances for quarters, Corps members shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in that section, and provisions of that section shall apply.

(b) The Secretary of Labor shall, in consultation with the Secretaries of the Interior and the Secretary of Agriculture, establish standards for—

(1) rates of pay which shall be at least at the wage required by section 6 (a) (1) of the Fair Labor Standards Act of 1938, as amended;

(2) reasonable hours and conditions of employment; and

(3) safe and healthful working and living conditions.

PROHIBITIONS

SEC. 535. No corps member may perform work on projects under which such member—

(1) is exposed to pesticides or herbicides;

(2) uses or applies pesticides or herbicides; or

(3) is exposed to an area in which pesticides or herbicides were used shortly before the work is to be performed,

as determined by regulations prescribed by the Secretary of Labor.

STATE AND LOCAL PROGRAMS

SEC. 536. (a) Consistent with interagency agreements, the Secretary of the Interior and the Secretary of Agriculture may make grants or enter into other agreements—

(1) after consultation with the Governor, with any State agency or institution;

(2) after consultation with appropriate State and local officials, with (A) any unit of general local government, or (B)(i) any public agency or organization, or (ii) any private nonprofit agency or organization which has been in existence for at least two years including eligible applicants qualified under Part A of this title,

for the conduct under this part of any State or local component of the Corps or of any project on non-Federal public lands or waters or any project involving work on both non-Federal and Federal lands and waters.

No grant or other agreement may be entered into under this section unless an application is submitted to the Secretary of the Interior or the Secretary of Agriculture, as the case may be, at such time as each such Secretary may prescribe. Each grant application shall contain assurances that individuals employed under the project for which the application is submitted—

(1) meet the qualifications set forth in section 232 (b); and

(2) shall be employed in accordance with section 234 (b) and section 235.

(c)(1) Sixty percent of the sums appropriated pursuant to section 341(a) and available to carry out this part for any fiscal year shall be used for grants under this section for such fiscal year.

(2)(A) Ninety-five percent of the funds available for this section shall be allotted by the Secretary of the Interior on the basis of the relative number of youths and the relative number of unemployed youths within each State as compared to all States, except that not less than one-half of 1 percent of such funds shall be allocated for projects under this part within any one State and not less than one-half of 1 percent of such funds shall be allocated in the aggregate for projects in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(B) Of the funds available for this part, 2½ percent shall be available for projects for Native American eligible youths, and 2½ percent shall be available for projects for eligible youths in migrant and seasonal farmworker families.

EQUITABLE AVAILABILITY OF CORPS MEMBERSHIP

SEC. 537. The Corps shall be open to youth from all parts of the country of both sexes and youth of all social, economic, and racial classifications.

TRANSFER OF FUNDS

SEC. 538. Funds necessary to carry out their responsibilities under this title shall be made available to the Secretary of Agriculture in accord with interagency agreements between the Secretary of the Interior and the Secretary of Agriculture,

PART C—GENERAL PROVISIONS

AUTHORIZATION OF APPROPRIATIONS; DISTRIBUTION OF FUNDS

SEC. 541. (a) There are authorized to be appropriated $3,000,000,000 for the fiscal year 1984 and for each fiscal year thereafter to carry out the provisions of this title.

(b) Of the sums available to carry out the provisions of this title in each fiscal year—

(1) 50 percent shall be available for part A; and

(2) 50 percent shall be available for part B.

ANTIDISCRIMINATION

SEC. 542. No person with responsibility in the operation of any program authorized by or assisted under this title shall discriminate in any such program because of race, color, religion, sex, national origin, handicap, political affiliation, or beliefs.

SPECIAL PROVISIONS

SEC. 543. (a) Appropriate efforts shall be made to insure that youths participating in programs, projects, and activities under parts A and B of this title shall be youths who are experiencing severe handicaps in obtaining employment, including but not limited to youths who lack credentials (such as a high school diploma), youths who require substantial basic and remedial skill development, youths who are women and minorities, youths who are veterans of military service, youths who are offenders, youths who are handicapped, youths with dependents, or youths who have otherwise demonstrated special need, as determined by the Secretary of Health and Human Services, the Secretary of the Interior or the Secretary of Agriculture, as the case may be.

(b)(1) The Secretary of Health and Human Services, the Secretary of the Interior or the Secretary of Agriculture, as the case may be, is authorized to make such reallocation as the Secretary deems appropriate of any amount of any allocation under parts A and B of this title to the extent that the Secretary determines that an eligible applicant will be able to use such amount within a reasonable period of time. Any such amount may be reallocated only if the Secretary making the reallocation under this subsection has provide thirty days' advance notice of the proposed reallocation to the eligible applicant and to the Governor of the State of the proposed reallocation, during which period of time the eligible applicant and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected eligible applicants of any decision to reallocate funds, and shall publish any such decision in the Federal Register. Priority shall be given in reallocating such funds to other areas within the same State.

(2) For the purpose of this subsection, the term "Governor" means the chief executive of any State.

ACADEMIC CREDIT, EDUCATION CREDIT, COUNSELING AND PLACEMENT SERVICES, AND BASIC SKILLS DEVELOPMENT

SEC. 544. (a) In carrying out this title, appropriate efforts shall be made to encourage the granting by the local educational agency or school involved of academic credit to eligible participants who are in school.

(b) The Secretary of Health and Human Services, the Secretary of the Interior, and the Secretary of Agriculture, as the case may be, in carrying out the purposes of this title, shall work with the Secretary of Education to make suitable arrangements with appropriate State and local education officials under which academic credit may be awarded, consistent with applicable State law, by educational institutions and agencies for competencies derived from work experience obtained through programs established under this title.

DISREGARDING EARNINGS

SEC. 545. Earnings received by any youth under this title shall be disregarded in determining the eligibility of the youth's family for, and the amount of, any benefits based on need under any Federal or federally assisted programs.

ADMINISTRATIVE PROVISIONS

SEC. 546. (a)(1) The Secretary of Health and Human Services may, in accordance with chapter 5 of title 5, United States Code, prescribe such rules and regulations (including performance standards) as the Secretary of Health and Human Services deems necessary. Such rules and regulations may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968. All such rules and regulations shall be published in the Federal Register at least thirty days prior to their effective date. Copies of all such rules and regulations shall be transmitted to the appropriate committees of the Congress at the same time and shall contain, with respect to each material provision of such rules and regulations, citations to the particular substantive section of law which is the basis therefor.

(2) In prescribing rules and regulations under paragraph (1), the Secretary shall consult with the Secretary of Labor.

(b) The Secretary of Health and Human Services is authorized, in carrying out this title, to accept, purchase, or lease in the name of the department, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise, and to accept voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes of the United States.

(c) The Secretary of Health and Human Services may make such grants, contracts, or agreements, establish such procedures and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds under this title as necessary to carry out this title, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments.

(d) The Secretary of Health and Human Services with respect to part A, and the Secretary of the Interior and the Secretary of Agriculture with respect to part B, shall prepare and submit to the Congress an annual report on activities assisted or conducted under this title.

TITLE VI.—GENERAL PROVISIONS

DEFINITIONS

SEC. 601. (a) For the purposes of this Act—

(1) The term "public capital investment" means any facility owned or operated by a State, municipality, or other public agency or authority organized pursuant to state or local law, including but is not limited to, non-Federal-aid highways, streets, and bridges, and mass transit, publicly-owned rail transportation, airports, water supply and distribution systems, sewers, dams, resource recovery facilities, buildings (including schools and libraries), ports, waterways, docks, and parks;

(2) The term "construction" means the actual building of a new project at a site where no similar project previously existed, including the acquisition of land for such project and non-structural alternatives, and the reconstruction of a project at an existing site or adjacent to an existing site;

(3) The term "rehabilitation" means the correction of structural flaws in a facility so as to extend the design life of such a facility;

(4) The term "maintenance" means routine and regularly scheduled activities intended to keep the facility operating at its designed specifications;

(5) The term "repair" means the correction of a structural flaw in the facility without adding significantly to the design life of such facility;

(6) The term "State" means (A) any State of the United States, and (B) the District of Columbia, Puerto Rico, Guam, American Samoa, the Northern Marianas Trust Territories, and the Virgin Islands; and

(7) The term "local unit of government" means, but is not limited to, any city, county, town, parish, village, or other general purpose political subdivision of a state.

(b) Nothing in this Act shall alter the requirements of the National Environmental Policy Act (42 U.S.C. 4343), the Fish and Wildlife Coordination Act (16 U.S.C. 661), the Endangered Species Act (16 U.S.C. 1530 et seq.), or title III of the Clean Water Act (33 U.S.C. 1311-1328).

SEC. 602. (a)(1) This section shall apply to Titles I, II, and III of this Act.

(2) For the purposes of this section, the term "Secretary" means the Secretary of the Army, acting through the Chief of Engineers.

(b) No grant shall be approved unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

(c) In performing his duties, the Secretary is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary.

(4) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), when ever deemed necessary or appropriate to the conduct of the activities authorized by this Act;

(5) procure by contract the temporary or intermittent services of experts and consultants or organizations therefor as authorized by section 3109(b) of title 5, United States Code, compensate individuals so employed at rates not in excess of $100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) in accordance with section 5703 of title 5, United States Code, for persons in the government service employed intermittently, while so employed;

(6) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne, or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 517, 547, and 2679 of title 28, United States Code; and

(7) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

(d)(1) No suit, action, or other proceedings lawfully commenced by or against the Secretary or any other officer in his official capacity or in relation to the discharge of his official duties under the Public Works and Economic Development Act of 1965, (— U.S.C. —), shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or petition supplemental filed at any time within 12 months after such taking effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or such other officer as may be appropriate.

(2) Except as may be otherwise expressly provided, all powers and authorities conferred shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers and duties under the Public Works and Economic Development Act of 1965 (—— U.S.C. ——) shall continue in full force and effect after the effective date of this Act until modifed or rescinded by the Secretary.

(e) The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending September 30, 1984. Such report shall be printed and shall be transmitted to the Congress not later than February 1 of the year following the fiscal year with respect to which such report is made.

(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary shall not extend any financial assistance for such project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1964, as amended (40 U.S.C. 276c).

(g)(1) Each recipient of a grant shall keep such records as the Secretary shall prescribe, including records which

(A) fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources,

(B) review the efficiency, economy, and effectiveness of the project carried out.

(2) Not later than ten days after January 1, and July 1 of each year, each recipient shall transmit a report to the Secretary containing all information prescribed under paragraph (1) of this subsection which relates to all activities carried out during the preceding period relating to grants. Each report submitted in January of each year shall include an audited statement of all funds spent on the project or undertaking during the preceding fiscal year prepared by an independent certified public accountant in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

(3) For the purpose of reviewing the efficiency, economy, and effectiveness of programs carried out under the provisions of the Act, including audit and examination, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of any recipient, subrecipient, contractor, or subcontractor that are pertinent to assistance.●

● Mr. RANDOLPH. Mr. President, this Nation is facing two very important problems. Unemployment has risen to levels which are totally unacceptable. The number of people unemployed at points during this recession has been equal to those out of work during the Great Depression. My State has unemployment statewide of 17.8 percent. Many coal miners are out of work, and other industries are suffering.

Equally important is the deterioration of our capital stock at both the State and local levels, years of inflation have caused many State and local governments to neglect orderly maintenance, routine rehabilitation, and appropriate replacement of our public capital investment. As one author has said, "America is a Nation in ruins." I agree wholeheartedly with this phrase and characterization. The sewer and water systems of the northeast and midwest leak like sieves. Streets and roads in our cities and counties are full of potholes and cause much damage to motor vehicles. Public buildings are in need of repair.

Mr. President, I could go on and on about our problems, but today I am joining with Senator STAFFORD, Chairman of the Committee on Environment and Public Works, in introducing legislation which I believe to be valuable in addressing both of the problems that I have discussed. We are introducing a bill which provides substantial funds for our capital stock over the next 10 years, develops a program for rural areas with economic growth problems and provides job creating activities for recessionary periods.

Title I authorizes $5 billion a year to States and local governments to fund an innovative technique to rehabilitate our public capital investment. States are urged to create a so-called infrastructure bank through which grants and loans are made to local governments for rehabilitation and replacement of our public works facilities at all levels of government. Second, a new economic development program is created to provide both planning and grants to rural areas and small urban communities to develop national economic development programs to sustain growth and development, $200 million is authorized annually for this effort.

A third element of this legislation is the creation of a standby counter-cyclical public capital investment grant program. Under this legislation projects which are not currently scheduled for funding by State and local governments would be placed on an approved Federal list and funded within 90 days after the standby program is triggered to action by a decline in industrial output and a rise in unemployment. I believe that this program rebuts all of the criticisms which have been leveled at public works spending in recessionary periods. Lastly, this bill creates programs which can lead to new jobs in this recession, $500 million is authorized to restore historic sites. This is an important activity and will create many new construction jobs. Also a part of this program is a youth employment component, $3 billion is authorized to fund a program of youth conservation. Jobs are created in the area of improvement of public facilities, park work, and other activities of a local nature which provide a significant learning experience for these youth.

Mr. President, for most of our 206 years as a nation, we have placed a great emphasis on building. From a wilderness a strong and prosperous Nation has been constructed, which provides its citizens the highest standard of living in the world. Our economy and our way of life were created and are supported by a public capital investment program representing many billions of dollars.

We have become increasingly aware in recent months that public facilities on which we depend are wearing out faster than they are being rehabilitated and replaced. Investment in our public works has declined dramatically over the last decade. Our citizens are aware of this in everyday life. Drive over our roads, ride our trains, look at our water systems and sewers, and it is plainly obvious that America's underpinnings are no longer satisfactory. A reliable report indicates that public capital investment at all levels of government has declined by two-thirds in constant dollars in the last 10 years. A substantial number of our communities are unable to support modern development until new investments are made in their basic facilities.

Mr. President, we must revitalize our economy, and to do this we must invest in the capital stock of this Nation. The Committee on Environment and Public Works will give careful consideration to this bill which is the result of 3 days of hearings previously held. I would urge that my colleagues be prepared during this Congress to address and debate the issues which I have raised here today. I commend Senator STAFFORD for his efforts in developing this bill which we are today introducing together.●

By Mr. METZENBAUM:

S. 725. A bill to provide assistance to cities and other communities for emergency food and shelter assistance, and for other purposes; to the Committee on Labor and Human Resources.

EMERGENCY FOOD AND SHELTER ACT OF 1983

● Mr. METZENBAUM. Mr. President, in his famous novel "Tale Of Two Cities," Charles Dickens wrote, "It was the best of times. It was the worst of times." Today, that is the sad situation we face in America.

The nightly news describes record stock market levels. Administration spokesmen tell us economic recovery is underway. Our grain elevators are so overloaded, the administration wants to give grain back to the farmers and to discourage new planting.

But hundreds of thousands of people remain without jobs, without food, and without shelter. They are the victims of the Reagan economic program.

Last week the Republican mayor of my home city of Cleveland told a House subcommittee that the city has exhausted its ability to handle the poor and the homeless left behind by President Reagan's economic program.

In his testimony, Mayor George Voinovich said that the city's unemployment is over 15 percent, or more than 105,000 people. Many of those people have already been out of work for over 1 year. Many have already exhausted unemployment benefits. Many may never find meaningful work again.

The impact of that unemployment in Cleveland is devastating.

Churches and charities have opened more than two dozen soup kitchens to deal with the desperately needy.

The situation is so desperate that farmers from Grand Forks, N. Dak., promised this week to send 55,000 pounds of elbow macaroni to the city in the spring to cope with hunger.

Over 150,000 in northern Ohio have been scheduled for utility shutoffs.

The number of low-birth-weight babies is up dramatically, as people cannot properly provide prenatal and infant care.

Even the suburban community of Euclid, faced with 20-percent unemployment, has been forced to open its first food distribution center this year.

Mr. President, I ask unanimous consent that a Washington Post article of March 1, 1983, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAYOR OF CLEVELAND BESEECHES UNITED STATES FOR ADDITIONAL FOOD AID

(By Margaret Engel)

CLEVELAND, February 28.—A House subcommittee attempting to measure the extent of America's hunger came to Cleveland today and heard the city's Republican mayor plead for the federal government to turn food in government warehouses over to the city's 105,700 unemployed.

"There is no community in the nation that has done more to help itself," said Mayor George Voinovich, who said 8½ tons of vegetables were raised by comprehensive education and training act (CETA) workers in 180 city gardens in vacant lots last year.

"But we have reached the end," he said. We cannot see cutbacks in federal nutrition programs that will knock the legs from under this community."

He asked that the government's butter and cheese giveaways be expanded to include stockpiled stores of 16 additional commodities, such as rice, corn, oats and wheat.

The situation is so desperate in Cleveland that farmers from Grand Forks, N.D., promised this week to send 55,000 pounds of elbow macaroni to the city in the spring.

Throughout the city—where unemployment climbed to 15 percent as many major manufacturers permanently laid off workers—churches and charities have opened more than two dozen new soup kitchens.

The subcommittee arrived at a sensitive time—the end of the month, when food stamp benefits have been exhausted and four days before Social Security checks arrive.

Seven House members, all Democrats except for Rep. Bill Emerson of Missouri, heard church, labor and welfare officials state that April 1 would bring a new food crisis as the winter prohibitions against utility shutoffs end in many states.

"We'll have major shutoffs of utilities in April and people will struggle for months to find money to get utilities back for winter," said John Mattingly of the Inter-church Council, a group of 700 Protestant churches in Cleveland. He noted that 151,000 people in northern Ohio are scheduled for utility shutoffs.

"That money will come from their diet," he said.

A parade of witnesses, many of whom included prayers in their testimony, filled the downtown church where Rep. Leon E. Panetta (D-Calif.) termed their reports "a national shame."

The Rev. Robert Begun, director of the Hunger Service Center of the Catholic diocese of Cleveland, said Clevelanders routinely wait two hours for free government cheese and butter.

The stress of waiting in line for food may have contributed to the death of Fred Barker, 67, who died Thursday of a heart attack while waiting in a Salvation Army cheese line on Cleveland's east side.

"He was in need of food," Don MacMurdo of the Salvation Army said of Barker. "He died at the end of a very long line."

At Metro General Hospital, a public facility, there were 619 low birth-weight babies in 1982, an increase of 109 from 1981, reported Christine Shenk, a nurse midwife at the hospital.

Requests for emergency formula, given to infants judged to be inadequately nourished, increased 162 percent in December, 1982, compared with a similar period in 1980, Shenk said.

"We know that low birth-weight babies risk having a lower intelligence, three times more birth defects and retardation," she said. "We'll all be paying the price later on."

Euclid, a middle class suburb of 100,000 with 20 percent unemployment, opened its first food distribution center this year. Government butter and cheese had been distributed through churches to avoid the public stigma of receiving free food.

"Our older residents in some instances have resorted to shoplifting to keep from going hungry," said Walter Hoag, director of the city's food programs. "God help us for letting this happen."

Demand for food is so great at St. Patrick's Church that 100 people wait in its basement while another 100 eat a hot meal upstairs. Mark Brauer, director of the church seating, said the demand requires him to give individuals only one-quarter of the government's five-pound block of cheese.

The city's Inter-church Council, which runs 16 food-distribution centers, opened three sites in November to provide hot meals on the last six days of the month. Because of the 2,500-person waiting list for the women, infant and children's (WIC) nutrition program in Cuyahoga County, the centers will begin stocking infant formula next month.

Mr. METZENBAUM. Mr. President, these are like scenes from the "Grapes of Wrath," written during the days of the Great Depression. It is hard to believe they are scenes in the modern America of 1983. But today, instead of the "Okies" who migrated to California, our country is faced with a new migrant class—"the black tags"—referring to the thousands of Michigan residents who have traveled to the Sun Belt in search of work. Too often, their trip is futile.

These scenes are everywhere.

In mid-February the Salvation Army opened four soup kitchens in Philadelphia to provide at least one daily meal for people without jobs or money.

It was the first opening of soup lines in Philadelphia since the Great Depression.

Last week in testimony before the Senate Subcommittee on Employment and Productivity, Mayor Donald Fraser of Minneapolis commented that the biggest problem facing the city's efforts to help the poor is "volunteer burnout."

Church and community group volunteers are already exhausted by their efforts to keep up with the flood of Reagan's "new poor."

When I held hearings last fall in Youngstown, Ohio, witnesses testified at that time that the community was already facing a food crisis. In addition, hundreds of families were faced with the previous year's heating bills as they entered the current winter heating season.

In Alexandria, Va., an organization of 22 churches help provide funds to house homeless families in suburban motels, because the families have nowhere else to go. Some hotels have as many as six people to a room, and children are forced to play in the parking lot.

The list goes on. But one fact can no longer be denied—millions of people in this country are in dire shape and desparately need help.

Today I am introducing a bill to provide that help. My bill, "The Emergency Food and Shelter Act of 1983," is similar to other legislation that has been introduced. It sets up a fund of money to help those community and volunteer groups who are attempting to take care of the mass of people without food, shelter, and other emergency needs.

But his bill is different in several critical ways. First, this bill authorizes $600 million to be distributed for those emergency needs, compared to only $50 million and $75 million that has been authorized in other legislation introduced to date. This number reflects my conviction that the problem we face is of critical magnitude, which can only be addressed through larger sums of money.

Of course, this is an authorization level. The actual amount of funds to be spent for this emergency program would be determined through the regular appropriations process.

Second, this bill attempts to target the bulk of these funds to States that have greater needs. Clearly, States that have had high unemployment for a long period of time deserve greater assistance than those which have had high unemployment for a short period of time. It is the longer duration of unemployment in a community that creates the problems of families without food or shelter.

My bill requires 75 percent of the funds to be distributed to States that have unemployment for 6 months—during a 2-year period—that is equal to or above 85 percent of the national unemployment rate. This insures that the hardest hit States will receive the greatest amount of funds. Those funds will be distributed by the States to cities and counties through elected officials, based on applications submitted to the State outlining the needs of the community and the amount of funds required. This approach assures that Federal funds will be distributed through existing channels and with a greater degree of public accountability.

The funds will then be provided to Government agencies, nonprofit agencies, and church groups that will provide services to help the homeless and poor.

The remaining 25 percent of Federal funds will be distributed throughout the country by the Secretary of HHS based on applications submitted through local elected officials.

In drafting this legislation, I have targeted assistance to those States

that have the high level of need, using the long-term levels of his unemployment as the criterion of distress. According to a table recently compiled by the Congressional Research Service, at least 32 States would share in that distribution formula, and I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE A.—STATE UNEMPLOYMENT RATES RELATIVE TO THE NATIONAL RATE (BASED ON 6 MONTH AVERAGE—JUNE 1982 TO NOVEMBER 1982)

State	Average number of unemployed	Average number in civilian labor force	Average unemployment rate	State unemployment rate as a percentage of the U.S. rate
Michigan	644,267	4,328,283	14.9	152.0
Alabama	250,158	1,707,629	14.6	149.6
West Virginia	111,770	786,061	14.2	145.2
Ohio	660,483	5,184,317	12.7	130.1
Mississippi	128,766	1,059,491	12.2	124.1
Illinois	679,450	5,658,717	12.0	122.6
Washington	240,305	2,023,137	11.9	121.3
Indiana	305,477	2,587,403	11.8	120.5
Tennessee	241,688	2,135,381	11.3	115.6
Louisiana	214,440	1,906,604	11.2	114.8
District of Columbia	36,258	324,110	11.2	114.2
South Carolina	165,515	1,485,582	11.1	113.7
Kentucky	183,765	1,692,270	10.9	111.0
Pennsylvania	600,317	5,538,350	10.8	110.7
Arizona	142,802	1,331,244	10.7	109.5
Oregon	139,583	1,311,692	10.6	108.6
Wisconsin	259,112	2,475,989	10.5	106.8
Nevada	50,371	487,991	10.3	105.4
California	1,248,117	12,249,000	10.2	104.0
New Mexico	60,704	602,398	10.1	102.9
Arkansas	100,470	1,037,299	9.7	98.9
Rhode Island	45,471	483,190	9.4	96.1
North Carolina	274,392	2,968,819	9.2	94.4
Missouri	209,810	2,339,651	9.0	91.6
Alaska	18,339	206,457	8.9	90.7
New York	702,433	8,048,017	8.7	89.1
Delaware	25,991	299,320	8.7	88.7
New Jersey	316,600	3,657,567	8.7	88.4
Idaho	37,974	442,484	8.6	87.6
Montana	32,794	389,434	8.4	86.0
Maryland	183,677	2,199,054	8.4	85.3
Florida	407,233	4,893,583	8.3	85.0
Iowa	115,870	1,397,192	8.3	84.7
Maine	41,901	526,613	8.0	81.2
Massachusetts	242,433	3,071,850	7.9	80.6
Georgia	210,414	2,681,995	7.8	80.1
Utah	52,847	675,538	7.8	79.9
Colorado	123,174	1,587,462	7.8	79.2
Hawaii	34,661	455,466	7.6	77.7
Virginia	201,272	2,653,199	7.6	77.4
Minnesota	164,380	2,177,223	7.5	77.1
Texas	556,317	7,369,050	7.5	77.1
New Hampshire	35,267	488,599	7.2	73.7
Connecticut	109,621	1,609,774	6.8	69.5
Kansas	80,133	1,178,518	6.8	69.4
Vermont	17,545	271,756	6.5	65.9
Oklahoma	89,931	1,477,130	6.1	62.2
Wyoming	15,178	258,396	5.9	60.0
Nebraska	45,060	785,018	5.7	58.6
North Dakota	16,560	319,277	5.2	53.0
South Dakota	16,079	329,665	4.9	49.8
U.S. total	10,887,369	111,154,244	9.8	

Note.—Table prepared by CRS. Data provided by the U.S. Bureau of Labor Statistics. Data represent preliminary unbenchmarked estimates and are not seasonally adjusted.

Mr. METZENBAUM. Mr. President, the White House recently agreed—quite reluctantly, I would add—to endorse a jobs package totaling about $4.3 billion. That package is expected to include a new program to provide food and shelter, similar to my bill. I hope that such legislation, when drafted, will target assistance to areas that have been hardest hit.

But I must also note that the administration could solve many of these problems by changing the national economic and budget policies that have greatly contributed to the distress of millions of Americans.

Even though we are faced with the problems of millions of Americans who must turn to shelters and soup lines, the administration still proposes to cut programs that help the poor. According to the CBO, the 1984 Reagan budget proposes to cut the major means-tested programs—those for which only the poorest can qualify—by a total of $6.2 billion over the next 5 years, even though unemployment nationally is expected to remain above 8 percent for most of that period. At a time when the poor and jobless are lining up in soup lines, the administration has had the audacity to propose further cuts of $2.6 billion in AFDC and $5.6 billion in food stamps cuts. In addition, it has proposed $29 billion in program cuts in the medicaid program, which helps the very poor with vital medical care.

It is important to provide emergency assistance to the volunteer agencies, so they can help those in need of food and shelter. But it is even more important for the Federal Government to assume its proper role—the role of providing for the national welfare of its people. That can be done only through a change in the national economic program and a full-scale reorientation of the Federal budget priorities.

It is time to address the needs of the poor, the unemployed, the aged, and others who need special assistance. It is time to reverse the Reagan economic program that has created this class of new poor. We must address the overall problem, but in the short term we must provide immediate assistance. I urge my colleagues to join me in this effort to help those who need emergency food and shelter by supporting this legislation or similar legislation in the next few weeks.●

By Mr. ANDREWS (for himself, Mr. GOLDWATER, Mr. INOUYE, Mr. MELCHER, Mr. ABDNOR, Mr. BAUCUS, Mr. BURDICK, and Mr. PRESSLER):

S. 726. A bill to amend and extend the Tribally Controlled Community College Assistance Act of 1978, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN COMMUNITY COLLEGE PROGRAMS

Mr. ANDREWS. Mr. President, I rise today to introduce a bill to reauthorize the Tribally Controlled Community College Assistance Act of 1978. This bill was passed by both Houses in the last Congress, but received a pocket veto when it reached the President's desk. In his message accompanying the veto, the President stated that he fully supported the intent of the bill (S. 2623) to improve existing Indian community college programs and declared that his administration is dedicated to furthering that goal.

Mr. President, the tribally controlled community colleges have realized substantial progress in bringing opportunities for higher education to geographically isolated reservation areas. In the past, these opportunities have been minimal to nonexistent for many Indian people who have had neither the financial resources nor the physical means of travel to gain entry into traditional non-Indian institutions of higher education. Even where available, the programs offered by non-Indian institutions often fail to provide Indian students with skills sufficiently relevant to obtaining employment in a reservation community. Cultural dislocation and cultural differences constitute additional barriers for Indians in their attempts to gain access to meaningful higher education experiences.

In their relatively young lives, tribally controlled community colleges have made significant strides in bringing culturally relevant academic curriculums to reservation communities. Responsive to the educational needs of their respective communities, tribally controlled community colleges have proven themselves uniquely capable of assuring that a high percentage of graduates obtain employment on or near the reservation, and that graduates are able to apply their skills and education for the benefit of the tribal community.

In my home State of North Dakota we have four tribally controlled community colleges. Each of them is an outstanding example of Indian self-determination. These institutions of higher education have had a positive impact in reducing the high unemployment rates on their reservations. A followup study of students graduating between the years 1974 and 1980 from one of our North Dakota schools, Turtle Mountain Community College, indicated that of 60 degrees awarded, 26 graduates went on to complete their bachelor's degree, others earned their master's degrees, and all graduates are employed. Reports from other tribally controlled community colleges show similar progress. Thirteen of the eighteen existing colleges have achieved full accreditation or accreditation candidacy status. Student enrollment continues to increase, and dropout rates are substantially below the Indian dropout rates in traditional non-Indian colleges. The four schools in my State, Fort Berthold Community College, Standing Rock Community College, Little Hoop Community College, and Turtle Mountain Community College, have made steady progress in expanding their academic curriculums and serving as an extraordinarily valuable resource to tribal communities.

Reservation economies are among those hardest hit by the current economic recession and the sizable cuts in Federal expenditures. In this context, tribally controlled community colleges are facing a substantially increased demand for education as newly unemployed individuals turn to the colleges for training in new employment skills and job retraining. With mounting economic pressures to streamline the processes of government, tribal governments are also seeking the assistance of the colleges to learn the latest techniques of achieving efficiency in management, accounting, and economic development. Given the expanding needs to which they are attempting to respond, tribally controlled community colleges are increasingly playing a crucial role in implementing the Federal policy of Indian self-determination.

Mr. President, when the bill to reauthorize the Tribally Controlled Community College Assistance Act of 1978 passed the 97th Congress and was sent to the White House, President Reagan vetoed the bill on the grounds that the provision of higher education to Indian students was not part of the U.S. trust responsibility to Indian tribes, and that to declare it as such "would potentially create legal obligations and entitlements that are not clearly intended or understood." Now, I have always understood that the United States undertook the responsibility of assuring that educational opportunities were made available to members of federally recognized tribes in exchange for lands ceded by the Indian tribes to the United States. And, it has been my understanding that it was that responsibility that formed the legal basis for the education programs administered by the Bureau of Indian Affairs, as this program is. But I am not going to argue the point if it means sacrificing a program that is as vital to successful Indian self-determination as I believe the tribally controlled community college program is.

I ask my colleagues to support the reauthorization of the Tribally Controlled Community College Assistance Act. It is a program which has proven its value to the Indian communities it serves, and to the whole society that benefits as a result of the contribution Indian colleges are making to the availability of educational opportunities for all members of this society.

● Mr. PRESSLER. Mr. President, I am pleased to join Senator ANDREWS, the distinguished chairman of the Senate Select Committee on Indian Affairs in sponsoring this important legislation.

This legislation amends and extends Public Law 95-471, the Tribally Controlled Community College Assistance Act of 1978. As a member of the House Committee on Education and Labor in 1978, I had the privilege of sponsoring this original legislation. Since that time, I have had the opportunity to witness the tribally controlled community colleges assisted by the act make great progress in improving the educational opportunities available to our Indian students.

I am especially proud of my own State's tribally controlled colleges. These schools have become an integral part of South Dakota's higher education efforts and are making excellent strides in helping our Indian students gain the knowledge and skills needed to function effectively in today's world.

Recently, Sinte Gleska College on the Rosebud Indian Reservation became the first reservation-based, tribally chartered college in the Nation to receive accreditation at the baccalaureate degree level. This school is the second tribal institution with associate degree accreditation. Sinte Gleska is to be congratulated for its exemplary education effort.

All of South Dakota's tribal colleges serve as examples of educational accomplishment. Their leadership is to be commended.

Extension of Public Law 95-471 will give students in South Dakota's tribally controlled community colleges the opportunity to pursue the careers and vocation of their choice.

I sincerely hope we can successfully proceed with this most important bill.●

By Mr. ANDREWS (for himself and Mr. BURDICK):

S. 727. A bill to authorize the Secretary of the Interior to set aside certain judgment funds of the Three Affiliated Tribes of Fort Berthold Reservation in North Dakota, and for other purposes.

HOLDING OF CERTAIN INDIAN JUDGMENT FUNDS

Mr. ANDREWS. Mr. President, on behalf of myself and Senator QUENTIN BURDICK, I am today introducing legislation to address a problem involving the use and distribution of funds awarded the Three Affiliated Tribes of the Fort Berthold Indian Reservation in North Dakota.

On June 9, 1981, the U.S. Court of Claims awarded the Three Affiliated Tribes (Mandan, Hidatsa, and Arikara) some $22,750,000 as interest due on a taking of lands of these tribes by the United States in violation of the Fifth amendment of the U.S. Constitution. The attorney contract on this claim provided for a contingent fee of 10 percent of the award.

After consultation with the business council of the tribes, the attorneys agreed to waive 5 percent of the fee provided for in their contract or $113,777.10. This sum was to be set aside in a special fund for the use of the tribe for purposes of planning and design of a hospital to serve the tribes. The Tribal Business Council adopted a resolution on November 12, 1981, directing the Secretary of the Interior to specially segregate these funds and make provision in the judgment distribution plan of the tribes for the establishment of this fund.

Pursuant to the act of October 19, 1973 (Public Law 93-134), this plan was submitted to Congress and at the end of the 60 legislative day period provided in that act, the plan became final on May 26, 1982. Due to an oversight, the distribution plan that was ultimately adopted and presented to the Congress failed to provide for the segregation of these moneys and establishment of this hospital fund.

Mr. President, a final distribution of the funds awarded the Three Affiliated Tribes of Fort Berthold has not yet occurred and there are still sufficient undistributed funds on deposit with the United States to establish this hospital fund. There have been three separate business council resolutions requesting the establishment of this fund. The purpose of this legislation is to accomplish this objective of the tribes.

Mr. President, I ask that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of this Act shall apply notwithstanding any provision of the Act of October 19, 1973 (87 Stat. 466; 25 U.S.C. 1401 et seq.), or any other law, regulation, or plan promulgated pursuant thereto.

SEC. 2. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall deposit into a separate account—

(1) $113,777.10 of the funds appropriated in satisfaction of the judgements awarded the Three Affiliated Tribes of Fort Berthold Reservation in docket numbers 350-G and 54-81 L of the United States Court of Claims, plus

(2) all interest and investment income accrued on the funds described in clause (1) from the date on which the transcript of such judgment was filed with the Comptroller General of the United States.

and any funds so deposited shall be distributed and used only as provided in this Act.

(b) Any funds deposited by the Secretary in a separate account under subsection (a) shall be held and invested by the Secretary in accordance with the first section of the Act of June 24, 1938 (52 Stat. 1037).

(c) Any funds deposited by the Secretary in a separate account under subsection (a), including any interest or investment income accrued thereon, may be distributed, with the approval of the Secretary, to the governing body of the Three Affiliated Tribes of Fort Berthold Reservation for use in the planning and development of a hospital or a health care facility to serve the needs of such tribes.

(d) Any funds deposited by the Secretary in a separate account under subsection (a),

including any interest or investment income accrued thereon, which have not been distributed by the Secretary under subsection (c) prior to the date which is 5 years after the date of enactment of this Act may be distributed to the governing body of the The Affiliated Tribes of Fort Berthold Reservation for use in any tribal program which is authorized by such governing body and approved by the Secretary.

SEC. 3. (a) The Secretary shall distribute to each eligible individual out of funds appropriated in satisfaction of the judgments awarded the Three Affiliated Tribes of Fort Berthold Reservation in docket numbers 350-G and 58-81 I of the United States Court of Claims the sum of—

(1) $4,000, and all interest and investment income accrued thereon since August 5, 1982, plus

(2) $45.16, and all interest and investment income accrued thereon since December 13, 1982.

(b) for purposes of this section, the term "eligible individual" means any individual—

(1) who filed an application with the Three Affiliated Tribes of the Fort Berthold Reservation before July 10, 1982, to share in the judgment awards described in subsection (a),

(2) whom the Secretary determines to be eligible to share in such judgment awards, and

(3) who has not received any distribution from the Secretary with respect to such judgment awards at any time prior to the date of enactment of this Act.

SEC. 4. Any funds appropriated in satisfaction of the judgments described in sections 3 (a) which remain uncommitted after the deposit described in section 2 and the distribution described in section 3 are made by the Secretary shall be distributed and used in accordance with the programming aspect of the plan for the use and distribution of the funds appropriated in satisfaction of such judgments which became effective on May 26, 1982, pursuant to section 5 of the Act of October 19, 1973 (87 Stat. 468; 25 U.S.C. 1405).

By. Mr. MATHIAS:

S. 728. A bill to amend title 5, United States Code, to provide that retired administrative law judges may be reappointed under regulations prescribed by the Director of the Office of Personnel Management, and for other purposes; to the Committee on Governmental Affairs.

REAPPOINTMENT OF ADMINISTRATIVE LAW JUDGES

● Mr. MATHIAS. Mr. President, today I am introducing legislation to provide that retired administrative law judges (ALJ's) may be reappointed to serve as ALJ's under regulations prescribed by the Director of the Office of Personnel Management.

The objective of my bill is to permit reemployed ALJ's to serve temporarily with the same degree of statutory independence ALJ's otherwise possess. My bill would make clear that agencies, under certain conditions, may reappoint retired ALJ's and that the Office of Personnel Management (OPM) may issue regulations governing that employment to insulate ALJ's unique independence from agency personnel actions. Under present law, as found at section 3323(b) of title 5, United States Code, a reemployed annuitant serves at the will of the appointing officer or agency. My bill, however, would clarify OPM's authority over the hiring and length of service of retired ALJ's.

As a consequence of the ALJ provisions of the Administrative Procedures Act, OPM has barred reemployment even on an occasional or temporary basis, except in strictly limited or emergency situations such as the need for retiring judge to complete cases assigned to him before retirement. The OPM's position is based on the clear intent of Congress to maintain the independence of ALJ's from the administrative management of their employing agency.

The effect of the OPM's ruling has been to deprive our Government of the special skills and unique experience of its most senior ALJ's, many of whom are able and willing to continue Government service. Authorizing the temporary recall of these judges will relieve shortages of judges in active service and greatly ease delay in disposition of cases by agencies with large caseloads.

This legislation gives the OPM authority to prescribe rules under which reemployed ALJ's may be reappointed and serve, thereby insulating such judges from agency control and pressure. The OPM would be permitted to determine the rehired annuitant's pay within the limitations of the law, provide for temporary utilization of retired ALJ's without regard to the regular supergrade manpower ceilings, and establish other necessary regulations.

Mr. President, I believe enactment of this legislation will promote more efficient operation of the Federal regulatory process within which ALJ's play so vital a role, and result in substantial savings of both funds and manpower. Accordingly, I urge my colleagues to consider this matter promptly.●

By Mr. TSONGAS:

S. 729. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefit payents shall not be denied to individuals unable to engage in an "active search for work" on account of jury duty or hospitalization; to the Committee on Finance.

AMENDMENTS TO EXTENDED UNEMPLOYMENT BENEFITS PROGRAM

● Mr. TSONGAS. Mr. President, today I am introducing legislation which makes a small change to the Federal-State Extended Compensation Act of 1970.

It amends the provision of the extended benefits program that requires active search for work to qualify for benefits. This proposal would make an exception to that requirement for a person who has been hospitalized with a life-threatening condition, or a person who is serving on jury duty.

This small change will correct a basic unfairness in the unemployment compensation system, and prevent the kind of hardship that has befallen several of my constituents.

The Honorable SILVIO CONTE, my distinguished colleague in the House, first introduced this measure in the House and pointed to the difficulties being experienced by one constituent hospitalized for open-heart surgery. His wife went to pick up his unemployment check in the middle of this ordeal, only to discover that her husband was no longer eligible. Others have been filling their civil duty as jurors when they discovered they had lost their eligibility for benefits.

The purpose of the work search requirement is an important one. An individual receives unemployment benefits to assist them in searching for new work and it is appropriate to require evidence of such a search. It was never the purpose of the work search provision, however, to deny benefits, at a time of great need, to individuals unexpectedly incapacitated by illness. It was not intentional to take away the support of individuals who have been engaged in performing their civic duty of jury service.

Several States currently recognize the need to allow for these exceptional circumstances and include exemptions such as those proposed here. I believe the people in every State deserve similar protection.

The bill provides an exemption for any individual acting as a juror in a civil, State, or Federal trial. It provides a second exemption for individuals with a life-threatening condition, and calls upon the Secretary of Labor to issue regulations defining such conditions.

I hope my colleagues will lend their support to this change which will assure that the unemployed of every State are treated fairly and not penalized for these circumstances beyond their control.

Mr. President, I ask unanimous consent that the bill be printed in its entirety as part of the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202(a)(3)(A)(i!) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by inserting before the period at the end thereof the following: ", unless such individual is acting as a juror in a civil, state or Federal trial or is hospitalized due to a life-threatening condition (as determined by the Secretary in regulations)".

(b) The Secretary of Labor shall issue regulations necessary to carry out the amendment made by subsection (a) within 30 days

after the date of the enactment of this Act.●

By Mr. GARN (for himself, Mr. PROXMIRE, and Mr. LUGAR):

S. 730. A bill to amend the Depository Institutions Deregulation and Monetary Control Act of 1980; to the Committee on Banking, Housing, and Urban Affairs.

CREDIT DEREGULATION AND AVAILABILITY ACT OF 1983

Mr. GARN. Mr. President, today I am introducing the Credit Deregulation and Availability Act of 1983. I am pleased to be joined in the introduction of this important piece of legislation by the ranking minority member of the Senate Committee on Banking, Housing and Urban Affairs, Senator PROXMIRE, and the original sponsor of this legislation in the 97th Congress, Senator LUGAR. It is identical in scope and substance to the bill Senator LUGAR introduced last year, that was cosponsored by Senator PROXMIRE and me. Since our distinguished colleague from Indiana is no longer a member of the Banking Committee, I have decided to take the lead in reintroducing the Credit Deregulation and Availability Act in this Congress.

This bill completes the process begun 3 years ago with the enactment of the Depository Institutions Deregulation and Monetary Control Act of 1980. That law resulted in the elimination of all rate ceilings applicable to mortgage credit in order that funds would be available to consumers wishing to purchase a home. In addition, the law established an alternative Federal ceiling for business and agricultural credit extensions of 5 percent above the Federal Reserve discount rate, which is due to expire on April 1, 1983. Finally, the law placed all federally insured depository institutions on a par with national banks by allowing them to charge an alternative Federal rate that has been available to national banks since 1933.

The Credit Deregulation and Availability Act that we are introducing today follows the mortgage credit precedent established in 1980 by removing remaining interest rate ceilings that apply to business, agricultural, and consumer credit.

The bill abolishes the concept of an alternative Federal ceiling indexed to the discount rate, as an appropriate permanent solution to the issue of business and agricultural rate ceilings. The Federal Reserve Board, as well as numerous other witnesses who expressed their views on this issue in the last Congress, expressed strong reservations about using the Federal Reserve discount rate as in index, since it imposes a short-term rate on loans that are often not short-term and because it uses an administered rate that is a tool of monetary policy for a purpose that should be more market sensitive. Therefore, while the alternative ceiling has proved to be an adequate temporary measure that has been instrumental in making credit available to business and agricultural interests during the past 3 years, it is not an appropriate permanent solution. This bill reflects my view that all ceilings, Federal and State, need to be eliminated in order that rates can be established by the marketplace and an adequate supply of credit for business and agricultural purposes will always be available.

The legislation also eliminates the rate ceilings that apply to consumer credit transactions so that at all times credit will be available for all consumers, rather than just homebuyers. I want to stress at this point that while interest rate restrictions would be removed by this bill, it in no way interferes with the States' authority to establish and regulate consumer protection provisions in credit transactions, nor their ability to license and supervise creditors. State consumer protection laws are left intact by this legislation and States are free to change their laws and even enact more stringent consumer protection and licensing measures where and when they deem such action appropriate.

Finally, there is one type of creditor that has always been subject to Federal rate ceilings rather than State ceilings. The Federal Credit Union Act has historically established the rate that Federal credit unions are permitted to charge for credit. Therefore, in order to provide for equal treatment across the board and because we should begin by at least eliminating the one rate control that has always been federally governed, this bill eliminates the Federal rate applicable to federally chartered credit unions.

I want to emphasize another very important aspect of this piece of legislation. While the bill eliminates all State-imposed ceilings, it preserves the precedent established in 1980 of allowing the States a 3-year period to reject the Federal provisions and to reimpose rate restrictions of any amount and in any form. I have always insisted that legislation I sponsor, which creates a Federal presence in an area traditionally governed by the States, contain language that specifically grants the States the option of rejecting the Federal action. In addition, the bill preserves the actions of those States which have already rejected the Federal preemption of business and agricultural interest rate ceilings contained in the 1980 act.

It is more important now than ever before that we act promptly to eliminate the last vestiges of the price controls that have historically governed borrowing and lending. With the enactment of the Garn-St Germain Depository Institutions Act of 1982, the rate ceilings that for decades have limited the return consumers could realize on their savings were eliminated for all practical purposes. Therefore, it is time to balance the equation and allow the market to establish the price of credit, just as we have determined to allow the market to govern the rate to be paid for savings.

Let me digress a moment and impart a historical perspective in order to remind my fellow Senators of the fast tract that we have established for the elimination of rate ceilings on deposit accounts. The process began with the enactment of the Depository Institutions Deregulation and Monetary Control Act of 1980 which dictated that all deposit rate ceilings were to be phased out no later than April 1, 1986. However, due to market conditions and consumer demand, it became abundantly clear in the last Congress that we needed to expedite that schedule and as rapidly as possible provide consumers with a market rate of return on their savings. Consequently, with the enactment of the Garn-St Germain Act and the subsequent authorization of the new money market deposit account, effective December 14, 1982, and the new super NOW account, effective January 5, 1983, consumers are earning market rates on funds earmarket for both savings and checking purposes.

At last tally, approximately $306.6 billion have been deposited in these new types of accounts. Consumers are demanding and receiving a fair rate of return on money deposited with financial institutions. However, it is obvious that financial institutions will not be able to continue to pay market rates on these deposit accounts, if they are not permitted to charge market rates for credit. If comparable action is not taken by the Congress on the asset side of the balance sheet, borrowers will continue to be subsidized by the Nations' savers. While that subsidization had been fixed by Federal law for decades due to Federal rate controls on deposit accounts, Congress has acted on the liability side to eliminate those rate ceilings and thereby attempt to eliminate that subsidization. However, the subsidization of borrowers by savers will never be completely abolished so long as rate ceilings continue to apply to credit transactions.

On a more general level, interest rate ceilings, which are merely price controls on the cost of money, create distortions in the marketplace. Particularly during periods of rising market rates, rate ceilings disrupt credit flows, reduce credit availability, reduce competition and result in credit allocations and subsidizations. In addition to the saver subsidization of borrowers that I mentioned earlier, below market rate ceilings create subsidization between low- and high-rate States

and between credit and cash customers.

Although we are now in a declining rate environment, we cannot be lulled into complacency and we cannot continue to accept Government imposed rate restrictions on credit transactions as a way of life.

The lesson of the last few years has proven that artificially restrictive rate ceilings result in a serious reduction in credit availability during periods of high interest rates. Obviously, I share the hope of my colleagues that we will never again see an interest rate scenario such as we experienced during 1980, 1981 and a large part of 1982. However, since not a one of us can ever know how interest rates are going to respond to conditions in the financial environment, it is essential that laws affecting interest rates be flexible enough to accommodate any and all market possibilities. In my view, the only way that can be accomplished effectively is to allow the marketplace to be the arbiter of interest rates.

In addition, a number of States continue to have interest rate laws applying to certain categories of credit which are unrealistic even under current market conditions. If these ceilings are not eliminated, businesses, farmers, creditors, and consumers alike will be disadvantaged as credit programs are adjusted to accommodate these unduly restrictive State laws.

Three days of hearings were held on this legislation in the last Congress. In addition to the persuasiveness of the general economic arguments raised in support of the elimination of ceilings, I was impressed by the number and diversity of witnesses who strongly favored this measure.

We took a major and historical step in the last Congress by deregulating the liability side of the balance sheet and by allowing the marketplace to establish the rates in that area. We have also taken some important steps on the asset side, particularly with respect to mortgage credit. Now we need to complete the process by eliminating the remaining impediments to the free pricing and flow of business, agricultural, and consumer credit. The way to accomplish that objective is through the legislation that Senators PROXMIRE, LUGAR, and I are introducing today.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Credit Deregulation and Availability Act of 1983".

BUSINESS AND AGRICULTURAL CREDIT

SEC. 2. (a) Section 511 of the Depository Institutions Deregulation and Monetary Control Act of 1980 (94 Stat. 161; Public Law 96-221) is amended to read as follows:

"BUSINESS AND AGRICULTURAL LOANS

"SEC. 511. (a) The provisions of the constitution or the laws of any State prohibiting, restricting, or in any way limiting the rate, nature, type, amount of, or the manner of calculating or providing or contracting for interest, discount, points, a time price differential, finance charges or other fees or charges that may be charged, taken, received, or reserved shall not apply in the case of business or agricultural credit.

"(b) As used in this part, the term—

"(1) 'agricultural credit' means credit extended primarily for agricultural purposes to a person that cultivates, plants, propagates, or nurtures an agricultural product;

"(2) 'agricultural purposes' include the production, harvest, exhibition, marketing, transportation, processing, or manufacturing of an agricultrual product and the acquisition of farmland, real property with a farm residence and personal property and services used primarily in farming;

"(3) 'agricultural product' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish and any products thereof, including processed and manufactured products and any and all products raised or produced on farms and any processed or manufacured products thereof;

"(4) 'business credit' means credit extended primarily for business or commercial purposes, including investment, and any cedit extended to a person other than a natural person; and

"(5) 'credit' includes all secured and unsecured loans, credit sales, forbearances, advances, renewals and other extensions of credit.".

(b) Section 512 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended to read as follows:

"APPLICABILITY

"SEC. 512. (a) Except as provided in subsection (b) of this section, the provisions of this part shall apply with respect to business and agricultural credit extended on or after April 1, 1980.

"(b) The provisions of this part shall not apply to any business or agricultural credit extended in any State after the effecive date (if such effective date occurs on or after April 1, 1980, and prior to three years after the effective date of the Credit Deregulation and Availability Act of 1983) of a State law or a certification that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this part to apply with respect to credit extensions subject to the laws of such State, except that such provisions shall apply to any credit extended on or after such date pursuant to a commitment to extend such credit which was entered into on or after April 1, 1980, and prior to such later date.

"(c) Credit shall be deemed to be extended during the period to which the provisions of this part apply if such credit extension—

"(1)(A)(i) is funded or made in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefor made prior to April 1, 1980;

"(ii) was made prior to or on April 1, 1980, and bears or provides for interest during such period on the outstanding amount thereof at a variable or fluctuating rate; or

"(iii) is a renewal, extension, or other modification of an extension of credit made prior to April 1, 1980, and such renewal or extension or other modification is made during such period with the written consent of any person obligated to repay such credit; and

"(B)(i) has an original principal amount of $25,000 or more ($1,000 or more on or after the date of enactment of the Housing and Community Development Act of 1980 or any amount on or after the effective date of the Credit Deregulation and Availability Act of 1983); or

"(ii) is part of a series of advances if the aggregate of all sums advanced or agreed for contemplated to be advanced pursuant to a commitment or other agreement therefore is $25,000 or more ($1,000 or more on or after the date of enactment of the Housing and Community Development Act of 1980 or any amount on or after the effective date of the Credit Deregulation and Availability Act of 1983); or

"(2) is a renewal, extension, other modification or use of a credit agreement or extension made during such period, including an agreement entered during that period that contemplates future extensions of credit from time to time in which the charges that are assessed for or in connection with credit are calculated from time to time, in whole or in part, on the basis of the outstanding balance and the credit is extended not later than eighteen months after the effective date of the State law or certification.".

CONSUMER CREDIT

SEC. 3. Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 (94 Stat. 161; Public Law 96-221) is amended by adding at the end thereof the following new part:

"PART D—CONSUMER CREDIT

"CONSUMER CREDIT

"SEC. 531. The provisions of the constitution or laws of any State prohibiting, restricting, or in any way limiting the rate, nature, type, amount of, or the manner of calculating or providing or contracting for covered charges that may be charged, taken, received or reserved shall not apply to an extension of consumer credit made by a creditor.

"DEFINITIONS

"SEC. 532. (a) As used in this part—

"(1) the term 'covered charges' means—

"(A) interest, discount, points, a time price differential, or any similar fees, charges, or other compensation paid to the creditor and arising out of the credit agreement or transaction for the use of credit or credit services. The term shall not include, however, fees, charges or other amounts paid to the creditor or arising out of the credit agreement or transaction that are paid or arise solely as the result of the failure or refusal of the debtor to comply with the terms and conditions of the debtor's agreement with the creditor, including without limitation the fact that the obligation is not repaid in accordance with the payment schedule; and

"(B) fees or charges paid for the availability of credit, payment mechanism services, or for similar purposes, including periodic, transaction and access fees;

"(2) the term 'credit' includes all secured and unsecured loans, credit sales, forbearances, advances, renewals and other extensions of credit, all without regard to the nature of any property that might secure its repayment;

"(3) the term 'creditor' means any person that regularly makes extensions of consumer credit, which, for purposes of this definition, shall include extensions of credit that are subject to the provisions of section 501(a) of this title. A person is not a 'creditor' with respect to a specific extension of consumer credit if, except for this part, in order to assess or collect covered charges in connection with that transaction, the person would be required to comply with licensing requirements imposed under State law, unless such person is licensed under applicable State law and such person remains, or becomes, subject to the applicable regulatory requirements and enforcement mechanisms provided by State law; and

"(4) the term 'extension of consumer credit' means any credit extended to a natural person primarily for personal, family, or household purposes, except that it does not include credit subject to the provisions of section 501(a) or 511(a) of this title.

"APPLICABILITY

"SEC. 533. (a) Except as provided in subsection (b) of this section, the provisions of section 531 shall apply with respect to any extension of consumer credit made by a creditor on or after the effective date of the Credit Deregulation and Availability Act of 1983.

"(b)(1) The provisions of section 531 shall not apply to any extension of consumer credit in any State made on or after the effective date (if such effective date occurs on or after the effective date of the Credit Deregulation and Availability Act of 1983 and prior to a date three years after such effective date) of a State law or a certification that the voters of such State have voted in favor of any provision, constitutional or otherwise, which states explicitly and by its terms that such State does not want the provisions of this part to apply with respect to extensions of consumer credit subject to the laws of such State, except that such provisions shall apply to any consumer credit extended on or after such date pursuant to an agreement to extend such credit which was entered into on or after the effective date of the Credit Deregulation and Availability Act of 1983 and prior to such later date.

"(2) Credit shall be deemed to have been extended during the period to which the provisions of this part apply, if it—

"(A) is funded or extended in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefore made prior to that period;

"(B) was made prior to such period and bears or provides for covered charges that may vary or fluctuate during that period;

"(C) is a renewal, extension, or other modification of a credit extension made before such period and such renewal, extension or other modification is made during such period with the written consent of any person obligated to repay such credit; or

"(D) is extended in accordance with an agreement entered into prior to the effective date of the State law or certification that contemplates future extensions of consumer credit from time to time in which the covered charges are calculated from time to time, in whole or in part, on the basis of the outstanding balance and the credit is extended not later than eighteen months after the effective date of the State law or certification.

"(c) Any law or certification adopted by a State or its voters pursuant to subsection (b) of this section may specify that portion of the extensions of consumer credit made in such State, or those types or kinds of covered charges, to which the provisions of section 531 will not apply.

"INTERPRETIVE AUTHORITY

"SEC. 534. (a) The Board of Governors of the Federal Reserve System is authorized to publish Board interpretations regarding the scope and application of section 531 of this part. Upon its own motion or upon the request of any creditor, State, or other interested party which is submitted to the Board in accordance with procedures it establishes, within one hundred and twenty days the Board shall issue an official interpretation regarding the scope of section 531 and its relationship to specific provisions of State law, or shall make public a Board determinaiton (accompanied by an appropriate explanation) that the question presented does not involve a significant issue or does not affect a substantial number of creditors or extensions of consumer credit.

"(b) No provision of the constitution or laws of any State imposing any liability, penalty, or forfeiture shall apply to any act done or omitted in good faith in conformity with any interpretation under this section by the Board, notwithstanding that, after such act or omission has occurred, such interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.".

FEDERAL CREDIT UNIONS

SEC. 4. Section 107(5)(A)(vi) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(vi)) is amended to read as follows:

"(vi) rates of interest shall be established by the board of directors of the Federal credit union;".

EFFECTIVE DATE

SEC. 5. This Act shall take effect upon its enactment.

SECTION-BY-SECTION ANALYSIS

This bill amends Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 to extend the preemption of various state usury ceilings.

Section 2(a). Existing law preempts state rate ceilings in business and agricultural credit extensions of $1,000 or more, subject to an overall rate limitation of 5 percent over the Federal Reserve discount rate including any surcharges then in effect. This provision ceases to be effective on April 1, 1983. Section 2(a) amends the Depository Institutions Deregulation and Monetary Control Act of 1980 to eliminate all rate ceilings applicable to business and agricultural credit extensions. The section also contains definitions of "agricultural credit" and "business credit" that describe the types of credit to which this section applies. These definitions assure that all credit not specifically covered by existing section 501(a) of Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980 or by section 531 of the Title (which is added by Section 3 of this bill), will be covered by this section. In addition, "credit" is defined to include all types of credit, which, of course, includes refinancings.

Section 2(b). This section makes the business and agricultural credit provision permanent, subject to the right of a state to reject the federal preemption within three years of the passage of this bill. State rejection of the federal preemption that has taken place since April 1, 1980 would still be effective. This bill does not reimpose federal preemption in those states that have rejected it. In addition, this section contains certain transitional provisions that reflect provisions contained in the Depository Institutions Deregulation and Monetary Control Act as it was enacted in 1980. In a change from that law, the section adds a transition provision that applies if a state acts to reject the federal preemption. Under this change, the federal preemption will continue to apply to certain activities in connection with credit agreements entered during the preemption period so long as the credit is extended within eighteen months of the state law or certification rejecting the federal preemption.

Section 3. This section adds a new Part D to Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980. The new Part D consists of sections 531, 532, 533, and 534.

Section 531 preempts all state usury laws in connection with extensions of consumer credit made by a creditor. The section depends heavily on the definitions contained in section 532. In effect, this provision does away with all rate ceilings and mechanisms that attempt to limit the rates or types of charges that may be assessed in connection with consumer credit transactions. The provision does not extend to state consumer protection laws that deal with restrictions, limitations or prohibitions against certain types of creditor activity, which are unrelated to enumerated charges assessed in connection with credit transactions. Obviously, state laws providing that extensions of consumer credit that are entered into at the consumer's home may be rescinded with all charges refunded to the consumer would not be preempted. Similarly, state laws limiting charges that may be assessed for resolving errors, or providing for removal of charges on erroneously billed amounts, would not be preempted. Moreover, the preemption does not apply even if the state laws only apply to specific transactions that may be partially defined by the level or type of charges being assessed. For example, a state law providing that credit transactions with an interest rate in excess of 18 percent cannot be secured by real estate or a law that limits attorneys fees in those transactions would continue to apply. Similarly, a state law prohibiting certain collection activities in credit transactions with rates over a specified rate would continue to apply.

Other state provisions that would not be affected by this provision include: state laws or regulations that restrict the use of the rule of 78ths in connection with calculating rebates upon the prepayment of credit transactions that involve a precomputed charge; provisions limiting or prohibiting the use of penalties that are imposed solely as a result of the prepayment in full of a credit transaction; and requirements that contracts use plain English. Most provisions dealing with creditor responsibilities for refinancings are not preempted. Provisions dealing with refinancing responsibilities when a transaction involves a balloon payment; provisions requiring that refinancings must be offered for certain types of transactions; or that refinancings must be offered on certain terms that relate to the original transaction remain in place. However, rate restrictions on refinancings and consolidations that are not tied to the rate in the

original transaction would not be preempted. In addition, the preemption does not cover state laws specifying how to compute the balance to which covered charges apply. For example, a provision requiring use of the average daily balance method would not be preempted.

In addition to these types of specific provisions, at a more general level the preemption does not extend to: state licensing provisions, even if an element of the licensing standard involves the type or level of charges assessed (for instance, a state requirement that persons extending credit at more than 18 percent must be licensed, would not be affected by the bill); state limitations on the amount or term of a credit transaction; or state limitations on specific charges for goods or services even though they may be sold in conjunction with an extension of credit. Thus, state insurance regulatory provisions dealing with permissible premiums for insurance sold in connection with credit extensions would remain unaffected by the bill even though restrictions on the rate applied to the financing of insurance premiums would be preempted; and state laws establishing notary, filing or similar fees also remain unaffected.

In effect, section 531 contains the preemptive language and therefore describes the extent of the federal preemption. As noted above, matters that do not fall within its scope are not preempted. This coverage, combined with the limitations in the "covered charges" definition contained in the next section, leave intact the states' consumer protection regulatory structure except as it relates to covered charges.

Section 532 provides a series of key definitions that are used in describing the preemptive effect and scope of the bill.

The term "covered charges" identifies the types of charges that are displaced by the bill, and, to an extent, it also limits the preemptive effect of the bill. It is divided into two parts reflecting the fact that certain charges are assessed for the use of credit while others may more appropriately be characterized as charges for specific services including payment mechanisms that may or may not involve extensions of credit. Both types of fees and charges are preempted under the legislation. Excluded from the definition are fees and charges that arise solely from the debtor's failure to comply with his or her obligations under the credit agreement, including a failure to pay according to schedule. As a result, since the preceding section preempts only "coverage charges," state limitations on the maximum amount of late charges, attorney's fees, collection fees, and court costs imposed as a result of default; limitations on fees paid to defer or modify the original payment schedule; and limitations on delinquency and default charges would not be affected.

The definition of "credit" is similar to that contained in the business and agricultural preemption provisions, simply to make clear that all credit as it is commonly known is included. The coverage, of course, extends to all kinds of credit extensions, including those secured by any lien on real estate, as well as refinancings.

The term "creditor" refers to persons that regularly make extensions of consumer credit including mortgage credit. In effect, this provision will apply to virtually all persons who are engaged in extending consumer credit. The second sentence addresses the situation that exists in many states where restrictions are tied directly to the interest rate of the credit transaction and licensing provisions. For example, a state may provide that any person who wants to extend credit at a rate in excess of an 8% rate contained in the general usury law must be licensed. A lender that wants to make a loan at a rate in excess of 8%, for instance 12%, must have a license to do so. Various restrictions, including certain "consumer protection" provisions, may be required of those that obtain licenses in order to charge the higher rate. A total preemption does away with the general usury law and thus could have the effect of negating the need for a creditor to obtain a license. An unintended secondary result would be the elimination of the consumer protections linked to that license. In order to avert that result, the term "creditor" as used in the bill does not include persons who, but for this bill, would have to be licensed under state law in order to assess charges at a specific rate, of a nature or type, or in an amount or manner, unless that person complies with applicable state licensing requirements. In the example described above, the lender wishing to make a loan at a rate of 12% would still have to be licensed and thus follow consumer protection provisions required of licensees. This assures that consumer protections that apply to licensed creditors will not be preempted. For purposes of determining whether licensing is required, the rates used will be those in effect in the state before the bill is adopted, subject, of course, to a later change in those rates by the states. Just as is now the case, those that must be licensed will conform to state law requirements as they are interpreted, implemented and enforced by state governments. Requirements relating to covered charges, of course, will be preempted for those credit extensions made by persons that comply with state licensing requirements. Persons that are not required to be licensed (because of the type of credit they extend, the rates they charge for credit or otherwise) will not be affected in any way by this part of the creditor definition.

Finally, the term "extension of consumer credit" defines the types of transactions to which the provision will apply. It adopts the general test that all credit extended primarily for personal, family or household purposes is to be included in this preemption.

Section 533 gives the states the right to reject the federal preemption at any time within three years of the date that the bill becomes effective. This section also includes several transitional provisions that answer questions about transactions undertaken at the beginning of the preemption period as well as after a state has rejected the federal preemption. The transitional provisions dealing with the beginning of the preemption period are drawn largely from provisions contained in current law in connection with the preemption of rate ceilings in business and agricultural credit. A transitional provision dealing with activities after the state rejects the federal preemption provides for a phasing-out of the federal preemption. It applies only in the case of open-end credit transactions and then only in connection with credit extended within an eighteen month period following the state action. This provision will allow for an orderly transition for creditors who have issued credit cards under the terms and conditions permitted by the preemption period, thus permitting them the time necessary to modify or eliminate those programs if required by the reimposition of usury ceilings. This section also provides that a state may, in addition to an outright rejection of the federal preemption provisions, provide that only certain types of transactions or charges are taken out from under the federal preemption. It is anticipated that, in order to be effective, state provisions to displace the federal preemption must be clear and precise as to the areas in which the state law has replaced the preemption, with uncertainty being resolved in favor of continued preemption.

Section 534 provides authority to the Board of Governors of the Federal Reserve System to publish official Board interpretations regarding the coverage of the preemption provision. The authority is limited to official Board interpretations in order to permit creditors and other interested parties to have access to a non-judicial interpretative mechanism but to limit the role of the Board to those issues of significant concern to affected parties. As a result, it is anticipated that there will not be a significant regulatory impact due to the use of this interpretative power, which should be used only to resolve clear questions of coverage under the Act.

Section 4. This section amends the Federal Credit Union Act to bring it into conformity with the basic Congressional determination reflected throughout the bill that artificial governmentally-imposed rate ceilings are inappropriate. That conclusion is no less sound for federal ceilings than it is for state ceilings. Rates that may be charged by federally-chartered credit unions are set by federal law. This section reflects that federal as well as state imposed ceilings should be removed, with the rate structure for a particular credit union being determined by its own board. Without this amendment, federally-chartered credit unions would be the only type of creditor still subject to rate ceilings. Thus, this section assures that federal credit unions are not placed at a competitive disadvantage vis-a-vis other creditors.

Section 5. This section specifies the effective date of the Act as the date of enactment.

The Credit Deregulation and Availability Act

Mr. Proxmire. Mr. President, today I am joining Senators Garn and Lugar in introducing legislation to increase the availability of credit.

I believe that the legislation—which would eliminate all State usury ceilings on business and agricultural loans and consumer loans—is necessary to prevent artificially low State interest rate ceilings from restricting the availability of credit to those who need it. Enactment of this bill would be most beneficial to less creditworthy borrowers, who are the first to be eliminated from the market when interest rates bump up against usury ceilings.

Historically, usury ceilings did not create a severe limitation on the availability of credit. They were set well above market interest rates and the fluctuations in those rates did not approach the usury ceilings in most States. However, two dramatic changes in the late 1970's and early 1980's altered the picture irrevocably. First, interest rates started their upward spiral to unprecedented highs. Second, the Congress began the process of deregulating the interest rates that consumers could earn on their savings. These two developments increased the cost of doing business to lenders to the point where they were bumping up against—and in some cases surpassing—State usury ceilings. Lenders were left with three unpleas-

ant choices: continuing their past lending practices and losing money, restricting lending to the most creditworthy risks, or closing up shop. Regardless of which course they chose, the so-called "less creditworthy" risks were squeezed out of the market.

In fairness to the States, it should be pointed out that most of them responded to the changing climate by increasing their usury ceilings. However, many of them did not raise them nearly so high above the market rate for good borrowers as they historically had been. Instead, they set them just above market rates, again squeezing some of the less creditworthy borrowers out the market. Setting usury ceilings close to market rates also can create another problem. Such ceilings can decrease competition, as the ceilings also become floors. In addition, many of the State laws contained sunset provisions, which means that the old usury ceilings soon will be back in place in those States.

Thus, while most States responded to the changed marketplace rapidly, they responded in a way that suggests the need for further action. Unfortunately, there is every reason to believe that interest rates will remain higher than they were in the past and that we might well suffer other bouts of very high interest rates. No matter how diligent the States are in responding to changed conditions, they will always be behind the marketplace and this will mean credit availability problems for all but their best borrowers.

Still, I might be inclined to consider some usury ceilings were I not satisfied that the number of lenders in the marketplace today is adequate to provide competitive rates for most borrowers. I think the success of the 1980 deregulation of mortgage interest rates is proof of that proposition. There is no evidence to suggest that these rates are higher than they would have been had they remained subject to State restrictions. In those situations where competition might not be adequate for business and consumer loans, I am convinced that repeal of restrictive state usury laws is the fastest way to encourage competition.

In essence, I think the credit marketplace—through an increase in the number of lenders, aided in some significant part by Federal deregulation permitting more institutions to make consumer loans—now has reached the point that the National Commission on Consumer Finance (NCCF) in 1972 said was necessary to eliminate all rate ceilings: "On the basis of a summary of the historical approach to the establishment of rate ceilings and institutional knowledge about them, the Commission must conclude that, on balance, rate ceilings are undesirable when markets are reasonably competitive."

This conclusion is consistent with that of the Report of the Interagency Task Force on Thrift Institutions which, in 1980, concluded that "evidence collected over several years appears to indicate that, on balance, the elimination of restrictive usury limits would be in the public interest, benefiting borrowers as well as lenders."

At the same time, both reports also concluded that any lifting or repeal of the usury ceilings be linked with creditor's remedies available under State law. In many States, a delicate compromise evolved over the years between rates and remedies. Creditors were able to convince State legislatures that if rates on consumer loans were to be limited, creditors should have a freer hand in collecting past due loans. Thus many onerous contractual provisions that might otherwise have been prohibited or restricted were allowed to continue in order to compensate creditors for the loss of income stemming from the usury ceilings. Removing the usury ceilings by the Federal Government only deals with one half of this complicated equation and could, in some States, leave consumers inadequately protected. As the NCCF concluded, "Recommendations regarding remedies are *inextricably interwoven* with Commission recommendations on rates and availability. It is imperative that the relationship be realistically assessed—*the higher the rate the fewer* the remedies needed and vice versa." [Emphasis supplied.]

Therefore, I hope that the hearings will consider the possibility of limiting the fees that some lenders legally permitted to charge and the use of confessions of judgment, automatic wage garnishment, prepayment of penalties, the use of household goods security interests, as well as restrictions on co-signer provisions and deficiency judgments. The costs of eliminating or restricting such devices would be negligible to the lenders, who could recoup any losses by raising interest rates, but would produce a far more evenhanded system for borrowers.

I think that these limitations would be particularly important for States that have maintained relatively low interest rates and, in turn, relatively few restrictions on creditors' remedies. I might add at this point that the bill is not inflexible on overriding State usury laws. Should a State take action to reinstate their laws on agricultural and business loans or consumer loans within 3 years of enactment of this legislation, the State action would override the Federal preemption and the State law would remain in effect.

Mr. President, if there is such a thing as a good time to consider this legislation, I believe that now is that time. With interest rates having receded from their historic heights, I hope that we can consider the issue with more attention to the facts and less to emotions. If we do, I think a majority of the members of both bodies will conclude that this legislation is the best way to increase the availability of loans for those people who have the most difficulty getting them when interest rates bump up against usury ceilings.

By Mr. MITCHELL:

S. 731. A bill for the relief of the Grace Baptist Church, Portland, Maine; to the Committee on the Judiciary.

RELIEF OF GRACE BAPTIST CHURCH

● Mr. MITCHELL. Mr. President, I am introducing today a bill to reverse the decision whereby the Internal Revenue Service is assessing Grace Baptist Church, of Portland, Maine, for retroactive payment of social security payroll taxes.

Grace Baptist, like many other religious communities, has chosen to remain exempt from social security coverage for its lay employees, a choice all religious institutions now have. Grace Baptist never filed a waiver of its social security exemption, which was the legally required action a church had to take before 1976 if it wanted social security coverage.

In 1976, Congress revised the law to provide that if a religious organization paid social security taxes for three consecutive quarters for any employee, it was deemed to have filed a waiver. That revision in the law was made retroactive for the administrative convenience of religious organizations that wanted coverage and withheld taxes, but had failed to formally file a waiver.

Grace Baptist's lay workers have never desired social security coverage and, consequently, the church never filed a waiver. In 1974, the church employed one worker, for less than a year, over whose social security status some confusion arose. The church consulted the Internal Revenue Service about its tax liability for this one employee, and, acting on the advice of the Service, paid the social security taxes until the question of liability could be resolved.

Subsequently, instead of simply resolving the status of this single short-term worker, the Service ruled that Grace Baptist was liable for social security taxes for all its lay workers from 1976 through 1978. Grace Baptist has been caught in an unintended effect of the wording of the 1976 law revision. It was never the intent of the Congress that churches which did not desire coverage should have such a desire imputed to them simply because of misunderstanding or poor advice from the Internal Revenue Service.

The outcome now is that unless legislative relief can be granted, this church faces a financial burden in the form of an assessment that could total over $30,000 in retroactive taxes and future liabilities, if the Service's challenge to the social security status of its lay employees is sustained.

The legislation I am introducing would clear Grace Baptist of this liability, a liability it has incurred without intent and directly contrary to the intent of the Congress.●

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. DOLE, Mr. GRASSLEY, Mr. HATCH, Mr. LEAHY, Mr. HEFLIN, Mr. BINGAMAN, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. CRANSTON, Mr. D'AMATO, Mr. DOMENICI, Mr. DURENBERGER, Mrs. HAWKINS, Mr. HELMS, Mr. INOUYE, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LUGAR, Mr. MOYNIHAN, Mr. NUNN, Mr. STAFFORD, and Mr. TSONGAS):

S.J. Res. 53. Joint resolution to authorize and request the President to designate the month of May 1983, as "National Physical Fitness and Sports Month"; to the Committee on the Judiciary.

NATIONAL PHYSICAL FITNESS AND SPORTS MONTH

Mr. THURMOND. Mr. President, I am pleased to introduce, along with 25 of my colleagues, including 6 distinguished members of the Committee on the Judiciary, a joint resolution designating the month of May 1983 as National Physical Fitness and Sports Month.

We no longer view physical exercise as solely for entertainment purposes. In the past few decades, a large segment of the population of this country has become conscious of and involved in the ever-growing fitness movement. Physical activity should be an important part of life each day for persons of all ages and abilities.

Interest in sports begins at an early age. Nearly 30 million boys and girls take part in age-grouped team sports and other organized out-of-school physical activity. More than 6 million teenagers and over 600,000 college students compete in interscholastic and intramural athletic programs.

One of every two adults in the United States engages regularly in some type of exercise and/or sports. A third of us swim; a fourth ride bicycles; and a fifth play one of the racquet sports. More than 20 million people in this country run. The number of physically active women and men has doubled in 10 years and continues to grow rapidly.

Not only are fitness and sports programs a source of pleasure and personal satisfaction by which we refresh and strengthen ourselves, but they also are good preventive programs of health care. Therefore, it is essential that we publicize fitness programs, designed to improve the quality of our lives. We must make all Americans aware of the benefits offered with such programs increasingly available to everyone. Accordingly, I am introducing this joint resolution which requests President Reagan to declare May 1983 as National Physical Fitness and Sports Month.

Mr. President, I ask unanimous consent that a copy of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 53

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

To authorize and request the President to designate the month of May, 1983, as "National Physical Fitness and Sports Month."

Whereas one of every two adults in our country is a regular participant in exercise and sports;

Whereas the number of physically active men and women has doubled in ten years and continues to grow rapidly;

Whereas today we recognize that physical activity is an important part of daily life for people of both sexes and of all ages;

Whereas physical activity is vital to good health and is a rich source of pleasure and personal satisfaction;

Whereas our physical fitness and sports programs are one of the primary means by which we strengthen our bodies and refresh our spirits; and

Whereas it is essential that we make fitness and sports programs increasingly available so that all of our citizens will be able to experience the joys and benefits they offer: Now, therefore, be it

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of May, 1983, as "National Physical Fitness and Sports Month," and to call upon Federal, State, and local government agencies, and the people of the United States to observe the month with appropriate programs, ceremonies, and activities.

By Mr. NICKLES:

S.J. Res. 54. Joint resolution to authorize and request the President to designate the month of January 1984 as "National Eye Health Care Month"; to the Committee on the Judiciary.

NATIONAL EYE HEALTH CARE MONTH

● Mr. NICKLES. Mr. President, today I am introducing a joint resolution to designate the month of January 1984 as "National Eye Health Care Month."

In 1983, a total of 47,000 people will become blind; 1 person every 11 minutes. The total population of persons who are visually impaired numbers about 11.4 million. For many of these people, it is too late to save their sight.

And yet, the National Society to Prevent Blindness reports that as much as half of all blindness can be prevented with current medical knowledge and techniques. Simple routine care for children can detect and improve conditions like amblyopia ("lazy eye"), crossed eyes, nearsightedness, and farsightedness. Advances in nonsurgical techniques can aid in dispelling cataracts which are responsible for one-third of all vision impairments; 90 percent of all accidental eye damage can be avoided with eye safety practices and appropriate protective eyewear.

For this reason, I am proposing that January 1984 be acknowledged as "National Eye Health Care Month." It is my hope that through educational and public awareness campaigns, the often unnecessary tragedy of blindness and vision impairment can be prevented.

I hope that my colleagues will join me in this resolution.●

By Mr. MATHIAS (for himself and Mr. SARBANES):

S.J. Res. 55. Joint resolution to recognize the pause for the Pledge of Allegiance as part of National Flag Day activities; to the Committee on the Judiciary.

PLEDGE OF ALLEGIANCE AS PART OF FLAG DAY ACTIVITIES

● Mr. MATHIAS. Mr. President, for 3 years a group of volunteers from the Star-Spangled Banner Flag House in Baltimore, Md., has conducted a national campaign to make the Pledge of Allegiance part of National Flag Day. Thanks to this campaign, the concept, Pause for the Pledge, has caught on and has received national recognition.

The last two ceremonies, held at Fort McHenry in Baltimore, birthplace of the national anthem, were broadcast nationwide via satellite. The Voice of America also broadcast the Flag Day message to other countries around the world. This year, these volunteers have formed the National Flag Day Foundation, Inc., to plan the Nation's Flag Day ceremonies. The fourth annual national Pause for the Pledge will again be led from Fort McHenry.

The Pause for the Pledge is supported by a broad spectrum of organizations, including the American Legion, the Veterans of Foreign Wars, the National Association of Realtors, major league baseball, the AFL-CIO, and the U.S. Postal Service. The sponsors estimate that millions of Americans learned of the idea through the media, and Government, business, and service organizations.

The dedicated volunteers of the Pause for the Pledge are working to spread the word to all Americans. Their task is complicated, but their idea is wonderfully simple. They see the saying of the 31 words of the Pledge of Allegiance as a reaffirmation of our national spirit. Their efforts, and those of Americans everywhere who have participated, deserve recognition.

The joint resolution I send to the desk today calls on Congress to recognize the Pause for the Pledge as an official part of National Flag Day and to encourage Americans to recite the Pledge of Allegiance at Flag Day ceremonies everywhere they are held.

The Continental Congress on June 14, 1777, adopted an official banner by spelling out broad specifications for a national flag. After many years of local flag ceremonies, Congress in 1949 officially designated June 14 as National Flag Day.

Flag Day observations before and after the 1949 congressional action have traditionally centered around the Pledge of Allegiance to the flag written by James B. Upham and Francis Bellamy in 1892. Other ceremonies have included flag-raising ceremonies, the singing of the national anthem and parades.

Since 1952, the Star-Spangled Banner Flag House Association in Baltimore has been the official sponsor of Flag Week, Its headquarters is the house where Mary Young Pickersgill sewed the flag that flew over Fort McHenry in 1814 and inspired Francis Scott Key to write the national anthem. The association makes recommendations for Flag Week events and

the National Flag Day Association encourages communities to hold special observations on Flag Day, June 14.

This joint resolution will also be introduced in the other body by Representative BARBARA MIKULSKI. Congressional passage of this joint resolution would officially recognize the pause for the pledge as part of National Flag Day and pay tribute to the patriotic efforts of the National Flag Day Foundation.●

ADDITIONAL COSPONSORS

S. 29

At the request of Mr. GRASSLEY, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 29, a bill to strengthen law enforcement in the areas of child exploitation and pornography, and for other purposes.

S. 30

At the request of Mr. MATHIAS, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 30, a bill to amend the Internal Revenue Code of 1954 to provide that individual income tax rates not be adjusted to reflect increases in the Consumer Price Index.

S. 212

At the request of Mr. INOUYE, the names of the Senator from New York (Mr. MOYNIHAN) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 212, a bill to authorized funds for the U.S. Travel and Tourism Administration.

S. 213

At the request Mr. LUGAR, the names of the Senator from Oregon (Mr. HATFIELD), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 213, a bill to amend title II of the Social Security Act to provide generally that benefits thereunder may be paid to aliens only after they have been lawfully admitted to the United States for permanent residence, and to improve further restrictions on the right of any alien in a foreign country to receive such benefits.

S. 272

At the request of Mr. PRESSLER, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 272, a bill to improve small business access to Federal procurement information.

S. 346

At the request of Mr. DODD, the names of the Senator from Colorado (Mr. HART), the Senator from Michigan (Mr. LEVIN), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from North Dakota (Mr. BURDICK), the Senator from New York (Mr. MOYNIHAN), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 346, a bill to amend the Solid Waste Disposal Act to assure protection of public health and environmental safety in the Environmental Protection Agency's regulations for the delisting of hazardous wastes, and to require the Environmental Protection Agency to establish a timetable for adding additional hazardous wastes to those regulated under such Act.

S. 378

At the request of Mr. GRASSLEY, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 378, a bill to increase the penalties for smuggling quantities of marihuana exceeding 1,000 pounds.

S. 498

At the request of Mr. D'AMATO, the name of the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 498, a bill to amend the Agricultural Act of 1949 to modify the dairy price support program.

S. 553

At the request of Mr. HART, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 553, a bill to authorize a national program of improving the quality of education.

S. 571

At the request of Mr. ROTH, the names of the Senator from New York (Mr. D'AMATO), the Senator from Mississippi (Mr. COCHRAN), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 571, a bill to amend the Federal Property and Administrative Services Act of 1949 to make Federal surplus property more accessible to local emergency preparedness and volunteer firefighting organizations and to authorize and direct the Federal Emergency Management Agency to recommend available Federal surplus to the Administrator of the General Services Administration, and for other purposes.

S. 595

At the request of Mr. NICKLES, the name of the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 595, a bill to amend title II of the Social Security Act to restrict the payment of benefits under such title to certain aliens.

S. 602

At the request of Mrs. HAWKINS, the names of the Senator from Ohio (Mr. METZENBAUM), the Senator from Indiana (Mr. LUGAR), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 602, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 636

At the request of Mr. HART, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 636, a bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

S. 668

At the request of Mr. KENNEDY, the names of the Senator from North Dakota (Mr. BURDICK), the Senator from Mississippi (Mr. COCHRAN), the Senator from New Hampshire (Mr. RUDMAN), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 668, a bill to reform Federal criminal sentencing procedures.

S. 687

At the request of Mr. HEINZ, the names of the Senator from Alabama (Mr. HEFLIN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 687, a bill to amend the Federal Supplemental Compensation Act of 1982 to increase the number of weeks of compensation.

SENATE JOINT RESOLUTION 11

At the request of Mr. ROTH, the names of the Senator from Indiana (Mr. LUGAR) and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate Joint Resolution 11, a joint resolution entitled "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 43

At the request of Mr. DOMENICI, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from New York (Mr. MOYNIHAN), the Senator from Michigan (Mr. LEVIN), the Senator from Indiana (Mr. LUGAR), the Senator from South Dakota (Mr. PRESSLER), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Carolina (Mr. EAST), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Joint Resolution 43, a joint resolution to declare Baltic Freedom Day.

SENATE JOINT RESOLUTION 49

At the request of Mr. PERCY, the names of the Senator from Minnesota (Mr. DURENBERGER), the Senator from Nebraska (Mr. EXON), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of Senate Joint Resolution 49, a joint resolution to authorize and request the President to proclaim the week of April 10–16,

1983, as "A week of Remembrance for the 40th Anniversary of the Warsaw Ghetto Uprising."

SENATE JOINT RESOLUTION 51

At the request of Mr. MOYNIHAN, the names of the Senator from South Carolina (Mr. THURMOND) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of Senate Joint Resolution 51, a joint resolution designating May 21, 1983, as "Andrei Sakharov Day."

SENATE JOINT RESOLUTION 52

At the request of Mr. QUAYLE, the names of the Senator from Arizona (Mr. GOLDWATER), the Senator from Florida (Mr. CHILES), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Maryland (Mr. SARBANES), the Senator from Illinois (Mr. DIXON), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of Senate Joint Resolution 52, a joint resolution to authorize and request the President to designate the week of April 10, 1983, through April 16, 1983, as "National Mental Health Week."

SENATE CONCURRENT RESOLUTION 13

At the request of Mr. MOYNIHAN, the names of the Senator from Ohio (Mr. METZENBAUM) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of Senate Concurrent Resolution 13, a concurrent resolution to achieve economic growth through coordination of monetary and fiscal policy.

SENATE RESOLUTION 49

At the request of Mr. HOLLINGS, the names of the Senator from Maine (Mr. COHEN) and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of Senate Resolution 49, a resolution disapproving deferral D83-43, relating to economic development assistance programs.

SENATE RESOLUTION 77

At the request of Mr. D'AMATO, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of Senate Resolution 77, a resolution disapproving deferral D83-59 relating to Urban Mass Transportation Administration.

PRINTING OF SENATE JOINT RESOLUTION 52

● Mr. QUAYLE. Mr. President, I respectfully submit this copy of my National Mental Health Week Resolution to be printed in the CONGRESSIONAL RECORD, as it was not included when I made my introductory remarks last week.

I would also like to add the following cosponsors and supporting groups: the National Association of Rehabilitation Facilities, and the American College of Neuropsychopharmacology. In addition, I would like to add the names of my colleagues, Senators GOLDWATER, CHILES, KASSEBAUM, SARBANES, DIXON, and HEINZ.

The joint resolution follows:

S.J. RES. 52

Whereas the cost of excessive stress and mental disorders to our Nation is estimated to be $65 billion annually;

Whereas in one out of every three American families there is a member with some type of mental illness and 20 percent of our population is in need of some form of mental health treatment at any one time;

Whereas more than 25 percent of all elderly persons mistakenly judged to be senile have a treatable mental disorder, and 80 percent of all diseases are psychosomatic or stress-related and account for a large majority of all hospital admissions;

Whereas persons with mental illness have been shown to be excessive users of unnecessary medical and surgical services, and mental health treatment provides an effective cost-containment tool by reducing these more costly and unnecessary services;

Whereas mental illness is a treatable disability, with nearly two-thirds of all mentally ill patients showing significant signs of improvement or recovery after treatment; and

Whereas it is fitting that the support and treatment provided the mentally disabled by family members, volunteers, and qualified health professionals be recognized, encouraged, and honored: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of April 10, 1983, through April 16, 1983, as "National Mental Health Week", and calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.●

SENATE CONCURRENT RESOLUTION 14—BICENTENNIAL OF THE BIRTH OF SIMON BOLIVAR

Mr. LUGAR submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 14

Whereas July 24, 1983, marks the bicentennial of the birth of Simon Bolivar, hero of the independence of the Americas;

Whereas Simon Bolivar offered his life to democratic ideals and created a legacy of freedom and independence;

Whereas Simon Bolivar, with his actions and patriotic commitment, forged the nationhood of Bolivia, Colombia, Ecuador, Panama, Peru, and Venezuela;

Whereas, through his political initiative, Simon Bolivar developed the ideal of Pan-Americanism based on independence, sovereignty, unity, and solidarity, and developed the right of all nations to live in peace; and

Whereas Simon Bolivar was the architect of the Treaty of Union, League and Perpetual Confederation at the historical Congress of Panama in 1826, implanting the roots of the oldest international system of cooperation among nations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) expressing the sentiments of the people of the United States, extolls this illustrious figure, Simon Bolivar;

(2) recognizes July 24, 1983, through July 23, 1984, as the bicentennial year of the birth of Simon Bolivar, hero of the independence of the Americas;

(3) calls upon the President to issue a proclamation commemorating the ideals and example of Simon Bolivar;

(4) declares its intention to send a congressional delegation to Venezuela in July 1983 to represent the United States in the official ceremonies of observance of the bicentennial of the birth of Simon Bolivar; and

(5) calls upon the Librarian of Congress, acting through the Congressional Research Service, to conduct a study on the impact of Simon Bolivar on the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

● Mr. LUGAR. Mr. Speaker, today I am submitting a concurrent resolution which calls for the recognition of July 24, 1983 to July 23, 1984, as the bicentennial year of the birth of Simon Bolivar. This concurrent resolution calls upon the President to issue a proclamation commemorating the ideals of Simon Bolivar, expresses the intention of the Congress to send a delegation to Venezuela in July 1983 to represent the United States in official ceremonies celebrating this great hero's birth, and calls upon the Librarian of Congress to conduct a study on the impact of Mr. Bolivar's life on the United States.

Simon Bolivar, known as "El Gran Libertador" (the Great Liberator), helped to forge national independence for Bolivia, Columbia, Ecuador, Panama, Peru, and Venezuela. He worked to establish governments patterned after the democratic systems of Great Britain and the United States.

He was a statesman sincerely interested in advocating and implementing international cooperation. He envisioned one America made up of federated states working together through a general congress to settle disputes and assist each other. Although not all of Mr. Bolivar's dreams materialized, the Organization of American States can trace its concept to the thinking of Simon Bolivar.

I believe it is fitting that we join with the other nations of the Americas to celebrate the birth of a man who developed the concept of hemispheric solidarity. Adoption of this concurrent resolution would be a tribute to the ideals represented by Simon Bolivar.●

SENATE CONCURRENT RESOLUTION 15—PEACE THROUGH STRENGTH

Mr. GARN (for himself, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BENTSEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr.

DECONCINI, Mr. DENTON, Mr. DOLE, Mr. DOMENICI, Mr. EAST, Mr. GARN, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, Mr. KASTEN, Mr. LAXALT, Mr. LONG, Mr. LUGAR, Mr. MCCLURE, Mr. MATTINGLY, Mr. MELCHER, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PRESSLER, Mr. PRYOR, Mr. QUAYLE, Mr. RANDOLPH, Mr. ROTH, Mr. RUDMAN, Mr. SASSER, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. TOWER, Mr. TRIBLE, Mr. WALLOP, Mr. WARNER, and Mr. ZORINSKY) submitted the following concurrent resolution; which was referred to the Committee on Armed Services:

S. CON. RES. 15

Whereas the Soviet Union has exploited United States peace initiatives in order to build up Soviet strategic and conventional warfare capabilities;

Whereas these capabilities have given the Soviet Union the means to support worldwide aggression of an increasingly bold nature;

Whereas there is a basis for concern that the Soviets may use these capabilities in armed aggression in Pakistan, Iran, and Yugoslavia;

Whereas the Soviet Union has demonstrated an unwillingness to live by the principles of international law;

Whereas the United States is the one world power that can stop Soviet expansionism: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the national security policy of the United States should reflect a national strategy of peace through strength, the general principles and goals of which would be—

(1) to inspire, focus and unite the national will and determination to achieve peace and freedom,

(2) to achieve overall military and technological superiority over the Soviet Union,

(3) to create a strategic and civil defense which would protect the American people against nuclear war at least as well as the Soviet population is protected,

(4) to accept no arms control agreement which in any way jeopardizes the security of the United States or its allies, or which locks the United States into a position of military inferiority,

(5) to reestablish effective security and intelligence capabilities,

(6) to pursue positive nonmilitary means to roll back the growth of communism,

(7) to help our allies and other non-Communist countries defend themselves against Communist aggression, and

(8) to maintain a strong economy and protect our overseas sources of energy and other vital raw materials.

● Mr. GARN. Mr. President, I am a cosponsor of the peace through strength resolution because it is vital that we have a coherent, balanced overall strategy. Otherwise individual actions tend to be taken without regard to their impact on other policy objectives.

In few areas has the lack of a national strategy had more disastrous results than in arms control. Beginning with the SALT I treaty of 1972, the United States has entered into numerous agreements with the Soviet Union that are unbalanced, self-ensnaring, unverifiable, or not enforceable. Because there is no overall standard by which treaties can be evaluated in the context of a total strategy, political leaders have found it easier to heed those advisers who counsel accommodation, appeasement, and unilateral disarmament.

But arms control is important—too important to be negotiated without reference to a clear overall strategy.

For example, it makes no strategic sense to bargain away the right and responsibility of the United States to defend its citizens from Soviet nuclear missiles.

Arms control can only be one of many means to reach the goal of establishing peace and freedom. It is not a goal in itself. Arms control on its own cannot create stability, but it can help to maintain stability already established, while reducing the probability of war occurring, the costs of maintaining deterrence, and the levels of damage should deterrence fail.

That is why one of the principles of a national strategy of peace through strength is: Accept no arms control agreement which in any way jeopardizes the security of the United States and its allies, or which locks the United States into a position of military inferiority.●

● Mr. SYMMS. Mr. President, I have cosponsored the peace through strength resolution because the United States is long overdue in adopting a national strategy to deal with Communist expansion. Under the Constitution, one of the first responsibilities of government is to provide for the common defense yet, since the early 1960's, the United States has structured its military forces and designed its strategies in keeping with the no defense concept called mutual assured destruction (MAD).

According to the MAD principle, the United States and the Soviet Union will be equally deterred, and therefore secure, if the population and industrial centers of both nations are defenseless and can be easily destroyed by a retaliation to a first strike. According to MAD, the absence of defensive weapons enhances deterrence.

As a matter of policy, therefore, the United States has scrapped nearly all its defenses. We have no defenses against Soviet ballistic missiles and only a few aged fighter interceptors to defend against Soviet bombers.

This MAD concept was never accepted in the Soviet Union.

The Soviets have built a modern, nationwide antiaircraft defense system with a small ballistic missile defense force around Moscow, backed by the missile defense capabilities of some of its antiaircraft missiles (SAMS).

Over and above these active defenses, the Soviets have a very large civil defense or passive defense system. The Soviets have spent billions of dollars to build blast and fallout shelters for political and industrial leaders and key workers in and around major Soviet cities. And, they have detailed plans for the evacuation of cities in the event of a nuclear war.

It is intolerable that the Soviet government should conscientiously provide for the survival of its people while the U.S. Government makes no effort at all to defend its people.

Using advanced technology, the United States can and must defend its citizens against the horror of nuclear war. For example, the Government Accounting Office has strongly advocated a satellite-based laser defense. That is why one of the principles of a national strategy of peace through strength is: Create a strategic defense and a civil defense which would protect U.S. citizens against nuclear war at least as well as the Soviets defend their citizens.

Mr. President, I ask unanimous consent that certain correspondence and a list of national organizations supporting this concept be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEPTEMBER 27, 1982.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SYMMS: The Joint Chiefs of Staff have consistently maintained the view that the security of our country and peace in the world can only be preserved if the defenses of the U.S. are strong. Bipartisan support for the passage of a Peace Through Strength resolution will send a clear signal of this Nation's commitment and resolve to continue to provide for the common defense. We appreciate and support your initiative.

Sincerely,

JOHN W. VESSEY, Jr.,
Chairman,
Joint Chiefs of Staff.

THE WHITE HOUSE,
Washington, D.C., September 16, 1982.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SYMMS: I understand that you and many of your colleagues intend to offer a resolution at this time reaffirming the "Peace through Strength" language, which was incorporated into the 1980 Republican Party Platform.

As the President said when the Resolution was considered last year, "Passage of the Resolution by both Houses will be a powerful symbol of bipartisan support for our national security programs, which are designed to restore the margin of safety to our military power."

Sincerely,

WILLIAM P. CLARK.

THE WHITE HOUSE
Washington, D.C., October 15, 1981.

Mr. JOHN FISHER,
President, American Security Council,
Boston, Va.

DEAR JOHN: I am pleased to hear that 273 Senators and Representatives, a bipartisan majority of the Congress, have now joined the Coalition for Peace Through Strength Caucus. This is an important milestone in having the Resolution passed by both Houses of Congress.

I am also encouraged to hear that seven state legislatures have already passed the Resolution.

As an early member of the Coalition for Peace Through Strength, I supported the Resolution, and it was incorporated as part of the 1980 Republican Platform.

Passage of the Resolution by both Houses will be a powerful symbol of bipartisan support for our national security programs, which are designed to restore the margin of safety to our military power.

I assure you that I will sign the Resolution after it is passed by Congress and look forward to hearing of the Coalition's continuing good works.

With my best wishes,
Sincerely,

RONALD REAGAN.

THE WHITE HOUSE,
Washington, D.C., March 7, 1983.

Mr. JOHN M. FISHER,
President, American Security Council,
Washington, D.C.

DEAR JOHN: I am pleased to hear that the Peace Through Strength Resolution is being reintroduced in Congress, thanks to the efforts of the Coalition for Peace Through Strength.

I am also encouraged to hear that twelve state legislatures have already passed the Resolution.

As an early member of the Coalition for Peace Through Strength, I supported the Resolution, and it was incorporated as part of the 1980 Republican Platform.

Passage of the Resolution by both Houses will be a powerful symbol of bipartisan support for our national security programs, which are designed to restore the margin of safety to our military power.

With my best wishes,
Sincerely,

RONALD REAGAN.

THE SECRETARY OF DEFENSE,
Washington, D.C., September 16, 1982.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I understand that you, together with a large number of co-sponsors, are preparing to introduce the Peace Through Strength Resolution in the Senate. The passage of this Resolution will again demonstrate the strength of bipartisan support for the President's national security programs, which are designed to restore the margin of safety to U.S. military power. The Department of Defense strongly supports the intent and purpose of this initiative. We appreciate the effort you and your colleagues are making to express so effectively the support of the Senate for a strong defense program.

CASPAR WEINBERGER.

U.S. DEPARTMENT OF STATE,
Washington, D.C., September 22, 1982.

Hon. STEVEN D. SYMMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SYMMS: Thank you for your letter of September 20 concerning the Peace Through Strength Resolution.

From the outset, this Administration established as a national priority the correction of important shortcomings in our defense posture. As the President's very difficult budget decisions reflect, we are committed to strengthening our defenses. This Administration will never accept an inferior position, recognizing that our national security and that of our Allies is at stake. A strengthened defense posture is essential to the successful conduct of our foreign policy, and is thus a critical ingredient in maintaining peace and stability in today's troubled world. It is also essential to the achievement of the balanced, verifiable and effective arms control agreements the President has proposed—agreements which would substantially reduce strategic and intermediate-range nuclear forces, and conventional forces in Europe to equal levels on both sides.

Passage of the Peace Through Strength Resolution would provide a strong measure of support for our military programs, and our arms control objectives, which are so important to the cause of peace.

With cordial regards,
Sincerely,

POWELL A. MOORE,
Assistant Secretary for
Congressional Relations.

COALITION FOR PEACE THROUGH STRENGTH

NATIONAL ORGANIZATIONS

Air Force Sergeants Association.
America's Future.
American Cause.
American Civil Defense Association.
American Coalition of Patriotic Societies.
American Conservative Union.
American Council for a Free Asia.
American Council for World Freedom.
American Czech Republican Clubs.
American Federation of Small Business.
American Foreign Policy Institute.
American Freedom Network.
American Hungarian Federation.
American Legion Auxiliary.
American Legislative Exchange Council.
American Military Retirees Association, Inc.
American Notary Association.
American Research Foundation.
American Rhodesia Association.
American Security Council.
American Security Council Foundation.
American Society of Professional Emergency Planners.
Americans to Free Captive Nations, Inc.
Armed Forces League.
Armenian American Republican Clubs.
Assembly of Captive European Nations.
Association of Americans to Save Africa.
Association of Byelorussian-American Veterans in America.
Association of Former Intelligence Officers.
Association of Former POW's.
Black Silent Majority Committee.
Bulgarian National Front, Inc.
Byelorussian American Association.
Cardinal Mindszenty Foundation.
Catholics for Christian Political Action.
The Center for Financial Freedom and Accuracy in Financial Reporting.
The Center for International Relations.
Center for International Security.
Chinese Academic & Professional Association.
Chinese American Republican National Federation.
The Church League of America.
Citizens Committee for the Right to Keep and Bear Arms.
Citizens for Freedom, Inc.
Citizens for Reagan.
Citizens for Seafarer.
Coalition for a Democratic Majority.
Coalition for a True Peace.
College Republican National Committee.
Committee for a Free Afghanistan.
Committee for the Survival of a Free Congress, Inc.
The Committee to Unite America, Inc.
Concerned Citizens for an Effective Strategic Policy.
Confederate Air Force.
Congress of Russian-Americans, Inc.
Congressional Majority Committee.
The Conservative Caucus, Inc.
Conservatives Against Liberal Legislation.
Cossack American Nationalists in U.S.
Council Against Communist Aggression.
Council on American Affairs.
Council for Inter-American Security.
Croatian-American Committee for Human Rights.
Czechoslovakian-American Association.
Czechoslovak American National Republican Federation.
Federation of Cuban Masonic Lodges in Exile.
Foundation for Foreign Affairs, Inc.
Fund for a Conservative Majority.
German-American National Congress.
Gospel Advance Mission, Inc.
Greater Overseas Alliance for the National Restoration of Viet Nam.
Heritage Groups Council for Citizenship Education.
High Frontier.
Hungarian Organization, Magyar Szervezet, Inc.
Hungarian Unity Association, Inc.
The Information Council of the Americas.
Institute of American Relations.
Institute on Strategic Trade.
The John Paul Jones Foundation.
Labor United for a Strong America.
Leadership Foundation, Inc.
The Lincoln Institute.
Lithuanian American Council.
Marine Corps League.
Marine Corps Reserve Officers Association.
Military Order of the World Wars.
Moral Majority.
National Alliance of Senior Citizens.
National Association of Uniformed Services.
National Captive Nations Committee.
National Committee for Responsible Patriotism.
National Confederation of American Ethnic Groups.
National Conference on Asians in America and Asian Americans.
National Defense Council.
National Filipino American Republican Association.
National Republicans of Italian Descent.
National Republican Heritage Groups Council.
National Security Council Political Action Committee.
National Screw Machine Products Association.
National Society of the Sons of the American Revolution.
National Sojourners, Inc.

National Traditionalist Caucus.
Naval Enlisted Reserve Association.
Naval Order of the United States.
Naval Reserve Association.
Non-Commissioned Officers Association.
NORSE (Scandinavian American Republican Federation).
Order of the Saint John of Jerusalem.
The Paul Revere Foundation.
Polish American Congress.
Polish American Republican Federation.
Polish Legion of American Veterans, USA.
Reserve Enlisted Association.
Reserve Officers Association.
Romanian American Republican Clubs.
The Second Amendment Foundation.
Security and Intelligence Fund.
Slovak American Republican Federation.
Slovak World Congress.
Solzhenitsyn Society.
Stockholders for World Freedom.
Truth About Romania Committee.
Ukrainian Congress Committee of America.
Veterans of Foreign Wars.
Veterans of Foreign Wars, Ladies Auxiliary.
Veterans of Pearl Harbor, Inc.
We the People.
World Federation of Cossack National Liberation Movement of Cossackia.
World Federation of Free Latvians.
Young Americans for Freedom.
Young Republican National Federation.
Total: 130

ADDITIONAL ORGANIZATIONS SINCE DECEMBER 10, 1982

AMVETS.
State Legislators for Peace Through Strength.●

● Mr. JOHNSTON. Mr. President, as a cosponsor of the peace through strength resolution, I am particularly interested in the principle dealing with the economic component of strategy.

A key element of the Soviet Union's strategy is to gain control over overseas sources of raw materials and the routes for transporting them to the industrialized heartland of the West.

Yet, in few areas is the division between the United States and its allies so acrimoniously displayed as in that of economic policy.

It is difficult for some Western leaders to understand why the establishment of Soviet political control over a region should be of concern, for this seldom results in access to markets being cut off. For example, Angola sells most of its oil to the United States, and Cuba its agricultural products to Europe.

It is an important premise of the national strategy of peace through strength that these differences must be resolved by explaining and publicizing the long-term consequences of a failure to secure access to vital sources of raw material. Unless this is done, the short term self interest of the corporations and governments concerned will continue to undermine the enormous leverage and power which could be applied by the economic system of the West.

The most effective area of competition with the Soviet Union should be in the economic field.

However, the United States and Western Europe have helped the Soviet bloc avoid the impact of its own inefficiency by extending massive credits and loans.

The best way to accelerate the process of Communist decline, as described by President Reagan, is to let the Soviet system fall of its own weight by sharply reducing this subsidization.

That is why one of the principles of a national strategy of peace through strength is to: Maintain a strong economy and protect our overseas sources of energy and other vital raw materials.●

● Mr. DOLE. Mr. President, I am sponsoring the peace through strength resolution because we simply cannot limit ourselves to reacting to Soviet initiatives when we perceive a threat to our vital national interests. This has been like playing football by letting the other side run all the plays with us always trying to stop the play.

But, even at this level, good intelligence is central to any nation's security.

Yet, over the past 10 years ferocious and disabling assaults have been made on the capabilities of the U.S. intelligence services to carry out clandestine data collection, engage in covert operations, or coordinate counterintelligence.

A national strategy of peace through strength requires the most accurate information possible, not merely for foreknowledge to forestall moves by the Soviet Union and other adversaries, but also to defend against terrorism and other internal security threats.

Thus, one of the principles of a natural strategy of peace through strength is to: Reestablish effective security and intelligence capabilities.●

● Mr. DENTON. Mr. President, I am proud to cosponsor the resolution for peace through strength because the United States must finally adopt a strategy. Perhaps the most important principle of a national strategy of peace through strength is: Inspire, focus, and unite the national determination to achieve peace and freedom.

Public support is necessary if the United States is to implement a national strategy of peace through strength. It is a democracy, and no major policy can long be followed in the face of strong popular opposition.

But, adopting a national strategy that will influence the entire range of U.S. defense and foreign policy, including issues of such public concern as trade and military acquisition, will require far more than simple public acceptance. It must be vigorously promoted and explained.

As far as possible, all U.S. initiatives should be justified publicly in terms of their relation to national strategy. This implies that not only will the U.S. Government have to involve the isolated and compartmentalized foreign policy community with the public, but also that the entire basis for the current system of classifying Government secrets will have to be reworked to share with the public more facts about the Soviet threat.

The advantages of informing the public will be enormous. Public support for U.S. defense and foreign policy has often weakened, because the people simply did not understand the realities it was based on. This lack of understanding not only has given rise to opposition to a particular policy, but also has weakened public support of defense and foreign policy as a whole.

The need to justify defense and foreign policy initiatives to the public in terms of how they further the national interest would also improve policymaking.

In short, by forcing the defense and foreign policy community to clearly identify and express U.S. national priorities and goals, a national strategy of peace through strength would not only rally the American people behind the Government, but would also prove a powerful incentive to improve the quality and coherence of national policy initiatives.●

● Mr. DECONCINI. Mr. President, I am a cosponsor of the peace through strength resolution because it provides a Reagan approved strategy for carrying out President Reagan' crusade for freedom.

In his speech to the British Parliament on June 8, President Reagan offered "a plan and a hope for the long term." He called for "* * * the march of freedom and democracy which will leave Marxism-Leninism on the ash heap of history, as it has left other tyrannies which stifle the freedom and muzzle the self-expression of the people."

In the closing paragraph the President said:

> Let us now begin a major effort to secure the best—a crusade for freedom that will engage the faith and fortitude of the next generation. For the sake of peace and justice, let us move toward a world in which all people are at last free to determine their own destiny.

It is the positive note which is so vital in that statement. A successful strategy cannot be static. Our society, values, and way of life have been targeted for extinction by the forces of Soviet communism, and cannot be preserved merely by attempting to maintain the status quo.

Under our value system, military force can only be used to defend the status quo when it is militarily threatened.

Communism is an ideology that has achieved its greatest successes by play-

ing on mankind's best aspirations. It must be fought—and ultimately defeated—by having its abuses and brutal nature exposed, and by being countered by better and more honest ideas. In the end its own victims will eliminate it, a day which will come more quickly if enough American strength is available to blunt or prevent Soviet employment of naked force.

Once again, a focusing of the national will is a crucial precondition to forging effective policies in this area. The United States cannot convince a skeptical world of its good intentions and probability of survival if its own people are not united behind a goal and a strategy to achieve that goal.

Nor is it possible for the United States to lower its voice about the dangers posed by the Soviet system without losing much ground. In the past, U.S. policies, whether containment or détente, were based upon the hope that the Soviet Union would eventually moderate its ideology as it experienced American good will. Instead, the Soviet Union has grown more assertive and more imperialistic as its military strength and aggressive momentum have increased.

A key tool available to the United States in rolling back this Soviet momentum is communications. Chief among them are the radios—Voice of America and Radio Liberty/Radio Free Europe—and satellite television, which can reach into areas barred to other forms of American influence.

Other forms of communications should not be overlooked, including overseas libraries, language and cultural instruction in American schools, exchanges, art, and entertainment.

To date our communications have been among the most effective means of spreading the Western values of freedom and democracy, even with the minimal official encouragement they have received. This should be greatly expanded and focused.

A second means of rolling back the influence of communism is to describe the shambles its "scientifically planned" economy makes of the lives of its citizens. Merely the existence of well-made Western merchandise is a destabilizing influence in Communist systems, which are forced to explain away their own shoddy products. Of more importance is the disruption "centralized planning" causes in the Soviet Union, where meat is rationed; or Poland, where food is rationed; or Cuba, where everything is rationed.

The greatest weakness of all in the Communist system should be exploited—its total denial of freedom to its citizens. Walls have to be built to contain people within the Soviet system. This fact should be more than enough to totally alienate all nations of the world except for those that have adopted their own form of repression.

But our lack of a strategy and our inability to explain our motive for foreign policy initiatives have in many cases opened the United States to charges of hyprocisy. Few nations are willing to believe the lack of coordination in U.S. policy is due to ineptness.

In short, the national strategy of peace through strength is built upon the understanding that military force is simply not appropriate for actions beyond deterring attack or containing aggression. The offensive role in a U.S. national strategy must be carried out by nonmilitary means which will take many years to bear fruit.

That is why one of the principles of a national strategy of peace through strength is to: Pursue positive, nonmilitary means to roll back the growth of communism.

And, that is why another principle is to: Help our allies and other non-Communist countries defend themselves against Communist aggression.

The emphasis on consensus and coordination that a national strategy of peace through strength places on the formulation of American foreign policy also holds true in relations with our allies. The struggle with the Soviet Union is by no means bilateral—every nation not already in the Soviet orbit is ultimately threatened by its expansionism. Therefore, it is clearly in the U.S. national interest to provide appropriate assistance to other nations whose independence or security is threatened.

By strengthening alliances and supplying aid to other nations sharing the U.S. strategic predicament, the national strategy of peace through strength not only addresses problems of U.S. security, but also demonstrates that the United States is a faithful partner whose political system deserves emulation.●

● Mr. ZORINSKY. Mr. President, the principal goal of the United States has been the preservation of peace and freedom. No responsible American disputes this goal, but differences on how best to achieve it have badly divided our Nation and led to disastrous reverses in foreign policy. Because of these differences, it has proved impossible to adopt or adhere to a national strategy. Without a national strategy to give it direction and coherence, our foreign policy has been reactive, inconsistent, and far weaker than it need be.

On no issue has there been greater division than on the nature of the threat from the Soviet Union. Although Soviet strength and destablizing behavior were recognized as potential dangers, for the past two decades, American policy responding to them was based on accommodation and unilateral gestures of restraint. The Soviet Union, it was argued, had such a dismal history of war and invasion that a strong American policy would immediately trigger suspicion and hostility. But if the United States avoided provoking this reaction, increased contact through trade, arms control negotiations, and growing cultural ties would convince the Soviet leadership of American good faith.

This argument formed the basis for the American policy of détente. During this period the United States drastically cut defense spending, froze its strategic nuclear forces, halved the size of its navy, and allowed its conventional land and air forces to undergo a significant decline. At the same time, it dramatically reduced its international presence, dismantled much of its intelligence services, and let most of its defense alliances deteriorate.

Soviet détente behavior was diametrically different. It not only enormously increased the quality of its nuclear forces, but went for a qualitative change as well, achieving a large force with the explosive yield and accuracy to destroy the U.S. strategic force on the ground. It increased its overall defense spending by as much as 7 percent annually each year of this period, not only greatly increasing its ground forces but also creating for the first time in Soviet history a blue water navy. The Soviet Union greatly increased the size and scope of the KGB First Directorate, responsible for foreign operations, especially subversion and disinformation. It invaded, directly or through proxies, a half dozen Third World nations; has proved a major impediment to a negotiated Middle East settlement; and has promoted instability by training and arming terrorist's worldwide.

In view of this, it is no surprise that the Soviet Union defines détente as "an intensification of the ideological struggle in the absence of nuclear war."

The United States has at last recognized that détente cannot help to achieve the national goal of peace and freedom and has begun the first steps toward strengthening its defenses and foreign policy. However, because these steps have not been explained to the American people in the context of a well-articulated national strategy, the political consensus for making them has been eroding. Such a strategy has been worked out—the national strategy for peace through strength.

The national strategy for peace through strength is based upon the realization, backed by over 20 years of experience, that the Soviet Union cannot be cajoled into good behavior by weakness or unilateral restraint. At the same time, it is neither possible nor desirable to coerce the Soviet Union by the direct use of military force. Instead, the national strategy of peace through strength, while providing for the military and strategic forces necessary to establish a margin

of safety, will arrest and counteract the spread of Soviet influence by nonmilitary means.

The national strategy for peace through strength is embodied by eight principles, which will serve as a yardstick by which future U.S. defense and foreign inititatives can be evaluated. These principles outline the steps necessary to preserve the safety of the United States and its allies, while at the same time promoting greater understanding of and respect for democratic principles.

I urge that the U.S. Senate resolve that the national strategy of peace through strength be adopted as the national strategy for the United States. By doing so, we will not only greatly strengthen the national security policy of this country, but will also be reaffirming our support for the principal goal of the United States—peace and freedom.●

● Mr. BOREN. Mr. President, when Yuri Andropov came to office, he declared on November 12:

> We know full well that it is useless to beg peace from the imperialists. It can be upheld only by resting upon the invincible might of the Soviet Armed Forces.

What the new Soviet leader is saying is that there will be either peace Communist-style or peace Western-style; and if the former, it will be established by military strength.

So, the question that we need to ask ourselves is: What kind of peace do we want, and whose strength do we want to establish it?

There is an additional point here, and it is the essential point. We do not have to use military strength to attain peace. If we are strong enough, the Soviets will not dare attack us militarily.

We can take on the Communists in a nonviolent competition or contest on the principles of freedom and human dignity. On those issues, we cannot lose. By helping expand democracy, we can roll back their current empire, without a shot being fired.

If we refuse to engage in such a contest and allow the Soviets to use terrorism and subconventional wars, such as they have used in Nicaragua and Angola, to subjugate one country after the other, then we are bound to lose.

To win, we do not have to propagandize. All we have to do is tell the truth—and use a little imagination, and repeat the lesson a few times to make sure it gets through.

There is no way that slavery can be more appealing to people than freedom.

If we do not offer an alternative to Marxist ideas and principles throughout the world, then we may have to fight them someday with guns and bombs.

Again, we need to ask ourselves: Which peace, attained by whose strength? And, if we define the word "strength" to include mental and moral strength, then we can win without bombs. And after we have won, we can cut the Defense budget, prudently.

I, therefore, urge the adoption of a natural strategy of peace through strength as embodied in this Senate resolution.●

● Mr. TOWER. Mr. President, I have cosponsored the resolution for peace through strength because a "global campaign for democracy" must be based on the principles of strategy which utilize all elements of national strength—political, military, and economic—in achieving national goals.

Democracy does not need military power to win the fight for the minds of men. Democracy needs nothing more than energetic advocates and a world political environment in which it can demonstrate its superiority.

The key to a peace through strength strategy is to achieve our goals without armed conflict. To do this, we must deter the Soviets from starting a war.

History shows that only superior war fighting capability can deter an aggressor. Forces that cannot win cannot deter.

The United States can have a superior war fighting capability without the cost of across-the-board numerical superiority if it exploits advanced technology such as the cruise missile and space based laser.

In a recent speech at the Army War College, Secretary of Defense Weinberger summarized the need for strengthening U.S. military power. He said, "* * * in dealing with the Soviets, peace must be purchased with strength." That is why one of the eight principles of a national strategy of peace through strength is to achieve overall military and technological superiority over the Soviet Union.●

● Mr. LAXALT. Mr. President, the greatest problem we have as a Nation is how to deal with the growing Soviet politico-military threat to us and the rest of the free world.

The invasion of Afghanistan and the repression of Poland are reminders that the Soviets are as ruthless as were the Nazis in expanding and consolidating their totalitarian empire.

Soviet expansionism has been driven by the goal of world domination and guided by a grand strategy to achieve that goal.

Soviet successes have been possible only because the United States has had neither a goal or a strategy in this conflict. U.S. policy has been essentially that of reacting to Soviet initiatives in defense of the status quo.

Now, the Soviets have gained a significant nuclear and conventional military superiority over the United States. This, together with the powerful Soviet world-wide propaganda and disinformation network promoting disarmament in the West, makes rebuilding our defenses an ugent necessity.

First, though, we should adopt a national goal in this conflict and a grand strategy based on all elements of our national power—economic, political, and military—to achieve that goal.

On June 8, 1982, before the British Parliament, President Ronald Reagan proposed that this goal should be "a world in which all people are at last free to determine their destiny."

To achieve that goal, President Reagan called for a "crusade for freedom" designed to "leave Marxism--Leninism on the ash heap of history" through a "global campaign for democracy."

In this connection, President Reagan declared that, "It is time that we committed ourselves as a Nation—in both the public and private sectors—to assist democratic development."

I believe that most Americans agree with the goal so elequently expressed by President Reagan and will support the adoption of a national strategy of peace through strength to achieve that goal.

That is why I and 54 other Members of this body are cosponsoring a joint resolution calling for the adoption of a national strategy of peace through strength.

There are eight basic principles inherent in a national strategy of peace through strength. These principles will serve to clarify the direction of the strategy and the basis of some of its details, and they will serve as a yardstick to evaluate competing programs and initiatives. Unless the United States speedily adopts such a strategy to coordinate its national security efforts, it is doomed to ineffectual policies, uncoordinated responses to Soviet aggression, and ultimately, a great growth in the power and influence of the Soviet Union.

President Reagan was an early endorser of this resolution and it appeared as the defense strategy plank of the 1980 Republican Convention platform.

The President has said that he will sign this resolution when it is passed by both Houses of Congress.

In this connection, it is important to note that this resolution, as House Concurrent Resolution 163, has been cosponsored by 238 Members of the House of Representatives and has been referred to the House Foreign Affairs Committee.

This resolution has been endorsed by Caspar Weinberger, Secretary of Defense; Gen. John Vissey, Chairman of the Joint Chiefs of Staff; Powell Moore, Deputy Secretary of State for Congressional Relations; and Judge William Clark, National Security Assistant to the President.

This resolution has already been passed by 13 State legislatures: Arizo-

na, Alabama, California, Colorado, Delaware, Florida, Indiana, Kansas, Louisiana, Mississippi, Nebraska, Tennessee, Texas, and the Territory of Guam.

In addition, 127 national organizations have endorsed the resolution.

Whatever the outcome of the conflict between Soviet totalitarianism and democracy, the result is sure to be "peace through strength." What is being decided now is whose strength and whose peace.

So, I urge that we all make this commitment to peace because as President Reagan told the British Parliament, the struggle is "a trial of spiritual resolve" and at stake are "the values we hold, the beliefs we cherish, the ideals to which we are dedicated."●

SENATE RESOLUTION 83—RELATING TO STRATEGIC TALKS ON PREVENTION

Mr. HART submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 83

Whereas, a nuclear war would kill or injure millions of Americans, destroy most of our population centers, devastate our industrial and technological base, and threaten the survival of the Republic, and

Whereas, there can be no assurance that a nuclear war, once initiated would remain limited in scope, and

Whereas, negotiations are currently underway in Geneva between the United States and the Soviet Union, and

Whereas, there exists the ever-present risk that nuclear weapons might be employed through accident or miscalculation, and

Whereas, the unregulated spread of nuclear technology increases the number of countries or terrorist groups which can detonate a nuclear bomb: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States and the Soviet Union expand the negotiations in Geneva to consider ways to prevent the use of nuclear weapons; to reduce the danger of nuclear war through accident or miscalculation; to agree on steps to prevent the use of nuclear weapons by third parties, including terrorists; to reduce the vulnerability of the two sides' nuclear retaliatory forces to preemptive attack; and to achieve sizable, mutual and verifiable reductions in the number of strategic nuclear warheads and their delivery vehicles, consistent with the requirements for national security and international stability.

● Mr. HART. Mr. President, I am today submitting a resolution expressing the sense of the Senate that the Government of the United States propose to the Soviet Union to expand the current START talks to consider ways to prevent the use of nuclear weapons. The purpose of Strategic Talks on Prevention (STOP), is to reduce, through concrete and effective measures, the likelihood of nuclear war. This resolution is a logical and necessary companion to Senate Resolution 2, the "freeze" resolution which I have also cosponsored. It calls for a mutual and verifiable negotiated freeze on nuclear weapons and seeks a reduction in their overall numbers. Both STOP and "freeze" resolutions are needed. Together they frame a new, more realistic and urgent arms control agenda.

When President Reagan announced the opening of arms control talks in Geneva last year, it was hoped that real progress would be made in reversing the nuclear arms race. Since then, such optimism has been seriously dampened by the administration's obvious unwillingness to explore seriously a wide variety of options in both the START and INF talks. The recent change in leadership at the Arms Control and Disarmament Agency signals an even more unimaginative and hardline stance.

At the same time, citizen initiatives have emerced in the United States and among our allies calling on the Governments of the United States and the Soviet Union to halt the testing, production, and deployment of all nuclear weapons and their means of delivery. Millions of Americans supported this plea last November when they voted for nuclear "freeze" resolutions. This all adds up to a profound and deeply held belief that superpower competition in nuclear weapons must be brought under control immediately or we may all be engulfed in the greatest castastrophe in human history.

We must, therefore, send the President and the new Soviet leaders a clear signal that genuine progress in arms control cannot be deferred. Too many leaders seem to have forgotten the awesome destructive power of nuclear weapons. It is time to reawaken these leaders to their solemn responsibility—the prevention of nuclear war.

More than 25 years ago one of this Nation's most decorated military commanders, Gen. Omar Bradley, eloquently captured the essence of the problem we face with nuclear weapons. General Bradley observed:

If I am sometimes discouraged, it is not by the magnitude of the problem, but by our colossal indifference to it. I am unable to understand why, if we are willing to trust in reason as a restraint on the use of a ready made, ready-to-fire bomb, we do not make greater, more diligent and more imaginative use of reason and human intelligence in seeking an accord and compromise which will make it possible for mankind to control the atom and banish it as an instrument of war.

How right he was. Since the first atomic bombs were dropped on Nagasaki and Hiroshima in 1945, the number of atomic and nuclear weapons in the world has grown by an alarming rate, and their accuracy has become frightening. From 1966 to 1982 alone, the number of Soviet ICBM's has increased from about 100 to nearly 1,400, their SLMB's grew from under 100 to over 900, and their strategic warheads increased from under 100 to approximately 7,500. During this same period, U.S. delivery systems have remained relatively constant, but our inventory of warheads has grown from just under 6,000 to about 9,000. Recent estimates project that by 1985 the Soviet Union could put another 11,000 warheads on their ICBM's, another 5,000 on their SLBM's and thousands of new nuclear weapons on their manned bombers. By the end of this decade the Soviets could have between, 20,000 and 30,000 warheads. And, the United States is keeping pace. We have made our Minuteman II ICBM's more accurate and powerful, we plan to arm our B-52's with ALCM's, the administration wants the B-1 and Stealth bombers and the new MX ICBM, and by the end of this decade our new Trident II D-5 SLBM force will be in place.

At the same time, the nuclear club is growing. From the early days when atomic weapons were the exclusive domain of the United States, Britain, and the U.S.S.R., we have entered an era when most countries will feel themselves vulnerable without nuclear arms. France has become a formidable nuclear power. China is rapidly becoming one. And there are disquieting reports about a plethora of countries from Israel and South Africa to Pakistan and Brazil.

For more than 30 years, we have lived with the reality that at any given moment, on any given day, the nuclear weapons might be unleashed, leaving in their aftermath a level of death and destruction beyond the comprehension of the human mind. We must constantly remind ourselves that nuclear war is more than a continuation of war by other means; it is an entirely new form of conflict. This simple, yet all-important reality of the nuclear age compels us to reverse the arms race.

Nuclear war means tens of millions dead. It means millions more severely burned and injured, unable to reach hospitals that, at best, could treat only a tiny fraction. It means millions more blinded, wandering sightless in a post-attack world, simply because they looked up when the first flash came. It means rebuilding on a scale that may be impossible—not just repairing physical injury but restoring a sense of order in a world ruled by mobs, struggling over scraps of food, with no reason for human restraint.

So far we have been spared this holocaust. But as nuclear weapons proliferate how much longer can our luck hold?

Since the late 1960's, we have been trying to reverse this trend by trying to negotiate equitable, verifiable, and significant strategic arms limitation agreements with the Soviet Union. At best, our achievements have been modest. It is unnecessary to recount

the fate of the second Strategic Arms Limitation Treaty signed in June 1979, but never ratified by the Senate. I was, and continue to be, a strong supporter of that treaty. We should continue to abide by the provisions of SALT II as long as the Soviets do the same. We should also build on these provisions in Geneva.

The "freeze" resolution, is a constructive step in that direction. It will put the Congress on record that it wants the administration and its Soviet counterpart to reverse the dangerous escalation in the numbers of warheads and delivery systems, starting with the build up of the superpowers.

It has been deliberately crafted to insure that the vital interests of the United States and our partners are preserved. It does not seek a unilateral freeze. It does not seek a freeze that cannot be verified. On the contrary, the resolution is an entirely positive statement that recognizes the immense complexity involved in achieving meaningful arms agreements. It would persuade the Soviet and American Governments to take a bold step for peace—to decide when and how to achieve a mutual, verifiable freeze and then to pursue a mutual, verifiable reduction in nuclear weapons. And the resolution would not prohibit modernization programs designed to increase survivability, reduce first-strike threats, and thus raise the nuclear threshold.

While endorsing the need for a mutually verifiable freeze and reductions, I am convinced we must do much more. Even with reduced numbers, there are no guarantees that nuclear weapons still will not be used. Therefore, we must rethink, fundamentally, our approach to nuclear arms control. We must refocus our efforts to reduce the extraordinary dangers of nuclear war. This is the intent of STOP resolution. It moves significantly beyond the question of force levels addressed in the freeze resolution and directs our attention to even more fundamental problems of prevention and capabilities. Without such a comprehensive approach, the dangers of nuclear war will still grow rather than diminish.

The resolution I am submitting addresses four major problems that should be the focus of negotiations in Geneva. First, the possibility of nuclear war by accident or miscalculation. Even though our own forces are maintained under tight and continuous control, computer failures over the past few years in our strategic system are very worrying. We know even less about how tightly Soviet forces and procedures are controlled. Moreover, the SALT II Treaty contains a provision for the prior notification of missile flight testing, in an effort to reduce uncertainty over intentions. We need to reaffirm and extend that principle. We would go a long way to reducing the risk by expanding the 1973 United States-Soviet Agreement on the Prevention of Nuclear War.

Second, the procurement of hard-target countersilo capabilities by both superpowers undercuts confidence in the survivability of retaliatory forces, in effect placing weapons on a hair trigger. We must take concrete steps to reduce the vulnerability of the two sides' nuclear forces to preemptive attack. A secure capacity to respond to an adversary's nuclear strike force is the very foundation of mutual deterrence.

Third, we and the Soviets have a special responsibility to restrain the export of sensitive nuclear technologies, to prevent the use of nuclear weapons by other countries and extranational groups, including terrorists. Right now, the administration's policies are to the contrary.

Fourth, we must continue to seek meaningful reductions in the overall numbers of nuclear warheads and their delivery systems—strategic, theater, and tactical. All arms control analysts recognize that a minimum force of reliable, survivable weapons systems, tightly controlled, would constitute the best deterrent for both countries. We must achieve sizable, mutual, and verifiable reductions in the number of nuclear weapon warheads and delivery vehicles consistent with the requirements for national security and international stability.

As we seek to negotiate constraints on strategic nuclear weapons, we must be careful to define our objectives as precisely as possible. It is this requirement which has led me to introduce today's resolution. The determination to reduce the number of weapons is not enough. We must also seek to control their capabilities. The objectives of STOP are well within our grasp. But we and the Soviets must have the will to pursue them.

Nuclear war is the greatest single threat we face. That threat grows every day. We must seize every opportunity to draw back from the nuclear abyss. The STOP negotiations could be an important step in this direction.

Without a renewed and committed effort to prevent the outbreak of nuclear war and to negotiate limits on the nuclear arms race, I fear for our future.

How much longer can our luck hold?

I urge my colleagues to join me in support of this resolution.●

SENATE RESOLUTION 84—RELATING TO THE STRATEGIC PETROLEUM RESERVE

Mr. JACKSON (for himself, Mr. McCLURE, Mr. JOHNSTON, Mr. BRADLEY, and Mr. WARNER) submitted the following resolution; which was referred to the Committee on Energy and Natural Resources:

S. RES. 84

Whereas, national security demands a strong military establishment, it also requires a strong economy;

Whereas, a strong economy necessitates adequate protection against future oil supply interruptions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States should provide the resources necessary for continuing the rapid build-up of the Strategic Petroleum Reserve in FY 1984 so as to achieve a minimum fill rate of at least 220,000 b/d, consistent with the Energy Emergency Preparedness Act of 1982.

Mr. JACKSON. Mr. President, I am submitting today a resolution calling for the Nation to provide sufficient resources to fill the Strategic Petroleum Reserve in fiscal year 1984 at a rate of at least 220,000 barrels per day, consistent with the Energy Emergency Preparedness Act of 1982. Several colleagues who have distinguished themselves in the support of the Stategic Petroleum Reserve in the past join me today in sponsoring this resolution.

Mr. President, no other energy program enjoys as much support from energy policy experts, both political parties, and both Houses of Congress, as does the SPR. This program is now generally accepted as an essential element of our national security and a necessary part of protecting our economy from any severe petroleum supply disruption.

When the current administration came into office, they commenced a much more aggressive commitment to filling the SPR than had their predecessor, a laudatory change in policy which the Reagan administration took every opportunity to acknowledge. However, the commitment of the Reagan administration to rapid completion of the Strategic Petroleum Reserve has recently changed. In fact, that commitment of the administration is now ended in every aspect save their rhetoric.

On August 3, 1982, the Congress enacted and the President signed Public Law 97-229, the Energy Emergency Preparedness Act of 1982 (EEPA). That act mandates an SPR fill rate of 300,000 barrels per day. However, if the President makes a finding that filling at 300,000 barrels per day would not be in the national interest, then the mandated fill rate drops to 220,000 barrels per day. The President made such a finding on December 1, 1982, with respect to fiscal year 1983. The law also provides that if appropriated funds are available to fill at a rate higher than 220,000 barrels per day, then the SPR must be filled at the highest practicable rate achievable with available funds. Secretary Hodel has testified that the administration has sufficient funds available in fiscal year 1983 to fill the SPR at 350,000

barrels per day in fiscal year 1983. Yet the fill rate projected by OMB for this fiscal year is only 216,000 barrels per day.

This OMB projected fill rate is 4,000 barrels per day shy of the statutory minimum of 220,000 barrels per day, even though there are certainly sufficient funds and storage space available to achieve the required rate. The OBM projected fill rate represents such a blatant disregard for the law and unnecessary provocation of the Congress over such a trival differential that Secretary Hodel has directed DOE to fill at 220,000 barrels per day, notwithstanding the lower OMB official figure.

Given the fact that funds are available to fill at 350,000 barrels per day in fiscal year 1983, the question arises, how can the administration consider itself in compliance with the "highest practicable fill rate" requirement of EEPA. On December 1, 1982, I requested Secretary Hodel to have the DOE General Counsel provide the committee with a memorandum on this point.

The Secretary has since testified that OMB and DOE disagree on what EEPA requires in this regard and that he will soon transmit DOE's interpretation without OMB's concurrence. Apparently, DOE's lawyers agree that EEPA mandates a fill rate in excess of 220,000 barrels per day in fiscal year 1983, given the funds available to the program. Meanwhile, fiscal year 1983 slips away.

The fact of the matter is, OMB does not want to spend the funds necessary to keep the SPR buildup on schedule. Consider, for example, that the President's fiscal year 1984 budget submission shows that at the end of fiscal year 1983, because of unused prior year carryovers, the administration will still have more funds available for this program than were actually appropriated in fiscal year 1983. Or another vantage point is, all of the President's fiscal year 1983 SPR oil fill activities can be achieved without spending a nickel of fiscal year 1983 appropriated funds.

The situation for fiscal year 1984 is much worse. The administration's fiscal year 1984 budget request for SPR oil acquisition is listed at $583 million. In fact, the administration's fiscal year 1984 budget request to fill the SPR in fiscal year 1984 is zero. If one looks carefully at the legislative language they will see that the entire fiscal year 1984 request is for the acquisition of petroleum "to be delivered to the SPR during fiscal year 1985." In effect, the administration requests the funds and the deferral of these funds in a single step, sidestepping the Budget and Impoundment Act altogether.

How is it, then, that the administration projects a fiscal year 1984 fill rate of 145,000 barrels per day (which is still well below the mandates of EEPA)? The answer is, every cent spent for SPR oil delivered in fiscal year 1984 will be paid for with fiscal year 1983 carryover funds.

DOE also concedes that at the end of fiscal year 1984, under the President's budget proposal, there will be 18 million barrels of empty storage space in the Reserve, which equates to 50,000 barrels per day over 1 year. Thus, the President is now reneging on the policy stated in his Knoxville, Tenn., energy address at the World's Fair of filling the SPR to available capacity.

My resolution calls for a fiscal year 1984 appropriation of sufficient funds for use in fiscal year 1984 to achieve a fill rate in that fiscal year of at least 220,000 barrels per day, consistent with the Energy Emergency Preparedness Act of 1982 (EEPA). The reference in the resolution to consistency with EEPA is intended to include the fact that the applicable minimum fill rate under EEPA is 220,000 barrels per day if the President makes the national interest finding, but in the absence of that finding, the minimum fill rate is 300,000 barrels per day. The intent of this resolution is to call on the Congress to provide the funding to support whichever minimim fill rate is applicable under EEPA.

The situation for fiscal years 1985–88 is also described in the President's fiscal year 1984 budget proposal for the SPR. If one divides OMB's projected outlays for those outyears by DOE's projected prices for the purchase of SPR oil, one determines that OMB would propose filling at approximately 100,000 barrels per day for each of fiscal years 1985–88. This is in fact the lowest SPR fill rate attainable. To go lower would trigger section 802 of the Energy Security Act of 1980 (P.L. 96-294) which provides that if the SPR is filled at less than 100,000 barrels per day, then the Federal Government is prohibited from selling its share of Elk Hills oil—other than to the SPR—and the Treasury would suffer the loss of those sizable revenues. Apparently, where the law is enforced with a fiscal sanction, this administration will comply with the law. This is an observation the Congress should not forget. The SPR oil fill mandates of EEPA do not contain such fiscal sanctions. Even though EEPA has yet to enjoy its first anniversary, the administration is already seeking to repeal it in effect by starving the SPR program of adequate funds.

I introduce this resolution for the purpose of alerting my colleagues to this situation and to send a signal to the Budget Committee and the Appropriations Committee that while this administration's commitment to the SPR is gone, the same cannot be said of the congressional commitment to the SPR. Just this past week, the Committee on Energy and Natural Resources reported out its report to the Budget Committee that calls for sufficient funding to fill the SPR at 220,000 barrels per day in fiscal year 1984.

Is there in fact a justification for slowing the buildup of the SPR? The administration cites the improving world oil situation and the pressures of the budget. However, no one has offered the Congress any analysis to support the administration's contention. To the contrary, the briefings by various executive branch agencies paint a picture of heightened instability in the Mideast, largely because of the Iraq-Iranian war, and the danger of war damage to key oil facilities by terrorists, commandos, or general military conflict. It is altogether too easy for anyone with the desire to damage these relatively indefensible facilities. We should not forget that the Middle East still accounts for half of the oil moving in world trade. Add in the exports of other Arab nations and they control two-thirds of the oil in world trade.

Then there are those who take great comfort in the fact that our largest supplier of oil is no longer Saudi Arabia, but Mexico. It is in my opinion a dangerous mistake for this Nation to take the Mexicans for granted. They are undergoing a period of immense difficulty and potential upheaval.

Mr. President, one of the worst strategic blunders this Nation could make, as it endures the necessary sacrifices to assure its national defense capability, is to define national security in purely military terms. True national security rests on a strong economy and that necessitates protection from oil supply interruptions, protection that the completed strategic petroleum reserve would provide.

SENATE RESOLUTION 85—OPPOSING THE OFFICE OF MANAGEMENT AND BUDGET PROPOSAL TO REVISE CIRCULAR A-122

Mr. MOYNIHAN submitted the following resolution, which was referred to the Committee on Governmental Relations:

S. RES. 85

Whereas the receipt of Federal assistance cannot and should not result in the loss of fundamental Constitutional rights of unfettered political expression, and

Whereas it is proper to prohibit the direct use of Federal funds to influence governmental processes or decisions, existing Internal Revenue Service and other regulations adequately address this concern, and

Whereas unimpeded exchanges of views and information between the Federal Government and nonprofit organizations receiving Federal funds help insure the effective operation of those programs and facilitate congressional oversight, and

Whereas, changes recently proposed by the Office of Management and Budget in OMB Circular A-122 would impose unacceptable restrictions on political expression by non-profit organizations in receipt of Federal funds, and would inhibit the flow of information between those organizations and Congress and the executive branch: Now therefore, be it

Resolved, That it is the sense of the Senate that the Office of Managment and Budget should immediately withdraw its proposed revisions to Circular A-122 and refrain from promulgating this or any other rule or regulation that would have similar effects on the recipients of Federal funds.

● Mr. MOYNIHAN. Mr. President, I rise today to introduce a resolution expressing the sense of the Senate that the Office of Management and Budget should withdraw its proposal to revise Circular A-122, a regulation entitled "Cost Principles for Non-Profit Organizations." The revision would seriously restrict the political activities of nonprofit organizations receiving Federal funds.

That such an ominous proposal lies hidden beneath an obscure and seemingly innocuous regulation is in itself a cause for great concern. It is clear that the OMB proposal is both ill advised and of questionable constitutionality. It would impose impermissible restrictions on the first amendment rights of free speech and of citizens to petition their government. More alarming still, the target of these restrictions is nonprofit organizations which are often the most effective voice for indigent individuals and minority groups.

Current law already prohibits the use of Federal funds for political purposes. The OMB proposal would forbid any group that receives such funds from engaging in any political activity. The prohibition seemingly would extend even to political advocacy by an organization's employees on their own time aimed at advancing the goals of that organization. Further, it apparently would prohibit private nonprofit organizations from discussing their programs with Members of Congress or from writing letters to editors to marshal public support for their programs and activities.

There can be no question that the imposition of such a regulation would have a chilling effect upon the exercise of first amendment freedoms. Additionally, the penalties imposed for violation of this regulation—ranging from the required repayment of grants to temporary banishment from Government eligibility lists—seem to be disproportionate, unreasonable and of dubious constitutionality.

The principal practical effect of the new circular A-122 would be to impede Government efficiency. The revision in the rules would prohibit organizations which receive Federal funds from discussing with elected officials ways to insure more effective spending of taxpayers' dollars in those programs.

The Office of Management and Budget has announced, in an apparent concession to critics of the new rule, that it has extended the current March 9 comment deadline and plans to revise its original proposal. May I suggest that the OMB waste no more of its time attempting to improve this ill-conceived idea. Commonsense and a concern for constitutional rights dictate that this proposal be abandoned. More is at stake here than the "cost principles" suggested by the regulation's title. What is at stake are precisely those rights and principles fundamental to our system of government.

Mr. President, I ask unanimous consent that the following letter from Mr. Brian O'Connell, president of Independent Sector, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INDEPENDENT SECTOR,
Washington, D.C., March 8, 1983.

Hon. DANIEL P. MOYNIHAN,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR: Your strong interest in assuring free and open exchange of ideas between nonprofit groups and public officials is greatly appreciated by all of us who are gravely concerned about the proposed revisions to OMB Circular A-122.

On the basis of 30 years of work in voluntary organizations and my current role with this coalition of almost 500 national voluntary and philanthropic groups and after two weeks of consultations with constitutional lawyers, I am convinced that the Administration's proposed changes to OMB Circular A-122 are unnecessary, unworkable and unconstitutional.

The purpose of the Administration's proposal is to come up with a new way to be sure that government grant dollars are not used to finance an organization's advocacy efforts. Such use of government dollars is already clearly against the law. The Office of Management and Budget (OMB) believes that some organizations are breaking the law—though they come forward with extreme and extremely few examples, and rather than enforce the law for what has to be a distinctly small portion of voluntary organizations that might be offenders, their solution is to say, in effect—not only may you not use government funds for advocacy but if you receive any government funds at all, you can't even use your regular income from foundations, corporations, and individuals to engage in advocacy. Rather than deal with the problem where it might exist, the OMB would take this supposedly anti-regulatory pro-voluntary Administration down the road of smothering the activities and services of hundreds of thousands of voluntary organizations as diverse as Catholic Charities, The Foreign Policy Association, Audubon Society, the Methodist Church, American Red Cross, Jewish Welfare Board, and YWCA.

OMB would allow an exception, but only if the voluntary organization will set up separate offices, staffs, telephones and equipment for anything it does with government. So few voluntary organizations could afford both that the practical result is to muzzle the advocacy role. Even if an organization could comply with the requirement of dual staff and facilities, it is not practical or wise for the staff head of an organization not to be involved on all sides of an organization's important functions. Also the best service provider is often the best interpreter of the broader need of its clients.

Legal counsel has advised that the proposals are unconstitutional on two grounds: (1) that OMB has overstepped its bounds because regulations should clarify law not extend law, and (2) that the proposal is in violation of First Amendment freedom of speech rights.

We are grateful that you continue to be a strong supporter of actions which encourage full and open debate on public issues and that you are calling for withdrawal of the revisions to OMB Circular A-122.

Sincerely,

BRIAN O'CONNELL, *President.*●

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY JOBS APPROPRIATION OF 1983

AMENDMENT NO. 488

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON WATER AND POWER

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Water and Power to consider S. 268, to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes; S. 448, to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes; and S. 672, to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes.

The hearing has been scheduled for Thursday, March 24, beginning at 10 a.m., in room SD-366 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Water and Power, room SD-360, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Russ Brown of the subcommittee staff at 224-2366.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that the hearing scheduled before the Committee on Energy and Natural Resources for Wednesday, March 9, to consider pending natural gas legislation will begin at 10 a.m. instead of 9:30 a.m., as previously scheduled.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. ANDREWS. Mr. President, I wish to announce that a hearing on Federal nutrition programs has been scheduled before the Senate Agriculture Subcommittee on Rural Development, Oversight, and Investigations.

The hearing will be held on Monday, March 14, beginning at 9 a.m. in room 332, Russell Building.

The hearing will focus on the efficiency of these programs as well as the projected Federal budget levels for these programs. Administration and public-interest witnesses have been invited to testify.

Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 224-2035.

SUBCOMMITTEE ON INNOVATION AND TECHNOLOGY

Mr. WEICKER. Mr. President, on March 16, 1983, the Senate Committee on Small Business's Subcommittee on Innovation and Technology will hold an oversight hearing on Public Law 97-219, the Small Business Innovation Research Act. The hearing will begin at 9:30 a.m., in room 428A, Senate Russell Building. Senator RUDMAN will chair.

COMMITTEE ON SMALL BUSINESS

Mr. President, I would like to announce that the Senate Small Business Committee's hearing on Federal Government minority business development programs, scheduled for March 8, 1983, has been rescheduled for March 24, 1983, at 9:30 a.m., in room 428A, Senate Russell Office Building. Senator WEICKER will chair.

Mr. President, I would like to announce that the Senate Small Business Committee will hold an oversight hearing on the SBA's disaster loan program on March 21, 1983 at 1 p.m., in the Clinton High School Gymnasium, in Clinton, Ark. For further information contact Marc Smolonsky of the committee staff at 224-3099.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will hold a hearing on the annual report of the PMG on Wednesday, March 16, 1983, at 10 a.m., in SR-385, Russell Senate Office Building. For further information, please contact Mr. Wayne Schley at 224-2254.

Mr. President, the Senate Committee on Governmental Affairs will hold a hearing on S. 121, the Trade Reorganization Act of 1983, on Thursday, March 17, at 10 a.m., in room SD-342, Dirksen Senate Office Building. For further information, please contact Mike Mitchell at 224-4751.

Mr. President, the Senate Committee on Governmental Affairs will hold a markup on pending legislation on Thursday, March 17, 1983, at 2 p.m., in SD-342, Dirksen Senate Office Building. For further information, please contact Mr. Link Hoewing at 224-4751.

Mr. President, the Senate Committee on Governmental Affairs will hold a hearing on the management of the Defense Department on Wednesday, March 23, 1983, in SD-342, Dirksen Senate Office Building. For further information, please contact Mr. Link Hoewing at 224-4751.

GOVERNMENTAL AFFAIRS SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. President, I would like to announce that the Subcommittee on Governmental Efficiency and the District of Columbia of the Governmental Affairs Committee will be holding a hearing on emergency preparedness in the Washington metropolitan area.

The hearing will be held on Wednesday, March 16, from 2 p.m. to 4 p.m. in room SD-342, Dirksen Senate Office Building, and Thursday, March 17, from 9:30 a.m. to 12 noon, in room SD-562, Dirksen Senate Office Building.

Anyone needing further information is invited to contact Monica Healy at 224-8873.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, March 9, at 10 a.m., to hold a hearing on foreign relations legislation: 1983, Department of State, Arms Control and Disarmament Agency, International Narcotics Control Authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, March 9, at 2 p.m., to hold a hearing on foreign relations legislation: 1983, Europe: Legislative issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Wednesday, March 9, at 2 p.m., to mark up S. 499, Certified Development Company Improvement Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SOIL AND WATER CONSERVATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Soil and Water Conservation of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, March 9, at 9:30 a.m., to hold an oversight hearing on water conservation programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, March 9, at 1:30 p.m., to hold a hearing to consider funding authorization for the National Science Foundation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, March 9, at 4 p.m., to hold an executive level secret briefing on population control in China.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COMMUNIST CHINA'S OUTBURSTS

● Mr. GOLDWATER. Mr. President, in an exclusive interview published by Human Events recently, President Reagan clarified our Government's position regarding the joint communique with Red China of last August 17. There was an immediate, violent reaction to this statement out of Communist China. Communist officials similarily assailed Secretary of State Shultz within hours after he left from a 4-day visit to Peking last month.

The Red Chinese criticized President Reagan's statements "as a serious retrogression of the attitude of the United States." Peking charged President Reagan with gravely distorting the communique. In the attack which followed Secretary Shultz' visit last month, Communist leaders had made the identical charge "that U.S. officials made distortions in interpreting the communique."

Mr. President, the utter gall of the Communists is astounding. Peking has openly attacked official U.S. policies no less than three times within 3

weeks. It is obvious they refuse to renounce the use of force, or threat of force, as a means of gaining Taiwan. It is also evident that Red China will never be content unless the United States literally crawls on its knees and makes every last concession demanded by the despots on the mainland.

Mr. President, American newspapers have reported each of these diatribes by Red China, but rather than quote from U.S. newspapers, I will draw some statements out of the official Communist organ, Xinhua, otherwise known as the New China News Agency. According to the English language text of a Xinhua report datelined February 6, published by the Foreign Broadcast Information Service, Chinese mainland officials said the United States "has not strictly observed the provisions of the communique." These officials charged not only that American officials have made distortions of the communique, but added their complaint that—

Senior U.S. officials attended the "national days" reception given by a Taiwan organization in the United States, that the U.S. Government allowed Taiwan's "Coordination Council for North American Affairs" to open a new office in Boston, and that the ceiling set by the United States for its arms sales to Taiwan far exceeded the maximum annual figures published by U.S. Government departments.

The same Xinhua report disclosed that Chinese Communist officials told Secretary Shultz the Taiwan Relations Act "should be annulled." It is obvious that the Communist regime is not content with abrogation of the defense treaty with Taiwan. Now, they want the President to abrogate the Taiwan statute, as well. If this is not interference in another country's affairs, I do not know what is.

A second criticism of American policy is contained in the Xinhua commentary, datelined February 25, which attacks President Reagan's statements regarding the communique. Taking note of the fact that the President linked the issue of U.S. arms sales to Taiwan with a commitment by mainland China to peacefully solve the Taiwan issue, Red China hypocritically labeled the President's position as "sheer interference on China's internal affairs."

The President said in his interview "the People's Republic has agreed that they are going to try and peacefully resolve the Taiwanese issue." In direct contradiction of the President, Xinhua reports that Communist negotiators "consistently insisted * * * that the termination of U.S. arms sales to Taiwan should by no means be based on such a condition."

The Communist news service also made a personal attack on President Reagan by charging that his statements mean the United States is pursuing a "practice of willfully trampling on an agreement officially signed by two nations." The report charges that President Reagan's interpretation of the August communique "is absolutely intolerable."

On March 1, Xinhua followed the two earlier attacks on the United States with a third report which contained the first public criticism of President Reagan by a named Communist official. The March 1 report quotes Red China's Foreign Ministry spokesman, Qi Huai-yuan, as denouncing President Reagan for having "gravely distorted" the principles of the August communique.

Moreover, it is reported in the American press that Red China ordered American Ambassador Hummel to appear at the Foreign Ministry where a "verbal representation" was presented to him as a rebuke to President Reagan's statements.

Mr. President, the attempt by Red China to publicly reprimand our Government's highest officials is outrageous. I am offended for my country by these malicious criticisms. The United States should tell the Communists to shut up. We should let them know in no uncertain terms that we will not stand still for temper tantrums of this kind concerning our official policies and our national interests.

Now, I applaud President Reagan for his courage in repeating publicly what he previously told many of us in Congress to be his interpretation of the August communique. As I declared last year, I am not concerned about the communique so long as Ronald Reagan is President. It is the unknown Presidents, who will some day follow him, who give me pause.

Mr. President, I ask that the forthright and important interview with President Reagan relating to the communique be printed in the RECORD.

The material follows:

EXCERPT FROM EXCLUSIVE INTERVIEW WITH PRESIDENT REAGAN CONDUCTED IN THE OVAL OFFICE ON FEBRUARY 14 BY HUMAN EVENTS EDITOR ALLAN RYSKIND

Q. I've got to ask you a question on the Taiwan issue, since, as you know, this subject concerns us greatly. During your 1980 campaign, you said you would do things differently from the Carter Administration when it came to dealing with Taiwan. A lot of people, however, think things seem to be the same and sometimes they think it's even a bit worse.

In the U.S.-Mainland China communique, we pledged not to upgrade Taiwan's military status, and "to reduce gradually" our sale of arms to Taiwan. In 1980, you said, "It was absurd and not required" by the Taiwan Relations Act that our representatives are not permitted to meet with Taiwan officials in their offices and ours. And I was over there last year and that was still the case.

But I want to specifically ask you this: If Communist China begins to upgrade its military in a way that it becomes a *de facto* threat to Taiwan, even though the Mainland issues no menacing statement at all, would you or your successor feel obligated to upgrade Taiwan's military capability?

A. I think all of this is covered in the Taiwan Relations Act. When I said those things in the campaign, I knew that the Act was there and wasn't being lived up to. But we intend to live up to the Act.

Now, our communique is a very carefully worked out deal and we did not give an inch. In that communique, the People's Republic has agreed that they are going to try and peacefully resolve the Taiwanese issue. We, in turn, linked our statement about weaponry to that and said that if they make progress and do, indeed, peacefully work out a solution agreeable to both sides, then, obviously, there would no longer be any need for arms. And all the reference to reducing arms is tied to progress in that. We will abide by the Taiwan Relations Act, the law of this country, which says that we will help maintain Taiwan's defensive posture and capability.

Q. But what if there is, say, progress of a sort, mild progress of a sort, but the Mainland feels that it has a sovereign right to increase and modernize its military arsenal? What happens at that point to Taiwan? Do we still go along with the idea that their military cannot be upgraded?

A. No, we're doing all the things that we have always done. The shipments are regularly going on.

Q. But the Taiwanese are not getting anything that is more modern than they had before the communique. In other words, they're allowed the F-5E, but they can't get an F-5G or an F-16 because these planes are more modern than what they had at the time of the communique.

A. They were agreeable that it wasn't necessary. They're satisfied with what they're getting. Right now they're getting F-104s.

Q. But they're not considered as good as the F-5E. . . .

A. On the other hand, we are making progress in other areas that ensure the representatives and people of Taiwan are treated with the respect which the American people demand. But at the same time, I want to say I think it would be foolish of us not to go forward with trying to keep good relations with the People's Republic of China. Three previous Presidents felt it was important, and there remain solid reasons for doing so. But not at the expense of Taiwan. And we will carry out the terms of the Taiwan Relations Act.

If the day every comes that those two find that they can get together and become one China, in a peaceful manner, then there wouldn't be any need for arms sales to Taiwan. And that's all that was meant in the communique. Nothing was meant beyond that. We're not going to say. "Well, just as time goes by, we're going to reduce the arms to them." No, we hope for a peaceful resolution of this issue.

Q. But the key point is, are we allowed to upgrade Taiwan's defenses, especially if the Mainland upgrades its defenses? The Taiwanese, I was told, are not even allowed to get certain defensive weapons from us because these defensive weapons hadn't gone to them prior to the issuance of the communique.

A. We're giving them what we mutually agree upon when their people come here and sit down and go over their defense needs, and, as the Taiwan Relations Act requires, we will continue to address their capabilities and their needs dependent on the situation in the region.

NATIONAL MENTAL HEALTH WEEK

● Mr. QUAYLE. Mr. President, I respectfully submit this copy of my "National Mental Health Week Resolution" to be printed in the CONGRESSIONAL RECORD, as it was not included when I made my introductory remarks last week.

I would also like to add the following cosponsors and supporting groups: the National Association of Rehabilitation Facilities, and the American College of Neuropsychopharmacology. In addition, I would like to add the names of my colleagues, Senators GOLDWATER, CHILES , KASSEBAUM, SARBANES, DIXON, and HEINZ.

The resolution follows:

S.J. RES. 52

Whereas the cost of excessive stress and mental disorders to our Nation is estimated to be $65 billion annually;

Whereas in one out of every three American families there is a member with some type of mental illness and 20 percent of our population is in need of some form of mental health treatment at any one time;

Whereas more than 25 percent of all elderly persons mistakenly judged to be senile have a treatable mental disorder, and 80 percent of all diseases are psychosomatic or stress-related and account for a large majority of all hospital admissions;

Whereas persons with mental illness have been shown to be excessive users of unnecessary medical and surgical services, and mental health treatment provides an effective cost-containment tool by reducing these more costly and unnecessary services;

Whereas mental illness is a treatable disability, with nearly two-thirds of all mentally ill patients showing significant signs of improvement or recovery after treatment; and

Whereas it is fitting that the support and treatment provided the mentally disabled by family members, volunteers, and qualified health professionals be recognized, encouraged, and honored: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of April 10, 1983, through April 16, 1983, as "National Mental Health Week", and calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

IMMIGRATION REFORM

● Mr. HUDDLESTON. Mr. President, last week, Senator CHILES and I testified before the Subcommittee on Immigration and Refugee Policy regarding the pressing need for this Congress to pass an immigration reform bill. Senator CHILES has been active on this issue for several years now. During that time, he has been able to provide a unique perspective on the issue, coming from the State that has been most dramatically affected by uncontrolled immigration. I think his remarks will help remind this body that immigration reform is an issue that is upon us; it cannot be deferred any longer.

Mr. President, I ask that Senator CHILES' testimony be printed in the RECORD.

The testimony follows:

Good morning. I thank the Subcommittee for this opportunity to testify today on immigration reform.

Frankly, I regret that I have to appear before you again today. As you're well aware, I came before the Subcommittee in the summer of 1981 and then again last fall. Both appearances were prompted by the crisis conditions in Florida caused by the mass migration of some 200,000 Cubans and Haitians into our State during 1980 alone. Our State's people and resources were duly strained. The situation bordered on chaos in South Florida.

This Subcommittee, and particularly its Chairman, gave Florida's and my concerns sympathetic attention and consideration. Unfortunately, Florida got little more than concern and very little action. Today, the people of Florida are more than frustrated with the lack of action by the Congress and by the Administration. I most certainly share that frustration.

As far back as 1981, the Administration promised a contingency plan for action during immigration emergencies. Several drafts were shared with the Congress. Yet, we still have no final plan. In addition, the Justice Department proposed sites for new Federal detention facilities. The sites are yet to be named. Meanwhile, aliens are being moved into the Krome North facility in South Florida from other states. Florida was promised that this would not happen.

In 1982, the Senate passed the Immigration Reform and Control Act. It was a first major step. But, failure by the House to act last year left us at ground-zero.

Now, it is 1983. We have no major reform in our immigration laws and no contingency plan in place. If a mass migration were to occur tomorrow into any state, the U.S. government would again be inadequately prepared to react.

I would venture that the same dilemmas that struck Florida after the Cuban flotilla would again occur. For example, who could do what and who could go where? Who has the authority, or do we have the authority? And especially, who would pay?

Mr. Chairman, my State has been through that quandry and I don't think we could handle another such crisis without severe effects. The effects of such an emergency could be lessened considerably on Florida and other states if only we examined the experiences of 1980 and took the necessary steps to secure a contingency plan for mass migrations.

I am here today to urge the Congress and especially the Administration to finalize a policy on immigration emergencies. We must never let another country dictate a position to us because of a lack of U.S. policy. We must be prepared. Castro and others must receive the message that we can control our borders.

Today, I will introduce legislation to give explicit powers to the U.S. government for immigration emergencies. This emergency powers legislation is almost identical to the amendment I introduced last year with which the Subcommittee is familiar.

In addition to a contingency plan based on current law, I feel that it is necessary to have additional legal authorities for responding to declared immigration emergencies. Last year, I withdrew my amendment to the Immigration Reform and Control Act when I received assurances from both the Justice Department and the State Department that the Administration does have authority under existing law to respond to mass migrations. The Justice Department indicated that it has developed such a plan to control future crisis situations. Yet, such a plan is still not in place and there is still considerable debate as to the legal authority for such powers.

My proposed legislation would lay the groundwork for such a plan. First, the bill would allow the President to declare an immigration emergency if a substantial number of documented aliens are about to embark, or have embarked, for U.S. shores and in his judgement, additional procedures and resources are needed to respond. Within 48 hours, the President would notify the President Pro-Tempore of the Senate and the Speaker of the House that such a declaration had been made and the reasons for such action. The emergency period would be for 120 days or sooner if the President so determines. The emergency could also be extended for an additional 120 days.

During such a declared emergency the President would have the authority to take special steps to cut off a massive influx of illegal aliens. In order to prevent the likes of a Mariel boatlift or mass migration of thousands of Haitians from the Bahamas, the President would have the authority to restrict departures of U.S. registered boats from ports and harbors which could be used as staging points for bringing aliens into the United States. Fines and penalties could be imposed on those who violate the restrictions. However, vessels not involved in the migration could obtain authorization to leave the port. In addition, government agencies such as the Coast Guard would be allowed to assist in preventing unauthorized immigration by intercepting ships bound for staging areas. In order to assure that this aspect of the contingency plan is effectively enforced, the President would be able to use the resources of other Federal agencies.

Under this legislation, an alien who arrives in the United States without proper documentation could be summarily excluded from entering the United States if he does not appear to have a legitimate asylum claim. This provision could also be used to stop undocumented aliens, traveling by sea to the United States, before they reach U.S. territorial waters, utilizing the President's existing authority to interdict foreign vessels on the high seas. The Attorney General would develop procedures for deciding whether an alien shall be excluded or admitted to the United States for a hearing.

And, my bill would allow for aliens who are admitted to the United States to be held in detention at Federal facilities specified by the President until their immigration status is determined. Aliens who are ineligible for asylum in the United States would be returned to the country from which they came, or a third country. Current law requires that the aliens be returned to the country from which they came. In both the Cuban and Haitian influxes, this would have been most impractical because the Cuban government refused to repatriate their people and many of the Haitians had come from the Bahamas, not Haiti. This provision of my bill would make the law more flexible and hopefully, more enforceable.

Mr. Chairman, I stress that the purpose of this legislation is not to close our doors to

legitimate refugees. The United States, as the epitome of a free, democratic republic, has a great responsibility to provide refuge to those fleeing persecution and repression. Yet, we cannot and must not accept every alien who arrives on our shores claiming persecution, simply because they are here. The legal definition of refugee is very narrow and should be reserved for those who are truly victims of persecution. Should we relax this definition as we have in the last few years, we are not only doing a great injustice and disservice to our own government and its people, but also to the aliens. We must never again be scarred with the likes of the over-crowded Krome North facility. Such "policy" was a disgrace to us as well as to the many aliens. It could be avoided if an enforceable contingency plan were in place.

Mr. Chairman, you and the Subcommittee members are well-versed on the emergency powers issue. I will spend no more time on the subject but to say, we have waited too long. I am going to keep pressing the Administration for such a plan and hope the Subcommittee joins in this call for action.

Today, I will also be introducing another bill which addresses a more current problem in Florida: the smuggling of illegal aliens into the United States. Over the past few years, thousands of undocumented aliens have crossed our borders. These persons are often assisted by persons in the United States. In Florida alone, it is estimated that as many as 2,000 persons a month are being smuggled into our state from Haiti, Cuba, and Dominican Republic, and South America. Lately, aliens from as far away as Pakistan and Bangladesh have joined in the influx.

"People smuggling" has become a multimillion dollar business in South America, the Caribbean and South Florida. According to the Miami Herald, which conducted a major investigation of the smuggling, at least 14 major organizations exist in South Florida which operate or assist in the smuggling of aliens for financial gain. Similar operations in the Bahamas and South America are more profitable. Persons with illegal or no documentation are smuggled into Florida by land or air, for a price. Our embassy and consulates throughout South America and the Caribbean are at a loss when it comes to dealing with those who seek aliens as cargo to bring to the United States. The embassy staffs are burdened with persons who seek legal entry into the United States. It is here where the problem begins. Thousands seek entry into the United States daily. Those with money and influence can most often gain legal entry, in time. However, the less affluent often spend their last dime to buy illegal papers or a place on a boat or plane which is smuggling people into the Bahamas and the United States. Many of these people are desperate and desperate people will try almost anything—no matter the cost.

Most of the smuggling operations are known to the United States and foreign governments. Yet, little cooperation exists between countries to stop the smuggling. Last year, after working with our State Department, the government of the Bahamas finally acted to require visas instead of mere tourist cards for entry into the islands. However, this has not stopped the smugglers. They are experienced professionals and are using private airstrips and islands where they can drop their cargo.

Frankly, foreign governments don't care who leave their country and state simply that it isn't illegal. Unlike drug smuggling which denotes a far more serious and destructive offense, people smuggling is not seen as all that bad, and, it is not difficult to hide or disguise people. And, there is that very American sentiment that people seeking refuge and a safe home should be allowed to do so. I agree, as long as their entry is legal. But, I take great issue with those who are illegally making millions off of other's desperation. These people smugglers are to whom my legislation is addressed.

There is an obvious, demonstrated need for clarifying and strengthening our laws regarding the bringing in and harboring of illegal aliens. Experience, as well as the courts, have called for change. One U.S. district court concluded that the current law against assisting illegal aliens only applies to "surreptitious entries." In the court's view, the thousands of Cubans who came with the flotilla did not come surreptitiously and, therefore, those who assisted them were not guilty of violating immigration laws. My bill would clearly prohibit any bringing in or harboring of illegal aliens on a day-to-day basis.

Mr. Chairman, this clarification is essential if we are to effectively curtail the smuggling of illegal aliens into the United States. I want to make certain that if someone is assisting illegal aliens into the United States under the dark of night or in broad daylight, it is a criminal offense and will be enforced and prosecuted as such.

The bill I am introducing today builds on the Immigration and Nationality Act to strengthen the laws against the bringing in or harboring of illegal aliens. The legislation stiffens the penalties against the smuggling of people and more clearly details the criminal activities associated with smuggling which are also prohibited.

Specifically, the legislation would charge a person bringing an illegal alien into this country with a misdemeanor punishable by a $2,500 fine per alien or a one-year imprisonment, or both.

A person charged with a second offense, or for bringing in an alien for commercial or financial gain, would be charged with a felony, fined up to $10,000 per alien or a 5-year imprisonment per alien, or both.

Anyone who transports, conceals, harbors or shields an illegal alien, would be charged with a felony, fined up to $10,000 and receive a 5-year sentence for each alien, or both. In addition, anyone who induces or encourages the smuggling of aliens will be charged and fined as if harboring an alien. This is directed at individuals and travel agencies like those in Miami which have openly directed interested parties to smuggling operations in South America and the Bahamas.

Under the provisions of this proposal, any conveyance used in the transporting of an illegal alien would be subject to seizure and forfeiture. My bill would make immigration law regarding seizure and forfeiture comparable to such laws in customs and drug enforcement. The burden of proof would be put on the suspect to demonstrate his innocence and reclaim his vehicle, if appropriate. Under current immigration law, the INS bears the burden of proof and must show that the person in charge of the conveyance is a consenting party in the crime before the vehicle can be forfeited. In addition, the INS must bear the financial and administrative costs. It is my understanding that no other law enforcement agency is subject to such liability.

Mr. Chairman, the weakness and impracticality of the current immigration law regarding seizure and forfeiture were demonstrated during the Cuban flotilla when hundreds of vessels were involved. It was totally unrealistic for INS to bear the burden of proof during such a mass migration. I believe that my legislation would certainly strengthen the hand of INS to seize vessels or aircrafts when there is probable cause.

The final provision of my legislation is the one that I feel is most crucial to an effective curtailment of smuggling. My bill expressly gives Federal, state and local law enforcement officials the authority to arrest persons suspected of bringing in, harboring, concealing or transporting an illegal alien. This authority expands upon existing law which only allows INS officials to make such arrests. This lack of authority in existing law has certainly impeded efforts to detect, detain and arrest those involved in the smuggling or harboring of illegal aliens. Often, it is the Coast Guard and local law enforcement officers who first detect alien smugglers. Under current practice, these officials can only report such spottings to the INS under a friendly agreement of cooperation. It is a gamble whether or not INS officials will have the capability to follow-up on the detection report. The last I heard, the INS in South Florida had only 2 boats, one helicopter and one light plane (on loan) to detect and detain smugglers. It would certainly add to INS' ability to stop such smuggling if all law enforcement officers could detain and arrest such perpetrators. We have encouraged such cooperation against drug smuggling and it has been effective. I believe that the problem of alien smuggling has grown to such proportions that stiffer laws are necessary to arrect those who are profiting from people smuggling.

Mr. Chairman, these smuggling operations will continue until the U.S. government cracks down as they have with drug law enforcement. The perpetrators must know that a stiff penalty awaits them if they are caught bringing in, assisting or harboring one illegal alien, let alone a boat load. I encourage the State Department to work with foreign governments to find ways to stop the ringleaders of the smuggling operations whose bases of operations are located throughout South America and the Caribbean. Such activity is beyond the scope of the INS. However, by strengthening the U.S. immigration laws against smuggling, we can certainly discourage those who seek financial gains by guiding or assisting illegal aliens into this country. The more we apprehend such smugglers and hit them with stiff penalties, the harder it will be for the ringleaders to find persons willing to take the chance of getting caught smuggling.

In addition to cracking down on the smugglers, the bill will hopefully prevent the numerous swindles and tragedies which have befallen many of the aliens who "hire" the smuggling service. Reports from the Bahamas and Caribbean show that many aliens have been left penniless on these islands, after being tricked into believing that they are in Florida. The Bahamas in particular have become a haven for aliens, left with no money and provisions, and no means of going home or leaving for another country.

There have also been several known and probably many unknown instances of drownings and killings of aliens by the smugglers. The most publicized was that of the 21 Haitians who washed up on a Florida beach. Smugglers have been known to shove people off of boats when coming under sur-

veillance or when close to shore. The smugglers are most often not held accountable and often are not even detained or sentenced under immigration law, let alone other criminal law.

Mr. Chairman, the two bills I will introduce today do not represent major changes in immigration law. Yet, they will go far in providing the INS and law enforcement officials with a stronger hand in protecting our borders.

In conclusion, I ask that the Subcommittee recognize that the problems of immigration are not just Florida's. They should be the concern of all Americans. People seeking refuge from persecution, warfare and economic deprivation will continue to seek entry into the United States, probably in greater and greater numbers. It is true, that many will probably enter through Florida. But, we all must be prepared.

Mr. Chairman, Florida has long been known as a tropical paradise. Our geographical placement on the continent as the southernmost state gifts us with glorious shorelines, resources and climate. Yet, this same southern exposure has positioned us as a conduit into the United States from many parts of the world. Florida's history is continually marked with periods of smuggling. At one point, the cargo was Africans who were sold on docks as slaves and servants. During the Civil War, gun smuggling was conducted on a large scale. Rum was the overflowing cargo during the Prohibition. More recently, the cargo has become even more lucrative with the flow of drugs from South America and Mexico. Today, we face an onslaught of people smugglers.

The influx of people will not stop. Desperate people yearning for all the United States has to offer will continue to find ways to enter.

Central America is a time-bomb. The continual warfare has sent thousands fleeing from El Salvador and Nicaragua. Only the Gulf of Mexico separates Central America from the southern United States. A major incident could cause an immediate mass migration. Yet, we are not prepared.

South Americans are buying their way into America. The more wealthy can continue to use influence to gain legal entry. The less affluent will continue to try to buy passage into the United States. People smugglers will never run out of cargo. The professional operations of Colombia are spreading throughout South America. Yet, we have little control.

Haitians are still seeking entry into the United States. Those who have been refused entry by our embassy are learning that boats to South Florida leave daily from numerous islands of the Bahamas. They continue to come. Yet, we can't regulate the influx.

As long as the Castro regime controls Cuba, there will be Cubans who want to join family and friends in the United States. They continue to seek entry, no matter the cost.

Mr. Chairman, changes in world conditions will continue to influence our immigration policies. We must reform our immigration laws to meet these changes. We cannot continue down the same path, stumbling when emergencies occur. We must face the challenge and stand up to the demand.●

COSPONSORSHIP OF ECONOMIC EQUITY ACT

● Mrs. KASSEBAUM. Mr. President, I am pleased to join again this year in cosponsoring the Economic Equity Act. This legislation addresses a broad range of economic concerns of particular interest to women, seeking legal changes that could make a tremendous difference in many lives.

Looking back, proponents of the Economic Equity Act have much that we can regard with pride—as many of the concepts put forward in the original measure have been addressed in other pieces of legislation. The Economic Recovery Tax Act of 1981, for example, included provisions dealing with individual retirement accounts (IRA's) which can mean additional retirement protection for spouses who work in the home. The former limit of $1,750 in tax-deferred contributions to a spousal IRA was increased to $2,250. Moreover, in certain cases, a divorced spouse may set aside up to $1,125 each year in an IRA, with alimony being treated as income.

The 1981 Tax Act also expanded child care credits, creating a sliding scale which offers greater tax advantages to low-income workers. Prior to January 1, 1982, individuals could receive a 20-percent tax credit for up to $2,000 in employment-related child care expenses for each of the first two dependents; $800 maximum credit. Now, individuals with incomes of $10,000 and under can claim a 30-percent credit. The credit is reduced by 1 percent for each $2,000 in income above $10,000. For those with incomes of $28,000 and above, the credit remains at 20-percent. In addition, the maximum amount creditable was increased to $2,400 for one dependent and to $4,800 for two or more.

Another important feature of the tax bill was its reform of estate tax policies. Most significantly, the bill provided an unlimited marital deduction for estate and gift taxes. It also provided for a phase in of increases in the cumulative amount of transfers which are exempt from estate and gift taxes.

The recognition of the plight of a divorced military spouse by the original Economic Equity Act has also paid off. Provisions of the fiscal year 1983 Department of Defense Authorization Act now permit the division of military pension benefits as part of a divorce settlement. In 1980, the Supreme Court had ruled in McCarty against McCarty that these benefits were not property for the purpose of division upon divorce. The amount of travel generally required in military careers makes it difficult for spouses—mostly women—to develop independent pension credits, and the Court's decision had particularly adverse effects upon spouses who had been married for many years. Now, if the marriage lasted at least 10 years, there are circumstances in which a divorced spouse can receive a portion of the military pension.

Thus, we have made a great deal of progress, but much remains to be done. In the area of pensions, for example, we are still in a situation where relatively few women become entitled to private pensions. Provisions of the EEA can go a long way toward improving this situation. One provision lowers the minimum age requirements from participation in a qualified pension plan from age 25 to 21—recognizing that the highest labor force participation among women occurs among those in the 20 to 24 age bracket.

I am confident that we will continue to move forward with this effort. In general, perceptions about the role of women in our economic life have undergone significant change. In large part, this change is due to increasing female participation in the paid labor force. However, we are beginning to acknowledge that unpaid work in the home and community also has substantial economic value.

In addition, we are finding that the rapid increase in the divorce rate over the recent past has a decidedly negative economic impact on women. This trend has significant public policy implications not only with respect to the plight of older divorced women who have spent their adult years as homemakers, but also with respect to younger women who generally receive custody over minor children. As a rule, child support payments are quite small and even nonexistent in a substantial percentage of cases. A parallel trend, explained in part by the increase in the incidence of divorce, is the growth in the number of single-parent households—most of which are headed by women. It is astonishing to realize that one of 5 children under age 18 is living in single-parent households today.

We are also recognizing that the financial problems associated with aging are very much the problems of women. The U.S. population as a whole is growing older, with the most rapid growth occurring among women in the 65 or older age group. We must begin now to prepare for the challenges which will be presented by demographic changes projected at the turn of the century. Already we face a situation where older women as a group are among the very poorest in our society.

Taking all these factors into consideration, the economic focus of this legislation is both appropriate and timely. I look forward to working with my colleagues in promoting the goals of this legislation.●

BART GIAMATTI OF YALE

● Mr. DODD. Mr. President, this Sunday's New York Times magazine carries a profile by William Geist of A. Bartlett Giamatti, president of Yale University, poet, teacher, fundraiser, Red Sox fan, advocate of liberal education, social and political critic, administrator, patriot, master of the written and spoken word, Renaissance scholar, and Renaissance man.

Students at Yale may be graded in perhaps five subjects each term. Their university president's report card contains several times that many entries—from community relations to student recruiting, labor management to long-range planning, financial affairs to educational leadership, just to name a few. By general acknowledgement, Bart Giamatti's report card shows straight "A's." In his stewardship, Yale has even more firmly insured its traditional place at the very forefront of American higher education.

Mr. Geist's article is virtually unerring in identifying the qualities of mind and character that account for Bart Giamatti's success. He does, however, stray from the mark once. Perhaps, he speculates, Bart Giamatti might want to run for the U.S. Senate.

Why would a man doing a great job in a great job want to do something like that?

Mr. President, I ask that "The Outspoken President of Yale" from the New York Times magazine of March 6, 1983, be printed in the RECORD.

The article follows:

THE OUTSPOKEN PRESIDENT OF YALE

(By William E. Geist)

"On a good day, I view the job as directing an orchestra. On the dark days it is more like that of a clutch—engaging the engine to effect forward motion, while taking great friction."

With that, A. Bartlett Giamatti quickly let out the clutch on his aging automobile and zipped through traffic, in a hurry as always. He recalled with characteristic irreverence that this was the same car he had owned when he had been named president of Yale and a reporter had asked if he was the man on the white horse the university had been awaiting to solve its problems. "No," he had answered, "I drive a yellow Volkswagen."

When Mr. Giamatti was chosen to become Yale's 19th president—its youngest (39) since the 1700's and its first not wholly of Anglo-Saxon ancestry—some Old Blues felt that the choice of a Renaissance literature professor in a Boston Red Sox cap as replacement for the stately Kingman Brewster, who had adjured to become the United States Ambassador to the Court of St. James's, while perhaps quaint was certainly ill-advised.

Mr. Giamatti did have the reputation of being a fine scholar and a likable sort, but Yale was, after all, suffering severe financial problems that had already begun cutting into staff and programs, and some educators were openly speculating about the 282-year-old institution's fall from the ranks of the world's academic elite. Yet the search committee had rebuked the trend to hiring university presidents who were proved fundraisers, or law-school deans able to deal with the conglobation of litigation and regulations clogging their inbaskets. In this, they had, however unwittingly, followed a rule enunciated sometime later by Mr. Brewster: "Hire the scholar who understands education, who understands and has the respect of the faculty. Let him hire the money changers to solve financial troubles."

Mr. Giamatti did just that. After assuming the post on July 1, 1978, he hired Jerald L. Stevens to be vice president for finance and administration. What has surprised many is Mr. Giamatti's own aggressive approach to fund-raising, which has elicited unprecedented gifts from alumni, corporations and foundations, and has contributed significantly to putting Yale on a sound financial footing.

What the Yale selection committee may also have seen in Mr. Giamatti was a capacity for the kind of leadership many believe is dangerously lacking in higher education today. "When you sit in a roomful of people who know education," says Ernest L. Boyer, former United States Commissioner of Education and now president of the Carnegie Foundation for the Advancement of Teaching, "and can tick off only two or three names of university presidents who are distinguishing themselves as leaders, speaking out for educational quality and direction, we're in trouble." he includes in that number Mr. Giamatti, as do others in the academic community. But Mr. Giamatti is loath to accept such appellations as "education leader" or "national spokesman for education," and he will debate the issue, rattling off the names of more than a dozen college presidents who would also fill the bill.

Many in the field think that too many college presidents are not speaking out for fear of alienating alumni and other financial benefactors. This general lack of outspokenness is "a great loss to the country of intelligent, nonpartisan voices," says Clark Kerr, president emeritus of the University of California. The reluctance, feels David Riesman, the emeritus Harvard sociology professor, who is now studying the leadership problem, may have a lot to do with the college heads' desire to keep a low profile so as to remain eligible for the next job. But Notre Dame's Rev. Theodore M. Hesburgh, who has himself taken strong stands on such controversial issues as nuclear disarmament, believes that a college president who involves himself in important national issues not only increases visibility and respect for his institution but also helps attract financial support through these activities.

While these educators view Mr. Giamatti as an exception to the general reticence, the president of one prestigious private university, who asked not to be named, criticizes him for "not being in the front lines of advocacy in Washington. In the hard business of working on issues—mandatory retirement, a policy for open access on research, difficulties with Department of Defense research, tax legislation and the Federal budget—compared with Harvard, Stanford, Princeton and the important public institutions, Yale is not even in the ball game." That assessment is questioned by Jack W. Peltason, president of the American Council on Education, who describes Mr. Giamatti as "a quite active advocate of higher education in Washington."

Terry Sanford, president of Duke University, and Hanna H. Gray, who served as acting president of Yale between the Brewster and Giamatti administrations and is now president of the University of Chicago, are among those who hail Mr. Giamatti for his defense of liberal education at a time of increasing vocationalism.

In line at a cafeteria-style restaurant in New Haven recently, Mr. Giamatti explained his own view of Yale's mission in animated fashion: "Not to make one technically or professionally proficient, but to instill some sense of the love of learning for its own sake, some capacity to analyze any issue as it comes along, the capacity to think and to express the results of one's thinking clearly, regardless of what the subject matter must be." So transfixed was the woman behind the counter with this eruption that she poured almost the entire contends of a coffee pot into a single cup.

The role of college president has changed considerably since the era of the university head as monarch, educational innovator and public-policy spokesman, which stretched from 1869, when Charles W. Eliot became Harvard's president in 1869, to the mid-1940's when Robert M. Hutchins and Nicholas Murray Butler left the presidents' posts at the University of Chicago and Columbia University respectively. Knowledgeable observers charge that "a power vacuum" followed, with university presidents charting no courses for their institutions, initiating no academic reforms and generating no intellectual excitement.

Arthur Twining Hadley, a president of Yale early in this century, noted that when he visited Noah Porter, president of Yale from 1871 to 1886, he found him reading Kant in his "study," but that when a few years later he called on Porter's successor, Timothy Dwight, he found him reading balance sheets in his "office."

That change has accelerated exponentially in recent years on all campuses, with severe economic problems posed by inflation and declining income from government and private contributors, reductions in Federal student aid, demographic trends that portend fewer students and altered management structures that have taken away much of the president's power to take action.

"There is less satisfaction in the job now because there is less power, the faculties having almost complete autonomy," the conservative writer William F. Buckley Jr. said after a televised debate last year with Mr. Giamatti on Federal financial support of education.

The job of college president, Ernest Boyer notes, has become that of a "negotiator or mediator between a great and growing number of self-seeking constituencies." Forty years ago, Robert Hutchins described the modern university as a series of separate departments held together by a central heating system; Clark Kerr has updated that to "a common grievance over parking."

"Leadership is lost," says David Riesman, "because the college president has an essentially impossible job, one that requires his services almost around the clock, seven days a week."

A review of Mr. Giamatti's appointment calendar for a recent week revealed: meetings with a potential donor to the Yale School of Music and the chairman of the astronomy department; lunch with a professor of epidemiology; meetings with the president of the Yale-New Haven Medical Center and the school's general counsel; a reception for a visiting professor in Canadian studies; an interview of a candidate for an administrative position; a dinner with the Knights

of Columbus in New Haven and a visit to a faculty member in the university infirmary.

"Life for our family changed dramatically when I became president," says Mr. Giamatti. He laments the loss of time with his wife, the former Toni Smith, whom he met at Yale and married in 1960, and their three children—Marcus, 21 years old, a student at Bowdoin College; Elena, 18, at Barnard College, and Paul, 15, a day student at nearby Choate-Rosemary Hall School. Mr. Giamatti also confesses that he misses teaching and long trips to the library.

After his appointment as president, Mr. Giamatti and his family moved from a modest gray frame home in the Westville section of New Haven into the imposing servant-staffed President's House, on Hillhouse Avenue, which Charles Dickens is said to have described as the most beautiful street in America. "We live upstairs in a public building," Mr. Giamatti says, strolling through the well-appointed living room and across an Oriental carpet so vast one half expects to find free-throw circles in its intricate design. He seems unfazed by this and other trappings provided as a backdrop for official entertaining.

"The press is the biggest shock," says Mr. Giamatti, who guards his privacy during interviews by cannily deflecting personal questions into responses about Yale. "Not that I've been treated unfairly, but you go from being a private person to suddenly reading descriptions of your face, your clothes, the way your hands look."

Because he receives substantial publicity, his campus critics charge that Mr. Giamatti is a publicity hound. Yet he grants only about one interview request in five and has turned down the likes of "60 Minutes" and People magazine, because, he explains, "they didn't want to talk about education."

His increasing prominence has led many to speculate that he is angling for a political career, possibly a run for the United States Senate. Denying any such interest, Mr. Giamatti explains, "This is a small state, and it seems anyone who can walk and talk is mentioned"—as in fact, his predecessor repeatedly was during his tenure.

Since assuming the presidency, Mr. Giamatti, known to his family and colleagues at Yale as "Bart," has grown accustomed to reading that he is "shortish, chubby, casual and rumpled." But he is decidely less rumpled now, somewhat less casual and no longer chubby (a result of his pace as president, his wife says).

Headline writers have tagged him "Yale's Renaissance Man"—and, indeed, there are few who could say with certainty that "Orlando Furioso" is the Renaissance epic poem and "Zeke" Zarilla the right-fielder of the 1952 Boston Red Sox, and not the other way around. Mr. Giamatti has received critical acclaim for his writings on Spenser's "Faerie Queene" and the poems of John Milton, as well as for articles in Harper's magazine on the "lesser" poet Muhammad Ali and the baseball pitcher Tom Seaver, winning a sports writers' award for the latter.

Articles about Mr. Giamatti always make much of his being of Italian extraction, sometimes glossing over the fact that he did not grow up in New York's Little Italy or roll off a vegetable truck in the path of the Yale presidential search committee.

A. Bartlett Giamatti was born in Boston on April 4, 1938. He was raised a few blocks from Mount Holyoke College, in Hadley, Mass., where his father, Valentine (Yale, '32) was a professor of Romance languages and Italian literature. Before his death, the elder Giamatti recalled discussing Dante over dinner with his young son. His mother was Mary Claybaugh Walton (Smith '35). While it is true that one grandfather for whom he is named, Angelo Giammattei (the spelling was later altered) stepped off the boat at Ellis Island about 1900 and settled in New Haven, it is also true that about the same time the other grandfather for whom he is named, Bartlett Walton, was leaving Andover for Harvard College. Had the backgrounds of his parents been reversed, the president of Yale would be Bartlett A. Walton, and he probably would not have been pictured recently with a laughing and voluptuously gowned Sophia Loren in newspapers across the country at a tribute given them in Washington by the National Italian-American Foundation. Nor might published profiles say that he uses his hands when he talks, which he does no more than his predecessor.

Mr. Giamatti attended Phillips Academy in Andover, Mass., graduated from Yale College *magna cum laude* in 1960, receiving his Ph. D. in comparative literature there in 1964. He has been away from the Yale campus for only two of the past 26 years, to teach at Princeton before returning to New Haven, where within five years he became a full professor at age 33. He served as master of Ezra Stiles College, one of Yale's undergraduate residential colleges, from 1970 to 1972, giving up the post because it kept him from teaching. Much can be learned of Mr. Giamatti's relationship with students, one of them suggests, by the stuffed moosehead that hangs in the dining hall at Ezra Stiles. When Mr. Giamatti left as master, he requested, out of modesty, that his photograph not be hung on the wall with those of earlier masters. In its stead, the students hung the moosehead over a polished brass plaque that reads: "A. Bartlett Giamatti Memorial Moose."

He is a patriotic man who sings the national anthem at Yale football games. When a game at the Yale Bowl was close this fall, he screamed and yelled. When it was clearly lost, he amused those around with a running commentary. As the opposition team scored yet again, Mr. Giamatti spoke in grave tones to the athletic director sitting nearby about a problem he had noticed of "this year's team being perhaps excessively deferential and overly gracious to visiting institutions." And when a fan shouted something obscene to describe Yale's play, Mr. Giamatti complimented him on "a lapidary formulation."

Friends and acquaintances believe that for all the demands, Mr. Giamatti is now confident in the presidency and enjoying it. Perhaps the greatest measure of his dedication to his present seven-day-a-week position is that he cannot remember attending a Red Sox game since he became president.

A characteristic of Mr. Giamatti's that a friend worried might prove debilitating in a job where every act seems certain to offend one of the dozens of his constituencies is "his being very sensitive, thin-skinned." While others also mention this trait, those close to him believe he has since developed sufficient callouses to keep from being "stung to death by gnats" as once was written of the fate of Henry P. Tappan, a University of Michigan president who was stifled at every turn in his attempts to bring about educational innovations.

It is Mr. Giamatti's speeches that have brought praise and condemnation raining down upon him and stamped him "the outspoken president of Yale." They have stirred controversy on subjects ranging from football recruiting to the Moral Majority and have attacked such disparate and seemingly unlikely targets as Kurt Vonnegut and Ralph Waldo Emerson—the former for massaging readers' prejudices, the latter for nourishing America's worship of power as mere force. Enough of the speeches carry a sting so that audiences and the press have learned to pay attention, even during drowsy ceremonies in hot gymnasiums.

The most publicized was an address to incoming freshman in September 1981, in which Mr. Giamatti called the Moral Majority and similar conservative groups "peddlers of coercion" in a "radical assault" on pluralism and civil rights. The speech was attacked by many at Yale as shooting at fish in a barrel, with campus critics charging that academic freedom is threatened more by the tyranny of liberal thinking than by conservatives.

Mr. Giamatti was genuinely surprised at the nationwide reaction, for the first time, perhaps, realizing fully the power of his forum as Yale president. He has since been somewhat more cautious about keeping the university out of partisan politics.

A number of critics have expounded on the theme that "Mr. Giamatti and Yale do not always treat our people fairly," as William Buckley recently put it in a reference to conservatives, whose cause he championed while at the college and defended in "God and Man at Yale." The critics charge that Thomas L. Pangle, a young political-philosophy scholar, was denied tenure because of his conservatism, although spokesmen for the university deny this accusation. And there is the matter of The Yale Literary Magazine, which is suing Mr. Giamatti, as well as other officials, and Yale University, charging political repression. The three alumni who purchased the faltering magazine for $1 from the school's yearbook published in 1978 charge that Yale's new rule requiring publications bearing the school's name to be student-run were promulgated because the magazine has taken on a conservative bent. As the case is still pending, Mr. Giamatti declines to comment on the matter.

During the past year, Mr. Giamatti has concentrated much of his efforts on criticizing the Reagan Administration for defense spending at the expense of education and for the "chaos" of its education policies. To combat a rising chorus of fiscal conservatives arguing that substantial government support for higher education is a recent phenomenon and should be rolled back, Mr. Giamatti puts forth a well-researched historical argument that there is a long tradition of strong financial support for it in this country.

He seems more prone recently to diplomacy than to frontal assaults. He now says, for example, that those who choose a vocational approach to their education are "certainly entitled to do so," a dramatic contrast to a statement credited to him in The Atlanta Constitution last year that a person without a broad education and with no sense of history will "simply end up a little solipsistic twit."

In "The University and The Public Interest" (Atheneum, 1981), a collection of his speeches, Mr. Giamatti developed other themes, criticizing Federal regulations that threaten the independence of university research, and warning that the country is being seized by an "apocalyptic style" that overstates problems and panders to fear.

Among others, The New York Times's reviewer Christopher Lehmann-Haupt praised the book, calling it an important work for warning of "the coming crunch in higher education" and hailing Mr. Giamatti as "a writer of wit and verbal inventiveness." But another reviewer, John William Ward, a former president of Amherst College, wrote in The New York Times Sunday Book Review that at times "one has the sense of a mind passionately struggling with language but almost wholly enclosed within it."

One way or another, Mr. Giamatti continues to stir controversy. He prompts editorials in newspapers across the country as well as critical mail from alumni with stands ranging from his decision to provide financial aid to students denied Federal assistance because they fail to register for the draft to his decision not to let the Yale Glee Club sing "Let Poland Be Poland" for a Voice of America broadcast last December. The former decision, he said, is consistent with Yale's 20-year policy of providing financial aid to needy students who were not eligible for Federal loans; the latter "because the university does not take sides or lend its name to one political cause or another, no matter how compelling."

His administration has had its share of on-campus fireworks. There was much ado over the departure in 1979 of Robert Brustein, the nationally renowned dean of the Yale School of Drama and founder of the Yale Repertory Theater, after Mr. Giamatti had said that he wanted undergraduates in the acting and directing programs, more academic courses and a tenured faculty.

That same year, he had to accept the resignation of Abraham S. Goldstein, his appointee as provost, according to Mr. Giamatti over philosophical differences, but concurrent with reports in The Yale Daily News that the provost was making $67,000 worth of renovations to his home at university expense at a time of budgetary belt-tightening. A subsequent story in The New York Times quoted Mr. Goldstein as saying that when he had accepted the post he sold his own home and moved into the provost's residence "in reliance on the commitments made to me" as to renovations and redecorations. Mr. Goldstein remains at Yale as Sterling Professor of Law.

The Yale trustees give Mr. Giamatti high marks, with Cyrus Vance, a longtime board member, calling his performance "superb." And while Kingman Brewster, now with a New York law firm, says that it would be presumptuous of him to comment publicly on specifics of his successor's performance, he will say that it is "a remarkable success story," one that could well be instructive to other colleges and universities.

When Mr. Giamatti took office, Yale's accumulated deficit had reached $16 million. The value of its endowment had declined drastically because of inflation and declining stock-market prices. Contributions had dropped. A $370 million fund drive was still about $100 million short—in large part, it was said, because Yale's notably loyal alums were upset with the liberal, activist image of the school projected by Mr. Brewster and William Sloane Coffin Jr., the university chaplain. Managerial reforms had proved ineffective and the arts and sciences faculty had been trimmed by 10 percent. So bleak was the picture that several prospects for the presidency were said to have withdrawn their names from consideration, and one had actually turned down the post.

Two years after Mr. Giamatti became president, Yale achieved its first balanced budget in 10 years. Gifts from alumni, as well as from corporations, foundations and other sources stand at record highs. The once-stalled fund drive attained its goal in 1979. Some initiatives were: the beginning in 1980 of a $50 million six-year program to refurbish Yale's "historic"—i.e., dilapidated—buildings; across-the-board faculty pay raises in 1982 and a new library. Mr. Giamatti caused a stir among some Old Blues when he announced that the new Seeley Mudd Library would be partially financed through the sale of Yale's Brasher Doubloon, for $650,000.

"Just maintaining excellence in these times is a major initiative," Mr. Giamatti says. He remains apprehensive because of projected cutbacks in Federal funds for student aid and for research grants. To compensate, Yale, as have a number of other research-oriented universities, is turning to private industry to take up some of the slack in research grants. Last year, Yale tiptoed into the controversial field of corporate-supported research, signing its first contract—for $1.1 million with the Celanese Corporation. Mr. Giamatti had earlier spoken on several occasions of "ending the ancient ballet of antagonism" between private enterprise and education, wending his way with words to the bottom line: "Corporate America may donate up to 10 percent of its taxable income and . . . write off the donation. . . . Now corporate America averages nine-tenths of 1 percent."

Under Mr. Giamatti's guidance, Yale last summer created an Office of Cooperative Research to foster research partnerships with corporations and has joined a partnership with the City of New Haver and the Olin Corporation for a high-technology industrial park in the area.

Changes in the grading system and curriculum during Mr. Giamatti's tenure reflect his traditionalist views. As a professor, he railed against pass-fail courses and led an unsuccessful revolt against a "relevant" seminars program in the residential colleges that, for example, brought in Howard Cosell to lecture on sports. Mr. Giamatti advocated allocating those funds for an intensive writing program for freshmen.

He has used his suasive role as president to support such changes voted by the faculty as the addition of pluses and minuses to the grading system as well as a foreign-language requirement. "It is not enough," he says, "to offer a smorgasbord of courses. We must insure that students are not just eating at one end of the table." The intensive writing program he sought as a professor was instituted immediately after he became president.

Anndee Hochman, editor in chief of The Yale Daily News, and Beth Pardo, until last December chairman of the Yale College Council, say that Mr. Giamatti is popular with students, although he is coming to be viewed as somewhat inaccessible. Some students, Miss Pardo says, believe that the new grading system and the tightening of curriculum requirements have injected additional stress into an already pressured environment. Rahul Warrior, president of the Graduate and Professional Student Senate, says that students are "very appreciative of his continual speeches and intense lobbying efforts" against Federal cuts in loan aid—a major concern of students.

A number of faculty members say that Mr. Giamatti enjoys continuing support among the teaching staff largely because of pay raises and the increased attention from a former colleague.

All those interviewed on campus claim that they could cite no perceivable ill effects from budget cuts, although Howard R. Lamar, dean of the undergraduate college, estimated that about 35 senior faculty positions had been trimmed. He noted, however, the the total university enrollment, now at about 10,000, has also been reduced. The cost of attending Yale continues to escalate, with fees for the 1983–84 school year set at $12,980.

Cuts in programs and staff have hit hardest at the graduate and professional schools. Keith S. Thomson, dean of the Graduate School of Arts and Sciences, believes this makes sense in light of the diminishing number of job opportunities for graduates. There has, however, been some fallout from the cutbacks. David Riesman says there is a belief among some academics that some of Yale's science departments have faltered somewhat in recent years. Dean Thomson disagrees.

Town-gown relations, which were "perhaps the worst ever" when Mr. Giamatti took office, are now "the best they have ever been," according to New Haven's Mayor Biagio DiLieto. But some in New Haven charge that Yale does not do enough for the impoverished city and lay much of the blame on Mr. Giamatti, as they had with past Yale presidents. Richard D. Wolff, an outspoken member of the city's Revenue Commission, believes the university should pay for all services the city renders and, in addition, should pay taxes on all its property or make substantial annual payments in lieu of taxes. Mayor DiLieto does not agree. "Because of its commercial properties," he say, "Yale is already one of our largest taypayers and one of our largest employers. Students and staff contribute greatly to our local economy." And he points to Yale's help in bringing an anticipated $100 million in high-technology industry to the new industrial park and to its recent investment of millions of dollars in public and private downtown redevelopment projects.

The Giamatti administration is also credited with improving relations with the university employees' union, negotiating in 1980 the first contract without a strike since 1965 and repeating the accomplishment in 1982. A New Haven taxi driver reports that when Mr. Giamatti was named as president, a photograph of him was hung in a bar patronized by local residents, perhaps the only college president ever to be so honored.

Mr. Giamatti still gets around in the yellow Volkswagen he drove before becoming president, although he does avail himself of the chauffeur-driven car provided for his frequent business trips to nearby cities. He travels constantly to "spread the gospel" about Yale, exhorting alums, corporations and foundations to ever-greater giving, establishing links with other universities and speaking out on educational issues to a few of the hundreds of groups that invite him: of late, surgeons in Chicago, lawyers in Pennsylvania, reporters in Hartford. Last year, the crusade took him to Japan and Israel, and he tells of a recent visit to Booker T. Washington High School in Tulsa, Okla., to talk with students about applying to Yale—something that might seem unusual for the president of such a prestigious school.

"You bet," he says, holding firmly the wheel of the yellow bug, buffeted by winds and rain on the Connecticut Turnpike. "I talk to high-school kids and guidance counselors all over the country. I take nothing for granted. I want it all. I want the most

talented, the most interesting, the most intellectually stimulating, the most creative, from all over, all kinds of people."

He will tell you that the nation's leading colleges are in fierce competition for the best students and faculty as well as for financial resources, and he wants to win. "I'm no management wizard or anything else, you know. I'm just a guy who loves Yale."●

REJECT SALE OF ADVANCED WEAPONS TO JORDAN

● Mr. D'AMATO. I rise today to voice my vehement opposition to the sale of advanced weapons to Jordan, an act which would only contribute to the further destabilization of the Middle East, a region of vital strategic importance to the United States.

A number of disquieting reports have circulated recently which imply that the administration might be prepared to sell sophisticated fighter aircraft to King Hussein, including the F-5G or F-16 and portable Stinger antiaircraft missiles, Sidewinder air-to-air missiles, as well as laser-guided bombs. Such a sale would substantially enhance the offensive capabilities of this Arab State which remains hostile to Israel, our most stable ally in the region. Despite speculation that the King might eventually agree to participate in the Camp David process, Hussein remains adamant in his refusal to engage in direct negotiations with Israel. The sale of advanced equipment to Jordan would seriously jeopardize the security of Israel. For example, the F-5G, designed to carry Sidewinders, could easily be integrated into the AWACS, a highly sophisticated system which is being sold to Saudi Arabia over the objection of many members of the Senate, including myself. The Arabs have placed a high priority on strengthening their air defense capabilities, a clear challenge to Israeli air superiority in the region. The sale of advanced aircraft would enable Jordan, a nation which borders Israel, to conduct surprise air attacks against Israel. Jordan currently maintains airfields which are within easy striking distance of Jerusalem, Tel Aviv, and other strategic locations in Israel. The combat fighters most commonly mentioned for possible sale incorporate state of the art technology which permits an extremely fast scramble time, short takeoff and landing capabilities, as well as excellent acceleration and maneuverability.

King Hussein, during his most recent trip to Washington, made it clear to administration officials, including Secretary of Defense Weinberger, that he intends to further enhance the Jordanian arsenal which already includes a wide assortment of arms supplied by the Soviet Union. Such an enhancement would clearly provide the Jordanians with a war machine which would far exceed that nation's legitimate security needs. In addition, it is important to note the recent increase in Soviet activity in the region, most notably in its efforts to rearm Syria. Today, an estimated 5,000 Soviet "technical advisors" are stationed in that country. Soviet presence in the Middle East raises the serious possibility that U.S. advanced military technology could fall into the hands of our most ardent opponent.

Some have suggested that the sale of U.S. aircraft to Jordan would somehow entice King Hussein to join in the Camp David peace process. I would remind these individuals that, during the discussions which preceeded the sale of AWACS, a similar suggestion was put forward with respect to Saudia Arabia. Despite the sale of the aircraft system to the Saudis, they have remained as intransigent and unwilling as ever on the subject of peace.

The linkage of participation in the peace process with the possibility of advanced arms sales is not in the interest of the United States and should be rejected. Instead of furthering the cause of peace in the Middle East, such a policy would exacerbate the tensions which already exist in this region. While I would welcome King Hussein's direct participation in the Camp David process, it is important that the United States refrain from negotiation on the basis of an arms package agreement.

While the administration has not, as yet, submitted a formal proposal to sell additional arms to Jordan, it is important that the Congress reiterate its objection to such a proposal. With this in mind, I encourage my Senate colleagues to join in support of Senate Resolution 72 which confirms the U.S. commitment to Israel and expresses objection to the sale of arms to Jordan.●

SUPPORT OF S. 687

● Mr. GLENN. Mr. President, I am pleased to cosponsor S. 687, a bill to amend the Federal Compensation Act of 1982. This bill would extend the current unemployment compensation program and increase the number of weeks of compensation available to our unemployed. Specifically, it would extend the existing compensation program for an additional 6 months and would increase the number of weeks of Federal supplemental compensation to 36 weeks of benefits in States with the lowest unemployment rates and to 65 weeks in States with the highest levels of unemployment.

Our current economic condition is unprecedented in postwar history, but there is precedent for the action we seek. Under Presidents Nixon and Ford our Government provided 65 weeks of unemployment compensation at a time when unemployment was far less severe than it is today. According to the Department of Labor, 2 million individuals will lose their benefits unless we pass this bill.

Although recent reports indicate signs of economic recovery, many of these 2 million Americans will not soon find jobs. Many live in regions and worked in industries that will be slow to recover. Most will not find work in the emergency jobs programs we will shortly enact. These individuals, who have lost their jobs through no fault of their own and who know that the hardest job in America today is finding a job, deserve our assistance. The tragedy of extended unemployment goes beyond the unemployed workers and affects their spouses, their children, and their communities. I have seen the tragic effects of unemployment in my home State of Ohio. I have seen it in the angry faces of unemployed steelworkers, heard the distress in the voices of unemployed auto workers, and felt the anxiety in the handshake of unemployed machine tool builders. These unfortunate workers are not strangers; they are not lazy. They are our friends, our neighbors, our relatives, and the most precious resource we possess. They are understandably frightened, frustrated, depressed, and angry. They have worked all their lives and they want to work again, but they cannot find jobs. They built our economy and made it the world's most productive. We cannot forget that service; we cannot condemn them to poverty. We must take swift, decisive, and compassionate action to send these Americans a clear and unequivocal message: you may have lost your job, but you will never lose our support or reason for hope.

I urge my colleagues to support this legislation.●

VICTIM'S ASSISTANCE ACT OF 1983

● Mr. GRASSLEY. Mr. President, last year Congress took a significant step toward sensitizing the criminal justice system to the problems and traumas suffered by victims and witnesses of crime. Through the Victim and Witness Act of 1982, Congress acknowledged that—

All too often the victim of a serious crime is forced to suffer physical, psychological, or financial hardship first as a result of the criminal act and then as a result of contact with a criminal justice system unresponsive to the real needs of such victim.

With the introduction of this follow-up measure, Mr. President, we place the resources behind our assurances that the Federal Government will do all that is possible within the limits of available resources to assist victims of crime. The Crime Victim's Assistance Act of 1983 will provide Federal funds to State's victims compensation programs and support State and Federal

victim's witness assistance programs in accord with recommendations of the President's Task Force on Victims of Crime. Most importantly, this legislation will not require an additional appropriation of Federal funds.

The report of the President's Task Force on Victims of Crime substantiates the need for financial compensation as an integral part of both Federal and State government's response to assisting these innocent citizens. The report notes:

> There is a tendency to believe that insurance will cover most costs and losses. While some victims are made whole through adequate coverage, many others are not. The poor and the elderly often have no insurance. Even those victims who have coverage discover that recovery is made difficult or impossible by high deductible clauses, problems with market value assessments for unique items, and limited or precluded payment for such expenses as lost wages and psychological testing.

Money never cures the insecurity and trauma that victims sustain as a result of their experience. Nevertheless, physical rehabilitation is the first step toward recovery and that treatment requires money.

So often we find ourselves in the position of legislating rights for the accused—we are scrupulously aware of the accused's constitutional rights—and yet we overlook the rights of the victim. We are quick to see that the accused is informed of his rights, quick to see that he is provided with an attorney to protect those rights, quick to see that all of his medical needs are taken care of, and all of his physical needs are provided for. Up until the present, the victim has been on his or her own. This legislation acknowledges the victim as a person—a person who has been violated and a person that we want to help.

Statistics in the Uniform Crime Report indicate that a murder occurs every 30 minutes, a rape every 13 minutes, and other violent crimes every 39 seconds. What these statistics do not reveal is the aftermath of the incident. Every 13 minutes, not only does a rape occur, but someone is scarred for life. Every 39 seconds not only does a violent crime occur, but someone needs medical attention. One elderly victim interviewed by the President's Task Force of Crime demonstrates the emotional and physical hardships inflicted on the victim as well as the need for rehabilitative efforts:

> I'm a senior citizen but I never considered myself old. I was active, independent. Now I live in a nursing home and sit in a wheelchair. The day I was mugged was the day I began to die.

We want these people to know that we care about them and their rights. I urge all my colleagues to support this bill.●

ELECTIONS AND THE LAWS THAT REGULATE THEM

● Mr. LUGAR. Mr. President, no subject on the Nation's agenda today is more afflicted with fuzzy thinking than elections and the laws that regulate them. A problem such as the purchase of legislators and influence, is postulated without a shred of evidence. Solutions are propounded that would flirt recklessly with sacred constitutional liberties without offering any real promise of addressing the alleged problem.

Into this hapless debate an occasional flash of commonsense intrudes. One such bright note appears in the most recent edition of Public Opinion magazine. Mr. Michael Malbin provides a calm and rational alternative to the commentary that has dominated this issue to date. I offer it to those of my colleagues who, like me, have yet to meet a Senator or Congressman whose vote has been bought for a $5,000 campaign contribution, and who are inclined to review the facts before plunging into remedies.

I ask that that article be reprinted in its entirety in the RECORD.

The article follows:

[From the Public Opinion, December/January 1983]

THE PROBLEM OF PAC-JOURNALISM

(By Michael Malbin)

One interpretation of the 1982 election has little to do with which party won how many seats. Countless times, we have been told that the election was won not by Democrats or Republicans, but by special interest groups whose campaign contributions will supposedly give them an inordinate level of influence over legislation in the 98th Congress. The point was made most prominently in a Time magazine cover story and a series of CBS Evening News special reports narrated by Bill Moyers. There were also articles in Newsweek, U.S. News and World Report, the Washington Post, the Wall Street Journal, and the Baltimore Sun, to name just a few, and Elizabeth Drew wrote a lengthy two-part analysis in the December 6 and 13 issues of the New Yorker.

Drew's article, like most of her work, contains much useful material. Many of its general statements are problematic, however. Two bear repeating, because they exemplify this year's dominant theme: (1) "The role that money is currently playing in American politics is different both in scope and nature from anything that has gone before," and (2) "It is a fact that special interest money, as a percentage of campaign funds, has grown." These two statements are widely accepted, but are they true?

THE MORE THINGS CHANGE

Political action committees, or PACs, obviously are new forms of political organizations. The PAC phenomenon began with the Congress of Industrial Organizations in the early 1940s, but nonlabor PACs did not really sprout until the new campaign finance law took effect in 1975.

The campaign role of people with special economic interests is not at all new, however. George Thayer's "Who Shakes The Money Tree?" (Simon and Shuster, 1973), describes how Aaron Burr worked in the late 1790s to set up an anti-Federalist state bank that would lend Democrats money to buy property, thus qualifying them to vote. Federalist banks had been refusing loans to known Democratic partisans.

One early source of special interest money is particularly interesting. In the second and third quarters of the nineteenth century, the United States had what might be thought of as an indirect form of partial public financing. During this period, the primary source of campaign funds appears to have been kickbacks from bureaucrats in patronage positions. After the Pendleton Civil Service Reform Act of 1883 dried up the kickbacks, the country moved into the age of the trusts. Corporations had been giving money to congressional and presidential candidates for years, but moved to the forefront after 1883. Mark Hanna, an Ohio businessman and early McKinley supporter, systematized the participation of corporations when he was chairman of the Republican National Committee during the 1896 campaign. According to Thayer, most of McKinley's $6 million to $7 million in campaign funds that year came because Hanna "levied regular assessments on all businesses of consequence throughout the country" to fight silver coinage and preserve protective tariffs.

Hanna's success was followed by the Tillman Act of 1907, prohibiting direct corporate contributions to federal campaigns. The act looked good, but achieved little. Executives simply took raises for themselves and made campaign contributions as individuals. Even so, direct corporate money still found its way into political campaigns through legal and illegal subterfuges, including gifts to national party conventions, unreported in-kind contributions, and cash in suitcases.

Many of the same industries that dominated campaign finance in the 1890s continued to do so in the 1920s—even after the Tillman Act and the 1925 Federal Corrupt Practices Act. In her classic 1932 book, "Money in Elections," Louise Overacker found that 30 percent of all Democratic money and 30 percent of all Republican money in the 1928 presidential election came in contributions of $5,000 or more from bankers, stockbrokers, manufacturers, and people in the mining, oil, railroad, and public utilities businesses. Obviously, these same few businesses would have counted for more than 30 percent if Overacker had been able to identify the financial interests of people who contributed less than $5,000.

In the 1930s through 1970s the balance of power changed, and the universe of active interest groups expanded, as organized labor began to participate aggressively alongside the business community. In the past few years, the balance has shifted again. The shifts are politically important, of course, but shifts in power are not automatically signs of something new. Whatever else we may think about the campaign finance laws of the 1970s, they did not spawn something foreign to American politics when they encouraged interest groups to form political action committees.

Neither is it clear that the growth of business PACs has increased business' proportional role in the political process over the role it had played in past decades. It is true that the number of PACs went up from 608 in 1974 to 3,149 in June 1982. It is also true that the biggest growth in number of PACs came from the corporate sector, that the biggest growth in receipts came from conservative ideological groups, and that direct contributions from PACs went up between

1974 and 1982 as a percentage of total contributions. General election candidates for the House and Senate received 16 percent of their funds from PACs in 1974, 20 percent in 1976, 20 percent in 1978 and 26 percent in 1980. In 1982, it looks as if the percentage again will go up by a few percentage points, perhaps to the 28-30 percent range.

These numbers reflect a significant increase in the importance of PACs over the past four years. They also help explain the press' great interest in the subject. Obviously, something important is going on. But it would be wrong to conclude, as Drew did, that "special interest money, as a percentage of campaign funds, has grown." PACs may be more important, but PAC contributions never did make up the bulk of "special interest money" in politics, and probably do not now. Now, as in the past, many individual contributions come from people with an economic stake in legislation, and a fair percentage of PAC money comes from people whose interests are not "special," but general or ideological. As a result, we simply do not know enough to conclude anything about the changing proportional role of special interest money in campaign finance, and we probably never will. The most we can say, given what we know about the 1890s, 1920s, and even 1972, is that there is no hard evidence one way or the other.

ORGANIZATION DOES MATTER

The organizational consequences of political action committees are another story. The number and diversity of organized groups with paid professionals who follow campaigns, has increased markedly over the past decade. This affects everything else on the political scene. Paid professionals are less likely than individual corporate executives to give candidates early "seed money" for sentimental reasons. On the other hand, the professionals are more likely to share political information about competitive races, and move together to influence those races during a campaign's closing weeks. Professionals working for business groups also tend to be more "practical" and less ideological than individual corporate contributors. They are less likely to be satisfied with such honorific rewards as ambassadorships, and more interested in electing people who will at least listen to their technical legislative concerns. All of this, when taken together with some other more basic shifts in Washington and grass-roots lobbying, clearly does make itself felt in the legislative process.

The general reaction to professionalization has been one of distaste. That distaste in turn has inspired some efforts to limit and control the new campaign organizations. Such efforts may well be exercises in futility. As people learn that organizing makes them more effective politically, it becomes very hard, under the First Amendment, to return to an earlier day. The genie cannot be forced back into the bottle.

Consider just one example. If the bill sponsored by Rep. Dan Glickman (D-Kansas) becomes law, candidates will be prohibited from accepting more than a specific amount of money from political action committees in any given election. (Glickman's bill is essentially the same as one sponsored two years earlier by Reps. David Obey (D-Wis.) and Tom Railsback (R-Ill.)) Under such a law, an interest group professional who wants to influence a close race involving a candidate who had reached his PAC limit, would simply start looking for ways other than direct contributions to help his candidate. He may start thinking about independent expenditures, for example, which the Supreme Court has ruled cannot be limited. Of course, the professional can only think seriously about independent expenditures if he works for a very large and well-organized PAC, such as the Realtors' and American Medical Association's. A law designed to limit the role of special interests thus may end up favoring the biggest groups at the expense of the others. But smaller groups may make some other choices. Umbrella organizations, such as BIPAC or the Chamber of Commerce, might set up ad hoc independent expenditure committees in targeted districts to which smaller PACs could contribute. If that does not happen, there will always be other avenues for the professional to explore.

Of course, pointing out that a proposed law will have indirect effects is not in itself an argument against it. A person might believe that independent expenditures are less efficient than, and therefore preferable to, direct contributions. On the other hand, he might prefer PAC contributions because independent expenditures lack accountability and favor large organizations. The aim here is not to settle the issue, but to say something about how to address it.

DILUTE AND DIVERT

Too often, the people who want to pass laws curbing the political expression of self-interest think of such laws as if they were covers on jars. They think new laws can "put a lid on" the situation. But the metaphor is inappropriate. If they are not designed with extreme care, the laws more often turn out to be like rocks placed on a mold of jellied consommé. The laws sink to the bottom, as natural impulses ooze around them to find new paths for their expression.

Self-interest is what Irving Kristol has referred to as a condition, not a problem. Problems have solutions, Kristol points out; the word implies that. Conditions may be inexorable. They may even have good sides. The job of government, Alexander Hamilton once said, is not to try to eliminate self-interest: "it is as easy to change human nature as to oppose the strong current of the selfish passions. A wise legislator will gently divert the channel, and direct it, if possible, to the public good."

A wise legislator would not try to eliminate or repress selfishness in campaigns, but to dilute it and then turn it toward reinforcing salutary campaign activities and political institutions. Diluting the power of specific interest groups is conceptually, though perhaps not practically, simple: increase the diversity of funding sources and you decrease the importance of any one source. Permitting at least some PAC contributions is better than relying on direct corporate political activity or independent expenditures because more people, with more diverse interests, can get involved.

PACs do not represent everybody, of course. Specifically, poor people and the politically unorganized are left out of the current campaign picture. So would they be with either an unregulated environment or with any approach based on a strategy of limits. If the aim is to equalize opportunities, that can be achieved most surely, and most directly, with vouchers or 100 percent tax credits for small (up to $25) contributors.

Diverting channels may be a lot trickier than diluting them. Consider, for example, the indirect effects of full public financing for the presidential general election campaign. People who cannot contribute to the country's most visible candidates give instead to independent expenditure groups, to congressional candidates, and to the national political parties. When one change can produce so many related changes elsewhere, a person should be cautious before proposing further reforms. Nevertheless, some ideas seem worth considering.

The main negative effect of PAC contributions is that they reinforce lobbying efforts that fractionalize the legislative process. But limiting PACs would do nothing to the other, and more important, lobbying activities that help produce this result. It would be far more fruitful to concentrate on building up the one institution within Congress that is best suited to counter decentralization—the political party.

Political parties have done well under the current campaign finance law. Republicans have built up their contributor list since 1974 to more than 1.5 million people, using direct mail, while Democrats have made an impressive start since 1980 at catching up. The parties are not as strong as they were in the 1890s, nor can the campaign finance laws ever make them that way. But they are a lot stronger now than they were ten years ago. The parties can be made even stronger with a few more changes in the law, such as raising or eliminating the limits on what parties can spend on a candidate's behalf, or decreasing the amounts PACs may contribute to candidates while increasing what they may give to the parties, or requiring the national television networks to give the parties sixty minutes of free air time, to be used in blocs of a least five minutes.

Proposals could be spun out indefinitely, but the point should be clear from these few. The uses of limits are indirect, and they have limits. If the aim is to improve Congress, it would be wise to break out of the thought patterns imposed by this year's PAC journalism.●

APPOINTMENT OF NEW CBO DIRECTOR

● Mr. DOMENICI. Mr. President, as many of my colleagues here in the Senate already know, Dr. Alice Rivlin has indicated that she will not seek reappointment for a third term as CBO Director. I was sorry to hear this. Dr. Rivlin has performed a difficult job with high professionalism and skill. She has developed an institution at CBO which deserves wide recognition for the high quality of its work as well as its responsiveness to the concerns of Congress. I think CBO's national reputation for serious-minded analysis reflects favorably on the intent expressed in the original Budget Act to create a high-level institution to serve the Congress needs.

Dr. Rivlin will be difficult to replace. But, Congress must begin the process to appoint a new Director and we must move quickly. Dr. Rivlin's term expired on January 3 of this year. Dr. Rivlin has agreed to stay on at CBO until a successor is appointed. But, we cannot expect Dr. Rivlin to alter her own personal plans indefinitely. Moreover, it is essential that a new CBO Director be in place well before the development of a second concurrent

budget resolution. For this reason, we have set July 1 as our target date for a new Director to take office. Deadline for nominations for the directorship is now March 18.

Therefore, Mr. President, after extensive discussion with the House Budget Committee, Chairman JONES and I have agreed to establish a bicameral search committee to examine nominees for the job of CBO Director with the intention of making a recommendation of a name or names to the respective budget committees of the House and the Senate. This committee will be composed of 10 members, 5 House Budget Committee members and 5 Senate Budget Committee members including the two committee chairmen and the two ranking minority members.

I shall submit for the RECORD the section of the Budget Act relevant to replacing the CBO Director. The members of the Senate Budget Committee on the Search Committee will be Senators ARMSTRONG, KASSEBAUM, BIDEN, CHILES, and I.

Chairman JONES has similarly appointed the distinguished majority leader of the House, JIM WRIGHT, as well as Mr. DERRICK, and Mr. FRENZEL to the Search Committee, in addition to himself and Congressman LATTA, as representatives of the House.

This is an issue of vital importance to all Members of Congress. To help the Search Committee complete its work in a timely manner, I request that the names of any potential candidates for the position of CBO Director be submitted to Congressman JONES or to me by March 18. I can assure my Senate colleagues that I welcome their advice and suggestions in this matter and that I will inform them of the Search Committee's schedule and procedures as soon as they are determined.

The material referred to follows:

TITLE II—CONGRESSIONAL BUDGET OFFICE

ESTABLISHMENT OF OFFICE

SEC. 201. (a) IN GENERAL.—

(1) There is established an office of the Congress to be known as the Congressional Budget Office (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director; and there shall be a Deputy Director who shall perform such duties as may be assigned to him by the Director and, during the absence or incapacity of the Director or during a vacancy in that office, shall act as Director.

(2) The Director shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate after considering recommendations received from the Committees on the Budget of the House and the Senate, without regard to political affiliation and solely on the basis of his fitness to perform his duties. The Deputy Director shall be appointed by the Director.

(3) The term of office of the Director first appointed shall expire at noon on January 3, 1979, and the terms of office of Director to fill a vacancy prior to the expiration of a term shall serve only for the unexpired portion of that term. An individual serving as Director at the expiration of a term may continue to serve until his successor is appointed. Any Deputy Director shall serve until the expiration of the term of office of the Director who appointed him (and until his successor is appointed), unless sooner removed by the Director.

(4) The Director may be removed by either House by resolution.

(5) The Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as in effect from time to time, for level III of the Executive Schedule in section 5314 of title 5, United States Code. The Deputy Director shall receive compensation at a per annum gross rate equal to the rate of basic pay, as so in effect, for level IV of the Executive Schedule in section 5315 of such title.●

THAT "WALL" ISN'T SACRED

● Mr. JEPSEN. Mr. President, in a column in the Washington Post of March 6, 1983, George F. Will takes note of a Minnesota statute that is being challenged on the basis of the "Establishment Clause" of the first amendment to our Constitution.

I believe that this situation and Mr. Will's commentary deserve the attention of my colleagues.

I have attempted to open up the forum for debate on this subject with my Voluntary Prayer and Religious Meditation Act and my support of President Reagan's proposed voluntary school prayer amendment to the Constitution and proposed tuition tax credit bill. Mr. Will's column is a constructive addition to this debate.

I ask that Mr. Will's column entitled "That 'Wall' Isn't Sacred" be printed in the RECORD.

The column is as follows:

[From the Washington Post, Mar. 6, 1983]

THAT "WALL" ISN'T SACRED

(By George F. Will)

To see what has happened to the First Amendment's Establishment Clause is to know how all the king's horsemen felt when they came upon Humpty-Dumpty. But now the Supreme Court has an opportunity to bring some order to the Establishment Clause confusion.

A Minnesota statute provides tax deductions for parents of students in all schools, public and private, or certain tuition, textbook and transportation costs. Because it involves parents of students in church-related schools, it is being challenged as a violation of the Constitution's proscription of "an establishment of religion." In support of the statute, the U.S. Catholic Conference has filed a "friend of the court" brief documenting the intentions of the framers of the Establishment Clause.

The brief argues that Minnesota's statute is constitutionally benign tax legislation with a secular purpose (tax relief). The marginal benefit to religion does not constitute unconstitutional preferment of religion. But in the *Everson* decision in 1947, the court embraced an analysis of the Establishment Clause that suggested that any aid to religion constitutes "establishment."

The *Everson* opinion was less important for its conclusion (it actually upheld a New Jersey practice of reimbursing all parents for certain school expenses) than for the historical gloss by the author, Hugo Black. In explicating the Establishment Clause, Black made no reference to congressional debates by the framers of the clause. Instead, he relied on a Jefferson metaphor and a Madison broadside. Black asserted that the Establishment Clause embodied the sentiments of Jefferson's letter endorsing "a wall of separation between Church and State" and Madison's vehement denunciation of a law imposing a tax to support certain clergy.

Black's analysis colored subsequent church-state rulings and the climate in which the "Three Part Test" has been applied. According to that test, a law does not violate the Establishment Clause if it has a secular purpose, and its primary effect neither advances or inhibits religion, and it does not foster excessive entanglement of government with religion.

This test requires judgments that cannot be made with fidelity to the framers' intentions unless courts understand this: the framers rejected language that would have mandated hermetic separation of church and state. Congress rejected language saying that "Congress shall make no law touching religion." It did so because it considered action benefiting religion generally—as distinct from preferment of particular sects—unobjectionable.

The Establishment Clause is construed perversely when it is used to block government action that poses no threat to religious freedom, and enhances a secular public purpose (such as tax relief, or education), but which has the ancillary effect of giving marginal aid to church-related activities.

Minnesota's tax deduction, like the tuition tax credits that the Reagan administration favors, involves no transfer of public funds, merely a state decision to forgo a claim on certain income of its citizens. It involves no relationship between government and churches, only between the taxing authority and taxpayers. It offends only persons who believe that any benefit that accrues to religion as a result of government action invalidates that action. They believe this because of a metaphor (Jefferson's "wall of separation") that is not constitutionally germane. That metaphor was penned 13 years after the Establishment Clause was debated. During the debate, Jefferson was ambassador to Paris.

Judicial scrutiny of state action touching religion should not stop, with a negative judgment, at a mere finding that religion is benefited. Judicial rejection should require a showing that the state action advances religion in a way incompatible with constitutional values. That must involve preferment that goes beyond benevolent neutrality toward religion generally.

American public life has few processes as subtle as that of encouraging the Supreme Court to rectify an excess. It took 58 years for *Brown v. Board of Education* (1954) to reverse the ruling in *Plessy v. Ferguson* (1896) that "separate but equal" segregated facilities are constitutional. Now 36 years of scholarship and experience have demonstrated the intellectual and practical difficulties with the Establishment Clause analysis affirmed in the *Everson* case.

Supporters of a correct construction are resisting a tide that seems as strong as fate. But the High Court is an arena of mind in our public life. The Minnesota case can

demonstrate the truth of Emerson's axiom that intellect annuls fate.●

CAPITAL ASSISTANCE REVENUE SHARING ACT

● Mr. PRYOR. Mr. President, recently I joined as a cosponsor of legislation introduced by Senator JIM SASSER, S. 676, the Capital Assistance Revenue Sharing Act.

The aim of this legislation is simple and it addresses what I believe to be an immediate need all across this Nation—the need for both a quick-start jobs creation program and the basis for a long-term program of assistance for capital construction and repair and rehabilitation of this Nation's infrastructure.

The legislation is a 2-year bill and is patterned along the lines of the distribution formula utilized under the present general revenue sharing program.

Under this bill, $3 billion annually would be provided to State and local governments for roads, bridges, sewer systems, fire safety facilities, law enforcement facilities, and other essential public works activities.

One-third of the funds would go to State governments and the remaining two-thirds to local governments. An additional half billion dollars would be set aside to fund activities on a project-by-project basis.

Using the lessons of the successful general revenue sharing program, projects can be begun immediately, since the formula is clear and simple, and since a number of projects have been "on hold" while State and local governments have delayed or deferred their capital improvement programs. In many cases, all the planning and design have been completed and all that remains is the letting of bids or the awarding of a contract.

While it is not possible to accurately estimate the number of jobs that will be created by this legislation, the vastly deteriorating condition of our highways, bridges, public buildings, and waterworks certainly warrants this dedication of Federal resources. Our mayors, county judges, and State legislators have warned of this situation that now approaches that of a national disaster.

I am confident that this Congress will give overwhelming support to extension of the General Revenue Sharing Act, but I believe that our present economy dictates that another shot-in-the-arm is needed to guarantee that we head off the disaster we are facing in our crumbling infrastructure.

Mr. President, at this point I ask to have printed in the RECORD the estimated allocations for certain Arkansas units of government under this bill.

The material follows:

GENERAL REVENUE SHARING, STATE OF ARKANSAS

[Government allocations with $3 billion appropriation]

	Allocation [1]	Population	Income per capita	County	Type
Little Rock City	1,869,858	158,461	$6,309	60	2
Pulaski County	1,390,809	117,864	5,639	60	1
Benton County	921,766	78,115	4,796	4	1
Fort Smith City	846,729	71,756	5,702	66	2
North Little Rock City	758,606	64,288	5,579	60	2
Washington County	753,862	63,886	4,651	72	1
Craighead County	746,228	63,239	5,062	16	1
Mississippi County	702,308	59,517	3,880	47	1
Pine Bluff City	668,311	56,636	4,865	35	2
Saline County	627,306	53,161	4,973	63	1
White County	599,859	50,835	3,969	73	1
Crittenden County	584,094	49,499	3,847	18	1
Union County	573,167	48,573	5,001	70	1
Faulkner County	545,071	46,192	4,288	23	1
Pope County	460,452	39,021	4,450	58	1
Miller County	445,643	37,766	4,269	46	1
Crawford County	435,330	36,892	4,009	17	1
Fayetteville City	431,979	36,608	5,006	72	2
Hot Springs City	422,220	35,781	4,873	26	2
Phillips County	410,314	34,772	3,314	54	1
Garland County	410,054	34,750	4,611	26	1
Lonoke County	407,316	34,518	4,459	43	1
Jefferson County	402,172	34,082	4,509	35	1
St Francis County	364,128	30,858	3,352	62	1
Greene County	362,783	30,744	4,249	28	1
Ouachita County	360,387	30,541	4,206	52	1
Independence County	355,738	30,147	4,161	32	1
Baxter County	323,429	27,409	4,262	3	1
Poinsett County	318,981	27,032	3,878	56	1
Hot Spring County	316,467	26,819	4,493	30	1
Columbia County	314,402	26,644	4,312	14	1
Ashley County	313,152	26,538	4,133	2	1
Boone County	307,594	26,067	4,522	5	1
Arkansas County	285,268	24,175	5,052	1	1
Hempstead County	278,896	23,635	4,037	29	1
Sebastian County	278,200	23,576	5,386	66	1
Clark County	275,250	23,326	4,336	10	1
Jackson County	255,425	21,646	4,406	34	1
Clay County	243,271	20,616	3,660	11	1
Cross County	241,124	20,434	4,169	19	1
Logan County	237,702	20,144	3,899	42	1
Desha County	233,170	19,760	4,165	21	1
Conway County	230,161	19,505	3,885	15	1
Lawrence County	217,677	18,447	3,884	38	1
Drew County	211,340	17,910	3,994	22	1
Chicot County	209,959	17,793	3,197	9	1
Johnson County	205,593	17,423	3,858	36	1
Yell County	200,909	17,026	4,182	75	1
Polk County	200,685	17,007	3,734	57	1
Cleburne County	199,528	16,909	3,566	12	1
Randolph County	198,643	16,834	3,889	61	1
Carroll County	191,197	16,203	4,294	8	1
Lee County	183,362	15,539	2,991	39	1
Franklin County	173,521	14,705	3,847	24	1
Sharp County	172,364	14,607	3,148	68	1
Sevier County	165,910	14,060	4,455	67	1
Monroe County	165,815	14,052	3,591	48	1
Little River County	164,635	13,952	3,976	41	1
Bradley County	162,877	13,803	3,873	6	1
Howard County	158,818	13,459	4,176	31	1
Lincoln County	157,756	13,369	3,460	40	1
Van Buren County	157,614	13,357	3,422	71	1
Grant County	153,496	13,008	4,421	27	1
Madison County	134,203	11,373	3,173	44	1
Marion County	133,743	11,334	3,548	45	1

GENERAL REVENUE SHARING, STATE OF ARKANSAS—Continued

[Government allocations with $3 billion appropriation]

	Allocation [1]	Population	Income per capita	County	Type
Woodruff County	132,421	11,222	4,033	74	1
Nevada County	130,946	11,097	3,646	50	1
Izard County	127,064	10,768	3,776	33	1
Dallas County	124,078	10,515	4,034	20	1
Pike County	122,403	10,373	4,074	55	1
Lafayette County	120,515	10,213	3,487	37	1
Prairie County	119,653	10,140	4,115	59	1

Note.—Sate of Arkansas, Totals: Population, 2,286,725; Income per capita, $4,443; State total, 39,158,560; Local governments allocation, 26,105,706; State governments allocation, 13,052,853.

[1] Does not include projects funded on a project-by-project basis from the half-billion dollar discretionary fund.●

MOSCOW'S ACTIONS SPEAK LOUDER THAN ITS WORDS

● Mr. QUAYLE. Mr. President, Sunday marked the final episode on TV of Masterpiece Theatre's "Winston Churchill: The Wilderness Years." The one overriding theme during this excellent series was Churchill's profound belief that Germany's actions spoke louder than its words.

They called for peace at Munich. Later they attacked Czechoslovakia even as they sat at the negotiating table. They occupied Austria and invaded Poland, all the while saying they wanted peace.

In today's world, the Soviet Union's actions are speaking to us much louder than their calls for peace. They invaded Afghanistan 3 years ago and are still there; they recently threatened Japan; they are repressing the Polish people; and the list goes on.

I have risen in this Chamber on several occasions to speak out against their use of yellow rain in Afghanistan, and their allies' use of it in Laos and Kampuchea. The Soviets continue to deny this, yet it is a proven fact.

When Mr. Andropov assumed the leadership of the Soviet Union, there was speculation that he wanted to disengage from Afghanistan. Yet there has been no movement in this direction. If anything, there has been increased involvement.

And for the first time since the invasion, Soviet television has begun airing pictures of "provocations" by "counterrevolutionary bandits."

As William Safire pointed out in his op/ed yesterday, "The news blackout to the Soviet people is ended." I fear the lifting of this veil has only come about to "legitimize" the occupation to the Soviet people. The losses have been too great to hide and explanations must be made.

We must not forget what is happening in Afghanistan. It is a war zone where people are dying every day. It is a country that was invaded by the Soviet Union and now is governed by a puppet regime.

We, as a nation, must be outspoken in our opposition to the Soviet's outright domination of a country made up of freedom-loving people; a country that has traditionally been neutral. We cannot remain indifferent.

In this day and age when peace and the arms race is on everyone's mind, we should also reflect on history. As George Washington said in his first annual address, "To be prepared for war is one of the most effectual means of preserving the peace." This was also Churchill's rallying cry.

He taught us to be wary of what is said, but more importantly, to observe what actions are undertaken by our adversaries. For this reason, we cannot ignore what the Soviet Union is doing in Afghanistan.

If they want peace as much as they say, then they should begin by withdrawing from Afghanistan. To use an old adage, actions speak louder than words.

The freedom fighters of Afghanistan are putting up a brave fight. They are outnumbered and outgunned, yet they willingly continue the struggle against all odds.

In a recent article in Parade magazine, Peter Arnett discusses his 2 weeks traveling with a group of Mujahidin. In it there is a quote from one of the commanders that Arnett traveled with that is worth repeating and remembering:

> We are helpless and alone, but we will fight on. We will eventually liberate our country at any cost. We will fight a lifetime.

This week the nonalined countries are meeting in India. They have an opportunity to show their true nonalinement by publicly naming the Soviet Union as the aggressor in Afghanistan, something they have not done since the invasion.

In a draft communique, drawn up by Mrs. Gandhi, there is a call for the withdrawal of unnamed "foreign troops" from Afghanistan. If this wording stands, it is a travesty. The nations of the world should not and cannot deny what is happening in that country nor who is responsible.

In drafting the communique, Mrs. Gandhi should have remembered one of Mahatma Gandhi's sayings, "There is no God higher than the truth."

Perhaps the Koran says it best, "Do not veil the truth with falsehood, nor conceal the truth knowingly."

The "nonalined" nations can only do themselves justice in the eyes of the rest of the world by heeding these prophetic words of advice.

Mr. President, I recommend the following articles about Afghanistan to my colleagues and ask that they be printed in the RECORD.

The articles referred to follow:

[From the Wall Street Journal, Mar. 7, 1983]

AFGHANS SAY SOVIET BRUTALITY GROWS

(By Paul A. Gigot)

NASIR BAGH, PAKISTAN.—Mohammad Hakim says the shelling began one evening late in January in Nawa, his home village a few miles from the Afghanistan capital, Kabul.

Soviet artillery pounded the village all night, he says. The next morning Soviet tanks surrounded Nawa and troops began a house-to-house search. "They pulled us from our houses," Mr. Hakim says, demanding to know the whereabouts of mujihadeen rebels who are fighting the Soviets. "We said we didn't know," Mr. Hakim recalls, "but they said, 'You give them water, food and shelter. You're helping them.' "

The Soviets brought three men and three women, all elderly, to the town center. "They shot them in front of us," Mr. Hakim says. They also blew up the town's main water well. Mr. Hakim says the Soviets then broadcast over loudspeakers that everyone must either leave or be killed. They left.

Mr. Hakim's story, told at this refugee camp last week through an interpreter, highlights an ugly turn in the already ugly three-year-old war between about 100,000 Soviet troops and a like number of Afghan rebels. Frustrated by unremitting rebel harassment, the Soviets appear to be resorting to what one diplomat calls "a selective scorched-earth policy." Villages far from rebel fighters are ignored. But villages in rebel strongholds have been bombed, their houses searched, some civilians shot and vineyards and granaries burned, refugees say.

The strategy, say diplomats and nonrebel Afghans in Pakistan, appears to be to terrorize civilians into fleeing to Pakistan or Iran, thus denying the rebels a major source of food and shelter. Another goal may be to put more pressure on Pakistan, which already has absorbed 2.8 million Afghan refugees and is the main rebel sanctuary.

"They're hitting civilian targets," says one European diplomat in Islamabad, Pakistan's capital. "It looks like a deliberate policy to encourage refugees."

Towns in the Lowgar Valley, to the south of Kabul, and in the Panjshir Valley, to the north, also have been targets, diplomats say. Food shortages are hurting rebels in both areas, they and other sources add. But the attacks on villages near Kabul, known as

the *deh-sabz* or green villages area, have become especially rough in recent weeks, sending streams of new refugees to Pakistan. In Nawa, Mr. Hakim says, all 600 residents left after the Soviet barrage in January.

Like other refugee reports, Mr. Hakim's can't be confirmed independently. But sources say a Soviet attack on the area makes good tactical sense, because rebels have used the villages as staging grounds for increasingly brazen assaults on Kabul. In the past several months the Soviets have tried frequent raids to dislodge the rebels, to little effect. The rebels escape to the hills and return after the Soviets depart.

Mr. Hakim and others admit they have helped the rebels. And most claim to want to return to join them as soon as they find food and shelter for their wives and children.

RECENT ARRIVALS

Meantime, they are living at Nasir Bagh, a sprawling camp of tents and adobe-like mud homes a few miles northwest of Peshawar on the Afghanistan border. The official camp population is 14,300, but many refugees have come from the Kabul region in the last month and the refugees say 400 families, or about 2,000 people, have arrived in the past week.

As yet unregistered, most sleep without tents, making do with the few blankets and provisions they took with them on the 10-day walk from Kabul. (A refugee relief official says they will receive food and tents when they register.)

Hundreds of women and children are among them. But the Afghan men do the talking, and many tell stories similar to Mr. Hakim's.

Abdul Wadood, a 45-year-old from the village of Sanga, says the bombing began in November, usually from artillery. In early February, the shelling got worse. Then one morning Soviet and Afghan government troops—he estimated 10,000—and tanks surrounded the village.

"They said we were helping the mujihadeen," says Mr. Wadood, who, like most other Afghan men, wears a turban, a full black beard and several layers of dusty clothing. The Soviets searched every home, he says. As examples to everyone, he adds, the Soviets chained "several" men to tanks and dragged them through the streets, killing them.

"The Russians told us everyone who didn't go must die," Mr. Wadood says. So most villagers headed for Pakistan. "We had nothing, we traveled empty-handed," he says. More than 50 people, often young children, died on the way, he says, usually from exposure caused by the mountain snow. He adds: "No one is left in the village."

OTHER REPORTS OF BRUTALITY

Askar (Afghans often use only one name), a 30-year-old from Qala-e-Qazi, says he came to Pakistan four months ago, shortly after the periodic shelling began. He traveled on a mule, nursing his leg, which was wounded during an artillery barrage. He later lost his right leg well above the knee and carries a long wood pole for support.

Spahi, 62, says he's from Tarakhel, also near Kabul. Although the rebels and many others fled the village when the artillery barrage began five months ago, Mr. Spahi says he stayed until earlier this month, when tanks surrounded the village in the early morning. Groups of five or six Soviets entered his home and pushed his wife and him into the street. He saw the same thing being done at other homes. The Russians stole many household goods, he says, including "a radio, tape recorder, my watch and carpets," loading them onto their tanks and trucks. Then they set fire to the village granaries. They told everyone to leave."

"We had to leave," Mr. Spahi adds. "We were living in a battlefield." Mr. Spahi says he fled with his wife. The families of five of his six children also fled. (One son was abducted by the Soviets more than three years ago, Mr. Spahi says. "I don't know where he is.") "The village is already empty," he adds.

Lal Mohammad says he is from Zerma, also near Kabul. The Soviets bombed the village, he says, then came with tanks and Parchemis, or members of the Afghan Communist Party faction that has ruled the country since the 1979 Soviet invasion.

"The Parchemis showed the Russians the houses of the mujihadeen sympathizers," he says. They called them *ashrar*, or bandits, he says, adding that, "They took one of them, an old man, and killed him in front of all of us."

ESSAY: NONALIGNED LITMUS

(By William Safire)

WASHINGTON.—This week, at the great third-world conclave in New Delhi, we shall see to what degree Indira Gandhi's India is in the Soviet orbit and how much the rest of the "nonaligned" nations are prey to a doublestandard.

The meeting is being held at a moment of crisis for one of its members, Afghanistan. After three years of warfare, including the use of poison gas against guerrillas, 100,000 Soviet troops have been unable to subdue Afghan resistance; accordingly, the new Soviet leader is preparing his people for a major escalation of the war.

For the first time, Soviet television has been showing pictures of "provocations" by "counterrevolutionary bandits." The news blackout to the Soviet people is ended; too many Russian families have been notified of casualties, and been told of the quagmire war by troops rotated home, for Moscow to continue to pretend that nothing is happening. Now the Soviet public is being readied for an expenditure of blood to crush all resistance.

At such a moment, with one of its members in extremis, will the nations who profess not to be lined up with either superpower dare to condemn the Soviet Union—by name—for this aggression? Or will the third world cringe at the prospect of Soviet disapproval, and limit its protest to a call for the removal of unnamed "foreign troops" and uphold the "principle of nonintervention"?

The litmus test of seriousness is the mention of the name of the country that has sent its forces into its neighbor's territory. At a confabulation of the weak, the only weapon is truth; but in the draft communiqué suggested by India, the host nation, Afghanistan might just as well have been invaded by Martians.

In sharp contrast, when dealing with what it calls "the threats and acts of aggression against Nicaragua," Indira Gandhi's draft calls upon the U.S.—by name—to change its ways.

Consider that Pecksniffian hypocrisy; the United States does not have 100,000 soldiers in Nicaragua, slaughtering local residents who resist a puppet regime. And yet the U.S. is to be castigated by name—delightedly—by nations too timorous to name the superpower that is committing bloody acts of aggression today.

Is it any wonder that the nations calling themselves nonaligned lack the moral stature they claim? The last time they convened, in Havana, Fidel Castro—head of the world's most aligned nation—made his guests jump through Communist hoops, hailing the U.S.S.R. as "the natural ally of nonalignment."

This time, in Mrs. Gandhi's bailiwick, such arrant lopsidedness is avoided, but the bullet is not bitten on naming the aggressors in Afghanistan or even denouncing the Soviet puppets in Cambodia. Not all the nations assembled accept a unanimity of pusillanimity: the Singapore delegation demands to know if this summit will "merely bless the self-degradation at Havana or rescue it from the brothel area into which it had wandered."

India, as the host nation, holds the whip hand at the conference; since the third world has embraced "consensus," an antidemocratic fuzzying up of majority rule, nobody gets to cast a protest vote. To walk out in disgust is just not done. That means that it is up to Mrs. Gandhi to point the finger at the Soviet Union and perhaps discourage its continuing rape of Afghanistan.

It pains me to say this about the only world leader who writes me notes about my language column, but I think she will fail the test. India has shown its anti-American face on the eve of its summit, especially in spreading lies cooked up by the Soviet disinformation apparat: the most recent is a fake document ascribed to Ambassador Jeane Kirkpatrick, which illustrates how the government press establishment in India is ready to be manipulated by Moscow's propagandists.

Unfortunately, most of the coverage of this summit will compare it with the Havana brothel-keeping, and hail Mrs. Gandhi's evenhandedness. That sets up a phony criterion. The nonaligned conference should not be compared to a Castro convention, but held to a standard of what nonaligned nations are in business to do: to protect themselves by asserting an independent force in the world. That is what Mr. Tito had in mind.

Let us not suppose there is any moral high ground in the position halfway between freedom and tyranny; nor does the fact that a nation is not a superpower endow it with any special virtue. But there is a place for states who want to go a different way, provided they are willing to speak out to defend their neighbors.

The neighbor under attack is Afghanistan. The threat of intensified yellow rain is real. The name of the aggressor is the Soviet Union. If the conference of nonaligned nations cannot bring itself to cry out the truth, it is wasting the world's time.

REPORT FROM A WAR ZONE

(By Peter Arnett)

The night was split with the crack of dueling machine guns, but our guides did not break stride.

We were already 18 hours inside Afghanistan, now more than 30 miles by my guess from where we had crossed clandestinely at the Pakistan border. We had negotiated stony mountain trails that climbed into the clouds and descended dry riverbeds that twisted our knees and ankles.

"Just put one foot after the other—we're surely getting there," I muttered to photographer Ed Hille as we stumbled along. Our protests at the fast pace were muted by the realization that we had to reach a distant

rebel camp by dawn or risk being caught in the open.

The machine guns ahead pointed the way. The tracer rounds carved arcs of smoldering light before they thwacked into the cliff face at the entrance to the small valley where we were heading. Our Afghan guides told us that a rebel machine gunner was trading fire with a military outpost about two miles down the valley.

Hille and I were very anxious to reach our journey's end—and as soon as possible. Our feet were blistered and our bodies ached. I had covered wars ranging from Vietnam to Cyprus, Central America to West Beirut, but rarely had there been a need to walk so far so fast. I kept recalling advice from a colleague who was experienced in this part of the world. He had said, "No matter how tough the going gets in Afghanistan, you have to keep telling yourself that you can do it. And there's no choice: You have to do it."

I frequently repeated that advice to Hille, who was relatively new to war coverage and who had the added burden of heavy camera equipment. His response was usually a grunt of exertion.

Finally, we entered a quiet, white-walled village, and then came our last obstacle: the Kunar River. The Kunar is fed with icy waters from the mountain ranges that rise toward Everest. Because boats are difficult to conceal from enemy helicopters, the rebels ford the Kunar on rafts made of the inner tubes of truck tires lashed together with branches and twine. A dozen of us clung together on these rafts, the water lapping our knees and soaking the seats of our pants while the current and hasty paddling carried us to the other side.

"No one told me it was going to be like this," said Hille as he sorted through his camera bag on the riverbank to see if his equipment had survived the journey.

While the world looks the other way, a struggle of mythic proportions is being played out in the mountains of Central Asia. Pitted against the tanks, helicopters and warplanes of one of the earth's most powerful nations are a people whose main weapon is courage.

Afghanistan is a country the size of Texas that is as desolate as the most inhospitable places in our own Southwest. Distance is measured not in miles but in days. The population of 15 million lives in deep valleys accessible by mountain passes up to 20,000 feet high. The Soviet Union is Afghanistan's northern neighbor, and the two countries share a border that runs along some of the highest places in the world.

Within a 24-hour period ending on Dec. 27, 1979, the Soviets airlifted 30,000 to 50,000 troopers across the mountain passes to save the Communist government in the Afghan capital of Kabul from collapse. The number of Soviet troopers there now is estimated at more than 100,000. For more than three years, most of the population—fired by a religious zeal—has been up in arms against those troopers.

Hille and I had come to Afghanistan to find out if the Russians were winning the war there, their first real war since 1945. And if they were not winning, what were they planning to do? Hang on for years or give up and go home?

We spent two weeks with a group of 50 rebels. Our quarters were tiny caves in the mountains above the Kunar Valley. Our vantage point was but a little window on a war that is being waged in anonymity. Battles are fought, but no one on the outside hears of them, and if they do, it is not until months later. The Afghan rebels do not have radio communications. They rely on hand-carried letters to inform each other and the world of their victories and defeats.

Yet the final outcome of the struggle will certainly affect the United States. With Iran, our former ally, now controlled by the ayatollahs, the invasion of Afghanistan threatened an already precarious balance of power in the Persian Gulf region. The Soviet presence there places the U.S. at a strategic disadvantage, and it closes the distance between the Russians and the Arabian Sea, which supplies much of the West's oil.

The Russians in Afghanistan have the big guns and the mobility, while the weapons of the Afghans are primitive by the standards of modern war. They use old bolt-action Enfield rifles, aging submachine guns and copies of modern Soviet automatic weapons manufactured by village gunsmiths. When the Soviets send their fighter bombers out to search for targets, the rebels can only hide behind boulders or blend into the countryside with their simple cotton garments.

Yet the Russians are suffering heavy casualties. What began as a small operation has become a quagmire nearing the proportions of America's adventure in Vietnam.

The Afghan rebels reject the analogy to Vietnam, as they do comparisons with all other modern insurgents. "We derive our strength from Allah and our knowledge from the Holy Koran." said Husain Ahmad, an intense, dark-eyed rocketeer.

The 23-year-old Husain is a devout Moslem, like all the other Afghan rebels. They call themselves *Mujahidin*, warriors of Allah, and they see the Soviet troops as representatives of godless communism.

In moderately good English learned at Kabul University—before the Russians sent him into the hills—Husain explained that the resistance is a *jihad*, a holy war. "We will willingly die for our cause," he said.

"I fight for God and country," said Imamul Haq, 18, an infantryman in the *Mujahidin* group. "Russian soldiers are dangerous to all Moslems. I think I have killed three or four Russian soldiers in fighting along the highway, but we never get close enough to find out for sure. It is very difficult to take Russian soldiers prisoner. My friends tell me that when they have got close enough to capture them, the Russians would shoot themselves rather than be captured. We used to execute Russian prisoners, but now we are under instructions to keep them prisoner."

Everywhere—among boys as young as 14, as well as the graybearded and bent—we discovered this same enthusiasm for the struggle.

This religious fundamentalism disturbs some observers, who fear the rise of an Afghan Khomeini, should the Russians eventually be driven out. But the rebels insist that the *mullahs*, or religious leaders, would not be permitted to play a political role in any Islamic government in Afghanistan—unlike neighboring Iran.

The devoutness of the rebels was always apparent to us. They first gathered for prayer at dawn, under a shelf of rock. In all, they stopped to pray a half-dozen times each day, prostrating themselves on the ground.

They also adhered strictly to the social tenets of the Koran. We met no women with the fighting forces. The rebel fighters were modest about their person, again an injunction of the Koran. They were always fully dressed, even in the heat of the day. When they bathed, they made sure they were alone and concealed inside a shower stall built of rocks into which stream water had been piped through a hollow bamboo.

Our diet was as bare as the landscape. It usually consisted of a flat corn bread called *nan* cooked on a griddle, sometimes supplemented with boiled red beans or a simple candy made of raw sugar.

When Hille started complaining about the lack of meat, I had to agree. We had noticed a small farm down the valley, and from there we were able to make a dramatic addition to our diet: PARADE magazine bought a goat for $50. The camp butcher dressed it and served us the first cuts, thick kebabs on a skewer broiled over an open fire. Later meals included soups, stews and ribs. That goat fed the whole camp for three days.

The Russians were always spying on the terrain from above. During our first day in camp, some fighter bombers peppered us with bombs but, fortunately, that day there were no injuries. Each day after that, we ventured down to the highway, watching from the safety of large rocks the Soviet Mi-24 helicopters droning overhead. We carried brown blankets like Mexican serapes to throw over ourselves as camouflage if caught in the open. Happily, we never had to use them.

The Russians' strategy is to hold the power centers in the cities while trying to build up the government and the Afghan Army. They have been unsuccessful in both aims so far.

Nowhere in Afghanistan are the rebels adequately armed or organized enough to attack major Soviet or government positions. But they are bold enough to attack the convoys sent to resupply the government soldiers in the mountains, and it is in these actions that the Russians are being punished.

The Russians come up the Kunar Valley highway two or three times each month, and our Afghan hosts are always waiting for them. There is no set pattern to the journeys. The Russians never move at night, but from dawn there is always the possibility of their appearance.

The rebels are like sitting ducks as they wait for the convoys. The rocketeers hide behind large rocks only 60 feet from the highway, relying on the twisted watercourses for escape after they have fired their salvos. At least 15 heavy tanks, trucks and armored personnel carriers escort the convoys. At most, the guerrillas can knock out three or four, leaving all the others to counterattack.

The commander of our unit, Niani Tola, 29, promised us action. Hille and I climbed up the cliff face to foxholes 800 yards above the highway. It was from here that tracer fire had been traded the night we arrived. An inspection showed hundreds of indentations in the rocky walls around us—hits by the high-caliber weapons defending the convoys. "The Russians come up the road to prove that they can still control Afghanistan, that the *Mujahidin* have no power," said Amir Seb, 27, a machine gunner in the rebel group. "But we prove otherwise, that we can stop them. That's why you see no traffic on the highway, none of any kind."

I asked Commander Tola what we were to do when the armed helicopters swooped to attack.

"Just press against the wall like this," he said. "The Russians are very poor shots."

But what if the Russians got lucky? The rebels' medical assistance is comparable to

that of Revolutionary War America. Assisting a 200,000-man rebel army are 12 French medical teams of two doctors each and two or three Afghan medicos. There is additional help in refugee hospitals across the Pakistan border, but it can take 12 days to reach one. In Afghanistan, therefore, a wound in the head, chest or stomach means almost certain death. A hit in the extremities means gangrene and eventual amputation. The border hospitals are crowded with former rebels hobbling on makeshift limbs. Our unit had no first-aid supplies.

The longer we stayed with the rebels, the more I marveled at their calm acceptance of risk. The small band admitted to 48 of their number being killed fighting the Russians on the highway in the previous two years.

Still, there is ample reason to believe that the Russians bit off much more than they could chew when they came into Afghanistan. Western intelligence sources estimate that the Russians have taken 12,000 to 15,000 casualties since they entered the country.

The Soviet Union has power far beyond that of the 100,000 or more soldiers it is using in and around Afghanistan. But to use this power is to further stir antagonism generated in the Moslem world by the original invasion. To go after the rebels in search-and-destroy operations, as did the Americans in Vietnam, is to invite publicity and losses that at this point the Soviets seem unwilling to take. They would have to struggle across terrain that favors the defender. And, after visiting with our band of rebels, I do not doubt that the Russians would have to kill every one of them to end the threat to the Kunar Valley highway.

But while the Russians may well be frustrated in their grand design, so are the rebels similarly hamstrung. Everywhere we went, there were questions about the West's seeming indifference to Afghanistan's struggle. Money and support is reaching the rebels from the Pakistan government, which is receiving increased American aid, but this is barely enough to keep the resistance alive, particularly now that winter is enveloping valleys whose fields have been razed by war.

"We are helpless and alone," said Tola, "but we will fight on. We will eventually liberate our country at any cost. We will fight a lifetime. No one can predict when the Russians will withdraw. What we need is anti-aircraft rockets to bring down the Russian planes, but no one gives us any."

Husain Ahmad and the others asked what America was doing. "The Reagan Administration is convinced that a dialogue with the Soviet Union over Afghanistan is still possible," Ernestine Heck, an officer at the State Department's Afghanistan desk later told me. "Unlike Poland, where Soviet intentions are unbreakable, the United States does detect a Soviet willingness to eventually leave Afghanistan to its traditional neutrality." That hope may have been modified, however, when the new Soviet leader, Yuri V. Andropov, reiterated in December Moscow's intention to remain in Afghanistan until its objectives are achieved, calling Western hopes for an early withdrawal "illusory."

In the meantime, the struggle continues. We took leave of our Afghan hosts, crossing the battle-pocked highway and fording the Kunar River again on our return march to the Pakistan border.

Looking back, I wondered if the young Russians manning the tanks that would sooner or later come up that road were as dedicated to their cause as the young Afghan rebels in the hills. To win in Afghanistan, they would have to be.●

THE CONFIRMATION VOTE OF MARGARET M. HECKLER AS SECRETARY OF HEALTH AND HUMAN SERVICES DEPARTMENT

● Mr. DOMENICI. Mr. President, while the Senate was recording the vote for Margaret Heckler, I was unavoidably detained and missed the vote. The overwhelming chorus of support for her (82 to 3) reflects my feelings and confidence in her ability to lead the organization with the third largest budget in the world.

By this statement, I am simply making my endorsement for her public and part of the record. It is my intention to work closely with her on many difficult budget and substantive issues now in her capable hands. I regret not having been present for the vote. I am proud to be on record as strongly in favor of her appointment to the President's Cabinet, making this the first Cabinet in history to have three women as members.●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, as I announced earlier in the day, it is my hope that the Senate now will proceed to the consideration of H.R. 1296. It is clear, however, that because of an amount of business the Senate has already transacted—which I may say, by the way, is a fair amount of business for this hour in the day—those who would be on the floor to manage the next matter appear not to be ready.

It is my intention in a few moments, unless there is some reason to stay in session, to ask the Senate to recess until 3:30 p.m. I apologize to Members for that. It is not a good utilization of time, but it does not appear that we will now be able to do that.

Mr. President, there is a messenger at the door, and my expectation is that this is the PIK bill. So that we will be free to deal with that, which I would choose to do so in the manner I suggested or in some other way. I think it might be wise to admit the messenger at this time.

Mr. President, I yield so that the Chair may admit the messenger with a message from the House.

The PRESIDING OFFICER. The Senate will receive a message from the House of Representatives.

MESSAGES FROM THE HOUSE

At 3:03 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes; and

H.R. 1310. An act to provide assistance to improve elementary, secondary, and postsecondary education in mathematics and science; to provide a national policy for engineering, technical, and scientific personnel; to provide cost sharing by the private sector in training such personnel; to encourage creation of new engineering, technical, and scientific jobs; and for other purposes.

The message also announced that pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Speaker appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. BONIOR of Michigan and Mr. PACKARD.

RECESS UNTIL 3:30 P.M.

Mr. BAKER. Mr. President, as I indicated earlier, it does not look like the parties who are going to manage this measure are ready. At least one of the principals involved is not here and will not be for a few moments.

I ask unanimous consent that the Senate stand in recess until the hour of 3:30 p.m.

There being no objection, the Senate, at 3:04 p.m., recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COCHRAN).

QUORUM CALL

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 82 AND H.R. 1296

Mr. BAKER. Mr. President, what I want to do at this time is to propound a unanimous-consent agreement in respect to H.R. 1296, the agriculture payment in kind bill, the PIK bill so-called. I hope this agreement will be satisfactory to all Senators.

First, Mr. President, I ask unanimous consent that Senate Resolution 82, the budget waiver which accompanies that bill, may be proceeded to on a 1-minute time limitation equally divided; that no amendment to the budget waiver be in order.

Further, I ask unanimous consent, Mr. President, that after the disposition of Senate Resolution 82, the budget waiver, the Senate immediately

proceed to the consideration of H.R. 1296, which is on the calendar as a message from the House of Representatives, and that on that bill there be a time limitation overall of 30 minutes to be equally divided and controlled by the distinguished chairman of the Finance Committee (Mr. DOLE) and the minority leader or his designee.

Mr. President, I further ask unanimous consent that only two amendments be in order to H.R. 1296, one being the Finance Committee substitute amendment in the nature of a committee amendment, which is the text of S. 690 as reported by that committee, and the second would be a Kasten amendment dealing with withholding on interest and dividends which would be offered and withdrawn.

Mr. President, that is the request.

Mr. BYRD. Mr. President, there are no objections on this side. If the order is entered, I designate Senator BAUCUS to control the time on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 82) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 690 and H.R. 1296.

The PRESIDING OFFICER. Is there objections to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BYRD. Mr. President, will the majority leader yield?

May we have an understanding that if a rollcall vote is ordered on this measure in any way, shape or form, that the rollcall be put over until tomorrow?

Mr. BAKER. Yes, Mr. President, I make that request.

Mr. BYRD. I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, I am authorized by the chairman of the Budget Committee to say that he supports the passage of Senate Resolution 82 in consideration of H.R. 1296.

Mr. President, I yield back the time remaining.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BAUCUS. Mr. President, I yield back the remainder of the time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution.

The resolution (S. Res. 82) was agreed to, as follows:

S. RES. 82

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 690, a bill to amend the Internal Revenue Code of 1954 with respect to diversions of farmland under programs operated by the Department of Agriculture, and with respect to the consideration of H.R 1296, an Act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes. Such waiver is necessary in order to enable farmers to enroll in the payment-in-kind program for the 1983 crop year.

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

The PRESIDING OFFICER. Under the previous order the clerk will now state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1296) relating to the treatment for income and estate tax purposes of commodities received under the 1983 payment-in-kind programs and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I should like to put a statement in the RECORD, and then I will be happy to yield. In fact, I intend to yield the floor.

Mr. President, I am pleased that the Senate is considering this legislation, which is intended to solve a number of Federal tax problems that have arisen under the administration's payment-in-kind program. It is of interest to farmers, and it is very important because we are facing a signup deadline of March 11.

Many farmers in my State and other States are reluctant to go into the program. Some of them are in the program now and will come out unless Congress acts quickly.

I want to relinquish the management of this bill to the distinguished junior Senator from Iowa (Mr. GRASSLEY), along with Senator JEPSEN. Senator GRASSLEY is a member of the committee. Senator JEPSEN was the first Member of the Senate to introduce legislation on this subject, S. 446, which was introduced on January 25 of this year.

Mr. President, the success of the administration's payment in kind or PIK program is of the greatest importance to this Nation's farmers. Judging from initial reports on registration for the program, PIK could well have a price-enhancing effect for cotton and rice producers, and could hold the line against any deterioration of crop values during the 1983 wheat and feed grain harvests.

PIK TAX PROBLEMS

The PIK program is designed to give farmers surplus grain and other commodities in return for their agreement to withdraw farmland from active production and devote that farmland to a conservation use. The tax problems that may discourage some farmers from participating in this program arise from the fact that the tax law generally treats a farmer growing crops differently from a farmer who receives and sells crops that he did not actually grow. The bill approved by the Finance Committee, and the bill passed by the other body, both would treat the recipient of a PIK crop payment as if he had actually grown the crop, for purposes of Federal income and estate taxes. Enactment of such legislation will not only embody sound tax policy, but will also be of invaluable assistance to the administration's efforts to encourage participation in this important program.

ISSUES NOT REQUIRING LEGISLATION

The Senate committee bill differs from the House bill in several respects, many of which relate to the fact that while the House was working on this legislation at the subcommittee level, the Senator from Kansas along with several other Senators were studying whether all of the tax issues that arose under the PIK program needed legislative solutions, or whether some were within the authority of the IRS to resolve by ruling or regulations. We concluded that the income-tax issues addressed by the various PIK bills—including whether income must be recognized immediately upon receipt of a PIK payment—cannot easily be resolved without legislation. But we thought that the estate-tax issues, relating to the special estate-tax provisions available for active farm businesses, could be resolved administratively.

Accordingly, this Senator did not only join in sponsoring and supporting PIK legislation but also wrote to IRS Commissioner Roscoe Egger urging him to issue an expedited ruling, clarifying that PIK participation will be treated as if the participants were actively growing crops, for purposes of the estate tax.

I would like to include in the RECORD a copy of the letter I sent to Commissioner Egger on February 22, 1983. Joining me in that letter were Senators JEPSEN, KASSEBAUM, WALLOP, and GRASSLEY. I wish to thank them again for joining me in that ruling request.

We were all pleased when the IRS issued a press release on March 1, as we had asked, responding favorably to our request for clarification that the estate-tax concerns that had worried some farmers were, in fact, no cause for concern at all.

Accordingly, the Finance Committee bill, which was approved after the is-

sance of this clarification of current law, takes a slightly different perspective and, therefore, is drafted somewhat differently. Largely, the Finance Committee bill simply codifies the IRS statement that current law treats, participation in all the agricultural diversion programs as active farming for all purposes of the Internal Revenue Code and the Social Security Act. Since the bill merely restates current law in this respect, it does not limit its rule to land owned on February 23, 1983, the so-called antiabuse rule contained in the House-passed bill. Also, this rule does not sunset after 1 year, as would the House-passed bill.

The Finance Committee bill also differs slightly in the way it would solve the only two major tax problems that do require legislative changes. In essence, the two bills reach the same substantive result, except that the Finance Committee bill has no sunset provisions and no limitations with respect to the date when PIK program land was acquired.

Mr. President, the Finance Committee approved its own bill, S. 690, and also approved an identical committee amendment to the House-passed bill. I hope the Senate will approve this important legislation.

I ask unanimous consent to have printed in the RECORD the letter to which I referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., February 22, 1983.

Hon. ROSCOE L. EGGER, Jr.,
Commissioner, Internal Revenue Service, Washington, D.C.

DEAR COMMISSIONER EGGER: The Congress will soon be considering legislation to remedy a number of tax problems that may unfortunately discourage many farmers from participating in the Agriculture Department's Payment-In-Kind (PIK) program. Several bills have been introduced in both the Senate and the House which are intended to treat the recipient of a PIK crop payment as if he had actually grown the crop, for purposes of Federal income and estate taxes.

It is our understanding that the income tax issues addressed by these bills (including whether income must be recognized immediately upon receipt of a PIK payment, and a number of technical issues pertaining to the marketing of PIK payments by cooperatives) cannot easily be resolved without legislation. In our view, however, the estate tax issues, pertaining to whether a farmer's participation in the PIK program will disqualify him from the special estate tax valuation and payment rules of Code sections 6166 and 2032A, could be resolved administratively by issuance of an IRS ruling interpreting those provisions.

The special use estate tax valuation rules of section 2032A, and the delayed estate tax payment rules of section 6166, were intended by Congress to prevent the generally applicable estate tax rules from forcing the liquidation of family farms and other closely held businesses solely to pay estate taxes. In the case of a farm, these provisions generally require as a condition of eligibility that taxpayers be actively engaged in the business of farming.

In our view, it would be consistent with the legislative intent underlying sections 2032A and 6166 for the IRS to view participation in the PIK program as qualifying the participant for all of the benefits accorded to farmers engaged in actively growing crops under these provisions. Issuance of such a ruling would not only reflect sound tax policy, but would also be of invaluable assistance to the Administration's efforts to encourage participation in the PIK program.

As you may know, because of the March 11, 1983 deadline for farmers to sign up for the PIK program, time is of the essence in our efforts to resolve the tax problems associated with this program. Accordingly, we would strongly urge you to issue a ruling at the earliest possible time, clarifying that PIK participation will be treated as if the participant had actually grown the crops received through the PIK program, for purposes of the Federal estate tax. If it is not possible to issue a ruling expeditiously, we would strongly urge you to issue a press release announcing that a favorable ruling on this issue will be forthcoming. Ideally, such a ruling or press release would be issued by March 1, 1983, in order to allow time for farmers to learn of it.

We appreciate very much your attention to this tax matter of critical importance to the American farmer.

Sincerely,

BOB DOLE, *Chairman.*
ROGER W. JEPSEN.
MALCOLM WALLOP.
NANCY LANDON KASSEBAUM.
CHUCK GRASSLEY.

Mr. MATHIAS. Mr. President, will the Senator yield to me?

Mr. DOLE. I yield.

Mr. MATHIAS. I appreciate the Senator's yielding. I will just take a few moments. This is a subject close to the heart of the chairman of the Finance Committee.

Mr. President, for well over a month Members of Congress have been waging a losing battle to keep their heads above water as wave after wave of mail on the withholding of income taxes on interest and dividends has rolled into our mailrooms. Last week the volume reached tidal-wave proportions.

The vast majority of this mail consists of printed cards and form letters distributed by financial institutions to their clients with the request that they sign and mail them to their representatives in the Congress. Some of the letters from financial institutions to their clients have been perfectly factual and straightforward; others, regrettably, have misrepresented the effect this legislation will have on investors. The result is that many of those who are writing us are frightened. They are in doubt about what withholding will mean to them in bread-and-butter terms. So we cannot ignore their expressions of concern. We must answer them.

The question is how?

By the middle of February, the Senate Finance Committee estimated that it has received nearly 200,000 letters and cards on this issue; my colleagues from Pennsylvania had received more than 150,000, and I myself had received more than 20,000.

Since then, the volume has grown. The House Post Office has had to hire 20 additional employees to handle its mail; the Senate Post Office has twice had to ask the main post office to presort Senate mail, once from February 2-15 and again from February 23-28. Twenty people were needed to do the job at peak times. Throughout the month of February, deliveries to the Congress from the post office were four times their normal size. Normally, about 30,000 items are received daily. This February at the peak 120,000 items were received.

March, too, came in like a lion. Last Friday, the Senate Post Office received more mail in its first delivery than it normally receives in an entire day. That day, my office received 15,000 preprinted cards from a single bank in Maryland. And, at latest count, even if the campaign were to stop tomorrow, we estimate that we will ultimately respond to between 50,000 and 60,000 items of mail on this issue alone.

When you consider that Maryland is a relatively small State and that this campaign is nationwide, the magnitude of the problem begins to emerge. Responding to these letters and cards is not merely a logistical problem; it is a dollars and cents problem. At a modest estimate, answering these cards and letters through the CMS system would cost the Congress and, therefore, the American taxpayers, several million dollars. In these days when prudent fiscal management of Federal operations is so important, it is incumbent upon us to do all we can to reduce these costs.

We cannot ignore these letters. Whether or not they are prefabricated, the very fact that citizens have taken the trouble to mail them in reflects a level of concern that deserves a response.

But we can and we must respond as economically as possible. Answering 10,000 items of this mail with CMS letters in envelopes costs $7,286; answering the same number with an offset printed self-mailer letter sent at the bulk rate costs $1,119. An individual self-mailer sent at the bulk rate costs 9.3 cents as opposed to 20 cents for first-class postage. It does not take a gift for mathematics to read the message here.

Mr. President, I have a cost analysis chart, prepared by the technical services section of the Rules Committee, which estimates these costs per 10,000 items. I ask unanimous consent that it

be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MATHIAS. Mr. President, in the interest of saving the taxpayer money, in the interest of keeping abreast of the mail, in the interest of not overloading the CMS system and the Service Department, I urge my colleagues to answer their mail on this issue by using a "Dear Friend" offset letter and sending them bulk rate.

Mr. DOLE. Does the Senator suggest that we use a "Dear Friend" letter?

Mr. MATHIAS. To our constituents.

Mr. President, my purpose today is purely and simply to urge this economy upon you. But having raised the subject, I cannot leave it without touching on other aspects of the problem that have no obvious solution but that portend trouble.

The right of the people "to petition the Government for redress of grievances" is so basic to our concept of democracy that it is enshrined in the first amendment to the Constitution. It is a right that elected officials in a democratic society must nurture and protect if government is to remain representative.

But we have now arrived at a curious juncture in history where the first amendment right to petition government is actually threatened by the vastly enhanced ability of citizens to communicate their views to their representatives.

The days when quill pen spoke to quill pen are long gone. Indeed, typewriter no longer even speaks to typewriter. Computer speaks to computer now. And that has revolutionized communications. Computer technology has made it possible for citizens to deluge Congress with expressions of their views with no more effort than it takes to lick a stamp—something not that much effort. But, ironically, the more our constituents communicate with us, the less well we are able to respond to them.

In recent days in my mailroom we have not been able to sort the withholding tax mail into pros and cons. This, of course, defeats the purpose of petition.

But what troubles me the most about the computerized mail campaigns that periodically throw sand in our gears is that they slow to almost a standstill in the sorting and processing of all mail. So far, this has had no tragic consequences as far as I know. But, I fear the day is not far off when some desperate cry for help will be stifled in an avalanche of computer-printed letters and cards. I hope I am not around the day a caseworker, following up on such a letter—surely it will have been laboriously handwritten—is told "you're too late to help."

EXHIBIT 1

COST ANALYSIS FOR (10,000 COPIES, 8½"x11")

	Dear friend letters camera ready		CMS letters in envelopes
	Self mailer	Inserted	
Service department costs:			
Direct labor	$33.02	$57.45	$74.80
Fold, Insert, sign (hours)	3	5.5	7
Direct material: Ink, paper, plates	$49.69	$176.99	[1]$146.40
Overhead: Depreciation, indirect labor	$29.14	$53.17	$65.73
Subtotal	$111.85	$287.61	$286.93
Computer center costs:			
Label production	$78.00	$78.00	0
CMS production	0	0	$5,000.00
Postage costs:			
Third class, bulk sort	$930.00	$930.00	0
First class mail	0	0	$2,000.00
Total costs	$1,119.85	$1,295.61	$7,286.93

[1] Envelopes only.

Mr. DOLE. Mr. President, this matter is of importance. I appreciate the comments of the distinguished Senator from Maryland. I understand that the Senator from Wisconsin would like to discuss the amendment.

At this time, I yield to the distinguished Senator from Iowa (Mr. GRASSLEY), along with Senator JEPSEN, who have been in the forefront of this effort, together with Senator WALLOP, Senator BAUCUS, and others who are on the floor.

There are a number of Senators on both sides who have a deep interest in this legislation. I hope we move it quickly. I see no reason for a rollcall vote.

The Senate amendment as a substitute extends the tax rules beyond 1 year. The PIK program, of course, extends beyond 1 year. The House bill has only a 1-year provision, so the Senate approach is more appropriate.

I yield to the distinguished Senator from Iowa.

UP AMENDMENT NO. 24

(Purpose: To provide a committee substitute)

Mr. GRASSLEY. Mr. President, I send to the desk a committee amendment as a substitute for the House bill.

The PRESIDING OFFICER. The committee amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY) proposes an unprinted amendment numbered 24, in the nature of a substitute.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agricultural Land Diversion Tax Treatment Act of 1983".

SEC. 2. TAX TREATMENT UNDER AGRICULTURAL DIVERSION PROGRAMS.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1954 (relating to provisions affecting more than one subtitle) is amended by adding at the end thereof the following new section:

"SEC. 7872. SPECIAL PROVISIONS RELATING TO AGRICULTURAL DIVERSION PROGRAMS.

"(a) COMMODITIES UNDER PAYMENT-IN-KIND PROGRAM TREATED AS GROWN BY PARTICIPANT.—

"(1) IN GENERAL.—For purposes of this title—

"(A) in the case of a commodity received under a payment-in-kind program—

"(i) a qualified taxpayer shall not be treated as having realized income when such taxpayer receives such commodity under a payment-in-kind program, and

"(ii) the unadjusted basis of such commodity in the hands of such taxpayer shall be zero, and

"(B) any commodity received under a payment-in-kind program shall be treated as if it were produced by the qualified taxpayer.

"(2) AMOUNTS RECEIVED BY THE TAXPAYER AS REIMBURSEMENT FOR STORAGE.—A qualified taxpayer reporting on the cash receipts and disbursements method of accounting shall not be treated as being entitled to receive any amount as reimbursement for storage of commodities received under a payment-in-kind program until such amount is actually received by the taxpayer.

"(3) COMMODITY CREDIT LOANS TREATED SEPARATELY.—Paragraph (1)(A) shall apply to the receipt of any commodity under a payment-in-kind program separately from, and without taking into account, any related transaction or series of transactions involving the satisfaction of loans from the Commodity Credit Corporation.

"(4) RECEIPT INCLUDES RIGHT TO RECEIVE, ETC.—For purposes of this subsection, a right to receive (or other constructive receipt of) a commodity shall be treated the same as actual receipt of such commodity.

"(b) LAND DIVERTED UNDER QUALIFIED DIVERSION PROGRAMS.—

"(1) IN GENERAL.—For purposes of this title, in the case of any land diverted by a qualified taxpayer from the production of an agricultural commodity under a qualified diversion program, such land shall be treated as used by such qualified taxpayer in the active conduct of the trade or business of farming.

"(2) MATERIAL PARTICIPATION.—For purposes of section 2032A (relating to valuation of certain farm, etc., real property) and chapter 2 (relating to tax on self-employment income), only qualified taxpayers who materially participate in the diversion and devotion to conservation uses required under a qualified diversion program shall be treated as materially participating in the operation of such land as a farm during the period such land is required to be so diverted.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED DIVERSION PROGRAM.—The term 'qualified diversion program' means any program—

"(A) under which the Secretary of agriculture (or his delegate) provides a benefit to a person in return for—

"(i) the diversion of farm acreage from the production of an agricultural commodity, and

"(ii) the devotion of such acreage to conservation uses, and

"(B) which the Secretary of Agriculture certifies to the Secretary as being described in subparagraph (A).

"(2) PAYMENT-IN-KIND PROGRAM.—The term 'payment-in-kind program' means any qualified diversion program under which the benefit described in paragraph (1)(A) is a payment-in-kind of any agricultural commodity.

"(3) QUALIFIED TAXPAYER.—The term 'qualified taxpayer' means any producer of agricultural commodities (as determined under the applicable qualified diversion program) who receives any benefit in return for meeting the requirements of clauses (i) and (ii) of paragraph (1)(A).".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subchapter C of chapter 80 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 7872. Special provisions relating to agricultural diversion programs.".

(2) Subsection (b) of section 521 of such Code (relating to applicable rules for exemption of farmers' cooperatives from tax) is amended by adding at the end thereof the following new paragraph:

"(6) CROSS REFERENCE.—For tax treatment of agricultural commodities received under a payment-in-kind program, see section 7872.".

(3) Subsection (j) of section 1388 of such Code (relating to definitions and special rules involving cooperatives) is amended—

(A) by inserting "(1)" before "For provisions", and

(B) by adding at the end thereof the following new paragraph:

"(2) For tax treatment of agricultural commodities received under a payment-in-kind program, see section 7872.".

(4) Paragraph (1) of section 211(a) of the Social Security Act is amended by inserting before the semicolon at the end thereof the following: ", except that the owner or tenant shall not be treated as materially participating in the operation of any land during the period such land is diverted from agricultural use under a qualified diversion program (within the meaning of section 7872(c)(1) of the Internal Revenue Code of 1954) unless the owner or tenant materially participates in the diversion and devotion to conservation uses required under such program".

SEC. 3. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this Act shall apply with respect to any tax imposed by the Internal Revenue Code of 1954 with respect to which the period for the assessment of a deficiency, or the filing of a claim for credit of a refund, is not barred by any law or rule of law on March 1, 1983.

(b) EXTENSION OF TIME FOR ASSESSMENT OF DEFICIENCY OR FILING A CLAIM.—If subsection (a) applies and the assessment of any deficiency of any tax (to the extent attributable to the amendments made by this Act), or the filing of a claim for credit or refund of such tax (to the extent so attributable), would be prevented, but for the application of this subsection, before March 1, 1984, by any law or rule of law, then such deficiency may be assessed, or such claim for credit or refund may be filed, at any time before March 1, 1984.

(c) SECTION 6166 OR 6166A.—In the case of section 6166 of the Internal Revenue Code of 1954 or section 6166A of such Code (as in effect before its repeal by the Economic Recovery Tax Act of 1981), the amendments made by this Act shall apply to the amount of any tax imposed by section 2001 of such Code remaining unpaid as of March 1, 1983.

(d) SOCIAL SECURITY ACT.—The amendments made by paragraph (4) of section 2(b) of this Act shall apply to income derived from any trade or business carried on after December 31, 1953.

Mr. GRASSLEY. Mr. President, first, I wish to extend my congratulations to Senator DOLE for moving this legislation very quickly.

Senator WALLOP and I had hearings, with the consent of Senator DOLE who recognized this as a major problem, to make a payment-in-kind program work. I also wish to recognize the awareness of this problem by the senior Senator from Iowa and his response to the problem by introducing the first bill in the Senate on this subject, which I cosponsored.

There were others who played an important part in this matter. I see the Senator from Montana in the Chamber, and I recall his participation in the hearing as one example of the many Senators who have been involved in bringing this matter to the forefront.

I also extend my congratulations to the leadership in the other body for bringing it to our attention as well.

Mr. President, there is a general recognition that without the passage of this legislation, participation in the PIK program—the payment-in-kind program—will not be what it should be for that program to be a success. Having farmers sign up for the program is important in reducing acreage and having our surplus of feed grains and wheat reduced so that the present overhang on the market, which is a depressant on the price, is removed.

The tax consequences would be such that if this legislation were not passed, it is possible that farmers would have to declare as income their payments in kind received this year. This legislation is necessary so that the marketing patterns of farmers can be pursued as they otherwise would be as if this grain had been raised.

This legislation specifically deals with the deferral of income problem. The concept employed in our bill treats a crop as income when the farmer, himself, through his own management decision, decides to market that grain. This is the current rule, and it will remain the same whether it is grain grown or grain received through the PIK program. Our bill addresses the problem of the deferral of corn storage payments for onfarm storage, which the House bill does not discuss.

It also solves some of the estate tax problems, because participation in PIK, puts in question the extent to which an individual farmer might qualify for special use valuation.

In regard to this provision, our Senate bill is exactly like the announcement that was recently issued by the Treasury Department to define and clear up the estate tax issues. To avoid any possible confusion, we felt it was necessary to put this language in the bill.

Also, our bill conforms the material participation rules of the estate tax to be consistent with the SECA tax rules. The bill will take effect for the current PIK program and stay in effect indefinitely. For clarifying the estate tax rules, the bill is retroactive to the effective date of the relevant 1976 estate tax changes.

There are minor differences between the Senate version and the House version. The House bill would sunset the provisions of their legislation after 1 year. The Senate provisions are permanent.

The House provisions also have what they refer to as an antispeculation provision, that eliminates anybody who did not own their land as of February 23, 1983, from receiving favorable tax treatment as a result of this legislation. It also has an additional, unrelated item that we do not include in ours—a tax exemption for a specific farm organization.

So with this explanation of the problem, and an explanation of the differences between the House and the Senate provisions, I should like at this time to yield to the senior Senator from Iowa, who has worked very closely with me on this matter and, as I stated previously, introduced the first legislation on this subject.

Mr. JEPSEN. Mr. President, the legislation that we are considering this afternoon is of the utmost importance to the financial survival of America's 2.4 million farm families.

The Department of Agriculture payment-in-kind program, designed to enhance farm income by effectively reducing the price of the depressing burdensome stocks, is in serious jeopardy.

This PIK legislation we are debating and are about to pass, I hope unanimously, and very quickly here so that it can move over to the House of Representatives, again hoping the House of Representatives will move yet today so that we can process this and receive assurance from the White House that it will be signed into law and then communicated to the farm community in this country which must be done by no later than noon tomorrow in order to save this program because major financial decisions are being made right now.

And it is for this reason that several of us introduced legislation to address some of the questions raised in the PIK program and to help the program be effective, and we did so a long time ago.

The thrust of this legislation we have before us this afternoon is to avoid any adverse tax circumstances or

consequences to farmers who participate in the PIK program.

While there are some differences between the pieces of legislation introduced, proponents of the bills, both in the Senate and the House of Representatives, want to suspend the taxation of PIK commodities until they are sold. They want to qualify farmers for special use valuation of lands in the PIK program. They want to allow heirs of family farms to place their lands in the PIK program without loss of special use valuations, even if the original owner of the land was not a PIK participant. They want to clarify the ownership of PIK commodities by a cooperative and several other common-agreed-to concerns.

In essence and in brief, this legislation will treat farmers as if they had actually produced the commodities on the acreage diverted from the agriculture use under the PIK program, and that is very simply stated in a one-liner what this PIK proposal is all about.

It is absolutely essential to the farm economy and the immediate future and the long-range future that this is passed, and for the success specifically of this program with the deadline for sign up being Friday of this week, March 11, we have to communicate the assurance and the message that this PIK program and the payment-in-kind as a result of this program will be treated by the IRS as if the farmers had actually produced the commodities on the acreage themselves.

That is the name of the game, and that is what this bill is all about.

Mr. ANDREWS. Mr. President, will my colleague yield?

Mr. JEPSEN. I yield.

Mr. ANDREWS. Mr. President, I wish to commend my colleague and good friend from Iowa on the great job he has done in pushing this program to the floor.

It is extremely important to those of us from agricultural States. Yes; it is extremely important to the entire Nation's economy because without the PIK program moving forward the problems on the farm are only to be accentuated.

Now, as my colleague from Iowa realized, this is a fix that has to be done immediately. Time is of the essence.

We had to wait until we got the bill over from the House of Representatives to act on it this afternoon.

But my friend from Kansas, the chairman of the Finance Committee, and I have been talking about this bill, and I wish to make it crystal clear, if I might, that while we are in fact bypassing this legislation treating the grain the farmer gets under PIK as though it were grain that was grown and it will be taxed only when he sells it, there is another problem that we cannot address, given the way the bill came to us from the House of Representatives, and my colleague, the chairman of the Finance Committee, said that he will look into that as expeditiously as possible.

As my good friend from Iowa knows, in the case of farmer Jones who has a PIK contract and he is going to be paid 10,000 bushels of wheat or 10,000 bushels of corn, that corn or wheat is going to come from grain that is under store on his farm, and when that grain is taken out of store and given to farmer Jones as his PIK payment that grain will not then be taxed but it will be taxed when it comes out of the store so if he is a farmer who has chosen not to treat his loan as a cash sale in the year it is taken out he will then have to pay tax on that grain.

The PRESIDING OFFICER. If the Senator will suspend, the time yielded to the Senator has expired.

Mr. JEPSEN. Mr. President, I ask unanimous consent that I may yield such additional time as the Senator requires.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDREWS. Mr. President, I think it is an extremely important point to let our farmer friends realize that we are not unaware of this.

Mr. President, if I could yield to the distinguished chairman of the Finance Committee, I think he would inform the body of the agreement that he has entered into, that they will in fact look into this problem as expeditiously as possible.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ANDREWS. I am delighted to yield.

Mr. DOLE. Mr. President, I might say this is a matter Senator ANDREWS raised with me last week. I took it to the staff level. We checked it with Treasury. We could not find a solution, but it is a real problem.

I do not know how many farmers it may affect. If it affects 50 adversely it should be corrected. They should not be discriminated against because the PIK payment is made with their own grain.

I asked my staff again to check not only with Treasury but with the USDA to see if we could address this problem very quickly, but we could not get it done in time today. We thought it better to go ahead with the bill in its present form.

I think the Senator from North Dakota raises a good question and makes a good point, as he normally does, and I appreciate the fact that he raises it on the Senate floor, so that the RECORD will clearly indicate that we have a problem but are not certain yet how we will address it. It may not be a large problem; it may be a minimal problem. But it is one that we will address at the staff level working with Treasury and the USDA and be back to the Senate as quickly as we can.

Mr. ANDREWS. Mr. President, I appreciate the assurance of the chairman of the Finance Committee that that will be addressed, and I totally associate myself with the views of our colleague from Iowa, Senator JEPSEN, that timeliness is the key and because this bill came to us from the House of Representatives in the form it came from them and because it addresses 75 or 80 percent of the problem of income-tax-related problems in the PIK program, I think it is important that we do not take a look at trying to amend it which would only delay it now but that we accept the generous and thoughtful offer of the chairman of the Finance Committee to look into it and try to solve this additional problem.

Mr. BAUCUS. Mr. President, the Senators preceding me aptly described the problem. We are trying to make PIK work.

I think we should give PIK a chance to work, but certainly the Treasury Department's previous ruling regarding PIK's potential tax consequences—both income tax consequences and estate tax consequences—could deny PIK that chance. PIK will not work if a farmer it treated as receiving income when he receives a warehouse receipt for acreage he set aside, and certainly PIK will not work if the special use valuations currently applied to farmland are endangered by a farmer's participation in PIK.

This bill clarifies all those provisions. The bill has already passed the other body today. It is important that the bill also pass this body today so that the President can sign it and farmers can know that the tax consequences are cleared up before the March 11 signup deadline.

This bill we now are considering is slightly different from the House bill, but I am sure that we can work out the differences. The essential matter is that the income tax consequences and estate tax consequences of PIK are cleared up quickly. I also hope that the situation described by my colleague from North Dakota (Mr. ANDREWS) can be addressed as soon as possible.

Mr. President, I now yield 2 minutes to the Senator from North Dakota.

Mr. BURDICK. I thank the Senator.

Mr. President, I urge my colleagues to vote in favor of this so-called PIK tax bill this afternoon. As was implicit in the comments other Senators have made, this bill is simply a matter of fairness and commonsense.

The Internal Revenue Service has ruled that grain received by a farmer in exchange for reduced acreages planted to that grain is taxable in the year in which the grain payment is received. In other words, if a farmer par-

ticipates in PIK in 1983, the grain he receives due to PIK is taxable in 1983, even if he does not sell it until 1984. My friends, that is not good sense at all.

Mr. President, wheat is not legal tender in this country. Dollars are. A farmer cannot take a bushel of wheat into a grocery store and exchange it for his groceries. The grocery store is within its rights in refusing wheat as payment. The grocery store cannot, however, refuse dollars as payment. Wheat only has value to a farmer when it is converted to dollars. How can we tax wheat that has not been converted to dollars. I can assure you the IRS will not accept wheat as payment of a farmer's tax obligation. The IRS is going to want its payment in dollars.

Mr. President, the same situation applies to every other product. Steel, cement, lumber, and other products, for example, are not taxable. But, the proceeds from the sale of those products are taxable. How can we tax wheat until there are proceeds from the sale of that wheat? How can you tax in 1983 proceeds from a sale that does not occur until 1984? How would we even know what those proceeds are?

Mr. President, this bill should be passed. I compliment the managers of the bill for bringing it to us. I compliment the Reagan administration for supporting it. And, I urge its immediate passage.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I yield 30 seconds to the Senator from Oklahoma, an active participant in this bill.

Mr. BOREN. I thank my colleague from Montana.

Mr. President, I was pleased to add my name as a cosponsor to S. 527, the Payment-in-Kind Clarification Act of 1983 introduced by Senators GRASSLEY and WALLOP. This bill was introduced to address the tax problems which have come to the surface as a result of the administration's PIK program. I wish today to reiterate my support for any vehicle which will clear up these tax problems, including the bill which originated out of the Finance Committee, S. 690, the Agricultural Land and Diversion Tax Treatment Act of 1983.

Under the administration's payment-in-kind program, farmers are asked to divert from production land which would otherwise be used to produce crops of wheat, corn, sorghum, rice, and upland cotton. Under the program, they will be provided a quantity of a commodity as compensation for diverting acreage normally planted in that commodity.

There are currently several technical tax problems associated with the PIK program, and I am worried that farmers will be discouraged from signing up for the PIK program unless we move rapidly to correct them. We find ourselves on March 8, 1983, trying to clarify a program whose signup deadline falls on March 11, 1983.

We can assure that there will be no tax penalty incurred by a farmer who participates in the PIK program through the swift passage of a measure such as S. 690. Not only does it clear up the issues with respect to the tax treatment of farmers, including soil and water expenditures, expenditures by farmers for fertilizer and for clearing land, and the issue of self-employment income, but it also deals with the tax treatment of farmer cooperatives, and the estate tax treatment of farmers.

We are now in a position where we can encourage farmers to actively participate in the PIK program. This participation should serve not only to benefit the farmers of the Nation, but the Federal Government itself. It is through the passage of legislation such as this that we can go a long way toward alleviating the fears of those farmers who are rightfully concerned about the tax problems with the PIK program.

Mr. BAUCUS. Mr. President, I understand there is much more time on this side than on the other side, and I will therefore yield to the Senator from Mississippi for 30 seconds.

Mr. COCHRAN. I thank the Senator very much.

I want to rise to congratulate the chairman of the Committee on Finance and the members of the Committee on Finance for moving expeditiously to help get this bill to the floor so that we can clarify the tax consequences of the payment-in-kind program.

This program offers real hope to the farmers this year in trying to get out from under the burden of surplus stocks hanging over the market during the last 2 years. This legislation is essential if we are to have full participation in the program, which we certainly hope for.

I thank the Senator very much for yielding.

Mr. BAUCUS. Mr. President, might I inquire how much time remains on each side?

The PRESIDING OFFICER. Eleven minutes and thirty-five seconds of the time controlled by you, Senator BAUCUS. There is no time on the other side.

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

UP AMENDMENT NO. 25

(Purpose: To repeal the withholding of tax from interest and dividends and to require statements to be filed by the taxpayer with respect to interest dividends, and patronage dividends)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. KASTEN) proposes an unprinted amendment numbered 25.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

SEC. . REPEAL OF WITHHOLDING ON INTEREST AND DIVIDENDS, AND REQUIREMENT OF FILING OF DUPLICATE STATEMENTS.

(a)(1) Subtitle A of title III of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to withholding of tax from interest and dividends) is hereby repealed.

(2) The Internal Revenue Code of 1954 shall be applied as if such subtitle A (and the amendments made by such subtitle) had not been enacted.

(b) Section 6049 of the Internal Revenue Code of 1954 (relating to returns regarding payments of interest) is amended—

(1) in subsection (a)—

(A) by inserting "or" at the end of paragraph (1),

(B) by striking out "or" at the end of paragraph (2),

(C) by striking out paragraph (3), and

(D) by striking out "tax deducted and withheld,",

(2) in subsection (b)(2)—

(A) by striking out subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (C), and striking out "not described in subparagraph (C) of this paragraph", and

(C) by redesignating subparagraph (E) as subparagraph (D),

(3) in subsection (b)(3) by striking out "paragraph 2(D)" each place it appears and inserting in lieu thereof "paragraph 2(C)",

(4) in subsection (c)(1)—

(A) by inserting "and" at the end of subparagraph (A),

(B) by striking out ", and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C), and

(5) in subsection (c) by adding at the end thereof the following new paragraph:

"(4) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under paragraph (1) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(c) Section 6042 of such Code (relating to returns regarding payments of dividends) is amended by adding at the end thereof the following new subsection:

"(e) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (c) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(d) Section 6044 of such Code (relating to returns regarding payment of patronage dividends) is amended by adding at the end thereof the following new subsection:

"(f) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (e) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

Mr. KASTEN. Mr. President, the amendment I offer today is simple. It would repeal the 10-percent withholding tax on interest and dividends scheduled to go into effect on July 1. It would also require that interest and dividend forms 1099 be matched with every income tax filed. This reform, together with the compliance measures enacted in the 1982 tax bill, should considerably improve taxpayer compliance without the headache of withholding.

Mr. President, despite regulatory changes announced by the Treasury Department last week, the fundamental problems with withholding still remain.

It would still put an extra burden on the elderly. How can we defend this new law to those senior citizens who miss filing for an exemption because they didn't know they had to file or were physically unable to do so? They will be forced to wait a year and go through the hassle of filing an income tax return to get their money back. A large percentage of all interest and dividend earning accounts belong to the elderly, and many rely on this income to make it from day to day—to pay for food, heat, medical care, shelter. Even a temporary loss of 10 percent of their interest income could force a noticeable change in the quality of their lives.

Mr. President, being exempt from withholding does not mean you are exempt from the problems it will cause. It is up to the individual to get hold of the exemption certificates and file them for every source of dividend or interest income he has. And every time he buys a share of stock, opens a new savings account or puts his money in a money market fund, a new form will be required.

Despite the March 2 Treasury revisions, there is still a long list of questions the proponents of withholding cannot answer:

For example, what happens to the person who just retired or lost his job? Will not money be withheld from his savings despite the fact that he has little or no money coming in, because the tax is based on last year's income?

Is not the exemption for small savings accounts optional? Will not banks be liable for any under withholding which may occur, and will not many opt to avoid that problem by withholding on all accounts, large or small?

Mr. President, there is nothing wrong with asking people to pay the taxes they owe on interest and dividend income. As a matter of fact, the Treasury Department reports that 89 percent of the American people already do. And that, in a nutshell, is the problem with withholding. Instead of zeroing in on the 11 percent who are cheating, withholding would penalize the nearly 90 percent who have honestly paid their taxes all along.

Mr. President, I believe the Congress of the United States is going to respond to the letters, the calls, the office visits, the town meetings, to groups of people all across the country who are opposed to this new regulation.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I ask unanimous consent that I may proceed for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I understand that under the unanimous-consent agreement the Senator from Wisconsin will withdraw the amendment. I would rather not get into a debate on the merits of withholding on interest and dividends at this time. There is a lot of merit to be discussed and it might take 2 or 3 weeks to offset the avalanche of mail we have had. We have just been notified by Senator MATHIAS that it has backlogged the whole system. We cannot even answer the mail. Mail is getting lost, we cannot answer a lot of letters because we are being flooded with mail from banks and credit unions. They scared a lot of people.

We are talking about a tax compliance measure. I do not quarrel with people who are on the other side of the issue, but let us not suggest it is a grassroots campaign. We are getting boxes of mail from banks. They collect it for you. They hand it to you and say, "Fill it out and we will mail it in."

So if it is a grassroots campaign, it is a different kind of grass in the grass roots than we think about from time to time.

We are going to have to redebate this issue. We have had the Joint Tax Committee look at the proposal offered by the Senator from Wisconsin. It does not gain any revenue at all, so it means we would lose in the next several years about $15 to $20 billion. Maybe this is not a perfect way to do it. Maybe we ought to repeal withholding on wages so the working people would have the same advantage that the banks now advocate supposedly on behalf of some of their customers.

But I would say withholding is not a new tax. We have yearend withholding to prevent any loss of compound interest. And the costs of compliance are not significant for the banks, once the "float" is taken into account. Many banks will admit that, especially now with some of the administrative changes made by Treasury.

They do not have to like it. I do not suggest that. But I do suggest that we start telling people the truth about the withholding law, and stop frightening senior citizens by suggesting it is a new tax, burdensome to obtain the exemptions the law permits.

The exemption form is simple. You put in your name, address, and account number, and scratch in a box—it is not very complicated.

But sooner or later I assume we will have to address this issue. I must say, withholding was in the President's 1983 budget. It is not something this Senator dreamed up. I talked to the President about this issue yesterday, and he feels as strongly about it yesterday as he did last week and the week before, and last year when he recommended it to Congress in his 1983 budget.

So I think that once we have a full opportunity to debate this we may reach the right decision, and that is to retain withholding. Some people want to repeal the gas tax we passed last year. Some want to repeal the tip reporting rules. We now have information reporting on tips. There are a lot of taxes we would like to get repealed. So maybe we ought to put together a big package. Some would like to repeal the whole income tax code. Maybe we should just wrap it all up. Nobody would have to pay taxes, so we would be like some of those spending millions of dollars, not to undo a new tax but to undo tax compliance. If they are successful in this, you can just kiss tax reform goodby for the next 10 to 20 years. Withholding is tax reform. It is not a new tax.

This is not the time to debate it. The amendent would, in effect, kill this bill. I have been told by the chairman of the Ways and Means Committee, DAN ROSTENKOWSKI, a Democrat—this Senator is a Republican—that if we amend this bill in any way not relating to the PIK issue, particularly with an amendment like this, there will not be any conference, there will not be any bill.

I appreciate, I might add, the attitude of the distinguished Senator from Wisconsin. If, in fact, he wanted to, he could offer his amendment. I am not trying to deprive him of any rights nor is he trying to deprive this Senator of any rights. But we understand, and certainly the Senator from

Wisconsin, a great dairy State, the great dairy State of Wisconsin, and a great farm State, understands the importance of this legislation.

So while we do not agree on the withholding issue, we do agree—I agree that the Senator from Wisconsin is one of the great friends the farmers have. We will debate the withholding matter another time. I am in no hurry. The Senator is going to be here in 1986, and we will debate it earlier than that. Maybe it will be earlier. I have been around here long enough to know that if he wants to get it on the floor, he may do it.

I want the record to show that while he does not understand withholding, he understands agriculture, and he understands that this bill is in the best interests of the American farmer, and he is being very responsible, and he always is, and he wants to proceed in passing this bill for the benefit of the farmers of this country.

Again I want to thank the Senators from Iowa and the Senator from Montana and the Senator from Oklahoma, now on the floor, for doing what they have done in getting this little PIK bill passed so that they can participate in the program, so that they can get rid of the surpluses and restore health to the American farm economy.

Mr. ABDNOR. Mr. President, I want to first extend my appreciation to Senators JEPSEN and GRASSLEY of Iowa and Chairman DOLE of the Finance Committee. U.S. farmers owe a debt of gratitude to these strong and persistent advocates of agriculture.

As mentioned, the closing signup date for the PIK program is this Friday, March 11. This date could very well mark the economic turnaround for American farmers—a reversal of a 4-year trend of depression-level farm net income.

The previously announced land setaside program was clearly not going to do the job of reducing price-depressing surplus grain and cotton stocks. In fact, the Department of Agriculture projected substantial additions to 1983-84 ending stocks. Thus, the need for the payment-in-kind program.

Farmers in my State of South Dakota are optimistic and enthusiastic about the PIK program. I can think of no better signal this Congress can send to U.S. farmers than a unanimous endorsement of this legislation.

The PRESIDING OFFICER. All time has expired.

Mr. DOLE. Mr. President, may I just add one comment and then I would be happy to yield the floor? I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, the pending amendment cannot be agreed to by this body. We are facing a $200 billion deficit and will spend long weeks here this summer trying to close the deficit gap. If we start the year now by undoing a major part of last year's budget reconciliation, it will be impossible to accomplish the difficult work ahead. It will be impossible, not just because we will have increased the deficit that much more, but also because Members will not take the process seriously.

Let me briefly discredit each of the arguments made in opposition to the withholding of income tax on interest and dividends and outline why withholding is necessary.

First, the banks have led people to think this is a new tax on savings. It is not. Withholding simply guarantees collection of tax already owed. In addition, full credit is given for withheld amounts against the income tax liability.

Second, the banks say withholding is a speedup of tax collections. It is not. First of all, we have the option of end-of-the-year withholding on all bank accounts. In any event income tax is due when income is earned and is ordinarily paid currently through estimated taxes if it is not withheld.

Third, banks have scared customers into believing that withholding will reduce their savings or interest income by 10 percent. It will not. If tax is owed on interest income, which is the likely case, the taxpayer will have an offsetting savings on his or her estimated taxes. Even if withholding were applied where no tax is due, a taxpayer with a $1,000 deposit would only lose about 4 cents a month. On a $10,000 deposit that would be 40 cents a month. These are hardly the vast sums the banks have said people would be losing.

Fourth, the banks point to a 1981 study to assert that voluntary compliance for interest and dividends is 97 percent. This study does not demonstrate any such thing. What it does reflect is compliance by taxpayers who file their returns on time with respect to amounts that are reported by the payor when both the return and the report are usable. What is surprising about this study is not that 97 percent of the interest income of these cooperative taxpayers is reported but that even this carefully selected group underreports interest income at three times the rate by which wage earners underreport their income.

The underreporting of interest and dividends used in estimating the revenue impact of withholding is based on actual underreporting detected by IRS auditors and a study of the efficiency of these auditors. Based on this data, the IRS projects that $25 billion of interest and dividends would not be reported in 1983 absent withholding.

Fifth, the banks argue that withholding is too complicated. It is not. The smallest business must withhold both income tax and social security tax and pay these amounts to the IRS. The withholding rates vary depending on wages and withholding has to occur twice a month in the usual case. Banks are provided a flat, unchanging 10-percent rate and will withhold much less frequently. Frankly, I am worried to think that banks think they are less competent in handling tax funds than the typical small business men.

Finally, the banks argue that more and better quality information reports would work just as well as withholding. The Finance Committee considered this last summer and concluded that a vigorous enforcement effort and heavy fines that would be necessary to have any significant effect under such an approach would be more disruptive, costly, and intrusive than withholding.

Now that you see clearly that there are no good arguments against withholding, I am tempted to list a dozen or so arguments in support of withholding. But in reality, there is only one argument for withholding. It is not the $15 billion of revenue over 5 years. The real argument for withholding is that it is just plain fair. It is fair to wage earners who are subject to withholding and report 99 percent of their income. It is fair to honest earners of interest or dividends who pay their share while less honest earners take a free ride. It is fair to banks who are asked to take on no greater burden than employers have for withholding on wages.

I ask unanimous consent that a table on revenue estimates on repealing withholding and related proposals be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

JOINT TAXATION COMMITTEE—REVENUE ESTIMATES ON REPEALING WITHHOLDING AND RELATED PROPOSALS

REVENUE LOSSES FROM REPEALING WITHHOLDING

[In billions of dollars]

1983	1984	1985	1986	1987
0.7	5.3	3.2	3.5	3.8

LOSSES FROM REPEALING WITHHOLDING ATTRIBUTABLE SOLELY TO NONCOMPLIANCE

[In billions of dollars]

1983	1984	1985	1986	1987
0.2	2.6	2.8	3.1	3.4

GAINS FROM REQUIRING ATTACHMENT OF INFORMATION RETURNS TO INDIVIDUAL TAX RETURNS (KASTEN-HOLLINGS PROPOSAL)

[In billions of dollars]

1983	1984	1985	1986	1987
Negligible revenue gains				

Mr. DOLE. Mr. President, I wish to also indicate there is another change

in the PIK bill in the Senate from the House bill, and that was with reference to trying to give some relief to one particular farm group. I am not certain I have any quarrel with that. We have not studied that bill carefully. But we found if we did that we discriminated against a lot of co-ops across the country and we have had some indications from those people that they would rather we consider this one provision in a general nature not in a special way.

So that is another change, but the important change in the Senate version introduced by the Senator from Iowa, Senator GRASSLEY, is the fact that it is permanent.

Mr. D'AMATO. Mr. President, for obvious reasons, the public outcry against Federal income tax withholding on interest and dividends has been strong, loud, and clear. If allowed to take effect on July 1, 1983, this provision would be an unwarranted intrusion by the Federal Government into the private lives of the American citizenry. I understand why this amendment is being withdrawn today. Although I am disappointed at this action, I laud the efforts of my colleague, the distinguished junior Senator from Wisconsin, in at least raising this most important issue. It is my sincere hope that we can get a vote on the repeal of interest and dividend withholding in the very near future.

After listening to many of my constituents and giving the matter considerable thought, I have come to the inescapable conclusion that the law requiring interest and dividend withholding must be repealed, and it must be done now. Thus, I urge every Senator to join me in working to repeal this onerous requirement.

This amendment, which I have cosponsored, would require that taxpayers attach interest and dividend 1099 forms to their tax returns each year, just as they now attach W-2 forms reporting on their wage and salary income.

This new procedure will help the Internal Revenue Service crosscheck to insure that interest and dividend income is correctly reported on tax returns. The IRS has recently estimated that this minimal change in tax return preparation procedures will increase reporting of dividend and interest income from the current 90 percent rate to 97 percent. If we are able to obtain such a large improvement through this alternate procedure, there is no reason to impose the nightmare of withholding.

Three other important arguments against withholding have influenced me in my decision to work actively for repeal of this law. First, it will cost banks, savings and loans, and other financial institution hundreds of millions of dollars to establish and maintain withholding systems. These costs, of course, will be passed on to savers and investors. The consumer will be hit twice:

Once with withholding and once by being forced to pay for the procedures necessary to implement withholding. Withholding on dividends and interest may cost financial institutions nearly as much as the additional revenue the Federal Government will raise through imposition of the requirement.

Second, with unemployment as high as it is today, this is no time to drain additional money from the economy. Interest and dividend withholding will seriously cut back on the savings and investment we so badly need for our economic recovery. We should never be in a position of discouraging capital formation, and this is especially true in times of economic distress.

Finally, although the new withholding law contains exceptions for many of the poor and elderly, the required procedures which these individuals will have to go through in order to obtain their needed exemptions are complicated. Many will not understand the exemption procedures or will not learn of them in time. Thus, many of those who well deserve to be exempted from withholding—those who need all of their income now, not at some future tax refund date—will, in effect, be denied an exemption.

In summary, I am convinced this law is unfair. It must be repealed. It will penalize the 90 percent of Americans who now honestly report all of their interest and dividend income. It will cost more than it is worth to establish and maintain. It will drain needed savings and investment from our economy. And it will place an unintended and unjust burden on our Nation's poor and elderly. Interest and dividend withholding must be repealed before it is ever allowed to go into effect.

Mr. BAUCUS. Mr. President, I am pleased that the Senator from Wisconsin has offered this amendment. The Senator from Wisconsin, however, recognizes that extensive debate about this amendment could delay the PIK bill and discourage farmers from signing up by March 11. For that reason, I am not going to press the withholding issue further today. The issue, however, will be pressed at a later date, and I applaud the Senator for at least raising the issue now.

In response to the points made by the Senator from Kansas, there is insufficient time to fully debate the withholding amendment now, but I must observe that I believe it is improper for the IRS to keep passing its collection costs on to financial institutions and then, obviously, on to their customers. That is the effect of what the IRS is doing.

It seems to me that, instead, the IRS could enhance its matching facilities, improve its computer capabilities, and catch the tax cheaters we all want to catch. So the question really is not whether we should catch tax cheaters. Of course we should. The question is whether withholding is a fair and efficient way to do so. It seems to me that it is not; it seems to me that we can find better ways to help the IRS catch tax cheaters, without passing enforcement costs onto the American people.

Mr. President, I hope that the Senator from Kansas does not mean to imply that we are going to look only at the tax status of banks and other financial institutions.

In my judgment, it is inappropriate to hold hearings to look only into the tax status of banks and other financial institutions and not other taxpayers. All segments of the American public should pay their fair share of taxes. That includes banks and savings and loan associations, but it also includes all other organizations and all other taxpayers in the country.

So I know the Senator from Kansas is not singling out only banks when he talks about holding hearings, but I think that it would be helpful if we made it even more clear that we are looking at the tax status of all institutions and all taxpayers.

Mr. DOLE. Will the Senator yield?

Mr. BAUCUS. In just one moment. Mr. President, this issue will be here a long time. I do not know what the plans of the Senator from Kansas are, but I want him to know that the Senator from Wisconsin and the Senator from Montana will be here debating this issue for as long as it takes.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BAUCUS. I yield.

Mr. DOLE. The Senator is correct, I would not think of trying to intimidate a banker. I do not know how you do that. The only people I know that can intimidate a banker is a bank examiner. And that is not the effort.

But I would have to say that, based on this less than honest campaign being carried on by the American Bankers Association—and I do not care how you stand on withholding, but I cannot believe any Senator in this body would agree with some of the propaganda that the American Bankers Association is sending to us, scaring old people, saying we are looting their savings, picking their pockets.

We are told by the Internal Revenue Service that 20 million Americans fail to report some or all of their interest and dividend income. If we want tax compliance, if we want tax reform, if we want tax equity, then we ought to try to do it. We cannot buckle in every time some powerful group with big political action committees says, "Don't touch. Take it away from the workers, but don't touch the big corporations or the big banks."

We may lose this in the end, because I know the pressure they are putting on my colleagues and I know their limits on how much pressure they can take, but if we really believe in tax reform and tax fairness and tax simplicity and tax compliance and all the things we indicate when we talk to people in our States about trying to make the system fair, then I do not think we can say to the banks and the S&L's and credit unions, "You do not have to participate in this process. All we are asking you to do is collect. It is not a new tax."

But to assure the Senator from Montana, we are not engaged in any witch hunt or any effort to punish banks, because there are some banks that do pay taxes. So we are not trying to punish the banks. We are going to have hearings on financial institutions, also on life insurance companies, casualty companies, property insurance, a lot of areas as we look through the tax codes, because there is $269 billion in tax expenditures, tax breaks. We are being asked to raise a lot of money here in taxes in the next 3 years. I would rather make certain everybody got to pay some tax before we ask the great majority of Americans to pay more tax. That may not be the right attitude, but it is one that we hope we can pursue.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Montana.

Mr. BAUCUS. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. Three minutes.

Mr. BAUCUS. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

Mr. BOREN. I thank the Senator from Montana.

Mr. President, I am glad to hear such harmony prevailing on the floor of the U.S. Senate. It does appear we are in agreement about the need to take care of the tax problems associated with the PIK program.

As the Senator from Wisconsin knows, I have strong feelings in line with his own about the need to repeal the withholding provision. I do not regard it as an issue that affects principally the financial institutions or the banks. I regard it as a matter which primarily impacts upon the individual saver. I do not believe that we should put any more burden whatsoever upon those who are saving in this country. We should be encouraging them in every fashion whatsoever. We should not be withholding and using their savings funds ahead of time. We should not even put the additional burden of more paperwork, even modest as it may be, upon them.

I applaud the Senator's efforts. Along with the Senator from Wisconsin, I have also introduced a piece of legislation which would repeal that particular provision. We now have over half the Members of this body as cosponsors or sponsors of one or the other of these repeal bills. But I do commend him today for withholding action on his amendment because I think it is so important that we proceed to address the problems that have arisen with the PIK program. The farmers are in a desperate situation. The entire agricultural segment has severe problems and are really fighting a battle for survival.

I think that even though the Senator from Wisconsin and others feel very, very strongly about the withholding provision, that it would not be responsible for us to try to push that particular provision today and imperil the enactment of this needed legislation. So I commend him for setting aside his feelings today to enable us to deal with a very, very serious problem in the agricultural sector.

I join him in his decision to not press that amendment today, but to return at a later time, hopefully before the withholding is actually imposed, for a successful effort on behalf of his amendment at that time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BAUCUS. Mr. President, this is a PIK bill, so let me just close by congratulating the Senator from Iowa and the Senator from Kansas, the chairman of the committee, and others for their diligence in passing this bill. We will argue withholding on another day.

Farmers are in trouble. In my home State of Montana, the average net income was $32 last year. In this desperate situation, we have to move with PIK. That means that we have to pass this legislation to clarify PIK so that it is helpful and it works.

Mr. President, I yield back the remainder of my time.

Mr. MATTINGLY. Mr. President, I am pleased to sponsor with Senator KASTEN this amendment to the PIK legislation to repeal the 10-percent withholding tax. Earlier in the Congress, I introduced S. 334, to accomplish this goal. I also cosponsored legislation introduced by Senator KASTEN, S. 222, for this purpose.

Mr. President, my reasons for opposing the 10-percent withholding tax are as follows:

First, withholding is not necessary to increase taxpayer compliance. A 1981 Internal Revenue Service study showed that if 1099 forms were matched with income tax returns by the IRS, taxpayer compliance would be increased to approximately 97 percent from its current 89 percent. Simply stated, it appears that where information matching is required, compliance approaches 100 percent.

Second, withholding is unfair. As I mentioned above, compliance in the area of interest and dividend income approaches close to 90 percent. Therefore, the withholding tax will penalize the vast majority of honest taxpayers.

Third, withholding will be costly to savers, investors, institutions, and the Nation's economy. Withholding will discourage savings and investment. By removing savings that would otherwise remain invested, the yield on investments will be reduced as will be the incentive to save and invest.

Withholding will be costly to financial institutions and other payors of dividends and interest. Based on a survey of 250 commercial banks, savings and loan associations, and mutual savings accounts, the accounting firm of Peat, Marwick, Mitchell & Co. estimates that startup costs will be in the range of $200,000 to $400,000 for each institution of that type. At a time when many of these institutions have been financially strained because of the economy, now is no time to add additional weight to their operating costs. Moreover, the banks will not absorb the cost associated with implementation of the withholding tax. It will only be passed on to the consumer in the form of higher service costs and possibly higher interest rates.

Finally, withholding is complicated and confusing. Regardless of what the proponents of withholding contend, the vast majority of savers and investors will be at a loss when trying to determine whether they fit in one of the pigeonhole exemptions or exclusions.

It is for the foregoing reasons that I again am pleased to join with Senator KASTEN in this amendment which aims to repeal the unfair and unnecessary 10 percent withholding tax on interest and dividend income.

The PRESIDING OFFICER. All time has expired.

Mr. KASTEN. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, I think it is important to point out to the Senator from Kansas and others that the withholding issue is not going to go away. If their strategy is to delay a vote on withholding for the next 3 months, until it is too late or until the financial institutions have already made their expenditures on computer hardware and software, this whole strategy is wrong.

The opposition to withholding is going to become stronger over time and, in July, when the withholding begins, the number of letters is going to be even greater.

There is a better way to solve this problem, and it is absolutely clear that those who are opposed to withholding are definitely not in favor of tax cheating. Taxes owed to the Government should be paid, but withholding

is just not the best way to accomplish this.

That is why my bill includes repeal of withholding as well as a requirement that 1099 forms must be included with tax returns.

We are going to continue to work for repeal of withholding, and I believe we are going to be successful,

Mr. President, I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is withdrawn.

Mr. KASTEN. Mr. President, I would also like to say that I am a cosponsor of the PIK bill. I think it is important legislation that ought to be passed. Because of my strong feelings for the payment-in-kind program, I believe at this time it does make sense to proceed with that bill. The withholding matter should not be added here.

Mr. HELMS. Mr. President, it is obvious that the tax questions raised by USDA's payment-in-kind (PIK) program must be addressed, because of their effect on the success of the program. I believe it is fair to assume that all Senators want the PIK program to succeed, since it will benefit farmers in all States.

The PIK tax bill is not a bill to confer special status or benefits upon farmers or upon agriculture. The tax issues which have arisen have come up because of the way the PIK program was designed and the way the Federal Tax Code has been interpreted.

These questions would not have arisen if the farmers involved were planting and harvesting crops, as they normally do, instead of participating in the PIK program. No one intended that farmers be subject to tax consequences different from those which they would have encountered as a result of normal planting and harvesting activities.

This bill assures that the tax consequences to PIK program participants will be no different from their neighbors who are not participating in the PIK program. Thus, this bill is clearly "must" legislation.

Mr. President, the date for final signup for participation in the PIK program is this Friday, March 11. Farmers should rest assured that we intend to deal with the tax issues raised by the PIK program along the lines of this PIK tax bill, even if final action is not completed by March 11. Consequently, farmers who are deciding whether to sign up for the PIK program should make their decision independent of the adverse tax consequences which may flow from the PIK program, since these consequences will be obviated in the near future.

This bill is a good one and is needed by our Nation's farmers. I urge Senators to support it.

Mr. THURMOND. Mr. President, I rise in support of S. 690, the Agriculture Land Diversion Tax Treatment Act of 1983.

This legislation will address the tax complications that have developed since the adoption of the payment-in-kind (PIK) diversion program by the U.S. Department of Agriculture.

Under this bill, farmers will be allowed to defer recognition of income from commodities received in the 1983 PIK program until the date on which these farm products are sold, instead of owing taxes on the date the commodities are received. Additionally, property withdrawn from production in exchange for payment in kind under the program will be treated as used in active farm operations for the purposes of Federal estate taxes. The bill will also treat income from PIK commodities as active income derived from the business of farming for all purposes under the Internal Revenue Code.

Mr. President, I feel that these amendments to the Internal Revenue Code of 1954 should prevent discouragement of participation in the 1983 PIK program merely because of potentially adverse income in estate tax consequences.

I am a strong supporter of the PIK program in hopes that it will provide much needed relief to our farming community. Due to the startling amount of farm failures and foreclosures, it is imperative that we take decisive action in this area. In my opinion, the majority of our agricultural problems today stem from one source—the inability of our farmers to receive a reasonable price for their commodities. By implementing the PIK program, we can help farmers reduce their costs of production. In addition, we can effectively remove large amounts of market depressing surpluses of agricultural commodities now in storage.

Mr. President, the PIK program is an essential step toward getting the farming sector back on its feet. By resolving the tax problems that exist in this area, we can maximize participation in this program. I reiterate my strong stand in favor of this legislation, and I hope that my colleagues will go on record in support of this bill.

Mr. DOMENICI. Mr. President, I support this legislation which could mean the difference of whether or not some farmers in my State stay in farming or become one of those statistics we hear so much of.

I cannot believe that this Nation can afford to lose large numbers of family farms. Without this legislation participation in the PIK program or the crop swap program, as President Reagan calls it, will drop to levels that will doom the program and will hurt American agriculture to the extent that it may never recover.

With payment in kind a successful agricultural economy can help lead this country to full recovery. It is a novel program that can accomplish many goals all at once.

It can rid us of those surpluses that have built up over the past several seasons, it can raise prices, it can reduce Government storage costs, it can assure the Government that existing farm loans will be repaid in the future, it puts cash in the hands of our farmers and it can lessen Government support payments in the future.

It can do all that only if we have a broad base of support.

That can only happen if we change the Internal Revenue Service ruling. That ruling, although it might be understandable under existing law, will kill participation in my State because my farmers know that the program cannot work and the PIK commodities cannot be marketed in an orderly fashion if they must pay taxes on the commodity during the year they receive it.

For the first time in the past 3 years I am hearing optimism being expressed in farm country. They talk once more of passing their farm onto their children and that there can be a tomorrow for agriculture.

Just a little over a year ago, I asked the Congressional Budget Office to conduct a study on the impact of a paid diversion program for our agricultural economy.

Based on that study, I proposed a 15–10 paid diversion for our major commodities. The results of the study showed it would save the Treasury money. At the time, some people thought I had lost my senses. What was the Budget Committee chairman doing proposing a bill to set aside productive acreage?

Now, less than a year later, we have moved from arguments regarding a paid diversion to almost universal acceptance that we must manage the supply of our agricultural commodities and that PIK, which is really a paid diversion program, is without a doubt the best way to do that.

I hope this bill passes and I hope it passes quickly without miscellaneous items attached to it which might damage the overall bill.

Mr. PRYOR. Mr. President, today the Senate is considering a measure which is extremely critical for the farmers of this country and I hope this legislation can be enacted quickly. This legislation, which contains provisions dealing with tax issues raised by the payment-in-kind (PIK) program, is must legislation.

Every Member of this body knows that farm income has declined sharply the last few years. Exports have dropped and domestic prices have remained low. Our farmers have borne

the brunt of the foreign policy decisions by our Government. With huge crops the last couple of years, and no place to sell them, we have built up huge surplus stocks. In an effort to reduce the surplus, lower costs, and possibly increase commodity prices, the administration announced the PIK program. Although some people have reservations, it is really the only game in town as far as agriculture is concerned. The signup date for the program ends on March 11, 1983, and I think everyone would agree that the success or failure of this program depends upon the level of participation. Initial reports have indicated that there is a great deal of enthusiasm about the PIK program. However, I have talked to many farmers who are not signing up for the PIK due to the possible income and estate tax consequences. Although the Internal Revenue Service recently clarified the estate tax treatment of participation in PIK, this bill is needed to legislatively deal with the income and estate tax consequences. There are several important provisions in this bill which should be noted.

First, the bill takes care of possible adverse income tax consequences due to participation in the PIK program. Under existing tax law, a farmer would be taxable at the fair market value of the PIK commodity on the date of receipt, or on the date he has a right to receive it. Not only is this different from the way he is taxable if he grows the crop—he is taxable only upon the sale of the crop—but unless this is changed it will create liquidity problems for farmers who are already experiencing economic problems. Many farmers are still holding last year's crop, and if they are taxable currently on PIK commodities they will be faced with serious tax problems. This bill makes the taxation of PIK commodities just as if the farmer had grown the commodity. He will not be taxed until the commodity is sold.

Second, the bill also deals with the estate tax issues raised by the PIK program. Currently, there is some question as to whether or not participation in the PIK program would run afoul of the requirements of section 2032A dealing with special use valuation. The special use valuation is critically important in estate planning for farmers and their families. This bill will make it clear that participation in PIK be treated as farming, and thus being engaged in the active conduct of a trade or business. These changes will insure that no farmer has estate tax problems solely because of participation in PIK.

Finally, the bill contains no sunset provision. This is important due to the fact that the PIK program may be conducted next year as well. If we only have a 1-year bill, we will have to act again and many people might have these same questions again. It is easier and preferable to clarify these tax issues once and for all.

Mr. President, I commend the Chairman of the Finance Committee, Mr. DOLE, and the Chairman of the Agriculture and Energy Taxation Subcommittee, Mr. WALLOP, for their efforts in bringing this matter before the Senate. I cosponsored one of the PIK tax bills and I strongly support this measure. The farmers of this Nation and their families have many problems today and a failure by Congress to make these tax changes would be an injustice. I urge my colleagues to support this measure and I hope we can send it to the President for his signature this week.

Mr. WALLOP. Mr. President, I would like to take just a few moments to comment on the PIK legislation that is now before us. Shortly after the administration announced its payment-in-kind program several tax problems surfaced which had to be dealt with if this program is to have a chance to succeed. The first problem dealt with the income tax consequences of receiving a PIK crop. Under current law a farmer receiving a PIK crop would have had to bring that into income although no money was received with which to pay the taxes. In this legislation we resolved that problem by providing that a participant in the PIK program will not have to recognize income until the PIK crop is disposed of. In addition, significant estate tax questions were highlighted and we have responded by addressing those questions. This legislation simply codifies a recent Treasury regulation which makes it clear that participation in the PIK program will not result in adverse estate tax consequences.

I held hearings, with Senator GRASSLEY to address the tax problems presented by PIK very shortly after those problems were brought to our attention. We were able to report this legislation out of the Finance Committee just 2 days later. I think that is a tribute to our chairman, Senator DOLE, who urged the committee and now the Senate to move very quickly on this legislation so that our agricultural community will know what the tax consequences are of participating in the PIK program. I especially want to thank Lindsay Hooper of my staff for his creative efforts to solve these problems. I want to thank my colleagues on the Finance Committee, especially Senator GRASSLEY and Senator BAUCUS, who worked very hard to see that this legislation, which is so very important to our agricultural economy, was handled in a bipartisan and expeditious manner. I urge my colleagues to give this measure their unqualified support.

Mr. HUDDLESTON. Mr. President, I am pleased that the Senate is giving such rapid consideration to the payment-in-kind tax legislation, H.R. 1296. With the signup period for the Department of Agriculture's payment-in-kind land conservation program for the 1983 crops about to end this Friday, March 11, expeditious action to make needed changes in the tax laws is warranted.

The concept underlying the 1983 payment-in-kind (PIK) program is to compensate farmers for reducing acreage planted through a payment of a certain amount of the commodity he would have grown on the acres retired from production.

Under the Department of Agriculture's program, the farmer will be able to treat the PIK commodity exactly as if he had grown it—the PIK commodity is made available to the farmer at the normal date of harvest for the area and the farmer can market the PIK commodity as he would if it were actually produced on the land.

However, one aspect of the tax laws could adversely affect the operation of the 1983 program. Under current law, the farmer who participates in the PIK program would realize gross income in the amount of the fair market value of the commodities received under the PIK program at the time such commodities are made available to the farmer. On the other hand, for commodities grown by the farmer, taxable income can be deferred to the time the commodities are sold. Thus, for a farmer who sells his 1982 crop this year and then receives PIK commodities in 1983, the tax laws could have the effect of combining 2 years of income into the 1983 tax year.

The bill will resolve the problem by allowing the farmer who participates in the payment-in-kind program to be treated as if he had produced the grain he received from the Government for participating in the program. Under this provision, a farmer would realize income on PIK commodities only at the time he sells the commodities.

The bill also clarifies the estate tax treatment of farmers who participate in the payment-in-kind program. Under the bill, the requirements of the special use tax valuation will be determined to apply to farmers who participate in acreage diversion programs. Land diverted from production under the PIK program or other land diversion program will be treated as being used as a farm for farming purposes. Such favorable treatment would apply even if the entire farm is devoted to conservation use under the program.

Mr. President, I believe that this bill will provide greater incentive for farmers to participate in the 1983 PIK program. It will help insure the success of the PIK program, and, thus, will contribute to reducing the surplus of cer-

tain agricultural commodities that have contributed to the depression in agriculture. I urge my colleagues to vote for passage of the bill.

Mr. HEFLIN. Mr. President, I rise in support of the Agricultural Land Diversion Tax Treatment Act of 1983, S. 690, as considered and favorably reported by the Senate Committee on Finance.

I should like to commend the committee chairman, the distinguished Senator from Kansas (Mr. DOLE) on the very fine service he has performed to the farmers of our Nation in fashioning the provisions of S. 690. We are indeed fortunate that the senior Senator from Kansas is also a long-time member of our Senate Agriculture Committee, which has been considering the payments-in-kind (PIK) legislation in recent weeks in that it has perhaps given him a greater appreciation of the urgent need for the Internal Revenue Code to be amended and clarified for the purpose of the PIK program and participation therein by farmers wishing to do so.

This legislation, as developed by the Senate Finance Committee, would allow farmers who participate in the payment-in-kind program to treat PIK payments as they would commodities grown on their farms for tax purposes. Thus, the farmer would not be deemed to have actually a constructively realized income when he receives his PIK entitlement; instead, the income to him will be recognized as such until the year he disposes of the PIK payment either through sale, exchange, or by other means.

This change in our tax laws is badly needed. Mr. President, not only from the standpoint of tax fairness and equity to our farmers, but also to bring about maximum participation in the PIK program by our agricultural producers.

I am gratified that S. 690 also makes other needed adjustments in the Tax Code for cooperatives who receive and market payment-in-kind commodities. I note, too, that the bill is not limited to just the 1983 tax year, and, in fact, will extend to 1984 and any other years the PIK program may be in effect.

I again commend the Senate committee on the expeditious manner in which it has formulated and considered this tax relief bill, and I urge Senate adoption of the measure.

Mr. President, I ask unanimous consent that the distinguished Senator from Georgia (Mr. NUNN) be made a cosponsor of this Agricultural Land Diversion Tax Treatment Act (S. 690).

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (UP No. 24) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 1296), as amended, was passed.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRASSLEY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that Calendar Order No. 34, S. 690, be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to add as a cosponsor the name of the Senator from South Dakota (Mr. PRESSLER) to the bill just passed and the amendment thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, earlier today, I indicated my hope that we could proceed to the jobs bill tomorrow, requiring as it does a waiver of a substantial part of the 3-day rule. I am advised by the distinguished minority leader that they are prepared, I believe, to agree to proceed to that measure tomorrow, and I am happy to report that my side is as well.

I take this opportunity to express my appreciation to the minority leader and to all Senators for cooperating, so that we can reach this important matter promptly.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 11:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR MATSUNAGA TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order tomorrow, the distinguished junior Senator from Hawaii (Mr. MATSUNAGA) be recognized on special order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that the time after the execution of the special order until 12 noon tomorrow be dedicated to the transaction of routine morning business, in which Senators may speak for not more than 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF H.R. 1718, SUPPLEMENTAL APPROPRIATIONS BILL

Mr. BAKER. Mr. President, I ask unanimous consent that at 12 noon tomorrow, the Senate proceed to the consideration of H.R. 1718, the supplemental appropriations bill, which includes the so-called jobs package.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, tomorrow at noon we will be on the supplemental appropriations bill. There is no time limitation on it, no limitation on amendments that may be offered.

However, I urge Senators to consider that this is an important measure and that we should dispose of it this week. I hope Senators will use restraint in the matter of offering amendments, and particularly that they will not offer so-called Christmas tree amendments. I hope we can finish this bill on Thursday instead of Friday of this week.

I am prepared to ask the Senate to recess over from Thursday evening until Monday, if we can finish the supplemental appropriations bill. I am prepared to ask the Senate to remain in late on Wednesday night and Thursday night—late within reason—in order to accomplish that purpose; because I understand the plans Senators have and the commitments they may have made for Fridays this early in the session. But Senators also should understand that if we have not finished the bill Thursday night, it will be necessary to ask the Senate to remain in session on Friday in order to try to do so, because next week we have other equally important measures to deal with.

We have the social security package, which will reach us from the House of Representatives.

We will have perhaps the budget resolution to be dealt with, if the Committee on the Budget can report such a resolution for our consideration.

The "must" legislation that I have described to the minority leader, and which he and I have discussed, which I have discussed with other Senators—"must" from my standpoint—are the jobs bill, the budget resolution, and the social security package.

We are making good progress, and if we can complete the jobs package tomorrow, which is included within the supplemental appropriations bill, we will be in a position then to go to the social security measure and the budget resolution after that; and there is a good possibility that we will enjoy a very festive Easter season.

Mr. President, that completes the business I have to offer for the Senate's consideration today.

I inquire of the minority leader if there is any other matter he wishes to address to the Senate.

Mr. BYRD. Mr. President, I thank the majority leader for his courtesy. I have nothing to offer, and am ready to depart through the center door.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 11:30 a.m. tomorrow.

The motion was agreed to; and, at 5:37 p.m., the Senate recessed until tomorrow, Wednesday, March 9, 1983, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 8, 1983:

DEPARTMENT OF STATE

Alvin P. Adams, Jr., of Virginia, a Career Member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Djibouti.

U.S. POSTAL SERVICE

John Lathrop Ryan, of Indiana, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1989, vice Wallace Nathaniel Hyde.

DEPARTMENT OF DEFENSE

Joseph H. Sherick, of Virginia, to be Inspector General, Department of Defense (new position).

IN THE AIR FORCE

The following-named officer under the provisions of Title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Forrest S. McCartney, [redacted]TR, U.S. Air Force.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall any of the following officers be appointed in a grade higher than that indicated.

MEDICAL CORPS

To be colonel

Alexander, David G., [redacted]

To be lieutenant colonel

Springberg, Peter D., [redacted]

To be captain

Brakora, Mathew J., [redacted]
Hennessey, James V., [redacted]

DENTAL CORPS

To be lieutenant colonel

Cyr, John L., Jr., [redacted]

To be major

Basden, James W., [redacted]
Warschaw, Alexander J., [redacted]
Winternheimer, Keith C., [redacted]

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall any of the following officers be appointed in a grade higher than that indicated.

LINE OF THE AIR FORCE

To be lieutenant colonel

Stepakof, Richard J., [redacted]

To be major

Lackey, William E., [redacted]
Newman, Carl G., [redacted]

The following persons for appointment as Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Dightman, Lowell R., [redacted]
Ross, Rudolph J., [redacted]
Rotenberg, Hertzel, [redacted]
Smith, George V., [redacted]
Wroblewski, Robert W., [redacted]

DENTAL CORPS

To be lieutenant colonel

Cothren, Toby G., [redacted]

The following person for appointment as Reserve of the Air Force, in the grade indicated, under the provisions of sections 593 and 689, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Blancke, Barbara G., [redacted]

The following person for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Intile, Joseph A., [redacted]

The following officer for promotion in the Air Force Reserve, under the provisions of sections 1552 and 8371, title 10, United States Code (non-EAD).

JUDGE ADVOCATE

To be colonel

Brake, Robert M., [redacted]

The following officers for promotion in the Air Force Reserve, under the provisions of section 8376, title 10, United States Code (non-EAD).

MEDICAL CORPS

To be lieutenant colonel

Allred, Gerald L., [redacted]
Roybal, Robert E., [redacted]

The following Air Force officer for promotion in the Regular Air Force, under the provisions of sections 1552 and 8299, title 10, United States Code, as amended.

LINE OF THE AIR FORCE

To be major

Johnson, William C., [redacted]

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3383:

ARMY PROMOTION LIST

To be colonel

Basista, James P., [redacted]
Beatty, William T., [redacted]
Bryant, Max L., [redacted]
Calder, Leslie G., [redacted]
Cockerham, William, [redacted]
Hale, Gene, [redacted]
Harrison, Charles R., [redacted]
Heath, George W., [redacted]
Herndon, Eugene K., [redacted]
O'Connor, Maurice J., [redacted]
Repichowski, Steve, [redacted]
Schaller, James E., [redacted]
Schmidt, Gerald, [redacted]
Sebesta, Charles J., [redacted]
Sutton, Ray S., [redacted]

CHAPLAIN

To be colonel

Hanashiro, Stephen, [redacted]
Levell, Dorsey E., [redacted]
Lindenauer, Jon M., [redacted]

ARMY NURSE CORPS

To be colonel

Abel, James E., Jr., [redacted]

DENTAL CORPS

To be colonel

Gage, Raymond W., [redacted]

MEDICAL CORPS

To be colonel

Beard, Jeriel A., [redacted]
Cousineau, Leo E., [redacted]
Hicks, Russell D., [redacted]
Katz, Norman, [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

Ah Yo, Herbert, Jr., [redacted]
Anderson, William R., [redacted]
Bales, John F., [redacted]
Balough, Daniel C., [redacted]
Baukert, Frank P., [redacted]
Beeler, Alan L., [redacted]
Boos, Michael F., [redacted]
Brent, Harold L., [redacted]
Burnett, James O., [redacted]
Butzler, John R., [redacted]
Cafferty, Alan N., [redacted]
Capponi, Jimmie L., [redacted]
Carrara, Frank J., [redacted]
Carricarte, Michael, [redacted]
Chambers, Gary M., [redacted]

Chase, Jack S., xxx-xx-xxxx
Cherasaro, Nicholas, xxx-xx-xxxx
Chittick, Thomas L., xxx-xx-xxxx
Cohen, Michael V., xxx-xx-xxxx
Coil, George L., xxx-xx-xxxx
Colcol, Ben M., xxx-xx-xxxx
Collins, Lydia S., xxx-xx-xxxx
Conley, David M., xxx-xx-xxxx
Cottrell, Allen C., xxx-xx-xxxx
Craig, William A., xxx-xx-xxxx
Cross, David R., xxx-xx-xxxx
Cullen, James, xxx-xx-xxxx
Curran, Robert J., xxx-xx-xxxx
Deputron, Ronald, xxx-xx-xxxx
Donahue, David F., xxx-xx-xxxx
Dornenburg, William, xxx-xx-xxxx
Doyle, Lawrence, xxx-xx-xxxx
Dudack, Warren J., xxx-xx-xxxx
Duncan, Floyd H., xxx-xx-xxxx
Emanuelson, John E., xxx-xx-xxxx
Faraone, Francesco, xxx-xx-xxxx
Ferguson, Edward A., xxx-xx-xxxx
Fletcher, Dennis R., xxx-xx-xxxx
Fogle, Philip R., xxx-xx-xxxx
Funkhouser, James A., xxx-xx-xxxx
Gandy, Charles V., xxx-xx-xxxx
Garris, Lloyd W., xxx-xx-xxxx
Girardi, Alfred C., xxx-xx-xxxx
Gorham, Charles, xxx-xx-xxxx
Grammel, Ronald G., xxx-xx-xxxx
Grashoff, Peter H., xxx-xx-xxxx
Gray, Hugh B., xxx-xx-xxxx
Green, John J., Jr., xxx-xx-xxxx
Gross, William S., xxx-xx-xxxx
Hart, James W., xxx-xx-xxxx
Heisler, James D., xxx-xx-xxxx
Hillard, George O., xxx-xx-xxxx
Hilton, Raymond G., xxx-xx-xxxx
Holley, William C., xxx-xx-xxxx
Hubbard, Philip B., xxx-xx-xxxx
Hutton, Gary W., xxx-xx-xxxx
Ihrer, Leroy H., Jr., xxx-xx-xxxx
James, Albert P., xxx-xx-xxxx
Jeglikowski, Charles, xxx-xx-xxxx
Kaneshiro, Robert S., xxx-xx-xxxx
Koopika, Bruce W., xxx-xx-xxxx
Kowalski, Maxim A., xxx-xx-xxxx
Larsen, Bruce W., xxx-xx-xxxx
Lee, Arnold H. Y., xxx-xx-xxxx
Lewis, Dennis A., xxx-xx-xxxx
Martin, Herbert M., xxx-xx-xxxx
Moroja, Joseph C., xxx-xx-xxxx
Mayo, Michael R., xxx-xx-xxxx
McGarry, Neale A., xxx-xx-xxxx
McKinley, Michael J., xxx-xx-xxxx
Merrill, Herbert, II, xxx-xx-xxxx
Miller, Donald E., xxx-xx-xxxx
Moynihan, Charles E., xxx-xx-xxxx
Nixon, Austin D., xxx-xx-xxxx
Nolan, William K., xxx-xx-xxxx
O'Donnell, James E., xxx-xx-xxxx
Oleson, James E., xxx-xx-xxxx
Oriordan, John W., xxx-xx-xxxx
Petefish, Charles L., xxx-xx-xxxx
Pfeifer, Thomas J., xxx-xx-xxxx
Riguzzi, Evo, Jr., xxx-xx-xxxx
Roberts, Eugene P., xxx-xx-xxxx
Rodman, Glen A., Jr., xxx-xx-xxxx
Ropp, Robert H., xxx-xx-xxxx
Rzeminski, Peter J., xxx-xx-xxxx
Sadek, Charles H., xxx-xx-xxxx
Schulze, Dennis A., xxx-xx-xxxx
Snyder, Jeffrey R., xxx-xx-xxxx
Spence, John C., III, xxx-xx-xxxx
Stein, Philip J., xxx-xx-xxxx
Stewart, Ruth T., xxx-xx-xxxx
Strohecker, Irvin, xxx-xx-xxxx
Terrell, Francis D., xxx-xx-xxxx
Thompson, Luther C., xxx-xx-xxxx
Tinnemeyer, Charles, xxx-xx-xxxx
Vanderhoof, Gary L., xxx-xx-xxxx
Wallington, Michael, xxx-xx-xxxx
Washburn, Conrad S., xxx-xx-xxxx
Watanabe, Guy T., xxx-xx-xxxx
Watson, William B., xxx-xx-xxxx
Weston, Joseph, II, xxx-xx-xxxx
Wicks, Robert G., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Dillard, Toney W., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Adams, Payson S., Jr., xxx-xx-xxxx
Igartua, Rafael J., xxx-xx-xxxx
Legrand, Jay, xxx-xx-xxxx
Sanchez, Peter A., xxx-xx-xxxx
Umhey, Charles E., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Clark, Philip E., Jr., xxx-xx-xxxx
Incendio, Joseph R., xxx-xx-xxxx
Messinger, John L., xxx-xx-xxxx
Penn, William H., xxx-xx-xxxx
Selm, Michael W., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 716:

MEDICAL CORPS

To be colonel

Greene, Charles A., xxx-xx-xxxx

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3353:

MEDICAL CORPS

To be colonel

Cowan, George S. M., xxx-xx-xxxx
Jackson, Carmault B., xxx-xx-xxxx
Meyer, Paul R., xxx-xx-xxxx
Mosier, Harry D., Jr., xxx-xx-xxxx
Sanford, Jay P., xxx-xx-xxxx
Sarre, Stefan G., xxx-xx-xxxx
Trigos, Gaston G., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Drobotij, Elias, xxx-xx-xxxx
Klinger, Brent J., xxx-xx-xxxx
Owens, Gayle A., xxx-xx-xxxx
Piotrowski, Edmund, xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Abraham, David A., xxx-xx-xxxx
Archambeau, John O., xxx-xx-xxxx
Bauer, Ulrich, xxx-xx-xxxx
Carlisle, James H., xxx-xx-xxxx
Daly, James W., xxx-xx-xxxx
Daughtridge, Truman, xxx-xx-xxxx
Farley, Patrick C., xxx-xx-xxxx
Gorek, Edmond A., xxx-xx-xxxx
Hader, Richard C., xxx-xx-xxxx
Head, David R., xxx-xx-xxxx
Janis, Leon O., xxx-xx-xxxx
Lee, Yeu-Tsu N., xxx-xx-xxxx
Manes, Peter R., xxx-xx-xxxx
Meyer, Edwin G., xxx-xx-xxxx
Mickel, Hubert S., xxx-xx-xxxx
Ribera, Victor A., xxx-xx-xxxx
Slager, Ursula T., xxx-xx-xxxx
Song, Chull S., xxx-xx-xxxx
Thomasino, Joseph A., xxx-xx-xxxx
West, Wilk O., xxx-xx-xxxx
Zaki, Mahfouz H., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Woolson, Donald F., xxx-xx-xxxx

The following-named Army National Guard officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Ashcraft, Charles O., xxx-xx-xxxx
Bass, Eugene M., xxx-xx-xxxx
Bissonnette, John M., xxx-xx-xxxx
Blackburn, Wyler J., xxx-xx-xxxx
Blandford, John L., xxx-xx-xxxx
Carlone, Frank L., xxx-xx-xxxx
Centracchio, R. A., xxx-xx-xxxx
Chavanne, Raymond E., xxx-xx-xxxx
Christensen, Neil C., xxx-xx-xxxx
Creel, Mike C., xxx-xx-xxxx
Denton, Frank M., xxx-xx-xxxx
Dewell, John P., xxx-xx-xxxx
Evans, William A., xxx-xx-xxxx
Gangness, Ronald L., xxx-xx-xxxx
Garnjobst, James L., xxx-xx-xxxx
Hatten, Richard E., xxx-xx-xxxx
Hoffman, Robert D., xxx-xx-xxxx
Horak, James L., xxx-xx-xxxx
Kale, Donald W., xxx-xx-xxxx
Lansdell, Marvin R., xxx-xx-xxxx
Lawson, Alton W., xxx-xx-xxxx
Lee, Larry E., xxx-xx-xxxx
Mahoney, Robert J., xxx-xx-xxxx
Martin, Charles R., xxx-xx-xxxx
McGillen, William D., xxx-xx-xxxx
Murphy, John B., xxx-xx-xxxx
Paige, Billy D., xxx-xx-xxxx
Parker, Terrell E., xxx-xx-xxxx
Parsons, Radford G., xxx-xx-xxxx
Peterson, George W., xxx-xx-xxxx
Prather, Willie M., xxx-xx-xxxx
Riefkohl, Otto J., xxx-xx-xxxx
Smout, Billy L., xxx-xx-xxxx
Spalding, John W., xxx-xx-xxxx
Spruiell, John T., xxx-xx-xxxx
Watchilla, Joseph, xxx-xx-xxxx
Zanoff, John, Jr., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Duke, Earl L., xxx-xx-xxxx
Harrison, Hollister, xxx-xx-xxxx
Neil, Alexander L., xxx-xx-xxxx

ARMY PROMOTION LIST

To be lieutenant colonel

Banwart, Donald E., xxx-xx-xxxx
Beam, Larry C., xxx-xx-xxxx
Blum, H. Steven, xxx-xx-xxxx
Blysak, George J., xxx-xx-xxxx
Bol, Douglas J., xxx-xx-xxxx
Boone, Claude W., xxx-xx-xxxx
Bormolini, John A., xxx-xx-xxxx
Bouchell, J. E., xxx-xx-xxxx
Burgess, James M., xxx-xx-xxxx
Caliguire, Joseph A., xxx-xx-xxxx
Carter, Robert D., xxx-xx-xxxx
Coggins, Norbert J., xxx-xx-xxxx
Cook, Joseph R., xxx-xx-xxxx
Crutchfield, Thomas, xxx-xx-xxxx
Derbaum, Myron W., xxx-xx-xxxx
Derrickson, Edward, xxx-xx-xxxx
Devitt, Thomas K., xxx-xx-xxxx
DiBella, James J., xxx-xx-xxxx
Dissinger, Ray Z., xxx-xx-xxxx
Dougherty, John A., xxx-xx-xxxx
Duffy, Vivan F., xxx-xx-xxxx
Estes, William E., xxx-xx-xxxx
Factor, Robert E., xxx-xx-xxxx
Folkestad, Michael, xxx-xx-xxxx
Fortier, Ross S., xxx-xx-xxxx
Fuller, Josiah W., xxx-xx-xxxx
Geisen, Duane A., xxx-xx-xxxx
George, Herbert D., xxx-xx-xxxx
Gerntholz, Gereld F., xxx-xx-xxxx
Gerold, Roy G., Jr., xxx-xx-xxxx
Geyer, Todd R., xxx-xx-xxxx
Gillespie, Lawrence, xxx-xx-xxxx
Goheen, Gordon C., xxx-xx-xxxx
Gorecki, Delroy J., xxx-xx-xxxx
Greenberg, William, xxx-xx-xxxx
Hager, Andrew J., xxx-xx-xxxx

Hagler, Robert E., xxx-xx-xxxx
Harrell, Martin R., xxx-xx-xxxx
Harris, James D., Jr., xxx-xx-xxxx
Helgeson, Jerald R., xxx-xx-xxxx
Herrera, Juan F., xxx-xx-xxxx
Herring, James M., xxx-xx-xxxx
Hitchel, Robert E., xxx-xx-xxxx
Holt, Albert E., xxx-xx-xxxx
Huber, Donald M., xxx-xx-xxxx
Huff, Robert L., xxx-xx-xxxx
Humberson, Sidney A., xxx-xx-xxxx
Irvin, Thomas E., xxx-xx-xxxx
Irwin, James L., xxx-xx-xxxx
Jurin, Jerrold L., xxx-xx-xxxx
Kelley, Stephen P., xxx-xx-xxxx
Kent, William H., xxx-xx-xxxx
Kinghorn, Bruce R., xxx-xx-xxxx
Kohler, Robert D., xxx-xx-xxxx
Kruse, Charles E., xxx-xx-xxxx
Langjahr, Ellis R., xxx-xx-xxxx
Larsen, Charles G., xxx-xx-xxxx
Levi, Carl E., xxx-xx-xxxx
Livingston, Edwin K., xxx-xx-xxxx
Maldonado, Jose, xxx-xx-xxxx
Mallory, James E., xxx-xx-xxxx
Man, Joseph L., xxx-xx-xxxx
Martin, Dale E., xxx-xx-xxxx
Martin, Dennis P., xxx-xx-xxxx
Martin, John L., xxx-xx-xxxx
McCormick, Frederick, xxx-xx-xxxx
McQuilliams, Dwayne, xxx-xx-xxxx
Miller, Edward J., xxx-xx-xxxx
Moorman, Holsey A., xxx-xx-xxxx
Nowicki, Ferdinand, xxx-xx-xxxx
O'Brien, William E., xxx-xx-xxxx
Peay, Phillip O., xxx-xx-xxxx
Pedersen, John P., xxx-xx-xxxx
Perry, Myles A., xxx-xx-xxxx
Pintarro, Vincent J., xxx-xx-xxxx
Pizzuti, Nick M., xxx-xx-xxxx
Reaksecker, Lester, xxx-xx-xxxx
Reiter, Richard S., xxx-xx-xxxx
Ryan, Albert A., xxx-xx-xxxx
Schmidt, Eugene W., xxx-xx-xxxx
Sherman, Richard D., xxx-xx-xxxx
Simpson, Jerry W., xxx-xx-xxxx
Sonia, Arthur E., xxx-xx-xxxx
Sproelich, Thomas A., xxx-xx-xxxx
Terrell, Richard D., xxx-xx-xxxx
Tobara, Patrick K., xxx-xx-xxxx
Torres, Walter, Jr., xxx-xx-xxxx
Trocchia, Dominick, xxx-xx-xxxx
Tucker, David D., xxx-xx-xxxx
VanLaarhoven, W. D., xxx-xx-xxxx
Weiskopf, Ronald W., xxx-xx-xxxx
White, Samuel P., Jr., xxx-xx-xxxx
Williams, Miller G., xxx-xx-xxxx
Wilson, Charles H., xxx-xx-xxxx
Yates, Robert E., xxx-xx-xxxx

MEDICAL CORPS

To be lieutenant colonel

Arizaga, Jose R., xxx-xx-xxxx
Chodoff, Peter, xxx-xx-xxxx
Graves, Carl W., xxx-xx-xxxx
Jackson, Peter E., xxx-xx-xxxx
Littlejohn, Lake, Jr., xxx-xx-xxxx
Newton, Robert F., xxx-xx-xxxx
Pearson, Alfred G., xxx-xx-xxxx
Schosser, Robert H., xxx-xx-xxxx
Weinstein, Leonard, xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Dial, Gerald O., xxx-xx-xxxx
Downs, Arthur C., Jr., xxx-xx-xxxx
Franch, Gary L., xxx-xx-xxxx

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Abbott, Robert S., xxx...
Abel, Thomas C., xxx...
Adams, Thomas J., xxx...
Adams, Timothy S., xxx-...
Amend, Robert J., xxx...
Arnold, Timothy W., xxx...
Augustine, Paul K., xxx-...
Ayers, James, xxx-...
Baker, Jerry N., xxx-...
Barto, Ronald E., xxx-...
Barton, Kenneth P., xxx-...
Beck, Thomas T., xxx...
Belcher, Michael F., xxx...
Belgum, Stephen A., xxx...
Belliveau, Scott E., xxx...
Bellrichard, Tod A., xxx...
Belongia, Larry R., xxx...
Bergey, Terrence L., xxx...
Blackman, Scott L., xxx...
Blair, John P., xxx-...
Bohan, Richard P., xxx...
Bowers, Craig S., xxx-...
Brandl, Gareth F., xxx-...
Brett, Clark A., xxx-...
Briggs, Michael B., xxx-...
Brown, Isaiah V., xxx...
Bruning, Terry L., xxx...
Burns, Jimmie D., xxx...
Burton, Clyde T., xxx-...
Cacciatore, Anthony J., xxx-...
Cady, Kevin L., xxx-...
Cameron, James A., xxx...
Carradini, George S., xxx...
Centofanti, Vito J., xxx...
Chandler, Michael A., xxx-...
Chapla, Peter D., xxx...
Charlson, Kerry L., xxx...
Clardy, Herman S., xxx...
Colee, Chris A., xxx-...
Coleman, Gerry L., xxx...
Conley, Gary, xxx-...
Coontz, Steven R., xxx...
Cooper, Robert M., xxx...
Costa, Anthony P., xxx...
Cronin, Joseph A., xxx-...
Cunningham, Benjamin H., III, xxx...
Daniels, Earnest L., xxx-...
Davey, Donald E., xxx...
Dean, Bryon J., xxx-...
Deaton, Craig E., xxx...
Denham, Brett, xxx-...
Dennis, Barton A., xxx...
Devoe, Mark A., xxx-...
Dietrich, Jeffrey W., xxx...
Dillemuth, Michael C., xxx...
Dixon, Albert K., xxx...
Dold, Scott A., xxx-...
Dorman, Thomas W., xxx...
Driggers, Michael S., xxx...
Dunahoe, Paul B., xxx...
Dunn, Keith, xxx-...
Eddy, Gary L., xxx-...
Ehlers, Eric O., xxx-...
Eich, Dolph E., xxx-...
Embler, Joseph N., xxx...
Epplin, Michael A., xxx...
Erb, Mark W., xxx-...
Eversmann, Christopher S., xxx-...
Fairgrieve, John P., xxx-...
Fanniel, Lonzel, xxx-...
Fitzgerald Brendan T., xxx-...
Fleming, Charles A., xxx-...
Fletcher, Barrett R., xxx...
Fletcher, Brian S., xxx...
Ford, Gralyn V., xxx-...
Foster, David C., xxx-...
Francis, Leroy T., xxx...
Frank, Hagen W., xxx...
Fricke, Robert K., xxx-...
Galbreaith, Scott M., xxx-...
Gallagher, James R., xxx...
Gentile, Philip D., xxx...
Gentry, Robin G., xxx...
Grammatkos, John S., xxx-...
Grantham, David S., xxx-...
Griffin, James H., xxx...
Guenther, Uwe W., xxx...
Haas, Michael S., xxx-...
Hall, David B., xxx-...
Hamilton, Mark D., xxx-...
Hancock, Floyd W., xxx...
Hanna, Jon C., xxx-...
Hawkins, Donald S., xxx...
Hayes, Donald P., xxx-...
Hernandez, Saul, xxx-...
Hocutt, Richard G., xxx...
Holiday, Matthew R., II, xxx-...
Holladay, Steven M., xxx-...
Huettemann, Thomas B., xxx-...
Hunt, Robert E., xxx-...
Jacobs, Robert A., xxx...
Jans, Michael T., xxx...
Jersey, Laura A., xxx-...
Johnson, David M., xxx...
Johnson, Raymond, xxx-...
Johnston, Charles L., xxx...
Johnston, James R., xxx...
Julian, John S., xxx-...
Karafa, Paul A., xxx-...
Kelley, Frank L., xxx...
Kelly, Matthew D., xxx...
Kelly, Robert P., xxx...
Kelly, Terrence R., xxx...
Killinger, Matthew A., xxx...
Kilper, Kathleen M., xxx...
Kindt, John O., xxx-...
Kinneer, Laureen B., xxx...
Kleimeyer, Paul T., xxx-...
Kleinfeld, Jeffrey A., xxx...
Klemme, John A., xxx...
Knott, Steven E., xxx...
Koenig, Thomas C., xxx...
Koerber, Darrel L., xxx-...
LaForest, Kurt J., xxx...
LaRue, Richard B., xxx...
Lattimer, Richard M., Jr., xxx...
Londow, Kenneth, xxx-...
Looby, Matthew G., xxx-...
Lu, Sheldon D., xxx-...
Lusk, Richard M., xxx...
Machado, Arthur D., xxx...
Magnusson, Magnus, xxx...
Malekmadani, Joseph, xxx-...
Malekmadani, Terri L., xxx-...
Manley, John D., xxx-...
Mann, Alan A., xxx-...
Manna, John C., xxx-...
Marcotte, Ivan A., xxx-...
Marshall, Robert W., xxx-...
Martino, Peter M., xxx...
Masalin, Peter W., xxx...
McBride, Paul M., xxx...
McClintock, Andrew D., xxx-...
McClusky, Paul S., xxx...
McConnell, Sheryl S., xxx...
McDonald, Malcolm S., xxx-...
McGuire, Daniel W., xxx...
McLaughlin, William P., xxx-...
McMillan, William L., xxx...
McMonagle, Richard C., xxx...
Meador, Michael R., xxx...
Miller, Robert J., xxx-...
Mills, Richard B., xxx...
Mills, William G., III, xxx-...
Miner, Frank H., III, xxx...
Mitter, Mark J., xxx-...
Moore, Joseph S., xxx...
Moore, Thomas C., xxx...
Mundy, Carl E., III, xxx...
Murney, Kathleen M., xxx-...
Murtha, Kevin W., xxx-...
Myhra, Mark A., xxx-...
Nelson, Christopher T., xxx-...
Nixon, James E., xxx-...
Nolan, Terence, xxx-...
Null, Alan R., xxx-...
Nysvew, Craig J., xxx...
Oehl, Michael J., xxx-...
Ohey, John H., xxx-...
Oleary, Dennis J., xxx...
Olinger, Scott D., xxx...
Parrish, Steven L., xxx...
Popovich, Michael J., xxx...
Porter, Robert G., xxx...
Pratt, David R., xxx-...
Quackenbush, Robert F., xxx-...
Raethka, Timothy A., xxx...
Ragsdale, Gregory B., xxx...
Raimondo, Michael J., xxx-...
Reavis, William D., xxx...
Regan, Richard W., xxx...
Rivers, Russell M., xxx...
Roach, Sheryl, xxx-...
Roberts, David B., xxx...
Roberts, John K., xxx...
Rogers, Charles M., xxx...
Rogers, James D., xxx...

Rogers, Steven P., xxx...
Rosato, Francis P., xxx...
Ryman, Jeffrey P., xxx...
Salazar, Domingo K., xxx-...
Salgado, Leonidas J., xxx...
Salle, Marissa A., xxx...
Saltzsieder, Karl E., xxx-...
Samuell, Joseph M., Jr., xxx-...
Sawich, Brian J., xxx...
Sawyer, Michael A., xxx...
Schlegel, Kenneth C., xxx-...
Schultz, Scott D., xxx-...
Scott, Tommy, xxx-...
Scribner, Frank F., Jr., xxx-...
Semple, George J., III, xxx-...
Sharbel, Joseph A., xxx...
Shea, Stephen R., xxx-...
Shobbrook, Timothy J., xxx-...
Sills, David, xxx-...
Silven, Michael R., xxx-...
Simonson, Steven E., xxx...
Sims, Mark S., xxx-...
Smith, Robert C., xxx-...
Speights, Jeffrey S., xxx-...
Starr, Thomas E., xxx-...
Stavros, Kathryn E., xxx...
Steele, Holly A., xxx-...
Stinson, James E., xxx...
Stockman, Brien D., xxx-...
Studt, John R., xxx-...
Suddreth, Steven L., xxx-...
Sudy, Brian J., xxx-...
Sullivan, Kevin M., xxx...
Suski, Michael A., xxx...
Sweeny, James B., III, xxx-...
Sylvia, Frederic R., Jr., xxx-...
Taplin, Rodney H., xxx...
Taylor, Kevin D., xxx...
Tefft, Nancy L., xxx-...
Tester, Elizabeth K., xxx...
Thornton, Frederick P., xxx-...
Trotnic, Gary L., Jr., xxx...
Turlip, James D., xxx...
Turner, Nathan S., xxx...
Vanvugt, Michael D., xxx...
Vela, John J., Jr., xxx...
Venden, Cary D., xxx...
Vold, Jeffrey D., xxx-...
Wakefield, Mark E., xxx-...
Wakeman, Mark E., xxx-...
Warhola, Paul J., xxx-...
Warren, Joseph G., xxx...
Wasielewski, Philip G., xxx-...
Weir, Clark E., xxx-...
Weisz, Kerry M., xxx...
Wells, Glenn P., xxx-...
Wendt, Roger A., xxx...
Wernert, John C., xxx...
Whieldon, Thomas W., xxx...
Whitaker, Barron D., xxx...
Whitaker, Jeffrey C., xxx...
White, Bruce A., xxx-...
White Dwayne M., xxx-...
White, John xxx-...
Whitkick, Adam H., xxx...
Whitlock, Adam H., xxx...
Wilkinson, David H., xxx...
Williams, James V., xxx-...
Williams, Jason M., xxx...
Wipperman, Dirk E., xxx...
Wise, Stephen B., xxx...
Wolfe, David xxx-...
Woodroof, Kelly E., xxx-...
Wortham, Gary K., xxx-...
Young, Steven J., xxx...
Zimmerman, Mark L., xxx...
Zupke, Michael H., xxx-...

The following-named Marine Corps enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 531, subject to the qualifications therefor as provided by law:

Babauta, Evangelis J., xxx-...
Barton, Jeffrey W., xxx-...
Beaird, Cecil R., xxx-...
Bishop, David M., xxx...
Bray, Robert M., xxx...
Busick, Robert H., xxx...
Cornell, Barry M., xxx...
Darling, Andrew P., xxx-...
Doss, Robert A., xxx-...
Ellis, Steven J. xxx-...
Fearn, William R., xxx...
Feinberg, John F., xxx-...
Gacel, Rafael A., xxx...
Gallartdavila, Guadalupe, xxx-...
Green, Dennis M., xxx...
Hainer, James K., xxx...
Hansen, Charles C., xxx-...
Harris, Steven W., xxx-...
Harvey, Jeffrey P., xxx-...
Holdener, James E., xxx-...
Kenney, John J., xxx...
Lewis, Kathleen L., xxx...
Malloy, Dennis J., xxx-...
Moffett, John M., xxx...
Pinedo, Daniel A., xxx-...
Pollard, Roger L., xxx-...
Ritchey, Lewis, xxx-...
Russel, Anthony A., xxx-...
Ryman, Frank R., xxx-...
Shaver, Jeffrey L., xxx...
Smith, Clayton E., xxx...
Smith, Donald S., xxx...
Southworth, Paul C., xxx...
Staples, Richard T., xxx...
Tapia, Frank L., xxx-...
Tubridy, Terrence K., xxx-...
Turner, Robert M., xxx...

The following-named temporary disability retired officer for reappointment to the grade of captain in the U.S. Marine Corps, pursuant to title 10, United States Code, section 1211, subject to the qualifications therefor as provided by law:

Dubinsky, Stephen L., 1998.

DEPARTMENT OF JUSTICE

Daniel A. Bent, of Hawaii, to be U.S. attorney for the district of Hawaii for the term of 4 years vice Walter M. Heen, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 8, 1983:

DEPARTMENT OF STATE

Lewis Arthur Tambs, of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Colombia.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

John A. Svahn, of Maryland, to be Under Secretary of Health and Human Services.

EXTENSIONS OF REMARKS

MEDICAL PROBLEMS OF THE LONG-TERM UNEMPLOYED

HON. MARCY KAPTUR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Ms. KAPTUR. Mr. Speaker, as the number of workers facing long-term unemployment continues to rise, we must realize that this condition spawns problems beyond the worker's loss of dignity and the strain on the Nation's social fabric. Last week, the House took an initial step to provide relief to the long-term unemployed. We must now work to provide adequate health care protection for the jobless. This situation is poignantly described in a March 7, New York Times article which I submit:

[From the New York Times, Monday, Mar. 7, 1983]

LOST MEDICAL CARE FOR JOBLESS: COST MAY BE HEALTH OR LIVES

(By Iver Peterson)

DETROIT, March 6—Of all the pain and problems the recession has produced none may be as severe or long-lasting as the damage done to the health of people who, having lost their medical insurance along with their jobs, are not getting the medical care they need.

"This tragic byproduct of unemployment may, in the not so long run, cost the nation as much in damaged and lost lives as the unemployment itself," Douglas A. Fraser, president of the United Automobile Workers, said last month.

Although no one has determined the exact extent of the problem, which is difficult to measure, experts in the field across the country point to troubling developments that include the following:

Eleven million people lost their health insurance in 1982 alone, the Congressional Budget Office reports, with most retaining too many assets to qualify for help under welfare programs. The Health Security Action Council, a labor-backed group, estimates that at least 25 million people now lack health insurance because of unemployment.

In Michigan, with the highest unemployment rate in the country, the infant death rate rose 3 percent from 1980 to 1981, to 13.2 deaths per 1,000 live births from 12.8 in 1980. In the same period the national rate declined by 6.4 percent, to 11.6 per 1,000. Experts say loss of health insurance and of proper prenatal and maternity care is one of the factors in the rise in Michigan.

At Cook County Hospital in Chicago, admissions for tuberculosis have jumped from 300 to 600 cases in a year, and hospital officials attribute the increase to the financial inability of tubercular patients to obtain antibiotics. "We're sitting on a time bomb here," said Ron Wise, Cook's director of community relations, noting that the hospital is not equipped to isloate patients with such a contagious disease.

Referrals of uninsured patients from private hospitals to public hospitals, called "dumping," have increased and have worsened the deficit problems at municipal institutions. Such transfers to Cook County Hospital rose to 125 a month this year from 100 a month in early 1982; Detroit General, also a public hospital, reports a 30 percent increase in such referrals in the same 12 months.

"GET USED TO THE PHONE CALLS"

"After a while you get used to the phone calls," said Mr. Lanphear, a 26-year-old father of three. "They say well, we haven't received anything from you since October, and you say you'll try to send them something if you can find a way to earn it, and they say, well, they'll have to turn it over to a collection agency next week. But what can they do? They can't garnishee your wages if you ain't got any work."

Employers usually pay for all or a substantial part of their employees' health insurance. Under most plans, benefits and within a month after a layoff. The laid-off worker may then switch from the former group plan to an individual plan, but the cost is invariably higher and the benefits usually more limited.

"The high cost of private coverage to individuals and the limited availability of public coverage such as Medicaid make it difficult for those without group policies to obtain protection against high medical care expenses," Alice Rivlin, director of the Congressional Budget Office, testified before Congress.

SOME TOO PROUD TO ASK

To many doctors, the most distressing sign of the problem is the least visible. It is the people who, too poor to pay and too proud to ask for charity, are neglecting medical care until a crisis forces them to an emergency room.

In Atlanta, a 50-year old man, who recently lost his medical insurance when he was laid off, refused out of pride to accept the free hypertension pills offered through a clinic. A few days later he suffered a stroke and was admitted to Grady Memorial Hospital as a charity patient.

"We found a man who had cancer in his intestines and never went to a doctor, who had been trying to treat himself by dosing himself with corn starch and sleeping pills and hoping it would get better," said Nancy Dubyak, the head of the Butler County Coalition for the Unemployed in Pennsylvania. "We finally got him helped, but I don't know what happened to him."

John Danielson, president of the Detroit Hospital Center, said: "I hate to think how many women are walking around out there with undiagnosed breast cancers who are waiting for their husbands to find a job and some insurance before they'll come in to us, or how many others are not taking their hypertension medication because they can't afford it and don't know where to get some. They are all part of a medical bill that will come due someday."

The damage from such neglect usually shows up in the emergency rooms of hospitals, as a crisis forces a sick person to visit.

EMERGENCY VISITS INCREASE

Bellevue Hospital in Manhattan, for instance, has had an 8 percent increase in emergency room visits by adults in the last four or five months. The number of people who cannot pay also rose.

"We seem to be seeing sicker patients, and they're staying in our emergency room longer," said Terry Kraft, assistant emergency room administrator at Bellevue.

"They neglect their problems and come in sicker," echoed Dr. Corey Slovis, emergency room chief at Grady Memorial in Atlanta. "They keep hoping the problem will go away, or not get worse." At Grady, the number of emergency patients admitted for a hospital stay, an index of medical seriousness, rose 15 percent in the last year.

But some conditions refuse to be put off, such as the third pregnancy of Debra Lanphear, a carpenter's wife who lives just outside Flint, Mich. Her husband, Clarence, lost his job and family health insurance because of the housing slump just before the birth 15 months ago of a daughter, Roseanne. They were then handed a hospital bill for $2,600 and a continuing lesson in the life of the debtor.

Hospitals report that the decline in health coverage has brought evidence of an increase in self-treatment, a revival of folk nostrums and an increase in particular of women delivering babies by themselves or with the help of an unlicensed midwife.

"WALK-IN" DELIVERIES RISE

A Michigan Department of Public Health study released last month noted a threefold increase in the number of "walk-in" deliveries by women who had had no prenatal care, including women in labor accompanied by mid-wives who could not handle complications that arose.

Those using lay midwives "are usually white women with high school educations and often some college education whose husbands have been laid off," the study said.

Moreover, the Michigan department said recently, inadequate care of infants attributed to high unemployment has manifested itself in the increase in state's infant death rate from 1980 to 1981, after a decade of steady decline.

"There is a human emergency in Michigan," the state's Department of Health said in opening a report on the effect of unemployment on the health of mothers and children. "The economic downturn underlies the current picture seen in Michigan of poverty, hunger, lack of access to health care and high infant mortality."

The infant death rate also increased in nine states besides Michigan.

The increase emerged as a political issue last month when David A. Stockman, director of the Office of Management and Budget, defended the Reagan Administration's social policies by pointing to the overall decline in the rate nationally.

His comments have drawn fire here, however. "Our whole point is that the Govern-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ment can't just look at the people who are doing well," said Jeffrey R. Taylor, chief of the division of maternal and infant care in the Michigan health department. "They have to look at the people who are in trouble, too."

Mr. Taylor pointed to an area of downtown Detroit where 33 out of 1,000 babies die before they are 28 days old. This rate, he said, is "the same level reported for Honduras, the poorest country in Central America."

These babies die for many different reasons, including the youth and inexperience of many of their mothers, poverty, ignorance or simple indifference, that are not all the result of a loss of health insurance.

CHARITY TREATMENT A SHOCK

And for people who look for it, medical help is available, although the charity ward comes as a shock to people who are used to the first-class treatment afforded by an insurance card.

"If you've got that dire need and you've got to have it, you go for it," said Darrell Taylor, who lost his job at the General Motors Hydramatic plant in Ypsilanti, Mich., 18 months ago, and his union-sponsored Blue Cross-Blue Shield coverage eight months later.

"I had to sell my boat and get my car appraised and show I didn't have nothing left, but I got on welfare and Medicare," he said. "I hated to do it, it's killing my pride, but when your kids get sick, you do what you have to do."

For many people, losing medical insurance has also brought a new and bitter slant on their once warm relations with the family doctor. "He doesn't have time for us now that we can't pay," said Mr. Taylor, the unemployed G.M. worker. "I thought doctors became doctors to treat ill people, but I guess that went out the window when they started getting their hands on the big bucks."

At a charity clinic in Los Angeles, Sunset Community Clinic, the calls for appointments have risen from 100 a day a year ago to 350 a day now. Virginia Halstead, an administrator there, recounts complaints about doctors.

"People tell us, 'I've been going to my private doctor for 10 years and he won't take me anymore,' " she said.●

NATURAL GAS, MOVIES AND HERSCHEL WALKER

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. CORCORAN. Mr. Speaker, what do football running backs, Justice Department censoring of Canadian films, and natural gas have in common?

Only someone as perceptive as David Broder could spy the thread of present and threatened Federal regulation running through these three seemingly disparate issues. If only we could all see as clearly.

In case you missed it, I submit for the RECORD David Broder's March 2, 1983, Washington Post feature.

The article follows:

[From the Washington Post, Mar. 2, 1983]

THE MARKET IN RUNNING BACKS AND OTHER FOLLIES

(By David S. Broder)

No cheap political column today. The questions that are agitating those of us left in Washington when the big-shots went west to see the queen are all matters of first principle.

The questions are, in order of ascending importance: the Canadian films, which the Justice Department wants to label as propaganda; the president's proposal to deregulate natural gas; the so-called and misnamed "squeal rule," requiring parental notification for the prescription of contraceptives to young females; and, finally, the Herschel Walker case, involving the switch of an excellent running back from the University of Georgia to the New Jersey Generals of the United States Football League.

You may wonder whether, in fact, these seemingly disparate disputes are all aspects of a single deep philosophical controversy—what you might think of as the Canadian Gas Walker Squeal Film Caper. In just a few paragraphs, you will see that they are.

What confuses the scene is that people refuse to line up logically on the four issues, as principle would dictate. Liberals, so-called, who don't want the government labeling imported Canadian films as propaganda do want that same government setting the price for natural gas. Conservatives, so-called, who can see the advantage of a free market in gas cannot apply the same principle to contraception. Both sides go helter-skelter on the Walker case, depending, as near as I can tell, on how close their rooting affinity is to Athens, Ga., or East Rutherford, N.J. (Is there really an East Rutherford, N.J.? Has anyone ever seen it?)

But clearly the same principle should apply to the Walker case and natural gas. The government regulations that distinguish between "old gas" and "new gas," and purport to determine the right price for each, are just as arbitrary as the NCAA regulations that distinguish between a 20-year-old who fills the football stadium on Saturday and gets paid in malts and class credits, and the 21-year-old who fills it on Sunday and gets paid an amount equal to half the national debt.

Talent is talent, and gas is gas. And nothing but hypocrisy can result when the bureaucracy tries to segment or regulate the market.

I know that so-called liberals will scream that natural gas deregulation means higher prices. They said that about oil decontrol, and the prices have gone down. Oil glut, they explain. They said it about airline deregulation, and the prices have gone down. Plane glut, they explain.

Now some so-called conservatives (especially Good Ole Boys who love them Dogs) are bitter that Herschel Walker has deregulated himself into some big bucks. They forget that if there is a halfback glut, he is as vulnerable as Braniff. The market is the market is the market, as Jack Kemp (or maybe it was Gertrude Stein) has pointed out.

But the same clear-thinking free-market conservatives who can see that there is no other way to determine the logical price of gas or the right uniform for a halfback do not seem to understand that other forms of government interference can be equally capricious.

Why in the world should Attorney General William French Smith, who is supposed to be busy breaking up drug traffic, curbing organized crime and stopping the shredding at EPA, have to take time out to slap a "propaganda" label on Canadian films about acid rain and nuclear war?

The answer, he says, is that he is required to do it by the same wonderful Congress which, his colleagues at Health and Human Services say, also decreed that parents of teen-aged girls should get a letter when their daughters pop into a Planned Parenthood clinic for a pill. The courts are trying to figure out if Congress really did have such nonsense in mind, but those of us who operate on principle do not have to wait for an answer.

In these cases, as in those of natural gas and Herschel Walker, the right policy is to keep the cotton-picking bureaucrats' hands off.

The people who can't see this are seized with the idea that they have become special recipients of a higher truth. They flatter themselves that they know the just price of a halfback, and precisely at what stage of life he should run on Sunday instead of Saturday. Though the gas is natural, they are driven to set an artificial price. They know whether a girl should or shouldn't. And they know that the rest of us aren't smart enough to watch a film and make up our own minds whether it's propaganda.

Folly. Folly quadrupled. Let all such muddleheads be barred from ever gazing on the queen!

And now that we've cleaned up the questions, we can get back to counting the number of governors dancing on the head of the latest New Federalism pin. The brief respite from trivia is over.●

TRIBUTE TO JULIUS LITTMAN

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. LEHMAN of Florida. Mr. Speaker, for the past 2 years North Miami Beach has been fortunate to have available to it the talents of my good friend, Councilman Julius Littman. He has brought to our city an intimate knowledge of the community and a wealth of experience in business and civic affairs.

Jule Littman is an unassuming man who has unselfishly given his time for the benefit of others. For years, he has been a leader in local business organizations such as the North Miami Chamber of Commerce, where he serves on the board of directors. However, his achievements as a community leader are also impressive. He is president of Concerned Citizens of Northeast Dade County, Inc., a member of the board of directors of Coral Isle West Condomium, and serves on the mayor's Water Bond Committee of North Miami Beach and on the North Dade Chamber of Commerce. He has also served as president of Eastern Shores Civic Association and president of the Sephardic Jewish Center's Men's Club.

Jule was first appointed councilman in North Miami Beach in January

1981 and was elected the following April. In this position he has drawn on his extensive experience and knowledge in working for programs to help all our citizens, particularly regarding the beauty of our city and the quality of our environment. In the area of transportation, he has pushed for the widening of Biscayne Boulevard from 135th Street to the Broward County line, and his efforts are beginning to show results. In addition, he has worked for redevelopment of older commercial areas, such as those along NE. 163d Street. His sponsorship of many community activities shows his continuing effort to help bring people together.

Perhaps the best measure of Jule Littman is his work for the Milton Littman Memorial Foundation, which he founded. Named after his younger brother, who died after a brave battle against cancer, the Milton Littman Memorial Foundation is a nonprofit organization dedicated to providing scholarships to promising young people who exemplify qualities of leadership and public service. Fourteen students have already received scholarships, and nine more will receive them next month.

Mr. Speaker, one of the great satisfactions of this job is the contact I have with so many dedicated public servants. Jule Littman is one of them. But Jule Littman is also more than this. Jule is above all a humanitarian in all aspects of public and private life, as well as in his faith. To me, the essential Jule Littman will always be a friend who is ready to give of himself without needing to be asked and without wanting anything for himself in return.●

FREE VACLAV HAVEL

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. DWYER of New Jersey. Mr. Speaker, I call to the attention of my colleagues the plight of Vaclav Havel, renowned Czechoslovakian writer and representative of the resistance movement in that captive nation.

Mr. Havel has been confined at the Bory prison for 3 years and is presently recuperating from a serious illness. The Czechoslovak-American community is justifiably concerned about their compatriot's plight.

I would like to share with you a letter to President Reagan from Mr. Frank Svehla, publisher of Americke Listy, a Czechoslovak weekly newspaper based in Perth Amboy, N.J.

FEBRUARY 14, 1983.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: In my capacity of publisher of two Czechoslovak weeklies, I cannot help to draw your attention to the truly distressing case of persecution perpetrated by the Czechoslovak communist Government against Vaclav Havel, the foremost writer and representative of the national resistance in Czechoslovakia.

After a detention of three years at the Bory prison, he was stricken with vicious pneumonia. Reports speak of his life being in danger. This is proven by the fact that even the callous regime had him transferred into the infirmary.

In a stream of letters and protests against Vaclav Havel's internment, Czechs and Slovaks living in the United States of America clamour, although aware of the limited possibilities for some action on Havel's behalf. Today, Havel is the symbol of faith of an oppressed nation and not only that: protests in Europe see in him a worldwide symbol of freedom.

We solicit your assistance, Mr. President. Please do whatever you deem appropriate as head of State in his matter. All Czechoslovaks will be deeply grateful to you.

With our thanks and deep appreciation.

FRANK SVEHLA,
Publisher, Americke Listy.

Mr. Speaker, I have just learned that there has been some progress in Mr. Havel's situation and improvement in his condition. This positive development signals our need as a free nation to continue in our efforts and support for our friends abroad in their courageous struggle against tyranny.●

MASSACHUSETTS SPECIAL COMMISSION REPORT ON SOCIAL SECURITY DISABILITY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FRANK. Mr. Speaker, there has been a great deal of attention directed in this House and elsewhere to the unconscionable actions of this administration with regard to people suffering from severe disabilities. Under policies promulgated by the current administration, a large number of our fellow citizens who are suffering from disabilities have improperly been denied the economic support which they need to live decent lives. Last year, the Congress responded in part to this administration policy by corrective legislation. Many of us feel that further corrective legislative efforts are needed and are pressing for enactment of additional legislative remedies in this session.

But we, in Congress, are not the only elected officials who have been distressed by the plight of our disabled fellow citizens who have been denied what is legally theirs. In the State of Massachusetts, there is a special commission on social security disability, chaired by State Senator Jack Backman and State Representative Joseph DeNucci. Representative DeNucci and Senator Backman also currently chair the Massachusetts Legislature's Committee on Human Services and Elderly Affairs. Both of these men are compassionate, dedicated, and able elected officials whose concern for the needy is a model that I wish other elected officials would follow. I served in the Massachusetts Legislature with Senator Backman and Representative DeNucci and I am proud to say that they are both constituents in my congressional district. I want to commend them for the concern they have been showing for the disabled.

Recently, their special commission issued a resolution and interim report on the disability situation. It is an important document which I hope will soon become public policy in the Commonwealth of Massachusetts, and I would commend its adoption to elected officials in other States as well.

Mr. Speaker, I would like to share with the House the resolution and interim report of the Special Commission on Social Security Disability of the Commonwealth of Massachusetts, chaired by Jack Backman and Joseph DeNucci.

RESOLUTION AND INTERIM REPORT OF THE SPECIAL COMMISSION ON SOCIAL SECURITY DISABILITY

At a meeting of the Commission held on February 18, 1983, it was resolved:

1. The Special Commission has received testimony in open public hearing that the Massachusetts Rehabilitation Commission, an agency within the Massachusetts Executive Office of Human Services, has consistently acted contrary to final, unappealed decisions of the United States Court of Appeals of the First Court, under whose jurisdiction lies the Commonwealth of Massachusetts.

2. The testimony was clear, convincing and uncontradicted from claimants, hearing examiners of the Massachusetts Rehabilitation Commission, as well as corroborating statements by the Commissioner of the Massachusetts Rehabilitation Commission.

3. As early as 1975, the Massachusetts Rehabilitation Commission was informed of final, unappealed decisions of the United States Court of Appeals for the First Circuit that a person receiving Social Security disability benefits could not be terminated unless the claimant's medical condition had improved to the point where he or she was able to engage in substantial gainful activity. *Miranda v. Secretary of Health, Education and Welfare,* 514 F. 2d 966, C.C.A.1, (1975)

4. Since 1975, hearing examiners and case workers of the Massachusetts Rehabilitation Commission have never been instructed by the Massachusetts Rehabilitation Commission and the Social Security Administration to follow the final decisions of the United States Court of Appeals, First Circuit, in making their decisions to terminate individuals on social security disability. Such examiners and case workers have, instead, followed the directives and POMs issued by the Social Security Administration, which directives and POMs are incon-

sistent with final decisions of the United States Court of Appeals of the First Circuit.

As a result, hundreds of persons have been improperly denied social security disability payments.

5. In October 1982, counsel to the Massachusetts Rehabilitation Commission officially informed the Commissioner of the Massachusetts Rehabilitation Commission that the agency's employees were still not following United States Court of Appeals decisions, and that evidence used by its employees to terminate persons from disability "is not likely to meet the legal standards of the First Circuit (United States Court of Appeals)." MRC Memo dated October 25, 1982, to Commissioner Bartels.

6. The Special Commission resolves that the Massachusetts Rehabilitation Commission be instructed to follow the final, unappealed decisions of the United States Court of Appeals.

7. The Special Commission resolves that the Massachusetts Rehabilitation Commission be instructed to advise the Special Commission of each case in the last 2 years in which the Massachusetts Rehabilitation Commission has not followed the final decisions of the United States Court of Appeals, First Circuit.

8. The Massachusetts Rehabilitation Commission is further requested to review each such case and render a new decision consistent with the rulings of the United States Court of Appeals, if such case has not yet been reviewed by a court.

9. The Governor is hereby requested to instruct the Massachusetts Rehabilitation Commission by Executive Order to follow the final decisions of the United States Court of Appeals, First Circuit.

10. Copies of this resolution shall be delivered to the Massachusetts Rehabilitation Commission and Governor.●

FEDERAL EMPHASIS ON EDUCATION OF THE DISADVANTAGED PAYING OFF

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. PORTER. Mr. Speaker, recent news reports and congressional hearings have been filled with news of the disastrous state of math and science education in America's public schools. Concern over this worrisome situation and its potential impact on this country's long-term intellectual and economic health has led to extensive analysis of the problem and to recent initiative on the part of the administration and Congress renewing Federal commitment and support in this vital area.

Rather than risk having the recent discussion indicate that all in American education is gloom and doom, I would like to direct my colleagues' attention to the findings of a recently released report. The "National Report Card on Education During the 1970's," prepared by the Denver-based National Assessment of Education Progress, joins the chorus of authorities citing the significant decline in mathematics and science ability during the 1970's, especially among white, high achieving students. Nevertheless, the report also points to the widespread educational improvement at the elementary school level, especially in the reading and math scores of black and white low achievers. Fourth grade black low achievers, in particular, showed an impressive 8.4 percent rise in reading scores. White low achievers at that level had a 4.6-percent improvement. These extensive elementary school gains the report attributes both to the strong Federal efforts during the decade to raise reading abilities of disadvantaged students as well as to the heightened public interest in fostering basic skills.

Our country appears to be at a crossroads in education policy, assessing its current educational position and charting its course of action for the future. Essential to this process, of course, is the identification of weakness. Equally important, however, is the recognition of areas in which our efforts have beeen successful and should be continued. Results of this recent report seem to indicate that many of our efforts in the elementary area have been good ones, and in the formation of future policy, merit our renewed commitment and support.●

COMMEMORATING THE 100TH ANNIVERSARY OF THE VACAVILLE REPORTER

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FAZIO. Mr. Speaker, it is an honor for me to rise today to pay tribute to the publishers, editors, and reporters, past and present, of the Vacaville Reporter, which is celebrating 100 years of news gathering and reporting for the people of Vacaville, Calif., and northern and central Solano County.

The Reporter is one of only a handful of family-owned, independent newspapers in the Nation that has survived more than 100 years of continuous service.

In the past decade, the Reporter has earned recognition throughout the State of California and the Nation for excellence in community journalism. It has won over 140 State and national journalism awards. And, in 1982, the Reporter was selected by both the California Newspaper Publishers Association and the National Newspaper Association to receive the prestigious General Excellence Award, the top award for overall excellence in news reporting, photography, reproduction and presswork craftsmanship, public service, editorial writing, advertising, and sports reporting. In addition, the Reporter has consistently been recognized as a leader in graphic presentation, and has earned accolades from educators and public service organizations alike.

To the credit of its owners, the Reporter has avoided being engulfed by one of the many newspaper conglomerates. It remains in the hands of the community-spirited Rico family who have owned the paper for the last 41 years. In December 1980, editor/publisher Richard Rico was named Publisher of the Year by the California Press Association. This award, which is granted to only one Publisher per year in the State, is in further recognition of the Reporter's standing in the forefront of community journalism.

Mr. Speaker, I feel extremely privileged to have the Reporter in my congressional district. The Reporter has served the Vacaville area well over the last 100 years. It belongs to the people of Solano County and is a community newspaper in the truest and best sense.●

SCHOOL BREAKFAST PROGRAM DESERVES PRAISE

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. HILER. Mr. Speaker, many of us are confronted almost daily by various well-meaning interest groups who are seeking additional Federal funding for a variety of well-meaning programs.

The fact of the manner is we just do not have the money and simply cannot afford to extract it from already overburdened taxpayers. But one school in Elkhart, Ind., is not trying to seek refuge in the Federal budget to support an important new program. They are doing it on their own by tapping one of our Nation's most valuable resources—voluntarism.

Mrs. Carol Wengerd, the mother of a third grade student at Roosevelt School, is coordinating a breakfast program to help those children who either are not being fed in the morning, or cannot be because their parents are economically strapped.

It is a modest program right now. Breakfast consists of a peanut butter cracker and glass of orange juice. That may not sound like much, but at least young, growing children are not suffering through morning classes because they are not being fed. Mr. Delbert Detwiler, the principal at Roosevelt, tells me that 125 to 175 young people are taking advantage of this program.

Mr. Speaker, I realize it has become fashionable for some to invest their energy in criticism of the administration for failing to fund this or that.

But Mrs. Wengerd has chosen to take on a problem in Elkhart not by pointing a finger and criticizing, but channeling positive energy into an effort that is already off the ground and running. I am confident that once people see how well the program is working and helping young people, it will grow.

If more people like Mrs. Wengerd adopted this approach to many of our problems, it not only would make our job easier, but would bring an end to these problems a lot faster and a lot more effectively.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. CORCORAN. Mr. Speaker, because of a previous commitment in Illinois, I missed three votes on March 3, during the consideration of H.R. 1718, urgent supplemental appropriations for 1983.

Had I been present, I would have voted "aye" on the Edgar amendment requiring that 75 percent of the $2.45 billion in discretionary funding appropriated under the bill be spent in areas of high unemployment, and "aye" on the motion to recommit the bill with instructions.

I was paired against the bill, and had I been present would have voted "no" on final passage. The addition of several appropriations which were unrelated to the employment assistance that prompted the introduction of this bill accounted for my opposition to the passage of H.R. 1718.●

THE PEOPLE'S PARADISE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FIELDS. Mr. Speaker, some form of socialism/communism is dominant in many nations and every continent. The idea of socialism is especially attractive to intellectuals who are able to maintain a comfortable distance from actual Socialist practices.

Though socialism is a god that fails continuously, and causes more human suffering and tragedy than any idea or practice in history, there are those who stubbornly cling to its high-minded idealism. They religiously close up their eyes to the reality that the Socialist promise of instant utopia brings only the tyranny of a real dystopia.

It is for them that the following glimpse of reality is provided.

[From the Washington Inquirer, Oct. 8, 1982]

FOR FOREIGN EYES ONLY

(By Reed Irvine)

Andrew Nagorski until recently represented Newsweek magazine in Moscow. He was expelled by the Soviet regime on trumped up charges, and he is now stationed in the more congenial city of Rome. The September 27 edition of Newsweek published in Europe carries a two-page article by Mr. Nagorski about the Soviet Union which ought to be read by every American. Unfortunately, almost the only Americans who will ever see it are those overseas, since Nagorski's article was not carried in the domestic edition of Newsweek.

Nagorski told Newsweek's foreign readers that the Soviet Union is fated to remain "mired in a dark tunnel of repression, stagnation and fear" even after dictator Leonid Brezhnev passes from the scene. He recalls telling a Russian friend of his doubts about the likelihood of any improvement after Brezhnev dies. His friend was even more pessimistic. He said, "That is a Western way of looking at the problem. The Russian way is to hope that it won't get worse."

Nagorski said that his Russian friends had good reason to fear that things might get worse. One of his Russian friends who had avoided any open expression of dissent but who had attracted the disapproving attention of the Soviet authorities because of his independent behavior said: "Somewhere in the future, when my case has acquired a certain critical mass as yours did, this will appear as one point in the long list of charges against me."

Nagorski points out that repression is an essential tool of the Soviet state. He says that it is now being used with increasing frequency. This is not a return to the mass bloodletting and imprisonment of the Stalin years, but, he says, the residual terror from that period makes it possible to keep people in line with more selective repression.

Nagorski strongly disagrees with those western pundits who have been building up Yuri Andropov as "moderate" or "liberal" probable successor to Brezhnev. He writes; "It is no accident that Yuri Andropov . . . presided over the KGB for the last 15 years when it methodically deciminated the dissident movement. Andropov has now formally moved up to the powerful party secretariat. But he has left the crushing of any remaining dissent to the new KGB chief, Vitaly Fedorchuk, who if anything is even tougher."

Fedorchuk, Nagorski notes, was formerly head of the security forces in the Ukraine. A Russian who visited the Ukrainian capital of Kiev said that people there were even afraid to grumble in the long lines waiting for food, a common practice in Moscow. He was advised by people there that the Moscovites could expect a change now that Fedorchuk had moved up the power ladder. They said, "Just you wait. Now that our man has moved to Moscow, pretty soon all of Russia will be the same way."

Nagorski says that his explusion was one more piece of evidence that it was an illusion to think that detente would really mean more contact between the Russian people and the outside world. A Russian friend, bidding him goodbye, said: "For you, this is an unpleasantness, an interruption of your work here and a rupturing of some friendships. For us, it is yet another permanent loss of a human contact, another in a growing list of losses that isolates us all the more."

The increased emigration of Jews, ethnic Germans and Americans that the Soviets permitted in the 1970s has been reduced to a trickle, Nagorski says. He says this is because the emigration created unexpected problems for the security apparatus. The emigrants were often able to maintain contact with relatives and friends they left behind. Information and ideas from the West that clashed with what the Soviet authorities were saying filtered through the Iron Curtain. That caused problems.

One of Nagorski's Russian friends noted that the bright side of his experience was that he could now tell the truth about the USSR from firsthand experience. That truth is badly needed now that so many Americans are again being told that the Soviets are just like us. One wonders why Newsweek kept this important article out of its domestic edition.●

LET US ELIMINATE DISCRIMINATION IN INSURANCE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FLORIO. Mr. Speaker, the Subcommittee on Commerce, Transportation and Tourism recently held hearings on H.R. 100, the "Nondiscrimination in Insurance Act."

The principle of prohibiting discrimination based on race, religion, sex, or national origin is now part of our fundamental doctrine. We have made great strides toward making that principle into living reality—in employment, public accommodations, housing, credit, government regulations and government benefits, transportation, recreation, voting, education, athletics, and many other areas of life.

The objective of H.R. 100 is to eliminate discrimination on the basis of race, color, religion, sex, or national origin in all phases of insurance and annuities—in access and availability of coverage and underwriting in the terms, conditions, rates, benefits, and requirements of the insurance and annuity contracts; and in the methods for determining them. Several Federal courts, including the Supreme Court of the United States, have already ruled that sex discrimination in pension plans violates title VII of the Civil Rights Act of 1964, but many insurance companies still engage in such discrimination in their annuity plans.

H.R. 100 will eliminate that disparity between the requirements of title VII as now applied by the courts in employment related plans and present industry practices, and will thus prevent possible frustration of title VII's nondiscrimination mandate.

I would like to commend to each Member's attention the following articles by Ellen Goodman and Judy Mann on this issue. Both columnists persuasively argue that the time has come for us to correct the inequities

that exist in our present system. Congress must enact legislation to eliminate sex discrimination in insurance.

The articles follow:

[From the Washington Post, Mar. 1, 1983]

INSURED INEQUALITY

(By Ellen Goodman)

BOSTON.—In any crowd of cheerful, positive-thinking citizens, there is at least one eternal optimist who longs to believe that somewhere, somehow there must be a form of discrimination that is "fair," or even "good" for women.

If such a person exists among you and is not busy clapping hands for Tinkerbell, allow me to introduce him or her to the friendly neighborhood insurance industry.

For two days last week, at congressional hearings on a bill to ban discrimination in insurance and annuities, we heard testimony showing that women are paying more and/or getting less from their insurance than men.

In the pension business, for example, men and women often make equal payments to buy an annuity, but women get less-than-equal monthly payments back.

The industry, for its part, didn't deny that it offers separate plans for men and women. Rather, it held aloft actuarial tables, as if writ by the great Statistician in the Sky. Anatomy is destiny, they declared. Women live longer, they receive more monthly payments and so they must pay more.

Insurers have made similar arguments in terms of medical and disability policies since this issue was first raised. They are just following numbers: if women cost more, they must pay more. What's fair is fair.

But fair isn't always easy to assess. At the crux of this controversy is the fact that insurers choose to group people and then make predictions about the behavior of that group. They do not call this discrimination; they call it "risk categorization."

There is, of course, nothing sacrosanct about the groups themselves. Until fairly recently, they grouped people by races, and charged blacks more for life insurance than longer-lived whites. They stopped when it became socially unacceptable. They have never grouped people by religion, although Mormons and Seventh Day Adventists live longer than others.

Now women are claiming that being grouped by sex is equally discriminatory, arbitrary and harmful to them as individuals. The "average" woman, for example, may have a longer life expectancy than the "average" man. But out of every 100 women and 100 men, 84 of each sex will die in the same years. As Mary Gray, a math professor at American University and president of the Women's Equity Action League, testified on a similar Senate bill: "I have one life expectancy as an American. I have a longer expectancy as a woman, a shorter life expectancy as someone in a stress-filled position, a longer life expectancy as a nonsmoker, a shorter life expectancy as one who is overweight. There is no reason why our sex should be singled out."

The all too chivalrous rebuttal from the insurance industry now is that women aren't really suffering under this two-track system. Indeed, they insist, equality will cost women dearly. But whenever someone protests that equality will hurt women, watch out.

There are two areas today in which women pay less than men. Young female drivers under the age of 24 are generally charged less than young male drivers for auto insurance. Women generally pay 10 to 20 percent lower premiums for life insurance.

The auto insurance difference is based on the fact that young men get into more car accidents than young women. Indeed, men get into more accidents at all ages, but for some curious reason, the segregated rates usually end at age 25.

Here again, the insurers group people by sex rather than by their driving records or how many miles they travel. The real discrimination is against good young male drivers in favor of bad young female drivers. Ironically, this bias against men is the only one that's been corrected. A handful of states have now passed laws ending sex discrimination for young drivers.

As for life insurance, women usually do pay between 10 and 20 percent less for the same amount of coverage. This can be lower than the difference between companies, and is often wiped out by discounts, such as that for nonsmokers.

But even if you include these so-called advantages, the bottom line is simple. The "break" that women get in auto and life insurance is piddling. They pay dearly for their sex when it comes to medical coverage, disability coverage and pensions.

In one reasonable analysis compiled by the National Organization for Women from the industry's own figures, being a woman can cost $15,732 in insurance over a lifetime. That, on anyone's tables, is a real "risk category."

[From the Washington Post Feb. 18, 1983]

FAIR BENEFITS

(By Judy Mann)

In 1975, Nathalie Norris of Scottsdale, Ariz., was 50 years old, divorced, the mother of three, and employed in the state's Work Incentive program. When her employer offered a new pension benefit that would provide a tax break while she worked and income when she retired, she jumped at the opportunity to sign up.

She decided that a deferred annuity option, in which she placed part of her monthly salary in a fund from which she would receive a monthly payment after her retirement, was the best choice for her. Pamphlets describing the benefit told how much a man who put in $100 a month of his salary, for a specific amount of time, would get in monthly checks, and similar tables showed how much a woman would get. Norris realized something was wrong. "I found out that if I put in the same amount as a man and selected the annuity option, I would collect less than a man."

The plan was a way to save money. "You don't pay taxes on [the money] until you take it out. I got into it, but I also knew I didn't like what I was offered." She filed a complaint with the Equal Employment Opportunity Commission and in 1978 received a letter saying she had a right to sue. Unable to afford a lawyer, she went to the Arizona Center for Law in the Public Interest, which sued the state, claiming the benefit program violated Title 7 of the Civil Rights Act.

The federal District Court of Arizona and the Ninth Circuit Court of Appeals agreed, and the portion of the plan that discriminated was struck down. The state of Arizona, which contends that it is not to blame because it is merely contracting with an insurance company for the plan and that all the life insurance companies use sex-based actuarial tables, appealed the case to the U.S. Supreme Court, which has agreed to hear it March 28. The decision could have a profound impact on the insurance industry as well as on numerous pending suits involving sex-based rule tables.

The insurance industry argues that it is proper to give smaller monthly benefits to women than to men since women live longer than men. It is an argument similar to that used in setting auto insurance rates, for example, where the industry sets higher premium rates for male drivers under the age of 25 since they have substantially higher accident rates than young women.

At hearings before the Senate Commerce Committee last July, industry representatives argued that sex-based actuarial tables are the fairest way of determining risk classification and that to abolish them would cost consumers hundreds of millions of dollars.

Eight actuaries have filed a friend-of-the-court brief in the Norris case, however, saying that the industry "would not be revolutionized" if sex-based tables were abolished. They said the uncertainty the industry faces in its financial structure has more to do with investment returns than with mortality of annuitants.

Following the defeat of the Equal Rights Amendment, which the National Organization for Women blamed partly on the insurance industry, a number of civil liberties and women's groups began lobbying for federal legislation to abolish sex-based rate tables. They are getting results: a House hearing is scheduled next week and another Senate hearing is expected this spring.

Judy Schub, legislative director for the National Federation of Business and Professional Women's Clubs, which has filed a friend-of-the-court brief in the Norris case, says: "There is a very basic principle here. The civil rights philosophy in this country says you don't treat an individual differently because of their membership in a certain protected class. What we're saying is you cannot take an individual woman and say because some women live longer, you can classify all women as living longer."

The Median income for males 65 years old and over in 1981 was $8,173, according to the Census Bureau, while for females it was $4,757. Nearly 19 percent of women over 65—or nearly 2.8 million women—are living below the poverty level.

Amy Gittler, Norris' lawyer, says Norris' benefit would be $320.11 a month at age 65, $33.95 less than a man retiring under the exact same set of circumstances. It may not seem like enough money to make a Supreme Court case out of, but to Nathalie Norris' everlasting credit, she didn't ignore it. She understood that for some retired women, $33.95 can mean the difference between eating decently at the end of the month and not.●

THE AFRICAN HEBREW ISRAELITES IN ISRAEL

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. DYMALLY. Mr. Speaker, in February of 1983, the Department of State, pursuant to provisions of the Foreign Assistance Act of 1961, released the "Country Reports on Human Rights Practices for 1982." As

required by law, the country reports summarize human rights practices and violations of countries that receive U.S. assistance and other countries that are members of the United Nations. Although I found the summaries compiled by the State Department to be generally accurate and commendatory, I am troubled by the Department's light treatment of alleged human rights violations that have persisted in Israel for the past 12 years.

I draw specific reference, Mr. Speaker, to the alleged denial of basic human rights and full participation to the African Hebrew Israelites in Israel. Reliable sources have proffered evidence that the Israeli Government has systematically and continuously attempted to discredit and disperse the African Hebrew community there. Particularly, I have been informed that violations have been committed in the following areas: First, denial of birth certificates to African Hebrew children born in Israel; second, denial of educational opportunities in public educational institutions; third, denial of work permits necessary for employment; fourth, denial of health benefits and medical services in public institutions; and fifth, refusal to issue passports, identification, or travel documents such that travel within or without the Israeli border is severely restricted.

The chairman of the Subcommittee on Human Rights, conducted hearings on March 3, 1983, wherein the Department of State presented its country reports to the Congress. At that time, I raised the issue with Assistant Secretary of State for Human Rights, Mr. Elliott Abrams, and impressed upon him my concern that these allegations be fully investigated and more fully reported in the next country reports summary. Secretary Abrams indicated that the Department, though aware, had not done extensive investigation into the situation, but assured the Subcommittee on Human Rights that it would conduct a thorough investigation into these allegations. At that time, I recommended that the Department of State make arrangements to speak directly with the African Hebrew Israelite leadership and membership in Dimona and Jerusalem, Israel, and contact nongovernmental sources as well.

Mr. Speaker, I find the allegations of human rights denial to the African Hebrew Israelites disturbing in light of our longstanding good relationship with the democratic State of Israel. Also disturbing is the Israeli Government's decision in 1981 to allow permanent resident status and rights of almost full participation to 500 Vietnamese refugees, while denying these same rights to the African Hebrew Israelites.

For the RECORD, Mr. Speaker, I have attached my letter to the Department of State requesting a more thorough investigation; a letter to me from the African Hebrew Israelite leadership in Dimona, Israel, requesting assistance; and a reprint of an article which appeared in the Jerusalem Post.

The material follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 3, 1983.

Mr. ELLIOTT ABRAMS,
Assistant Secretary of State for Human Rights and Humanitarian Affairs, U.S. Department of State, Washington, D.C.

DEAR MR. ABRAMS: I am taking this opportunity in anticipation of your testimony before the House Subcommittee on Human Rights to register my concern about a situation that has persisted in Israel for the past thirteen years. I am referring to the African Hebrew Israelites and allegations of human rights violations by the Israeli Government.

Reliable sources have proffered evidence that the Israeli government has systematically and continuously attempted to discredit and disperse the African Hebrew community in Israel. Particularly, I have been informed that the Israeli government has violated the rights of these people in the following areas:

1. Birth Certificates—Sources allege that the Israeli government has denied the issuance of birth certificates for over 250 African hebrew children who were native born in the state of Israel.

2. Denial of Educational Opportunities—The children of the African Hebrews have allegedly been denied entrance to Israeli public schools.

3. Denial of Work Permits—Workers have allegedly been denied the issuance of work permits which are necessary for employment in Israel.

4. Denial of Health Benefits—The community has allegedly been denied the provision of medical and health services in Israeli public medical institutions.

5. Restrictions on Travel—The Israeli government has allegedly denied the issuance of passports, identification documents or any papers that would allow freedom of movement within or beyond the Israeli borders.

It has been pointed out that the above-alleged restrictions violate several provisions and articles of the United Nations' Declaration of Human Rights. In light of the United States commitment to human rights and the scope and nature of our relationship with the democratic state of Israel, I am requesting that the Department of State undertake a thorough investigation of these alleged violations. In that regard, I recommend that you include in your investigation a visit to Dimona, Israel to talk with the leadership and members of the community. I have attached a copy of a letter from the African Hebrew leadership in Jerusalem imploring my assistance in this matter.

I am aware that the State Department mentions at page 1161 of the Country Reports that the legal status of the African Hebrew community remains unresolved in Israel. It appears that after thirteen years, the Israeli government could have and, indeed, should have resolved this basic contradiction in its democratic process. Although we want to be careful in not alleging any discrimination based on race in this matter, it is especially disturbing to learn that as far back as December of 1981, the Ministry of the Interior in Israel granted permanent resident status to 500 Vietnamese refugees.

You can see that these allegations are not to be taken lightly if there is, in fact, a denial of basic human rights in Israel. I trust that you will investigate the matter and report your findings to the Congress in the Country Reports for 1983 if not before.

I look forward to hearing from you.

Sincerely,

MERVYN M. DYMALLY,
Member of Congress.

ORIGINAL HEBREW ISRAELITE
NATION OF JERUSALEM,
Dimona, Israel, February 16, 1983.

Hon. Congressman MERVYN M. DYMALLY,
1777 Longworth (H.O.B.)
Washington, D.C.

DEAR HONORABLE SIR AND BROTHER: We greet you in the name of peace, truth, justice, mercy, and love.

We are writing in behalf of the Original Hebrew Israelite Community, residing in Israel. We pray this letter finds you in the best of health, and that you are most prosperous in your endeavors. This letter also is to serve as a special request in behalf of our community.

Honorable Sir, we are soliciting your benevolent assistance to help us in our struggle as a people seeking to live our lives and raise our children in peace and safety. We are asking if you would seek the help of fellow members of the Congress, and perhaps of the Black Caucus, to help alleviate the harsh conditions that are forced upon our Community by the Israeli Government for in many instances there have been pronounced violations of our Human Rights. The State of Israel is a member of the United Nations.

Travel Documents—We have been denied by the Israeli Government any type of identification documents which are fundamentally essential for the survival and well being of our Community. This denial of basic identification is in direct violation of Article 27 of the United Nation's Declaration of Human Rights, the article reads as follows:

"The Contracting State shall issue identity papers to any stateless person in their territory who does not possess a valid travel document."

Because the Israeli Government maintains high security due to the present tense situation in this part of the world, it is imperative that we have such documents in our possession in order to leave our homes. Without such identification our survival is hampered and undue hardships are forced upon us. We are unable to have freedom of movement necessary for our everyday survival, i.e. to seek employment, shop for food and the other necessities of life especially with the official Israeli Government Position towards us being a "War of Attrition." The inability to have freedom of movement has left our community open to continuous surveillance and harsh harassment by Israeli Law Enforcement Agencies. This harassment has created psychological trauma and stress among our women and children who are being forced to live under such exasperating conditions. These violations which we have listed in part have never ceased and acts of attrition continue to this very day.

An incident involving the violation of our Human Rights which occurred on October 2, 1973, concerned a group of sisters from our Community who had visited the American Embassy in Tel Aviv and renounced their American citizenship. Considered ac-

cording to the United Nation's Declaration of Human Rights as "stateless persons having no official identification," these sisters were arrested by the Israeli Police for loitering and placed in the maximum security prison at Ramla. There, they were exposed to inhumane treatment at the hands of the Prison personnel. As a matter of fact, one sister contracted a disease which eventually resulted in her death. The others received sentences with long prison stints—up to ten months and more—for this trivial charge.

This series of events occurred because the Israeli Government refused to comply with Article 27 of the United Nation's Declaration of Human Rights (of which Israel is a Contracting State) as noted following paragraph three on page one of this letter. Here we would also like to cite Article 13 from the same document pertaining to travel within a Contracting State.

"Everyone has the right to freedom of movement and residence within the borders of each State."

Another example follows, further pointing out the prejudiced character of the Israeli Government towards Black people. In 1979 the State of Israel accepted Vietnamese refugees into the country with eventual full rights granted to them by the Israeli Government. The "Jerusalem Post" points out that the Vietnamese consider Israel their second home. The irony of this statement is that we, The Original Hebrew Israelite Community, consider Israel our first and only home, the place of our sacred heritage and the land of our forefathers. However, these Vietnamese refugees who have no blood ties to this land and consider it only their "second home" have been given preferential treatment which has enabled them to live decent, normal lives. These refugees, who had lived in Israel for only three years, were assured by the Israeli Interior Minister, Yosef Burg, that they would receive "laissez-passers" to enable them to travel abroad. Along with this, they were granted permanent residence and other privileges which are obstinately denied our Community after fourteen years in the State of Israel, making it clear that the "humane policy" adopted by the Israeli Government excludes Black people from the United States. Residents in our Community cannot even obtain an identification document to travel within the State of Israel, not to mention travelling "abroad". This policy alone (the denial of "laissez-passers") is in violation of the United Nation's Declaration of Human Rights.

Medical and Health Services—We have been denied medical and health services in the Israeli public institutions.

Birth Certificates: The Israeli Government has denied the issuance of birth certificates for over 250 of our children who are native born in the State of Israel.

Education: Our children have been denied entrance into Israeli Public Schools and we therefore established our own educational system. In so doing, the Israeli Government has made it appear as though we did not want to participate in the social structure of the State. Again, this is a violation of our Human Rights, as pointed out in Article 26 of the United Nation's declaration of Human Rights which we quote Article 26:

"1. Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit."

Work Permits: We have been denied the granting of work permits which is stipulated in the United Nation's Human Rights Charter, as the following points out:

"All people have a right to the enjoyment of just and favorable conditions of work which ensures in particular: A decent living for themselves and their families."

Visitors: Relatives, friends and guests of the members of our Community are not allowed to visit us. Continued harassment exists at the Tel Aviv Ben Gurion Airport for those who desire to visit our Community, and many have been deported without consideration of the great expense involved, and with no reimbursement of funds for forfeited travel plans.

In closing, we express our sincere gratitude for your time and pray our cause has touched your heart in a way that will prompt you to aid us in our quest for peace and safety for our Community.

Respectfully yours,

DR. SHALEAK BEN YEHUDA,
Community Representative.

[From the Jerusalem Post, Dec. 9, 1981]

VIETNAMESE GRANTED PERMANENT RESIDENCE

Interior Minister Yosef Burg decided on Monday, in compliance with the "humane policy" adopted by the government, to grant permanent residence to the 500 Vietnamese refugees in Israel, a ministry spokesman said.

In answer to a question about when the refugees, who came here three years ago, will receive citizenship, Burg said that this will be considered at a later date. He said that in any case, the refugees will be given *laissez-passers* to enable them to travel abroad.

The Interior Ministry spokesman said the decision to grant permanent residence was reached after most of the refugees said that they regarded Israel as their second homeland and that they would like to stay. They will be granted all rights conferred upon citizens except voting for the Knesset, he said.

COUNTRY REPORTS ON HUMAN RIGHTS PRACTICES FOR 1982 BY THE U.S. DEPARTMENT OF STATE

The legal status of the approximately 1,200 members of the Black Hebrew Community remains unresolved after almost a decade. Few of them are residing in Israel legally, most having entered the country on tourist visas which expired long ago. Approximately 80 Black Hebrews have renounced their American citizenship and may be considered stateless, since the Government of Israel has not accepted their claim of right to immigrant status under the Law of Return.●

WHAT THESE UNITED STATES MEAN TO ME

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. WILLIAMS of Ohio. Mr. Speaker, recently I had the honor of sharing the podium at West Elementary School in Youngstown, Ohio, on February 7, 1983, with an exceptional young man by the name of Thomas Bailey, 59 Rhoda Avenue, Youngstown, Ohio. Tom Bailey recited his poem "What These United States Means To Me," and I would like to share it with you.

"WHAT THESE UNITED STATES MEANS TO ME"

U is for *United* the way we must stand.
N is for a *Nation* so great and so grand.
I is for *Independence* that is spread throughout the land.
T is for *Trust* that we must never ban.
E is for *Equality* that makes all people the same.
D is for *Democracy* in which our country is our name.
S is for our *Senators* who represent our States.
T is for *Tradition* that has lasted many dates.
A is for *America* which makes me so proud.
T is for *Two* hundred years of freedom ringing out so loud.
E is for *Everyone* that has given a helping hand.
S is for our *Soldiers* that have helped to keep our free land.●

OREGON WILDERNESS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. AuCOIN. Mr. Speaker, the Oregon Wilderness Act of 1983 will soon come to the floor for a vote. It is a carefully balanced compromise, taking into account the legitimate concerns of the timber industry, wilderness advocates, and those men and women who make their living working in Oregon's forests and mills. Of the 3 million roadless acres in Oregon, 1 million are designated as wilderness and 2 million are freed for commercial and multiple use. This will bring the total amount of wilderness in Oregon to 2 million acres and leave for commercial use 13 million acres of publicly owned timber lands.

Just last Saturday, President Reagan visited Klamath Falls, Oreg. He said that he favored new additsons to Federal wilderness if significant values were at stake. Mr. Speaker, I am encouraged by the President's remarks. The Oregon Wilderness Act has been crafted to preserve some of Oregon's last pristine wild lands. This Congress should not pass up the opportunity to preserve, for ourselves and our descendents, these significant lands.

The Oregon wilderness bill is a responsible, reasonable solution to a controversy that has raged for over a decade. It is the product of countless hearings held in Oregon and Washington, D.C. I think the President will understand the desirability of signing into law this bill because it solves the wilderness controversy in Oregon—a controversy which if allowed to contin-

ue will cost 6,400 jobs, 200 million board feet of timber and over 310,000 acres of oil, gas, and geothermal leases.

Over half the acreage designated wilderness by this bill is located in eastern Oregon. If there is strong opposition to this bill it is logical to assume that it would come from that part of the State. That is why, Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which appeared in the March 2, 1983, edition of the East Oregonian, Pendleton, Oreg. Mr. Speaker, Pendleton is the largest city in eastern Oregon. The support of the Oregon Wilderness Act by this newspaper is further proof that this bill has strong statewide support and, for that and other reasons, should be approved by the House of Representatives.

Mr. Speaker, the Oregon Wilderness Act is a fair, balanced compromise, one which should be approved by the House, sent to the Senate, and signed into law by the President.

[From the East Oregonian]

OREGON WILDERNESS BILL APPEARS WORTH PASSING

We are unsure the Oregon wilderness bill before members of Congress is entirely sensible. But failure to pass it might open the door to three times as much wilderness, and we doubt the wisdom of that.

Members of the House Interior Committee passed last week a bill that would designate 1.1 million acres of Oregon forest lands as wilderness. Included in that acreage would be some 218,000 acres on the North Fork of the John Day River and some 18,000 acres on the North Fork of the Umatilla River.

Rep. Bob Smith, of Eastern Oregon's Second District, is strongly opposed to adding to wilderness areas in Oregon, and so is Rep. Denny Smith. The Democratic representatives—Les AuCoin, Jim Weaver and Ron Wyden—support the additional wilderness.

It's hard to guess how the bill will come out of the House and how it will fare in the Senate.

The main thing that confounds us about this wilderness debate is the extent to which the U.S. Forest Service's study of potential wilderness has apparently meant so little.

The Forest Service has conducted two long, involved studies of roadless forest areas in Oregon to recommend what areas should be considered for wilderness. They were called RARE I and RARE II. But the wilderness bill in Congress bears little similarity to the RARE II findings.

In RARE II, the Forest Service designated 22,000 acres on the North Fork of the John Day for further wilderness study. But the bill in Congress would put some 218,000 acres of the North Fork John Day into wilderness.

On the Umatilla National Forest, the RARE II study lists 412,000 acres (one-third of the whole Umatilla National Forest) for further wilderness study but none of it on the North Fork of the Umatilla River. Yet the bill in Congress includes 18,000 acres of the North Fork Umatilla as wilderness.

If you feel these long, expensive roadless-area studies are highly questionable, we agree. That's a big reason for supporting the bill in Congress.

The bill looks at about 3 million acres of roadless forest land in Oregon, releases some 2 million for multiple use and puts about 1 million in wilderness. Whether 1 million acres is too much more wilderness or not, we don't know. But holding off on the decision probably would mean a RARE III study and a freeze on use of the roadless areas for the duration.

Critics of RARE I and RARE II have blocked those studies in court. Observers of the wilderness issue say the courts may well order a RARE III. And they say the 3 million acres of Oregon roadless forests would be "locked up" in the meantime.

For that reason, we support the bill in Congress.●

UNITED VIRGINIA EFFORT SAVES TROUT HATCHERIES

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. BOUCHER. Mr. Speaker, last month I was pleased to announce with Senator JOHN WARNER that the U.S. Interior Department has agreed to a plan which will keep the two Federal fish hatcheries in Wytheville and Paint Bank in operation.

Under the agreement worked out with Interior officials, operation of the two hatcheries will be transferred to the Commonwealth of Virginia beginning July 1. The Interior Department, which had planned to close the hatcheries on March 31, will operate the hatcheries for an additional 3 months while Virginia prepares for an orderly transition.

Closing the facilities at Wytheville and Paint Bank would be shortsighted and would totally disregard the hours of pleasure that Virginia sport fishing enthusiasts receive from fishing in streams of the Jefferson National Forest, the George Washington National Forest, and the Blue Ridge Parkway. Furthermore, sport fishing is a major tourist attraction in southwest Virginia, and it contributes over $2.3 million to the economy of our area.

The Wytheville and Paint Bank hatcheries are the only available source of trout for stocking streams in national forests in southwest Virginia. In addition, the Wytheville hatchery provides trout to the Virginia hatchery in Marion. Each year, the two hatcheries provide about 440,000 trout to Virginia streams.

On January 29 I visited the Wytheville and Paint Bank hatcheries with Congressman JIM OLIN, my colleague from the neighboring Sixth District. Joining us for the factfinding tour were a number of area elected officials, including State Senator Danny Bird, Delegate Chuck Lacy, former Delegate Archie Campbell, and Wythe County Board of Supervisors member George James. The tour was very informative and it affirmed my commitment to do everything possible to try to keep the hatcheries open.

Following the tour, Congressman OLIN and I met on February 7 in Washington with officials of Interior's Fish and Wildlife Service. Also attending the meeting were representatives of the Virginia Commission of Game and Inland Fisheries and staff assistants for other members of the Virginia congressional delegation. At the meeting Virginia proposed to assume operation of the hatcheries, and we requested an extension of the March 31 date for closing the facilities in order to allow an orderly transfer of the hatcheries to the State.

After the February 7 meeting, I sent a personal letter to Interior to urge favorable consideration of the Virginia proposal, and I joined with the entire Virginia congressional delegation in signing another letter to Interior supporting the plan. Additional letters of support were sent to Interior by hundreds of concerned Virginians and elected officials.

Last week Interior agreed to keep the two hatcheries open until July 1, 3 months beyond the original closure deadline. Although Virginia had initially proposed to assume operations on August 1, I have been informed by Virginia officials that the Commonwealth wants to assume responsibility for the hatcheries and will make every effort to achieve a smooth transition by July 1.

We are fortunate that Virginia is willing to operate the Wytheville and Paint Bank facilities, and I am very grateful to everyone who helped achieve this agreement, particularly Senator WARNER, Congressman OLIN, Congressman ROBINSON, Senator TRIBLE, and Mr. Richard Cross, executive director of the Virginia Commission of Game and Inland Fisheries.

I also appreciate the concern and support of the State and local elected officials who assisted our effort. A great deal of credit also goes to the many citizens of southwest Virginia who took the time to write to the Interior Department to protest the closing of the hatcheries.

The saving of the two hatcheries is a victory for everyone in southwest Virginia who was involved in this effort, and it demonstrates how effective we can be in resolving problems when there is cooperative action at the Federal, State, and local level.●

LAW OF THE SEA TREATY AND THE RESOURCE WAR

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FIELDS. Mr. Speaker, the economic and defense needs of America depend crucially upon her access to a number of scarce mineral resources, some of which lie on or under the seabed. Clearly the LOS Treaty will affect access to them. Moreover, the proposals of the treaty present the pattern for future economic developments elsewhere, the consequences of which will be even more far reaching and profound than has so far been recognized even by most critics of the treaty.

Accenting the possible denial of critical seabed minerals through bureaucratic or political obstacles present in the treaty, is the Soviet Union's progressive resource war against the Western nations in general and the United States specifically. While some critics deny or downplay such determined strategic planning on the part of the Soviets, the evidences declare the blind folly of disregarding the threat.

Such evidences are supplemented by a recent book by Sinclair and Parker entitled "The Strategic Metals War." For the education and interest of my colleagues, I am inserting excerpts from a key chapter. I urge my colleagues to secure a copy of the book and read it. In so doing, I believe they may further see that the resource war being waged by the Soviet Union against the United States and her allies is real; and the LOS Treaty conveniently serves, by design or happenstance, to foreclose a possible opportunity for the United States to counter with free and open access to ocean minerals.

THE RESOURCE WAR: IT IS REAL

In any analysis of the world outlook in critical and strategic materials, the role of the Soviet Union assumes crucial importance. Historically, the USSR has sold minerals to the West to pay for its imports of Western technology and grain. Soviet exports include some of the most critical of metals, notably manganese, chromium, the platinum group and titanium. At one time or another the Soviets have halted or severely reduced their sales of all of these materials and others to their Western customers.

Beyond the Soviet Union's role as a primary producer of minerals is its position as a center of political influence in the Third World. As this influence grows in the mineral-rich region of Southern Africa, it opens the possibility that the Soviets through control of natural resources in their own country and their influence in the Third World could apply a damaging strategy of resource denial against the West. A growing number of analysts feel that this strategy has advanced from theory to threat; they are calling it the Soviet Union's Resource War Against the West. This is a subtle form of aggression, insidious in its effect, potentially damaging in peacetime and morally threatening in war, yet almost beneath the threshold of rational response. The West must develop a countervailing strategy.

Sovietologists have delved into the literature of Soviet thought to find the roots of the Resource War. As early as 1921, Josef Stalin wrote:

"If Europe and America may be called the front or the arena of the major battles between socialism and imperialism, the unequal nations and the colonies, with their raw materials, fuel, food and vast store of manpower, must be regarded as the rear, the reserve of imperialism. To win a war it is necessary not to triumph at the front, but also to revolutionize the enemy's rear, his reserves."

Another Soviet leader, Nikita Khrushchev, made a similar point at the University of Jakarta in 1960:

"Afro-Asian countries play an essential part in limiting aggression in an economic respect. They are important suppliers of raw materials for the Western powers. The supporters of aggression understand that when the majority of Afro-Asian countries follow a peace-loving policy, they are unable to count on the use of the rich resources of Afro-Asian countries in their aggressive plans."

Rear Admiral William C. Mott, who testified July 8, 1981, in a Congressional inquiry into the Resource War, told the House Subcommittee on Africa that he had personally interviewed a Soviet KGB defector then in British protective custody and was told, "the Soviet government has been paying much attention to the 'resource war' since the mid-forties." The defector, Ilya Dzhirkvelov, volunteered to Admiral Mott that the KGB had been gathering intelligence worldwide on the availability of resources with the purpose of finding ways to inflict damage upon the Western economies. "Stalin's goal of depriving the West of the mineral resources of the planet is still pursued," he told his interrogator.

Some highly placed American officials have also become convinced that the Resource War is real and threatening, if undeclared. General Alexander Haig, before his appointment as secretary of state, told the House Subcommittee on Mines and Mining on September 18, 1980:

"As one assesses the recent step up of Soviet proxy activity in the Third World—in Angola, Ethiopia, Southern Yemen, Northern Yemen, Southeast Asia, Central America and the Caribbean, and the . . . unprecedented invasion of Afghanistan by regular Soviet forces—then one can only conclude that the era of the 'resource war' has arrived."

William Casey, director of the CIA, in a speech before the United States Chamber of Commerce, voiced concern at the growing Soviet influence in the Third World and its increasing ability to project military power into the resource-rich regions vital to the West.

The vulnerability of Western and Japanese mineral supply lines was pointed up by yet another expert. Rear Admiral Robert J. Hanks, now retired, speaking as a representative of the Institute for Foreign Policy Analysis, told the House Mines and Mining Subcommittee on September 18, 1980:

"It has been said that there are two great 'treasure houses' in our modern industrial world. The first is in the Persian Gulf where the bulk of the globe's petroleum energy is to be found and without which Western economies could not survive. The other lies in Southern Africa. Here, the indispensable commodities are minerals and metals equally essential to the modern industrial process. Complete stoppage or even a significant reduction in the flow of these 'treasure house' materials to the United States, the nations of Western Europe, and to Japan could generate economic and therefore political catastrophe."

In June 1980, the Pittsburgh World Affairs Council convened a conference of experts on mineral supply and national policy, and later published a study entitled "The Resource War in 3-D—Dependency, Diplomacy Defense." Among the conclusions reached by the experts at the conference:

U.S. dependence on strategic minerals threatens the nation's economic well-being and national security.

In the competition for oil and nonfuel minerals, "the Soviet Union must be regarded as a hostile state, whose leaders may be attempting to injure the U.S. and its allies by impeding their access to strategic minerals."

The U.S. should reorient its defense and foreign policies to take this reality into account and, in concert with its allies, act to ensure the security of mineral sources and supply lines for the Free World.

In a paper presented at the Pittsburgh conference and in other speeches and publications, Daniel I. Fine of the Mining and Mineral Resource Institute of Massachusetts Institute of Technology has developed a thesis that challenges the older view of the Soviet Union as a producer and provider to the West of a long shopping list of strategic minerals. Fine believes that the Soviet Union is nearing the end of its role as a significant exporter of iron ore, manganese, vanadium, titanium and lithium; that its production and export of chromite ore is diminishing; and that its exports of platinum metals are undependable because of production difficulties and the growing demand of the USSR's own chemical industries. In addition, says Fine, the Soviet Union's dependence on imports is growing in such strategic metals and ores as molybdenum, bauxite, cobalt, tungsten, antimony, fluorspar, tin, nickel and lead. Thus it will become a competitor in world markets for these materials, with important implications for supply patterns and price movements in the future.

The Soviet Union has demonstrated its readiness to make forays into metal markets for political rather than commercial motives. In this context, raw materials may be seen as another weapon in the Soviet arsenal in its long-term struggle for power and prestige. Fine reports that in 1981 Soviet representatives offered to sell 4,000 tons of nickel in North America at $2.57 a pound, at a time when the world price was $2.87 a pound. This may have been an attempt to inflict commercial damage on two Canadian-based producers of nickel, INCO and Falconbridge, both of which were suffering at the time from weak markets and poor sales. If either firm could be weakened or driven out of nickel production, the West would become dependent upon the Soviet bloc for supplies of this highly strategic metal. Fine saw the Soviet maneuver as an effort to open a market in North America for nickel from Cuban mines. After expropriating the mines from their American owners more than two decades ago, the Cubans finally seem to be getting them into effective production.

Daniel Fine has concluded that the Soviet Union is engaged in a massive change of policy, from a strategy of self-reliance in mineral supply to an outward strategy calling for increasing access to world resources. While Soviet Union comes closer to mineral self-sufficiency than any other major economy, it is still import-dependent for a significant number of minerals. Beyond that, its leaders may have decided to reach out to foreign suppliers, saving their own huge mineral reserves in the difficult and inaccessible Siberian Arctic for future exploitation—safe in the deep freeze, so to speak. Presumably when the world's more accessible mineral resources are exhausted, the Soviets will be able to extract an even higher price and greater political leverage from those frozen assets.

The Soviet Union's policy of reaching out to world resources has also affected the Eastern Bloc nations, which since the 1950s had profited from the "Bucharest principle," under which the Soviet Union sold raw materials to its COMECON partners at less than world prices. Now the Eastern Bloc nations also must enter the world markets to supply their mineral requirements.

This shift in Soviet resource strategy may help to explain other Soviet foreign policy initiatives, including a massive preoccupation with Southern Africa. Since the mid-1970s, the Soviets have shipped $4.5 billion in weapons to Africa, most of it into Central and Southern Africa. They sold $85 million of MIG jet fighters and other weapons to Zambia, which was in far greater need of internal development and food production. With the help of Soviet arms, Marxist regimes took control of Angola and Mozambique.

In Angola, a Soviet-armed Cuban force of 20,000 serves as a mercenary army protecting the government from the anti-Marxist Jonas Savimbi and his UNITA forces in the Angolan countryside. The Cubans almost surely had a hand in training the guerrillas who raided the cobalt mines in Zaire's Shaba province in 1978, and the Cubans, along with Russian and East European advisors, are trying to whip Sam Nujoma's South West Africa Peoples Organization into a fighting force capable of dislodging the South Africans from Namibia by force if not by vote. The SWAPO bases in Angola are not just guerrilla camps in the jungle; they include radar and air defense bases (or did until a South African force destroyed them in 1981), with SAM-3 and SAM-6 antiaircraft missiles and a contingent of Soviet and East German advisors and commanders.

It is easy to see in this Soviet buildup a long-range strategy aimed not just at installing friendly regimes in the former colonies but at building up a conventional force capable of threatening South Africa itself, the region's greatest treasure-house of minerals, and controlling the seaborne traffic around the Cape of Good Hope. In this strategy, the Cuban mercenaries serve as a mobile force, not just guarding the government in Angola, but capable of mounting a serious military threat against neighboring states not yet fallen under Communist control. If while building up friendly regimes and threatening unfriendly ones, this strategy also succeeds in weakening its Western adversaries and denying them resources, so much the better from the Moscow perspective. Controlling both their own resources in strategic metals and those in Southern Africa, they would own a near monopoly on supplies of some vital materials.

Just what are the Soviet aims in Africa? As the authors of one study put it there are as many lists of Soviet objectives as there are Western analysts studying them. These authors, one of whom, Chester A. Crocker, was later appointed assistant secretary of state for African affairs, rate the Soviet objectives in this order:

To establish a strong and irreversible Soviet presence as a major force to be reckoned with and as an accepted part of the African terrain.

To create a climate in which African states will develop along the Soviet model rather than as politically free governments oriented toward the market economy.

To diminish Western influence in Africa as a precondition for further Soviet advances on the continent.

To limit the influence of China, which has enjoyed a reputation as a patron of black liberation movements.

By allying itself with African causes genuinely popular among developing nations, to swing the nonaligned movement closer to Moscow.

In raw materials, to persuade Africans to pursue nationalization actions and to insist on higher prices while obtaining for the Soviet Union the capability to practice "denial strategy" in crisis situations to put political pressure on the West.

Meanwhile, the Soviets and their friends are well placed to cut off some supplies of critical materials almost at will and without directly involving the Soviet Union. The copper belt of Zaire and Zambia, source of most of the Western world's cobalt, is vulnerable to guerrilla raids, as was demonstrated in 1978.

Further, Gabon, a small country on the west coast of Africa, is the source of nearly half of the manganese ore used in the U.S. The Gabonese ore is shipped by rail through the Marxist country of Congo-Brazzaville to the port of Pointe Noire for loading aboard ships. The Congolese government earns useful foreign exchange for the shipping and handling of this ore, and in the past has expedited its movement. The port of Pointe Noire is only a few miles from the Angolan enclave of Cabinda, where American-operated oil wells are guarded by Cuban troops, but where a separatist movement, working for the secession of Cabinda from Angola, is also smoldering. A risk to the manganese ore from Gabon could arise from any of several developments: a political decision by the Congolese under pressure from the Soviets to cut it off, a guerrilla raid from Marxist Angola or even sabotage of the rail line by the non-Communist separatists of Cabinda. At this writing, it appears to be in everyone's interest to keep the manganese moving. How long that fortunate condition will prevail is anyone's guess.

In Southern Africa, the Soviets have sought to overcome their chronic shortage of hard currency (in other words, U.S. dollars) by developing barter. They have traded machinery, aircraft, power equipment, trucks, mining machinery and railroad rolling stock for minerals and other commodities. The Soviet Union offers a large market for the tropical fruits and other agricultural products that are supplied to much of the West from Latin America and Asia. The expanding pattern is one in which barter effectively replaces cash transactions, serving to exclude Western consumers from critical and strategic materials except on Soviet terms.

That is one definition of a Resource War.●

H.R. 1958—A BILL RELATING TO THE TRANSFER OF CIVIL LAND REMOTE SENSING SPACE SATELLITE SYSTEMS AND METEOROLOGICAL SATELLITE SYSTEMS TO THE PRIVATE SECTOR

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. DYSON. Mr. Speaker, I am introducing legislation today that addresses the issue of congressional oversight in the authorization of one of our Nation's essential governmental activities. These activities are the civil land remote sensing space satellite (Landsat) systems and the meteorological satellite (Metsat) systems.

As some of our colleagues know, the administration is presently giving consideration to the transfer of the Landsat and Metsat systems to the private sector. The commercialization of these systems clearly has many far-reaching implications for our citizenry, our Nation, and the world. Consequently, it is imperative that we assure congressional oversight for the necessary consideration, consultation, and deliberation that any commercialization proposals of this magnitude deserve.

In testimony before the House Committee on Science and Technology on March 1, 1983, the Administrator of the National Oceanic and Atmospheric Administration (NOAA), Dr. John V. Byrne, could not give unequivocal assurance that the administration would consult with the proper congressional committees before implementing proposals to commercialize the Landsat and Metsat systems. This indicates a real possibility exists for the administration to commence commercialization of these civil satellite systems without congressional review or approval. The legislation I am introducing today would require such authorization before either the Landsat or the Metsat systems, or any part thereof, could be turned over to the private sector.

The concept of commercialization of the Landsat and Metsat systems finds its roots in the Carter administration when endorsement was given to the proposal to transfer the Landsat system to the private sector. This proposal, however, was never vigorously pursued. In fact, it was assumed that the transfer to the private sector could not, as a practical matter, be accomplished until the 1990's, at which time it was envisioned commercialization of the Landsat system would then be feasible.

A significant aspect of the Carter administration's commercialization initiative was that it never contemplated the transfer of the Metsat system to

the private sector. This was simply because Federal users of the system's data, principally the National Weather Service (NWS), utilize 100 percent of the satelite's remote sensing capabilities and 95 percent of derived data products. There are many indications that the Government will remain the principal user of the Metsat system's data for many years to come.

While unanswered questions are aplenty, the Reagan administration seems to favor commercialization of the Landsat and Metsat systems as soon as possible. This policy follows in the footsteps of an unsolicited bid by the Communciations Satellite Corporation (Comsat) in December 1981, which contemplates taking over both the Landsat and Metsat systems.

In June 1982, the Land Remote Sensing Satellite Advisory Committee (LRSSAC) recommended that the Commerce Secretary formally solicit industry inputs on the potential commercialization of these satellite systems. The original LRSSAC charter was to consider only matters concerning the Landsat system. However, the LRSSAC later passed a resolution designating the Commerce Department to formally test the feasibility of transfering all or part of both the Landsat and Metsat systems to the private sector.

On September 10, 1982, a formal request for information (RIF) was issued by the Department of Commerce on the subject of turning these satellite systems over to the private sector. Fourteen responses to the RIF were received by the closing date of October 22, 1982. Among the respondents, a general consensus in concept to the transfer of the Landsat system to the private sector emerged, but not with regard to the timetable contemplated within the administration. Thirteen, however, expressed opposition to the commercialization of the Metsat system altogether. Comsat was the only respondent expressing an interest in the commercialization of both the Landsat and Metsat systems.

The proposal submitted by Comsat envisions commercialization of both the Landsat and Metsat systems. This proposal assumes a guaranteed market by the Federal Government to purchase data from the Metsat system for a contracted period covering 15 years. This is the time frame Comsat deems essential before a sustainable market for the Landsat system's data may be established. While this time frame may be correct, many people, in and out of Government, question the wisdom of Comsat's proposal to take over both the Landsat and Metsat systems.

Although ambitious, the administration's proposed timetable for commercialization is problematic. The possible transfer of the Landsat and Metsat systems to the private sector involves fundamental issues of national policy, national security, international treaties, and macroeconomic. For example, this administration is known to oppose subsidization of any private organization taking over any of these systems. Yet the Government's investment in these satellite systems, exclusive of research and development, amounts to about $1.6 billion. Recovering that investment and then adding the profit margin that a private satellite system would require is a tremendous undertaking for any private group to attempt.

It is argued by some that, by combining the Landsats and the environmental satellites into a single transfer to the private sector, sufficient efficiencies and revenues can be achieved to sustain both systems at a considerable savings to the Government. This implies large waste in the current system and the feasibility of combining ground and/or satellite systems to generate the funds to sustain Landsat. This will have to be examined thoroughly if such an assertion is made. Alternatively, in the event a large savings were not available, an untested, but plausible, premise is that simply increasing the cost of the weather satellite data to support Landsat—cross-subsidizing—would be unacceptable to Federal weather data users. Moreover, any buyer would be required to submit themselves to being "authorized and supervised * * * by the Government to the extent required by treaty and national security." This treaty is the so-called Outer Space Treaty under which participating countries are each responsible for their own activities in outer space, regardless of whether such activities are carried out by a Government agency or not. U.S. investors anxious to recover their funds and turn a profit would probably be reluctant to have their daily activities monitored and possibly altered because of the national security demands of the military or the protests of foreign governments.

Finally, there is the crucial issue of rights and access to these systems data and data products. Answers to questions surrounding this issue have enormous policy implications. The value of information provided by these systems can be measured in national security as well as commercial terms. When it comes to weather data, such questions could affect American relations throughout the world where free data exchange has been the rule since Government weather services began. A private operation could change all that.

Admittedly, private industry's advances in satellite communications historically have come faster than those systems proposed by Government, notably the military. But those private efforts benefited greatly from federally sponsored R&D. The stakes I believe, are far too high to implement this policy without thorough congressional review.●

TENNESSEE WILLIAMS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. DOWNEY of New York. Mr. Speaker, it is with great sadness that I take this opportunity to pay tribute to a master of American drama, Tennessee Williams, who passed away last week at the age of 71. The world will truly miss the talents of this literary genius. Through his almost mythic characters, Mr. Williams offered insights into the human condition which reached deep into the hearts of readers and audiences throughout the world.

Bolting into literary prominence in 1945 with "The Glass Menagerie," Mr. Williams went on to establish himself as the dean of postwar American drama with such masterpieces as "A Streetcar Named Desire" and "Cat on a Hot Tin Roof"—both of which won him coveted Pulitzer Prizes. In his prolific career, he wrote an astounding 24 full-length plays whose cast of characters helped to highlight the careers of many distinguished actors including Marlon Brando, Jessica Tandy, and Burl Ives. His virtuoso command of dramatic technique and lyrical style colored the writings of many American playwrights.

Although he was plagued by various illnesses throughout his life, Tennessee Williams was compelled to create beauty and communicate tenderness in a world marred by savage cruelty. While his plays were often psychological explorations of drab landscapes populated by tragic outcasts, Mr. Williams nonetheless wrote with humor and extreme sensitivity.

Through characters such as Laura Wingfield and Stanley Kowalski, Tennessee Williams brought to life the exquisite pains and pleasures of being human. To quote Blanche DuBois, one of Mr. Williams most exciting creations, the "beauty of the mind and the richness of the spirit" found within the heart of his works, will grow with the years to enrapture audiences and readers for years to come. This is the legacy of Tennessee Williams.●

THE JOINT RESEARCH AND DEVELOPMENT VENTURES ACT OF 1983

HON. MIKE SYNAR
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. SYNAR. Mr. Speaker, yesterday I introduced the Joint Research and Development Ventures Act along with my colleagues, Congressmen DICK GEPHARDT, RON WYDEN, and ED ZSCHAU, to encourage greater U.S. research and development in the private sector by clarifying the application of antitrust laws to cooperative R&D ventures.

Our bill is based on three basic premises: The United States faces a tremendous challenge to remain the world leader in technology; the private sector is best equipped to meet this challenge; and our Government's role in helping the private sector meet this challenge must include a clarification of antitrust laws to dispel the uncertainty that presently inhibits American companies from mounting joint research and development ventures.

In a number of key industrial sectors, particularly in high technology, the U.S. export share of world markets continues to decline and parallels the profoundly ominous loss of markets here at home. To regain our competitive edge, we must—among other things—step up our R&D effort, particularly in the "leading edge" technologies that will be the building blocks of our future economy. Clearly, the private sector is best able to lead us into new areas; Government's role must be to help actualize the tremendous research potential that exists in U.S. industry.

The statistics are indeed astonishing; since 1962 U.S. spending on R&D as a percent of GNP has fallen by one-fifth; while in Japan the share of GNP devoted to R&D has increased by one-third.

Our Japanese and Western European competitors have adopted national programs to promote research and development as a key ingredient of their overall industrial policies. They expressly intend to challenge and ultimately overtake the U.S. lead in high technology by concentrating substantial resources upon research projects with the greatest potential for industrial development and international market penetration. There are numerous examples, such as the very large-scale integration semiconductor project in Japan and the "Espirit" program in Western Europe, where cooperative industrial R&D is explicitly encouraged as the basis for successful technological innovation.

U.S. companies, however, have tended to take a more independent approach to R&D which, while justifiable in the era of unquestioned U.S. technological supremacy, may not be adequate in a fiercely competitive global market where U.S. companies are pitted one on one against entire countries. Moreover, the cost of high technology can be overwhelming. The "go-it-alone" approach may be suitable for undertaking more conventional R&D activities, but is needlessly duplicative of scarce capital and technical resources. The result is that the higher risk, higher cost research projects, particularly in advanced "leading edge" technologies, are neglected because individual companies cannot undertake such projects alone.

The exigencies of the new global environment, where state-of-the-art technologies are changing almost overnight, have led many U.S. firms to conclude that to remain competitive in the world and to retain U.S. markets they must consider pooling their knowledge and concentrating their facilities and scarce technical manpower on the most advanced research projects. I believe that cooperative industrial research is a most promising response to the foreign challenges to U.S. industry and U.S. jobs.

The obstacle, however, is that our antitrust laws can be construed to prohibit intraindustry research cooperation. Even though cooperative R&D would actually foster competition by accelerating the process of technology transfer, uncertainties about the interpretation and application of the antitrust laws by the Justice Department and the courts are a significant deterrent to collaborative research.

There is a perception among businesses that, by engaging in joint R&D, they may inadvertently be violating the antitrust laws and be subjected to Government antitrust attack or expensive, private treble-damage litigation. Clearly, therefore, even when research cooperation would be completely lawful and in the national interest, the present enforcement ambiguities, coupled with the obscurity of the Government's criteria for antitrust action, require businesses to "play it safe" and avoid any collaboration.

The legislation we are introducing today would address the perception problem and clear up the existing uncertainties by prescribing statutory criteria or standards for lawfully organizing and conducting joint R&D ventures. Our bill would clarify the present law and spell out explicitly what constitutes a lawfully structured joint R&D venture and what conduct is to be considered presumptively lawful by the courts, if challenged.

This set of objective criteria would guide companies in planning and implementing their joint research activities. In essence, our bill would permit "self-certification" of research joint ventures by specifying the standards, and thus avoid creating a new and cumbersome bureaucratic certification procedure.

Cooperative R&D ventures organized and operated in strict accordance with the statutory standards would be presumed lawful and shielded from antitrust attack. Participating companies would not be threatened by treble-damage actions as long as they satisfied the standards described in the bill. Of course, since we are not proposing to change existing law, any activities of the joint venture which fall outside the scope of the standards would remain fully subject to the dual deterrents of governmental and private damage actions.

The specific standards we suggest for lawful joint R&D ventures include the following:

First, that the venture's sole activity be the operation of one or more research and development programs;

Second, that participation in the venture or in any of its projects be open to any U.S. firm which desires to participate and on the same terms applicable to other participants, provided that Justice Department approval would be required for a firm which accounts for more than 25 percent of the worldwide market for the relevant product where its participation would cause the combined share of all project participants to exceed 50 percent. In addition, U.S. subsidiaries of those foreign firms which afford American companies equivalent access to their research projects would be eligible to participate;

Third, that the R&D projects be individually identified and defined;

Fourth, that participants not be subjected to any unnecessary collateral restraints that are clearly unrelated to the achievement of the venture's purpose;

Fifth, that a management board composed of at least three nonparticipant representatives have ultimate authority for management of the venture;

Sixth, and most importantly, that all inventions and useful know-how be promptly reported and licensed to participant firms, and within 3 years to nonparticipants on reasonable and nondiscriminatory terms approved by a majority of the nonparticipant board representatives;

Seventh, that small business be specially treated in the licensing of developed technology by basing royalties on volume and usage; and

Eighth, that the Attorney General be promptly notified of the formation of a joint R&D venture in a form prescribed by the Attorney General and including full disclosure of relevant information.

Upon satisfaction of the bill's requirements and proper notification, qualified ventures, employees, and participants would be considered pre-

sumptively lawful and therefore not subject to antitrust action.

The approach we introduce today provides for self-certification, therefore, on the basis of satisfying the terms and conditions of the prescribed standards. Of course, a venture could be investigated at any time by the Attorney General to determine that the participants satisfy and continue to satisfy the statutory criteria. If he finds that they do not, the Attorney General shall notify the participants and specify required action to achieve compliance. If the venture or program fails to take such action the Attorney General shall commence an action to dissolve the offending venture. If the district court finds that the venture and or a program is in violation, the court shall order its dissolution. We believe this package of antitrust standards, immunity, and disclosure will permit the kind of overt R&D projects that will protect the public interest in competition and foster needed technological innovation.

I wish to make clear that the standards we are suggesting today are intended to be concepts which will elicit constructive reaction. They are a starting point for further improvement and refinement by the Committee on the Judiciary. We may ultimately conclude that the market share standard, for example, needs to be revised somewhat, or that the provision for technology transfer to nonparticipants is not a sufficient incentive to risk capital in speculative projects. It is the concept of self-certification according to explicit statutory standards and antitrust immunity that we wish to emphasize today.

We are suggesting what we consider a unique approach to our common objective: Improving U.S. competitiveness by clearing away the antitrust cloud that now hangs over joint R&D ventures. Others have proposed different approaches to the same objective, particularly my Judiciary Committee colleague, Congressman DON EDWARDS, who has introduced H.R. 108, and we hope to work with them toward our common goal.●

JOINT RESEARCH AND DEVELOPMENT ACT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. GEPHARDT. Mr. Speaker, it is becoming increasingly clear that our economic well-being is dependent upon technological innovation. It is also apparent that the uncertainty of our antitrust laws, as they relate to research and development, are becoming an impediment to technological innovation.

I am joining three of my colleagues, Congressmen SYNAR, WYDEN, and ZSCHAU, in introducing a bill to clarify the antitrust laws as they apply to joint R&D ventures. This is not an effort to change the intent of these laws in any dramatic fashion, but rather to clarify the law as it applies to an issue that did not exist when the laws were drafted.

Many companies have been unwilling to engage in joint venture R&D projects, even after assurances from the Justice Department about the legality of the venture, because of the vagueness of the law and the threat of treble damages. These fears should be allayed by the enactment of this legislation.

The approach of H.R. 1952 differs from similar bills in the House of Representatives and the Senate in that it contains objective standards for a joint R&D venture, and does not involve the Justice Department in a regulatory role. While I feel that the Congress and not the Justice Department should be responsible for an issue as important as antitrust law, all of the various approaches to this issue should be considered. It is imperative that one of them be enacted.●

JOINT RESEARCH AND DEVELOPMENT ACT OF 1983

HON. ED ZSCHAU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. ZSCHAU. Mr. Speaker, yesterday I joined in cosponsoring the Joint Research and Development Ventures Act of 1983 along with my colleagues, Mr. SYNAR, Mr. GEPHARDT, and Mr. WYDEN.

Leadership in technology is the most valuable resource of the United States. During the 1960's and 1970's, the percentage of our national resources devoted to research and development declined. During the same period, our two major competitors, Japan and West Germany, made significant gains in their research and development expenditures as a fraction of gross national product. It is not surprising then, that U.S. leadership in technological contributions has begun to slip away.

As the Representative of California's Silicon Valley and former president of an electronics firm, I know firsthand of the difficulty in dealing with the stiff foreign competition that faces our high-technology companies. In order to maintain our technological leadership and compete successfully in world markets, our companies must be prepared to pursue research programs that involve substantial investments and enormous risk—investments and risks that often are too great for any one company to pursue alone. By permitting high technology companies to pool their research efforts in these cases and to share the results of the research, this bill would help to solidify the position of American high-technology companies in international markets and help strengthen our entire Nation's stance in the area of world trade.

Present antitrust laws continue to create confusion among firms which, with totally honorable intentions, desire to pool their R&D efforts but fear prosecution on antitrust grounds. The time to clear the air is long overdue. The Joint Research and Development Ventures Act aims to do just that. The approach of this bill is to enable our companies to compete more effectively against the consortia that have already been established in foreign countries. Increasing competition is, after all, the purpose of antitrust laws, and this bill would help to promote competition.

This bill deserves the careful scrutiny of all Members. Altering antitrust law is a serious and sensitive subject. Improvements on this legislation will, no doubt, be offered. I welcome the opportunity to discuss this legislation with any of my colleagues and learn of their suggestions. Upon review of this bill and the issue of cooperative research and development efforts in industry, I am convinced that my colleagues will find that this legislation is in the best interest of the United States and is worthy of bipartisan support.●

THE JOINT RESEARCH AND DEVELOPMENT ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. WYDEN. Mr. Speaker, I am pleased to announce to my colleagues the introduction of the Joint Research and Development Act of 1983, a bill that will help the electronics and high-technology industries compete in the rapidly changing international marketplace. Joining me as original sponsors of this legislation are Congressmen MIKE SYNAR, DICK GEPHARDT, and ED ZSCHAU. An identical bill will also be introduced in the Senate this week by Senators GARY HART and CHARLES MCC. MATHIAS.

The Joint Research and Development Act is intended to clarify the antitrust implications of joint research and development ventures. I am convinced that such clarification is essential if we are to retain our historic position as the world's leader in technological and industrial innovation.

At the present time, private sector research and development is done

almost exclusively by individual firms working on individual projects. Our lead in developing new technologies has been so vast over the years that there has been no clear need to operate in any other way. In addition, however, the private sector is so apprehensive about the potential antitrust implications of any joint activity that they have deliberately shied away from cooperative ventures.

Because the American economy—and the world economy—is changing so rapidly, we need to take another look at how research and development is conducted in this country. America's longstanding leadership in the fast-growing electronics and high-technology industries is today being challenged as never before by competition from abroad. To put it simply, the Japanese, the West Europeans, and others are rapidly closing in on us.

If these vital industries are to provide the jobs we will so desperately need in the upcoming years, it is incumbent on the Federal Government to look for ways to help bolster their ability to compete in the international marketplace.

The Joint Research and Development Act will help reverse a particularly troubling trend: We are clearly losing ground to our overseas competitors in the critical area of research and development. As a percentage of GNP, research and development expenditures in this country over the past 20 years declined by one-fifth. In Japan, R&D as a percentage of GNP went up by one-third over the same 20-year period.

Research and development—in the new high-technology industries and in the more traditional sectors of our economy—is a major contributor to economic growth, improved productivity, and the development of modern and efficient manufacturing techniques. We simply must devote more of our resources—both public and private—to this area.

But research and development—especially for new firms in the electronics and information industries—is very expensive. And many of these firms are also plagued by a severe shortage of qualified scientific and engineering personnel and must engage in an expensive competition for a limited number of technically qualified workers.

We need to find a way to help these firms conserve scarce capital by reducing the high per unit cost of research and development. If we can do so, they will be able to earmark additional individual resources toward commercial production, marketing, and training a skilled work force.

Confusion over possible antitrust violations has discouraged joint R&D ventures, has contributed to the declining percentage of capital devoted to R&D, and has resulted in wasteful and duplicative use of scarce capital and personnel. In marked contrast, our overseas competitors, with government acquiesence and support, are actively engaged in cooperative R&D projects.

In Japan, joint ventures and government-industry cooperation at the base technology level are the key elements of a very successful industrial strategy. In Europe, high-technology interests throughout the entire European Economic Community recently announced the formation of a joint R&D venture called esprit—the European strategic program for research and development in information technologies.

The health of our economy clearly rests on our ability to compete in the global marketplace. If we do not wake up to what the competition is up to—and take steps to counter these new industrial strategies—we are going to be in big trouble. And, right now, our antitrust laws are hog-tying our ability to take these critical steps.

The best example of how our antitrust laws caused unnecessary and expensive problems for the private sector is when the Federal Government told Detroit to reduce exhaust emissions. The American automobile industry was faced with a compliance deadline it had no idea how to meet. Each company embarked—separately—on a massive and very expensive R&D effort to find a way to reduce emissions. After many months—and many millions of dollars—a commercially feasible catalytic converter was developed.

In my mind, there was absolutely no sound reason why the automobile industry could not have cooperated on this research. The catalytic converter could have been developed faster and at a much lower cost. The only reason they did not get together is because our antitrust laws said they could not.

Our bill clarifies the antitrust implication of such joint ventures by establishing a specific set of objective statutory standards that, if met, would insulate a venture from antitrust lawsuits. A plaintiff in such a lawsuit could prevail only if a factual finding is made that the venture had strayed from compliance with the standards set out by Congress—which include limiting a venture's activities strictly to research and development and requiring the venture to permit any interested firm in the industry to participate.

If such a factual finding is made, however, the venture would lose all protection under this bill and could be subjected to the traditional treble-damages penalty. And, under the legislation we are proposing, the Justice Department would be free to conduct an investigation at any time to make sure the venture remains in compliance with the statutory standards.

We can all agree that our antitrust laws have played a key role in insuring economic justice and a healthy level of business competition in this country for many years now. I would be the last person to advocate a major retreat from the cherished principle of free and open competition.

But I also believe that these laws from time to time need to be fine tuned to reflect changes in the way our economy operates and the way the global economy operates. This is one of those times. Although designed to foster competition, our antitrust laws are now, in some instances, having an anticompetitive impact on our ability to compete in the international marketplace.

We are not talking here about price fixing or sinister conspiracies. We are instead talking about economic survival in an increasingly technical and increasingly competitive world. The Joint Research and Development Act is one of several methods of clarifying the antitrust implications of joint R&D ventures under discussion both in the Congress and in industry circles. The electronics and high-technology industries feel that—in some form—this problem simply must be addressed by the Congress.

I urge my colleagues to take a good look at the Joint Research and Development Act, along with similar bills that have and will be presented. I am convinced that we must act on this issue and act soon if we are to avoid any further erosion of our once-massive lead in technological and industrial innovation.●

SOVIET WATCH: MORE EVIDENCE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FIELDS. Mr. Speaker, in 1935 the noted historian, Will Durant wrote:

> For barbarism is always around civilization, amid it and beneath it, ready to engulf it. . . . Barbarism is like the jungle; it never admits its defeat; it waits patiently for centuries to recover the territory it has lost.

In all the history chronicled in Durant's monumental, 11-volume work, "The Story of Civilization," in no place or time has this statement been more true than in the history of the Soviet Union and its client states.

As E. J. Dillion observed in 1930:

> Sovietism is no mere philosophy content to assert itself or even indoctrinate others by convincing, persuading, or cajoling them . . . [it is] first of all a relentless destroyer of the roots of past culture, religious, social, pedagogical, and also of those champions of that culture who remain true to it, refusing to be converted and live.

So it is that the leadership of the Soviet Union, from Lenin to Andropov, have been men of unrestrained brutality who have progressively, patiently, driven back the boundaries of civilization, both Western and Eastern, with a relentless sword of blood and horror, allowing the jungle of barbarism to reclaim the Earth, masked by mendacity, propaganda, and the kindly face of socialism.

The following material is presented as another evidence.

[From the Washington Times, Mar. 4, 1983]

WHY MOSCOW WITHDREW FROM THE INTERNATIONAL PSYCHIATRIC COMMUNITY

(By Allan Brownfeld)

Early in February, the Soviet Union withdrew from the World Psychiatric Association. This came only months before the World Psychiatric Association's July congress, which was to consider suspending the Soviet psychiatric organization if it did not cooperate in giving information about psychiatric treatment of political dissidents. To most of the world this seems clearly to be a Soviet admission of guilt.

Dr. Harold M. Visotsky, chairman of the American Psychiatric Association's Committee on the Abuse of Psychiatry and Psychiatrists, said the Soviet withdrawal "would seem to be an admission of guilt." Other American psychiatrists said they hoped the withdrawal will help focus attention on the plight of Soviet dissidents who are being kept in psychiatric institutions. "My reaction is mixed," said Dr. Melvin Sabshin, chief executive officer of the American Psychiatric Association. "I'm pleased if it shows an acknowledgement that they're concerned about the pressure on this and if it helps us to help people in Soviet psychiatric institutions by leading to positive world pressure."

Sabshin says he hopes to have Soviet psychiatric practices widely debated at the world congress in July and have a foreign psychiatric group visit the Soviet Union to examine practices used with political dissidents. Without such examination, he said, "it may be harder to help people now."

In fact, the evidence already amassed against the Soviet abuse of psychiatry is so extensive that there are few who doubt Moscow's guilt.

A distinguished Soviet dissident now in the West, Vladimir Bukovsky, says that, "The peculiar features of the Soviet political system, the Communist ideology, the uncertainties and difficulties of the science of psychiatry, the labyrinths of the human conscience—all these have weirdly woven themselves together to create a monstrous phenomenon, the use of medicine against man. . . . When Pinel first removed the chains from the mentally ill and thereby freed them from punishment as criminals who would have guessed that two centuries later prisoners would look with fear at Pinel's successors, preferring chains to their 'care'? . . . The ruling doctrine asserts that being determines consciousness. As socialism has been built in the U.S.S.R., and communism is being built, the consciousness of people must be exclusively Communist. Where, then, can belief in God appear from, if for 60 years atheism has been propagated and the preaching of religion outlawed? And from where does an opponent of communism come—in a Communist society? Within the confines of Communist doctrine there are only two possible explanations: The cause must lie either in subversive activity directed from abroad . . . or in mental illness; dissent is just a manifestation of pathological processes in the psyche."

Public awareness in the West that Soviet psychiatry was being used for political purposes first arose in 1965 with the publication of the book "Ward 7," by Valery Tarsis. It records the plight of a writer, Valentine Almazov (representing Tarsis) who forcibly is interned in a mental hospital for writing and distributing anti-Soviet literature. After Tarsis' book "The Blue Bottle," which describes the predicament experienced by writers and intellectuals under Khrushchev, was published in England, Tarsis was involuntarily committed to a mental hospital in August 1962.

In 1970, Zhores Medvedev, an internationally known biologist, was forcibly held for 19 days in the regional psychiatric hospital at Kaluga, 70 miles from Moscow. His release followed vocal protests from around the world. A year later, the story of his experience was published in the West. In "A Question of Madness" he provides details of this ordeal. On May 29, 1970, Dr. Alexander Lifshits, head of the Kaluga mental hospital, and Dr. Y. V. Kiryushin, director of the local psychiatric clinic, accompanied by three policemen, burst into Medvedev's apartment. Midway through his hospitalization, Medvedev received his first "therapy." Lifshits explained: "To engage in 'publicist' writing in addition to one's normal professional work, scientific or other, was a sign of a 'split' or 'disassociated' personality, an obvious symptom of illness. In time, of course, the hospital will discharge you, but you must completely stop all this other activity and concentrate on experimental work. If you continue your publicist activities, then you will inevitably end up back here with us."

In their exhaustive study of the Soviet abuse of psychiatry, "Psychiatric Terror," Sidney Bloch and Peter Reddaway note that, "The notion of the 'split-personality'—engagement in two unrelated activities—as a criterion of mental illness is ludicrous and has given rise to the ironic term, the 'da Vinci syndrome.' We would be obliged to certify as insane countless brilliant men and women who have pursued multiple, diverse interests. In Medvedev's case, the psychiatrists have also assumed the roles of literary critic and biochemist. . . ."

One dissenter, Yuri Maltsev, who was interned shortly after he joined the Action Group for the Defense of Human Rights, described his ordeal. He reported that only 6 inches separated the beds, while the corridors were jammed with beds down both sides. The windows were barred and the doors constantly locked and relocked. Most of the patients were drugged heavily and slept or moved about in a daze. The orderlies frequently beat the patients and threatened them with injections of painful drugs. In the course of a month the patients were taken out to walk in a small yard only four times. Because of the noise, Maltsev never got more than five or six hours of sleep a night. The food was mostly inedible.

Torture is also a key element in "treatment." The "roll up" or "wet pack" was described this way by Vladimir Bukovsky: "This involved the use of wet canvas—long pieces of it—in which the patient was rolled up from head to foot, and so tightly that it was difficult for him to breathe; as the canvas began to dry out it would get tighter and tighter and make the patient feel even worse. . . ."

It is no wonder that Soviet psychiatrists preferred to withdraw from the international psychiatric association rather than answer charges of which they are clearly guilty. We must continue to focus attention on the plight of those who suffer under this brutal system, so reminiscent of the Nazi abuse of medicine.●

FLAT RATE TAX: GREATER INCENTIVES, MORE ECONOMIC EFFICIENCY, AND A BROADER TAX BASE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. KEMP. Mr. Speaker, last Thursday Prof. Paul Craig Roberts appeared before the Task Force on Tax Policy of the House Budget Committee. The testimony which he delivered presents some valuable lessons in fiscal policy, particularly by drawing a distinction between the Federal spending policies which are used to redistribute wealth and the Federal tax policies which are used to finance this spending. Professor Roberts points out that attempts to redistribute income through the tax system merely reduce economic activity and Federal revenue, effectively limiting opportunities in both the private and public sectors.

In his testimony, Professor Roberts also points out the futility of attempting to balance the Federal budget through incentive reducing tax increases, pointing to the increase in the deficit since passage to last year's major tax increase. In particular, he criticizes proposals to repeal the tax rate reduction scheduled for July as an attack on incentives to middle- and lower-income families which will receive 72 percent of the total tax relief.

I believe that Professor Robert's testimony presents a clear and accurate picture of the options before us and I ask that it be printed in the RECORD so that all of our colleagues may benefit from it.

STATEMENT BY PAUL CRAIG ROBERTS

Mr. Chairman, distinguished members of the House Budget Committee's Task Force on Tax Policy, I am pleased to give you my views on tax policy options before three Congress.

I concur with the general expert opinion as, for example, expressed by the Congressional Budget Office in it s February 1983 report to the Budget Committees ("Reducing the Deficit: Spending and Revenue Options") that "the deficits projected for 1983 and 1984 primarily reflect a sharply depressed economy." I also concur with the general expert opinion, as expressed by CBO, that "increasing taxes during this recession could well make it worse and delay economic recovery," and that no taxes should be raised in 1983 and 1984.

The question before us is whether based on economic growth projections that might be unrealistically low and federal expenditure growth that might be unrealistically high, action should be taken to raise taxes in the years 1985 and beyond in order to reduce budget deficits based on today's as-

sumptions, and if so, what taxes should be raised.

In looking at this issue I am encouraged by the marked improvement in the quality of CBO's analysis and the general tone of its report to the Budget Committees. In the past CBO tended to view changes in taxation as a tool for raising or lowering consumer spending in order to fight unemployment or inflation. Under Alice Rivlin's leadership the CBO had come to terms with the supply-side revolution in economic policy, and the current CBO report correctly stresses that "besides burdening taxpayers, all taxes impose efficiency costs on the economy. Higher income and payroll taxes almost surely discourage work effort and saving to some extent, and excise taxes distort economic choices."

The CBO report also points out that it is not enough to postpone any tax increases until a recovery is under way, but that tax increases "could, if not carefully designed, inhibit long-term investment and economic growth. Any tax increases aimed at dealing with the long-term deficit problem should therefore be designed to minimize adverse effects on recovery and long-term growth."

I am particularly encouraged that one of the three goals of CBO's deficit reduction strategies is to "minimize disincentives to work, save, and invest, and improve the allocation of investment resources."

To properly achieve this goal and raise revenues would require in my view a fundamental re-structuring of the tax system along the lines of a broad-based flat-rate expenditure tax. Before we discuss a revamping of the tax system, it is useful to dispose of some misconceptions and to see the source of the deficit problem. The charge is false that the Economic Recovery Tax Act of 1981 eroded the tax base and left large budget deficits in its wake. As the CBO states and the facts show, the 1981 tax reduction merely maintains tax revenues as a percentage of GNP at the levels that prevailed in the 1970s. The budget deficits projected for the 1980s reflect the fact that federal outlays as a percent of GNP are projected to be at unprecedented peacetime levels.

As Treasury Secretary Regan has testified, based on the current inflation and economic growth assumptions, the Economic Recovery Tax Act of 1981 reduced static revenues by $1,138 billion between fiscal years 1981 and 1988. A large amount of this tax cut was repealed before it was passed by inflation-induced bracket creep of $489 billion and previously scheduled social security tax increases of $214 billion, leaving a net tax cut of $435 billion. The Tax Equity and Fiscal Responsibility Act of 1982 raised taxes by $281 billion, and in the process repealed approximately 85–95 percent of the 1981 incentives for business investment in machinery and equipment, leaving a tax cut of $154 billion. The gasoline tax bill raises taxes by $21 billion, leaving $133 billion, and the proposed bipartisan social security rescue plan—a disaster in itself—will raise taxes by $56 billion. The residual is an eight-year tax cut totaling $77 billion—a drop in the bucket compared to the $1 trillion 522 billion deficit that CBO projects for the same period.

According to the Administration's budget, taxes will average 19.2 percent of GNP for fiscal years 1983–86, higher than the 18.6 percent average for the 1960s and the 18.9 percent average for the 1970s. It is low only if we accept as a norm the 1981 peacetime peak of 20.9 percent. Without the 1981 tax reductions, the tax burden during the 1980s would have risen above the 1944 record of 21.9 percent of GNP.

In contrast to the stability of revenues as a percent of GNP, outlays are exploding, rising from an average of 20.8 percent during the 1970s to 22.9 percent in 1981 to a projected 25 percent in 1983. CBO's baseline projection shows outlays averaging over 24 percent of GNP during 1982–88. The Reagan Administration's original budget goal was to reduce outlays to 19.3 percent of GNP by 1984. Clearly, this goal will not be attained, in large part due to the recession which dramatically lowered the nominal GNP path and, thereby, the revenue receipt path. The administration estimates that nominal GNP will be 12.5 percent lower in the fourth quarter of 1983, and current services outlay projections 14.5 percent higher, than originally planned.

Since the performance of the economy is such a powerful determinant of the state of the budget, the best way to reduce the deficits is to adopt policies that increase the rate of economic growth. In its budget for fiscal year 1984 the administration says that "an average real GNP growth rate 1.33 percent higher each year over the next 6 years, compared to the prudent projections made in the 1984 budget, would result in a balanced budget by 1988. This is a high growth scenario but within the range of previous historical experience."

It is not certain that the administration's low economic growth forecast is prudent. It is below the historical experience, and the low forecast swells the budget deficit projections. Economic growth during 1983 could be twice as high as the administration has forecast, and this itself would shrink the deficit projections. if a pessimistic forecast were to provoke incorrect policy actions, the result could be to harm the economy and worsen the deficit projections.

I would like to reinforce some of CBO's warnings about higher taxes and add some of my own. CBO correctly states that "repeal of the third year of the tax cut could prolong the current recession or dampen any recovery." Not only that, as Secretary Regan has testified repeal of the third year of the tax cut would strike disproportionately at lower income workers and retirees. People earning less than $50,000 receive 72 percent of the benefits of the third year tax cut. Its repeal would cause a 13.9 percent jump in the tax liability for people with less than $10,000 in adjusted gross income, a 12 percent jump for those between $20,000 and $30,000, but only a 2.7 percent jump for people with $200,000 and over.

CBO states in its report that the repeal of the indexing provision in the 1981 tax bill, which does not come into effect until 1985, would be better timed in terms of its effect on the economy and that its repeal would "give the financial markets advance notice of initiatives to reduce budget deficits, and thus might lead to lower interest rates." Even if the financial markets were to associate higher taxes with lower deficits rather than with higher spending, the effect of repealing indexing is likely to be the opposite of what CBO suggests. The repeal of indexing would yield significant revenues only if the inflation rate is high, and therefore its repeal is likely to be seen as an indication of higher inflation. If the markets expect the government to return to a policy of raising revenues by inflating people into higher tax brackets, interest rates are likely to rise.

The repeal of indexing would be unfair to lower income earners. 78 percent of the benefits go to those earning less than $50,000 a year. Assuming an inflation rate of 4.5 percent, the repeal of indexing would result in a 9.4 percent increase in tax liability for people with less than $10,000 in adjusted gross income. Those earning between $20,000 and $30,000 would experience a 3.2 percent increase in tax liability and those with $200,000 only a 0.5 percent increase.

The reason for this is that the lower tax brackets are the narrowest in percentage terms, so inflation causes income to rise through the brackets faster at the bottom. In addition, personal exemptions and the zero bracket are large relative to total income in the lower brackets.

Since about 85 percent of small businesses pay only personal income tax, indexing and the third year tax rate reduction are important to small business. The lower marginal tax rates also help to hold down wage pressures, and this helps prevent American products from being priced out of both domestic and foreign markets.

CBO also points out correctly that a surtax on personal income "would increase marginal tax rates, which might have an adverse effect on economic incentives," and that a corporate income surtax "would leave less capital in private hands for financing investment."

If the Congress were convinced—and I am not—that (1) we cannot have a normal recovery, (2) even if we did the deficit would remain at levels that are economically harmful, and (3) Congress cannot reduce spending to a lower percent of GNP and must raise taxes, it still has to be discovered how taxes can be raised without harming the economy. You cannot assume that it is a help to the economy to tax rather than to borrow. Borrowing has its cost on the economy, but so do taxes. Borrowing crowds out private activities, but so does taxation. Borrowing raises interest rates, but taxation can harm incentives, reduce saving and encourage borrowing. It is not an easy task to improve the economy by substituting tax increases for Treasury borrowing. As CBO says, "tax increases inevitably inhibit economic activity to some extent."

If Congress is convinced that it must spend an unprecedented 24 percent of GNP during the 1980s and that it must raise the tax burden on the economy in order to narrow the deficit, there is only one way that it might be possible to do so without causing further economic deterioration. It would involve restructuring the tax system in a way that would allow the detrimental effects of a higher average tax burden to be offset by gains from superior incentives and improved economic efficiency.

A broad based flat rate tax, especially if saving were exempted from the tax base, making it an expenditure tax, would allow Congress to simultaneously raise revenues and improve incentives and economic efficiency. By eliminating most or all deductions, exemptions and credits, Congress could replace high marginal tax rates with a low flat rate tax.

The economic gains to be had from a flat rate tax are substantial, and a low flat rate would itself increase the tax base. In a flat rate system the marginal tax rate (the tax rate paid on additional income earned) is equal to the average tax rate, and there is no penalty on earning more income. All taxpayers would be allowed to keep a much larger percentage of all future income earned, whether from a raise or promotion, overtime or saving and investing. In addition, part of the tax burden would be shift-

ed from currently taxed productive activities to activities that have been driven off the books into the underground economy by high tax rates. Another part would be shifted to capital that is currently employed in tax shelters where it produces tax savings instead of taxable income. A low flat rate tax would make shelters and off-the-books activities unprofitable and would add more capital and increased economic activity to the tax base. Taxing all income at the same rate eliminates the tax-induced distortions in the rate of return structure and investment decisions. The result is an increase in economic efficiency. As CBO says, the greater neutrality of saving and investment incentives would improve the allocation of resources and result in higher economic growth.

In my opinion such a tax restructuring would improve equity as well as economic growth. De facto elements of progressivity could be retained by allowing an income exclusion, which would drop the tax rate on lower incomes far below the flat rate. For example, a 19 percent flat rate tax with a $6,000 income exclusion drops the tax rate on a $10,000 income to 7.6 percent and on a $20,000 income to 13.3 percent.

The current tax system discriminates against persons on the basis of source of income, size of income, and marital status. This is an anachronism when all other forms of personal discrimination—race, sex and age—have been declared illegal. A flat rate tax would treat all individuals and households the same and improve the moral quality of the system.

Those who wish to redistribute income, or buy votes, should rely on the expenditure side of the budget. It is not the progressive income tax per se, but government transfer payments that redistribute income. Efforts to achieve redistribution through the tax system penalize success and discourage the earning of taxable income. It would be far more sensible to use the tax system as an efficient instrument to raise revenue and to promote economic growth. If income redistribution is necessary, it should be pursued through the expenditure side of the budget.

The fairest society is the one that provides the most opportunities for people to succeed. In this sense as well the current tax system is unfair to everyone. A broad based low flat rate expenditure tax would allow more people to succeed and to attain financial independence—and not punish them for doing so.

It is difficult to achieve fundamental changes except in a time of crisis. Because of the deficit projections, some people believe that we are currently in a crisis. Whether we are or not, we could take advantage of the situation to greatly improve the tax system and the performance of the economy. Nevertheless, we should not make taxing and spending decisions in a state of panic—especially when the arguments used to generate hysteria over the deficit have so far proved to be wrong.

For example, during 1981 the argument was that the budget deficits would cause inflation. When the inflation rate collapsed despite deficit projections that grew like Topsy, the argument became that deficits cause high interest rates. Over the course of the year from August 1981 to August 1982 while the Office of Management and Budget pressed this argument on everyone who would listen, estimates of the deficits doubled and tripled, but interest rates fell substantially.

The official deficit projection for 1983 rose from $62.9 billion in September 1981 to $115 billion in July 1982, with unofficial projections placing the deficit at $140 billion. Despite the mushrooming deficit, from August 6, 1981, to August 6, 1982 (prior to the big financial market rally that began on August 17, 1982), interest rates on Treasury bills fell 33 percent. The prime rate declined 27 percent, the federal rate fell 43 percent, and the rate on 90-day commercial paper was down 35 percent. The interest rate on 3-day Treasury notes fell from 15.8 percent to 13.5 percent, and interest rates on 10-year Treasuries declined a full percentage point.

If deficits or the fear of them push up interest rates, how do we explain this fall in rates, much less the behavior of the financial markets since August 17, 1982? On September 1, 1982, the CBO revised its 1983 deficit projection upward from $118 billion to $150 billion, and Solomon Brothers forecast a 1983 deficit of $178 billion. Since that time larger projections have appeared. Yet the rally continued in the financial markets.

What is likely to send the interest rates up is the rate at which the Federal Reserve seems to be pouring out the money.

There is no evidence either that raising taxes reduces the deficits. President Reagan was told that the Tax Equity and Fiscal Responsibility Act of 1982 would narrow the 1983-87 budget deficits by $229 billion. Instead, by December OMB's deficit projections had doubled. Neither is there any evidence that tax increases buy spending cuts. TEFRA was supposed to buy a $3 spending cut for every dollar of tax increase. When the First Budget Resolution for 1983 was passed, the $3 had become 59 cents. The budget resolution was superseded by a continuing resolution, and when all of the supplemental appropriations bills are in, the 59 cents might be gone too.

You cannot reassure the financial markets by raising taxes. My advice to you is to take advantage of the situation and fundamentally improve the tax system. If you do not want to do that, you should shift your attention to monetary policy and make sure that the Federal Reserve does not abort the recovery.●

WASHINGTON POST OP-ED: GRAY GREED

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. DANNEMEYER. Mr. Speaker, inasmuch as the House is scheduled to consider the Social Security Act Amendments of 1983 later this week, it was most appropriate that the op-ed pages of the Sunday Washington Post carried a contribution to the debate on this issue by Dorothy B. Strubel, a retired health educator who is chairman of the Colorado Commission on Aging.

Her article speaks to the need for balanced, long-term reform of the social security program. It is particularly significant that she spoke of the need for those who receive social security benefits to be sensitive to the impact of proposed changes on today's working population that contributes to the trust funds. Her admonitions to the organized lobby groups who claim to speak for the elderly should not go unheeded. In general, the approach she espouses is a refreshing one.

Mr. Speaker, with action on social security legislation fast approaching, I would like to reprint the article at the close of these remarks so that others might review it.

[From the Washington Post, Mar. 6, 1983]

GRAY GREED

(By Dorothy B. Strubel)

We who collect Social Security benefits have never missed an opportunity to remind our lawmakers and other elected officials of the dreadful consequences at the polls if they displease us, because ours is a generation of voters. We have allowed our advocates and lobbyists in Washington to oppose any Social Security proposal that does not give us more.

Well, I think it's time for us, and our spokesmen, to get off that sacred-cow kick and start working for a reasonable reform of Social Security. But time is short. Experts predict that once the latest quick fix is passed into law, it will be no more than three years before we are in another crisis of Social Security deficits.

Ask us individually and most of us admit that we're uncomfortably aware that just because we've managed to survive beyond some mandatory retirement age we are not automatically entitled to a cost-of-living formula that provides income increases almost double the pay raises of our children and grandchildren who are working.

But we have allowed our spokesmen in Washington (Gray Panthers, Rep. Claude Pepper and others) to organize protests against any recommendation to place our COLA formula on a par with the cost-of-living increases of today's workers—for a possible savings to the trust funds of $60 billion to $65 billion by 1989.

The COLA arrangement for Social Security retirees provides that all benefit levels be increased each year when the Consumer Price Index rise exceeds 3 percent. When it does, the full CPI increase—not just the amount above 3 percent—is applied to benefit levels automatically. Result: in the period 1970-1981, pretax wages for workers went up 122 percent. Social Security benefits increased 205 percent.

And yet, over a period of years, we and our spokesman have terrorized Congress to the point where, rather than risk what they perceive as our wrath and that of Claude Pepper or the Gray Panthers, the reform commission chose to make no attempt to correct the COLA formula. This is not reform.

It should be of even more concern to old people that the reform commission decided to accelerate workers' Social Security payroll tax. Since Social Security is a part of my modest retirement income, I have a stake in the system's survival. Just the same, I see clearly that we face a backlash from today's taxpaying workers.

We beneficiaries will do well to remember that the fact-finders in the Social Security debate exploded the old myth that the Social Security tax you pay is somehow squirreled away to ease your own retirement years. Today's workers are aware that what they're paying in to Social Security is going to support retirees whom they see every day, and whom they perceive as living comfortably—often selfishly. These workers also heard President Carter when he told us that the 1978 round of payroll tax hikes would

make Social Security safe into the next century.

Nobody has done more to raise America's consciousness of the valid needs of old people than Claude Pepper; the AARP and the Gray Panthers are among the most valued senior organizations. But their continued insistence upon our sacred cow status places old people in an unreasonable posture.

Our generation revels in the independence Social Security has provided. Many of us grew up in households where there was no warm welcome for grandparents who came to live with us when they had no other means of support. Even more than the nursing home, we dread the necessity of moving in with our children.

But rather than continuing to go along with pressure to give us more and more, we need to work for reform—a long-term, honest reform—of the Social Security system that is fair to everyone. We need to inform all those who speak for us that what we want is not special privilege because of our age but the opportunity to share responsibility for reform on an equal footing with everyone else.●

NEW AWARENESS OF WOMEN

HON. JAMES F. McNULTY, JR.

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. McNULTY. Mr. Speaker, the Members of this body are determined to lead in bringing economic recovery to our land and to the free world. In carrying forward this leadership we can and we should recognize the changes that have occurred in the work places of this country in the past decades.

Mr. Speaker, I refer to the ever-increasing role of women in economic life. More than a majority of women of working age are now members of the work force. Some 43 percent of all our workers are women.

Hard times in business and industry are a great force in increasing participation. We can and shall be responsive to these fundamental trends.

In bringing out legislation to help in curing our Nation's economic problems, we must recognize the pressures on women and on family life. This implies due regard for principles of equity and equal participation under law. In putting America back to work, let us put both men and women back to work.

Mr. Speaker, I place in the RECORD a news account of the contribution of women to the work of the House of Representatives.

The article follows:

[From the New York Times, Mar. 3, 1983]

SLOWLY, A NEW AWARENESS OF WOMEN

(By Steven V. Roberts)

WASHINGTON, March 2.—Sally Laird is a lobbyist for the League of Women Voters, and in the past when she asked Congressmen to consider the special problems of women she usually received a polite brush-off. But since Congress reconvened in January she has noticed a new attitude among many lawmakers.

"They really want to look very closely at how legislation affects women," she said. "They start the conversation. We don't have to. And we love it."

"We find some folks are still somewhat patronizing," added Miss Laird, the league's legislative director. "They say, 'We'll take care of you.' But we say that we want to be active players. We don't want to leave our fate to someone else."

Consciousness raising has come to Capitol Hill. Women and their supporters, inside and outside Congress, are trying to change the mentality of an institution that has long been dominated by white males holding stereotypical views of women and their role in society.

"A lot of people up here don't understand women, particularly working women," said Senator David Durenberger, a Minnesota Republican. "They relate to women like they do to their wives."

IT'S A NEW BALL GAME

But as Miss Laird observed, the insularity of Congressional males is starting to break down a bit. "It's a new ball game," said Representative Bill Gradison, Republican of Ohio. "Anyone who fails to consider the impact of legislation on women does so at his or her peril."

Some of the plays in this new game include the following:

On Thursday the House is scheduled to take up a $4.6 billion emergency job bill that contains about $700 million for the sort of public service jobs usually held by women such as home health care or drug abuse clinics. Most of the money was included only after women in Congress complained that the bill concentrated too much on heavy construction. The legislation also lifts a strict limit on the use of community development funds for similar public service jobs.

A House subcommittee has started hearing testimony on a bill that would ban sex-based discrimination in insurance policies.

That bill is also included in a package of legislation called the Economic Equity Act that is to be introduced in both chambers later this month. Its aim is to improve the economic situation of women by revising pension and Civil Service laws, providing tax breaks for displaced homemakers and single parents and encouraging the establishment of more day-care centers.

Representative Barbara B. Kennelly, Democrat of Connecticut, became only the third woman to win a seat on the tax-writing Ways and Means Committee and the first in five years. Democrats placed their first woman, Representative Geraldine A. Ferraro of Queens, on the Budget Committee. Representative Olympia J. Snowe of Maine became the first woman in the Republican leadership when she was appointed deputy whip. All three are now in key positions to help block further cuts in social programs that largely serve women.

Outside groups, such as the League of Women Voters, have increased their lobbying efforts on issues affecting women, and they played an important role in the drafting of the emergency jobs bill. The Leadership Conference on Civil Rights has made the proposed Economic Equity Act a top priority for Congress and organized a coalition of more than 50 groups to work for its passage.

FEMINIZATION OF POVERTY

The first factor in creating this new attitude in Congress is the changing nature of the economy and its impact on women. In recent testimony before a Senate committee, Nancy Neuman, first vice president of the League of Women Voters pointed out that women make up 43 percent of the work force, double that of 1960. And most of them work for the same reason men do, "to earn a living" in Senator Durenberger's words.

Moreover, more lawmakers are becoming aware of what has been called "the feminization of poverty" in America. One in every three households headed by a woman is below the poverty line, said Miss Neuman, and the vast majority of food stamp and welfare benefits go to women and their dependent children.

"Economic and equality issues are basic survival issues for women," said Representative Patricia Schroeder, Democrat of Colorado. "These are not boutique, upper-middle class causes."

The urgent nature of practical economic matters has overshadowed two other issues of great concern to women, the proposed equal rights amendment and abortion rights. And while these emotionally charged battles will almost certainly resurface later this year, many activists in the women's movement say that the economic issues give them a better chance for building broad coalitions.

Abortion and the proposed equal rights amendment to the Constitution have a "for 'em or agin 'em" quality, said Patricia B. Reuss, legislative director of the Women's Equity Action League. "We've gone from black and white issues to a whole bunch of different shades."

Economic conditions were also the primary cause of the "gender gap," the emergence in the 1982 elections of an independent-minded female vote that went heavily against the Republicans and their economic program. And nothing will focus a politician's attention more vividly than election results.

"Legislators are perceiving that there is a new political force out there," said Ann Charnley Smith, director of the Congressional Caucus for Women's Issues. "They are getting the message." The caucus, which has become the focal point of lobbying activity in behalf of women, recently decided to admit men and now has 117 members, making it one of the largest caucuses on Capitol Hill.

Republicans concede that the Reagan Administration "appears to be in sensitive" to the impact of its economic program, said Senator Durenberger. As a result they are particularly eager to identify with women's concerns and eradicate the "gender gap".

"It's extremely important for Republicans," said Senator Durenberger, the prime sponsor of the Economic Equity Act in the Senate. "I wouldn't want to be running in 1984, and have voters think that I was opposed to these issues or not interested in them."

CHANGES COULD COST MONEY

Yet activists in the women's movement know that such expressions of sympathy and concern will be difficult to translate into legislative achievements. For instance, many changes in insurance and pension laws could cost companies a great deal of money, and the lobbying on the other side is expected to be fierce.

Moreover, it is still an open question whether male politicians, who control Congress, will feel strongly enough about con-

cerns affecting women to muscle them through the legislative maze.

"A lot of male politicians don't feel this deeply yet," said Representative Bo Edgar, Democrat of Pennsylvania. "They'll try to co-opt the movement if they can. They'll co-sponsor a bill and forget it. It hasn't gotten into their fabric yet."

"We have to keep on them all the time," agreed Mrs. Schroeder. "It's easy to fall back into the old ways. This is still a man's town."●

IRAN'S BAHA'IS: SOME CALL IT GENOCIDE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. GEJDENSON. Mr. Speaker, one of the more frustrating situations that those of us concerned with human rights face is the tragedy of the persecution of the Baha'is in Iran. As many of my colleagues on the Foreign Affairs Committee know, the Subcommittee on Human Rights and International Organizations held hearings in the last Congress to further publicize the plight of the Baha'is. In the interest of keeping my colleagues current on the situation in Iran with respect to those of the Baha'i faith, I recommend the following article from the New York Times:

[From the New York Times, Feb. 27, 1983]

IRAN'S BAHA'IS: SOME CALL IT GENOCIDE

(By R. W. Apple, Jr.)

LONDON.—For centuries the city of Shiraz, in southwestern Iran, has been a center of Persian poetry and intellectual life. The very word "Persian" comes from Pars, the name of the region centering on Shiraz. It is also the birthplace of the Bab, a 19th-century prophet whose teachings led to the creation of the Baha'i faith.

Two weeks ago in that city, the latest chapter in a long history of the Baha'i persecution unfolded before an Islamic tribunal. Of 21 members of the sect on trial for spying and alleged links with Israel, 20 were condemned to death, according to a Baha'i spokesman in London. The remaining defendant was pardoned.

The Baha'is have been the scapegoats of Persian and then Iranian society for generations. Donald M. Barrett, the secretary-general of the Baha'i World Center in Haifa, Israel, says 20,000 Baha'is have been killed in Iran during the last 100 years. Since the advent of the Khomeini regime in 1979 at least 135 Baha'is, many of them spiritual leaders, have been executed.

The adherents of this relatively little-known religion seem unlikely villains. They uphold the divine origin of all major religions, including Islam. They shun violence, abstain from partisan politics and advocate unexceptionable principles such as the "development of good character" and the "eradication of prejudices of race, creed, class, nationality and sex," to quote from a recent pamphlet. Claiming adherents in 173 countries, the Baha'i faith published literature in some 600 languages and dialects. It maintains vast domed houses of worship in Wilmette, Ill.; Frankfurtam-Main, West Germany; Kampala, Uganda; Sydney, Australia and Panama City, Panama. Others are being built in India and Samoa.

In Iran, however, members of the sect have always been considered heretics by the Shi'ite Muslim majority, while their relative prosperity has attracted the hostility of those less well-off. There are between 300,000 and 400,000 Baha'is in Iran, according to officials of the faith. Mr. Barrett estimated that 10,000 have left the country since the revolution. For the last six months, he added, none have been able to leave. Applications for exit visas must now specify the applicant's religion, and Baha'is are being turned down.

Although Savak, the secret police of the late Shah Mohammed Reza Pahlavi, is believed to have presecuted some members of the sect, and despite the Shah's refusal to reopen Baha'i schools closed by his father in 1934, the Baha'is served the old regime under their doctrine of obedience to the temporal authorities of the country of residence. Indeed, the Shah was so certain of their loyalty, he used Baha'is to maintain army communications. That led the Khomeini regime—especially the mullahs, who resent the Baha'i challenge to their authority—to accuse the sect of collaborating with a corrupt government.

"That is absolutely false," Mr. Barrett said. Baha'is are forbidden from participating in partisan politics. Baha'is were the only group who, at great risk, refused to join the Shah's political party. We were nonpolitical and continue to be nonpolitical."

Nonetheless, officials in Teheran see the sect as a classic example of the impurity of the Shah's Iran. They further believe that Baha'is are in league with an Iranian enemy, Israel, citing as evidence receipts from contributions made by Iranian Baha'is to shrines at Haifa and at Acco in Israel. In fact, Israel is the Baha'i holy land.

Religious differences heighten Iran's contempt for the sect. Because Baha'is do not make distinctions between men and women, they do not segregate the sexes at religious services, as demanded by Iran's Islamic fundamentalists. Baha'i women wear no veils, having cast them aside in the last century. Baha'is are accused of immorality because their marriage rites are not recognized in Iran and no civil marriage exists. A member of the sect commented, "We can betray our faith and marry according to Moslem precepts, or we can remain true to our beliefs and find ourselves accused of adultery, prostitution and other sins."

Meanwhile, Baha'is are being denied recognition under the Islamic construction, which in theory protects Iran's Jewish, Christian and Zoroastrian minorities. This has permitted what the Baha'i office at the United Nations calls a "campaign of religious persecution so malevolent, so intense, so sustained and so far-reaching that it presages the eradication of the Baha'i community as a religious minority in Iran."

It appears now that about three years ago the Khomeini Government initiated a program to break the sect's organizational back. The faith has no priests or mullahs and hence no ecclesiastic hierarchy; it is run by councils or assemblies elected by secret ballot each year. On Aug. 21, 1980, all nine members of the National Spiritual Assembly in Teheran were arrested. Nothing has been heard of them. Since then, Mr. Barrett said, members of local spirtual assemblies in every locality have been picked up. Exact numbers are not known, but it seems that thousands have been jailed or abducted.

Businesses have been confiscated, trade licenses revoked; retired government employees have lost pensions. Houses, crops and animals have been destroyed; shrines and cemeteries demolished; children have been denied places in schools. The house of the Bab in Shiraz—which means as much to Baha'is as the Church of the Nativity means to Christians, the Wailing Wall in Jerusalem means to Jews and the Kaaba shrine in Mecca means to Muslims—was bulldozed, Mr. Barrett said. The site is now a parking lot.

Condemnations by the European Community, the United States and the United Nations have "slowed the process of total obliteration of the Baha'i faith in Iran," according to Mr. Barrett. But other Baha'i leaders and several independent observers use the word "genocide" to describe what they fear is happening.●

AMERICAN PHYSICAL SOCIETY STATEMENT ON NUCLEAR ARMS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. EDGAR. Mr. Speaker, this week thousands of American citizens are contacting their Representatives in Washington to remind them that the nuclear arms race has lost any basis in commonsense and to tell them that the best way to stop is to stop.

Recently a significant and thoughtful statement on nuclear arms was approved by the American Physical Society through its elected council. I urge my colleagues to read it carefully.

The American Physical Society, the major association of physicists in our country has had a long and close association with the development of nuclear weapons. Principal drafters of the statement worked on the Manhattan project and have been involved in the study of nuclear weapons since. The council is composed of distinguished physicists selected by their peers to represent them. Some have earned Nobel Prizes. The society rarely makes statements on public policy, and the council deliberated carefully on this statement. This is not a resolution considered and adopted lightly.

These scientists know better than anyone else the possible uses of nuclear weapons and the effects they would have. In the statement these scientists question the idea of defense against nuclear attack. They question the idea that a nuclear war could be limited or that a nuclear war could be fought and won. They believe that in any nuclear exchange there is "substantial risk of escalation into general nuclear war" with the death of "hundreds of millions of people" and the possible destruction of civilization. In essense they are questioning the military usefulness of nuclear weapons. Our huge stockpiles have not contributed to our

security. Instead, they have diminished our security greatly.

The American Physical Society calls for the United States and the U.S.S.R. to recognize the urgency of our situation, to observe existing arms control agreements, and to take measures to prevent proliferation of nuclear weapons to additional countries and to outer space. The APS also calls for a ban on the testing of nuclear weapons in all environments for all time. Along these lines, I urge my colleagues to support the resolution House Joint Resolution 3 introduced by Representative BERKLEY BEDELL and cosponsored by almost 100 of us. Approval of a comprehensive test ban would be an important step in avoiding nuclear catastrophe.

While millions of people are saying that commonsense tells them that something is wrong with our nuclear weapons policy, it is important that such a group of experts as the American Physical Society has issued this statement. I include the statement at this point in the RECORD.

STATEMENT OF THE AMERICAN PHYSICAL SOCIETY

Whereas nuclear war is an unprecedented threat to humanity;

Whereas the stockpile of nuclear weapons distributed around the globe contains the explosive power of more than one million Hiroshima bombs;

Whereas a general nuclear war would kill hundreds of millions of people;

Whereas the aftereffects of general nuclear war are certain to be catastrophic for the survivors and could destroy civilization;

Whereas any use of nuclear weapons, including use in so-called "limited wars," would bring with it substantial risk of escalation to general nuclear war;

Whereas thirty years of vigorous research and development have produced no serious prospect of effective defense against nuclear attack;

Whereas nuclear arsenals of the United States and the Soviet Union are more than adequate for deterrence;

Whereas the continuation of the nuclear arms race will not increase the security of either superpower;

Whereas the proliferation of nuclear weapons to additional countries, especially in areas of high tension, would substantially increase the risk of nuclear war;

Whereas there has been no progress for several years now toward achieving limitations and reductions in strategic arms, either through ratification of SALT II or the negotiation of a replacement for it;

Whereas negotiations intended to achieve a comprehensive nuclear test ban have been indefinitely adjourned; and

Whereas negotiations intended to prevent or inhibit the spread of nuclear warfare to outer space have been suspended;

Be it therefore resolved, That the American Physical Society, through its elected Council, calls on the President and the Congress of the United States, and their counterparts in the Soviet Union and other countries which are similarly involved in these vital matters:

To intensify substantially, without preconditions and with a sense of urgency, efforts to achieve an equitable and verifiable agreement between the United States and the Soviet Union to limit Strategic Nuclear Arms and to reduce significantly the number of such weapons and delivery systems;

To conduct, in a similar spirit, negotiations to restrict the use and limit the deployment of battlefield and intermediate range nuclear weapons;

To resume negotiations to prevent the spread of nuclear weapons to outer space;

To take all practical measures to inhibit the further proliferation of nuclear weapons to additional countries;

To take all practical actions that would reduce the risk of nuclear war by accident or miscalculation;

To continue to observe all existing arms control agreements, as well as SALT II;

To avoid military doctrines and deployments that treat nuclear explosives as ordinary weapons of war; and

To initiate serious negotiations to ban the testing of nuclear weapons in all environments for all time as called for in the Nonproliferation Treaty.

January 31, 1983.●

NATURAL GAS POLICY ACT AMENDMENTS OF 1983

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. ADDABBO. Mr. Speaker, last week I introduced legislation to help bring down natural gas prices and impose a higher level of accountability and oversight in the industry. I suggest to my colleagues that the Natural Gas Policy Act we enacted in 1978 is largely responsible for creating an artificial market for natural gas, a market which has driven costs for consumers and distributors upward and threatens to destroy gas as a competitive fuel resource. Positive action is clearly necessary and should not be forestalled any longer. Congress needs to reassert itself in this matter.

This legislation, if enacted, will result in immediate price reductions of some $25 billion, with average savings per residential customer of at least $200. Additional price reductions are clearly indicated, but the actual amount saved will be dependent upon supply/demand factors in gas markets and the mix of interstate pipeline supplies available.

What follows is a section-to-section analysis of the bill which I hope my colleagues will find helpful.

SECTION-BY-SECTION ANALYSIS OF "NATURAL GAS POLICY ACT AMENDMENTS OF 1983"

TITLE I—FINDINGS AND PURPOSES

Section 101.—Ten separate Congressional findings and declarations are set forth in section 101. These are based upon testimony presented to the Congress in hearings held over the past year, responses to Congressional inquiries submitted by gas producers, pipeline companies, utilities and consumers, and numerous studies and analyses produced by governmental bodies and private parties on natural gas issues. The findings and declarations are largely self-explanatory.

Section 102.—This section sets forth seven purposes of the bill. These too are largely self-explanatory and evolve from the findings and declarations in section 101.

The specific language of section 101 and 102 was carefully chosen to leave no doubt as to the urgent need for legislative action and, in light of judicial precedent, to assure that the bill generally and its contract measures in particular will withstand any constitutionally based legal challenge.

TITLE II—AMENDMENTS TO THE NATURAL GAS POLICY ACT OF 1978

This title consists of four sections, each amending a different component of the Natural Gas Policy Act of 1978 (NGPA), but in a wholly interrelated fashion. The overall objectives of this title are to:

(a) clarify certain sections of NGPA to provide for Federal Energy Regulatory Commission (FERC or Commission) implementation of NGPA in a manner more consistent with the original intent of Congress in that Act;

(b) resolve certain problems with respect to the terms of gas sales contracts to assure that demand signals for natural gas can be efficiently transmitted through the gas marketing chain to the wellhead;

(c) provide permanent, comprehensive contractual and pipeline regulatory mechanisms to facilitate the responsiveness of wellhead gas prices to retail market conditions;

(d) hold natural gas companies, as defined in the Natural Gas Act (NGA), accountable to their customers and gas consumers for their gas acquisition practices and prices; and,

(e) accomplish such other matters as described further herein.

As important as what the bill intends to do, is what it does not intend to do. It does not, for example, intend to decontrol "old" gas prices or to encourage FERC to raise prices for old gas in any manner. It also does not intend to upset or revise the NGPA schedule for phased decontrol of certain new gas supplies nor the NGPA authority of Congress or the President to reimpose price controls. Moreover, it does not establish new, rigid wellhead pricing formulae or mechanisms which have proven to be ineffective consumer protection measures by the NGPA itself.

Section 201.—This section amends the NGPA definitional section in two respects. First, it adds to the NGPA definition of "Btu" a specific measurement technique for determining the Btu content of natural gas. The technique prescribed is the so-called "saturated" or "wet" basis measurement which has been the generally accepted industry standard for decades. This measurement standard was revised by FERC to achieve a so-called "dry" basis for Btu measurement. This dramatic shift by FERC has been estimated to raise wellhead gas prices nationwide by about 1.8 percent. The FERC regulation is being litigated in court, but, in the meantime, consumers are paying the higher prices premised on a dry Btu measurement. The amendatory language specifically requires a "wet" Btu measurement, but allows for a different measurement technique whenever the contract for the first sale of gas expressly and specifically by its plain language provides for such a different technique. Thus, the generally accepted industry standard is maintained, but parties to the gas sales contract are permitted to

deviate from that standard to the extent their contract so provides.

Second, this section adds four new definitions to the NGPA definitional section. In new paragraph (38), "definite price provision" is defined to mean any provision in a contract for the first sale of natural gas that establishes a specific unit price, which is known or predictable with certainty at any present and future time during the contract duration, for gas sold under a contract. The key factor here is that the unit contract price must be a specifically determinable amount at any time during the term of the contract. A certain, predictable unit price is paramount. In new paragraph (39), "indefinite price provision," is then defined as any provision of a contract other than a definite price provision which establishes the price under the contract.

New paragraph (40) defines a "market-out provision" as a provision in a first sale contract which permits either party in its sole discretion on thirty days notice to require the other party to accept a price different from the prevailing contract price as the new contract price. The key components of this definition are that the market-out provision may be exercised in the sole, unfettered discretion of either party upon thirty days notice.

Lastly, new paragraph (41) defines "take-or-pay provision" to mean a provision in a first sale contract that obligates the purchaser to take delivery of or to pay for an indicated percentage of gas under the contract.

Of course, as in NGPA, the new definitions, (38)-(41), are not complete absent their implementation in a later section (section 203) of this bill. Thus, these definitions must be read in connection with section 203 of the bill and are described with further detail there.

Section 202.—This section amends Title I of NGPA in several respects. The first of these amendments (Section 202(1)) supplements NGPA Section 101(b)(9) and clarifies the standing of area rate clauses in contracts for the first sale of natural gas. The essential role of this amendment is to resolve a dispute FERC has been unable to resolve since it arose in January, 1979. Under this amendment "area rate clauses" will not entitle the producer/seller of natural gas to receive the applicable NGPA ceiling price unless the plain language of the contract for the sale authorizes prices established by Congress. For the most part, this amendment will affect contracts covering "old" gas, given that most "new" gas contracts contain the contract authority required.

Second, Section 202(2) amends Title I to add a subsection 101(c) which repeals the annual inflation adjustment factor prescribed in the NGPA for all vintages of gas, including stripper well and tight sands gas. The amendment does not, however, modify that part of NGPA which authorizes real (non-inflationary) increases in ceiling price levels. The obvious difference between these two NGPA-based automatic ceiling price increasing mechanisms is that inflation-based increases are "indefinite price escalators" (which are outlawed by Section 203(2) of this bill), and real increases in field prices are prescribed at a stated amount in NGPA (either at one percent or four percent above the stated ceiling price), depending on the vintage of the gas well.

Third, Section 202(2) amends Title I of NGPA by adding a new subsection 101(d). This new subsection begins with a general rule that ceiling prices are deemed to include all costs necessary to the delivery of marketable natural gas. Paragraph (2) of the new subsection then describes the NGPA mechanism whereby sellers are allowed to charge prices in excess of ceiling prices where such higher prices are justified by cost-based "production-related expenditures." Thus, it allows FERC to permit the seller to collect a price in excess of the applicable ceiling price if such higher price is necessary to allow the seller to earn a just and reasonable return on its investment. In addition, paragraph (3) of new subsection 101(d) specifies the treatment of liquids and liquefiables transportation service rendered by gas pipelines on behalf of gas producer-sellers. Under this paragraph, the value of any transportation service rendered by a pipeline on behalf of a seller is applied as a reduction in the ceiling price applicable to the gas sold to the pipeline. Accordingly, paragraph (3) ends the practice whereby pipelines provide free or low-cost transportation service on non-gaseous hydrocarbons owned by sellers (and produced jointly with methane or natural gas) but which are removed and sold by the producer at points remote from the production site.

Section 203.—This section amends NGPA Title III in several respects. First, a phrase is added at the end of existing NGPA paragraph 311(a)(1), relating to the just and reasonable rates which interstate pipelines may charge for certain transportation services rendered by them. The existing law as implemented is inadequate because it fails to provide a sufficient economic incentive to encourage the interstate pipeline companies to provide transportation service. The amendatory language establishes a transportation rate of no less than $0.05 per million Btu's which is generally recognized as an amount necessary to provide sufficient financial incentive to transport gas. The amendment also requires, however, that the pipeline rendering transportation service can not retain any revenues received for such service in excess of $0.05. The revenues, if any, in excess of $0.05 must be flowed back to the customers of the pipeline through the traditional FERC procedures.

The second major amendment to NGPA Title III made by this section is the addition of a new section 316, which contains numerous provisions relating to the so-called contracts problems and inability of NGPA established prices to reflect retail market conditions. Subsection 316(a) relates to indefinite price provisions. These provisions are likely to cause wellhead prices in 1985 vastly in excess of prices which would prevail if market forces were operative. Further, such provisions have, at the least, anticompetitive implications and act to rachet inexorably gas prices upward only. Thus, subsection 315(a) nullifies and voids indefinite price provisions in all, existing and future, contracts for the first sale of natural gas as contrary to public policy.

Section 316(b) provides that a market-out provision shall be deemed by operation of law to be in all contracts for the first sale of natural gas enumerated in subsections 121(a) (1) and (2), 121 (b) and (c) of the NGPA. This includes only contracts for gas which will be deregulated under the NGPA. Certain intrastate contracts are not, however, included by subsection 316(b) because a record which establishes the necessity for a market-out in such contracts does not presently exist. The market-out may be exercised by either the seller or purchaser on thirty days notice. A right of first refusal by the purchaser is required, and best efforts transportation of the seller's gas is also required in the event that the right of first refusal is not exercised. The rates for transportation of the seller's gas are, with some self-explanatory variation, set in accordance with the previously described amendment to NGPA paragraph 311(a)(1). It is fully anticipated that this provision will result in a substantial reduction in gas prices given current market conditions.

Subsection 316(c) provides that the percentage factor applicable to take-or-pay provisions in all existing contracts will be limited to fifty percent. This limitation is not based upon reserves or deliverability as specified in any particular contract, but, instead limits to fifty percent whatever higher percentage factor may be stated in a given contract. The language does not apply to contracts entered into after the date of enactment, since it would not be advisable to restrict a pipeline purchaser's flexibility to agree to a higher take-or-pay provision in return for a lower sales price. The reasonableness of any pipeline's exercise either of its right to reduce its take-or-pay obligation to the fifty percent level or of its flexibility to agree to a higher take-or-pay percentage in post-enactment contracts would, of course, be subject to FERC review pursuant to section 601(d) added by this Act. It is expected that subsection 316(c) will permit pipeline companies to achieve substantial reductions in gas prices both by permitting to achieve substantial reductions in gas prices both by permitting a change in the mix of higher and lower cost supplies pipelines take at any given time and by avoiding prepayments under existing high take-or-pay provisions.

Subsection 316(d) provides that a purchaser of gas in any "first sale" transaction would acquire the right to contest the "rights and obligations" of the seller in a gas sales contract. The effect of the subsection is to nullify as "contrary to public policy" any arrangement whereby a first sale purchaser of gas has conveyed to the seller its right to oppose or object to the seller's assertions with respect to prices to be paid or any other aspect of the gas sales transaction.

Subsection 316(e) clarifies FERC's mandate to be the repository of all first sale contracts and ancillary agreements. This subsection requires the filing of such agreements within 60 days after the execution thereof (or date of enactment, in the case of older agreements) and is not intended to enlarge FERC's information gathering authority. In accordance with section 4 of the Natural Gas Act and section 315 of NGPA, FERC now possesses authority to secure such agreements. This authority, however, has not been exercised on a consistent basis since the enactment of NGPA in 1978.

Subsection 316(f) is a "savings clause" which provides that any contract provisions which would negate the effect of these amendments would be rendered null and void "as contrary to public policy." The effect of this amendment would be to disqualify any contract provisions which were "triggered" by these new amendments and which, absent Section 316(f), would create rights and obligations inconsistent with any of the amendments in this bill.

Finally, subsection 316(g) clarifies FERC's authority to interpret the terms of contracts covering first sales of natural gas. This amendment would confer jurisdiction on FERC to resolve any dispute involving the interpretation of contract provisions. Accordingly, a single forum (FERC) would

be available to interested parties to resolve on a uniform, nationwide basis any disputes between first sale purchases and sellers regarding such matters as the amount or price to be paid for gas under applicable contracts.

Section 204.—This is the "pipeline accountability" amendment which is the concluding amendment of the bill. Section 204 clarifies the relationship between NGPA and the National Gas Act of 1938 insofar as the regulation of "national gas companies" is concerned. In a new NGPA subsection 601(d), section 204 provides that sections 4 and 5 of the National Gas Act are expressly applicable to companies regulated under that Act. Among other things, this amendment would require prudent pipeline purchasing practices and would clarify FERC's authority to review pipeline "purchased gas costs" under the well understood just and reasonable standard.

Two new FERC mandates are also provided in Section 204. First, section 204 adds a new subsection 601(e) in NGPA which requires a "rate increase disincentive." In accordance with this subsection, pipelines would be discouraged from filing excessive and/or repetitive rate increases. To achieve this, FERC is required to promulgate a rule which fixes the interest rate paid on refunds on pipeline overcharges at a rate not less than the prime rate plus three percentage points.

Second, new subsection 601(f) requires FERC to undertake and complete a "tariff study" within one year of the date of enactment of the subsection. In this study, FERC would examine "minimum bill and related provisions" in interstate pipeline tariffs and would analyze the effects of such provisions on the "responsiveness of wellhead gas prices to retail market conditions, the rates charged customers of interstate pipelines," and other market related factors. This amendment would not expand FERC's jurisdiction, but would require early attention to pipeline contracting practices in which minimum bill arrangement are prevalent.●

JAMES K. COYNE TO DIRECT OFFICE OF PRIVATE SECTOR INITIATIVES

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. WOLF. Mr. Speaker, It is with pleasure that I take this opportunity to bring to the attention of my colleagues that the President has named one of our friends and former Member Jim Coyne of Pennsylvania to lead the White House effort to encourage private sector initiatives across the country.

As special assistant to the President and director of the Office of Private Sector Initiatives, Jim will work closely with business, religious, civic, union, neighborhood, and government leaders in exploring ways to enhance private initiatives in a number of areas, including job creation and training, quality child care, and education.

He will promote private initiative and public/private partnerships as alternatives for addressing these critical issues. He will also work to elevate private initiatives in the national awareness and will continue to serve as liaison with the 42 State level task forces which the President's Task Force on Private Sector Initiatives helped to establish last year.

The concept of private initiatives has been strongly supported by this administration. When the President's task force completed its mission this past December, he told the members that "America was built on the voluntary principle by good neighbors who knew that they had to rely on each other. We don't intend for the private sector to assume Government's legitimate responsibilities, but revival of this resource is very important to our country's well-being."

Responding to one of the task force recommendations, the President mentioned in his state of the Union address his intention to shortly announce a Presidential advisory council on private sector initiatives. Comprised of certain Cabinet officials and private sector leaders, the council will be an example of public/private partnership itself.

With support from Jim Coyne's office, the council will focus on ways to stimulate the development of private sector initiatives and public/private partnerships. It will also meet periodically with the President to review this administration's progress on private sector initiative goals and objectives.

I would urge each of my colleages to let Jim Coyne know of efforts within your districts which are outstanding examples of private initiative and partnership. He, in turn, will share these examples with other communities around the country to use in addressing their problems. He is also available for assistance on any private initiatives projects.

In my district in northern Virginia, we have witnessed the success of several public/private partnerships and I would like to mention just a few of those projects as examples of private sector initiatives.

After effectively working with government at all levels, citizens groups, businesses, and individuals, we in the 10th District took pride in the President's signing of legislation last fall to rebuild the Wolf Trap Farm Park Filene Center in McLean, Va.

This legislation provides for a partnership between the Federal Government and the Wolf Trap Foundation to rebuild the center, which was destroyed by fire last April, with a $9 million Federal grant and an $8 million loan, with interest, to the Foundation.

Under this partnership, the Filene Center can be rebuilt at less cost than the Government alone would have been required to pay, since the private sector is sharing the cost.

The partnership of government, business and citizens has also been working with me to preserve Turkey Run Farm in the 10th District after it was threatened with closure by the National Park Service. Hundreds of schoolchildren, parents, teachers, businesses, civic groups and interested citizens have contributed funds and support to keep the farm alive. I am delighted to report that a private endowment is now in place to secure the farm's future.

Another example of how the private sector and governments at all levels can and must work together to find responsible solutions to important problems is the recent formation of the Washington Dulles Task Force. This group marks not only a historic step in meeting northern Virginia's transportation needs, but has inspired increased economic development, job possibilities for the developing area around Dulles, and increased cooperation between the Federal Government and the Commonwealth of Virginia—both of which provided funds to form this task force.

These are examples from my district of the kinds of public/private cooperative efforts which Jim Coyne's office should know about. I am sure all my colleagues join me in congratulating Jim on his appointment and wishing him well in carrying out an effort which is so vital to the continued growth of the communities which we serve.●

NEW HAMPSHIRE'S VOICE OF DEMOCRACY CONTEST WINNER

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. D'AMOURS. Mr. Speaker, I would like to take this opportunity to share with you and the rest of my colleagues the address given by New Hampshire's Voice of Democracy contest winner sponsored by the Veterans of Foreign Wars. As you may know, the subject in this year's contest was "Youth—America's Strength" and the address by Kristina Duston of Hampstead, N.H. was chosen, I believe, for Kristina aptly points out that the optimism, creativity, motivation, and leadership qualities of our youth today will be the strength of our tomorrows and will thus be the underlying fiber of our society and Nation.

Kristina is a 16-year-old high school student, active in many extracurricula activities and has been singled out for numerous leadership awards as a student at Pinkerton Academy in Derry, N.H. Kristina has already seen what public service can do for others through her own activities and I am

sure that she will continue this public service throughout her future years.

I am delighted to extend my congratulations to Kristina for winning the New Hampshire Voice of Democracy contest and I am sure that you will do the same after reading her winning essay.

YOUTH—AMERICA'S STRENGTH

As I drove through my small American town to attend a 4-H meeting, I noticed a group of teenagers helping an elderly woman with her yardwork. Further on down the road, I saw some high school students training for their various athletic teams while a different youth group was painting the church. I was delighted seeing my peers getting involved. I could not help but smile, because I knew America would continue to be prosperous during my generation.

When I reached my 4-H meeting, our leader asked us, "Why do you get involved?" I replied, "I get self-satisfaction out of helping people and I like to know that I am accomplishing something worthwhile." All of my 4-H friends agreed. With this attitude, our youth has to be America's future strength.

This attitude is not only a local one, but a national one as well. Three revisionist psychologists, Daniel Offer, Eric Ostrov, and Kenneth Howard conducted a long range national study. They interviewed 20,000 teenagers and found that 90 percent answered affirmatively, "I enjoy life." 85 percent responded, "Most of the time I am happy." Less than a quarter replied, "I feel very lonely." If 90 percent of America's teenagers enjoy life, they must enjoy their life in the United States. Thus, these teenagers would probably want to succeed in the United States.

Being able to succeed is a big part of being a teenager, but it is also where the difference between adults and youth can be shown. For example, adults have a lot to worry about. They have to worry about their families and caring for them. Their worries are extended further by the pressure of time. Most adults have just enough time to complete necessary jobs. Young people, on the other hand, don't have these worries and have the time to develop their own creative selves. The teenagers can take chances and if they don't reach their goals the first try, they have the time and energy to start over again. Adults can't take these same chances and that is why we, the American people, are counting on the ingenuity, innovativeness, and freshness of today's youth to make the United States even stronger.

To make the United States even stronger, the characteristics of America's youth have to be strong also. Because of our new era of working parents, our youth has acquired great independence and self-motivation. To add to the list of characteristic, teenagers try very hard to succeed and are, therefore, persistent. In fact, Aristotle once said, "All of youth's mistakes are in the direction of doing things excessively and vehemently." Yes, America's youth still make mistakes but it is their willingness to succeed and persistence which keeps them motivated. They won't stop until they get it right. This motivation and independence are two very important and strong American traits.

In a world today where nuclear war and Communism are everyday threats, American adults should be proud to have young people as motivated and determined as they are now. The United States will continue to be strong because it has the distinct qualities of a great nation. The qualities of optimism, creativity, motivation and leadership, have made the United States strong today and our 1982 youth will preserve them for making the United States even stronger tomorrow.●

MEMBERS OF THE SAME CLUB—FEDERAL BOXER PROTECTION ACT

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. WILLIAMS of Montana. Mr. Speaker, recently, the National Art Gallery presented a display of George Bellows' famous boxing pictures. The exhibit was both a study in Bellows' artistic style, and in the development of the sport of boxing. One painting that stood out in this exhibit was entitled, "Both members of the same club." This painting depicts two fighters locked in an agonizing combat, as the excited and cheering crowd and the anxious referee look on. One fighter is black, and one white; but the will to win is the same. This painting clearly represented the things that many years ago made me a fan of boxing. It is that fanship which impelled me to introduce H.R. 1751, the Federal Boxer Protection Act.

Already this year, Congress has held hearings on the issue of boxing, and the message was clear, as it had been in past year's hearings: we must move to make this sport safer.

In an ideal world, States would regulate the rules governing boxing; but in the real world, that regulation has been sparse and inadequate. Fighters knocked out and barred from fighting in one State easily fight in another. Equipment deemed essential for protection in one State is ignored in others. The carnival beginnings of this sport still carry on today, even though the seriousness and profit have long since changed the way it is presented.

For example, one fighter last spring was knocked out on the west coast and, under that State's rules, was barred from the ring for 60 days. Yet 43 days later he was in Madison Square Garden where he was knocked out in the ninth round. He had lost 10 of his previous 13 bouts, 6 of them by knockout. It is clear that this man should not have been boxing.

The punch drunk, who is so often the object of amusement and ridicule, is a sad reality of this sport. Over the past 30 years, 335 deaths have occurred in amateur and professional boxing. A medical study has shown that 17 percent of the boxers under study displayed brain damage after years of fighting.

The very viability of boxing has been called into play; and if those of us who support boxing do not move to correct the glaring problems, others should and will. It is not the amount of injury in boxing, I think, that concerns people—boxing is ranked seventh in all sports injuries—but the lack of coordinated effort to make even the basic changes necessary to assure protection of the boxer.

H.R. 1751 is a solid step in the right direction. My bill establishes a Commission under the Department of Labor that will prescribe regulations concerning fighter safety, uniformity of rules, and boxing equipment. The legislation mandates a registry of fighters and a uniform certificate of condition that must be presented before fighters are allowed to enter the ring. This bill begins the process necessary to establish a much-needed pension program for fighters. The bill encourages one voice in international boxing concerns, and hopefully, a counterbalance to the WBA and other regulatory organizations.

H.R. 1751 standardizes the contracts used in fighting, and also the waiting time between knockouts before being allowed to fight again.

I have sought to include many of the suggestions of boxers, promoters, and fans. I have specifically tried to limit the authority of the Commission to the specific protection of boxers. This legislation does not override State boxing boards, and is, in fact, designed to increase cooperation. I am hopeful that during the hearings, amendments can be considered to exempt small boxing clubs from all regulation. I would also like to address more in depth the complex problems caused by the television coverage of this sport.●

THE SOLOMON AMENDMENT

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. EDGAR. Mr. Speaker, recently, hearings were held in the House Subcommittee on Post Secondary Education concerning the regulations linking Federal student aid and proof of registration for the draft. I was among those who testified during those hearings, and I would like to share with you two articles which reflect the concern that I have for the Solomon amendment.

I believe that the Solomon amendment establishes an unjust and an unnecessary system of punishment for nonregistrants. The law punishes only those young men who are in need of financial aid. It does not apply to women or those fortunate enough not to need financial assistance. In addition, the law is unnecessary because a severe penalty already exists for draft violators. Those who do not register

are subject to a fine of up to $10,000 or 5 years in prison.

The first article, from the Philadelphia Inquirer, explains in detail my feelings and concerns about the Solomon amendment. In response to those concerns, I have introduced a bill, H.R. 1286, to repeal that law. The second insert addresses the administrative concern of the financial aid offices of the Nation's schools and colleges. A witness at the hearings, Randy Hayman, a student and financial aid peer adviser at the University of Michigan, illustrated the administrative nightmare that this law would create for students as well as administrators. Randy registered for the draft over 1 year ago and has not received his confirmation papers yet. These papers are the ones now required to be submitted to financial aid offices before aid may be received. Randy is just one example of a law-abiding, straight "A" student whose college career could be interrupted because of the Solomon amendment.

I believe that the Solomon amendment is a potentially dangerous, misguided law and that the only remedy for the problems it creates is repeal. In this light, I urge my colleagues to support my bill, H.R. 1286, to repeal the law. Freedom of educational opportunity is being threatened by this statute, and I hope that you will support my effort to prevent that.

The material follows:

[From the Philadelphia (Pa.) Inquirer, Feb. 22, 1983]

THE DRAFT-FINANCIAL AID CONNECTION

(By Representative Robert W. Edgar)

Suppose I told you that there was a law preventing your mother or any older woman from receiving Social Security payments until she presented a letter from the IRS certifying that she had always been in compliance with federal tax laws. Our conversation might go something like this:

"Why should my mother have to present this letter to get Social Security?" you might ask.

"Because cheating on taxes has gotten out of hand. Too many people are cutting corners on their taxes, and it is costing the government too much. So Congress passed a law requiring this letter of compliance."

"But think of all the paperwork for the people and for the government."

"That's okay. If the Social Security checks are delayed a few months, the government may even save some money. There are a lot of recipients who do not really need the money anyway.

Sensing some unfairness, you say, "I know there has been some cheating on income taxes, but maybe the government should deny benefits only to those people who have been found guilty of such cheating, rather than assuming that someone is guilty until she proves her innocence. Besides, there is already a strong penalty for tax fraud."

"Yes, but the people in Washington think you should not get the benefits of the American government unless you can show that you support the government."

"What about my grandfather? He has paid taxes over the years. Does he have to present this certification from the IRS, too?"

"No, because the law happens to apply only to women."

At this point you might shake your head and walk away muttering.

"Those people in Washington surely got it backwards this time."

This conversation may sound far-fetched or even absurd, but it is not far from what is actually happening to draft-age men. As directed by a law last year, the Department of Education and the Selective Service System recently published proposed new regulations governing federal financial aid to students.

Under the regulations that are due to take effect this summer, a young man cannot receive federal student aid unless he presents a letter from the Selective Service certifying that he has registered for the draft. This law was introduced by Rep. Gerald B. H. Solomon (R., N.Y.) as an amendment to the 1983 Defense Authorization Bill.

The law is an unwarranted intrusion of government into our daily lives. Of course, it is a young man's duty to serve his country. And it is law that each young man must register. However, the government should not require people to pass tests of good citizenship each time it extends a benefit.

We could enlarge the principle of the Solomon Amendment to include not just student aid but also the countless other benefits we all receive from our government. Are we presumed to be bad citizens, unworthy of receiving benefits, until we prove we are good citizens? Must we take loyalty oaths and carry badges of good citizenship?

The Solomon Amendment is an attempt to punish irresponsible students, but it is misguided, unfair, and probably ineffective. It puts a burden only on men; women do not have to register with the Selective Service. It applies only to young men who are attending college and who need financial aid to do so. It is unwieldy.

The administrative headaches will be immense. We can expect many misplaced letters of certification and many interrupted college careers. Furthermore, the law makes policemen of banks and college financial aid offices. That is an inappropriate role for them in our society.

The punishment imposed by this law is unrelated to the offense it is intended to correct. Why was student aid chosen as the focus for this registration law? Not because of a logical connection between student aid and draft registration, but because of a convenient overlap between the groups of people affected by regulations in each of these.

Is more punishment needed anyway? The young man who fails to comply with Selective Service law already faces severe penalties (imprisonment up to five years and fines up to $10,000).

A final and extremely important point is that not every nonregistrant is an irresponsible lawbreaker. For generations our society has respected the rights of people who for religious or moral reasons refuse to serve in the military. We in Pennsylvania with our Quaker and Mennonite traditions should be particularly sensitive to this concern.

Under current registration law there is no provisions for these people to indicate their conscientious objection at the time of registration; they must register for possible military service the same as everyone else. They are told that if a draft is instituted, then they should speak up. This is not satisfactory. Many young men for moral and religious reasons are refusing to register at all. Until we make provisions to recognize their legal rights as conscientious objectors, we should not deny them financial aid.

If we want our young men to be good citizens the government should treat them as such. We should not begin by denying them the rights of conscience and the individual liberties for which our country is renowned. After all, the reason we might want a military draft is to defend such American ideals as freedom of conscience, and freedom of opportunity, including educational opportunity.

STATEMENT OF RANDY EDGAR HAYMAN

INTRODUCTION

Good morning, Mr. Chairman and members of the Committee. I am both proud and pleased to have this opportunity to speak before you this morning.

My name is Randy Edgar Hayman. I am nineteen years old and was born and raised in St. Louis, Missouri. I am presently in my second year of pre-law studies at The University of Michigan with a dual major of economics and political science. During the past two years, the financial aid that I have received has made it possible for me to remain in school. Also, during this past academic school year I have been trained and worked as a Financial Aid Peer Advisor. So I have some understanding of the process of applying for financial aid.

Mr. Chairman, I appreciate the effort being put forth by you and the members of this Committee to obtain different points of view from so many diverse segments of the college community. It is my purpose this morning to express to you a student's opinion on the amendment to the Defense Authorization Act (Pub. L. 97-252), which finds any student who fails to register for the draft ineligible for Title IV student financial aid (Pell Grant, Supplemental Education Opportunity Grant, College Work-Study, National Direct Student Loan/Plus Loan and State Student Incentive Grant Programs).

Since I am studying to be a political scientist I understand the importance of National Defense. Because of this reason, as part of my civic duty I registered for the draft prior to my eighteenth birthday. I do not oppose draft registration. But I am opposed to the threat of taking away financial aid to guarantee such an act.

I have spoken to many of my fellow students and administrators about this pertinent issue. I feel that their negative attitudes toward the amendment, along with mine, stem from two areas of concern; first of all an obvious public policy concern exists and secondly, a more hidden personal concern.

PUBLIC POLICY CONCERNS

Of course, those who have spoken before me are better qualified to deal with the more complex legal issues of this amendment. But I feel compelled to express the basic concerns that students have:

1. Bill of Attainer.

a. The amendment allows someone to be punished by legislation rather than through the judicial process.

2. Lack of Due Process.

3. Question of Conscience.

a. Many students are confused and believe that the amendment fails to allow a student who, because of religious beliefs, is against the principle of war the right to abstain from registering.

4. No Procedure for Lost Documents.

a. No retroactive aid—no room for the filing mistakes of a bureaucratic system.

5. Discriminatory.

a. The amendment discriminates by gender, heritage and economic status. This regulation will have a disproportionate impact on males and minority college students who are the most economically disadvantaged. Financially secure students who do not depend on financial aid will not have to register and at the same time they will be allowed to continue their college careers. While middle class and poor students who are just as academically capable will be unfairly denied their right to an education.

PERSONAL CONCERNS

Students' personal concerns mainly circle around one goal—receiving a first rate education. At first glance this may appear to be a very simple task. To obtain this goal a student only needs to buy his books, go to class and do his homework. But in reality, college life is not that simple. Once we look closer at the situation, we find that many unnecessary bureaucratic obstacles stand between the student and his goal. Imagine for a few minutes that you are a student.

Before you even have the money to buy your first book, you have to fill out four forms for financial aid—four forms that you have to sign, send to your parents and then hand in to the Office of Financial Aid or your local bank. Then you have to wait six weeks for your papers to be processed—or even longer if an error is made. Before you can go to your first class you may have to wait two or four hours in a long line just to register for your classes. You then will be lucky if spaces are available in the classes that you have to take to earn a degree.

Now, if we add to this already complicated process a regulation which states that you have to not only register for the draft, but also prove that you registered for the draft, the student's mind is even more diverted from his studies. Many students, like myself, never received their Registration Acknowledgment Letter (SSS Form 3A or 3AS). And up to just a few days ago, I did not even know that I was supposed to receive one. The regulation states that this is not a problem—a student needs to only sign a notarized affidavit stating that he has registered. He is then given 120 days to prove that he did, in fact, register. This process in the short run is inappropriate and in the long run inefficient. It unfairly forces the student to go 120 days, which can be thought of as 17 weeks or 86 hours of lectures worrying about whether or not his letter from the Selective Services is going to come. Also, during this 120 day time period, a student can not receive a Guaranteed Student Loan and as a result, he may not be able to buy all the books he needs. If the acknowledgment letter fails to come, a student could find himself in debt for thousands of dollars at the end of the term. During this 120 day time period a student's mind should be solely on passing his next calculus test or writing a ten page term paper for his English class. Mr. Chairman and Committee members, I do not feel that I would be overstating the issue by saying that if a student does not keep his mind mainly on his studies for the first three weeks of the term his chances of passing the class, let alone performing well in the class, are limited. The mental stress that this regulation would cause the student is unjustified.

At the same time, it is important that we realize that for a student to leave school because he cannot afford it is a tragedy. Yes, a tragedy which affects only one person, but it is a tragedy none the less. Between the ages of eighteen and twenty, students develop a mind set, work habits and goals which will direct them to a certain position on the social-economic scale of life. It is unfair to stop a student's education, no matter what the time period is. Because the horror of the situation is that once he leaves the University, chances are that he will never return. Middle class and poor students can not afford the luxury of stopping their education. If I were denied aid, I too would probably be forced to forget my dream of going to law school for the reality of getting a job in a factory.

In conclusion, Mr. Chairman, I feel our government should make applying for financial aid as uncomplicated as possible. Access to higher education, free from bureaucratic complexity is a basic part of America. For these reasons I feel that the intent of this amendment may be honorable, but its effect is unjust.

Mr. Chairman, I would be pleased to respond to any questions you or the members of your Committee might have.●

FIRST-STRIKE USE OF NUCLEAR WEAPONS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. PICKLE. Mr. Speaker, today I urge my colleagues to join me in cosponsoring House Joint Resolution 50, which calls on the United States to renounce the first-strike use of nuclear weapons, and to seek treaties encouraging all nations involved in the production or deployment of nuclear arms to do likewise. I believe this legislation is consistent with the historical nature of our nuclear policy, and I feel strongly that our adoption of this doctrine will assure that nuclear arms are used solely for deterrent purposes.

The nuclear buildup of the past decade has not resulted in an increased sense of security for the nations of the world. Indeed, the massive accumulation of nuclear weapons only increases the threat and sense of imminent conflict which haunts our world. Years ago when the United States enjoyed a monopoly on the production and deployment of nuclear weaponry, our strategy was one that promised massive nuclear retaliation in the event of attack. The international picture has changed, however, and now other countries have acquired nuclear capabilities. World peace hangs on a precarious policy of mutually assured destruction. Having found ourselves in this predicament, it is of utmost necessity that we—all nations—seek to control the use of nuclear arms. House Joint Resolution 50 calls on the United States to renounce the first-strike nuclear option.

In so doing, we are not positioning ourselves to receive a nuclear attack without retaliation. No; not in the least sense. In signing this legislation, we are not suggesting that we will absorb an attack and then respond. On the contrary, we are simply stating that the United States, which is not now, and has never been, an aggressor in war, will not launch an offensive, preemptive nuclear attack against any nation. We are taking the lead in insuring that the perils of nuclear war will not be unleashed against any nation as a first-strike option.

I feel this is a responsible position, one which calls on our sense of urgency to control the use of nuclear weapons, just as we are currently seeking to reduce the production and deployment of nuclear weapons. I commend my colleague, Mr. WEISS, for having the courage to raise this issue in the form of legislation and for giving us another opportunity to endorse this proposal through the reintroduction of House Joint Resolution 50 in the 98th session. And, I call on my colleagues to consider the nature of the world today, and to join with me in this vital effort.●

ADMINISTRATION NATURAL GAS DECONTROL PROPOSAL IS ANTI-CONSUMER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. STOKES. Mr. Speaker, one of the major issues to come before the Congress has been the debate on how to solve the crisis of soaring natural gas prices. Rapidly rising gas prices are generating concern and creating hardship across the United States. Consequently, the question on how natural gas should be priced has become a subject of critical national debate.

Mr. Speaker, in the State of Ohio alone, we have seen natural gas prices rise by 700 percent over the last 10 years. With unemployment at record levels, heating or eating is an every day decision faced by an increasing number of Ohio residents. The enormity of the crisis is reflected by the fact that over 45,000 Ohioans were shut off without heat in November because of their inability to pay their bills. The situation looks even bleaker for next year.

Sadly, in the wake of rising consumer utility bills and shutoffs, the President has announced his intention to propose legislation to remove all Government controls from the natural gas market. I strongly reject the President's proposal, which would only exacerbate the current situation by further adding to the burden already facing consumers.

The administration's proposal to decontrol natural gas will do nothing to

correct the current problem but will only serve to make it much worse. Mr. Reagan's decision to decontrol all natural gas over the next 3 years will most certainly have a skyrocketing effect on residential natural gas heating bills.

Under the President's plan, newly discovered gas and any gas under a renegotiated contract would be decontrolled immediately.

This means that any natural gas pipeline wanting to renegotiate in order to get out from under unfair contract provisions could do so only at the expense of paying decontrolled prices. The administration's proposal not only fails to restrict unjust contract terms outright, but also sets up a renegotiation process where the producers get all the benefits.

Further, Mr. Speaker, consumers would suffer under the burden of accelerated decontrol and the decontrol of old gas, gas for which investments have already been made, without any assurances that unfair contract terms would be eliminated. The only so-called protection in the President's plan is the requirement that the Federal Energy Regulatory Commission (FERC) would have to review pipeline purchases before increases can be passed on to consumers. Given the FERC's track record on allowing such passthroughs, consumers may find little comfort in this safeguard.

Moreover, the prohibition against passthroughs ends on January 1, 1986. At that time, consumers would be left facing the decontrol of all gas, the continuation of unjust contract provisions, and a market which continues to be dominated by the major oil companies.

According to the Washington Post, the top 20 producers of natural gas—led by Mobil, Exxon, Texaco, Gulf, and Shell—control more than 70 percent of it and stand to gain a $40 billion windfall between now and 1990 if decontrol is put in effect. It is obvious that the oil companies will be the big winners in the President's legislation and that the consumers will be the big losers.

Mr. Speaker, to add insult to injury, on the one hand, the President is advocating the acceleration of natural gas decontrol amidst certainty of whopping natural gas price increases. On the other hand, he is proposing decreases in the amount of Federal assistance for low-income consumers to pay their heating bills in his fiscal year 1984 budget.

For fiscal year 1984, the President has requested a $675 million reduction from the current level in energy assistance for the poor. Currently the State of Ohio has been able to serve only 47 percent of the families eligible for the program. For Ohio in general and Cleveland in particular, a budget reduction of the magnitude contemplated by the President would be devastating given the high level of unemployment and rising utility prices. Both of these factors have served to increase demand for energy assistance in Ohio because more households are eligible and greater amounts of assistance are needed per household.

However, in Ohio's Cuyahoga County, only 54,000 households, roughly half of those eligible, received energy assistance. If the President's fiscal year 1984 budget proposals are enacted, Ohio may have to bear another $34.6 million loss of funds for the low-income energy assistance program.

Mr. Speaker, it is evident from the President's budget proposals and his plans to accelerate decontrol of natural gas that he has little or no concern for the impact that these policies will have on the consumer, particularly the poor consumer.

According to the Ohio Action Coalition, on April 1, 1983, thousands of additional Ohioans will be shut off because they will not have the money to pay their accumulated bills. This does not take into account those people whose gas bills are higher than their mortgage payments, churches that are closing because they cannot pay their bills, and the continued deterioration of the public school system because of their heating expenses.

Mr. Speaker, decontrol of natural gas has not been working for Ohio consumers. In fact, it works against consumers in Ohio. This is clearly evidenced by the yearly increases in shutoffs. It is the duty of Congress to protect the American consumer from further economic hardship. The Congress must not allow such an ill-timed and ill-conceived initiative as the President's to become law.●

A BILL TO EXTEND THE DUTY REDUCTION ON CERTAIN UNWROUGHT LEAD FOR A PERIOD OF 5 YEARS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. FRENZEL. Mr. Speaker, this bill extends the temporary reduction of the tariff on imports of unwrought lead other than bullion—tariff item 911.50— for a period of 5 years commencing July 1, 1983. The duty on unwrought lead was temporarily reduced during the period January 1, 1980, through June 30, 1983, from 3.5 percent to 3.0 percent on the value of lead content but not less than 1.0625 cents per pound of lead content. The duty reduction was accompanied by provisions barring, except under certain specified provisions of the trade statutes, the modification of the duty by the President or the imposition of additional duties.

The extension of the duty reduction is supported by both the domestic producers and major domestic consumers of primary lead as a measure which will aid all parties by contributing to the stability of price and supply in the primary lead market. The producers are represented by the Lead-Zinc Producers Committee, which includes all U.S. primary lead producers. The consumers are represented by an ad hoc committee whose members account for a majority of lead consumed in the United States.●

BUSINESS LEADERS SUPPORT SOIL AND WATER CONSERVATION

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. JONES of Tennessee. Mr. Speaker, as many of you know this Nation has a serious and growing soil erosion threat. As the problem worsens, effective funding for soil conservation programs is dwindling.

Realizing these circumstances, several business and agricultural leaders formed the National Endowment for Soil and Water Conservation, a nonprofit, nonpolitical organization which funnels private sector contributions into worthwhile soil and water conservation projects.

A short while back the Christian Science Monitor printed an article I wrote explaining the endowment. I am inserting that article into the RECORD.

Additionally, the President's Task Force on Private Sector Initiatives has reviewed and found the effort to be consistent with the President's objectives and priorities. I am inserting for your information a copy of a letter from the President's task force to Mr. Emmett Barker, chairman of the National Endowment for Soil and Water Conservation.

Mr. Speaker, as chairman of the House subcommittee with jurisdiction over soil conservation legislation, I support this endowment. I congratulate the business people who put it together and welcome their assistance in facing this very critical problem.

The material follows:

[From the Christian Science Monitor, Jan. 5, 1983]

SAVING THE SOIL—BY PRIVATE INITIATIVE

(By Ed Jones)

Wasting good farmland is senseless, both for today's well-being and for future security. Yet as a nation we are busy wasting the greatest body of prime farmland on the face of the earth. That is foolish and, if history is any lesson, it can be suicidal.

This problem springs from many roots, not the least of which is the disastrous state

of the farm economy. Farmers are allowing their capital assets—including soil—to deteriorate.

A national sense of stewardship for the land must be revived—one that can be supported by all Americans, not just the few who work the land. This sense of stewardship is what a recently formed organization—the National Endowment for Soil and Water Conservation—is all about.

Why national endowment? Because it is needed as the third leg in a conservation system which includes older efforts by the federal government and more recent programs carried on by state and local governments.

The federal efforts began on a substantial scale after the dust bowl days of the 1930's. They continue today and are indispensable, but they cannot do the complete job. State and local governments, which earlier made few contributions to conservation, have been increasing their efforts substantially since 1970. The gap now in the shift away from total federal reliance is an organized involvement of the private sector in promoting conservation—and that, too, is changing.

In 1977 several of us—alarmed by the growing problems affecting our soil and water resources—began discussing alternatives. We were looking for new ways to involve the American public to energize the conservation effort. As work progressed, we looked to the National Endowment for the Arts and National Endowment for Humanities as models. Now, after several years of effort, we take pride in the formation earlier this year of the National Endowment for Soil and Water Conservation—a privately funded and controlled nonprofit organization.

The endowment is a tax-exempt financial mechanism for channeling private support for improving soil and water conservation practices. The endowment's goal is to encourage and help private land users to upgrade their conservation management. It will accomplish this by using tax-exempt contributions to fund innovative yet inexpensive conservation projects and activities. Contributions from the general public, businesses, corporations, and foundations will provide the base of support.

The time to act is now. As Lester Brown of the Worldwatch Institute says, "We have not inherited the earth from our fathers, we are borrowing it from our children." The endowment is based on the belief that the American people do not want their children to pay future penalties for our failure to act today. It is a private sector initiative whose time has come.

THE PRESIDENT'S TASK FORCE
ON PRIVATE SECTOR INITIATIVES,
Washington, D.C., December 10, 1982.

Mr. EMMETT BARKER,
Chairman, The National Endowment for Soil and Water Conservation, Washington, D.C.

DEAR EMMETT: We have reviewed the descriptive materials and background information on the establishment of the National Endowment for Soil & Water Conservation and wish to commend you for this new private sector initiative. This worthwhile effort to form a partnership between the public and private sector in the conservation of our agricultural resource base clearly is consistent with the President's objectives and priorities.

It is most encouraging to see this new privately funded and controlled National organization become established, especially in light of the strong bi-partisan support which you have already received from among the Congress, the Administration, the agri-business community, associations, organizations and individuals.

The President's Task Force on Private Sector Initiatives encourages those activities directed toward achieving the public's best interest while at the same time emphasizing individual responsibility and participation. It is for these reasons that we support and indeed encourage the Endowment to continue to provide a vehicle for the participation of all Americans in the conservation of this Nation's soil and water.

If we are to continue to keep Americans the best fed people on Earth we must address the problems associated with soil and water conservation. We are hopeful that the Endowment will provide new energy, efficiency and direction to ongoing soil and water conservation activities throughout the country and will develop a soil stewardship program which can be supported by the farming and non-farming public alike.

Sincerely,

JERRY GUTH,
Executive Director.●

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. RODINO. Mr. Speaker, this is the time of year when Americans of all ethnic backgrounds join together to salute the men and women of Irish heritage in honor of St. Patrick's Day.

This Sunday, March 13, I will proudly join thousands of New Jersey residents in Newark for the largest and oldest St. Patrick's Day Parade in the State. The grand marshal for the 48th Annual Parade will be Patrick Birney, and the deputy grand marshal will be Mrs. Bella Nugent Laughlin. This year's parade is dedicated to Mrs. Laughlin's late father, Joseph Nugent. Joseph Farrell will be the master of ceremonies for the festivities and the parade committee chairman this year is Matthew Fitzpatrick.

We all know that the holiday celebrates the patron saint of Ireland, who came to that country in 431 A.D. bringing a message of spiritual growth and fulfillment. St. Patrick preached Christianity and practiced good works and became a symbol of hope to the Irish people.

While this is indeed a "great day for the Irish," we must, of course, be sadly reminded of the tragic and seemingly endless strife that has plagued Northern Ireland for so many years. We must remember the teachings of St. Patrick himself on this special day, and pray for the restoration of peace and justice to the people he loved.●

TRIBUTE TO MONTGOMERY K. WINKLER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues the recent retirement from long and distinguished service in the House of Representatives of Montgomery K. Winkler, my administrative assistant since my first election to Congress in 1974.

Monty Winkler, whom many of you know and have worked with, has served as an administrative assistant in this body since 1959. Born and raised in southern California, he grew up in Fillmore. Following military service in the U.S. Coast Guard, Monty received a bachelor's degree in political science from Whittier College and a masters degree in government from George Washington University.

Prepared by this education and background, he began 25 years ago a distinguished and dedicated career of public service. He joined the staff of my late predecessor and a distinguished and respected Member of the House, Charles M. Teague of California. Monty's sound judgement, fine organizational and managerial skills, and keen interest in issues related to American agriculture have yielded substantial benefit to the work of the Congress, the people of the congressional district he served and the interest of this Nation.

Monty Winkler's work in the Congress has contributed to greater equity for American agriculture and expanded trade opportunities in foreign markets for our food and manufactured products. His effective and determined intervention on behalf of individuals confronted by unfair treatment from a sometimes unresponsive bureaucracy is proven testimony of his concern for the individual citizen and effort to make government responsive.

Monty's organizational skills have benefited many of the Hill organization in which he has been an active member and officer: The Administrative Assistant's Association, Bull Elephants, the California Republican assistants program, and the I.C. Group.

I feel proud and fortunate to have had the benefit of his skills, knowledge, and friendship these many years—a sentiment I am sure is shared by others of my staff, employees, and Members of the House. He and his wife, Maio, have lent prestige and honor to the Government and the Congress, and we wish them well in their futrue endeavors.●

A TRIBUTE TO MAYOR ILENE WEINREB

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. STARK. Mr. Speaker, on Sunday, March 6, the Hayward chapter of the National Association for the Advancement of Colored People will honor former Hayward Mayor Ilene Weinreb at the Annual Community Awards banquet. I wish to bring to the attention of my colleagues this event. I regret that I was not able to join Ilene, her friends, and supporters at such an occasion. She is most deserving of the honor.

Ilene served on the city council in Hayward, Calif., from 1968 to 1974. She served as mayor from 1974 until 1982. She served on the board of the Metropolitan Transportation Commission and she has recently taken a position with the Bay Area Council. But these are just her official achievements. While serving in these capacities, Ilene demonstrated her commitment to community activism, and to citizen participation. She appointed several blacks, Hispanics, and women to boards and commissions. She showed her concern for the economic health of the city when she worked with representatives from labor and business on the issue of plant closings and unemployment. And she showed that local citizens are ready to lend a hand to help out others less fortunate when she founded the Eden Council for Hope and Opportunity. While serving on the Metropolitan Transportation Commission, Ilene worked to see that transit systems in the Bay area were well maintained. And now as she begins her work at the Bay Area Council, she will turn her attention to the critical housing problem facing the citizens of southern Alameda County.

Through the years, Ilene has served her community well. She is a trusted colleague and a treasured friend. I congratulate her on the evening of this NAACP honor.●

A TRIBUTE TO EVERETT C. ROSS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. BROWN of California. Mr. Speaker, on March 11, 1983, Everett C. Ross will retire after 27 years of service with the Public Utilities Department for the city of Riverside, Calif. Mr. Ross has been the director of that department for the past 25 years. The job has not been an easy one with the demands upon him increasing as the city grew. He served Riverside at a time when energy in general was in the news, and his leadership guided the city through crisis, growth, and change. A man whose position affected vital services experienced an era of energy development, conservation, and management and became the unlikely focus of controversy in a position most of us take for granted until something goes wrong and the lights literally go out.

A native son, Mr. Ross came to the position well prepared having earned a degree in electrical engineering from Stanford University and gaining additional education at the California Institute of Technology. He then wore the hat of assistant director for 2 years before assuming his current role as chief. His membership in outside related activities is not only long but impressive, and includes everything from being president of the Southern California Public Power Authority to senior member of the Institute of Electrical and Electronics Engineers.

We will not worry about Mr. Ross being inactive in his retirement because we know he runs, skis, swims, and plays tennis, and he can always stay in shape by polishing his first place sailing trophy which he captured in a regatta in Hawaii.

Mr. Ross and his wife Imogene live in Riverside and are the parents of three children and have a 7-year-old grandson. We would like to take this moment to honor his years of service, thank him for a job well done, and wish him well.●

SUPPLY-SIDE RECOVERY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. KEMP. Mr. Speaker, a growing number of economists now agree that we are in the midst of a strong recovery, and as a result we can take a more realistic look at the serious but not intractable problem with the budget.

Bob Tyrrell, editor of the American Spectator and a nationally syndicated columnist, is an acute observer of our political scene, and I want to recommend to my colleagues his excellent essay on the lift off taking place in the economy.

HORRORS! A SUPPLY-SIDE RECOVERY

(R. Emmett Tyrrell, Jr.)

In Washington, things are going badly for the purveyors of the conventional wisdom. The second Great Depression never came.

For months the evening news has been gruesome. Along with the usual reports of disaster, ghastly new diseases, and bizarre surgical operations, the network news speculators have regularly broadcast interviews with the woebegone plus lurid reports of bankruptcy, of fat cats drinking champagne from their ladies' slippers, of economic madness in the White House. Even last week there were affecting reports of economic hopelessness.

Alas, for the purveyors of conventional wisdom there were also other news stories. Inflation has dropped to 2.1 percent, and had the old consumer price index been used inflation would be nonexistent. Industrial production is up. The stock market has climbed over 360 points since August. Housing starts and automobile sales are up. Interest rates, oil prices, and new unemployment claims are all down.

The government reported that during January its index of leading economic indicators showed its sharpest rise in 33 years. Could this be recovery? Could our genial president actually have pulled it off without heating up inflation or expropriating the middle class?

To the purveyors of the conventional wisdom the thought is unutterable, and to the Democratic messiahs it is a vision of hell. Both continue to speak of the dark infamies at home and heinous plots abroad, this feeding the media's lust for drear and the horrible. As the economy begins to stir and to breathe, they holler for jobs programs, elimination of the president's third-year tax cut and the slaying of the dread indexing of personal income taxes. Looking abroad they talk of wars where there were no wars—nuclear holocaust!—and peace where there is no peace—El Salvador.

They dream of brave new worlds while they quail and mutter about bugaboos remote from human experience and unimaginable to normal Yanks.

These are curious minds. Think of their fierce vilification of the Reagan administration's interest in supply-side economics. Frankly I never understood their hysteria. All the supply-siders were saying was that a cut in tax rates would generate increased economic activity, increased savings and movement out of tax shelters, thus offsetting the lower rates; and they cited two very persuasive precedents in recent American history.

The vilification continues throughout Washington. Evidence, however, mounts that the supply-siders have a case. M.S. Forbes Jr. reports in the Feb. 14 issue of Forbes magazine that tax revenues from the upper income brackets—the only brackets to have yet received significant tax relief from the president's cut—were up 10 percent in fiscal 1982 from fiscal 1981; and they were up a whole 20 percent above what was predicted by the conventional wisdom. This group's proportion of tax payments has actually risen from 27 percent to 29 percent. What is more, those tax revenues have continued to surge in the first quarter of fiscal 1983.

In Washington, the conventional wisdom has made supply-side economics the butt of general ridicule. Yet it is the conventional wisdom that has been left ridiculous. Its economic models denied that interest rates could go down when estimated deficits were rising. Estimated deficits have risen; interest rates have declined. Conventional models predicted soaring consumption and inflation in the wake of last summer's tax cut. Supply-siders said savings would increase. Consumption stayed flat, inflation declined, and personal savings increased by about 20 percent.

The only people to predict the economic surge that is now being reported by our dumb-founded media were Arthur Laffer, the economist, and George Gilder, the

author. These supply-siders insisted the president's July 1983 tax cuts would actually take effect in January 1983 and because of those tax cuts economic activity would be shifted from the more highly taxed last quarter of 1982 to the more moderately taxed first quarter of 1983.

To be sure, the recent economic surge involves more than tax cuts, but certainly these supply-siders deserve a round of applause along with the man who fought for tax cuts, Ronald Reagan. Yet in Washington the purveyors of the conventional wisdom are not applauding. They fret over "the Reagan budget cuts," "the looming deficit," and other canards and bugaboos. They live in a dream, a huge and inviolable fantasy.

Unfortunately, the dream comes equipped with fine wines in excellent restaurants, credit cards, corporate limousines, pleasant conversation, cocktail parties, distinguished awards, prestigious appointments and hundreds of other amenities, all guaranteed to insulate them from the normal lives of those they would liberate, enlighten, enrich and tax. Why should they ever take note of the outside world?●

FRANKLIN D. HILLARD, ELK OF THE YEAR

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. HARRISON. Mr. Speaker, Saturday evening, March 19, Wilkes-Barre Elks Lodge No. 109 will honor Franklin D. Hillard as "Elk of the Year."

Mr. Hillard is the retired fire chief of Kingston Borough. He has been active with the Elks for 15 years and is serving his second term as trustee. Among his numerous contributions to the Elks Lodge are his activities with the annual pig roast, weekly benefit parties, and hoop shoot.

Chief Hillard is married to the former Ruth Cannon and the couple has a daughter, Mrs. Esther Deppner, of Hyde Park, N.Y.; a son, Frank, Jr., died while serving with the U.S. Navy.

Mr. Speaker, it is a pleasure for me to join with the members of Elk Lodge No. 109 and, indeed, with the entire community in congratulating Mr. Hillard on his designation as "Elk of the Year" and in wishing him and, his wife, and daughter, many, many more years of health and success in all that they undertake.●

THE PLIGHT OF THE METAL FASTENER INDUSTRY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Ms. OAKAR. Mr. Speaker, our Government has two paramount obligations: To provide for the national defense and to provide an economic environment that allows citizens to seek and secure gainful employment.

Recently, the Commerce Department arrived at some conclusions that violate both obligations. Early in 1982, the Secretary of Defense requested that the Commerce Department conduct a national security investigation of the critical plight of our domestic nut, bolt, and large screw industry, pursuant to section 232 of the Trade Expansion Act of 1962. It should not have to be emphasized that the nuts and bolts that hold together every piece of military equipment we have are as important as any other component of our national arsenal. As many of my colleagues also know, the industrial fastener industry provided jobs for many hardworking Americans. Those jobs, however, are melting away rapidly.

A draft executive summary of the Department of Commerce's findings under the 232 investigation was recently brought to my attention. I am profoundly alarmed and dismayed by the conclusions expressed in the report, which in effect, writes off our domestic fastener industry. The industry is already on the verge of collapse. A 1978 report of the Commerce Department on the fastener industry concluded that "the United States can meet only 34 percent of the projected national fastener requirement in a prewar mobilization year." Since that report was issued, approximately 30 domestic nut, bolt, and large screw plants representing approximately 40 percent of the 1977 industry capacity level have closed and more closings are imminent. The human suffering caused by this growing level of industry failure is intolerable. The military threat this collapse of our fastener industry is equally intolerable and unacceptable for the most compelling reasons of national security.

I cannot emphasize enough the gravity of the situation our country faces because of our growing dependence on foreign sources for this critically vital component to our national economy. I encourage my colleagues to examine the conclusions reached by the Commerce Department in its executive summary and I ask that the text of the summary be printed in the RECORD.

The summary follows:

EXECUTIVE SUMMARY

The Department of Commerce initiated this investigation to determine the effect on the national security of imports of nuts, bolts and large screws of iron or steel (excluding mine roof bolts, but including lag screws and bolts) under the authority of Section 232 of the Trade Expansion Act of 1962, as amended (19 USC 1862), as the result of a February 11, 1982, request from the Secretary of Defense.

After assessing relevant data as required by the statute, we have concluded that the nuts, bolts and large screws of iron or steel investigated here are not being imported into the U.S. in such quantities or under such circumstances as to threaten to impair our national security. During a mobilization imports of fasteners would be reliable, would comprise an important part of our required supply of industrial fasteners and would augment our domestic production. The decline in productive capacity in the U.S. industrial fastener industry consequently, does not pose a threat to our national security. The industry's difficulties are due not only to import penetration, but also to general economic conditions, and the general economic recovery can be expected to help the industry significantly.

This investigation concerned imports of the following industrial fastener categories as defined by the Tariff Schedules of the United States (TSUS):

	Item No.
Lag screws or bolts (of iron or steel)	646.4920
Bolts and bolts and their nuts imported in the same shipment (of iron or steel)	646.5400
Nuts (of iron or steel)	646.5600
Cap screws (of iron or steel) having shanks or threads over 0.24 inch in diameter	646.6320
Other screws with shanks or threads over 0.24 inch in diameter (of iron or steel)	646.6340

Nuts, bolts and large screws of iron or steel, commonly called industrial fasteners, are mechancial devices designed specifically to hold, join, couple or assemble multiple components. Most U.S. industries require such fasteners. Leading users of nuts, bolts and large screws include the automobile, construction, industrial equipment and home appliance industries.

The Department of Commerce regulations governing Section 232 mandate certain criteria for determining the effects of imports on the national security including:

(1) requirements of the direct defense, indirect defense and civilian sectors of the national economy;

(2) domestic productions needed for projected national defense needs;

(3) capacity of domestic industries to meet projected national defense needs;

(4) existing and anticipated availability of labor (skilled and unskilled), raw materials, production equipment and facilities, and other supplies and services essential to the national defense;

(5) growth requirements of domestic industries to meet national defense requirements;

(6) quantity, quality and availability of imports;

(7) impact of foreign competition on the economic welfare of any essential domestic industry;

(8) serious effects of imports on the possible displacement of domestic products, unemployment, decrease in revenues to the government, loss of investments, loss of specialized skills and loss of productive capacity;

(9) any other relevant factors that may weaken the national economy; and

(10) other factors relevant to the national security in light of any unique circumstances associated with each case.

In order to determine if imports of nuts, bolts, and large screws of iron or steel are threatening the national security, the investigation began by determining the U.S. national security requirements (direct defense, indirect defense, and civilian) for such items. Identification of requirements was

based upon the guidance in National Security Directive 47 which states that maintenance of the capacity to mobilize resources efficiently and effectively in the event of a national emergency is of fundamental importance to U.S. national security. The directive further states that the broadly defined crisis scenarios are to serve as the principal basis for mobilization planning.

We determined that this investigation could most appropriately be conducted using the scenario developed for National Defense Stockpile planning. Therefore, requirements calculations were made under the assumed emergency conditions it contains.

The Department of Defense (DOD) provided the Federal Emergency Management Agency (FEMA) with defense mobilization expenditure levels based on that scenario, from which FEMA derived direct defense and indirect defense production requirements of fasteners. FEMA calculated civilian production requirements for fasteners based on the defense requirements mentioned above taking into account austerity in consumption patterns and other pertinent considerations and assumptions.

With requirements defined, the next step was to examine the possible sources for meeting them: 1) domestic production and 2) reliable imports.

Approximately 100 companies produce nuts, bolts and large screws in the U.S. Original equipment manufacturers (OEMs), *i.e.*, manufacturers of major consumer end-products and industrial equipment, predominantly automotive and machinery manufacturers, receive the bulk of the fastener shipments. Distributors purchase the remainder. Business in the fastener industry is cyclical, closely tied to demand for manufacturing and consumer durables. When the economy is good and demand for durables is high, the fastener industry flourishes. When the economy turns down and demand for durables shrinks, the fastener industry suffers. The industry is currently in a cyclical downturn.

Poor market conditions have forced various U.S. fastener manufacturers to either alter their product mix, consolidate with other companies, spin off unprofitable operations or go out of business. In general, import penetration has led firms to either eliminate or reduce their production of smaller diameter standard fasteners, and to concentrate their manufacture on more specialized fasteners.

The data collected show that during mobilization, while current domestic production capacity can meet defense requirements, additional supply would be required to meet civilian needs. The shortfall could be reduced in the following ways: 1) surge in domestic production, 2) reliable imports, or 3) a combination of the two.

Historically, the fastener industry has been able to surge its production in times of high demand such as World War II (when it nearly doubled), the Korean conflict and the Vietnam involvement. Lack of skilled labor could be a major constraint to expanding the industry during a mobilization. However, there is evidence that one of the principal reasons the industry has been able to surge in the past is due to the practice of labor hoarding, in which industry finds it more cost effective, even in times of declining demand, to retain its skilled labor force rather than to institute layoffs and train new workers later when demand increases again. Therefore, although the Department of Labor reports that proficiency in skilled workers requires three to eight years to attain, industry analysis indicates that in surge times, labor increases have been comprised largely of unskilled or semi-skilled people (requiring some on-the-job training) who augment the skilled labor pool.

The number of workers in the fastener industry has fallen steadily for the last three years; 23 percent fewer workers were employed in 1982 than in 1979. The decline is not wholly due to imports, but to general sluggishness of the economy. Numerous investigations conducted by the Department of Labor from 1976 to 1981 under the Trade Adjustment Assistance Program, found that 51.6 percent of the laid-off workers had been affected adversely by imports.

During a mobilization one could assume that with the addition of sufficient skilled workers and semi- or unskilled workers, with some on-the-job-training, production could be brought up to its maximum capacity. The addition of more machinery and plant space could increase production somewhat, although availability of skilled labor would remain a limiting factor.

Expansion in the fastener industry has been hampered by high interest rates and restructuring to meet import competition. A high proportion of currently idle machinery is over 15 years old. A large amount of used machinery is inventoried in the free world; hence, there exists an active used equipment market.

Sufficient new machinery with technically up-to-date automated controls can be built in the U.S. by several firms to increase domestic production capacity by just under one-third during the mobilization year and by approximately one-third to two-thirds during subsequent years. Similar machinery could be produced in Japan, Germany, Italy and other countries. Production machinery and fasteners could be shipped to the U.S. during the mobilization year when no shipping losses are anticipated.

The relationship of imports to the shortfall was studied to determine if imports are causal to the shortfall of domestic production compared to requirements. This assessment of imports included an analysis of the 13½-year trend (1969–June 1982) of producer shipments, domestic production, imports, consumption, domestic production capacity, domestic capacity utilization, and the reported price differentials between domestic and imported products. Market penetration by imported products was studied by plotting the ratio of imports to apparent consumption over the 13½-year period.

Imports, although currently down in absolute terms, have increased as a share of the domestic market, from 21 percent of apparent consumption in 1969 to 53.7 percent in the first half of 1982 (by weight).

The State Department has determined that our major foreign suppliers are politically reliable, an indication that their exports of fasteners to us would not be interrupted in time of mobilization or conflict. Principal foreign fastener suppliers in recent years are: Japan, Taiwan, Canada, India, Germany, Italy, The Netherlands and Australia. (In 1981, fifty-one percent (by weight) of U.S. imports of fasteners came from Japan.) Under the terms of the scenario, which specifies that shipping losses from the major exporting countries in Asia would be minimal, our principal Asian suppliers are also considered geographically reliable, whereas Western Europe is not, give predicted shipping losses in the North Atlantic. Imports from Canada are assumed to be assured due to our common border and to the mobilization agreements in place between us. During mobilization and conflict, large quantities of fasteners also could be purchased from Argentina, Brazil, and Mexico, if these countries are able to surge their production.

Because Japan and the other Asian suppliers are dependent upon imports of iron ore, coking coal and other factors of production (except labor) to make steel, their reliability as exporters of fasteners to the U.S. could hinge on their ability to obtain raw materials. Under surge conditions, the U.S. could, if necessary, produce a surplus of these steels and could supply friendly countries which manufacture fasteners for us with fastener grade steel if those countries could not procure the steel elsewhere.

The bulk of U.S. fastener imports are "standards," rather than "specials." Standard fasteners are multipurpose products which are normally mass produced in long production runs. Special fasteners are designed and produced to fit a particular purchaser's requirements, and are usually not inventoried except at the request of an end-user. The ratio of domestic consumption of standards to specials was 3 or 4 to 1 in the late 1950's and is reportedly 2 to 1 today. Results of the analysis of data for this investigation verify that (by weight) imported and domestic standard fasteners comprise 65–70 percent of the market and special fasteners comprise 30–35 percent of the market. OEMs consume an estimated 90 percent of the specials and more than 50 percent of the standards.

Currently depressed economic conditions and imports of lower priced high volume type standards are about equally responsible for the recent declines in capacity utilization rates for the U.S. industrial fastener industry. The decline can also be explained by the domestic industry's shift into specials production which first became apparent in 1975. Special production usually results in more downtime because of frequent equipment changeovers or "set-ups" and often longer set-up times. The U.S. is competitive and self-sufficient in specials production, however, only 20 percent of the standards (in terms of pieces) used in the U.S. are domestically produced.

During peacetime, specialization in product lines among friendly nations is not detrimental; in this situation market forces work to bring about the lowest cost for each type of product.

CONCLUSION

The report shows that a shortfall in domestic fastener supplies to meet scenario-based requirements. Domestic producers of the industrial fasteners under investigation can, in surge and conflict years, meet only the defense requirements for these products. Imports can help us reduce the shortfall in requirements for civilian production. The analysis has shown that most of our foreign sources are politically reliable, due to their stable pro-U.S. governments; and that their geographic locations, in light of projected shipping losses under the scenario, make them reliable in practice, as well. While it is true that the domestic industry has declined, general economic conditions contributed greatly, and import penetration alone is not causal to its reduced capacity.●

MR. PRESIDENT: ACTION NEEDED NOW FOR ISRAEL AND THE UNITED STATES

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. LENT. Mr. Speaker, earlier today I sent a letter to the President calling on him to accept Israel's offer to share the military lessons learned during Israel's recent operation in southern Lebanon. I also urged the President to immediately notify the Congress of his intent to sell Israel the 75 F-16 aircraft promised Israel a year ago, which notification was delayed in order to "punish" Israel for her actions in Lebanon.

Mr. Speaker, recent events in the Middle East have been of concern not only to me, but to a large number of Americans.

On Sunday, February 27, a group of more than 130 retired American admirals and generals took out a full page advertisement in the New York Times entitled, "At Last—A Soviet Defeat." This group of distinguished Americans stated, "We believe that the victory of Israeli-modified American weapons and tactics over those of the Soviet Union presents the free world with a tremendous opportunity to reduce the impact of Russia's extraordinary growth in tactical forces and battlefield technology."

I could not agree more with this assessment. Israel's actions provide us with a chance to learn from recent events and to thus also improve our own defenses. Mr. Speaker, I call on my colleagues to join me in urging the President to accept Israel's offer to share this valuable information with America. For some inexplicable reason, the administration has turned down Israel's offer to do so. By refusing, we only hurt ourselves. This matter is vitally important to our national defense. We must stop delaying and begin to benefit from our ally's information.

Furthermore Mr. Speaker, since Israel's destruction of the Soviet-supplied surface to air missile bases in southern Lebanon, the Soviets have deployed newer, more dangerous SAM-5 missile batteries. These sophisticated missiles directly threaten not only our good friend, Israel, but also our own fleet in the Mediterranean and our bases in Turkey.

Despite this new danger, the administration continues to delay notifying Congress of its intent to sell to Israel the 75 F-16's, which notification was to have been made last June. This delay threatens harm to Israel and the United States.

Mr. Speaker, in my letter I asked the President to proceed with notification without any further delay. I urge my colleagues to join me in this appeal so that we can demonstrate our support for Israel in a clear and decisive way.●

BOOSTING THE UNITED STATES OLYMPIC PROGRAMS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. VANDER JAGT. Mr. Speaker, it gives me great pleasure to join with my colleagues, Messrs. RANGEL and FIELDS, as well as with the other 170 or so Members who have agreed to cosponsor H.R. 1984, in support of the Olympic Checkoff Act of 1983.

Any athlete who is not in school or college has a difficult time participating seriously in amateur sports. For example, a serious figure skater or gymnast must pay thousands of dollars in order to underwrite serious training on a yearly basis. This condition holds for athletes who have attained the world-class level as well as for those of any age or ability who aspire to the world-class level of competition. As a result of these conditions, continued participation is a function of the athlete's—or parents'—ability to pay and not of the athlete's desire to continue, as it should be.

In recent years school and college sports have also been curtailed. Except for the few income-producing sports, school and college sports have experienced elimination of programs. Physical education programs, the original source of all athletic talent, have been curtailed as well.

In nearly every case, the programs being curtailed and the athlete dropouts affect adversely the U.S. Olympic movement. While the U.S. Olympic Committee has done a great deal to assume the burden of financial support for our athletes, the USOC simply cannot do it all without some sustained support from the National Government. In this environment, the Olympic Checkoff Act of 1983 is the answer.

It is perfectly fitting and appropriate that the U.S. Government create mechanisms to permit the maximization of private funding support for our total U.S. Olympic effort. The checkoff mechanism does this without burdening the taxpayer with any direct or indirect costs. And, it does so in a fashion that will reach every American.

Private polls taken when the victories of American Olympic hockey teams were not stirring the emotions of pride and nationalism have indicated that nearly 80 percent of our citizens feel the National Government should provide some kind of sustained financial support for Olympic development in this country. The Olympic Checkoff Act of 1983 provides the perfect mechanism without putting the Government into another role of oversight and direct involvement.

The Olympic games will be hosted on our soil for the first time in 52 years when the world comes to Los Angeles. Billions of people will follow the success of the games and the performances of U.S. athletes via the media. Our international prestige will be at stake and, of course, the Soviets will like nothing better than to win the most medals on our home court.

The Olympic Checkoff Act of 1983 is a suitable way to respond to the international challenge while providing simultaneously a long-term funding mechanism to permit an additional millions of Americans to continue in their pursuit of athletic excellence if they choose to do so.●

NATIONAL ARCHITECTURE WEEK, APRIL 17, 1983

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. STARK. Mr. Speaker, today I am introducing a house joint Resolution to designate the week of April 17, 1983 as "National Architecture Week."

The purpose of this bill is to increase the awareness of the general public of the profound impact this prestigious profession has on everyday life. Last year was the 125th anniversary of the founding of the American Institute of Architects. this year the AIA will be celebrating the founding and opening of the Center for the Study of American Architecture in New York.

The American architect has had and continues to have a great impact on the skyline of every city and town in this Nation. The landmarks that provide every city with it's own personality comes to us from our architects. Buildings where we live and work are given beauty and grandeur, thanks to the architect.

But more than providing us with inspiration, Mr. Speaker, the architects have been instrumental in promoting our country's energy conservation policies. New building designs have incorporated the latest in solar technology and other energy-saving methods, reducing fuel consumption. These are savings that will be with us for centuries.

One of the important gazers into the future is the architect. It is the architect who is planning the unconstructed buildings, roads, and other structures. It is the architect who is integrating the explosion of technical advances in materials with building methods and design. The architect is one of our bridges with the future.

Mr. Speaker, I invite my colleagues to join in honoring the architects of

this country and I urge them to cosponsor "National Architects Week."●

HOME-HEALTH SERVICES 75TH ANNIVERSARY

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 8, 1983

● Mr. HARRISON. Mr. Speaker, on Monday evening, March 14, Home-Health Services of Luzerne County will hold its annual meeting. It will, at the same time, celebrate its 75th anniversary.

Home-Health Services of Luzerne County is a voluntary, nonprofit organization which serves the needs of people in Luzerne County, Pa.

This organization originated in 1908 as the Wilkes-Barre Visiting Nurse Association in response to a community need—the plight of many immigrant families living in poverty with poor sanitation and a high incidence of disease. Its first president was Mrs. Charles Long, one of the great figures in the history of the Wilkes-Barre area, a pioneer in many of its social and cultural endeavors, and, I am proud to recall, a lady who befriended me in the days of my youth.

In 1909, the West Side Visiting Nurse Association was formed for similar purposes under the presidency of another great lady, Miss Elizabeth Loveland.

Over the years, other communities in the Wyoming Valley area created similar associations. In 1924, the Visiting Nurse Association and Charities of Nanticoke was formed: Its first president was Lillian Callary. In 1926, the Visiting Nurse Association of Pittston and Vicinity followed, under the presidency of Miss Laura G. Thompson. In 1942, the Visiting Nurse Association of Hazleton and Vicinity was established under the presidency of E. Jeanette Morse.

In 1950, the two original associations merged into the Wyoming Valley Visiting Nurse Association under the presidency of Mrs. Benjamin Jones, Jr., 14 years later, the Homemakers Service of Luzerne County was born under the presidency of Mrs. John J. Parkhurst.

On May 3, 1971, all of these associations—sacrificing their individual identity in the cause of the common good—came together to form Home-Health Services of Luzerne County. In the years since, Mrs. Joseph Klein, Mr. Victor Baiz, attorney Stephen B. Killian, and Mrs. Pauline Friedman have served as chairman of the board of directors of that organization.

Today, Home-Health Services of Luzerne County provides nursing service, physical, speech, and occupational therapy, home-health aid care, and social work to over 4,000 people annually, most of whom are senior citizens.

Mr. Speaker, it is a pleasure and an honor for me to join with the tens of thousands of men and women who have benefited from its care in extending congratulations to the board of directors, the advisory committee, and staff of Home-Health Services of Luzerne County on their achievement—75 years of community service.●

SENATE—*Wednesday, March 9, 1983*

(Legislative day of Monday, March 7, 1983)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious Father in Heaven, help us to keep our priorities straight. In this center of power, secondary matters have a way of preoccupying our attention and preempting our time. Help us not to take ourselves too seriously, forgetting that we are fallible human beings with many needs. Deliver us from the VIP syndrome which expects or demands preferential treatment—even from family. Keep us aware of our dependence upon those who serve Senators so that they more effectively serve the people—the multitude of faithful men and women inside and outside the building who keep the machinery running smoothly, often under great pressure.

May we remember that usually it is the simple things that are profound—not the complex things which are often just complicated and shallow. Bring us back to fundamentals when we flaunt and float and fantasize in the illusion of importance. Remind us we are servants, desperately dependent on loved ones, each other, our staffs, and especially upon Thee dear God. In the name of Jesus, the Servant of Servants, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

SENATE SCHEDULE

Mr. BAKER. Mr. President, today at 12 noon we will proceed with the consideration of H.R. 1718, the supplemental appropriations bill, which includes the so-called jobs program. It also includes unemployment compensation benefits.

I am told that the present funding authority will expire at midnight on Friday and that arrangements have been made to pool resources that will perhaps carry the Government until March 15 in its ability to meet claims of States for unemployment benefit compensation funding.

That poses, however, a very serious problem for us because it means the supplemental appropriation bill must be dealt with as promptly as possible, and I mean by that not only passage by the Senate but also through conference and the adoption of the conference report by both Houses and for the bill to reach the President's desk for his consideration and signature.

As I announced yesterday, I am prepared to ask the Senate to remain late tonight if necessary and tomorrow night if necessary in order to try to complete this bill today and tomorrow.

I urge Senators to refrain from offering amendments to the extent that they may do so in good conscience; and in those cases where they do offer amendments to this bill, I urge that they consider agreeing to short time limitations so that we can expedite the passage of this measure.

Later today, I intend to attempt to make an estimate of whether we can finish this bill tonight, and I shall confer with the minority leader on that subject in the course of the early afternoon if he is willing to do so.

I attempted to reach the Speaker a few moments ago on the telephone, and he was not available at that moment, but it is my hope that in that conversation with the Speaker I could estimate for him that it would be possible to go to conference with the House of Representatives on this measure this week.

Mr. President, the outlook for Friday, then, is the possibility that we can finish this measure today and tomorrow and not be in on Friday. It may be necessary, however, to have conferees work on Friday if we have not gotten the conference and received the conference report on Thursday. It will be my objective to pass this measure through its several stages remaining by Thursday night in order to send it to the President's desk by midnight on Friday and still avoid a Friday session.

Mr. President, that is an ambitious program, but if Senators will restrain themselves on the amendments they wish to offer and grant time limitations on those that must be offered, it is not an impossible schedule.

Mr. President, there are other matters that we must deal with before the Easter recess, and they include, of course, the social security package, which should reach us by the end of this week. The House of Representatives will have that up today and may finish it today. In any event, I expect we will be on that measure next week.

In addition to that, we have the budget resolution, and I hope we can do that as well. I expect to do that as well before we go out on March 25.

Mr. President, there are two other items on the Calendar of Executive Business that may be dealt with before the Easter recess if we can reach them. This is not in the category of matters that must be dealt with but things that I wish to deal with. They are the nominations of Edwin J. Gray, of California, in one case, to be a member of the Federal Home Loan Bank Board, and in the other the same person to a similar appointment for a term of years, the first being for an unexpired term and the second appointment item being for a term of years.

Mr. President, I hope that sometime next week we could reach those Gray nominations.

The Adelman nomination, which has been ordered reported unfavorably by the Committee on Foreign Relations, has not yet reached the calendar. I expect it will do so shortly.

I urge, by the way, that the Foreign Relations Committee get on with the business of filing that report because it has been some time now since the committee adopted the resolution to report the nomination.

It would be my hope that we could find a time to do that before the Easter recess, but it is by no means likely. It is more likely that the Adelman nomination will come up after the Easter recess, but Senators should be on notice that if this bogs down and we are not able to do the must legislation, either the Gray nominations or the Adelman nomination as and when it is available should be dealt with.

Mr. President, I take this opportunity again today to outline the program because Senators should be aware that the time remaining between now and March 25 will be a very busy time and there is important legislation to be disposed of and we may have late evenings and we may have Friday sessions. There is even some possibility of Saturday sessions. I do not predict that for this Saturday. And the rather leisurely pace of the Senate until now should not be taken as an indicator of what we should expect between now and March 25.

Once again Senators should be on notice that all bets are off as to hours and the length of the legislative week

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

in order to accomplish the passage of legislation that we must do.

Mr. President, I thank Senators for their attention, and I especially thank the minority leader for permitting me to go on at some length on these matters. I may have exceeded the time allocated to me under the order.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I share with the majority leader the hopes that we can finish action expeditiously on the jobs bill and the social security legislation and, perhaps, we can also finish action on the budget resolution, which is not necessarily mandatory under the law that it be done this soon. I would only hope we would not move in such haste as to act unwisely on these three very important pieces of legislation.

In saying that I do not in any way imply nor would I want it to be inferred that I misapprehend the good intentions of the majority leader. I simply want to say these are very important pieces of legislation, and especially with regard to the third item mentioned, the concurrent budget resolution, that while it would be ideal to pass it before we go out, and we possibly can do it and probably will do it, I hope we will take the time to carefully craft that legislation, and if we finish it, fine. If we do not finish it we will not have lost anything because under the law it is not mandatory that that piece of legislation be passed before the date we go out for Easter.

This is not to leave any impression that there is any intention on this side of the aisle to delay action. I am simply saying that as we act to do the business of the Nation in regard to these three matters—they are certainly far-reaching, social security in particular—I hope we will allow enough time to give our Members on both sides of the aisle the occasion and opportunity to study very carefully the steps that will be taken. I am sure the majority leader would not mean less or want less than that.

What I am trying to do I think at this point is to alert our colleagues to the fact that these three pieces of legislation are very important pieces of legislation, and while there is some need for haste in particular with regard to some of the legislation the majority leader has mentioned, I hope all Members will apply themselves, and their staffs will likewise give careful thought, consideration and study to these measures, and if there are amendments that will improve them, that the Senate will so act upon them.

SENATOR JENNINGS RANDOLPH'S 50 YEARS IN CONGRESS

Mr. BYRD. Mr. President, I attended an anniversary party last evening in which we celebrated really a golden anniversary: 50 years ago today, on March 9, 1933, JENNINGS RANDOLPH entered Congress.

Yesterday was his 81st birthday, and today, as I say, 50 years ago he first entered Congress, and, in the decades since, Senator RANDOLPH has been a factor in our national life, in the House of Representatives, in the airline industry, and for a quarter-century in the U.S. Senate.

I ask unanimous consent to print in the RECORD a statement I made last night at that anniversary party.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS AT SENATOR RANDOLPH'S BANQUET WITH THE WEST VIRGINIA SOCIETY, WASHINGTON, D.C., TUESDAY, MARCH 8, 1983

(By U.S. Senator Robert C. Byrd)

Tonight, we are celebrating a golden anniversary. Fifty years ago tomorrow—March 9, 1933—JENNINGS RANDOLPH entered Congress. In the five decades since, Senator RANDOLPH has been a factor in our national life—in the House of Representatives, in the airline industry, and, for a quarter-century, in the United States Senate.

But tonight we are not just honoring JENNINGS RANDOLPH—public citizen. We are also acclaiming JENNINGS RANDOLPH, the man and our friend. For better than four-score years—not just fifty—JENNINGS RANDOLPH has been making an impact on people—helping, sharing, inspiring, building. In fact, if all those thousands whom JENNINGS RANDOLPH has helped over the years had been invited to this event, we would probably have had to hold our banquet at RFK Stadium instead of Bolling Air Force Base.

That would not be surprising. Senator RANDOLPH'S character and ideals have marked him for the special roles that he has played in our century. Thomas Carlyle wrote of mankind, "we are the miracle of miracles, the great inscrutable mystery of God." That epigram could capture Senator RANDOLPH'S philosophy as well. JENNINGS RANDOLPH believes in people—in human potential—and in our possible future. Over the years, Senator RANDOLPH grasped better than most men the latent, untapped talents and abilities that lie in almost everybody. And he has lent his efforts and his time to helping countless men and women become what they might never have become without his help and concern.

Doubtless, many here tonight could offer moving examples of specific ways in which Senator RANDOLPH has been a friend. And many here are qualified to express our gratitude to Senator RANDOLPH for our debt to him. But that privilege in part has fallen to me. And so, for a few minutes, I want to speak not only for myself—Senator RANDOLPH'S colleague for twenty-five years—but for all of you and for countless others as well, in thanking JENNINGS RANDOLPH for his influence in our lives and in our times.

In one of Senator RANDOLPH'S official biographies are written these words from Thomas Wolfe: "To every man his chance; to every man, regardless of his birth, his shining, golden opportunity."

In his wake as a teacher and a friend of learning, JENNINGS RANDOLPH has made "golden opportunity" possible for students at Davis and Elkins College, at his beloved Salem College, and at Southeastern University here in Washington. He has always cared for young people, and he has known how to challenge them. The National Youth Science Camp, the YMCA, the Metropolitan Police Boys and Girls Club, the National Youth Governors Conference—all have benefited from Senator RANDOLPH'S experience and dedication.

And across America tonight, blind people and other handicapped men and women owe a debt to Senator RANDOLPH. Through his Senate committee work, through the Lions Club, through organization after organization, JENNINGS RANDOLPH has literally and figuratively reduced the obstacles that would imprison physically and mentally disabled people. He has helped bring light into the lives of those who could not see, and he has helped smooth the path of those who otherwise might have stumbled.

And through the Appalachian Regional Commission, JENNINGS RANDOLPH has helped bring practical progress to West Virginia and her Appalachian sisters—roads, bridges, community development, better health care, better schools. In that work, Senator RANDOLPH has not only helped improve life for millions today, he has also set the stage for a better life in West Virginia and the Appalachian Mountains for generations to come.

But speaking from strictly personal experience, I thank Senator RANDOLPH for his cooperation during our years together in the Senate—as we worked together for West Virginia and as we sought to give West Virginia a voice in national affairs. Senator RANDOLPH'S irenic spirit and courtly attitude have promoted harmony in the Senate and have given me many satisfying memories.

Unfortunately, many people seem always to be taking and demanding from others. JENNINGS RANDOLPH has followed the opposite path—his life-pattern has been continually to give to others—to give of his vision and of his energy—and to open doors for those willing to hammer out their own futures.

And so tonight, I join Congressman RAHALL and Governor ROCKEFELLER and all of you in thanking JENNINGS RANDOLPH for everything that he has done for West Virginia and for America and for each of us, both as a public servant and as a friend.

Mr. BYRD. Mr. President, just for a moment or two I would like to highlight some of the things that I said last evening.

As I said, we were not just honoring JENNINGS RANDOLPH as a public citizen; we were honoring JENNINGS RANDOLPH as our friend and JENNINGS RANDOLPH the man, and I said that for all these years JENNINGS RANDOLPH, my senior colleague, has been having an impact on people, helping them, sharing with them, inspiring them. I spoke of his ideals that have marked him for the special roles he has played in our century.

JENNINGS RANDOLPH'S philosophy is one that believes in people, and human potential, and over the years he has grasped better than most men, perhaps, the latent, the untapped tal-

ents and abilities that lie in almost everybody, and he has lent his efforts and his time to helping countless men and women become what they might never have become without his help and concern.

I have been Senator RANDOLPH's colleague here in the Senate for going on 25 years, and I have at all times found him to be a man of compassion, a man with understanding, and most cooperative always, and most considerate of others, a genteel man, who is cordial, and always wears a smile.

One thing about JENNINGS, if I see him 10 times during the day, he shakes hands with me 10 times during the day, and he has that friendly cordial spirit that we are going to miss here. I am going to leave it up to Senator RANDOLPH to make his own announcement. He has already made his announcement today in Elkins, W. Va., and I think it would be presumptuous of me to proceed any further along the lines of his announcement.

I do call attention to the fact that all across America today blind people and other handicapped people owe a debt to Senator RANDOLPH. Through his Senate committee work, through the Lions Club, through organization after organization, JENNINGS RANDOLPH has literally and figuratively reduced the obstacles that would imprison physically and mentally disabled people. He has helped to bring light into the lives of those who could not see, and he has helped to smooth the path of those who otherwise might have stumbled.

Through his committee work he has helped the Nation to have better roads, better health care, and better schools, and he has helped to improve the lives of millions of Americans.

But speaking from strictly personal experience—and I want to repeat this today—I thank Senator RANDOLPH for his cooperation during our years together in the Senate. We have worked together for West Virginia and have sought to give West Virginia a voice in national affairs. His irenic spirit and courtly attitude have promoted harmony in the Senate and have given me many satisfying moments.

Many people seem always to be demanding from others, but JENNINGS RANDOLPH has followed the opposite path, the path of giving to others—giving his vision, his energy, to open doors for those who are willing to hammer out their own future.

So 750 West Virginians and friends in the District of Columbia gathered last night to honor JENNINGS RANDOLPH. Together with him were his two sons, "Jay," who is well known across the country for his involvement in sports, and Frank, the younger of the two boys; and JENNINGS' sister Ernestine, who is 84 years of age, was there, as were the members of Senator RANDOLPH's staff and some of the members of my own staff. My wife and I, who have known JENNINGS and his late wife Mary through the years, were happy we could attend.

As to his birthday, being 81, I often say he is my senior in terms of his Senate service. We both ran in the same election, ran at the same time, but Senator RANDOLPH ran for a seat that had become vacant by virtue of the death of Senator Neely; I ran for the seat that was then held by the incumbent, Senator Rivercomb. We ran together, won together and have worked together, and he is my senior here in those terms, but I often feel that I am his senior from the point of age.

I think that all Senators have, from time to time, expressed amazement at the vitality and energy of Senator RANDOLPH.

I would close by simply saying to JENNINGS, as though he were here, the words of a bit of verse which is entitled "The Multiplication Table of Happiness."

Count your garden by the flowers,
Never by the rains that fall;
Count your days by the sunny hours,
Not remembering clouds at all.
Count your nights by stars. not shadows;
Count your life by smiles, not tears;
And on this beautiful March
Evening, last evening—
Count your age by friends, not years.

Mr. BAKER. Mr. President, with apologies to my friend from Hawaii and the Senator from Washington, my friend as well, I ask unanimous consent, first, that I may proceed for 2 minutes; second, that the time for transaction of routine morning business as previously ordered, begin at the expiration of the special order in favor of the Senator from Hawaii and the time for the commencement of consideration of H.R. 1718 be extended to coincide with the expiration or the yielding back the time for the transaction of routine business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I will perhaps have something to say in a more formal way about the decision of JENNINGS RANDOLPH either later today or at another time. But I simply could not pass this opportunity to join my friend, the minority leader, in commenting on it at this moment.

I have known JENNINGS RANDOLPH since virtually the first moment I came to the Senate—he came to my office to bid me welcome and he was chairman of the first committee I was assigned to. The first committee meeting I attended he presided over as chairman of the then Public Works Committee.

Indeed, for better or for worse, whatever I am I owe or charge in part to JENNINGS RANDOLPH, because he was among the first who really set about the business of trying to teach me how to be a Senator. I have an enormous regard, respect, and affection for JENNINGS RANDOLPH. I am told that he has chosen to leave the Senate after many years of distinguished service; so many years of service in the Congress of the United States, Mr. President, that I believe I am correct in saying he is the only remaining Member of the Congress who was sworn in with Franklin Roosevelt in 1933.

JENNINGS RANDOLPH and my late father-in-law, Senator Everett Dirksen of Illinois, were classmates in that class in March of 1933. They came at a time of domestic crisis in this country and they both served with distinction during good times and bad. They, it seems to me, Mr. President, set the tone for the spirit of bipartisan cooperation that served this Nation well during the course of the Great Depression, World War II, the civil rights movement, and beyond.

I have learned much from JENNINGS RANDOLPH. I count him a great friend and a great colleague. I respect his decision to leave the Senate for I know it takes some courage to make that decision. This is a great place—the greatest deliberative body on Earth—but I understand a little, perhaps, of what JENNINGS RANDOLPH did in Elkins, W. Va., today and I salute him for it.

Mr. BYRD. Mr. President, I thank the majority leader for his comments. I am sure that my colleague will be deeply appreciative, as I am.

Mr. BAKER. I thank the Senator.

RECOGNITION OF SENATOR MATSUNAGA

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized for not to exceed 15 minutes.

JENNINGS RANDOLPH: ENVIRONMENTAL ARCHITECT

Mr. MATSUNAGA. Mr. President, I rise to join the distinguished minority and majority leaders to pay tribute to my dear friend and colleague from West Virginia, a most gracious gentleman and a great lawmaker, the Honorable JENNINGS RANDOLPH. His congressional career of 50 years well merits the title of "American's environmental architect" in the legislative arena.

Senator RANDOLPH entered Congress in 1933, the year I graduated from high school. Long before I came to Washington 20 years ago his achievements covered the landscape of our Nation in terms of transportation arteries and public works facilities. An even more amazing phenomenon is that his pace has never slackened since then: the Clean Air Act, the Clean Water Act, the Superfund program to clean up toxic waste, solid waste disposal, and utilization programs—all these are accomplishments of his service on the Senate Environmental and Public Works Committee,

which he chaired from 1966 to 1971 and on which he serves today as ranking minority member.

Mr. President, I must say that it was one of the highlights of my first term in this Chamber to work with the senior Senator from West Virginia to introduce a bill to establish a U.S. Academy of Peace, along with the Senator from Oregon, Mr. HATFIELD, after convincing 53 others to cosponsor the measure. As a Member of the House, I was privileged to lead the fight in that body for approval of the 26th amendment to the Federal Constitution, which he authored, to secure for those 18 to 21 years of age the right to vote. He was most cordial and instructive to me as my mentor upon my joining the Veterans' Affairs Committee in 1977.

It is a well-known fact, Mr. President, that I have tried to carve out a role for myself as a champion of renewable, emerging energy sources. But JENNING RANDOLPH was there long before I was even elected to the Congress. He wrote and introduced the first synthetic liquid fuels bill as a member of the House Subcommittee on Coal, as long ago as 1942.

Above all else, JENNINGS RANDOLPH has been a man of deep compassion for his fellowmen, most notably for the physically handicapped: the blind and those in wheelchairs. He has paved the way across this great country of ours for all Americans. And he has paved the way for a full, productive, and mobile life for those Americans who must travel by wheelchair. Future historians will write of JENNINGS RANDOLPH as one who carved for himself an indelible niche in American history.

Congratulations, JENNINGS.

MIKE M. MASAOKA, CHAMPION LOBBYIST FOR THE AMERICAN IDEAL

Mr. MATSUNAGA. Mr. President, the Washington Post has termed the recently issued report of the Commission on Wartime Relocation and Internment of Civilians a "powerful and moving history of a shameful time." That report validates an advocacy career spanning more than four decades on behalf of Japanese Americans of a gentleman whose "Powerful and moving" prose in their cause was first read on this floor in May of 1941. I prefer to Mike M. Masaoka, the longtime spokesman of the Japanese American Citizens League (JACL) and lobbyist for the American ideal.

I urge my colleagues to read the Commission's report and the Washington Post editorial of March 2, regarding it.

Mr. President, it has been more than 30 years since the JACL first honored Mike for his achievements here in Washington. In 1950 in naming him Nisei (Japanese American) of the 1948-50 biennium its citation read: "Rarely can the history of one decade of a people be identified with a single individual. But uniquely and unmistakably the history of Americans of Japanese ancestry during the 10 most crucial and tumultuous years of their existence is the history of Mike M. Masaoka." His prominence has not dimmed over the years since.

Mike's story began in Fresno, Calif., in 1915, where he was born the fourth child in a family of eight. Left fatherless at age 8, he received his education at Salt Lake City, Utah, where he graduated with honors from the University of Utah in 1937, winning national championships in debating and public speaking. Other members of his championship teams were former Senator Frank E. Moss, former Congressman David King, and former Governor Calvin Rampton.

In 1940, he authorized the Japanese American Creed, which was first into the CONGRESSIONAL RECORD in May 1941 by Senator Elbert D. Thomas of Utah, and which has since become the official credo of the JACL, which he has served for so long. For his civic activities, in spite of his then youthfulness, he was recognized by the Salt Lake City Chamber of Commerce as its "Citizen of the Community." Also in 1940, a Chicago Japanese American young peoples' group designated him as its "Nisei of the Year 1940."

In August of 1941 he was appointed national secretary and field executive of the JACL. In that capacity he provided much of the leadership before, during, and after World War II to Japanese Americans during the period of their greatest travail. Many of the momentous decisions involving Japanese Americans were inspired by Mike. He helped organize and was the first to volunteer for the now famed 442d Japanese American Regimental Combat Team, the most decorated military unit in American history for its size and length of service. Four of his brothers volunteered with him. One was killed during the now legendary rescue of the Lost Texas Battalion in the Vosge Mountains of southern France, another was totally disabled. Possibly no other American family had more sons in front-line infantry action at any one time than the Masaokas.

After World War II he served as the Japanese American Citizens' League's first Washington representative. He helped to secure most of the corrective and remedial legislation for persons of Japanese ancestry in the postwar period. These include the right to become naturalized American citizens to all legally resident Asians, the repeal of the Japanese Exclusion Act, the elimination of the national origins and Asia Pacific Triangle discriminations in our national immigration laws, the Japanese American Evacuation Claims Act, statehood for Hawaii, and much more. In fact, he left his imprint on more than 500 pieces of legislation during his career. Among them were the U.S. Senate ratification of the Treaty of Peace with Japan, the Treaty of Friendship, Commerce, and Navigation with Japan, and the Mutual Security Treaty, also with Japan. He has been an observer at several international conferences involving Japan and Asia at the invitation of the White House and the State Department.

His work in civil rights led to the chairmanship of the National Civil Liberties Clearing House and membership on the Executive Board of the American Immigration and Citizenship Conference. He was among the charter members of the Leadership Conference on Civil Rights. Back in the 1940's Reader's Digest hailed him as "Washington's Most Successful Lobbyist," while NBC television featured him on "This Is Your Life" back in the 1960's. He has received many honors in his lifetime: one from the city of Los Angeles, one from the last Territorial Legislature of Hawaii, and the coveted Order of the Rising Sun from the Emperor of Japan, the first Nisei to be so honored.

An interviewer once asked him what his greatest disappointment in life was. He replied that it was the 1942 mass evacuation of persons of Japanese ancestry from the west coast. He just could not understand how the Army could do this under the Constitution. Asked what he considered his greatest achievement, his answer was the Walter-McCarran Immigration and Naturalization Act of 1952, because it gave people like his mother and other deserving Issei, the first generation of Japanese in America, the right to share in the citizenship of their children and repealed the Japanese Exclusion Act of 1924, which declared in essence that the Japanese were inferior people not good enough to be admitted as immigrants into the United States.

The Commission's report on wartime relocation vindicates Mike Masaoka's lifelong cause here in Washington on behalf of civil rights and human dignity.

Mr. President, because the creed that Mike Masaoka wrote in 1940, which is now the JACL creed, may lend inspiration to many Americans who may today be suffering from seeming economic and social injustice, I would like to read it once again into the CONGRESSIONAL RECORD:

THE JAPANESE-AMERICAN CREED

I am proud that I am an American citizen of Japanese ancestry, for my very background makes me appreciate more fully the wonderful advantages of this nation. I believe in her institutions, ideals, and traditions; I glory in her heritage; I boast of her history; I trust in her future. She has grant-

ed me liberties and opportunities such as no individual enjoys in this world today. She has given me an education befitting kings. She has entrusted me with the responsibilities of the franchise. She has permitted me to build a home, to earn a livelihood, to worship, think, speak, and act as I please—as a free man equal to every other man.

Although some individuals may discriminate against me I shall never become bitter or lose faith, for I know that such persons are not representative of the majority of the American people. True, I shall do all in my power to discourage such practices, but I shall do it in the American way: aboveboard, in the open, through courts of law, by education, by proving myself to be worthy of equal treatment and consideration. I am firm in my belief that American sportsmanship and attitude of fair play will judge citizenship and patriotism on the basis of action and achievement, and not on the basis of physical characteristics.

Because I believe in America, and I trust she believes in me, and because I have received innumerable benefits from her, I pledge myself to do honor to her at all times and in all places; to support her constitution; to obey her laws; to respect her flag; to defend her against all enemies, foreign or domestic; to actively assume my duties and obligations as a citizen, cheerfully and without any reservations whatsoever, in the hope that I may become a better American in a greater America.

That, Mr. President, is a creed any American can be proud to follow, and one which Mike M. Masaoka has lived by during his entire lifetime—as a soldier in war and a citizen in peace.

Today, Mike lives in the Washington metropolitan area with his devoted and lovely wife, Etsu, sister of incumbent Congressman NORMAN MINETA. They have raised two model children to adulthood, a son, Michael who is a student at University of California at Los Angeles (UCLA), and a daughter, Midori, an attorney employed by the Federal Small Business Administration in Chicago, Ill.

So, Mr. President, as one whose life has been enriched by his friendship, I take this opportunity to pay tribute to that ideal American—one who has walked with kings, yet never lost the common touch—Mike M. Masaoka.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUMPHREY). Under the previous order, there will now be a period for the transaction of routine morning business during which Senators may speak for up to 1 minute each.

CONGRESS FOR SALE

Mr. PROXMIRE. Mr. President, the Washington Post this morning printed an article entitled "When the Price Is Right." Mr. Michael Barone, who wrote the piece, argues that the growing tide of campaign contributions from special interest groups, through political action committees, may soon become a potent political issue. Mr. Barone has identified one cause of the special-interest paralysis which sometimes afflicts Congress. I found his reasoning persuasive and ask unanimous consent that his article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN THE PRICE IS RIGHT

(By Michael Barone)

"If you're going to sell out," a politican I once worked for said to an aide considering a job offer, "at least get a good price." It's advice members of Congress should ponder, as they decide what to do about campaign contributions from political action committees with narrow, specific interests.

You know what I mean. In the last Congress, you saw the House and Senate vote by large margins to overturn a Federal Trade Commission regulation affecting used-car dealers. You saw Congress support, till it was stalled at the end of the session, a measure supported by SIXPAC—yes, that's the real name—exempting beer wholesalers from the antitrust laws and allowing them to have exclusive territories. You saw the House vote for domestic content legislation sought by the United Auto Workers and for a measure sought by the American Medical Association exempting doctors from regulation by the FTC—after the UAW and the AMA PACs had each contributed more than $1 million over the past four years to members who supported their positions.

Now we can stipulate that no member of Congress changed his vote specifically in return for a contribution, right? That would be a crime. But it certainly looks as if a lot of lobbies went over to Congress and, in the aggregate, bought legislative action they wanted. Some members may have felt that they owed these organizations—or someone in their district who is, say, a beer wholesaler or a UAW Local president—a favor, and repaid it. Others may have felt that since their measures were likely to go through anyway, why not take the $500 contribution and vote their way?

After all, these are matters in which the interest of any single member of the general public is much smaller than the interest of each member of the group that is lobbying. So you please the people that really care and trust that the rest won't hear anything about the matter, or won't care much if they do.

In any particular case, that's probably a shrewd, if cynical, calculation. It's one way to build up the campaign treasury of $400,000 or so you will need in the next election. But when you start doing these things over and over, you establish a pattern. And sooner or later the public is going to catch on to it.

When it does, the impression it's going to have is of a Congress that is up for sale. And of a local congressman who does not even wait for the highest bidder, but sells out to the first one in his office with a $500 check. Such an impression reinforces cynicism about government and the political process. It also could contribute to the defeat of more than a few congressmen.

Maybe we will have to wait for the first few defeats of incumbent congressmen by challengers who harp on such an issue. It's not hard to imagine the campaign they'll run, nor is it hard to imagine that an issue that ordinarily would not interest the public, if it is phrased along the lines of "Congressman X's vote is for sale," could suddenly become the central focus of a campaign.

Most congressmen will reply indignantly that they wouldn't sell out for a measly $500. Then why do they do things that give that impression? Congressmen can avoid the problem individually by declining contributions from PACs that are obviously interested in one or two specific issues.

Institutionally, Congress could avoid many of these situations altogether if it would stop trying to give itself legislative vetoes over every regulation a federal agency can issue; these have become standing invitations for affected private interests to come into Congress and buy a favorable regulation—for a cheap price. And Congress could protect itself by changing the campaign finance laws to limit or prohibit such contributions. Even the most cynical members might begin to wonder if it makes sense to risk their careers for a few $500 contributions.

HITLER'S RISE TO POWER: A TRAGIC REMINDER

Mr. PROXMIRE. Mr. President, during this past month, a great deal has been written about Adolf Hitler. This year marks the 50th anniversary of Hitler's rise to power in Nazi Germany.

The night Adolf Hitler took the oath of office as the Chancellor of the Third Reich, thousands of Nazi storm troopers marched through the streets of Berlin in a triumphant torchlight parade that ignited a cataclysmic chain of events leading to the devastation of an entire continent 12 years later.

How could it have happened, we ask ourselves. And what can we do to stop if from happening again?

During this time of remembrance, no nation has taken these questions more to heart than our ally, West Germany. The anniversary of Hitler's rise to power spawned a number of exhibits, documentaries, books, and television programs in West Germany. These various programs examined how a highly cultured, democratic state like Germany in the 1920's could succumb so swiftly to a reign of totalitarian terror, culminating in genocide.

The West German people understand that this form of public discussion and remembrance is vital to assure that such horrors never happen again.

In addition, West Germany took another essential step to insure that a tragedy of this magnitude could never happen again. It ratified the Genocide Convention in 1954.

That was 29 years ago, Mr. President, and the United States still has not followed the important lead of our ally.

Hitler's rise to power remains the strongest reminder that preventing the unspeakable nightmare of genocide requires positive measures now instead of futile attempts to halt or

remedy the horror once such madness has begun to run its course.

The Genocide Convention is just such a positive measure. It is a small, but real step toward making such episodes less possible.

Now, more than 50 years after Hitler's rise to power, this Nation has not recognized genocide as an international crime. Mr. President, as the people of West Germany and all over the world unite to remember and reflect upon the atrocities of Nazi Germany, let us reflect on the responsibility we bear to condemn the crime of genocide.

KENNAN ON NUCLEAR ARMS CONTROL

Mr. PROXMIRE. Mr. President, almost 30 years ago, George Kennan, one of the most brilliant students of foreign policy that this Nation has developed, spoke out on the critical importance of negotiations to provide enforceable, verifiable, and mutual restriction on the development of weapons that would destroy nuclear deterrence on either side.

Kennan also perceived the importance of preserving a balance between conventional weapons and weapons of mass destruction.

We should not forget that Kennan has had the most profound and thoughtful understanding of the nature of the Soviet society and particularly of their foreign policy.

Mr. President, because the wise words of George Kennan are so pertinent today, I ask unanimous consent that an article that he wrote 29 years ago, in 1954, "The Nuclear Deterrent and the Principle of 'First Use'" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NUCLEAR DETERRENT AND THE PRINCIPLE OF "FIRST USE"

The weapons of mass destruction have to be borne in mind as one of the great and sorry realities of our day. We cannot rule out the possibility of war, for wars can arise from many constellations of circumstance; and similarly we cannot rule out the possibility that these horrible weapons may someday be used. For this contingency we must make the most realistic dispositions we can, but we must not be carried away by these dispositions to the point where we neglect the cultivation of the other possibilities. There is also the possibility that there will be no general war. And there is always the further possibility that even if there is a war, it may prove the part of prudence for us all to restrict outselves either to the more conventional weapons or to a more conventional use of the unconventional ones. For this, too, we must be prepared. It is for this reason that I would fail to comprehend any policy that did not preserve a balance between conventional weapons and the weapons of mass destruction, and especially one that staked our world position on the power of weapons we ourselves, in the final event, might or might not find it prudent to use. The sooner we can learn to cultivate the weapons of mass destruction solely for their deterrent value, the sooner we can get away from what is called the principle of "first use" of such weapons, the sooner we can free ourselves from the false mathematics involved in the assumption that security is a matter of the number of people you can kill with a single weapon, the better off, in my opinion, we will be.

COMMENDATION OF DREW LEWIS

Mr. PERCY. Mr. President, I wish to take this opportunity to commend the exemplary leadership of Drew Lewis as Secretary of Transportation.

I believe it was Robert F. Kennedy who said that one man, or woman, can make a difference in the decisions and direction of government. Drew Lewis' tenure as a member of the Cabinet demonstrates that one man can, indeed, make a difference—that through conviction and tenacity one may overcome the lethargy of the bureaucracy and the pressures of the special interests to alter the course and do what needs to be done.

As Secretary of Transportation, Drew Lewis returned the Conrail system to the private sector, initiated a massive modernization of the national air space system, and reached a voluntary agreement limiting automobile imports. We are all well aware of his courageous stand with regard to the air traffic controllers strike. His action reaffirmed the principle that employees could not strike against the Federal Government, and provided protection to insure the public's safety during that trying time. Drew Lewis also succeeded in pressing for the enactment of the highway user fee that will begin the needed repair of our aging transportation infrastructure and generate 320,000 jobs.

Drew Lewis has been an able, tough, effective, and compassionate administrator. In my judgment, no Cabinet member has been more skillful in his relations with the Congress, and as a result no Cabinet member has enjoyed greater cooperation by the Congress. Drew Lewis' presence in the Government will be missed. I am confident and would hope, however, that at some time in the future, this capable man will again serve the Federal Government.

Drew Lewis has been outstanding Secretary of Transportation, and his performance will inspire other capable men and women to serve their Government.

A TRIBUTE TO SRI LANKA

Mr. PERCY. Mr. President, February 4, 1983, marked a very special day in the history of one of Asia's oldest and most effective democracies. Not only was that day the 35th anniversary of Sri Lanka's independence but it was also the inauguration of Sri Lanka's first directly elected executive President following the establishment of a new presidential system of government.

Sri Lanka is one of the few nations achieving independence following World War II that has managed to change its Government by ballots rather than bullets. National elections have been held nine times since independence and many more times at the local government level. Administrations have been retained in office or changed entirely by the use of the ballot. This is a record of which Sri Lankans and all other democratic societies can be proud.

The establishment of a presidential system indicates that Sri Lanka intends to establish constitutional structures which provide for a strong executive, capable of taking decisions appropriate to national development, without eroding its democratic traditions. That process moved forward in 1978, with the adoption of a constitutional amendment which introduced an executive presidency into the country's structure of government.

The Prime Minister in 1978, J. R. Jayewardene, was entitled to serve as Sri Lanka's first executive President for a term, and to seek direct election for a second term thereafter. That election was held on October 20, 1982, and turned out to be a referendum on the presidential system itself. The distinguished and extraordinary able President Jayewardene was overwhelmingly elected, and began his new term on February 4. The presidential system has thus been endorsed by the people as an integral part of Sri Lanka's democracy.

The United States has been a partner and supporter of Sri Lanka's political and economic progress. It provided about 14 percent of the foreign economic development assistance received by that country in the calendar year 1982. These funds have been spent in such areas as food aid, nutrition, agricultural education, water management, health science, and housing investment. Sri Lanka and the United States also have developed a strong trade relationship. The value of exports from the United States to Sri Lanka rose from $60 million in 1980 to $90 million in 1981. Some 15 percent of Sri Lanka's exports are destined for the United States.

The United States looks forward to continuing to expand its relations with Sri Lanka building on the bedrock of democratic institutions of both countries.

FLAT-RATE INCOME TAX

Mr. DECONCINI. Mr. President, on February 23, 1983, I introduced S. 557, a bill that would replace our current

Tax Code with a flat-rate tax system. My discussions with constituents and tax experts have convinced me that America wants and needs a simpler, more efficient tax law. April 15 is staring us in the face once again, with its horrifying pile of schedules, forms, records, and potential audits. Our attempts at compliance and enforcement of our tax laws will cost over $10 billion this year. A flat-rate tax code would eliminate this waste and provide new incentives to increased investment and productivity.

My bill is based on the work of Dr. Alvin Rabushka and Dr. Robert Hall of the Hoover Institution at Stanford. These gentlemen have authored a book, "Low Tax, Simple Tax, Flat Tax," which takes the formerly intangible flat-tax idea and details its concrete application as a functioning tax law. Their book is a must read for any serious student of fundamental tax reform. Recently, I had the honor to speak with Dr. Rabushka in the context of a television interview. This interview answers some of the most frequently asked questions and provides a good overview of the policy and macroeconomic issues surrounding the implementation of a flat-rate income tax.

Mr. President, I would like to share this interview with my colleagues and I ask to have it printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

INTERVIEW

(Senator Dennis DeConcini and Dr. Alvin Rabushka, of the Hoover Institute at Stanford University, a member of President Reagan's 1980 Tax Policy Task Force and coauthor of "Low Tax, Simple Tax, Flat Tax." Aired on KPHO-TV, Phoenix, on Feb. 26, 1983)

DECONCINI. Thank you, Tom. My guest today is Dr. Alvin Rabushka. Dr. Rabushka is a fellow at the Hoover Institute at Stanford University. He's been there since 1976. He's probably one of the foremost experts in the tax system and political system in America today. He's written a number of books. One is The Tax Revolt in 1982, and he's got a new one out, which we'll talk about today. The interest that I have and have worked with for so long, is the new tax system: something that would replace the current progressive tax system that has so many loopholes. Dr. Rabushka has been the leading edge and out in front on this for so long. Doctor, I'm so glad you could join us today with the people of Arizona to talk about your new book and some of the systems. Before I ask you some questions about how long you've been working in this, would you introduce your new book to the viewers. We're not here for the purpose of moneymaking, but this book is a low-cost book and it's a great, great piece of literature.

RABUSHKA. Well, the book is called Low Tax, Simple Tax, Flat Tax, and it's been coauthored by a colleague of mine at Stanford, Robert Hall. It's published by McGraw-Hill and, if your local bookstore doesn't have it, you can ask them to order it. I should mention the title is symptomatic of the basic themes of our tax reform plan. Low tax means that the rate of tax is low, so as not to discourage more savings and investments. Simple tax means, believe it or not, the whole tax system can fit on two post cards. Now, for those of you who have been wrestling with your eighty pages of Form 1040 and all the related schedules; that's it folks, just two post cards. And flat tax means that we tax all income at the same uniform rate, and as we get into our discussion today, for reasons that will become very, very important. Let me just say that it is my pleasure to be here. I am a neighbor of your state, from California, and I've been there several times in Phoenix and in Tucson, and I've always enjoyed traveling there.

DECONCINI. We welcome you and we'd like to welcome you back often. What led you to the comprehensive study of replacing our current tax system? Can you give a little background: how'd you get into this?

RABUSHKA. Sure, there's a number of things. First of all, when I was 23 years old I went to Hong Kong as a student of the Chinese language. But I became very interested in Hong Kong's political and economic systems. Hong Kong today has a flat rate tax system very much like the kind that is proposed in this book. So, since about the last twenty years I have been watching a flat tax in practice help transform Hong Kong from a low income to a middle income and very prosperous society. I got very much interested in the question of the tax limitation movement in the United States when Proposition 13 passed, and I published a book on that as you mentioned, last year. So I've been studying the whole tax reform movement in the United States since 1978. Finally, I was invited to serve on President Reagan's Tax Policy Task Force. I watched the deliberations on that body for the part of several months, put in my ideas. But it was my feeling that after the original tax package of the President's was proposed, that in many respects it didn't go far enough in simplifying the system and bringing the tax rates down, in getting rid of a lot of the loopholes and cumbersome effects we now have. This led me to think about the flat rate tax. Prof. Hall and I got together and worked out the details of this, and then you were gracious enough last year to sponsor a bill based around the central points of our plan. So, I've been interested in flat taxes for the better part of twenty years.

DECONCINI. Thank you. You know there's over seven thousand pages, I understand now, of the Internal Revenue Service that affects all of us who have to pay our taxes, by April 15th. Are there any estimates of what that costs the taxpayer and business, annually, to hire the experts to move toward tax shelters and what have you. Have your studies indicated any kind of an expense that's involved with the tax system?

RABUSHKA. The numbers are quite staggering. There are two sets of numbers. The first are the direct cost of simply filling out the forms. There have been estimates of the number of hours required to collect information, assemble information, read the instructions, put it down on the forms, and mail it in. Since over half of all the people use the commercial firms like H&R Block and their competitors, we know exactly how much money is spent there. Then for people who fill them out themselves, we know the number of hours they take, and we can compute a similar hourly cost. Then we also know how much money IRS spends checking, counting, computing. For 1983 the estimate of simply doing the paperwork is in the neighborhood of $10 billion dollars. That's legal fees, accountants' fees, H&R Block and your own time. Now, there's a second estimate. The second estimate is what do people do with their economic affairs to reduce taxation? Most of us don't sit idly by and accept the fifty percent tax rate on our personal income. And, because we double tax income at the corporate side—first as corporate profits and then as dividends, corporate taxation effectively runs to 73 percent. So, we go out and we hire ourself lawyers and we read books, and we find out ways to reduce our income through loopholes and shelters. Some economists have estimated the total deadweight loss of nonproductive activity we give up may be $50-$60 billion, annually. That's $50-$60 billion of nonproductive activity that people engage in simply to avoid taxes. Let me give you a really ridiculous example: People will syndicate trotters, and then fly from all over the country to somewhere in Kentucky to see their trotter run. Now, they'll write all that off as an expense in watching their business investment. But in fact, we simply know that this is taking advantage of a loophole to consume income in a way that's not taxed. Most important, the investment in the trotter doesn't create jobs; doesn't create goods and services; doesn't contribute to federal revenues.

DECONCINI. So, the current system of progressive income tax that is always being touted as pro business or pro-incentive in fact no longer works that way. Is that correct in your observation? Is that because of the loopholes and the special interests that are continually providing certain exemptions and deductions?

RABUSHKA. I think we have to ask how we got there, because it's a very illustrative analysis.

DECONCINI. How did we get there?

RABUSHKA. Well, we started out in 1913 with a very moderate income tax of one percent and then a series of surcharges that ran it up to seven percent, and that was fine. But then World War I prompted us to drive those rates all the way up to 75 percent. They were brought back down to 25 percent in the 1920s, but then in the Depression and war years we got them well back up to 80 and 90 percent. And it's taken a long time in the post-war period to get them back down, first to 70 percent and then to 50 percent. The effect of having very high tax rates is to discourage a lot of the productive activity we have. So the Congress, has over the years legislated something in the neighborhood of four hundred loopholes. Now that means credits, exemptions, exclusions and deductions. In all, four hundred. So we start with the tax base in the United States, an economy of, say, $3 trillion. And then we have to subtract out all of these exemptions and credits, and deductions and loopholes. And when we're all through, we end up taxing less than half of that. So, GNP up here shrinks down to a taxable base here of less than half of our national income. Well, in order to raise the $700 billion we need, we end up having to put very high tax rates on ordinary, middle-income people. We put exceptionally high tax rates on their business. We've had unrealistic appreciation schedules, and as a result among every western European country and Japan, we have the lowest saving rate; we have the lowest investment rate; we have the lowest productivity rate; and, as a result, our country has gotten into severe economic difficulty and a large part of this

can be put on the present income tax system.

DECONCINI. So, what was supposed to be an incentive to invest and save, and as you made more you paid more, and to be progressive and fair, really hasn't turned out that way.

RABUSHKA. No, it hasn't at all. The way to think about that is to think of two couples each of which make $40-50 thousand. One couple may pay $10-15 thousand in taxes, because they fill out the forms and don't have very many deductions or credits. But another one may have read the Wall Street Journal and dug out their shopping basket of oil shelters and cattle shelters, and bought an apartment property, and lo and behold, they even get a refund. They don't pay any taxes at all—they get a credit.

DECONCINI. Totally legal. . . .

RABUSHKA. Totally legal, so that two people in the same income situation get completely different amounts of taxation. On the other hand, if you remember a few years ago, the Treasury did a little study and they found some millionaires who don't pay any taxes at all.

DECONCINI. And that's legal, too. . . .

RABUSHKA. And that's legal, too. As long as you abide by the rules and regulations, written by Congress, you can either pay a lot of taxes or very little.

DECONCINI. So, if you pay no taxes and you've gone through the process of using our present tax system, you certainly haven't broken the law. There's nothing wrong from the standpoint of that taxpayer. What really sticks in a lot peoples' throats: your point of two neighbors or friends making relatively the same income and one paying a lot of tax, and someone else maybe getting a refund. That's the unfairness of the system which has developed over a long period of time.

RABUSHKA. I think that's a good way to put it. People like to say a flat tax is unfair because of the way the tax burden is distributed. I like to think the present tax system is unfair. It's unfair because we spend $10 billion complying with it. The economy loses $50 billion worth of jobs and output. Investment is discouraged. All of these things are unfair, and we're not going to fix unemployment worrying as much about the distribution of the tax burden as we worry much more about how invest and create jobs. I think that's a basic issue in thinking about taxation. But let me pick up these little tax forms that I flashed on camera before here, because what it shows is that you don't have any place for deductions and exemptions, and credits and loopholes. Except for a personal allowance for families to make sure that very poor people don't pay income taxes, and we certainly don't want to lay new taxes on the very poor. Other than that, you simply show your income, take your personal allowance, multiply by 19 percent and you're done. Now that means that a man who earns a million dollars pays $190 thousand. No amount of legal help can possibly get around that tax liability.

DECONCINI. For today, he might or she might pay nothing. How did you arrive at the 19 percent?

RABUSHKA. We wanted to make sure in the first year of this measure, should it be adopted immediately, that we reproduce the same amount of revenues that the current system provides.

DECONCINI. And this would do that.

RABUSHKA. And this would do that in the first year. What we did was to take the Gross National Product, which is our tax base. We subtract from it all business investment. In our tax reform package, we replace the current stretched-out appreciation, which I think is complicated—it's unrealistic, with what businessmen like. First year, 100 percent expensing. We write off all investment in place of dragging it out. This has a desirable effect of encouraging investment, which is how you get productivity and jobs created. Then we have for individual families the personal allowance in which we try to take the current exemption level and zero-bracket, and that would apply to everyone. Husband and wife, filing jointly, get $6,200; each child would get $750. So, a family of four would get a personal allowance of $7,700. This would mean that if you earn $10,000, the first $7,700 would be exempt from taxation, and we would tax the remaining $2,300 at 19 percent. This would mean an average tax burden of four percent over the entire amount. Now when you subtract business investment and personal allowances from the tax base, you have the actual amount of money that can be taxed as part of our national income. And, if you take that amount of money, you ask what percent would you multiply by to get the same revenue as we currently get, and the answer in 19 percent.

DECONCINI. Now what about the so-called underground economy that we hear about, estimated by the Treasury somewhere between $240—to maybe over $400 billion a year. Under the present forms that escapes tax, according to IRS. Under your form, how would that affect that underground economy?

RABUSHKA. It's very important to ask, why has the underground economy tripled in the last nine years from something like $30 billion in lost revenues to $90 billion in lost revenues, or from $100 billion total to maybe $300 or $400 or $500 billion. I think the answer is because the average family, which paid a marginal tax rate of 25 to 30 percent, now in the middle income pay tax rates of 50 percent. It's very, very difficult for people to work and get ahead when you're paying those kinds of high tax rates. So, a lot of people have found the underground economy very attractive. So the first conclusion I draw is that, if we could bring the top rate down from 50 to 19 percent, I think we would halt in its tracks the growth of the underground economy. Now to be very, very conservative, we have not assumed that we are going to stop the underground economy. But suppose it stays there, as big as it is right now, we would not pick up any extra revenue from it. But if dropping the top rate from 50 to 19 percent and simplifying the forms to the point where everybody could understand it, I think some of that underground economy will surface into the market. That would mean that at a 19 percent rate, we'd actually collect more taxes than we now do under the present system.

DECONCINI. Which would leave a couple of alternatives. You could, if necessary, raise the exemption for the family to grant a little more relief to the poor people, or lower the rate.

RABUSHKA. Or, thirdly, begin to reduce some of the awful deficit and national debt. You'd have a whole series of options. I believe that five or six years down the road, that a rate of 16 percent would be sufficient. We've estimated in our book that, if a 19 percent rate were in effect between now and 1987, we'd balance the federal budget. Now today we hear that the deficit is going to be $180 to $200 billion, and five years down the road $250 to $300 billion. We're going to eliminate that deficit entirely by 1988.

DECONCINI. So your proposal would bring about some equity, bring about a feeling that everyone is paying something, would actually bring about a balanced budget. We've heard a lot about these deficits and it's bothered me so much that I've introduced a Constitutional amendment. We passed it in the Senate last Congress, and it is still a great concern to me. If your system were in place, you're talking about a balanced budget by 1987 and that's without bringing in a lot of this underground economy. So we could even see a greater effort which would relieve the great pressure of reducing so-called social programs, and not giving enough for defense. It really gives some solutions today.

RABUSHKA. It would solve the interest rate problem as soon as it was clear that by 1987 or 1988 we would have the budget effectively in balance. And this assumes that we haven't cut social programs. We're not requiring a guns or butter tradeoff. We're not requiring any massive slashing of social programs. This simply assumes that we're going to take 19 percent out of a more rapidly growing economy. Now, there's an important key to this, and that is that when you bring these tax rates down to 19 percent, it's a great stimulus to investment and to saving, and to work. Also, as part of our plan, we think it's very, very important to put a stop to double taxation. At the beginning I explained that how this kind of inverted pyramid, this monumental GNP shrinks down to less than half of our taxable base.

DECONCINI. Can you explain what double taxation is today and how this would be eliminated?

RABUSHKA. Let's take, for example, a corporation. Say, General Motors. It has a taxable income of, say, $100 million. It would pay 46 percent of that to the government as taxes. It would keep its remaining 54 percent, which means that business income is taxed already once. Then when you and I receive dividends, we have to pay that at our top marginal rate. Now suppose we're paying at a 50 percent marginal rate. We would have to pay 50 percent of the remaining 54 percent. When you add that on to the already corporate tax, we end up with double taxation of the same income at a rate approaching 73 percent. Now that's almost confiscatory but, more important, why should anybody invest in business activity when the rates are that high? I think it's very very important to clear up this idea about businesses and corporations paying taxes—people own businesses and people pay taxes. The income of any business or corporation is in fact the income of people. And I think any well designed tax system should tax all income once and no more than once. Under our system, half of income is never taxed and a good deal of the other half is double-taxed. And some of it is even triple-taxed.

DECONCINI. So, under your system, under this flat tax system, you would be taxing at the corporate level where the income is made and then the distribution to the individual would not be taxed because it already was.

RABUSHKA. That's correct. When, in other words, you get your dividends, it's not that you're a rich person, getting your income free. It's that a giant withholding tax has already been placed on those dividends.

DECONCINI. It's easier to find that income closer to source, too, isn't it?

RABUSHKA. That's right. That's correct. One of the principles of our tax plan was to tax all income as close as possible to the source. The Treasury and the IRS tell us that people don't report half of their professional income; don't report a quarter of their dividends; don't a quarter of their interest payments. They're simply cheating on taxes. By the way, the rate at which they're increasing on cheating is going to call into question in about five more years the ability of the federal government to collect any tax money to pay for any program. Because this trend of cheating on taxes has been exploding at an absolutely alarming rate. If you tax all the income at the business level once, you can catch it there. It's very much easier to audit a few firms than to audit 80 million Americans. In fact, we only audit one and one half percent of the American population. We can't catch the cheating that goes on in the other 98½ percent, which we know is growing year by year.

DECONCINI. How would this affect the Internal Revenue? I get more complaints from constituents about the Internal Revenue. They've got a job to do and that is to collect the taxes and to see that people don't make mistakes or cheat. But they're so picayunish and they involve tremendous amounts of time, and hiring experts and accountants and lawyers to defend you; and then, often their attitude is, if you don't like it take it to court. What would this do to the Internal Revenue from the standpoint of its ability to enforce the tax system? We all know that death and taxes are the only certain things. I think that most all of us agree that to minimize taxes is what we want to do. I think we're foolish to think that we can eliminate them. They're going to be with us. But what would this do to the Internal Revenue Service from the standpoint of enforcement and from the standpoint of the number of people that they would need, and the cost to the government? Have you looked at that side of it?

RABUSHKA. Approximately one-third of all people in IRS do nothing but check the numbers on your 1040s as they come in. And the reason for that is, if you've sent yours in yet, it's pages and pages and pages long. There's dozens of numbers and hundreds of calculations. They have to check those and punch those in. Well, on this little post card that takes about two minutes. So, we would estimate that there's about a billion-plus dollars, and tens of thousands of people who would be freed up from this kind of simple number-checking, who could be assigned the tasks of enforcement. Equally important, I think because of all the loopholes in the system, you wouldn't have to have hundreds of detective-type agents because there are no loopholes in this system. You don't have to worry about whether people are cheating because of some questionable tax shelters. There are not tax shelters.

DECONCINI. Including in saying that there are no tax shelters and closing the so-called loopholes, you do come to the question of interest that people now can deduct—interest on their mortgage payment, assuming that they have any, or interest on any consumer credit they have. They also can deduct charitable contributions if they itemize them, or I think even in a general sense. What's the answer to why someone should want to give that up from the standpoint of a middle- or low/middle-income taxpayer, when that's the little bit of break they get, even though there are four hundred other deductions for people who make more money?

RABUSHKA. There's two answers to that question. First thing is that the reason people use interest deductions is because they're sitting in 30, 40, and 50 percent tax brackets. So, let's get down to 19 percent and ask what an interest deduction is worth compared to 50 percent. Well, if you're going to go out to a business lunch and you're going to charge it, at .50 cents on the dollar subsidy, it's a very low-cost activity. But at .19 cents on the dollar, that is .81 cents comes from my pocket, I'm going to be a little more careful. From the standpoint of a homeowner who has a very large mortgage, if he's getting a 50 percent deduction from that, it makes sense to borrow a lot for a home, At 19 percent the value of the deduction falls, but at the same time the after-tax return to work increases. So, I think the tradeoff in the loss of interest deduction has more than made up for the lower rate. But there's something very important in our plan which is often left out of these discussions: we treat interest perfectly symmetrically. By that I mean, we don't allow the deductability of interest payments, but we don't tax interest receipts. So, right now suppose you're in the 50 percent tax bracket. You have $100 thousand on deposit and you get, say, eight or nine or ten thousand dollars. You give half of that to the government. When you take a look at the other half you get, very often it's below the inflation rate. Suppose our inflation rate is four percent: you get eight percent, after that you're done to just barely keeping up with inflation. All through the 70's, in fact, you lost money and, as a result, people quit saving which explains the state of our difficult investment markets and why the deficit is such a serious problem—the lack of capital formation and falling productivity. What we try to do also, is to capture and correct the serious problem in the current tax code. If you look at the national income and product accounts in the United States, which is a measure of all the income produced, it said that in 1979 $166 billion of interest income was generated. Now that's $166 billion of interest payments contributing to the economy. Now we go over to the Internal Revenue Service's detailed report on individual income tax returns. It showed $74 billion in interest deductions and $74 billion in interest receipts, which is a washout at zero. So what does that mean? It means that $166 billion disappeared from the tax base. Where did it go? Well, a quarter of it isn't even reported. People cheat on it. Some of it goes into pension funds; some of it goes into institutional funds. So, the up-shot of it is we don't correctly tax that. Now, by taxing all income at the source and putting all interest payments on an after-tax basis, in effect, our tax system creates a giant withholding tax which taxes all business flows and all compensation flows. Then, when you receive interest payments, those are already after tax. Now the final point: why should a homeowner not worry about this? Because all income is placed in interest on an after-tax basis. This means interest rates will fall about a third. But, if for example, you're having to pay 12 percent to borrow money to buy a house, the interest rate would fall to about eight or nine percent. Now eight or nine percent and no deductability of interest, and a top rate of 19 percent is exactly the same or better off than 12 percent deductability of interest at 50 interest. So in a sense, there's no effect economically on the system and we solve abuse, we simplify it and we clean it all up.

DECONCINI: And you get interest rates down and more investment.

RABUSHKA. Exactly, we get interest rates down very quickly.

DECONCINI: Now, Social Security is not taxed under the system. That's very sensitive in Arizona.

RABUSHKA. No, we do not tax Social Security.

DECONCINI: What's the answer for someone who says, well, you know, Senator, that sounds good, but for middle-American or middle-income taxpayers, a few are going to pay more and a few are going to pay less taxes. What's the answer to those middle-income taxpayers who might pay a little bit more for this tax system than someone who makes $30- or $40,000, who's got a bunch of deductions they've either inherited or lined up, and they're going to pay one or two percent more. What's the answer to someone like that?

RABUSHKA. Well, I think the first thing is that the 1981 Act and the 1982 Act, and the 1983 Act and every Act going back to 1945 have changed the distribution of the tax burden. So let's be clear that every time the Congress makes a decision about taxation it changes it in some way. Now the question is, is it going to be fairer, if we go to a flat tax, to rearrange the tax burden in any way. I think the answer to that is first of all, by greatly simplifying the system we're going to save about $10 billion in cost. That helps everybody. We going to get $50 billion now squandered in shelters into job-creating investment. Someone who's unemployed and gets a job is going to find it very much fairer now that he's back at work. That's very important. Thirdly, we've estimated a flat tax of this kind which provides a 100 percent expensing for business investment, thus encouraging investment, is going to bring about much higher and stronger economic growth. So, by 1990 we would expect the average income of an ordinary American family to be nine or 10 percent higher that it would otherwise be under the present system. This means that even if some middle-income families might pay a touch more now, in three years they'll be at least back to where they were and in five to ten years from now, they'll be well ahead of where they were before. So in fact, actual real income of families is going to rise. Plus if we bring that deficit under control, interest rates are going to fall, I think, considerably.

DECONCINI. And, of course, they have the additional advantage or satisfaction that everyone is paying. No longer is somebody escaping it under the legal system we have today. Well, Doctor, so much for the tax system. I just want to tell the viewers in Arizona that we've introduced really your bill again, as of February 23rd. We're going to push for that legislation, to get hearings and see if we can't get you to discuss this with all of Congress—at least the tax committee, the Finance Committee. And, I want to compliment you, Dr. Rabushka, for your dedication in this area and bringing it to members of Congress, and not just keeping it up there in beautiful Palo Alto, California. And for trying to promote this across the nation, because the tax revolt is here and we need to have a fair system. I think you've come up with it and I'm so pleased to have you as our guest.

A NEW AIR DRUG INTERDICTION PROGRAM AT THE U.S. CUSTOMS SERVICE

Mr. DECONCINI. Mr. President, on February 25 and 26 Representative GLENN ENGLISH, chairman of the House Government Operations Subcommittee on Government Information, Justice, and Agriculture, held hearings on the status of the south Florida drug task force and a new air drug interdiction program to be implemented by the Customs Service. Unfortunately, other commitments prevented me from attending those important hearings, but I understand that a fine record was made on the operation of the south Florida task force and the procedures for implementing a new plan for using military equipment to battle drug smugglers along the southern and southwestern borders of this Nation. Witnesses from the Armed Services, the State Department, the Coast Guard, and the Treasury Department testified on a number of issues, including the question of whether or not the south Florida drug task force would be continued; what steps the Army, Navy, and Air Force are taking to help civilian law enforcement agencies; and what role the Department of State might play in eradicating drugs in both source and transhipment countries.

Mr. President, I have submitted a statement that will be included in the hearing record and I ask unanimous consent that a copy of my written testimony be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DENNIS DECONCINI

Mr. Chairman, I want to thank you for your thoughtful invitation to participate in these important hearings on the Administration's drug interdiction effort, particularly in southeastern Florida, and the status of the Vice President's South Florida Task Force. It has also been my pleasure to work with you and your Subcommittee in developing a new unified air interdiction strategy for attacking drug trafficking across the entire southern border of the United States—a strategy which features the use of specific military equipment by the U.S. Customs Service to bolster our national air interdiction effort. As I indicated in our joint press release of February 18, I am committed to this air interdiction plan and I intend to seek supplemental funding in fiscal year 1983 to launch the first phase of the program this year. Furthermore, I will recommend to the Senate Appropriations Committee that a separate Operation and Maintenance line item account be established in the fiscal year 1984 Customs Service budget to cover the cost of operating and maintaining the equipment that will be turned over to Customs by the various Armed Services.

Mr. Chairman, as a sponsor of legislation creating a "Drug Czar" to coordinate our Federal drug enforcement effort, I am delighted to see the Army, Navy, Air Force, Customs Service and top officials of the Treasury Department working together with your Subcommittee, the House Armed Services Committee, and the Senate Appropriations Committee to develop a comprehensive, unified and coordinated strategy for dealing with the devastating assaults by drug smugglers along our vulnerable southern borders. At the same time, there is no question that the Vice President's South Florida Task Force and the personal commitment of the President to fight drug trafficking have been important catalysts for bringing us to the threshhold of a major breakthrough in how the Customs Service, the Coast Guard, and our other drug interdiction agencies go about their difficult task. You and your Subcommittee members on both sides of the aisle deserve great credit for the work you have done to bring us this far.

However, as we embark on this new border-to-border air interdiction effort, there are still a few loose ends that must be addressed by both the Administration and the Congress. First, the Administration must clarify its position with regard to the status of the South Florida Task Force and whether it will remain in its current configuration or be phased into the new concept of 12 Organized Crime Task Forces in south Florida and 11 other locations around the country. The country can ill afford a relaxation of the South Florida strike force effort in perhaps our most vulnerable drug trafficking corridor from source countries, through transshipment countries, to the United States. Furthermore, as we implement the plans of the Administration to establish 12 Organized Crime Task Forces in various locations around the country, I would urge the Congress and the Administration to continue to develop drug interdiction strategies for stemming the flow of illegal contraband into the country. The "strike force" approach that has worked well in south Florida and the drug interdiction component of our overall national effort to stop drug traffickers should not be lost as we start work on new methods of attacking the drug enforcement problem.

Second, I believe that the State Department should take a more active role in attacking the drug trafficking problem in both the source countries and the transit countries that serve as refueling and drop-off points for the drug smugglers. The Department should carefully analyze the patterns of drug trafficking and reassess its spending priorities accordingly to hit those countries that play the most active part in producing and shipping illegal drugs to the United States through such Caribbean transhipment points as the Bahamas, the Turks, the Caicos Islands, and Jamaica. For example, the International Narcotics Control Program in State plans to spend $53 million in fiscal year 1984 on its various programs to eradicate drugs in the source and transit countries and to develop strategies to hit the drug trade at the source. Yet, in examining the program's budget justifications, it appears that there are no funds targeted for the Bahamas, the Turks, Jamaica, or other major transit countries. The State Department should make every effort to coordinate its spending programs in the narcotics area to coincide with the programs of the Justice and Treasury Departments to interdict, investigate, and seize illegal drugs.

Finally, it is essential that the Executive Branch have a central, independent coordinator of Administration drug enforcement policy so that our scarce resources and manpower can best be mobilized to attack the drug problem head-on without interagency infighting, duplication, or inefficiencies. I continue to believe that the "Drug Czar" concept is sound and would be an effective way to give the President a central authority to coordinate the programs and personnel of our major law enforcement agencies. At the same time, I intend to propose the creation of a Southern Border Enforcement Caucus in the Senate that would establish a bipartisan forum for coordinating border enforcement legislation and appropriations matters that may cross Committee jurisdictions. I am hopeful that this Caucus, made up of southern border state Senators, will have a positive effect on border enforcement programs in the Congress and the Administration.

CONCLUSION

Mr. Chairman, your hearings this week and those conducted in the last Congress have been instrumental in promoting the concept of using military assistance to help our civilian law enforcement agencies tackle the drug interdiction problem. As we announced jointly on February 18, it appears that, for the first time in our history, the Armed Services are prepared to actually turn over specific pieces of existing military hardware to the Customs Service to improve our air interdiction capability along the southern borders of the United States. Hopefully, this cooperative effort between the military and our major drug interdiction agency in Treasury will set an example for other cooperative programs in drug enforcement. For example, I have been pursuing development of a comprehensive marine interdiction program between Customs and the Coast Guard to bolster our marine interdiction capability along the Gulf Coast of Texas, Louisiana, Mississippi, Alabama, and Florida. We still have a long way to go before the "War Against Drugs" is won. But if the committees in the Congress can continue to work together; if this Administration and subsequent Administrations can establish a strong, central coordinator of drug enforcement policies; and if we can achieve new levels of cooperation from the State Department in attacking drugs in source and transit countries, perhaps we will soon be able to look our children in the eye and tell them that illegal drugs will not be around to poison their lives.

Mr. Chairman, again, I want to thank you for holding these hearings and for inviting me to participate in these exciting new initiatives for halting the flow of illegal narcotics into the United States. I look forward to continuing to work with you and your Committee on this most critical national problem.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, is there not an order now for the Senate to proceed to H.R. 1718?

The PRESIDING OFFICER. At the close of morning business.

Is there further morning business? If not, morning business is closed.

EMERGENCY JOBS APPROPRIATIONS, 1983

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 1718, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, in a colloquy with the minority leader this morning, I indicated that I feel it is essential that we try to finish this bill in the briefest possible time consistent with the careful consideration of the measures before the Senate. I hope we can finish today. I am prepared to ask the Senate to remain in late tonight in order to do that. If we do not finish tonight, we certainly should finish tomorrow.

The reason for haste, Mr. President, is because the funding of unemployment benefits which is included in this measure will be in jeopardy after Friday midnight, and only by extraordinary measures, pooling of resources and the allocation of remaining funds among the several States, will we be able to fund unemployment benefits past Friday midnight. We will be able to do that, I am told, until Tuesday.

But, Mr. President, I urge Senators who have amendments to come to the floor and offer those amendments as soon as possible and to proceed diligently with this bill and to avoid delay.

Mr. President, I commend to the Senator from Oregon, who will manage this bill, the reason for this urging. I ask him and other Senators to try to call up amendments and get a vote as soon as possible.

Mr. HATFIELD. Mr. President, the Senate now has before it H.R. 1718 which, in title I, provides funds for productive employment and humanitarian assistance, and in title II, provides for three urgent supplementals requested by the administration—advances to the unemployment trust fund, reimbursements to the CCC for net realized losses, and additional capital for the business loan and investment fund of the SBA. Timely enactment of the unemployment supplemental is particularly important. States will run out of funds for payment on unemployment claims by first of next week, and the supplemental is required if there is to be no interruption of benefits.

The committee has reported this jobs bill at a time of nearly unprecedented unemployment in this country. Unemployment reached a postwar high of 10.8 percent of the civilian work force in December, declining to 10.4 percent in January and February. The February figure represents 11.5 million persons officially unemployed. Well over 1 million others are not counted in the unemployment statistics, because they have given up the search for a job.

We are all delighted with the recent decline in unemployment and with the broad number of indicators suggesting that recovery has begun. Only through a strong and sustained recovery will the millions of unemployed be able to return to work. But our hopes must be tempered with a realistic appraisal of the unemployment situation. Both Government and nongovernmental economists forecast a very weak recovery, by historical standards. The administration predicts real economic growth of 3.1 percent between the fourth quarter of 1982 and the fourth quarter of 1983. CBO estimates growth of 4 percent in the same period. In contrast, after the seven other recessions since World War II, first-year economic growth has averaged 6.8 percent more than double what the administration predicts.

This slower-than-normal growth will leave unemployment at record levels for a prolonged period. The February 1983 Economic Report of the President projects unemployment for the entire year at 10.7 percent. CBO's estimate is very close at 10.6 percent. The CBO estimate would leave an average of 11.9 million Americans officially unemployed each month in 1983. According to the President's Economic Report, "historical experience suggests that the unemployment rate tends to increase for several months after the level of production bottoms out and it is possible that the unemployment rate will reach 11 percent at some point during 1983." In fact, the February rate, unadjusted, is 11.3 percent.

Given the prolonged recession and the months of hardship and continuing uncertainty about unemployment, the committee has reported a measure to spur employment by hastening or initiating Federal projects and construction of lasting value to the Nation.

Since the inception of the discussions on a jobs bill, I have believed that it should contain three basic components. First, provision for construction, renovation, and repair of Federal projects and facilities, resulting not only in additional jobs but in improvements to our Nation's capital assets. Second, because such an employment program does not reach all elements of the work force, notably minorities and women, a jobs stimulus package should include a social services component, day care services, job search assistance, visiting home health care, summer youth employment, and other public service jobs may not be what one would call "infrastructure" programs, but they yield benefits just as important to the health of the Nation as do bricks and mortar. And, in that they are primarily grants to States, they also provide greater flexibility to meet special needs than specific Federal projects.

Third, a responsible jobs stimulus package should include some form of humanitarian assistance to aid those who are homeless, hungry or sick and beyond the reach of any employment program, any jobs bill.

The bill reported by the Appropriations Committee on Monday contains all three of these elements. I believe it is a reasonable, balanced approach to a complicated problem that does not surrender easily to simple solutions. It is by no means a panacea, but it is an important beginning. I have no hesitation in recommending it to the Senate.

I do not wish to unduly delay the Senate, but there is one aspect of this bill that has commanded a lot of attention, and that is the matter of targeting assistance to those areas hardest hit by unemployment. The House adopted the Edgar amendment in response to this concern. Our committee struck the Edgar amendment and adopted an amendment proposed by Senator STENNIS, Senator BYRD, and myself. Yesterday, I read into the record a statement explaining that amendment and the formula on which it is based. I direct the attention of Senators and staff to that RECORD entry, and let me elaborate further.

The issue can be easily framed: Do we want to target the money being made available in this supplemental appropriation to the areas of the country that have been devastated by persistant high unemployment rates? And if so, how should we target the money? There are the two basic questions that must be answered during the debate this week, and I believe the decisions we reach on these two issues will bear heavily on the ability of Congress to fulfill its stated intention in this bill, namely, to provide emergency expenditures to meet neglected urgent needs.

Mr. President, when we formulated our targeting formula, we sought to reach three principal objectives. First, we wanted our targeting formula to be clear and simple, and we wanted it to avoid the bureaucratic snags that un-

doubtedly would accompany a complex, ambiguous distribution formula. The main focus of this urgent supplemental is to provide money immediately to the States, as well as to get construction projects started immediately, and an elaborate formula which requires prolonged interpretations would prove counterproductive to this effort.

Second, we wanted our targeting formula to be fair to all of the States, while still making allowances for the fact that many States had unemployment rates above the national rate for each month of 1982.

Third, we wanted our targeting formula to apply to only those programs that are nationwide in scope and character. Not all of the 50-odd programs that are receiving funds in title I lend themselves to formula allocation. In many cases, geography prevents such a distribution, and in other cases, the added layers of bureaucracy which would be required to administer the distribution of funds for certain programs would involve costly delays.

Mr. President, I am confident that the targeting formula that was agreed to in committee fulfills those three objectives.

The formula is fair. It provides money for all of the States, with long-term unemployment States receiving greater shares than they would under existing laws or under per capita distributions.

The formula is simple because it involves only an arithmetic exercise. It does not change the way the States are to distribute the money. It only changes the way the amount of money that each State receives is determined. In addition, the formula does not involve complex statistical studies. It incorporates statewide labor unemployment statistics that are already available from the Department of Labor.

Mr. President, I wish to take a moment here to explain how the targeting formula works. Because a number of my colleagues have approached me on the mechanics of the formula, I think it would be helpful to reiterate some of the statements I made on the floor yesterday concerning the targeting formula.

First, the targeting formula applies only to 15 of the line items in title I. If a program is not specifically listed in section 101(d) of the act, then the targeting formula does not apply. All programs that are not specifically mentioned in section 101(d) will have their funds distributed under the provisions of existing law.

So, again, only 15 programs in the entire bill are subject to the targeting formula. Those 15 programs were selected because they lend themselves to formula distribution on a nationwide basis. Most of the 15 programs are formula grant programs, and the remainder are programs which involve all 50 States and, therefore, allow for a formula-type distribution. The 15 programs that are specified as programs subject to the targeting formula comprise approximately $3 billion of the entire package, of which approximately $2.0 billion involves new budget authority.

How are the funds for the 15 programs distributed? Two key points should be kept in mind. First, all States will receive a portion of the funds being made available in these 15 programs. There has been a common misconception that because the targeting amendment applies to certain programs, only a select group of States will be sharing in the distribution of the funds from those programs. That is simply not the case.

Second, one must keep in mind the fact that there is a provision in the targeting amendment which makes a portion of the funds appropriated to those 15 programs available to only those States that qualify as "long-term unemployment States." To be a "long-term unemployment State," A State's unemployment rate must have been above the national rate for each month in 1982. Under that definition, 15 States are eligible to take part in the distribution of a portion of the funds made available to the 15 programs subject to the targeting formula.

Mr. President, it is important that all of my colleagues keep these two points in mind, namely, that all of the 50 States will receive some of the money made available to the specified 15 programs that operate under the formula, and that the 15 States that qualify as long-term unemployment States are distributing among themselves only a portion of the money appropriated or otherwise made available in these 15 programs.

Mr. President, I will not go into the details on the precise mechanics of the targeting formula. I expect to have an opportunity during the course of the debate to touch upon how the three tiers operate, as well as to address the concerns of many of the States that do not have high unemployment rates but that do have areas within their States that are experiencing serious unemployment problems. As I said, there will be ample opportunity for me to address all of these concerns when the targeting amendment is being considered by the Senate.

But before I leave this subject, I wish to make myself very clear on one point. The Senate will have to vote yes or no on targeting. There are no perfect targeting formulas that can be quickly and efficiently implemented that have come to my attention.

But any proposals to expand the targeting formula to the point where it no longer "targets," or to the point where it can no longer be administered without undue delay and regulation, will run contrary to the asserted intent "to target." Those who wish to step forward with viable targeting amendments are invited to do so, but I caution those Members now that any proposals which dilute the intent of targeting will cast in jeopardy the entire targeting formula. If that occurs, all of us will have to account to our constituents for why we passed an emergency appropriation which paid no attention to where the pressing human needs exist.

Mr. President, I say to the Senate today that this will be the first bill that I will have managed as the chairman of the Appropriations Committee where I have the privilege of working in tandem with the senior Senator from the State of Mississippi, Senator JOHN STENNIS.

There is a very special relationship that exists between the two of us and has for the years that I have been in the Senate for many reasons that I will not go into at this moment, but one very particular reason is that when I first went on the Appropriations Committee as a very junior member on the minority side in 1971, I was assigned to the Subcommittee on Energy and Water Resources, where the Senator from Mississippi was the subcommittee chairman, and I occupied that very distinguished role as a ranking minority member.

I must say that there has been no more effective tutor that I have had in the Senate than the Senator from Mississippi. What expertise, and that is very limited, that I have on the appropriations process I really learned from the Senator from Mississippi.

I know of no man in the Senate that I have a greater sense of emotional tie and affection to as well, but I only say that because this is the first occasion now which the Senator from Mississippi is the ranking member of the full Appropriations Committee representing the minority side, and it is a very important milestone in my political career to be working in tandem with him in this role, which is an enjoyable as well as a pleasant one, but more importantly it is a very important one to the appropriations process because no man has greater expertise, knowledge, and background of how the appropriations process works than the Senator from Mississippi.

I really feel very much that I am only acting here in a role that is his to really give the leadership to this bill and to the whole appropriations process.

I certainly not only yield to him for an opening statement at this time as due the comity of the Senate procedure but more especially with great enjoyment to be in partnership with him in carrying this bill at this time and in welcoming him in this role as the new minority leader of the Appropriations Committee.

(Mr. RUDMAN assumed the chair.)

Mr. STENNIS. Mr. President, I would be an ingrate if I did not warmly and deeply appreciate the very fine and generous words of my colleague from Oregon, presently our valued chairman of the Appropriations Committee.

Certainly our association has been a pleasant one, and I know I have been benefited from it greatly and if he has in any way, legislative or otherwise, that would make me very happy indeed because I most genuinely appreciate the expressions that he has just spoken.

I do not know of any experience I have had as a member of the Appropriations Committee over a long period of years that affords me any more satisfaction in a personal way than to see what has been done here by our chairman, the Senator from Oregon, in walking into a situation that perplexes him as well as the rest of us. It is a challenge. And I think that at the best we are facing now legislative-wise the most crucial part of the effort to overcome the situation which we have found ourselves in regarding our economy.

This bill did not come from the Director of the Office of Management and Budget. This bill did not come from the White House. This bill did not come from any other source except the legislative branch of the Government. That was prompted primarily by the chairman of our committee, as the result of his skill, his discernment, and his high principles, as well as his knowledge of meeting the situation.

I have felt all the time, too, that a period would come in our transition, in our recovery, that we all believe is going to come, a very critical time, critical part, and there could be a failure of the legislative branch to properly play its role. When does the crisis end? When does the constructive part begin? Who can say? No one can say.

I have thought many times about the Big Depression in 1930, where there was the absence of anything to start climbing on, holding on to, the absence of anything to grab in the dark, so to speak, and thereby accelerate and accentuate some real recovery.

Here, fortunately, we have the implements in being, we have the ordinary functions of the Government, we have the extraordinary function, and it is in the field of construction, in all the fields so far as that is concerned, as is reflected here by these one and two and three divisions of the appropriated funds. There is machinery there; there is everything except the employees. A lot of these projects at the local level are already in the process of being started; the paperwork has been done; the blueprints have been written; and the know-how and pattern of operation have already been started.

I am not one of those who runs in to support a large so-called jobs bill. It was only after, in spite of my admiration for the author, I saw his ceiling and the practicality of his distribution of this money that I made up my mind finally that it was a bill I could support. The more I studied it, I realized not only could I support it but I should support it.

So I stand here—I am merely, in the seniority field, the ranking minority member of the Senate Appropriations Committee. I appear at this moment in that role. But my conclusion about it was deliberate. I did not have to accept the assignment. I did not have to support the bill, but I actually believe that something like this is necessary.

I have not discussed this matter with the President or any member of the executive branch. I understand it is looked on partially at least, with some favor in the White House, and if this bill does pass in anything like its present form I would not only want to commend it to the President of the United States for his signature but commend him highly if he was big enough and his vision was broad enough to see the need, and I would then think it was a matter of judgment for him to accept this particular bill.

Let me say this, Mr. President, in passing on another phase: Whoever thinks that everyone can get this bill in such form as he might favor and want is just dreaming. There is not a chance in the world for anything like that. This has got to be a measure that goes part of the way at least in providing a means to meet these special situations. It is a matter of compromise, adjustment, and development with our colleagues and, frankly, that is what it is.

There are some matters in here that I perhaps would have liked to have seen amended. As a matter of fact they were that way. But some of those that I am thinking about I felt as if we did not have the votes.

Another thing was that I feel I know a little, by experience, about when the time arises to strike with reference to the passage of a bill, especially one that can be highly controversial.

So I am very glad as one of the steps in this direction that I have alluded to—that the economy is in—is to have a chance to take a small part in bringing this matter together and getting it into the form of a legislative enactment from the legislative branch. I like that idea. That is not vanity. I walk around here half the time thinking about maybe we are neglecting our own primary legislative duties.

But it takes a HATFIELD or a gentleman of this type to put together an instrument like this bill, which is designed as a temporary step, a temporary step only, in meeting the problems and moving forward—and those are the key words here—in this field of a development, a trend to get out from under the severity of what we have had here in our economy, the severity of the recession, and really get something constructive started with reference to measures that have some lasting good and that represent something for the various communities, cities, and States.

Mr. President, I would not have supported a bill that undertook to put in a vast, extensive, large new system of creating employment. I think we have had many attempts at that, many illustrations that it is a long preparatory matter, and we have not been able to do it in a satisfactory way to follow through and get results and set the standards right for our young people we are trying to train or to employ.

So I just said at the beginning I was not going to support a bill of that sort to put another layer on top of the layers we already have in those efforts.

In my own thinking it is possible to have another Civilian Conservation Corps, the CCC camps as they called them in the old days, in the 1930's. If that were possible I would gladly vote for it. I do not know, but human nature being what it is, that we could reenact that chapter of history, but there is where a little went so far, where you had the rawboned youth of America who came to work, to start working, and I brush shoulders now with many, many men I have known since their first adulthood that I have seen come along in a special way and climb the ladder of success, one rung after another, that I would learn or already knew that they started, they had there first chance, back as a member of the CCC camp. It is a tribute to American youth at a critical time in American history.

That is something we are not talking about today. This is a temporary measure, with a modest sum of money, after all, pinned down and nailed down and tied to definite programs that we can identify. We know where they are; we know where the need is. We have been very generous here—the author of the bill and those that helped him work on the figures have been very generous and fair, putting a third of it in this tier that had such a long and extended period of unemployment, another third of it into the States where we have had a long period of unemployment, and a third of it in a direction that spreads things around.

If I thought that this was going to mushroom into huge expenditure programs later, I would be quite slow to support it. I think, perhaps, we will have to repeat it more than once. And each time we repeat it, we will have a

chance to perfect it and improve it. But to meet the present emergency, tied in with the money that is necessary for our present unemployment law and plans, I think this is just a splendid, sound bill.

Now back just a minute to some amendments that could have come up here on the House bill. They worked very hard indeed on their bill and had what I would call a good bill. But if we go on and pass this bill as it is, both of them will be in conference and there will be an excellent opportunity there for the members of the committees to work out an agreement that would at least partly represent each viewpoint of those two documents.

Frankly, we have not had deliberative conferences around here, as numerous types as we did have and achieved a lot in that way, and I say that with all deference. In the last year or two, it has been more of a slam, bang almost cocked-pistol procedure here against time and meeting deadlines. But we should take a few days conference here with a bill of this magnitude, a precedent maker, too, in a way, which could doubtlessly contribute so much to have this legislation perfected. Some of the finest work the Senate does is in the conferences.

Mr. President, I hope that we can have every major phase of this bill developed and debated, and let every Member have his own opinion and conclusion. But if we are going to have a bill, let us have a bill that is going to be moderate and modest and that is going to be plain and simple, so we know exactly what we are doing and moreover that it is going to be fair and just and right.

I really do not see how it is possible to get as much of those virtues together here in such a brief program. I think we will have more trouble along the way in the economy. But let us pass a bill now that does have these principles and most of these fundamentals.

Mr. President, the measure we have under consideration today, H.R. 1718, a bill making appropriations to provide for productive employment, to hasten or initiate Federal projects and construction of lasting value to the Nation and its citizens, and to provide humanitarian services and assistance, and for other purposes.

Our Committee on Appropriations, of which there are 29 members, marked up and reported this bill to the Senate on Monday. As our committee report points out, we are considering this bill "at a time of nearly unprecedented unemployment in this country. Unemployment reached a post-war high in December 1982 of 10.8 percent of the civilian work force. In that month, over 12 million Americans were seeking jobs." Clearly our Nation faces no greater challenge than that of providing jobs for the unemployed men and women of America. This unacceptably high unemployment rate is our most serious economic problem. The human and social costs of a situation where over 10 percent of the national work force cannot find jobs is obvious and there are substantial direct economic costs such as production foregone and higher budget deficits.

Mr. President, at the outset, I want to especially commend the distinguished Senator from Oregon, our chairman of the Appropriations Committee. He has been the leader of this effort since the closing days of the last Congress. In large measure, the bill we have here on the floor today is due to his concern, interest and work. Earlier he had introduced a similar bill and, although he has received input and work from many members of the Appropriations Committee, it is still stamped with the Hatfield touch. He deserves special recognition and the commendation of our colleagues for his excellent work in this area.

Mr. President, using the functions of Government, the Federal Government can play an important role in helping to reduce unemployment. At the same time, few would seriously disagree that the most effective way to reduce unemployment is to stimulate and achieve economic recovery and growth so that permanent jobs can be provided by the private sector.

The President's Economic Report, transmitted to the Congress in February, states that unemployment is the most serious economic problem facing the United States. That statement comes as no surprise as the statistics show that the unemployment rate is higher than at any point since the Depression, as I said earlier with over 12 million persons counted as unemployed. This bill is recognition of the need to address this devastating problem and its attendant effects on the physical, mental, and social well-being of unemployed people and their families. As we have often heard and read about during these times, the financial losses of the unemployed are not the only costs associated with prolonged economic decline. The interest and concern and the cooperation of the Congress is required to produce a bill to meet some of these most immediate problems. This bill represents a step forward in demonstrating publicly that we will work expeditiously to try to improve employment opportunities and to deal with the Nation's economic problems immediately and effectively.

This measure is an important first step in a program that can help relieve some of the unemployment—not a great amount of relief—but a start anyway by getting some of this money out into the States and into these projects and programs. It will surely help in getting the wheels turning again and moving in the right direction. I support this bill not because I believe all the provisions of the bill are perfectly drawn or because I believe it is a panacea for all that ails our troubled economy—I support it because it is, as I said earlier, an important first step that can help get us on the right road and the wheels of our economy turning and becoming healthy once again.

This bill concentrates on creating productive jobs and on providing some badly needed assistance to those who have borne the brunt of the economic recession—the unemployed and less fortunate in our society. It is not a make-work jobs bill. It is drawn in such a way to use existing programs, projects, and activities to provide the economy with some stimulus by putting an estimated 250,000 people to work. These funds in the bill will be used by city and rural areas, large and small, to expand public facilities, promote commercial and industrial programs, and encourage other economic development and job-creating activities.

Mr. President, the committee has emphasized the need to improve the capital assets of the Nation in various construction, rehabilitation and maintenance projects. In some cases, we have provided for acceleration of long-delayed but highly necessary capital improvement projects throughout the Nation. These improvements will yield benefits long after this employment stimulus program has run its course. Many are provided for in the President's budget for fiscal year 1984 and the committee's recommendation would simply accelerate the projects into the current fiscal year. However, the committee has not limited its recommendations for productive employment to just construction projects. Such programs, of course, do not reach all segments of the unemployment work force. Accordingly, the committee has recommended funds in such areas as social services, block grants, day care, and job search assistance programs, among others. Also the committee has provided additional sums for humanitarian assistance, responding to the plight of those who are ill-housed, hungry, or in need of health care. This is an attempt to reach some of the critical human needs which should be addressed now.

There can be no doubt that our national needs are great at this moment. Business failures are up 49 percent over last year and nearly one-third of our industrial capacity is not being used. I note in connection with the 11.4 million Americans now unemployed that we are paying unemployment compensation to these unemployed workers at a rate of $32 billion a year. So this bill is brought up to the

Floor for consideration with all these facts and factors in mind—as I say, it is a start—to help get things stirring and moving again.

Mr. President, perhaps the most important matter or provision of this bill with which we will be dealing during our debate is the matter of the targeting provision. The committee's recommendation would target about $3.2 billion of the funds made available under title I to those States that have borne the brunt of the recession the longest and to those that have found their economies devastated by high unemployment. In approving this targeting formula by a very large margin, the committee achieved these principal objectives: First, the targeting provision is clear and simple—a balanced and equitable approach that is easy to understand. We believe it is workable and precise in its definitions. It is not vague or filled with potentials for ambiguous distribution formulas. Second, we believe it is fair to all the States and, at the same time, makes allowance for the long-term unemployment situations in several of our States. This formula is a product of a joint effort, bipartisan in approach and was offered in a bipartisan way. It was worked on jointly by our staffs and interested members of the committee. It is the best formula that we have been able to devise and we believe superior to any of those brought to our attention in the committee as to its workability, fairness to all the States, and application to programs that are susceptible to being distributed to a targeting formula, even though preserving the basic authorizing statute direction. As I say, it passed our committee by a large margin principally on the basis that I have mentioned here. I hope the Senate will carefully consider the committee's action before taking up these other proposals which, I understand, may be offered to target these funds. I agree that we must have a workable targeting formula included in the bill, one which can be easily understood and has sufficient flexibility to reach our objectives in getting the funds out as quickly as possible and helping to relieve unemployment as quickly as possible. I urge the Senate's careful consideration of this committee-approved formula.

As for the amounts in the bill, Mr. President, I will not undertake to elaborate on each of the programs or items inasmuch as the report is available. The chairman, of course, has already reviewed some of the details as to amounts. The bill totals $15,104,458,000 in new budget authority. I understand that this amount, particularly the title I amounts, approximates the total suggested by the administration. The committee recommendations in title I of the bill represent this immediate first step in responding to the unemployment and attendant problems. Additional funds in the amount of $3,926,251,000 are provided under this title for some 60 appropriation accounts or bill line items. There are over 40 different programs in this title, all designed to create productive jobs by stimulating economic activity, or to provide humanitarian assistance or services to those who have been most adversely affected by unemployment. Some of the major categories are:

$530.5 million for agriculture-related activities, including rural water and waste disposal grants, soil conservation and watershed activities, and nutrition and commodities distribution programs;

$470 million for water resources projects and operations of the Corps of Engineers, including $80 million for the Mississippi River and Tributaries;

Project covering the entire lower Mississippi River Valley; funds for the Bureau of Reclamation, and resources activities of the Tennessee Valley Authority (TVA);

$928.4 million in direct appropriations for community development block grants, and VA repair and maintenance, with an additional $1 billion in loan guaranteed authority for the community development programs;

$488.4 for various Forest Service, National Park Service, Indian, Fish and Wildlife, low-income weatherization, and schools and hospital weatherization programs and activities;

$984.3 million for several Health, Human Services, and Education programs, including $300 million for social services block grants, $100 million for summer youth employment, and $100 million for college work-study.

These are a few of the major amounts by categories under title I. The committee reduced the bill by about $972 million in direct appropriations of new budget authority below title I of the House-passed bill.

Under title II, the President requested an urgent supplemental of $5.033 billion for advances to the unemployment trust fund. This money must be provided as soon as possible to make loans to States where funds for payment of unemployment benefits have been, or will soon be, depleted. It is estimated that 29 States will have exhausted all trust funds by late next week and will be unable to make further benefit payments required by law without these funds.

The committee also approved the President's budget request for a supplemental appropriation of $5.707 billion to the Commodity Credit Corporation (CCC) for reimbursement of net realized losses. The CCC will not be able to operate shortly if these funds are not made available. $500 million of the funds appropriated to the CCC will be used for the capitalization of the Agricultural Export Credit Revolving Fund.

As I mentioned earlier in my comments, Mr. President, we are today spending at a rate of $32 billion a year in unemployment compensation. It makes good sense to me to spend some of this money to create employment—productive employment. That is what this bill is designed to do for the most part. It also makes good sense to me to use the programs which are now in place to provide food, shelter, and health services to the needy. This bill does that, as well. This is an important bill. It does not answer all the problems confronting our people today, Mr. President, but it is a step in the right direction. Our committee urges your approval of this bill.

I thank the Senator and I yield the floor, Mr. President.

Mr. BAKER. Mr. President, while I have a moment, I am told that no Senator is ready to come over and offer an amendment. Now that is a problem. We have 16 amendments to this bill that I am aware of and there are probably others. We have a Friday midnight deadline. If we do not get some people over here to offer amendments and we end up at 4 or 5 p.m. this afternoon before anybody is willing to come over and offer amendments, I say with no animosity and no ill will but as a simple statement of fact, I will be compelled to ask the Senate to stay late tonight. And if still nobody comes over, I will inquire of the distinguished manager of the bill why we should not go to third reading.

The minority leader has advised me that there is a Democratic package to be offered as a package and perhaps some parts may not be offered until tomorrow, so I suppose I will not go to third reading, but I might.

Mr. President, I do urge Senators to come to the floor and offer their amendments. There is no reason on Earth for us to wait until tonight to do our work. I suppose we will be on this bill tomorrow. I regret that, but I would like to finish this bill tomorrow.

Let me say that I am dismayed when my staff reports to me that no Senator is willing to come to the floor at this time to offer an amendment. That simply is not a good situation. I do not intend to try to go any further than that right now except to offer the admonition that if we cannot do our work in the course of the regular hours set aside for the Senate then we will do it tonight.

Mr. President, I yield the floor.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The chairman of the Appropriations Committee.

Mr. HATFIELD. Mr. President, I thank the leader for his statement, because it is a very distressful situation to find one's self in after we have literally herded this bill through a committee markup. I remind the Senate again that we have a 29-member committee and a quorum in our committee is equal to the total size of many committees. So when we get 29 Senators, or at least a majority thereof, to sit

through a whole day or a whole period of markup, we are ready to do business.

Too frequently, I think, of late, at least, we have tended to think of appropriations matters as being conducted after sundown and have all-night sessions. I would like to get out of that little tradition very early in this session. We established that tradition in the last session, unfortunately, I, frankly, do not think we do the best legislative business in a marathon type session of having amendments and making decisions at 3 a.m. after having been in session 12 or 14 hours prior to 3 a.m.

SECTION 904 WAIVER OF BUDGET POINT OF ORDER

Mr. President, I move in accordance with section 904 of the Budget Act to waive section 311 of that act with respect to the pending measure as reported by the Appropriations Committee and any amendments thereto.

Mr. President, it is with some reluctance that I make this motion. I believe that to the maximum extent possible we should adhere to the budgetary ceilings established in the congressional budget process. For this reason, I believe that a waiver of the point of order against spending measures which exceed those budget ceilings should be used very sparingly, and only in extraordinary circumstances.

However, Mr. President, Congress did not revise its first budget resolution for fiscal year 1983, and so the budgetary ceilings now in place are nearly a year old, and badly out of date. These ceilings do not reflect the tailspin our economy endured during the summer and fall of last year, nor the failure of Congress to make all the legislative savings anticipated in the budget resolution.

This failure to pass a second budget resolution, one mandated under the Congressional Budget Act, has left us with meaningless budget ceilings which were breached months ago and for which therefore, technically, make any spending or revenue bill subject to a point of order under section 311, of the Budget Act.

This circumstance is impossible. I believe we must come to grips with our eagerness to ignore sound budgetary procedures and the Budget Act. But until we do, we have no choice but to agree to this motion to allow for the consideration of the bill.

This matter has been cleared on both sides of the aisle and with the chairman of the Budget Committee, Senator DOMENICI.

Mr. STENNIS. Mr. President, will the Senator yield to me for just 1 moment?

Mr. HATFIELD. I yield.

Mr. STENNIS. I am heartily in accord with the Senator's motion. As I understand from the reading, he did leave it open and make it broad enough to cover any amendments that may be offered.

Mr. HATFIELD. The Senator is correct. It includes any amendments that may be offered to this bill during its consideration.

Mr. STENNIS. I commend the Senator highly for his motion. I support the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion by the Senator from Oregon.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, with the exception of the committee amendments on page 45, line 2, through page 47, line 20. This has been cleared with the minority side of the aisle and the majority.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, strike line 8, through and including page 4, line 15, and insert the following:

The Congress finds that the current economic recession at its peak has resulted in nearly fourteen million unemployed Americans, including those no longer searching for work, rivaling the actual numbers of unemployed during the Great Depression. Other millions work only part-time due to the lack of full-time gainful employment, The hardships on these people occasioned by the recession have been much more severe in terms of duration of unemployment and reduced percentage of unemployed receiving jobless benefits than in previous recessions.

While these millions of unemployed can only return to work through a robust and sustained recovery of the economy, the strength of the projected recovery is only half of that normal for post-war recessions. Even with the predicted recovery, unemployment is expected at over 10.5 per centum for the entire 1983 calendar year, declining only to 10.4 per centum in the fourth quarter, and at just under 10 per centum for calendar year 1984. Over eleven million Americans would thus be unemployed in 1984.

Under these circumstances, the Congress finds that a program to increase employment through additional funding of existing Federal programs, to hasten progress toward realization of the Congress commitment to rebuild our Nation's infrastructure, and to provide humanitarian assistance to the indigent and homeless, to be very strongly in the national interest.

On page 5, strike line 17, through and including page 7, line 20;

On page 8, line 8, strike "an", through and including "That," on line 13;

On page 8, line 16, strike "$12,600,000,000", and insert "$12,375,000,000";

On page 8, after line 19, insert the following:

Notwithstanding any other provision of law, the Secretary is authorized and directed that funds authorized to carry out section 119 of title 23, United States Code, shall be eligible for financing the construction of ramps in the vicinity of S.E. 3rd Street in Dade County, Florida, connecting I-95 with Miami Avenue and U.S. 1.

Section 120(j) of title 23, United States Code, is amended by striking the period at the end of subsection (j)(2) and inserting in lieu thereof ", or" and adding the following subparagraph:

"(3) a State chooses to provide a higher State matching share.".

None of the funds in this Act shall be used to incur obligations for "Interstate transfer grants—highways" under the contract authority provided by section 107(a)(1) of the Surface Transportation Assistance Act of 1982 in excess of $257,000,000.

On page 9, strike "$171,000,000", through and including "1964" on line 20, and insert the following: $72,000,000, to remain available until expended, of which $66,000,000 shall be available for "Urban discretionary grants", to be obligated at the discretion of the Secretary of Transportation in accordance with section 3 of the Urban Mass Transportation Act of 1964, and of which $6,000,000 shall be available for "Interstate transfer grants—transit".

On page 10, strike line 10, through and including line 22, and insert the following:

To provide for labor-intensive capital improvements, the Secretary of Transportation shall make capital grants to the National Railroad Passenger Corporation of $130,000,000, to remain available until expended.

REBUILDING AVIATION INFRASTRUCTURE

Section 302 of the Department of Transportation and Related Agencies Appropriation Act of 1983, Public Law 97-369, is amended:

(i) by deleting "$600,000,000" and inserting in lieu thereof "$750,000,000"; and

(ii) by deleting the period at the end thereof and inserting in lieu thereof: ": *Provided*, That $150,000,000 of such funds shall be available only for the purposes of section 507(a)(3)(B) of the Airport and Airway Improvement Act of 1982, Public Law 97-248, as added by section 426(a) of the Surface Transportation Assistance Act of 1982, Public Law 97-424: *Provided further*, That in making discretionary grants pursuant to such section 507(a)(3)(B), the Federal Aviation Administrator shall give first consideration to eligible projects with respect to which preapplications have been filed with the Federal Aviation Administration on or before June 1, 1983.".

IMPROVING THE SAFETY OF RAIL PASSENGERS

To ensure the safety of those traveling in the Nation's most heavily traveled rail corridor and to provide for productive jobs, $25,000,000, to remain available until expended, for the rehabilitation (including repair, reconstruction, replacement, or elimination) of highway bridges which cross

over the Northeast corridor rail transportation properties conveyed pursuant to section 701(b) of Public Law 94-210, and other safety projects: *Provided*, That a State has identified such bridge as constituting a potential danger to motorists, pedestrians, or rail operations.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION OPERATIONS AND RESEARCH

Notwithstanding any other provision of law, there is available from sums otherwise made available to the National Highway Traffic Safety Administration, not to exceed $100,000 for the Presidential Commission on Drunk Driving established under E.O. 12358.

VETERANS ADMINISTRATION CONSTRUCTION, MAJOR PROJECTS

Additional amounts for constructing, altering, extending, and improving facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections, 5002, 5003, 5006, 5008, 5009, and 5010 of title 38, United States Code, including planning, architectural and engineering services, $263,400,000, to remain available until expended: *Provided*, That some none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process.

On page 13, strike line 9, through and including line 19;

On page 14, line 3, strike "$1,000,000,000", and insert "$250,000,000";

On page 14, line 5, strike "expended", and insert "September 30, 1984";

On page 14, line 14, strike ": *Provided*", through and including "Act:" on line 19, and insert the following: *Provided further*, That of the new budget authority provided under this heading up to $250,000,000 shall be available until September 30, 1984, for activities authorized by section 105(a)(8) of the Housing and Community Development Act of 1974, as amended: *Provided further*, That the 10 per centum limitation on the amount of funds for public services activities contained in such section 105(a)(8) shall not apply to the funds provided under the immediately preceding proviso: *Provided further*, That notwithstanding the limitation of $60,000,000 contained in section 107(a) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5307(a)), 3 per centum of the new budget authority provided for local community development programs in this Act shall be set-aside for the special discretionary fund for grants to Indian tribes as authorized under section 107(b) of the Housing and Community Development Act (42 U.S.C. 5307(b)).

During 1983, total commitments to guarantee loans, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5308), is increased by $1,000,000,000 in contingent liability for loan principal: *Provided*, That, notwithstanding other provision of law, commitments made with this addition in contingent liability (i) shall not be subject to section 108(b) of the aforementioned Act, (ii) may be used for any eligible activity listed in section 105 of the aforementioned Act, (iii) shall not be subject to interest on any resulting indebtedness which would otherwise accrue to the United States through September 30, 1986, and all accrued interest through such date is forgiven, and (iv) shall be made to units of local government receiving assistance pursuant to section 106(b) of the aforementioned Act and to States in amounts equal to the amount allocated to each under section 106 of the aforementioned Act in 1983 and upon satisfactory application as determined by the Secretary. In order to compensate for any discrepancy between the total of the amounts which otherwise would be allocated under this paragraph and the total of the amounts available under this paragraph, the Secretary shall make a pro rata reduction of the amount which would have been allocated to these units of local government and States. Not to exceed $40,000,000 is appropriated for payment to the Secretary of the Treasury for any interest forgiven pursuant to this Act for fiscal year 1983.

On page 18, strike line 11, through and including line 2 on page 19;

On page 19, line 7, after "limitation:", insert the following:

Provided, That the administration may not decline to participate in a project under section 503 of the Small Business Investment Company Act of 1958 because other sources of financing for the project include or are collateralized by obligations described in section 103(b) of the Internal Revenue Code of 1954: *And provided further*, That loans made with the proceeds of debentures guaranteed under section 503 of said Act shall be subordinated to obligations described in section 103(b) of the Internal Revenue Code of 1954: *And provided further*, That the administration and any other agency of the Federal Government shall not restrict the use of debentures guaranteed under this section with obligations described in section 103(b) of the Internal Revenue Code of 1954 if the project being so financed otherwise complies with the regulations and procedures of the administration.

On page 19, line 22. strike "; and", through and including line 12 on page 20;

On page 20, strike line 15, through and including line 19;

On page 20, line 21, strike "roads, trails, and other";

On page 20, line 24, strike "$50,000,000", and insert "$25,000,000";

On page 20, line 25, strike ", under", through and including line 3 on page 21;

On page 21, after line 3, insert the following:

HISTORIC PRESERVATION FUND

For assistance to States, $25,000,000 to be derived from the Historic Preservation Fund, established by section 108 of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470): *Provided further*, That such funds shall be available only for development grants, and for related State administrative expenses not to exceed 5 per centum of the amount available to each State: *Provided further*, That such funds shall be available only for grants for which: (1) obligations are entered into before October 1, 1983, (2) work will be in progress before January 1, 1984, and (3) all Federal funds will be outlayed before September 30, 1984.

LAND AND WATER CONSERVATION FUND

For assistance to States, $50,000,000, to be derived from the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601-4-11): *Provided*, That such funds shall be available only for development or redevelopment purposes: *Provided further*, That such funds shall be available only for grants for which: (1) obligations are entered into before October 1, 1983, (2) work will be in progress before January 1, 1984, and (3) all Federal funds will be outlayed before September 30, 1984.

On page 22, strike line 2, through and including line 6, and insert the following:

In order to provide jobs, to improve the growth rate of existing forested land inventories, and to decrease the number of deforested acres of Forest Service land, there is appropriated an additional $35,000,000 for "National Forest System", Forest Service.

On page 22, line 14, strike "$20,000,000", and insert "$25,000,000";

On page 23, line 3, strike "$25,000,000", and insert "$20,000,000";

On page 23, strike line 5, through and including line 12, and insert the following:

BUREAU OF INDIAN AFFAIRS' CONSTRUCTION

In order to provide for the construction of the Hopi High School and related facilities, for the rehabilitation of existing irrigation systems; and, for renovation of Bureau-owned jails, there is appropriated an additional $64,450,000, to remain available until expended, to the Bureau of Indian Affairs for "Construction".

IMPROVING INDIAN HOUSING

In order to provide for the construction, repair, and improvement of Indian housing, there is appropriated an additional amount of $30,000,000 for "Operation of Indian Programs".

On page 24, line 8, strike "$200,000,000", and insert "$125,000,000";

On page 24, line 20, strike "$600,000,000", and insert "$400,000,000";

On page 25, strike line 6, through and including line 13;

On page 26, line 2, strike "$150,000,000", and insert "$75,000,000";

On page 26, line 3, strike ": Provided", through and including line 10;

On page 26, after line 10, insert the following:

AGRICULTURAL RESEARCH SERVICE CONSTRUCTION

To provide jobs for construction, repair, and maintenance of agricultural research facilities, there is appropriated an additional amount of $10,000,000, to remain available until expended, for "Buildings and Facilities", Agricultural Research Service.

FOOD AND DRUG ADMINISTRATION CONSTRUCTION

For design, construction, repair, improvement, extension, alteration, necessary offsite road work, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $39,000,000, to remain available until expended.

On page 27, strike line 1, through and including line 8 on page 28, and insert the following:

ENHANCEMENT OF WATER RESOURCE BENEFITS

For an additional amount to reduce unemployment and assist in the generation of new productive jobs, to accelerate programed on-going construction of the Nation's river and harbor, flood control, shore protection, navigation, small continuing authority, and related projects, $85,000,000, to remain available until expended, is hereby appropriated for "Construction, general", Corps of Engineers—Civil, Department of the Army.

For an additional amount to reduce unemployment and assist in the generation of new productive jobs, to preserve, operate, maintain, and care for existing river and harbor, flood control, and related works, $164,000,000, to remain available until expended, is hereby appropriated for "Oper-

ation and maintenance, general", Corps of Engineers—Civil, Department of the Army.

For an additional amount to reduce unemployment and assist in the generation of new productive jobs, and for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law, $80,000,000 is hereby appropriated for "Flood control, Mississippi River and tributaries", Corps of Engineers—Civil, Department of the Army.

On page 30, line 11, after "remodeling,", insert "and construction of new facilities, and constructing,";

On page 30, line 17, strike "$90,000,000", and insert "$70,000,000";

On page 30, line 18, strike "$30,000,000", and insert "$10,000,000";

On page 31, line 8, strike "$100,600,000", and insert "$40,465,000";

On page 31, line 16, strike "$16,230,000", and insert "$10,507,000";

On page 31, line 17, strike "$34,301,000", and insert "$10,107,000";

On page 31, line 17, strike "$50,531,000, and insert "$20,614,000";

On page 32, line 2, strike "$47,501,000", and insert "$18,089,000";

On page 32, line 2, strike "$44,368,000", and insert "$21,398,000";

On page 32, line 3, strike "$91,869,000", and insert "$39,487,000";

On page 32, line 13, strike "$150,000,000", and insert "$100,000,000";

On page 32, after line 21, insert the following:

SCHOOLS AND HOSPITALS WEATHERIZATION ASSISTANCE

In order to create productive jobs in manufacturing and installation of weatherproofing products, there is appropriated an additional amount for "Energy conservation", Department of Energy, $75,000,000, to remain available until expended: *Provided*, That this amount shall be available for schools and hospitals weatherization assistance as authorized by the National Energy Conservation Policy Act (Public Law 95-619) (42 U.S.C. 6371-6372).

On page 33, strike line 6, through and including line 16;

On page 33, line 20, strike "$207,400,000", and insert "$257,400,000";

On page 33, line 24, strike "$75,000,000", and insert "$125,000,000";

On page 34, after line 17, insert the following:

GRANTS TO STATES FOR UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICES

For an additional amount for "Grants to States for unemployment insurance and employment services", $50,000,000, which may be expended from the employment Security Administration Account in the Unemployment Trust Fund.

On page 35, line 6, strike "$78,000,000", and insert "$30,000,000";

On page 35, line 11, strike "to the extent practicable";

On page 35, strike line 13, through and including line 19;

On page 35, line 24, strike "$110,000,000", and insert "$30,000,000";

On page 36, line 4, after "States", insert "or areas within States";

On page 36, line 5, strike "and shall", through and including "State" on line 8;

On page 36, after line 12, insert the following:

CENTERS FOR DISEASE CONTROL

PREVENTIVE HEALTH SERVICES

For an additional amount for "Preventive Health Services", $15,560,000, which shall remain available until expended and shall be for construction and renovation of facilities.

On page 36, strike line 19, through and including line 10 on page 37;

On page 38, line 6, strike "$150,000,000", and insert "$300,000,000";

On page 38, line 9, strike "of which", through and including "services" on line 10;

On page 38, strike line 20, through and including line 2 on page 39;

On page 39, line 7, strike "$25,000,000", and insert "$41,375,000";

On page 39, line 16, strike "$35,000,000", and insert "$60,000,000";

On page 39, line 20, strike "$15,000,000", and insert "$20,000,000";

On page 39, line 21, strike "$10,000,000", and insert "$15,000,000";

On page 39, line 22, strike "$10,000,000", and insert "$25,000,000";

On page 39, after line 23, insert the following:

EDUCATION FOR THE HANDICAPPED

To carry out the provisions of section 607 of part A of the Education of the Handicapped Act, relating to the removal of architectural barriers in schools, $40,000,000, which shall remain available until expended.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

There is appropriated $5,000,000 for section 621 of the Rehabilitation Act of 1973, relating to projects with industry for handicapped individuals, which is in addition to the amounts otherwise available for that section for fiscal year 1983.

STUDENT FINANCIAL ASSISTANCE

For an additional amount for "Student Financial Assistance", $100,000,000 to remain available until September 30, 1984 for carrying out part C of title IV of the Higher Education Act of 1965, relating to the College Work Study Program: *Provided*, That notwithstanding subsections (a), (b), (c), and (e) of section 442 of the Higher Education Act of 1965, and section 11 of Public Law 97-301, the Secretary shall allot the sums appropriated pursuant to section 441(b) of the Higher Education Act of 1965 for fiscal year 1983 among the States so that each State's allotment bears the same ratio to the total amount appropriated as that State's allotment in fiscal year 1981 bears to the total amount appropriated pursuant to section 441(b) for the fiscal year 1981.

LIBRARIES

To carry out the provisions of title II of the Library Services and Construction Act, $50,000,000, which shall remain available until expended.

To carry out the provisions of title II of the Library Services and Construction Act, $50,000,000 which shall remain available until expended.

On page 41, strike line 7, through and including line 25;

On page 42, after line 15, insert the following:

In order to complement the domestic nutrition programs, make maximum use of this Nation's agricultural abundance, and expand and improve the domestic distribution of price supported commodities, commodities acquired by the Commodity Credit Corporation that the Secretary of Agriculture determines are in excess of quantities needed to meet domestic obligations (including quantities needed to carry out a payment-in-kind acreage diversion program) and international commercial and food aid commitments shall be made available to eligible recipient agenicies. Commodities made available under this provision shall be in a form suitable for institutional food use, except that commodities made available for use by public and private nonprofit organizations that relieve situations of emergency and distress through the provision of food to low-income and unemployed persons shall, upon request, be provided in a form suitable for individual household food use. With respect to commodities made available under this provision, the Commodity Credit Corporation shall pay the costs of initial processing and packaging of such commodities into forms suitable for home or institutional use. The Corporation may pay such costs by providing commodities equal to the value of the processing or packaging costs. If such processing or packaging costs are paid with commodities, the Secretary shall ensure, insofar as possible, that such payments-in-kind will not displace to a significant extent commercial sales of such commodities. The Secretary shall make payments from funds available to the Commodity Credit Corporation for the expenses incurred by recipient agencies at the local level in the storage and distribution of commodities provided under this paragraph except that in no case shall payments to any recipient agency exceed 5 per centum of the total value of the commodities it receives. Eligible recipient agencies shall include public agencies, private nonprofit organizations and charitable institutions that relieve situations of emergency and distress through the provision of food to low-income and unemployed persons. There is appropriated $100,000,000, to remain available until March 31, 1984, to carry out the provisions of this paragraph, in addition to the value of surplus agricultural commodities utilized as provided herein: *Provided*, That not less than $10,000,000 of this amount shall be for the expenses incurred by recipient agencies at the local level in the storage and distribution of commodities except that in no case shall payments to any recipient agency exceed 5 per centum of the total value of the commodities it receives.

On page 47, strike line 21, through and including line 4 on page 50, and insert the following:

SEC. 101. (a)(1) Notwithstanding any other provision of law, the head of each Federal agency to which funds are appropriated or otherwise made available under this title, with respect to any program distributed according to a formula grant by State, shall allot the funds as follows:

(A) One-third of such sums for each such program shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all of the States.

(B) One-third of such sums for each such program shall be allotted among "long-term unemployment States", to be allotted among "long-term unemployment States" on the basis of the relative number of unemployed individuals who reside in each "long-term unemployment State" as compared to the total number of unemployed individuals in all "long-term unemployment States".

(C) One-third of such sums for each such program shall be allocated among the

States on the basis of the provisions of law authorizing each such program.

(2) Funds which are allotted to States in accordance with this subsection, but which cannot be rapidly or efficiently utilized shall be identified in a report transmitted to Congress not later than thirty days following enactment of this Act. Not later than ten days following transmittal of such report, such funds shall be allotted on the basis of the provisions of law authorizing each such program.

(3) States receiving allotment of funds under this section shall to the extent practicable utilize such funds in areas of the State where unemployment is highest and has been high for the longest period of time and for authorized purposes which have the greatest immediate employment impact.

(4) For purposes of this section:

(A) The term "State" means each of the several States, and the District of Columbia.

(B) The number of unemployed individuals who reside in each State, as well as the total number of unemployed individuals in all of the States, shall be determined by the Bureau of Labor Statistics of the Department of Labor for the month of December 1982

(C) The term "long-term unemployment State" means any State in which the unadjusted unemployment rate was above the unadjusted national unemployment rate for each month during the period of January 1982, through December 1982.

(b) Notwithstanding any other provision of law, the head of each Federal agency to which funds are appropriated or otherwise made available under this title for any program which involves project grants or project contracts shall, to the extent practicable, give priority to projects to be carried out in States that are "long-term unemployment States" determined in accordance with subsection (a).

(c) Notwithstanding any other provision of law, the head of each Federal agency to which funds are appropriated or otherwise made available under this title, with respect to any program distributed according to a formula grant to political subdivisions of the States, shall allot the funds first, among the States in the manner specified in section (a)(1) and second, among the political subdivisions of the State to the extent practicable under subsections (a)(2) and (a)(3) in accordance with the allocation factors contained in the provisions of law authorizing each such program.

(d) The provisions of subsection (a), (b), or (c), as the case may be, of this section shall apply to funds appropriated, or otherwise made available, under this title to—

(1) Community Development Grants;

(2) Operation of the National Park System, National Park Service;

(3) Resource Management, Fish and Wildlife Service;

(4) Low-income energy conservation;

(5) Schools and Hospitals Weatherization Assistance;

(6) Social Services Block Grants;

(7) Community Services Block Grant;

(8) Community Service Employment for Older Americans;

(9) Education of the Handicapped Act;

(10) Library Services and Construction Act;

(11) Summer Youth Employment and Training;

(12) Interstate transfer grants;

(13) Rebuilding Aviation Infrastructure;

(14) Urban Development Action Grants (Disapproval of Deferral);

(15) Grants to States for Unemployment Insurance and Employment Services.

(e) The head of each Federal agency to which funds are appropriated or otherwise made available under this title, or States, or political subdivisions of States, which receive allotment of funds under this title shall to the extent practicable utilize such funds in a manner which maximizes immediate creation of new employment opportunities to individuals who were unemployed at least fifteen of the twenty-six weeks immediately preceding the date of enactment of this Act, and who are no longer eligible for unemployment insurance benefits. It is the intent of the Congress that funds appropriated or otherwise made available under this title be obligated and disbursed as rapidly as possible so as to quickly assist the unemployed and the needy as well as minimize future year budgetary outlays.

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

For expenses, not otherwise provided for, necessary for the acquisition of aircraft (by any means other than purchase from a commerical source), operation and maintenance of United States Customs Service air interdiction program activities, $3,750,000.

On page 54, line 15, strike "UNEMPLOYMENT";

On page 55, after line 18, insert the following:

SMALL BUSINESS ADMINISTRATION

BUSINESS LOAN AND INVESTMENT FUND

GUARANTEED LOANS

For additional capital for the "Business loan and investment fund", authorized by the Small Business Act, as amended, $434,000,000, to remain available without fiscal year limitation.

DEPARTMENT OF AGRICULTURE

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

For an additional amount for "Reimbursement for net realized losses"; $5,707,457,000 of which $500,000,000 shall be available for the Agricultural Export Credit Revolving Fund as authorized by section 1201 of Public Law 97-377.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the bill as amended be considered as original text for the purpose of further amendment, with the understanding that no points of order be considered waived by reason thereof and that the excepted committee amendments may be temporarily laid aside by agreement of the floor managers.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2 Leg.]

Baker	Hatfield	Rudman
Cochran	Leahy	Stennis

The PRESIDING OFFICER (Mr. COCHRAN). A quorum is not present.

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to instruct the Sergeant at Arms to request the attendance of absent Senators. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Maine (Mr. COHEN), and the Senator from Minnesota (Mr. DURENBERGER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

The PRESIDING OFFICER (Mr. PRESSLER). Is there any other Senator in the Chamber who has not voted?

The result was announced—yeas 87, nays 5, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—87

Abdnor	Gorton	Mitchell
Andrews	Grassley	Moynihan
Baker	Hatch	Murkowski
Baucus	Hatfield	Nickles
Bentsen	Hawkins	Nunn
Biden	Hecht	Packwood
Bingaman	Heflin	Pell
Boren	Heinz	Percy
Boschwitz	Helms	Pressler
Bradley	Huddleston	Pryor
Bumpers	Humphrey	Riegle
Burdick	Inouye	Roth
Byrd	Jackson	Rudman
Chafee	Jepsen	Sarbanes
Chiles	Johnston	Sasser
Cochran	Kassebaum	Simpson
Cranston	Kasten	Specter
D'Amato	Kennedy	Stafford
Danforth	Lautenberg	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dole	Lugar	Tower
Domenici	Mathias	Trible
Eagleton	Matsunaga	Tsongas
East	Mattingly	Wallop
Exon	McClure	Warner
Ford	Melcher	Wilson
Garn	Metzenbaum	Zorinsky

NAYS—5

Goldwater	Proxmire	Weicker
Long	Quayle	

NOT VOTING—8

Armstrong	Durenberger	Hollings
Cohen	Glenn	Randolph
Dodd	Hart	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

The majority leader is recognized.

Mr. BAKER. Mr. President, if I could have the attention of Senators for a moment. Could we have order in the Senate, Mr. President?

Mr. President, there are 16 amendments that I am aware of that must be disposed of. It is now 2:15 in the afternoon and we have been on this bill almost 2 hours without a single amendment having been called up.

I apologize, Mr. President, for the necessity for this live quorum and the vote to instruct the Sergeant at Arms to compel the attendance of absent Senators, but if we do not get this done, if we do not get underway, we are going to be here for a long, long time.

I understand that the distinguished Senator from New Jersey, Senator BRADLEY, is prepared to offer his amendment. I would like now to actively solicit another Senator to follow him. I wonder if I have an offer.

All right, the distinguished Senator from Indiana, Senator QUAYLE, is ready to go next. If the manager is agreeable to that, I certainly am.

Mr. HATFIELD. Mr. President, we will have an amendment by Senator EXON and then Senator QUAYLE.

Mr. BAKER. Mr. President, I understand we have three amendments: Senator BRADLEY, Senator EXON, and Senator QUAYLE, in that order, which I find highly gratifying.

Mr. President, I will report to the Senate that I have now talked to the Speaker, who indicates that he stands ready to appoint conferees as soon as we finish this bill. I have told him that I think we can finish this bill tomorrow night. He is prepared to be in on Friday in order to appoint conferees.

I urge Senators to get on with the business of the Senate and to finish this bill sometime tomorrow so that we can appoint conferees on Thursday or no later than Friday.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. EXON. Mr. President, will the Senator yield?

Mr. BRADLEY. Mr. President, I ask unanimous consent that the Senator from Nebraska be allowed to proceed without my losing my right to the floor at the conclusion of his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I thank my friend from New Jersey.

Mr. President, the Senator from New Jersey and the Senator from Nebraska are attempting to cooperate with the request of the majority leader and the managers of the bill to move amendments ahead rapidly.

Mr. President, I am offering an amendment herewith and I send it to the desk. I ask for its consideration in the proper order.

Mr. President, the amendment which I will offer today requires no appropriation but merely clarifies the intent of the Congress regarding authority provided by public law to direct Federal preference power for several irrigation projects operated by Indian Tribes. This authority was included last year in Public Law 97-273. However, the Bureau of Reclamation has not interpreted that provision consistent with congressional intent.

My amendment would clarify that intent and allow several Indian Tribes to proceed with irrigation projects already either in the planning stages or constructed and waiting for a resolution to this problem. Although this amendment requires no appropriation at this time, it is a "job creator," as it will allow several tribes to move forward with irrigation plans. The high cost of electrical energy currently available at commercial rates lessens the self-development opportunities of these tribes. Federal preference power would make these irrigation projects economically feasible as near-term economic opportunities.

Of particular concern to this Senator is the Omaha Tribe's project in the Blackbird Bend area. This project received a special appropriation in the fiscal year 1982 Appropriations Act for Interior and Related Agencies in the amount of $864,000. This amount has funded the construction of irrigation works to serve 2,200 acres of farmland. The Bureau of Indian Affairs has indicated that this project would enhance the tribe's economic position and that irrigation is vital to the attainment of the land's productive potential, quadrupling crop yields.

Without Federal preference power, this investment cannot realize its potential as the Congress intended. With unemployment running nearly 60 percent on Indian reservations, I believe that this provision clarifying the Congress previous intent will assist these tribes in offsetting some of this high unemployment.

Mr. President, I would ask the Senate's concurrence in this matter as a small but important component of our efforts to address the Nation's unemployment problems.

Mr. President, I appreciate the fact that my friend from New Jersey has yielded to me.

I do not wish to intrude upon his time. I have given a copy of the amendment to the manager of the bill, the distinguished chairman of the Appropriations Committee, and the ranking Democrat. I suspect there is no objection to the amendment, but I would like to ask at this time if the amendment has been cleared by the staff of the Appropriations Committee and, if so, if we can take it up at this time.

Mr. HATFIELD. Mr. President, in response to the Senator from Nebraska, we do have a problem. It is not a fiscal or a monetary problem, but it is a problem that I think Senators JACKSON, GORTON, MCCLURE, and others of the Bonneville Power District, would want to look at.

Mr. EXON. Mr. President, I cannot hear the Senator from Oregon.

The PRESIDING OFFICER. Let us have order in the Senate. Please remove all conversations to the cloakrooms.

The Chair wishes to ask a question. Is the Senator from Nebraska trying to call up his amendment now?

Mr. EXON. I am trying to get instructions from the managers of the bill to see whether it should be called up now. If not, I will ask that it be called up at a later time.

Mr. HATFIELD. I thank the Senator.

The Senator from New Jersey may proceed.

UP AMENDMENT NO. 26

Mr. BRADLEY. Mr. President, I send an umprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment numbered 26.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

Since the Administration has propsoed over $300 million in rescissions in education programs in 1983;

Since the Administration has proposed a 15 percent reduction in real terms in elementary and secondary education programs and an 8 percent reduction in real terms in higher education programs in 1984;

Since the Administration has proposed a 10 percent reduction in 1984 in child nutrition programs by delaying cost of living adjustments in the school lunch program and consolidating other school feeding programs;

Since all education programs have been cut back significantly since 1981;

Since last year the Congress voted to override the President's veto to provide additional funds for high priority education programs; and

Since the Nation needs a more educated work force to meet the increasing job demands of the 1980's:

Declared, That it is the sense of the Senate that—

(1) the Congress opposes any further reductions in education programs, and

(2) the Congress should provide sufficient resources for education programs to ensure

that this Nation will continue in a leadership position in the world.

Mr. BRADLEY. Mr. President, today I am offering an amendment in the form of a sense-of-the-Senate amendment to bar any further cuts in education programs. The amendment is cosponsored by Senators PELL, KENNEDY, HATCH, MOYNIHAN, HOLLINGS, RANDOLPH, JACKSON, RIEGLE, BURDICK, EAGLETON, BIDEN, BENTSEN, LAUTENBERG, PERCY, and HEFLIN.

Mr. President, I hope that we can adopt this amendment to send a message to the President and to the Appropriations and Budget Committees that further cuts in education programs will not be tolerated.

In real terms, the President has proposed $2 billion in education cuts for fiscal year 1984. These amount to a 15-percent reduction in elementary and secondary education programs, a reduction of almost 10 percent in child nutrition programs in schools, and an 8-percent reduction in higher education programs. These programs have been cut back too deeply already. Further reductions are unconscionable.

Mr. President, in 1980, we spent over $7.2 billion for elementary and secondary education programs. The President proposes to spend only $6 billion in fiscal year 1984, and to freeze education spending at this lower level for the next 5 years.

Make no mistake about it. These proposals represent a clear and fundamental shift in Federal priorities, a shift that I cannot and will not support.

The schools in New Jersey and many other States are in a serious fiscal crisis. Reductions in Government assistance are hurting our capacity to adequately educate our youth. This is not the time to cut Federal vocational education funding by 40 percent, or to cut compensatory education programs by over $100 million, or to eliminate impact aid payments to hard-hit school district across the country, including 42 in New Jersey. These programs need additional support, not less. We need to develop new programs, funded adequately, to give students the skills they will need to meet increasing job demands in the future.

Mr. President, further cuts in child nutrition also are absolutely out of the question. The school lunch program was cut back by $1 billion in 1981. Nationally, this resulted in a reduction of over 3 million students in the program. In New Jersey alone, almost 100,000 fewer students are participating and about 120 schools have dropped out of the program already.

Finally, Mr. President, we all know that Federal aid for higher education is as good as any investment we can make to keep our leadership position in the world. In 1981, we provided nearly $7 billion in aid to higher education, primarily for student assistance programs. But since then, we have pared these programs to the bone and now there is a proposal that only $6.2 billion will be spent in 1984. We have seen 1 million students cut out of the guaranteed student loan program. In New Jersey, there has been a 35-percent drop in low volume. The Pell grant program has also been reduced sharply by several hundred thousand students and grant awards have been cut.

Enough is enough. These valuable programs should not be cut back any further.

Mr. President, for the past 2 years, I have offered amendments to the budget resolution to increase aid to education, and I will continue to press for increased funding for education. I believe the 98th Congress should significantly increase aid for present education programs and develop new ones to address the needs of our students and our schools. The first step in this process, and it is just a first step, is to reject the President's proposals to cut education programs and education funding. That is the purpose of this amendment, and we are offering it today. I urge my colleagues to join in support of this effort.

Mr. President, how much time remains?

The PRESIDING OFFICER. There is no time limitation.

Mr. BRADLEY. Mr. President, I am pleased to yield to the distinguished chairman of the Labor and Education Committee, Senator HATCH, who is also a cosponsor.

Mr. HATCH. I thank my colleague for yielding.

Mr. President, this particular amendment desires that the educational programs not be reduced below the present levels, is that correct?

Mr. BRADLEY. The Senator is correct.

Mr. HATCH. And especially the student aid programs. I certainly agree with this. I believe that in 1981 we made many discretionary cuts in our committee in response to a request by the President and this administration. I find it very difficult to make any further cuts at this particular time.

I commend the distinguished Senator from New Jersey for his leadership in this matter.

Mr. BRADLEY. I thank the Senator from Utah.

Mr. President, I ask unanimous consent that Senator SASSER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, the Senator from New Jersey (Mr. BRADLEY) has offered this amendment, with other cosponsors. We have reached an agreement on a slight modification of the wording of the amendment which I assume has been sent to the desk.

Mr. BRADLEY. The Senator is correct.

Mr. HATFIELD. Does it say it is the sense of the Senate or Congress?

Mr. BRADLEY. It is the sense of the Senate that Congress opposes any further reductions in education programs.

Mr. HATFIELD. That is correct.

Mr. President, there is no fiscal impact on this by accepting the Senator's amendment. I support the thrust of the amendment itself as well as the substance of it. Therefore, after checking on both sides of the aisle, we are ready to accept the amendment.

Mr. BRADLEY. Mr. President, will the Senator from Oregon yield?

Mr. HATFIELD. Yes; I yield.

Mr. BRADLEY. I would like to ask for the yeas and nays on the amendment so we may have a recorded vote.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. MOYNIHAN. Mr. President, I rise today in support of an amendment offered by my distinguished colleague from New Jersey, Senator BRADLEY. This amendment expresses the unequivocal sense of the Senate that there can be no further cuts in education programs supported by the Federal Government.

Time and again, I have stated my unflagging support for the Federal Government's role in education. Our colleges and universities derive a great portion of their income from Federal sources. Our elementary and secondary schools look to Washington as the source of support for dozens of programs. Millions of students, particularly at the college level, finance their own educations with the help of myriad Federal aid programs.

The Federal Government has a long history of involvement with education dating back to 1787 when the ordinance authorizing the sale of 2 million acres of the Northwest Territory to the Ohio Co. set aside two townships "for the support of a literary institution" that was to become Ohio University at Athens.

In recent years, I have had some small involvement in this complex evolution. In 1964, I helped negotiate the compromise that cleared the way for passage of the Elementary and Secondary Edcuation Act of 1965. As a member of the planning group for the war on poverty I participated in the development of the proposals that led to enactment of the college work-study program in 1964. And in 1970 I drafted the Presidential messages to Congress that proposed the National Institute of Education, the basic educational opportunity grants program and support for post-secondary educational reform that became the fund for improvement of post secondary education.

Now, we are faced with the President's proposed cuts in education programs. Already severely cut, these programs can stand no more, neither can our educational institutions, neither can our students.

President Reagan has proposed, in real terms, $2 billion in education cuts for fiscal year 1984. This includes a 15-percent reduction in elementary and secondary education programs, a reduction of almost 10 percent in child nutrition programs in schools, and an 8-percent reduction in higher education programs. For New York State this proposed budget reduction for fiscal year 1984 would translate into a loss of $68 million from the current fiscal year 1983 level.

To make these sorts of cuts is to consume our seed corn. Our Nation's prosperity and security depend on the education of our children. We can look forward to a bright future only if the Nation's educational system is kept strong, so that we may sufficiently teach and train our young people for the challenges awaiting their generation.

I hope that my colleagues will recognize the egregious error we would make should we institute the cuts in education that the President has proposed. I urge the Senate to pass this critically important amendment.●

● Mr. PELL. Mr. President, I am very pleased to join my distinguished colleague, the Senator from New Jersey (Mr. BRADLEY), in supporting the Senate resolution opposing additional cuts in Federal education programs.

While I am encouraged that the administration, in some areas, has abandoned its past efforts for deep and crippling cuts in a variety of Federal education programs, I remain steadfast in my opposition to any new cuts in existing programs for fiscal 1984.

For instance, since 1981, title I, which provides important education aid to children from economically disadvantaged families, has been cut by 10 percent and another 4 percent cut as advocated by the administration would be most harmful.

In the Pell grant program, which has been cut by 10 percent over the past 2 years, it makes little sense to completely overhaul that important grant program and also call for the complete elimination of supplemental grants, incentive grants, and direct loans.

For vocational education, which initially suffered cutbacks of about 16 percent, it would be foolhardy to cut that effort by an additional 20 percent and also block grant it with adult education. In fact, with unemployment still above 10 percent, it seems to me that we should be increasing, and not decreasing, programs like vocational education which have proved that they can provide the education and training that actually leads to jobs.

Finally, for a whole host of smaller but equally important programs—programs such as libraries, sea grant, and international education and foreign language studies—the administration would end Federal involvement altogether. This would have a devastating effect on some of our most worthwhile and effective education programs, and I would hope very much that we would not follow the administration's lead.

I commend my colleague from New Jersey for introducing this important resolution, and for calling our attention to the need to turn our efforts to building a better educational system instead of whittling it away. I hope my colleagues will join me in supporting it, for passage of this measure will send a strong signal not only to the White House but to millions of students, educators, and friends of education throughout our land.●

Mr. JOHNSTON. Mr. President, this amendment reflects the Democratic view on education measures. It is broadly supported on this side. We are willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Arizona (Mr. GOLDWATER), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. GLENN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from West Virginia (Mr. RANDOLPH), are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. HOLLINGS), the Senator from West Virginia (Mr. RANDOLPH), would each vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 82, nays 10—as follows:

[Rollcall Vote No. 13 Leg.]

YEAS—82

Abdnor	Danforth	Inouye
Andrews	DeConcini	Jackson
Baker	Dixon	Jepsen
Baucus	Dole	Johnston
Bentsen	Domenici	Kassebaum
Biden	Eagleton	Kasten
Bingaman	Exon	Kennedy
Boren	Ford	Lautenberg
Boschwitz	Garn	Laxalt
Bradley	Gorton	Leahy
Bumpers	Grassley	Levin
Burdick	Hatch	Long
Byrd	Hatfield	Lugar
Chafee	Hawkins	Mathias
Chiles	Hecht	Matsunaga
Cochran	Heflin	Mattingly
Cranston	Heinz	McClure
D'Amato	Huddleston	Melcher
Metzenbaum	Quayle	Stevens
Mitchell	Riegle	Thurmond
Moynihan	Roth	Trible
Murkowski	Rudman	Tsongas
Nunn	Sarbanes	Warner
Packwood	Sasser	Weicker
Pell	Simpson	Wilson
Percy	Specter	Zorinsky
Pressler	Stafford	
Pryor	Stennis	

NAYS—10

Armstrong	Humphrey	Tower
Denton	Nickles	Wallop
East	Proxmire	
Helms	Symms	

NOT VOTING—8

Cohen	Glenn	Hollings
Dodd	Goldwater	Randolph
Durenberger	Hart	

So the amendment (UP No. 26) was agreed to.

Mr. BRADLEY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

UP AMENDMENT NO. 27

Mr. HATCH. Mr. President, I am about to send to the desk an amendment that provides $5 million to enable community and migrant help centers to pay certified home health care agencies for home health care services.

I have long been an advocate for expanded home health care services, and I am pleased that the framers of this legislation have been mindful of the importance of home health care. Nevertheless, if enhancing the home health care services that are available to the needy is our goal, some of this money can be better spent. My amendment would delete $5 million of this money from the community health centers provisions, and devote it to funding the home health care provisions of Public Law 97-414, which is the Orphan Drug Act that President Reagan signed on January 4, 1983.

The Senate report on H.R. 1718 states that a primary reason for the $10 million appropriation is to allow the hiring of 1,000 home health care aides. As an employment measure, this is putting the cart before the horse, since home health care aides must be trained before they can be hired. The pressing need for improved training programs was a frequent topic of hearings that were conducted by the Labor and Human Resources Committee in the last year. The home health care amendments signed by the President on January 4 provide for a training program, and as yet this program has received no funding. My amendment would fund this training effort.

In addition, the home health care amendments are designed to provide loans and startup grants to establish home health care services where they

are not now available. Special consideration will be given to the needs of the individual States, to the needs of the elderly, medically indigent and disabled, and to areas where transportation is a problem. This program has received much time and effort, and I feel that it makes more sense to fund it than to toss home health money into the community health services program with no firm idea of how this money will be used or how much good it will do.

The legislation before us is meant to prepare people for jobs, to create jobs and to ease the problems of unemployment. The home health care amendments were designed to provide home health care, but in so doing, they are also designed to prepare people for jobs, to create jobs, and to ease the problems of unemployment. Therefore, I think it only fitting that funds devoted to home care that are included in the legislation before us, be devoted to the home health care initiatives that we have already enacted, and that are awaiting funding.

So, Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes an unprinted amendment numbered 27.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35 strike lines 4 through 12 and insert in lieu thereof the following:

To expand the availability of essential health care services for the disadvantaged and unemployed, including those in rural towns and villages, and additional $30,000,000 for "Health Services", Department of Health and Human Services, for carrying out title III and XIX of the Public Health Service Act with respect to community and migrant health centers: *Provided*, That $5,000,000 shall be for the home health care services at such centers and $5,000,000 shall be for carrying out Section 339 of the Public Health Service Act with respect to home health care services and training.

Mr. HATCH. Mr. President, I am very grateful to the managers of this bill for being willing to consider this amendment, because I think it does make an excellent change and will result in more employment and more training of people in what I consider to be one of the most important health care areas in this country.

I thank the members of the Appropriations Committee, particularly Senator WEICKER for his understanding in this matter. I understand that he may accept this amendment.

Mr. WEICKER. Mr. President, the amendment of the distinguished Senator from Utah is acceptable to the majority.

I know of the Senator's interest in this matter of home health care and training personnel adequate to meet the new requirements of the law, and I am delighted to join him in this endeavor.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (UP No. 27) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Indiana for allowing me to present my amendment.

I thank the distinguished Senator from Connecticut for helping me move the amendment.

UP AMENDMENT NO. 28

(Purpose: To waive matching requirements under title III of the Job Training Partnership Act relating to dislocated workers with respect to the appropriations made for that program)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. QUAYLE) for himself and Mr. METZENBAUM proposes unprinted amendment numbered 28.

On page 34, line 4, before the period insert a colon and the following: "*Provided*, That the requirements of section 304 of the Job Training Partnership Act shall not apply to the sums appropriated under this heading."

Mr. QUAYLE. Mr. President, before I comment about the specifics of the amendment before the Senate I first commend the chairman of the Appropriations Committee, Senator HATFIELD, and all members of the Appropriations Committee, including the distinguished chairman of the Subcommittee on Labor and Human Resources, Senator WEICKER, who have really moved in a positive direction as compared to the House bill in the jobs legislation before us.

The bill is a vast improvement, and I certainly enjoyed my opportunity to have input with the Senators of the committee.

I thank and commend the staff of the Appropriations Committee who were willing to work with us as we try to have a significant amount of change in the direction that this emergency jobs bill is going to take.

It is an emergency expenditure to meet national needs and if we are going to have an emergency jobs bill it should go to those areas where we have high unemployment, it should go to those areas that have long-term unemployed and, furthermore, it should be accelerated and we should have the spend out within the next 12 to 14 months. I do not believe that we are going to have an emergency jobs legislation where we would have spend out beyond. Yet even in the good direction that the Senate bill went still about one-third of the bill is for programs in which 50 percent or more of the outlays would be in fiscal years 1985 to 1987. I certainly do not believe that such programs have any relationship to emergency programs to combat the current high unemployment.

I realize there is all of a sudden a time constraint we are under. We have to get this passed. I am certainly not going to stand in the way.

There has been hard work by the committee. There will be hard work by the Senate to try to get this forward, but it does make it very difficult on Senators who want to see an improvement to try to get the CBO to spend out to see exactly what kind of changes we would like to make but be that as it may. This is the way things happen in all due respect and I do reiterate the strong good working relationship that we had with the chairman of the committee and his staff who just did an outstanding job and certainly did go in a direction of great improvement over the House bill, which was really just politics as usual, just try to put enough pork in for the district to go home to the folks and say we are now spending enough to get reelected and perhaps save jobs in the 1984 election, not jobs of the people that we represent, but jobs for the people in Congress. That has been said and I think there is a little bit of merit to that.

Mr. President, the amendment that is before the Senate deals with the Jobs Training Partnership Act that was passed last year. As you know, in the House bill the proposed supplemental appropriation was $75 million; in the Senate Appropriations Committee it is $125 million. Under section 304 of the Jobs Training Partnership Act it requires the State to match Federal funds with equal amount of non-Federal funds.

Now, we had the requirement of a match that has been adjusted down-

ward for the States for very high unemployment rates.

This amendment is cosponsored by the chairman of the committee, Senator HATCH, the ranking member on the Employment Subcommittee. Senator METZENBAUM, the distinguished Senator from Florida, Senator HAWKINS, Senator PELL, Senator RIEGLE, Senator KENNEDY, all members of the Subcommittee on Employment and Productivity. We have had 4 days of hearings on this jobs legislation or jobs bill that would be coming before the Senate. We will be having more hearings on the so-called phase 2 aspect of the jobs program and this is certainly phase 1 but it has the strong support of the subcommittee of jurisdiction and we have put a great amount to time into this and we believe that it would be proper to forgive that matching funds requirement for fiscal year 1983.

I point out that there will not be any additional cost since we are really just forgiving matching funds. It will simply be a requirement that the States will not have to come up with that and, therefore, they will not have to go through their general assemblies in the short term to come up with the money. Many States are in financial straitjackets. They do not have the adequate financing to come up with this program.

If we are going to get on with the dislocated worker program we must adopt this amendment. We must move forward on the structurally unemployed, not only the disadvantaged but really the new category of the structurally unemployed and that being the dislocated worker. This dislocated worker as defined in the Jobs Training Partnership Act is someone who has no real chance of going back to that place of employment.

So, Mr. President, I ask that the Senate join with me in accepting this amendment. We have worked it out I believe with the chairman of the Appropriation Committee and the chairman of the Labor and Human Resources Committee. I believe that we will find it will be acceptable.

I thank the Senator from Connecticut for his continued interest in this issue. He has a very distinct viewpoint on all this legislation, not only serving on the Labor and Human Resources Committee, but also being now chairman of the Appropriations Subcommittee which seems to do a lot of work these days, whether it is emergency jobs legislation or the continuing resolution. So we will be looking to him, to the distinguished Senator from Connecticut for a great deal of leadership and input on how we might better get our programs through that many of us have found that sometimes it is difficult to do.

I also thank the chairman of the committee who has been a strong supporter all along for training and retraining opportunities. His input in last year's bill was invaluable in forming the consensus that was necessary to see the bill not only pass but be signed by the President.

I thank my ranking member, Senator METZENBAUM, from the State of Ohio, who has an intense interest in these programs, intense knowledge and background on what to do with the dislocated worker and his contribution is very important not only to the subcommittee but to the Senate as well.

So this will not be the end, Mr. President. This will really be only the beginning, and I hope the spirit of the job-training partnership actually emphasizes partnership, and we continue to work in this context for the dislocated workers in this country and try to move in the direction of the training and retraining emphasis. I quite frankly believe that this is by far—maybe not by far—but is of a higher priority perhaps than the actual emergency jobs legislation we are considering today.

The long-term unemployed are a problem that this Nation is going to have to face. I certainly do not want to dismiss the importance of the short-term and the cyclically unemployed, but if you really want to grapple with the long-term problem you have to look at the tragedy of these people being dislocated from their jobs and who have no chance to go back. These are not 21- and 22-year-old people. These are people in their midlife. They have wives, they have husbands and families, and they have got obligations on homes and cars, and so forth, and they really are being dislocated.

Unfortunately, there is going to have to be some career determination made on which way they are going to go. This is the first effort, and to get this program off to a good start I believe we should in this emergency basis forgive the matching fund requirement, which will not be any additional cost to the Federal Treasury, and certainly will expedite the implementation of the dislocated worker program, which is a Governors' orientation program, which will go to selected areas of this Nation.

So, Mr. President, I urge the adoption of this amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I do not wish to speak at length on this amendment. I think the Senator from Indiana has done an excellent job in presenting this amendment, and I hope the Senate will see fit, and see its way clear, to accept this amendment without the necessity of a rollcall vote.

Mr. WEICKER. Mr. President, the committee has no objection to this amendment. Indeed, the remarks made by the distinguished Senator from Indiana very well describe the amendment and the situation and a portion of the remedy for what obviously would not slow down the intent of this legislation in terms of providing jobs for those out of work.

So with that in mind I suggest if the distinguished Senator from Indiana would like to move the amendment—has it been moved?

The PRESIDING OFFICER. It has been moved.

If there is no further debate, the question is on agreeing to the amendment of the Senator from Indiana.

The amendment (UP No. 28) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 29

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana (Mr. QUAYLE) proposes an unprinted amendment numbered 29.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 53, line 24 insert period after the word "Act" and delete the remainder of the sentence.

Page 54, after line 5 insert the following: "(f) every employer hiring individuals for jobs paid for with funds made available under this title shall give priority in hiring for 75 per centum of such jobs to individuals who have been unemployed for at least 15 of the 26 weeks preceding the date of hire. Any employer who cannot find a sufficient number of qualified unemployed individuals to meet the priority established by the preceding sentence shall report such inability to the local office of the United States Employment Service which shall assist him in meeting that priority."

Mr. QUAYLE. Mr. President, this amendment is an amendment that favors the targeting to the long-term unemployed in this country.

As I pointed out in my brief remarks, the Labor Subcommittee on Employment and Productivity, which I happen to have the privilege of chairing, conducted hearings last month, and I would like to report a little bit on those hearings and report the support that we have for an amendment of this type.

In the hearings we had, the National League of Cities, the Conference of

Mayors, the Committee for Economic Development, and NACO, among others, supported the targeting of assistance for any countercyclical job creation measure to help those unemployed the longest first.

That is certainly somewhat of a bipartisan support. Not all times are these groups together. As a matter of fact, in the last year's debate on the Job Training Partnership Act, that was one of the more difficult things; we were trying to get these groups on a consensus on what the service delivery area would look like, and who would make the adjudication and who would serve on the private industrial council. so these groups are not always together, but they certainly are together on this particular issue, and that is if we are going to have an emergency jobs bill, if we are going to have a countercyclical measure that is going to help out in the short term the unemployed, well, obviously we ought to focus in on those who have been unemployed the longest.

They are the ones who have endured the human tragedy of unemployment more than anybody else. They are the ones who have sacrificed more than anybody else. They are the ones who need help and assistance more than anybody else. They are the type of people, in the category of people, who when an employer who is going to be employing people under this emergency bill is looking for people to employ, these are the people he ought to look for, and the only thing we are trying to do is to make sure that in the hiring of individuals for jobs that are going to be paid for by these funds that we look and try to give high priority toward the long-term unemployed.

I would just like to read to you the essence of the amendment and describe its background and how it goes along with what the committee put into the bill.

Under this amendment what we are saying is that under this title there shall be given a priority in hiring for 75 percent of such jobs to individuals who have been unemployed for at least 15 of the 26 weeks preceding the date of hire.

We say that any employer who cannot find a sufficient number of qualified unemployed individuals to meet the priority established by that requirement shall simply report this inability to the local office of the U.S. Employment Service and they shall try to help him to achieve that priority.

So what we are doing, Mr. President, is simply trying to put emphasis on the long-term unemployed. These are the people whom we ought to be attracting, trying to have this bill go toward the committee bill itself which says, and I read:

That the expenditure of such funds should be expended in a manner which maximizes immediate creation of new employment opportunities for individuals who were unemployed at least 15 to 26 weeks immediately preceding the enactment of this legislation.

Mr. President, what we are attempting to do is to strengthen that language. I believe that that language is very, very important. This should not be perceived nor do I have any anticipation that it will be as a way to impede the implementation of these programs. As a matter of fact, some of the criticism I have is that some of the programs that are in the jobs bill really do not spend out until 1986, 1987, and even beyond that. So the Senator from Indiana in no way wants to inhibit the actual implementation of trying to get these jobs and to get the spendout as soon as possible.

I do not believe that this will create any administrative burden for the State and local governments or the contractors. The gist simply says that if they cannot come up with the 75 percent then, in fact, they ought to give notification that they are unable to do so. It will certainly be an incentive, it will certainly be language that all will understand, and it will certainly put the Senate on record that one of the priorities we ought to have, and in accordance with the testimony before the Employment and Productivity Subcommittee, that, in fact, the long-term unemployed—and as the bill defines them today, between 15 and 26 weeks—that those individuals ought to have our priority, and the only way to make sure that they have priority is to simply try to strengthen the language that has already been put in, which I said is certainly a great improvement and goes in the direction of what we are trying to do.

I understand that the committee is going to accept this language. I am grateful for that. I again just want to thank the chairman, who has now arrived on the floor, for his excellent method of dealing with other Senators and for the outstanding manner in which not only he but his staff have conducted themselves in a very difficult situation. I know what the difficulty is. He is always under the gun when appropriations bills come. He always has lived up to his decency and type of attitude that reflect the best of us in this Chamber.

I thank the Senator for his counsel on this amendment and others and ask for its adoption.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I thank the Senator from Indiana for his very kind and flattering remarks. I am happy to accept the amendment. After those kind remarks, I could not do otherwise.

To be more serious about the matter for a moment, I would like to say that this does certainly follow in line with the consistent battle of the Senator from Indiana in the area of dealing with the unemployment problems in this country, both in the short term and in the long term. Even though this amendment does have more emphasis for the long term, perhaps it is still one of those matters which we must address.

I am grateful for the leadership demonstrated both in this instance and others to which the Senator from Indiana has given yeoman's service.

From the standpoint of accepting the amendment, we are ready to accept it on this side of the aisle.

Mr. JACKSON. Mr. President, I have checked on this side of the aisle, and there is no objection to the amendment. I commend the Senator from Indiana for offering it. I think it is very helpful.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Indiana (Mr. QUAYLE).

The amendment (UP No. 29) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ABDNOR addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

UP AMENDMENT NO. 30

(Subsequently numbered amendment No. 493.)

(Purpose: To modify the provisions relating to targeting of funds)

Mr. ABDNOR. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Dakota (Mr. ABDNOR), for himself, Mr. DECONCINI, Mr. DOMENICI, Mr. D'AMATO, Mr. MOYNIHAN, Mr. HUMPHREY, Mr. BINGAMAN, Mr. PRESSLER, and Mr. NICKLES, proposes an unprinted amendment numbered 30.

Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

On page 50, line 6 after the comma insert the following: "and subject to the provisions of subsection (d),".

On page 50, line 10, strike out "One-third" and insert in lieu thereof "One-half"

On page 50, strike out lines 15 through 22.

On page 50, line 23, strike out "(C) One-third" and insert in lieu thereof "(B) One-half".

On page 52, line 1 after the comma insert the following: "and subject to the provisions of subsection (d),".

On page 52, lines 6 and 7, strike out "determined in accordance with subsection (a)" and insert in lieu thereof "as defined in paragraph 4(C) of subsection (a)".

On page 52, line 8, after the comma insert the following: "and subject to the provisions of subsection (d),".

Mr. ABDNOR. Mr. President, in opening the debate on this measure, the distinguished chairman of the Appropriations Committee raised two very important issues which are key. First, do we target assistance under the bill and, second, if so, how should it be done?

Mr. President, I agree with the general thrust of the chairman's comments, but I cannot agree with the means provided in the bill. The targeting provisions in the committee bill simply are not fair.

Using unemployment as an allocation weighting factor in the manner provided in the committee bill is not as fair as it may seem. No economic rationale can defend this obvious attempt to favor certain urban areas of the United States. A single labor statistic certainly should not be given the prominence that this one is given.

If the Congress were truly interested in the well-being of our entire labor force, such a narrow perspective would not be tolerated. The unemployment rate measures the percentage of the labor force that is out of work and actively seeking it. This figure does not measure underemployment and disenchantment which are very serious labor problems in rural areas where opportunities are limited.

An objective and fair identification of labor dislocation and distress would identify not only unemployment, but also underemployment and disenchantment or the exit of persons from the labor force and the standard of living achieved by workers. These four factors should measure broadly the economic well-being of workers

Conditions facing South Dakota are very representative of the rural labor situation. Agriculture is the major industry, and the demand for labor has undergone considerable change in recent years. Technological information has decreased the need for labor input, and many farmers have been displaced. Regrettably, many farmers who moved to towns in South Dakota found little or no opportunity there. As a result, massive outmigration occurred in the late 1930's, 1940's, 1950's, and 1960's.

The South Dakota economy is heavily dependent on small business, family enterprises, and proprietorships. So long as a business remains open, its owner cannot qualify for unemployment compensation even though the owner's labor is underutilized. Reduced profitability of the operation shows that labor is not earning up to its potential.

Small businesses have a tendency to reduce hours of all employees rather than to extend layoffs to a portion of the workers. This may keep workers off the unemployment roster but it does so at the expense of their standard of living. A decline in purchasing power is a disadvantage to both those directly affected and the overall economy as well. Reductions in purchasing power are indicative of lower standards of living for rural residents.

Compounding this problem is the underestimation of the value of labor. Because the demand for rural labor is low, wages tend to be low as well. This fact is troubling because the rural labor force tends to be highly productive, trainable and dependable. As a matter of fact, South Dakota is ranked 14th among all States in business climate, according to a recent study conducted by a Chicago accounting firm. The upper Midwest is also cited as an excellent location for new technological firms.

Limited opportunity has the unfortunate effect of giving laid-off workers a sense of hopelessness. In January of this year, 10,000 individuals, over 3 percent of South Dakota's labor force, gave up looking for employment. I am sure no other State can make that statement. This waste of talent weakens the very foundations of our economy.

South Dakota boasts the residency of about 45,000 native Americans. Their cultural and their social offerings make our heritage rich. However, the economic conditions and the opportunities facing these people are poor. Because underemployment and disenchantment run so high, their unique labor problems are difficult to address. The disparity between their situation and labor problems of urban areas is widened even further when legislators and policymakers place emphasis on unemployment statistics which do not give the full picture.

Per capita income measures are good overall indicators of the standard of living and the economic well-being of the labor force. Both employed and unemployed persons are included in the population bases of this figure. It is most unusual, I think, that 9 of the 15 States qualifying for tier 2 funding have a higher per capita income than South Dakota.

Now, had my State not benefited from a very strong economy in 1981, 14 of the 15 States would have possessed per capita incomes higher than South Dakota. Indeed, 3 of the 15 States, believe it or not, have a per capita income that is higher than the national average.

States with high unemployment do not necessarily have low incomes. For example, the per capita income in Michigan was 22 percent higher than South Dakota's in 1981, even though the Michigan unemployment rate was nearly 2½ times greater than my State. Every American worker deserves the opportunity of meaningful employment. The heartbreak of joblessness must be replaced with the satisfaction of being a productive part of the economy.

I urge my colleagues to embrace the problems facing not only the chronically unemployed but also the disenchanted and the underemployed as well. I think we should give a fair chance for them to become gainfully employed by giving them fair treatment in this legislation.

Now the amendment that I am offering with the cosponsorship of Senator DECONCINI, Senator D'AMATO, Senator MOYNIHAN, and Senator DOMENICI, recognizes that to target one-third of the $3.2 billion appropriated for 15 major program areas only to the handful of States which have had an unemployment rate exceeding the national average during each month of 1982 seriously, and irrationally discriminates against those States which for any number of reasons do not meet this criterion.

As the bill now stands, a State which barely exceeds the national unemployment rate is entitled to millions of extra dollars, while a State which is barely shy of the national average receives none of this so-called tier 2 money. This type of ratchet effect simply makes no sense.

Even worse, States suffering from chronic unemployment but which experienced a temporary surge in employment during 1982 which might have brought them below the national unemployment rate, even for only 1 month, will find their entitlement to tier 2 money wiped out. States which suffer seasonal fluctuations in job openings will be especially hurt under this scheme.

Furthermore, States with substantial areas experiencing severe economic distress where unemployment rates are extremely high would receive none of this tier 2 money as the bill now stands if the State as a whole did not exceed the national unemployment rate for each and every month of 1982.

The amendment which I am here proposing simply allocates one-half of these same funds in direct proportion to a given State's per capita unemployment, and distributes the other half by authority of existing law. This would eliminate the irrational "ratchet effect" of millions and millions of dollars hinging on a tenth of 1 percent fluctuation in a State's unemployment rate, or monthly or seasonal fluctuations in job openings.

At the same time, this amendment will retain the crucial element of targeting funds to the most economically distressed areas. Let there be no mis-

take about it, this is how it should be. This is a "jobs bill." If there is to be such a bill, I am committed to getting this money where it will do the most good. What I object to in the bill as it currently reads is that it irrationally prevents numerous States, many of which are suffering the most severe economic woes of the Nation, from receiving their fair share of this package and putting their residents back to work.

I am also concerned that to distribute only one-third of these funds in accordance with existing authority threatens to seriously disrupt priorities which have been carefully studied and established. To allocate two-thirds of the funds for 15 major program areas without regard to these priorities seems almost irresponsible. The amendment proposed here provides that one-half of the funds for these program areas will be allocated in accordance with these priorities.

This bill, even if this amendment is adopted, discriminates against rural States whose economic ills are generally not reflected in the Government's unemployment statistics. However, this effect will be reduced as rural States will not be entirely excluded from their share of more than $1 billion of these funds solely on the basis that they have not attained an arbitrary rate of unemployment.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I rise today as a cosponsor and strong supporter of Senator ABDNOR's amendment. This amendment meets the criteria required by the distinguished chairman of the Appropriations Committee. It is fair, it is simple, and it does not dilute the intent of targeting. Indeed, the amendment offered by the distinguished Senator from South Dakota is fairer to the long-term unemployed in a majority of our States than the targeting amendment reported by the Appropriations Committee.

The problem with the Appropriations Committee amendment is dealing with tier 2. Tier 2 only targets relief to 15 States, Mr. President, and, unfortunately, this targeting excludes 35 of our States from a share of one-third of the moneys slated for 15 very important programs.

I venture to say that all or most of the 35 States have large numbers in populous areas for which it is possible to target immediately a full and fair share. We give 50 percent of the targeted funds to States according to their unemployed percentages of December 1982 as the amendment proposes. All States will be able to use the money to aid their hardest hit localities. I assure you that a State like New York, which has a 7.1-percent long-term unemployment in this country, will have no problem at all targeting the extra money which this amendment will provide to our poorest, hardest hit counties.

Mr. President, I submit that a formula that would exclude all of New England, New York, New Jersey, California, Minnesota, and 25 other States is simply not fair. It is not equitable and it is not in the national interest. I understand the need to define long-term unemployed. I would submit to you that this was a rather simplistic attempt to deal with a very comprehensive problem that is pervasive and that does not exist just in 15 States.

In my State of New York, we have an area in western New York, the Buffalo-Niagara region, where there exists approximately 2 million citizens. That is a larger population than a good number of our States have in totality. That area has well over a 15-percent unemployment figure, and it has had this by any definition for many, many months, far longer than 1 year, far longer than the national average.

This formula does not take that situation into account.

It is simply not enough to say that New York will receive $61 million under tier 1 of this formula and that it then can use these moneys and apportion them to that severely depressed area in New York.

And there are many other States that fall in that same category.

Mr. President, I would hope that Senator ABDNOR's amendment will be adopted so that we can apportion these moneys fairly and equitably. If there can be derived a better method of identifying those areas that can make out a case for extra funds for targeting, it should be done on a regional basis, not on a statewide basis, by using the surplus areas that are in force, that are in effect, and that will not impede the flow of moneys and that will not create additional delays in seeing to it that our unemployed get the kinds of relief we are attempting to give to them.

So, Mr. President, I strongly support Senator ABDNOR's amendment.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. D'AMATO. Yes.

Mr. HATFIELD. Am I correct that the Senator voted for this in committee?

Mr. D'AMATO. Yes; and I also indicated to the distinguished chairman at the time that either in the conference or on the floor I thought there would be a more equitable manner in the distribution of these funds, but that it would be inappropriate to attempt to deal with the jobs bill as we had such a short period of time. I would hope that the chairman would recall that conversation.

Mr. HATFIELD. Will the Senator yield for another question?

Mr. D'AMATO. Yes.

Mr. HATFIELD. Is the Senator serious that targeting the program in tier 2 is the heart of the program, actually? If you eliminate tier 2 you have, in effect, eliminated targeting in this proposal now pending.

Do I understand that the Senator has a substitute or is the Senator opposed to targeting?

Mr. D'AMATO. No; but this kind of targeting which excludes 35 States——

Mr. HATFIELD. Let me ask, then, does the Senator have a substitute?

Mr. D'AMATO. I have in mind a substitute that could be drafted.

Mr. HATFIELD. Does the Senator have a substitute? We are in the final process of drafting this bill and I am only interested in knowing, if the Senator wishes to abolish targeting, if he has a substitute for targeting.

Mr. D'AMATO. I am working on a substitute, Mr. President, that would identify labor-surplus areas.

Mr. HATFIELD. Will the Senator yield for another question?

Mr. D'AMATO. However, to answer the question of the chairman fully, I would propose that no target is better than this particular target.

Mr. HATFIELD. Will the Senator yield for another question?

Mr. D'AMATO. Certainly.

Mr. HATFIELD. Does the Senator himself consider this plan for targeting an urban bailout?

Mr. D'AMATO. I do not consider it an urban or suburban bailout. What I do consider it, what it does is tamper with the true definition of long-term unemployed as established by the labor-surplus formula on October 13, 1982. If the Senator would look at it, he would see that there is a vast distortion of the formula used for identifying long-term unemployed in this bill as opposed to that which we have been following heretofore. We exclude States. If the State has had high unemployment for 1 out of 12 months, it does not qualify. If it has had high unemployment for 10 out of 12 months, it does not qualify; for 9 out of 10 months, it does not qualify.

Mr. HATFIELD. Will the Senator yield for a question? How many months in 1982 did the State of New York have above-average unemployment?

Mr. D'AMATO. That does not matter, even if it had only 1 month. I am not arguing for New York, I am arguing for equity.

Mr. HATFIELD. Mr. President, I asked the Senator how many months was the State of New York above the average in unemployment in 1982?

Mr. D'AMATO. I believe we had 6 or 7 months that were above the average. Again, I suggest that if we were to use the labor-surplus formula that each State has, it would be far more equitable than this formula because, as I have said before, when I have 2 mil-

lion people in western New York who have more than 50-percent unemployment, this bill does not take that into consideration.

Mr. HATFIELD. Mr. President, I think the Senator from New York would want the record to be accurate. The State of New York had no months in 1982 above the national average of unemployment.

(Mr. WILSON assumed the chair.)

Mr. HATFIELD. Mr. President, I wish to comment that I think it is very interesting that two of the major cosponsors of the amendment to excise the targeting provision of this bill—one is from New York State, one is from South Dakota—the chief sponsor of the amendment, the Senator from South Dakota, says that this is simply an urban bailout. The other sponsor of the bill says it is not an urban bailout, although he does not like the targeting formula.

Let us make the record clear on this as to whether this is an urban bailout. The 15 States that are eligible under the targeting proviso of this bill—Alabama, Illinois—that I think you might call an urban State, of course; Indiana, Kentucky, Louisiana, Michigan would be an urban State; Mississippi, Ohio would be an urban State; Oregon, Pennsylvania, an urban State; South Carolina, Tennessee, Washington, West Virginia; Wisconsin would be called an urban State.

I see only 5 out of 15 States that are eligible under this special-targeting proviso as being truly urban States. So I do not think one could accurately say that this was in effect a bailout of urban States. What it is attempting to do is meet the particular uniqueness of those States that have had long-term unemployment, intensive unemployment.

Mr. President, I ask the Senator from South Dakota if he will yield for a question.

Mr. ABDNOR. Yes.

Mr. HATFIELD. How much does the Senator feel that his State—first, how much money does the Senator receive from tier 1 in the present bill?

Mr. ABDNOR. $1,917,225.

Mr. HATFIELD. Would the Senator then indicate, if we eliminated tier 2, as he is proposing in this amendment, how many dollars would the Senator's State, South Dakota, receive then?

Mr. ABDNOR. I must admit in this outline, there is a blank in this. This is certainly an oversight, I am sure, because it amounts to about half again as much. It would be half of tier 2. I am sorry it got deleted.

No; it is not deleted. It would be $1 million—in this case, I think I would have to disagree. It would be half again as much.

One-third that is being placed under tier 2, one-half of that amount will be transferred to tier 1, and one-half of it to tier 3.

Mr. HATFIELD. What would the Senator propose in lieu of tier 2?

Mr. ABDNOR. As I said, Mr. President, I do not recall saying it was a bailout for anybody, if I may say so to the Senator from Oregon. But I am saying it is unfair. That is a pretty strong statement, I will not argue, but I say it because I think it is unfair. In tier 1, you are taking all of the unemployment of the Nation, each State's unemployment, as a factor of the overall unemployment. We think this is fair.

As I said, we just do not feel that unemployment itself as the sole factor is enough of a basis to distribute this money because it does not truly reflect the situation altogether in many States as it exists. We just think this would be fairer overall.

Mr. HATFIELD. Would the Senator then indicate to me what his rate of unemployment was in South Dakota in ratio to the national average?

Mr. ABDNOR. It recently went up to a little over 7 or 7.5 percent.

Mr. HATFIELD. No; Mr. President, the ratio to the national average.

Mr. ABDNOR. It would be about 70 percent of the national average, I suppose.

Mr. HATFIELD. Two-tenths of 1 percent per capita.

Mr. ABDNOR. I suppose, yes.

Mr. HATFIELD. So the Senator from that standpoint—I would like to know how he feels that by abolishing tier 2, the Senator is going to benefit that much more for his State.

Mr. ABDNOR. I admit 1.9 million does not look like much when you see what goes to the other States, but to a small State like South Dakota, it is a lot. Then you put half as much over there—that is the problem. If you are small, you get overlooked very easily. You get overlooked on the fact that you do have poverty.

I just did point out to this body that 3 States in this 15, if you talk about per capita income, 3 States are making more than the average per capita income in this Nation. I just pointed out that a number on this list are getting considerably more than South Dakota. Does not per capita income mean something?

Mr. HATFIELD. Mr. President, am I to understand that the Senator is opposed to targeting, then? Is that it?

Mr. ABDNOR. No, Mr. President. I am just doing a fairer job of targeting.

Mr. HATFIELD. What is the object of removing tier 2 as the Senator is offering?

Mr. ABDNOR. We are going back into tier 1, which is truly unemployed.

Mr. HATFIELD. That is not targeted.

Mr. ABDNOR. We leave the targets set up in this—we have not changed the targeting that is done in here other than the tier. We still leave the provisions of subsection A, would knock out the B and C, as the case may be, and the second shall apply to funds appropriated or otherwise made available under these titles to these various provisions.

They are still the same. The only thing we have clarified is where the money shall go. I think that is targeting. I am just saying this is a fairer distribution than if you added it under tier 2.

There are States that had 1 month—they fell off whatever the number is to qualify; 1 month out of 12 and they cannot qualify. They get nothing under that one-third of the total dollars.

My State is not in that position, I agree. But that does exist. There are States, I think—one that I know of—that fail by 1 month coming under this list of 15 States. So they should not get anything. One-third of the dollars we are appropriating to help unemployment.

There are other States, in certain combine seasons out in my way, which give everybody a job.

Mr. HATFIELD. Mr. President, I thank the Senator from South Dakota for answering my question.

Mr. HEINZ. Will the Senator from Oregon yield?

Mr. HATFIELD. I shall be happy to yield in one moment.

I think the real key to this whole proposal is this: Others in the colloquy we have had thus far want to excise the targeting proviso, but we do not have any substitute. We have heard, "Oh, I am in the process"——

Mr. D'AMATO. Will the Senator yield?

Mr. HATFIELD. I am not yielding the floor.

I hear, "We are in the process of drafting something" or "We are thinking about something," or "We like the idea of targeting, but we do not have anything to offer." That is the simple bottom line, Mr. President.

I must say I do not think there is perfection in this proposal. But let me say we have gone over not just a few hours on the floor. We have gone over weeks of working with the Senator from Indiana and other people who have been proposing targeting from way back and out of staff-to-staff work and much effort in the committee and a vote of 20 to 6 in the committee in support of this, we have been brought to the realization that if you are going to have a simple, administratively feasible, target program, this is the best.

If you are going to have a targeting program that is equitable throughout, this is the best. If you are going to have a targeting program that beads in on the high unemployment, long unemployment areas, this is the best.

Now, there may be something else that we have not thought of, and I am always willing to consider any idea

that is an improvement, but I cannot buy a pig in a poke. I cannot say excise this and rely upon us to somehow dream up some new idea or wait until next week. We have to meet a deadline of next Monday night. We cannot wait now to go into a drafting process if there is no idea that has been reduced to paper, and that is the simple bottom line of this whole proviso.

Mr D'AMATO. Will the Senator yield?

Mr. HATFIELD. The Senate is going to vote up-or-down on this as a targeting principle or we are going to reject it as a targeting principle, because I think we have a right, those of us who have worked hard and long in bringing about a targeting principle, to ask for an alternative.

Mr. HEINZ. Will the Senator yield?

Mr. HATFIELD. I am happy to yield to the Senator from Pennsylvania.

Mr. HEINZ. I thank my colleague for yielding.

Mr. President, I rise in opposition to the amendments. I want to compliment my colleague (Mr. HATFIELD) for his very accurate remarks.

I am a little at a loss to explain to my people back home how a body that is supposed to be as deliberative and thoughtful as the U.S. Senate might seriously entertain the notion of eliminating what I believe to be the heart of the targeting for this jobs legislation. It is not as if, Mr. President, 100 percent of the funds are being targeted to States that have the largest numbers of long-term unemployed. Two-thirds of the money is going to States based on the relative number of unemployed individuals and on the basis of the programs involved. So we are talking about, it seems to me, a fairly modest amount of targeting. Only one-third of that amount is being targeted on the basis of long-term unemployment.

Now, on its face, I think that would sound pretty reasonable to most people; that we ought to really target to the most in need. We have, as I say, a very difficult time explaining to people I think in any State why that does not make sense. But I want to take a moment of my colleagues' time to describe the difference between unemployment and long-term unemployment.

At any point in recent history there have been 5 million, 6 million, 7 million Americans unemployed. We have not rushed in with a lot of jobs bills for those levels of unemployment—5, 6, 7, 8 percent unemployment even—for the reason that a good deal of that unemployment, not all by any means, represents transitory unemployment, people coming into the unemployment statistics and leaving them, usually within less than a 2- or 3-month period.

I come from a State where parts of it have been experiencing this recession for a very long time. When you have a steel mill close down—and I know that that happens in every State; it just happens we have a lot more of them in Pennsylvania—as many did, as much as a year-and-a-half ago, you have an auto plant close down 2 years ago, what happens? Well, everybody goes onto unemployment compensation, and that lasts, on State programs, for usually about 26 weeks. Then if your State is triggered to go onto extended unemployment compensation, it is usually 13 weeks. Then maybe you have been brought into the Federal supplemental payments program. That will run you maybe as much as 55 weeks, but it could be a good deal less than that. Then what happens? You are thrown upon the savings, if you have any, that have been eroded by inflation. They go to paying off your food bills and your medical bills, because you do not have your health insurance policy; it ran out many months before. If your child gets a bad case of asthma or the flu and has to go to the hospital emergency room, you pay for it. It is not picked up by some first-dollar health insurance policy.

Then the bank comes knocking at the door for the monthly mortgage payment, and you cannot meet it. You have to take your child's piggy bank, which only has a few dollars in it, maybe $15 or $20, and you have to smash it just to pay for your food.

Those are the fortunate ones. Right now there are people who have worked hard all their lives who do not have a thing, who do not have a roof over their heads, who go down to the Salvation Army in almost any area, here in Washington, Pittsburgh, and St. Louis. You will find very nice young people with a couple of very nice children, and when they run out of the 60 days of shelter that the Salvation Army may provide, they are going to have no place to go. They will have no place to prepare and serve surplus commodities.

They do not want the food so much. They do not want the shelter so much. What they want, Mr. President, is a job. That is what they want. Those are the long-term unemployed. Those are the people we are trying to target one-third of this money toward.

Mr. President, there are long-term unemployed——

Mr. DECONCINI. Will the Senator yield for a question?

Mr. HEINZ. Excuse me. In a minute.

There are long-term unemployed in everybody's State. I know that. I know there are long-term unemployed in the State of my good friend from New York and the State of my good friend from South Dakota. We have to recognize, while there is no such thing as a targeting formula that is going to make everybody happy, there is going to be cut-off levels. There is going to be drop-off levels at some point. We do not know how to draft legislation that does not have a level.

We need targeting in this bill. I am not opposed to a better method of targeting. I would be very willing to seriously consider an alternative to this. However, Mr. President, I do not think that the way to address the problem of the long-term unemployed and their really desperate needs is simply to cut them out of this bill.

Mr. DECONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise in support of the amendment offered by the Senator from South Dakota and the Senator from New Mexico. I also want to compliment the Senator from Pennsylvania for pointing out the necessity to be involved with more consideration, I think it is fair to summarize, for those who have been hard hit and have been long-term unemployed.

I point out in reference to this subject that in Arizona, unemployment for the whole State does not fall into this second tier under the committee's bill. But let me point out to my colleagues that we have several counties in our State that would.

Apache County, for example, is presently close to 21.4 percent unemployment. Last year, 1982, for a period of several months, it had the highest unemployment of any county in the United States.

Cochise County has 13.1 percent unemployment. Gila County has a rate of 34.6 percent unemployment. We have Pinal County, the very center of Arizona, at 18.3 percent. Santa Cruz, a border county with our neighbor to the south, Mexico, has 21.9 percent.

All these countries by themselves would fall into the qualification for the second tier funding.

So I think it is proper to concern ourselves about doing something for those that have a little more difficulty from the standpoint of long-term unemployment and high unemployment rather than those that may not.

Also, I believe that the committee bill ignores the hardcore unemployed—if you want to call them that—or long-term unemployed in the State of Arizona, as it does in many other States. Let me cite a few examples. If the committee bill is passed without the Abdnor-Domenici amendment, let me go through a few States.

The State of Alaska, for example, will receive $890,000 less for tier 1 which would be channeled to the unemployed in that State.

In the State of Arizona, unless we pass the Abdnor amendment, we would receive $6,497,000 less in tier 1.

Let us look at a couple of large States. The State of Texas, $25 million. We can ask the Senator from

Texas and we can ask some business people we come across in Texas just how hard pressed the unemployment problem is, particularly in the southern part of Texas, along the border.

Take the State of South Carolina. South Carolina would lose $25,563,000 if the Abdnor amendment is not adopted.

Take the State of North Carolina. North Carolina would lose $12,089,000.

I think the Senator from New York has already pointed out the figures with respect to that State.

Are we not really interested in doing something that is fair, if there is anything fair on the subject of unemployment? But if we are trying to divert some effort to assist people who cannot find jobs and who are willing to work, how can we justify singling out one State for one-third of the targeted funds, when many of our States have the same people who qualify, but the whole State does not?

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. DECONCINI. I yield.

Mr. HATFIELD. I said before that I would be very happy to see a counter proposal. Does the Senator have another targeting formula he would like to offer as a substitute?

Mr. DECONCINI. I think the best targeting is the Abdnor-Domenici approach, eliminating the second tier in the committee bill.

Mr. HATFIELD. Then, what is the targeting that the Senator has?

Mr. DECONCINI. Pardon?

Mr. HATFIELD. What type targeting does the Senator have in tier 1 and tier 3, without tier 2?

Mr. DECONCINI. You have it based on the existing laws. We know what part existing law plays in tier 3 of the committee bill. I think the Senator may know more about that targeting. We talked about it the other day in the Appropriations Committee.

Mr. HATFIELD. You eliminated it entirely in tier 2.

Mr. DECONCINI. As to existing law, I do not know the formula.

Mr. HATFIELD. It is an across-the-board type of allocation, so you have existing laws and so forth. But you do not have targeting. You have a new form of revenue sharing.

Mr. DECONCINI. Will the Senator not agree that someone who is in a high caliber unemployment from the standpoint of qualifying for tier 2 under the committee bill ought to be able to qualify, even if the State does not? Will the Senator agree that that is a fair proposal?

Mr. HATFIELD. On tier 3, the State is targeted in on those areas within a State. On tier 1 and tier 3, the State of Arizona has pockets that can take those moneys and target it within the State.

However, when you take a State such as Ohio, which has had long-term unemployment, it is one of those areas which we are targeting in to deal with the long term.

I believe that Arizona, in 1982, had only 6 months of unemployment higher than the national average.

In the State of Oregon, for every month since 1980, we have had higher than the national average of unemployment.

My point is this: The more you broaden the pool, the less targeting you have. If we want to target, the only way we have found to be the most effective—and I have heard no substitute and no offer of any kind of alternative except one that may be in the mind of someone—if you are going to have any targeting, you will have to target a certain portion of your money into those areas of long-term high unemployment. There is no other targeting you can have, except a new form of going across the board on a national basis.

Mr. ABDNOR. Mr. President, will the Senator yield?

Mr. DECONCINI. I yield, without losing my right to the floor.

Mr. ABDNOR. I think the Senator from Arizona is right. The funds are targeted in the absence of tier 2. Some of us feel that in tier 2 it is not equitable and fair treatment to States that do have serious problems of poverty and unemployment.

One-half of the money is going into a formula that is entirely associated with unemployment—the unemployment in each State, in relation to the entire unemployment of the Nation—would be included under the first tier.

The other half would go with the existing authority. But, as I said in my opening remarks, I think this is a fairer approach, because there are certain factors not showing up in unemployment that are definitely there.

Look at per capita income as a measure of labor well-being. If that is not a decent criterion, I do not know what is. When we talk about disenchantment and underemployment and standard of living, those are all factors that will show up fairly in tier 3. I think it is a fair distribution. It is just a matter of opinion. I suppose if I were a resident of one of the 15 States, I would feel differently.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. DECONCINI. Mr. President, I have the floor.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from Arizona has the floor.

Mr. DECONCINI. Mr. President, I point out that I agree with the Senator from South Dakota, but it is the point of the Senator from Oregon that in the present committee bill the tier 1 pretty well targets. It says "one-third of such funds."

If you said one-half of such funds or all of such funds for each such program shall be allocated among the States on the basis of the relative number of unemployed individuals who reside in each State, as compared to the total number of unemployed individuals in all the States, that certainly would be targeting.

We are interested here in helping the States that have high unemployment or pockets of high unemployment. But if the State of Oregon has a county or a city that does not have the high unemployment, why should the money be directed there?

I am glad to yield to the Senator from South Dakota, without losing my right to the floor.

Mr. PRESSLER. I thank the Senator.

Mr. President, I rise in support of the amendment offered by my colleague from South Dakota. He is, of course, correct in stating that this targeting formula is not fair to States such as ours. The employment statistics simply do not reflect the true state of employment with respect to farming, small businesses, and native Americans. Underemployment is a major factor among these groups, and it is not adequately addressed by the proposed tier two formula included in this bill.

Recently I visited 22 communities in my State and held listening meetings. They were all small towns. The questions on the economy were extremely difficult because small business and agriculture are suffering greatly from high interest rates. Wage earners in my State are in bad shape.

Technically, our unemployment figures are not high enough to allow us to benefit from the formula that includes these 15 States. Nonetheless, I submit that the economic hardship in South Dakota is greater than that in many of the States on this privileged list. South Dakota has 3 of the 10 counties with the lowest income in the Nation. Problems like this are not reflected in the tier 2 formula. Therefore, I think it very appropriate that we find a better formula for the distribution of these funds.

Mr. President, I know that every time we have a bill it becomes a battle of the formulas. Indeed, during the highway trust fund debate we had such a battle. It is true in all the education bills. It is true throughout our work here.

But in this particular case and in the particular case of tier 2 States, South Dakota is barred from consideration as I understand it.

So I rise in support of the amendment offered by my colleague.

The tier 2 formula awards one-third of these moneys for 15 specific programs to those 15 States whose unemployment rate was above the national rate for each month in 1982. This does not reflect true long-term unemploy-

ment because the standard unemployment rates do not reflect true unemployment. This argument is not about targeting funds to the long-term unemployed, but about using a formula that does not accurately reflect this problem.

I believe that the money allotted in this measure should be targeted to those most in need of our assistance, but I would argue that this will not be done unless this body accepts the amendment offered by my fellow South Dakotan.

I also might add that extensive targeting would occur under tier 1 of this bill. Thus, the removal of the tier 2 provisions as provided by the amendment still would leave the tier 1 targeting provision intact.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. DECONCINI. Mr. President, I have a couple other points I wish to make.

I am glad to yield to the Senator from Oklahoma without losing my right to the floor.

Mr. BOREN. Mr. President, I thank the Senator from Arizona. I commend him for the remarks which he has already made.

He has isolated a very, very important problem in terms of the formula as it now works.

I just run the figures on my State. Under tier 1 and tier 2 we would receive a total of $8.9 million under the total of those two tiers. Look at States like Illinois, $206.1 million, Michigan $219.4 million, Ohio $209.1 million, Pennsylvania $203.1 million. Oklahoma is $8.9 million.

It is true that on a statewide basis our statistical unemployment is registered at a low level, again partly because the crisis in agriculture, as has just been stated by the Senators from South Dakota, do not show up in the unemployment figures.

Our farmers right now owe $9 billion, $9 billion in the State of Oklahoma alone. Our per capita income figures this last year per farmer were $14 per farmer per year, for 90,000 farm units. Those people do not show up in the unemployment figures but they are desperately in need of additional opportunities to earn income in order to stay in business.

In addition, as the Senator from Arizona has said, we may have a State that in terms of its statewide statistical unemployment it may look like it is in pretty good shape, especially in some of the agricultural States where it is not reflected, even though in those States there are pockets of severe economic trouble.

In the Third Congressional District in Oklahoma where I happen to live in southeastern Oklahoma, 15 of the counties in that particular area have double-digit unemployment. We have, for example, in Cole County 16.4 percent unemployment, Choctaw County 15.7, Hughes County the same, and Latimer County 15.8.

I could go on in area after area in southeastern Oklahoma where we have a deeply depressed situation and very high unemployment. And yet in spite of that the way this formula is written we are not going to be able really to have any kind of adequate funding.

The sum of $8.9 million is going to my State out of $2.1 billion being expended under these two categories.

Certainly there can be a fairer formula.

I support the amendment that has been offered and I am sure the Senator from Arizona would join in my feeling that we do have compassion for those areas of the country where the problems are most severe but we would simply point out there are areas of our States as well where people in those particular communities and those areas are having problems that are every bit as serious and we should be able to address those problems.

I thank the Senator from Arizona for yielding to me and I commend him for the remarks he made.

Mr. DECONCINI. I thank the Senator from Oklahoma. The Senator is absolutely right. Under the committee bill, if the Abdnor-Domenici amendment does not pass, $4,473,000 will not go to the State of Oklahoma.

Under tier 1 if we adopt the Abdnor amendment, those States that have the highest unemployment are going to get targeted anyway. But there is not going to be another effort to retarget.

I am going to ask the Senator from Oregon if he would reiterate what he believes under the committee bill the targeting is under tier 3. Do all States receive the same proportionate amount or does the Senator from Oregon know? The reason I ask the question is that in the bill page 53 sets forth some of the different programs and I am under the impression that programs such as the social service block grants, community service block grants, community service employment for elderly Americans, these programs do have a formula but I am not familiar enough if it is the same for every State. I suspect those that have a higher population or percentage would indeed receive more money. Is that correct?

Mr. HATFIELD. The tier 3 program is one in which all of those programs have a different kind of formula. So consequently, we cannot extrapolate for a State on that basis because it goes pretty much on the basis of per capita and other such factors. That is why we left that in as a tier 3 because we wanted to be able to get some money to all States as in the case of tier 1 and then leave to the State the opportunity to target those counties in Oklahoma the Senator talks about, those areas within a State.

I think it is interesting to note that Oklahoma had, I think, the highest unemployment in 1982 not above the national average. Never in 1982 did the State of Oklahoma have an unemployment record that was higher than the national average; 8.5 I think was the highest rate of unemployment.

Consequently, as contrasted to other States that had 12 months each month in which it was higher, or my State which is 30 months, that has been higher than the national average. In tier 1 and tier 3 those moneys—let us get the idea clear that every State gets money under this bill; every State gets money. And in those States where there have been pockets of unemployment those States can bead in, rifle in on those areas with those moneys out of tier 1 and tier 3. The tier 2 again is exclusively built on the basis for areas of the country in which you want to target on the basis of long-term unemployment.

Mr. DECONCINI. Mr. President, if the Senator will yield now to further my question just for a moment, will the Senator agree that under the committee bill tier 1 is going to give the State of Oregon a greater amount of dollars than it gives a State that has a small State rate of unemployment because it says one-third of such sums for each program shall be allocated among the States on the basis of relative number of unemployed individuals who reside in the State? Does not that mean——

Mr. HATFIELD. There again the Senator is looking at the——

Mr. DECONCINI. Unemployed individuals means you are going to get more money for that State.

Mr. HATFIELD. He is looking at a population that is relatively small but one in which the unemployment rate has been very, very high.

Mr. DECONCINI. But we are talking about unemployed individuals. I point out to the distinguished chairman of the Appropriations Committee we are not talking about the per capita. We are talking about a relative number of unemployed individuals as relates to everything, so in the States that are suffering like the State of Ohio, or the State of Oregon, they are going to get more under this tier. If that is not targeting I do not know what it is.

My only point is why not permit each State to come under that same target under the tier 1 of the Senator's bill?

Mr. HATFIELD. Let me ask the equity. I see the Senator from Texas on the floor. Here is Texas with 540,000 unemployed. It is a large State. But the highest unemployment rate Texas ever had in this period of time is 8 percent.

The point is if you are going to try to target in for those areas of high, long-term unemployment, I know of no other equitable way to deal with it than what we have in this particular formula.

Mr. BENTSEN. Mr. President, I join with the Senator from Oregon and most of my colleagues in recognizing the urgent need to address the most pressing economic problems created by our current recession—the most severe since the Great Depression 40 years ago. The legislation before us and its companion in the House contain a number of emergency and humanitarian provisions designed to ease the plight of those men and women who have lost their jobs through no fault of their own. Most of us are aware that the current recession has its roots in the excessively tight monetary policy followed by the Federal Reserve during 1980 and 1981—a policy only reversed under heavy congressional pressure this last fall.

We are beginning to see positive signs that this turnabout in money policy is pulling us out of the recession. But it is far too soon to begin predicting rosy and robust recoveries for the months ahead—especially when we confront deficits of scarcely believable magnitudes. Those deficits hold out the threat of reversing the welcomed downward slide in interest rates which have formed the foundation of the recovery we have already seen. It takes little economic training or understanding to realize that those deficits could well crowd out private investment and send interest rates soaring once again—cutting our promising recovery off at the knees.

I know that some in the media question the need for legislation to deal with the recession now that a recovery is seemingly well underway. The reality is that many of the most devastating effects of a recession linger well after the upturn has occurred. In particular, unemployment typically continues rising after the bottom has been reached. Employers historically meet any rise in demand as the recovery proceeds by utilizing existing workers—perhaps adding overtime—before committing to new employees. So while retail and wholesale demand is rising, the rolls of the unemployed may be rising, as well. Indeed, that pattern has existed during this recession with unemployment stuck the last 2 months at 10.4 percent. And, the number of unemployed workers actually rose between January and February. So, this legislation has been crafted in recognition that many of the most distressing consequences of the recession just ending are still being felt and will be felt for months into the future. Under the administration's own projections, for example, unemployement will hover close to double-digit levels for almost another year.

While I support the thrust and intent of this bill, I cannot accept the formulation adopted for allocation portions of the funds under title I. That title targets $3.2 billion in funds for public service jobs using three different formulas. The first formula of tier 1 distributes aid for unemployed workers on a per capita formula and acknowledges that unemployment is a national problem which reaches into every city, county, and community. The use of a per capita formula is appropriate.

Tier 2 of title I adopts a different formula, however, one which artificially allocates scarce funds on the basis of State boundaries. It creates a class of so-called long-term unemployment States—a formulation rejected by the House last week as inequitable to the long-term unemployed. The tier 2 formula presumes that unemployment stops at State borders, that only a relative handful of States contain numbers of long-term unemployed. In fact, the opposite is the case. Unemployment is a local phenomenon. Jobs are lost at a local supermarket, a local ice plant or manufacturing company. They are not lost at the National or State level. It is an intensely personal and local reality, and a reality that the allocation formula in tier 2 ignores. It selects a handful of States to receive over $1 billion in aid to the unemployed because their statewide unemployment levels exceeded the national level during all of 1982. Yet, there are many localities, SMSA's and regions within those States which enjoyed significantly lower unemployment rates than the national average.

On the other hand, there are many, many regions in the majority of States excluded from tier 2 funding which experienced as high or even higher unemployment levels this past year—and today, as well—as the chosen few favored under the current tier 2 funding formula. For example, Illinois is 1 of the chosen 15 to receive funding under tier 2. It had an unemployment rate in February of 13.5 percent. Michigan is another of the 15 and had an unemployment rate of 14.8 percent of February. Ohio will receive some $143 million under the tier 2 formula, and its February unemployment rate was 13.6, while Pennsylvania, another of the 15, had a rate last month of 13.2 percent.

There are severe pockets of unemployment in each of those States—pockets which warrant direct and adequate help under title 1. Yet, there are regions in my State of Texas, for example, where unemployment is far above the average levels in each of the 4 States I just noted, or in any of the chosen 15 States, for that matter. For example, unemployment in Beaumont now stands at 16.2 percent. The unemployment rate for Port Arthur in January was 20.7 percent while Orange County had a 20.9-percent unemployment rate. The city of Laredo had a 29-percent unemployment rate while McAllen has a 20-percent rate. And Starr County in the Rio Grande Valley has a staggering 50-percent unemployment rate—quite possibly the highest rate in our entire Nation. Yet, it, or Beaumont or Laredo are ignored under the tier 2 funding formula now in this legislation. Are we to believe that unemployed men and women in a county with one-half of its labor force out of work are less deserving under tier 2 for assistance than unemployed men and women in the State of Illinois or Michigan or Pennsylvania. I think not. I think that is bad national policy. It is unfair national policy.

And let me clarify one point. My State of Texas is far from unique in having large regions and SMSA's with extraordinary levels of unemployment. It has many. Morris County, for example, has 42 percent of its labor force out of work while almost 40 percent of the men and women in Maverick County are jobless. But all across our Nation we can find regions, cities, counties and SMSA's with levels of unemployment far above the national average. We should not be ignoring them as we do under the tier 2 formulation.

My point is that the tier 2 funding formula is not a fair and realistic one. It is based on artifically drawn geographic—on State boundaries which bear no relationship to employment—boundaries—when more discreet boundaries surrounding counties or SMSA's would be a much more fair and appropriate basis for allocation of assistance to the unemployed. That is the approach adopted in concept by the House, and one promoted by Senator ABDNOR's amendment.

I repeat that I intend to support this legislation. It is timely and urgently needed to ameliorate the lingering effects of our recession. Yet, we must make a greater effort, a much greater effort I believe to target assistance in title I to the men and women who are unemployed the longest. That is what we say we intend to do, but it is not what the formula in tier 2 will do. It provides assistance to States when we want to target help to men and women.

In addition, it ignores the reality that some States like Texas are experiencing rising unemployment while most of the favored 15 tier 2 States are seeing unemployment decline.

So, I cosponsored and support Senator ABDNOR's proposed amendment.

The Senator mentioned the State of Texas a moment ago. I want to reply to that. Unemployment just does not stop at the State line. It is a very personal and local issue. I have high unemployment areas in Texas that are larger than some of the States favored by tier 2 funding. The county of Starr in Texas today has 50-percent unem-

ployment. Maverick County has close to 40-percent unemployment.

You go to Laredo, Tex., today during the week and you will say, "Gee, it must be Sunday." Whom do you see on the streets? Whom do you see in the stores? It is not Sunday at all, it is Wednesday or Saturday, but you have a peso problem so you find incredible unemployment taking place.

You go to a place like Starr County, and it is very real long-term unemployment. It has existed there for as long as I can remember. We are trying to take care of it, desperately trying to take care of it. That is the type situation which tier 2 should help. But, it does not take care of those kinds of situations.

Mr. HATFIELD. Does the Senator have a substitute?

Mr. BENTSEN. What?

Mr. HATFIELD. Does the Senator have an alternative?

Mr. BENTSEN. I certainly do. I want to see it done on the basis of relative unemployed population, per capita. I want to see it done with tier 2 funds allocated to tier 1 and tier 3.

Mr. HATFIELD. I hope Arizona and Oklahoma are listening.

Mr. BENTSEN. I would like to see us take care of the problem the way it is on an area basis. I would take it out of tier 2 and allocate the money to tier 1 and tier 3.

Mr. DECONCINI. Mr. President, will the Senator from Texas yield for a question? The answer to our chairman's question and the Senator's alternative is the proposal which eliminates it.

Mr. HATFIELD. Is the Senate aware of how much money is allocated under tier 1 for Texas?

Mr. BENTSEN. I have been advised of that, and I have been advised of tier 3 and where we are in tier 2; it is zilch, none.

Mr. HATFIELD. Will the Senator yield, please?

Mr. BENTSEN. I am delighted to yield.

Mr. HATFIELD. The Senator has to recognize that Texas has not had high unemployment in relation to the national average—never hit the national average in 1982. He has high pockets or pockets of high unemployment.

Mr. BENTSEN. Yes. And some of my pockets are longer than some of these States favored by the tier 2 formula.

Mr. HATFIELD. The Senator will have money and get money in his State to put into those areas of high unemployment. It is not as if Texas is not getting money.

Mr. BENTSEN. No; you just take one-third, a substantial part, and put it in tier 2 and you say that in these States it will be allocated and not in others.

Mr. HATFIELD. Let us bear in mind then the Senators from Oklahoma and Texas are saying in effect, if we take current rates of unemployment, it means we are ignoring them if we excise tier 2.

Mr. BENTSEN. There were 669,000 people unemployed in Texas in February. That was a larger number than in 12 of the 15 favored States. Yet, Texas is shoved to the rear, the door shut in the faces of our unemployed, so that the unemployed in a handful of other States who fit under tier 2 can receive extra help. Texas has more unemployed than Michigan. Why should Michigan receive help under tier 2, but not Texas?

Mr. HATFIELD. We are concerned with long-term unemployment.

Mr. BENTSEN. We have that aplenty in Texas. I can talk about long-term unemployment in south Texas that has been there for years. It is a very substantial part of my State.

Mr. HATFIELD. Senator, let me ask you this simple question of what kind of a rule or formula are you going to use to get to local counties? Are you suggesting that the Federal Government set up a formula to deal with all the thousands of counties across this country?

Mr. BENTSEN. I am saying to you, Mr. Chairman, that I will settle for the tier 1 and tier 3, formulas but I do not want to do what tier 2 does.

Mr. HATFIELD. If you settle for tier 1 and tier 3——

Mr. BENTSEN. The point is that unemployment does not stop at the State lines. It is not fair for a selected group of States to have extra funds allocated to themselves.

Mr. HATFIELD. Senator, it is not the remedy to long-term unemployment. You have offered us nothing to deal with the issue of long-term unemployment. You say in south Texas that you cannot get anything. If we have to go county by county——

Mr. BENTSEN. I will settle for tier 1 and tier 3. I will support the amendment on that basis.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. BENTSEN. I would be delighted to yield.

Mr. BOREN. The Senator from Texas knows that we have all kinds of unemployment. They have been targeted to regions. For example, in the southeastern part of my State I am talking about, which is much like the problem the Senator from Texas has in areas of his State, we have had long term, some of it as long as 10, 15, or 20 years, pockets of unemployment that have been at 15 percent or more.

Mr. BENTSEN. Senator, I helped lead the fight on this floor to help areas of the sort you are talking about, to take care of pockets of unemployment. That is a reasonable, practical way and humane way to resolve this problem.

Mr. ABDNOR. Mr. President, will the Senator yield? What the Senator from Oklahoma says is true. South Dakota does not reflect a high percentage of unemployment, but we have 3 of the 10 lowest income counties of the Nation in my State, the poorest counties in the Nation. Let us take a city like Duluth to the north of me in Minnesota. They have had chronic unemployment up there for years that runs as high as 20 percent, but it does not show up maybe in the overall State's figures.

When we are talking about unemployment one-half of the moneys that are being distributed are being distributed solely on the basis of your actual numbers of unemployment. I do not know what could be fairer.

Mr. BOREN. Mr. President, will the Senator yield for a question?

Mr. ABDNOR. The Senator from Texas has the floor.

Mr. BOREN. Mr. President, will the Senator yield to me to ask a question?

Mr. BENTSEN. If I might address this question of long-term unemployment, as I see in tier 2 all they are using are 1982 figures, and I think it would be very easy to add that into tier 1, to put the last 12 months in the tier 1 formula—use the same criterion and help address, as the chairman does, the issue of long-term unemployed.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Who has the floor?

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. I do not want to take the floor away from anyone if someone else has the floor.

The PRESIDING OFFICER. I believe the floor was vacated a moment ago.

Mr. BYRD. I thank the Chair.

Mr. President, this is either a jobs bill or it is not a jobs bill. I, of course, come from a State that has had prolonged high unemployment. My State today has the highest unemployment rate in the Nation—17.8 percent. It is a rural State, and yet it is a heavily industrialized State.

The steel operations in West Virginia have been operating at less than 40 percent of capacity—in December probably 26 or 28 percent of capacity.

When steel hurts, coal hurts. We probably have thousands of coal miners out of work, glass workers out of work, ferroalloy workers out of work. Heavy industries are confronted with heavy unemployment.

I am sensitive to some of the arguments that are made by other Senators. I can understand their opposition. But I wonder if they all understand that every State gets something

in this bill, every State, and every State can, within its own boundaries, target areas that are hard hit by unemployment.

The Senator from Arizona speaks about the copper industry in his State. His State will get money under this bill, and it is within the power of the State to allocate to the unemployed in the copper industry, to those areas or counties, whatever proportion thereof it wishes to allocate. So every State gets something under this bill.

But I cannot understand the opposition of Senators who want to be against targeting moneys in what purports to be a jobs bill, targeting moneys to those States that have for months and months and months—at least the last 12 months—been above the national average in unemployment. In my State, I believe that my State has been above the national average for about 2 years or perhaps that long.

So why should not at least one tier of this bill, one-third of the moneys, be directed toward those States that are most in need? I do not think that using the shotgun approach is the right way to approach this problem. I think it ought to be on a selective basis, at least one-third of it.

Now, tier 1 goes to every State in the Union. As I say, within the State, the moneys that will go there on a per capita basis may be targeted within the State. The third tier is under present statutory law, but the second tier would be distributed on the basis of need.

Now I daresay that if the Senator from Arizona has two neighbors, one of the left of his home and one to the right—the one who lives to the left has been out of a job for a month, and the one to the right has been out of a job for 18 months or 2 years and has already lost his car and is about to lose his home and his unemployment benefits have long expired—I daresay that the able Senator would say the neighbor to the right is the one who should have help now and help first and the most help. It is just that simple.

Why say that each should get the same amount of help? The individual who has been out of work for 1 month, he has not lost his car, he is drawing unemployment compensation, not in danger of losing his home yet, and his children are still well-clothed. If there is only a certain amount of money to give—and there is a limit here, there is only so much to pass around—why give the two neighbors an equal share? Well, it is just that simple.

The States that are in tier 2 are States with long-term unemployment and have in most cases drained their treasuries. They are faced with the prospect of big deficits and they have unemployed people who are depending upon the employed in the States that are not as unfortunate as to be placed in tier 2 for help in the way of food stamps and unemployment compensation. What I am saying is that the burden of helping the States in tier 2 is already falling heavily on States that are not in tier 2.

So I would make these points in attempting to sum up this language that has been devised by the Senator from Oregon (Mr. HATFIELD), the Senator from Mississippi (Mr. STENNIS), and myself. The committee targeting amendment is fair. All States get something. All areas will get part of the money.

Second, the committee's targeting amendment is aimed at need—that is why we have a bill here; that is why we have a jobs bill, because of need. The amendment that was put in by the committee by a vote of 20 to 6 addresses unemployment on the basis of need—unemployed people in States of long-term unemployment, under the formula devised, would get a little more.

Now I would gladly, just gladly, exchange West Virginia's unemployment rate with that of the Senator from Arizona, my dear friend who is a very able member of the Appropriations Committee and who comes there quite often with amendments to aid his people. I admire him for that and commend him for that, and his people ought to know that I said that. He is right there on the job, and he is always ready to help his people—Indians or otherwise. And I do not recall ever having voted against one of his amendments. I would gladly exchange a West Virginia 17.8-percent unemployment rate, however, with Arizona's unemployment rate.

I would gladly exchange the unemployment rate in West Virginia, for that of the Senator from South Dakota. And I would not be here arguing against helping his people. I would be here supporting that, because the chain is just as strong as its weakest link. If you have 15 weak links in a chain, the chain is just as strong as those 15 weak links. The bill attempts to strengthen these 15 States that have consistently had the highest unemployment.

I would gladly exchange my percentage of unemployment with that of the distinguished Senator from New York. And I would not be here arguing about it; I would be here supporting the amendment because it would be going to those who are in need. That is what this is all about.

Why have a jobs bill if we are not going to address the priority needs? All States are getting some of the kitty; all States are getting some of it. I do not have to repeat many more times, I would think, for the record to show that every State can target within its own boundaries the way that it thinks best.

The committee targeting amendment is balanced between funds that can be targeted based on unemployment statistics and funds that are targeted based on projects that can be accelerated. About $2 billion in the bill is targeted for unemployment and about $2 billion in the bill is based on projects.

I ask a rhetorical question. I do not expect an answer. But just why have any bill at all, then Arizona will not have any problem with West Virginia getting a little more money? Let us just not have any bill at all, then the able Senator from the State of South Dakota will not have to worry about the targeted areas, those targeted States like West Virginia. Let us just cut our own throats—all of us—and say no bill at all.

It is either a jobs bill or it is not. And there is no point in pretending that this is a jobs bill if we are not going to attack the areas of unemployment that are hurting the most and that have been hurting the longest.

Now as an old meatcutter, suppose I scratch my forefinger, but I take the meat cleaver and chop off this thumb. Now which of the two should I give the more attention to—the scratch on the forefinger, or the thumb that is bleeding profusely and has been cut off by the cleaver?

It is just that simple. Sometimes it is well to speak in simple terms because then one can be understood.

The Abdnor amendment would reduce the amount of funds targeted. It would eliminate long-term unemployment as a targeting factor. There should be a targeting factor, if this is to be called a jobs bill. I have understood that this is a jobs amendment certainly.

Mr. HATFIELD. Maybe it is a revenue-sharing measure.

Mr. BYRD. Yes; it could be a revenue-sharing measure.

But if I am laboring under the illusion that it is a jobs bill, then I am sorry, because apparently there are those who do not agree that it is.

The Abdnor amendment would spread the money around based on factors other than producing jobs in areas of high unemployment.

Does the rest of the country want to go on and on bearing the burdens of those States with the highest unemployment?

We do not want food stamps. We do not want welfare. We do not want a handout. We want jobs.

The Abdnor amendment would undermine the basic purposes of the bill.

Every State gets some money under tier 1, I say to the Senator from Illinois. All States would get money under tier 3 in accordance with present law. But there are a few States that have had long-term unemployment, where people have not only al-

ready lost their jobs but many of them have lost their automobiles, many of them have lost their homes, and they are without hope. They cannot get jobs and have been unemployed for a year or two. They cannot make the payments on their car. They cannot make the payments on their homes. Why compare aid for people in that situation, with aid for persons who have been out of a job for 1 or 2 months?

I deplore unemployment for any length of time. We all do. But those who argue against this second tier must admit in their stomachs that this is either a jobs bill or it is not. If it is going to be a jobs bill, it is only fair to target one-third of it toward those States that have had the longest-term unemployment.

I would not waste my time coming into this Chamber and arguing against this amendment put in by Mr. HATFIELD, Mr. STENNIS, and myself. I do not say this as an aspersion on any Senator. Any Senator has the right to vote against this, to be opposed to it, or to think that this is unfair to his State. But if this is going to be a jobs bill, we have to recognize that we have to attack the problem on the basis of need.

My State has an unemployment figure almost twice the national average. I would like to get the unemployment down everywhere. I deplore having an unemployment rate of 8.8 percent or 6.6 percent. It is 6.6 percent in South Dakota. I deplore that. I want to get it down—to make it half of that or even less.

The Senator from West Virginia has unemployment of 17.8 percent, with some counties running as high as 35 percent and some communities as high as 90 percent.

I would not waste my time coming in here offering an amendment to knock out an amendment which would help his State. We are all in this together.

Mr. DECONCINI. Will the Senator yield?

Mr. BYRD. I will yield in just a moment.

I feel sorry for unemployed people in any State, be it Arizona, South Dakota, New York, or wherever. I want to do what I can do to help get them back to work because it strengthens the whole Nation when we do that.

I would hope that the Senate would not accept the Abdnor amendment. I repeat that no State is barred from getting assistance under the committee bill. In addition to targeted funds, the farm States would get most of the funds under the agricultural programs in the bill, none of which are covered by the targeting formula.

The agriculture programs are $500 million, not affected by this targeting amendment at all.

So on behalf of a State which has been hard hit by unemployment, I plead with those who are in much more fortunate positions that we not support this amendment which has been made to knock out the Hatfield amendment. It may not be too long until those same States will be experiencing the same predicament that my own State is experiencing just now. I will be the first in here to support measures to help them.

I am sure that if my good friend Mr. ABDNOR came to West Virginia today he would see this matter in an entirely different light and so would my good friend from New York.

Mr. DECONCINI. Will the Senator yield?

Mr. BYRD. I yield.

Mr. DECONCINI. I thank the Senator from West Virginia for his comments, and I also wish to assure him that I will continue to assist the Senator from West Virginia when he has his problems, as so many Senators here, not only in the committee but on the floor to help them get their amendments considered.

I also want to assure the Senator from West Virginia that there is an ache in this Senator's stomach and heart for anyone who is unemployed, whether it be in West Virginia which has a long-term and chronic unemployment. I believe this bill attempts to address that.

The point I would like to make clear to the Senator from West Virginia is that in the State of Arizona though our composite State as a whole does not fall into tier 2 as does West Virginia, the county of Santa Cruz, a small county on the border, would fall into that tier with 21.1 percent unemployment for the chronic period of time that would qualify if that small county were a State.

My point is that the reason I am here is not to hurt the unemployed in West Virginia. I would not do that to those people or to my leader, who represents them so well. But my plea is to attempt to find that target and that effort toward those people in that county or some other county that falls into what the State of the Senator from West Virginia falls into. That is my only concern.

Mr. BYRD. I thank my dear friend. But he does not hear me. I have said and I say again that his State likewise would benefit by this bill, through tier 1 and tier 3, and that within his State of Arizona those areas that are hardest hit can be targeted, and I am sure they will be targeted. So I would hope that the Senator would not remonstrate against the efforts of those who are from those States which may not have big populations—but they are States, nevertheless, and they all have equal representation in the Senate—I would hope that he would not remonstrate against targeting one-third of the moneys here toward areas of the country or States based on need. This is a jobs bill, I am told.

The Senator has not heard me. He is getting some money he can target within his own State on those areas that are hardest hit.

I will move to table this amendment but I do not want to cut off discussion.

Mr. President, I yield the floor, with the understanding that I do not lose it because I intend to make a motion to table the amendment. I believe the Senate pretty well understands what the matter is all about. I just ask the Chair to protect me and I will yield to any Senator on the floor with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. BYRD. Mr. President, the Senator from West Virginia yielded to the Senator from Illinois without losing his right to the floor.

The PRESIDING OFFICER. That is the situation that exists at the present time.

Mr. DIXON. Mr. President, I thank the Senator from West Virginia (Mr. BYRD), my warm friend, who, in his usual moving and succinct manner, has explained to this body the importance of this amendment from the standpoint of those States in this Union that are suffering at this time from serious unemployment problems. While I can understand the views of my colleagues who are interested in representing the interests of their States, an obligation that all of us must follow in this place, I think it is also fundamental that there are times when the interests of the country are paramount.

Two weeks ago, I was in the home State of the Senator from West Virginia, where unemployment now, if I remember the figure correctly, is something like 18 percent. In my State of Illinois, right now, there are 759,000 unemployed people. I say to my good friend from South Dakota, who is sponsoring this amendment, that there are more unemployed people in my State than there are people in the whole State of South Dakota—759,000 unemployed people in my State against the total population of South Dakota of 690,000 people.

As the leader on this side has pointed out, this is an emergency jobs bill. It is legislation to try to give people who are desperately seeking work an opportunity to find employment. I think it is fair to say that this bill, as anyone can read on page 50, in its allocation of funds is extremely fair. There is not any State in the Union that is not going to get its fair share. But one-third of these funds are going

to be allocated to the States of this country that are in positively desperate circumstances.

I have the privilege of cochairing the Northeast-Midwest Coalition with my colleague, Senator SPECTER, whom I address now as the Presiding Officer of this Chamber. We talk all the time about problems of States like ours, which are in the most difficult circumstances of any of the States in the Union. Let me give an example or two.

My State of Illinois sends $1 down to Washington and gets only 71 cents back. Every time we increase the defense budget in this country—and I have supported a stronger national defense—it actually hurts us because we are second to last in the allocation of public funds for defense purposes in our country.

People are sleeping under bridges, in old abandoned automobiles, going to soup kitchens. I cannot believe that this body of thoughtful, compassionate, caring representatives of this Nation would want in any way to denigrate the thrust of this legislation in helping the people of this country who desperately need work.

The Governor of my State happens to be of the opposite political faith. He addressed the general assembly recently, telling those representatives that every important program—education, public health, everything that is functionally important to our State—has to be massively cut unless we double the income tax and impose other taxes to raise funds in our State.

The preservation of this bill in its present form is significantly important to parts of the country that desperately need assistance. While I can understand the devotion of every Member to the interest of that Member's State, I think it fair to suggest that, from time to time, the interests of the country are paramount and the millions of people who desperately seek work, who need work, who must have work, need to be helped.

Let me say in conclusion, I think the part that our minority leader has played here and the contributions he has made are significant. This bill, in its present form, allocates money to every State of the Union on the basis of three principles, only one of which is the unemployment situation in those parts of this country that are in the deepest form of recession.

I ask for compassion. I ask for fairness. I ask for consideration for those parts of the country that are suffering in a most serious way. I urge us as Members to rise above our parochial interests and vote to support the motion that I think will be made by my warm friend and distinguished leader to table this amendment offered by the Senator from South Dakota.

I thank our leader for these remarks.

Mr. BYRD. Mr. President, I ask unanimous consent that I may ask my friend a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. If the Senator from Illinois had 100 sheep and 1 went astray, what would he do? Would he stay with the 99 or would he go look for the 1?

Mr. DIXON. I think the minority leader's question is well taken.

Mr. BYRD. Someone far greater than I asked that question long ago.

I yield to the Senator from Indiana for a question.

The PRESIDING OFFICER. The Senator from Indiana is recognized for a question.

Mr. QUAYLE. Mr. President, I think this is the moment to put this question into perspective. That is, if this amendment were adopted, we would just be eliminating targeting. In other words, we would be saying there is not going to be any targeting whatsoever. As the minority leader said in his very eloquent remarks.

This is a jobs bill. It is supposed to help out the unemployed.

Therefore, if we are going to help out the unemployed, the natural and the proper thing to do is to assist those individuals who have been unemployed for the longest period of time, first.

Mr. President, targeting is not anything new to jobs or employment bills. We have done that before. Extended benefits triggers-on in areas that have faced the human misery of unemployment for a longer period of time than others. Of course we do.

We targeted under the Job Training Partnership Act, in the dislocated worker provision. We targeted into the long-term unemployed. It is a central feature of any job training bill.

So this targeting is not anything new to counter cyclical job creation legislation. It is not anything new to the Congress. It is not revolutionary nor is it a radical idea.

We would be changing direction if, in fact, we adopted this amendment. If this amendment were approved, we would be saying, "We are not going to target assistance to areas of highest unemployment, nor to the long-term unemployed, we are simply not going to target. We will just go ahead and spend money as is and wherever it may be allocated."

We must be careful to spend these appropriations in the most efficient manner possible, Mr. President. Targeting is important. It has been said many times that, less than the entire appropriation will be targeted. In fact, only one-third of the distribution formula is going to be targeted to areas that have unemployment rates above the national average.

Another third is going to States on the basis of the relative number of unemployed individuals who reside in the State, and the third tier allocated according to the existing law. That is two-thirds of this formula.

So I believe that targeting is essential, and those who oppose targeting I think would really be doing a disservice to this emergency jobs legislation, now before the Congress.

The second aspect I should like to touch upon is the severity of unemployment faced by many States. Severity of unemployment is an important consideration targeting, and addresses the severity of unemployment as well as the areas where unemployment has proven most widespread.

I have heard today all of the statistics about how many thousands of people in this county or that district or State are unemployed. There are 14 million people unemployed if you read the preamble to this bill. It talks about the Congress finding that "the current economic recession at its peak has resulted in nearly 14 million unemployed Americans including those no longer searching for work, rivaling the actual numbers of unemployed during the Great Depression"—quite an indictment, and right from the bill. If one wants to know what the general purpose of this act is supposed to be, he only has to look on page 4 of the bill.

Let me address the problem of severity. Let me just propose an example. If you have a population of 10,000 and 1,000 are unemployed, it comes to about 10 percent. But if you have a population of 100,000 and you have 2,000 that are unemployed, that comes to 2 percent.

I ask the question: Which area needs more help, the one with 2,000 unemployed people which is 2 percent or the 1,000 unemployed which is 10 percent unemployment?

Well, I should think that the majority, perhaps everybody, would agree that we ought to help the area that has the higher rate of unemployment, that has a severe long-term unemployment problem. We are just trying to do it by one-third of this distribution formula. That is not asking too much. That is only asking to target to those places on a one-third basis. The other two-thirds of the formula will be distributed according to existing law. I would hope that we not adopt this amendment that would reject targeting and would overlook the severity of long-term unemployment which too many of us have experienced for too long a time.

Mr. ABDNOR. Will the Senator yield, or do I have to ask the Senator from West Virginia?

Mr. BYRD. Mr. President, I yield for the purpose of the Senator from South Dakota asking a question.

Mr. ABDNOR. I thank the Senator from West Virginia. He is very, very fair about this.

Just following the logic through of the Senator from Indiana, I note, picking out Illinois, on tier two they would receive $141 million, yet Illinois is $1,100 above the average per capita income in the Nation. We are saying to Illinois that they would have, under tier two, $141 million. Unemployed is unemployed regardless of where you are. It is a serious problem.

Now, take the February figures in unemployment. Senators will find that Texas has 669,000 people unemployed. Michigan has 634,000. So under tier 2, Michigan would get $150 million and Texas gets zero.

I just said my State looks pretty good on the overall figures if you do not consider all surrounding facts. I am not proud of our economic condition. I am not proud of it at all. I am sorry about the situation. Of the 10 poorest counties in the Nation, I have 3 of them in my State. That is the way it is. We are not trying to take advantage of any States with unemployment. We are just trying to make it a fair situation.

The Senator from Oregon gives me that million-dollar smile, and we both agree we are not taking advantage of each other; we each think we are right.

The Senator from West Virginia thinks he is right. I am looking at the broader picture maybe than the Senator from West Virginia. Anyway, I thank the Senator for yielding.

Mr. RIEGLE. Will the Senator yield?

Mr. QUAYLE. Will the Senator yield so I can respond to the Senator's question?

Mr. BYRD. I ask unanimous consent that I may yield for that purpose.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. QUAYLE. I will attempt to answer the distinguished Senator from South Dakota, my good friend and colleague, that I would, first of all, love to have the unemployment problem of South Dakota, 5.5 percent, one-half of that of the State of Indiana. So I would love to have that problem, I really would. I wish I had that problem.

But I want to just reiterate again, the Senator says fairness. I am talking about a national jobs bill. If the Senator is going to talk about a national jobs bill, you are going to have to have targeting, at least you should. It ought to go to those places of severe unemployment over the long-term period.

Now, the Senator's amendment would simply wipe out targeting, no targeting whatsoever. Just go ahead and allocate as is, current law. This is a national emergency jobs bill and we ought to do our best to direct it to the immediate need, and that immediate need is where that long-term unemployment exists in our country.

I thank the minority leader.

Mr. D'AMATO. Will the Senator yield?

Mr. RIEGLE. Will the Senator yield?

Mr. BYRD. I yield to Mr. RIEGLE and then to Mr. D'AMATO.

Mr. RIEGLE. I thank the Senator for his kindness.

I also rise in opposition to this amendment, and I actually want to address an appeal to my friends from South Dakota and New Mexico to perhaps reconsider on this amendment. We clearly are in the midst of a national difficulty here, the worst recession since the Great Depression, and the States that have been hardest hit have really been battered and damaged beyond any other circumstance like this in a period of 50 years.

In my State of Michigan, for example, we have not only had unemployment above the national average for the last year, we have had unemployment above 10 percent for over 30 consecutive months. And I would say to my friend from South Dakota and my friend from New Mexico that what happens in a situation like that—if I can have the attention of my colleague from South Dakota, I really want to ask him to think about this point with me, if the Senator will, and that is that when a State is experiencing unemployment of 15, 16, 17 percent and it goes on month after month for a period of years, what happens is not only devastation to those unemployed workers and their families and their communities, but there is a ripple effect to the businesses and the entire economic infrastructure of a State. It becomes damaged in a way that is far different than the normal kind of cyclical recession that we have been used to seeing, say, since World War II.

So what we are looking at now is a level of damage in the States that are well above the national average in unemployment that is of an entirely different magnitude; it goes way beyond just the unemployed families. It goes to the business community, it goes to the financial structure, it goes to the financial institutions. They have all been damaged.

And so when we respond with one-third of this proposal being targeted into those areas that have sustained that extra damage, we not only help the unemployed in those areas find a way back to work but we in a sense try to strengthen and stabilize the entire economic structure of that State which has been damaged to an extraordinary degree.

I would hope that the reason that we gather there as representatives from 50 States, 100 of us, is that when there are national requirements that may fall unevenly—and there may well be States that are in particular stress—we have the capacity as a nation to respond to unusual requirements. We did this in the case of flood insurance. We did it in the case of disasters, physical disasters. We did it with Mount St. Helens, as properly we should have.

What we have here is an economic catastrophe of a different dimension. It has hit certain States with a severity that goes far beyond what has been experienced by other States. I think it is only right and proper that we respond to those situations.

I am frank to say that I am just as prepared to respond in the future, and today, as we have responded in the past to other regions, to other States, when they find themselves with particular difficulties.

Several Senators pointed out here that we are using only a small part of this entire package in this targeted fashion to go into the States that are in the deepest difficulty. We are using only one-third. The remaining two-thirds are to be applied on a broad base where, in a sense, it is spread across the 50 States in essentially the same manner. We are only saying that a third of it should be targeted into those areas that percentagewise have sustained the largest part, proportionately, of the damage in this economic situation.

One has to recognize that this will help unemployed workers, many of whom are destitute and have exhausted their savings, have lost their homes and cars; but, moreover, the entire fabric of the economy in those States has been damaged. So by responding with this modest degree of help, we can help the entire economy in those States. We help not only the unemployed workers but also provide a chance for the entire State to start to recover, to get back on its feet, and to make a contribution to the national well-being.

The fact is that in States that are hard hit, such as Indiana, Michigan, West Virginia, and many others, the level of damage we have sustained is now so severe that our hardship is hurting the Nation. We recognize that the Nation is being harmed by virtue of the special hardship in our regions.

We are only asking for a chance to get back on our feet, so that we not only can try to heal our own economic wounds but also be in a position to offer some new strength to the Nation as a whole.

So I hope the Senate will choose to respond here to an extraordinary problem. This is not a normal condition; it is a condition of extraordinary degree. That is why this modest degree of targeting is fully warranted. I hope that, in the spirit of a nation, the 35 States less badly damaged will be willing, in this instance, to help the States gravely damaged. I think it is fair and sound and will serve the Nation as a whole.

Mr. BYRD. Mr. President, I think we have about exhausted the subject, but I yield to the Senator from New York, and then I will yield to the distinguished chairman of the Committee on the Budget, Mr. DOMENICI, and then I hope we will move on.

Mr. D'AMATO. I thank the distinguished minority leader for his courtesy.

Mr. President, I am not opposed to that method which would attempt to designate long-term unemployed targeting. I have indicated that in committee. However, I feel very strongly that this targeting method that has been utilized falls short of the mark.

I am not opposed to indicating that States—in this case, New York—should not have it on a per capita basis because it does not have that average. I recognize that. I also recognize that we should not be pitting the interests of one State against another.

I commend the Senator from West Virginia for the countless times in which he has supported my State with programs that have not benefited his State in nearly the same proportion.

Mr. BYRD. Mr. President, will the Senator allow me to make a comment?

Mr. D'AMATO. I yield.

Mr. BYRD. I was the majority leader when the Senate saw the need to help New York City. I was visited by the mayor of New York City. I was visited by the Governor of New York State.

The support I gave to New York City on that occasion was used against me last year in the campaign in West Virginia. I was accused of voting to bail out New York City. I was proud of my vote, because those who used that argument against me overlooked the fact that New York City is the financial capital of the world; and for New York City to have gone bankrupt, it would have hurt every city in West Virginia—Parkersburg, Clarksburg, Beckley, every municipality. It would have had a disastrous impact on the bond market. It would have affected the national dollar. So I know that I did the right thing.

So, in this instance, I hope that the Senator from New York will not be too obstreperous when it comes to helping States that are in need, on a bill that purports to be a jobs bill.

I just want to remind the Senator that I came to his aid, and I would do so again under the same circumstances. I hope he will not be too difficult in this matter.

I apologize for interrupting the Senator.

Mr. D'AMATO. Mr. President, it was for those purposes, in terms of recognizing the Senator's selflessness, and recognition of the Union, as opposed to one State, and for the greater good, that I made that remark, and I mean it.

However, when we talk about targeting, I think we have a duty and an obligation to come up with the fairest and most equitable system we can. To that extent, I am afraid that this particular legislation fails in that manner. It falls short.

There is a targeting and a recognition of unemployment. That is in tier one. It reads:

> One-third of such sums for each such program shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all of the States.

That is targeting.

I recognize that there is a distinction, as my distinguished colleague from Indiana mentioned—long-term unemployed. So we address the question to that.

The formula suggested here has never been used heretofore: long-term unemployed shall be for every month over and above the national average, 12 months out of 12. If you are 10 out of 12, you do not count. If you are 9 out of 12, you do not count. If you are 6 out of 12, you do not count. You are out.

In and of itself, I suggest that something is inequitable. There is a failure to recognize long-term.

What about the other contention that has been raised, not only by me but also by the Senator from Texas (Mr. BENTSEN), when he indicates that there are various regions in some of our States that have particularly high unemployment, long term?

They talk about the numbers of unemployed. The State of New York is doing relatively well. We have only 696,000 people out of work. In some of those regions, the 696,000 people are highly concentrated, long term. There is no recognition of their need. Why do we not target into those labor surplus areas?

If we are talking about equity and fairness, I suggest that we might use a criterion for long-term unemployment that is used in the dislocated workers sections of the Job Training Partnership Act, in lieu of tier two. What did we say? Let me read it. We used it. It is a targeting provision that I would be glad to support, because it is equitable for every State. It says:

> The relative number of individuals who have been unemployed for 15 weeks or more and who reside in each State as compared to the total number of such individuals in all States.

But we have come forth in the last minutes of a markup, and we put out a bill with no consultation, and it says: "Twelve months unemployed each month consecutively; otherwise, you do not qualify."

If we want to put State against State and interest against interest and talk about petty parochialism, I suggest to the Senate that this bill does exactly that. It is unfair. It does not recognize those areas of poverty within States, whether they be Arizona, Texas, New York, or any other area. They are dropped out of consideration.

Tier 1 recognizes unemployment. I suggest that tier two recognize long-term unemployment but that we develop a formula that targets more precisely.

I thank the Senator from West Virginia for yielding, and I understand the nature of the unemployment in his area, and I would support that kind of legislation or anything similar to that to get that money to those people in high unemployment areas who have been protracted unemployed, and I would support that.

I thank the Senator.

Mr. BYRD. I thank the Senator.

Mr. DOMENICI. Mr. President, will the distinguished Senator yield?

Mr. BYRD. I yield.

Mr. DOMENICI. I thank my good friend from West Virginia and say to him that I heard his eloquent remarks.

I say to my good friend, the chairman of the Appropriations Committee, Senator HATFIELD, who worked with Senator BYRD to develop this targeting formula, that I commend him for his efforts.

I wish to start by saying I understand that this country has different problems from time to time, and I am one who supports solutions to different problems.

I give the Senate my latest example. I voted for the 1 cent part of our gasoline tax going to mass transit, and I stood right here on the floor and changed my vote because that was not going to pass. Yet I understood that my State has a different mass transit problem than New York and Pennsylvania, and it was high time we put some of that Highway Fund money in those States.

I voted for the Quayle bill, on the Job Training Partnership Act, which is a targeted bill.

I understand the enormous economic problem, the social problem. In fact, I was talking recently to one of our Senators who spent 2½ days visiting emergency centers, emergency food centers and emergency shelters. I have done this myself and I understand the problem.

Having said that, and I say this in particular to my good friend from Indiana who talks about targeting, the problem with this bill is that we have taken national programs that are totally unrelated to the problem he is trying to solve and he stands here on the floor and says "You are going to cure jobs." Instead of following a program formula or funding distribution mechanisms that has been thought out for years, we add on top a new formula that takes into account long-

term unemployment and allocates the funds that way. We have taken a national park program that has to do with building facilities on national parks. We have taken library construction where we have to go and maintain libraries. We have taken programs such as that. The handicapped ramp construction, which is allocated to the States on a different basis. That is all we originally had in this bill; we accelerated and funded those programs and said "Let us pay for them now." That was the original thesis of this bill.

So we put some people to work, and then all of a sudden someone said, "On the other hand, we do not have a jobs bill that targets. We have additional funding for existing programs."

Someone says, "We should target these programs."

Let me ask Senators:

How in the world do we target a national park construction program to help your long-term unemployed if you do not have any national parks in your State? You may have. I am just using the hypothetical example because many States do not. How are you going to take one-third of the program funding that has to do with library improvement and say target that one-third because it is going to help your long-term unemployed?

That just is not going to work. It is not going to help the unemployed. It is going to send some targeted money to a targeted State to be used for only the purposes that the programs were originally intended for. It is not going to help any of those people.

Someone invented that for 12 months of 1982, your State had to exceed the national rate for each month and said that makes a nice centerpiece for a formula.

I tell the Senate that I would have liked 5 months because it happens that for 5 months my State exceeded it.

But I can tell the Senate that I have a Navaho Indian reservation that for all of those months exceeded 70 percent unemployment. I am not here asking that we attempt to target funds to the Indian reservation. As I look over the programs I wonder how in the world they would help the Indian people who are unemployed anyway when we look at what they are—urban development grants, for example, and they still have to be used as urban development grants. I look at the rest of the list and it has education of the handicapped, and community development block grants. We are going to somehow take a formula program and say for one period in our history we are just not going to use the existing program formula but if you do not vote for the new one-third targeted allocation mechanism you are voting against helping the long-term unemployed. I just do not think that follows. That is No. 1.

No. 2, I venture to say that, if we pass the bill as it is, it will not be 6 weeks until we will have the most mammoth administrative problem we have ever seen. If we think we have OMB and the White House and the bureaucrats out of this bill, then just let them try to figure out how they are going to allocate on the basis of this targeted distribution formula and say it is for the handicapped education or one of these other programs, and then say it is helping the unemployed in some State.

We are going to have the biggest fiasco we have ever seen and probably be back in here passing another bill to fix it up.

So I have asked the question, and I address this to my good friend from Indiana. These programs are not blocked. When we are finished, they still are used for the program purposes as stated. It is just that we decided on a new formula. We want to help the Senator. If this bill had $1 billion extra for title III of the Senator's jobs partnership act, which is indeed targeted and goes to long-termed unemployed and only them to retrain them, he would get an "aye" from the Senator from New Mexico. If he had another $2 billion instead of this $2 billion here, he would get an "aye" from me, and we would use the formula that he thought out over months that goes right to the unemployed.

But I believe we should not come down here and say we had a jobs bill that was not a jobs bill to begin with. We wanted to spend some money to put people to work. Highway construction is a jobs bill. Sure it is going to put people to work just like the mass transit is, just like the 5-cent-gasoline tax is. But then we should not come along and say what we should do with it is have a new formula that will target one-third of these funds to long-term unemployed States.

Let me tell the Senate my 70 percent Indian unemployed are not going to get anything out of it unless there is an Indian program in here, and the two or three counties that are involved in copper mining that would have fit this if they happened to be a State unto themselves are not going to get any of the third of the funds.

So I compliment the distinguished Senator from South Dakota, Senator ABDNOR, for saying let us have two tiers. Let us try to target, and his targeting is on the current number of unemployed in the State, and he takes half of it and says the other half goes as per the formulas and funding mechanisms that have been well-thought out, that in many cases already take the distressed into consideration. The urban development grants take the distressed areas into consideration, for example.

Now we are going to go and say distress is considered but now we are going to have another formula to concentrate some more in there because it is going to put people to work. Actually it is not going to do it. If the Senator wins, we are not going to put his people to work. We are not going to train them. There is no training money in here. I do not find that in this list of 14 or 15 programs.

So I only gave him this because I want him to know that I wish to help him, and I want those who are in distress who have long-term unemployment to know I am going to vote for programs to help them.

But I do not believe this is necessarily going to help, and I think looked at overall it can come out with some very unfair results, some very high expectations that are not even going to be addressed, and I ask the Senator, since we are looking at each other, do we really think that if we are going to double up on youth employment, with the summer employment of youth, we ought to base the formula at least on the number of youths unemployed rather than whether or not you had an unemployment rate in all 12 months of 1982 over the national rate of unemployment?

Yet in here is summer youth employment, and somehow we are going to put it in and say we formularize it in a new way. I am saying it is one of those in the list of 15——

Mr. HATFIELD. But you are going to get money anyway.

Mr. DOMENICI. I am not saying New Mexico is not going to get money under this bill. New Mexico is going to get money. If it is a youth program funded under the appropriations bill for youth summer employment we are going to get it. I merely use the example to take programs already targeted, already having formulas that focus on how they should be used, and then to say for this one time we are going to take this pot of money and we are going to leave the formulas there but we are going to send more to one State than another based upon unemployment rates for all of 12 months exceeding the national rate in 1982 is not the kind of help you need and it is not the kind of program you are asking us to support.

It is precisely what I have described, and nothing more. Can you conclude that it is really going to help your long-term unemployed or not, or Michigan's infrastructure problems that come with longevity unemployment. I do not think it is, and for that reason I hope the Abdnor amendment is agreed to.

Mr. QUAYLE. Mr. President, may I have 1 minute to answer the Senator?

Mr. BYRD. Senators are waiting to vote, are eager to vote.

I yield 2 minutes and I ask the Chair to keep the time.

Mr. QUAYLE. I will try to keep it under 2 minutes.

I would just like to respond to my distinguished colleague that I think what he has done is put his finger on a very important problem. His idea of a jobs bill is basically construction jobs, public works type of employment. I am saying that is not a jobs bill in the short term. In the library construction the Senator is talking about the bulk of the spending is going to be in 1985, 1986, 1987, and 1988. We need help now. We need help today.

We need help not 4 years from now or 3 years from now, and that is why the Hatfield approach to try to target this thing is proper. We are talking about jobs bills, that is what we are talking about. We ought to get the most jobs for the least amount of money. We have a problem with deficits in this country, I am sure you know better than I do, and if we are going to try to take some money and create jobs they do not necessarily have to be the high-cost, high-skill jobs.

So you and I have a bit of different aspect on what a jobs bill is. But the way you can help us is to vote down this amendment that is going to do away with targeting. The Senator from New York is for targeting.

It is necessary and proper, and it is going to long-term unemployed who severly need help in the short term, not 3 or 4 years from now but today, the next 12 months.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. BYRD. I had said I would move to table the amendment after Senators who had indicated they wished to talk had such an opportunity. I think they have all had the opportunity.

Mr. DECONCINI. Mr. President, will the Senator yield for 1 minute?

Mr. BYRD. Mr. President, I defer to the chairman of the Committee on Appropriations who will make the motion to table instead of me, and I support him in that tabling motion. With apologies to my friend, I am going to yield to the Senator from Oregon.

● Mrs. HAWKINS. Mr. President, I rise in support of the amendment of the distinguished Senator from South Dakota, Senator ABDNOR, I agree with the Senator from South Dakota that this particular targeting provision which measures unemployment on a State basis and would make a State ineligible for funding under tier II if their unemployment rate was under the national level for even 1 month in 1982 is patently unfair.

While I do not oppose the targeting of Federal assistance to areas of high unemployment, I feel that a provision that does not take into account seasonal employment rates and pockets of high chronic unemployment within the State is not a prudent and equitable method of allocating Federal assistance. My State of Florida has a diverse economic base with different rates of unemployment for different areas within the State. South Florida's economy differs from the economy of north Florida and central Florida's from the Florida Panhandle. Some counties and cities in Florida have a rate of unemployment far below the national average, while other counties and cities far exceed it. The unemployment rate in St. Lucie County is currently 20.3 percent even though Florida's State rate is under the national average. To exclude the entire State from one-third of the funding from 13 very important programs is inequitable.

I also feel that the provision does not take into account the seasonal nature of unemployment in Florida and other Southern States. Florida is a major agricultural State whose unemployment rate fluctuates greatly throughout the year. For example, Polk County has unemployment that exceeds 17 percent in summer months but may be less than the national average during the winter months. To deny these unemployed individuals assistance under tier II simply because their unemployment rates fluctuate and are not consistently over the national unemployment rate each and every month of 1982 is unfair.

Mr. President, the economic recession has affected the lives of individuals in every city, town, county and rural area of the Nation. I agree that Federal assistance should be targeted to areas where unemployment is particularly severe. But I prefer the legislative language that has been included in community development block grant by the House that earmarks funds for metropolitan cities and urban counties or legislative language in maternal and child health block grant which insures that grants will be available to those States experiencing a high level of unemployment. I do not support an allocation formula which ignores seasonal unemployment or the regional economic and unemployment difference within a State.

Mr. President, I join with Senator ABDNOR in urging my colleagues to delete tier II of the Senate allocation formula.●

Mr. PERCY. Mr. President, I oppose the Abdnor amendment. The committee provision which targets $3,200,000 of the funds made available under title I to those States which have borne the brunt of the recession and unemployment over the past 2 to 3 years is a fair attempt to address a real need. I urged the chairman of the Appropriations Committee to take this action last week, and I ask unanimous consent that my letter of March 3, be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 3, 1983.

Hon. MARK O. HATFIELD,
Chairman, Senate Committee on Appropriations, Washington, D.C.

DEAR MARK: As you approach the mark-up of the Emergency Supplemental Appropriations Act, which will embody Congressional response to this nation's critical state of joblessness, I want to advise you of the terrible conditions in my state and urge that you take them into account in preparing your final legislation.

Simply stated, and using January 1983 preliminary data, this is the bad news:

Unemployment rate

City:	*Percent*
Chicago	12.7
Danville	23.6
Decatur	20.2
East St. Louis	13.6
Joliet	22.5
Kankakee	21.2
Moline	21.1
Peoria	19.5
Quincy	19.1
Rockford	25.5
Rock Island	18.9
Springfield	11.3

Our statewide unemployment rate in Illinois is 13.5 percent and, in all cases, you see that everywhere in the state unemployment is running far in excess of the national average.

It is of paramount importance to the State of Illinois that the Senate "jobs package" be a constructive and timely response to these current high unemployment rates and that these jobs be concentrated in areas of high unemployment, targeting those individuals hardest hit by long-term unemployment.

In particular, I recommend that funds be distributed so that at least 75 percent of them are channeled to states (in the case of state grant programs) or areas (in the case of direct grants to sub-state areas) in which the rate of unemployment for the last three months of 1982 was higher than the national average rate of unemployment. I also urge that no grant be made under these programs unless 75% of the persons hired pursuant to the grant be certified by the local agency of the USES as unemployed and as having been unemployed for at least 15 weeks in the preceding six months. Finally, I encourage you to do everything possible to make the money available as soon as possible, not only because of the great need which exists, but also so that we do not find ourselves in the situation which has occurred in the past of not getting the money out in the country until, ironically, the recovery is established.

The inclusion of such language would provide statutory safeguards that the maximum number of jobs be created during the period when unemployment is projected to remain in the 10% range nationally—and higher in Illinois—and that the jobs be available to those who have been unemployed the longest.

Mark, as always, I appreciate your interest in matters affecting Illinois and I am grateful in advance for all you can do to help us. You are taking on a very important and difficult task in developing this legislation and I will certainly do all I can to help you.

Warm personal regards,

CHARLES H. PERCY,
United States Senator.

Mr. PERCY. If we want to get into discussions about equity we could spend hours about the disparity in defense spending. The fact of the matter is that my State of Illinois ranks 48th in terms of return on Federal tax dollars which we send to Washington each and every year. We have cities in Illinois which rank at the very top of cities in the Nation in terms of sustained unemployment. Rockford, Decatur, Joliet, Kankakee, and I could go on listing city after city in Illinois which properly deserve assistance under this bill. To target these long-suffering cities is only right and proper.

Let me say, Mr. President, my State is attempting to do its share. Our Governor recently went on statewide television to call for an increase in the State income tax in order to cover the shortfall that exists because of the unemployment problem we are facing in Illinois.

The modest degree of targeting in this bill is a commendable approach. I urge the Senate to reject the amendment. This bill should not become the vehicle for regional confrontation. As Ben Franklin said, we can either hang together, or we will hang separately.

Mr. HATFIELD. Mr President, I move to table the amendment of the Senator from South Dakota.

Mr. DECONCINI. Will the Senator yield for 60 seconds before he makes that motion?

The PRESIDING OFFICER. The motion to table is not debatable. The question is on agreeing to the motion of the Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

Mr. BYRD. The Senator from Oregon and I want to be fair as we want the Senators to be fair. Will the Senator allow me to ask unanimous consent that the Senator from Arizona may have 1 more minute? He has spoken a number of times, but he wants a minute, and in this greatest deliberative body in the world, maybe he will change his mind in that minute.

I ask unanimous consent that he be allowed to speak for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DECONCINI. Mr. President, I thank my distinguished leader for, as usual, his wanting to be sure that everyone has a moment to express their last views. My last views, Mr. President, are to point out that this is a targeting bill. Under tier 1 are the relative number of unemployed individuals who reside in the State as compared to the total number of unemployed individuals in all the States, that is the target.

If we do not adopt the Abdnor amendment, 2,573,000 unemployed people in Texas, California, and New York will not avail themselves of one-third of these funds.

I thank the distinguished Senator from West Virginia.

The PRESIDING OFFICER. Time having expired, the question is on agreeing to the motion of the Senator from Oregon to lay on the table the amendment of the Senator from South Dakota. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. LAUTENBERG) is absent because of death in the family.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

I further announce that, if present and voting, the Senator from New Jersey (Mr. LAUTENBERG) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 43, nays 51, as follows:

[Rollcall Vote No. 14 Leg.]

YEAS—43

Andrews	Hecht	McClure
Baker	Heflin	Metzenbaum
Byrd	Heinz	Packwood
Chiles	Huddleston	Percy
Cochran	Inouye	Proxmire
Denton	Jackson	Quayle
Dixon	Johnston	Riegle
Eagleton	Kasten	Rudman
Ford	Kennedy	Sarbanes
Garn	Laxalt	Sasser
Goldwater	Levin	Specter
Gorton	Long	Stevens
Hart	Lugar	Thurmond
Hatch	Mathias	
Hatfield	Matsunaga	

NAYS—51

Abdnor	Dole	Nickles
Armstrong	Domenici	Nunn
Baucus	Durenberger	Pell
Bentsen	East	Pressler
Biden	Exon	Pryor
Bingaman	Grassley	Roth
Boren	Hawkins	Simpson
Boschwitz	Helms	Stafford
Bradley	Humphrey	Symms
Bumpers	Jepsen	Tower
Burdick	Kassebaum	Trible
Chafee	Leahy	Tsongas
Cohen	Mattingly	Wallop
Cranston	Melcher	Warner
D'Amato	Mitchell	Weicker
Danforth	Moynihan	Wilson
DeConcini	Murkowski	Zorinsky

NOT VOTING—6

Dodd	Hollings	Randolph
Glenn	Lautenberg	Stennis

So the motion to lay on the table UP amendment No. 30 was rejected.

Mr. BAKER. Mr. President, may I have the attention of the Senate for a moment? May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, we still have a lot of work to do. The Senate has been on notice for the last several days by colloquy with the distinguished minority leader, or the Senate should be on notice of the possibility of late sessions today and tomorrow to try to finish this bill tomorrow. We have a Friday night deadline. We have to make provisions for further unemployment benefits. We simply have to do that.

Mr. President, what I would like to do is get an inventory of what we can do tonight, what must yet be done tomorrow, set a convening hour for the morning, try to estimate our time for adjournment or recess—and it will be recess tonight.

I understand from the minority leader and from the manager of the bill that there are perhaps three other amendments we can deal with tonight—an Andrews amendment which will take a very brief time, I am told.

Mr. ANDREWS. One minute, Mr. President.

Mr. BAKER. I would perhaps enter into the first 1-minute time agreement in my career.

Mr. ANDREWS. One minute equally divided.

Mr. BAKER. Equally divided and with great precision, quartz time.

In addition to that, there is a Moynihan-Chafee amendment. May I inquire as to the nature of that amendment and whether we might get a time agreement?

Mr. MOYNIHAN. Mr. President, the answer is we may surely have a time agreement. The amendment is in regard to water projects that are in the bill. It substitutes one set for another, in part.

Mr. BAKER. Would the Senator and his cosponsor suggest a time limitation? Would 30 minutes equally divided be appropriate?

Mr. CHAFEE. Could it be 40 minutes?

Mr. HEINZ. Reserving the right to object, Mr. President, I would really like to know more about this amendment before we enter into a time agreement. I am not saying we cannot have one at a later time, but until I know what is in it, I must object.

Mr. BAKER. I shall not put the question yet, Mr. President, but I urge the Senator from Pennsylvania to consult with the Senator from Rhode Island and the Senator from New

York. I would like to get as short a time agreement as we can get.

I also understand there is a Ford amendment to be offered—not tonight.

Are there other amendments that might be offered?

Does the distinguished Senator from Massachusetts have an amendment?

Mr. TSONGAS. A 2-minute colloquy.

Mr. BAKER. Mr. President, as I discussed with the minority leader, what I would like to do if the Senate will agree is dispose of the Andrews amendment, which will take a minute—2 minutes—dispose of the Moynihan-Chafee amendment, if we can do so, on which I assume there will be a rollcall——

Mr. MOYNIHAN. I believe so.

Mr. BAKER. Then the colloquy of the Senator from Massachusetts.

By then, Mr. President, it is likely to be 7 or 7:30, I would guess. I propose that by that time, we should lay down the first amendment for tomorrow. I would suggest that we make it the Levin amendment, which I understand to be the Democratic package of amendments which may be offered to this bill.

I am happy to report that the Senator from Michigan suggests we might have a 2-hour time limitation on that package. I applaud him for that. I shall not put the request at the moment.

May I urge that Senator ANDREWS go ahead with his amendment while we shop for agreement on the Moynihan-Chafee amendment?

Mr. ABDNOR. Will the majority leader yield?

The PRESIDING OFFICER (Mr. JEPSEN). The Chair recognizes the Senator from North Dakota.

Mr. BAKER. Mr. President, let me respond to the Chair first. What was the question?

The PRESIDING OFFICER. The Chair recognized the Senator from North Dakota.

Mr. BAKER. Mr. President, the Abdnor amendment is still pending, I believe, and requires disposition.

Mr. ABDNOR. Would the majority leader yield on that?

Mr. BAKER. Yes.

Mr. ABDNOR. I would like to ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. I inquire of the distinguished Senator from South Dakota if he would be willing to lay his amendment aside temporarily in order to take up the Andrews amendment at this time.

Mr. ABDNOR. That is fine with me, yes, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is temporarily laid aside.

UP AMENDMENT NO. 31

(Purpose: To prevent the transfer of the administrative functions of ANA to the BIA)

Mr. ANDREWS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from North Dakota (Mr. ANDREWS), for himself, Mr. MELCHER, Mr. ABDNOR, Mr. CRANSTON, Mr. BINGAMAN, Mr. PRESSLER, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, and Mr. STEVENS, proposed an unprinted amendment numbered 31.

Mr. ANDREWS. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of Title I insert the following:

"ADMINISTRATION FOR NATIVE AMERICANS

"General administration of programs authorized under the Native American Programs Act shall remain in the Department of Health and Human Services and shall not be transferred to the Bureau of Indian Affairs and the Secretary of Health and Human Services shall continue to administer the financial assistance grants funded under that Act through the Administration for Native Americans; *Provided*, That this provision shall not prohibit interagency funding agreements between the Administration for Native Americans and other agencies of the Federal government for the development and implementation of specific grants or projects."

Mr. ANDREWS. Mr. President, this amendment is sponsored by myself and Senators MELCHER, ABDNOR, CRANSTON, BINGAMAN, PRESSLER, DECONCINI, DOMENICI, GOLDWATER, and STEVENS.

Mr. President, the purpose of this amendment is to prohibit the transfer of the administrative functions of the Administration for Native Americans within the Department of Health and Human Services to the Bureau of Indian Affairs within the Department of the Interior.

The proposal to transfer the administration of ANA to the BIA was set forth in the budget justification of Department of Health and Human Services. The budget justification did not assert that any money would be saved as a result of the transfer. Instead, it alleged that it would create "improved coordination" and "greater efficiency * * * through the resultant program integration and cooperation." In the same budget justification, the administration recommended the elimination of a large portion of the population that Congress set as eligible for ANA services by limiting ANA programs to federally recognized Indian tribes. The administration set April, of this year, as the deadline for effecting the transfer.

Mr. President, I have severe reservations about the wisdom of this proposal. First, when Congress passed the Native American Programs Act, the enabling act for ANA, it deliberately placed ANA in the Department of Health, Education, and Welfare—the predecessor to HHS. This placement recognized that ANA was expected to perform services that differed significantly from those performed by the BIA. In addition, Congress understood that ANA would be serving a population that is much larger and more varied than that served by BIA.

Those distinctions continue to this day. BIA remains the primary Federal agency charged with the discharge of the trust relationship between the United States and Indian tribes. It is also the lead agency of the Federal Government in the implementation of policies based on the government-to-government relationship between the United States and Indian tribes. Its service population has been limited by BIA's own interpretation of its mission to federally recognized Indian tribes and Indians living on or near Indian reservations. BIA services are continual and are frequently provided on a day-to-day basis.

ANA, on the other hand, was created to promote the broad goal of "economic and social self-sufficiency for American Indians, Hawaiian natives, and Alaska Natives." In meeting this goal, ANA developed a process for the awarding of competitive grants. These grants were made on the basis of proposals that the grantees developed themselves based on their own assessment of their needs. The grants meet specific needs of the grantees and run for a definite term. Once the goal of the grant is realized, ANA withdraws and the grantee proceeds on its own.

ANA has been a very successful program and, indeed, the administration's own budget justification on it is replete with examples of successful ANA programs. In many instances, these programs have diminished unemployment and left the grantee in a much better condition to handle its own affairs.

The administration decision to transfer ANA, therefore, would place ANA in agency that has a far different mandate than ANA and that has no practical experience with the operation of a grants program based on competitive proposals.

Equally as troubling and compelling is that the proposed transfer is scheduled to become complete in about 3 weeks and yet many of the most fundamental questions about it have not been answered. At a hearing before the Indian Affairs Committee on February 23d, administration witnesses for both ANA and BIA were unable to answer such questions as what was meant by the transfer of the adminis-

tration of ANA programs, whether any ANA personnel would be transferred to the BIA, whether and how BIA would be reimbursed for its work and services, and so forth. Yet, despite the absence of any information on these points, the witnesses testified that the transfer was on schedule and would take place in the 5 weeks. At present, only 3 weeks remain before the transfer will take effect.

This lack of certainty about the terms of the proposal even extended to the legal authority for the transfer. After questions were directed to the witnesses about the sufficiency of the statutory authority that the administration had cited to enable the transfer, the committee was informed that the selection of a law authorizing this transfer was one of the details that had not been worked out at that time.

Mr. President, I would have serious reservations about the placement of ANA, or some part of its functions, in BIA even if a complete description of the transfer had been submitted to Congress many months before the transfer would take place. In the present case, however, we have before us a transfer that would place only part of the functions of ANA—the undefined administrative functions—in the BIA. This would result in a program that is perfectly well run within one agency being split between two agencies. The efficiency gained by this procedure is not immediately apparent to me.

Furthermore, the transfer is to take effect in 3 weeks and, therefore, time is of the essence.

Mr. President, the Appropriations Committee has already expressed its concern about this transfer by including language in the Senate report on H.R. 1718 which is intended to delay the transfer until the committee has had an opportunity to examine it. This language is helpful but I am afraid that it may not be enough. As we all know, report language does not have the force of law and, in view of the dearth of time that is left before the transfer is to be completed, the transfer could become an accomplished fact before the Congress even begins its analysis of it.

Mr. President, I urge my colleagues to support this amendment and prevent ANA from being dealt a crippling or perhaps mortal blow through an ill-conceived and incomplete transfer of its responsibilities. This is a small program but has been successful and is highly regarded. It deserves the protection this amendment would provide.

Mr. President, I yield to my colleague on the Select Committee on Indian Affairs, the Senator from Montana (Mr. MELCHER).

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. I thank my friend for yielding.

I am very much in support of this amendment. There is no sense transferring ANA functions to the BIA when it is working fine under congressional intent where it is.

In its budget justification for fiscal year 1984, the Department of Health and Human Services has proposed transferring the administrative functions of ANA to the Bureau of Indian Affairs. The transfer is to be effective April 1. Mr. President the Select Committee on Indian Affairs' February 23 hearing on both the BIA and ANA budgets made it abundantly clear that this proposal is not only ill conceived but may in fact contravene Congress' intent in establishing the Administration for Native Americans. The testimony at this hearing rather than clarifying the basis and merit of the proposed transfer served only to raise serious questions and present undeniable problems associated with the plan.

The essential question asked by the committee was: Why is this transfer of the Administration for Native Americans being proposed?

Neither the BIA nor the ANA provided a satisfactory response to this or the following questions:

Will the transfer itself save the Government money?

Answer. No.

Will the transfer enhance the ANA program?

Answer. Unclear.

Does the transfer take into account Congress intent that ANA remain within HHS and not be transferred to the BIA?

Answer. No.

Are both agencies, ANA and BIA, prepared to deal with the mechanics of the transfer?

Answer. No.

What is the legislative authority for effecting the transfer?

Answer. Unclear.

Was there consultation with the tribes or the Congress regarding the transfer?

Answer. No.

Does the transfer have the support of the tribes?

Answer. No.

What is the cost of the transfer?

Answer. Unclear.

Mr. President we know that the Administration for Native Americans, while not perfect, has done a good job in promoting the goal of economic and social self-sufficiency for American Indians, Hawaiian natives and Alaska Natives. At the same time we know nothing about the competency or capacity of the BIA to administer this program. It seems to me that this is the ideal situation when we should pay heed to that old saying "If it isn't broken, don't try to fix it."

I urge the Senate to accept this amendment and thereby prevent a pointless and potentially damaging change in the administration of a good program for native Americans.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment (UP No. 31) was agreed to.

Mr. ANDREWS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, let me try to get a unanimous-consent agreement on time. I am told that the sponsors of the bill are agreeable to a 40-minute time limitation on the Moynihan-Chafee amendment equally divided.

Mr. BYRD. Mr. President, may I say that I would like to know a little bit more about that amendment before I agree to that time limit.

Mr. BAKER. Mr. President, I was handed a note indicating that that was agreeable. That is not agreeable.

Mr. President, I suggest the absence of a quorum.

Mr. PERCY. Will the Senator yield?

Mr. TSONGAS. Will the majority leader yield?

Mr. BAKER. No. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if I can have the attention of the Senate—may we have order, Mr. President?

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, my purpose, as I indicated earlier, is to try to arrange an orderly and appropriate schedule for the Senate for the remainder of this evening. It is my hope that we can finish a suitable amount of work by 7:30 or 8 p.m. and then reconvene at 9:30 a.m. in the morning.

First, Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 30 TEMPORARILY LAID ASIDE

Mr. BAKER. Mr. President, I am going to make another request. I ask unanimous consent that the amendment pending be temporarily laid aside and that the Senate proceed to the consideration of a Heinz amendment dealing with revenue sharing on

which there would be a 40-minute time limitation to be equally divided and that no amendments to the amendment be in order.

Mr. BENTSEN. I object.

Mr. BAKER. Mr. President, further, that the pending committee amendment be laid aside.

Mr. BENTSEN. I object.

Mr. BAKER. All right, then, Mr. President, I ask unanimous consent that there be a 40-minute time limitation equally divided and that on any second-degree amendment or perfecting amendment there be a limitation of 20 minutes equally divided.

Mr. LONG. Reserving the right to object, what amendment is this?

Mr. BAKER. This is the Heinz amendment dealing with the advancement of the payment of revenue sharing.

Mr. BENTSEN. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. BAKER. Yes, Mr. President; I do that.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask uanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, let me renew my original request, if I may have the attention of Senators.

I ask unanimous consent that the committee amendment be temporarily laid aside; that the Abdnor amendment be temporarily laid aside; that the Senate next proceed to a colloquy by the Senator from Massachusetts for not more than 1 minute, and then a colloquy by the Senator from South Dakota (Mr. PRESSLER) for 1 minute; that after those two colloquys, the Senate then proceed to the consideration of the Heinz amendment dealing with acceleration of the payment of revenue sharing—I think fourth quarter revenue sharing—and on that amendment there be a limitation of 40 minutes, equally divided, and that no amendments to the amendment be in order.

Mr. BYRD. Mr. President, I have to object to the last portion of the request, vis-a-vis a time limitation and no amendments.

Mr. BAKER. Then, Mr. President, I amend the request to provide that in the event there are second-degree amendments or perfecting amendments, there be a time limitation of 20 minutes, equally divided.

Mr. BYRD. I am sorry—the majority leader did not understand me.

I would have to object to the time limitation on the amendment by Mr. HEINZ and also object to the provision that would prevent amendments to the amendment.

Mr. BAKER. We are making haste very slowly, Mr. President.

Mr. BYRD. The majority leader knows I try to help him.

Mr. BAKER. I do indeed—invariably so.

Mr. President, I am loathe to bring up the Heinz amendment at this moment. There are other amendments that may be dealt with.

Mr. President, I ask that the request insofar as it pertains to the two colloquys to be considered by the Senate at this time and that the remainder of the request be ignored.

Mr. PRESSLER. Mr. President, reserving the right to object—and I do not intend to object—I have an amendment that has been agreed to by both sides, not a colloquy, and it will take 1 minute. I am ready to proceed.

Mr. BAKER. Mr. President, I amend my request: A colloquy in favor of the Senator from Massachusetts and an amendment dealing with school lunches, 1 minute, equally divided, for the Senator from South Dakota to offer that amendment, which is going to be accepted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, I ask the distinguished chairman of the Senate Appropriations Committee to take note of two highly worthwhile items that should be part of the jobs bill.

First, the House earmarked $10 million for the continuing rehabilitation of the Cape Cod Railroad, between Attleboro and Hyannis, Mass. These funds would reestablish passenger rail service to Cape Cod as part of the Washington-Boston corridor. The project is of obvious merit for reasons of both energy conservation and tourism. It is a plan whose completion is long overdue. I understand that the Senate committee increased overall rail improvement funds above the level endorsed by the House and that their failure to earmark funds for the Cape Cod system was without prejudice to the merits, but rather reflected a policy not to specify any particular projects. I ask that the Senate conferees recede to the House in this matter.

Second, the House identified a list of national parks eligible to receive $50 million in National Park Service operations funds. I had hoped that the Senate committee would include on that list the Lowell Historic Preservation Commission. In Lowell, an intensive and highly successful program for urban revitalization is underway with both public and private investments. Three projects are ready to go forward immediately, thus quickly creating jobs. They are projects well suited to the aims of this legislation. I understand that the Senate committee concurred with the House on these funds, but again did not specify particular projects. I ask that in conference the Senate include the Lowell Historic Commission on the list of eligible projects. I have a statement of supplementary information elaborating why this item should be included in the jobs bill. I ask unanimous consent to have this additional statement printed in the RECORD.

I thank the chairman for his consideration of these two items.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LOWELL HISTORIC PRESERVATION COMMISSION: PROJECTS WHICH CAN GO FORWARD IMMEDIATELY AS A RESULT OF JOBS BILL FUNDING

1. Revolving loan fund for small business building restoration. The loan pool is for owners of nationally significant buildings. $436,000 could be loaned to owners of 9 buildings to create 20 first tier and 160 second tier construction jobs and 61 new permanent small business jobs. Every dollar loaned by the Commission for this program over the past 3 years has generated $8 in new private investments.

2. Construction on historic trolley track system. Track stabilization and two-track bypass connections are needed to alleviate a safety hazard on the system. The cost of the work is $574,000. The project will create 15 construction jobs and 5 permanent jobs. Work could begin immediately.

3. Central Street infrastructure. $400,000 is needed to undertake relocation and upgrading of utilities, landscaping and street improvements in the historic Pawtucket Canal area.

Mr. HATFIELD. Mr. President, in response to the Senator from Massachusetts, I say that these matters were removed or excised from the bill not in any way to imply a lack of qualification or merit but merely on the basis that I was trying to eliminate as many earmarked projects as possible, to remove the view that this bill might be considered a "pork barrel" or some of the other uncomplimentary terms applied from time to time. That was especially done in the water projects, and I happen to be the chairman of that subcommittee. This fell in that category—not in any way to demean or denigrate the value or merits of these projects.

In the conference, I am sure that the Senator's colleague from Massachusetts who sits as ranking minority member on the House side will make a pitch for these. We will make a lot of compromises in that conference, and we will consider that in the whole package.

Mr. TSONGAS. I thank the Senator.

UP AMENDMENT NO. 32

(Purpose: To maintain an effective school lunch program)

Mr. PRESSLER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an unprinted amendment numbered 32.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, line 23, after the word "program," insert the following: "and to maintain an effective school lunch program"

Mr. PRESSLER. Mr. President, my amendment addresses the "Distribution of Agricultural Commodities" portion of this bill and is intended to clarify that section. It is necessary to insure that more of our surplus commodities are distributed to the needy and I am a cosponsor of legislation calling for such action. I am concerned, however, that this provision may interfere with the current distribution of these commodities to the national school lunch program. My amendment adds language to clearly state that the currently authorized distribution of commodities to the school lunch program is preserved as a priority of the commodity distribution program.

I was visited by a school lunch administrator from my home State of South Dakota just this week, and he expressed concern about the effect of this legislation on their program. There are over 500 schools participating in this program in South Dakota alone. The receipt of bonus dairy products has been extremely important in holding down costs for millions of children across the Nation. The expansion of this program to other products will increase the savings. We must specifically preserve the priority status of the school lunch program for this reason. I am very supportive of this section, but mandated programs must be assured that they will receive the commodities they need.

Mr. President, both sides have agreed to this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 32) was agreed to.

Mr. HATFIELD. Mr. President, I inquire whether any Senators present have an amendment they wish to offer tonight, with or without a rollcall vote. I know that the Senator from Pennsylvania has one, as well as the Senator from New York, and perhaps others. Do we have any that will not require a rollcall vote?

I think the Senator from California may have one. I have an amendment that I can offer and take care of tonight.

Mr. FORD. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. FORD. I have an amendment that I should like to offer tonight. I understand that the majority leader has indicated that an amendment may be offered tonight for consideration tomorrow, and I would be perfectly willing to follow that amendment and obtain a time agreement on it. I wonder if that would be in order at this time.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. FORD. I yield.

Mr. BAKER. Is this the railroad retirement amendment?

Mr. FORD. The Senator is correct.

Mr. BAKER. Could the Senator suggest a time limitation?

Mr. FORD. Thirty minutes, to be equally divided.

Mr. BAKER. Mr. President, let me consult with the manager of the bill. As I understand the Senator from Kentucky, he proposes to sequence that amendment after the Levin amendment tomorrow.

Mr. FORD. The distinguished majority leader is correct.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FUNDING FOR THE WIC PROGRAM IN THE JOBS BILL

● Mr. EAGLETON. Mr. President, as my colleagues know, the jobs bill presently before us contains $100 million of additional funds for the special supplemental feeding program for women, infants, and children, commonly known as WIC. Under this bill, these funds will remain available only through fiscal year 1983. S. 484 introduced by Senator HATFIELD contained a similar funding increase for the WIC program but provided that these funds would remain available through fiscal year 1984. If I might inquire of Senator HATFIELD, "Why has the Committee accepted the House position on this issue?"

Mr. HATFIELD. I thank the Senator from Missouri for seeking clarification on this issue. S. 484 provided funding for the WIC program under the same format it is currently provided in the regular Agriculture appropriations bill—that is, 2-year availability. Of course, it was my intent that these funds be fully utilized this year and that funds not be allowed to lapse or carry over into fiscal year 1984. I have been persuaded that the House provision more clearly reflects the intent that these funds be allocated immediately to the States and that they be fully utilized as a program increase over the funds already allocated to the States for WIC. For this reason, we have agreed to the House language.

Mr. EAGLETON. Mr. President, so that the record is clear on this issue, is it the intent that these funds be utilized first so that none of them will lapse at the end of the fiscal year?

Mr. HATFIELD. That is correct.

Mr. EAGLETON. And is it also the intent that States receive an additional allocation of funds beyond what they have already received so that they might increase caseloads beyond the current levels for the remainder of this fiscal year?

Mr. HATFIELD. That is correct.

Mr. EAGLETON. I thank the Senator for his assistance in clarifying this issue and I commend him for his efforts to see to it that this important program receives additional funding this year.●

● Mr. SPECTER. This positive legislative initiative on jobs brings me to another important program to assist the unemployed: the housing modernization program. I am interested in learning the status of funds that were appropriated for modernization. As I recall, $2.5 billion was appropriated for modernization and signed into law on December 21, 1982 in Public Law 97-377.

Mr. GARN. To the best of my knowledge, none of the funds appropriated in December have been obligated to date. I would further note that over $2 billion in previously appropriated funds are as yet unexpended.

Mr. SPECTER. Would it be possible for us to work together to have HUD fulfill the congressional intent in obligating these funds to program? I would like HUD to report on the status of the allocation to the Appropriations Committee by April 4, 1983.

Mr. GARN. I would be glad to work with you on this important program and will ask HUD to report back to us by April 4, 1983.●

Mr. JACKSON. I should like to address a question to the chairman of the Interior Appropriations Subcommittee which relates to a particular situation in the State of Washington.

I understand that the committee has included in this appropriations bill $25 million for development grants from the historic preservation fund. I think this is an excellent idea and I commend the chairman for this initiative. As I understand it, for the past 2 years there has been a restriction on the use of historic preservation funds for development grants. This restriction has been based on guidance given to the Interior Department in Appropriations Committee report language. Including this $25 million item in this jobs bill will allow the State historic preservation offices to expend their Federal funds provided under this act for the purpose of making development grants.

In this regard, there is in Wenatchee, Wash., a museum called the North Central Washington Museum. The museum is housed in two buildings which used to be U.S. Post Office buildings. These buildings were purchased by the city of Wenatchee from GSA and converted to museum use. Both buildings are on the National Register of Historic Buildings. The museum is operated by the North Central Washington Museum Association.

The buildings are presently in need of some repairs; however, the restrictions on development grants has blocked the State historic preservation office from making a grant to the Museum Association to complete the necessary repairs.

As I understand the provision which you have included in this job bill it would remove the restriction on development grants for funds provided under this act. This would allow projects such as the North Central Washington Museum repair to be funded.

Mr. McCLURE. The Senator is correct. We have in past appropriations acts included report language which restricted development grants. However, we would permit such grants for the purpose of stimulating jobs through the rehabilitation, repair, preservation, and development of historic properties under this act. To this end, it is the committee's intent that such preservation development activities be first undertaken on those properties which are complete or nearly complete with the planning and architectural and engineering phase and ready to go to the construction phase. This, of course, is in line with the intent of this bill to create jobs in as short a period as possible. It is my understanding that the North Central Washington Museum may in fact meet this criteria and, if so, does indeed represent the type of repair and rehabilitation project the committee had in mind in approving this program.

Mr. JACKSON. I thank the Senator for his explanation of this provision and I congratulate him for including this very worthwhile provision in the jobs bill.

USE OF INDIAN HEALTH SERVICE CONSTRUCTION FUNDS

Mr. STEVENS. Mr. President, I have a question regarding the use of the $39 million that has been provided to the Indian Health Service which I would address to the distinguished chairman of the Interior Appropriations Subcommittee, Senator McCLURE. The language contained in both the House and Senate committee reports indicates that all of the funds are to be used exclusively for sanitation facilities. I do not dispute the need for these funds, but I would point out another area of need within IHS.

For a number of years, the appropriation to reduce the backlog of essential maintenance and repairs (BEMAR) has been held at about $8 million. Last year it was necessary to reprogram approximately half of this amount in order to meet pressing needs in the delivery of health services.

As a result of the committee's action to provide additional funding for sanitation in both the fiscal year 1982 supplemental and in the fiscal year 1983 appropriations bill, excellent progress has been made in improving water and waste disposal systems in many areas. The funds contained in this bill are sufficient to bring IHS current on requirements in this area.

Alaska's share of the $39 million is about $8 million. I have received information from the State which indicates a preference to use a portion of these funds for essential repair work on hospitals owned by the Indian Health Service. While I will not propose an amendment, I would ask the subcommittee chairman if he would entertain the possibility of including language in the conference report which would give the area directors of the Indian Health Service the flexibility to reallocate up to 50 percent of the funds they receive for sanitation to essential repair work on IHS facilities.

Mr. McCLURE. We are aware of the concern expressed by the Senator from Alaska. In fact, the Department of Health and Human Services made an informal request to accomplish this transfer. They did not, however, follow through on our request to provide a list of such projects to the subcommittee for consideration. Upon hearing of the Senator's interest in this matter, we again requested a BEMAR list from the Department and we have been assured that such a list will be made available prior to conference action on this bill. I will be pleased to put the Senator's request before the conference for consideration.

Mr. President, the distinguished Senator from South Dakota has a concern with reference to one of the provisions included in the report accompanying H.R. 1718.

Mr. ABDNOR. Mr. President, before voting on this bill, I should like to inquire of my distinguished friend from Idaho about a particular listing of a project in my State contained in the Department of the Interior Fish and Wildlife Service section pertaining to the accelerated maintenance and construction programs.

In the Senate illustrative project listing there is included a provision designating repair of facilities at the McNenny National Fish Hatchery prior to the State assuming this operation. Was it the intent of the subcommittee that this work be accomplished before the South Dakota Game, Fish and Parks Department assumes full control of the facilities there?

Mr. McCLURE. It is my understanding that your State is preparing to take over the operations at McNenny on July 1, 1983. It would appear unlikely, given the short period of time remaining, that the needed work could be accomplished by the U.S. Fish and Wildlife Service prior to that date. However, both are currently involved in formulating a cooperative agreement so that the State could carry out this needed work under FWS authority.

Mr. ABDNOR. Figures have been supplied to the subcommittee by Secretary Merwin of my State agency indicating that they are proposing accomplishing this work with an expenditure of $150,000, far less than the $250 to $450,000 which the FWS proposed for the same work just last year. Given this, would it then be possible for this rehabilitation work to be carried out by the State of South Dakota under contract or agreement with the FWS.

Mr. McCLURE. That is correct. This was work that was already identified as needing to be done by the FWS prior to the actions taken to conclude their operations at McNenny. Such an agreement is consistent with both the intent of this legislation and that of the FWS.

Mr. ABDNOR. Mr. President, I would very much like to express my deep appreciation to the chairman of the Interior Appropriations Subcommittee for his efforts to obtain a satisfactory conclusion to this matter.

Mr. LEAHY. Mr. Chairman, I am concerned about the applicability of the targeting formula in the jobs bill as it came out of committee. My question is this: Does the formula apply to fish hatchery maintenance or construction funds?

Mr. McCLURE. I can assure the Senator from Vermont that fish hatchery funds are not subject to the targeting provisions because they are not formula programs.

Mr. LEAHY. I am especially concerned about funding for work at the Pittsford fish hatchery. Under the work plan prepared by the Fish and Wildlife Service, would work be done at the Pittsford hatchery under the funds appropriated in this bill?

Mr. McCLURE. Yes; they would. On the basis of the list of the projects supplied by the Fish and Wildlife Service, funding to rehabilitate springs, wells, and roads would be provided in this bill.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I have a request that I will put in a moment that will embrace a number of measures, amendments, and other points that may be dealt with by unanimous consent, I hope.

While I try to put those on paper and make sure we are all talking about the same thing, I believe there is at least one Senator—and there may be others—who has brief morning business he would like to transact.

Therefore, I ask unanimous consent that for not more than 5 minutes the Senate have a period for the transaction of routine morning business in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECTIVE DISCLOSURE OF NATIONAL SECURITY INFORMATION

Mr. HUDDLESTON. Mr. President, for the past several years I have become increasingly concerned about the politicization of our country's foreign intelligence and national defense operations. The problem is the selective release of national security information to promote particular policies. Sometimes this is done by unauthorized leaks, sometimes as authorized press briefings on a background basis, and sometimes in public statements and reports designed to sell an administration's policies.

Earlier this week, the President was urged by supporters of his policies to release secret data that they hoped would persuade the American people to back the administration on defense issues. Today, the Defense Department released a second edition of its report on "Soviet Military Power," a shiny and illustrated document clearly designed to promote the President's views.

It would not be advisable for anyone to identify which parts of this document may have previously been classified, because we do not want to compound the damage. It is enough to say that some parts closely resemble information that was classified at least "secret" last year.

The practice of selectively disclosing classified information in a document that looks more like propaganda than objective intelligence reporting puts the Congress at a great disadvantage. Those who may see the evidence differently do not have the power to declassify the data that might support their point of view. The President, the Secretary of Defense, and the Director of Central Intelligence have the authority to declassify; the Congress does not, except in the most extraordinary cases.

Therefore, we must be very careful when intelligence and defense information become matters of public debate, because the public has no way of knowing whether the information represents an accurate and objective picture of the problem or a politicized attempt to influence public opinion.

The growth of this practice is deplorable, and the blame rests with administrations of both parties. I recall vividly that I was a member of the Appropriations Subcommittee asked to provide the funds for the Stealth project, and I objected strongly to the Carter administration's decision to disclose the Stealth secret in the midst of the 1980 campaign.

Again in early 1982 the decision was made to release classified photography of the arms buildup in Nicaragua, and CIA analysts were brought before the press to describe this one selected aspect of the complex situation in Central America. Later a Nicaraguan prisoner was presented to the press as an intelligence source to corroborate administration statements, and the episode turned out to be less than successful.

After Deputy CIA Director Bobby Inman resigned last year, I raised the issue at the confirmation hearings for his successor, John McMahon. Mr. McMahon said, "I think you will find inherent in any intellegence organization a certain reluctance to take selective events and publicize them. We would prefer to provide intelligence and let the policymakers treat the intelligence as they see fit." Mr. McMahon confirmed publicly at that time the concern that he, as a professional intellegence officer, has had "about the manner in which intellegence is used" by policymakers.

This problem arose once again last December, when the Defense Department selectively released classified intelligence on Soviet military capabilities to several reporters who regularly cover military affairs. Senators BIDEN and BYRD and I wrote the President to ask for an explanation. As Senator BIDEN and I reported in statements in the RECORD on February 16, the response from the White House was inadequate. Even the White House explanation admitted that what was being done was "to educate the press" on Soviet military growth. The Select Committee on Intelligence has been looking into this case.

Now we appear to have another example. There may be accurate and useful information in the Defense Department's publication, but its format and timing raise serious concerns.

We need to guard against a repetition of this practice. It cannot be allowed to become routine, or else the credibility or our foreign intelligence and national defense agencies will be seriously harmed. I believe the attempt to politicize these agencies is getting out of hand. We will all be losers if it goes too far.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. JEPSEN). The Chair, on behalf of the Vice President of the United States, and in accordance with title 14, section 194(a) of the United States Code, appoints the following Senators to the Board of Visitors of the U.S. Coast Guard Academy:

The Senator from Oregon (Mr. PACKWOOD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Virginia (Mr. TRIBLE), and the Senator from Connecticut (Mr. DODD).

The Chair, on behalf of the Vice President of the United States, and in accordance with title 10, section 6968(a), appoints the following Senators to the Board of Visitors of the U.S. Naval Academy:

The Senator from Oregon (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. JEPSEN), and the Senator from Maryland (Mr. SARBANES).

The Chair, on behalf of the Vice President of the United States and pursuant to title 46, section 1295B(h) of the United States Code, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy:

The Senator from Oregon (Mr. PACKWOOD), the Senator from Alaska (Mr. STEVENS), the Senator from Hawaii (Mr. INOUYE), and the Senator from New York (Mr. MOYNIHAN).

The Chair, on behalf of the Vice President of the United States and in accordance with title 10, section 4355(a) of the United States Code, appoints the following Senators to the Board of Visitors of the U.S. Military Academy:

The Senator from Idaho (Mr. MCCLURE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Georgia (Mr. NUNN), and the Senator from Delaware (Mr. ROTH).

LEGISLATIVE SERVICE OF JENNINGS RANDOLPH SPANS FIFTY YEARS

Mr. DOMENICI. Mr. President, I wish to honor my very good friend and colleague from West Virginia, JENNINGS RANDOLPH. Senator RANDOLPH is celebrating a special anniversary today following his celebration of a more personal anniversary yesterday, the celebration of his 81st birthday. For 50 years ago on this date, JENNINGS RANDOLPH was sworn into the U.S. Congress as a Member of the House of Representatives. Congressman JENNINGS RANDOLPH was a participant in the historic first 100 days of then newly sworn in President Franklin Delano Roosevelt, and is the only Member of Congress still serving today that voted and worked on legislation during this critical period in our history. Senator JENNINGS RANDOLPH is serving in his 25th year in the Senate and his sage wisdom from having served through this and other critical periods of our Nation's history has

guided me since I came to Washington as a young Senator in 1973.

So on this day, let me once again honor my good friend JENNINGS RANDOLPH for his legislative service to this Nation which spans 50 years. And may he celebrate many more birthdays, as he did yesterday, and be recognized more and more for his outstanding selfless service to this Nation in each succeeding year.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 26

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, and the Committee on Finance:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one new deferral of budget authority totaling $50,000,000 and one revision to a previously reported deferral, increasing the amount deferred by $1,498,389.

The deferrals affect the Department of Energy and the Department of the Treasury.

The details of each deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *March 9, 1983.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-429. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Congress Should Consider Repeal of the Service Contract Act"; to the Committee on Labor and Human Resources.

EC-430. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, a rule promulgated by the Commission governing the inclusion of disclaimer notices in political communications and advertising; to the Committee on Rules and Administration.

EC-431. A communication from the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, the Defense Manpower Requirements Report for Fiscal Year 1984; to the Committee on Armed Services.

EC-432. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, a draft of proposed legislation to authorize appropriations for fiscal years 1984 and 1985, for the Panama Canal Commission to operate and maintain the Panama Canal and for other purposes; to the Committee on Armed Services.

EC-433. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of Trident and SSN-688 Submarine Construction at the Electric Boat Division of General Dynamics Corporation; to the Committee on Armed Services.

EC-434. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to extend the expiration date of the special pay provisions for reenlistment and enlistment bonuses; to the Committee on Armed Services.

EC-435. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; to the Committee on Armed Services.

EC-436. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-437. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the second biennial report on the impact of the amendments to the Interstate Land Sales Full Disclosure Act, dated March 1, 1983; to the Committee on Banking, Housing, and Urban Affairs.

EC-438. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 7 of the Earthquakes Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-439. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1984 and 1985 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-440. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-441. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Volunteers in the Parks Act of 1969, and for other purposes; to the Committee on Energy and Natural Resources.

EC-442. A communication from the Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 52, North Atlantic, scheduled to be held on March 29, 1983; to the Committee on Energy and Natural Resources.

EC-443. A communication from the Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, applications by Exxon Co., U.S.A., Chevron U.S.A., Inc., Sonat Exploration, and General American Oil Co. of Texas for refunds of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-444. A communication from the Executive Director of the Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1983 and to authorize appropriations for fiscal years 1984 and 1985; to the Committee on Foreign Relations.

EC-445. A communication from the Director of the U.S. Information Agency, transmitting proposed language to authorize the U.S. Information Agency to carry out international communication and educational and cultural exchange programs; to the Committee on Foreign Relations.

EC-446. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Bretton Woods Agreements Act to authorize consent to and authorize appropriations for an increase in the U.S. quota in the International Monetary Fund and to authorize appropriations for increased U.S. participation in the General Arrangements to Borrow; to the Committee on Foreign Relations.

EC-447. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, the text of ILO recommendation No. 153 concerning the protection of young seafarers; to the Committee on Foreign Relations.

EC-448. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, the text of ILO Protocol to Convention No. 110 concerning the conditions of employment of plantation workers; to the Committee on Foreign Relations.

EC-449. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the text of ILO Convention No. 146 concerning annual leave with pay for seafarers; referred to the Committee on Foreign Relations.

EC-450. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the texts of ILO Convention No. 149 and recommendation No. 157 concerning employment and conditions of work and life of nursing personnel; referred to the Committee on Foreign Relations.

EC-451. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the texts of ILO Convention No. 154 and recommendation No. 163 concerning the promotion of collective bargaining; referred to the Committee on Foreign Relations.

EC-452. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the texts of ILO Convention No. 155 and recommendation No. 164 concerning occupational safety and health and the working environment; referred to the Committee on Foreign Relations.

EC-453. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the texts of ILO Convention No. 156 and recommendation No. 165 concerning equal opportunities and equal treatment for men and women workers with family responsibilities; referred to the Committee on Foreign Relations.

EC-454. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the text of ILO Convention No. 157 concerning the establishment of an international system for the maintenance of rights in social security; referred to the Committee on Foreign Relations.

EC-455. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the text of ILO Convention No. 158 and recommendation No. 166 concerning termination of employment at the initiative of the employer; referred to the Committee on Foreign Relations.

EC-456. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, the texts of ILO Convention No. 154 concerning continuity of employment of seafarers; referred to the Committee on Foreign Relations.

EC-457. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to authorize appropriations for the Department of State to carry out its authorities and responsibilities in the conduct of foreign affairs during the fiscal years 1984 and 1985, and for other purposes; referred to the Committee on Foreign Relations.

EC-458. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; referred to the Committee on Foreign Relations.

EC-459. A communication from the Chairman of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report describing for calendar year 1982, the number of appeals submitted to the Board, the number processed to completion, and the number not completed by the originally announced date with reasons therefor; referred to the Committee on Governmental Affairs.

EC-460. A communication from the Acting Assistant Secretary of the Interior for Indian Affairs transmitting, pursuant to law, a proposed plan for the use and distribution of judgment funds awarded the Confederated Tribes of the Colville Reservation; to the Select Committee on Indian Affairs.

EC-461. A communication from the Chairman of the U.S. Merit Systems Protection Board transmitting, pursuant to law, the Board's 1982 Freedom of Information annual report; to the Committee on the Judiciary.

EC-462. A communication from the Acting Director of the Equal Employment Opportunity Commission transmitting, pursuant to law, the Commission's 1982 Freedom of Information Annual Report; to the Committee on the Judiciary.

EC-463. A communication from the Director of Information of the Department of Energy transmitting, pursuant to law, the Department's 1982 Freedom of Information Annual Report; to the Committee on the Judiciary.

EC-464. A communication from the Secretary of the American Battle Monuments Commission transmitting, pursuant to law, the Commission's 1982 Freedom of Information Annual Report; to the Committee on the Judiciary.

EC-465. A communication from the Deputy Executive Director of the Neighborhood Reinvestment Corporation transmitting, pursuant to law, the Corporation's 1982 Freedom of Information Annual Report; to the Committee on the Judiciary.

EC-466. A communication from the Chairman of the National Endowment for the Arts transmitting, pursuant to law, the Endowment's 1982 Freedom of Information Annual Report; to the Committee on the Judiciary.

EC-467. A communication from the Marshal of the U.S. Supreme Court transmitting, pursuant to law, a report on the cost of the protective function provided by the Supreme Court Police to Justices, guests, and employees; to the Committee on the Judiciary.

EC-468. A communication from the Assistant Secretary of State for Congressional Relations transmitting, pursuant to law, the 1982 Freedom of Information Report of the Department; to the Committee on the Judiciary.

EC-469. A communication from the Chairman of the Federal Election Commission transmitting, pursuant to law, the 1982 Freedom of Information Annual Report of the Commission; to the Committee on the Judiciary.

EC-471. A communication from the Chairman of the Commodity Futures Trading Corporation transmitting, pursuant to law, the 1982 Freedom of Information Annual Report of the Corporation; to the Committee on the Judiciary.

EC-472. A communication from the Chairman of the Federal Energy Regulatory Commission transmitting, pursuant to law, the 1982 Freedom of Information Annual Report of the Commission; to the Committee on the Judiciary.

EC-473. A communication from the Chairman of the Board of Governors of the Federal Reserve System transmitting, pursuant to law, the 1982 Freedom of Information Annual Report of the Federal Reserve; to the Committee on the Judiciary.

EC-474. A communication from the Deputy Director of the Central Intelligence Agency for Administration transmitting, pursuant to law, the 1982 Freedom of Information Annual Report of the Agency; to the Committee on the Judiciary.

EC-475. A communication from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, orders suspending deportation of certain aliens under sec. 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-476. A communication from the Secretary of Education transmitting a draft of proposed legislation to amend the impact aid program statute; to the Committee on Labor and Human Resources.

EC-477. A communication from the Director of ACTION transmitting a draft of proposed legislation to reauthorize ACTION for fiscal year 1984 and fiscal year 1985; to the Committee on Labor and Human Resources.

EC-478. A communication from the Chairman of the Federal Election Commission transmitting, pursuant to law, proposed regulations of corporate and labor political contributions; to the Committee on Rules and Administration.

EC-479. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Interim Report on the Implementation of the Farm Credit Act Amendments of 1980"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-480. A communication from the Deputy Administrator of the General Services Administration transmitting, pursuant to law, a report on violations of the law by GSA involving overobligations of funds in certain construction projects; to the Committee on Appropriations.

EC-481. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation relative to attendance at U.S. military academies by persons from foreign countries; to the Committee on Armed Services.

EC-482. A communication from the Acting Assistant Secretary of the Army for Manpower and Reserve Affairs transmitting a draft of proposed legislation to repeal the law requiring physical exams for members of the National Guard coming into and leaving Federal service; to the Committee on Armed Services.

EC-483. A communication from the Secretary of the Army transmitting, pursuant to law, a written report relative to the Copperhead acquisition program having exceeded its baseline unit cost by more than 25 percent; to the Committee on Armed Services.

EC-484. A communication from the Assistant Secretary of Defense for Public Affairs transmitting, pursuant to law, notice of a decision made to convert the Defense Audiovisual Still Photographic Depository at Anacostia Naval Station to performance under contract; to the Committee on Armed Services.

EC-485. A communication from the Deputy Assistant Secretary of Defense for Military Personnel and Force Management transmitting, pursuant to law, a report on special pay for duty subject to hostile fire for calendar year 1982; to the Committee on Armed Services.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-39. A resolution adopted by the Tufts University Community Union Senate Student Government relating to the Military Selective Service Act; to the Committee on Armed Services.

POM-40. A petition from a citizen of San Antonio, Texas relating to the Rail Passenger Service Act; to the Committee on Commerce, Science, and Transportation.

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POM-41. A resolution adopted by the legislature of the Territory of Guam; to the Committee on Energy and Natural Resources:

"Whereas, the members of the Guam Legislature on May 14, 1982, adopted Resolution No. 277, expressing the desire of the Sixteenth Guam Legislature that the Secretary of the Interior should delegate general supervisory responsiblities over the activities of the Government Comptroller of Guam to the Office of the Inspector General of the Department of the Interior; and

"Whereas, the Guam Legislature, in adopting Resolution No. 277, supported the enactment of H.R. 6141, "An Act amending the Organic Act of Guam, to provide that the Secretary of the Department of the Interior supervise the activities of comptroller general for Guam through the Office of the Inspector General; and

"Whereas, legislation amending the Organic Act of Guam has been signed into public law by the President of the United States; and

"Whereas, the government comptroller is authorized by law to initiate audit and investigatory activities at the behest of the Governor of Guam, the Comptroller General of the United States, to identify problems and deficiences; and

"Whereas, numerous previous attempts have been made by officials in the office of Territorial and International Affairs of the Department of the Interior to supersede the judgment of the government comptroller and to control the manner in which he executes his reponsibilities; and

"Whereas, interference by such officials has caused officials in Guam to doubt the integrity, objectivity and product of the government comptroller of Guam; and

"Whereas, the Guam Legislature on March 19, 1982, duly and regularly adopted Resolution No. 244, expressing the Legislature's support for Ben Fukutome, the U.S. Government Comptroller, for his objective examination of the oil contract between the Guam Power Authority (GPA) and Coastal Bermuda Limited; and

"Whereas, Assistant Secretary of Interior Pedro Sanjuan abruptly transferred Mr. Fukutome to another project of lesser priority; and

"Whereas, the audit reports submitted by Ben Fukutome have all been aimed at improving the efficiency of the government of Guam; has presented objective, unbiased reports to the officials of the government of Guam; the members of the Guam Legislature have been pleased with Mr. Fukutome's previous work; now therefore, be it

"Resolved, That the members of the Seventeenth Guam Legislature, on behalf of the people of Guam, hereby request the Inspector General of the United States to retain Mr. Ben Fukutome as the U.S. Government Comptroller for Guam, the Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands; and be it further

"Resolved, That the Legislature hereby expresses its desire that Mr. Ben Fukutome be authorized to complete all pending audits initiated by him prior to his abrupt transfer to the Virgin Islands by Assistant Secretary Pedro Sanjuan; and be it further

"Resolved, That it would be in the best interest for the people of Guam, the incoming officials of the government of Guam, and for the Federal Government, to retain Mr. Ben Fukutome as the Government Comptroller; and for Mr. Fukutome to report his findings and recommendations to the Speaker of the Seventeenth Guam Legislature and those officials who have been in the past recipients of the comptroller reports; and be it further

"Resolved, That the Speaker shall certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Inspector General of the United States; to the Secretary of the Interior; to the Speaker of the United States House of Representatives; to the President of the Senate; to the Chairman, House Committee on Interior and insular Affairs; to the Chairman, Senate Committee on Energy and Natural Resources; to the Assistant Secretary of the Interior, Pedro Sanjuan; to Guam's Congressman, Antonio B. Won Pat; to the General Accounting Office; to the Speaker of the Seventeenth Guam Legislature; and to the Governor of Guam."

POM-42. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Finance:

"SENATE JOINT RESOLUTION No. 56

"Whereas, the District Home Board for the Counties of Albemarle, Allegheny, Augusta, Bath and Rockbridge and the Cities of Charlottesville, Covington, Lexington and Waynesboro operates a sixty-bed home for adults near Waynesboro for the care of indigent citizens of those localities; and

"Whereas, publicly operated homes for adults provide about one-half of one percent of the beds in homes for adults in the Commonwealth; and

"Whereas, publicly operated homes for adults are licensed and regulated in the same manner as all other homes for adults; and

"Whereas, the U.S. Congress, in the Social Security Act of 1972, P.L. No. 92-603, § 1611 (e)(1)(A), denies eligibility for Supplementary Security Income benefits to otherwise eligible residents of publicly operated homes for adults; and

"[Whereas, federal regulation in 42 CFR, § 435.1009 denies Medicaid eligibility to residents of publicly operated homes for adults but in 42 CFR § 435.211 gives the Commonwealth the option of providing Medicaid benefits to otherwise eligible residents in publicly operated homes for adults; and]

"Whereas, these laws deny benefits to a small group of citizens who would otherwise be eligible and impose an unfair burden on the District Home and other publicly operated homes for adults in the Commonwealth which are providing the expected quality of care; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to act expeditiously in providing by law for the eligibility of residents in publicly operated homes for adults for Supplemental Security Income [and Medicaid benefits if such residents are otherwise eligible]; and, be it

"Resolved further, That the Clerk of the Senate prepare a copy of this resolution for transmittal to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the Department of Human Services and the members of the Virginia congressional delegation in order that they may be apprised of the sense of the General Assembly."

"H.J. RES. No. 1008

"Whereas, the Congress of the United States acted in September, 1982, to approve the "Tax Equity and Fiscal Responsibility Act of 1982," P.L. 97-248; and

"Whereas, the Act contains provisions requiring the withholding of a percentage of interest and dividend payments, at source of earning, for purposes of federal income tax payments; and

"Whereas, such withholding represents an intrusion upon financial institutions, savers, and investors which will cause significant administrative expense despite the fact that the United States Internal Revenue Service already possesses a suitable mechanism for monitoring the accurate reporting of earned interest and dividends; and

"Whereas, such withholding unjustly penalizes savers and investors by depriving them of the full benefits of compounding; and

"Whereas, the forced withholding of interest and dividend payments will act to discourage savings and investment, which are the cornerstones of our nation's economic development; now, therefore,

"Be it resolved by the House of Representatives of the Fifty-fourth General Assembly of the State of Colorado, the Senate concurring herein: That the General Assembly does hereby urge the Congress of the United States to repeal those provisions of the "Tax Equity and Fiscal Responsibility Act of 1982", P.L. 97-248, that pertain to withholding of interest and dividend payments for federal income tax purposes.

"Be it further resolved, That copies of this resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, each member of Congress from the State of Colorado, and to the President of the United States."

POM-43. A joint resolution adopted by the General Assembly of the State of Colorado; to the Committee on Finance.

POM-44. A resolution adopted by the House of Representatives of the State of Minnesota; to the Committee on Foreign Relations:

"HOUSE RESOLUTION

"Whereas, a decade ago, on January 27, 1973, the Paris Peace Accords were signed to end American involvement in the war in Southeast Asia; and

"Whereas, one of the conditions of that agreement was provision for a return or accounting for prisoners of war and persons missing in action; and

"Whereas, the government of Vietnam has only provided information on a few of the missing and this only through the pressure of determined families and dedicated congressmen; and

"Whereas, 2,490 Americans, including 48 Minnesotans, remain unaccounted for with investigation of their status arrested by failure of the Socialist Republic of Vietnam and its allied governments to cooperate and assist; and

"Whereas, there have been repeated verified sighting reports that some of the missing men are still alive in Southeast Asia; and

"Whereas, the sorrow, anxiety, and frustration of the families of these men cannot be dispelled by delay or neglect; and

"Whereas, it is America's duty to ensure, through an authentic, comprehensive investigation, the return of Americans still in Southeast Asia and to account for Americans who have perished there; and

"Whereas, it is absolutely essential that the governments of the United States and

the Socialist Republic of Vietnam act now to account for the missing; now, therefore,

"Be it resolved by the House of Representatives of the State of Minnesota that it joins with the families of the missing men in maintaining a constant vigil of anticipation and hope for a true accounting of their loved ones and the immediate return of the remains of those who died as a result of the war or imprisonment.

"Be it further resolved that the government of the United States should do all it can to answer the questions surrounding the status of the missing men, to secure the return of any living prisoners or missing persons, and to secure the return of the remains of the dead.

"Be it further resolved that the Chief Clerk of the House of Representatives is directed to send enrolled copies of this resolution, authenticated by his signature and that of the Speaker, to the President of the United States, the Speaker and Chief Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the chairman of the Committee on Foreign Affairs of the United States House of Representatives, the chairman of the Committee on Foreign Relations of the United States Senate, to the Minnesota Representatives and Senators in Congress and to the Permanent Representatives of the Socialist Republic of Vietnam to the United Nations."

POM-45. A resolution adopted by the Senate of the State of Minnesota; to the Committee on Foreign Relations:

"SENATE RESOLUTION

"Whereas, a decade ago, on January 27, 1973, the Paris Peace Accords were signed to end American involvement in the war in Southeast Asia; and

"Whereas, one of the conditions of that agreement was provision for a return or accounting for prisoners of war and persons missing in action; and

"Whereas, the government of Vietnam has only provided information on a few of the missing and this only through the pressure of determined families and dedicated congressmen; and

"Whereas, 2,490 Americans, including 48 Minnesotans, remain unaccounted for with investigation of their status arrested by failure of the Socialist Republic of Vietnam and its allied governments to cooperate and assist; and

"Whereas, there have been repeated verified sighting reports that some of the missing men are still alive in Southeast Asia; and

"Whereas, the sorrow, anxiety, and frustration of the families of these men cannot be dispelled by delay or neglect; and

"Whereas, it is America's duty to ensure, through an authentic, comprehensive investigation, the return of Americans still in Southeast Asia and to account for Americans who have perished there; and

"Whereas, it is absolutely essential that the governments of the United States and the Socialist Republic of Vietnam act now to account for the missing; now, therefore,

"Be it resolved by the Senate of the State of Minnesota that it joins with the families of the missing men in maintaining a constant vigil of anticipation and hope for a true accounting of their loved ones and the immediate return of the remains of those who died as a result of the war or imprisonment.

"Be it further resolved that the government of the United States should do all it can to answer the questions surrounding the status of the missing men, to secure the return of any living prisoners or missing persons, and to secure the return of the remains of the dead.

"Be it further resolved that the Socialist Republic of Vietnam should immediately yield all information it has on the status of the missing especially since there is no reason for them to refuse to give this information other than a calculated effort to protract the agony of the families of the missing.

"Be it further resolved that the Secretary of the Senate is directed to send enrolled copies of this resolution, authenticated by his signature and that of the President, to the President of the United States, the Speaker and Chief Clerk of the United States House of Representatives, the President and Secretary of the United States Senate, the chairman of the Committee on Foreign Affairs of the United States House of Representatives, the chairman of the Committee on Foreign Relations of the United States Senate, to the Minnesota Representatives and Senators in Congress and to the Permanent Representatives of the Socialist Republic of Vietnam to the United Nations."

POM-46. A concurrent resolution adopted by the Legislature of the State of West Virginia; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION No. 8

"Whereas, The greatest challenge facing the earth is to prevent the occurrence of nuclear war by accident or design; and

"Whereas, The nuclear arms race is dangerously increasing the risk of a holocaust which would be humanity's final war; and

"Whereas, The United States of America and the Union of Soviet Socialist Republics already have a combined total arsenal in excess of fifty thousand nuclear weapons; and

"Whereas, An all-out nuclear exchange between said two nations would result in the deaths of millions of Americans and Soviet citizens and would result, throughout the entire world, in death, injury and disease on a scale that has no precedent in the history of human experience; and

"Whereas, There is widespread agreement that the United States of America and the Union of Soviet Socialist Republics currently have equal nuclear fighting capabilities with neither nation having a distinct advantage over the other; and

"Whereas, An immediate halt in the testing, production and deployment of new nuclear weapons would help secure world peace and avoid the possibility of a nuclear conflagration and would save our nation, over the next ten years, billions of dollars in military expenditures, which savings could be used to help balance the federal budget, reduce taxes, create employment and improve human services; therefore, be it

"Resolved by the Legislature of West Virginia: That the Congress of the United States adopt a resolution requesting that the President of the United States propose to the government of the Union of Soviet Socialist Republics a mutual and verifiable nuclear weapons moratorium by which the said two nations would agree to halt immediately the testing, production and deployment of all nuclear warheads, missiles and delivery systems; and, be it

"Resolved further, That the West Virginia delegation to the Congress of the United States introduce such a resolution or join with other members of Congress in its introduction; and, be it

"Resolved further, That copies of this resolution be sent to the Clerk and Speaker of the United States House of Representatives, the Secretary and Majority Leader of the United States Senate, and to each member of the West Virginia Congressional delegation."

POM-47. A resolution adopted by the United Lithuanian Relief Fund of America urging Congress to demand the Soviet Union to live up to the Helsinki agreement concerning human rights and national aspirations, and to restore self-governments in Lithuania, Latvia, and Estonia; to the Committee on Foreign Relations.

POM-48. A joint resolution adopted by the General Assembly of the Commonwealth of Virginia; to the Committee on Governmental Affairs:

"SENATE JOINT RESOLUTION No. 21

"Whereas, local governments have become increasingly dependent upon real and personal property taxation as a source of revenue to provide the services required of their citizens; and

"Whereas, the real and personal property tax base is drastically reduced in many local jurisdictions by the presence of substantial amounts of nontaxed federally owned real property, machinery and equipment; and

"Whereas, the presence of such federally owned property directly increases the burden of taxation on the remainder of local property owners; and

"Whereas, the Advisory Commission on Intergovernmental Relations has identified payments in lieu of taxes as one of the major needs of local governments throughout the country, and has conducted a study of the overall impact of the federal presence on local government taxation; and

"Whereas, legislation to implement such payments will be introduced in the next session of the Congress of the United States; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the General Assembly of Virginia hereby memorializes the Congress of the United States to adopt legislation authorizing and funding a method of payment in lieu of real and personal property taxes for federally owned property within local governmental jurisdictions; and, be it

"Resolved further, That the Clerk of the Senate is hereby instructed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate and to the members of the Virginia Delegation to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-49. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on the Judiciary:

"RESOLUTION No. 16

"Whereas, the unincorporated territory of Guam is a territory of the United States and its people are subject to certain benefits, privileges, powers, rights and duties derived from the Constitution of the United States; and

"Whereas, a resolution proposing an amendment to the United States Constitution which would guarantee the equal rights of all persons regardless of sex has been introduced in the United States Congress for its consideration; and

"Whereas, the people of Guam are firmly committed to the principle embodied in the proposed amendment, namely that equality of rights under the law shall not be denied or abridged by the United States government or any state on account of sex; now, therefore, be it

Resolved, That the Guam Legislature does request the United States Congress to expeditiously approve the proposed amendment to the United States Constitution; and be it further

Resolved, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Vice President of the United States; to the President Protempore of the Senate; to the Speaker of the House of Representatives; to the Chairperson of the Senate Judiciary Committee; to the Chairperson of the House Judiciary Committee; to Guam's Representative in the United States Congress; and to the Governor of Guam."

POM-50. A petition from a citizen of St. Petersburg, Florida concerning the petition for censure of the United States Supreme Court and the impeachment of the Montgomery County, Maryland, court; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committee were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 17. A bill to expand and improve the domestic commodity distribution program (Rept. No. 98-21).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Darrell M. Trent, of California, for the rank of Ambassador during the tenure of his service as Chairman of the United States Delegation to the United States—European Civil Aviation Conference Negotiations on Multilateral Pricing.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Darrell M. Trent.

Post: Ambassador.

Nominated: February 17, 1983.

Contributions, amount, date, donee.

1. Self, none.

2. Spouse, June Yeardye Trent, none.

3. Children and spouses names, Michael, Derek, none.

4. Parents names, Clarence Trent, Edna Ruth Trent, none.

5. Grandparents names, none.

6. Brothers and spouses names, none.

7. Sisters and spouses names, none.

Donald T. Regan, of New Jersey, to be Governor of the African Development Bank for the term of five years;

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PERCY. Mr. President, for the Committee on Foreign Relations, I also report favorably a nomination list in the Foreign Service which was printed in full in the CONGRESSIONAL RECORD of February 22, 1983, and, to save the expense of reprinting on the Executive Calendar, I ask unanimous consent that these nominations lie on the Secretary's desk for the information of Senators.

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

John J. Franke, Jr., of Kansas, to be an Assistant Secretary of Agriculture.

(The above nomination was reported from the Committee on Agriculture, Nutrition, and Forestry with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORTON:

S. 732. A bill to amend the Federal Campaign Act of 1971 to increase individual and party participation, to provide for the adjustment of contribution limits, and to allow candidates to control expenditures made on their behalf; to the Committee on Rules and Administration.

By Mr. DOMENICI:

S. 733. A bill to amend the Internal Revenue Code of 1954 to extend the period for issuance of qualified mortgage bonds through 1990; to the Committee on Finance.

By Mr. PERCY (by request):

S. 734. A bill to authorize appropriations for the U.S. Information Agency to carry out in fiscal years 1984 and 1985 international communication and educational and cultural exchange programs, and for other purposes; to the Committee on Foreign Relations.

By Mr. LONG:

S. 735. A bill to provide a special antirecession increase in fiscal year 1983 allotments under the State and Local Fiscal Assistance Act to aid local units of government in providing for increased employment opportunities; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. COHEN, Mr. BAUCUS, Mr. MITCHELL, Mr. D'AMATO, Mr. BURDICK and Mr. HEINZ):

S. 736. A bill to provide that nonresident, foreign nationals not be compensated unless such claimant's country compensates U.S. citizens for retransmission of materials they own; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. HART, Mr. SPECTER, Mr. BAUCUS and Mr. CHAFEE):

S. 737. A bill to allow business to jointly perform research and development; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. CHAFEE, Mr. GLENN, Mr. GRASSLEY and Mr. SYMMS):

S. 738. A bill to amend the Economic Recovery Tax Act of 1981 to make the credit for increasing research activities permanent; to the Committee on Finance.

By Mr. DECONCINI (for himself, Mr. MCCLURE, Mr. GOLDWATER, Mr. WALLOP and Mr. CRANSTON):

S. 739. A bill to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 740. A bill to amend the Natural Gas Policy Act of 1978 to require contracts for the first sale of natural gas to include provisions which recognize changing market conditions, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER (for himself and Mr. BOSCHWITZ):

S. 741. A bill to authorize construction of the flood control project on the Aumbo River at Rochester, Minn.; to the Committee on Environment and Public Works.

By Mr. NUNN (for himself, Mr. D'AMATO, Mr. HUDDLESTON, Mr. BUMPERS, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. TSONGAS, Mr. DIXON, Mr. BOREN, Mr. CHILES, and Mr. LEAHY):

S. 742. A bill to increase the program level for the Small Business Administration's certified development company program, and for other purposes; to the Committee on Small Business.

By Mr. NUNN (for himself, Mr. HUDDLESTON, Mr. BUMPERS, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. DIXON, Mr. BOREN, Mr. CHILES, and Mr. BOSCHWITZ):

S. 743. A bill to amend the Small Business Act to increase the program level for funding small business investment companies, and for other purposes; to the Committee on Small Business.

By Mr. NUNN (for himself, Mr. HUDDLESTON, Mr. BUMPERS, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. TSONGAS, Mr. DIXON, Mr. BOREN, and Mr. CHILES):

S. 744. A bill to amend the Small Business Act to increase the program level for funding 301(d) small business investment companies, and for other purposes; to the Committee on Small Business.

By Mr. NUNN (for himself, Mr. TSONGAS, Mr. BURDICK, Mr. WALLOP, Mr. CHILES, Mr. HUDDLESTON, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. DIXON, and Mr. BOREN):

S. 745. A bill to amend the Small Business Investment Act of 1958 to provide debentures for State development companies licensed pursuant to section 501 of the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. PERCY (for himself and Mr. DIXON):

S. 746. A bill to establish the Illinois and Michigan Canal National Heritage Corridor in the State of Illinois, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRASSLEY:

S.J. Res. 56. To designate the month of August 1983 as "National Child Support Enforcement Month"; to the Committee on the Judiciary.

By Mr. CHILES (for himself, Mr. ABDNOR, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CHAFEE, Mr. D'AMATO, Mr. DANFORTH, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. DUREN-

BERGER, Mr. EAGLETON, Mr. GORTON, Mr. HEFLIN, Mr. JEPSEN, Mr. LEAHY, Mr. LUGAR, Mr. MATSUNAGA, Mr. MCCLURE, Mr. NUNN, Mr. PRESSLER, Mr. RANDOLPH, Mr. RIEGLE, Mr. SASSER, Mr. STENNIS, Mr. TSONGAS, and Mr. WARNER):

S.J. Res. 57. A joint resolution to designate the week of April 3, 1983 through April 9, 1983, as "National Drug Abuse Education Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON.

S. 732. A bill to amend the Federal Election Campaign Act of 1971 to increase individual and party participation, to provide for the adjustment of contribution limits, and to allow candidates to control expenditures made on their behalf; to the Committee on Rules and Administration.

FEDERAL ELECTION REFORM ACT OF 1983

Mr. GORTON. Mr. President, I am introducing legislation today which, if enacted, will bring a proper balance to our Federal election campaign laws. I testified concerning this legislation on January 26, before Senator MATHIAS in the Senate Rules Committee, and I will expand on those remarks today.

The reform of the Federal election system is central to our entire system of free elections. Each of the Members of this body not only has personal experiences but has observed the experiences of others in this respect. Therefore, these reforms are of vital importance to each of us as individuals as well as to the people of the United States as a whole.

The legislation I have prepared contains amendments to the Federal Election Campaign Act of 1971, as amended, which may be grouped into four areas.

First, I have several proposals which seek to increase the right of individuals to participate in the electoral process. Second, the legislation seeks to increase significantly the role of political parties in financing elections. Third, I will propose a way in which to give certain candidates control over independent expenditures where such expenditures are actually attempts to contribute to them or to defeat their opponents. And fourth, my legislation contains a proposal which, I believe, will decrease the existing advantage the law gives to wealthy candidates for Congress.

The legislation, as I mentioned, seeks to realine the balances and relationships among the various participants in the political process. I am recommending that we do so because the public has come to the conclusion that current election laws allow political action committees unjustified influence in the electoral process as against individuals. The result of this perception is that PAC's are vilified, the electoral process is demeaned, and some people cast unfounded accusations of a corrupt relationship between PAC's and those whose election PAC's support.

I must say that I find the political action committee system, at least insofar as the political action committee is designed to help candidates in a direct fashion—as opposed to indirect or independent expenditures—to have constituted a health step forward. I think that the political action committee system has resulted in participation on the part of more individuals in the political process than ever before in our history.

In many instances, of course, that individual participation is relatively nominal and amounts only to the writing of a check or to allowing a payroll deduction checkoff, after which the key decisions are made by others. That, however, is a problem which I believe can be cured without a substantial change in the system itself.

My first proposal is to begin to correct the imbalance the present system creates between political action committees and individuals by increasing the amount which individuals can contribute to a campaign. I find it irrational that a political action committee can give five times as much to a given political campaign as can an individual. This not only limits the individual's direct participation in political campaigns but causes many who have great interest in political races to be forced to work through political action committees, in order to contribute more than the modest limitations included in the present law.

So, I would propose doubling all of the limits on individual contributions, whether given to candidates, to PAC's, or to political parties. This doubling will barely cover the impact of inflation since the passage of the present law. But, if it is applied to individuals only and not to political action committees, it will help to redress the present imbalance between individuals and organizations working through PAC's.

My second suggestion for increasing individual participation in campaigns is to require that PAC's act more frequently as a conduit for contributions directed to a specified candidate by the PAC's members. In the case of payroll deduction plans, for example, I would allow the individual member, up to 45 days prior to the election, to designate to whom up to 75 percent of the money he has contributed should go. This will leave the PAC with more than enough resources to handle the request, with some money left over to use for PAC contributions, and it will allow the PAC to gain the interest accumulated from holding the contributed amount. Further, I suspect that many members of political action committees would not avail themselves of that right. It would still leave large amounts of money to be contributed by the board of directors of each political action committee.

I propose that this step be taken for the very reason I agree with the PAC's defense of their own activities: PAC's are an effective part of the electoral fundraising process. I see no reason why, in keeping with the public service they perform by encouraging participation, they cannot go the additional step of encouraging directed contributions. Many PAC's already allow for such contributions. My proposal does not affect the limits placed on them. In fact, I believe such provisions will allow PAC's to increase their ability to offer themselves to their membership as the focal point of their members' political activity.

As an incidental element of both of these suggestions, I suggest that we should index all contributions levels not now indexed in the act. If we determine what an appropriate participation in the political process is, we should make that determination one which continues to have the same impact until we in Congress decide to change it and not allow inflation to do so.

These three changes, increasing individual contribution limits, placing contribution limits under the indexing provisions of the law and requiring PAC's to respect directed contributions will increase significantly the opportunity for individuals to participate directly in the political process.

The second major change proposed by my legislation would increase significantly—by tripling the current contribution limits—the ability of parties to contribute to the campaign efforts of their candidates. I see two important and related goals in this element of my proposals: Parties provide the most open and least demanding form of campaign contribution. And the potential for increasing participation in the party can come from increasing the effect of party participation in the election of those who identify strongly with it. The potential exists to increase party strength by increasing its role in the electoral process, and this could prove a much-needed stimulant in enhancing the importance of the party in national political life. I believe this proposal in particular should be rapidly adopted.

The last two concerns I will address have to do with evils existing in the political system which are directly related to the Supreme Court's decision in Buckley against Valeo. This decision stuck down certain portions of the original law while leaving others intact. The effect of this approach by the Court was to place restrictions on certain methods of participating in the electoral process but not on others. Two types of activity have particularly grown in their impact on the system

under the Buckley decision: Independent expenditures and the spending of wealthy candidates on their own behalf. At the same time, other more legitimate methods of participating—such as individual contributions to candidates and the like—have remained subject to severe limits.

I am most concerned with the disturbing impact of so-called independent expenditures on the political process. First, they destroy the basic fairness of the electoral system. Our system is designed to provide that all candidates for an office operate under the same set of rules at the same limitations, both on the source of their contributions and on the amount which can come from given sources. Second, the right to make independent expenditures has been used overwhelmingly for negative rather than for positive purposes.

Yet, in any attempt to deal with independent expenditures, we run straight into the doctrine laid out by the Supreme Court of the United States in Buckley against Valeo. While I understand that the Court was protecting the right of individuals to speak on issues of the day, I do not believe that the Court intended to encourage the form of activity which has resulted. Independent expenditures, according to the Court, were to have been undertaken without the coordination of or the control by candidates in the race in which the independent expenditures were occurring. But the Court did not detail its meaning of these two phrases. In my view, the way in which independent efforts have attempted to dovetail with existing campaigns has certainly allowed the public to perceive a connection. The appearance of coordination exists and the Court clearly was concerned that such coordination could lead to the appearance of corruption. Once a primary election is over, an indirect expenditure can inevitably be designed only to benefit candidate A, if it is directed on his behalf, or if it is directed negatively against candidate B. There is no other potential beneficiary at that point in the election process.

It would seem to me, therefore, that it is clearly desirable and, I think, constitutional, to allow the only potential beneficiary of that independent campaign to incorporate the independent political action committee into his own campaign by a unilateral declaration to the Federal Elections Commission. And that is what I will propose. When the primary is over, the candidate can, in effect, declare that all expenditures on his behalf or against his opponent are part of his campaign, which would automatically, of course, subject him to the political action committee limitations of the present law.

Of course, you will say perhaps the candidate will not do that; he may feel benefited by these independent expenditures. And that is, of course, true. But if a candidate under those circumstances refuses to bring those contributions within the ambit of his own campaign, he can and he will be rightly and probably effectively criticized by the independent news media of the United States and by the voters themselves. The conceit under those circumstances that these expenditures are in fact independent will have disappeared.

I add to this proviso a way to work this after a primary election even when there are more than two major candidates in the race. This proposal will, in my opinion, make most general election campaigns more fair, more directed, and more affirmative in nature.

This proposal clearly raises constitutional issues, and I am seeking suggestions for ways of buttressing the constitutionality of this proposal. I will appreciate any and all recommendations. I am convinced that we can devise a method of allowing candidates to control such expenditures in a manner like the one I have described. The adoption of such measures will allow candidates the option of preventing this negative campaigning from occurring on their behalf, and will, in cases where a candidate chooses not to prevent these activities in his race, give his opponent the opportunity to bring to the public's attention the reason that the independent expenditures are occurring.

The final reform proposed in my bill has to do with the disturbing impact of personal wealth on political campaigns at the present time. Obviously, personal wealth has always been an asset in political campaigns, but it has become a far greater asset and far more of a problem since we have established such narrow limitations on contributions from others than the candidates themselves.

Again, the Supreme Court has told us that the first amendment protects the right of an individual to spend as much of his or her own money on his or her own campaign as the candidates desires to do. My bill does not attempt to limit that in any respect. What it does do is to attempt to make that spending less effective and thus less likely to take place, by stating that when a candidate has spent more than a fixed amount of money on his own campaign, limitations on contributions to the opposing candidate or candidates will be tripled.

Specifically, my proposal provides that candidates for the House may spend up to $50,000 from their personal fortune. Once they pass that amount, limits on contributions to his opponents are tripled. In Senate races, the $50,000 figure again will apply in races in States with one or two congressional districts. In States with three or more, the candidate will be able to spend up to $100,000 before the tripling will go into effect.

The amounts in this proposal, as with the specifics throughout the legislation, are matters for serious discussion, and I look forward to improvements to this measure. But am I convinced that the adoption of such proposals will result in an improved environment for the conduct of elections.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Reform Act of 1983".

INCREASING INDIVIDUAL CONTRIBUTION LIMITS

SEC. 2. (a) Section 315 (a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (a)) is amended in paragraph (1)—

(1) by striking out "$1,000" and inserting in lieu thereof "$2,000" in subparagraph (A);

(2) by striking out "$20,000" and inserting in lieu thereof "$40,000" in subparagraph (B); and

(3) by striking out "$5,000" and inserting in lieu thereof "$10,000" in subparagraph (C).

(b) Section 315(a) of such Act is amended in paragraph (3) by striking out "$25,000" and inserting in lieu thereof "$50,000".

INDEXING INDIVIDUAL AND MULTICANDIDATE COMMITTEE CONTRIBUTION LIMITS

SEC. 3. Section 315 (c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (c)) is amended in paragraph (1) by striking out all following "established by" through "and subsection (d)" and inserting in lieu thereof "subsections (a), (b) and (d)".

INCREASING PARTY CONTRIBUTION LIMITS

SEC. 4. (a) Section 315 (d)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (d)(3)) is amended—

(1) in subparagraph (A)(i) by striking out "2" and inserting in lieu thereof "6";

(2) in subparagraph (A)(ii) by striking out "$20,000" and inserting in lieu thereof "$60,000"; and

(3) in subparagraph (B) by striking out "$10,000" and inserting in lieu thereof "$30,000".

(b) Section 315 (h) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (h)) is amended by striking out "$17,500" and inserting in lieu thereof "$52,500".

CONDITIONS FOR ADJUSTING CONTRIBUTION LIMITS

SEC. 5. Section 315 (a) of the Federal Election Campaing Act of 1971 (2 U.S.C. 441a (a)) is amended by adding at the end thereof the following new paragraph:

"(9)(A) The limitations provided in paragraphs (1)(A) and (2)(A) of this subsection shall be trebled in amount with respect to persons or multicandidate committees making contributions to any candidate and his authorized committees in an election—

"(i) for the office of Senator in which a candidate for such office makes contributions to his campaign from his personal funds in excess of:

"(I) $50,000 in a State with one or two congressional districts; or

"(II) $100,000 in a State with three or more congressional districts;

"(ii) for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, the candidate makes contributions to his own campaign from his personal funds in excess of $50,000;

"(B) the increase in contribution limitations described in subparagraph (A) shall not apply to persons or multicandidate committees making contributions to any candidate and his authorized committees where such candidate has made contributions to his campaign from his personal funds in excess of the amounts described in clause (i) or (ii) of subparagraph (A);

"(C) each candidate for the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, shall notify the Commission and each other candidate for the same office within 5 days after he makes a contribution to his own campaign which makes his total contribution to his own campaign from his personal funds in excess of the amounts described in clause (i) or (ii) of subparagraph (A);

"(D) the reporting requirement described in subparagraph (C) shall also be in effect when debts are incurred, aby the candidate or his authorized committees, the repayment of which the candidate has reason to believe will require the candidate to make contributions to his campaign in excess of the amounts described in clause (i) or (ii) of subparagraph (A);

"(E) the increases in contribution limitations described in subparagraph (A) shall be in effect immediately when any candidate in such election first notifies the Commission, either as part of the reports of his authorized committees as required by sections 304 (b)(2)(B) and 304 (b)(2)(G) or pursuant to subparagraph (C) of this paragraph, that he has made or has incurred a debt which may require him to make a contribution to his campaign which makes his total contribution to his campaign from his personal funds in excess of the amounts described in clause (i) or (ii) of subparagraph (A); and

"(F) if a candidate fails to file a timely declaration pursuant to this paragraph, the increase in contribution limitations described in subparagraph (A) shall take effect immediately upon the determination by the Commission that such candidate has so failed to file a timely declaration.".

DIRECTED CONTRIBUTIONS

SEC. 6. (a) Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is further amended by adding at the end thereof the following new paragraphs:

"(10) A multicandidate political committee in receipt of a contribution which includes a written request by the contributor that some portion of that contribution be contributed to a specified candidate, or candidates for Federal office must either—

"(A) act as a conduit for the directed portion of the contribution; or

"(B) return the entire contribution.

"(11) Individuals contributing to a multicandidate political committee on an installment basis, either directly or through such individuals' employer under a payroll deduction plan, may require that up to 75 percent of the total such individual has contributed since the last general election to that multicandidate political committee be contributed to a specified candidate, or candidate for Federal office of such individual's choosing, except that—

"(A) at least 45 days prior to the election in which the directed contribution is to be made the individual must notify in writing the multicandidate political committee of the following:

"(i) to what candidate, or candidates, for Federal office the contribution is to be made; and

"(ii) in what amount the contribution is to be made;

"(B) the directed contribution for which the multicandidate political committee is a conduit shall be considered a contribution by the individual to the candidate for the purposes of paragraph (1)(A).".

(b) Section 316(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441b (b)) is amended by adding the following new paragraph:

"(8) Any solicitation for voluntary contributions allowed under this section must be accompanied by a written disclosure of the prospective contributor's right to direct some portion of such contribution to a specified candidate, or candidates, as provided for in paragraphs (10) and (11) of section 315(a).".

ALLOWING GENERAL ELECTION CANDIDATES TO CONTROL THEIR CAMPAIGN

SEC. 7. Section 315(A)(7)(B) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (a)(7)(B)) is amended—

(1) by redesignating clause (ii) as clause (iii); and

(2) by inserting the following new clause after clause (i):

"(ii) independent expenditures made in a general or special election for Congress in support of a clearly identified candidate or in opposition to a clearly identified opponent of that candidate will—

"(I) in an election in which there are no more than two campaigns of candidates and at least one of such candidates has expended more than $40,000 at the time any one such candidate has filed with the Commission, in a manner and form to be determined by the Commission, a declaration that all expenditures in support of such candidate or in opposition to a clearly identified opponent of such candidate have the appearance and effect of being in coordination with his campaign, be considered a contribution made to his campaign; or

"(II) in an election in which there are more than two campaigns of candidates and at least one of such candidates has expended more than $40,000, when at least all but one of such candidates have filed with the Commission, in a manner and form to be determined by the Commission, a declaration that all expenditures in that election in support of or in opposition to a clearly identified candidate would have the appearance of being coordinated with at least one of the campaigns involved, be contributions subject to the limitations expressed in subparagraph (1)(A) or (2)(A) multiplied by the number of such candidates;".

EFFECTIVE DATE

SEC. 8. The amendments made by this Act shall be effective with respect to elections for Federal office held more than 90 days after the date of enactment of this Act.

By Mr. DOMENICI:

S. 733. A bill to amend the Internal Revenue Code of 1954 to extend the period for issuance of qualified mortgage bonds through 1990; to the Committee on Finance.

ISSUANCE OF MORTGAGE BONDS

● Mr. DOMENICI. Mr. President, today I am introducing a bill which will extend the authority for State mortgage finance authorities to issue tax exempt bonds. The legislation is necessary because without it a proven program will expire December 31, 1983. Without this legislation the authority for States and localities to issue tax-exempt bonds to create capital to finance single-family mortgages in my State and throughout the country will lapse. We should not allow this to happen. The mortgage revenue bond program is one of the most important Federal programs that addresses the issue of housing affordability today.

The program's role has been vital to the housing industry, and the home buying public. Inflation raised the price of houses and high interest rates increased the monthly payments to the point where many low- and moderate-income families could not qualify for a loan.

Mortgage revenue bonds fill this affordability gap. Under the program, State and local housing finance agencies use the proceeds from the sale of tax-exempt bonds to purchase mortgage loans made by private lenders. Since the interest income on the bonds is tax exempt, issuing agencies can offer a rate on them lower than the rate on comparable taxable bonds. The interest savings are passed on to home buyers in the form of below conventional mortgage market rates. Historically, State programs nationwide have offered mortgage rates about 2 percent below the conventional mortgage rate.

For many home buyers, tax exempt financing under this program meant the difference between qualifying and not qualifying for a mortgage loan. In practical terms, the program has meant that 150,000 young families were able to move into their own homes because of this program.

There are 1½ million first time home buyers entering the marketplace each year. Over the years it has become more difficult for these families to buy a house. I do not want to see these low- and-middle-income families priced out of the market, and that may happen if this program is not extended.

This administration has made encouraging progress. Inflation is under control and interest rates are dropping. However, there is still a vital need for mortgage revenue bonds. Deregulation of the financial institutions has raised questions of how the mortgage credit needs, especially for low- and moderate-housing, will be met in the 1980's.

I like this program's approach because it is based on New Federalism principles. It allows every State to re-

spond to its particular housing demands. I think this is the best way to address housing needs.

In my own State of new Mexico the program has provided mortgages for close to 12,000 home buyers since the New Mexico Housing Authority was created in 1975. The Finance Authority in New Mexico is completely self-sufficient in that no tax moneys are appropriated to sustain its operations. Since the authority's establishment, eight bond issues have been sold, totaling over one-half billion dollars. Of this amount, roughly $524 million has gone to deserving homeowners to finance approximately 12,000 mortgages at interest rates of 7.5 to 12.12 percent. Banks, savings and loans and mortgage bankers throughout the State have participated by disbursing the authority's funds through their branches.

The average income for families receiving a mortgage under the New Mexico program is $23,582 and the average purchase price for existing homes is $42,391 and $48,916 for new homes. The program has provided 3,298 new jobs in my State and generated $25,541,733 in tax revenues based on figures provided by the Mortgage Finance Authority in New Mexico.

I realize that there are before Congress several housing industry aid programs that will have significant direct budget impact, an extension of the mortgage bound authority to 1990 would have a negligible effect on the budget.

The extension is good for housing and, what is good for the housing industry is good for the country. I urge other Senators to cosponsor this bill, get it passed, and let the Mortgage Finance Authorities get on with providing the services we designed them to perform.●

By Mr. PERCY (by request):

S. 734. A bill to authorize appropriations for the U.S. Information Agency to carry out in fiscal years 1984 and 1985 international communication and educational and cultural exchange programs, and for other purposes; to the Committee on Foreign Relations.

UNITED STATES INFORMATION AGENCY AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the U.S. Information Agency for fiscal years 1984 and 1985.

This legislation has been requested by USIA and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis of the bill and the letter from the Director of the U.S. Information Agency to the President of the Senate dated March 1, 1983.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE II—UNITED STATES INFORMATION AGENCY

SHORT TITLE

SEC. 201. This title may be cited as the "United States Information Agency Authorization Act, Fiscal Years 1984 and 1985."

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) There are authorized to be appropriated for the United States Information Agency $711,427,000 for the fiscal year 1984 and $871,039,000 for the fiscal year 1985 to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 2, of 1977, and other purposes authorized by law. Of the amounts authorized, not to exceed $47,959,000 for the fiscal year 1984 and $179,426,000 for the fiscal year 1985 are authorized to remain available until appropriated and expended for the acquisition and construction of radio facilities.

SEC. 202(b). Section 302 of the United States Information Agency Authorization Act, fiscal years 1982 and 1983 is amended by striking out $559,000,000 for the fiscal year 1983" and inserting in lieu thereof "$579,000,000 for the fiscal year 1983."

SEC. 202(c). The United States Information Agency Authorization Act, fiscal years 1982 and 1983 is amended by striking out the language appearing under section 305(c) and inserting in lieu thereof:

"(c). The amount obligated by the United States Information Agency in each fiscal year after fiscal year 1982 for grants for exchange of persons activities shall equal or exceed (in terms of constant dollars) the amount obligated for such grants for fiscal year 1982."

CHANGES IN ADMINISTRATIVE AUTHORITIES

SEC. 203(a). Section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) is amended by adding at the end thereof the following sentence:

"Notwithstanding the foregoing provisions, such information, whether or not prepared for dissemination abroad, may also be made available, within the United States, its territories, and possessions to foreign diplomatic and consular officials accredited to the United States Government or to the United Nations or any of its related organizations; provided that no such official shall make or allow the further dissemination of such information within the United States, its territories, or possessions except to other foreign diplomatic or consular officials in the above-described categories."

SEC. 203(b). Section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended by deleting the word "and" at the end of paragraph (19), deleting the period and inserting a semicolon and the word "and" at the end of paragraph (20), and adding a new paragraph (21) reading as follows:

"(21) notwithstanding section 529 of title 31 and section 5536 of title 5 of the United States Code, grant to each of no more than five employees assigned to duty in New York, New York, and required because of important representational responsibilities to live in the extraordinarily high-rent area immediately surrounding the headquarters of the United Nations in New York, New York, an allowance of the same kind and amount provided to employees of the staff of the United States Mission to the United Nations pursuant to section 9(1) of the United Nations Participation Act of 1945 (22 U.S.C. 287e-1(1))."

SEC. 203(c). Section 801(3) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471(3)) is amended to read in part as follows:

"(3) whenever necessary in carrying out title V of this Act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of associated real property (either within or outside the United States) for periods not to exceed twenty-five years, or for longer periods if provided for by an appropriation Act,".

SECTION-BY-SECTION ANALYSIS

AUTHORIZATION OF APPROPRIATIONS

Section 202(a)—Authorization of appropriations for the fiscal years 1984 and 1985

This section provides a general authorization of appropriations for the United States Information Agency (USIA) in accordance with the provisions of Section 701(a) of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1476(a)). The proposed authorization will enable the Agency to carry out international communication, educational, cultural and exchange programs under the United States Information and Educational Exchange Act of 1948, as amended (the "Smith-Mundt Act"); the Mutual Educational and Cultural Exchange Act of 1961, as amended (the "Fulbright-Hays Act"); and Reorganization Plan No. 2 of 1977. This legislation is submitted in accordance with the provisions of Section 607 of the Congressional Budget Act of 1974 (Public Law 93-344).

The last sentence of the proposed section would permit FY 1984 and 1985 funds for acquisition and construction of radio facilities to remain authorized until appropriated and expended. Thus, projects and funds authorized therefor in this act will remain in effect even if appropriations are delayed. This will save time and effort on the part of the executive and legislative branches.

Section 202(b)—Amendment of fiscal year 1983 authorization

This section would add $20 million to the FY 1983 authorization level for USIA. The added funds are requested to cover a supplemental appropriation that is required to launch a long-term, positive program by the United States to advocate the principles of democracy, support those people and institutions committed to democratic development, build and reinforce bonds based on shared values between people and nations, and combat through the active interchange of ideas and vigorous democratic institutions the spread of totalitarianism.

Section 202(c)—Increase of funds for exchange of persons

Section 305(c) of the United States Information Agency Authorization Act, Fiscal Years 1982 and 1983 mandated the doubling of the exchange of persons programs by fiscal year 1982. However, overall budget constraints and competing program priorities render that requirement impractical. As the President noted when he signed the legislation, adjustments are necessary. This section would remove the doubling requirement but guarantee that the fiscal year 1982 exchange of persons program level would be maintained or enhanced in the future. The fiscal year 1984 budget includes a sizable increase in the exchange of persons programs.

CHANGES IN ADMINISTRATIVE AUTHORITIES

Section 203(a)—Dissemination of agency information to diplomats in the United States

The principal purpose of this proposal is to remove what appears to be a prohibition against the Agency's dissemination to foreign diplomatic and consular officials in the United States of information of the type prepared by the Agency for dissemination abroad.

We believe that this prohibition, although apparently called for by the letter of present Section 501 of the United States Information and Educational Exchange Act of 1948, was perhaps not intended by Congress to apply to such foreign officials. In this connection, we wish to point out that the officials involved are key representatives of the very foreign governments and people whom the Agency's information programs are designed to reach. Therefore, we do not feel that they should be denied access to such information merely because they are present in this country.

An incidental purpose and corollary of the proposal is to permit Agency representatives to keep the same foreign officials apprised of information about the United States, its people, and its policies even though the information was not prepared for dissemination abroad. It is contemplated that this type of activity would be carried out through such means as seminars, lectures and similar functions.

Section 203(b)—Supplemental allowances for agency personnel stationed in New York City

This proposal would permit the Agency to provide to not more than five employees stationed in New York City the same kinds of amounts of supplemental allowances for quarters and utilities to which similarly situated employees of the staff of the United States Mission to the United Nations are presently entitled.

Certain senior employees of the Agency assigned to our Foreign Press Center in New York City are expected to conduct representational activities with foreign correspondents covering the United Nations and U.S. Government matters that have foreign policy implications. These representational activities require the employees to obtain housing in the high-rent area of New York City near the headquarters of the United Nations. At the present time, these Agency employees, unlike certain employees of the staff of the United States Mission to the United Nation, must personally bear a substantial part of the extraordinarily high rents for the housing that they occupy. As a result, married employees frequently decline assignments in New York City because of the financial hardships involved, and the Agency is thus often hampered in its efforts to select able employees for such assignments.

Section 203(c)—Increased leasing authority for radio facilities

The only new authority provided by this proposal would be to enable the Agency to enter into leases for radio facilities for periods not exceeding twenty-five years (instead of the present maximum of ten years) without having to seek and obtain special authorizing language in our annual appropriation Acts.

The existing ten-year restriction poses a substantial handicap to the Agency by limiting our flexibility in negotiating leases, particularly with foreign governments. This relatively short lease period also tends to produce episodes of long-term instability in Agency relations with foreign host countries and to inhibit the Agency's planning for sizable capital investiment in leased properties.

It has been suggested that there is enough lead time before the commencement of lease negotiations to have inserted in an appropriation Act specific authorization for a leasehold in excess of ten years.

However, the parameters of negotiations often will not begin to jell until the time has passed for Congress to enact the necessary authorization. In this connection, we have in the last two years sought new or renewed leases for six of our VOA facilities. Delays in the enactment of the necessary appropriation Act language have caused us problems and concern. Last year, for example, it was necessary for Congress to include in the Urgent Supplemental Appropriations Act, 1982, special language to meet our leases negotiating needs in Africa, Asia, the Caribbean Area and Europe.

We would like to emphasize that required Congressional oversight of each extended lease project entered into under this proposed amendment would be made possible by our presentation of planned leases in our regular budget or reprogramming requests to the relevant Congressional committees.

UNITED STATES INFORMATION AGENCY,
Washington, D.C., March 1, 1983.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith proposed language to authorize the U.S. Information Agency to carry out international communication and educational and cultural exchange programs. These activities are mandated by the United States Information Exchange Act of 1948, as amended, and Reorganization Plan No. 2 of 1977. The authorization of our appropriations is required by Section 701(a) of the United States Information and Educational Exchange Act of 1948, as amended [22 U.S.C. 1476(a)].

The legislation also proposes to amend some of the provisions of the Agency's basic enabling authorities. An analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has informed us that there is no objection to the presentation of this proposed legislation and that its enactment would be in accord with the programs of the President.

Sincerely,

CHARLES Z. WICK,
Director.●

By Mr. LONG:

S. 735. A bill to provide a special antirecession increase in fiscal year 1983 allotments under the State and Local Fiscal Assistance Act to aid local units of government in providing for increased employment opportunities; to the Committee on Finance.

ANTIRECESSION INCREASE IN STATE AND LOCAL ASSISTANCE

Mr. LONG. Mr. President, most issues have at least two sides. We spend much of our time and effort here debating the different sides of issues.

But sometimes we face situations about which there can be no debate. The current recession is such a situation. This country is in a recession. Millions of Americans who ordinarily work, who want to work, who need to work, cannot work. They cannot work because the jobs are not there.

We can debate what caused this recession. We can debate what will cure it. We can debate whether a recovery has begun. We can debate how strong that recovery will be.

But we cannot debate the fact that right now we are still in a recession. Right now jobs are needed and needed badly. They are needed by over 11 million Americans.

This is a situation which demands our attention. It demands that we come up with a solution which can give relief promptly.

Many thoughtful proposals to provide more jobs are being considered in this Congress. Some of them may be quite meritorious; we certainly need to look at them. But I am worried that many of the proposals now being developed may prove to be "too little—too late." It will not help our present situation even if they should prove to be "too much—too late."

We have at hand a ready tool for providing jobs. It is the general revenue-sharing program for local governments. Every 3 months, a check is mailed out to each local government throughout this land. These local governments have many useful projects on which they could put people to work if we increase the amount of that revenue-sharing check.

We are probably too late to increase the check which goes out in April, but we have ample time to provide for an increase in the July check. I have no doubt that every one of these localities can think of more projects to employ people on than we are likely to provide the funds for. But if any of them have not yet thought of these projects, I am quite sure they will do so by July if we act now to provide an increase.

I am today introducing legislation to increase the local revenue-sharing grants this year. My bill provides for a 50-percent increase in the fiscal year 1983 entitlements. This amounts to an additional $2.3 billion. It will be paid out in the checks sent to local governments at the beginning of July.

I fully expect that almost all of this amount will be translated directly into

jobs. Other programs may require the setting up of new bureaucracies, the writing of new regulations, possibly months of project planning—all of this before the first unemployed worker is hired. By contrast, this bill puts the money right into the hands of cities and counties and parishes throughout this country. They need no new bureaucracy. They have the jobs now. They just need the funds to carry them out. I have talked to many of these local officials. They are ready to begin hiring now. All they need is for us to make the funds available.

We have a recession now. We need to act now. That is our obligation. An increase in local revenue-sharing funds is the surest and quickest way to meet that obligation.

By Mr. LEAHY (for himself, Mr. COHEN, Mr. BAUCUS, Mr. MITCHELL, Mr. D'AMATO, Mr. BURDICK, and Mr. HEINZ):

S. 736. A bill to provide that nonresident, foreign nationals not be compensated unless such claimant's country compensates U.S. citizens for retransmission of materials they own; to the Committee on the Judiciary.

COMPENSATION OF FOREIGN NATIONALS

● Mr. LEAHY. Mr. President, today I introduce the international copyright fairness bill, which seeks to redress the current imbalance in copyright protections afforded materials retransmitted by foreign cable systems. I am pleased that Senators COHEN, BAUCUS, MITCHELL, D'AMATO, BURDICK, and HEINZ join me today as cosponsors.

The copyright imbalance is but part of an overall pattern of policies concerning trade in telecommunication services which clearly puts U.S. citizens at a disadvantage. These policies are of particular concern to broadcasters along our northern border whose signals are picked up and retransmitted by Canadian cable systems. This retransmission, however, does not result in any compensation to American copyright holders whose works are embodied in those signals, even though U.S. cable systems must pay Canadians for similar use of their copyrighted materials.

The international copyright fairness bill is designed to restore the balance between United States and Canadian trade practices in this most important of all commodities—words and ideas. The Canadian cable systems, which are the most extensive cable systems in the free world, may retransmit American copyrighted materials without compensating the copyright holder in any way. Meanwhile, Canadian copyright owners are fully compensated under American law for the use of their materials by U.S. cable systems. The bill would balance these policies by giving Canadian copyright owners only those benefits which Americans receive for the use of their copyrighted works in Canada. The hope is that Canada would then opt for fair compensation, whether the creativity is Canadian or American.

I hope that this new spirit of cooperative trade practices might result in the removal of other unfair barriers, such as those caused by Canadian law C-58. Here again, American border broadcasters bear the brunt of a policy which denies income tax deductions to Canadian businesses which advertise on American stations to reach Canadian audiences. Two Presidents have declared this law an unfair trade practice burdening and restraining trade in violation of the Trade Act of 1974. Still it remains Canadian policy to discourage these advertising revenues to American broadcasters, and therefore, to deny copyright owners even this indirect form of compensation. Given that advertising revenues are the primary means by which broadcasters normally obtain copyrighted materials, Canadian repeal of this law would go a long way toward restoring the balance in copyright protections.

The problem is as easy to identify as a one-way street—which pretty much sums up Canadian telecommunications trade policies in general and their attitude toward foreign copyrights in particular.

Put quite plainly, the Canadian cable systems are content to get something for nothing. This attitude was candidly expressed in a study commissioned by the Canadian Government on the subject of cable copyright issues, which stated:

> There is a tendency to feel that Canada can get something for nothing by restricting copyright payments abroad. That this is not always true was explained in the last paragraph, but it is probably close to the truth with present day realities.

One of our purposes today is to change that reality. However, we must be careful to do it in such a way so as to encourage the removal of current trade barriers, not the erection of new ones. No one wins if equivalency means raising permanent protectionist barriers of our own to match those imposed by others.

Therefore, in preparing this amendment to the Copyright Act of 1976, we have been careful to preserve the basic Canadian entitlement to payments from the compulsory licensing royalty fund. The amendment simply requires that before royalties are disbursed to nonresident foreign nationals for cable retransmissions, the Copyright Royalty Tribunal must first find that the claimant's country provides equivalent compensation to American copyright holders for the use of their materials abroad. Otherwise, the Tribunal will retain the Canadian fees.

The bill is true to the principle of equivalent treatment. The only burden borne by Canadian copyright owners is that imposed by their own Government. Canadians remain entitled to their fair share of cable copyright royalty fees. However, a fair share must be fair to everyone. That is all we are asking of the Canadian Government, a fair opportunity for Americans to be compensated for the use of their creative works.

I believe in a policy of open borders for ideas as well as goods, where copyright owners, regardless of their nationality, are free to market their works and to be fully and fairly compensated for their use. I am proud of American world leadership in free trade principles. However, we do not serve those principles by neglecting abuses and permitting undue profits to flow to those who would themselves engage in unfair trade practices.

I would urge my colleagues to join us in sending this message to the Canadian Government. A message that we are serious about a trading partnership that is a two-way street, serious enough to act when necessary to maintain the free flow of services as well as goods. But a message that is also an invitation to tear down existing barriers to trade to the benefit of both countries.

Mr. President, I ask unanimous consent to print the bill in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111(c)(5) of title 17, United States Code, is amended by adding at the end thereof the following:

"(D) All amounts claimed by nonresident foreign nationals shall be in controversy and withheld from distribution. The Tribunal shall deem these amounts as no longer in controversy and shall distribute these amounts upon finding that—

"(i) paragraphs (A), (B), and (C) in this subsection are satisfied; and

"(ii) the nation of which the nonresident foreign national is a citizen provides royalty or equivalent treatment to United States citizens for the secondary transmission of a primary transmission embodying a performance or display of a work in which the copyright is owned by such citizens.

The royalty or equivalent treatment must be at least comparable in value to the treatment provided copyright owners under this section.".●

By Mr. MATHIAS (for himself, Mr. HART, Mr. SPECTER, Mr. BAUCUS, and Mr. CHAFEE)

S. 737. A bill to allow businesses to jointly perform research and development; to the Committee on the Judiciary.

JOINT RESEARCH AND DEVELOPMENT VENTURES ACT OF 1983

● Mr. MATHIAS. Mr. President, last Friday in a speech in California, President Reagan stressed the need to en-

courage more research and development in American industries, and stated that his administration will support changes in the antitrust laws to accomplish this goal. Today, I join Senators HART, SPECTER, BAUCUS, and CHAFEE in introducing a bill to do just that: Provide limited immunity from the U.S. antitrust laws so U.S. companies could engage in qualified joint research and development projects.

Over the past 20 years, America's R&D expenditures declined by one-fifth as a share of GNP, while Japan's R&D expenditures grew by one-third of its GNP. From 1962 to 1980, the growth of Japan's trade balance in high technology products, at 35 percent, far outpaced that of the United States, 12 percent. Reflecting this disparity, the U.S. share of the world market for high technology products declined by 15 percent during this period, while Japan's rose by 25 percent.

The U.S. antitrust laws inhibit the kind of joint R&D activity that is permitted and encouraged among our overseas competitors, and this barrier accounts in part for the relative decline of U.S. companies in the international high technology market. The Japanese semiconductor industry, for example, with the sanction of their Government, has formed a very large scale integrated circuits technology project, known as VLSIC, which pools the talents and capital of all the major Japanese high-tech firms. The project is expected to culminate in the first so-called fifth-generation computer early in the next decade, vested with artificial intelligence that will allow it to hear and understand natural human languages, translate between languages, and respond to requests for information by including additional relevant information that was not specified in the request. Other areas where Japanese industries practice joint research include biotechnologies, health care network systems, community energy systems, and investigation into new metallic alloys. In recent years, Japan has also launched joint research projects concentrating in software technologies, an area where the United States has traditionally held the lead. We have also witnessed a surge in the interest of European governments and industries in fostering more joint research activity among their high-technology enterprises.

Because of the capital-intensive nature of research and development, many U.S. firms have trouble funding R&D at the levels necessary to keep the United States competitive in the world markets. U.S. companies also generally carry out their R&D in isolation, causing wasteful, duplicative use of scarce capital and other resources. By contrast, the Government of Japan, through subsidies and other channels concentrates available resources in the most promising research efforts, and encourages cooperative R&D projects among companies, particularly in high-technology fields.

In some cases, of course, it is fruitful for several different companies to engage in independent research in the same area. But the need to encourage pooling of scarce resources in costly high-technology research projects has been recognized for some time. In 1972 the Justice Department developed the business review procedure, under which companies submit a description of a proposed joint venture to the Department and get back a preliminary, tentative assessment of its legality under our antitrust laws. This imprimatur would alleviate the chilling effect that the threat of private treble damage suits otherwise has on businesses that want to engage in joint ventures. Despite its good intentions, the procedure has never given business executives enough certainty to justify the outlay of millions of dollars in joint research. Since its inception, it has gone virtually unused: Only 24 applications for clearance were received between 1972 and 1981.

In the past two Congresses, I cosponsored a bill that would prevent the Justice Department from retroactively prosecuting a joint venture that it has previously approved. However, my talks last year with people involved in the high technology sector led me to conclude that a more far-reaching solution would be appropriate. What I propose is to replace the business review procedure with a set of objective standards for organizing joint research and development ventures. If the business executives meet these standards in their joint venture, it would enjoy a presumption of lawfulness. The standards for this self-certification would require that:

The project be research-oriented and not involve manufacturing and marketing, and that the cost and risk be sufficient to justify a group approach.

It not involve acquisitions by one of the participants of the assets of another.

The venture be generally open to all firms on an equivalent basis, with no limitations on access.

A U.S. firm may not participate in a venture if it accounts for 25 percent of the worldwide industry sales of a given product during the preceding 3 years and would cause the collective sales of all the participants in the group to exceed 50 percent of the worldwide market, and if the proposed R&D program relates to that product, unless the Department of Justice authorizes such participation as critical to the success of the program and in the national interest.

The notification provision requires that the Justice Department receive a detailed description of the planned venture and a statement explaining its compliance with the self-certification standards set out in the bill. The bill also provides that the Justice Department may at any time conduct an investigation to insure that a joint venture complies with the standards.

Since we first introduced the bill last December (S. 3116), Senator HART and I have been flooded with interested inquiries and favorable comment on our proposal. Our staffs have met with representatives of the Antitrust Division of the Justice Department, and we are highly encouraged by the positive and constructive consideration they are giving it. In view of President Reagan's remarks on Friday, we expect to receive the Department's detailed suggestions for fine tuning our bill in the near future, and will seek hearings at the earliest opportunity after that. I urge all my colleagues to join our effort to make U.S. industry more competitive in world technology markets.

I ask unanimous consent that the text of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Joint Research and Development Ventures Act of 1983".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) research and development are major factors in the growth and productivity improvement of United States industry and of the national economy;

(2) many firms are unable to undertake the levels of research and development necessary for the United States to remain competitive in global markets because of the capital intensive nature of research and development programs and the chronic shortage of trained scientific and engineering personnel;

(3) the expense and personnel requirements of carrying on a sufficiently broad spectrum of research and development programs is prohibitive for many businesses;

(4) a firm's or an industry's ability to commit capital to research and development ventures of potential national importance is often dependent upon such firms or industries being able to share the risks which such projects often entail;

(5) such risks to United States firms have been greatly magnified by reason of activities by foreign governments in selectively subsidizing, sponsoring cooperation of industry members, or otherwise coordinating industrial research and development programs to enhance the positions of foreign firms in the United States and global markets;

(6) the role of research and development, as well as the prohibitive expenses, resource shortages, and increasing risks in its performance, prevail across the entire spectrum of United States industries;

(7) there are genuine procompetitive benefits of cooperative research and develop-

ment programs in that new knowledge, information, base technologies and products are brought forward; and

(8) the uncertainty of interpretation and enforcement of present antitrust law discourages cooperative research and development, often where cooperative activity would foster innovation and enhance competition.

(b) The purposes of this Act are to—

(1) encourage business concerns to undertake and obtain the benefits of research and development in order to strengthen the national economy and the international competitive position of the United States and to provide the technology to support superior weapons systems for the national defense;

(2) increase the productivity of United States industry by enhancing the availability and use of efficient advanced new technologies;

(3) encourage greater use of joint research and development ventures by the private sector as a means of augmenting the total amount of research and development performed as well as increasing the diversity of research;

(4) provide immunity under the antitrust laws of the United States or any State to any qualified joint research and development venture, and to any partricipant in such venture; and

(5) enhance competition by enabling participants, and nonparticipants on reasonable terms, to have access to and use base technologies that would not come into being except by joint effort.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "antitrust laws" shall have the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that the term shall include section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that section 5 applies to unfair methods of competition.

(2) The term "research and development program" means a program for—

(A) theoretical analysis, exploration, or experimentation; or

(B) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and pilot demonstration purposes, up to the stage of industrial application, including the production, testing and licensing of models, devices, equipment, materials, and processes.

The conduct of such a program may include joint action such as the establishment of facilities for the conduct of research, the application of noncoercive standards incident to research, the collecting and exchange of information pertinent to research, the conduct of research on a protected and proprietary basis, the prosecution of applications for patents, the granting of patent and know-how licenses, and the establishment of corporations or other entities to exploit patents and know-how.

(3) The term "qualified joint research and development venture" means an association, corporation, or other multifirm enterprise established to carry out cooperative research and development programs which meet the criteria established in sections 4 and 5 of this Act.

(4) The term "State" shall have the meaning given it in section 4G of the Clayton Act (15 U.S.C. 15g).

(5) A United States firm is a company or other entity controlled by United States firms or citizens, but shall also include entities controlled by a foreign firm or citizens if that nation provides access to participation in joint research and development efforts to United States firms and citizens operating in that nation equivalent to such access provided domestic firms in such nation.

(6) The term "product" includes any goods or services that are considered by purchasers to be similar by reason of their characteristics, price, or use.

QUALIFIED VENTURES

SEC. 4. (a) To be qualified, a joint research and development venture must include the characteristics specified in this section.

(b)(1) Any United States firm desiring to participate in the venture, or any of its research and development programs, shall be permitted to participate upon the same terms applicable to other firms participating to the same degree.

(2) The research and development programs to be undertaken by a venture shall, to the extent practical, be individually identified and defined, and the contributions required for a firm's participation in but one program separately identified.

(3) A firm desiring to participate in fewer than all of the research and development programs undertaken by a venture shall be entitled to do so, but may be required to pay a proportional share of the venture's common expenses.

(4)(A) If a United States firm participating in a venture accounts for 25 per centum of total worldwide industry sales of a product during any of the preceding three years (as determined by the Attorney General of the United States—hereinafter referred to as the "Attorney General") and its participation in a research and development program to be undertaken by that venture would cause the combined share of all program participants' sales of the product to exceed fifty per centum of total worldwide industry sales of such product during any of such years (as determined by the Attorney General), the firm's participation in that program shall be conditioned upon an affirmative finding by the Attorney General that—

(i) the results of such a program are not likely to be directly applicable to the future production of such a product; or

(ii) such participation is critical to the success of the program and is in the national interest.

(B) In exercising this authority, the Attorney General may issue guidelines describing—

(i) procedures to employ in requesting such a finding;

(ii) information to be submitted in support of such a request; and

(iii) circumstances under which it may issue such findings.

(C) Information submitted by any firm in connection with the submission of such a request or the issuance of such a finding shall be exempt from disclosure under section 552 of title 5, United States Code.

(c)(1) The venture's sole activity shall be the operation of one or more research and development programs, including but not limited to research and development programs participated in by universities.

(2) Except as provided in paragraph (3), a participant in a venture, or any program undertaken by it, shall not be subject to—

(A) any restrictions on its own individual research and development activities;

(B) any obligations to provide to the venture results from its previous or future research and development; or

(C) any restrictions on its exploitation of the inventions resulting from the venture's research and development.

(3) Participant may agree to—

(A) provide, for a reasonable compensation, access to such previous or future individual research and development as is necessary for the venture to undertake its activities;

(B) abstain for a reasonable period of time from the individual disclosure of the results of the venture's research and development;

(C) assign employees to the venture to engage in research and development or technology transfer activities; or

(D) undertake on behalf of the venture a particular aspect of the venture's research and development.

(4) No research and development program shall be undertaken which projects a completion date in excess of ten years from its inception.

(d)(1) The venture may take any legal form, but the documentation establishing it shall include provisions meeting the requirements of this section of the Act.

(2) Ultimate authority for the management of the venture shall be vested in a management board, which shall consist of—

(A) one representative of each participant in the venture; and

(B) at least three United States citizen representatives of nonparticipants, which representatives may be from the United States academic community, nonprofit organizations, public agencies or other firms.

(3) The management board shall include among its activities—

(A) selection of the chief executive of the venture;

(B) establishment of criteria for the selection of research and development programs, and the selection of such programs;

(C) allocation of any common costs among research and development programs;

(D) subject to the provisions of subsection (b) of this section, establishment of criteria for the admission of additional venture participants as well as the withdrawal of existing participants; and

(E) subject to the provisions of subsection (d) of this section, establishment of criteria for the licensing of venture technology, and the approval of any such licenses.

(4) In choosing to initiate or terminate research and development programs, the management board may take into account—

(A) the importance of the program to the United States economy or defense;

(B) the longrun needs of the United States industries represented by the venture's participants;

(C) the specific needs of participant firms, including the risks and costs for individual firms to undertake the program; and

(D) the educational and intellectual value of the program.

(5) In establishing criteria for the admission or withdrawal of participants, the management board may—

(A) require firms to participate in at least one of the venture's research and development programs;

(B) require commitments to participate in a program for a reasonable minimum period of time, not to exceed three years;

(C) impose reasonable catchup charges for firms desiring to participate in a pre-existing program; and

(D) discipline firms that fail to perform their obligations to the venture, by providing for one or more of the following: their expulsion from the venture, the forfeiture of any payments to the venture, and the

denial of any right or interest in the assets, including technology, of the venture.

(6) In establishing criteria for the licensing of venture technology, the management board shall, in implementing section 4(e)(5) of this Act, seek to encourage the widest possible dissemination of the venture's technology, but shall give due regard to the risks assumed and resources expended by participants in the program that created the technology.

(e)(1) All inventions and useful know-how developed in the course of a research and development program must be promptly reported to the participant firms.

(2) Applications for patents on patentable inventions shall be made by the venture on behalf of program participants and venture shall retain title to all inventions, patents and know-how.

(3) Any firm that is a participant in a program at the time an invention or know-how is discovered or developed shall at such time be entitled to irrevocable, nonexclusive, and equivalent licenses to all patents and know-how.

(4) participants in a program may be rewarded in a manner which bears an equitable relationship to the risks each assumed, including—

(A) exclusive access to the technology for up to three years;

(B) royalty-free licenses or licenses at royalty rates which reflect the risks assumed and resources expended; and

(C) a share of any royalties collected from nonparticipants in the program.

(5) No later than three years after the participants in a program receive such licenses, licenses shall be made available by the venture to any other United States firm on such terms as the participants in the program may establish, provided that such terms shall be reviewed by the nonparticipant members of the management board of the venture, and a majority thereof shall affirm that the terms are reasonable, fair and nondiscriminatory in light of the risks assumed and resources expended by the participants.

(6) In order to encourage the availability to and use by small businesses of developed technology, licenses to program participants or other United States firms, as provided for in paragraphs (3) and (5) of this subsection, shall be conclusively presumed to be equivalent or nondiscriminatory if their provisions with respect to royalties are, to the extent reasonably possible, volume or usage based.

(7) The venture shall collect any royalties on behalf of the participants in a program, and may retain such proportion of the revenues as may be agreed to by the participants.

NOTIFICATION

SEC. 5. (a) To be qualified, a joint research and development venture shall cause the Attorney General to be notified of the formation of such venture. The notification shall be in a form prescribed by the Attorney General, shall be available to any United States citizen on request pursuant to section 552 of title 5, United States Code, and shall include—

(1) an identification of the parties to the venture;

(2) a description of each research and development program to be undertaken by the venture, including its projected duration;

(3) an identification of the participants in each such program;

(4) any agreements pertaining to or describing the venture of any of its programs; and

(5) a statement of compliance with the criteria set forth in section 4 of this Act, executed by an officer of the venture and each program participant.

(b) A qualified venture shall annually cause to be submitted to the Attorney General a report, in such form and at such time as they may require, that updates where necessary the information required by section 5(a).

IMMUNITY FOR QUALIFIED VENTURES

SEC. 6. The following shall apply with respect to any qualified joint research and development venture, and any research and development program which it undertakes:

(1) Neither the venture nor its employees, nor any of its participants nor their employees, shall be subject to a civil or criminal action for a violation of the antitrust laws or a violation of any State law similar to the antitrust laws if the venture satisfies the characteristics set forth in section 4, and a notice is filed pursuant to section 5, of this Act.

(2) If, with respect to any claim brought by a person under the antitrust laws against the venture, its employees, the participants, or their employees, the court finds that the violation alleged arises from conduct undertaken in connection with the operation of a joint research and development venture, and—

(A) the venture was formed and operated in conformance with the characteristics set forth in section 4 of this Act, or

(B) the conduct alleged to violate the antitrust laws does not violate the antitrust laws,

the court shall award to the person or persons against whom the claim is brought the cost of suit attributable to defending against the claim, including a reasonable attorney's fee.

(3) None of the participants in a joint research and development venture, nor the venture shall be liable under section 16 of the Clayton Act with respect to threatened loss or damage by a violation of the antitrust laws if the threatened loss or damage arises from conduct undertaken in connection with the operation of a qualified joint research and development venture.

INVESTIGATION AND DISSOLUTION OF VENTURES

SEC. 7. (a) Notwithstanding section 6 of this Act, a venture may be investigated at any time by the Attorney General for the purpose of—

(1) determining that the parties to the venture submitted correct information in the notification filed under section 5 of this Act; or

(2) determining that such venture, as well as the research and development programs it has undertaken, satisfy and continue to satisfy the requirements of section 4 of this Act.

(b) In the event the Attorney General undertakes an investigation, all parties to the venture or research and development program that is the subject of the investigation shall be given notice thereof in writing. The Attorney General shall conduct his investigation in conformance with procedures to be established by him pursuant to section 553 of title 5, United States Code. If the Attorney General determines after the conclusion of such investigation that a venture or program does not comply with the requirements of this Act, he shall give written notice of such determination, which notice shall—

(1) include a statement of the circumstances underlying, and the reasons in support of, the determination; and

(2) state with specificity any actions required in order for the venture or program to come into compliance.

(c) If the venture or program fails to take the actions specified by the Attorney General within sixty days, he shall commence an action in the United States District Court for the District of Columbia to dissolve the offending venture or programs.

(d) In the event the district court finds that the venture or program is in violation of the requirements of section 4 or 5 of this Act, such court shall order the dissolution of such venture or program.

(e) Any party aggrieved by the determination of the district court may, within thirty days of such determination, seek review by the court of appeals on the grounds that such determination is erroneous.

(f) Information generated in the course of any investigation or court action, or submitted by any person in connection therewith, shall be exempt from disclosure under section 552 of title 5, United States Code.

(g) Neither a determination by the Attorney General pursuant to subsections (a) and (b), or by the district court or court of appeals pursuant to subsections (d) and (e), nor any statements, opinions or recommendations issued in connection therewith, shall be admissible in evidence in any administrative or judicial proceedings in support of any claim under the antitrust laws.

EFFECTIVE DATE

SEC. 8. This Act shall take effect on the date of the enactment of this Act and shall apply to any joint research and development venture in existence on or after the date of its enactment that satisfies its provisions.●

● Mr. CHAFEE. Mr. President, I am pleased to join my colleagues in introducing legislation which can play a crucial role in enhancing our country's world competitiveness. This bill will remove serious roadblocks to the formation and successul operation of cooperative research and development efforts. In doing so, it will stimulate the emergence of new technologies, new companies, and new jobs.

The bill would clarify, not change, U.S. antitrust laws. Under its provisions, Congress would prescribe statutory criteria for lawfully organizing and conducting joint R&D ventures which, if met, would shield a joint venture from attack on antitrust grounds. The bill would establish a set of rules dealing with such issues as the scope and duration of a joint venture's activities; the permissible degree of market share; permissible restraints on participants, and rules relating to access to the venture and to the results of research activities. If the joint venture met the legislated standards, it would enjoy a presumption of legality, and should feel secure in pursuing its objectives.

The need for this legislation was made clear to me during the course of hearings I chaired in January this year in the Finance Committee's Subcommittee on Savings, Pensions and

Investment Policy. There a number of witnesses testified to the importance of research and development in maintaining our economic well-being. Our greatest strength has been our ability to innovate. Yet this strength is threatened partly by the new phenomenon of targeting—the concentration of a foreign nation's economic and technological resources in order to achieve world dominance in a given field.

Maintaining our technological leadership can be aided by cooperation in research and development among private companies, and that is why such cooperation is unquestionably in the national interest.

A persuasive case for such new antitrust guidelines has been made by Robert Price, president of Control Data Corp., who testified at our hearings in January. His company has taken the lead by establishing with a number of other companies the Microelectronic and Computer Technology Corp. (MCC). MCC will conduct R&D in a number of critical areas. But its success will be severely impaired unless new guidelines can be established by law, because as Mr. Price said, "very little official guidance exists as to what constitutes a lawfully structured joint R&D venture or what conduct will ultimately be considered lawful by the courts, if challenged. A company interested in cooperation is deterred by ambiguity, uncertainty and great risk, all arising out of antitrust laws enacted in the economic context of the 19th century."

Mr. President, the United States is engaged in a highly competitive, borderless economic race. It is a new reality for us, and we must all rise to the challenge. Government can do its part through innovative public policies. In this case industry has demonstrated initiative by forging ahead in new forms of R&D cooperation even in the face of legal uncertainty. I believe that Government has the obligation to rethink old concepts and revise old laws to permit private innovation that is so manifestly in the public interest. That is why I support this bill.●

● Mr. HART. Mr. President, I am today reintroducing, with Senator CHARLES MCC. MATHIAS, the Joint Research and Development Ventures Act. I am pleased to note that Congressmen GEPHARDT, WIDEN, and SYNAR will introduce the bill in the House of Representatives.

This bill was originally introduced during the 97th session. Now with growing support from both sides of the aisle and both Houses of Congress, we hope to send a clear and distinct signal to our industries: that we intend to maintain this country's worldwide preeminence in the fields of technological and industrial innovation. This legislation should help achieve this objective by encouraging more efficient use of our Nation's research and development resources through support of joint R&D ventures.

This bill is needed because the high and increasing cost of many large-scale complex R&D projects is slowing our investment of pure, state-of-the-art research. Technology has been a key driving force behind the unprecedented growth the United States has enjoyed during this century. But today, we can no longer rely solely in intracompany R&D efforts to achieve continued pushing back the technological frontier. Indeed, the only way that many such projects can be afforded is by a pooling of resources and scientific and technical talent through R&D joint venture efforts.

Currently, such efforts are hindered or blocked altogether by the treble damages provision of the antitrust code and the great uncertainty with regard to the conditions under which legal R&D joint venture activities may be conducted. The result is that very few business leaders dare commit their company to participating in an R&D joint venture.

PROVISIONS OF THE BILL

The primary purpose of this bill is to specify a set of objective criteria under which a R&D joint venture activity would be judged legal. This would greatly diminish the uncertainty and, hence, a company's perception of the risk involved in participating in such a venture.

The thrust of the legislation would be to clarify the explicit legality of joint ventures. But it would not restrict the ability to initiate a suite alleging antitrust violations of any kind against a joint R&D venture. All individuals participating in the venture would be subject to all the existing conditions of the antitrust laws. If, for example, the participants of a venture engaged in price fixing, those participants could be sued. The venture and its participants would be libel for treble damages of any antitrust activity that stems from the venture or its individual participants.

The bill would allow joint ventures to be formed through a self-certification process, monitored by the Department of Justice. A company found in violation of the qualifications set forth in this legislation would be ordered by Justice to either disband and discontinue activities or take corrective measures to bring the venture back within the confines of the qualifications.

The criteria for self-certification would include:

All projects would be of a pure research nature. No product development or design would be allowed.

All participants would have to pay equal shares of the cost associated with the project and would derive equal benefits.

Any company which wished to join the venture could not be excluded, with the exception of a company that accounted for 25 percent of the world market of its goods for any one of the 3 years preceding the venture and where their participation would bring the total world market share of all partners above 50 percent. This particular component of the present language may pose some potential problems with existing antitrust codes, and could be further clarified in debate on the legislation.

Notification of the venture would be made to the Department of Justice under section 553 of title 5 of the United States Code. The notification would include the names of all participants, description of the nature of the project, projected duration, explicit exposure of any agreements between partners with regard to the project and a detailed statement of compliance with the qualifications as set forth in this legislation.

If new technologies or knowledge are developed through the joint venture, it would be required, upon completion of the project and when proper legal patents are secured, to sell the information at an acceptable and reasonable rate to other companies and businesses that did not directly participate in the project.

Based on my discussions with business leaders, I believe this kind of legislation is vitally needed as part of an overall strategy to enhance our economic vitality and ability to develop innovative technologies. The time has come to take action on this issue, and I hope that Congress will move swiftly to put into place one strategic element for our country's industrial revitalization.●

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. CHAFEE, Mr. GLENN, Mr. GRASSLEY, and Mr. SYMMS):

S. 738. A bill to amend the Economic Recovery Tax Act of 1981 to make permanent the credit for increasing research activities; to the Committee on Finance.

RESEARCH INCENTIVES CONTINUATION ACT OF 1983

● Mr. DANFORTH. Mr. President, as we enter this long-awaited economic recovery, we have the responsibility of doing all that we can to assure that the recovery will be strong and sustained. This, in turn, depends on our ability to achieve real growth in national income without falling back into devastating inflationary cycles which have, in the past, repeatedly choked off economic growth and brought on recession.

To achieve the goal of sustained recovery, we must look to real growth in productivity. One way to do this is to affirm our long-term commitment to

research and development. Therefore, today Messrs. BENTSEN, CHAFEE, GLENN, GRASSLEY, SYMMS, and I are introducing the Research Incentives Continuation Act of 1983. The purpose of this bill is to make permanent the R&D credit which was enacted into law in 1981. As it now stands, the credit will expire at the end of 1985.

A look at the last 20 years' experience in R&D—particularly civilian R&D—and economic growth around the world shows a definite link between increased R&D and increased productivity. As many years of painful experience have taught us, we can only achieve noninflationary increases in personal income by increasing productivity.

Between 1961 and 1981, U.S. expenditures for R&D, as a percentage of GNP, have steadily declined, while R&D expenditures as a percentage of GNP in Japan, West Germany, and the Soviet Union have risen substantially. During this same period, productivity grew in the United States by 69 percent—a pitiful rate in comparison to that of Japan, 466 percent; France, 184 percent; and West Germany, 174 percent.

In addition to contributing to productivity growth, R&D activity is essential to improving our position in international trade. In those years in which we have enjoyed a positive balance of trade, it has been because of our R&D-intensive manufacturing, which has had a positive trade balance every year since 1960. Non-R&D-intensive manufacturing, on the other hand, has been in a negative position each year.

In hopes of reversing these disturbing trends, we passed in 1981 the credit for increasing research activities as part of the Economic Recovery Tax Act of 1981. Although it is too soon to know precisely what effect the credit has had in encouraging increased R&D, we have an indication of its success in a recent McGraw-Hill survey which projects that 1982 will have seen a 17-percent increase in R&D spending. In a year in which the economy hit bottom, when utilization of manufacturing capacity was extremely low, and when expenditures for new plant and equipment were down from the year before, I believe this substantial increase in R&D activity is a good sign that the credit is accomplishing its goal.

Mr. President, It seems to me that one of the problems that led us into this recession was the failure of American business to concentrate on long-term growth, rather than quarterly profits. R&D expenditures are the very essence of the long-term view. These projects are typically multiyear ventures, with the payoff, if any, far down the road.

Therefore, in planning R&D projects, companies must be able to make long-term plans. I don't know how we can expect industry to make long-range commitments to R&D when the credit is scheduled to expire at the end of 1985. Without the knowledge that this incentive will be available, companies will be understandably reluctant to enter into highly expensive, high-risk, long-term projects.

Thus, I believe it is imperative that we act this year to establish our national commitment to long-term R&D growth by making the credit permanent. By making this change, we will take a significant step toward establishing a sound foundation on which a strong, lasting recovery may be based.

Mr. President, I ask unanimous consent that the text of the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Research Incentives Continuation Act of 1983".

SEC. 2. CONTINUATION OF CREDIT FOR INCREASING RESEARCH ACTIVITIES.

Paragraph (1) of section 221(d) of the Economic Recovery Tax Act of 1981 is amended by striking ", and before January 1, 1986".

SEC. 3. CONFORMING AMENDMENT.

Subparagraph (A) of section 221 (d)(2) of the Economic Recovery Tax Act of 1981 is amended by striking the last sentence thereof.●

By Mr. DECONCINI (for himself, Mr. MCCLURE, Mr. GOLDWATER, Mr. WALLOP, and Mr. CRANSTON):

S. 739. A bill to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes; to the Committee on Energy and Natural Resources.

AUTHORIZATION OF APPROPRIATIONS FOR DAM SAFETY

Mr. DECONCINI. Mr. President, today, along with several of my colleagues, I am introducing legislation which is critical to the future safety of many of our Federal dams in this country.

The purpose of this bill is to allow the Bureau of Reclamation sufficient authorization to complete safety work on reclamation dams nationwide. The Reclamation Safety of Dams Act of 1978 authorized the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for the purpose of dam safety. The act provides an authorization level of $100 million.

Mr. President, the current authorization level cannot possibly cover the costs of existing and future dam safety work. The Water and Power Resources Service estimates the current cost of dam safety in at least 12 States to be upward of $500 million. In my State of Arizona alone, the modifications of immediate need on six Salt River project dams are in excess of $250 million. Moreover, the Bureau of Reclamation indicates that safety of dams studies show that as many as 29 additional dams may need safety related work in the future.

In order to complete work that has been initiated and insure that future dam safety needs are met, it is necessary that authorization for the Reclamation Safety of Dams Act be increased by at least $550 million.

During the last session, this bill was unanimously reported out of the Committee on Energy and Natural Resources and was placed on the Senate Calendar. Unfortunately, there was not enough time remaining in the session to have it considered by the full Senate.

Mr. President, I believe we are all aware of the devastation that could result in loss of lives and personal property from dam failure. We must take the necessary precautions now, to alleviate to the extent possible, the potential for threats from this type of disaster. I cannot emphasize strongly enough the seriousness of our problems without sufficient authority to make the necessary adjustments.

Mr. President, dam safety is not a partisan issue and I urge my colleagues in the Senate on both sides of the aisle to join me in supporting this measure and seeking its enactment before the close of this year.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 739

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5 of the Reclamation Safety of Dams Act of 1978 (Public Law 95-578; 43 U.S.C. 509) is amended—

(1) in the first sentence by striking out the comma after "$100,000,000" and inserting in lieu thereof "and, effective October 1, 1983, not to exceed an additional $550,000,000,"; and

(2) by striking out the period at the end thereof and inserting in lieu thereof the following: ": *Provided further,* That an obligation made pursuant to the preceding proviso may be made prior to the expiration of sixty days in any case in which the respective Committee of jurisdiction in the House of Representatives and the Senate approve an earlier date and notifies the Secretary in writing, of such approval.".

(b) Such Act is further amended by inserting at the end thereof the following:

"SEC. 12. Included within the scope of this Act are Fish Lake, Four Mile Ochoco, Savage Rapids Diversion and Warm Springs Dams, Oregon; Como Dam, Montana; Little Wood River Dam, Idaho; Twin Buttes Dam, Texas; Foss Dam, Oklahoma and related facilities. The cost of foundation treatment,

drainage, and instrumentation work planned or underway at Twin Buttes Dam, Texas, and Foss Dam, Oklahoma, shall be nonreimbursable and nonreturnable under Federal Reclamation laws.".

By Mr. SASSER:

S. 740. A bill to amend the Natural Gas Policy Act of 1978 to require contracts for the first sale of natural gas to include provisions which recognize changing market conditions, and for other purposes; to the Committee on Energy and Natural Resources.

NATURAL GAS CONSUMER PROTECTION ACT OF 1983

● Mr. SASSER. Mr. President, today I am introducing legislation which closes some of the contractual loopholes presently operative under the NGPA which are causing major increases in natural gas prices. Millions of consumers continue to be devastated by rapidly escalating natural gas prices. I believe that the so-called take-or-pay clauses in many purchase gas contracts are at the very core of the pricing problems presently facing consumers.

During the debates concerning the NGPA, a major source of concern among all parties was the adequacy of the supply of natural gas. At that time, there was a severe shortage of natural gas in the market. At that time, these take-or-pay contract clauses appeared to be a method by which to assure the long-term supply of natural gas for consumers.

Mr. President, many of these take-or-pay clauses require the purchase of high cost gas for periods extending over 10 to 15 years. The rigid terms of these contract provisions are now distorting the natural gas market. The result has been and continues to be higher prices for consumers.

At present, "old" gas constitutes an estimated 40 percent of our Nation's natural gas supplies. The vast majority of this old gas is owned by the major oil companies. Last year, approximately 56 percent of the gas purchased by major interstate pipelines consisted of old gas. Thus, old gas, to the extent that it is currently available, has served an important function in the natural gas marketplace in helping to keep overall gas prices down.

Yet, Mr. President, this year, it has been estimated that well over 2.7 trillion cubic feet of old, lower cost gas is being shut in in existing fields. Thus, a major shource of cheap gas, available for delivery to consumers, is instead being systematically withheld from the natural gas marketplace.

In its place, pipeline companies are being strictly held to the rigid terms of these take-or-pay contract provisions, pipelines are presently required to pay for the high priced gas which, as most parties readily admit, is without a viable market. Mr. President, it is the consumer who has been forced to pay the ultimate price.

The legislation that I am introducing attempts to provide some relief from these rigid contract terms. My legislation is intended to provide relief to the natural gas consumer from the unnecessary influx of higher priced gas in the market.

Specifically, S. 740 requires all contracts for the first sale of natural gas, except those contracts involving the "old" forever regulated gas to include a market out provision. This market out provision is intended to recognize changed conditions in the supply and demand of natural gas. The exorbitant prices that consumers are now being forced to pay for a vital service is due to just such changes in the marketplace.

In addition, my legislation would not require the total abrogation of these purchase gas contracts. Instead, where the natural gas is no longer marketable, the market out provision allows a reduction in the volume to a level of 70 percent. The price of the gas under the renegotiated contract would then reflect the average cubic foot price of all the gas under the contract.

Mr. President, I believe that the approach that I am offering is fair. Given the present fluctuations in the natural gas market, market out clauses provide a reasonable and flexible mechanism by which to respond to changes in supply and demand.

Producers, under my approach, should not be discouraged regarding the continuation of drilling and exploration of new natural gas sources. I believe that this 70-percent reduction in volume will provide mutual incentives to producers and pipelines alike to seek the cheapest sources of natural gas possible. The result would be the continued availability of an adequate supply of natural gas at lower prices that consumers could afford.

More importantly, from the consumers' standpoint, my legislation maintains the NGPA commitment to cheap prices on "old", forever regulated gas. This old gas has been and continues to be the major source of consumer protection under the NGPA. I believe that by maintaining these old, low cost sources of natural gas, in conjunction with contract renegotiations, we will be able to provide consumers with some well-deserved relief. As old gas supplies continue to dwindle, the remaining supplies of "old" gas will serve as a vital cushion for the new, higher priced sources of natural gas which will inevitably displace the cheaper supplies.

By way of contrast, however, the administration's decontrol bill will bring further pricing burdens to bear on the natural gas consumer. The administration's bill calls for the decontrol of all gas, including the old, lower cost supplies of natural gas.

Under the administration's bill, producers have no real incentive to renegotiate these take-or-pay contract clauses. Instead, in 1985, the producers are given a unilateral green light to hold all of their old gas supplies and thereafter sell such lower cost gas for prices far in excess of the current $1.25 million cubic feet price. The result will be an estimated $40 billion windfall for these producers at the further expense of the natural gas consumer.

A recent GAO study indicates that under total price decontrol, the contract induced fly up of prices is likely to be more widespread than under the NGPA decontrol. Indeed, the administration's bill would have a devastating impact on the average annual residential gas bill in Tennessee. For example, in Nashville, the average annual residential gas bill in 1982 was $703.11 under NGPA decontrol. If the administration's bill were enacted, by 1986, these same consumers would be paying roughly $1,149 for their gas bills. In Knoxville, Memphis, and Chattanooga, this basic upward price trend could also be expected as consumers in these areas would also be forced to pay in excess of $1,000 annually for their natural gas. That, Mr. President, is clearly an unconscionable burden for consumers anywhere to be forced to pay.

Mr. President, for the millions of poor and elderly natural gas consumers, the rapidly escalating price of natural gas has meant an ordeal of far greater proportions. Low-income consumers presently spend an estimated 30 percent of their total incomes for energy expenditures. Many poverty level families spend from 40 to 50 percent of their budget on fuel and utility bills. Since the 1970's, the steadily increasing cost of energy for these consumers has meant the loss of $9 billion in purchasing power. For these low-income consumers, brute survival has become a matter of vital concern.

Mr. President, the time for relief for natural gas consumers is long overdue. I am introducing this legislation today in an effort to begin the crucial task of bringing to a halt the current runaway trend in natural gas prices. Mr. President, I urge each of my colleagues to join with me in this endeavor. Mr. President, I ask unanimous consent that the full text of S. 740 be printed immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Natural Gas Consumer Protection Act of 1983".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) severe shortages of natural gas supplies during the 1970's seriously endangered the adequacy of natural gas supplies for high-priority users, namely residential consumers;

(2) the Natural Gas Policy Act of 1978 was intended to stimulate the exploration and drilling of depleted natural gas supplies;

(3) as a response to these market conditions, natural gas pipeline companies entered into long-term "take-or-pay" contracts with producers for the purchase of new natural gas supplies;

(4) conditions in the natural gas market are presently in a state of flux, as the supply and price of natural gas now exceed its demand; and

(5) pipeline companies are currently passing through the cost of the higher priced gas under these "take-or-pay" clauses to the consumers.

(b) The purposes of this Act are—

(1) to recognize the extent to which changed market conditions necessitate the renegotiation of inflexible contractual obligations; and

(2) to provide relief for consumers from these cost passthroughs due to changed market conditions in the supply and demand of natural gas.

MARKET-OUT CLAUSE

SEC. 3. (a) Subtitle B of title III of the Natural Gas Policy Act of 1978 (15 U.S.C. 337-3375) is amended by adding at the end thereof the following:

"REQUIRED MARKET-OUT CLAUSE

"SEC. 316. (a) REQUIRED MARKET-OUT CLAUSE.—Within 60 days after the date of enactment of this section, any contract for the first sale of natural gas, including any contract in existence on the date before enactment of this section, but excluding any contract for the first sale of natural gas which is forever regulated, shall include a market-out clause which allows the buyer to nominate a new lower price or escape the contract if the gas is not marketable at the contract price. Any such contract not including a market-out clause within 60 days after the date of enactment of this section shall be unenforceable.

"(b) CONTRACT VOLUME.—Any renegotiation or modification of any purchase contract required by subsection (a) shall not reduce the volume of such contract below 70 per centum of the level of such contract. Any new lower price renegotiated pursuant to subsection (a) shall not exceed the average cubic foot price of the contract on the date of enactment.".

(b) The table of sections for subtitle B of title III of such Act is amended by adding at the end thereof the following new item:

"SEC. 316. Required market-out clause.".●

By Mr. DURENBERGER (for himself and Mr. BOSCHWITZ):

S. 741. A bill to authorize construction of the flood control project on the Zumbro River at Rochester, Minn.; to the Committee on Environment and Public Works.

FLOOD CONTROL PROJECT ON ZUMBRO RIVER, MINN.

● Mr. DURENBERGER. Mr. President, as I enter my fifth year in the U.S. Senate, this is the third time that I have introduced a bill to authorize construction for flood control on the south fork of the Zumbro River at Rochester, Minn.

There are citizens and officials of the city of Rochester that have been working on the project for over 40 years. For my part, it only seems that long. A review of the projects history indicates why.

Original authorization for phase I of the general design memorandum for the flood control project was enacted in the first session of the 93d Congress with passage of the Water Resources Development Act of 1974, Public Law 93-251. Phase I was forwarded to the Congress on April 27, 1979, which provided the basis for construction authorization. Anticipating the corps action, on March 5, 1979, I introduced S. 537, a bill to authorize construction of a project for flood control at Rochester, Minn., my first bill as a U.S. Senator. Later the bill was included in S. 703, the omnibus water bill of the 96th Congress.

I introduced the bill, S. 803, again in the 97th Congress. The concern was that though the Corps of Engineers had the necessary authorization and funds to proceed with phase II planning, construction authorization was needed to obtain funds for construction by May 1984 to keep the project on schedule. Although construction authorization has not been achieved, phase II planning has been completed and the Soil Conservation Service portion of the project approved. For that, I thank my distinguished colleagues, Senator STAFFORD, chairman of the Environment and Public Works Committee and Senator ABDNOR, chairman of the Water Resources Subcommittee, for their support and action which moved the SCS portion of the project into the construction phase during the last session of Congress.

It is important to note that the Environment and Public Works Committee also approved authorization of the corps construction of the Rochester flood control project. The bill was passed by the Congress, although later vetoed.

The Rochester flood control project was designated the No. 1 priority project for the St. Paul District Corps of Engineers in 1982. There is outstanding local and State support and staunch bipartisan congressional commitment to the project.

The project is urgently needed. A look at the area shows why. Rochester is located in southeastern Minnesota, in the heart of a prime agricultural area. The city was built at the confluence of Bear Creek, Silver Creek, Cascade Creek, and the south fork of the Zumbro River and has a population of about 60,000. The world-famous Mayo Clinic, which employs over 5,000 people, along with many hospitals and other clinics, is located in Rochester. The city is also the home of a major IBM manufacturing and development facility which employs approximately 5,000 workers.

The greatest threat of floods in Rochester results from the severe summer thunderstorms which are highly unpredictable and can cause rain at tremendous rates far exceeding normal stream capacity. On July 5 and 6, 1978, a storm put the equivalent of 5½ inches of water over the entire watershed, with over half of the watershed receiving between 6 and 7 inches of rain. This rain fell on soil which was generally saturated from the rains of the preceding week resulting in over 60 percent of the rain running off into streams. As recently as July 1981 Rochester narrowly escaped a similar occurrence when over 6 inches of rain fell because soil conditions fortunately allowed absorption of the intense, heavy rainfall.

In 1978, two-thirds of the community was affected by the flood, including 2,500 residences which were directly affected by flooding. A major impact was the threat to public health and safety. A nurses aide and three elderly women in wheelchairs drowned when their elevator at a nursing home near Bear Creek dropped into a basement filled with water. A fifth person drowned in a car which was swept off a county road 10 miles southwest of the city.

Over $60 million of property damage resulted from the flood. Since the flood, recent figures show there are now 2,411 flood insurance policies with a total premium payment of $263,710 for total coverage of $82,075,000.

Road and bridge damage in the affected five-county area were estimated at about $5 million as well as severe property loss to several other public facilities.

Residential losses from the flood were staggering. A Red Cross survey revealed that almost 3,500 single-family homes were affected by the flood. About 700 automobiles were flooded with many declared a complete loss. Total damages to automobiles have been estimated in excess of $1 million.

Business losses included structural building damages, damaged inventories, temporary layoffs during business shutdowns; 80 small businesses and 18 large businesses incurred heavy losses in equipment and some lost their entire inventories.

If the Rochester flood control project had been in place in July 1978 it would already have paid for itself.

Efforts have been underway since 1952 to plan flood-control improvements to alleviate the damages from flooding which Rochester has experienced. The improvements to be accomplished by the Corps of Engineers involve the construction of 9.3 miles of channel modifications and supplemental levees with the city of Rochester,

while the Soil Conservation Service improvements involve the construction of seven upstream reservoirs with associated watershed land treatment measures. The measures included in the SCS plan allow for a reduction in size of the corps channel and levee project through the city of Rochester.

The local sponsors have been working on this project for a long time. I realize that delay in construction authorization is the result of unresolved national policy issues on such matters as cost sharing. I am in agreement with the need to review cost-sharing policy and in general, the overall procedures for planning and evaluating water resource projects. However, I urge that construction authorization proceed as rapidly as possible so that timely congressional action can be taken to insure that funds are available by May 1984. Further, the city of Rochester must have a clear signal from the Congress as to its intent so that the necessary local funds can be obtained, easements acquired, and the other necessary preliminary actions taken. It is conservatively estimated that this takes a year and is usually completed before construction can begin.

The city of Rochester must also make the necessary financial arrangements to meet the cost-sharing requirements established by the Congress. The bill I introduce today reflects the cost sharing that has been approved by the Senate and House committees and the Congress for this project in the past. However, because there is general agreement that unless the local sponsors pay a larger percentage, the administration will continue to block new construction starts. The city of Rochester has attempted to provide as much flexibility as possible to meet anticipated increases in the cost-sharing requirements under consideration by Congress. The State statutory bonding limit for Rochester cannot be exceeded which may happen depending on the percentage required. A reflection of the local sponsor's commitment to the project, is the passage of a citywide referendum in November, that allows the city to go to the Minnesota Legislature to request authority to levy a citywide sales tax to raise the needed matching funds. The first hearing on the city's bill was on March 2, 1983.

Thus, it is important that the Congress act as quickly as possible to resolve the uncertainty regarding the construction of the project and the financial obligation of the local sponsor.

The Senate and House Appropriations Committees have recognized the need to move steadily toward completion of the project and have consistently provided funds for phase I and phase II planning. A total of $2,430,000 has been alloted to the project from fiscal year 1975 to fiscal year 1983.

These were funds well spent because total estimated project cost of $85,300,000 have been scaled back through better cost estimates, improved cost data, and careful design simplification by almost $30 million. The phase II general design memorandum, approved by the Chief of Engineers of the Army Corps of Engineers on February 15, 1983, now costs the project at $57.55 million.

The Rochester flood control project certainly qualifies as a much-needed project, expertly designed with strong local, State, and congressional support for inclusion in a stepped-up public works funding program.

Although complete project land acquisition and easements—a responsibility of the city of Rochester—may take a year from construction authorization, the corps estimates that the first phase of the project could be ready for construction by late 1983. Estimates of employment on the project indicate that an average of 300 jobs per year for 6 years would be created by the project. What is needed to proceed is congressional action to authorize construction of the Rochester flood control project on the south fork of the Zumbro River.

Mr. President, I want you to know of my firm commitment and stong conviction that the 98th Congress has the will to debate and reach agreement with the administration on needed, sound, public works projects. I believe we can and must achieve a consensus on the hard issues which include cost sharing so that orderly resolution of our Nation's water resource management problems can move forward. It is my hope that the Rochester project will lead the list.●

● Mr. BOSCHWITZ. Mr. President, it is most important that we in Congress authorize construction for the south fork Zumbro River flood control project in Rochester, Minn. It is for that purpose that I introduce this legislation today.

Periods of excess moisture, primarily severe summer thunderstorms, have resulted in flooding in the city of Rochester, and flooding, soil erosion, and sediment damage in the outlying agricultural areas. Major flooding has occurred in 1855, 1905, 1942, 1951, 1952, 1961, 1962, 1965, 1966, 1967, 1969, 1974, and 1978. The flooding that took place in July 1978 killed five people, damaged or destroyed 3,500 homes and businesses, and caused $55 million in damages.

The south Zumbro watershed flood control project was designed to reduce the threat of flooding to the Rochester area. The project consists of seven flood control reservoirs to be built on watershed streams by the soil conservation service and channel modifications, levees, and other structural work in the city of Rochester by the Army Corps of Engineers.

In 1982, this project was designated the top priority project for the St. Paul district Corps of Engineers. It has tremendous support at the local, State, and Federal levels, including bipartisan congressional support. Congressman TIM PENNY has introduced a companion bill in the House.

The Army Corps of Engineers has indicated its interest in having this project authorized. Unfortunately, it has been delayed because the issue of cost-sharing remains unresolved. The administration has been unwilling to support authorization of projects unless the cities involved sign a letter of intent to accept a 35-percent local cost share. Had Rochester been willing to do this, they would have been included in the President's 1984 budget. Unfortunately for Rochester, a 35-percent cost share for this project, along with their share of the related Soil Conservation Service projects, would cause them to exceed the State statutory bonding limit. So, Rochester finds itself unable to agree to the administration's terms, even though it is strongly felt that this policy need be built to save lives.

We must resolve this issue of cost-sharing so we can move along with important projects and the local sponsors know what the requirements of them will be.

This project is very important to the people of the Rochester, Minn., area. I am firmly committed to working for its authorization and subsequent appropriation.●

By Mr. NUNN (for himself, Mr. D'AMATO, Mr. HUDDLESTON, Mr. BUMPERS, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. TSONGAS, Mr. DIXON, Mr. BOREN, Mr. CHILES, and Mr. LEAHY):

S. 742. A bill to increase the program level for the Small Business Administration's certified development company program, and for other purposes; to the Committee on Small Business.

By Mr. NUNN (for himself, Mr. HUDDLESTON, Mr. BUMPERS, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. TSONGAS, Mr. DIXON, Mr. BOREN, Mr. CHILES, and Mr. BOSCHWITZ):

S. 743. A bill to amend the Small Business Act to increase the program level for funding small business investment companies, and for other purposes; to the Committee on Small Business.

By Mr. NUNN (for himself, Mr. HUDDLESTON, Mr. BUMPERS, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. TSONGAS, Mr. DIXON, Mr. BOREN, and Mr. CHILES):

S. 744. A bill to amend the Small Business Act to increase the program level for funding 301(d) small business

investment companies, and for other purposes; to the Committee on Small Business.

SMALL BUSINESS LEGISLATION

● Mr. NUNN. Mr. President, today I am introducing three bills that would increase the program levels for proven job-creating programs in the Small Business Administration. Each of these programs has demonstrated in the private marketplace that it is in need, is in use, and is capable of providing assistance to small business in creating meaningful, permanent, and private sector jobs.

The first bill would increase the program level for the Small Business Administration's 503 certified development company program to $400 million in fiscal year 1983 and to $500 million in fiscal year 1984.

Section 503 of the Small Business Investment Act of 1958, as added in 1980, authorized SBA to guarantee debentures issued by certified local development companies. These debentures are sold by SBA to the Federal Financing Bank and the money is used to match a mandatory private sector commitment. Typically under the 503 financing, a local bank provides up to 50 percent of the necessary capital, the small business or local development company would provide 10 percent of the project cost, and the remaining 40 percent would be provided by SBA from the funds derived from the sale of the development company debenture.

Under current law, the "program level" for the SBA 503 Certified Development Company program is set at $350 million for fiscal years 1983 and 1984.

Under estimates provided by SBA and the National Association of Development Companies (NADCO), it is estimated that, with certain clarifications of program authority, the almost 300 certified development companies could effectively utilize $400 million in program authority in fiscal year 1983, an increase of $50 million above current law. With the program levels fixed in advance, there is every indication that the certified development companies could effectively utilize $500 million in program authority in fiscal year 1984.

With respect to jobs creation, SBA has estimated that each $10,000 of funds invested through the SBA 503 program creates one new job. In fact, the SBA program guidelines require "proof" of the new job creation potential of the funds that would be made available.

I am pleased that 11 Senators are joining me as additional cosponsors of this legislation.

Mr. President, the second bill would increase the program level for guarantees of debentures issued by Small Business Investment Companies.

An SBIC is a privately organized, privately capitalized and privately managed venture capital company. SBIC's are licenced by the Small Business Administration, and agree to comply with the statutory and regulatory requirements established in the Small Business Investment Act of 1958, and the agency's implementing regulations. In exchange for that compliance, SBIC's are authorized to sell debentures to the Small Business Administration. These debentures are then sold to the Federal Financing Bank at an interest rate slightly above the cost of money to the Federal Government. SBIC's use this "leverage" along with its internal private capital to make equity loans, long-term debt loans, and provide management assistance exclusively to small businesses.

Under current law, the Small Business Administration is authorized a program level of $160 million for both fiscal years 1983 and 1984. This legislation would increase the program level for the SBIC program to $250 million in both fiscal years 1983 and 1984.

Last year, the House passed a bill (H.R. 6086) that would, among other things, increase the program level for SBIC's to this $250 million level. The Senate Small Business Committee also reported a bill (S. 2408) which increased the SBIC level to $225 million.

I am pleased that 10 Senators are joining me as additional cosponsors of this legislation.

My third bill would increase the program level for the SBA's Minority Enterprise Small Business Investment Companies (MESBIC's), from the current low level of $35 million in fiscal years 1983 and 1984 to $45 million in each of those fiscal years. While similar to SBIC's, MESBIC's have the additional requirement of investing in socially or economically disadvantaged small businesses, in exchange for which SBA is given authority to make additional capital available to the MESBIC.

I proposed similar legislation (S. 2060) in the last Congress. Last year, the President, the full House, and the Senate Small Business Committee all recommended an increase in the program level to $41 million.

I am pleased that nine Senators are joining me as additional cosponsors of this legislation.●

● Mr. D'AMATO. Mr. President, I am pleased to join my good friend, the distinguished senior Senator from Georgia, today in introducing legislation to increase the guarantee authority for the Small Business Administration section 503 loan program. With legislation such as this and S. 499—a bill to require the use of tax-exempt financing in connection with section 503 loans, which I hope the Senate will consider in the very near future—the section 503 loan program will be able to fulfill its proper role as one of the primary Federal economic development programs of the 1980's. I am a strong supporter of the certified development company concept embodied in the section 503 loan program, and I will do all that I can to insure that the full potential of this excellent concept is achieved.

Section 503 of the Small Business Investment Company Act was designed to make the SBA an active partner with State and local governments and the private sector in making long-term capital both affordable and available for small business expansion and job creation. The 503 loan program, enacted in July 1980, can play an important role in revitalizing local communities across the Nation. Under section 503, banks are encouraged to make long-term loans available to small businesses under favorable terms. Without Federal guarantee programs such as 503, banks are often reluctant to make such loans to small companies.

Put very simply, the 503 loan program is a jobs program. Under 503 the SBA is authorized to guarantee debentures issued by certified development companies to finance the acquistion of land, plant, and equipment for small business expansion. The creation of a substantial number of new jobs is a requirement before any such loan can be made. SBA guarantees up to 40 percent of the project costs. Ten percent comes from the small business itself. And the remaining 50 percent comes from a private sector, third party lender such as a bank. Maturities on these loans can be for up to 25 years.

SBA began certifying CDC's in late 1980. As of January 31, 1983, 352 had been so certified. Ten of these are in my own State of New York. Another 32 applications are pending nationwide. A majority of these development companies are just getting off the ground, but 150 of them had made a loan by the end of 1982 and 90 of them had made more than one loan. All told, 833 loans had been made, nearly 40 of them in New York State.

The 40 percent of the project costs put up by the CDC's for these 833 loans totalled $150.3 million. by October 1, 1982, 28,846 documented jobs had been created as a result of 503 loans, with an average SBA investment per job of only $3,990. The current SBA estimate of the number of jobs created approaches 40,000 and the average investment per job has been steadily dropping since the inception of the 503 program. The vast majority of the jobs created are in the manufacturing and wholesale/retail industries.

In New York State, $6.08 million in loans had been guaranteed by the SBA by the end of fiscal 1982; 1,422 jobs had been created. The average SBA investment per job was $4,668, but this

figure is being brought down rapidly. The 1,115 jobs created in fiscal 1982 required an average SBA guarantee of only $3,223 per job. The 305 jobs created during the last quarter of fiscal 1982 required an average investment by the SBA of only $3,045. Every quarter since the creation of the 503 program, more and more jobs are being created and the Federal commitment per job declines. Section 503 is a classic example of a Federal jobs program that works, and works well.

Thus, the legislation we are introducing today is important. It will be of great help to the small business community, it will spur economic recovery, and, most importantly, it will create jobs. Any bill enhancing the section 503 loan program is well worth Senate consideration.●

By Mr. NUNN (for himself, Mr. TSONGAS, Mr. BURDICK, Mr. WALLOP, Mr. CHILES, Mr. HUDDLESTON, Mr. SASSER, Mr. BAUCUS, Mr. LEVIN, Mr. DIXON, and Mr. BOREN):

S. 745. A bill to amend the Small Business Investment Act of 1958 to provide debentures for State development companies licensed pursuant to section 501 of the Small Business Investment Act of 1958; to the Committee on Small Business.

SMALL BUSINESS ADMINISTRATION STATE DEVELOPMENT COMPANY PROGRAM AMENDMENTS OF 1983

● Mr. NUNN. Mr. President, along with 10 other Senators, I am pleased to introduce the Small Business Administration State Development Company Program Amendments of 1983. The purpose of this legislation is to insure the continued Federal, State, and private sector partnership that has existed through the Small Business Administration's State development company, or so-called 501 program, as a source of reasonable financing for small business.

This program is an integral part of the congressional policy to assist the small business community in meeting its financing needs by establishing a program to stimulate the flow of private equity capital and long-term loans to the business.

Under current Federal law, and pursuant to the laws of individual jurisdictions, a State economic development authority, or business development corporation, may be formed. The Small Business Administration is given explicit statutory authority to make long-term direct loans to these State business development companies. The proceeds of loans made to these companies may be used by these companies only to provide equity capital or long-term loans to small businesses. These companies typically derive their private capital by borrowing funds from financial institutions. They may then borrow directly from the Small Business Administration, up to the amount of its non-Federal capital.

In 1982, there were 24 State development corporations although 16 States are most active. As an illustration of the Federal, State, and private sector partnership in this program, bank financings to small businesses made in conjunction with 501 company loans totaled over $71 million. Almost one-half of these firms were in manufacturing. In addition, the program has cumulatively made 65 loans to small businesses, for a total loan volume of almost $42.3 million. Georgia has had a very active State development company program for several years.

Furthermore, to the best of my knowledge, there has never been a loss by the U.S. Small Business Administration on any loan to any State business development company, nor has the agency, or the Congress, found any significant programatic problems.

Despite the apparent success of the program, one area where there is a potential problem is in the ability of the Federal Government to remain as an active partner in this program. As I indicated earlier, the current statute limits the Small Business Administration's participation with the State development companies to direct Government loans only. With the necessary budget reductions taking place, and the Small Business Administration's direct loans being the first area to be significantly reduced, it is imperative that the 501 program have an alternative funding vehicle.

This legislation will provide that alternative. Simply, the bill provides that, in addition to the direct loan route which the Small Business Administration may use to participate in the 501 program, the SBA will be able to purchase or guarantee debentures issued by the State development company. This authority to purchase or guarantee debentures is similar to the existing authority that SBA has in its SBIC program, and in the 503 certified development company program.

Furthermore, to insure that no additional budgetary requirements would be necessary to accommodate this 501 program change, the legislation provides that debentures issued under the 501 program shall be taken from the total authority already made available by Congress for debentures for the 503 certified development company program.

Mr. President, to insure that there is no misconception about the regulatory authority which this legislation gives to the Small Business Administration, I want to clarify two points. First, there is nothing in this legislation that changes either the current relationship between SBA and the 501 companies, or between the 501 companies and their portfolio investments. The bill merely provides an alternative funding mechanism. Second, the legislation provides authority to the SBA to determine an overall regulatory scheme for deciding general appropriate uses of funds by the BDC's derived from the purchase or guarantee of the debentures. But this authority does not mean that the agency is given any authority to approve any specific investment, or individual use of proceeds. Currently, the agency's regulations (13 CFR 108.501-1(e)) establish a scheme for the permissible use of 501 direct loans proceeds. This authority is being extended only to permit the agency to provide the same guidance for use of proceeds derived from debenture purchased or guaranteed.

In the last Congress, I introduced similar legislation, S. 2876. The legislation being introduced today differs in only two respects from the bill in the last Congress. First of all, the current legislation makes it clear that no debentures which 501 companies issue as a source of financing, and which are purchased and guaranteed by SBA, may be collateralized by obligations commonly referred to as industrial development bonds. While there are appropriate uses for these tax-exempt securities, in other SBA programs, their use is not appropriate with respect to these debentures. This is a new provision in this version of the legislation.

Second, a change has been made in the status of these debentures with respect to other obligations of the 501 company. Under the bill last year, these debentures would have had to be subordinated to other funds of the 501 company. That provision would have altered the current relationship between the SBA and the 501 companies. In this bill, the debentures shall be treated on an equal basis in repayment and liquidation with other 501 company funds as is current policy.

Mr. President, this legislation has been endorsed by the Business Development Corporation of Georgia, and the National Association of Business Development Corporations. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Small Business Administration State Development Company Program Amendments of 1983".

SEC. 2. Section 501 of the Small Business Investment Act of 1958 is amended—

(1) by inserting in the first sentence of subsection (a), after the phrase "make loans to" the phrase ", or to purchase or guarantee debentures issued by,";

(2) in the second sentence by striking the phrase "funds advanced" and inserting in lieu thereof the phrase "loans made";

(3) by adding at the end of subsection (a) the following: "Any purchases or guarantees

of debentures made under this section shall be subject to the provisions of subsection (c) of this section, but shall be made without regard to the use and investment by the development company of funds secured by it from other sources."; and

(4) by adding at the end thereof the following:

"(c)(1) The Administration may purchase, or guarantee the timely payment of all principal and interest scheduled on, any debenture issued by any qualified State development company, except that the Administration may not purchase or guarantee any debenture collateralized by obligations described in section 103(b) on the Internal Revenue Code of 1954.

"(2) Such purchases or guarantees may be made by the Administration on such terms and conditions as the Administration may by regulation determine to be appropriate. The Administration may impose an additional charge for administrative expenses with respect to each debenture purchased or guaranteed under this section.

"(3) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guarantee under this section.

"(4) Debentures purchased or guaranteed under this section shall be treated on an equal basis in repayment and liquidation with those funds borrowed by the qualified state development company, regardless of source, unless the Administration in its exercise of reasonable investiment prudence and in considering the financial soundness of such company determines that debentures purchased or guaranteed may be subordinate to other debts and obligations of such company.

"(5) The interest rate on any such debenture shall be the rate of interest determined by the Secretary of the Treasury pursuant to section 303(b) of this Act.

"(6) The proceeds of any such financing shall be used solely to assist an identifiable small business concern and for a sound business purpose as determined by the Administration.".

SEC. 3. (a) Section 20(n)(2) of the Small Business Act is amended by striking "section 503" each time it appears and inserting in lieu thereof "sections 501 and 503".

(b) Section 20(q)(2) of the Small Business act is amended by striking "section 503" each time it appears and inserting in lieu thereof "sections 501 and 503".●

● Mr. BURDICK. Mr. President, I am pleased to join Senator NUNN as a sponsor of this legislation. It is critical to the continued activities of State development corporations, which make an important contribution to the growth of our small business sector.

In North Dakota, this program has succeeded in creating or preserving jobs which might otherwise not exist. In fact, I am very proud to note that the North Dakota State Development Credit Corporation—NDSDCC—was recognized last year at the National Convention of State Development Corporations as the most improved business corporation in the United States in 1981-82. Under the able leadership of its executive vice president, W. C. Smith, the NDSDCC is helping farm equipment manufacturers, implement dealers, and other small businessmen to get on their feet and prosper in today's very competitive economy.

This bill will allow State development corporations to issue debentures guaranteed by the Small Business Administration, which in turn can be sold to private buyers or the Federal Financing Bank. With the likely curtailment of the SBA's direct loan program, this additional source of Federal funding is badly needed to supplement the financial backing that State development corporations obtain from State banks and other investors. I appreciate the work done by my distinguished colleague from Georgia in putting this bill together, and I hope it will receive prompt consideration from the Small Business Committee and the Congress.●

● Mr. SASSER. Mr. President, I am pleased to join as an original cosponsor of Senator NUNN's package of small business legislation. It is my firm belief that this type of legislation is what our Nation's businesses need to further stimulate the economic recovery that has begun.

While we have evidence of this economic upturn in the 3.6-percent increase in the index of leading economic indicators, we must not throw caution to the wind. We must continue to come forward with programs and ideas that will keep us on the road to economic well-being. These pieces of legislation accomplish this objective.

We are all well aware of the vital role small business can play in stimulating economic growth. A study completed by the Capital Research Co. in July of 1982 showed that 58 percent of the male labor force in America is employed by firms with less than 100 employees. Of the approximately 83,000 business establishments in Tennessee, about 79,000 of them employ less than 100 employees. These small firms constitute over 75 percent of the manufacturing, construction, finance, and service companies in Tennessee.

It is these small firms that do the bulk of hiring in Tennessee and across the Nation. A 1979 study done at the Massachusetts Institute of Technology reported that small business creates about 60 percent of all new jobs each year in this country. Quite clearly, the small business sector keeps America working.

The programs affected by the legislation we are introducing today assist small firms in working even better. Senator NUNN is to be applauded for focusing the attention of his bills on those programs that have a proven track record of success.

James B. Sanders, Administrator of the Small Business Administration, testified before the Senate Committee on Small Business that the small business investment company and minority enterprise small business investment company programs have succeeded in providing unique and much-needed assistance to small businesses. More than 66,000 small concerns have been provided funds under these programs. These are funds that have gone toward creating jobs and generating both economic gains and tax revenues.

The section 503 certified development company program is a growing program with major benefits for small business. Region IV of this program, which contains the Nashville, Tenn., district, has seen a steady growth in the number of funded projects. In the first quarter of the fiscal year we had more funded projects in this region than were funded for all of fiscal year 1982. We have witnessed a 141-percent increase in funded projects in this region alone. These projects created or saved 426 jobs within our region.

Through discussions with SBA administrators in Tennessee I know that the 503 program is one with a healthy future in our State. Although still in its early stages of development, significant progress is underway. Small businesses in Tennessee have expressed considerable enthusiasm for the program and the Nashville SBA office anticipates fairly significant lending activity within the next 6 months to a year.

Finally, the bill dealing with the section 501 State development company program rectifies a problem with available sources of funding that has hampered the effectiveness of this program. By putting this program on a par with the remaining SBA lending programs we are creating the opportunity for even greater growth in the small business sector.

It is my hope that these bills will be acted on quickly. With evidence of economic recovery becoming more discernible, we must do all that we can to promote the type of activity which will further economic growth. I applaud Senator NUNN for his initiative in these areas and I am proud to cosponsor his efforts.●

By Mr. PERCY (for himself and Mr. DIXON):

S. 746. A bill to establish the Illinois and Michigan Canal National Heritage Corridor in the State of Illinois, and for other purposes; to the Committee on Energy and Natural Resources.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR ACT OF 1983

Mr. PERCY. Mr. President, I am today introducing legislation, cosponsored by my distinguished colleague from Illinois, Mr. Dixon, to establish the Illinois and Michigan Canal National Heritage Corridor. Companion legislation is also being introduced today in the other body by the entire Illinois congressional delegation—Representatives CORCORAN, O'BRIEN, MADIGAN, LIPINSKI, ERLENBORN, COLLINS, RUSSO, MARTIN, ANNUNZIO, DURBIN, MICHEL, PORTER, ROSTENKOWSKI,

HYDE, SAVAGE, WASHINGTON, EVANS, PHIL CRANE, DAN CRANE, PRICE, SIMON, and YATES.

The Illinois and Michigan Canal linked the Illinois River with Lake Michigan and thus established a direct water transportation route between the Great Lakes and the Gulf of Mexico. French-Canadian explorer Louis Joliet first discovered the need for the waterway, and Irish and German laborers began work on the canal in 1836. A decade later, the canal was completed and Chicago began to develop as the center of Midwestern commerce and trade.

Eventually, a new waterway—the Chicago Sanitary and Ship Canal—replaced the old I&M Canal. Since that time, many canal enthusiasts have dreamed of using the waterway not as an active transportation corridor, but as a historic, recreational, and natural resource. Citizens from communities surrounding the canal, particularly the LaSalle Volunteers, have volunteered their time and energy to restore the canal and its towpath. In addition, the State of Illinois has developed portions of the canal as a state park.

During the 96th Congress, the Interior Department was directed, at my urging, to study the historic, natural, and recreational resources of the canal corridor. The National Park Service identified more than 200 historic structures, nearly 40 unique natural areas and numerous geologic and archeologic sites. The Park Service recommended the preservation of the historic structures and natural areas, the development of a recreational trail from Chicago to LaSalle/Peru, Ill., and the designation of the area as a national heritage corridor.

Following discussions between congressinal staff and Illinois interests, I introduced legislation 1 year ago, along with Senator DIXON and Representative CORCORAN, that incorporated the Park Service recommendations. Representative O'BRIEN also introduced legislation that included further recommendations of Illinois groups. Subsequently, at a Senate Public Lands Subcommittee hearing on November 30 of last year, the administration urged that the bill be enacted.

The legislation we are introducing today reflects the testimony by Illinois business, environmental, and Government leaders at the Senate hearing. The bill would establish a commission to market and promote the resources of the heritage corridor, as well as assist local land managing agencies—particularly park districts, forest preserves, and the State—in the establishment of a recreationsl trail and the preservation of natural areas and historic structures. Under the legislation, no land or property would be acquired, nor would Federal environmental standards be altered. The latter provisions have been included at the request of Illinois business groups, including the Three Rivers Manufacturing Associations and the Grundy County Industrial Development Corp. These provisions and, indeed, the entire legislative effort have been marked by cooperations between the various interested parties, and I aim to continue this cooperative course.

Mr. President, the Illinois and Michigan Canal National Heritage Corridor has enthusiastic support in Illinois. The Illinois General Assembly unanimously passed a resolution in support of the legislation. The Governor has pledged $13 million over 10 years toward the project. Major industries in the corridor, including Amoco Chemical, Caterpillar, International Harvester and Inland Steel, have formed the Upper Illinois Valley Association to promote the project. Three local forest preserve districts have already committed approximately $3 million over the next 3 to 5 years for trail improvements and land acquisition. And, hundreds of local residents have formed a grassroots advocacy group, the Friends of the I & M Canal, to supplement the efforts of two conservation groups, the Open Lands Project and the I&M Canal Foundation.

The heritage corridor would be the first national recreation area in my State. Presently, of the nearly 80 million acres in the national park system, only one 12-acre site—the Lincoln Home in Springfield—is in Illinois. Further, according to an Illinois Bell Telephone Co. survey, establishment of the heritage corridor could generate 700 jobs in communities surrounding the canal.

Mr. President, the establishment of the national heritage corridor is a cooperative effort on the part of the Illinois delegation. We will be working hand in hand with our colleagues in the House to secure passage of this important legislation. I look forward to working with the Public Lands Subcommittee toward enactment of this bill.

Mr. President, I ask unanimous consent that the legislation that I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 746

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Illinois and Michigan Canal National Heritage Corridor Act of 1983".

FINDINGS; PURPOSE

SEC. 2. (a) FINDINGS.—The Congress makes the following findings:

(1) An abundance of sites and structures within the corridor defined by the Illinois and Michigan Canal from Chicago, Illinois, to LaSalle-Peru, Illinois, symbolize in physical form the cultural evolution from prehistoric aboriginal tribes living in naturally formed ecosystems through European exploration, 19th century settlement, commerce, and industry right up to present-day social patterns and industrial technology.

(2) The corridor has become one of the most heavily industrialized regions of the Nation and has potential for further economic expansion and modernization. The area in which the corridor is located is currently experiencing high rates of unemployment and industrial migration. Establishment of the corridor as provided in this Act may provide the stimulus required to retain existing industry and to provide further industrial growth and commercial revitalization.

(3) Despite efforts by the State, political subdivisions of the State, volunteer associations, and private business, the cultural, historical, natural, and recreational resources of the corridor have not realized full potential social value and may be lost without assistance from the Federal Government.

(b) PURPOSE.—It is the purpose of this Act to retain, enhance, and interpret, for the benefit and inspiration of present and future generations, the cultural, historical, natural, recreational, and economic resources of the corridor, where feasible, consistent with a policy of industrial and economic growth. The actions taken under this Act to achieve such purpose shall emphasize voluntary cooperation.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "canal" means the Illinois and Michigan Canal, as depicted on the map referred to in section 4(b);

(2) the term "Commission" means the Illinois and Michigan Canal National Heritage Corridor Commission established in section 5;

(3) the term "corridor" means the Illinois and Michigan Canal National Heritage Corridor established in section 4(a);

(4) the term "Governor" means the Governor of the State of Illinois;

(5) the term "National Park Service report" means the report of the National Park Service, dated November 1981, which contains a conceptual plan and implementation strategies for the corridor;

(6) the term "plan" means the goals, objectives, and action statements of the conceptual plan which—

(A) is contained in the National Park Service report; and

(B) may be modified by the Commission under section 8(h);

(7) the term "political subdivision of the State" means any political subdivision of the State of Illinois, any part of which is located in or adjacent to the corridor, including counties, townships, cities, towns, villages, and forest preserve districts;

(8) the term "Secretary" means the Secretary of the Interior; and

(9) the term "State" means the State of Illinois.

ESTABLISHMENT, BOUNDARIES, AND ADMINISTRATION OF CORRIDOR

SEC. 4. (a) ESTABLISHMENT.—To carry out the purpose of this Act, there is established the Illinois and Michigan Canal National Heritage Corridor.

(b) BOUNDARIES.—(1) The corridor shall consist of the areas depicted on the map dated April 19, 1982, and numbered 1, entitled "Illinois and Michigan Canal National

Heritage Corridor". Such map shall be on file and available for public inspection in the offices of the Commission and in the offices of the National Park Service.

(2) Upon a request of the Commission signed by not less than 12 members of the Commission, the Secretary shall make minor revisions in the boundaries of the corridor.

(c) ADMINISTRATION.—The corridor shall be administered in accordance of this Act.

ESTABLISHMENT OF ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

SEC. 5. There is established a commission to be known as the Illinois and Michigan Canal National Heritage Corridor Commission which shall carry out the duties specified in section 9.

ORGANIZATION OF COMMISSION

SEC. 6. (a) MEMBERSHIP.—The Commission shall be composed of 19 members as follows:

(1) The Director of the National Park Service, ex officio, or a delegate.

(2) The Director of the Illinois Department of Conservation, ex officio, or a delegate.

(3) The Director of the Illinois Department of Commerce and Community Affairs, ex officio, or a delegate.

(4) The president of the board of the Metropolitan Sanitary District of Greater Chicago, ex officio, or a delegate.

(5) One member of the board of a forest preserve district, any part of which is located in or adjacent to the corridor, who shall be nominated by the Governor and appointed by the Secretary. Appointments made under this paragraph shall rotate among the 3 forest preserve districts, parts of which are located in the corridor, in a manner which will ensure fairly equal representation on the Commission for each such district.

(6) One member of the county board of each county, any part of which is located in or adjacent to the corridor (other than the county which is represented on the Commission by the member appointed under paragraph (5)), who shall be nominated by the Governor and appointed by the Secretary.

(7) Five individuals, nominated by the Governor and appointed by the Secretary, who will represent the interests of history, archaeology, and historic preservation; of recreation; and of conservation.

(8) Five individuals, nominated by the Governor and appointed by the Secretary, who will represent the interests of business and industry.

Members appointed under paragraphs (7) and (8) shall be selected with due consideration to equitable geographic distribution. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(b) TERMS.—(1)(A) Except as provided in subparagraphs (B) and (C), members of the Commission shall be appointed for terms of 2 years.

(B) Of the members of the Commission first appointed under paragraphs (5), (6), (7), and (8) of subsection (a)—

(i) 7 shall be appointed for terms of 1 year; and

(ii) 8 shall be appointed for terms of 2 years;

as designated by the Governor at the time of nomination.

(C) Any member of the Commission appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member of the Commission may serve after the expiration of his term until his successor has taken office.

(2) No individual may be appointed to a term under paragraph (7) or (8) of subsection (a) if serving such term would result in such individual serving on the Commission for more than 5 years.

(c) COMPENSATION.—Members of the Commission shall receive no pay on account of their service on the Commission, but while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

(d) CHAIRPERSON.—(1) The chairperson of the Commission shall be elected by the members of the Commission from among members appointed under paragraphs (7) and (8) of subsection (a).

(2)(A) Except as provided in subparagraph (B), the term of the chairperson shall be 2 years.

(B) If a member is appointed to a term on the Commission which is less than 2 years and is elected chairperson of the Commission, then such member's term as chairperson shall expire at the end of such member's term on the Commission.

(e) QUORUM.—(1) Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(2) Any member of the Commission may vote by means of a signed proxy exercised by another member of the Commission, but any member so voting shall not be considered present for purposes of establishing a quorum.

(3) The affirmative vote of not less than 10 members of the Commission shall be required to approve the budget of the Commission.

(f) MEETINGS.—The Commission shall meet at least quarterly at the call of the chairperson or 10 of its members. Meetings of the Commission shall be subject to section 552b of title 5, United States Code (relating to opening meetings).

STAFF OF COMMISSION

SEC. 7. (a) DIRECTOR AND STAFF.—(1) The Commission shall have a Director who shall be appointed by the Commission and who shall be paid at a rate not to exceed the minimum rate of basic pay payable for level GS-15 of the General Schedule.

(2) The Commission may appoint such additional staff personnel as the Commission considers appropriate and may pay such staff at rates not to exceed the minimum rate of basic pay payable for level GS-15 of the General Schedule. Such staff may include specialists in areas such as interpretation, historic preservation, recreation, conservation, commercial and industrial development and revitalization, financing, and fundraising.

(3) Except as otherwise provided in this subsection, such Director and staff—

(A) shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(B) shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(c) EXPERTS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates determined by the Commission to be reasonable.

(d) STAFF OF OTHER AGENCIES.—(1) Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out the Commission's duties under section 9.

(2) The Commission may accept the services of personnel detailed from the State or any political subdivision of the State and may reimburse the State or such political subdivision for such services.

POWERS OF COMMISSION

SEC. 8. (a) HEARINGS.—(1) The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) The Commission may not issue subpenas or exercise any subpena authority.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission, if so authorized by the Commission, may take any action which the Commission is authorized to take by this Act.

(c) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) USE OF FUNDS TO OBTAIN MONEY.—The Commission may use its funds to obtain money from any source under any program or law requiring the recipient of such money to make a contribution in order to receive such money.

(f) GIFTS.—(1) Except as provided in subsection (g)(2)(B), the Commission may, for purposes of carrying out its duties, seek, accept, and dispose of gifts, bequests, or donations of money, personal property, or services, received from any source.

(2) For purposes of section 170(c) of the Internal Revenue Code of 1954, any gift to the Commission shall be deemed to be a gift to the United States.

(g) ACQUISITION OF REAL PROPERTY.—(1) Except as provided in paragraph (2) and except with respect to any leasing of facilities under subsection (c), the Commission may not acquire any real property or interest in real property.

(2) Subject to paragraph (3), the Commission may acquire real property, or interests in real property, in the corridor—

(A) by gift or devise; or

(B) by purchase from a willing seller with money which was given or bequeathed to the Commission on the condition that such money would be used to purchase real property, or interests in real property, in the corridor.

(3) Any real property or interest in real property acquired by the Commission under paragraph (2) shall be conveyed by the Commission to an appropriate public or private land managing agency, as determined by the Commission. Any such conveyance shall be made—

(A) as soon a practicable after such acquisition;

(B) without consideration; and

(C) on the condition that the real property or interest in real property so conveyed is used for public purposes.

(h) MODIFICATION OF PLAN.—The Commission may modify the plan if the Commission determines that such modification is necessary to carry out the purpose of this Act. No such modification shall take effect until—

(1) the State and any political subdivison of the State which would be affected by such modification receives notice of such modification; and

(2) if such modification is significant (as determined by the Commission) the Commission—

(A) provides adequate notice (as determined by the Commission) of such modification by publication in the area of the corridor; and

(B) conducts a public hearing with respect to such modification.

(i) COOPERATIVE AGREEMENTS.—For purposes of carrying out the plan, the Commission may enter into cooperative agreements with the State, with any political subdivision of the State, or with any person. Any such cooperative agreement shall, at a minimum, establish procedures for providing notice to the Commission of any action proposed by the State, such political subdivision, or such person which may affect the implementation of the plan.

(j) ADVISORY GROUPS.—The Commission may establish such advisory groups as the Commission deems necessary to ensure open communication with, and assistance from, the State, political subdivisions of the State, and interested persons.

DUTIES OF COMMISSION

SEC. 9. (a) IMPLEMENTATION OF PLAN.—The Commission shall implement and support the plan as follows:

(1)(A) The Commission shall assist the State, any political subdivision of the State, or any nonprofit organization in appropriate preservation treatment and renovation (in accordance with the plan) of structures of the canal by providing funds, or support in raising funds, to enable the State, such political subdivision, or such organization to carry out such treatment and renovation.

(B) In providing such assistance, the Commission shall in no way infringe upon the authorities and policies of the State or of any political subdivision of the State concerning the management of canal property.

(C) in providing such assistance or in carrying out any other provision of this Act, the Commission shall not be required to adopt the specifics recommended in the Historic American Engineering Record study published in April 1981.

(2)(A) The Commission shall assist the State or any political subdivision of the State in establishing and maintaining intermittent recreational trails which are compatible with economic development interests in the corridor by providing technical staff assistance, funds, or support in raising funds, to enable the State or such political subdivision to carry out such establishment or maintenance.

(B) In providing such assistance, the Commission shall in no way infringe upon the authorities and policies of the State or of any political subdivision of the State.

(3) The Commission shall encourage private owners of property which is located in or adjacent to the corridor to retain voluntarily, as a good neighbor policy, a strip of natural vegetation as a visual screen and natural barrier between recreational trails established under paragraph (2) and development in the corridor.

(4) The Commission shall assist in the preservation and enhancement of natural areas which are listed on the Illinois Natural Areas Inventory, prepared by the Illinois Department of Conservation—

(A) by encouraging private owners of such natural areas to adopt voluntary measures for the preservation of such natural areas; or

(B) by providing funds, and support in raising funds, to enable the State or any political subdivision of the State to acquire, on a willing seller basis, any such natural area.

(C) in providing such assistance, the Commission shall in no way infringe upon the authorities and policies of the States or of any political subdivision of the State.

(5) The Commission shall assist in the enhancement of public awareness of, and appreciation for, the historical, architectural, and engineering structures in the corridor and the archaeological and geological resources and sites in the corridor—

(A) by consulting with the Secretary with respect to inventories to be completed by Secretary under section 12(1);

(B) by encouraging private owners of structures, sites, and resources identified in such inventories to adopt voluntary measures for the preservation of such structures, sites, and resources; or

(C) by providing funds, or support in raising funds, to enable the State or any political subdivision of the State to acquire, on a willing seller basis, any structure, site, or resource so identified.

(6) The Commission shall assist the State, any political subdivision of the State, or any nonprofit organization in the restoration of any historic building in the corridor which has economic development potential—

(A) by providing technical staff assistance for historic preservation and revitalization efforts; or

(B) by providing funds, or support in raising funds, to finance such efforts.

(7) The Commission shall assist in the interpretation of the cultural and natural resources of the corridor—

(A) by consulting with the Secretary with respect to the implementation of the Secretary's duties under section 12(2);

(B) by establishing visitor orientation centers in the corridor;

(C) by encouraging voluntary cooperation and coordination between the Federal Government, the State, political subdivisions of the State, and nonprofit organizations with respect to ongoing interpretative services in the corridor; and

(D) by encouraging the State, political subdivisions of the State, and nonprofit organizations to undertake new interpretative initiatives with respect to the corridor.

(8) The Commission shall assist in establishing recognition for the corridor by actively promoting the cultural, historical, natural, and recreational resources of the corridor on a community, regional, statewide, national, and international basis.

(b) ENCOURAGEMENT OF ECONOMIC AND INDUSTRIAL DEVELOPMENT.—The Commission shall encourage and promote, by appropriate means, enhanced economic and industrial development in the corridor.

(c) ACCESS ROUTES AND TRAFFIC.—The Commission shall take appropriate action to ensure that—

(1) access routes to the canal and related sites are clearly identified; and

(2) traffic in the corridor is routed away from industrial access routes and sites.

(d) PROTECTIVE FEATURES.—(1) The Commission may finance the installation of a fence, warning sign, or other protective feature in the corridor by the State, by any political subdivision of the State, or by any private person if such fence, sign, or other feature is approved by the Commission, any affected governmental body, and the owner and any user of property located adjacent to the property on which such fence, sign, or other feature is to be installed.

(2) The Commission may not require the installation of any fence, warning sign, or other protective feature.

(e) REDUCING EXCESSIVE LIABILITY.—The Commission shall encourage the State to take appropriate action to ensure that owners and users of property located in or adjacent to the corridor will not be subject to excessive liability with respect to activities which are carried out by such owners and users on such property and which affect persons and property in the corridor.

(f) ECONOMIC IMPACT ASSESSMENT.—Before undertaking any major action (including the expenditure of funds) respecting any capital improvement and before providing any funds to any entity for the acquisition of any real property, the Commission shall prepare an economic impact assessment with respect to such major action or provision of funds. Such assessment shall include an analysis of—

(1) any anticipated adverse economic effect of such action or such provision of funds which cannot be avoided;

(2) any alternative to such action or provision of funds which could accomplish the same purposes, together with an estimate of the costs of any such alternative; and

(3) any economic or noneconomic benefit anticipated from such action or such provision of funds.

Such assessment shall be as brief and concise as practicable.

(g) ANNUAL REPORTS.—Not later than May 15 of each year (other than the year in which this Act is enacted) the Commission shall publish and submit an annual report concerning the Commission's activities to the Governor and to the Secretary.

RESTRICTIONS ON COMMISSION

SEC. 10. (a) RESTRICTIONS ON COMMISSION'S DEVELOPMENT.—(1) The Commission may not develop any site or structure in any area described in paragraph (2) unless such development involves the restoration, rehabilitation, or preservation of a facility existing on the date of the enactment of this Act.

(2) The areas referred to in paragraph (1) are the following areas:

(A) Any area in the corridor designated by the political subdivision of the State which has primary responsibility for regulating land use in such area (as determined by the Commission) as suitable for industrial development. Areas so designated may include any area adjacent to the Illinois and Michigan Canal State Park, a conservation site, a historical site, or other visitor area.

(B) The area of the corridor in Grundy County, Illinois, extending from Morris, Illinois, to the eastern boundary of section 22, Aux Sable township, but not including—

(i) lock 8 and lock tenders house (identified as sites 1 and 2, respectively, on the map described in section 4(b));

(ii) Rutherford tavern, the old mule barn, and the historic cemetery (identified as sites 3, 4, and 5, respectively, on such map); and

(iii) any trail in such area which follows the historic towpath of the canal.

(C) The area of the corridor in Will County, Illinois, which extends from a line created from Interstate 55 to the center of

the sailing line in the Des Plaines River, west on center line of sailing line to the intersection of the line formed by the eastern edge of sections 30 and 31 of Channahon Township east through Brandon Pool, but not including the trail in such area which follows the historic towpath of the canal.

(D) The area of the corridor in Will County, Illinois, which extends from the southern boundary of section 14, Lockport Township, to the eastern boundary of section 25, DuPage Township.

(b) RESTRICTIONS ON DEVELOPMENT OF TRAILS.—The Commission may not develop any new trail along the canal or historic towpath of the canal through industrial sites which—

(1) are located north of the city of Joliet, Illinois; and

(2) existed on the date of the enactment of this Act.

TERMINATION OF COMMISSION

SEC. 11. (a) TERMINATION.—Except as provided in subsection (b), the Commission shall terminate on the day occurring 10 years after the date of the enactment of this Act.

(b) EXTENSION.—The Commission may extend the life of the Commission for a period of not more than 5 years beginning on the day referred to in subsection (a) if, not later than 180 days before such day—

(1) the Commission determines such extension is necessary in order for the Commission to carry out the purpose of this Act;

(2) the Commission submits such proposed extension to the Committee on Interior and Insular Affairs of House of Representatives and to the Committee on Energy and Natural Resources of the Senate; and

(3) the Governor and the Secretary each approve such extension.

DUTIES OF THE SECRETARY

SEC. 12. To carry out the purpose of this Act, the Secretary shall have the following duties:

(1) Not later than September 30, 1984, and in consultation with the Commission, the Secretary shall complete—

(A) an inventory of sites and structures of historical, architectural, or engineering significance in the corridor; and

(B) an inventory of sites and resources of archaeological or geological significance in the corridor.

(2) Not later than September 30, 1985, in consultation with the Commission and in accordance with the plan, the Secretary shall—

(A) develop a thematic structure for the interpretation of the heritage story of the corridor; and

(B) design and fabricate interpretative materials based on such thematic structure, including—

(i) trail guide brochures for exploring such heritage story via private auto, bus, bike, boat, or foot, including brochures for exploring such heritage story in towns along the canal;

(ii) visitor orientation displays (including video presentations) at 8 locations which are fairly distributed along the corridor;

(iii) a curriculum element for local schools; and

(iv) an appropriate mobile display depicting such heritage story.

(3) During each of the 10 fiscal years 1984 through 1994, the Secretary shall complete, in consultation with the Commission, feasibility studies for the rehabilitation for modern use of not less than 6 historical structures in the corridor, selected for such study by the Commission. Such studies should include recommendations concerning appropriate preservation treatment, adaptive reuse potential, strategies for finding private investors, and tax advantages available with respect to such rehabilitation.

(4) For each fiscal year during the life of the Commission, the Secretary shall make available to interested persons brochures which explain tax advantages available with respect to the rehabilitation of historical structures in the corridor.

(5) For each fiscal year during the life of the Commission, the Secretary shall detail to the Commission, on a nonreimbursable basis, 2 employees of the Department of the Interior to enable the Commission to carry out the Commission's duties under section 9.

DUTIES OF OTHER FEDERAL ENTITIES

SEC. 13. Any Federal entity conducting or supporting activities directly affecting the corridor shall—

(1) consult with the Secretary and the Commission in carrying out their duties under this Act and, to the maximum extent practicable, coordinate such activities with the carrying out of such duties; and

(3) to the maximum extent practicable, conduct or support such activities in a manner which the Commission determines will not have an adverse effect on the resources cited in the National Park Service report.

RELEASE OF CANAL TITLE BY UNITED STATES

SEC. 14. (a) Except as provided in subsection (b), the Secretary shall, on behalf of the United States, release to the State any right, title, or interest of the United States in real property associated with the canal.

(b) The Secretary may release to the State any right, title, or interest of the United States in the real property comprised of the canal prism and towpath located within the Illinois and Michigan Canal State Park only on the condition that—

(1) such real property is used and occupied for park, recreational, or other public purposes; and

(2) if any of such real property is not so used and occupied, then any right, title, or interest in the real property not so used and occupied which was released under this subsection shall revest in the United States.

EFFECT ON ENVIRONMENTAL AND OTHER STANDARDS; RESTRICTIONS; SAVINGS PROVISIONS

SEC. 15. (a) EFFECT ON ENVIRONMENTAL AND OTHER STANDARDS.—(1) Nothing in this Act shall be deemed to impose any environmental, occupational, safety, or other rule, regulation, standard, or permit process which is different from those presently applicable, or which would be applicable, had the corridor not been established.

(2) The establishment of the corridor shall not impose any change in Federal environmental quality standards. No portion of the corridor which is subject to part C of title I of the Clean Air Act (42 U.S.C. 7470 et seq.), as amended by the Clean Air Act Amendments of 1977, may be designated as class 1 for purposes of such part C solely by reason of the establishment of the corridor.

(3) No State or Federal agency shall impose more restrictive water use designations or water quality standards upon uses of, or discharges to, waters of the State or waters of the United States, within or adjacent to the corridor solely by reason of the establishment of the corridor.

(4) Nothing in the establishment of the corridor shall abridge, restrict, or alter any applicable rule, regulation, standard or review procedure for permitting of facilities within or adjacent to the corridor.

(b) RESTRICTIONS ON COMMISSION AND SECRETARY.—Nothing in this Act shall be construed to vest in the Commission or the Secretary any authority—

(1) to require the State, any political subdivision of the State, or any private person to participate in any project or program carried out by the Commission or the Secretary under this Act;

(2) to intervene as a party in any administrative or judicial proceeding concerning the application or enforcement of any regulatory authority of the State or any political subdivision of the State, including any authority relating to land use regulation, environmental quality, licensing, permitting, easements, private land development, or other occupational or access issues;

(3) to establish or modify any regulatory authority of the State or of any political subdivision of the State, including any authority relating to land use regulation, environmental quality, or pipeline or utility crossings;

(4) to modify any policy of the State or of any political subdivision of the State; or

(5) to establish or modify any authority of the State or of any political subdivision of the State with respect to the acquisition of lands or interests in lands.

(c) SAVINGS PROVISION.—Nothing in this Act shall diminish, enlarge, or modify any right of the State or of any political subdivision of the State—

(1) to exercise civil and criminal jurisdiction within the corridor; or

(2) to tax persons, corporations, franchises, or property, including minerals and other interests in or on lands or waters within the corridor.

AUTHORIZATION OF APPROPRIATIONS; ALLOCATION OF AMOUNTS FOR CERTAIN PURPOSES

SEC. 16. (a) AUTHORIZATION OF APPROPRIATIONS.—(1) For each fiscal year, there is authorized to be appropriated—

(A) to the Commission a sum not to exceed $250,000 to carry out the Commission's duties under this Act; and

(B) to the Secretary such sums as may be necessary to carry out the Secretary's duties under this Act.

(2) Any sum appropriated under paragraph (1) shall remain available until expended.

(b) ALLOCATION OF AMOUNTS FOR CERTAIN PURPOSES.—Not less than 5 percent of the aggregate amount available to the Commission from all sources for a fiscal year shall be used for carrying out each of the duties of the Commission specified in subsections (a)(1), (a)(2), (a)(3), (a)(4), (a)(5), (a)(6), (a)(7), (a)(8), and (b) of section 9.

Mr. DIXON. Mr. President, I am pleased to join my distinguished colleague from Illinois, CHUCK PERCY, in the introduction of this bill to establish the Illinois and Michigan Canal National Heritage Corridor.

The corridor program seeks not only to protect the cultural and natural resources, but also to bring about economic revitalization of the entire region.

A national designation would recognize the area as having national significance. But implementing the plan will be a partnership of local and State interests—historical societies, industrialists, conservation and recreation

groups, and State and local governments.

Every effort has been made to reach a representative cross-section of people and interests in Illinois, in drafting this unique piece of legislation. Meetings were held, beginning more than 2 years ago, to solicit various points of view, and it is my hope that we can all continue to work together to make this project a reality.

Last November, Senator WALLOP, the distinguished chairman of the Senate Subcommittee on Public Lands, held a hearing on this project, and many people testified in behalf of the bill. Senator WALLOP closed the hearing by saying, "I think it's a pleasure to find a concept that has everybody surrounded with love." I certainly agree with that.

Changes have been made to accommodate businesses in the area. The corridor is a vital commercial and industrial area and clearly should retain its character. It is not the intent of this plan to impose restrictions that would be burdensome to industry, but rather to enhance the area and promote economic development.

The I&M Canal spans a four-county area in Illinois, whose average unemployment rate is 13.9 percent. The city of Joliet, which is approximately midway on the 100-mile canal, has endured continued unemployment around 20 percent for many months.

It has been estimated that, like the national historic park in Lowell, Mass., the Illinois and Michigan Canal National Heritage Corridor would have an extremely beneficial impact on the economy of the area. As you may know, Lowell once had one of the highest unemployment rates in the country. In the late sixties, a revitalization plan, focusing on the city's historic past—its textile mills, and the fact that it is known as the birthplace of the industrial revolution—was launched. It, like the I&M Canal National Heritage Corridor, focused on a system of canals.

In 1978, the Lowell National Heritage Park was created. Much renovation has since taken place, and the city has turned around, now attracting new businesses such as Wang Laboratories and many high-technology industries. It has meant the creation of 10,000 jobs in an area that was destitute. Tourism is proving to be a growing source of income and vitality to that city, because of the effort put forth to establish its national historic importance.

The Illinois and Michigan Canal National Heritage Corridor could do the same thing for the beleaguered State of Illinois. We currently have an unemployment rate statewide of 13.5 percent, 759,000 people out of work, and a rate that is third highest among the Nation's 10 largest States.

The I&M Canal National Heritage Corridor will represent the ongoing history of an important region. It will incorporate historic aspects with the current industrial climate of the area. This, in conjunction with the natural beauty of the canal and surrounding areas, will provide an attraction for new businesses, tourism and recreational activities. Image and quality are amoung major considerations for industries staying in an area or moving into a locality.

National recognition is important to the project, not only for funding, which is $250,000 for carrying out the duties of a nonsalaried commission established by the bill, but for the prominence that a national designation can bring to an area.

The project appeals to the broadest variety of interests and will have a significant impact on an area that could really use a boost.

The project has the support of the State of Illinois, the people who reside along the 100 miles of the canal, businesses in the area and historic preservation and recreation groups. All will be lending a hand in various efforts—financial, technical and physical—to establish this area as a model for others to follow.

I am pleased to sponsor this legislation. It is an example of what cooperation by mutual, diverse interests can do to improve a region.

A companion bill is being introduced in the House by the entire Illinois congressional delegation.

I hope the Senate will give the matter expeditious and favorable consideration.

By Mr. GRASSLEY:

S.J. Res. 56. Joint resolution to designate the month of August 1983 as "National Child Support Enforcement Month"; to the Committee on the Judiciary.

NATIONAL CHILD SUPPORT ENFORCEMENT MONTH

Mr. GRASSLEY. Mr. President, today I am introducing legislation to designate the month of August 1983 as "National Child Support Enforcement Month," which I hope will serve to stimulate public attention to the effectiveness of this program. The child support enforcement program's primary goal is to insure that parents fulfill their responsibilities for support of their children. Through the cooperative efforts of Federal, State, and local agencies, this program has provided assistance in locating absent parents, establishing paternity, and assisting in the establishment and collection of court-ordered and voluntary child support payments.

In recent years, much has been done to strengthen the Nation's laws and regulations dealing with child support enforcement. Millions of enforceable child support orders have been established by the courts and billions of dollars in child support payments have been collected by the States. The success of this program has resulted in less welfare dependency by women and children and a reduced public assistance burden to taxpayers. No less importantly, it has contributed to the well-being of our children with absent parents and has fostered family responsibility.

Prior to the establishment of an effective child support enforcement program, the obligation to provide support for one's spouse or child could simply be avoided by crossing a State boundary and remaining outside the jurisdiction of the dependent's State courts. Conventional judicial proceedings were ill equipped to establish child support orders due to jurisdictional hurdles and the expense of tracking down and suing absent parents.

Many of these abandoned dependents, who had no realistic remedy to obtain support, were consequently forced onto the State's welfare rolls. Because of ever-increasing tax expenditures required to assist these dependents and the realization that the financial burden should be provided by the absent parent or spouse, two major pieces of legislation were enacted—the Uniform Reciprocal Enforcement of Support Act (URESA) and Public Law 93-647, better known as the Title IV Child Support Enforcement Act.

The primary mechanism of interstate child support action is the Uniform Reciprocal Enforcement of Support Act enacted in 1950. By 1955, all 50 States had adopted some version of URESA or a substantially similar type of legislation. URESA allows any person owed child support payments to file a petition in his home State and to receive a hearing in the State where the obligor resides. This procedure applies to both the enforcement of existing support orders, as well as to the initial determination of support payments. The wide acceptance of reciprocal laws by all 50 States illustrates the realization that the problems of spousal and child support are no longer purely local concerns.

Unfortunately, in a number of jurisdictions, the theory of reciprocity did not prove to be a significant motivating force for State officials to follow URESA provisions. Too many officials expected other States to establish or enforce support orders which would benefit their residents, but were unwilling to devote the time, energy, and staff necessary to reciprocate.

Therefore, in 1975 Congress passed Public Law 93-647 which provides greater incentives to pursue interstate child support cases. This law established the Federal Office of Child Support Enforcement and requires each

State to administer its own child support activities while coordinating with other State programs. Since the enactment of this law, there has been a marked improvement in the level of cooperation among States and renewed interest in making existing URESA provisions work.

In addition, several other legislative changes have been enacted by the Congress to further improve the effectiveness of the child support enforcement program. A 15-percent incentive payment financed through the Federal Government's share of collections is paid to States which enforce and collect child support for AFDC families within the State and on behalf of other States. Federal law also allows the garnishment of wages or retirement benefits of Federal employess, as well as unemployment compensation benefits, to provide child support. Last year, the Omnibus Budget Reconciliation Act (Public Law 97-35) provided for the allowance of withholding of past-due child support from Federal tax refunds due a delinquent parent. Additionally, bankruptcy no longer discharges a parent form child support obligations.

Despite these facilitative laws at the Federal and State levels, responsible officials in each State must be committed to the spirit of reciprocity for uniform laws to work effectively. I feel this spirit of reciprocity has been working well. Through the dedicated service of family support personnel, the judiciary and the legal community, child support collections have totaled nearly $9 billion since 1976. Over 185,000 children have been legitimized through the establishment of paternity and over 2.2 million enforceable child support orders have been established by the courts. However, the success of the program continues to rely on a partnership of Federal assistance, State enforcement powers, and a court system to establish realistic support levels.

Mr. President, I feel that parental responsibility for the financial support of dependent children will become increasingly important as national statistics project the continuing rise of one-parent families. In fact, it is estimated that 40 percent of American marriages contracted in this decade will end in divorce. Because these trends indicate a potential for growing financial deprivation among dependent women and children, we must strive for greater family responsibility. I urge my colleagues to recognize the philosophical, social, and financial importance of child support enforcement by cosponsoring this resolution.

Mr. President, I ask unanimous consent that the text of my resolution be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.J. RES. 56

Whereas significant progress has been made toward improving laws and regulations dealing with child support enforcement by the States;

Whereas the provisions of part D of title IV of the Social Security Act have provided a needed response in alleviating problems that exist within and among States as to legal rights and financial needs of their citizens;

Whereas the child support program's ultimate goal is to reduce financial deprivation among America's children by ensuring that the responsibility of support rests with the responsible parent, thereby diminishing the need for welfare dependency by women and children;

Whereas the dedicated service of family support enforcement personnel, the judiciary and the legal community has contributed to increased child support collections, paternity establishments and the location of absent parents;

Whereas the growth and success of child support programs have resulted from and continue to rely on increased cooperation of federal, state and local agencies: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the month of August 1983 is designated "National Child Support Enforcement Month" and that the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the month with appropriate programs, ceremonies and activities.

By Mr. CHILES (for himself, Mr. ABDNOR, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CHAFEE, Mr. D'AMATO, Mr. DANFORTH, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. EAGLETON, Mr. GORTON, Mr. HEFLIN, Mr. JEPSEN, Mr. LEAHY, Mr. LUGAR, Mr. MATSUNAGA, Mr. MCCLURE, Mr. NUNN, Mr. PRESSLER, Mr. RANDOLPH, Mr. RIEGLE, Mr. SASSER, Mr. STENNIS, Mr. TSONGAS, and Mr. WARNER):

S.J. Res. 57. Joint resolution to designate the week of April 3, 1983, through April 9, 1983, as "National Drug Abuse Education Week"; to the Committee on the Judiciary.

NATIONAL DRUG ABUSE EDUCATION WEEK

● Mr. CHILES. Mr. President, today I am introducing for myself and 27 Senators a joint resolution to designate April 3-9, 1983, as "National Drug Abuse Education Week." Drug abuse is one of the most serious health problems in this country today. Recent studies have shown that while the number of youths experimenting with drugs has decreased somewhat, more and more severe cases of drug abuse are being reported. In the first 9 months of 1982, there were 9,139 victims of heroin overdoses and 4,615 cases of cocaine overdoses admitted to 820 hospitals in 26 metropolitan areas, a startling increase over 1981 figures. In 1980, an estimated 9,800 persons died as a result of drug abuse. The death rate for young Americans between the ages of 15 and 24 is higher than it was 20 years ago. Medical experts believe this trend is directly related to drug abuse. These figures tell us that we have got a real problem. The reality of drug abuse is that our young people are dying from it, either directly from overdoses or taking their own lives or indirectly by diseases from dirty needles, or malnutrition. Other statistics show more than just health problems are associated with drug abuse. Criminal acts done to support an addict's habit cost the American public millions of dollars each year. Between 50 to 60 percent of all property crimes are drug related. Researchers have found in a study of 243 addicts in one city that they committed a total of 500,000 crimes over an 11-year period. Half of all jail and prison inmates regularly used drugs before committing their offenses. Our Nation simply cannot afford these crimes. In addition, there are costs to our economy. A December 1982 special report in the Harvard Business Review revealed that in 1981, drug use by employees cost employers $16.4 billion in lost productivity.

What these statistics do not reveal is the tragic circumstances surrounding drug abuse. The pain and suffering of the addict, his family and friends, the ruination of these young persons' futures and even death are the results of illicit drug use. These are human costs that cannot be ignored.

The illegal drug trade consists of approximately $79 billion in retail business per year. I have been working to strengthen our laws to combat drug trafficking. We have made some headway in reducing the illegal flow of drugs into this country. We are making progress, but we need to recognize that the most effective way to stop drug trafficking is to remove the demand.

Surveys in 1981 showed that an estimated 25 million people in this country are current users of marihuana; over 4 million are current users of cocaine, and about one-half million are heroin addicts. One and one-half million people use sedatives such as methaqualone—quaaludes—for nonmedical purposes, and 2 million people use stimulants such as methamphetamine and amphetamine. Almost 2 million Americans use hallucinogenic drugs, mostly LSD and phencyclidine. Around 1½ million people use inhalants such as airplane glue and over 10 million Americans are problem drinkers.

It would be impossible to estimate how many millions of Americans abuse drugs but it is clear that the demand is firmly in place. A solution to this demand will have to be a social one. Drugpushers do not get our children

to try drugs, their friends do. We have all heard of peer pressure and it is this negative pressure to use drugs that must be turned around to positive pressure against drug abuse. This turn around can only be accomplished by changing society's attitudes and views about the illicit use of drugs. In order to fight drug abuse, we have to deglorify drugs for our young people and at the same time, remove the fear parents have about discussing the problem with their children. Drug education has the best results when taught at home. The most effective deterrent to drug abuse is when parents and their children discuss drugs and develop realistic views about drug abuse and the resulting harmful effects. If the drug abuse problem is to be licked, however, we all need to be involved in drug education efforts. It is every American's responsibility to become educated about the harmful effects of alcohol, marihuana, cocaine, heroin, phencyclidine, LSD, uppers, downers, and psychotropic inhalants and then pass this information on to the next generation. Only by focusing on the dangers of drug abuse can we prevent future generations from being injured.

The National Broadcasting Corporation (NBC) and its television stations are airing an antidrug abuse campaign, "Don't be a Dope", from the middle of March until the middle of April. This campaign includes minidocumentaries, public service announcements, and question and answer segments for parents and children on drug abuse. NBC's commitment to fighting drug abuse through education is commendable. Passage of this joint resolution establishing "National Drug Abuse Education Week" will show our support for this and other education efforts.

Death is certainly the worst effect of drug abuse, but there are others almost as tragic. If by this joint resolution, we are able to encourage the effort to save just one young person from the ravages of drug abuse, we, my colleagues, will have done a great service. I ask that a copy of this joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 57

Whereas the illegal drug trade consists of approximately 79 billion dollars in retail business per year;

Whereas removing the demand for drugs would reduce the illegal drug trade;

Whereas drug abuse destroys the future of many of the young people and adults in the Nation;

Whereas the eradication of drug abuse requires a united mobilization of national resources, including law enforcement and educational efforts; and

Whereas the most effective deterrent to drug abuse is education of parents and children in the home, classroom and community:

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 3, 1983 through April 9, 1983, is designated as "National Drug Abuse Education Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to participate in drug abuse education and prevention programs in their communities and encouraging parents and children to investigate and discuss drug abuse problems and possible solutions.●

ADDITIONAL COSPONSORS

S. 49

At the request of Mr. STEVENS, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 49, a bill to reopen hunting and trapping lands in Alaska.

S. 97

At the request of Mr. FORD, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New York (Mr. D'AMATO), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 97, a bill to amend the Railroad Unemployment Insurance Act to provide supplemental unemployment benefits to certain employees with less than 10 years of service.

S. 102

At the request of Mr. PELL, the names of the Senator from Delaware (Mr. BIDEN), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 102, a bill to require the Administrator of General Services to notify States of the availability of surplus real property and to convey at reduced cost certain surplus real property for public park or public recreational use to State and local governments.

S. 130

At the request of Mr. COCHRAN, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 130, a bill to amend the Consolidated Farm and Rural Development Act to provide credit assistance to farmers, and for other purposes.

S. 137

At the request of Mr. ROTH, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Colorado (Mr. HART), the Senator from Alaska (Mr. STEVENS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Nevada (Mr. LAXALT), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 137, a bill to amend the Internal Revenue Code of 1954 to continue to allow mortgage bonds to be issued.

S. 215

At the request of Mr. THURMOND, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 215, a bill to amend the Bail Reform Act of 1966 to permit consideration of danger to the community in setting pretrial release conditions, to expand the list of statutory release conditions, to establish a more appropriate basis for deciding on post-conviction release, and for other purposes.

S. 216

At the request of Mr. THURMOND, the names of the Senator from New Jersey (Mr. BRADLEY), the Senator from Texas (Mr. TOWER), the Senator from New Jersey (Mr. LAUTENBERG), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 216, a bill to amend title 18, United States Code, to combat, deter, and punish individuals who adulterate or otherwise tamper with food, drug, cosmetic, and other products with intent to cause personal injury, death, or other harm.

S. 486

At the request of Mr. SASSER, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 486, a bill to amend chapter 13 of title 18 of the United States Code.

S. 526

At the request of Mr. PRESSLER, the names of the Senator from Montana (Mr. MELCHER), and the Senator from Nebraska (Mr. ZORINSKY) were added as consponsors of S. 526, a bill to provide relief from honey imports.

S. 538

At the request of Mr. THURMOND, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 538, a bill to establish constitutional procedures for the imposition of the sentence of death, and for other purposes.

S. 554

At the request of Mr. PELL, the name of the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 554, a bill to authorize the Secretary of Education to provide financial assistance to States for the training and retraining of older Americans.

S. 602

At the request of Mrs. HAWKINS, the name of the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 602, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 655

At the request of Mr. PELL, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 655, a bill to authorize appropriations to carry out the National Sea Grant program for fiscal years 1984, 1985, and 1986, and for other purposes.

S. 668

At the request of Mr. KENNEDY, the name of the Senator from Georgia (Mr. NUNN) was added as a cosponsor

of S. 668, a bill to reform Federal criminal sentencing procedures.

S. 671

At the request of Mr. DECONCINI, his name was withdrawn as a cosponsor of S. 671, a bill to authorize a national program to encourage dam safety.

SENATE JOINT RESOLUTION 5

At the request of Mr. THURMOND, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of Senate Joint Resolution 5, a joint resolution proposing an amendment to the Constitution relating to Federal budget procedures.

SENATE JOINT RESOLUTION 11

At the request of Mr. ROTH, the name of the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Joint Resolution 11, a joint resolution entitled "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 28

At the request of Mr. TSONGAS, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Joint Resolution 28, a joint resolution calling for immediate negotiations for a ban on weapons of any kind in space.

SENATE JOINT RESOLUTION 32

At the request of Mr. SYMMS, the names of the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. MCCLURE), the Senator from Nevada (Mr. LAXALT), the Senator from Ohio (Mr. GLENN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. MATTINGLY), the Senator from Indiana (Mr. LUGAR), the Senator from Wisconsin (Mr. KASTEN), the Senator from Alaska (Mr. STEVENS), the Senator from Vermont (Mr. STAFFORD), the Senator from South Dakota (Mr. ABDNOR), the Senator from North Dakota (Mr. BURDICK), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Mississippi (Mr. COCHRAN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Illinois (Mr. DIXON), the Senator from Florida (Mr. CHILES), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), the Senator from Michigan (Mr. RIEGLE), the Senator from Maryland (Mr. SARBANES), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of Senate Joint Resolution 32, a joint resolution to provide for the designation of May 1983, as "National Arthritis Month".

SENATE JOINT RESOLUTION 35

At the request of Mr. HUDDLESTON, the names of the Senator from West Virginia (Mr. RANDOLPH), the Senator from New York (Mr. MOYNIHAN), the Senator from Tennessee (Mr. SASSER), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Florida (Mr. CHILES), the Senator from Delaware (Mr. ROTH), the Senator from Maine (Mr. COHEN), the Senator from New York (Mr. D'AMATO), the Senator from Idaho (Mr. SYMMS), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mr. DOLE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Washington (Mr. JACKSON), the Senator from Indiana (Mr. QUAYLE), the Senator from Maryland (Mr. SARBANES), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Ohio (Mr. GLENN), the Senator from Alabama (Mr. HEFLIN), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of Senate Joint Resolution 35, a joint resolution designating the week beginning March 20, 1983, as "National Mental Health Counselors Week."

SENATE JOINT RESOLUTION 37

At the request of Mr. BYRD, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of Senate Joint Resolution 37, a joint resolution providing that the week containing March 8 of 1983, 1984, and 1985 shall be designated as "Women's History Week."

SENATE JOINT RESOLUTION 51

At the request of Mr. DOLE, the names of the Senator from Indiana (Mr. LUGAR), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of Senate Joint Resolution 51, a joint resolution designating May 21, 1983, as "Andrei Sakharov Day".

SENATE JOINT RESOLUTION 53

At the request of Mr. THURMOND, the names of the Senator from Wisconsin (Mr. KASTEN), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of Senate Joint Resolution 53, a joint resolution to authorize and request the President to designate the month of May 1983, as "National Physical Fitness and Sports Month."

SENATE RESOLUTION 49

At the request of Mr. HOLLINGS, the name of the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Resolution 49, a resolution disapproving deferral D83-43, relating to Economic Development Assistance Programs.

SENATE RESOLUTION 52

At the request of Mr. QUAYLE, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Washington (Mr. GORTON), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Resolution 52, a resolution expressing the Senate's opposition to an imposition of a fee on domestic and imported crude oil and refined products.

SENATE RESOLUTION 69

At the request of Mr. METZENBAUM, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Resolution 69, a resolution to urge the President to establish a national commission to study rising health care costs, and to oppose any further cuts in medicare or medicaid which would increase the out-of-pocket costs of medical care for those who can least afford such costs (the elderly, the permanently disabled, and the poor) until such commission has reported its findings to Congress.

SENATE RESOLUTION 75

At the request of Mr. PERCY, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of Senate Resolution 75, a resolution to ask for international negotiations on natural gas.

AMENDMENT NO. 493

At the request of Mr. ABDNOR, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of amendment No. 493 proposed to H.R. 1718, a bill making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

UP AMENDMENT NO. 24

At the request of Mr. BIDEN, his name was added as a cosponsor of UP amendment No. 24 proposed to H.R. 1296, a bill to amend the Internal Revenue Code of 1954 to allow any taxpayer to elect to treat for income tax purposes any crop received under a Federal program for removing land from agricultural production as produced by the taxpayer, to allow any taxpayer to elect to defer income on any cancellation under such a program of any price support loan, and to provide that participation in such a program shall not disqualify the taxpayer for the special use valuation of farm real property under section 2032A of such code.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY JOBS APPROPRIATION ACT, 1983

AMENDMENT NO. 489

(Ordered to be printed and to lie on the table.)

Mr. FORD (for himself, Mr. DIXON, Mr. HEINZ, Mr. HATCH, Mr. HUDDLESTON, Mr. SPECTER, Mr. METZENBAUM, Mr. PERCY, Mr. SARBANES, Mr. D'AMATO, Mr. BURDICK, Mr. RIEGLE, Mr. GLENN, Mr. BIDEN, Mr. ROTH, Mr. LEVIN, Mr. MELCHER, Mr. RANDOLPH, Mr. EXON, Mr. MOYNIHAN, and Mr.

EAGLETON) submitted an amendment intended to be proposed by them to the bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and to add to the national wealth, resulting in not-make work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

AMENDMENT NO. 490

(Ordered to be printed and to lie on the table.)

Mr. PELL (for himself and Mr. LAXALT) submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 491

(Ordered to be printed and to lie on the table.)

Mr. PELL submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 492

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN (for himself and Mr. D'AMATO) submitted an amendment intended to be proposed by them to the bill H.R. 1718, supra.

● Mr. MOYNIHAN. Mr. President, I am today proposing an amendment to H.R. 1718, the emergency jobs supplemental, that would permit the city of Buffalo to enter into a sale-leaseback arrangement to provide direly needed funds for the Buffalo Philharmonic Orchestra. I am joined in this amendment by my distinguished colleague, the junior Senator from New York.

The Buffalo Philharmonic Orchestra is one of this country's foremost orchestras. Like many other cultural organizations in the past several years, it has sunk more than a little into debt.

The orchestra's management and the civic leaders of Buffalo have agreed upon a sound plan for eliminating the orchestra's debt. One part of the plan involves a complex legal and financial transaction in which the two city-owned concert halls would be sold, in a technical sense, to private investors. Most of the proceeds of the sale would be set aside to match private contributions to the orchestra. The managment of the concert halls would remain under the city's control and, to all outward appearances, the halls would continue to operate as they have for the past several years.

This would not be a matter for the Congress to consider but for the fact that the two concert halls, known as Kleinhans Music Hall and Shea's Buffalo Theater, were built and renovated with Federal funds. Both were built in the 1930's with Public Works Administration funds. They were renovated in 1977 and 1978 with grant money from the Economic Development Administration.

A condition of both the PWA and EDA assistance was that the buildings be publicly owned. To be sure, under the plan proposed in Buffalo, the city would relinquish title to the two concert halls and so would technically run afoul of those restrictions. But the city would retain the first mortgages on the properties, would exercise exclusive control over their use, and would have the right to buy the buildings back at the end of the lease term. The terms of the sale would also prohibit the private investors who would technically own the building from selling it to any entity but the city. My amendment would specifically require that the two halls be maintained as performing arts centers for the entire term of the lease.

It does seem clear, accordingly, that this arrangement would meet the intent of both the PWA and EDA acts that publicly constructed and renovated buildings should be controlled by a governmental entity. Neither act anticipated the sort of creative financing proposed in the sale-leaseback of Kleinhans and Shea's and my amendment would make it clear that neither program's technical restrictions are to apply to this particular transaction.

Moreover, I should point out that this body and the Congress approved precisely the same arrangement during the lameduck session of the 97th Congress. We approved without objection an amendment to the continuing resolution to allow the city of Tacoma, Wash, to carry out a sale-leaseback of the Pantages-Centre for the Performing Arts building which had been renovated with the assistance of a grant from the EDA.

This sort of arrangement, which permits a local government in effect to mortgage some of its real properties to realize immediately needed cash, is receiving increasing mention in articles about maintaining and repairing public facilities of all sorts. Oakland, Calif., was the first city to use this technique. The civic auditorium and the Oakland Museum were sold and leased back in one transaction and the sales proceeds used to renovate the auditorium and establish an endowment for the museum. In that particular case, no EDA grant was involved, so no Federal action was required.

This proposal has been thoroughly discussed in the Buffalo press and in the Buffalo City Council. It has the support of the city's political and business leaders and has been endorsed by the city's major newspaper. The arrangements are being made under the direction of thoroughly reputable financial and legal analysts.

The proposal would require no appropriations. It affords those investors who buy the building the opportunity to share in depreciation of the building, so it does involve foregone tax revenues. But this is a consequence of the opportunity we provide every taxpayer to deduct depreciation from his or her tax liability.

Mr. President, I ask unanimous consent that a February 4, 1983, editorial in the Buffalo News endorsing this plan and a news article from that same issue be included in the RECORD following my remarks. These two items provide further details on the proposal.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Buffalo News, Feb. 4, 1983]

KLEINHANS-SHEA'S PLAN WOULD BENEFIT BUFFALO

Support is growing for a proposed sale and lease-back arrangement for Kleinhans Music Hall and Shea's Buffalo Theater. If the plan can be put into operation as visualized in a report by a mayoral task force, it promises to pay off handsomely for Buffalo and the community's cultural outlook.

The plan involves the sale by the city of Kleinhans Music Hall and Shea's to private investors who would lease it back to the city. The title to the properties would be transferred, but not the control and use. The investors would be able to depreciate the buildings, for tax purposes over perhaps a 35-year period and then the buildings would be sold back to the city.

The result would be that the investors would be getting a tax shelter, while the city would be getting a sizable sum of money that would help wipe out the Buffalo Philharmonic Orchestra's accumulated $950,000 deficit and set up a performing arts fund that would help finance stellar cultural attractions.

It sounds too good to be true, but similar plans have been implemented in Tacoma, Wash., and Oakland, Calif. Some may question the merits of such tax shelters, but if the law exists, there is no reason why Buffalo should not make use of it, as these other communities have done.

Common Council Majority Leader James P. Keane has thrown his support to the plan, which, he said, "is probably going to be the salvation of the orchestra." He added, of course, that he would want to examine all the contracts and documents involved.

One hurdle still to be crossed is a federal provision that Buffalo must return to Washington some $760,000 in previous federal grants to Kleinhans and Shea's if the buildings are sold to private interests. Congressional action is being sought to exempt Buffalo from having to repay this money. The action failed during last year's lameduck session, but a new bill is being introduced in the current session. Since Tacoma and Oakland have been granted similar exemptions, there seems no reason why the bill should not be granted approval.

There have naturally been some doubts expressed in the Common Council about the proposed sale, but many persons will be reassured when they realize that the "sale" of these civic cultural treasures is only in a technical sense. Safeguards, of course, must be written into any agreement to assure that the city's interests will be preserved under all eventualities.

The plan is complicated, but it is an innovative approach that should benefit the community and enhance its cultural life.

[From Gusto, Friday, Feb. 4, 1983]

SUCH A DEAL

(By Dale Anderson)

For sale: Newly restored landmark downtown movie theater and acoustically perfect concert hall designed by Saarinen. Continuing maintenance by current owners. Best offer over $12.7 million. Contact City Hall, Buffalo, N.Y. 716-855-4200.

Don't count on seeing this ad in the Sunday Home Finder later this year. Some version of it might turn up, however, in one of those trade magazines that circulate among investment brokers and urban planners around the nation. By summer, if everything proceeds smoothly, the Shea's Buffalo Theater and Kleinhans Music Hall will be on the real estate market.

Selling the two central stages for the performing arts here may seem crazy, but in this era of Reagonomics, its crazy like a fox. This is a deal in which everybody seems to win.

The first winner will be the financially distressed Buffalo Philharmonic Orchestra. Currently engaged in a fund-raising drive to wipe out its deficit, it stands to receive part of a $2 million arts endowment that will be established from the proceeds of the sale.

The second winner will be the arts audience in and around Buffalo. The arts endowment will support a more extensive calendar of concerts, ballet, films and drama.

The third winner will be the Theater Building Management Corporation, the local agency that will oversee the day-to-day operation of Shea's and Kleinhans. Despite their budgetary difficulties, both halls have turned occasional profits in recent years. The proposal to combine their management and maintenance will save tens of thousands of dollars.

The fourth winner will be the city itself. Not only will it no longer be faced with an annual fund request from the Philharmonic, but it also will receive a bit of cash from the sale, while retaining ownership of the land.

The fifth winner will be the city a generation from now. Part of the proceeds from the sale will be put aside in an interest-bearing reserve fund, which is expected to earn enough over the years to buy the building back when the lease expires.

The sixth winner will be the investors, folks from the upper income brackets who are looking for a good tax write-off. They'll get it here for 15 years under the accelerated depreciation rates allowed on business property under the Economic Recovery Tax Act of 1981. Chances are that many of them will never set foot in Shea's or Kleinhans.

The first municipality to attempt this piece of financial sleight-of-hand was Oakland, Calif. Faced with a $12 million restoration project for the 65-year-old civic auditorium and squeezed by Proposition 13 restrictions on governmental spending, Oakland officials turned to a device that private industry has been using for quite some time. And it worked.

Putting the auditorium and the relatively new Oakland Museum building in the same package, they sold them to a New York City real estate syndicator. The down payment money and the mortgage installments pay for the bond issue that's being used to renovate the auditorium. It's also providing $1 million in climate control and security improvements for the museum and a $1 million museum endowment as well.

Setting up the deal was a complex process, says Oakland's assistant city manager, John Flores. "It was more complicated than we thought," he remarks, "in that it had never been done before. There was a question of how to sell city buildings with a limited amount of risk."

There was also a question of public confidence in the deal, especially when it came to the museum. "A group came out that thought we were selling the jewels in the museum," Flores says, "but we told them no, we were only selling the building. We also made several changes due to suggestions from the Oakland Museum Association, which made them feel more comfortable.

"We feel confident in our financial analysis of this," he adds. "For the first years, we're accumulating more interest on the money than we're paying in lease payments. The investors were very, very easy to work with. It's going rather smoothly. We're quite proud of it."

"From my point of view, it worked out very well," says Laurence Ruggiero, executive director of the Oakland Museum Association. "The key thing for us was to find something in the transaction to include support for the museum. Thus far, there were opportunities to have problems and there were none. I would say it's been an incredibly smooth changeover."

Oakland's success with the sale-and-lease-back arrangement has inspired city fathers all across the nation, but it doesn't make the sale process much less complicated and it doesn't make understanding it much easier.

"Psychologically, people don't like the idea of selling a part of their town," says Brad Higgins, an associate in the municipal finance department of Goldman Sachs and Company, the investment bankers who helped put together the Oakland deal.

"It's a slow process," he adds, "You have to educate the city council and walk them through it a number of times. You have to understand the politics and the economics, both the long-term and the short-term. Basically, it's a legal transaction."

The process began here last summer, when the Philharmonic ran up an unpaid $73,000 bill with Kleinhans Music Hall. In looking for solutions to the problem, Larry Quinn, then the city's commissioner of community development, proposed that Buffalo look into what Oakland did. Michael McKeating, the county's budget director, has likened it to getting a second mortgage on a house to put the kids through college.

It will probably take until next summer to get all the preliminary snags worked out. First, there has to be approval from the Buffalo Foundation and the trustees of the estate of Edward Kleinhans, the clothier whose will provided the impetus for construction of the music hall.

Next there must be a waiver from Congress on repayment of federal grants for repairs to Shea's and Kleinhans in 1977. A similar waiver was passed for Tacoma, Wash, in December. "Our two senators have filed it," says Philharmonic board chairman Anthony J. Colucci, "and Congressman Nowak is tracking it through the House. I would be disappointed if it didn't happen by the end of February."

After that, approval is needed from whatever federal agency is successor to the Depression-era Public Works Administration, which built Kleinhans. It's believed to be the Department of Housing and Urban Development.

Then the Common Council gets to have its say. Mayor Griffin's behind it and a number of councilmen have indicated their support, notably Majority Leader James P. Kane, but others have expressed reservations. Finally, a petition must be made to Surrogate Court to adjust the provisions of the Kleinhans will to allow the sale. Then comes a "Request for Proposal," an advertisement for a buyer.

"I think the mayor has got tremendous foresight in this case." says Colucci. "The only way to sustain the arts throughout America is by using means of this type, where you don't adversely impact on the real estate taxpayer."

Equally enthusiastic is Thomas Ruffino, executive director of Shea's Buffalo. "With the city picking up the maintenance tab here, we won't have to ask them for money," he says. "I think it's a fantastically innovative way to raise funds. I'll bet you this won't be the last city-owned building sold in Buffalo."●

AMENDMENT NO. 493

(Ordered to be printed.)

Mr. ABDNOR (for himself, Mr. DECONCINI, Mr. DOMENICI, Mr. D'AMATO, and Mr. MOYNIHAN) proposed an amendment to the bill H.R. 1718, supra.

AMENDMENT NO. 494

(Ordered to be printed and to lie on the table.)

Mr. EXON submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 495

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 496

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY (for himself and Mr. NICKLES) submitted an amendment intended to be proposed by them to the bill H.R. 1718, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, the Senate Select Committee on Indian Affairs will hold an oversight hearing on the disbursement of funds by the Bureau of Indian Affairs to do a study of the irrigable acres on the Blackfeet Reservation in Montana on Tuesday, April 12, 1983 at 9:30 a.m., room to be announced. For further information, contact Paul Alexander, staff director at 224-2251 or Maria Mendoza of the committee staff at 224-2251.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will conduct hearings, Wednesday, March 16, on the administration's proposal to require workfare for able-bodied food stamp recipients.

The committee will meet at 10 a.m. in room 328A Russell Senate Office Building.

Anyone wishing further information should contact the Agriculture Committee staff at 224-2035.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of field hearings to consider S. 615, the President's natural gas proposal, and other related pending legislation.

The first day of hearings will be held on Monday, March 28, beginning at 10 a.m. in the State office building located at 440 South Houston, Tulsa, Okla. 74127. Those wishing to testify should contact either in writing or by phone, as soon as possible, one of the following individuals: Ron Bacon, office of Senator NICKLES, 3003 Federal Building, 333 West 4th Street, Tulsa, Okla. 74103 (918-581-7651); Steve South, office of Senator NICKLES, room SH-713, U.S. Senate, Washington, D.C. 20510 (202-224-5754); or Howard Useem, Committee on Energy and Natural Resources, United States, Washington, D.C. 20510 (202-224-5205).

The second day of hearings will be held on Tuesday, March 29, beginning at 10 a.m. in the Lincoln Plaza Forum Building, 4345 Lincoln Boulevard, Oklahoma City, Okla. 73105. Those wishing to testify should contact either in writing or by phone, as soon as possible, Mr. Dick Tourtellottee, office of Senator NICKLES, 820 Old Post Office Building, 215 Dean McGee Avenue, Oklahoma City, Okla. (405-231-4941) or Mr. South or Mr. Useem at the above-listed numbers.

ADDITIONAL STATEMENTS

PEANUT DAY IN WASHINGTON

● Mr. NUNN. Mr. President, the month of March has been designated National Peanut Month, and today is Peanut Day in Washington.

Georgia leads the Nation in the production of peanuts with approximately 500,000 planted acres. Over 16,000 Georgia farmers produce more than 1.5 billion pounds of peanuts, averaging 3,000 pounds per acre during a normal year. On 35 percent of the total U.S. acreage Georgia accounted for 43 percent of the Nation's production. Peanuts are grown commercially in 80 of Georgia's 159 counties with the average farm size of 29 acres accounting for over 25 percent of the State's crop income. There are 50,000 persons directly employed in the production of peanuts, and over $400 million in gross receipts are paid to Georgia peanut producers each year.

I would like to commend the Georgia Commodity Commission for peanuts for their efforts in promoting peanuts. Georgia peanut exports have increased over twofold since 1973 when Georgia peanut growers began international market development activities. During 1982, the commission through the National Peanut Council conducted 15 programs in seven countries. More than 3 out of every 10 rows of Georgia peanuts are now exported, worth over $120 million. Each grower dollar spent on export promotion generates $2 from USDA's Foreign Agricultural Service and $10 from companies in other countries. Each dollar invested by Georgia peanut growers generates a return of nearly $1,000 in international peanut sales.

I hope you will join me in saluting the peanut industry, and celebrating "Peanut Day in Washington."●

HAS CONGRESS FORGOTTEN THE MONROE DOCTRINE?

● Mr. HELMS. Mr. President, the March 14 issue of Forbes magazine contains a short statement by deputy editor in chief, Malcolm Forbes, Jr., on the current situation in El Salvador entitled, "Has Congress Forgotten the Monroe Doctrine?"

Mr. President, I myself often wonder whether Congress has forgotten the Monroe Doctrine. Mr. Forbes applauds Secretary of State, George Shultz, for standing firm against negotiations with the guerrillas, and for reaffirming our commitment to the democratic process in El Salvador. Secretary Shultz said "no dice" to the idea of letting the guerrillas shoot their way into the Government.

Mr. Forbes correctly points out that the United States could pull out of El Salvador if the two sides were to engage in dialog, but we could not long ignore the consequences of such an action. Sooner or later, Congress will have to realize that what is at stake in Central America is, its security—and our security.

Mr. President, I commend Mr. Forbes' remarks to my colleagues, and ask that the entire text be printed in the RECORD at the conclusion of my remarks.

The material follows:

HAS CONGRESS FORGOTTEN THE MONROE DOCTRINE?

(By M. S. Forbes, Jr.)

Secretary of State George Shultz was on target when he recently told a congressional committee that the Administration would not initiate negotiations with El Salvador's Communist-led guerrillas. He rightly pointed out that the insurgents had tried a year ago to block free elections with violence, and "to now say, let them shoot their way into the government—no dice!"

The rebellion in El Salvador would wither without the massive support it receives via Nicaragua, from the Soviet Union and its puppet, Cuba.

Shultz recognizes what his predecessor recognized: Central America is in our own backyard. He hasn't forgotten the Monroe Doctrine, even if many congressmen have.

Two years ago FORBES pointed out that El Salvador was not the noble-peasant-versus-nasty-oligarch conflict portrayed in much of the U.S. press. El Salvador was a "society changing to modern ways, with the educated children of the old rich, the young businessmen and technicians forming a new middle class." El Salvador was near the take-off stage in development when the Marxists began their guerrilla war against the government.

Congress is putting increasing pressure on the Administration to force El Salvador to parley with the guerrillas. But about what?

Given the fact that the rebels are dominated by the Soviet-Cuban proxies, a "coalition" government wouldn't last. Control would ultimately be won by violence, and the non-Communist forces would be weakened with a Marxist fifth column in their midst.

The idea that negotiations would neatly extricate the U.S. from this mess is wishful thinking. Yes, we could pull out. But we couldn't long ignore the consequences.

To save El Salvador will require an increased U.S. commitment in aid, in arms, in "advisers."

That Congress would take a shortsighted view is regrettable but understandable. As one legislator put it to Shultz: "Foreign Assistance does not have a constituency."

But U.S. security does. At some point President Reagan will have to explain to the American people what's at stake in Central America and why we dare not walk away.●

CONSERVATION PRINCIPLES: BACK TO BASICS

● Mr. ARMSTRONG. Mr. President, I submit for the RECORD a statement I made before the Colorado Wildlife Federation recently.

The statement referred to follows:

CONSERVATION PRINCIPLES: BACK TO BASICS

The Republican president, in real life a sometime rancher, came to politics with his twin reputations as a hawk on military matters and as an outspoken advocate of his country's interests in such foreign policy issues as the Panama Canal.

But history remembers this president primarily for other reasons . . . especially his concern for America's natural resources. Time and again, he stressed that "Conservation of our natural resources is the most weighty question now before the people of the United States."

And who could doubt it? The issues of conservation have changed but the central concern is the same today as when Theodore Roosevelt first framed the question at the turn of the century.

When he left the White House in 1909, President Teddy Roosevelt had established protective management of 230 million acres of public lands that spanned—and still spans—the country from remote Hawaiian islands to Puerto Rico. He quadrupled existing forest reserves, established the first 50 federal wildlife refuges, doubled the number of national parks, created the first 18 national monuments and launched a program of irrigation to reclaim millions of acres of arid Western land.

Any American who has visited Crater Lake, Yosemite, Yellowstone, the Muir Woods, Mount Olympus or Colorado's Mesa Verde owes a debt to one of our greatest conservationists. Every hunter and fisherman, every grazier and miner, every irrigator, skier, logger and many more enjoy a

quality and diversity of life that is directly traceable to the conservationist philosophy to which Theodore Roosevelt awakened in the Twentieth Century.

Gifford Pinchot, America's first forester and Roosevelt's close ally, was another driving force behind the conservation movement in these now-celebrated words.

"The first principle of conservation is development, the use of the natural resources now existing on this continent for the benefit of the people who live here now. There may be just as much waste in neglecting the development and use of certain natural resources as there is in their destruction . . . In the second place conservation stands for the prevention of waste. There has come gradually into this country an understanding that waste is not a good thing and that the attack on waste is an industrial necessity . . . Conservation means the wise use of the earth and its resources for the lasting good of man. Conservation is the foresighted utilization, preservation, and/or renewal of forests, waters, lands and minerals for the greatest good of the greatest number for the longest time."

With these guiding principles—development, preservation and the common good—he arrived at this conclusion;

"The earth and its resources belong of right to its people. Without natural resources life itself is impossible. From birth to death, natural resources, transformed for human use, feed, clothe, shelter, and transport us. Upon them we depend for every material necessity, comfort, convenience, and protection in our lives. Without abundant resources, prosperity is out of reach. Therefore, the conservation of natural resources is the fundamental material problem. It is the open door to economic and political progress. That was never so true as now."

More than 70 years later, these words still ring true. And yet, few people today seem to speak about natural resources with such moderation and compelling good sense. Public discussion of natural resource issues has become strangely and bitterly divided between the extreme poles of development and preservation. For Colorado—with its large undeveloped energy and water potential, its rapidly growing economy and industries, and its unique natural splendors—this debate has special significance. Our state and the nation as a whole are not well served by any policy produced from the mutual cancellation of two extremes. The time has definitely come, in my opinion, for a discussion of natural resource principles and objectives. . . for a return to conservation basics.

A good start would be with the founders of the conservation movement. "Conservation", Pinchot said, "means the greatest good to the greatest number for the longest time." He said it "demands the application of common sense to the common problems for the common good."

One of the reasons I was so pleased to be asked here tonight, was the opportunity of inviting you to help restore moderation and common sense to the natural resource debate. For our state and for our country, a very great deal is at stake. The Colorado Wildlife Federation—Colorado's largest conservation organization—and its national affiliate are becoming known for their balanced and sensible approach to these issues. I compliment you for your perspicacity and statesmanship.

Others also show a commendable spirit of accomodation. Recently, Christopher Palmer an officer of the National Audubon Society published a candid and encouraging article in the Washington Post entitled "Business and Environmentalists: A Peace Proposal." He cautioned that:

"Environmental goals should not be perceived without regard to their consequences elsewhere. Preserving wilderness is important, but it is only one of a number of important national goals. For example, energy policy should not be based on environmental values alone. A clean environment is just one of many results we want in an energy policy, not the central driving force. Environmentalists have to accept the fact that occasionally—ideally rarely—they may have to compromise some environmental goals for more important ones such as jobs. Too often environmentalists give the impression of wishing economic growth would simply go away. But economic growth and increased productivity are needed to create new jobs, increase our investments in energy-efficient housing and our investments in new, less polluting industrial processes."

He went on to observe that environmental protection is not antibusiness; instead it is just another cost of doing business. I've always felt that the most direct way of protecting the environment is by internalizing environmental costs in a finished product and leaving the marketplace free to judge its value. The cost of coal-fired electricity, for example, should reflect not only the cost of mining, transporting and burning the coal, but also the costs of smokestack scrubbers and land reclamation. It was for this reason that I voted for the bill requiring strip mined land to be reclaimed and I felt strongly enough about this issue to vote to override President Ford's veto of tough stripmine legislation.

Business and conservation are by no means the natural enemies people often take them for. Consider that there are more than 600 companies, employing hundreds of thousand of people around the country, in the multi-billion dollar industry of manufacturing air and water pollution control equipment alone.

Not so very long ago, recycling was an idea that was scoffed at, but today hundreds of new companies are in the thriving business of collecting and reprocessing the paper and metals that otherwise would be replaced by further resource consumption. This is exactly what Pinchot had in mind when he discussed the importance of preventing waste.

"Conservation stands for the prevention of waste. There has come gradually into this country an understanding that waste is not a good thing and that the attack on waste is an industrial necessity . . . The prevention of waste . . . is a simple matter of good business . . . In all these matters of waste of natural resources, the education of the people to understand that they can stop the leakage comes before the actual stopping and after the means of stopping it have long been ready at our hands."

We already have the knowledge and the means to use our resources wisely—through a policy of conservation that includes preservation but does not just stop there.

As the 98th Congress begins, this is a good chance to review its work over the last two years. Most of you, I think, know that the last Congress began only days after Colorado's RARE II bill was signed into law. Many of you, in fact, actively participated in the year-long process that eventually produced Colorado's most important public land legislation in a long while. That Act doubled our state's wilderness inventory by adding over one million acres to the wilderness network, released many acres to productive multiple use management and reserved several significant areas for further study and review. The result was a moderate, sensible wilderness act that is very much in keeping with the principles of our early conservationists.

Hoping to build on that accomplishment during the 97th Congress, I introduced the Colorado Wilderness Act of 1982. Its purpose was to give wilderness protection to the 8,000 acre Spruce Creek Area near Aspen and to complete the national park wilderness system in our state by extending wilderness protection to Dinosaur National Monument, Rocky Mountain National Park and the Colorado National Monument. Creating half a million new wilderness acres, it was intended as another step on a long journey begun by Theodore Roosevelt when he proposed special protection for Yellowstone National Park so long ago. Having reserved portions of the public lands from development, we have a continuing obligation to manage them for the greatest good to the greatest number for the longest time. For this reason, I also supported efforts to pass legislation protecting the nation's wildernesses from energy and mineral development. In my opinion, these areas are for the enjoyment of our own and future generations, and should be among the last places we look for natural resource development. During the post-election session, Congress finally passed such a wilderness protection bill.

But, Congress did not act on Colorado's new wilderness bill before it adjourned last month. Therefore I would like to announce tonight that, when I return to Washington next week, I will reintroduce that measure and press for its early adoption. In addition, many of the reports to Congress an areas reserved during RARE II for further study are due in 1983. I will be evaluating these areas and others for inclusion into a Colorado Wilderness Act of 1983 and ask for your help in consolidating our state's position as a national leader in completing its wilderness network and resolving its outstanding questions of public land management.

And, as you know, the Bureau of Land Management's review is just getting under way on hundreds of thousands of acres in Western Colorado. This effort is the third leg of the triad of federal agencies working toward early completion of our public land inventory.

There is another kind of inventory, also involved in Colorado's BLM lands, that I would like to mention at this point. I've been studying the possibility of greatly expanding and consolidating the now-disjointed parcels of Hovenweep National Monument in southwestern Colorado and southeastern Utah to include more of the lands rich in the historical resources of the Anasazi Indian culture. Much of these lands are currently outside the existing Monument's boundary and are being managed by the BLM. Unfortunately, every year these archaeologically important but unprotected ruins are being picked apart illegally. As Roosevelt's Antiquities Act of 1906 approaches its 80th anniversary, I believe it is high time we turned our attention to the important cultural resources on our public lands and acted to prevent the kind of waste that Pinchot warned us against.

A dramatic example of natural resource waste on a colossal scale is this country's soil erosion problem—five billion tons of topsoil are lost every year. Two-hundred and twenty-five million acres of fragile west-

ern grasslands are rapidly undergoing severe desertification that is for practical purposes irreversible, because it takes nature 100 years to replace an inch of topsoil. Incredible though it may seem, the federal government's agricultural support policies actually provide incentives for plowing up these native grasslands. In November of 1981 I introduced a measure, quickly nicknamed "The Sodbusters Bill," to ban federal price supports, crop insurance, disaster payments and other incentives for crops to be grown in soil not cultivated during the last 10 years. During the single year that this bill was before Congress, well over a hundred thousand acres of grassland were put to the plow in Colorado alone and another five billon tons of topsoil were lost nationally.

In September, this measure passed the Senate but failed to clear the House before the 97th Congress adjourned. This happened despite the fact that the bill was supported by the Reagan Administration, the American Farm Bureau, National Farmers, Union, Natural Resources Defense Council and numerous concerned conservation and other public groups. There is every good reason to support this measure and none that I can think of to oppose it, except perhaps inattention to a waste of natural resources of an unparalleled degree. Watching this urgently needed bill languish as the lame duck session unraveled into disarray, I was reminded of the critical observation that the U.S. Congress can be a strange place where a man stands up to speak and says nothing . . . nobody listens, and then everyone disagrees. I am determined, however, to reintroduce this bill soon in the new Congress and redouble my efforts to get it enacted.

Another important measure that failed to get the congressional attention it deserved was the Colorado River Salinity Control Act that I introduced in March of last year. This measure authorized eleven new projects to control the salinity that is slowly but surely poisoning the Colorado River and which is already seriously degrading important fish and wildlife habitats along its 1,400-mile length. Colorado River salinity last year did an estimated $100 million worth of damage to western cropland, and water systems, and this damage toll is expected to rise to $237 million annually by the year 2000. The river carries a staggering 10 million tons of dissolved salt every year. Along many parts of the Colorado, the river's salinity is well above the maximum safe drinking water standard set by the Environmental Protection Agency. Important river fisheries are being choked with salt, as are large acreages of irrigated cropland that provide food and cover to a wide variety of wildlife. I intend to put this issue high on the new Congress' priority list and am very optimistic about the chances for congressional action.

On some other proposals for preventing waste of natural resources, the 97th Congress was more decisive. The Endangered Species Act was strengthened and reauthorized for a full three years and Congress passed a bill, which I cosponsored, to protect 200,000 acres of fragile barrier islands that are strung like a necklace along our Atlantic and Gulf Coasts. These pristine islands give rise to incredibly rich and diverse aquatic, bird and wildlife ecosystems that are increasingly subject to intense development pressures.

Congress came close to funding the purchase of an easement for the MacGregor Ranch in Rocky Mountain National Park—a scenic resource many of us are anxious to acquire for Colorado and the nation. We will need to act on this matter in the next eight months, if we are to make the acquisition timetable set in the 1980 RARE II Act. Congress also came close to approving a bill which I cosponsored, to extend protection to a dozen rivers nationwide—including the Encampment River to Colorado—while we review them for possible wild and scenic designation.

The 97th Congress debated several energy issues of considerable importance. From Colorado's point of view, chief among these was oil shale leasing legislation. Early in the Congress, I introduced a bill that was limited to providing authority for the off-tract leasing; this is necessary so companies like Rio Blanco can go ahead with gradual development of their oil shale tracts. Later in the session, however, Senator Warner of Virginia introduced a comprehensive oil shale leasing measure that many in Colorado thought would lead to rapid development of the new oil shale industry. I worked with Senator Warner—and some of the people in this room—for a restrained and moderate leasing policy. When this modified Warner bill got bogged down in the postelection session of Congress, I introduced a limited off-tract leasing bill that since has been signed into law. This measure will allow Rio Blanco to go ahead and will give us some practical experience with what are now environmental uncertainties about off-site disposal. I also supported a move to extend the qualifying period for energy investment tax credits in synthetic fuels development and to provide economic assistance to communities dealing with the social, economic and environmental impacts of large energy developments.

On the other hand, I supported efforts, unsuccessful thus far, to eliminate federal financial support for the SRC-1 Coal Project, as well as federal aid to the Clinch River Breeder Reactor. In my opinion, the federal role in stimulating such new energy industries ought to be carefully limited to elimination of unnecessary regulation, whenever possible, and providing incentives and modest inducements for a first generation of demonstration technologies primarily through purchase contracts and loan guarantees. Enormous direct federal investment in industries and technologies that the energy marketplace has rejected is not a wise use either of scarce taxpayer dollars or of our energy resources.

As the new Congress begins its work, I believe we can look back on the last decade as a time of substantial progress in land and water conservation and, more broadly, in the effort to preserve our natural heritage in many ways.

The nation's air is generally much cleaner since passage of the Clean Air Act in the early 1970's. From 1974 to 1978, the number of unhealthy air days in 23 major metropolitan areas decreased 18 percent. Nationwide, average annual concentrations of suspended particulates fell by 7 percent, sulfur dioxide by 20 percent and carbon monoxide by 33 percent.

Colorado's main air pollution problem is the Denver metro area. Although a great deal remains to be done, we have already made significant progress in reducing our three major pollutants. Ozone levels dropped by a third from 1976 to 1981, leaving us below the air quality ceiling for that pollutant. Nitrogen dioxide dropped 18 percent from 1975 to 1981, and EPA last month reclassified Denver as an attainment area for the pollutant. Carbon monoxide, the chief component of the "Brown Cloud," is still a serious air quality problem, but the number of days Denver exceeded EPA standards for that pollutant dropped 58 percent from 1975 to 1981 . . . falling from 75 days a year to just 31 days.

We have arrested the steep decline of America's water quality. Trout are returning to what was one of the most polluted rivers in New Hampshire, salmon have returned to the Connecticut River and the Penobscot River in Maine, and the Winooski River in Vermont is now swimmable. This county's Great Lakes Water Quality Agreement with Canada has made great progress toward reducing the pollution of two centuries. DDT in Lake Michigan dropped 90 percent since 1969, phosphate content of Lake Ontario has been substantially reduced, and loading of toxic substances in Lake Huron is on the decline. All five lakes have witnessed enormous visual improvements and shoreline property values are going up rapidly.

In the mid-1960's, the South Platte/Cherry Creek system in downtown Denver was rated one of the worst polluted rivers in the country. They were essentially dead, having enough chemicals and compounds in them to exclude even micro-organisms. Today, these urban waterways are classified as warmwater fisheries; 350 pollution sources along 15 miles of water have been cleaned up and 90 percent of the contamination has been eliminated. Seventeen varieties of fish were recently counted in what was considered a chemical sewer less than ten years ago.

Colorado big game populations have experienced large increases in recent years and are now at strong, healthy levels. The number of deer is up 10–15 percent in the last ten years; the elk population has doubled in the last 20 years, while bighorn sheep have more than doubled in the same time. There are now 60 established bighorn herds in Colorado, more then half of which are new, having been transplanted to historic ranges. From 1900 to 1970, there were almost no river otters in Colorado; since the 1970's, 75 otters have been introduced in historic habitats like the Colorado, Piedra and Gunnison Rivers; this is a program that has been strongly supported by the Colorado Wildlife Federation. DDT poisoning almost eradicated the peregrine falcon in Colorado; the state's 35 historical nesting sites were reduced to just 2 in 1975. The Colorado Division of Wildlife has introduced 170 peregrines into the wild since 1975 and has successfully re-established ten of the abandoned breeding sites.

But despite this progress, of which we can be justifiably proud, much remains to be done.

The very progress that has already been made in curbing the worst excesses of air pollution only emphasize the need to move strongly and relentlessly to bring levels of contamination down to acceptable standards.

And the problem of water pollution, despite worthwhile and significant progress, remains a concern of enormous environmental scope and economic cost. As many as two-thirds of the nation's lakes and rivers may have serious pollution problems. EPA estimates that it will cost $118.4 billion to bring municipal wastewater systems up to standard between now and the turn of the century.

Acid rain, long thought a problem only in the Northeast, has arrived here in Colorado and elsewhere in the Rocky Mountain West.

Our high mountain streams and lakes are particularly vulnerable to damage caused by high acid PH balances, and this problem needs intensive study and action.

What is happening to the nation's topsoil may turn out to be literally a life or death issue for millions of people.

Congress must stop the loss of 5 billion tons of topsoil every year. One hundred thousand acres of fragile native grassland were put to the plow in Colorado alone last year, while 225 million acres of western grassland are undergoing severe decertification. If current trends continue, the cutting of tropical forests could cause the extinction of 10 percent of the world's plant and animal species by the year 2000, aggravate the rise of CO_2 in the earth's atmosphere, and cause river siltation and flooding in underdeveloping nations.

Possibly the most alarming fact to be considered in setting the environmental agenda for the coming years is the human population. By the year 2000, it is expected to swell to 150 percent of today's level and nearly double in some of the poorest countries.

The problems are vast. And I do not claim to know all the answers. But I am convinced of one thing. Whatever is ahead, we can handle. The progress we have already made in coping with serious concerns underscores our ability to do so.

In fact, I am convinced that this country has what it takes to handle just about anything that comes along . . . faith in God and in ourselves . . . institutions of self government that for all their shortcomings remain the envy of the entire world . . . a productive economy that sometimes stumbles but recovers to come back stronger than ever and more creativity, intellectual horsepower and determination than any nation the world has seen before.

It's going to be exciting to work on these problems and to solve them. I look forward to working with you in the effort to do so.●

HOW ECONOMISTS VIEW THE CORPORATE TAX

● Mr. HELMS. Mr. President, recently the President made comments that were interpreted by the news media that he favored repeal of the corporate income tax. Actually the President was making a point about the double taxation of dividends, and emphasizing the need for an economically justifiable and equitable reform of the existing tax system.

In the February 2 Wall Street Journal, Paul Blustein analyzes this proposition and suggests that in spite of the political flack that the President received, the President should be complimented on his stand.

Mr. President, I ask that Mr. Blustein's article be printed in the RECORD.

The article follows:

[From the Wall Street Journal, Feb. 2, 1983]

HOW ECONOMISTS VIEW THE CORPORATE TAX

(By Paul Blustein)

As far as the White House is concerned, it would be best to bury and forget President Reagan's suggestion last week to a group of New England businessmen that the corporate income tax ought to be abolished. The politically touchy notion is "not on the front burner. It's not on the back burner," presidential spokesman Larry Speakes insisted on Thursday.

But a lot of economists think the president had a point when he said that the idea is "something to study and look at." The majority view in the economics profession, according to several of its members, is the president's idea is sound—in theory. Difficulties arise, however, in figuring out how to put the theory into practice.

Mr. Reagan may have been putting things a bit strongly when he said the existence of the corporate income tax is "hard to justify," some economists say. "The major practical justification is that the corporation income tax is needed to safeguard the individual income tax," says Joseph Pechman, a tax expert at the Brookings Institution in Washington. If the corporate income tax were scrapped, he notes, rich people could simply leave their wealth within corporations to gather income—sheltered from taxes—until it was withdrawn.

Even conservative economists concede that would be ridiculous. "I'd go out and incorporate myself immediately," jokes Rudolph Penner, a fellow at Washington's American Enterprise Institute. Mr. Penner says he's sure that outright abolition wasn't what the president had in mind (Mr. Reagan's words weren't precise, and the White House refused to elaborate). "What's been lost here," says Mr. Penner, "is that the president is talking about integrating the corporate income tax with the personal income tax. It's a proposal economists have been making for years."

Integrating the two taxes would mean that shareholders would include in their personal income a share (proportionate to their holdings) of the earnings of corporations whose stock they own. Those earnings would then be taxed at the individual shareholder's personal rate. "Economists by and large agree that this would in principle be a good idea," says Benjamin Friedman, professor of economics at Harvard University. The dispute arises over whether the theory is worth all the practical problems: What to do, for example, about shareholders who hold stock in a particular company for only part of the year.

The classic arguments in favor of radically changing the system, economists say, mostly boil down to the fact that the corporate income tax creates distortion in the allocation of resources. "It worsens the discrimination against savings and investment" that already exists in the tax system, says Charles McLure, senior fellow at the Hoover Institution in Palo Alto, Calif. "It also discriminates against the corporate sector in favor of the non-corporate sector (such as housing), and tends to induce corporations to rely on borrowing," because the interest on debt is tax-deductible.

Some of those arguments went out the window, Mr. McLure says, when the sweeping tax law changes in 1981 provided corporations with substantial new deductions and credits that reduced the effective tax rate on corporate income to very low levels. (A Treasury spokesman says that in recession-ravaged October and November 1982, corporations as a whole—for the first time ever—paid less in taxes than they received in refunds.) But even with all the writeoffs available, "you're still left with a quite non-neutral tax system," Mr. McLure says. One example: The investment tax credit and the "10-5-3" depreciation schedule enacted in 1981 favor investment in vehicles and equipment rather than buildings and plant.

"So, given that corporate taxes are virtually eliminated, there's little reason for keeping the system around," Mr. McLure says.

That isn't an idea embraced solely by conservative Republicans. When he ran for president in 1976, Jimmy Carter said he favored doing away with the "double taxation" of corporate income that results when profits are taxed first at the corporate level, then again at the shareholder level after being distributed as dividends. The Carter administration seriously considered adopting an integrated tax system similar to Britain's, but the proposal was abandoned because the business community wasn't supportive. In the end, Congress simply dropped the top tax rate on corporate earnings to 46% from 48%.

A principal reason for businessmen's lack of enthusiasm, says Emil Sunley, who was deputy assistant secretary of the Treasury for tax policy at the time, was that the proposal mostly would have benefited corporations that payout a large portion of their earnings as dividends—as opposed to fast-growing companies, which tend to keep a lot of their profits to finance expansion. That's because the proposal was what economists call "partial integration," in which only that portion of corporate earnings that is distributed as dividends becomes integrated into the personal income tax system.

"One of the problems with this proposal was whether it would really increase the level of business investment," says Mr. Sunley, who is now director for tax analysis at Deloitte Haskins & Sells, the big accounting firm. Since "partial integration" provides tax benefits to corporations and their stockholders only if profits are distributed as dividends, that might mean that managements would tend to vote dividends rather than reinvest profits in new plant and equipment, Mr. Sunley notes.

Because of the imperfections of partial integration, many economists, especially conservatives, favor a system of "full integration"—in which shareholders are taxed at their personal tax rate on all of their prorata share of corporate earnings, whether distributed to shareholders as cash dividends or not. But this "theoretically pure" and "non-distortive" solution has its own set of obstacles.

To avoid creating cash-flow problems for individual taxpayers, "full-integration" proposals include a "withholding" mechanism—analogous to that which applies to wages—in which corporations would forward tax payments to the Treasury, and shareholders would claim credits on their tax returns for the payments made on their behalf. "Lawyers don't like it" because of the complexity, says the American Enterprise Institute's Mr. Penner, "but our tax code includes a lot of complicated provisions—and sure, some of them aren't administered perfectly—but in this case I think it would be do-able and very desirable."

Opponents of the idea counter with the question: Which individual tax bracket—the top rate of 50%, or some lower number—would corporations use in deciding how much tax to "withhold" from their shareholders, each of whom presumably pays taxes in a different bracket? "You see," chuckles Mr. Pechman of Brookings, "it ain't easy."●

LET US MAINTAIN THE COMMITMENT TO WEATHERIZATION PROGRAMS

● Mr. SASSER. Mr. President, the value of low-income energy assistance and weatherization programs cannot be underestimated. Ten years ago, energy costs consumed roughly 10 percent of our gross national product. Today, that figure has increased to 16 percent. Among the poor and the elderly of this Nation, low-income energy assistance and weatherization programs have made a vital difference.

It has been estimated that low-income Americans now spend approximately 30 percent of their income on direct energy expenditures. Many poverty level families spend from 40 to 50 percent of their budgets on fuel and utility costs. A recent report prepared by the Consumer Energy Council of America, "Decade of Despair," indicates that the loss of purchasing power for low-income Americans due to rising energy costs in the 1970's totaled over $9 billion.

In Tennessee, the Department of Energy weatherization program has grown from $486,000 per year in 1977 to $5 million in 1982. This year, Tennessee expects to receive approximately $5.9 million. Since 1977, 46,000 Tennesseans, 42 percent of which were elderly, have received assistance through the weatherization program.

Weatherization programs, in addition to serving valuable conservation purpose, provide a much needed boost to local economies by providing jobs and services to communities. Funding for the weatherization program will put thousands of Americans back to work. Many small businesses contract to provide the vital installation involved in these weatherization programs. Thus, maintaining adequate funding for low-income energy assistance and weatherization programs also can mean the difference in keeping these small businesses in business.

I urge my colleagues to continue to support these vital programs.●

CONGRESS AND THE IMF: THIS BAILOUT IS NOT NECESSARY

● Mr. HUMPHREY. Mr. President, yesterday, the administration request for an additional $5.8 billion contribution to the International Monetary Fund and a $2.7 billion boost of our share in the general arrangements to borrow was formally introduced in the Senate. I believe that there are many economically and philosophically sound reasons either to amend this bill substantially or to flatly defeat it, and I respectfully urge my colleagues to consider very carefully whether or not we want to be sold this bill of goods.

The Treasury Department is attempting to persuade us that the quota increase will not pose additional burdens on taxpayers or the budget deficit, that we are in fact simply "swapping assets" with the IMF. In fact, Mr. President, there are very real economic costs involved in this transaction. The U.S. Treasury will swap highly liquid assets—namely, dollars—for dormant IMF reserve assets known as special drawing rights, or SDR's. Small businessmen in New Hampshire, or anywhere else for that matter, cannot borrow SDR's in the credit markets in an effort to get their establishments moving again. They and all other domestic borrowers need good hard dollars, and if the Congress yields to the IMF funding request there will be 8.5 billion fewer of those dollars available here at home.

The biggest beneficiaries of a quota increase are likely not to be troubled LDC's, but domestic banks—the nine largest of which had exposed 222 percent of their capital to nonoil developing countries as of June 1982. Rather than provide still more money with which the LDC's can continue to pull the bank further into the hole, should we not be investigating options designed to end this dangerous escalating debt cycle, such as the writedown of bad loans to realistically collectible levels, or the establishment of greater loan loss reserves at highly exposed banks, or the consolidation of short- and medium-term loans into longer term loans with more realistic repayment schedules? If bank earnings are squeezed, or a dividend is postponed here and there, so be it: This is the free market mechanism for informing stockholders that management has made some bad calls.

Supporters of the IMF funding increase have depicted doomsday scenarios involving the failure of large banks and the collapse of the international banking system if troubled debtors are not bailed out. Yet, the Congress has been provided insufficient data to explain in detail which banks are in trouble, to what extent, or what specifically would happen to the banking system if such events as continued debt rescheduling suspensions of interest payments, or even a de facto default were to take place. I know that many people in New Hampshire are going to demand an adequate answer to this question, and I expect that my colleagues are hearing similar sentiments from their constituents. Finally, Mr. President, a rubber-stamp approval of this request by Congress will send what I believe to be a dangerous message to the banks and to their troubled debtors.

Mr. President, yesterday's introduction of the IMF quota increase request was accompanied by a timely and frank editorial appearing in the Washington Times, entitled "This Bailout Isn't Necessary." I commend this editorial to the attention of my colleagues and would only add my expectation that similar sentiments will be expressed by editorialists across the Nation, and ultimately by a justly enraged citizenry, as this issue gains visibility in the coming weeks.

The editorial follows:

[From the Washington Times, Mar. 8, 1983]

THIS BAILOUT ISN'T NECESSARY

Nice point-counterpoint on the Hill yesterday. First, Donald Regan testified on behalf of an emergency appropriation to shore up the international financial system. Then Paul Craig Roberts, Regan's former assistant at Treasury, raised some warning signals at the same House hearing.

Besides Poland and a few other East European Communist countries, as many as 50 or more developing nations in Latin America and Africa either can't pay, or soon won't be able to pay, their debts to private Western and Japanese banks. If the debtors default and the banks fail, there goes the credit that fuels global trade. Goodbye recovery, hello depression.

So the administration wants to give the International Monetary Fund an additional $8.4 billion to lend to debtor nations so they can pay the banks. In other words, a bailout. Other creditor nations would also help replenish IMF coffers. And the private banks would have to lend still more to debtor nations as part of the ideal.

But why, in Roberts' words, "load up debtor countries with more debt and worsen the exposure of private banks that are already at risk"?

Congress is also being told the bailout would be a no-cost swap of assets between Treasury and the IMF. Really? Once Congress passes an off-budget appropriation for the IMF, Treasury has to issue a letter of credit, in dollars, equal to three-fourths of the amount. The rest Treasury hands over in cash.

And when the IMF draws down on that credit, Treasury has to cover by borrowing in the financial markets, as it does to cover the budget deficit. Ergo, friends, financing the bailout has the same effect as widening the deficit.

Since the IMF deal requires the banks to pile on more loans to nations that have spent beyond their means, the banks will have less cash to buy corporate and U.S. government bonds. Why Regan or anybody else thinks this won't hurt recovery is beyond us. To avoid pushing up interest rates, in fact, the government would have to finance the bailout with higher taxes on Americans' income or reduce defense spending. Some options.

Nor would the bailout benefit us by enabling debtor nations to buy U.S. exports. In exchange for granting loans, the IMF requires troubled debtor nations to reduce imports and expand exports. In other words, they're not supposed to buy from us; we're supposed to buy from them. How this will help our burgeoning balance of payments deficit and its drag on recovery is also beyond us.

Besides, there are too many debtor nations. A few could beggar their neighbors, but they all can't simultaneously sell more and buy less from each other.

If there's to be a bailout, why not do it outside the IMF, many of whose debt-ridden member nations regularly dump on the U.S. as the source of (a) their problems and (b) all evil in the world? Why not lend to the troubled debtors through a self-liquidating revolving fund set up by the U.S. and its allies, until the crisis passes? This way, we

and our allies could extract our own *quid pro quo* from nations that otherwise take our help through the IMF and then rub our faces in the dirt by way of thanks.

But why bother with a bailout in the first place? Forget it. Instead, as Roberts counseled, let the 15 or so U.S. banks with the biggest exposure get together with their European and Japanese counterparts. Let them decide how much of their bad loans they need to write off so the debtor nations can pay off the remainder.

The banks would lose some earnings. Dividends, stock prices and management bonuses would dip. But the banks would more than survive (loans to non-oil producing, developing nations represent less than 11 percent of combined assets of the nine largest banks involved).

Besides chastening the bankers, partial write-offs are better for them than getting in deeper by being required to extend more loans. The government could help the banks, at less cost to Treasury than the IMF deal, by requiring them to set up tax-deductible, loan-loss reserves (pretax earnings set aside for investment in, say, government bonds) tied to the delinquent foreign loans.

The banks made the risky loans expecting global inflation would keep commodity prices rising. Instead, the Fed brought on disinflation with a vengeance. But, as Roberts testified, the "deeper our banks, the State Department, the Treasury and the Federal Reserve get involved in trying to prop up old loans with new ones, the greater the stake they acquire in the resurgence of world inflation.

"Rapidly rising oil and commodity prices would provide the Third World with growing revenues to service a depreciating debt. The American consumer would be left holding the bag in a big way."

Even without renewed inflation, the bailout the administration wants will cost Americans and impair recovery, without disciplining the bankers, encouraging economic growth among the debtor-nations, or even assuring that we wouldn't simply be throwing good money after bad and worsening the crisis.●

MORTGAGE REVENUE BONDS: A LOW-COST AND HIGH-BENEFIT PROGRAM THAT SHOULD BE CONTINUED

● Mr. SASSER. Mr. President, the sunset provision of the Mortgage Subsidy Bond Tax Act of 1980 calls for the expiration of the mortgage bond program on December 31, 1983. Senator ROTH has sponsored, and I have cosponsored along with 36 of our colleagues, S. 137, a bill to abolish the sunset provision and allow the program to continue.

The purpose of including sunset provisions in program legislation is to insure thorough review of legislation on the books before reaching a decision as to whether the programs we enact should be continued, altered or terminated.

The history of the mortgage bond program in Tennessee is a prime example of what can be accomplished, and why this particular program should be continued. The Tennessee Housing Development Agency reports total sales of $709 million in bonds on the national market; of that total, $522.9 million financed homes for low- and moderate-income families while $68 million funded construction of rental developments for families, the elderly and the retarded. The $590.9 million in THDA's lendable proceeds has generated $1.4 billion in total economic activity for the State. In addition to the financing of 21,000 housing units, Tennessee's economic areas and their gains from THDA's activities include the following: jobs—13,790; building materials—$224.3 million; contractors and professional fees—$120.9 million; construction labor—$112.1 million; land and land development—$133.6 million; Federal, personal and corporate income taxes—$60.7 million; State sales and privilege taxes—$17-million; and local property tax—$8 million (per year).

In addition, I would like to submit for the RECORD a comprehensive assessment of the costs and benefits of the program, as well as an analysis of the continuing need for mortgage bonds in the absence of workable alternatives. These materials, prepared by the Council of State Housing Agencies, amply demonstrate the advisability of continuing the mortgage bond program into the future. I ask that the materials be printed in the RECORD.

The materials follow:

WHAT HOUSING BENEFITS DO MORTGAGE REVENUE BONDS PROVIDE?

Promoting homeownership has been the cornerstone of American housing policy for some 50 years and there is no evidence to suggest that it has become any less of a priority today. Mortgage revenue bonds serve the goal of promoting homeownership by providing a source of mortgage capital for families that otherwise could not buy a home or make needed home improvements.

MRB programs provided assistance to homebuyers through below market rate mortgage loans. Historically, housing bond programs have offered interest rates about two percentage points below the conventional market, though this spread averaged closer to four percentage points during 1982. The interest rate reduction provided by MRBs means lower monthly payments, which in turn require less income to qualify for a loan.

Critics of tax-exempt financing programs claim that the effectiveness of MRBs in expanding the homeownership market is overstated. Rather than bringing new owners into the market, they claim that MRBs largely substitute for private mortgage lending. But this charge rests squarely on the assumption that borrowers in MRB programs are free to choose between bond-financed loans and private sources of mortgage capital—which is not the case.

Some amount of overlap with the conventional mortgage market is probably inevitable, but restrictions on the use of MRBs strictly target these loans to a market that is underserved by private lenders. These restrictions include the following:

The Mortgage Subsidy Bond Tax Act limits the benefits of tax-exempt financing almost exclusively (90 percent) to first-time homebuyers, except in targeted areas.

The MSBTA also imposes a limit on the purchase price of homes financed with bond proceeds.

In addition to federal requirements, most issuers impose limits on the income of borrowers. Where there are no income limits, programs tend to restrict lending to special groups or geographic areas, to serve state or locally defined housing needs.

Each of the restrictions on the use of MRBs diminishes the extent to which these loans can compete with private sources of mortgage credit. Even when the income of borrowers served by MRBs rises—as it generally did during the recent high interest rate period—these programs serve the fundamental purpose of providing mortgage loans to a segment of the market that otherwise could not buy.

Some people have suggested that there will be less need for MRBs as conventional mortgage interest rates decline. Lower interest rates do allow private lenders to serve families with less income than they were able to reach during the past two years, but the same is true for state and local housing finance agencies. HFAs will continue in their traditional role of assisting families that cannot afford conventional mortgages—even at today's lower rates.

HOW MUCH DO MORTGAGE REVENUE BONDS COST THE FEDERAL GOVERNMENT?

Although it provides no direct funding for mortgage revenue bonds, the federal government is said to pay for these programs through lost tax revenues. Unfortunately, the amount of revenue loss cannot be measured at all precisely.

The standard method for estimating revenue loss—used by the Treasury—assumes that a new issue of MRBs will force the sale of an equal volume of fully taxable investments. It then tries to measure the taxes that would have been collected on those taxable assets. Under 1982 market conditions, this method yields a revenue loss estimate of $39 million per $1 billion in MRBs for one year.

The Treasury estimate of revenue loss is, at best, a rough guess, wildly overstated by simplifying assumptions. Any of the following factors may reduce the estimate by millions:

Investors will not always pay for new MRBs by selling off the most highly taxed item in their portfolios. therefore, assuming that MRBs displace fully taxable investments will exaggerate the amount of revenue loss. Taking just this view of investment behavior into account, the revenue loss drops to between $13 and $18 million per billion in MRBs for one year.

MRBs are also purchased by financial institutions—major holders of tax-exempt bonds—which face a much lower effective tax rate than the average individual investor. When MRBs displace other assets held by institutions, the revenue loss is likely to be small.

An investor will not always sell off other assets to finance the purchase of MRBs. When investors pay for MRBs with new saving—rather than displacing other taxable investments—there can be no revenue loss.

MRBs generate economic activity, which in turn produces tax revenues. Most estimates of the cost of MRBs do not count these offsetting revenues because they assume that, in the absence of this investment opportunity, capital would be invested in some other "productive" (i.e. tax produc-

ing) activity. But when MRBs stimulate new saving, housing financed by these bonds does not merely substitute for other economic activity and offsetting revenue gains must be counted.

Even if one accepts the Treasury estimate, this cost must be put into perspective. For example, the total revenue loss that would be attributed to single family MRBs issued in 1982 is only about one percent of the loss from federal tax deductions for homeowners—which overwhelmingly benefit high income households. In return, MRBs generate millions of dollars in economic activity and help America's young families attain the dream of homeownership. Even the exaggerated Treasury estimate of the cost of MRBs does not seem a high price to pay for these benefits.

IS THERE A MORE EFFICIENT ALTERNATIVE TO MORTGAGE REVENUE BONDS?

Of all the arguments used against mortgage revenue bonds, perhaps none confounds their supporters more than the allegation of inefficiency. Housing finance agencies operate streamlined programs that have gained the trust of private investors, builders, and lending institutions. But the alleged inefficiency of MRBs does not lie in administrative performance; rather, it is supposedly inherent in the tax-exempt financing mechanism itself.

It is argued that the federal tax loss resulting from tax-exempt bonds exceeds the amount of benefit received by the issuer, because of the tax shelter enjoyed by high bracket investors. These bonds are said to provide unjustified "windfalls" to higher income investors, which is the source of the so-called inefficiency.

Even if one accepts the view that tax-exempt bonds are inherently inefficient—which is a debatable point—no alternative program has been identified that will provide benefits equal to MRBs at less cost. In order to duplicate the benefits of MRBs, the alternative program must at minimum: Target benefits to first-time buyers; target benefits to those who otherwise could not buy; provide assistance only for a principal place of residence; finance only those homes that meet established price limits; help reduce the burden of monthly payments; and give state and local governments the flexibility to respond to regional housing needs in an administratively efficient manner.

Any alternative that does not meet these criteria cannot be considered an equal substitute for MRBs.

It is often suggested that taxable bonds, combined with a direct federal subsidy to write down interest rates, would provide a more efficient alternative to MRBs. Taxable bonds have long been raised as a theoretically preferable alternative to all tax-exempt financing. And for some purposes, there may be an advantage. But there is no certainty that taxable bonds could provide housing benefits equal to those now provided by independent state and local programs or that they could do so at less cost.

First, there is the cost of raising capital. MRB critics argue that taxable bonds eliminate the "windfall" of tax-exempt financing and therefore offer a more cost effective alternative. But in return, one must consider the effect of diverting municipal borrowing to the taxable market. The effect on business borrowing may be more severe than the alleged effects of MRBs on the tax-exempt market.

Once the bonds have been sold, it is highly unlikely that a taxable bond program can deliver benefits as efficiently as MRBs. The direct federal subsidy needed to write down taxable interest rates raises justifiable fears about costly red tape and the loss of acceptance of these programs by private sector participants (which has already been experienced in the aftermath of the Mortgage Subsidy Bond Tax Act). At the same time, it promises a loss of control for issuers and a new dependence on the federal government for these important state and local housing programs.

DO MORTGAGE REVENUE BONDS CROWD OUT OTHER STATE AND LOCAL BORROWING?

It is often suggested that the municipal bond market is crowded with too many borrowers. As a result, the argument goes, interest rates are forced up and some state and local borrowers may be priced out of the market. Many cite the growth of special purpose revenue bond programs as the cause of this supposed overcrowding and propose that the volume of new tax-exempt issues be restricted—as through the elimination of mortgage revenue bonds.

Of course, much of the increase in tax-exempt rates during 1981 and 1982 followed from the overall rise in interest rates. But the tax-exempt market is said to have suffered disproportionately, narrowing the spread between taxable and tax-exempt interest rates. Critics of revenue bond programs trace this back to the volume of new issues, but the evidence suggests otherwise:

Long-term municipal bond financing totaled about $48 billion in 1978, $43 billion in 1979, and $48 billion again in 1980 and 1981. With almost no change in volume, the ratio of tax-exempt to taxable interest rates (comparing AAA municipal bonds to AAA corporate bonds) in those four years increased from .68 to .82 in the fourth quarter of 1981.

In 1982, municipal bond volume increased to well over $70 billion, with most of this increase occuring in the latter half of the year. Yet the ratio between tax-exempt and taxable rates dropped from .81 in the first quarter to .75 in the fourth quarter.

In other words, volume is only one of many factors that affects interest rates. Changes in the demand for tax-exempt securities also affect borrowing costs. In the last few years, these changes include: (1) the reduction in federal income tax rates in the 1981 tax act, which narrows the market for tax-exempts; (2) the emergence of new tax-exempt and partially taxed assets (such as safe harbor leases, all savers' certificates and universal IRAs) which increases competition for investment dollars; (3) the withdrawal of financial institutions from the market because of profitability problems; and (4) formidable competition from other demanders of credit, most notably the federal government.

These factors, which affect the demand for tax-exempt securities, appear to have had a greater impact on interest rates in recent years than has the volume of new issues. Thus, restricting the volume of tax-exempt bonds—in part by eliminating MRBs—is an inappropriate response to the conditions in the municipal market.

In any event, eliminating MRBs will have a relatively minor effect on overall tax-exempt volume. The Mortgage Subsidy Bond Tax Act has already restricted the volume of single family housing bonds. As a result, MRBs today make up only a small portion of the total long-term municipal market (about 11 percent in 1982) and there is no threat that these bonds will grow to overwhelm the market.●

TRIBUTE TO GUS PECUNES

● Mr. SARBANES. Mr. President, as the late and beloved President John Kennedy eloquently stated, "America is a nation of immigrants" and indeed our Nation's greatness and its identity have been shaped in the struggles and sacrifices of the millions of immigrants who came to our shores from the very first landing.

The heroic and extraordinary accomplishments of the immigrant experience have been recorded and honored throughout our history. It will again on Friday, March 11 in Baltimore when tribute will be paid to Constantine "Gus" Pecunes. Gus, as he is known throughout the Baltimore community, is a dear and close friend who came at age 10 to America with his sister and widowed mother. His story, like millions of his fellow immigrants, is both similar and unique. Similar in that it reflects the fundamental physical and social struggle faced by all immigrants. Unique in that it records his own individual determination in meeting the American challenge and giving meaning to the American opportunity.

Gus Pecunes is a great American and his life and works have been a special source of inspiration and encouragement to the hundreds, perhaps thousands who have known him or benefited from his philanthropy and compassion. But he can best relate that story in his own words. What follows are excerpts from Gus Pecunes' own inimitable American odyssey "Looking Back." It will inspire all who love America and revere her unique immigrant experience. I join with my fellow Baltimoreans and the Greek-American community of Balitmore in expressing my deep appreciation to Gus Pecunes for his contribution "Looking Back," but more importantly for always "looking ahead" for a decent and greater America.

The material follows:

LOOKING BACK

(By Constantine J. Pecunes, Immigrant)

PREFACE

Give me your tired, your poor,
Your huddled masses yearning to breathe free
The wretched refuse of your teeming shore,
Send these the homeless, tempest-tost to me,
I lift my lamp beside the golden door!

These words of Emma Lazarus are carved on the base of the Statue of Liberty. The lady with the blazing torch has stood as America's symbol of freedom to the world. This American monument represents the tradition of this Nation of immigrants.

Each immigrant who has passed beneath her gaze has a story to tell. It is a story of faith, courage, perseverance and determination. In short, this is a story of just one proud immigrant who came to these shores.

I was born on September 1, 1906, in the village of Lithi. It is a small village with about 300 homes on the Aegean island of Chios. Lithi is a very picturesque village which has not yet felt the full impact of tourism. The year of my birth coincided with Greece's declaration to liberate herself from the Turkish yolk. Greece, along with Serbia and Bulgaria united to free themselves from Turkish oppression. These Balkan countries had the support and blessings of Russia, France, and England. This War of 1912 along with the World Wars I and II was to be the first of three wars which I witnessed as a young man.

On November 11, 1912, Chios was liberated from the Turks. At the time of the liberation, my father had already left Chios and had come to Monessen, Pennsylvania. Unfortunately, he was not there with us. In Monessen, he met with a freakish accident. The oven in the bakery where he was working exploded because of a gas leak. A few days later he died. He left behind a widow and two children, my sister Helen and me. I confess even now, that I really missed him always, especially in my early years when I needed him the most.

Following my father's death, Chios remained under Turkish seige for sixty days. Word came to Lithi for all the villagers to leave and go to another village, Vesa, about an hour away. The Turks were coming to massacre us. The entire population marched single file to Vesa. From the mountain tops, the Turks started shooting the villagers. As a small boy, I witnessed the killing of two women who were trying to escape.

At last we arrived in Vesa. My sister's godfather, Galatoulas, who had volunteered to fight with the Cretans, sent word to us to leave Vesa and to go to another village, Zifia. The Turks were en route to Vesa. My mother with her two children and another widow followed his instructions and those of a shepherd who guided us.

As we walked along the road, we saw a group of men relaxing. We thought that they were Turks. My mother suggested that we all kneel, say our last prayer, and wait for the inevitable. We did not know what they were going to do with us. The men came closer, surrounded us, and identified themselves as Cretans with Captain Peros as their leader. They had been sent to fight for the liberation of Chios. My mother gave them an account of the events which had transpired in Lithi on the previous day. Captain Peros and his volunteers went to the village and met stiff resistance. All the men, including Captain Peros, were killed there.

The occupation of Chios was completed on November 11. Chians, today, remember this date as a day of liberation. But my mother's problems were just beginning. She faced new responsibilities. How was she to support her children? She got a job in a photographic studio in Xora, the capital of Chios, as a maid earning about four to six dollars a month. She would send it to my Uncle Stamati Pecunes, my father's brother, in Lithi. This amount was to take care of us for one month for food and shelter.

My mother was a strong, courageous, and determined person. She realized that it was going to be very difficult to raise her children. Therefore, she decided to mortgage her two homes. These properties with olive, grape and fig trees enabled her to get approximately two hundred dollars, just enough to get tickets to go to America.

Life on the ship was difficult. We, the passengers, were herded together on the lower deck of the ship. Several hundred of us, Greek, Jews, and Italians, were treated like cattle. For breakfast we were given a hard roll and coffee. Our lunch consisted of another roll and coffee. Dinner was no different, another roll and coffee. Our menu did not change from day to day. Not knowing what lay ahead of us the next hour or the next day, we passengers would start singing folk songs. I can still remember one Greek family with three daughters who had been in America before. They were headed for Philadelphia and were singing and cheering up our spirits every evening.

On December, 1916, we arrived at "Kastigari," Castle Gardens on Ellis Island in New York. Again we were detained for about four weeks. The officials there were concerned that we might become public liabilities. In other words, we needed someone to take care of us. The detention continued until friends of my father's, "horiani," hired a lawyer and gave him all the money which my father had accumulated, almost one hundred fifteen dollars. The lawyer convinced the authorities that we would not become public trust. In addition, he pledged that my sister and I would go to school until we became of age. Furthermore, he promised that a report of our educational progress signed by the principal would be sent quarterly to the immigration authorities.

I omitted to mention that during our stay on Ellis Island we were called three times to be deported back to Greece. On the fourth call, we got lucky. We were told to get ready, but that time we were allowed to go to our destination. The authorities gave us a bag of sandwiches, one dollar's worth, and put us on a train headed for Monessen, Pennsylvania. We were penniless, scared, and speaking a strange language in a new world.

We were deposited at the Monessen railroad station on a cold December day in 1916. Monessen is a steel town in western Pennsylvania about forty-five minutes from Pittsburgh. It was a Sunday. We had no place to go. Luckily, a man who saw us shivering approached us. We told him our story and that my father had some relatives, "horiani," living in Monessen. My mother asked him to please notify them. Fifty years later I learned that my daughter-in-law is this man's granddaughter, and my sister's daughter is married to his son.

As we walked to the house of our friends and relatives, I was impressed with the apple displays in the storefronts. The apples were arranged in the form of a pyramid. My next vivid impression is of the house which we entered. There was a lot of bread on the table. It was something rare. I never forgot it! The home belonged to an immigrant, my father's cousin. It was Sunday, and he was repairing his shoes. He was a typical bachelor, cooking his own meals, washing his own clothing, and working twelve hours daily for three dollars. His routine was typical of all the single, male immigrants. That was the lifestyle. Even though he was dedicated to his work, he was always thinking of the family which he had left in Greece. His goal was to work for three years and accumulate enough money to return to his loved ones.

In 1917, we rented an apartment in Donora, Pennsylvania, for fifteen dollars a month. My first job as a child of ten years was to go and collect dirty clothing. I mean dirty! All the men worked in the steel mills. There were no washing machines then. My mother would wash the clothes by hand, scrub and press them, and I would return them to the men's apartments for five cents a piece. Sometimes I would have to walk as much as four miles to deliver the laundry to the men working on the railroads. However, the income was not enough to pay for the rent, food, clothes and shoes. I had to find other sources of income. My mother would make yogurt and I would sell it to the immigrants. I also sold The National Herald, a daily Greek newspaper. I would sell about twenty newspapers a day for two cents each. I was allowed to keep one cent for each newspaper sold. After delivering the papers, I would go to a shoe shine parlor and shine shoes. There were not many concrete sidewalks in those days, so shoe shine parlors were essential, especially on weekends. In addition, I would also work at a Greek coffee house for $1.50 a day. During the flu epidemic, I was kept very busy.

Time was fleeting. It was necessary for me to register for school. I went there alone. I could not speak a word of English. The kids were staring at me. I stood in the hallway, lost among strangers. Finally, the principal, Miss Flynn, brought one child from about twenty different nationalities. Each spoke his native language. Among them was one young Greek boy who acted as an interpreter. I told him that I had come to register and to please ask the principal to send a progress report every three months to the immigration authorities on Ellis Island.

I finished grammer school, but could not continue on to junior high school. The authorities said that I would have to attend a special class one day a week. During a class discussion, I heard about the City of Baltimore. The class was talking about the Baltimore fire of 1904.

At the time there were buyers interested in purchasing the bakery. It was sold, and I was having growing pains. I wanted to get away from Donora. I heard that I could get a job shining shoes in Cleveland, Ohio. Before I went there, I decided to take a trip to Baltimore, Maryland, to visit my cousin, Despina Klosterides. The year was 1924. It was Eastertime, and I took my very first vacation.

At that time (1924), Vasilios Klosterides had the Athens Bakery with his brother, George, at 151 South Bouldin Street in East Baltimore. The first day I arrived Vasili asked me to go with him on his delivery route. I thought he wanted me to enjoy the sights of the City. I got up early the next morning and rode with him to tour Baltimore. His first stop was always at 426½ East Baltimore Street, the Coney Island Lunch Room, selling hotdogs and hamburgers and owned by George and Gus Stamatakos. There I had my first coffee and pound cake in Baltimore.

As the days passed, Vasili cautiously told me that he was going to hire another driver. Although I drove a half ton panel truck in Donora for over a year, I did not know it was necessary to have a driver's license. I accepted his offer, got my first driver's license, and became part of his business.

For almost four years, I drove an Athens Bakery truck, delivering bread and rolls. It gave me a chance to make a few dollars a week and give it to my mother to support the family. I kept fifty cents for myself. In the meantime, I had asked my mother to come to Baltimore and I got my stepfather a job in the bakery. My mother also contributed by earning two dollars for cleaning the bakery on Saturdays. Our home at 3216 Leverton Avenue cost $1,800 and was not far from the bakery. With the three of us work-

ing, we managed to have enough money to exist.

While working at 14½ North Gay Street, I got the "bug" that I should be doing something to improve my education. I had two hours of spare time every morning; so, I decided to go to Strayer's Business College and take typing, bookkeeping, English and Arithmetic.

My duties at the bakery were to check the drivers every morning and keep records of the rolls and bread which they took for the day. In the afternoon, I would check them again, record the sales, and post them in the accounts receivable books. My hours were 5:00 a.m. to 8:00 a.m., and 12:00 noon to 7:00 p.m. six days a week and all day Sunday. My salary was $25 a week and $5 extra for working on Sunday.

I told Vasili that I wanted to go back to school. Those extra four hours gave me the time to enter Gary's Army-Navy Preparatory School. Not only would I improve my education, but I would receive my sixteen high school credits, making me eligible to enter college.

In 1932 I applied for admission to the University of Baltimore Law School. There I met a young Greek man who had come from Norfolk, Virginia. We became friends, and later in life he became a judge in the Circuit Court of Baltimore.

I managed to stick it out for one year. It was not easy. I had to work over ten hours a day and then go to school every night for five days a week, with very little time to study. Physical and mental exhaustion plagued me. I was too tired to study, and I would fall asleep. It was a losing battle. Either I give up the law school, or I would have a nervous breakdown. Nevertheless, I do not regret that I studied law, even though it was only one year. It was very helpful to me years later in my business transactions. The final decision was made for me. I could not pursue my career in law.

In 1934 I became restless again. I wanted to go back to school, a school which would not require me to go every day. I applied to the Johns Hopkins University Night School at Charles and 33rd Streets, and took political economy, archaeology, and other courses which would allow me to have more studying time. I continued to go to night school for two years, earning forty credits towards the one hundred twenty needed for graduation. The two years I spent at Hopkins were beneficial and memorable for me. During those years I had the opportunity to meet some outstanding professors. One of my professors was David Robinson, the noted archaeologist, who discovered the City of Olynthus circa 400 B.C.

During Mussolini's invasion of Greece, Professor Robinson joined the Greek community and took an active part as a member of the Greek War Relief Committee. He was the honorary chairman, and I was the executive chairman for the state of Maryland.

The nationwide committee of the Greek War Relief Association was headed by Spyros Skouras, using the Ahepa chapters as its bases. It was a united effort supported also by the Greek Orthodox Church of North and South America under Archbishop Athenagoras. The Greek American Progressive Association or G.A.P.A. and the twenty chapters of the United Chios Societies of America joined hands in this effort. I served on the committee which met at the St. Moritz in New York City. The Greek War Relief Association, united as it was, represented all Greek-Americans, and with the support of non-Greeks collected over one hundred million dollars worth of food, clothing, medicine, and other supplies for the people of war-torn Greece.

During the thirties I became very friendly with the Nicholas Cianos family through their son, Jim. His mother, Marika, considered me her fourth son. I admired and respected her and treated her as my adopted mother. Jim and I were more like brothers than friends. He was a student at Loyola College, preparing to become a physician.

The Cardiges family went to church every Sunday. Uncle Harry's wife, Maria, was very active in the ladies' society. Theodora sang with the church choir. When we arrived at the house on Biddle and Curley Streets, Mrs. Cardiges insisted that we stay for lunch and served spaghetti. While she was preparing the meal, Jim asked Mrs. Cardiges if she would allow the two girls, Agnes and Theodora, to join us for a little ride to the Loch Raven Reservoir. Little did I dream that this invitation would develop into something more serious. This was my first date with my future wife.

In order for me to go to Hopkins night school, I had to drive past the Cardiges home. It was natural, therefore, that Theodora was usually outside cleaning the porch. I would stop for a few minutes and talk to her. I also saw her at some of the Greek dances. She loved to dance. These casual meetings continued for a while. Occasionally, Jim, Agnes, Theodora and I would go out to the movies. When Theodora and I went out, even when we were engaged, we were always chaperoned by one or two of her sisters.

In 1935 I got my Hopkins ring. Theodora and I went for a ride and stopped at Clifton Park. I showed her my Hopkins ring and she put it on her finger. I asked her to give it back to me. I realized that she wanted to impress her girlfriends, and I remember my exact words to her. I said, "Only the girl that I marry will wear this ring," and I asked her to return it to me. She did not, and I can say without hesitation that she and I still treasure that ring after forty-seven years.

Theodora and I were seeing each other more and more at social functions. I wrote her a letter saying that we were getting serious, and that it was time that we tell her parents. Again Mrs. Cianos took it upon herself the task of taking me to the Cardiges home. She told Mr. and Mrs. Cardiges that I liked Theodora. The father, a good-hearted man, innocently turned to his daughter, Theodora, and asked her, "Ton theleis ton Kosta?" (Do you want Gus?). Because of the importance of the decision, she could not make up her mind. Her sister Agnes took her aside in another room. The answer was yes, and a date was selected for an engagement.

The commitment to marry meant that I had to make more money. At the time of the engagement, I was earning an extra $50.00 a week besides my wages at the bakery. We were engaged for two years before I had enough money to get married. The cigarette business was a blessing to me and I continued it for a few years. It is relevant at this point to say that while Theodora and I were planning for the future, her sister, Agnes, became engaged to marry Andrew Potous from Pittsburgh. They, too, were in no hurry to get married.

A wedding date was chosen. It was to be a double wedding for the two sisters at the new Evangelismos church at Preston Street and Maryland Avenue. Our wedding ceremony was one of the first held at the church, and it was certainly the first double wedding. The wedding reception was held downstairs in the church basement and simple little sandwiches were served. The date was June 27, 1937.

We stayed with my wife's parents for almost two years. When my home at 3215 East Baltimore Street was ready, we moved into our first home.

Vasiliki, our first child, was born on December 12, 1938. Following Greek tradition, she was named after my mother. Dimitri, our second child, was born on July 21, 1941. According to custom, "Jim," was named after my father.

In the thirties the Greek community was growing as were its needs. A committee was appointed to purchase a new Greek church. I served on the committee to buy the present church at Maryland Avenue and Preston Street. This was the beginning of my long service to the Evangelismos community. I served on the church board for over ten years, seven years as its president (1940–1943, 1945, and 1951–1952). During my tenure in office we bought the building across from the church at 45 West Preston Street. Mr. Dionysios Karavedas, one of the most loyal and hardworking parishioners, and I as president attended the auction sale and purchased the building for a little over $13,000. The community as a whole and I cannot thank him enough for his diligent and honest contributions which he made not only to the community but to me personally.

In addition to the Greek Center, The Greek School of Highlandtown was purchased. The Greek School was later torn down and is the site of the present St. Nicholas Church. We also bought a farm with fourteen acres of land. Seven acres were improved for a cemetery and seven more remain undeveloped.

The most important feature of these accomplishments was that each individual member or entire family had all the rights and privileges in the church and in the community. Dues were $1.00 a month or $12.00 a year. The children did not have to pay any tuition for attending the Greek School at either Evangelismos (about 135 pupils) or Highlandtown (about 85 pupils). By the end of the decade, there were no mortgages or debts. The community owned everything in fee simple. It was during this period I got to know Archbishop Athenagoras well and his successor in the United States, Archbishop Michael.

It was during this busy time in the life of our community that I had the honor to meet the very first president of our community, Christos Pombelis. He has a confectionery store selling ice cream, hotdogs, and hamburgers near the old Roosevelt Hotel on Division Street and the boardwalk in Ocean City, Maryland.

At the same time that I was active in the community, I recognized the need for Greek-Americans to organize themselves politically. It was imperative that Greek-American citizens get proper recognition in the wider community. I succeeded in organizing the first Greek-American Democratic Club of Baltimore.

Throughout my years as an active participant in the community, I was always concerned with young people and their needs. A portion of the net proceeds from Chian dances would always be sent to the library in Chios and to the orphans of Chios.

I would like to take the liberty to give a word of praise to some of the dedicated people of this period whose moral support

and hard work made it possible to reap the benefits which the Evangelismos community now enjoys. Their efforts were vital in making us a proud and strong community.

UNSUNG HEROES

Dionysios Karavedas, Stelianos Sfekas, George Karangelan, Elias Mavromihalis, Athen Theodorides, Nick Karangelan, Father Joakim Papachristou, Maria Nikoloudis, Mary Bahadouris Kiladis, Georgia Tangires, Argyrios Poulos, Nick Konstant, Savas Kamburis, George Stavropoulos, and Demetrios Venetos.

The community owes thanks to those people whose solid support made it all happen, especially the immigrants from Chios, Rhodes and Laconia.

The date, March 25, has a special meaning for Greek-Americans in Maryland. It is not only a religious celebration, the feast day of the Annuciation, but it also is the anniversary of Greek independence from the Turkish yolk. Lastly, it is Maryland Day, commemorating the landing of the first settlers on the small English colony.

In July, 1947, the United Chios Societies of America had their annual convention in Baltimore. During the convention we presented to the United States Naval Academy at Annapolis a portrait of Rear Admiral George Partridge Calvocoressios, Executive Officer of the Battleship Olympia under Admiral Dewey. After the Spanish-American War, Calvocoressios returned to the United States as a hero and became commandant of the Naval Academy. His father, an orphan of the massacre of Chios in 1822, was educated at the Naval Academy. George followed in his father's footsteps and also went to the Naval Academy. In honor of the presentation, Harold G. Calvocoressios, George's son, and a retired General of the Marines, attended the ceremonies. Later, my wife and I were his guests at his home in Washington, D.C. That was the largest Greek-American celebration in the state of Maryland and was attended by state and federal dignitaries as well as members of the local Greek community.

The reward for this special accomplishment and all my hard work was my election as Supreme Court President of the United Chian Societies for 1947–48. All my efforts and involvement produced friendships with local, state, and federal public officials.

During those years when I was developing a business, I had not taken any vacation. In 1969, my wife and I decided to go to Greece and to visit the place where I was born and to see some of the ancient sites. It was my first visit to Greece since I had left Chios in 1916. It was my wife's first trip to Greece also. (She was born in Claksburg, West Virginia.) While in Chios, we visited my village Lithi, Thimiana (my father-in-law's birthplace), and Kambo (my mother-in-law's village). My wife saw her mother's sister and her father's nephew. It was a very memorable and sentimental experience. We stayed in Chios for two weeks.

In Athens we stayed at the Royal Olympic Hotel. We visited the tourist haunts, the Parthenon, the Acropolis, Plaka, the Museum, the Agora, and many other historical sites. Our tours included stops at Delphi, Corinth, Sounion, and Epidarus. We took an Aegean cruise to the islands of Mikonos, Rhodes, Crete, Tinos, and Ephesus. By design, we chose a cruise which included a stop in Constantinople. We visited Patriarch Athenagoras, the head of the Eastern Orthodox Church. He was an old friend who had eaten in our home when he was the Archbishop of North and South America. We had a very emotional reunion and he gave me a medal. Unfortunately, this medal was stolen from our home during a robbery in 1980.

Looking back I realize that I am just one of many millions of immigrants who was fortunate enough to come to America. I am grateful to my mother who took the risk during World War I to come to America. Now as an adult I can appreciate her faith, courage, determination, hard work and perseverance. It was my duty to take over where my mother stopped. I always tried to face each task with zeal and dedication, always trying to reach a certain goal.

My dream in life was to dedicate myself to my wife Theodora and our children Vasie and Jim. I wanted to give them an education and the comforts of life, the things which I craved but could not acquire. I did not stop with my family. I practiced this same policy by helping others to attain their goals.

In short, this is the story of the early Greek immigrant who weathered the storm. He encountered many obstacles and made many sacrifices while adjusting to his adopted land. The early immigrant was grateful to this bountiful nation which enabled him to give his children the things which he craved, namely an education and a more comfortable life.

My involvement with the Baltimore Community, the Church, the Choir Society of Baltimore, and the Greek-American Democratic Club helped me accomplish these goals. I was lucky in these efforts to have the support of many of the Greek people of Baltimore, especially the immigrants. In later years, younger members of our community assumed these responsibilities and became most supportive. The following contributed to many successful functions: John Paterakis, Bus Klosterides, James Sfekas, Andrew Lygoumenos, Nick Smyrnioudis, John Frangos and the Ladies Auxiliary.

The Greek immigrants in America were destined to do no less than their ancestors who gave this nation some of the basic concepts of law, government, science and the arts. Emotionally and with humble pride I close my memoirs, however incomplete. My goal was to tell the reader a story about the parents, grandparents, and great-grandparents to today's Greek-Americans. It is a story of the faith, courage, and character of these people in a new land. For all the immigrants it was a test which most of them passed successfully.●

AMBASSADOR JEANE J. KIRKPATRICK

● Mr. KASTEN. Mr. President, on Monday of this week the Honorable Jeane J. Kirkpatrick, the U.S. Permanent Representative to the United Nations, appeared before the Subcommittee on Foreign Operations, Committee on Appropriations, and testified on matters relating to the United Nations and to the funding of the United Nations and its various specialized agencies.

As usual, Ambassador Kirkpatrick presented a very cogent and fascinating statement on United Nations activities. I had the privilege, along with Senator JOHNSTON, of being a Congressional Delegate to the last General Assembly, where I got to know Ambassador Kirkpatrick well and to appreciate her abundant skills as she directed U.S. operations at the United Nations. Ambassador Kirkpatrick deserves all of the praise that she has received, and more, and the United States should feel fortunate to have such a person in this position.

It was not surprising to me, therefore, that her testimony presented yet another thoughtful and thought-provoking analysis of U.N. activities, especially her descriptions of how issues are decided at the United Nations and how our and other Western interests fare so badly in that institution. Her testimony, which I request be included in the RECORD as part of my statement, should be read by all who are interested not only in the United Nations, but also by those interested in the conduct of our foreign policy.

Ambassador Kirkpatrick suggests that the United States should be more pragmatic in its approach to activities in the United Nations, but moreover in its bilateral assistance program. Her testimony suggests that, in her words:

We must communicate that it is not possible to denounce us on Monday, vote against us on important issues of principle on Tuesday and Wednesday, and pick up assurances of our support on Thursday and Friday.

I totally agree with her suggestion that one of the factors that should be considered as to whether or not countries receive bilateral assistance is how they respond to U.S. concerns not only in the United Nations, but in other international organizations, as well as important foreign policy activities carried on outside those institutions. While I do not believe Ambassador Kirkpatrick suggests that this be the only criteria, her strong inference is that it has not been used at all, and should be. I agree.

Together with Ambassador Kirkpatrick's testimony is the compilation of U.N. votes tabulated showing the percentage of agreement with the United States. I believe my colleagues will find this very interesting. It shows that many countries which receive substantial largess from the American taxpayer vote consistently against us.

Mr. President, I urge my colleagues to take a few moments to read Ambassador Kirkpatrick's very interesting analysis which I submit for the RECORD.

The analysis follows:

TESTIMONY BY AMBASSADOR JEANE J. KIRKPATRICK

Mr. Chairman: Last year, appearing before this Subcommittee, I presented a kind of report card on my first sixteen months at the United Nations, in the course of which I tried to make four major points. These were:

The UN is an important body, worthy of our attention.

The UN today is not at all the institution its American founders hoped for.

The UN does not reflect or represent the world in the way representative bodies usually do.

The question for the US and for all countries committed to democracy and self-determination is whether the UN can be made a more effective instrument for problem-solving and peace-making among nations, an institution which helps resolve differences rather than exacerbate them.

Today, I would like to talk about a phenomenon that underlies these considerations, an activity which determines whether the United Nations becomes involved in conflict resolution or conflict exacerbation. I want to talk about voting behavior in the UN, and I will try to explain why we seem so often to be on the wrong side of lopsided votes, and what this tells us about ourselves and about the UN.

From the very earliest days of the UN, we here in the United States have had a fundamentally flawed mental picture of how issues are decided at the United Nations. We have imagined that the General Assembly, or whatever UN body is under consideration is made up of individual voting members who listen carefully to the arguments pro and con, decide what is right and just and in their country's interest, and vote accordingly. This is what political scientists call the "rational activist" view of voting behavior.

Why we should have believed that anything in this imperfect world would operate on a totally rational basis, is an interesting question. After all, legislatures do not behave in this way. With all respect, I may suggest it is open to question whether the Congress of the United States operates on so pure a basis of absolute rationality.

Yet somehow, we expected that the United Nations would behave in this manner. Indeed, we profess surprise and disappointment that it does not.

How does the UN behave? You may not be too surprised to learn that voting behavior at Turtle Bay is rather like voting behavior in any legislature. That is, voting alliances, temporary or of longer duration are formed on the basis of shared interests. Favors are extended, obligations accumulated and discharged, arms are twisted, horses traded and occasionally, or so one hears, a vote may be bought—or at least rented.

There is one phenomenon which is unique to UN voting behavior, however, and that is the role and influence of the various regional voting blocs.

Regional organizations have played a key role in the UN since the organization was established. The Charter, in Article 52, encourages the involvement of regional organizations in the settlement of international disputes, and in Article 53 even recommends to the Security Council that regional organizations be used to enforce Council decisions. The Charter thus institutionalizes a role for regional groupings within the UN system.

Over time, a network of informal arrangements has grown up, linking the Secretariat of the UN with the secretariats of the various regional groups such as the Organization for African Unity or the Islamic Conference. In fact, some international civil servants move from a job with one or another regional body to a job at the UN Secretariat, and back again, during the course of a career. Most of all, however, the position of the regional organizations has been cemented within the UN by their effectiveness in protecting their member's interests, for it is through these regional voting blocs that the smaller nations have been able to make sure that the issues important to them will dominate the agenda of the UN.

The numbers tell the story. The Organization for African Unity has about 50 members—one-third of the UN membership. The Asian group has about 40 members. A voting coalition of the two will have enough votes to carry any issue, even allowing for defectors or absentees, regardless of who else may be opposed. Similarly, the Non-Aligned Movement has about 96 members at present. If the NAM caucus takes a position on an issue, that position will determine whether the issue is voted up or down in the UN.

The influence of these voting blocs is so all pervasive, that today in the UN, aside from the US, only Canada, New Zealand, Australia and a very few others, exist outside of voting blocs, and the Australians, Canadians and New Zealanders have the British Commonwealth Club to which they can repair. But we are members of no Club, given the rational activist approach we adopted at the beginning of our UN career and, perhaps even more importantly, given the fact that our interests are global rather than regional in scope. When we examine an issue, we must determine how it will affect NATO, whether it will have an impact on security on the Korean peninsula, or the prospects for peace in the Middle East, stability in the South Atlantic or economic development in the Caribbean. For many UN members, the claims of regional solidarity or some form of religious or cultural affinity can be commanding. This is not true for the United States.

So we find ourselves in an arena which is dominated by the concerns of the regional voting blocs. What are they? Because the regional organizations themselves are heterogeneous—the Organization for African Unity, for example, includes Arab states and black states, Islamic states and Christian states, kingdoms and socialist republics—broad unity tends to coalesce only around certain "lowest common denominator issues: attacks on Israel and South Africa; attacks on multinational corporations, the bogeymen of the new international mythology; support for any organization which describes itself as a "national liberation movement"; support for high levels of resource transfers from the industrialized to the non-industrialized world as a matter of right and obligation.

Thus the agenda of the General Assembly tends to be the same from year to year. Indeed, aside from the addition or subtraction of verbal curlicues, not only the agenda items but the resolutions themselves are the same from year to year. There are the inevitable twenty or thirty resolutions attacking South African behavior and the equally inevitable ten or twenty resolutions attacking Israel. There are never any resolutions calling upon the Arab countries of the Middle East to make peace with Israel, nor are there resolutions which might lead the South Africans to believe that if they did modify their behavior—which indeed is an affront to human sensibilities—their international isolation might be lessened. Meanwhile, in the realm of resource transfers and economic development, codes of conduct for multinational corporations are elaborated which, if followed, probably would drive these firms out of business and surely would drive them out of the non-developed world, scuttling the economies of many of these third world states in the process. At the same time, new "human rights" are identified, for example the right to pain-free, adjustment-free economic development. I have no doubt at all that one day the General Assembly, in its collective wisdom, will declare that all children have an inalienable right of a completely happy childhood and a truly compassionate second grade teacher.

Given this issue orientation and the determination of most of the "third world" to steer clear of anything that looks like an East-West confrontation, no one should be surprised that we find it difficult to get a hearing on issues like human rights violations in the Soviet Union, or that we often find ourselves on the wrong side of a lopsided vote.

Let's take a closer look at voting behavior. If we take the twenty issues which we identified as the most important at last year's General Assembly, and compare our voting pattern with that of each of the major blocs, we see the following measure of agreement: With the West Europeans—80 percent; with the Latin Americans—38 percent; with the Asian Group—26 percent; with the African Group—23 percent; with the East Europeans—8 percent; with the Non-Aligned Movement—22 percent.

Of course these overall vote totals don't tell the whole story, because we are amalgamating votes where we were, happily, on the winning side at 105 to 23, as in the case of the resolution on Kampuchea, to resolutions where we were on the wrong end of 113 to 4. This last vote is worth looking into more closely, for it is a good example of how common sense can be confounded, and confounded overwhelmingly. At issue was a resolution which called on the Security Council to take steps to establish an independent Palestinian state in the Israeli occupied territories, to create it by fiat and impose it on Israel. Now of course such an action would cut directly across the major Security Council resolutions on the Middle East, 242 and 338, and eveyone knew that the Security Council was never going to do this. Equally, everyone knew that such a resolution was quite worthless in terms of advancing the settlement on any of the outstanding Middle East issues. In fact, the resolution was as good an example as one could find of UN action which exacerbates differences rather than settling them. Nevertheless, 113 states voted for the resolution and only two, Canada and Costa Rica, joined the United States and Israel in voting against it. Our NATO allies other than Canada abstained.

Now how does this happen?

I think it happens because a few see a chance to roll the waters, while the many are so desensitized to this kind of cynical manipulation that they no longer take it seriously. Not only do they vote in favor, believing that it will lead to no result one way or the other, they vote in favor precisely because they know it will lead to no result. If they thought it would, most would vote differently.

As I have said in past testimony before this and other committees, at the US Mission to the UN, we take these matters seriously and we believe that resolutions like this one do have an effect. Not only is there a kind of Gresham's Law of resolutions where balderdash such as this preempts the time that could be given to more useful purposes, but the very elan and purpose of the United Nations as a body dealing realistically with real problems tends to be eroded.

In the two years I have been there, and increasingly in the past twelve months, I think that we at the US Mission to the United Nations have shown that by taking the UN seriously, and by demonstrating to all that we do take it seriously, we have made a difference. On issues of particular concern to us, for example on the question of Puerto Rico at last year's General Assem-

bly, by communicating the depth of our concern we were effective in winning support, and ultimately the vote. We have been successful as well on other issues of principle, for example in connection with the attempt to delegitimize Israel and to deny Israeli credentials. Along the way, we have learned that on matters of principle, one must take an absolutely clear and unambiguous stand. Although I often have been told of the uses of ambiguity in bilateral matters, I am persuaded that extreme clarity is necessary in multilateral diplomacy.

Which brings me to a final point, and one I consider particularly important. In my view, we cannot and should not maintain the compartmentalization that traditionally has separated our bilateral and our multilateral diplomacy. We need to communicate to nations that their votes, their attitudes, and their actions inside the UN system inevitably must have consequences for their relations with the United States outside the UN system. We must communicate that it is not possible to denounce us on Monday, vote against us on important issues of principle on Tuesday and Wednesday, and pick up assurances of our support on Thursday and Friday.

To say that I believe there has to be some linkage between bilateral and multilateral diplomacy should not be taken as meaning I advocate simply turning the economic assistance spigot, or the military assistance spigot, or any spigot at all, on or off solely on the basis of how a country votes in the UN. Obviously, when the Administration proposes assistance to another country, and when the Congress votes it, both have in mind specific and important reasons for doing so. These can range from key geostrategic location, to economic or political turnaround, to formal military pact or base agreement. But I do believe that behavior, including voting behavior, in multilateral organizations like the UN, should also be one of the criteria we employ in deciding whether we will provide assistance, and what type of assistance and in what amount. Most particularly, I am convinced that to make attacks on the United States a risk-free operation can have only the effect of insuring that they will take place.

Thank you.

U.N. voting record—37th General Assembly, 1982

Regional group and country	*Percent* [1]
Israel	86.2
Western Europe and others:	
United Kingdom	80.1
Federal Republic of Germany	76.6
Belgium	74.4
Luxembourg	73.7
Canada	70.7
France	68.8
Italy	67.9
Netherlands	66.8
Australia	64.6
New Zealand	64.2
Denmark	60.3
Norway	59.8
Iceland	58.4
Portugal	57.3
Spain	51.1
Ireland	48.7
Finland	43.2
Sweden	43.0
Austria	40.6
Greece	33.2
Latin America/Caribbean:	
Guatemala	49.2

U.N. voting record—37th General Assembly, 1982—Continued

Regional group and country	*Percent* [1]
Paraguay	48.9
Uruguay	36.4
Honduras	36.2
St. Lucia	35.2
Chile	35.1
St. Vincent	33.3
El Salvador	32.9
Haiti	31.9
Bahamas	31.3
Dominican Republic	30.1
Costa Rica	29.4
Colombia	27.7
Brazil	27.2
Venezuela	25.0
Antigua and Barbuda	25.0
Trinidad and Tobago	24.8
Ecuador	24.8
Jamaica	24.0
Dominica	23.5
Peru	23.5
Suriname	23.5
Barbados	22.1
Argentina	22.1
Panama	20.0
Mexico	19.9
Bolivia	18.5
Belize	17.9
Guyana	17.5
Nicaragua	14.3
Cuba	10.5
Grenada	9.3
Asian group:	
Japan	67.2
Turkey	44.6
Soloman Islands	34.2
Fiji	31.6
Lebanon	31.5
Singapore	30.8
Philippines	30.2
Papua New Guinea	30.2
Samoa	30.2
Kampuchea	28.0
Burma	27.1
Pakistan	26.8
Nepal	26.5
Egypt	26.2
Malaysia	25.5
Thailand	25.5
Malta	24.7
Indonesia	24.5
Oman	24.2
Saudi Arabia	24.0
Bangladesh	22.8
Sri Lanka	22.0
Jordan	20.8
Qatar	20.7
Bahrain	20.6
United Arab Emirates	20.2
China	20.2
Kuwait	20.2
Cyprus	19.9
Bhutan	19.5
Yemen, North	18.4
Mauritius	17.3
India	17.2
Iraq	16.3
Iran	14.8
Syria	14.4
Libya	13.6
Vanuatu	12.9
Seychelles	12.8
Yemen, South	12.2
Laos	11.4
Vietnam	10.3
Afghanistan	11.5
Africa:	
Morocco	31.8
Malawi	31.4
Somalia	30.6

U.N. voting record—37th General Assembly, 1982—Continued

Regional group and country	*Percent* [1]
Ivory Coast	30.4
Liberia	29.0
Zaire	28.3
Gabon	28.1
Sudan	26.0
Senegal	25.8
Chad	25.7
Equatorial Guinea	25.4
Cameroon	25.1
Central African Republic	25.0
Togo	24.1
Tunisia	24.0
Djibouti	23.7
Lesotho	23.4
Mauritania	23.1
Kenya	22.4
Upper Volta	22.3
Niger	22.0
Maldives	21.8
Rwanda	21.6
Burundi	21.1
Mali	20.6
Zambia	20.6
Nigeria	20.5
Gambia	20.3
Sierra Leone	20.3
Tanzania	20.3
Ghana	20.1
Botswana	20.0
Comoros	20.0
Guinea	19.0
Uganda	17.9
Swaziland	16.9
Congo	16.0
Sao Tome	15.1
Madagascar	14.9
Benin	14.2
Angola	14.2
Guinea-Bissau	13.9
Algeria	12.8
Zimbabwe	12.8
Ethiopia	12.2
Mozambique	11.2
Cape Verde	10.4
Eastern Europe:	
Hungary	21.0
Bulgaria	20.8
U.S.S.R.	20.6
Ukraine	20.6
Byelorussia	20.6
Czechoslovakia	20.5
German Democratic Republic	20.1
Romania	19.4
Yugoslavia	19.0
Poland	18.9
Mongolia	18.3
Albania	8.8

[1] Overall percentage agreement with United States, all UNGA votes.●

THE CURRENT OUTLOOK FOR SMALL BUSINESS RECOVERY

● Mr. NUNN. Mr. President, economists differ on the long-term economic prospects for our Nation but almost everyone agrees that at least a modest economic recovery is now beginning.

Recently, Wilson S. Johnson, president of the National Federation of Independent Business, commented on the current outlook for small business recovery.

Mr. President, I ask that Mr. Johnson's statement be included in the RECORD.

The statement follows:

INDICATORS SUGGEST ECONOMIC RECOVERY IS UNDERWAY

If small business is an indicator of economic trends, the recovery is underway.

Small business optimism reached its highest level in five years during the quarter ending Jan. 30. That is the conclusion contained in the Quarterly Economic Report of Small Business just released by the National Federation of Independent Business. In the opinion of the small-business owners responding, the economy will improve substantially in 1983.

The survey indicates a substantial jump in investment activity for inventories and plant and equipment. The number of businesses planning to add inventory increased four points to 19 percent, the highest figure recorded in any quarter since 1979. The number of those planning to reduce inventories dropped from 18 percent in October to just 12 percent in January.

Despite a net increase, inventories at most smaller firms are still lean. Therefore, new sales will result in almost immediate orders to factories and suppliers.

The percentage of firms planning major capital investments increased by five percentage points in January. This activity can be attributed to falling interest rates and a general improvement in the business outlook. Average interest rates paid by small businesses on short-term loans are down to 14.1 percent from 15.4 percent in the third quarter.

The outlook for inflation is also excellent. Only 22 percent of the firms responding to the NFIB survey said they plan to increase prices. Excess operating capacity and decreasing wage demands are expected to keep prices stable during 1983.

Even the job picture is brighter. Fourteen percent of the small-business owners said they plan to increase employment in the next three months. Only eight percent plan to cut employment further. The first-quarter employment projection has not been this optimistic since January 1979.

Economists William Dunkelberg of Purdue University and Jonathan Scott of Southern Methodist University conducted the study. They point out that in the final quarter of 1982, job openings remained at an all-time low: Only 9 percent of the firms responding had openings.

The economists add, "Small businesses will do relatively little hiring in anticipation of the recovery, but with low 'stocks' of labor, firms will have to hire immediately in order to handle increased business."

While small-business owners have been hoping for economic recovery for a long time, these economic indicators suggest they now are ready to put their money where their hopes are.●

BUILD-DOWN OF NUCLEAR FORCES

● Mr. COHEN. Mr. President, as we weigh the concerns of citizens advocating a nuclear arms freeze and those favoring military force modernization, I commend to my colleagues an article in the Washington Post of March 6 by a distinguished former Member of this body, Ed Muskie.

Senator Muskie, a former Secretary of State and chairman of the Foreign Relations Committee's Arms Control Subcommittee, has studied the resolution Senator NUNN and I introduced last month calling for negotiation of a mutual guaranteed build-down of nuclear forces with the Soviet Union. He concludes in his Washington Post piece that "the build-down idea has great promise as a principle that reconciles the objectives of arms control with the imperatives of military planning."

Senator NUNN and I offered the build-down resolution as a means of unifying proponents of a nuclear freeze and advocates of military force modernization behind a concept which meets the essential concerns of each. I am gratified that Senator Muskie finds the concept to be "the kind of constructive initiative for which those of us who support a nuclear freeze have been working."

I am hopeful that this, coupled with the stamp endorsement last week of the chairman of the Foreign Relations Committee, Senator PERCY, will lend impetus to the formation of a broad consensus which could enhance the prospects of achieving meaningful arms control while insuring the maintenance of U.S. national security.

Mr. President, I ask that the text of Senator Muskie's article be printed in the RECORD.

The article referred to follows:

[From Washington Post, Mar. 6, 1983]

"BUILD DOWN" THE FORCES WE DON'T NEED

(By Edmund S. Muskie)

Something important is stirring in the Senate. For the first time in memory a serious and far-reaching arms control proposal has originated within the Armed Services Committee. It has already won the warm endorsement of the chairman of the Foreign Relations Committee and many other senators.

Sens. William S. Cohen and Sam Nunn have proposed a "mutual guaranteed build-down of nuclear forces." Under the plan, the United States and the Soviet Union would each pledge to eliminate from its operational forces two nuclear warheads for each newly deployed nuclear warhead.

At first glance, the concept seems suspiciously simple, but closer examination shows that the build-down idea has great promise as a principle that reconciles the objectives of arms control with the imperatives of military planning. It is the kind of constructive initiative for "which those of us who support a nuclear freeze have been working.

One can understand the concept's merit best by considering how it might actually be put into effect. While the build-down scheme is applicable to all nuclear weapons, it would be sensible to treat tactical battlefield weapons as a separate category. Of most immediate interest would be strategic nuclear forces and longrange theater nuclear systems, the weapons currently being discussed in the Geneva negotiations between the two superpowers. All the latter weapons are essentially strategic, in the sense that they threaten critical targets in the heartlands of the two alliances. Altogether, these long-range systems probably carry 12,000 to 13,000 nuclear warheads on each side. Yet, unless negotiated limits are soon imposed, even these large arsenals may continue to grow.

The build-down rule would prevent any such growth. Force modernization would mean simultaneously greater force reduction. Thus, the plan would challenge both governments to move promptly toward the real reductions they profess to desire—to put up or shut up. While the exact pace and composition of such reductions would surely vary between the two sides, the price of new programs anticipated for the next several years could well be cuts of about one-third in operational nuclear warheads on long-range delivery vehicles—a reduction to perhaps 7,000–8,000 warheads on each side. Those numbers are compatible with both President Reagan's START proposal and the Soviet counter-offers.

To verify such reductions, the parties could employ procedures already elaborated in previous strategic arms negotiations. In particular, the so-called "counting rules" negotiated during the 1970s would be invaluable in confirming the numbers of warheads being eliminated. For example, a Soviet SS18 missile would be assumed to have 10 warheads, an American Poseidon missile, 14. Eliminating missiles and aircraft would be necessary to demonstrate removal of warheads from operational service.

In verifying these activities, the Standing Consultative Commission established in 1972 would be indispensable. As the build-down fulfills President Reagan's demands for real reductions, it would also build upon the vital precedents and procedures of prior strategic agreements.

Especially important are the build-down's implications for the American and Soviet military establishments. They would be both liberated and constrained. They would have broad flexibility to choose which new systems to deploy, but they would have to decide whether modernization was worth the price. Presumably, as forces began to shrink, the military incentives would favor emphasizing the most survivable weapons, thereby promoting strategic stability.

One could strengthen those incentives for stability by incorporating some of the ideas that Rep. Albert Gore and others have advanced to phase out the most dangerous weapons, multiple-warhead ICBMs. For example, if a side chose to deploy smaller, single-warhead missiles, it might be allowed to do so at a replacement ratio of two new warheads for three currently deployed warheads. This would still ensure reduction but would favor the less threatening missiles now attracting interest in the President's Commission on Strategic Forces.

Not only is the build-down concept technically and strategically sound; it also is politically appealing. It could go far toward healing the serious breach we have suffered on arms control policy by responding to the fundamental concerns of both those who favor and those who oppose a nuclear freeze. For understandable reasons, freeze proponents have feared that permitting any change in nuclear forces would in fact mean an increase in those forces. Freeze opponents have feared that preventing any change in the forces would undermine stability by perpetuating a structure of increasingly vulnerable and unreliable weapons. Both perspectives are legitimate. The build-down plan offers a unique opportunity to harmonize them. In the interest of stability, some modernization would be permitted, but there would be no modernization without reductions.

More than a decade ago, an overwhelming majority of senators urged the president to head off the deployment of MIRVed mis-

siles by negotiating a ban on flight tests. But we spoke tardily and timidly, and the world grew far more dangerous. Today, with new technologies in prospect and arms negotiations in peril, a vigorous initiative by Congress could not be more timely. The guaranteed build-down could be the organizing principle on which a strong congressional majority could frame advice to the president in terms on which he might be willing to act. It could be the rallying point for a bipartisan coalition linking Congress and the executive in a renewed effort to blend diplomacy and defense. And forging such a coalition remains the key to effective negotiations with the Soviet Union.●

DR. ZINBERG HONORED

● Mr. SARBANES. Mr. President, for over six decades the Baltimore area has benefited from the compassion, warmth, and professional dedication of Dr. Israel S. Zinberg. As friend, mentor, and healer, Israel Zinberg has served his community for the last 63 years with a devotion few can equal. On March 24, 1983, in recognition of his outstanding qualities, the Save-A-Heart Foundation, Inc., will confer on Dr. Zinberg their most prestigious award, the 1983 Humanitarian of the Year. A nonprofit organization of volunteers of which Dr. Zinberg is a founding member, Save-A-Heart has devoted its entire 11-year history to fundraising for coronary care units at various Baltimore hospitals.

A native Baltimorean, Israel Zinberg was educated at Baltimore City College, Mount Vernon Collegiate Institute, and the University of Maryland Medical Schools. Upon graduation in 1920, he served his internship and residency at the Hebrew Hosptial and Asylum, forerunner of today's Sinai Hospital. In 1922, he became a staff member, worked in the outpatient department, and was named chief of medicine in the dispensary. That same year, he entered private practice in internal medicine, while continuing as head of the outpatient department.

In 1942, Dr. Zinberg was commissioned in the Navy Medical Corps where he served with the Marines through 1946. After preparing in California and New Zealand for combat service, he was sent to Tarawa, where he participated in the first offensive battle in that area. He was then sent to Saipan and Tinian, where heated battle was in progress. Recipient of two Bronze Stars and a Silver Star for action in Saipan, he returned home with the rank of naval commander. After 2 years in civilian life, he was awarded another Silver Star for his service with the U.S. Marine Corps, and promoted in the Navy to the rank of captain.

Friends and colleagues remember him best carrying his little black bag, with his stethoscope around his neck, a pocketfull of hard candies for coworkers and patients, as he made his rounds from the halls of the Hebrew Hospital and Asylum—on Monument Street in downtown Baltimore—to the modern Sinai Hospital, built in 1959 in northwest Baltimore. Even now, Dr. Zinberg makes house calls, a rare occurrence in these times of increasing depersonalization, caring for as many as three generations of some families.

Dr. Zinberg's history is one of long professional and personal service. His work on behalf of humanity as a physician and his role in the community as a philanthropist, patriot, and good neighbor qualifies him in every way as Save-A-Heart's 1983 Humanitarian of the Year.●

THE "SISTER CITIES" OF SANTA FE

● Mr. DOMENICI. Mr. President, I have recently learned that the mayor of the city of Santafe, Spain, has extended a personal invitation to the city of Santa Fe, N. Mex., to establish a sister city relationship between these two cities.

In addition to sharing the same names, these two cities are alike in their close cultural and artistic ties. The city of Santa Fe, N. Mex., albeit many thousands of miles from Spain, has maintained an intimate link to the customs and heritage of that great European nation an association of which I and my fellow New Mexicans are very proud.

The Spanish mayor's gracious invitation included participating in his town's annual celebration marking the anniversary of the day that King Ferdinand and Queen Isabella signed the pact granting Christopher Columbus the resources for his journey westward to the Americas. Accordingly, a commission has been formed in Santa Fe, at Mayor Montano's request, to coordinate New Mexico's participation in the April 15-17, 1983, celebration.

We hear a lot about the United States being a "melting pot" of many and diverse European heritages. Regrettably, many of the most valuable aspects of these heritages are lost in the frenetic pace that Americans have set for themselves. I am proud to come from a State that has not only protected the rich culture of its ancestors, but embellished it. I am equally proud that the citizens whom I represent live their lives with both an appreciation of the new and a respect and reverence for the old.

I extend my warmest thanks to these two mayors for taking this initiative of friendship, and I am confident that the April celebration will mark a joyous beginning to a long and valuable association for both cities.●

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRESSLER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, will the Chair inquire if there is other morning business?

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

EMERGENCY JOBS APPROPRIATIONS, 1983

The Senate continued with consideration of the bill.

Mr. HATFIELD. Mr. President, I believe we have temporarily laid aside the committee amendment and the pending Abdnor amendment to consider another amendment. I ask unanimous consent to do so if we have not.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 33

(Purpose: To amend Jobs Stimulus Bill (H.R. 1718) by removing the Veterans Administration Major Construction provision)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment numbered 33.

Mr. HATFIELD. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Starting on page 12, strike line 15 through line 2 on page 13.

Mr. HATFIELD. Mr. President, this amendment simply removes a committee provision that provided advanced fiscal year 1983 funding for two VA hospitals that are contained in the President's fiscal year 1984 budget. Based on agreements reached during the last session of Congress, the committee recommended funding for these facilities in this, the first appropriations bill of this session.

I am now aware that the Veterans' Affairs Committee intends shortly to hold hearings on the VA fiscal year 1984 construction budget—including these two facilities. I, therefore, ask that the provision be deleted until such time as the two projects are formally reviewed and authorized by the Veterans' Affairs Committee. It appears that the authorizing committee has no specific objection to either of the hospitals, but justifiably would

like to proceed in such a manner as to fulfill its oversight responsibilities.

I thank my colleague, the distinguished chairman of the Veterans' Affairs Committee (Mr. SIMPSON) for his assistance in resolving this matter. I understand that they intend to complete this process in advance of the spring pay supplemental. If this turns out to be the case, I understand that Mr. GARN intends to offer the amendment at that time.

Mr. President, this amendment has been cleared by both sides of the aisle. Mr. STENNIS, the ranking minority member of the committee, has cleared it. Also, there will be a colloquy here between the chairman of the committee (Mr. SIMPSON) and Senator BOSCHWITZ, who had introduced the authorization legislation because the replacement hospital will be in his State, in Minneapolis-St. Paul.

Mr. BOSCHWITZ. Mr. President, Mr. DURENBERGER and I wish to clarify the status of the Minneapolis veterans hospital. Perhaps the chairman of the Veterans' Affairs Committee, could give us the current status.

Mr. SIMPSON. The Reagan administration has included a request for funding for the Minneapolis replacement hospital in its fiscal year 1984 budget request.

Mr. BOSCHWITZ. Commitments were made last fall by JAKE GARN, chairman of the Appropriations Subcommittee on HUD and Independent Agencies, regarding the Minneapolis hospital. He told Mr. DURENBERGER and me, as he told the House conferees, that he would include funding for the Minneapolis hospital in a fiscal year 1983 supplemental appropriations bill if the Reagan administration included the hospital in their fiscal year 1984 budget request. Is this the Senator's understanding of the commitment?

Mr. SIMPSON. Mr. GARN agreed to language in the conference report of Public Law 97-272 stating that funding for the Minneapolis hospital "will be included in the first available appropriations legislation" after the administration requests it.

Mr. BOSCHWITZ. So, when Mr. GARN put the funding for the hospital into H.R. 1718, the urgent supplemental appropriations bill, he was simply following through on promises made last year. However, we did run into problems. Could the chairman explain what happened?

Mr. SIMPSON. Although, under the "first available appropriation legislation" standard, the urgent supplemental does qualify as the "first," from the committee's point of view, it cannot qualify as being "available" yet.

Mr. BOSCHWITZ. Please elaborate.

Mr. SIMPSON. Section 5004 of title 38, United States Code, provides that no appropriation may be made for a VA medical facility construction project which involves a total expenditure of more than $2 million, unless both the House and Senate Veterans' Affairs Committees have first adopted a resolution approving the project.

The Senate Veterans' Affairs Committee has not yet approved either of the projects before us today. The administration did not formally request construction funding for these projects until January 31 of this year, when requests for both projects were included in the administration's fiscal year 1984 budget submission. Even before these prospectuses were submitted, the committee had scheduled meetings to consider them: A hearing on March 23, 1983, and a markup on April 12, 1983. Since I am at present aware of no obstacles to approval of either project by the Senate Veterans' Affairs Committee, I anticipate that both will be soundly approved by the committee at its April 12 markup, at the requested appropriation levels—that is, $254 million in the case of the Minneapolis replacement hospital, and $9.4 million in the case of the Cleveland project. I believe, Mr. President, that if I were to support appropriations for these projects—one of which is the largest and most expensive hospital project in the VA's history—in advance of committee approval of them, I would be abdicating the responsibilities imposed by statute upon the Senate Veterans' Affairs Committee and would be severely delinquent in my duties as chairman.

I note, Mr. President, with regard to the Minneapolis replacement hospital project, that it is my understanding from the VA that nothing will be gained by appropriating construction funds today, as opposed to next month, or in the appropriations process for fiscal year 1984. Congress has already appropriated $15 million, back in fiscal year 1981, for design and site preparation of the Minneapolis project. It is my understanding that this work is not yet completed; that excavation of the replacement hospital site is due to be completed by late July, that working drawings for the next phase of the main building are now nearing completion, that the request for proposals for the main construction phase will be issued by mid-October, that a maximum of $40 million can be obligated for the project in fiscal year 1984, and that the VA is simply not in a position to obligate or spend any new money in the current fiscal year. Thus, our failure to include the Minneapolis funding in the urgent supplemental will result in no loss of jobs, no loss of funding, and no delay in the construction timetable.

Mr. BOSCHWITZ. I thank my friend for that lucid explanation. Now I will turn to my friend from Oregon, the distinguished chairman of the Senate Appropriations Committee (Mr. HATFIELD).

The Washington Post has been referring to the deletion of the Minneapolis hospital as a cost-saving measure. Given Mr. SIMPSON's remarks, perhaps the Senator from Oregon, too, could clarify why the Appropriations Committee will request deletion of this project?

Mr. HATFIELD. As the Senator from Wyoming states it, the problem lies with statutory requirements imposed upon the Veterans' Affairs Committees governing projects costing $2 million or more. Senator GARN and I are simply deferring to the oversight responsibilities and statutory duties of our colleague, in his capacity as chairman of the Senate Veterans' Affairs Committee, on this procedural matter.

Mr. BOSCHWITZ. I thank the Senator. What does either Senator see as the next step?

Mr. SIMPSON. The present obstacle to the funding of the Minneapolis hospital is technical in nature and does not reflect on the merits of the project. I foresee no reason at present that the project should not be approved by the committee in April, in time for possible inclusion in what now appears likely to be the first available appropriations bill—the spring pay supplemental.

Mr. HATFIELD. Mr. GARN informs me he plans to do just as the Senator outlined.

Mr. BOSCHWITZ. Mr. DURENBERGER and I thank both Senators for their assistance in clearing up the confusion. As they both know, this project has been around several years, and I for one will be extremely pleased when construction is actually under way.

Mr. HATFIELD. Mr. President, the amendment has been cleared by the chairman of the committee, by the manager of the bill and by both sides of the aisle.

I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 33) was agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I hope I have here a unanimous-consent agreement to provide for the order of the business of the Senate for the balance of this day and tomorrow. First, I do not think we can pull this together in

order to do any other meaningful business tonight. So I put this unanimous-consent request.

Mr. President, I ask unanimous consent that after the Senate convenes tomorrow, at the hour of 10 a.m. the Senate return to the consideration of the pending bill. I ask unanimous consent that the Senate then lay aside the pending committee amendment and resume consideration of the Abdnor amendment.

I say parenthetically that I do anticipate that there will be an amendment or other action taken in respect to the Abdnor amendment. There is no time limitation requested at this time and none has been entered.

Mr. President, I ask unanimous consent that, after the disposition of the Abdnor amendment, the Senate turn to the consideration of the Levin amendment, which is in the nature of a substitute/supplement to be offered by the Senator from Michigan, and that there be a 2-hour time limitation on that amendment, to be equally divided and controlled by the distinguished author of the amendment and the distinguished chairman of the Committee on Appropriations or their designees.

Mr. President, I further ask unanimous consent that there be a time limitation of 30 minutes equally divided on any second-degree amendment that may be offered to the underlying amendment or on any point of order if the same is submitted to the Senate, and that a vote occur on the Levin amendment without an intervening motion to table.

After the disposition of the Levin amendment, Mr. President, I ask unanimous consent that the Senate turn to the consideration of the Ford amendment dealing with railroad retirement and that, on that amendment, there be a time limitation of 30 minutes equally divided, with the proviso that if there are any second-degree amendments, there be a time limitation of 10 minutes equally divided and the same should apply to any point of order if the same is submitted to the Senate, and that the vote be up or down on the Ford amendment.

After the disposition of the Ford amendment, Mr. President, I ask unanimous consent that the Senate turn to the consideration of a Heinz amendment dealing with the acceleration of the fourth quarter of revenue sharing, on which there be a time limitation of 1 hour equally divided, with the proviso that if there are second-degree amendments with points of order that are submitted to the Senate, there be a time limitation of 20 minutes equally divided and that the vote shall occur on the Heinz amendment without intervening tabling motion.

After the disposition of the Heinz amendment, I ask unanimous consent that the Senate turn to the consideration of an Eagleton amendment dealing with health care on which there will be a time limitation of 1 hour equally divided, with the further proviso that, if there are second-degree amendments or points of order, there be a time limitation of 20 minutes equally divided; that after the disposition of the Eagleton amendment, the Senate turn to the consideration of a Humphrey amendment dealing with the striking of title I of the bill before the Senate and that there be a time limitation of 1 hour equally divided and 20 minutes on any second-degree amendments or points of order if such be submitted to the Senate, and that the vote be up or down on the Humphrey amendment.

After the disposition of the Humphrey amendment, I ask unanimous consent that the Senate turn to the consideration of two Mattingly amendments, each dealing with modification of title I of the bill, and that there be a time limitation of 30 minutes equally divided on each of those, with 10 minutes equally divided on any second-degree amendments or points of order if such are submitted to the Senate.

I further ask unanimous consent that in each case, any second-degree amendment be germane to the subject matter of the underlying first-degree amendment, and that, in each case, the vote occur on the amendment itself and that no tabling motion be in order.

Mr. BYRD. Mr. President, I like the idea of no nongermane second-degree amendments, but did I hear the majority leader say no tabling motions be in order?

Mr. BAKER. That in each case, there be an up or down vote on the amendment itself.

Mr. BYRD. On the second-degree amendment?

Mr. BAKER. Mr. President, that is the request, yes. I have no personal preference.

Mr. MOYNIHAN. Will the majority leader yield for a question?

Mr. BAKER. Yes.

Mr. MOYNIHAN. Senator CHAFEE and I had thought we would appear somewhere in this lineup. Does the leader have any consolation or advice?

Mr. BAKER. Consolation and advice, Mr. President.

First, I would hope that we are able to get a time agreement on the Moynihan-Chafee amendment. As soon as we do get a time agreement, I would propose to sequence that in.

Mr. LONG. Reserving the right to object, Mr. President, I would hope that the germaneness limitation would not apply to the Abdnor amendment. I hope the Senator requested that there be a germaneness limitation with regard to amendments on which he has time agreement, but I would hope that we are not going to insist on the germaneness limitation on the Abdnor amendment.

Mr. BAKER. Mr. President, the request I made would not apply to the Abdnor amendment as such because it would apply only to second-degree amendments.

Mr. MATTINGLY. That agreement is not only on the Mattingly amendments?

Mr. BAKER. No; it is on all amendments. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I am afraid there might be a misunderstanding. In case there are second-degree amendments to the Abdnor amendment, I hope it is understood that the majority leader's request does not apply to require germaneness of a second-degree amendment to the Abdnor amendment. The reason I say that is because sometimes a germaneness requirement can be very, very strict, strictly complied. To say that there must be something in the amendment which is germane precludes one from adding new matter. I do not object to the germaneness requirement with regard to the Abdnor amendment with no limitation. I think amendments should not be limited to germaneness.

Mr. BAKER. Very well. Mr. President, I have no problem with that. I modify my request so that the germaneness requirement will be on second-degree amendments to pending amendments so listed on which there are time agreements.

Mr. BYRD. Mr. President, reserving the right to object, will the majority leader limit that matter only to amendments on which there have been time agreements?

Mr. BAKER. That is the way it is standing at this moment, yes.

Mr. President, I inquire of the Senator from South Dakota if he—I do not solicit an objection, but I want to make sure he understands where we stand.

Mr. President, I hope there is no objection to the request, and I reiterate the request.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, if I could have the attention of the Senate, the suggestion has been made that pershaps the Abdnor amendment itself can be disposed of at this time by voice vote. If I am correct in that, I would suggest we ought to go ahead and do that tonight.

Mr. LONG. We cannot, Mr. President, I would have to object.

Mr. ABDNOR. Will the majority leader yield?

I just ask whether there is required a similar statement on my part to withdraw the rollcall vote then?

Mr. BAKER. I think there may be an objection to it.

May I suggest that we just save the whole issue until the morning.

ORDER FOR COMMITTEES TO MEET UNTIL 2 P.M. TOMORROW

Mr. BAKER. Mr. President, I have discussed this with the minority leader, and I believe it is not objectionable. I put the request.

Mr. President, since we are coming in at 9:30 in the morning, which is very early, in view of the work that committees have to do and since they cannot meet past 2 hours after the Senate convenes, I ask unanimous consent that all committees may have until 2 p.m. tomorrow to meet, notwithstanding the session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no other Senator seeking recognition, I inquire of the minority leader if he has any further business he wishes to transact?

Mr. BYRD. Mr. President, I have none.

Mr. BAKER. I thank the minority leader. Mr. President, I then move, in accordance with the order previously entered, that the Senate now stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to; and at 7:26 p.m., the Senate recessed until tomorrow, Thursday, March 10, 1983, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 9, 1983:

DEPARTMENT OF STATE

Allen Clayton Davis, of Tennessee, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uganda.

NATIONAL LABOR RELATIONS BOARD

Patricia Diaz Dennis, of California, to be a member of the National Labor Relations Board for the remainder of the term expiring August 27, 1986, vice John R. Van de Water.

DEPARTMENT OF EDUCATION

Donald Moncrief Muchmore, of California, to be a member of the National Museum Services Board for a term expiring December 6, 1987, vice George C. Seybolt, term expired.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant:

Randolph O. Dodge
John B. Young III
Theodore P. Montgomery
Robert J. A. Palko
James G. Law
Malcolm Z. Pittman
David W. Alley
James L. Person
Tedric R. Lindstrum
Iain Anderson
Bruce R. Mustain
Gary A. Napert
Michael P. Lucia
Timothy W. I. Rolston
Robert L. Maki
John E. DeJung
Kelly P. Reis
Ronald T. Hewitt
Matthew J. Wixsom
Keith M. Belanger
Eric K. Chapman
Barry L. Poore
Paul S. DalSanto
Robert K. E. Roemer
John F. Brooks
Michael P. Butler
Mark A. Frost
Bruce R. McQueen
Robert W. Durfey, Jr.
Paul D. Destefano, Jr.
Michael J. Gardner
Stephen T. Delikat
Douglas C. Connor
Richard W. Muth
Thomas S. Fullam
Edwards L. Wilds, Jr.
Jay F. Boyd
Jeffrey A. Kayser
Timothy J. Spangler
Robert A. Deletto
Gerard D. Massad
Randall R. Gilbert
Charles F. Barker
William G. Davidson
David K. Hebert
Robert C. Hayden
Richard W. Cusson, Jr.
Gene L. Schlechte
Patrick J. Cunningham, Jr.
Jack R. Bentley
Mark J. Sikorski
Mark H. Landry
Rex J. Blake
Daniel C. Whiting
Peter J. A. Dinicola
Stuart J. Overton
Joseph G. Pickard
William P. Vieth, Jr.
Mark J. Burrows
Kevin G. U. Ross
Kevin P. Carpenter
William A. Emerson
Manson K. J. Brown III
Mark L. Miller
Clinton S. Gordon
William F. Meyn, Jr.
Keith E. Schleiffer
Richard E. Wells
Robert W. McCarthy III
Lloyd M. McKinney
Wayne N. Collins
James A. Watson IV
Brian J. O'Keefe
Mark D. Hill
Lee T. P. Romasco
Richard B. Gaines
Martin L. Jackson
Bruce A. Drahos
Robert M. Bishop, Jr.
Brian J. Ford
Frederic C. Harwood
Jay R. Hickman
Ronald F. Wohlfrom
Clifford K. Comer
James A. McKenzie
William P. Layne III
William J. Wagner
George W. Kellam, Jr.
Richard C. Yazbek
Norman K. Swenson
Edward L. Young, Jr.
Stephen L. Kantz
Joseph T. P. Riordan
Jeffrey B. Stark
Thomas J. Murphy
Mark W. Cerasale
Stephen A. Ruta
Michael J. Hanratty
Eddie V. Mack
Dwight K. McGee
Bruce D. Ward
Joseph R. Castillo
Mark E. Dahl
Robert A. Vanzandt
Kevin A. J. Nugent
John W. Yost
Gene R. Allard
Andrew G. Givens
Paul A. Preusse
Kurt R. Wellington
Jon M. Bechtle
Christopher Bond
Bruce W. Black
Kenneth Hull
Michael J. F. Lapinski
Jonathan B. Lemmen
George S. Sabol
Thomas J. Kavanaugh
Kenneth Keefe
Adeste F. E. Fuentes
Robert F. Reynolds
Larry C. Mercier
Mitchell R. Forrester
Ronald J. Rabago
Thomas J. Chuba, Jr.
Kenneth B. Cowan
Mark E. Ashley
Joseph C. Loadholt
Douglas N. Eames
Matthew J. E. Vaughn
Will D. J. Agen
Paul S. Berry
Robert E. Reininger
Walter F. Rogers III
Kent P. Mack
Leroy E. Smith
Benjamin M. Harrison
Lance W. Carpenter
Byron Ing
Sam K. Shriver
Alfred M. Ducharme
Steven H. Ratti
Wayne C. Parent
Michael P. Rand
Michael J. Mangan
Edward A. Richards, Jr.
Jeffrey E. Brager
Steven F. Butler
Michael R. Safford
Charles L. McAllister
William T. Blunt
Alexander P. Munoz
Rodney L. Boyd
Marshall M. Thomas
Hubert L. Hood, Jr.
Joseph H. Ewalt
Michael T. Burnett
Michael G. Fetrow
Ronald S. Leidner
William M. Cherry
Gerald R. Hagan
Darrell W. Williams

The following-named temporary officers of the U.S. Coast Guard to be permanent commissioned officers in the grade of lieutenant (junior grade):

Malcolm Z. Pittman
Steven F. Butler
Michael R. Safford
Charles L. McAllister
William T. Blunt
Alexander P. Munoz
Rodney L. Boyd
Marshall M. Thomas
Hubert L. Hood, Jr.
Joseph H. Ewalt
Michael T. Burnett
Michael G. Fetrow
Ronald S. Leidner
William M. Cherry
Gerald R. Hagan
Darrell W. Williams

To following officers of the U.S. Coast Guard for promotion to the grade of Lieutenant (junior grade):

Andres L. Bolinaga, Jr.
David M. Rishar
Kevin S. Wells
Charles J. Albano, Jr.
Drew R. Wojtanik
Ekundayo G. Faux
Richard W. Kuhl
Adolph E. Galonski
Armondo E. Mangahas
Riki G. Benson
David C. Stambaugh
Larry E. Smith
Raymond S. Cross
Kent R. Youel
Christopher A. Wilson
Melesio Gonzales

The following cadets of the United States Coast Guard Academy for appointment to the grade of ensign:

Daniel B. Abel
Leon J. Alexandrou
David K. Almond
Jeffrey G. Anderson
Michael J. Baca
Jeffrey W. Baldwin
Jacqueline A. Ball
Gregory A. Bartolett
Scott B. Beeson
Richard D. Belisle
Richard J. Berard
Peter J. Bergeron
Robert L. Berrigan
Mathew D. Bliven
Sheldon B. Blue
Terry A. Boyd
Scott Burlingame
Karl H. Calvo
Robert H. Carmack
Stanley J. Carson
Peter D. Chittenden
Kristy L. Ciarlariello
David A. Cinalli
Benjamin B. Clough
Douglass C. Cochran, Jr.
Thomas M. Cullen, Jr.
Keith G. Cullan
Matthew Eugene Cutts
Andrew N. Czapowskyj
Susan F. Daignault
Marcia L. Daniell
Jeffrey A. Davis
Daniel J. DeLosReyes
Angela Dennis
Robert M. Diehl
Gerard R. Dostie
John E. Dzwilewski
Robert F. Ellis
Stephen R. Fagerhaug
James F. Ferguson
Paul T. Ferguson
José L. Fernandez
Dale G. Ferrell
Robert F. Finley
Joseph Fischetti, Jr.
Laurence W. Fishler
Robert V. Fogel
Robert P. Forgit
Patrick J. Galvin
Todd Gentile
Terry D. Gilbreath
David H. Gordner
Eugene Gray, Jr.
Richard T. Gromlich
Nicolas Guerrero
Paul F. Guinee
David W. Harper
Michael A. Harris
Matthew J. Hermann
Thomas C. Hickman
Mark R. Higgins
Kirk E. Hiles
Peter M. Hoffman
Helen L. Holtzman
Christopher W. Hopper
Kenneth C. Hricz
Steven L. Hudson
Eric D. Hultmark
Michael L. Humphreys
Paul L. Humphreys
Robert W. Jackmore
Charles Jager, Jr.
John J. Jennings
Donald F. Karol
Mary K. Kelleher
Robert F. Kelly, Jr.
Barton A. Klal
James B. Kidwell
Patrick H. Knowles, Jr.
Steven L. Koska
Molly K. Kriz
Scott P. LaRochelle
Paul D. Larzelere
Jennifer E. Lay
Bradley R. Lee
Lurilla J. Lee
Robert S. Lentz

Michael F. Leonard
Steven S. Lowry
John J. Macaluso
Harry G. MacGregor III
Alan M. Marsilio
Brian J. Marvin
Geoffrey T. Merrell
Kevin H. Miller
Kenneth K. Moore
Bernard T. Moreland
Roger L. Morency, Jr.
Eric J. Mosher
Richard K. Murphy
Edward P. Nagle
Kevin M. Nedd
Kenneth D. Norris
James J. O'Connor
John C. Odell
Janelle L. Oveson
Anthony J. Palazzetti
Keith J. Patterson
Todd R. Pellman
John P. Philbin II
Mark L. Porvaznik
Robert M. Pyle
Robert H. Randolph
Daphne Reese
James E. Rendon
James B. Robbins
Scott W. Robert
Christopher E. Roberts
Brad A. Robinson
Paul J. Roden
Joseph F. Ryan
Glenn A. Ryerson
Andreas M. Sager
Richard H. Schlatter, Jr.
Karl L. Schultz
Randy C. Scott
Bryan J. Seale
Edward P. Seebald
Jaems W. Seeman
John M. Senyard
Sarah J. Shores
Joseph C. Sinnett
Liam J. Slsein
Douglas J. Smith
Rebecca A. Smith
Roderick L. Smith II
Todd A. Snide
George W. Solewin
Nicholas J. Stagliano
Palul A. Steward
Jean A. Stimson
Charles V. Strangfeld
Lincoln D. Stroh
John L. Sturtz, Jr.
David J. Swatland
James A. Sweet
Stephen C. Sweyko
Lisa R. Tamblingson
Keith A. Taylor
Thomas A. Tazelaar
Gilbert E. Teal II
Michael A. Tekesky
Norbert F. Tencza, Jr.
Edwin B. Thiedeman
William H. Timbs, Jr.
Bruce L. Toney
Frederick W. Tucher
Jon V. Turban
Maura S. Vassar
Thomas J. Vitullo
Thomas D. Wade
Arthur D. Webber
Paul E. Wiedenhoeft
Vincent Wilczynski
Deborah R. Winnie
Brian K. Wright
Peter J. Zohorsky
Joseph O. Zuccaro

IN THE ARMY

The following named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of Title 10, United States Code, sections 531, 532, 533:

MEDICAL CORPS

to be colonel

Balson, Paul M., xxx-xx-xxxx
Schneider, Robert L., xxx-xx-xxxx
Williams, Ronald G., xxx-xx-xxxx

To be lieutenant colonel

Black, Kenneth E., xxx-xx-xxxx
Caughron, John R., xxx-xx-xxxx
Chacko, Anna K., xxx-xx-xxxx
Chamusco, Roger F., xxx-xx-xxxx
Garcia, Viera Juan M., xxx-xx-xxxx
McAllister, Charles K., xxx-xx-xxxx
Mehlman, Ira, xxx-xx-xxxx
Melendez, Edwin, xxx-xx-xxxx
Talbot, Asa R., xxx-xx-xxxx
Tomlinson, John P., III, xxx-xx-xxxx
Vagshenian, Gregory S., xxx-xx-xxxx

To be major

Boissevain, Andre R., xxx-xx-xxxx
Dich, Nguyen H., xxx-xx-xxxx
Jackson, Jean T., xxx-xx-xxxx
Jones, Gary C., xxx-xx-xxxx
Zachariah, Elizabeth K., xxx-xx-xxxx

To be captains

Amador, Juan R., xxx-xx-xxxx
Andejeski, Yvonne M., xxx-xx-xxxx
Bruckart, James E., xxx-xx-xxxx
Burns, Cindy L., xxx-xx-xxxx
Caravalho, Joseph, Jr., xxx-xx-xxxx
Cloonan, Clifford C., xxx-xx-xxxx
Davidson, Martin A., xxx-xx-xxxx
Evans, Linda A., xxx-xx-xxxx
Evans, William S., Jr., xxx-xx-xxxx
Faria, Michael P., xxx-xx-xxxx
Farr, Warner D., xxx-xx-xxxx
Gelzer, Ronald L., xxx-xx-xxxx
Gunzenhauser, Jeffrey D., xxx-xx-xxxx
Hall, Kevin L., xxx-xx-xxxx
Harper, Bradley N., xxx-xx-xxxx
Hinton, Carl B., xxx-xx-xxxx
Irby, Pierce B., III, xxx-xx-xxxx
Johnson, Samuel S., xxx-xx-xxxx
Kramp, Richard W., xxx-xx-xxxx
Krisch, Albert, xxx-xx-xxxx
Larson, Steven B., xxx-xx-xxxx
Lillegard, Wade A., xxx-xx-xxxx
Lyons, Robert C., xxx-xx-xxxx
Martinko Thomas M., xxx-xx-xxxx
Morarity, Edwin L., xxx-xx-xxxx
Myers, Cris P., xxx-xx-xxxx
Olsen, John R., xxx-xx-xxxx
Peppas, Dennis S., xxx-xx-xxxx
Pierson, Roy S., xxx-xx-xxxx
Rifkin, Jeffrey R., xxx-xx-xxxx
Riordan, Kathryn K., xxx-xx-xxxx
Saito, Caswin K., xxx-xx-xxxx
Shannon, Steven R., xxx-xx-xxxx
Slack, Michael C., xxx-xx-xxxx
Sun, Wellinton, xxx-xx-xxxx
Tenglin, Richard C., xxx-xx-xxxx
Ulirsch, Rudolf C., xxx-xx-xxxx
Vukelja, Svetislava J., xxx-xx-xxxx
Welch, Paul G., xxx-xx-xxxx
Williams, Leonora O., xxx-xx-xxxx
Young, Marianne M., xxx-xx-xxxx
Zimmerman, Patricia A., xxx-xx-xxxx

DENTAL CORPS

To be colonel

Kimbrough, William F., xxx-xx-xxxx

To be lieutenant colonel

Koppleman, Eric S., xxx-xx-xxxx

To be major

Colwell, Michael, xxx-xx-xxxx
Cox, Gerald D., xxx-xx-xxxx

To be captain

Guy, Steven C., xxx-xx-xxxx

VETERINARY CORPS

To be major

Heisey, Gregory B., xxx-xx-xxxx

To be captain

Gaiser, Charles N., xxx-xx-xxxx
Jarboe, Daniel L., xxx-xx-xxxx
Lamb, Samuel R., II, xxx-xx-xxxx
Stanley, Otis L., xxx-xx-xxxx

ARMY NURSE CORPS

To be major

Gracey, Adeline P., xxx-xx-xxxx
McDonnell, Robert, xxx-xx-xxxx
Rauer, Virginia, xxx-xx-xxxx
Sealy, Mary L., xxx-xx-xxxx
Turner, Saundra L., xxx-xx-xxxx

To be captain

Adams, Mary P., xxx-xx-xxxx
Bargabos, Carl R., xxx-xx-xxxx
Calder, Michael A., xxx-xx-xxxx
Caylor, Ann M., xxx-xx-xxxx
Choyortiz, Sergio J., xxx-xx-xxxx
Duszynski, Linda S., xxx-xx-xxxx
Entyre, Annette E., xxx-xx-xxxx
Fleshman, Kathy O., xxx-xx-xxxx
Goodwin, Carolyn T., xxx-xx-xxxx
Lacharity, Linda A., xxx-xx-xxxx
Lintvedt, Robert E., xxx-xx-xxxx
Lomax, Debbie J., xxx-xx-xxxx
O'Dell, Phyllis, xxx-xx-xxxx
Robenolt, William J., xxx-xx-xxxx
Vairin, Susan A., xxx-xx-xxxx
Vanderbilt, Ludie M., xxx-xx-xxxx

To be first lieutenant

Courney, Thomas J., xxx-xx-xxxx
Newton, Terry A., xxx-xx-xxxx
Pixton, William T., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be captain

Endler, Myra J., xxx-xx-xxxx
Peterson, Deborah E., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be major

Kotyrba, Charles H., xxx-xx-xxxx
Marcieski, Stanley C., xxx-xx-xxxx
Smith, Peter P., xxx-xx-xxxx

To be captain

Berry, Donald L., xxx-xx-xxxx
Christenberry, Deirdre, xxx-xx-xxxx
Darnley, Thomas D., xxx-xx-xxxx
Davies, William G., xxx-xx-xxxx
Greenwood, James R., xxx-xx-xxxx
Holcomb, Arthur B., xxx-xx-xxxx
Horrell, Margaret A., xxx-xx-xxxx
Kotulak, John C., xxx-xx-xxxx
Kotzin, David A., xxx-xx-xxxx
MacKoy, Rebecca J., xxx-xx-xxxx
McDermott, Robert M., xxx-xx-xxxx
McDonald, Kathryn A., xxx-xx-xxxx
McKee, Morris C., Jr., xxx-xx-xxxx
McKnight, Steven A., xxx-xx-xxxx
Missler, Stephen R., xxx-xx-xxxx
Piziak, Myron V., xxx-xx-xxxx
Robichaud, Michael J., xxx-xx-xxxx
Thatcher, Stephen S., xxx-xx-xxxx

To be first lieutenant

Driver, Earl C., xxx-xx-xxxx
Thompson, Lee S., xxx-xx-xxxx

HOUSE OF REPRESENTATIVES—*Wednesday, March 9, 1983*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we earnestly pray that Your bountiful grace will ever surround us, nurturing us with renewal, refreshment, sustenance, and support. Give us, we pray, not only strength for today and the tasks before us, but enable us to understand the needs of our Nation and the world in the years ahead, that we will build the sure foundation that brings forth peace and concord. May not a hardness of heart keep us from seeing our needs without looking to the needs of others. Help us to glimpse the vision of a time when people will enjoy the benefits of Your creation and hope and faith, trust and respect will be the gifts of every person. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

The message also announced that the Vice President, pursuant to the provisions of sections 276h-276k of title 22, United States Code, as amended, appointed Mr. PERCY as chairman of the Senate delegation to the Mexico-United States Interparliamentary Group during the 98th Congress.

The message also announced that the Vice President, pursuant to the provisions of Public Law 86-420, appointed Mr. DODD as vice chairman to attend the Mexico-United States Interparliamentary Conference.

The message also announced that the Vice President, pursuant to the provisions of Public Law 69-20, appointed Mr. BENTSEN as a member, on the part of the Senate, of the Joint Committee on Taxation.

SELLING OFF WEATHER SATELLITES: IT DOESN'T ADD UP

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, yesterday I urged the President to be careful in looking at the Cabinet recommendation to start selling off Government weather satellites. Now it looks like he wants to go ahead with it. I hope the Congress will look at the math of what the administration is proposing. I am afraid it does not add up.

We have spent over $1.5 billion in tax dollars developing the Landsat system. The only bid so far to purchase the system has come in at $300 million. Then the Government would have to pay $300 to $325 million a year for 15 years for the weather information the private sector would generate. That information would be coming from those satellites the Government developed.

Even NOAA officials acknowledge that this proposal could cost the Government hundreds of millions over the next several years, at the same time we are facing astronomical budget deficits already.

It looks like the administration's preoccupation with "privatization" has gotten in the way of reality. On this one, we are going to have to bring them back to reality.

CONSUMERS LEAD RECOVERY

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, rumors about growing consumer optimism is not just speculation, but is based on real economic gains in the past several months as well as expectations of increased purchasing power in the year ahead. First, interest rates have fallen. Mortgage interest rates have declined nearly 4 percentage points since mid-1982 and the prime rate, at 10.5 percent, is at its lowest level in more than 4 years. Consumer debt burdens are at the most manageable levels in a decade. Consumer wealth is at an all time high. Income gains from wages and salaries, boosted by increases in industrial output in December and January, and combined with the lowest inflation in more than 10 years, are enhancing consumer buying power. In addition, consumers will be receiving another $26 billion in tax savings in refunds this spring and are expecting a $35 billion cut due in July. While many consumers are still cautious, there are undeniable signs that consumer confidence and consumer spending should increase substantially in the months ahead.

SOCIAL SECURITY ACT AMENDMENTS OF 1983

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 126 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 126

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1900) to assure the solvency of the Social Security Trust Funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of sections 303(a), 311(a), and 401(b)(1) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived, and all points of order against the bill for failure to comply with clause 5(a) of rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order in the House or in the Committee of the Whole except the following amendments, which shall not be subject to amendment and shall be considered only in the following order: (1) amendments recommended by the Committee on Ways and Means; (2) the amendment printed in the Congressional Record of March 8, 1983, by Representative Pickle of Texas, and said amendment shall be debatable for not to exceed two hours, equally divided and controlled by the proponent of the amendment and the chairman of the Committee on Ways and Means or his designee; and (3) the amendment printed in the Congressional Record of March 7, 1983, by Representative Pepper of Florida, said amendment shall be in order even if the amendment designated number (2) above has been adopted, and said amendment shall be debatable for not to exceed two hours, equally divided and controlled by the proponent of the amendment and the chairman of the Committee on Ways and Means or his designee. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER), is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to my able friend, the gentleman from Tennessee (Mr. QUILLEN), and to myself I yield such time as I shall consume.

Mr. Speaker, House Resolution 126 provides for the consideration of H.R. 1900, the Social Security Act Amendments of 1983. By the way, this is an historic day in our land, Mr. Speaker, as we consider one of the most important measures ever to come before this House.

The committee bill proposes substantial changes in the social security cash benefit programs, the medicare hospital insurance program, the Federal unemployment compensation program, and the supplemental security income program.

Mr. Speaker, House Resolution 126 is a modified closed rule which is designed to permit the House to proceed to the consideration of H.R. 1900 in an orderly and expeditious manner. The rule provides 4 hours of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Ways and Means.

There are several waivers of points of order for violations of provisions of the Congressional Budget Act. First, the rule waives section 303(a) which prohibits consideration of legislation which provides new budget authority or increases revenues in a fiscal year prior to the adoption of the first budget resolution for such fiscal year. This waiver is necessary because various provisions of the bill provide for increased revenues into the social security trust fund, effective in fiscal year 1984, and as a consequence, new budget authority automatically created for fiscal year 1984. Since the increased revenues and the new budget authority flowing from those revenues are first effective in fiscal year 1984, and since no first budget resolution for that fiscal year had been adopted, the bill violates section 303(a) of the Budget Act.

Second, the rule waives section 311(a) of the Budget Act which prohibits consideration of measures which increase spending in a fiscal year in excess of the ceilings set forth in the most recently agreed to budget resolution. The current level of spending is over the budget ceiling for fiscal year 1983, and since this bill provides additional spending for fiscal year 1983, it would be subject to a point of order under the provisions of the Budget Act.

The final budget waiver is of section 401(b)(1) of the act which bars consideration of any legislation which provides new entitlement authority which is to become effective before the first day of the fiscal year which begins during the calendar year in which the bill is reported. This waiver is necessary because section 401 of the bill provides for an increase in the Federal supplemental security income benefit standard for individuals and couples, effective July 1, 1983, and thus violates section 401(b)(1) of the Budget Act. While the Committee on Rules does not intend to routinely waive these provisions of the Budget Act, the Committee on Rules recognized the need to support these emergency waivers to permit consideration of this crucial piece of legislation.

Mr. Speaker, House Resolution 126 waives clause 5(a) of rule XXI which prohibits appropriations in a legislative bill. Various provisions of the bill provide transfers of money from the general fund to the trust fund, direct payments from the trust fund or otherwise constitute an appropriation without any further action of the Appropriations Committee, and thus a waiver of clause 5, rule XXI, is needed.

This is a necessarily tightly structured rule to preserve the delicate balance of the compromise of the Social Security Commission and the Ways and Means Committee amendments. However, the committee drafted a rule to permit consideration of the two different approaches to resolving the problem of the long-term social security deficit. The bill shall be considered as read for amendment. The rule provides that no amendments shall be in order in the House or in the Committee of the Whole except: First, Ways and Means Committee amendments—and we were advised by the chairman of the Ways and Means Committee at the hearings before the Rules Committee that the committee has no amendments; second, the amendment by Representative PICKLE, which is printed in the CONGRESSIONAL RECORD of March 8, 1983; and third, my amendment printed in the CONGRESSIONAL RECORD of March 7, 1983.

These amendments shall be considered in the specified order, are not amendable, but shall each be open to debate for 2 hours. I would point out to the Members that the Pepper amendment would be in order even if Mr. PICKLE's amendment is adopted. Under the normal parliamentary procedure, the last amendment adopted would be the amendment prevailing.

Finally, upon conclusion of the consideration of the bill, one motion to recommit would be in order.

Mr. Speaker, H.R. 1900 is primarily focused upon the refinancing of the social security cash benefit programs, and title I of the bill reflects the recommendations of the National Commission on Social Security Reform.

The Commission recommended that additional financing come from the following sources: First, extension of social security coverage; second, increased revenues from the payroll tax and general revenues; third, decreased outlays through certain limited benefit charges; and fourth, mechanisms to automatically "stabilize" the system and to assure benefit payments during periods of poor economic performance. The Commission also recommended benefit enhancements targeted to certain divorced, disabled, and surviving spouses, as well as workers who delay retiring.

□ 1015

And, by the way, that is a very significant part of the bill, because it gives an incentive to the people to keep on working rather than taking their retirement benefits at an earlier age.

For example, the present law provides for a 3-percent increase in primary benefits for every year between 65 and 70 in which retirement is delayed. The Commission recommended and the Ways and Means Committee has adopted the recommendation of the Commission that the delayed retirement credit be increased to 8 percent annually. As a result, older persons who remain in the work force until age 70 would receive a 40-percent bonus, whereas under the present law these workers would only receive a total 15-percent increase.

Title I of the bill addresses two-thirds of the projected 75-year actuarial deficit, and the entire short-range (1983-89) deficit in the cash benefit programs.

The remaining one-third of the long-range deficit is addressed in title II of the bill.

The revenue provisions of title II raise average income to the system of 0.28 percent of payroll, and the benefit provisions decrease system outlays by 0.43 percent of payroll. In general, benefit reductions account for 60 percent of the additional long-range financing, while revenue increases constitute the remaining 40 percent.

Title III includes the miscellaneous provisions relating to cash management contained in H.R. 660 introduced by Mr. PICKLE. This title also embodies some of the recommendations of the Commission which have little or no financing impact.

The consequences of the 6-month cost of living adjustment allowance delay on lower income OASDI beneficiaries are addressed in title IV of the bill, which amends the SSI program. Under the bill, an across-the-board increase of $20 per month would offset the impact of a 6-month cost of living

adjustment delay in both the OASDI and SSI programs.

In short, what that means is that the lower income social security beneficiaries who derive less income because of the 6-month delay in the cost-of-living adjustment will have benefited to a degree. This is because that loss is offset by an increase in the amount they can receive in SSI benefits. That is, if they are in the lowest income brackets of those who receive social security, and, by definition also receive SSI, their SSI benefits in that case may be increased as much as $20 a month.

The consequences of the 6-month cost-of-living allowance delay, as I have said, on OASDI beneficiaries are addressed in title IV of the bill, which amends the SSI program. Under the bill, an across-the-board increase of $20 a month would offset the impact of a 6-month cost-of-living delay in both the OASDI and SSI programs.

Title V of H.R. 1900 temporarily continues the Federal supplemental compensation program which targets extended unemployment compensation benefits to States suffering from higher than average unemployment rates. This will extend benefits to many of the 1.2 million individuals who will have exhausted their supplemental benefits by April 1.

Finally, Mr. Speaker, title IV of the bill implements, on a phased-in basis, a fundamental reconstructing of the manner in which hospitals are reimbursed under the medicare hospital insurance program as directed by Public Law 97-248, the Tax Equity and Fiscal Responsibility Act of 1982.

Mr. Speaker, adoption of this rule will permit the House to act on legislation to determine the future of this Nation's social insurance program, which protects the earnings of 95 out of 100 working Americans from disability, retirement, or death. Through our action today, we can assure the 36 million beneficiaries, 116 million contributing workers and 140 million insured dependents and survivors that we intend to uphold our commitment to them.

And I want to emphasize, Mr. Speaker, this is the first time in the history of social security that the President of the United States and the Congress of the United States have pledged their honor that social security, at least for the next 75 years, will remain sound and solvent and strong. And if the House, as I hope it will, adopts my amendment, we can add to that without any cut in benefits to the beneficiaries of social security throughout that 75-year period.

We can restore the faith, thus, of the American people and the integrity of the U.S. Government and of our intention to keep the promises we have made.

I urge my colleagues to allow the consideration of this bill by adopting House Resolution 126.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the able gentleman from Florida (Mr. PEPPER) has described the provisions of the rule and also the provisions of the bill. He was a distinguished member of the National Commission on Social Security Reform, and I commend the Commission for coming up with a plan to rescue social security from going into the red, which it will in July unless Congress acts. Without major changes, checks which beneficiaries are now receiving will not be forthcoming.

I also commend the members of the Ways and Means Committee for quick action.

Yesterday in the Rules Committee we discussed the measure thoroughly, having before us 19 Members to testify. Most of those Members felt that the Commission's report, as amended by the action of the Ways and Means Committee, was something that the House should pass though many had one amendment or another that they hoped to have considered.

Although there was an amendment offered in the House Rules Committee to postpone the inclusion of Federal workers for 1 year, it failed by a voice vote.

Mr. Speaker, time is running out. We have used up our tape and our paste and our bailing wire, and it is time that we repaired the system on a permanent basis. To do it, we must assure those receiving social security checks, first of all, that those checks will not be cut from the amount that they are now receiving and, second, we must assure those recipients that those checks will be forthcoming.

After the action of the House today, I hope we can send to the other body and to the President of the United States a bill to really rescue social security. I feel that this is the plan. There are many provisions in this bill that I do not like. I have always opposed bringing Federal workers under the umbrella of social security. But this compromise provides a balance when you consider the fact that only new employees coming aboard after January 1, 1984 are included, and we have assurance from the Ways and Means Committee, and others, that the present retirement system of the Federal workers will always remain sound. That is an obligation of the Congress of the United States, and that obligation will be carried out.

So with all of the lemons that we might find in the measure, I think it behooves all of us to realize that time is running out.

Now, on the two amendments, the Pickle amendment, with 2 hours of debate, will be discussed first, and the amendment offered by the gentleman from Florida (Mr. PEPPER) will be discussed second, with 2 hours of debate.

Now, if Pickle and Pepper both pass, the Pepper amendment will prevail. So let us get down to the business of passing this measure to rescue the social security system, to guarantee that those checks will go out in July and to guarantee that no recipient will receive lower benefits.

Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR. Mr. Speaker, House Resolution 126 is the rule under which the House will consider the social security financing legislation this Nation so urgently needs in order to eliminate the deficits in the social security system.

Our distinguished chairman, the gentleman from Florida (Mr. PEPPER) has described the parlimentary situation set forth under this rule. The Committee on Rules has set the stage for what I believe will be one of the most important debates in this House in this decade, and that is how we endeavor to make certain that enough funds will always be available to keep the program solvent without altering its fundamental structure or undermining its basic programs.

The rule provides for only two amendments, both of which offer alternative ways to correct the long-range deficit problems of social security. The Committee on Ways and Means has included a provision that reduces the initial benefit levels gradually, beginning in the year 2000; as well as increasing the tax rate in the year 2015.

The alternatives made in order by this rule are the one offered by the gentleman from Florida (Mr. PEPPER), which increases the tax rate by a larger amount than recommended by the committee, and does so in the year 2010. The other alternative is the one offered by the gentleman from Texas (Mr. PICKLE), which raises the normal retirement age for monthly social security beneficiaries in gradual steps between the years 2000 and 2009, and between the years 2017 and 2027.

Mr. Speaker, all of us are committed to protecting the social security system, and this bill assures those Americans who have faithfully participated in the socal security system that they will not be deprived in the benefits they have earned a right to.

This rule, crafted by the Committee on Rules following our lengthy hearing yesterday, gives the House an opportunity to make a choice in how we solve the long-term financing arrangement.

Mr. Speaker, I am truly sorry to say that the rule does not allow for a separate vote on the issue of social security coverage for newly hired Federal and postal workers. The committee's bill

mandates such coverage for all new employees after January 1, 1984, and several Members requested the Rules Committee provide an opportunity for amendments to this provision.

Of all the suggestions we were presented with yesterday, the idea for a delay of the effective date of this provision until we come up with a new civil service retirement program for Federal employees who will be covered by social security, or until the end of 1984, whichever date would be the earliest, made the most sense.

Suggested by our colleague, the gentleman from Minnesota (Mr. OBERSTAR), this amendment would have made coverage under social security for new Federal employees a certain thing.

At the same, the Oberstar amendment would have given those of us who serve on the Committee on Post Office and Civil Service a better opportunity to write a new civil service retirement law for these employees. I offered the motion in the Committee on Rules to give Mr. OBERSTAR the right to offer his amendment on the floor of the House, but my motion was not agreed to.

Nevertheless, Mr. Speaker, I support this rule and I urge the House to adopt the rule. I think it is important for us to keep in mind our common goal as far as a social security financing package is concerned.

The Congress needs to reach a solution that will preserve the financial integrity of the social security system; insure that benefits paid to current beneficiaries will not be reduced; insure that benefits are not cut below their current levels; and insure that the funding problems of future years are met in the most fair and humane manner.

□ 1030

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Maryland (Mr. BARNES).

Mr. BARNES. Mr. Speaker, I thank the very distinguished chairman of the Rules Committee and one of my heroes for yielding this time to me this morning.

Mr. BARNES. Mr. Speaker, Federal employee constituents have told their Representatives in Congress that they do not want new Federal hires covered by social security. Federal employees have been lobbying for weeks on this issue. For weeks, many Members have relayed two messages to their constituents: First, that the bipartisan agreement would disintegrate if new Federal hires were removed from the package; and second, that there would not be sufficient time to negotiate a new bipartisan agreement if the first package fell apart.

This explanation has not been warmly received. Social security coverage, to no one's surprise, is the No. 1 bread and butter issue for Federal employees. It threatens both pay and retirement benefits. A great deal has been written and publicized by both proponents and opponents of coverage in recent weeks on the impact of extending social security coverage to new Federal hires. Much of what has appeared has attempted to dismiss employee concerns as unfounded—based upon misstatement of fact and distortions about the intent of Congress.

Mr. Speaker, I believe that it is vitally important that Members understand the impact of extending coverage to new Federal hires. On January 1, 1984 new Federal hires must begin paying 7 percent of their income to social security and another 7 percent to the civil service retirement trust fund. We have chosen to extend social security coverage to new Federal hires well in advance of the development of a supplementary pension program. Such legislation should dovetail these two very dissimilar retirement programs and insure that all Federal retirees, present and future, could maintain retirement income commensurate to what the Federal Government presently offers.

Therefore, Mr. Speaker, for the forseeable future, Federal employees entering the service will have to pay nearly one fifth of their net pay toward their retirement at a time in which Federal employee compensation lags 20 percent behind comparable wages paid in the private sector. Our Federal retirement program, until recently, attracted the Nation's finest individuals to Federal service. It offered attractive, if deferred, compensation that insured a dignified retirement following years of service, In the wake of the social security amendments, Federal retirement would become the single greatest disincentive to joining Federal service. The fact that 94 percent of all private retirement plans require no employee contribution emphasizes the point.

Current Federal retirees and Federal employees nearing retirement have expressed fears that extending social security coverage to new Federal hires undermines the solvency of their retirement trust fund. Their trust fund is currently in excellent condition with $109 billion securities reserves projected for fiscal year 1984. Depriving the trust fund of the contributions of new hires would reduce the annual flow of funds to the trust by $665 million in fiscal year 1984. If no satisfactory supplementary plan is enacted in fiscal year 1985, the figure grows to $1.12 billion.

In short, retirees know with certainty: First, their retirement system is under attack. the administration claims that Federal retirement is too expensive and too generous; second, Congress is moving legislation which would reduce the flow of funds into the retirement trust fund; third, a supplementary retirement plan remains an absolute unknown—and we now have reports from the Senate that the other body may not be willing to move quickly to shape a new retirement program, especially before a Presidential election.

It seems, Mr. Speaker, readily apparent why retirees balk when we ask them to put their faith in Congress' willingness to fully fund their retirement program—as we promised to do when they went to work for the Federal Government. Pressured by continuing huge budget deficits, the temptation to pare down Federal retirement will continue to haunt employees and retirees. They understand that inasmuch as their program depends upon Congress' will to fund it, the level of congressional commitment must, in turn, depend upon the outcome of political struggle and economic progress.

We have asked Federal employees and retirees to buy a surprise package with their limited incomes in the midst of the worst economic times in 50 years.

For these reasons, I have tried to explore every possible way to delete or at least delay implementation of new hire coverage. The Federal Government Service Task Force, which I chair, has researched alternative means to achieve the revenue gains sought by the package in connection with covering new Federal employees. I sincerely regret that we were unable to find a way to at least delay implementation of new hire coverage, a proposal developed by my colleague, Ms. OAKAR, so that we could have had time to shape a supplementary retirement plan and give employees and retirees some peace of mind.

Since the rule provides Members with no opportunity to act on issues affecting the short-term funding of the package, Members have been left with no choice but to vote for or against the package as a whole. For Members concerned about the integrity of the civil service retirement system, such an absence of choice is plainly intolerable. I fully recognize the dangers implicit in expanding the existing rule. Nevertheless, the leadership has impressively demonstrated its authority in successfully shepherding this bill in a manner that insures its passage.

I support the leadership's efforts to pass this flawed, but important legislation in a timely and responsible manner. Millions of retirees expect to receive their social security checks on time this summer. Their expectations should not be displaced by anxiety. Mr. Speaker, I would merely point out to my colleagues that our responsibilities do not end with passage of this legislation. We have a continuing responsibility, as Board of Directors of

the Federal Service, to maintain the integrity of a sound retirement system.

Mr. Speaker, today we have reaffirmed our commitment to the Nation's most important supplementary retirement program. In opposing the rule, I hope that the House affirms its commitment to the Nation's most important pension program—civil service retirement. It is not a program that simply puts civil servants out to pasture at the end of their careers. It is the cornerstone of a quality, effective civil service. As the Nation begins to feel its way toward economic recovery, we will need the Federal service's contribution to sustained economic growth more than ever. I urge my colleagues to recognize that issues of how we manage our Federal service have profound implications for our Nation's future.

Mr. CLAY. Mr. Speaker, will the gentleman yield?

Mr. BARNES. I am happy to yield to my friend, the gentleman from Missouri.

Mr. CLAY. Mr. Speaker, I rise in opposition to the rule.

Mr. Speaker, while I support H.R. 1900, the Social Security Amendments of 1983, I oppose the rule providing for its consideration because the rule allows only committee amendments and two other printed amendments in the nature of a substitute for title II on the bill. Even these printed amendments are not subject to amendment.

I am constrained to support the Social Security Amendments of 1983 because the program is admittedly in dire financial straits. Social security is too important to 36 million of our Nation's citizens to deny it any opportunity to be restored to better health.

On the other hand, this modified closed rule affords no opportunity for the House to consider title I of the bill which provides for coverage of all Federal and postal employees appointed on or after January 1, 1984.

The National Commission on Social Security Reform, which made this recommendation, included no person with demonstrated expertise on the impact of this recommendation upon the civil service retirement system. It had been said in support of this recommendation that $1 billion would be added to the social security trust fund. Now, supporters of that provision suggest that it would add only $71 million to the social security trust fund. What happened to the remaining $929 million?

Federal employees—active as well as retired—have really had to take their lumps in recent years. Successive administration's and Congresses have chipped away at least $67 million of retiree's benefits in recent years. This administration has declared open war on Federal employees without provocation or justification. His list of legislative and administrative proposals reads like demands for unconditional surrender.

For this House to adopt a rule which does not permit the House to work its collective will on an issue that so deeply touches so many of our Nation's citizens is frankly incomprehensible and unacceptable to me. To include Federal employees under social security is really a short-term gimmick that will not resolve the long-term crisis of social security. This recommendation was not well thought out. In fact, it was not even thought out.

Mr. Speaker, this rule should be sent back to the Rules Committee with an order that they could recommend a rule affording Members the opportunity to support a floor amendment delaying the coverage of new Federal employees for 1 year—until 1985. Such an opportunity would not only be fair and sensible to the affected individuals but would give us the opportunity to weigh the relative merits of this proposal before acting precipitously in this highly charged political atmosphere.

I urge a "No" vote on the rule.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Speaker, I rise today to oppose this rule. This legislation before us affects practically every citizen of the United States.

What we do here today, and I am sure we all agree, is an attempt to set forth a formula whereby our senior citizens will have an economically sound social security system—one which will give them a level of security and dignity for the rest of their lives.

This body should be allowed to work its will on any proposal which would strengthen this program.

Yesterday, I appeared before the Committee on Rules with a proposal which I thought would strengthen this program. My proposal would have saved the taxpayers $1.5 billion per year and would also save some $9 billion over the 6-year period from 1983 to 1989. The rule before us today does not allow my amendment to be offered.

My amendment sets up a flat-rate COLA benefit system. For the 1983 COLA, the COLA would be $11.50 per month, per recipient.

This figure was computed by the use of the following formula. The CPI is at 4 percent and the lowest 20-percent recipient of social security receives $291 per month. According to the present formula this recipient would receive a $11.50 rate of increase per month.

This amendment would give every recipient this $11.50 regardless of the amount of money they receive per month. It would treat every recipient exactly the same. Those who make more money from the program would not receive a greater increase than those who make less.

This is a savings of $1.5 billion this year and nearly a $9 billion savings over a 6-year period.

Under this plan, we would have saved $9.14 billion during the 4 years of the Carter administration. We would have saved $1.5 billion in 1977, $1.5 billion in 1978, $2.30 billion in 1979, and $3.84 billion in 1980.

I do not have time to fully debate this amendment here, but under the rules we are voting on, I will not be allowed to offer my amendment.

The largest single factor accounting for the tremendous growth in social security during the past decade has been the automatic benefit increase provision. My amendment is an attempt to do something about this.

I think my amendment would help the social security program and I believe that the House should be able to hear the arguments and work its will.

Mr. Speaker, I ask that this rule be defeated.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I rise in opposition to the pending resolution that would set forth the rules to govern consideration of H.R. 1900, the Social Security Act Amendments of 1983.

The legislation is in serious need of refinement and reconsideration if we are to lessen the mounting intergenerational tension that will grip our society as the heavy reliance on revenue increases contained in the legislation begins to take effect.

For this reason, the House ought to be able to consider options on the totality of the package in addition to the two choices that will be permitted on the balance of the long-term deficit as embodied in the Pepper and Pickle amendments.

In support of this position, Mr. Speaker, I would like to make several points.

The package of changes in H.R. 1900 relies much too heavily on increased revenues into the trust funds as opposed to significant reform of the benefit structure. Specifically, the short term deficit reduction of $165 billion is composed of items on revenue increases that represent 77 percent of that total. These revenue increases include expanded coverage, increased payroll taxes, subjecting some beneficiaries to Federal income tax for one-half of their benefits over specified levels, and general fund reimbursement for prior military wage credits.

In the long term, these changes, combined with an additional payroll tax increase in the year 2015, represent 67 percent of the package. When considered against the backdrop of the payroll tax increases mandated by the

Social Security Act Amendments of 1977, this further dependency upon increased revenues is economically excessive in a time of high unemployment and socially suicidal as younger workers react to the tax burden necessary to continue to finance the existing benefit structure for the recipients of social security.

The plan is also inadequate, which means that we will again be confronted with this volatile issue sooner rather than later. This may come as early as the next 3 to 5 years. This view is shared by groups as diverse as the American Association of Retired Persons, the National Federation of Independent Business, the American Farm Bureau Federation, and the National Taxpayers Legal Fund. By the report of the National Commission on Social Security Reform, we are told that the short-run deficit, that is from now until the end of the decade, is in the range of $150 billion to $200 billion. Yet, the package before us only comes in at a net figure of $165 billion.

Mr. Speaker, there are alternatives to this package which could be explored if the rule would permit more open debate and greater consideration. Many outside groups and experts have come forth with their own thoughts and recommendations. They are too numerous to mention at this point, but I would refer my colleagues to the report of the Commission wherein various staff memoranda and reports are cataloged, each of which explored alternatives of various shapes and sizes. The additional and minority views of members of the Commission are also fertile ground in the search for a more balanced approach.

In general, the thrust of any alternative proposals would be to reduce future benefit increases under social security. No one, including this Member from California, is advocating the reduction of social security benefits below those that are now paid to our Nation's retirees. Much could be done, however, along the lines of permanent reform of the cost-of-living adjustment mechanism, rather than the standby "stabilizer" under the Ways and Means Committee bill that would kick in after 1987 only if the trust fund balance falls below specified levels. Initial benefit amounts for retirees into the future could also be altered with sufficient leadtime to permit individuals to adjust their own financial plans for retirement. We could also separate out the welfare functions of social security from those more directly related to pension insurance benefits. A further feature of long-run reform might even expand upon the existing individual retirement account (IRA) program.

The point, Mr. Speaker, is that we do not lack other options and advantageous alternatives. What we lack is the political courage to see beyond the immediate horizon and address the need for structural reform of social security, not just the infusion of yet more revenue.

For all of these reasons, I must oppose the rule and the legislation as reported from the Committee on Ways and Means.

CHART 1.—THE IMBALANCE OF H.R. 1900—THE RELIANCE OF REVENUES

[Expressed as percentage of the total "savings" in the bill]

	Short run (1983–90)	Long term (75 yr)
Revenue related:		
Expanded coverage	15.1	18.9
Direct revenue (payroll and income taxes)	51.6	47.5
General revenue	10.4	1.3
Total	77.1	67.1

Source: Based on figures of March 4, 1983, from the Committee on Ways and Means using the estimates of the Office of the Chief Actuary, Social Security Administration.

CHART 2.—BREAKDOWN OF SOCIAL SECURITY ACT AMENDMENTS OF 1983, AS REPORTED FROM THE COMMITTEE ON WAYS AND MEANS

	Short term (billions)	Percent of total
Summary:		
I. Expanded coverage	$25.0	15.13
II. Benefit changes (COLA)	39.7	24.04
III. Revenues (increased taxes)	85.2	51.55
IV. General revenues	17.2	10.41
I. Expanded coverage:		
New Federal employees	9.3	5.63
Nonprofit employees	12.5	7.56
Prohibit termination of State and local government	3.2	1.94
Subtotal	25.0	15.13
II. Benefit computation:		
COLA Six-month delay	39.4	23.84
Windfall benefit change	.3	.20
Subtotal	39.7	24.0
III. Revenue Provisions:		
Taxation of half of SS benefits of "high income" persons	27.3	16.52
Payroll tax increases	39.4	23.84
Tax on self-employed at same rate as others	18.5	11.19
Subtotal	85.2	51.55
IV. Other: General fund reimbursement to SS trust funds for past military wage credits	17.2	10.41
Total (net of increased benefits for widowed and divorced women, costing $1.5 billion)	[1] 165.0	

[1] The National Commission had estimated the short run (1983–89) deficit at $150–$200 billion.

CHART 3.—LONG TERM BREAKDOWN

The revised estimate of the 75-year shortfall, based upon the analysis of the Chief Actuary of the Social Security Administration is 2.09 percent of taxable payroll. The long term breakdown of the contribution of each of the elements of the bill is noted below. They actually total over the 2.09 percent, although on an estimated basis.

	Percent of taxable payroll	Percent of total bill
I. Expanded coverage:		
New Federal employees	0.28	12.0
Nonprofit employees	.10	4.3
Prohibit termination of State and local government	.06	2.6
Subtotal	.44	18.9
II. Benefit computation:		
Six-month COLA delay	.30	12.8
Windfall benefits change	.03	1.3
Reduce replacement rate from 2000–2008	.43	18.4
Subtotal	.76	32.5
III. Revenue provisions:		
Taxation of one-half of SS benefits of "high income"	.61	26.1
FICA tax increases (1980's)	.03	1.3
Tax on self-employed	.19	8.1
FICA tax increase in 2015	.28	12.0
Subtotal	1.11	47.5
IV. Other: General revenue for military credit and miscellaneous	.03	1.3
Gross total	2.34	100.2
Women's benefit changes	−.07	
Increased delayed credit	−.10	
Net total	2.17	

Mr. PEPPER. Mr. Speaker, I yield 6 minutes to that great champion of the cause of need in this House, the able gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I shall vote against the modified closed rule proposed by the resolution.

In my humble judgment, neither the committee bill, the recommendations of the National Commission on Social Security Reform, nor the two amendments that would be allowed—none of these get to the heart of what is wrong with social security.

At the very least, the Members ought to have a chance to propose meaningful amendments to H.R. 1900, and to engage in full debate on the long-range problem.

This bill is not going to cure social security. No bill will cure it that does not take dead aim on the illness that afflicts the economy that supports social security.

Notwithstanding the cheery bulletins that come out of the White House these days, the American economy is still sick. No amount of high pressure political hype from 1600 Pennsylvania Avenue is going to convince those 11.5 million Americans standing in the unemployment lines that recovery is here.

In my judgment, the President has listened to advisers who are more interested in the balance sheets of big banks than they are in the welfare of ordinary Americans. Lines of credit are more important to them than lines of unemployed.

One prominent economist after another has told us during hearings before the Education and Labor Committee that high interest rates—and I mean real interest rates—are a major factor in this sick economy.

Those high interest rates are forcing business failures by the thousands all across this country, and they are the direct cause of the loss of millions of American jobs.

And that is certainly a factor in the reason social security is suffering a disability of its own.

I am standing here today and telling you that if we do not get this economy back on an even keel, there will be very few solvent pension plans any where in the country. Social security will have plenty of company.

If we really want to cure the economic illness, we will open up this legislation before us today and reestablish machinery to control interest rates, wages, prices, credit—right across the board.

Now, I can count. I know that the probabilities are that this bill is going to pass pretty much as it came from the committee. It is much easier to go on fooling ourselves than to take the concrete action that is needed.

If, by some chance this rule is voted down and we have a chance to offer amendments, I will have an amendment to provide for controls on the economy.

Actually, this can be done fairly easily. The language of the Council on Wage and Price Stability Act is still on the books. All we need is one sentence to authorize the Council to impose mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, and all other similar types of economic activity.

And as for the all-important interest controls, all we need to do is to repeal the expiration date of the Credit Control Act which is already on the books.

This short, one-page amendment would give the President all the power he needs to get the economy under control, to get people back to work, to shorten the unemployment lines, to get people to work building homes, and making it possible for other people to buy them.

I believe this is possible. I believe we could act here today to turn the economy around, and that our action would go a long way toward curing the problems of the social security system.

Mr. Speaker, I am sure we all remember it was just a little over 5 years ago, in December 1977, that we gave final passage to a social security tax increase bill that was hailed at that time as the answer to all of the system's deficit problems until the beginning of the 21st century, at least.

We said "We have saved social security. We will not have to have any more social security bailout legislation. Hooray for us."

We believed the propaganda that was put out then, so we all voted for the bill and went home for Christmas.

Well, as it turns out we did not do anything of the kind. Here we are, 63 months late, puckering up to "save social security" again.

I just do not believe the country is going to have much confidence in what we do here today if we no not bite the bullet and do what has to be done.

We can make a start by voting down the rule and by letting H.R. 1900 be brought to the floor under conditions that will at least permit the House to debate the suggestions for improving it that I and others have to make.

□ 1045

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. I thank the gentleman for yielding.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, I rise in opposition to this rule and I strongly urge my colleagues to vote down the previous question. It saddens me to be in opposition to the House leadership on such an important question, but I am fully convinced that this rule does not allow the Members of this body to work their will on a bill which may be the most critical piece of legislation to come before this Congress in this session. It is a bill which effects all of our citizens and carries severe economic impacts upon those citizens well into the 21st century.

With that in mind, I would have thought that the sponsors of this legislation would have allowed full discussion on the many critical and highly sensitive aspects which are included within the bill. That the sponsoring committee, the leadership, and the Rules Committee decided against that course of action is no substitute for the fact that that would have been the right way to proceed. Since they have allowed the Members to vote on only two amendments to the bill as brought out by the committee, it is my belief that the rule is faulty and must be rejected. I say to my fellow Members that to accept this gag rule is to fail to perform your duty to your constituents and to all of the people of this country who look to this body to correct the inequities in the social security financing system, to assure the orderly payment of benefits to recipients and to assure wage earners their salaries will not be plundered.

This rule does not even allow the Members the right to act on the most basic questions which effect millions of American workers; namely, the inclusion of Federal and postal employees and the inclusion of all nonprofit organizational employees. It further preempts the rights of State and municipal governments to decide for themselves whether or not they wish to be in the social security program.

I think it must be stressed that those of us who are opposed to the bill as it now stands and who want to open this rule so that correcting amendments can be offered are not against the social security system.

I for one have been a strong advocate of the social security system for the 22 years I have served in this House and people who will examine my voting record will learn that I have supported increases in benefits for social security recipients without fail throughout those years. My record of support for the senior citizens of this country stands second to none to anyone serving in this body and I reject the arguments that because some who speak for senior citizens support this bill that all of us must fall in line with it.

I will say further that the most insidious turn of events has been the ability of this administration to turn senior citizens against Federal and postal workers in this matter and vice versa. These groups should be standing together because they are in general the groups that this present administration seeks to take benefits from so that they might be given elsewhere. This ploy, Mr. Speaker, will not hold up in the long run because the goals and aspirations of each is inevitably tied to the other. What we ought to be doing is finding a way to solve the financial problems of the social security system without bringing harm to other innocent groups whose only fault as far as I can see is to be part of a financially sound retirement system.

I have been saying since 1977 that if the programs contained under the social security umbrella were valid—and I believe they are—then it ought to be the responsibility of the Federal Government to fund those programs as it funds any other worthwhile program it operates. What we have done instead throughout the years is to seek to lay the costs of these programs outside the normal budgetary process each year and to lay the burden for paying for these programs onto the payroll taxes of the wage earner.

I do not believe in the good faith of this administration insofar as the needs and requirements of our senior citizens are concerned. Until it became a political embarrassment to it, the present administration was more than willing to cut back benefits to social security recipients and to eliminate a number of programs under the social security umbrella. Even as we speak today, throughout this country helpless citizens receive termination notices of disability benefits even before an investigation has been conducted to determine if they are receiving those benefits properly. Is this the mark of an administration with a kind and warm heart for the people who can no longer help themselves? I do not think so and it distinctly bothers me that the leaders of this House are so quick to join with this administration to bring a bill to the floor that contains a

political quick fix for a system that truly needs a major overhaul.

There is no doubt that the bill that will be brought to the floor under this rule is better than the one which the administration would have offered had it controlled the House of Representatives. But that is only a marginal improvement and as it stands the inequities created by passage of this legislation would far outweigh the benefits.

I sincerely hope, Mr. Speaker, that the House takes the courageous stand of refusing to go along with this rule. This entire charade has been a political blitzkrieg in which those of us who have raised questions about the validity of what we are doing and the extent of harm we are causing innocent people have been brushed aside in the rush to bring this bill to the floor before reason can assert itself.

The previous question must be defeated. If it is not then this entire rule must be rejected and this measure sent back to the Rules Committee to open it up so that everyone who has a stake in what we do here can get a fair hearing.

I thank the gentleman for yielding.

Mr. OBERSTAR. Mr. Speaker, I rise on a matter of simple justice and equity for Federal workers. There will be no opportunity in this rule to give them just one small measure of fairness and that is to allow a period of time for this Congress to fashion a replacement retirement program for Federal workers before this legislation goes into effect and taxes new hires in the Federal Government system. I appreciate the remarks of the gentleman from Missouri (Mr. TAYLOR) earlier. I made my case before the Rules Committee. Apparently the deck was stacked, the train was loaded, it did not stop at any stations to let anyone on or anyone off. And that is regrettable. We ought to have the opportunity, this body ought to have the courage to face up to one of the most pressing social justice questions and that is double taxation of new hires in the Federal Government system.

As the gentleman from Ohio yesterday in the Rules Committee, Mr. LATTA, pointed out, a person hired on January 1 will pay 5.7 percent more in taxes than the person hired on December 31 of the preceding year under the provisions of this bill. That is wrong. That means that out of the average salary of a new hire which is $14,800, a worker will pay $2,072 in retirement tax to the civil service retirement system, OASI, and medicare. Of that amount, a worker will pay $1,136 in civil service retirement, in addition to the social security tax which that person will pay. The lowest entry level, GS-5, will have to pay an additional $935 in civil service retirement. That is just not fair. We ought to fashion a retirement plan that deals with the two issues of civil service retirement and social security retirement at the same time. That could be done in the timeframe of the amendment which I proposed that the Rules Committee allow for this body to consider.

Regrettably we will not have that opportunity. I must ask for a vote against the previous question and against the rule.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. CARNEY).

Mr. CARNEY. Mr. Speaker, I rise in strong opposition to the rule. I believe that legislation of this magnitude which affects every American is too important to be considered under a modified closed rule, allowing for the consideration of only two amendments. Members of this body who do not serve on the Ways and Means Committee have not been given adequate opportunity to express either their support of, or reservations of, the various aspects of this historical legislation.

The impact of this bill on all Americans is as profound as it is complex. The legislation today calls for a change in the Government's longstanding commitment to Federal employees. A change of this magnitude, alone, deserves a separate vote.

There are other issues as well requiring separate attention: Deferring the cost-of-living allowance; the issue of general revenue financing; the issue of the ratio between taxes and benefits; the extension of unemployment benefits; the changes in medicare payments; and the changes in welfare benefits. These are all concerns which suggest that limited debate is inadequate to insure full consideration by this body of these issues.

Mr. Speaker, along with my colleagues, I am deeply concerned about the future of the social security system. This program must continue to operate so that our Nation's older citizens will be guaranteed a secure livelihood when they retire. However, the provision in the bill which would force future Federal workers into social security, would not solve the financial problems of that system, but would bankrupt the fiscally sound civil service retirement system. In essence, the so-called universal coverage proposal is a classic example of "robbing Peter to pay Paul."

The National Commission on Social Security Reform has asserted that the inclusion of new Federal employees under social security would generate approximately $12 billion in revenue for the system between 1983 and 1989. Yet, some independent actuaries are claiming that the real figure could be much lower—as low as $4 billion.

In addition, the Commission, as well as the Social Security Administration actuaries, have projected a long-term shortfall in the system. This problem would occur at the same time Federal and postal workers begin to collect social security benefits. It is apparent, therefore, that the inclusion of these workers under the system would help create a long-term funding problem in return for a small stopgap infusion of revenue.

I would also point out that the evidence is clear that the enactment of the universal coverage proposal would endanger the civil service retirement system. There is an ominous possibility that, without the contribution of new hires, the civil service retirement fund will face bankruptcy by the end of this century. At that time, the benefits would have to be paid out of the U.S. Treasury, at a cost of at least $185 billion, in constant dollars. In my view, it is unwise to either force such a financial burden on the taxpayer or endanger the level of benefits that have been promised to Federal employees.

Although the social security legislation before us provides for a new supplementary retirement program for Federal employees, the bill fails to describe such a system. We are kept in the dark concerning the level of benefits under a new pension program. We are not told what contributions, from the Government and the employees, would be required to finance the system. Congress, if you will, is being asked to buy a "pig in a poke."

I maintain that it would be prudent to at least delay the provision to include Federal employees under social security until a supplementary pension program is developed. But, unfortunately, this body has been denied the opportunity to vote on an amendment to delay the proposal.

Let us not go forth in haste and commit mistakes that will jeopardize the future retirement benefits of millions of older Americans. Although some of you may disagree with my views regarding social security, I hope you will agree that we should at least have the occasion to pass judgment on specific provisions of this legislation that will affect so many. Both the public's interest and democratic procedure are ill-served when legislation is placed on the fast-track without proper scrutiny.

Mr. Speaker, as H. L. Mencken once said, "For every problem there is a simple solution—quick, cheap, and usually wrong." So it is with H.R. 1900. I urge my colleagues to vote no on this gag rule so that 435 Members may more adequately express their views on this issue.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Speaker, I, too, am concerned about the structure of the rule and rise in opposition thereto. I do so on the basis that if we did in-

dulge in the present provisions of the rule we will be withdrawing from the Congress the right to exercise foresight, for a change. It is absolutely a truism that if we do not incorporate into our total deliberations some aspects of what is going to happen to the Federal civil service retirement system, within a very short time after today, then we are failing in our total commitment to solve our totality of problems with the various retirement systems, including the social security system. It seems to me that we ought to have this go back to committee and come forth with a plan that will take into account what is the future of the Federal civil service retirement system; just as the Federal employees themselves are saying what good is it to make one system well while making the other ill? It will hurt our taxpayers in the long run if in the next few years we are going to come back to these tables to deliver another commission report on what to do with the Federal civil service retirement system. I thank the Speaker.

● Mr. GILMAN. Mr. Speaker, I rise in opposition to the rule governing consideration of H.R 1900, Social Security Act Amendments of 1983. While I commend those who have worked long and hard in an effort to fashion a much-needed comprehensive proposal to correct the ills of our social security system, I am concerned about the bill's intent to place those Federal employees hired after January 1, 1984, under social security coverage. Because of the ramifications of such a proposal, and because the rule does not permit a separate vote on that proposal, I intend to vote against the rule.

Mr. Speaker, as a member of the Committee on Post Office and Civil Service, I have listened attentively to the debate about extending social security coverage to newly hired Federal employees. I believe this debate has raised many questions which have not been answered satisfactorily; for example: How much of an immediate short-term increase would be provided to the social security trust fund? At what rate would the loss of new hires cause the civil service retirement system (CSRS) trust fund to shrink? What levels of Federal funding would be necessary to compensate for the loss of money to the CSRS trust fund which would have been paid by new hires? These are several of the more important questions that I believe require better answers than those which have so far emerged during consideration of this issue.

Mr. Speaker, proposals have been formulated to further explore the issue of how the CSRS relates to social security and what changes, if any, to the CSRS, might be appropriate. I believe that such a review should be conducted in a deliberative, careful manner and that those proposals which have a significant bearing on the future of the CSRS should not hurriedly be placed on a legislative fast track.

Accordingly, I urge my colleagues to vote against this rule because it does not permit separate consideration of whether new Federal hires should be placed under social security coverage.●

Mr. BIAGGI. Mr. Speaker, I rise to express my opposition to the rule which will determine the House consideration of this critically important legislation. It is billed as a modified closed rule but it might be better described as a gag rule. Its real effect will be to deny this body an opportunity for separate votes on highly controversial provisions in this bill such as mandating social security coverage for all new Federal and postal workers.

It is unfortunate that such an overwhelming number of our colleagues have been shut out of the processes which have brought us to this point today. One way to have opened up this process would have been to allow us the opportunity to vote on those provisions—which have been identified to us by our constituents as being worthy of opposition.

No better case in point is the provision in this bill dealing with the new Federal and postal workers. The fact is—that whether this provision provides $12 billion in new revenues for social security or the $6 billion estimated by the president of the National Association of Letter Carriers, the losses in this far outweigh any benefits. For example based on actuarial estimates—the civil service retirement system could be bankrupt in 20 years if this provision is allowed to pass. The reason—very simple—by adopting H.R. 1900 we are taking away the future contributing base for the system—the new worker—since civil service is a pay-as-you-go system—the handwriting is clearly on the wall.

There are numerous other problems with this idea including the built-in problems within the Federal and postal system. Suddenly people doing the same kind of work will be operating under two different retirement systems. Morale which is already at an alltime low in the Federal Government will plunge even further.

I have problems with other features of this bill, as do many of my colleagues, and we would have preferred the opportunity to cast several votes on different provisions. However if this rule is passed, that opportunity will never happen. Therefore, with all due respect for the distinguished chairman of this Committee, Mr. PEPPER, I plan to vote against the rule and urge others to as well so we may have a more democratic consideration of this bill so vitally important to the estimated 36 million current beneficiaries as well as the millions of tomorrow.

Mr. QUILLEN. As I said earlier, Mr. Speaker, we have run out of paste, we have run out of tape, and we have run out of bailing wire. It is time to fix social security on a permanent basis and I urge the adoption of the rule. I have no further requests for time but I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the able gentleman from Connecticut (Mr. MORRISON).

Mr. MORRISON of Connecticut. Mr. Speaker, I rise in opposition to the rule. I rise in opposition because I believe that the Members of this body should be given an opportunity to offer solutions to the social security problem other than the ones that have been proposed by the Ways and Means Committee.

My colleague from Connecticut (Mr. GEJDENSON) and I are prepared to offer an amendment which we believe addresses the problems facing the social security system in a better way. We would like an opportunity to offer that amendment, but that opportunity would be denied us under this rule.

Our amendment, which I will include in today's RECORD as part of this statement, would remove the $35,700 cap on the amount of income which is subject to the social security tax. It would make the social security system more equitable in terms of who pays the taxes in order to support the benefits. By removing the $35,700 tax cap, enough revenue would be raised to allow us to pay the cost-of-living increase scheduled for July and also to remove from the package the proposed inclusion of Federal workers.

Mr. Speaker, the July cost-of-living increase is desperately needed by many social security recipients. Natural gas prices have risen precipitously this winter. Rents in elderly housing projects all over my district are going up. Without the increase they need to meet the very real increase in the cost of living, many seniors simply will not be able to get by. It is not an answer to say that they should look to the welfare system and SSI for relief. Many seniors who will be suffering financially will be unable or unwilling to meet the many rigid eligibility guidelines that these needs-based programs entail.

By asking wealthier Americans to pay their fair share of social security taxes—by asking them to pay the same tax rate as those who are struggling to get by on low and moderate incomes we can avoid depriving seniors of the cost-of-living increase that is so important to them.

Mr. GEJDENSON and I also would remove from the package the proposed inclusion of new Federal workers. Including these workers in social security will not solve the system's long-term funding problems. If it is necessary as a matter of equity, we should

deal with the issue in the future, after we have done what is necessary to protect their long-term pension needs. At a time when those needs are under attack by the White House, we should not undermine them further by including new workers in social security without first acting to preserve the integrity of the Federal pension system.

Mr. Speaker, our solution to the problems facing social security is financially responsible. It is fairer to all Americans than the package. It would provide additional revenue for solutions to the long-term problem. We think it is a better plan. We would like to give the Members of this body an opportunity to consider it. There may be other plans which are fair and financially responsible. I would like the opportunity to consider them. That is why I am opposed to this rule, which prohibits us from considering such alternatives.

I thank the Speaker. I urge a vote against the rule.

AMENDMENTS TO H.R. 1900 OFFERED BY MR. MORRISON OF CONNECTICUT AND MR. GEJDENSON

Strike out section 101, beginning on page 5, line 5 and ending on page 15, line 5 (redesignating the succeeding two sections accordingly and making conforming changes in the table of contents).

On page 16, after line 5, insert the following new section (and conform the table of contents):

REMOVAL OF CAP ON CONTRIBUTION AND BENEFIT BASE

SEC. 103. (a)(1) Section 209(a)(9) of the Social Security Act is amended by inserting "and prior to 1984" after "1974".

(2) Section 211(b)(1)(I) of such Act is amended by inserting "and prior to 1984" after "1974".

(3) Section 215(e)(1) of such Act is amended by inserting "and before 1984" after "any calendar year after 1974".

(4) Section 215(i)(2)(C)(ii) of such Act is amended by striking out "in the contribution and benefit base under section 230 and the estimated amount of the increase in such base" and inserting in lieu thereof "in revenues".

(5) Section 230 of such Act is repealed.

(b)(1) Section 1402(b) of the Internal Revenue Code of 1954 (defining self-employment income) is amended—

(A) by striking out "except that such term" and all that follows in the first sentence and inserting in lieu thereof "except that such term shall not include any part of the net earnings from self-employment derived by an individual during any taxable year if the total amount of such net earnings is less than $400."; and

(B) by striking out the second sentence.

(2) Section 3121(a) of such Code (defining wages) is amended by striking out paragraph (1).

(3)(A) Paragraphs (2) and (3) of section 3121(i) of such Code (relating to computation of wages in certain cases) are each amended by striking out ", subject to the provisions of subsection (a)(1) of this section,".

(B) Paragraph (4) of such section 3121(i) is amended by striking out ", subject to the provisions of subsection (a)(1),"

(4) Section 3121(s) of such Code (relating to concurrent employment by two or more employers) is amended by striking out "3102, 3111, and 3121(a)(1)" and inserting in lieu thereof "3102 and 3111".

(5) Section 3122 of such Code (relating to Federal service) is amended by striking out the second sentence.

(6) Subsections (a), (b), and (c) of section 3125 of such Code (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) are each amended by striking out the second sentence.

(c)(1)(A) Section 31(c) of the Internal Revenue Code of 1954 (relating to credit for special refunds of social security tax) is repealed.

(B) Section 31(d) of such Code (relating to year for which credit allowed) is amended by striking our "(or, in the case of subsection (c), in which the wages were received)".

(2) Section 401(a)(5) of such Code (relating to requirements for qualification) is amended—

(A) by striking out "under section 3121(a)(1) (relating to the Federal Insurance Contributions Act)" in the first sentence and inserting in lieu thereof "under the Federal Insurance Contributions Act"; and

(B) by striking out "or merely because" and all that follows in the second sentence and inserting in lieu thereof a period.

(3)(A) Subsections (a) and (b) of section 3201 of such Code (relating to rate of tax on employees) are each amended by striking out "so much of", and by striking out "as is not in excess" and all that follows and inserting in lieu thereof a period.

(B) Section 3202 of such Code (relating to requirement of deductions) is amended by striking out the second sentence.

(C) Section 3211(a) of such Code (relating to rate of tax on employee representatives) is amended by striking out "so much of", and by striking out "as is not in excess" and all that follows and inserting in lieu thereof a period.

(D) Section 3221(a) of such Code (relating to rate of tax on employers) is amended by striking out "so much of the compensation paid in any calendar month by such employer for services rendered to him" and all that follows and inserting in lieu thereof "the compensation paid in any calendar month by such employer for services rendered to him.".

(4) Section 6413(c) of such Code (relating to special refunds) is repealed.

(5) Section 6654(d)(2)(B) of such Code (relating to definition of adjusted self-employment income for purposes of provisions relating to failure to pay estimated income tax) is amended by striking out "means" and all that follows and inserting in lieu thereof "means the net earnings from self-employment (as defined in section 1402(a)) for the months in the taxable year ending before the month in which the installment is required to be paid.".

(d) The amendments made by this section shall apply only with respect to remuneration paid after December 1983, and with respect to net earnings from self-employment derived in taxable years ending after December 1983.

Strike out section 111, beginning on page 16, line 7 and ending on page 18, line 17 (redesignating the succeeding three sections accordingly and making conforming changes in the table of contents).

Mr. PEPPER. Mr. Speaker, I just want to say one word more: This rule is a fair rule, adopted by a bipartisan vote in the Rules Committee and is calculated to give the membership of this House a full and fair opportunity to express their pleasure or displeasure with this package that has been put together over more than 13 laborious months by the Social Security Commission and further examined by the able Ways and Means Committee of this House.

Every one of us who was among the 12 who approved this package, at 7:30 in the evening of the last day of the life of the Commission, found many things that we objected to in the Commission package, but, on the other hand, we had to adopt what was the best we could get.

I hear people complaining about certain parts of it. What about the elderly who have been deprived of 6 months of their COLA, cost-of-living cuts; what about the elderly who are being subjected to an income tax on one-half of their social security income if they are in the higher income brackets? They could well complain and they do. And many of us did our best to spare them that sacrifice. But when it came to a question of whether that sacrifice was worth assurance that social security would be solvent and sound for 75 years, we thought the sacrifice was well made. And the elderly of America have accepted that judgment because they have been alarmed about the uncertainty of social security in the future. And now they have been reassured by this package that they will not have to fear that their checks will not come. And the skeptical young have been assured that as far as they live into the future that social security will be there as the law provides.

So, yes; we all have something to complain about, but when you take the whole package, we are having an opportunity to offer to America today a social security program I think America will be proud of, and I think this Congress will be proud to have been a party to its enactment.

Mr. QUILLEN. Mr. Speaker, I have two other requests for time, one for 2 minutes and one for 1 minute, after which I shall yield back the balance of my time.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS of California. I thank my colleague for yielding.

I support the rule for H.R. 1900. I think it is a fair resolution of the options before us, since the rule provides for three alternatives for funding the long-term shortfall of 0.68 percent of payroll in the social security OASDI funds.

One alternative is the committee proposal, which for younger people is the worst of all possible worlds. It proposes to increase taxes and reduce benefits; that is, we are telling our

younger workers that they have the privilege of paying more to receive less.

The committee proposal is not worthy of being in the garden.

The two remaining alternatives are garden variety, one a "pepper," and the other a "pickle."

Peppers can be divided into two groups, hot and sweet. Hot peppers bring tears to your eyes. Sweet peppers are hollow and need to be filled to give them substance. Make no mistake—the Pepper amendment's stuffing will be more and more taxes.

The pickle, on the other hand, is derived from the cucumber, a solid, fleshy vegetable which is set aside to age and develop more character. Similarly, the Pickle amendment is a solid proposal, because it addresses the real problems that got us here in the first place—the ingredient that makes a cucumber a pickle—age.

So as the air fills with numbers during the debate, if things get a bit confusing, relish this thought: make mine pickles.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of California. Mr. Speaker, I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

I appreciate the gentleman's description and I do not know how you classify the kind of amendment that I intend to offer, but I would like it to be referred to, since it affects many wage earners, that this will be the "bread-and-butter" Pickle amendment.

Mr. PEPPER. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of California. I yield to the gentleman from Florida.

Mr. PEPPER. I thank the gentleman for yielding.

Mr. Speaker, I want to say to the able gentleman when he finally makes a difficult choice between the Pickle and the Pepper I hope he will choose the Pepper even if it makes his eyes water.

Mr. Speaker, I have no further requests for time. I move the previous question on the resolution.

The previous question was ordered. The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1100

The SPEAKER. Pursuant to House Resolution 126 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1900.

The Chair appoints the gentleman from Kentucky (Mr. NATCHER) to preside over the Committee of the Whole.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1900, to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 2 hours, and the gentleman from New York (Mr. CONABLE) will be recognized for 2 hours.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI), the chairman of the Committee on Ways and Means.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, we are here today to address the very serious and critical shortfall in funding for the social security system. This legislation has been fashioned with meticulous actuarial estimates and conservative economic forecasts. It reflects the political sensitivities of dealing with a program which touches the lives of millions of people every day. It is the product of a long and arduous legislative path which led inside, then outside of Congress—and, finally, back again. It has not been an easy journey.

Our chief aim today is not simply to fill in the numbers and do what is necessary to shore up this program. Our chief aim is to reaffirm our commitment—this Nation's commitment—to its national system of basic retirement income security. In that sense, there are very few votes any of us will cast here which are more historic.

In 1937, when social security began, the Great Depression continued to permeate a stagnant economy. Millions were unemployed and many elderly, after lifetimes of hard work, were without an independent means of sustaining themselves; 46 years later, in the midst of another difficult time, we understand and appreciate the value of this system. We value it so highly, in fact, that we have fashioned a bipartisan solution to its problems. As politically charged as this issue has been, in the end we will all do our duty, and that is the best measure of the worth of this system.

A succession of negative events brings us here today. We realize that historically unique economic circumstances, especially during the decade of the seventies, have plagued the system. The double-edged pain of inflation pushed cost-of-living increases ahead of our ability to sustain them; and the specter of a lingering recession sapped payroll-tax revenues precisely as benefits were going up. These were things the planners never envisioned. We are chastened by the experience.

Never again can we allow ourselves the luxury of unbridling the desire to increase benefits without first securing—for certain—our ability to pay for those increases. This, too, we have learned.

We now know that in addition to careful and prudent planning, we need to gird ourselves against those circumstances we can neither control nor anticipate. Our legislation reflects that lesson.

We also admit, if there was ever any question, that this is still a program the success or failure of which is undeniably linked to the health and growth of the American economy. No guarantee or commitment can change that fact. Each and every one of us, worker and retiree, must realize that we all have a common stake in putting the country back to work.

For the last 2 years, we have watched the fuse burn on social security—paralyzed by partisan bickering. As Washington maneuvered for political advantage, the balance in the retirement fund continued to fall. One man—JAKE PICKLE—reminded us time and again of our obligation to save the system from bankruptcy. Alone, he introduced a far-reaching bill that presaged the bill we bring to the floor today. But the political fences were too high last Congress to make any headway against the crisis. Finally, the leaders of both parties turned to a bipartisan commission to lift the issue above the campaign fray.

At the time, it seemed little more than a political expedient. Few believed that Alan Greenspan and the other members of the commission could agree on the dimensions of the social security problem—much less a short-term refinancing plan. But the commission defied all Washington axioms and brought forth a reasoned, balanced proposal.

It was on that day—January 20—that the issue passed to Congress for final negotiations. The pace with which the bill moved from the first day of hearings to a final committee vote of 32 to 3 belies the political difficulties and the technical complexities that we overcame.

While the commission gave us a solid outline for a short-term financing plan, it was unable to reach a consensus on how to close the deficit margin in the long run. The commission also left a number of critical questions—like the formula by which benefits are taxed—for Congress to answer. Also left for Congress to face, were the passionate interest groups that have always been divided along deep, philosophical lines.

The bill we bring to the floor today, H.R. 1900, presents no easy choices. We are asking you to better regulate

the system's give and take by exacting greater contributions both from those who pay for retirement benefits, and those who receive them. Covering new Federal employees, taxing benefits, delaying the cost-of-living adjustment, accelerating payroll taxes, changing the long-range benefit formula—are all unpopular. Voted separately, not one of these provisions would survive. But together, the sacrifice they demand is fairly spread; together, the system is saved. And there lies the strength of the plan.

The near-term financing package, which raises $165 billion through the end of the decade, largely reflects the recommendations of the Greenspan commission:

The bill brings the following groups under social security beginning in 1984: All Federal employees hired on or after January 1, 1984; all legislative employees not participating in the civil service retirement system by the end of this year; all Members of Congress, the President, and the Vice President, all new employees of the judicial branch, as well as sitting Federal judges; and all political appointees.

The bill obligates coverage to all employees of nonprofit organizations as of January 1, 1984, with special provisions for employees age 55 and older.

The bill prohibits State and local governments from terminating employee coverage after the date of enactment.

The bill delays the June 1983 cost-of-living adjustment, or COLA, until the January 1984 check, and fixes all future COLA's at the beginning of each year.

The bill bases the COLA on the lower of CPI increases or the increase in average wages beginning in 1988 if, on the first of each year, the fund ratio of the combined OASDI trust funds is less than 20 percent. A catch-up benefit would be paid if the ratio exceeds 32 percent.

The bill gradually increases the delayed retirement credit from 3 percent to 8 percent per year between 1990 and 2010.

The bill includes in taxable income, beginning in 1984, a portion of social security benefits and tier 1 benefits payable under the Railroad Retirement Act for taxpayers whose adjusted gross income combined with 50 percent of their benefits exceeds a base amount of $25,000 for an individual, $32,000 for a married couple filing a joint return, and zero for married persons filing separate returns. The amount of benefits that could be included in taxable income would be the lesser of one-half of benefits or one-half of the excess of the taxpayers' combined income over the base amount. The proceeds from the taxation of benefits, as estimated by the Treasury Department, would be transferred to the appropriate trust funds.

The bill advances the payroll tax increase scheduled for 1985 to 1984 and part of the increase scheduled for 1990 to 1988. Conforming changes would be made in the tier 1 railroad retirement tax rates.

The bill provides for a one-time credit of 0.3 percent of wages to be allowed against 1984 employee FICA and tier 1 railroad retirement taxes. Appropriations to the old age and survivors and disability insurance trust funds would be based on a 7-percent rate. Conforming changes would be made in tier 1 railroad retirement tax rates.

The bill provides that, beginning in 1984, the OASDHI rates for self-employed persons will equal the combined employer-employee OASDHI rate. In addition, self-employed persons would be allowed a SECA tax credit of 2.1 percent of net self-employment income in 1984, 1.8 percent from 1985 through 1988, and 1.9 percent thereafter.

The bill provides for a lump-sum payment to the OASDI trust funds from the general fund of the Treasury for additional benefits and potential taxes arising from gratuitous military service wage credits.

The bill increases the Federal SSI benefit payment by $20 a month for individuals and $30 a month for couples, effective July 1, 1983, to cushion the effects of the COLA delay.

We have learned some sobering lessons about the fallibility of economic projections since 1977. Today we give you no false promises about guaranteeing the solvency of the social security system well into the 21st century. We have based our decisions on conservative, if not pessimistic, assumptions regarding economic and demographic performance.

We have designed a series of three fail-safe provisions to assure full retirement benefit payments—particularly in the short run—should economic conditions dramatically worsen. The first permits interfund borrowing from the disability and hospital funds from 1983 to 1987, with repayment of principal and interest no later than 1989. The second credits the OASDI trust funds, at the beginning of each month, with the amount of payroll tax revenues expected to flow in over that month. And the third requires the Board of Trustees to report immediately to Congress any threats of shortfall in the trust funds, along with corrective recommendations.

Perhaps the most courageous choice the House makes today is to reach beyond the immediate deficit and confront the system's financial troubles beyond the turn of the century. Solving the near-term financing crisis responds to the fears of those at or near retirement age. Responding to the deficit that looms in the next century makes a promise to our children—many of whom doubt the system's capacity to pay benefits when they reach retirement age.

In that regard, the committee's bill reaches beyond the commission's report to confront the long-term—or 75-year—deficit which rises sharply after the turn of the century as the "baby boom" begins to claim its retirement benefits.

Agreeing that Congress must bring the system into long-range balance proved easier than agreeing on a particular formula.

The committee bill reduces initial benefit levels by 5 percent in each of 8 years, beginning in the year 2000, and increases the OASDI tax rate by 0.24 percent for employers and employees in 2015.

A majority of the committee believes that making slight adjustments in taxes and benefits remains true to the enduring theme of this social security bill—to ask both those contributing to the system and those receiving benefits to share the price of long-term solvency.

The committee's solution attacks the problem head on by reducing overall benefit levels through the formula. The primary reason for the longrun deficit is the increase in real benefits guaranteed by the current benefit formula. A minimum wage worker in the year 2045 will get benefits with the same purchasing power as a maximum wage earner gets today. H.R. 1900 will, therefore, cut back only slightly on the future real benefit increases already guaranteed. Furthermore, this reduction will affect all beneficiaries in the same way, regardless of their benefit level or work history, or when they choose to retire.

The committee solution also raises taxes slightly in 2015—the first increase since 1990. Because social security is a pay-as-you-go program, it is reasonable to raise taxes from time to time. In fact, future social security taxes as a percent of GNP actually fall, while the program's cost as a percent of GNP remains fairly steady. Therefore, as the Nation's economy expands, and workers' productivity increases, a slight increase in taxes will not harshly affect workers.

The bill then moderates future increases in real benefit levels, without reducing their purchasing power. The tax increase called for takes place at a time when the scheduled tax burden will be proportionately lighter for workers than it is right now. Those expecting to receive benefits in the next century would be assured that the system is solvent, while those who will be working to support those benefits will have the assurance that only a modest increase in taxes will be required to maintain a sound social security program for their parents and them.

Under the rule, the House will vote on two long-term alternatives to the committee compromise. The first would close the deficit gap by simply raising the payroll tax on workers. The second achieves the same end by only raising the age at which full benefits are paid. One proposal puts the burden on future workers. The other puts the burden on future beneficiaries.

The committee approved two additional measures which we believe are timely and necessary.

First, in response to the alarming rate of unemployment and the hardships faced by millions of unemployed, the committee extends for 6 months the Federal supplemental compensation program (FSC). This program, which is due to expire on March 31, 1983, will provide up to 14 weeks of benefits to individuals who have exhausted all other unemployment compensation.

When this program was enacted last fall, it was hoped that strong signs of economic recovery would emerge during the program's 6-month duration. Unfortunately, the unemployment rate remains over 10 percent and holding. Over 11 million Americans are out of work. Jobless workers are exhausting their unemployment benefits at the rate of 300,000 per month and are depending on these additional weeks of FSC in order to provide for themselves and their families until they find employment.

In addition, the committee was concerned about the 1.2 million people who will have exhausted their original FSC benefits by April 1, 1983. A simple extension of the program would not help these individuals. Recent unemployment statistics indicate that as the economy improves, these long-term unemployed individuals will be the last to be rehired. For these reasons, the committee bill provides up to 10 more weeks of FSC to individuals who have or soon will have exhausted their original FSC entitlement. These additional weeks of FSC benefits will help those who have been unemployed for the longest period of time and who are in the greatest need of assistance.

The second is a major reform in medicare hospital reimbursement, phasing in a new system of prospective payments for inpatient hospital services. By determining payment amounts in advance, the bill enables medicare to become a prudent purchaser, and improves the ability of both Government and hospitals to do financial planning.

Even more important is the change in incentives that prospective payment offers by rewarding cost-effective hospital practices. No longer will medicare reimbursement be based solely on cost; instead efficient hospitals will have an opportunity to reap financial rewards. In no case would hospitals be able to charge medicare beneficiaries more than the deductible and coinsurance permitted under present law; the medicare payment to the hospital would represent full payment as it does today.

The financial status of the medicare hospital insurance program is not good. However, prospective payments for inpatient hospital care represent a vital first step in putting the medicare program on the road to financial health.

At this point, I want to commend my committee colleagues, ANDY JACOBS and HENSON MOORE. In a nonpartisan manner, they have molded a balanced provision that responds to legitimate questions raised and moves the medicare hospital reimbursement system forward in a creative and responsible way.

Mr. Speaker, I mentioned at the outset that this bill has been produced under a most demanding schedule, in a most bipartisan way. The committee members worked long hours in both formal and informal meetings to develop this package. It was an effort that required everyone to compromise somewhat, but compromise did not dilute the final product. In fact, it was strengthened by the influx of new ideas.

In an institution where cliches and buzzwords abound, I hesitate to close with reference to the term "bipartisan." Too often we use the word to describe our behavior on issues that either have no opposition, or are so controversial that we seek the cover of the support of our political opposition.

But today, in the genuine meaning of the word, I want to thank my committee colleagues on both sides of the aisle for 2 years worth of bipartisanship on this matter. Your unwillingness to participate in the partisan bickering on this matter in 1981 and 1982 made our efforts so much easier this year. JAKE PICKLE—you kept us on course. BARBER CONABLE—you helped make genuine consensus possible. And finally BILL ARCHER—your opposition to the committee bill was presented with conviction but grace.

In conclusion, Mr. Chairman, social security divides us into two Americas—those who pay and those who receive. The crisis which we now face has brought both sectors together. Under the bill developed by the Committee on Ways and Means, each is contributing to a financial compromise that restores a common faith in the Nation's largest social program.

I ask you today to support that compromise.

□ 1115

Mr. CONABLE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, this is an historic debate and a tremendously important issue for the American people and for the Members of this Congress. We can be confident that the scholars of the future will pore over this debate to divine the congressional intent back of what is a very complex measure, but nevertheless a very important measure.

For that reason, Mr. Chairman, I am particularly pleased to have one of our ablest Members, the gentleman from Minnesota (Mr. FRENZEL) to open the debate for the minority. I yield to the gentleman from Minnesota 5 minutes.

Mr. FRENZEL. Mr. Chairman, today the U.S. House of Representatives must make a critical decision on our social security system. As usual, the choices are not presented in a form that many of us would choose ourselves.

Each of us has a personal favorite combination of changes that we think is the fairest and most effective way of making the social security financing system whole. We are not, however, going to vote on each Member's favorite plan. Instead, we are going to have to choose between the Social Security Commission's plan and total chaos.

In my judgment, H.R. 1900 is faithful to the Commission's final report. In general, it makes the legislative changes recommended in that report, and leaves the decision on the long-term shortfall solution to be made by the House in votes on amendments.

H.R. 1900 meets the $150 to $200 billion shortfall projected through 1989 in just about the same way the Commission suggested. The Ways and Means Committee improved upon the Commission's suggestions where necessary, but the general framework was left unchanged. The committee has also provided the House with a choice of three different methods of financing the long-term problem.

Short-term financing, the emergency problem, is, as usual, provided mostly by going back to the taxpayers for more money. Of the $165 billion provided for in the package, less than one-fourth, or about $40 billion, comes out of the hides of beneficiaries. All of the rest, more than three-fourths of the entire package, comes through an ingenious variety of new or increased taxes.

Beneficiaries are taxed an extra $27 billion in income taxes. Employers and employees pay an extra $40 billion more in payroll taxes. Self-employed people pay $19 billion more in social security taxes than under current law; $25 billion will come from payroll taxes on new Federal employees, employees of nonprofit organizations, and other organizations, such as State or local governments, which would like to terminate their coverage, but cannot.

Finally, the general taxpayers will have to ante up an additional $17 billion to pay up the back credits given to

armed services personnel when they were made eligible years ago. Altogether, that is a total of new and increased tax bite of over $125 billion over the next 5 years.

That is not my idea of the best way to solve the problem. It is, however, the only way to solve the social security financial crisis now available to us. If this plan does not pass, we will get red ink by this summer. Chaos will follow. Temporary borrowing from General Treasury Funds, now already over $1 trillion in deficit, will be the first resort. Nobody knows what the last resort will be.

We simply must vote for the committee bill, and hope that the Senate comes to the same conclusion.

For the long term, I strongly support the Pickle amendment to increase the retirement age over the other two alternatives. Of the three, the total-tax alternative is by far the worse.

The 1977 social security amendments contained far too great of an increase in taxes, as compared to benefit restructuring. This bill today raises them unmercifully again. We simply cannot go back to that well once again to cure the long-term shortfall. Raising the age of normal retirement by only 2 years, well after the turn of the century, is a reasonable way to do the job.

The Pickle amendment will give American working people 25 years to plan their retirement. Based on increases in life expectancy, and our desire to keep older Americans on the job if they can and want to work, the age 67 amendment makes sense.

Concerning the extraneous elements, railroad retirement, SSI, medicare, and unemployment compensation, none should be in the bill.

Railroad retirement decisions should be made elsewhere, at another time. The Ways and Means Committee deleted the worst of the railroad retirement features, but a pernicious issue remains unsettled which, if not clarified, could have the result of taking money that rightfully belongs in the social security trust fund and placing it in the railroad retirement fund.

The SSI provisions are necessarily included, but are unnecessarily generous. In this area, the Ways and Means Committee went far beyond the Commission's recommendations. The unemployment compensation provision, too, goes far beyond the administration's recommendation, and on its own, would not be supportable at the levels provided.

The medicare changes are for the most part worthwhile, and, although they should have been handled separately, their inclusion is not a bad thing.

Overall, the choice may not be the one each of us wants, but it is a clear choice. If we vote, as we should, for H.R. 1900, we can save the social security system, absent some unusual economic conditions. If this bill fails, we will deserve the chaos that results.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 15 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I rise in strong support of the bill. The responsibility this House faces today goes beyond assuring our elderly that their social security benefits will be paid, and beyond that, assuring future generations the social security program will be there when their turn comes. When we can pass this bill today, and I hope we can pass it expeditiously and with a minimum of bitter debate, then we will have enhanced confidence in our ability to govern. And we will do more for our economy than just about anything else we could do.

More than passage of a social security bill is at stake here, and pass a social security bill we must.

Social security affects 36 million beneficiaries every month, and through them every American family. It pays out benefits in monthly checks of $170 billion a year, and an additional $40 billion in medicare hospital payments. Any program this large gets to be terribly important. Social security is even more important because it is not just large—it is also part of the fabric of our family life and of the economic life of our Nation.

We know the issues we face. We have squeezed, massaged, molded, ignored, and finally faced up to these issues many times over in the past few years. Simply put, social security needs a substantial boost in this decade and real structural reform in the next century. The vote the House Members face today is to do what we can to insure social security benefits for the coming years and the coming generations. We must restore confidence in our young wage earners.

Even before we begin, we have to acknowledge the extraordinary cooperation that goes into the shaping of any major bill such as this one. Republican and Democrat, liberal and conservative, have come together to do what is right—preserve social security, make it strong, and restore the peoples' confidence in her.

My own subcommittee—all the members that have served this Congress and last—have shown an extraordinary courage, restraint, and willingness to move forward for the common good regardless of our personal preferences.

I pay my respects to the members of my subcommittee, the gentleman from Missouri (Mr. GEPHARDT), the gentleman from Massachusetts (Mr. SHANNON), the gentleman from Georgia (Mr. FOWLER), the gentleman from California (Mr. MATSUI), the gentleman from Arkansas (Mr. ANTHONY), and the gentleman from Indiana (Mr. JACOBS). These men have worked harmoniously together to help us keep this package together and advance it to the floor.

My own chairman, the gentleman from Illinois, Mr. DAN ROSTENKOWSKI, has entered into this contest and pushed and pushed to do what is right and what is responsible. His leadership has been more than essential. His leadership has been important and helpful and has been enlightened and we cannot overplay the importance of the role he has played, Mr. Chairman, in advancing this bill to the floor.

I am mindful of the remark the gentleman made to the gentleman from Texas and I reciprocate manyfold, but I appreciate the gentleman's leadership, Mr. Chairman. We have had cooperation from the other side of the aisle. We have had the clear thinking, as usual, of the gentleman from New York, BARBER CONABLE, and we have had excellent cooperation from the gentleman from Ohio (Mr. GRADISON) and the gentleman from California (Mr. THOMAS). We have had the courageous presentation and views of the gentleman from Texas (Mr. ARCHER) and the gentleman from Illinois (Mr. PHILIP CRANE) and we have done it in the spirit of cooperation, although we might have had some differences, and I appreciate that.

Other individuals from outside the Congress have played key roles. In particular we currently are indebted to Alan Greenspan and the other members—in and out of Congress—of the National Commission on Social Security Reform who took on an herculean task and stayed with it until the last moment—until the task was complete.

The National Commission put together from unacceptable provisions an acceptable package, and that is what we must move forward today.

The bill presented to you by the Committee on Ways and Means parallels closely the recommendations of the National Commission on Social Security Reform. It is a bipartisan bill. It was reported from the committee by a vote of 32 to 3, an extraordinary, an impossible achievement.

While any one of us could make a case of the harshness or the undesirability of any one of the provisions in this bill, taken together, it works. Only one major question remains, and that is for the House to work its will on how to go about addressing the long-term deficit. All of the options we face there will raise the sufficient funds. It is a matter of deciding what is the route that will be believable and acceptable to the public—what will do the best job of restoring confidence in this program.

The committee bill raises $165 billion in the short term between now and 1989. It raises 2.12 percent of payroll, which is slightly over the deficit

projected under intermediate assumptions into the next century. It diverges from the Commission recommendations only where there seemed a clear need to refine a recommendation to make it more practically feasible or to fill in actual gaps left to the Congress.

First, the bill has several provisions extending coverage. It would cover newly hired Federal workers, all nonprofit employees, Capitol Hill employees not participating in the civil service retirement program, and all Members of Congress, judges, and other elected officials and high-level political appointees. It provides for the elimination of the so-called windfall benefits which accrue to individuals who also work in employment not covered by social security and it would prohibit State and local governments from pulling out of social security. These provisions, combined, raise $25.4 billion of the $165 billion in the legislation and 0.47 percent of payroll, or almost one-quarter of the long-term needs of the program. Let me emphasize that again, because there is much rhetoric which has flowed around asserting that extension of coverage would be bad for social security in the long run. Extension of coverage is good for social security both in the short term and in the long term and the facts are just indisputable on that.

It is the committee's belief that extension of coverage is good for the individuals involved as well, and I would like to insert in the RECORD at this point a letter from a career civil servant—and a great statesman—Mr. Robert Ball, which addresses this point. I would like also to insert some materials which the Members will find useful in addressing the questions which naturally come up regarding the effect coverage will have on civil servants and others involved and on the Government.

WASHINGTON, D.C.,
February 17, 1983.

Hon. J. J. PICKLE,
Chairman, Subcommittee on Social Security, Committee on Ways and Means, Washington, D.C.

DEAR MR. CHAIRMAN: I fully support the coverage of Federal civilian employees newly hired after January 1, 1984, as recommended by the National Commission on Social Security Reform and the establishment for such newly hired employees of a benefit plan within the Civil Service Retirement system that would build on social security coverage, just as is the case with the pension plans of private employers. I would like to tell you why I take this position.

I spent most of my working career, 30 years, as a Federal employee, and although during the last 11 years of that period I was a Presidential appointee, I have always thought of myself as a career civil servant. I believe that the business of the United States is the most important and challenging business in the world, and we must be able to attract to it the best minds and skills of this and later generations. The need for a government of skilled administrators, researchers, policy analysts—the need for creative minds—transcends one's personal views about the proper direction for government. Whether one wishes to move the government in conservative or liberal directions, there is a need for high competence in carrying out the tremendous responsibilities of the United States government.

It follows, therefore, that I would do nothing knowingly to reduce the attractiveness of government service. On the contrary, I am appalled at the limits that have been placed on compensation so that Federal pay is becoming less and less competitive with private industry. We are only hurting our Nation when we make it more difficult to attract and hold the best people to work for us all as government employees.

A good retirement system and other fringe benefits have traditionally been a part of Federal government personnel policy. To some extent these benefits have made up for frequently lower wage and salary levels. I believe it is of great importance to continue the policy of fully adequate retirement and fringe benefits for Federal employees—those presently employed and those hired in the future—as part of the objective of making our Government work well. It is good that the Federal government has been a leader in personnel policy in this area.

I have given the reasons why I favor the coverage of newly hired Federal employees below:

1. In the long run, Federal employees will lose if they are perceived by the public to have been exempted for selfish reasons from our basic, compulsory social insurance system that covers practically everyone else in the country. Social security has the national purpose of providing protection to make up for income loss because of retirement in old age, total disability, or the death of a wage earner in the family. It is a compact between the generations in which all share the burdens and the benefits. It is anomalous, to say the least, that Federal civilian employees are the ones who do not take part in this national effort. For many years now, coverage has been extended to all employment for which it is practical, including military service. I have been on many radio and TV call-in shows in recent years and made many talks on social security to general audiences. I always get the question "How come Federal employees don't have to pay in when I do?"

2. The combination of social security coverage and newly designed benefit provisions within the civil service retirement system for new employees should be set up in such a way that, overall, the combination will provide as good protection as the present civil service system does alone. There is no intention to diminish the protection of these new employees as compared to the presently employed.

3. For many new employees, this arrangement of social security plus a completely independent supplementary plan, as in private industry, would be better than the present civil service plan alone. Social security with its weighted benefit formula is generally more favorable to low-paid employees than the civil service system, and frequently social security is better for those who move in and out of Federal employment, since the possibility of missing eligibility for social security is protected against. Very importantly, full survivorship and disability protection is more quickly achieved under social security. The amounts paid for these risks are not related to length of service as in the civil service system, but are fully effective quickly, as in an insurance plan.

4. It is true that with extension of coverage to Federal civilian employment, Federal employees will lose an unfair advantage which they now have over those covered by social security throughout their working lives, but it is desirable that this should be the case. At present, about 73% of Federal annuitants who are age 62 or more are also eligible for social security, but they have been granted social security protection under more favorable benefit-to-contribution ratios than are possible for most people. The Federal annuitant picks up social security coverage without having paid into the system over his entire working lifetime, but instead gets the social security benefit based on a partial earnings record in employment outside the Federal government. His or her earnings record under social security therefore has a lot of zero years in it and the average wage on which the benefit is based tends to be low. This gives the Federal annuitant the advantage of the weighted social security benefit formula (the factors in the benefit formula are 90%, 32% and 15%) which was intended to benefit low-paid people. This is not the fault of the Federal employee—there is nothing he can do about it under present law—but the result is such that everyone else in the country is paying somewhat more for social security because Federal employees receive this advantage. Thus the extension of social security to Federal employees reduces the long-range overall cost of the system by about 0.3% of payroll. It is just not true that new Federal employees would be asked to "bail out" the social security to their own disadvantage. On the contrary, extension of coverage would correct an inequity now disadvantageous to those under social security.

5. The notion has been widely circulated that covering new Federal employees under social security would deprive present Federal annuitants and those presently employed by the Federal government of a future source of income needed to pay their retirement benefits. This is not the case. At the present time, the protection furnished by the civil service retirement system—depending on how it is figured—is worth about 38-40% of payroll. Employees are paying only 7% of their earnings toward this protection. The agency for which they work contributes another 7%, and the rest of the benefits will be paid for from general revenues. Thus under present law, the benefits of present workers will be paid for mostly from general revenues, not the contributions of the newly hired.

Moreover, the contributions that the newly hired employees would make toward a specially designed benefit plan within the civil service system would mingle with all other contributions to that system, as is the case today with other special benefit plans in the civil service retirement system, such as those for Members of Congress, congressional employees, air traffic controllers, etc. It is true that the contributions to the civil service retirement system to be made by new Federal employees would be lower than the contributions paid by those already at work because, of course, the supplementary plan on top of social security will be cheaper than the present plan, which is intended to be sufficient in itself. However, these lower contributions will be balanced by the fact that the benefit provisions for the newly hired will have lower long-term costs, and create less liability for the civil service retirement system. You cannot help the civil

service retirement system's long-range financing by bringing in new people who pay 7% of earnings toward a liability of between 38% and 40% of earnings.

The civil service retirement system as a whole will not be injured by the proposal to cover the newly hired under social security plus a specially designed benefit plan for this group within the civil service retirement system.

There is apparently widespread misunderstanding among Federal employees about these facts, some even believing that the civil service retirement system is adequately financed by a combination of the 7 percent contributions that they pay and matching contributions from their agency. It is important that these misunderstandings be corrected.

It is not surprising to me that Federal employees are greatly concerned about any proposals affecting their pay, working conditions, retirement and other fringe benefits. Their total compensation is being threatened in a variety of ways, but, in my considered judgment, the proposal to extend social security to newly hired employees is of an entirely different character. The adoption of this proposal will help, not hurt the presently retired, the presently employed, and the newly hired, and will strengthen, not weaken, the attractiveness of Federal employment, while improving the attitude of the rest of the country toward the Federal employee.

Sincerely,

ROBERT M. BALL.

EXTENSION OF SOCIAL SECURITY COVERAGE TO NEWLY HIRED FEDERAL CIVILIAN WORKERS

The National Commission on Social Security Reform has proposed extending social security coverage to all Federal employees hired after December 31, 1983. The Commission also proposes that in conjunction with coverage, a new supplemental pension plan for these workers be put in place, so that they would be treated essentially the same as workers in private industry. The following discussion outlines the major issues connected with this proposal, primarily the fiscal impact and the impact on affected workers.

A. IMPACT ON SOCIAL SECURITY

There would be an immediate short-term increase in social security trust fund revenues: about $10-13 billion, 1983-89. This increase is the result of employee contributions to the OASDI trust fund from newly covered Federal workers and the matching employer contributions from the Federal government. No funds would be taken from the Civil Service Trust Fund, nor would the two systems' funds be merged.

In addition, the social security system would realize long-term savings: .28 percent of payroll. (Coverage of Federal workers accounts for elimination of one-sixth of the long-term social security deficit.) The long-term savings result mainly from two factors:

(1) Elimination of the windfall now available to Federal retirees who collect social security based on very few years work covered by social security. 73% of current Civil Service retirees over age 62 collect social security benefits as well. The weighted social security benefit formula treats these workers like low-wage workers so they get a relatively large benefit based on many fewer years of covered work compared to similar workers covered their whole careers.

(2) Average salaries for Federal workers are higher than average covered wages, so that higher payroll tax contributions would be made for them as a group.

B. IMPACT ON CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

Coverage of new workers will not affect benefits being paid out of the current CSRS system, and current workers will continue to pay their contribution to the system.

Revenues to the CSRS trust fund will be reduced as new workers pay into the OASDI trust fund instead of into CSRS. The extent of the reduction will depend on the nature of the supplemental plan designed for new workers. If this plan is part of the CSRS, then the reduction will be less than 7%. It should be remembered that the CSRS system is primarily funded by general tax revenues; out of an estimated cost of 36% of payroll, only 7% is paid by employee contributions.

Some of the 29% paid by general revenues is interest on the CSRS unfunded liability which is treated as an investment. Thus, reserves of the CSRS trust fund do not depend on revenues coming in from outside the Federal government; they are determined by the amount of benefit obligations the system is calculated to have in the future and the interest on those obligations.

Long-run CSRS benefit obligations (the unfunded liability) will decrease as workers receive more of their total pensions from social security; the exact impact will depend on what sort of supplemental civil service pension is designed for the new workers.

Congress could appropriate funds to the CSRS trust fund to make up for revenues lost because of social security coverage. However, there would be no real effect on the security of the retirement benefits due in the future, since CSRS benefits are not guaranteed by existing revenues in the trust fund, but by the taxing power of Congress. Civil service retirement benefits are entitlements, similar to social security benefits, and can be increased or reduced at any time by Congress, regardless of the reserves in the CSRS trust fund.

C. IMPACT ON THE FEDERAL BUDGET

Covering new Federal workers under social security does not change the total amount being paid out in either civil service benefits or social security benefits in the short run; in the long run, there is a savings to social security.

The difference in revenue to the Federal government would be between the 6.7 percent workers now pay to social security, and the 8.3 percent Federal workers now pay (7 percent to CSRS, 1.3 percent to Medicare). If no change were made in the CSRS law at all, workers would pay both taxes; if a supplemental plan to which workers contributed were enacted, some of this difference would be made up. This difference in revenue is not substantial.

Even if additional payments were made to the CSRS trust fund to make up for losses from social security coverage, the payments would have no effect on the Federal deficit, since general revenue payments into a government trust fund are inside the budget and don't affect total outlays or total revenues.

D. IMPACT ON AFFECTED WORKERS

Civil service retirees would not be affected; their retirement benefits now in the future will depend on the Congress' commitment to continue to pay full benefits.

Many Federal workers would be better off if covered by social security:

(1) Social security provides family and survivor benefits with no reduction in the benefit of the worker, unlike CSRS, which requires retirees to take a reduced annuity in order to provide benefits to their survivors.

(2) Disability protection under social security requires recent covered employment, so that workers leaving Federal service are without disability protection for several years.

(3) Over half of all workers who enter Federal employment will eventually leave Federal service with no eligibility for CSRS benefits; if they take their contributions with them, they receive no interest on contributions after the first 5 years, or employer-share on any contributions. Thus, their eventual social security benefits may be lower than if their Federal employment had been covered, and they will not have received any benefit at all from their contributions to CSRS.

(4) The Federal employees who are low-paid would receive the advantage of the social security weighted benefit formula. The Civil Service benefit formula gives a greater advantage to higher-paid long-career workers.

QUESTIONS AND ANSWERS ON COVERAGE OF FEDERAL WORKERS UNDER SOCIAL SECURITY

EFFECT ON SOCIAL SECURITY

Q. How can covering new Federal workers under social security save money for social security since these workers will draw benefits out in the future? Won't this just make social security's long-run problem worse?

A. Social security would realize a large long-term savings from covering new Federal workers: .28 percent of taxable payroll, a sizable contribution to solving the 1.8 percent long-term deficit. The long-term savings results mainly from two factors:

(1) Elimination of the windfall now available to the large majority of Federal retirees who collect social security based on very few years of work covered by social security. The weighted benefit formula treats these workers like low-wage workers so that they receive a relatively large benefit based on many fewer years of covered employment years compared to similar workers covered their whole careers.

A recent study (Social Security Bulletin, February 1983) has found that 73 percent of all Federal retirees over 62 are entitled to social security benefits, and that the percentage is steadily increasing. Most of these workers are collecting a heavily weighted social security benefit that they paid relatively little for, in comparison with a worker in private industry who made similar wages that were covered by social security.

This windfall means that all workers in covered employment are subsidizing the weighted benefits for Federal retirees, whose civil service benefit is already supposed to take the place of both social security and a private pension. These weighted benefits were meant for long-term, low-wage workers with few other sources of retirement income, not for retirees with pensions that already are meant to replace social security.

(2) Another reason for the long-term savings to social security is that average salaries for Federal workers are higher than average covered wages. Therefore, higher payroll tax contributions would be made over the long term for Federal workers than for a similar number of private sector workers.

Q. Why can't you just eliminate the windfall in the social security benefit formula and leave Federal retirees' benefits alone?

A. The long-term savings could be achieved in part by addressing the windfall question alone, and changing the formula for workers with non-covered employment. However, no short-term savings would be realized, and the Commission's consensus package depends heavily on the immediate revenues from coverage.

Furthermore, eliminating the windfall would only reduce social security benefits for those Federal workers who actually do qualify for civil service retirement benefits. It would do nothing for the majority of Federal workers who leave Federal service without qualifying for civil service retirement benefits. Over half of all Federal workers never collect anything from CSRS: they are the least likely to have social security coverage when they leave Federal service, and the most likely to need the protection social security provides for families against disability and death of the worker. It should be remembered that social security as the Nation's basic social insurance system, was founded on the principle of universal mandatory protection for all workers. In the absence of universal coverage, both windfalls for workers gaining protection under both social security and CSRS, and gaps in protection for workers who move between the two systems are created.

Q. What will happen to the retirement benefits of new Federal workers who come under the social security system?

The retirement benefits of new Federal workers will depend on the supplementary plan enacted in addition to social security coverage.

Many Federal workers would be better off if covered by social security:

(1) Social security provides family and survivor benefits with no reduction in the benefit of the worker.

(2) Disability protection under social security requires recent covered employment; workers who leave Federal service are without disability protection for several years.

(3) Over half of all workers who enter Federal employment will eventually leave Federal service with no eligibility for CSRS benefits; if they take their contributions with them, they receive no interest on contributions made after the first five years, or employer-share for any of their contributions. Thus, their eventual social security benefits will be lower than if their Federal employment had been covered, and they will not have received any benefit at all from their contributions to CSRS.

IMPACT ON CIVIL SERVICE RETIREMENT SYSTEM (CSRS)

Q. The CSRS trust fund is fully and soundly financed now. Covering new workers under Social Security will cut off new revenues from CSRS, and the CSRS trust fund will eventually go bankrupt. How are future retirement benefits of current workers and retirees going to be guaranteed?

A. The basic answer to this question is that the political will of Congress must guarantee Federal retiree benefits in the future, just as it does now.

Revenues to the CSRS trust fund will decline as new workers pay into the OASDI trust fund instead of into CSRS. However, the CSRS system is primarily funded by general tax revenues; out of an estimated cost of 36% of payroll, only 7% is paid by employee contributions.

Reserves of the CSRS trust fund do not depend on revenues coming in from outside the Federal government; they are determined by the amount of benefit obligations the system is calculated to have in the future and the interest on those obligations. A large part of the 29% paid by general revenues is interest on the CSRS unfunded liability which is treated as an investment.

Long-run CSRS benefit outlays will decrease as workers receive more of their total pensions from social security; the exact impact will depend on what sort of supplemental civil service pension is designed for the new workers.

Congress could appropriate funds to place in the CSRS fund to make up for revenues lost because of social security coverage. However, there would be no real effect on either the security of the retirement benefits due in the future, or on the taxpayer. The CSRS trust fund is primarily a mechanism for determining how much general revenues should be appropriated each year to cover the current and future costs of the program

CSRS benefits are therefore not guaranteed by existing revenues in the trust fund, but by the taxing power of Congress. Civil service retirement benefits are entitlements, similar to social security benefits, and can be increased or reduced at any time by Congress, regardless of the reserves in the CSRS trust fund.

PIA'S AND REPLACEMENT RATES AT AGE 62 FOR STEADY WORKERS UNDER PRESENT LAW AND ALTERNATIVE PROPOSALS TO ELIMINATE WINDFALL BENEFITS—ASSUMING PROPOSALS FULLY EFFECTIVE [1]

40-year employment history		Present law		61-percent factor proposal [3]	
In noncovered employment	In covered employment	PIA	Replacement rate [2] (percent)	PIA	Replacement rate [2] (percent)
Career low earner (one-half average earnings)					
0	40	$352	58	$352	58
5	35	352	58	*329	*54
10	30	324	62	*275	*52
20	20	268	77	190	54
30	10	156	90	106	61
Career average earner					
0	40	548	45	548	45
5	35	548	45	*502	*41
10	30	492	47	414	39
20	20	380	54	302	43
30	10	268	77	190	54
Career high earner (twice average earnings)					
0	40	801	33	801	33
5	35	801	33	722	30
10	30	748	36	670	32
20	20	604	43	526	38
30	10	380	54	302	43

[1] January 1984 PIA's and replacement rates (PIA's as a percent of covered AIME) based on intermediate II–B assumptions used in 1982 Trustees Report. Assumes (A) program mature in 1984, (B) worker's noncovered employment with Federal Government followed covered employment.

[2] Replacement rate equals initial PIA as a percent of AIME.

[3] The 1984 PIA under the proposal would be equal to the higher of (A) 61 percent of the first $270 of AIME, plus 32 percent of the next $1,359 of AIME, plus 15 percent of remainder (replaces current 90 percent factor with 61 percent factor) or (B) present law PIA minus one-half of the pension based on noncovered employment. (Those PIA's and replacement rates computed under the latter approach are marked with an asterisk (*) above).

Second, the bill delays the 1983 cost-of-living adjustment by 6 months until January 1984, at a savings of $39.4 billion in this decade and 0.3 percent of payroll over the long term. Again, this is an important portion of the short- and long-range needs of the program. This action will reduce benefits for the average worker beneficiary by somewhere around $85 this year and a comparable amount in succeeding years. But I think our elderly will accept this one delay because I think that they have shown a willingness to help us hold this package together and share the burden of maintaining the overall social security program.

The committee bill does, in another part, provide for relief in this area for those elderly and disabled on SSI. It also contains a guarantee that the January 1984 COLA will be paid regardless of whether the cost of living drops below the 3-percent trigger now in the law.

Third, the committee bill follows the recommendation of the National Commission to include one-half of social security benefits in taxable income—but phased in so that by using bases of $25,000 for an individual and $32,000 for a couple there will be no notches. Moreover, no individual with outside income of less than $20,000 and no couple with outside income of less than $25,000 would be affected at all. Since this money will be redeposited in the trust funds, it provides a substantial portion of the short-term needs of the system—some $26.6 billion—and a major portion of the long-term funding needs of social security—0.61 percent of payroll or almost 30 percent of the long-range funding in the bill. Only 6.5 percent of all beneficiaries will be affected by this provision next year.

I would like to insert in the RECORD some examples of how this provision would affect various individuals.

COMMITTEE RECOMMENDATION ON TAXATION OF BENEFITS [1]

	Example A	Example B	Example C	Example D
Old AGI	$20,000	$22,000	$28,000	$30,000
Fifty percent of benefits	$4,200	$4,200	$4,200	$4,200
Combined amount	$24,200	$26,200	$32,200	$34,200
Base amount	$25,000	$25,000	$25,000	$25,000
Excess		$1,200	$7,200	$9,200
Fifty percent	×.5	×.5	×.5	×.5
Taxable social security		$600	$3,600	[2] $4,200
New AGI		$22,600	$31,600	$34,200
Percent of social security benefit taxed	0.0	7.1	42.9	50.0

[1] All examples are based on a single person who retires with maximum benefits in 1984 at age 65.

[2] The lesser of 50 percent of benefits ($4,200) or one-half the excess ($4,600) is included in AGI.

Note.—The amount of social security benefits includable in tax income would be equal to the lower of (a) other AGI plus one-half of social security benefits minus the threshold, with the remainder multiplied by one-half or (b) one-half of social security benefits. The threshold is to be $25,000 for a single return, $32,000 for married filing jointly.

Mar. 8, 1983.

Fourth, the committee bill makes several changes in social security taxes. It speeds up already scheduled tax increases by moving the 1985 increase up to 1984 and part of the 1990 increase up to 1988. It increases the self-employment tax. The committee complied with the Commission request to provide some relief for the 1984 speed-up of payroll taxes through a credit for employees and extends a similar credit to the self-employed. Again, these provisions, which are troublesome to many, are an integral part of this package. They raise $57.9 billion in this decade and 0.22 percent

of payroll over the long term, mostly through the SECA increase.

Under the bill employees will pay a 6.7-percent tax in 1984, but the trust funds will be credited with a full 7-percent rate, the same that employers will pay. In 1985, both will pay 7 percent. In 1988, the rate will go up to 7.51 percent, with some intervening increases for medicare, and in 1990 to 7.65, the same rate as under current law. This will result in a maximum increase of $485 over current law between now and 1990.

The self-employed have traditionally paid three-quarters of the combined employer/employee tax rate and only the employee portion of the medicare tax rate. But they have always received full benefits for these payments. Following are further explanations of this provision:

TAX CREDIT FOR SELF-EMPLOYED

Under the committee bill, the payroll tax rate for self-employed individuals, known as the SECA tax, will increase to the combined employee-employer payroll tax rate. The President's Commission and the subcommittee had recommended that self-employed workers be allowed to deduct 50 percent, or the "employer" share of their payroll tax payment as a business expense in order to reduce the burden of the increase.

The committee bill replaces this 50-percent tax deduction with the equivalent of a 12.9-percent tax credit against the self-employed, or SECA payroll tax rate. This change to a tax credit resulted in the same revenue loss from the Treasury as the 50-percent tax deduction, $11 billion from 1984 to 1989. The tax credit, however, spreads the relief evenly for all self-employed workers, while the tax deduction approach favored self-employed workers in high income tax brackets.

For administrative simplicity, the 12.9-percent tax credit was translated into a reduction in the SECA tax rate of 2.1 percent [1] in 1984, 1.8 percent in 1985–87, and 1.9 percent for 1988 and subsequent years. There is no loss to the social security trust funds since they will be credited with the amount of the full self-employed tax rate. The revenue loss from the credit will be borne by the general fund.

SELF-EMPLOYED OASDHI TAX RATE

[In percent]

	Current law	Ways and Means bill		
		Tax rate	Credit	Net tax rate
1984	9.35	14.00	2.1	11.90
1985	9.90	14.00	1.8	12.30
1986–87	10.00	14.30	1.8	12.50
1988	10.00	15.02	1.9	13.12
1989	10.00	15.02	1.9	13.12
1990	10.75	15.30	1.9	13.40

[1] Includes a 0.3-percent tax rate reduction available for 1984 only for both employees and self-employed.

SELF-EMPLOYED OASDHI TAX RATE—Continued

[In percent]

1984 maximum SECA; 14 percent rate; $37,500 earnings

	Dollars
SECA tax	$5,250.00
SECA credit	787.50
New liability	4,462.50
Current law liability (9.35)	3,506.25
Total increase	956.25

1984 average SECA; 14 percent rate; $25,000 earnings

	Dollars
SECA tax	3,500.00
SECA credit	525.00
New liability	2,975.00
Current law liability	2,337.50
Total increase	637.50

Fifth, the bill enacts a series of changes which are designed to continue smooth benefit payments this year and insure benefit payments throughout the decade; namely, it would provide for a general revenue transfer of some $17.7 billion which will reimburse the trust funds for military wage credits in advance and credit the trust funds for uncashed OASDI checks. Let me be very clear that these provisions do not provide to the funds general revenue that would not come to them anyway and that these provisions are necessary to continue retirement payments through 1983 without further depleting the other trust funds.

The committee bill follows this with a three-part procedure to safeguard payments for the rest of the decade: First, it would institute a new accounting procedure proposed by the administration for crediting tax receipts to the trust funds at the first of the month, when the money is needed for benefit payments. This will have a significant impact on trust funds reserves, which will be very important in the immediate years ahead. Second, it would allow interfund borrowing between the funds for 1983–89. And third, it would require the trustees to report immediately to the Congress with a specific legislative plan of action whenever the amount in any trust fund is unduly small.

Sixth, the bill makes several other changes, some of which are of general interest, but most of which are technical in nature. I mention only three here.

INVESTMENT OF SOCIAL SECURITY TRUST FUNDS

The bill made several changes to increase income and reduce public criticisms. The two most important changes are:

First, investments would be made at the higher of two interest rates, the current law rate or a new short-term rate;

Second, long-term obligations, that is, from 1 to 15 years, would be eliminated and the rate earned by the trust funds would change monthly.

ELDERLY AND DISABLED TAX CREDIT

The bill provides a new credit for the elderly and disabled who do not receive social security. The credit is designed to phase out at approximately the same levels that taxation begins for those who do get social security retirement or disability benefits.

The credit is equal to 15 percent of a base amount which is reduced by amounts received under social security and half of adjusted gross income above a certain point, $7,500/$10,000.

The base amount is $5,000 for a single, $7,500 for a joint return.

ELECTIVE COMPENSATION

Under a cash-or-deferred arrangement (section 401(K)), a covered employee may elect to have the employer contribute an amount to the plan on the employee's behalf or to receive the amount directly in cash. Amounts contributed to the plan are excluded from income tax and FICA.

Employees who participate in 401(K) plans whose total annual earnings are below the social security annual taxable wage base ($35,700 in 1983) or whose contributions to the 401(K) plan reduce the amount of their social security earnings below the annual taxable wage base forego social security benefits which would have been based on the amounts which they contributed to the plan (up to the difference between his actual earnings and the wage base).

Therefore, the participation of some workers in a 401(K) plan—which is designed to provide retirement income—may actually result in the loss of certain amounts of social security benefits (including, but not limited to, retirement benefits).

In addition, similar elective arrangements and tax treatment exist under cafeteria plans (section 125)) (which provide a choice between taxable and nontaxable amounts) and tax-sheltered annuities (section 403(b)) (which often take the form of salary reduction agreements).

The committee bill provides that, to the extent that an employee could have elected to receive cash, employer contributions to these three elective compensation arrangements will be treated as wages for social security tax and benefit purposes.

This treatment is justified, in part, on the grounds that when an employee is offered a choice, between cash or a fringe benefit that is excluded from social security coverage and taxation, he has "constructively received" the amount of the cash. Under this view-

point, the employee is considered to have been paid the cash and chosen to spend it for the fringe benefit himself. Since there is no exclusion for payments a worker makes from his own funds to these benefits, the value of the fringe benefit will be treated as wages for social security coverage and tax purposes.

Seventh, the bill takes perhaps the most important step of all and, combined with the rule and the floor amendments to be offered, gives the House a chance of determining how it will solve the remaining long-term needs of the social security program.

I say how, not whether, because we must reduce the current long-term deficit as best we can if we are ever to restore confidence in this program. The committee bill takes the route of using a combination of benefit reductions and tax increases. Two amendments will be in order—one wholly to raise taxes and one to raise the age of full retirement. Whichever route we take, our victory will be that we will resolve the current long-term deficit.

There simply is no question that social security faces long-term problems.

It is true that, once we pass the 1980's, matters look fairly favorable for the social security retirement program for a number of years. But that does not mean we should ignore the long term. To do so suggests that there is no firm basis or pattern to the long-term projections and that the potential imbalance, especially in the later years, is caused more by putting random numbers together than by discernible economic or demographic events. The fact is the projected imbalance in the final 25-year period of the long-term projections is over 26 percent of program costs, way above the 5-percent standard of leeway which has often been used.

Moveover, this imbalance is driven by already discernible demographic circumstances. And it is not as far off as many assume: Actually the first wave of the baby boom generation reaches retirement by 2008. And even under intermediate assumptions, outgo begins to exceed income sometime between 2010 and 2015. The favorable financial projections for the program beginning in the mid-1990's and continuing into the first decade or so of the next century rely on reserves actually being built up sufficiently during this period to carry the program for several years. But these projected surpluses rely on real wage growth averaging 1.5 percent per year, when real wage growth for the last 30 years has averaged only 1.2 percent. They also rely on a slight increase in the birth rate and on no major breakthroughs in average mortality improvement.

All of this is simply by way of saying that we must act. There is as much reason to believe that the long-term problems of social security may not be so long off as we might think as there is to believe that things will improve somewhat.

The people do not perceive social security as just Government welfare program; every worker of every age is constantly aware that he or she has a stake in it. If we do not address its problems when they are brought to our attention, then the worker will adopt an ever more guarded attitude toward the program—to his detriment and to the detriment of social security.

In summary, the hour has come. We cannot go back to the drawing board at this point because we do not have time to put together a package of amendments which can garner the support of so wide a variety of groups and individuals as the one which is before us today. The choice is not one of our personal preferences. The choice is whether or not we want the checks to go out on time come July this year. We have all had to swallow hard on something in this package—but as a package, it can hold up.

I strongly urge adoption of these social security amendments.

□ 1130

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. I thank the chairman for yielding this time to me.

Mr. Chairman, I rise in support of this legislation and I want to say at the outset what an honor it has been to work with the gentleman from Texas (Mr. PICKLE) on this legislation over the last couple of years. I think those of us who have worked on the subcommittee with Mr. PICKLE have seen an extraordinary display of political leadership.

Mr. Chairman, this bill addresses a very serious financing problem, a problem for which there are no easy solutions. We have had to make some tough decisions. We have all had to compromise.

No one is completely happy with this bill. But the bill gets the job done, and I intend to support its final passage.

There is a fundamental fact that I think all of us need to understand about this bill. As reported out of the Ways and Means Committee, it would address both the short-term financing problem and the long-term financing problem.

The committee bill adopts the consensus package of the National Commission, with certain adjustments.

The committee bill delays the cost-of-living adjustment 6 months, and taxes benefits for higher income earners. It increases payroll taxes and extends social security coverage to newly hired Federal workers.

These provisions, when combined with interfund borrowing authority and the fixed monthly tax transfers, completely handle the short-term financing problem.

In addition, these changes eliminate two-thirds of the long-term deficit.

But the committee bill goes beyond the Commission's consensus package and addresses the remainder of the long-term 75-year deficit.

The long-term solution adopted by the committee involves two changes:

First, the committee bill increases the OASDI tax rate by 0.24 percent for employers and employees in 2015.

Second, the committee bill reduces the initial benefit levels by 5 percent for workers retiring in the next century. It does this by decreasing the percentage factors in the benefit formula by two-thirds of 1 percent each year for 8 years beginning in the year 2000.

This reduction in the replacement rate affects all beneficiaries in the same way, regardless of their benefit level or work history, or when they choose to retire.

The committee's approach spreads the burden of the long-term solution among workers and beneficiaries.

Everyone lends a hand. But no one is asked to carry more than his or her fair share. No one is left hurting.

With these two changes, the committee bill completely eliminates the long-run deficit.

There will be two other approaches to the long-term problem that we will vote on today.

I just want to say that, no matter what we adopt here today, we will most likely be looking at long-term social security financing again somewhere down the road.

If we have learned anything from the social security debate, it is that there is no way in the world we can predict the economic future 5 or 10 years from now, not to mention 40 years down the line.

Mr. PEPPER will be offering an amendment to address the last third of the long-run deficit by raising payroll taxes.

There is a lot to be said for this approach.

Beneficiaries are already making a major sacrifice in order to insure the solvency of the system—COLA delay and taxation of benefits.

The Pepper amendment addresses the long-term deficit without further benefit cuts.

The other alternative is contained in the Pickle amendment.

This proposal would increase the retirement age to age 66 by 2009 and to age 67 by 2027.

There are some real problems with this proposal.

They are problems that put it in an entirely different category than the

committee bill, or even the Pepper amendment.

Remember that the Pepper amendment calls for no further benefit cuts. And the committee bill would make only slight adjustments in taxes and benefits.

But the Pickle amendment, on the other hand, would put the burden of the long-term financing problem squarely on the backs of future beneficiaries.

The Pickle amendment starts from a single, mistaken assumption. It assumes that if we increase the retirement age, people will work longer.

But many of them cannot.

Most people who retire early do so not because they want to but because of ill health or job loss.

Increasing the retirement age will not keep these people in the work force longer. It will simply cut their benefits.

Look at the numbers.

Two-thirds of the savings from the Pickle amendment come from cutting benefits for early retirees—not from workers staying on the job longer.

The Pickle amendment would have its harshest impact on those who can least afford to bear the burden: blue-collar workers in heavy industry, women, and minorities.

The Pickle amendment is not simply a benefit cut. It is an unfair and inequitable benefit cut that hits the most vulnerable beneficiaries.

We have a chance today to put social security in the black and keep it there for a long time to come.

The committee bill is a fair bill. Whatever amendments are adopted, this bill deserves our support on final passage.

□ 1140

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding this time to me.

I would like to say to my colleagues that this Member comes to the floor with a very firm commitment to casting whatever vote is necessary to preserve the integrity of the social security system. I come from a county in Florida, Mr. Chairman, that has nearly 240,000 people who get a social security check every month, so my first statement should come as no surprise to anyone.

I observed the work of the National Commission on Social Security for nearly a year and was, quite frankly, disappointed that it took such a long time for them to reach a consensus, but when they did, I paid close attention to it, Mr. Chairman, and as I was able to read that communication and find out exactly what I thought it was going to do, I assigned two parameters that I personally will use to decide whether or not to support this program: First, is the program fair? Does it touch everyone about the same? Second, is it a program that will actually work?

Mr. Chairman, just a few days after the Commission's report was ready, I went back to Florida and held a series of public hearings. Several thousands of my constituents came to those hearings, and I found that there was not anyone who really liked the recommendations. There was some to object to about all of it. Because of that, I made up my mind that I thought it was pretty fair because if nobody liked it, it had to be fairly fair.

My next question, Mr. Chairman, was, is it going to work? I think that is crucial. I do not want to be here taking the time of Congress or misleading the American people by proposing a plan that maybe will work and maybe will not work. I think we have an obligation to know for sure whether or not it will work.

I remember back in October of 1977, when this Congress considered the largest permanent tax increase which we had ever considered, and we passed legislation increasing the social security tax, with guarantees from those Members who presented the bill to us that this was going to solve the problems of the social security system for 20 or 30 or 40 years.

At this point I would like to compliment our very distinguished colleague and subcommittee chairman, the gentleman from Texas, Mr. JAKE PICKLE, for the great work that he has done in bringing this legislation to us, but I want to call to the gentleman's attention, as I did when he gave me the privilege of testifying before his subcommittee, his words back in 1977 on the subject of that bill that was supposed to solve the problems.

The gentleman from Texas (Mr. PICKLE) said:

> In passing this bill, we can say to the American people that we are putting social security on a sound financial basis for the next 25 to 50 years. Nothing can be more reassuring to the public than taking this strong action.

Mr. Ullman, who then was the distinguished committee chairman, said at the same time, "(this bill) puts us in a surplus posture in social security for the next 25 years."

When President Carter signed the legislation in 1977, he assured all Americans that the system was on firm footing into the 21st century. President Carter said, "Now this legislation will guarantee that from 1980 to the year 2030, the social security will be sound."

Well, Mr. Chairman, obviously that did not happen, and the guarantees that we had at that time just have not been brought to fulfillment.

What gives me additional concern, Mr. Chairman, is that the committee's report itself includes a letter from Mr. Richard Foster, the Acting Deputy Chief Actuary. In his memorandum, Mr. Foster says this:

> Thus H.R. 1900 as reported by the Ways and Means Committee would substantially improve the financial outlook for the OASDI program. It must be said, however, that this bill would not offer assurance that the OASDI program would operate satisfactorily under adverse economic conditions.

What I am saying, Mr. Chairman, is that I am prepared to support this package. But I hope that the managers of this bill will be able to convince us that this time, in 1983, the assurances we are getting are more realistic than they were in 1977. I think the Members of the House deserve that kind of consideration, I believe the American people deserve that, and I am hoping that the managers will be able to convince this Member and other Members that this is a package that is fair and one that will definitely work and solve the problems of the social security trust fund.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from New Hampshire (Mr. GREGG).

Mr. GREGG. Mr. Chairman, I appreciate the opportunity to address this issue which I consider to be the most critical issue this Congress will address possibly in this decade, but certainly in this session.

We have not seen a great deal of leadership out of this Congress on the issue of social security. In fact, this Congress has over the last 2 years and maybe the last 4 years cringed from this issue for too long, hiding in the shadows of political gamesmanship. But for 36 million people who are on the social security system and for 110 million people who must pay into the system, the issue of social security cannot be ignored. It is to them the key economic issue which the Government addresses to them at this time.

Therefore, we as an institution have the opportunity today to fulfill our past history of leadership. As we look at the history of this institution, yes; it is one which has been carried on mostly by perpetual motion, but in instances throughout its whole history, when it has confronted a crisis of extreme proportions which have affected a great majority of people, this institution has been able to rise up and to make the difficult decisions, whether those were the Great Compromises before the Civil War, or after the Civil War, during the period of Reconstruction, or whether it was during the 1930's when this legislature took so many aggressive steps to try to reverse the trends of the Great Depression.

This is again an opportunity for Congress to stand up and be counted and to make the difficult decisions of our time. We are going to hear today many arguments about why this specific item of this compromise is wrong

or that specific item of this compromise is going to fail to carry it to its fruition. But the simple fact is that if we are going to be honest and we are not going to play hypocritical games, this is the only proposal before us which has an option of survival. This is the only proposal which this Congress can legitimately say it is willing to address to allow a correction in the social security system which will cause the survival of that system.

If we ignore this compromise, if we reject this compromise because we do not like this item or that item, then we will have failed as a body to have taken the option of delivering a reasonable response to one of the most serious problems which this country faces and which the people of this country face.

I call upon the Members of this Legislature to look to our past and recognize that we have an obligation here, an obligation which is written in the words of Daniel Webster, the words that are above us from a great statesman, one who came from New Hampshire. "Let us leave here and perform something worthy to be remembered."

Mr. Chairman, this is our opportunity to perform for my generation and for future generations which will be part of the social security system something worthy to be remembered.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee (Mr. FORD).

Mr. FORD of Tennessee. Mr. Chairman, I thank the chairman of the full Committee on Ways and Means, the gentleman from Illinois (Mr. ROSTENKOWSKI), along with the chairman of the subcommittee, the gentleman from Texas (Mr. PICKLE) for their efforts. I would like to commend the two of them, as well as my other colleagues on the full Committee on Ways and Means.

Mr. Chairman, I rise to go over title IV and title V of the bill that is before the House today.

□ 1150

Mr. Chairman, title IV of the bill would raise the Federal benefit standard for supplemental security income—SSI—by $20 for a single individual and $30 for couples. The benefit standard is the maximum amount of SSI payable. Currently, this is $284 for a single individual and $426 for a couple. This increase in the Federal SSI payment will take effect on July 1, 1983. The July COLA for SSI will be delayed until January 1984 in the same manner as the social security COLA.

The SSI program provides income assistance to poor, aged, blind, or disabled individuals. SSI recipients receive a cost-of-living adjustment—COLA—at the same time and in the same amount as social security recipients.

Of the 4 million SSI recipients, about 2 million receive both SSI and social security income. Current law "disregards" $20 of social security income in determining SSI eligibility for these concurrent recipients. Most of the remaining 2 million SSI recipients are completely dependent on their SSI income.

The Commission on Social Security Reform recommended, along with the 6-month delay in the social security COLA, an increase in the disregard from $20 to $50. The purpose of this was to protect those social security recipients receiving very low social security payments from the loss of their COLA. Such an increase in the disregard, however, protects only half of the SSI population, those that are receiving social security.

The committee bill delays both the social security COLA and the SSI COLA for 6 months. In order to protect the poorest individuals, the bill raises the benefit standard for all SSI recipients by $20 for single individual and $30 for couples. This allows the two systems, social security and SSI, to remain on track, while more than protecting the poorest recipients from loss of their COLA in July.

Mr. Chairman, title V of H.R. 1900 extends for 6 months the Federal supplemental compensation program. This program, which is due to expire at the end of this month, provides additional weeks of unemployment compensation to individuals who have exhausted their regular State benefits and any extended benefits to which they were entitled.

As originally enacted, the FSC program provides up to a maximum of 16, 14, 12, 10, or 8 additional weeks of benefits. Under the extension contained in this legislation, the maximum number of weeks will be 14, 13, 11, 10, or 8 depending on the State where the individual qualified for or is claiming the benefits.

Members will note that the maximum number of FSC weeks has been reduced in some States. This was done so that we could provide additional weeks of benefits to individuals who will have exhausted their original FSC entitlement by April 1, 1983. Let me point out that a simple extension of the program, such as the one proposed by the President, would not have provided any more weeks of benefits to individuals who have already received FSC benefits under current law. By April 1, 1983, 1.2 million jobless workers will have exhausted their original FSC entitlement. These individuals have been unemployed for nearly a year or more. Recent unemployment statistics indicate that as the economy improves, these long-term unemployed individuals will be the last to be rehired. Therefore, the committee felt that there was an urgent need to both extend the program and to "reach-back" and provide some additional help to those individuals who have been out of work for the longest period of time.

Mr. Chairman, when we enacted this program last fall, it was hoped that strong signs of economic recovery would emerge during the 6-month life of the program. We hoped that Secretary Regan was correct when he said that the economy would come roaring back in the spring. Spring is here Mr. Chairman, and the unemployment rate is holding at 10.4 percent. Over 11 million Americans are out of work; 300,000 Americans each month are exhausting their unemployment benefits. The extension of this program through September 30, is an absolute necessity.

We all hope for economic recovery. We are all waiting for it. However, the wait means different things to different people. Some are waiting for their stock portfolio to go up in value. Some are waiting to buy the new house or new car that they have been looking at. But some, over 11 million, are waiting for a much more important dream—a job. The benefits provided in this bill are designed to help them and their families endure this wait. These benefits will help them bridge the gap between the loss of their job and the day they return to the work force.

The jobless workers in this country need these benefits and need your support for this bill.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. LEWIS).

Mr. LEWIS of Florida. Mr. Chairman, I thank the gentleman for yielding this time to me.

Fellow colleagues, I am very concerned that we had such a fast vote on the rule. I feel that debate time was insufficient, and I am very much concerned because, to me, I feel that we are shortsighted by not recognizing Federal employees who are to be included in the social security system and most likely will be included when we vote today.

I am concerned with showing basic fairness to Federal employees. It is clear that there is a lack of understanding of their retirement system. We have heard many times that their retirement system is actuarially sound, and then again we hear the numbers that show it is not actuarially sound. The duplicity of civil service payments and social security payments also concerns me, as well as not having a supplemental system. Federal retirees do not even know what they are going to receive until after the vote today.

I feel it is necessary to allow at least 1 more year for the Federal employees, so that a study can be made to determine whether or not, yes or no, true or false, that they have an actu-

arially sound system and what their supplemental system would be.

I feel by voting the way we did today—by a voice vote, and not by a rollcall vote on the rule we certainly did them a serious injustice, and I feel that each and every one of you should take this into consideration when you cast your vote today.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. MOORE), a valued member of the committee, if I may say.

Mr. MOORE. Mr. Chairman, I would like to comment specifically on the medicare provisions contained as title VI in the bill, and point out that this provision is a good reason for Members to consider support of the bill as a whole.

As ranking minority member of the Subcommittee on Health of the Ways and Means Committee, I commend my colleagues on both the subcommittee and full committee on the bipartisan cooperation we enjoyed in crafting what is the most significant change in medicare reimbursement policy since medicare was implemented in 1966.

We have done a lot of tinkering with medicare reimbursement over the years, mainly in trying to control runaway hospital costs. Yet for all of this tinkering, costs have continued to soar. This should come as no surprise since hospitals have merely continued to react to the incentives in the current system which encourage spending rather than efficiency and cost control.

Under the existing medicare payment system, hospitals are reimbursed according to a method which is known as retrospective, cost-based reimbursement. Essentally medicare pays hospitals for any reasonable costs which they incur in providing covered services to medicare beneficiaries. Clearly, there is little or no incentive to control cost or operate more efficiently under the current system.

In an almost desperate act to control medicare costs, the Congress last year under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) placed a 3-year limit on the annual rate of increase in hospital inpatient costs and instructed the Secretary of HHS to develop, in conjunction with the Committees on Ways and Means and Finance, a proposal to reimburse hospitals under medicare on a prospective basis. That proposal was received late last year and provided the framework for the proposal before us today.

I would just add that a great deal of credit should go to former Secretary Dick Schweiker in recognition of his leadership and determination in bringing this sensible proposal to the Congress.

Under the proposed system, payment would be based on a single amount for each type of case in a particular diagnostic group. While payment will recognize differences in an area wage costs and passthrough teaching costs, as well as capital costs—pending further study—all hospitals in an area will receive the same payment for the same services. More complex cases will receive higher payment than simpler cases, cases with complications more than those without.

Initially payment rates would be derived from existing medicare cost reports and from a sample of medicare patient records. Rates would be updated annually.

Hospitals providing services under the rates could retain the difference while those with costs in excess of the rates would have to absorb the extra costs.

This new system of payment will provide long needed economic incentives for hospitals to be efficient and cost-conscious in the delivery of care to medicare beneficiaries.

While the committee bill generally follows the administration's proposal, several major modifications were made.

The system would be phased in gradually over 3 years to permit hospitals to adjust to the new payment method. To further ease the transition of hospitals into the new system, separate urban and rural payment rates would apply in each of the nine census divisions of the country.

After fiscal year 1985 an independent panel of experts would advise the Secretary regarding the updating factor to be used in establishing the rates.

Special exemptions, exceptions and adjustments would be made, where appropriate, with respect to teaching hospitals, sole community providers, public and other hospitals.

Provisions were also included to deal specifically with quality of care concerns and providers who might attempt to "game" the system. Specifically the Secretary could deny payment, in whole or part, or take other corrective action for such things as unnecessary admissions or other inappropriate medical or other practices.

In addition, the bill provides for recognition and use of State hospital payment systems where such systems would not cost medicare more than payments under the federal system and meet certain other standards.

I view this prospective payment proposal as a dynamic first step toward the implementation of the marketplace forces of competition in the health care field which will ultimately stabilize health care costs in a manner far more acceptable than the alternative of increased regulation. Our goal is to continue to make quality health care available to all, which goal is becoming increasingly imperiled due to the spiriling cost of health care.

Mr. Chairman, the committee has fashioned a good proposal and I urge my colleagues to join with us in this bipartisan effort to make economic sense out of the way the medicare program pays for hospital services.

□ 1200

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. DAUB).

Mr. DAUB. Mr. Chairman, I would like to enter into a colloquy for a moment with my good friend from Texas (Mr. PICKLE) chairman of the subcommittee. I introduced a bill which is known, as the nonresident alien social security bill, H.R. 765. I have been most encouraged by the interest. Some 111 Members, a very bipartisan membership from the House, have cosponsored the legislation.

In the full Committee on Ways and Means the gentleman may recall the vote to include a provision to eliminate certain nonresident foreign aliens from social security benefits failed after a tie vote 16 to 16. I would like to ask the chairman of the subcommittee what his intentions might be with respect to hearings on that particular matter so that it might enhance the solvency of our social securtiy system.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. DAUB. I yield to the gentleman.

Mr. PICKLE. I thank the gentleman for his question. I have promised the members of the Ways and Means Committee and other Members such as the gentleman who is speaking that we will have committee hearings on this subject, I hope in April or in May.

We do not have a specific plan advanced.

I think we are all agreed that we must take action on this nonresident alien problem. What we do not want to do is take away benefits from the wage earner who actually has earned benefits. But we must stop any of the abuses that may take place when benefits go to survivors or to new members of families. This area needs to be tightened up.

We do not have a specific recommendation from the Department of Health and Human Services yet. We have asked for it because we must do something abut this.

I had attempted at one time to bring this into the bill but we could not get a consensus to move forward at this time. But this must be done and I hope we can hold hearings by April or May.

Mr. DAUB. I thank the gentleman for his encouraging statement of hearings to be held at an early date, in April or May.

There is approximately a $4 billion savings that could be forged by that.

Today is important because it gives the social security system a clean

slate—so to speak—with regard to its financial soundness. This was something that the Congress had thought it accomplished in the past, but each time circumstances changed and the system was again in need of additional moneys.

Rather than rest on our laurels we should today make a commitment that we are not going to wait until the system again is teetering on the edge of bankruptcy before we initiate reforms. We know how small changes in the system can amount to savings of billions of dollars, and when those changes are possible, they should happen and should not be allowed to go unaddressed until the last possible minute.

One change that I recommend the Congress address as soon as possible is the issue of nonresident aliens drawing social security benefits. This matter is not unexamined. We have the facts, and we know today that the cost will be in billions of dollars over the coming years. This is a cost that the system, even in its newly found health, cannot afford, and it is dollars that would be better spent in the form of benefits for benficiaries or left in the pockets of the working Americans who finance the system.

The lessons of the last 2 years should not be lost. The American people expect us to act responsibly and promptly when their interests are at stake. It would be a great tragedy were we to see additional reforms ignored now because we have solved most of the problem for the time being. Let us do the job the American people expect from us today and not wait until tomorrow when our backs are pressed against the wall.

The alien social security bill which I introduced, H.R. 950, would limit benefits to nonresident aliens and their dependents. Aliens would receive only the amount of benefits they paid into the system. Dependents would receive benefits only if the relationship to the beneficiary existed before the wage earner's 50th birthday.

This legislation will correct the current abuses to the system by alien beneficiaries. Currently, benefits are paid to 313,000 individuals living abroad, amounting to about $1 billion per year. In 1981, 62 percent of these beneficiaries were aliens.

The General Accounting Office (GAO) has reported that on the average, beneficiaries living abroad had worked fewer years in social security covered employment, paid less social security taxes, and had more dependents than the average social security beneficiaries.

The average alien beneficiary living abroad earned only one-half the quarters of social security credits before retirement as the average social security beneficiary did. Also, alien dependents outnumber wage earners by 169 to 100, while there are only 40 dependents to every 100 wage earners in the overall beneficiary population.

The GAO estimates that the average alien family receives about $23 in benefits for every $1 in FICA taxes paid before retirement. This is in marked contrast to the $5 in benefits for every $1 in FICA taxed for the average social security beneficiary family.

These facts clearly highlight the importance of addressing this situation. It would allow a substantial savings to our social security system and show Americans that we are truly prepared to correct abusive social security situations in order to insure the solvency of this important program.

As I said, today marks a return to solvency for the social security system. My support for H.R. 1900 is not unqualified. It had been my hope that this body could produce a solution to the financing problem without bringing in Federal employees. It is my firm belief that this will not result in a better solution but will instead create further problems in the future.

We have met our first responsibility, however, and that is to bring back to Americans the peace of mind they deserve regarding social security. And we should never again allow the system to deteriorate to the point where Americans young and old are uncertain about their future benefits under the system. There is no question that social security presents a continuing problem for Congress and America. We must retain a benefit level that accomplishes social security's purpose without imposing a tax burden on the American worker that is too high. Already we have a burden that is far greater than could have been imagined 20 years ago and could if driven higher seriously affect employment.

H.R. 1900 is a consensus bill. There is no one in this body who if given carte blanche to write a social security measure would have presented this bill to the full House, but no such bill would have had a chance of passing the full House. This bill represents compromise. It is a good compromise that spreads the sacrifice evenly throughout our society. The people in my district with whom I have discussed this measure have often expressed reservation or serious disagreement with parts of it but no one has said that it is not a reasonable effort to repair a system while distributing burdens equitably.

Mr. Speaker, I intend to vote yes on H.R. 1900. I also intend to work in the coming years for a more secure, fair, and effective social security system. This is a first step that most of us can agree on. I urge my colleagues to continue this effort.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentlewoman from California (Mrs. BOXER).

Mrs. BOXER. Mr. Chairman, I rise to ask a question of the chairman of the Ways and Means Committee. I am concerned that the Federal retirement system remain whole and healthy not only for our Federal employees but for all of our taxpayers.

I want to be reassured that nothing in this bill will affect the present civil service retirement systems and ask if you can give me such an assurance from your perspective.

Mr. ROSTENKOWSKI. Will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman.

Mr. ROSTENKOWSKI. I am of the opinion, and I think I can say without equivocation, that there is nothing in the legislation that would harm the Federal employees' retirement system. In addition, I have had an exchange of correspondence with the chairman of the Post Office and Civil Service Committee on the possibility of the gentleman from Michigan, (Mr. FORD) proceeding with a program that would protect new Federal employes as well.

Every member of the Committee on Ways and Means is certainly concerned with the effect that this will have on new Federal employees. I give you every assurance that with the cooperation of the gentleman from Michigan (Mr. FORD) we will try to protect those in the civil service retirement system and the solvency of the trust funds.

Mrs. BOXER. I thank the gentleman.

Mr. FORD of Michigan. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I would like to add to what the chairman said, that one of the bits of confusion that comes into this is the erroneous assumption that Federal employees under the present system have the option of being in the system or not being in the system. The present system for Federal employees, other than Members of Congress and our employees, is mandatory. When you come to work for the Federal Government after January 1, 1984, you will be required, by the present status of the law, to join whatever civil service retirement system covers that agency of Government that you are in, and there are in excess of 30 major Federal service retirement systems. So we are not talking about a single simple system.

In addition to that, the only change that the Ways and Means Committee bill makes is that new employees will also, like other employees in the private sector, be required to pay into and be covered by social security. So they will have dual coverage. They will be covered by both systems just like people in private and State and

local pension systems on the outside are.

There is nothing in this bill, nothing in this bill that would permit a new employee after January 1, 1984, to exercise an option to get out of the Federal employee pension system or for the Federal Government to reduce its contribution to the Federal employee's pension system.

For those reasons I believe that the Ways and Means Committee has indeed protected the integrity of the existing Federal employee pension systems not only for the present but for the future. Because no change is made by this act.

Anyone who construes a vote for this bill as being a vote to hurt the Federal employee retirement system is in error.

Mr. BIAGGI. Mr. Chairman, will the gentlewoman yield?

Mrs. BOXER. I yield to the gentleman.

Mr. BIAGGI. I would like to pose a question to the distinguished chairman of the Ways and Means Committee.

Many of the Federal employees are concerned that when it comes to their time to retire there will not be sufficient funds in the system because they believe that the new employees will be in a different system and hence there will cease to be an infusion of moneys into the old system.

□ 1210

Mr. ROSTENKOWSKI. There is a provision in the current law to protect those employees, regardless of whether or not there are sufficient contributions. The money is guaranteed by the general fund. That has been taken into consideration. So I want to reasure the gentleman that those people that are in the system now, and will be in the future, will have money available for their retirement system through employer and employee contributions as well as from general revenues.

Mr. BIAGGI. I thank the gentleman from Illinois for that response. Clearly that is a point of concern that is really tugging at the hearts of many of these Federal employees. I thank the gentlewoman for yielding.

Mr. CONABLE. Mr. Chairman, I now yield 3 minutes to the gentleman from Virginia (Mr. PARRIS).

Mr. PARRIS. Mr. Chairman, everybody knows that social security is in trouble. It is losing $17,000 a minute and 30 minutes from now it will be a half million dollars farther in the hole.

But this legislation includes at least one portion, one proposal that makes it unwise and totally unacceptable and that is the inclusion of Federal employees under social security. I sincerely regret that the leadership would not give us an opportunity to consider an amendment to remove all persons under the civil service retirement system from social security. We will not have the opportunity to vote on that issue because of the rule advocated by the leadership. That is truly unfortunate.

In addition, Federal employees are now being asked to hold still while they are put under social security without even knowing what the supplemental retirement system that will ultimately be adopted will contain.

If the Committee on Post Office and Civil Service does not adopt and this House does not accept a proposal for supplemental retirement, any Federal employee will have no choice but to contribute almost 14 percent of his or her total compensation to the retirement system beginning in January of next year. That is clearly excessive and unfair.

There are various proposals kicking around this Capitol that would increase the retirement age, that would increase the individual financial contribution to the Federal employee retirement system, that would use the last 5 years instead of the last 3 years to calculate benefits we have applied the medicare tax requirement to Federal employees compensation, the Federal health employee benefit premiums have dramatically increased. And, at the same time when all of this is happening we are freezing compensation. The cumulative effect of all of this, I submit is devastating to the morale of the Federal employee.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. We are delighted to have all of our guests in the gallery. There will be no applause, as any manifestation of approval or disapproval of the proceedings is in violation of the rules of the House.

Mr. PARRIS. As a function of intelligent personnel management, Mr. Chairman, no rational person or organization would advocate nor adopt this kind of a program to deal with its employees. It is my hope that this Congress will reject this legislation.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. FORD).

Mr. FORD of Michigan. Mr. Chairman, I intended to speak toward the end of this debate about the Federal employee issue, but I want to clear up any misconceptions caused by the gentleman from Virginia (Mr. PARRIS). I am sure the gentleman did not intend to do so, but we ought to get out on the table what he is talking about.

There is nothing in this legislation—never has been, and under the rule never can be—that affects the present civil service retirement system. There is no requirement that there be a supplemental system instead of the present systems. We have no intention of writing something to replace the present systems.

We have no intention of touching the existing systems in any way at all.

However, there is pending before this House and before the Senate the President's budget request. And in his budget request he asks that in 1984 we raise the employee's contribution to 9 percent and in 1985 to 11 percent. He asks that we change the system to require annuities to be computed on the average pay of the high 5 years of service instead of the high 3 years. He also asks for a 65-year-old retirement age with a provision that you lose 5 percent of your pension base for each year you are under 65 at the time of retirement.

The result if you retire at 55 years of age with 30 years of service would be that your pension would be reduced by 50 percent. Those are not proposals that are in the Ways and Means bill. Those proposals have been rejected out of hand by a bipartisan vote in the Post Office and Civil Service Committee and in our report to the Budget Committee, which is available for everyone. It is a matter of record. It has gone to the Members. And to suggest to these Federal workers that they are in danger, by the enactment of this bill, of hurting their pension, is not serving your Federal constituents well, sir. And I suggest that you take a look at what is really happening and not wave around some smoke and mirrors fear.

The only person in this town that they have to fear is your President who wants to kill their pension.

Mr. PARRIS. Mr. Chairman, would the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Virginia.

Mr. PARRIS. I thank the gentleman for yielding.

I have the privilege of representing a great number of Federal employees. If there is an overriding fear in the hearts of most of them it is what I call depending on your point of view, phase in or the phaseout problem.

Mr. FORD of Michigan. We are not. If I can claim back my time. You are using the expression "phase in-phase-out," there is no phasing in or phasing out. Starting January 1, 1984, new Federal employees will be covered by social security, new Federal employees will be covered by the existing pension system. That is not phasing in, that is clear, clean and simple. Nobody coming to work for the Federal Government after 1984 has the right by reason of anything in this bill to opt out of the civil service retirement system. Nothing in this bill permits the Federal Government to reduce its commitment to and its payment to the civil service retirement fund and I want you to quit using terms like phase in. We are not giving Federal employees an alternative, we are

giving them coverage under both systems.

Mr. PARRIS. Would the gentleman yield?

Mr. FORD of Michigan. I yield.

Mr. PARRIS. I thank the gentleman for yielding.

I think the real concern of most Federal employees is as their number is reduced over the next 5, 10, to 20 years, this Congress, which cannot bind future Congresses, the future Congress may in fact as a result of the reduction of their political leverage then dump the balance of them into social security to their detriment and that is what concerns them and their is no way the gentleman from Michigan or the gentleman from Virginia can preclude that from happening.

Mr. FORD of Michigan. I do not want to turn what has been a fine bipartisan exchange here into a partisan one, but the only persons in this town talking about reducing future Federal benefits are David Stockman and your President. And we are, so far, successful in resisting the most draconian proposals that they have for reduction.

We will have 300,000 net new employees next year on the basis of what happened this year and presumably a similar amount next year, because we lose about 5,000 people a week from the Federal Government.

Mr. Chairman, unfortunately there has been considerable misunderstanding about a provision of this bill that would place newly hired Federal workers under the social security system.

At the same time, there has been a lot of apprehension on the part of Federal workers and retirees. This indeed is understandable given the present administration's assault on their benefits.

I want to set the record straight. This bill does not, and is not intended to, affect in any way the existing civil service retirement provisions or the applicability of such provisions to the newly covered employees.

Put simply, new Federal workers will be required initially to contribute 7 percent of their pay to the civil service retirement system, the same amount as those now covered pay. Newly hired employees will also be required to pay the social security tax.

I want to assure my colleagues that the Post Office and Civil Service Committee will act deliberately and responsibly to develop a supplemental plan that will be fair to new workers coming into the system and insure the integrity of the retirement fund for present workers and annuitants.

We want to avoid, however, rushing mindlessly and recklessly into adopting a plan without benefit of study and advice. Certainly we do not want to create a monster that could cause more problems than we are attempting to solve today. And that is precisely what we could do through hasty action.

Last month the Speaker, along with Chairman ROSTENKOWSKI of the Ways and Means Committee, and I sent a letter to our colleagues explaining our position on the question of extending social security coverage to newly hired Federal workers. I feel it is important today to reiterate that position. We said:

We support the recommendation of the National Commission on Social Security Reform to extend social security coverage to newly hired Federal employees.

We believe that new Federal employees who become covered under social security should be provided retirement benefits comparable to those under the civil service retirement system.

We oppose the Administration proposals that would reduce civil service retirement benefits and increase employee contributions to the civil service retirement fund.

We oppose the Administration proposal to treat cost-of-living adjustments for Federal retirees differently from those of social security recipients.

We will oppose any proposal which would threaten or adversely affect the financial integrity of the civil service retirement fund, or the ability of that fund to continue to pay benefits promised to participants in the civil service retirement fund.

The bill before us today will allow us to achieve these goals.

It is not encumbered with the heedless proposals of this administration, espoused by OPM Director Donald Devine.

All of us in Congress are keenly aware of our Nation's tragic economic dilemma and the urgent need to reduce the towering budget deficits created by this administration's costly supply-side economics failure.

But where Federal workers are concerned, enough is enough.

For 2 years this administration has used Federal workers and retirees as convenient scapegoats. In the most blatant demagoguery I have witnessed in my political career, this administration has gone to extraordinary lengths to portray Federal workers as indolent paper shufflers who are overpaid and underworked. It has done this, I must conclude, to enlist public support for draconian budget cuts against Federal workers and those who have retired from the Federal service—to reenforce the popular misconception about Federal workers.

At this point in time, there can be no doubt that the Reagan administration has sought deliberately to make Federal employment less attractive.

And I cannot help but wonder what price we will pay down the road in terms of efficiency and quality. If we continue this mindless diminution of pay and benefits, how will we attract the best and brightest to work at NIH, NASA, the Food and Drug Administration, the Department of Agriculture, the FAA and all those other departments and agencies where Federal workers perform the vital services that keep this Nation running?

If we continue on the present course, we will guarantee the kind of second-rate work force the White House portrays to the public.

FEDERAL RETIREMENT AND PAY FREEZE

The proposed COLA freeze is a prime example of the unfairness inherent in the President's budget. For social security recipients and beneficiaries of Federal entitlement programs, the President proposes a 6-month delay in COLA. But for Federal civilian and military retirees, he proposes to eliminate the fiscal year 1984 COLA adjustment altogether. In effect, he proposes a 13-month delay for Federal retirees, more than twice as long as the delay proposed for all others. How fair is that?

Perhaps the President believes the myth that the vast majority of Federal employees retire at age 55 and receive large annuities. The facts are that in 1982 the average age of a retiring civil servant was 61, and for the last 2 years the average annuity for a retiring employee has grown smaller. In 1980 the average monthly annuity was $1,067, in 1981 it fell to $1,019, and in 1982 it fell dramatically to $935.

Even the average retiree who has been receiving COLA's for a number of years is not getting rich. Of the 1.7 million annuitants on the rolls on September 30, 1980, more than one-third received annuities less than $500 per month, and more than 70 percent received annuities of less than $1,000 per month. Only 9,560—six-hundredth of 1 percent—received annuities of more than $3,000 per month.

There simply is no basis to treat Federal retirees more harshly than beneficiaries of other Federal retirement programs.

The proposed Federal civilian and military pay freeze is another example of Presidential unfairness. The President, with the acquiescence of the Congress, has totally abandoned the principle that Federal salaries should be comparable to those paid in the private sector. Federal salaries in recent years have fallen farther and farther behind the levels required for comparability. As of October, they were 14.47 percent behind the private sector and now the President proposes an outright freeze.

Proponents of the freeze argue that Federal workers should be happy just to have a secure job and that pay concessions are common in the private sector today. But there is no pay freeze in the private sector. The Congressional Budget Office estimates that, for the period March 1982 to March 1983, the average hourly earnings index will increase by 5.5 percent. And BLS figures show private, nonfarm wages rose 6.3 percent in 1982.

Last year's 4 percent raise for Federal workers was generally eaten up by the medicare tax and increased health insurance premiums. Many, many employees actually suffered reductions in take-home pay. At a minimum this year, we should provide the 4-percent increase assumed in last year's budget resolution, especially in light of what is happening in the private sector.

CIVIL SERVICE RETIREMENT PROVISIONS

The civil service retirement provisions proposed in the President's budget for fiscal year 1984 are equally severe. Briefly, the proposed revisions include:

Increasing employee contributions from 7 to 9 percent in 1984 and from 9 to 11 percent in 1985;

Reducing annuities by 5 percent for each year the employee is under age 65 at the time of retirement;

Calculating annuities on the basis of highest average salary over 5 years rather than 3 years; and

Modifying the formula for computing annuities.

FEDERAL EMPLOYEES HEALTH BENEFITS

Over the past 2 years, under the direction of OPM Director Devine, we have witnessed a steady erosion of Federal employee health benefits. Premiums have increased an average of 55 percent and the overall level of benefits has substantially decreased.

Truly, Mr. Speaker, enough is enough.

The Federal civil service, a venerable institution that has come under unnecessary and unjustifiable criticism, is vitally important to the welfare and progress of our Nation.

And we must take special pains to insure that whatever we do does not further damage that system.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. EVANS).

Mr. EVANS of Illinois. I thank the gentleman for yielding.

Mr. Chairman, it is with reluctance that I rise in opposition to this bill.

I first want to clearly state that I strongly support the social security system.

I support constructive efforts to alleviate the financial difficulties facing the system.

I most emphatically support measures to protect current social security benefits.

That is why I must express my misgivings about the compromise package before us. This package, I am sorry to say, is a compromise that satisfies no one. It does not even solve the problems plaguing the system.

The National Commission on Social Security Reform has found it necessary to revise the economic assumptions on which its recommendations were based since its report was sent to the Congress.

Rather than rush to approve a proposal which may not cure the system's chronic ills, I suggest that we refrain from hasty judgment on this package.

The burden of this reform package falls unfairly on the shoulders of senior citizens, Federal employees, small business men and women, and farmers.

Delaying the cost-of-living adjustments will harm senior citizens and low-income recipients. These are the ones who, in most cases, have experienced a steady erosion in their standard of living over the last several years. COLA's increases have provided meager, but crucial, protection to them.

Federal employees are burdened because the inclusion of new hirees under social security will undermine the financially sound civil service retirement system and create new unfunded liabilities for social security.

In spite of claims that inclusion of these Federal workers may be a way to save money, I am convinced that this change may very well increase future Federal deficits and move us further away from a lasting solution to the problem.

Finally, raising the self-employment tax damages our commitment to small business. Small business men and women in the 17th Congressional District of Illinois and throughout the Nation will be hard hit at a time when they are struggling to stay in business for themselves.

The lower payroll tax rate for small businesses has existed for over 30 years. It remains valid today.

Yet, under this proposal small businesses bear the brunt of this proposed tax increase, while larger companies can take better advantage of the tax deductions.

Last fall I made a pledge to the senior citizens of the 17th District. I pledged to maintain their social security benefits and to oppose measures which would reduce benefits.

I cannot in good conscience renege on that pledge.

I cannot vote for a reform package which I believe, in the last appraisal, is inadequate and misdirected.

I believe these issues require greater examination by this House. We should consider proposals to reduce the social security system's obligations by removing the blind and disabled benefits program from social security and funding these benefits from general revenues.

We should also examine proposals to increase social security revenues with the windfall profit tax.

Most of all we must not forget that one of the major, structural dilemmas facing the system is unemployment. Unemployment and economic recession rob the system of needed revenues.

In fact, a 1-percent decrease in unemployment would increase social security revenues by up to $4 billion a year.

The National Commission deserves our thanks for the work they have done, as does the Ways and Means Committee.

But, it is we, the elected Representatives of the people, who must be held accountable for actions affecting social security.

We cannot evade our responsibility as lawmakers by simply ratifying the recommendations of an unelected panel.

From the 17th District of Illinois, I am responsible for representing more than 65,000 senior citizens, more than 10,000 Federal workers, and tens of thousands of farmers and small business men.

I take that responsibility seriously and, therefore, must oppose this well-meaning measure. We must not rush to judgment on a proposal which does not have a strong likelihood of success and which does not adequately account for the added hardship for millions of Americans.

□ 1220

Mr. ROSTENKOWKSI. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana (Mr. JACOBS), chairman of the Subcommittee on Health.

Mr. JACOBS. Mr. Chairman, I hear it said that this legislation is a rush to judgment. There is another rush under way and that is the trust funds are rushing toward the cliff.

Before the end of this decade the medicare trust fund, if nothing is done about it, is going to be in a very, very deep well of red ink. I think the reason for that is the reason that the same can be said for the profligacy across the Potomac River in another department of Government where cost-plus contracts characterize the financial relationship between that department and its suppliers.

The cost-plus system has characterized the medicare program since its inception in 1965. Medicare is a good idea, it has prevented a lot of unnecessary and tragic suffering in this country, but even a diamond has its flaws. And in its concept the medicare program by providing the cost-plus or reimbursement system to the hospitals of the country has cost the taxpayers more than it ought to and before this decade is out, it will be necessary to say, "You ain't seen nothing yet."

Here is a proposal by the administration to change the manner of payment for medicare services to the providers. And here is a happy coincidence where the two political parties, where Congress and the White House, can come together on a proposal which makes a lot of commonsense. What is the proposal in essence?

Well, it is somewhat complicated in some of its detail, but it is quite simple

in its concept. It simply provides that hereafter the medicare program, the U.S. Government through the medicare program will compensate hospitals according to a schedule of reasonable prices for reasonable services. It is called diagnostically related groups, and there are quite a few of them. But each category is set up to make a reasonable price in advance so that when a hospital straightens out a broken leg that will be worth approximately the same amount of money, no matter where it is done in one of the nine regions and the other division is between rural and urban hospitals. In other words, the effort has been made to arrive at a fair price in the context of the economy in which a given hospital operates.

Now, what does that mean in terms of just commonsense and ordinary logic? It means that if you get $50 to set a broken leg and you can sharpen your pencil and your costs fall below $50 that whatever the difference is between your costs and that $50 is your profit on the deal.

If, on the other hand, your costs exceed $50, you have already made the agreement and you still have to accept the $50 in full payment as a hospital and you gargle your loss.

Now at this point the free enterprise system may have come to your mind. That is just exactly what we have in mind.

A cost-plus system means whatever your costs are your profit is going to be on top of that. There is no incentive to use a sharper pencil, there is no incentive to find out whether maybe you are laundering towels too many times, or too many towels, or you are hiring too many people, or all the other things that go into managerial decisions.

On the other hand, if there is a fixed price for your service, then you are in the role of other people in businesses in this country and you have an incentive to cut the costs.

Now, we have tried for more than a decade to cut the costs of the medicare system through the bureaucracy. Somebody looking over somebody's shoulder, somebody second-guessing the hospital administrator or administratrix as to what that person or what that hospital ought to be spending. And you get an army of bureaucrats, as the word goes, you get confusion, you get, as I say, bureaucracy looking over the shoulders of the people who are charged with the immediate responsibility of doing the job and trying to figure out without being on the job what makes sense in terms of cost.

This really eliminates that problem. This gives the incentive to the manager in the first place to find out in his or her own situation what the best ways are to cut costs.

Now the next question that might come to mind is: What about the quality of the service then?

If you have a situation where you pay $50 to set the broken leg and there is incentive for the provider to cut his or her costs as much as possible, would they not start cutting into the leg, would they not start cutting into the service?

Well, there are provisions in this proposed legislation to look after the quality of the service also. As a matter of fact, there are a great number of details. I have already alluded to the problem of arriving at a fair price. The originally proposed legislation had essentially one price from coast to coast. Then it was decided by the Ways and Means Committee, after a considerable amount of testimony, that at least for the first 4 years of this program there ought to be nine regions in the United States where the costs are determined, where the price will be determined according to labor costs in those respective areas, et cetera, other costs in those respective areas.

It was recognized, too, that there may be a fundamental distinction between rural and urban hospitals. That category has been established, too.

□ 1230

We might hope that at the conclusion of 4 years' time a national fair price might be arrived at for the medical service, so that if there are inefficiencies indigenous to any of the given regions, those inefficiencies by gradation over the 4-year period of time might be eliminated; but due consideration has been given to the providers to phase in this commonsense approach from the taxpayers' point of view.

That, in essence, is what we offer.

I think it is an idea not only whose time has come, its time probably came at the time that we began the medicare system, but happily it is an idea that has converged, that is to say, various parties to this action, this creation of legislation, have converged in the opinion that it ought to be enacted. It ought to be the least controversial part about this legislation, and yet at the same time it could very well be one of the more salutary elements of this legislation.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I want to compliment my colleague for many of the issues he has raised in his committee in connection with this legislation.

Has the gentleman unfolded the saga of Government employees being folded into the social security system and does the gentleman still oppose that provision?

Mr. JACOBS. I think the proper answer to the gentleman is that it is not one of the provision of the bill which animates me to support it. It is well know that I opposed it in the committee. There is a rule that does not allow an amendment now.

Having said that, I believe that whatever odium I find in that provision is outweighed by a number of other provisions which I think are necessary.

My personal opinion is, and I will continue to hold this opinion and work for reform in the future, my personal opinion is that there are welfare elements to the social security program. It seems to me it would be hard to argue otherwise; the special minimum benefit, for example, returns more than a poor person over a long period of time was able to pay in because of very low wages. The weighted benefit is another example.

Now, I think it is fair to say that where there is public assistance, that that is a general obligation of the Government, just like the common defense, the police and all the other elements of governmental obligation.

My personal opinion is that that part of the social security scenario ought to be borne by all taxpayers and, therefore, it would be wise to pay for that, just as the other welfare element of social security administered by the social security program, SSI, is paid for by general revenue funds, which is to say a progressive net income tax. If you did that, my opinion is that automatically, not just new Federal hires, but all Federal hires and all State hires, all people in the United States who have not slipped under the rug out of Uncle Sam's cold, clammy, jeebers are going to be paying the Federal income tax and, therefore, would participate in that burden; but I urge the gentleman and I urge my colleagues to hear what I have just said, that what is being done in this bill is not odious enough to me to mean that the bill ought to go down, because if this bill goes down, I think the social security system might well go down next July.

Mr. CONYERS. Well, I want to thank the gentleman, because I think he has waged a conscientious and a noble struggle to keep some fairness for Government employees. I suppose we can tell them that they can believe that they will be saved harmless. That is the term that I understand is floating around.

Mr. JACOBS. I will continue to work for reform in the future, as my classmate from—what was it, 1965, has worked, 1865, whichever it was, has worked for reform, too, and the Member in the well is not given to gush, but the Member in the well will express his profound respect and ad-

miration for the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Texas.

● Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of the pending legislation, H.R. 1900, the Social Security Act Amendments and I ask unanimous consent to revise and extend my remarks.

I would like to compliment the freshman class and all of my colleagues in the House for their diligence and willingness to address the controversial issue of social security reform. The broad, bipartisan support for the fundamental structural reforms embodied in H.R. 1900 is a tribute to the leadership of the House and the Ways and Means Committee. I believe that this legislation equitably distributes the burden needed to achieve a viable solution to the long-term insolvency of social security.

By supporting this legislation, we have prevented the demise of both the social security and the civil service retirement systems. It will in no way merge these two systems but, instead, it will insure the continued viability of the two separate systems. Those currently retired and those now planning for their retirement in the future can regain confidence in the retirement systems promised by the Federal Government. While newly hired civil servants and existing legislative, executive, and judicial branch employees will begin to contribute to the social security system, we have assured them in this legislation that they will not only receive adequate social security benefits when they reach retirement, but they can depend on a supplemental system in addition to those benefits. Current Federal employees and retirees can thank the majority of the House for insuring the continued viability of the civil service retirement system. There is no question that without this reassurance, neither myself nor many of my colleagues could support this legislation.

Although publicity would lead one to believe that the civil service retirement system is on the brink of disaster if this legislation is passed, the real danger is President Reagan's 1984 budget proposal. President Reagan has recommended such dramatic changes as placing a ceiling on cost-of-living adjustments, an employee contribution increase up to 11 percent, a delay in the cost-of-living adjustments of 12 months, and even reducing the annuities of early retirees by 5 percent. The budget-cutting burden, regardless of the administration's claims, is not being shared equally. The civil service retirement system is an attractive recruitment and retention incentive. Once this incentive is eliminated, nothing will exist to bring qualified, talented individuals into our Federal work force.

Congress has made a commitment to the civil servants which can not be denied. Thousands of Federal workers have planned their retirements based on the expectations verified by existing law. Fortunately, the Federal employees enjoy the support of the Democratic majority in the House of Representatives. Speaker O'NEILL, Ways and Means Committee Chairman ROSTENKOWSKI, and Civil Service Committee Chairman FORD have all made assurances that they will oppose the Reagan administration's requests. They will fight for the preservation of the civil service retirement system and I will join them in that effort. With the verbal and written word of the majority of the House of Representatives, I can support the Social Security Act amendments, knowing that they will not in any way compromise the retirement benefits that the Federal work force deserves.

Finally, it is of the utmost importance that the Members of Congress take care of our Nation's elderly regardless of the retirement pension that they choose. That is not a task that I undertake lightly or without considerable deliberation. I am confident that with the help of my distinguished colleagues, we will make legislative history today and set a precedent for future generations to follow in providing a future for our Nation's youth and elderly.●

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, it is with a great deal of reluctance that I cast my vote in favor of the committee bill. Ostensibly intended to put the social security system's finances on sound financial footing for the rest of this century and beyond, I am convinced that there is a good chance we will be back here before the end of this decade dealing with the same set of problems.

The history of this legislation has been a shameful display of partisan politics, in which the real needs of the elderly were ignored and their fears manipulated in order to gain political advantage in the recent elections. Two years ago, the administration, recognizing the system's pending financial difficulties, put forward a framework of recommendations which were intended to serve as the basis for a fair, long-term solution to the system's problems. Unfortunately, congressional Democrats, refusing even to concede that the system had any financial problems, immediately seized the issue and irresponsibly charged the administration with trying to take away the benefits of the elderly. Nothing could have been further from the truth. At the time, the Social Security Subcommittee of the House Ways and Means Committee was also developing a bipartisan plan to save the system. In order to maximize his political advantage, the Speaker of the House even called a halt to their efforts, thus killing any chance of enacting an equitable, long-term structural reform of the system. While the system's finances steadily deteriorated during the next 2 years, the Democratic Party conducted a campaign of terror against our Nation's elderly by issuing a stream of inaccurate and distorted charges aimed at those who were, in reality, trying to guarantee the system's future without any reductions in current retirees' benefits.

Out of this melee, the President established the National Commission on Social Security Reform, whose purpose it was to consider options in a nonpolitical environment and then make recommendations to the Congress on how best to shore up the system's short-term and long-term financial future. Even their efforts were deadlocked for most of last year by the very dynamics that forced the Commission's creation in the first place. At literally the last minute, they managed to stitch together a series of recommendations which even the Commission conceded would not solve the long-term problems, and which many analysts doubt will even solve the short-term problems. Now, with less than 6 weeks to go before the deadline, we are forced to consider the package in a crisis atmosphere, without even a chance to try and correct some of the more blatant problems on the floor of the House.

The choice is either to accept the committee's product, or to send the system into bankruptcy, a choice purposely scheduled this way by the Speaker and the Democratic Party leadership.

Despite the fact that, in general, the committee's bill relies too heavily on tax and revenue increases to deal with the problem, there are two aspects of the proposal that deeply trouble me. The first is the huge tax increase being levied on the self-employed, and the farm population in particular. The other is the taxation of benefits for individual beneficiaries with incomes above $20,000—$32,000 for a recipient couple.

The committee's bill would raise the tax on the self-employed to the full employer/employee rate—14 percent—which is in effect a 33-percent tax increase in a single year. That is a direct tax on labor at a time when we should be enacting incentives to increase labor. It will fall most heavily on small businesses, which have historically been the prime generator of jobs. In particular, I am extremely concerned

about the impact that this will have on the farmers on my district, and the indirect impact on an already beleaguered farm economy.

Even though the social security tax increases are offset to a certain degree by refundable income tax credits, at some point this can only have a negative impact on the Federal deficit. As such, the tax will have a negative impact on employment, thus reducing the amount of real income flowing into the trust funds. In addition, it moves us closer to the establishment of a guaranteed annual income policy by putting the Government in support of a refundable tax credit. You can be sure that if there is any effort now or in the future to reduce or ameliorate the impact of this tax, I will lend my support to it.

The second provision that troubles me is the tax on benefits for individual recipients with incomes in excess of $20,000. This is the second highest tax burden imposed by the compromise. Although it is intended to recapture some portion of the benefit that is unearned, the real effect will be to penalize those who have saved for their retirement. At a time when we should be developing incentives to save and encourage people to work to supplement their retirement income, this proposal throws a huge obstacle in the path of those who attempt to do so.

There is no question but that improvements, if allowed, could be made to the committee's bill. I would be among the first to try to correct some of the problems outlined above. But improvements will not be allowed, and at this point there is no choice but to support final passage of the package.

Although there are many reasons to vote against the bill, the one powerful, overriding argument for voting in favor of the package is that we cannot let the system go bankrupt. We must act to insure that there is sufficient revenue coming in to at least guarantee benefit payments for the next few years. The only alternative is chaos, and that is obviously unacceptable.

We should learn from the lessons of the past and begin immediate consideration of a true reform package, one that will provide some measure of payroll tax relief while permanently guaranteeing future benefit payments based on earned income.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. Mr. Chairman, I rise in support of this compromise package.

I would like to address those of my colleagues here today who have come to the well and said that we ought to work on this package further and that we should try to work out another package.

Mr. Chairman, I think we have had 2 years of an effort to work out a package to deal with the social security problem. I remember well 2 years ago when our President sent to the Congress a proposal to deal with the social security crisis that we all agreed existed. I remember that package hit here about 2 weeks after we voted on the budget and I also remember that many of my colleagues jumped to the microphone and put the boot to the first wave of political footballs on the social security issue, an issue that came to be the dominant issue in the 1982 elections and an issue which defeated many of the people in this body who were willing to stand up and take a position that we had a social security problem and that that problem needed to be dealt with.

Mr. Chairman, I do not think we are going to improve our situation by debating this issue any further. After 2 years of making social security the No. 1 political football in the country, the time has now come to do something about the problem.

I commend the bipartisan commission for their proposal, though I do not agree with every element of the proposal and I do not think it deals with the long-term problem.

I do not think we are going to adopt a proposal that I agree with every element of, nor do I believe this Congress is going to adopt one package that is going to deal with the social security problem once and for all.

Second, I commend the members of the Ways and Means Committee. I commend our Speaker and the majority leader of the Senate and our President for working out a package that keeps social security on its feet and gives us time to come up with a real solution to the problem.

Mr. Chairman, there are those who say that we do not do anything here except raise taxes. I am willing to grant that the great burden of dealing with this problem has been placed again on the shoulders of those who seem always to bear the burden for our failure, the working men and women of this country; but we do adopt changes that are important and changes that are equitable. We take the first step here in broadening the base of the social security tax.

We have heard a lot of people stand up and talk about asking Federal employees to pay the social security tax. Mr. Chairman, I think the time has come to ask every American to pay social security taxes. In 1937 when we were looking at what might be an actuarially sound system as a supplemental income program, it made sense to exempt Federal employees from social security taxes; but when today the system has clearly lost any actuarial balance, when it represents a tax and not a retirement program, it makes no sense to exempt Federal employees from bearing the burden of this tax and shouldering that burden with other Americans.

I am proud of the fact that the Congress has not bailed itself out of this package. I am proud of the fact that the first Federal employees to pay social security taxes will be Members of Congress, so that when Members come to the well and pound their breasts and talk about social security and dealing with the problem, they can now say, "Let's deal with it by taking more money out of our pockets, rather than just out of the pockets of those working people out there who pay our bills."

I think the time has come to stop the bailout whereby people were abandoning social security and leaving those Americans who continue to be covered with a heavier and heavier burden on their shoulders. It was imperative that we force our public employees to come under the social security system and to pay the tax along with others.

It was also imperative that we take steps to prevent State and local government employees from bailing out of the system and by leaving the burden that they were not sharing on the backs of workers in the private sector.

□ 1240

Mr. Chairman, there have been criticisms about us slipping the COLA by 6 months. I have had a lot of people come and talk to me about the COLA, and we all know it is a godsend that is critical to our retirees.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GRAMM) has expired.

Mr. CONABLE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. GRAMM. When we are asking the working people of this country to pay $125 billion of additional taxes to keep the system afloat, it seems only reasonable to me that we begin a restructuring first by slipping the cost-of-living increase by 6 months, and finally, in 1988, changing the provision to pay the average wage or the CPI, whichever is lower.

Finally, in the compromise package, we take a very important step. Although the dollar volume of savings is low, it is a first step toward eliminating the current tilt in the formula system that produces the double-dipper problem by changing the formula to eliminate an unintended windfall benefit to people who draw a dual payment by paying them back on a formula basis of 61 percent instead of 90 percent, so there is a closer link between what they pay in and what they get out.

Finally, Mr. Chairman, this is not the package that I would have written, nor do I suspect there is any Member

of Congress here who would have written exactly this package, but the bottom line is, this is the best package we are going to have an opportunity to vote on. If we do not adopt this package, we are going to have legislative chaos and we are going to have panic in the country. We are going to end up with a quick fix of going directly into general revenues, and once we let that genie out of the bottle, we will never get it back in.

This is the best package that under the circumstances, after 2 years of partisan demagoguery unparalleled on any issue during my political life, that we could put together and I urge that it be adopted.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to a very able member of the committee, the gentleman from Ohio (Mr. GRADISON).

Mr. GRADISON. Mr. Chairman, as a member of the Social Security Subcommittee, I am delighted that the day so long in coming has finally arrived for the House to take up the financing needs of social security, both short term and long term. Others will discuss the specifics of this legislation; I want to set forth just what this is—and what it is not. This bill is a conscientious, bipartisan attempt through compromise to meet the anticipated shortfall of funds during the balance of this decade and over the next 75 years. It is not the plan I would have written; indeed, I doubt that any one of us would have written the bill in just this way. Many of the provisions are troublesome if not objectionable. Saying this is not to damn the result but to acknowledge that it is the product of compromise, and to acknowledge that unacceptable as parts of this bill may be, the least acceptable course would be to reject this measure, our last best hope of putting to rest the fears of those who depend on social security for their personal financial security not only today but in years to come.

There are no guarantees that this package will do the job. If economic conditions of the past 5 or 6 years continue with wages lagging far behind prices, we will have trouble getting through the decade. But the assumptions are plausible; they are not pie-in-the-sky; they have a good chance of proving correct.

One warning, though, lest we pat ourselves on the back too quickly for "solving the problems of social security" for all time. The medicare portion is in trouble—big trouble. Its long-term financial needs are not met in this bill, and responsible groups, such as CBO, predict depletion of the hospital insurance trust fund within 4 or 5 years. In other words, a future Congress will soon have to grapple with a major social security problem involving the same constituency—the elderly—and the same issue: how to develop a solution balancing higher taxes on the one hand and benefit adjustments on the other. This situation is made even more serious by the fact that $12.4 billion has been borrowed by the old-age fund from the hospital insurance fund in order to keep retirement checks flowing, and the chances for repayment before the later years of this decade are slim.

One final thought. Some have argued that social security is a compact with the beneficiaries—a promise to pay the beneifts provided under present law, whatever the cost may be. This bill rejects that interpretation. Others have argued that social security is a compact with the taxpayers—a promise to limit benefits to whatever taxes under present law will pay for. This bill rejects that interpretation as well. Social security and the political consideration of it, then, have reached a point of maturity which acknowledges the system's central role in our society; looked at broadly, the changes in this bill are not revolutionary changes in social security as we know it. But the willingness to make changes in benefits is a statement that social security is now so large that it not only is influenced by what happens to the economy, but it influences the economy, requiring adjustments in social security itself from time to time—both in taxes and in benefits—with the best interests of the overall economy in mind.

I urge my colleagues to support this bill. It offers hope to present workers as well as former workers that social security will be around when they need it, and that the Congress—no, not just the Congress, but the Government as a whole—can temper partisan instincts when the clear call to focus on the public interest is heard in our land.

Mr CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. RINALDO).

Mr. RINALDO. Mr. Chairman, I rise in opposition to H.R. 1900, and urge my colleagues to join me in voting it down.

As the ranking Republican member of the House Select Committee on Aging, I have given top priority to social security because I believe we must restore the system to financial soundness, and it is clear we need legislation. We need reform.

But this bill is not the answer. It is a bad bill. It is an unfair bill, and it does not address the real needs of the social security system.

Six years ago, President Carter urgently asked Congress to approve massive tax hikes in social security. The Congress responded, giving him the largest peacetime tax hike in history. When President Carter signed that bill, he assured all Americans that the system would be sound for the rest of this century.

Now, we are debating legislation in another crisis atmosphere. Many constituents have been told that if we do not have this bill, they will not receive their benefits. If we do not have this bill, workers who have paid into the system for years may not get the benefits to which they are entitled. If we do not have this bill, the system will go bankrupt.

Mr. Chairman, we are playing charades with the American people and with the social security system, and that has got to stop.

Whatever legislation we approve will affect over 150 million Americans, including 115 million workers and 36 million social security recipients.

Any legislation that touches so many lives should be open to debate and amendment by the Members of Congress, and it should deal with the real problems of the system.

This bill falls short of those goals. The legislation we have before us today does not allow us to consider amendments. It is a modified closed rule. In fact, Congress today has been handed a package of proposals—some of which would never even be considered on their own—and we have been told, "Take it or leave it."

The Aging Committee, on which I have the privilege to serve, has looked long and hard at social security, and I am convinced after careful study that this legislation must be defeated, for many reasons.

This bill delays the cost-of-living increase for all social security recipients—millions of whom are now under the poverty level—by 6 months. It is clearly a benefit cut. I have heard from thousands of my constituents opposing this provision, and I believe the Government ought to live up to its commitments and not approve this provision.

We are increasing taxes for all American workers contributing to the system under this bill by tremendous amounts, on top of a tax bill that was passed last year to increase Federal taxes by $99 billion in just 3 years. We are penalizing self-employed workers and small businesses by drastically increasing their contributions to social security.

But that is only one side of the coin. While we are asking all these people to pay more into the system, the committee is asking us to reduce benefits. Another proposal would have us increase taxes even further.

We are also asking civil servants to come under social security, yet we have not even addressed the question of what kind of pension system will replace the one they now have. Consequently, we are asking them to pay an additional 7 percent in tax to the Federal Government without even indicating what the future system will be.

What is worse, Mr. Chairman, is that the American public will be shocked this summer when they find out the situation in medicare. Right now, actuarial estimates show the medicare system will be over $400 billion in debt in 1995. Either the medicare tax must be raised, the system must be changed, or some general revenues must be used. Whatever happens, it is obvious that remedial legislation will have to be considered and approved by Congress.

There is a Commission now studying the medicare problem and they are due to issue their report in the middle of the summer. Clearly, it is possible for us in Congress to approve remedial legislation for social security and consider the medicare report in conjunction with the results of the National Commission on Social Security Reform which has just completed its work. But to stand here today and tell the American people that if we pass this bill, the system will be safe, is simply not true.

This legislation is filled with provisions that I cannot support: A 6-month delay in the COLA allowance. A tremendous tax increase on self-employed individuals and all working Americans. A benefit cut for middle-age Americans, and a long-range tax increase for all Americans. Taxation of social security benefits in clear violation of the commitment of Congress that benefits will not be taxed.

Mr. Chairman, I firmly believe there are better solutions in the long-range and more responsible policy alternatives in the short-range. This bill should not be approved. Instead, we ought to address ourselves to the real problems of the system. If the retirement age is to be changed, let us be honest with new workers. Let us tell them that we will have a "new contract" with them so that they will know what to expect when they retire.

As it stands, this legislation does not address the system's needs and it is being considered under a rule that does not allow Members to offer amendments to improve.

I intend to vote against this legislation, and I urge my colleagues to join me in defeating it.

□ 1250

Mr. CONABLE. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I thank the minority side for yielding this time to me.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield to me?

Mr. GEPHARDT. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I rise in support of H.R. 1900, the bipartisan social security compromise. I oppose the closed-rule procedure under which we are considering this bill, and I regret that we did not have a recorded vote on that rule so that it could have been defeated to allow us to vote on many of the separate issues and alternatives that could be considered.

We are told that what we are considering here today is a social security "reform" package, but it seems to me it is more appropriate to say we are considering a social security "rescue" plan. I say "rescue" because the bill we will vote on today is little more than a temporary bailout proposal that is only a first step to solving the deep-seated, long-term, structural problems that will continue to plague our social security system long after this legislation becomes law.

It is a real tragedy that the President and Congress are passing up this opportunity to enact a true reform package which would make the social security system once again a fair, affordable, and viable program. At best, with this plan, we are rescuing the system from short-term problems, but we are doing so in a way which is not as equitable as it could be and in a way which just postpones the problems. Under this plan, we may be back in 2 to 3 years facing the same questions and the same concerns about shortfalls and the same inequities in the social security system.

It would have made more sense to face the true problems head on, today, instead of putting off until tomorrow decisions on truly reforming the system. Why just postpone cost-of-living adjustments as this bill does, when what we really need is a change in the structure of the COLA formulas and their relationship to the funding mechanism. Why keep raising payroll taxes, which are already overly burdensome, when what we really need is to make structural changes in the system to improve the management of the funds, and establish some permanent balance between the outflows and intakes of the system.

Unfortunately, we have no choice today but to consider and vote upon the "rescue" package before us. I was disappointed that the rule for consideration of this bill allows only two amendments. I believe it would have been more appropriate to consider this bill under an open rule which would have allowed consideration of amendments to make this rescue plan a reform plan. An open rule would have allowed Members to record their views on addressing the long-term problems of the social security system.

Now we are in the middle of this debate, with only one alternative before us. While it is not the best alternative, it is the only choice we have been given. There is no question that something must be done to address the immediate crisis of the social security system. This bill will provide some relief for the system and it will avoid an immediate crisis. If a short-term fix is all we can vote on, then we must vote on it and I will vote to pass it. But it is a shame that we have not been given the opportunity to consider proposals which could actually solve the problems of the system, instead of just postponing them. Once again, however, the political courage to bring true reform proposals before the Congress is lacking.

I have a sense of déjà vu as we debate this bill today, for I recall similar debates in the past on similar plans to solve the problems of the social security system. The words of Santayana come to mind: "Those who disregard the past are bound to repeat it." And I anticipate that his words will prove true once again, as once again we only consider temporary fixes to the short-term problems which will lead us back to this same debate a few more years down the road.

This problem with social security is not a new one. In fact, as early as 1975, when I first came to Congress, I was pointing out the need for congressional attention to the social security system, and the need for that attention to be immediate before we reached the crisis situation we are in now. In 1975, I stated on the House floor:

"It should be a matter of the highest priority for Congress to begin to do something about this problem now and not wait until the crisis is upon us and emergency measures and ill-considered reactions are required.

In 1976, I again stated:

The warning signals are getting louder and louder, and we still ignore them at our peril.

Once again, in 1983, we are settling for short-term fixes to the social security system, and are not solving the long-term problems that plague the system. In 1976, I made a statement on the House floor that easily can be restated today.

The present Social Security program is dying on its feet, and threatens to expire if prompt and drastic remedies are not sought and found. But to date, the only response of the Congress and the administration has been half measures designed to prop up the present system, letting it limp along without ever dealing with the root causes of its distress

Unfortunately, at that time we looked only to quick fixes, including tax increases, and now we again are looking at the same type of quick fixes 7 years later.

We should learn from our past, building on previous decisions and correcting those which have proved incorrect. In President Ford's state of the Union address, he called for an increase in social security taxes, and I said at the time that these taxes were "simply more of the same old, costly but worthless medicine * * * aimed at making what has proven to be an unviable system viable; it will not work;

the approach has not worked and if it continues the system will surely fail from bankruptcy or a tax-payers' revolt." * * * "Propping up the program so that it may limp along from year to year, at the expense of the workers and retirees alike, is dishonest and foolish."

In 1977, when Congress last passed social security reform legislation, I denounced the Band-Aid and Mercurochrome approach taken then to shore up the system, and I predicted that we would continue to face social security financing problems as long as Congress merely rearranged the furniture on the deck of the *Titanic* every few years. Once again, we are attempting to prop the system up on crutches which have already proven too weak to support it. Here we are again, only this time the band-aids are bigger—and still ouchless. The crutches are being pulled out of the closet for one more go around, and the smell of mercurochrome continues to pervade this hallowed Chamber.

I believe we can solve the problems of social security if we are able to make the necessary changes, even those which may be unpopular with some groups. The problem is too serious to continue avoiding these decisions. We need long-term solutions, not more recommendations and issue-ducking decisions.

In that 1977 reform legislation, there was one provision that gave the American people some hope that a genuine, fundamental, comprehensive reform plan would be forthcoming. That provision, which established an independent, nonpartisan National Commission on Social Security, came about as a result of legislation that I introduced.

After a 2-year study, which included field hearings and close scrutiny of the system, the panel of experts who made up the National Commission issued a report in March 1981 on how to improve the system. While I did not agree with all of the Commission's recommendations, its findings provided an excellent basis for congressional action.

Unfortunately, the White House and the Congress chose not to deal with the festering social security problem at that time, and so President Reagan appointed yet another Commission to duplicate the functions of the first nonpartisan National Commission. I am told that the President's Commission based its work on the findings of its predecessor.

The Presidential Commission's major recommendations are contained in the social security bill, H.R. 1900, which we are considering today. This bill calls for:

Accelerating to 1984 the social security payroll tax increase now scheduled for 1985, and accelerating to 1988 a portion of the payroll tax increase now scheduled for 1990.

Raising the self-employment social security tax rate to make it comparable to the full employer/employee rate.

Extending social security coverage to all new Federal employees, all current Members of Congress, the President, the Vice President, Federal judges, senior political appointees, and employees of nonprofit organizations.

Banning withdrawal of State and local government employees.

Taxing half of the social security benefits for retirees with an annual income of $25,000 (single) and $32,000 (couple filing joint return).

Permitting interfund borrowing.

Raising the payroll tax 0.24 percent in 2015.

Reducing initial benefit levels by 5 percent between 2000 and 2008.

Some of the provisions are a start toward true structural reform, and taken together the provisions will protect the system for a few years. This protection is necessary for a few years. This protection is necessary and therefore the plan should be supported, but I wish a more equitable approach could have been considered.

Regrettably, the Commission's package, which is incorporated into this bill, consists too much of tax increases. In fact, tax increases account for 77 percent of the total package, and the heaviest tax burdens are carried by young taxpayers, self-employed small business men, and those who have diligently saved for their retirement.

I believe that the accelerated payroll tax increases could have a very detrimental effect on our troubled economy. Consumer spending, personal savings, and business investment will be reduced as a result of the Commission's tax proposals. Moreover, these tax increases will exacerbate our Nation's serious unemployment problem because increased payroll taxes will increase labor costs. I believe the long-term tax increases scheduled for the year 2015 are equally damaging, and I question how anyone can precisely predict social security shortfalls in the 21st century when we have so much difficulty projecting funding requirements in the short term.

Furthermore, I do not agree with the concept of taxing social security benefits for persons presently receiving them or for those approaching retirement. That would result in reducing benefits which the President and others have said they would not do. Even as to future retirees, I have a problem with taxing benefits because it would turn social security into a "means tested" program which it has never been. And clearly, it is unfair to expect those who do the most to save for their retirement to bear a special penalty for their efforts, as this bill proposes to do.

Rather than considering primarily ineffective band-aid proposals, I believe the Congress should have been given the opportunity to consider other proposals that could bring about genuine, structural reform in social security. I believe genuine reform should include:

Removing the "welfare type" programs from the system. The programs which were not originally part of the social security system—medicare and disability insurance—could be removed and funded, at least in part, by general revenues.

Altering the structure of the cost-of-living adjustments (COLA). The current COLA system was established in 1972 to avoid the need for Congress to legislate annual adjustments in benefits to compensate for inflation. The proglem, however, is that the established automatic increases were based on rises in the Consumer Price Index (CPI) while the financing of these adjustments was based on wages—that is, the payroll tax. In the past decade, real wages have declined while the CPI has escalated. We must move to relate the revenues going into the system to the benefits flowing out of the system.

Improving the management and investment of social security trust funds.

Changing the retirement age. Starting in about 7 years, the retirement age could be gradually raised over a period of about 10 years, to age 67 or more. People are living longer, they are working longer, and they are healthier. Many people want to stay on the job beyond the mandatory retirement age, but they cannot, at the same time, expect to receive social security benefits. This action would reduce the amounts being paid out of the system and work toward establishing a balance between outflows and intakes.

This legislation contains one proposal that particularly pleases me. I have always been a strong advocate of making the system apply to everyone, and I have introduced legislation in this Congress and in previous Congresses that would bring about universal coverage. I believe it is outrageous that the system does not now cover Members of Congress, who make decisions on the system, or even the Commissioner of Social Security, who administers the system. I am pleased that this legislation will include these individuals, as well as new Federal workers and employees of nonprofit organizations.

Universal coverage is appropriate because it is fair—not because it would bail out social security—which it would not. In fact, over the long run, it would be a financial washout with the new payers becoming benefit recipients. The point is that there should not be some elitist group of

people not participating in social security while the rest of America does.

I am pleased that this extension of coverage is being done in such a way that the civil service retirement system will be preserved for its present participants. I know that many Federal employees are worried that bringing new Government employees under social security could jeopardize the self-sufficiency of the existing civil service retirement system. Actually, the Federal retirement system is not currently self-sufficient. In fact, according to the Congressional Research Service, employee contributions account for only 13 percent of the funds currently being paid into the system. Another 25 percent comes from interest, and the balance comes from congressional appropriations. Therefore, the future solvency of the present civil service retirement system is dependent on the commitment of Congress to keep it funded. I believe that is an absolute commitment which must be honored.

Congress also has such a commitment to make every effort to solve our social security problems. We cannot back away from these decisions. As I said in the 94th Congress, we must get on with the job that has to, and must, be done if we are to keep the social security system solvent, and keep our unbreakable commitment to the American people. The best solutions may have been overlooked in our hurry to rescue the program in this bipartisan compromise. Certain proposals should have been considered, and voted on by the entire Congress. But political courage was lacking to bring these difficult choices to the floor.

I hope that this will not happen again. As I said before, I believe we may be back in just a few years to consider again measures to save the social security system. I hope we will be braver than we were in 1977, and than we are being today.

The opportunity to pass a true reform package has been passed up in our haste to put together a rescue plan. But I do believe strongly that we must do something while there still is time to save social security. The entire package that we are voting on here today is not completely satisfactory to me, but I am prepared to vote for it because we have no alternative at this time. We must take some action. Therefore, I intend to support this social security "rescue package."

I suppose that a dirty old plank is better than no plank at all to the victims of a shipwreck. And we must grab that plank now, and keep the American public from drowning.

Mr. GEPHARDT. Mr. Chairman, I think we all must remember that this is the second time since 1936 that the Congress has considered and debated a major reform in the financing of social security. Some of us were here in 1977 when the same kind of debate went on and when we felt we had fixed the problems of social security until way into the next century. Many of us were convinced that was the case. Obviously, as we are here today, that was not the case, and we face again the business of reordering and restructuring the financing of the social security system.

In my view, this restructuring is imperfect, but it is an important step in the right direction. Its creation reflects credit on all who have addressed the problem, ranging from the President's Commission to all of my colleagues on the Committee on Ways and Means. I want to take this opportunity to commend the chairman of the subcommittee, the gentleman from Texas (Mr. PICKLE), for the work, the perseverance, and the energy that he has contributed in achieving the consideration of this most important bill, because without his leadership, I doubt that we could have gotten this far.

In my view, social security is a valuable program that absolutely must be preserved. It is part of the fabric of our society. It is a successful program that is, on a daily basis, doing great things for Americans. However, it is not the program and it is not the fabric of the program that is wrong. I think, rather, we are the victims of honest mistakes that Congress has made in the past, including in 1977, and unprecedented economic events, and the two together have created the problem we face.

I remember well, as I said, standing here in 1977 and believing that we were doing the best we could, that we were doing the right thing, and that it would solve the problem. It did not. We made honest mistakes, we made wrong assumptions, and the economy did not work the way we hoped it would.

So I speak today with humility, not saying that this is the best solution or even the final solution. Rather, I say that social security must be saved and this is the best package at hand to do the job. I honestly believe there is no other package that can be put together this year, and I think this is our last and best chance to solve the problems of the system.

It is a good package. It evenly distributes the pain that is the price we must pay for reform. It is fair. It contains no Draconian benefit cuts that will push the elderly over the poverty line, nor does it protect retirees by hitting workers with excessive tax increases.

It is my belief that this same spirit of compromise should extend to the long-term solution. I do not think we should rely entirely on a single solution or ask any single group to shoulder the entire cost. That is why I support the approach in the committee bill that includes a mix of benefit reductions and taxes to solve the long-term problem. We are asking everyone here to give a little bit to solve the problem. We are asking everyone to do something to address the long-term and the short-term problems. We are not asking anyone to give everything; we are asking everybody to do their part. The short-term solution is prejudiced a bit toward taxes, and the long-term solution is prejudiced toward benefit reductions.

The point I am trying to make is that I think it is fair; I think it is reasonable; I think it is a good compromise, and I think it merits the support of Members on both sides of the aisle.

Let me finish my remarks with just a few comments about the medicare reform. I think it is also important to note that while we are here doing the second major reform in social security since 1936, we are also doing the most major reform since 1965 in the medicare system. I stood on this floor in 1979 and argued against the Carter hospital cost containment bill. I said it would not work. I said it treated symptoms and not causes, and I said there were better solutions. I have to admit to the Members today that I was wrong because by not enacting something at that time, I think we missed an opportunity. I wish that we would have developed a better alternative than the Carter bill. I think that is what we have before us today.

Let us be clear about it. It is a regulation. It is a lot of regulation, but in my view it is better to have these regulations than the Carter cost containment effort, because this proposal is consistent with giving providers of hospital and health care incentives to be as efficient as they can be, which is very different than the Carter cost containment formula.

I do not know if it is going to work. It suffers from having the same complications the Carter bill did, but if any regulation in the health care field can work, I think this is it. It deserves a try.

Mr. Chairman, I think the medicare reforms, like the social security package, merit the support of all Members, and I am happy to be here to support both today.

Mr. CONABLE. Mr. Chairman, I yield 13 minutes to the distinguished gentleman from Texas (Mr. ARCHER), a member of the committee.

Mr. ARCHER. Mr. Chairman, I thank the ranking minority member of the committee for yielding this time to me, and I compliment him on the work that he has done, both as a member of the National Commission, on which I also served, and in the committee deliberations.

I must say further that in all instances my views have been given a fair hearing, both in the subcommittee

headed by the distinguished gentleman from Texas (Mr. PICKLE) and in the full committee chaired by the gentleman from Illinois (Mr. ROSTENKOWSKI) who I think has done an admirable job in running our committee.

Having said all of that, I must say that I am in opposition to this package. Most of the argument in favor of H.R. 1900 has been on the basis that politically it is all we can do. The decision within the National Commission, ironed out in a 24-hour period, was politically dictated and politically motivated. The testimony of our former colleague, Joe Waggonner, also a member of the Commission, when he came before the Ways and Means Committee, aptly points this out. We are told that we cannot do better and, therefore, we must accept this package.

□ 1300

That, as I listen, is the only real argument for voting for it. I have been around here long enough to know that massive political momentum is seldom overcome by reason and substance. Yet H.R. 1900 does not solve the structural financing and equity problems in the long term or perhaps even in the short term. It is yet another Band-Aid that, if we are lucky, may stick over the wound for a few short years. I cannot tell either the young or the old alike that they can now have confidence in social security as a self-contained, viable system.

Under this bill, spending from the fund will continue to accelerate, creating a potential tax burden in the foreseeable future equal to 30 percent of payroll. I do not believe that future generations will be either willing or able to bear that burden.

It might be appropriate at this time to go over a bit of history. In 1973, I stood at this exact microphone and told the House that approval of the social security bill before it would result in a one-half trillion dollar deficit in the social security fund and that I could not support it. Many of those who support this bill today then said, soothingly, "Everything is going to be OK, you can count on the actuarial protections, everything is going to be fine." Many others said, "Bill, I know you are right. Thank you for giving us this information. But, it just is not politically possible to vote with you."

Today it is almost deja vu. Many have come to me already and said, "BILL, I know you are right, but politics will not permit me to vote against this package."

History will show that from 1973 the deficit actually grew to $4 trillion. I was a piker when I projected a half trillion dollar deficit.

In 1977, President Carter signed the biggest tax bill in peacetime history, attempting to close that massive deficit. Then he went on national television and announced that "social security is now secure for 50 years."

I opposed that bill, as I did the 1973 bill, because it was not a solution, and I decried the actuarial projections on which it was based as being overly optimistic. It was clear to me then in 1977 that projections showing inflation falling to 4 percent in 1981 and staying there for the next 70 years was not living in the real world.

And so here we are again, only 5 years later, proposing to bail out social security by a decision motivated by politics. It is just as clear to me today that the actuarial projections which predict that inflation will drop once again to 4 percent in 1991 and stay at 4 percent for 65 continuous years thereafter, that average wage increases will be 5½ percent for 65 continuous years, and that unemployment will be 5½ percent for 65 continuous years, are overly optimistic. That is a dream world; it is a utopia. It is not the real world.

And yet that is the foundation on which you have been told today that this is the ultimate solution to social security in the long-term and in the short term.

We owe more to the elderly and to our children and their children. Even if I stand alone, I will speak out that we must do better. Our economy will not always be at the optimum, and if we err, we should err on the side of safety.

In the process of not safely solving the problem, this bill creates additional problems.

No. 1, it undermines the earned right concept by a massive infusion of General Treasury funds in direct and indirect transfers, coupled with additional accommodating revenue losses, totaling $70 billion.

In addition, access to the Treasury in time of need is authorized on a month-to-month basis, whenever needed. It is called fixed monthly tax transfers. It is a gimmick. They say it is a new accounting term. But what it really is, is the ability of social security to make a short-term loan from the General Treasury, provided that it is paid back in 1 month. Since there is no money in the General Treasury, it merely means that the Treasury at the beginning of the month will have to issue more Treasury bills and create a bigger national debt, driving interest rates up.

If this bill is adopted, social security will henceforth no longer be a self-contained system.

No. 2, this bill ruptures the historic parity between the tax treatment of employee and employer. The employee receives a three-tenths of a percent tax credit in 1984, but the employer receives a tax increase of three-tenths of a percent.

Small businesses will be hard pressed by this unequal treatment and the burden involved therein. Every national study that I have seen shows that payroll tax increases cost jobs. This one could not come at a worse time—January of 1984.

No. 3, taxation of benefits imposes for the first time a "means test" for social security beneficiaries and further shatters any vestige of the earned-right concept. It will also cause a real reduction in benefits for some.

For example, under this bill the spouse of a disabled person who works to try to make ends meet and earns enough to reach the threshold will actually cause a reduction in benefits. Those past the age of retirement who earn more than the earnings limit could actually lose more than 100 percent of additional earnings through a combination of taxes and benefit losses.

Additionally, the method of taxing benefits in this bill, is in reality, a tax on savings. It taxes savings at a higher rate, because a retired individual who has no income from outside savings is not taxed at all. The result is simply a higher incremental tax on savings at a time when most of this in this body say we need more savings incentives in America, and many of us even believe that income from savings, which has already been taxed once, should not be taxed at all.

In addition, in the taxation of railroad retirement benefits under the language in the bill permits the potential of the railroad retirement fund receiving a windfall of over $300 million at the expense of the social security fund, which could ill afford to lose those funds.

No. 4, increased taxes on the self-employed are massive—in January 1984, a 27-percent increase at one time. Many self-employed will undoubtedly join the ranks of the underground economy to escape this, and those who do not will in many cases be hard pressed to maintain their standard of living.

□ 1310

No. 5, the so-called stabilizer will not do all that its proponents claim. Had it been in effect it would not have prevented our present problems. Only a 30-percent trigger level would have kept us from having to be here today, yet the bill only includes a 20-percent trigger level.

For what good it would do it should be implemented in 1985 instead of 1988. However, in the long term it does nothing to restrain spending from the fund. The actuaries do not show it benefits the fund one single dollar.

No. 6, the windfall benefits to noncovered employees, sometimes called double dipping, is not fully cured because H.R. 1900 embraces only 50 percent of the remedy suggested by the National Commission.

No. 7, this bill does not repeal the earnings limitation, a massive disincentive to working beyond retirement years.

No. 8, there is in reality no "failsafe" really in the bill except to come back to Congress, and that is exactly what the Commission's recommendations hoped to avoid.

No. 9, with the changing economic conditions of more and more women working—over 50 percent in the work force today—we have not made structural reforms necessary. Only short shrift has been given to that problem.

In short, this package is not a reform package and will not stand the test of time. In committee I offered a package that would continue social security on a basis that meets all of the above objectives.

There is a positive answer to these problems for those who have the courage to embrace it. I am sad to say H.R. 1900 does not.

In 1784 Samuel Adams, speaking on a major national issue said, and I quote,

> The necessity of the times demands our utmost circumspection, deliberation, and fortitude, for we must seriously consider that millions yet unborn may be miserable sharers in this event today.

I believe the impact of social security is our Nation's No. 1 economic problem in the long term. We can do better. I believe we must.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, 6 years ago, the 95th Congress passed a social security rescue package that was advertised as a long-term panacea for a program headed toward bankruptcy. That bill, which included major payroll tax increases for the decade of the 1980's, was shortsighted and blatantly ignored many of the very serious fundamental reasons the social security program was becoming bankrupt.

It should come as no surprise to any of us why the 1977 plan failed, and it should be just as apparent why the bill before the House today will not do the job. It relies heavily on this never-ending pattern of higher taxes, it cleverly induces more uses of general revenues, and the bill makes no attempt to correct some of the underlying problems that have led this system to the brink.

While I do oppose the bill, H.R. 1900, as reported from the committee, I urge my colleagues to support the amendment to be offered by Mr. PICKLE, one of this body's foremost experts on this subject. Raising the retirement age on a gradual basis, as his amendment would do, is about the most reasonable action we can take today. His proposal would up the retirement age to 67, phasing this change in over a 22-year period, beginning in the year 2000.

Demographic changes over the last four decades alone have made a retirement age change essential if we expect social security to survive for future generations. In 1940, life expectancy was about 61 years for a man and 65 for a woman. By the year 2000, men reaching age 65 may be able to live another 16.4 years while women may live another 22 years.

Greater longevity is certainly good news for us, but it is bad new for a retirement program using outdated facts. A gradual retirement age increase of only about a month per year, keeping in place early retirement benefits at the current age of 62, will give future retirees plenty of time to plan for retirement and not affect those who are near retirement.

Another startling statistic that has evolved since the inception of social security is the wage-earner to beneficiary ratio. In 1945, we had almost 42 workers for every beneficiary of social security. Today, because of lower than expected birth rates and greater longevity, the ratio is about 3.3 workers per beneficiary, and dropping. The pay-as-you-go financing scheme in social security leaves our younger generation with a tremendous burden, unless we alter the structure of future benefits in this program.

The proposals contained in the core bill, H.R. 1900, do not secure the program for today's workers, and several of the bill's provisions further dampen the original purpose of social security since its enactment in 1935. The program's benefits have continually expanded since then.

What started as a supplemental retirement program to help workers plan for the future, now includes: disabled insurance, a health insurance program, early retirement benefits, extension of benefits to survivors and dependents of the original beneficiaries, and the indexation of benefits and the wage base to inflation. To top this off, in 1972, when Congress first authorized annualized COLA's, a 20-percent benefit increase was included by a change in actuarial assumptions.

These demographic and legislative changes to social security left but a few alternatives for Congress to keep the system in balance: Either raise taxes and the revenue options or change the computation of benefits. Needless to say, the tax side has taken the brunt of this choice. The combined employee/employer payroll tax has risen from 2 percent in 1937 to 13.4 percent today, and under this bill that rate will climb to almost 16 percent in 1990. Maximum taxes from 1970 to 1982 alone have gone up 580 percent for the employee while taxes for the average wage earner rose 259 percent.

This bill seeks to accelerate, or in effect raise, payroll taxes again. For self-employed persons, this bill raises taxes by 33 percent to equal the combined employer-employee rate, and allows the self-employed workers to deduct half of their retirement taxes for income tax purposes.

How far can we cut into a worker's paycheck before it no longer becomes an incentive to work? The loss to the private economy is enormous in terms of increased burdens to the employers, burdens which eventually lead to less investment, less private saving, less economic growth, and ultimately, less jobs.

The legislation also proposes to begin taxing a retiree's benefits by 50 percent if an individual earns more than $25,000 in annual income. Proceeds for this additional tax will be moved from general revenues to the social security system. This change strikes at the heart of the "earned right" concept of social security, and in effect penalizes those who have had the foresight to plan for their retirement.

I am disappointed that the committee did not put a permanent control on cost-of-living adjustments, which are probably the single biggest cause for the tremendous growth in benefits since 1972 when these inflation adjusters were instituted. High inflation during the 1970's, coupled with lower wage earnings grown, left the system's income well behind benefit growth. Since 1965, wages have increased 169.9 percent while social security benefits rose 209.9 percent because of indexation.

Delaying this year's COLA may save $40 billion, but it does not prevent future disparities in automatic benefit increases from again putting the system out of balance.

Social security now accounts for 28 percent of our Nation's total Federal budget. It affects nearly every single American with 116 million citizens paying into the system and some 36 million receiving retirement benefits. With so much at stake in this program, we need to make decisions which not only reflect sound economic judgment, but which allow our present and future retirees the chance for a secure program to count on. We must not rely on this bill's mixed bag of short-term remedies if we expect to realistically meet this dual commitment to our young people and present retirees. This legislation does not reform a program that is plagued by past legislative mistakes and political compromises.

What this bill does do is postpone the inevitable reckoning day for our Nation's social security and budget deficit problems by hiking taxes and utilizing general revenues to shift the problem to our already overspent Federal budget revenue. These changes will not help social security over the

long run, and they can only hurt our economy in the short run.

I urge my colleagues to vote against this package and make the changes necessary to right the fundamental wrongs that have turned a good program into what might become a bankrupt one.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, the bill before us today does not represent a real solution to the social security crisis; it is more of the same temporary solutions we have come to live with here in Congress. Someday we will have to face up to reality and offer real reform to the American people.

For nearly 50 years now, the economic realities of the social security system have been buried under political expedience. Complete trust and unquestioned compliance by the people is finally giving way to skepticism and frustration in the Government's ability to correct the problems beyond a simple repair job.

In August 1935, Congress passed the Social Security Act. Its intent was to supplement, not replace, private retirement savings and insurance plans. The system was to pay for itself and be actuarially sound through voluntary contributions. No money was ever to be taken from general revenue. Throughout the years, the Federal Government has developed a perception of the social security system that benefits are something "bought and paid for" with contributions made over the years. Excessive increases in retirement benefits and continued assurances from politicians have misled people into believing that social security will take care of a majority of retirement needs.

This deception has enabled Congress to transform social security from a retirement insurance program benefiting its contributors to a social welfare program benefiting politicians.

The American people want and deserve to know the truth about social security. We must confront the problems with courage and inform the American people that politically, economically, and morally, social security is a failed social experiment.

THE POLITICAL CASE AGAINST SOCIAL SECURITY

Social security, like all government programs, has one inescapable ingredient—politics. The system's operation on a political basis rather than on an economic basis has greatly contributed to the problems it now faces.

The demise of social security began in 1939; only 4 years after its inception. Congress could no longer hold back its urge to raid the trust funds. Dollars first collected through a compulsory tax system were then confiscated by Congress to promote social goals. Therefore, by assuming that current taxes could pay current benefits, Congress felt free to reach deep down into social security assets set aside for retirement and spend generously. Amendments to the 1935 Social Security Act accelerated and increased scheduled benefits. Unearned benefits were added for dependents of retired workers and for survivors of deceased workers.

The 1950's and 1960's evidenced a dramatic drain on social security's assets to pay for new welfare features and to expand existing benefits. In 1956, Congress established the disability insurance program. In 1965, amendments to the Social Security Act added the health insurance program, better known as medicare.

Total trust fund assets in relation to annual expenditures have deteriorated dramatically in the past 30 years. In 1950, the old age and survivors insurance trust fund had 1,343 percent on 1 year's benefits and in 1972, the old-age trust fund had less than 100 percent of 1 year's benefits. Today, in 1983, the trust fund is empty.

While politicians reap the political rewards of handing out free welfare benefits, many politically powerful special interest groups outside of Congress have used the social security program to promote their own social goals or principles irrelevant to the retirement insurance goals of the programs contributors. These groups, whose announced goals are laudable, have encouraged Congress to raid the trust funds and pass out free benefits. Appropriating funds through social security has been much easier than going through time consuming political debate and setting up new welfare programs that the public may not want to support.

We have now reached the point at which fulfilling the commitment is no longer possible without confiscating greater amounts of money from the people. Politicians have been overly generous with social security tax dollars. Our FICA payments are no longer contributions to a fully funded retirement program, but are taxes manipulated to fulfill political and social goals. As long as Congress has the purpose of continuing its control over our retirement, it is inevitable that no solution proposing to bail-out social security will be void of political aim.

THE ECONOMIC CASE AGAINST SOCIAL SECURITY

Every American President since FDR has assured the American people that the social security system is fundamentally sound. They were all correct if they meant sound as the dollar.

Social security is bankrupt. There is no money left. There was not even enough money in the largest trust fund—old-age and survivors insurance—to fulfill commitments in the latter part of 1982. The old-age insurance trust fund must give the disability insurance trust fund an I O U worth between $7 billion and $11 billion just to insure benefit payments through 1983. Also, the National Advisory Committee on Social Security Reform estimated that $150 to $250 billion will be needed to keep the social security system solvent through 1990. Three weeks later, we learned that this amount is not enough—the projected deficit is even larger.

The long-term projections for social security are just as bleak and must not be ignored. Tax increases scheduled under present law will not be adequate to provide all future benefits promised. Social security's unfunded liability—the amount by which planned benefits to current participants exceeds planned receipts—is $6 trillion over the next 75 years. This hidden liability is equivalent to $43,000 for every adult now between the ages of 20 and 65. In terms of total Government obligations, this must be added to our national debt of over $1 trillion. This actuarial deficit under our present social security program implies the need for tax increases far above those already scheduled.

What has happened to this, the supposedly greatest social welfare experiment ever undertaken in the world? Why, after nearly 50 years has the program suddenly run out of money?

One main reason lies not in the fact that the social security program has finally moved from a startup phase to a mature phase, but because politicians have stolen the money from the trust funds to pay for politically attractive programs and benefits. Benefit payments should be coming out of well-stocked trust funds—if it were a true insurance program. Today, the trust funds are nearly empty. History can prove that as FICA payroll taxes were dramatically increasing, the money in the trust funds decreased precipitously. In 1940, the old age and survivors trust fund had 3,276 percent of 1 year's expenditures. Thirty years later, in 1970, the trust fund had 115 percent of 1 year's expenditures. By 1982, the trust fund had close to 0 percent of 1 year's expenditures. Thus, the retirement portion of social security became a system totally reliant on a pay-as-you-go scheme. The other two trust funds, disability insurance and hospital insurance will soon be joining old age and survivors insurance on bankruptcy row. If Congress extends the interfund borrowing authority, the combined funds will be bankrupt sometime during 1984. If interfund borrowing is not extended, disability insurance will be bankrupt sometime in 1983 and hospital insurance—medicare—will be in serious trouble during the 1990's.

This country is now faced with a very serious problem that cannot be solved by simply raising taxes on our already overburdened taxpayers, by

implementing token reductions in benefits to retirees and welfare recipients, or by compelling even more citizens to take part in social security.

The financial problems of social security have come not only from mismanagement within the social security system and Congress insatiable desire to hand out free benefits, but also from Government manipulation of our national economy and monetary system with irredeemable paper money.

The facts about social security have been kept from the American people long enough. The millions of workers who have been forced to pay social security's bills are not only demanding answers, but deserve to know the hard economic facts about this compulsory system. We in Congress have a compelling obligation to fulfill this demand. Unfortunately, there are too many people in and out of Congress who do not take this obligation seriously.

As is the case with most Government programs, financial problems that develop are blamed on everything except the Government itself. The causes of social security's difficulties, however, rest precisely on the Government's shoulders. The problems feed on themselves causing ever greater economic hardships for our elderly. The economic deficiencies of the present makeup of social security are well documented in the fact that it has taken the Government less than 50 years to change the system from a retirement insurance program into a current taxes pay current benefits system, emptying the reserves in the largest of the three trust funds, and threatening to empty the other two. Yet, it is maintained that social security does not need trust funds because, unlike a private insurance company, the Government can force future workers to contribute whatever is needed to meet all benefit obligations. But this country is still a democracy, and this power to tax to meet social security obligations hinges on the ability and the willingness of the American people to do so.

Any private insurance company found financing its program with current premiums paid by the people would find its board of directors in jail and the company filing for bankruptcy.

The prevailing attitude in Washington toward solving social security's problems continues to center around increasing the Government's role in controlling what clearly should be a private affair. Solutions calling for less Government control are quickly shrugged off as being a threat to present or future retirees. Anyone espousing the idea of making social security voluntary—not to mention phasing the program out altogether—is labeled an enemy of social security and our elderly. The real enemies of our present and future elderly, however, are those who continue to call this pay-as-you-go scheme security.

Social security has been exploited by Congress to the extent that millions of Americans have now become financially dependent upon the Government for retirement income and economic security. Many people believe that they have a legally enforceable contract with the Government entitling them to future benefits. The truth is, Congress had no obligation to guarantee this form of economic dependence it has created. The Supreme Court has ruled that there is no legal enforceable contract between the U.S. Government and the citizens concerning social security benefits. Social security benefits can be changed or terminated at any time by Congress, and the Government's right to confiscate individual social security benefits has been upheld in the courts (*Fleming* v. *Nestor*, 80 S. Ct. 1367 (1960)).

The greatest hypocrisy that Congress is committing against the American people is that social security contributions paid by the employee and the employer are accumulated with interest in a special account with the employees name on it. The Government stopped doing this in 1939. Instead, the taxes barely have time to reach the books of account at the Social Security Administration before they are sent as earned benefits to 36 million people every month. Because of this substitution from an insurance annuity program, the length of time it takes a retired individual to recover FICA taxes is very short. Studies done by the Congressional Research Service of the Library of Congress shows that a minimum wage earner will recover his social security taxes paid in 13 months. The average wage earner will collect in benefits what he has paid, in 17 months. The maximum wage earner will receive contributions in 22 months. On the surface this type of arrangement is a good deal for our elderly. Receiving more in benefits than paid in taxes appears as though the Government is doing a good job of investing. This seemingly wonderful arrangement is typical of the startup phase which social security has been operating under for the past 50 years. The startup phase allows recipients to receive greater benefits from the Government than could have been earned if the money had been invested in the marketplace. But now, the system is entering the mature or pay-as-you-go phase. The trust funds are near empty, and the cry for increased taxes and reduced benefits are echoing in the Halls of Congress to save the system. The truth of the matter is, social security benefits and services received for the rest of one's retirement years are not paid-for benefits, but rather free windfall Government assistance. While free windfall Government benefits are an economic gain for the 36 million Americans receiving such aid, they represent an economic loss for the 116 million Americans who are forced to provide these benefits through compulsory payroll taxes. This economic loss will become even greater as payroll taxes are raised to adequately meet the expected demand in benefits and services.

As long as money remained in the trust funds—beyond that needed for retirement benefits—promises for new and increased welfare benefits kept growing. Benefit increases have been regarded as necessary corrective measures to keep the social security system from accumulating a heavy surplus. Now we have reached the point where even current taxes cannot meet current benefits. Congress overextended obligations have finally caught up with its somewhat limited ability to pay for them.

Many of the economic problems of social security lie in the deep-seated contradictions between the welfare aspects and the retirement insurance aspects of the system. The welfare aspects of social security—that is, aid for dependent children, supplemental security income, disability, and drug addiction and alcoholic provisions—have been expanded at the expense of the retirement insurance aspects. Social security has been and continues to be understood by a majority of Americans as an insurance program set up for their retirement. Because this contradiction is being ignored by politicians and the press, the reform proposals will only exacerbate the problems within social security, not solve them.

The solutions being proposed by the National Commission on Social Security Reform are nothing more than quick fixes that will not pull social security out of its deep financial troubles. The main thrust of the proposals is quite clear—to continue coercing and deceiving the American people into paying still higher taxes and encouraging a belief that the system is fundamentally sound.

Some of the proposed solutions include:

First, raising payroll taxes;

Second, reducing benefits and slowing cost-of-living adjustments;

Third, taxing social security benefits;

Fourth, raising the retirement age;

Fifth, compelling all employees to participate in social security, including local, State, and Federal Government employees; and

Sixth, subsidize the social security trust funds with general revenue.

As if the American taxpayers are not already overburdened with taxes, the Social Security Reform Commission wants to increase the contributions made to social security. The American

people are so well acquainted with social security tax increases that for approximately 50 percent of all American workers, their social security tax is greater than their Federal income tax. The original combined employee/employer social security tax rate was 2 percent assessed against the first $3,000 of income. This rate remained in effect until 1950 when the rate was increased to 3 percent. Today, the combined rate is 13.4 percent assessed against the first $35,000 of income. The maximum yearly tax has increased from $60 over the first 13 years of social security to $288 in 1960, and now to $4,690 in 1983. Already scheduled under a previously passed law, the combined employee/employer FICA tax is to increase to 15.30 percent of gross income in 1990 with, of course, the maximum taxable income increasing each year. But now Congress wants to advance this scheduled tax increase as early as January 1, 1984. This is just the beginning. The Social Security Board of Trustees 1982 Annual Report indicates that by the year 2030, the tax rate for the old-age and survivors insurance, disability insurance, and hospital insurance programs will have to approach 33 percent of gross income. The economic consequences of this proposal—to speed up the scheduled payroll tax rate—are being totally ignored to satisfy short-term political and economic goals.

Because the Government helps itself to social security taxes and quickly redistributes them, there is no benefit to the economy. Social security taxes cannot add to capital investment which is needed to help our deteriorating economy by financing homes, automobiles, businesses, and new factories. Raising social security payroll taxes will only benefit the politicians who want to continue to hide the truth. The American worker and the economy will continue to suffer with high unemployment and low capital investment.

Reducing benefits and slowing cost-of-living adjustments (COLA's) are admirable beginnings to solving the financial problems. There is no need for millions of Americans to demand automatic increases in their benefits especially when benefit increases rise faster than wage increases.

Taxing social security benefits is another ill-conceived proposal toward helping solve the financial problems of social security. Automatically increasing benefits every year and then turning around and taxing them is contradictory. This scheme will only add to our already confusing tax system, and will cause an increase in the administrative expenses of the Social Security Administration.

Another dangerous proposal to bring solvency to the social security system utilizes an increase in Government power to compel State and Federal employees to participate in social security. The debate should be focusing on releasing those under the Government's coercive umbrella, not forcing Government employees and charitable organizations to participate. Many argue that the social security program today is inequitable because all workers are not included. This type of attitude exemplifies the nature of a totalitarian society. Everyone must conform to absolute control by the state. A social security program therefore must be compulsory for everyone in order to facilitate fairness and impartiality as defined by the state. By contrast, in a free society such as ours, where freedom of choice is believed to be a right that cannot be taken away by the state, a social security program is inequitable not because all workers are not included, but because it is compulsory for nearly everyone. It is therefore imperative that our social welfare experiment—social security—become voluntary in the hands of the free marketplace.

Another alternative to solving social security's financial dilemma is to resort to transferring funds from General Treasury revenues. This is the easy way out of the crisis since politicians do not have to answer directly to anyone. However, the country was over $150 billion in the red in 1982 alone. The Government's checking account is empty and we all know that one cannot pay bills from an empty checking account—unless you have a printing press. By running to its printing press and making money out of thin air, the Government can solve its financial troubles without increasing taxes. Since Congress is not serious about cutting spending, it must resort to deficit financing. This manipulation of the economy through inflating dollars is, and will continue to be, a principal cause of social security's problems.

Congress, on the one hand, caused the need for COLA's and increased welfare benefits, while on the other hand, skillfully protects the social security system by granting automatic COLA increases and increased benefits. Unless Congress recognizes the fact that the difficulties within social security cannot be solved without first solving the inflation problems then once thought long-term solutions to the problem will quickly become only short-term solutions creating another financial crisis.

High rates of inflation also limit the role private pensions play in the retirement aspect of our lives. Social Security automatically keeps up with inflation, through cost-of-living adjustment, while private pension plans do not. Government finagling of the economy through a progressive tax system therefore discourages people from investing in private retirement plans.

All of these proposed solutions for social security must be recognized for what they really are—economic gimmicks for political gain.

THE MORAL CASE AGAINST SOCIAL SECURITY

While economic and political problems have devastated social security, there is one other concern that must not go unnoticed. Proponents of social security have long ignored the moral implications associated with a compulsory retirement system. The design of social security emphatically denies the individual his freedom and his liberty to choose what he will do with his earnings.

If social security was meant to be a retirement insurance program—fully vested and earning interest—then the Government could have merely required every person to take out old-age insurance with a private company. But because the Government thought it could do a better job than private companies, it has compelled nearly every worker in the United States to contribute to social security. Social security has become another example of the State extending its power over the individual. The Government will not be satisfied unless it forces every worker to contribute.

Social security's coercive nature has weakened our independent spirit. It has mitigated our belief in individual initiative to provide for our personal retirement, and has encouraged a dependence on a Government program based solely on the discretion and benevolence of politicians and bureaucrats. This program of redistribution is one of the country's most blatant intrusions upon our freedom of choice. It trespasses on almost every aspect of our personal lives. The Government has determined our behavior standards by ascertaining when we are to retire, and how much we can earn between the ages of 62 and 70 before being punished with lower social security benefits. These types of policies clearly overstep the constitutional responsibilities of the government and destroy the flexibility needed for us to manage our own lives as we see fit.

Social security is not a voluntary commitment by the people, but rather a coerced commitment dictated by the Government. A person cannot choose to opt out of social security if he thinks his own money can be put to better use elsewhere. Heavy legal penalties, including fines and imprisonment are levied against anyone who does not contribute his share to social security.

Social security's infringement on our freedom of choice should be considered no less serious than restrictions on our freedom of speech, press, and religion. We must not let the state convince us that a little coercion is

good, for it will only encourage the wedge of state control to enter deeper into our liberty.

The use of Government threat and confiscatory powers must have no place in our society whose foundation was built on premises calling for limited government, sound money, minimal taxation, and personal liberty as the tools for economic prosperity.

THE SOLUTION

The solution to the problems of social security can be relatively easy and painless if we eliminate the political manipulation that has totally devastated the present system.

The social security system must become a fully funded insurance program supported only by those who wish to remain in a Government-run program. Social security must stop being a coercive social welfare scheme. Below is an outline for solving the social security dilemma.

The most fundamental merit of this proposal is that it returns to the American people the freedom of choice to plan for their retirement. Nothing short of this will restore to the people the freedom they so desperately need and deserve to plan for the future of their own lives.

First, freedom of choice must be granted to every American citizen to voluntarily opt out of the social security system.

Second, no new workers are to be compelled by the Government to join the social security system.

Third, FICA payroll taxes will cease to be withheld from people voluntarily opting out of social security. The employer FICA tax will also be eliminated on those employees opting out of social security.

Fourth, all persons voluntarily opting out of social security will relinquish all claims to future benefits that would be provided under social security, regardless of the amount contributed into the system to date.

Fifth, persons voluntarily opting out of social security will have their social security records destroyed by the Social Security Administration.

Sixth, Government regulations pertaining to individual retirement accounts (IRA's) must be amended so that a person can put into these accounts at least the same amount previously withheld as FICA taxes—both employee and employer share.

All amounts contributed into IRA's and all interest earned on IRA's must be tax free in the form of a deduction against Federal income tax liability, and IRA's must be allowed to invest in collectables.

Seventh, all decisions pertaining to the type of IRA and the amount contributed to an IRA shall be the responsibility of the individual.

Eighth, the earnings limitation now imposed on persons between the ages of 62 and 70 shall be eliminated. This will end the present practice of the Government discouraging older Americans to continue contributing their skills and knowledge in the marketplace.

Ninth, persons currently receiving benefits are to be notified that the system is bankrupt and his present benefit level will become a ceiling.

All future payments will be financed on an annual basis. The amount needed for funding will be derived from:

First, savings through the elimination of foreign expenditures—both military and economic;

Second, selling government property;

Third, proceeds from the minting and selling of American gold eagle coins to the public; and

Fourth, payroll contributions from people remaining voluntarily in the social security system.

The system can use general revenue only to the extent that its use is offset by implementing the first three items above. An increase in the FICA payroll contributions on those remaining in the social security system will be necessary to fully fund their retirement—and all promised related benefits—and to make up any shortfall realized after exhausting the aforementioned recommendations for funding benefits for present beneficiaries.

Mr. CONABLE. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Georgia (Mr. JENKINS).

Mr. RICHARDSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from New Mexico.

Mr. RICHARDSON. Mr. Chairman, I realize this social security reform package is built upon a delicate balance of compromise and concession. I also realize the importance of keeping the social security system solvent.

But, Mr. Chairman, I must express my grave reservation about one of the provisions of this bill. I am speaking, of course, about the provision requiring all new Federal employees to be included in the social security system beginning January 1, 1984. I believe this provision is unjust and unwise.

If newly hired Federal employees are brought within the social security system, I am deeply concerned that the absence of any new contributions being paid into the civil service retirement system could bankrupt that system in less than 40 years. If that happens, Mr. Chairman, who will end up funding the revenues needed to pay Federal retirement benefits? The answer is obvious: The taxpayers will.

The civil service retirement system is the crown jewel of Federal employment. The system is viable and solvent. During the past 2 years of Federal budget cuts, job firings and RIF's, proposed pay freezes, and increased health insurance costs, the one thing Federal employees have been able to cling to is their assured retirement program. To endanger that program now is to strike an unwarranted blow against our Federal workers.

Mr. Chairman, I am fully aware that this proposal will pass the House in its present form. But I want to take this opportunity on behalf of the American taxpayers and Federal employees nationwide to warn the House of the grave problems this bill may create. I hope and pray that we will not be faced with the task of forcing taxpayers to shore up a weakened civil service retirement program in the coming decades. But I must say, Mr. Chairman, that I doubt this issue will solve itself and disappear into the night.

Mr. JENKINS. Mr. Chairman, through the past several decades the Congress and the various Presidents of both political parties have been in the enviable position on being able to vote for increasing benefits and expanded coverage under social security.

Unfortunately, the same Congress and the same Presidents have been reluctant and, indeed, they have been adamant in refusing to increase the taxes to pay for these increased benefits that they so freely voted.

As is the case in any benefit program, there is ultimately a day of reckoning. At some time benefits must be paid for by someone.

It takes no political courage to vote to increase benefits or to expand coverage under social security. It does take some degree of responsibility to make the hard vote in preserving a good retirement system that 36 million people now depend upon.

If any Member of this House decides to oppose this measure I respect that right. But with that opposition, if you are to be fair with the American people in opposing this bill, you do have some degree of responsibility to offer the alternative that you support. If you have an alternative plan, I would think you have the responsibility to go before the Rules Committee and ask for a rule that would permit your plan to be voted upon on this House floor.

It is easy to be against a measure where there are some political liabilities, but there is a degree of responsibility that each of us in this body have to make the hard vote where that is necessary.

Sure, you can say this increases taxes. Well, what is your alternative to some increase or speed up in taxes?

Yes; you may say that this decreases benefits ultimately. Well, what is your alternative to that?

Yes; this includes new Federal employees and you could oppose the bill because you say that is unfair. Well, what is your plan? Do you want to increase the payroll tax today? Do you

want to increase the retirement age today for those nearing retirement?

The simple facts are unless you are a purist or unless you are finding some political reason to oppose the measure, then I think this package that is before us today, with whatever defects it may have, is probably the only measure that we will have the opportunity to vote on to preserve social security.

So I say, Mr. Chairman, there are many parts of it that I oppose, that I do not like. There are many parts of it that I opposed in committee.

There are some things that I wanted in the bill that I did not get. I am concerned about small business, the self-employed. I am concerned about a host of people.

But I say to this body that this is the only package that you will get to vote upon and if you vote against it without having offered an alternative, then you are simply saying, "I would prefer for the present social security system to go bankrupt rather than to muster up the political courage to vote for the bill." I urge my colleagues to support this legislation.

Mr. CONABLE. Mr. Chairman, I now yield 3 minutes to the gentleman from Florida (Mr. MCCOLLUM).

Mr. MCCOLLUM. Mr. Chairman, we are at long last facing this most critical issue of social security free from the demogoguery and acrimony that prevailed on this subject over the last 2 years. It is long overdue that we finally face the issue foursquare, and it pleases this Member greatly to see that occur.

Our senior citizens in this Nation deserve better than they have received in this regard over these last few months. Their fears have been unduly inflamed and we all should be saddened by that fact of unnecessary disturbance.

Our young people, the people of my generation and younger deserve the kind of consideration that we are now giving to this legislation because they have in essence lost the faith not only in social security but in a lot of other aspects of our Government.

There are parts of this reform package that I strongly dislike. I join with some of my colleagues who commented earlier in my dislike of the provisions in this bill that would require those who have $25,000 and more income and are retired to report as part of their taxable income social security benefits and have them be included as part of income for the purpose of computing income tax liability.

I dislike the part in this bill which speeds up the social security tax increases which were enacted sometime back in other Congresses.

I dislike the portion of the bill that provides for harsh and large self-employment social security tax increases starting immediately instead of spreading the increases out over some period of time.

The checklist could go on to detail preferences on my personal part. But I believe that this bill is the bill. It is a compromise and I have spoken with many of my constituents about this bill and I can tell you today that they want to see a compromise passed to gain security for the social security system.

□ 1320

They recognize as I do that this is an imperfect bill and that probably those who are promoting the bill as long-term panacea will find that that is not so and that unfortunately we will be revisiting it again. They also share with me a great concern that we adopt something like—and today it is the only vehicle—the Pickle amendment, which would provide for the increasing of the retirement age for the younger generation rather than the increasing of taxes which I can assure you both the young and older generations of central Florida definitely are opposed to. It is with this in mind that I come to debate very briefly today the merits of this bill, not happy with the bill but happy that we are addressing it in the kind of climate here and recognizing that it will be the only package to restore solvency to social security that we will have before us for consideration with any chance of passing in the near term and that with the long-term in mind we have the opportunity to adopt the Pickle amendment for a long-term solution.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, I rise in opposition to this bill and I urge the Members to reject it and send it back to the Ways and Means Committee with the message that the Members will not be railroaded into bad legislation. The faults of this bill are so many and so complex that I need not dwell on them greatly. My colleagues have been discussing them in great detail and it is obvious from the answers we have received from the committee that there is no one in this body who is totally certain of the extent of the harm that we will do here today by passage of this measure.

We have heard over and over again that we are in a crisis situation and that we must pass this bill or the entire social security system will come tumbling down. You know and I know that that is as far from the truth as we can get. The answer is very simple. If we reject this bill today and send it back to Ways and Means all that the members of that committee have to do is to pass out another bill calling for full funding of the Social Security Administration spending needs by the simple ratio of one-third wage earner participation, one-third trust fund system participation and one-third funding from the general fund.

I will say this to all of the Members: If we care enough about these programs to continue them on, then we ought to provide the financing for them and put it in our budget each and every year, rather than trying to hide these expenses by paying them out of a trust fund which was not designed for this. To take a healthy retirement system, such as the civil service retirement system, and deliberately kill it off so that you may use the money as a prop against deficiencies in social security income is as unfair as it is dumb. We are going to wind up with huge numbers of new social security recipients who otherwise would not have been part of the system and we are simply leaving it to future generations to pay for the mess we are creating. Even worse, we are doing this not for a final solution to this nagging problem, but for a short-term infusion of cash which a few years from now will run out and leave the problem still in place. Who do we go after the next time?

Like all of the Members I have followed this question as carefully as possible because I have spent a lifetime it seems in this body and I have never yet failed to support the social security system when it needed my vote.

I believe I am acting for the best interests of the social security system and its recipients in opposing this bill today. This bill was devised behind closed doors in cooperation with an administration that has not yet shown any real concern for the elderly, the poor, and the disadvantaged of this country, and it is being ramrodded through this House as fast as possible because the sponsors know that if the Members ever get a chance to think about it, they could not support what is in this bill.

This bill is bad for America because it is the wrong answer to the needs of the social security system and the people it serves. It is full of little gimmicks that no one has had a chance to talk about because of the overriding concerns of how we pay for our social security needs. Has anyone to your knowledge talked about what it means to allow the Treasury Department to credit trust funds at the beginning of each month for the amount of payroll taxes estimated to be received during the month? It is not a bad boon for the bankers with whom the funds will be invested, but we have learned the hard way in this body not to let Federal agencies deal with financial estimates. Funny things happen when agencies estimate income and get credit for it.

We are creating a financial body count that will be as misleading as those infamous reports we used to get

from South Vietnam where each month we won the war but never made any progress.

This bill quietly notes that the trustees are authorized to offer new remedial plans when the trust fund becomes unduly small. It is interesting that a bill that purports to offer a final solution to this nagging financial problem, would quietly put in place the apparatus for the next crisis. The bill also puts in place, again I have heard no real discussion about this, a small bit called interfund borrowing, a latent can of worms if ever one existed.

We know, of course, what harm we are doing with this bill to Federal employees and Postal Service workers and to people who work for nonprofit organizations or States and local governments and owners of small businesses. Is there anyone left, I wonder? But do we fully realize what else we do to those who earn the money and pay the taxes that support our excesses.

In 1976 at the end of the session the Ways and Means Committee brought to the floor under a closed rule a bill which was said to be the ultimate solution to the problems of financing social security. Like this bill today, that bill in 1976 was pushed through—ramrodded through—this House because of the impending crisis.

Failure to pass this bill, we were told, would result in the immediate crumbling of the social security system. We were urged by the White House and the House leadership to pass that bill despite our reservations with it because any inequities that might be found within it could be corrected after the bill was put in place.

It was not until early in the following year that Members of the House realized the extent of their folly. We had passed a bill that greatly increased payroll taxes across this land for social security, but we had also not solved the problem. And so we are back here today being told once more that we must act blindly now with full faith in the pledge of the White House and the Ways and Means Committee that passage of this bill will solve our problems.

We are told to put aside our reservations about the harm we do to others in our haste to solve this problem and we are told that passage of this bill which we may not change will solve the financing problems of the social security system once and for all.

I was wrong in 1976 when I supported my White House and the House leadership and voted for that social security bill. I thought I was acting to help social security, but all I was doing was following the blind leading the blind. I have that sense that the same thing is happening today and it is something I cannot abide. I urge the House membership not to accept what we are offered either.

I said earlier today that I bow to no person in this body over the last two decades of service in my support of the senior citizens of this country. I believe that passage of this bill today is a disservice to them as well as to the millions of Americans whose personal retirement systems will be bankrupted by this bill. Passage of this bill today will ultimately result in the bankruptcy of the social security system as we know it and it is my prediction that the Congress within no more than 5 to 10 years will be called upon again to take still another remedial action to save the social security system. I would hope that by refusing to swallow this bill whole today, we might create the atmosphere for taking the time to find a proper solution to our financing problems for social security. I think it is an important enough issue to devote more than 4 hours of general debate to a bill that affects all Americans well into the next century.

I see no reason why the Members of this body cannot have the right to offer amendments they believe are pertinent to this measure. I refuse to accept again the concept that only the Ways and Means Committee has the experience and intelligence to write this bill. Indeed, following our experiences of the past with remedies for the social security system, we stand a far better chance of helping our senior citizens and the other recipients of social security by rejecting this bill out of hand.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. I believe that the social security compromise reported by the Ways and Means Committee is a generally fair and effective package, that will solve most of the problems plaguing the social security system. However, a few elements of this package should be reconsidered on the floor, since they cast a pall of unfairness over the whole compromise.

The first, the harshest, problem with this package is the 6-month delay in cost-of-living adjustments that would push back the necessary inflation adjustments for our senior citizens to January 1984. We have heard much about the plunging inflation rate during the last year but even a 4-percent increase in prices means a 4-percent decrease in purchasing power for the elderly.

Perhaps a 4-percent pay cut would not be important to anyone in this Chamber, but it could be a matter of life and death to senior citizens who already eke out a bare existence, caught between skyrocketing medical bills, steadily mounting fuel bills, and rising food prices. One third of our over-65 population are women who are living alone. These women must make do with an average annual income of $6,000, and I think we all know that the bare necessities of life eat up most of that $6,000. A 4-percent pay cut due to inflation means $240 less to spend, and a harsher life for our senior citizens.

Elderly women living alone are not the only ones who will suffer from this cut. Nearly one-fourth of all people over 65 count on social security as their sole source of income, and a full 65 percent say social security is their predominant source of income. These people will all be badly hurt by a penny-pinching attempt to squeeze a few more cents from the least-well-off citizens in our country.

We are told that these COLA delays are done to spare those currently working from further increases in their social security taxes, yet when we look at the most recent public opinion polls, the COLA delay is opposed by a far greater percentage of people aged 18 to 29 than of people aged 65 and over. Forty-seven percent of the senior citizens oppose this COLA delay. The elderly, as always, stand ready to make necessary sacrificies to promote our economic health and the safety of the social security system. But we should not ask for sacrifices by the less well off, when the privileged and healthy can be asked to bear their fair share.

So, I will oppose the COLA delay in the compromise, and support the amendment to be offered by Congressmen PEPPER that would institute an employer/employee tax rate increase of 0.53 percent in the year 2010. A tax increase of one-half of 1 percent, nearly 30 years from now for people still at their prime earning power, is much more fair than an income cut of 4 percent this year for people who depend upon the little income they get from social security to survive.

I will also oppose the so-called bend points shift that would have the effect of reducing the initial benefit levels for every worker aged 42 and under, and will cut the benefits of those workers 37 years old or younger by at least 5 percent. While tax rates are increasing for current workers, we would be taking benefits from them through the back door, if this shift became law.

A third area of great concern is the inclusion of new Federal employees in social security. It is imperative that we recognize our commitment to current Federal employees and the soundness of their retirement system. Members of this body have been deluged with calls, letters, and visits from justifiably worried Federal employees. They want and deserve tangible assurances that their retirement system will be preserved. Immediate action must be taken to address the issue of the future of the civil service retirement system in the event that new Federal

employees are brought into social security. We must give them more than promises. We must demonstrate that, when they are ready to retire, the funds will be available to provide the benefits they have been told they would receive.

I hope to support this social security package in final passage, but without reconsideration of the COLA delay provisions, the bend-point changes, and the plight of Federal employees, the pall of unfairness still hangs heavily over the compromise.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. I thank the gentleman from New York for yielding.

Mr. Chairman, while I have several concerns with the legislation now before the House, my 2 years as a Member of Congress have shown me that rarely, if ever, can the necessary compromises which must be made in this body satisfy every Member. At the risk of repeating what several other Members have said before me, this is not the package I personally would have written. To me, it relies too heavily on the mandatory generosity of working Americans without making the structural changes necessary to guarantee the long-term survival of the social security system.

But I do realize that this is the best package that will see the light of day in this Congress, and that we cannot afford to run the risk of harming social security recipients through our inability to move this legislation.

The package that the Commission submitted to the House Ways and Means Committee does not solve all the system's problems; indeed, I believe that we will find it necessary to solve other of the system's problems as they become more evident in the future. But the package that the Ways and Means Committee reported to us insures that the system will be funded and kept solvent for those who rely on it. For 2 years now, our President, the Congress, and the Social Security Administration have told us that the system could not stay afloat much longer. I think that we have come to the point where any further delays would seriously jeopardize benefits to the millions of Americans who we, in Congress, have promised to pay. Though I did not make those contracts, I nonetheless feel bound by them.

We may find it necessary later to address the long-term funding problems in a more concrete way; we all should see that the package before us will accomplish the necessary: It will assure the millions of Americans who receive benefits that the long 2 years of partisan posturing on this issue are over, and that their benefits will not be curtailed. We owe them that much, and I think it is about time we delivered.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. FIELDS).

Mr. FIELDS. Mr. Chairman, without being overly dramatic, we, in this Chamber, today must recognize that we begin this historic debate with the future of the social security system hanging in the balance.

It is our responsibility and our duty to restore the financial health of the social security system. If we fail to act, social security will become a broken contract between the Federal Government and the 36 million current social security recipients, and will become a relic, a lost dream, for the more than 110 million Americans who will be entitled benefits sometime in the future.

While the goals of the social security system have changed dramatically since 1935, the fact remains that social security today is the primary retirement system for more than 90 percent of our population and it is the means by which the 36 million current recipients survive.

What Franklin Roosevelt said on August 14, 1935, is as true today as when he signed the original Social Security Act:

> We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.

Mr. Chairman, we are all aware that H.R. 1900 is the product of a long and highly charged public debate. For too long, social security has been used and abused by one party or another for political gain. Social security is not a Republican issue; it is not a Democratic issue; it is an American issue, and I am pleased we have finally put aside partisan politics, that we have finally eliminated the demagoguery of the last campaign and that we have finally arrived at this bipartisan solution to insure the survival of the social security system.

Mr. Chairman, I have studied the intricacies of the social security system carefully and have provided the residents of the Eighth Congressional District of Texas with various opportunities to present their views on this critical issue. In addition, to more than 100 town meetings, I conducted a total of 4 social security hearings in the Houston area in January of 1982 and in February of this year.

In fact, my congressional district is the only district in the United States whose residents had opportunities to give their suggestions firsthand to Dr. Robert Myers who, shortly after his visit, was named Executive Director of the President's National Commission on Social Security Reform. As my colleagues well know, Bob Myers is one of the foremost experts on social security and in fact, has worked for the social security system in various capacities since it's creation in 1935. I believe a great deal of credit must go to Bob Myers for the National Commission's success in reaching a bipartisan agreement to save the social security system, an agreement which served as the basis of this legislation.

Mr. Chairman, I have made my decision to support this legislation only after close scrutiny of its individual provisions and their effects on each segment of our population. I am sure there are many Members, like me, who personally find some provisions in this package objectionable, provisions we would not normally support.

I myself, am particularly troubled at several provisions including the 6-month delay on payment of the annual cost-of-living adjustment, the increased taxes on self-employed persons, the acceleration of certain payroll taxes, and the taxation of social security benefits for individuals or couples earning more than $25,000/$32,000 a year.

At the same time, I am pleased this package has incorporated certain changes I have supported for the last several years. These changes include: Increased tax benefits for those Americans who desire to work beyond age 65, ongoing benefits for disabled or widowed spouses who remarry, continued interfund borrowing, the establishment of a realistic process to deal with uncashed social security checks and the removal of social security in 1988 from the Federal budget.

In addition I am disappointed that the package does not eliminate the earnings limitation on people over the age of 65. This provision prevents some of our most productive and experienced citizens from contributing to our system and in the workplace.

Unfortunately, we do not have the luxury to support only our own favorite provisions. We must act now responsibly on this package of amendments. Even with its shortcomings, this legislation will insure that social security has enough money now and in the years ahead for the millions of Americans entitled to receive social security benefits.

Mr. Chairman, at this time, I would like to briefly say a few words to our postal workers and other Federal employees. While I know you honestly believe the inclusion of new postal workers and Federal employees will be detrimental to your own retirement system, I want you to know that neither this Congress, nor any future Congress, will allow your retirement system to become insolvent. I believe the Federal Government has made a contract with you, and I will do everything I can now and in the future to insure that your retirement system is sound and that you will receive your due benefits upon your retirement.

Mr. Chairman, let us hope and pray that by passing this legislation today, we have, together, saved the social security system from financial calamity, and have insured that no retired American, now and in the future, will have to worry about whether he or she will receive the social security check he or she is due.

As Abraham Lincoln once said, "If there ever could be a proper time for mere catch arguments, the time surely is not now. In times like these, men should utter nothing for which they would not willingly be responsible through time and in eternity."

Mr. Chairman, let us now put aside our political differences and for the good of our great Nation and for the good of retired Americans who have worked their lives to make our country great vote to approve H.R. 1900, the Social Security System Amendments of 1983.

Mr. CONABLE. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from New York (Mr. CONABLE) has 39 minutes remaining and the gentleman from Illinois (Mr. ROSTENKOWSKI) has 37 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. I thank the chairman.

First of all I would like to, along with others who spoke before me, commend Mr. PICKLE, the chairman of the Subcommittee on Social Security for the very fine job he and others have done to bring this bill to the floor of the House. In January of this year, if we would have thought this bill would reach the floor in the second week in March, people would have thought we were crazy.

It is through his leadership that we have this bill on the floor at this time.

I would like to enter into a colloquy with the chairman of the committee. The D.C. employees indicated to me there is some ambiguity as to whether or not they are under social security under the terms of the committee report. Would the chairman advise me whether the D.C. employees will be covered by social security?

Mr. ROSTENKOWSKI. No D.C. employees are affected by the coverage provisions of this bill. They are not considered Federal employees for this purpose. So the employees of the District are not at all affected.

Mr. MATSUI. I thank the chairman. Speaking of Federal employees, Mr. Chairman, I would just like to add one thing: If the bill had been divided up so that amendments were to be offered, I would guarantee you that there would not be a bill passing the floor of the House of Representatives this afternoon because you can eliminate Federal employees, we can eliminate the 6 months' delay in the cost of living, we could eliminate the increase in the various taxes that will be imposed, and we could end up without a bill. Now, let me address the Federal employee issue, if I may.

I have a number of Federal employees in my district, some 20,000, and I might say that over the last 4 years I have been one of the staunch supporters of Federal employee issues, probably close to 100 percent in my voting record, of those issues of concern to them. I would like to set forth some facts, if I may, that we gathered from the deliberations of the committee when we had our hearings.

First of all, with respect to the civil service retirement system, those 40 different systems within the trust fund, our actuaries have said there is $560 billion of unfunded liabilities in that system. So that system is not, at this time, a sound system, but in fact it will need an infusion of Federal dollars in addition to what is being put in now in the years to come.

In addition to that, with respect to the supplemental system that will be set up, I know that many of the Federal employees in my district were unaware of the fact that Mr. ROSTENKOWSKI, Chairman FORD and the Speaker, have sent a letter to all Democratic Members stating that they will maintain and protect the integrity of the current Federal employees retirement system.

□ 1330

And when that letter is delivered to my constituents most of their fears are alleviated and their concerns that their system is in fact in jeopardy is somewhat reduced.

And let me conclude by setting forth some facts that the committee used in putting new Federal employees under social security.

First of all, 50 percent of the Federal employees that go into the work force do not—I say do not—receive any civil service retirement benefits. And those are usually the lower income employees. They are the ones who eventually go into private industry, and they are the ones who lose the period of time that they have been in Federal service and do not accumulate any social security credits.

In addition, there is the portability factor with respect to social security. If a person is in the Federal retirement system today and he wants to leave, then he does not accumulate benefits under the civil service system.

And third, and perhaps most importantly, those Federal employees who will be under social security will receive disability benefits and death benefits.

I think the Federal employees, instead of fighting this issue, which is really a nonissue for those Federal employees frankly who are currently in the work force since they will not be covered by social security, they should be fighting the wage freeze that the administration is proposing. They should be fighting the restructuring of their retirement system.

So I think the Federal employees really should begin to divert their attention to the budget issues which will be coming up in the next few months.

And in conclusion, Mr. Chairman, I would only like to say that frankly the groups that have been most helpful in this effort have been the senior citizen groups. I suppose that is partly because the gentleman from Florida, Mr. CLAUDE PEPPER, has been their leader in this effort.

When I went back home and talked to some of them and I advised them of the 6-month delay in their cost-of-living benefits, most of them were courageous enough to say if all of us sacrifice, then they are willing to sacrifice too.

So I urge that all Members vote for this bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, we are facing a difficult and important decision today. Our Nation's retirement system is in trouble and Congress has a responsibility to find an equitable and responsible solution to the financial problems facing the system.

I have the utmost respect and regard for the bipartisan commission that worked so diligently to make recommendations. I also respect the Ways and Means Committee for their efforts to adapt these recommendations into legislation for consideration by the full House.

I am deeply concerned about particular aspects of this package and I am reflecting the concerns I have heard from my constituents.

First, the delay in the cost-of-living adjustment will place an unfair and heavy burden on our Nation's elderly, especially those at the lower end of the benefit spectrum.

Second, I think there is a myth about Federal employees getting some kind of free ride. I think many people in this country are unaware of the significant contribution Federal employees have made to this country. They have been under assault for too long. It is unforgivable that Federal employees continue to be the scapegoat for our Nation's budget problems. They have made significant contributions to their retirement system and are now being asked to sit by passively and accept a major change in that system with no guarantee that it will be there when they need it.

I think this is outrageous. It is unfair to current employees, and places an unbearable financial burden on new employees. We risk losing the

best employees we have, and being unable to recruit talented newcomers.

Third, I think more serious attention should have been paid to the use of general revenues in specific and limited circumstances. For instance, there could be trigger mechanism such as a certain unemployment level, which would cause general revenues to kick in, and then kick back out when the unemployment level went back down.

Finally, we must continue to be conscious of the burden that any more increase in payroll taxes will place on the self-employed and on business, small business in particular.

I am going to vote for this legislation despite my misgivings for one reason: I cannot and will not play chicken with the checks that many of our senior citizens depend on for their food and shelter.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, I would like to begin my comments with commendations for the chairman of our committee, the gentleman from Illinois (Mr. ROSTENKOWSKI) and for the chairman of the subcommittee, the gentleman from Texas (Mr. PICKLE).

It is clear to me what without their expertise and their dedication and their political skill this bill would not be on the floor today in as good a shape as it is in.

I also want to express appreciation to the members of the National Commission on Social Security for the thankless task that they took on last year in trying to construct a response to the difficult social security income and pay-out situation. They said when they were finished that none of them would have drafted exactly the plan that they finally agreed on. And I feel the same way.

In particular, if I were doing it, I would want to make sure that new Federal employees were protected with their own supplemental Federal pension system before this provision takes effect.

On another subject, Mr. Chairman, I am particularly pleased that the committee approved an amendment which I offered in cooperation with the gentleman from Michigan (Mr. TRAXLER) that makes it clear to the Department of Labor that any benefits under the Federal supplemental compensation portions of the bill are not to be reduced by any trade adjustment assistance allowances which individuals have received. Unfortunately, the Department of Labor has interpreted the intent of Congress to mean that persons who have received TRA benefits in the past were essentially employed and consequently qualify for less or even no extended benefits.

The amendment which we adopted takes care of that.

The Federal supplemental compensation program itself, due to expire on March 31, is extended until September 30. For workers who will have exhausted their benefits before April 1, the bill allows additional benefits up to a maximum of 10 weeks in the States with the highest unemployment. These so-called reach-back benefits will go a long way to alleviate the suffering of long-term unemployed workers who need it the most.

Mr. Chairman, the Social Security Amendments of 1983 is a tough but crucial package that is essential to improve the health of social security. It is clear to me now that this bill must pass today if social security is to be secure.

I urge the passage of the bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. SMITH).

Mr. SMITH of Florida. Mr. Chairman, I rise to support H.R. 1900, but I do so reluctantly.

When I testified before the Social Security Subcommittee on February 4, I asked that it look at what the proposed reform package might do to those who have retired already or who are close to retirement. I especially wanted the subcommittee to consider the potential impact of other proposals, mostly in the fiscal year 1984 budget, that would affect older Americans. In particular, I asked that a social security reform bill be equitable.

Is H.R. 1900 better than the recommendations of the National Commission? Yes; some improvements have been made.

The National Commission's recommendation for the taxation of certain benefits has been improved. I told the subcommittee that initiating even a limited taxation of benefits would be asking the people to accept a change in the rules late in the game, a game that for many social security recipients is in the bottom of the ninth inning. In addition, as a member of the Social Security Task Force of the New Members' Caucus, I supported a change in the so-called notch effect, a quirk that would have required some people whose benefits would not be affected by the tax to realize greater total income than the person just over the income threshold.

The bill before us is better than the original compromise from the National Commission. First of all, the income levels above which benefits might be taxed has been increased—from $20,000 to $25,000 for a single person and from $25,000 to $32,000 for couples. In addition, by applying the tax to the amount by which income exceeds the base amount, the notch effect is eliminated.

Another matter that I raised with the Social Security Subcommittee was the cumulative impact of social security reform plus decreases in other programs and/or increases in cost to the elderly. I believe that the new prospective payment section could help reduce medicare costs and the resulting strain on the medicare portion of the system. More importantly, this improvement is being done without having to increase the copayment for the individual medicare beneficiary. In this way, the cumulative impact on the social security recipient will not be as great as it would probably have been.

It seems, Mr. Chairman, that enough Members expressed the concerns of their constituents, and the subcommittee and full committee heeded them. We were able to obtain some changes in the basic bill.

Without question, the COLA delay will impact many social security recipients. Yet, the bill does not affect their basic benefits. On balance, they are being asked to accept a delay of 6 months in their COLA's for the preservation of the underlying social security program, at a time when the COLA will be the smallest in years.

I certainly understand the position being taken by active and retired Federal workers and their anxiety about the future of civil service retirement. We cannot vote separately on the Federal workers provision of H.R. 1900. But, I want to state emphatically that I shall oppose administration efforts to reduce compensation and benefits or increase the retirement age for Federal employees and shall support the establishment of a civil service retirement benefit for those Federal workers who will be covered under social security.

H.R. 1900 is better than the original recommendations of the National Commission. The opponents of the bill have advanced no real alternative, insofar as I have been able to judge. The final analysis, the bottom line, Mr. Chairman, is this—if the House refuses to pass H.R. 1900, we may well jeopardize the entire social security system in a matter of months. We cannot permit this to happen.

Social security is more than a program to help older Americans in their retirement years. It has become the symbol of the commitment of Americans to promote the general welfare. The small sacrifices that each of us, including Members of Congress, will be making if this bill is passed will help insure that the social contract remains strong and effective, and the future for retired Americans and future retirees remains bright.

I, therefore, intend to support H.R. 1900.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Republican policy committee, my friend, the gentleman from Wyoming (Mr. CHENEY).

Mr. CHENEY. Mr. Chairman, I rise today in support of H.R. 1900, a bill

which will take the first steps toward the goal we all seek—to make social security secure again.

I rise in support of H.R. 1900 not because this is perfect legislation, but because it will allow us to take the first steps back from the brink that the actions of past Congresses have led us to. If we are to avoid falling over that brink, and avoid witnessing the social security system tumble into total fiscal collapse within the immediate future, we must take this first faltering step, and write H.R. 1900 into law.

We faced that prospect of the financial insolvency of our Nation's retirement system just months ago, and were able to avoid it by taking emergency, stopgap measures, that kept millions of benefit checks written to this Nation's retirees from being returned from our banks stamped—"Non-Sufficient Funds."

Mr. Chairman, there is no tomorrow. We were able to temporarily postpone that impending crisis a few short months ago, but in the next few days and weeks we must face the problems of social security head on and move to bring this crisis under control.

Mr. Chairman, I said earlier that H.R. 1900 is not perfect, but it is the only bill we have before us, and it is the only legislation facing us that provides an avenue through which the problems of the social security system as they have developed during the last 47 years can be corrected. Those problems—including the expansion of the number of people eligible for social security benefit payments, expansion of the types of coverage of the system, and the building into the benefits programs of guaranteed payment increases—have all combined to leave us facing a certain financial shortfall of between $150 billion and $200 billion between 1983 and 1989.

Only by taking the minimal steps called for in H.R. 1900 can we hope to have a chance of hurdling that gap. We must expand the numbers of workers paying into the social security system, find a way to slow the guaranteed growth of benefits to realistic levels, control costs in special programs of the system, broaden the tax base on which the financial security of the system depends, and change our concept of retirement and coverage of the system.

The basic actions needed are all provided in H.R. 1900. That final step, raising the age of retirement to slow the growth in the future of the population moving into the benefits system, is provided for by the Pickle amendment in such a way that it will have no harmful impact on any American looking forward to starting to receive benefits before the turn of the century, a virtually pain free change, so to speak. Yet it is a change that is absolutely mandatory if we are to move the underlying concept of social security out of the philosophies of the early years of this century. Then the end of an American's working years and lifespan were both expected by age 65. It moves us forward to the present—and the start of the 21st century. It recognizes the vast changes that have taken place in the nature of American society and life. It prepares us, the social security system, and all Americans looking forward to eventual retirement, to a realistic, and secure, future.

Mr. Chairman, the House Republican policy committee, of which I am chairman, has considered both H.R. 1900 and the Pickle amendment, and has supported both in an official House Republican policy statement, as follows:

STATEMENT NO. 1, MARCH 8, 1983

House Republicans are dedicated to preserving and protecting the Social Security system as the bulwark which protects all Americans during their retirement years.

It must be noted, however, that past attempts to correct problems in the Social Security program have been unsuccessful because they have been "quick-fix" remedies, and not the long-term, permanent changes needed to rebuild the system's fundamental flaws. One of the basic problems is rooted in the scope of coverage which has changed with the passage of time since the origin of the system. The Pickle Amendment to gradually raise the age of retirement under the Social Security system partially addresses this problem. Therefore, while the bill before us is not perfect, the House Republican Policy Committee nevertheless joins with President Reagan in urging House Republicans to support H.R. 1900 with the Pickle Amendment to preserve and protect America's Social Security system.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota (Mr. DORGAN).

□ 1340

Mr. DORGAN. Mr. Chairman, I would like to rise in support of this bill.

The social security compromise is just that, a compromise, but a reasonable one and the right thing, in my opinion. All of us in Congress have been to meetings in our districts and we have talked to retired people. I recall one woman in particular who was crying as she said to me, "Please, Mr. Dorgan, please don't let them cut my social security check. I get $214 a month and it is the only money I have."

We have all talked to folks like that and the fact is people are frightened in this country that we are going to cut basic social security benefits. For many of them it is the only money they have to live on.

This bill is a compromise bill that helps repair the social security system without cutting basic benefits for American retired people and that is an important thing for everyone to understand.

More important than that, it is the right thing to do. Everybody who has spoken today has said, "Well, there are parts of this bill that I don't like, or don't agree with." There are parts of it that I am not crazy about, either; but it is a compromise and it does make sense and it is the right thing to do and it has good bipartisan support. I think that is pretty terrific.

There was an old fellow once in his eighties who was asked by a reporter, "Well, you have seen a lot of changes in your life at age 80, haven't you?"

And he said, "Yes, and I have been against all of them."

There are a lot of folks that way who are against everything all the way along the line.

The easiest thing in the world is to be against everything. We know folks in this Chamber who vote no on everything. It does not matter what the merits are, they vote no. It is the safest and easiest thing in the world to do; but the fact is that a whole lot of us in this Chamber on both sides of the political aisle have a responsibility and that is to make sure that the social security promise is a promise this country keeps.

The social security program in my opinion is a crowning achievement in this country. In the fifties over 30 percent of the elderly in this country were living at or below the poverty line. Today that is nearly cut in half.

Social security is a good program. It is a program worth fighting for. The solution that we have come up with is not perfect, but it is not bad, either. It is a solution that gives a promise to senior citizens that we care about this program and that we are going to do the things necessary to make sure this program is financially sound and solvent throughout our country's future.

One final point. In this bill, I was able to attach an amendment that takes the social security system out of the unified Federal budget. I think it ought to be a separate trust fund once again as it was prior to 1969. It ought to be made solvent by itself. Let us not tempt people to use the social security system to fund other ideas or other programs here in the U.S. Congress.

Let us once again restore social security to a separate trust fund status outside the unified Federal budget. That is now in this legislation as a result of an amendment that I proposed in the Ways and Means Committee and I think it is another mark of distinction for a compromise that I intend to support.

So I urge other Members of Congress to support this very important legislation and I congratulate all Members on both sides of the aisle for the work they have done on this issue.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the distinguished

Member from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON. Mr. Chairman, I rise today in support of H.R. 1900, the Social Security Act Amendments of 1983.

No one in this Chamber will be unaffected by the actions we will take today in considering this far-reaching and comprehensive legislation, designed to save our Nation's most important program—the social security system—from bankruptcy. The decisions we must make today are not easy for any of us nor the consequences of those decisions easy for those we represent to bear, but they are necessary decisions if this great Nation is to fulfill what I believe is one of our most important responsibilities, the responsibility to assure our senior citizens, our parents and grandparents, ourselves, and our children, a secure and dignified retirement.

I commend the President's National Commission on Social Security Reform for its comprehensive report, without whose guidelines and recommendations this debate would have been impossible. Were it not for the foresightedness of President Reagan in recognizing the enormity of the problems which threaten a program of profound importance to the people of this Nation and his prompt action in appointing a bipartisan Commission, there would continue to be doubts as to whether our democratic form of government, and the leaders of this country, had the courage to solve extremely difficult problems that require a sharing of burden.

The distinguished gentleman from New York, Mr. CONABLE, deserves our special thanks for his leadership, both as a member of the Commission, and on the House Ways and Means Committee. The dedication and commitment he and Chairman ROSTENKOWSKI have displayed are examples for all of us here today.

I believe we owe it to our constituents to rationally and clearly explain why we must act immediately. Very simply, the social security OASDI fund faces shortfalls of between $150 billion and $200 billion over the next 7 years. In addition, Americans are enjoying the benefits of great advances in medicine and living many years longer than in decades past. The ratio of workers supporting retirees is 3 to 1 and is expected to fall to 2 to 1 in the next decade. Fewer workers means the collection of fewer dollars in payroll taxes to support the growing numbers of retirees who are enjoying longer and healthier retirements.

Unfortunately, the many changes enacted by Congress since 1937, when payroll taxes were first collected, did not result in a sound social security system capable of assuring current and future retirees the income support they deserve and we, as a Nation, are capable of providing. Failure to enact further reforms means the social security system will be unable to pay its bills beyond July of this year.

While the Congress was unable to come to any agreement on a legislative package during the last session, the Commission was able to provide the kind of expert and bipartisan forum so necessary to a fair and sound solution to one of the most difficult problems to be addressed by the Congress. While I do not favor all the recommendations of the Commission, I commend the effort to share equitably and balance the burden of the reforms between beneficiaries and members of our Nation's work force.

I want to call attention to one important feature of the package that would allow better management of the social security funds. Legislation which I have cosponsored is included in the bill to provide for a one-time, retroactive lump-sum payment to the funds from the general fund, equal to the amount of past uncashed checks, and a procedure to credit the trust fund on a regular basis with the value of benefit checks not cashed within 6 months of issue.

H.R. 1900, for the first time, recognizes specific problems encountered by women. Although the reforms are modest, they will go a long way to improve the situation for widowed, disabled, and divorced women. The bill removes gender-based distinctions, and includes provisions: To continue benefits for a surviving divorced or disabled spouse who remarries, to increase benefits for disabled widows and widowers and for widows whose husbands died before the widow became eligible for benefits, and to allow divorced spouses to draw spouse's benefits at age 62 whether or not the former spouse has retired.

In addition, I am pleased H.R. 1900 improved the Commission package by increasing the amount of income elderly individuals and couples receive tax free, and addressed the notch problem by phasing in the amount of income to be considered taxable.

Although I have grave reservations about the proposal to increase the tax on self-employed individuals, I believe the committee improved the bill by providing self-employed individuals a tax credit to in part, offset the increased payroll taxes.

I am also pleased the committee members included in the legislation a 6-month extension of the Federal emergency jobless benefit program from April 1, 1983, through September 30, 1983. An important addition is a voluntary program whereby States may deduct an amount for health insurance from the unemployment benefits otherwise payable to an individual if he or she so chooses.

Nevertheless, I believe the Congress should act to provide the absolute assurance that all the pension rights of current workers are protected and that we stand firmly behind the provision of all promised benefits and the enactment of a supplemental pension plan that, in combination with social security, will provide new Federal employees retirement benefits comparable to those of current public employees. I believe we would be doing our hardworking civil servants a disservice were we not to design a plan that, when combined with social security, will supply at least as good protection and benefits as the present retirement system provides.

Finally, I have strong reservations with regard to the 6-month delay in the COLA. It will mean a small, but significant loss of income to many who can ill afford it. I would urge the Social Security Administration to notify all beneficiaries of their possible eligibility for SSI and for the protection from the COLA delay provision in this package. If the low-income elderly are protected, as intended, a portion of the hardship this package imposes will be alleviated. I ask the Social Security Administration to provide the outreach to assure this protection.

Finally, Mr. Speaker, I would like to share the views of two of my constituents about the urgency of the situation before us. One writes,

> As one social security beneficiary, I know that unless I am willing to help my Government get onto a sound fiscal track, I and those who come after me may lose not only all benefits, but could lose the Government. It is clear to me that if we all don't work together, enduring together certain hardships and sacrifices to protect the Government and its integrity, we may indeed lose it.

And in the words of another:

> But do something so that my wife and I can properly plan for the future. We have both put our money into the system along with our employers for the past 40 years, and we are very concerned about our investment.

I believe the action we are taking today will reassure these individuals and indeed all Americans that by enacting fair and balanced, though tough reforms, we have protected their investment and their future.

Mr. Speaker, I hope my colleagues will join me in supporting passage of H.R. 1900.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Californa (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, two-thirds of older Americans depend on social security as their main source of income. It is virtually the only source of income for over 6 million older Americans. Failure to pass legislation to address the short-term funding problems of social security would in my opinion be an unforgivable abdication of our responsibilities to all the 36

million retired, disabled, and widowed beneficiaries.

I do not know of anyone that supports every component of the short-term financing proposals. I have myself reservations about several provisions. Certainly any delay in the COLA will be a hardship for millions of social security beneficiaries—a hardship that we all wish we could avoid. I also think that we should be giving more concrete assurances to current Federal workers that their full retirement benefits will be protected and they will be in future legislation. I am also uncomfortable with the provisions to tax benefits and am disappointed that the tax credits for workers and self-employed persons were not expanded. But this compromise is the only thing before us; we do not have any options to improve the short-term package. Our choice is an up-or-down vote, and I will vote to keep the checks going—as we have promised. Passing this legislation may be the best chance we have of keeping our promises.

Mr. Chairman, although we have no choice in regard to the short-term proposals, we do have a choice about how to deal with social security's long-term funding issues. My committee, the Select Committee on Aging, held a hearing yesterday on the choices before us.

We heard from colleagues from both sides of the aisle, we heard from representatives of minorities, women, young people, and older Americans. And most importantly, we heard from current workers who will be affected by any change beginning at the turn of the century.

In my opinion, the testimony clearly demonstrates that the amendment offered by the distinguished gentleman from Florida (Mr. PEPPER) is the only vehicle we have before us which can signal to the American people that we mean it when we say we do not want to cut benefits. Our only alternatives are to accept the committee bill which reduces future benefit rates by more than 5 percent, or an amendment by the gentleman from Texas which cuts benefits by raising the age for full retirement. Only Mr. PEPPER's alternative preserves important benefit guarantees of current law which the other alternatives violate. Only Mr. PEPPER's alternative allows us to say we have kept our promises to current workers.

Mr. Chairman, the personal histories of two of our witnesses, Mrs. Maxine Witherspoon and Mr. Joseph Kendall, should give any Member reason enough to vote for the Pepper alternative.

At age 45, Mrs. Witherspoon has spent the last 18 years as a seamstress and a member of the International Ladies Garment Workers Union (ILGWU). She will reach age 62 in the year 2000 and, under the Pickle amendment, will be one of the first persons to have to choose between further reduced benefits or a delay in retirement. Mrs. Witherspoon, in her own words, is "scared and angry about this talk of changing social security." She said that she and her fellow workers would "lose confidence in our Government if we are forced to wait longer to retire. What's to say that when we get to be 50 or 60, that they won't make us wait until age 70."

Mr. Kendall, a former shipyard rigger, was forced—after two operations on his back and shoulder—out of his job in 1979. He was denied social security disability benefits even though the Department of Labor considers him to be 100 percent disabled. In his own words, Mr. Kendall, said:

> At age 51 I am stuck, I am disabled and cannot work at my previous occupation, but I do not qualify for disability benefits, my disability also prevents employers from hiring me for a different occupation.

Mr. Kendall reports his situation is not unique among shipyard workers, steelworkers, and other industrial laborers. In fact, he reports, and my staff verified, that social security studies show that 80 percent of denied disability applicants never again find gainful work. Based on these figures, in 1981 alone, 662,000 of 840,000 denied disability benefits will have no choice but to wait to age 62 to get reduced retirement benefits. Both the committee bill and the Pickle amendment would further reduce or delay these early retirement benefits. As Mr. Kendall says:

> We are doing the wrong kind of tampering with an already inadequate system.

I believe these witnesses dispel the widely held myth that America's future elderly will be so well off that they easily could tolerate postponement of retirement or a reduction in social security benefits. It simply is not true. Even the supporters of the proposal to raise the retirement age want to require a study to determine its impact. But we all know what the study will show—lower income workers, laborers, women, and minorities will be disproportionately disadvantaged by any reduction in benefits.

Social security is a social contract between this Government and the American people signed in 1935 to insure "against poverty-ridden old age." This contract has endured through the cash contribution of employers and employees and the confidence the American people have in their Government to protect them in their retirement.

Only Mr. PEPPER's amendment will prevent an abrogation of that contract. Only Mr. PEPPER's amendment will prevent a further erosion of confidence in Government among America's laborers, minorities, and women.

Mr. Chairman, as chairman of the Select Committee on Aging, I can assure you and the Members of this House that my committee will be vigilant in safeguarding the rights of today's and tomorrow's elderly. We will also be thorough in our oversight of the impact of this and any other legislation which effects this vital and often vulnerable segment of the population. As our charter requires, we plan to cooperate with the relevant legislative committees by bringing them creative, efficient, and effective solutions which will be of benefit to older Americans and to our society as a whole.

□ 1350

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Chairman, I rise in opposition to H.R. 1900, "to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes." While some contend that this package represents the sole alternative to the bankruptcy of the social security system, I am concerned that other avenues, which will not penalize certain groups, should receive more attention and consideration by the House Ways and Means Committee.

The package before you has been opposed by business organizations, senior citizens, and Federal workers, to name a few. Many self-employed individuals across the country are also opposed to the specific recommendation which will raise their social security tax rates.

I certainly share the concern that we must move to insure the solvency of the social security system. However, I cannot see the feasibility of creating further burdens for the elderly by directing the delay of cost-of-living adjustments due in July 1983 for 6 months. This is one such recommendation contained in the measure before us today. Ironically, many of the people affected by this adjustment are on fixed incomes which hardly keep pace with inflation. To delay the critical cost-of-living adjustments is to add to the existing burdens of excessive health care costs, housing costs, and others which must be borne, particularly by the elderly.

I would also submit that our self-employed individuals are being unjustly penalized under H.R. 1900. Once again, we are burdening our small businesses and individual entrepreneurs who are so vital to any hopes of an economic recovery. Most of these individuals and businesses are currently operating close to the margin of survival under present economic ills. The proposal to raise the social security tax rates paid by these persons is dan-

gerous and might render them totally incapable of sustaining legitimate operations. How we can impose this burden is beyond my comprehension.

Mr. Chairman, the many Federal workers who have visited and written my office confirm that the provision in H.R. 1900 which would extend coverage under the social security system to all newly hired Federal Government employees, including the Postal Service, is unwanted and unsound. They share my concern that this move would severely drain the assets of the current civil service retirement system. With the enactment of this proposal, newly hired Federal workers would no longer be paying into the present retirement system; due to the fact that contributions into the system from current employees are used to pay the benefits of current retirees, there is danger that the assets would gradually be depleted and exhausted in approximately 20 years.

This threat to Federal workers is accompanied by directions for pension benefit reductions as proposed by the President. How much more can we shortchange Federal workers? In the last 2 years, they have lagged further and further behind their private sector counterparts as health and retirement benefits have been cut, and as the gap between Federal and private-sector pay has nearly doubled. It is sad that we must observe that our civil servants are seeking other types of job opportunities, and our young people are totally ignoring the public sector as offering stable employment or equitable salaries.

Mr. Chairman, I must mention that, when evaluating the modesty and fairness in asking everyone affected to sacrifice, we must be very careful. An additional "sacrifice" for a 65-year-old retired worker on a fixed income may mean the fine line between survival and complete defeat. A "modest" adjustment for a family attempting to provide the necessities for their children might force a choice between mortgage payments and college educations.

We cannot, in good conscience ask our Federal workers, and low- and moderate-income citizens, to disproportionately bear the brunt for all of the Nation's economic ills. The package before you is the epitome of forcing such a sacrifice, and I urge its defeat.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware (Mr. CARPER).

Mr. CARPER. Mr. Chairman, I want to preface my remarks by expressing my gratitude to the members of the Social Security Commission, to the members of the Ways and Means Committee, and particularly to Congressman PICKLE for their collective efforts to fashion the bipartisan plan which we are now considering.

Our vote today on the proposals to preserve social security will probably affect more people more intimately than any other vote that we will make this year or next. It is a vote that must be carefully considered for its effects on our older Americans and for its effects on our working Americans.

This vote will also affect our children and their children because with this vote we will either pass on to those younger Americans a retirement security program that is solvent and dependable or one that is not.

This legislation asks for sacrifices from just about everyone, the young, the aged, public and private sector employees, businesses, the self-employed, and even Congressmen and Senators. In my judgment, no one group is being asked to sacrifice significantly more or less than any others. And while few of us savor the prospect of making sacrifices, even when the end result is laudable, our willingness to do so in this instance will pull the social security system back from the brink of certain bankruptcy, while providing for a more secure old age for millions of Americans.

It is hard for me to imagine a more laudable objective. In conclusion, let me state that today, March 9, 1983, we have a rare opportunity to begin putting America back on the right track with a vote in support of H.R. 1900. I urge us to do just that.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, the bill we have before us today represents the end product of many long months of work and many difficult hours of negotiation. I commend the members of the National Commission on Social Security Reform and the Ways and Means Committee for reaching a compromise on this troublesome issue.

But I would like to point out to you today that in our satisfaction at achieving this consensus, in our euphoria at finally coming together on this difficult and divisive subject, we are ignoring the real issues at stake—and practically guaranteeing that this problem will return to trouble us again. We are fooling ourselves, just as we did in 1977, that we have solved social security's problems once and for all. We must not let the momentum of this compromise blind us to the fact that the real problems have not been solved at all, but only hidden temporarily from our view.

The short-term package recommended by the National Commission and approved by the Ways and Means Committee combines two basic elements: benefit cuts and tax increases. Title II, the long-term provision of this bill, includes aspects of both, and the two amendments which will be in order today focus the long-term solution on one or the other of these alternatives.

Frankly, I do not believe either of these alternatives is a very acceptable solution to social security's problems. Further increases in the regressive payroll tax will have the harshest impact on working people at the low end of the income scale, and will place an additional burden on our already-struggling economy. Further benefit cuts will create tremendous hardships for the millions of Americans who depend on social security for most or all of their income.

Yet we are asking for these sacrifices without having the political will ourselves to confront and solve the real issue, the issue of structural change. By ignoring structure reform in favor of further benefit cuts and tax increases, I believe we are applying a band-aid to an illness which requires a deep-seated cure—and we should not deceive ourselves, or the American people, into thinking otherwise.

Last month, I introduced legislation to make long-term, structural reforms in the social security system which I believe are essential for its survival. My bill, H.R. 1542, would, over a transition period covering the years through 1990, transfer the nonretirement components of social security, disability insurance, and medicare, to general revenue financing. From 1991 on, the payroll tax would be reduced and stabilized at the level needed to fund only those programs which are appropriate for its use: The retirement and retirement-related insurance programs. Disability and medicare, which serve broader public needs, would be transferred to a broader and fairer source of revenues. At the same time, the retirement fund would be guaranteed to remain solvent, stable, and self-sustaining well into the future.

Mr. Chairman, I do not believe we have the right to ask our elderly retirees and young workers to bear the burden of social security's difficulties unless we make the structural reforms needed to guarantee the system's long-term stability.

The millions of Americans who receive benefits from social security and the millions more who pay into it are floating in a lifeboat, and their boat is sinking. The rope we threw them 6 years ago has worn through, and by approving this bill, we will throw them another. But the fact remains that the boat has a hole—and until we exercise the will and the courage to repair that hole, we will not put this problem behind us.

I also wish to point out to the House a provision of the social security bill which was not included in the bill as reported by the Social Security Subcommittee but which was added by voice vote the evening before the full Ways and Means Committee reported

out this bill—a provision which takes social security off budget in 1988 and which is a further erosion of the last few years' efforts of the Budget Committee to bring off-budget agencies on budget. As chairman of the Budget Committee's Budget Process Task Force, I would like to remind you of the language included in the budget resolutions of the past few years and adopted by the House.

In 1980 the budget resolution contained the following language:

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

Again in 1982—

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $23,700,000,000, the on-budget lending activity to a level not to exceed $33,150,000,000, new primary loan guarantee commitments to a level not to exceed $87,750,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,750,000,000.

Again in 1983—

(C) New secondary loan guarantee commitments, $0.

(c) It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1983 the off-budget lending activity of the Federal Government to a level not to exceed $31,050,000,000, the on-budget lending activity to a level not to exceed $29,850,000,000, new primary loan guarantee commitments to a level not to exceed $99,100,000,000, and new secondary loan guarantee commitments to a level not to exceed $68,250,000,000.

As you know, in 1967 the President's Budget Concepts Commission recommended that all Federal programs be part of the unified budget. But starting in 1970 an erosion began when some programs were placed off budget by statute.

Since that time we have fought a roller coaster battle in our effort to control off-budget spending. Three off-budget agencies were brought back on budget but two new off-budget entities were recently established to carry out energy programs—synthetic fuels in 1980 and the strategic petroleum reserve in 1982. Now we have added social security to the list.

Outlays of off-budget agencies have grown from $60 million in 1973 to over $17 billion in 1983.

As chairman of the Budget Process Task Force, I have the responsibility of examining the process to make sure that it continues to fulfill its two main purposes, which are, first, to allow Congress to consider the entire budget overall, to examine the effect of total spending, revenues, and deficit on the economy, and, second, to facilitate making tradeoffs among programs competing for public resources.

Taking social security and medicare off budget would severly weaken the process.

Budget totals would be understated by more than $300 billion, so it would be meaningless to talk of the size of the budget in relation to the economy.

The budget deficit would be overstated. This makes it difficult to relate deficits to the economy. Further, it seems paradoxical for us to arrange a system that will force us to vote for overstated deficits.

This precedent could lead to pressure to take other trust funds off budget, for example, the rest of medicare, the civil service retirement trust fund, the highway and airport development trust funds, the general revenue sharing trust fund, the land and water conservation fund, and so on.

The combination of overstated deficits and understated spending totals will lead to increasing pressure on the remaining on-budget programs, basically the discretionary programs—defense, education, employment, law enforcement, and so on.

Now people have argued that social security should be off budget because it is self-financed. This is not true—it receives and will continue to receive a number of general fund subsidies. Further, it is argued that taking it off budget will remove social security from politics.

But, in fact, the insulation would not work. Because the general fund subsidies to the trust funds will still exist, proposals to raise or lower social security or medicare benefits would still be reflected as on-budget changes to the cost of the subsidies. Thus, there could still be pressure to change social security or medicare because of budgetary considerations.

In summary, the proposal is bad for the process. It forces us to vote for overstated deficits. It puts unfair pressure on other programs. It is a bad precedent. It fails in its purpose of insulating the program. Therefore, the provision taking social security off budget should be dropped in conference.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. MORRISON).

Mr. MORRISON of Connecticut. Mr. Chairman, I rise to speak in opposition to this bill, sadly but necessarily. The communications from the elderly people of my district have made it clear to me that they cannot bear the loss of 6 months' cost-of-living increase. Mr. Chairman, the largest city in my district, New Haven, is the seventh poorest city in the Nation. Many of the elderly are among the poorest, in New Haven and elsewhere in the district. With rising utility costs, rising rents, and an increasing cost of living, this is not a sacrifice that they are able to make.

I might have made a different decision if this package provided real solutions to the long-term problems facing social security. I am convinced that unfortunately, it does not, and that we will soon be back here facing this problem again. We have to take further steps to control the steady increase of the social security tax burden on working people. We have to solve the problems of skyrocketing medicare costs which will soon overwhelm the system. This bill does not sufficiently address these problems to justify the immediate sacrifice, the immediate benefit cut, that is being asked of the elderly. That is why, reluctantly, I must vote against it. We must find better solutions for both the short-term and the long-term problems.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN of Missouri. Mr. Chairman, the social security legislation before us today presents the most important and difficult choices this Congress will be called on to face. The problems of the social security system are grave—even as we talk, social security is paying out $17,000 a minute more than it is taking in. There is no easy way to solve the problems. But solve them we must, if we are going to keep faith with the 36 million Americans who are counting on their monthly benefit checks and the 115 million workers who are paying into the system.

The legislation before us is not a perfect plan. I doubt if there is a Member on this floor who does not object to at least one of its provisions. I myself am particularly concerned over several of the provisions, among them the inclusion of new Federal workers in the social security system and the unprecedented change of making some social security benefits taxable income for people who have made the effort to save and prepare for their retirement. Or for that matter, no one enjoys raising the rate of social security taxation. But if each of us held out for what we considered the ideal solution, this House would still be debating our 435 separate proposals while the social security system went bankrupt in July. So we must balance our individual concerns against the interest of the entire Nation in having a stable and strong social security system.

Let me take just a moment to address the concerns that public employees have raised about the plan. Social security's immediate financing crisis stems from the economy's failure to perform at the optimistic levels projected in the 1977 social security amendments. The long-term financial

problem is a result of demographics—when the baby-boom generation retires, there will be only two workers paying into the system to support each person drawing benefits. Neither of these problems is changed one whit by bringing more people into the social security system.

There is no plan before us today on what sort of a pension system will be devised for the new Federal employees who are to be brought under social security. Federal employees are being asked to take it on faith alone that Congress will protect the financial security of the pensions they have paid for. This social security package is limited in scope to insure that we do not break faith with the 36 million Americans who have paid into the social security system and are now receiving its benefits. Those who have been paying into the civil service retirement system deserve the same consideration. Every Member who votes for this social security bill should make a commitment to keeping the civil service retirement system financially sound as well.

Just 5 years ago, the congressional leadership told us that the Social Security Financing Amendments of 1977 would place the system on a sound financial footing well into the 21st century. We have all seen how inaccurate that assessment has proved, so I think we should avoid making any similar promises about the legislation we are considering today. Nevertheless, this bill presents, on the balance, the soundest and most responsible solution put forward for addressing the very real financial crisis of the social security system. No one group is asked to make all the sacrifices that are needed to make this system whole again. Passing this legislation is the best way to assure all Americans that they can depend on the social security system, both now and in the decades to come. Now is the time to set aside partisan political considerations and legislate in the compelling national interest. I urge my colleagues to support this legislation.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, this legislation placed before us today may be an important response to the difficult challenge of producing a solvent and strong social security system. It may be an example of how well Government can respond to the cross-currents between various interest groups over this critical issue. It may well be the most equitable solution to this ticklish problem of balancing options in the speediest fashion. But for me, Mr. Chairman, it is not a solution I can easily accept. Indeed, many of my colleagues on both sides of the aisle share my uneasiness over adopting this proposal.

I am most concerned, Mr. Chairman, over the portion of the bill which includes new Federal employees into the social security system. I find that this section truly offers little relevance to the task at hand.

What we are doing today is attempting to make the social security system fiscally more sound. But by bringing Federal and postal employees into the system we may, in fact, be adding further to the taxpayers' burden as we try to juggle two separate systems with another third retirement system possibly yet to come.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The gentleman will please suspend for just a moment.

We are delighted to have our guests in the gallery. There will be no indication of approval or disapproval, please.

The gentleman from Maryland.

Mr. HOYER. Mr. Chairman, the economy, demographics, prior Congresses, and prior administrations are responsible for our social security problems, not Federal employees, but we are asking them to be subjected to an additional reduction in pay to bail out social security.

Some have argued here that Federal employees should contribute to the system because many actually do receive social security in retirement. Yes, Mr. Chairman, Federal employees may receive these benefits, but if so, they qualify in the same manner as everyone else in this country.

I do not need to tell my colleagues how angry, demoralized, and frustrated these Federal employees and retirees are. As never before, they are lobbying the Congress asking "Why?" "Why are we being brought in to help solve the fiscal problems of a system to which we have no relations?" "Why is Congress threatening our civil service retirement system as we know it so that someone else's system can be made whole?" "Why are we always fingered when the Congress and the administration are looking for budget savings on new revenues?" These are legitimate questions, Mr. Chairman.

The gentleman from Georgia (Mr. JENKINS) made a comment about making a submission to the Committee on Rules.

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It has been clear from the very beginning once this Commission made its proposal that this bill was locked in stone. I understand that. I am also convinced, Mr. Chairman, that this bill will pass. One of the reasons this bill will pass, however, is the pledge of my good friend and the good friend of our Federal employees, the gentleman from Michigan, Mr. BILL FORD, the chairman of the Committee on Post Office and Civil Service, the pledge of the chairman of the Committee on Ways and Means, and the pledge of the Speaker of this House.

A pledge by these three gentlemen, Mr. Chairman, is a pledge that will not be broken. In their letter of February 18, 1983, these leaders of the House lent their support for a supplemental retirement system for Federal employees that provides benefits comparable to those available under the civil service retirement system. They stated their opposition to administration proposals to reduce civil service retirement benefits, and they reiterated that they would oppose any proposal that would adversely affect the financial integrity of the civil service retirement or the fund to pay the benefits promised to participants in the civil service retirement system.

I am convinced, Mr. Chairman, that one of the reasons that this bill has not been cracked open is that the Speaker, the chairman of the Ways and Means Committee, and the chairman of the House Post Office and Civil Service Committee have all given us their assurances that they will not permit this new provision of social security to affect adversely present or retired Federal employees. Those assurances are important to me, they are important to all my colleagues who have had serious doubts about this legislation, and they are important to the millions of Federal workers and annuitants. And they must be honored.

This bill will pass despite my opposition and the opposition of many of my colleagues to the inclusion of Federal workers in social security. I only hope that the leadership of this body will exert the same degree of determination and the same care which has been applied to this bill to the construction of a supplemental retirement system for Federal employees that insures the integrity of the old system and comparability for the new.

Mr. Chairman, in closing, let me say that under the Tax Equity and Fiscal Responsibility Act only one group of Americans had a general tax increase—1.3 percent for Federal employees. Under this bill, Mr. Chairman, only one group of Americans, Federal employees, will receive over a 5 percent tax increase as a result of the adoption of this particular piece of legislation. All other Americans will only receive a three-tenths of a percent tax increase.

Yes; it is true that they have participated in the past in the payment of social security. That is another issue. But the point of fact once again, Mr. Chairman, is that we are reaching into the pockets of Federal workers to solve a Federal budget problem.

In conclusion, Mr. Chairman, I would appeal to my colleagues, whether they vote for or against this bill, to pledge themselves to oppose vigorously the precipitous and unfair proposals being made in the pending budget which dangerously undermines the

pay and benefits of those dedicated individuals on whom we rely in the Congress and in this administration to carry out the policies and programs of this Congress.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. Mr. Chairman, the social security system is in serious trouble, and we have only two alternatives from which to choose: We can approve this bipartisan compromise before us today or we can put off yet another time the difficult decision that faces us, and continue the fears of so many about the future of the social security system.

We all know the history of this compromise. In 1981, President Reagan, recoiling from an enormous amount of public and congressional protest of his ill-conceived social security finance reform package, created a bipartisan commission to study social security and to propose equitable changes to restore the system to solvency. Despite popular expectations, a majority of the diverse group of people represented on the commission approved the tax and benefit changes necessary to put social security back on its feet. We have an improved version of these proposals before us today.

What would happen, Mr. Chairman, if this body were to shirk its duty and defeat this package which carries the endorsement of people across the political spectrum, including President Reagan, the House and Senate leadership, and my distinguished colleague from Florida Mr. PEPPER?

This is what would happen. The 36 million beneficiaries and the 115 million workers covered by social security would face additional months of uncertainty about the future of the system. Beneficiaries and workers alike would lose faith in our greatest and most popular social program. Younger workers, concerned that social security would be broke by the time of their retirement, could push for the elimination of the system. People in and near retirement would grow more uncertain of the system's future. We cannot allow this intergenerational strife to occur.

No one in this room favors every element in this package. Yet, given the widely varied interests represented in this Chamber, we have achieved as sound a package as is politically possible. The sacrifices called for in this compromise are as broadly distributed and equitable as possible. In both the short term and the long term, beneficiaries and workers alike contribute to shoring up social security.

Many people have expressed concern about the delay in this July's cost-of-living adjustment (COLA). While I certainly have reservations about this provision, I realized that it is the most equitable way that current beneficiaries can help in saving social security.

No one's benefits will be cut under this provision. Instead, the July 1983 COLA will be paid in January 1984. This equitably spreads a relatively small burden among all those now drawing benefits, rather than concentrating a large burden on a small number of current beneficiaries.

The very low-income elderly will be completely shielded from the impact of this provision. Although the COLA for supplemental security income (SSI)—Federal cash assistance for the aged, blind, and disabled poor—must also be delayed for adminstrative reasons from July to January, SSI beneficiaries will receive a one-time across-the-board increase in monthly benefits of $20—$30 for couples. This is almost double the maximum SSI COLA of $11 that would have been paid otherwise.

Higher income beneficiaries will also be called on to contribute to restoring social security to financial health. Our bill would require beneficiaries to include in taxable income the lesser of one-half of benefits or one-half of the excess of the taxpayers' combined income—adjusted gross income plus one-half of benefits—over a certain base amount. The base amount would be $25,000 a year for an individual, $32,000 for a married couple filing jointly, and zero for married persons filing separate returns.

I was quite concerned about taxing a small portion of social security benefits because this has never been done before. Changes in this provision made by the Ways and Means Committee reduce the percentage of beneficiaries affected by this provision to well under 8 percent. What is more, although employees pay income taxes on their income subject to the payroll tax, employers do not because they can claim a business expense deduction for their payroll tax payments. Therefore, it is argued that requiring social security beneficiaries to pay taxes on the previously untaxed portion of their benefits—the part provided from employer contributions—is appropriate at the time of receipt.

Current workers are also called on to help. Already scheduled increases in the payroll tax for 1985 and 1990 would be rolled forward, under the bill, to 1984 and 1988, respectively. Many people have pointed out that increasing payroll taxes in 1984 may stifle recovery and hamper our efforts to reduce unemployment. That is why this bill would give employees a payroll tax credit, for 1984 only, equal to the payroll tax increaese in 1984.

Self-employed persons would also make a sacrifice under this measure. When the self-employed were first covered by social security in the 1950's, their payroll tax rate was set at about 1½ times the employee rate, or about 75 percent of the combined employee-employer rate.

Since that time, however, it has been widely recognized that although the employer nominally pays half of the total payroll tax for each worker, the worker himself bears the burden of this tax by receiving a lower net wage from his employer. Consequently it has been argued, and this bill proposes, that the self-employed, as both employee and employer, should also pay the same tax rate as the combined employee-employer rate.

In recognition that this is a substantial tax increase on the self-employed at a time when the economic recovery may be only beginning, this bill also proposes a payroll tax credit equal to 2.1 percent of payroll in 1984, 1.8 percent in 1985 through 1987, and 1.9 percent thereafter.

Although the President's National Commission on Social Security Reform originally proposed a tax deduction equal to one-half of the self-employed's payroll tax payments, this bill restructured that proposal to provide a credit of similar magnitude that will ease the burden of the additional tax for lower income self-employed persons.

The bill would also make a number of other important changes in social security. Federal workers hired after 1983, Members of Congress, the Federal judiciary, and nonprofit organization employees would join the 115 million people in the private sector in paying social security payroll taxes. State and local governments now participating in social security would be prohibited from withdrawing from coverage. Windfall social security benefits for people who draw pensions from nonsocial security covered employment would be eliminated, and the U.S. Treasury would reimburse social security for uncashed social security benefit checks and gratuitous military wage credits.

In the depths of the Great Depression, amid widespread poverty among our Nation's elderly, the U.S. Congress enacted the Social Security Act of 1935. At that time, over half of our elderly population subsisted on incomes below the poverty level.

Over social security's 48-year history, the system has drastically reduced poverty among the elderly by 75 percent and become America's most popular and most successful social program.

Mr. Chairman, we cannot abdicate our responsibility to workers and beneficiaries. We must deal decisively with this issue and restore faith to all Americans of Congress commitment to social security.

In short, I urge my colleagues to support this bill as an equitable solution to the crisis we now face in social security.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I would like to take a few minutes to discuss the medicare prospective reimbursement provisions of this bill.

Rising hospital costs have been the major factor in increased health spending for many years. We tried 3 years ago to pass legislation to limit health inflation and spending with overall limits on all hospital costs through a hospital cost containment measure, but that effort was defeated on the floor.

Today, we have before us a major revision in how medicare pays for hospital care. All of us are very concerned that major reforms like this not be too abrupt—we do not want a system that imposes deep and irreversible changes before we can evaluate their impact, or that brings immediate windfalls or substantial deficits to individual hospitals.

That concern is evident in many places, including my own State of California. But I believe that the changes made in the committee bill help to address this problem. The short-term impact is moderated by accounting for urban and rural differences, and for regional differences. Most importantly, the system is phased in over 3 years. The first year retains 75 percent of payment on the basis of institution-specific cost limits, with only 25 percent on the basis of the new prospective system. That phasing period will give us an ideal opportunity to examine the impact of the proposal as it is phased in, and allow us time to make any adjustments that are required.

We should all acknowledge that the proposal is not as comprehensive as the type of all-payor program that I would prefer. But it would serve none of our interests to hold this up for a system which may not be possible at this point, the bill offers important protections for States that do want to develop all-payor programs through provisions based on Mr. WYDEN's bill. I hope that we will see States responding to this opportunity. In addition, it provides for the collection and study of data on the impact of such all-payor programs in order to provide us with the information needed to address this issue in the future.

The bill is an important step in moving us from our existing and inflationary cost-based payment system to a prospective mechanism under which hospitals have some incentives to moderate their costs.

There are a number of other features that were important to many of us and are now included in the Ways and Means committee bill.

The system will initially be based on geographic regions to help take into account the existing differences among regions in hospital spending;

The system adjusts for the higher costs in urban areas;

The system takes into account some of the special needs of the urban public hospitals;

The system includes special adjustments for teaching hospitals—it passes through the direct medical education costs, and includes a special adjuster to account for their indirect costs;

The system phases out the special return on equity that is part of the cost-based system and places all hospitals on an equal footing in trying to earn a return based on their ability to operate at costs within these prospective limits;

The system passes through capital costs but includes a study and some interim constraints to minimize any efforts at rapid and costly capital expansion;

The system includes all services—except physicians—provided by hospitals to help assure that the cost and charges are not simply shifted to medicare part B;

The system includes important studies of how to limit potential volume increases, and how to address the issue of revising physician payments for inpatient services to parallel this new hospital payment system; and

Finally, I would stress that the committee bill prohibits hospitals from extra billing the medicare patient—so the costs cannot be passed on to them.

All of these provisions help make this an acceptable first step in our reform on hospital payments. I thank the Ways and Means Committee—and especially Mr. SHANNON, and Mr. GEPHARDT, and the chairman and ranking minority members of the full committee and health subcommittee, for their efforts in these areas.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, the actions we take today are important to preserve the financial health of the social security system. A system that has served well, for close to 50 years, millions of American citizens in the Nation and Puerto Rico. A system which shows that we as a nation care for our elderly, our disabled and for their families.

Our social security system is presently in critical economic condition which could endanger the well-being of millions of beneficiaries nationwide.

The social security rescue package we consider today reflects a bipartisan agreement between Democrats and Republicans aimed to save the system from disruption.

As a package it has elements which I fully support and elements that deeply concern me.

I fully support the establishment of a medicare prospective payment system for hospitals which I deem wise and beneficial to the hospitals, the Government and the medicare beneficiaries. It will improve hospital's financial planning and serve as an incentive to hospital's cost efficiency. The Government, on the other hand, will gain some control over its rising disbursements due to increasing hospitals costs. The medicare beneficiaries will also benefit as a result of keeping hospital costs down and their operation as efficiently as possible.

I am very pleased with the provisions of title V of this bill, which would extend the authority for Federal supplemental unemployment compensation benefits through September 31, 1983.

This program has been extremely beneficial in Puerto Rico in maintaining a steady, though small, income for families where the wage earner is experiencing long-term unemployment. In an economy of 25.3 percent unemployment, we can only expect the numbers of people needing this additional aid to increase.

I am deeply concerned with the provisions that will put various categories of federal employees under the social security system.

I urge my colleagues to act promptly and establish a new supplementary system to give new social security covered Federal employees retirement benefits comparable to those that will be received by Federal employees that will remain under the civil service retirement system. Both groups of employees as well as both retirement systems should be fully protected.

I also urge you to oppose any amendment aimed at increasing the present social security retirement age or curtail future benefits. Any long term shortfall in the system should be taken care of by raising employer-employee contributions if and when necessary.

I give my support to H.R. 1900 and urge all my colleagues to vote for it. By doing so we will be protecting a system that is essential to carry out our commitment of social justice to all American citizens in the Nation and in Puerto Rico.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. GUNDERSON. Mr. Chairman, I rise in support of the bill before us.

Mr. Chairman, as we consider legislation to remedy the serious funding shortfall of the social security system, the words of Abraham Lincoln should offer some guidance. He once instructed the American public, "You cannot escape the responsibility of tomorrow by evading it today."

How easy it would be to reject the Social Security Amendments of 1983 (H.R. 1900) today for one political reason or another. Yet, Congress has a

responsibility to this system, and the 150 million Americans affected by it, which cannot be ignored in good conscience.

The financing problems facing social security are real and immediate. The old age and survivors insurance fund has already run out of money. Payments continued during 1982 through interfund borrowing approved by Congress in 1981. That borrowing authority has now expired, and unless new legislation is enacted, the OASI fund will be unable to pay July benefit checks on time.

The House Ways and Means Committee has reported that if interfund borrowing were merely continued without additional reforms, the three combined social security funds would be unable to pay benefits on time beginning in the spring of 1984. Under the circumstances we have no other choice but to consider comprehensive legislation to rectify the problem.

H.R. 1900 represents over 1 year of bipartisan work by the National Commission on Social Security Reform established to recommend a fair, balanced plan to restore the system and Americans' confidence in it. The Commission's recommendations included: acceleration of already scheduled payroll tax increases, 6-month delay of the cost-of-living adjustment, tax incentives for those who retire after age 65, inclusion of newly hired Federal employees and employees of nonprofit organizations, changes in the self-employment tax and revision of certain social security rules. The plan won bipartisan support and balanced $40 billion in benefit changes against $40 billion in revenue increases.

After minor modification, the House Ways and Means Committee reported this plan to the House. Is the plan perfect? Certainly not. Many of these provisions, considered alone, would seem both insufficient and unjust. Yet, considered as a package they represent the most viable option open to us at this point.

No one really supports increased taxes. This bill would accelerate the scheduled OASDI tax increases, but it would also offer a 1984 tax credit to compensate for this increase of 0.3 percent of wages. In addition, the social security tax rates for self-employed persons would be increased by 33 percent to the full employer-employee rate. Yet, this provision is coupled with yearly tax credits through 1988. A portion of beneficiary social security payments would be subject to taxation for individuals with $25,000 income and couples with $32,000. It is important to note that the committee in its deliberations increased the income threshold originally recommended by the Commission and altered the computation procedure to make it more equitable.

Social security retirees would face a 6-month delay in their COLA from July 1983 to January 1984. Included in this provision is an increase in supplemental security income of $20 for individuals and $30 for couples per month to insure that this delay places no undue burden on low-income and disabled individuals. The COLA change overall is expected to reduce the average beneficiary's payment by about 2.45 percent. In a time requiring decisive action, I believe many of my constituents are prepared to make such a sacrifice to insure solvency for social security.

Many Federal employees in my district have criticized the inclusion of new hires under social security as a politically expedient measure to bail out the ailing system. But this proposal is not new by any means. In fact, since 1938 social security advisory councils have advocated inclusion of new Federal employees under social security. The 1981 National Commission on Social Security outlined a detailed plan to cover new Federal employees, including creation of a special Federal Employee Benefit Board to oversee the transition by 1984.

I certainly sympathize with their legitimate concerns expressed about the future of the civil service retirement (CSR) fund. However, in testimony before the House Ways and Means Committee, Sylvester Schieber, research director for the Employee Benefit Research Institute, stressed that the exclusion of new employees from the CSR system would not bankrupt the fund. The Federal Government already pays about 65 percent of the yearly income to the fund, while employee contributions compose only 15 percent of this yearly revenue.

Congress has maintained its obligation to this retirement fund and my colleagues and must not and will not renege on that commitment or allow the fund to go bankrupt. In floor debate on this bill today, House Post Office and Civil Service Committee Chairman WILLIAM FORD has assured us that this bill protects the integrity of the civil service retirement system since it mandates no change in Federal contributions to the system. In addition, this bill merely calls for inclusion of new Federal employees under social security without requiring a separate supplemental retirement program envisioned by the Commission. He has pledged to work with his committee to develop a scheme that will preserve the financial condition of the CSR system. I make a similar pledge. The will of Congress is clear. The Federal retirement program will be protected.

Several groups have criticized this package of reforms since the Commission completed its report. Some want no tax increases and substantial benefit reductions. Others believe the provisions reduce COLA's too much and advocate general revenue transfers to bolster the system. This plan strikes an effective balance between these approaches.

To fail to approve this legislation would be to renege on our promises to current retirees and those who continue to pay into the system. We must accept our responsibility for the future by supporting this comprehensive package today.

Mr. CONABLE. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, we have reached a climactic point in a long struggle to save our social security system. There have been many times—many times—when I have wondered whether we would get this far. But my worst fears have failed to materialize, and we have before us today a bill that will not only avoid a financial crisis this year but will permit the payment of significant benefits in the future.

Even better, this solution does not put an undue burden on any one group or interest currently or potentially related to the system.

This bill is not an ironclad guarantee that nothing will ever go wrong with the system. No legislation can offer such assurance. We do not know the future. But I am convinced, absolutely, that H.R. 1900 represents the best answer to social security's financial problems that this body is capable of producing at this time and after the legislative and political history of the issue.

It has arrived here after a sometimes perilous journey through the National Commission on Social Security Reform so ably chaired by Alan Greenspan and the Committee on Ways and Means. The Commission provided a necessary preliminary to the success of our legislative effort. The committee did not exactly rubberstamp the Commission's consensus recommendations, but it followed them so closely that anyone who endorsed the Commission's consensus can endorse the committee product with confidence.

The committee bill is not only consistent with the Commission consensus, it is timely. If certain key features of the legislation are to be implemented, enactment must take place early this spring. Therefore, there has been a strong sense of urgency to the mission.

The chairman of the Committee on Ways and Means promised in December that he would start the hearing process on this issue February 1 and have a bill on the floor of the House during the week of March 7. This might appear an easy task, but for every hour of committee deliberation on delicate matters, several hours must be spent behind the scenes in efforts to satisfy disparate desires of individual Members. In the case of this

bill, the chairman of the committee demonstrated clearly his expertise in this kind of leadership. He promised and he delivered. And so a great deal of credit for this effort to save the social security system should go to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Much credit should also go to the distinguished chairman of the Subcommittee on Social Security, the gentleman from Texas (Mr. PICKLE). He has persevered in his drive to make the social security system safe, and both the contributors and the beneficiaries owe him a debt of gratitude for his untiring efforts. He has been a bridgebuilder.

The final product of all these labors is, of course, imperfect. It is not precisely what the chairman of the committee, the chairman of the subcommittee, or any one of our colleagues would prefer.

Let me emphasize that the bill certainly does not represent my personal concept of the ideal way to reform social security. My views on this are well known to those Members who have listened to me expound on them over the past 15 years; but my views in this respect are never going to be enacted into law.

I have presented my best thoughts on the subject often, and the response from this body has been, to put the best face on it, something less than enthusiastic. To cite 2 outstanding incidents, in 1982, 34 Members voted with me against an unfunded benefit increase, and in 1977 I was joined by 56 Members in supporting a comprehensive Republican substitute for the Carter tax proposal. I was not really lonely on these occasions, but I certainly did not feel crowded, nor did my wonderful principles greatly affect this troubled system in its declining course over the years of the struggle.

When this latest crisis began developing, it would have been easy enough for one with my track record to develop another major social security reform bill. It would have been highly satisfying substantively, but it never would have gotten anywhere politically. I do not apologize to my principled friends for my part in the negotiations which got us here with this legislation.

Over the past 2 years, social security has become increasingly a subject that no longer can be discussed in terms of reason and logic. For some time it has been purely a political topic, and the politics have become the politics of fear.

In this environment it has been obvious that only a truly bipartisan proposal, agreed to by both the President and the Speaker, could become enacted into law this year. H.R. 1900 is such a proposal.

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Each part of this bill engenders strong opposition from one interest group or another, but as a package it has found widespread acceptance. In this case, the whole is truly greater than the sum of its parts.

Yes; the bill does reduce benefits for some beneficiaries with above-average incomes. Yes, the bill does require greater contributions from self-employed persons. Yes, the bill will accelerate high tax rates paid by employees and employers. And, yes, the bill does require a sacrifice by those already drawing benefits, who will have to wait 6 months, until January of next year, to receive their 1983 cost-of-living benefit adjustment.

The bill scatters burdens widely. It has a little something for everyone to hate. But it does something else of overriding importance: It strengthens the system financially so that 36 million beneficiaries can be reassured that their benefits will continue to be paid month after month, year after year, and it gives assurance to the 115 million current contributors that there will, indeed, be benefits available for them when they become eligible. Such assurance can be given because H.R. 1900 makes it clear that the Congress itself is the one sure fail-safe mechanism, and Congress never will allow the system to fail.

More specifically, with respect to the bill, about 15 percent of the $165 billion it would raise to cover short-range needs would come from mandating social security coverage for certain groups that are now either exempt or are permitted to withdraw from the system. These groups include new Federal employees after 1983, all employees of nonprofit organizations, and employees of State and local government entities that are currently covered. Persons receiving pensions based on noncovered employment will have their OASDA benefits reduced somewhat to eliminate so-called windfalls from "double dipping."

About half of the short-range solution comes from tax increases. These include accelerating rate advances already scheduled for 1985 and 1990, requiring the self-employed to pay rates equal to those of the employee and employer combined, and taxing part of the benefits of beneficiaries with adjusted gross incomes of $25,000 for individuals and $32,000 for married couples. The effect of the tax increases would be mitigated by Federal income tax credits for workers.

About one-fourth of the short-range solution comes from a 6-month delay in the annual cost-of-living adjustment, from July to January. The January 1984 increase is guaranteed, even if inflation is insufficient to trigger the increase under present law. A stabilizing device starting in 1988 would base annual benefit adjustments on the lower of wage or price advances, but only if the trust fund ratio is lower than 20 percent or about 2 months of benefit payments. If the trust fund ratio subsequently rises above 32 percent, these reductions in COLA's would be paid back.

Now, Mr. Chairman, I think many people have underestimated the importance of this proposal. It is not ascribed any fiscal impact by the actuaries, because it is assumed that the fund will never get down to 20 percent again. We all know that we have made incorrect assumptions in the past, but as a safeguard this stabilizer is a tremendously important and significant part of the package, regardless of optimistic assumptions about its fiscal impact.

The remaining 10 percent of the short-range solution comes from general revenue transfers to the trust fund to reflect the unpaid taxes on gratuitous military service wage credits and the amount of social security checks that were never cashed. In the future, the trust funds will continue to be reimbursed for unnegotiated checks.

In combination, the short-range elements have a significant long-range impact, amounting to about two-thirds of the 2.1 percent of payroll estimated long-range deficit. The bill resolves the remaining 0.7 percent of payroll deficit through a combination of a 5-percent benefit reduction and a 0.24-percent tax increase, both of which would occur after the turn of the century.

When the time comes, however, I intend to vote for the amendment to be offered by the gentleman from Texas (Mr. PICKLE) that would substitute for the long-range solution in the bill. There are serious demographic problems in the next century. We have a population bulge going through our society like a pig through a python, and that population bulge is, of course, the post-World War II baby boom. When this group reaches retirement age, we have what is called a demographic problem. The amendment of the gentleman from Texas (Mr. PICKLE) would sensibly offer a demographic solution. The so-called baby boom will be retiring and longevity will continue to increase, in all probability, further exaggerating the demographic problem. Mr. PICKLE's amendment would deal with these factors by advancing very gradually the minimum age of maximum benefits. The motion warrants support.

To protect the system against possible unusually adverse economic conditions in the future, the bill also includes a provision, first, to advance tax collections in a month, with appropriate interest payable, and second, to allow interfund borrowing in the short term. As a last resort, it directs the

managing trustee to submit a financing plan to the Congress whenever the trust funds drop to a dangerously low level.

This bill includes several other provisions recommended by the recent Commission. Four of these would increase or otherwise broaden the availability of benefits to certain widowed, divorced, and disabled persons, primarily women. Other provisions specify the procedure to be followed in the investment of trust fund assets, require that social security be removed from the unified budget, and authorize a study of the feasibility of establishing SSA as an independent agency.

From what I have said thus far, Mr. Chairman, one could infer that H.R. 1900 concerns only modifications of the National Commission recommendations on the Nation's social insurance system. I have dwelt upon that part of the measure because I consider it the most important. But the bill does include four other segments of significance.

One covers a wide-ranging set of technical amendments endorsed by the administration and developed by the Social Security Subcommittee many months ago to deal with some vexing if not terribly important problems in title II of the Social Security Act.

Another part of the bill makes a few changes in supplemental security income—the public assistance program for the aged, blind, and disabled who are in demonstrated need. SSI benefits would be increased $20 per month for individuals and $30 per month for couples, effective July 1, 1983. The basic link with social security cost-of-living adjustments would be maintained, however, and SSI recipients would be paid a delayed COLA increase on January 1, 1984.

A further SSI change would allow until September 30, 1984, a disregard as income of emergency and in-kind assistance given by a private nonprofit organization to an aged, blind or disabled person in need. This is the so-called Christmas basket amendment.

H.R. 1900 also includes a 6-month extension of the Federal supplemental compensation program, the FSC program. The current FSC program is scheduled to terminate March 31. FSC provides benefits to unemployed persons who have exhausted their regular benefits and extended benefits. FSC benefits are paid totally by the Federal Government. Therefore, the program imposes no new demands on State resources.

The number of weeks of FSC benefits is correlated with the insured unemployment rate in the States.

Finally, the bill would bring about long needed reform in the way medicare pays hospitals. Phased out in an orderly fashion would be the so-called retrospective cost-based reimbursement, a system that provides little or no incentive for hospitals to control costs or to operate more efficiently, since the more costs a hospital incurs, the greater its medicare reimbursement. In its place, H.R. 1900 would establish a system of prospective pay under which hospitals would be provided an incentive to be efficient and cost conscious in the delivering of care.

In addition to appropriate exemptions, exceptions and adjustments for certain facilities, such as long-term, public and teaching hospitals, the bill would authorize the use of State cost-control systems in lieu of the medicare system under specified conditions.

These are important bipartisan changes. They will establish the Government as a prudent buyer of services and eliminate the current perverse incentives of our medicare reimbursement system. I urge their adoption.

In summary, then, Mr. Chairman, the bill has several important parts involving public assistance, unemployment compensation and medicare. Above all, it is a bill to save our social security system from the threat of bankruptcy.

It emerged from the Committee on Ways and Means on a recorded vote of 32 to 3. Not in many years has major legislation been blessed with such a harmonious, bipartisan sendoff. This reflects, I think, the strong view of most Members that the social security crisis must be averted, and soon, and that this vehicle is the best one to do the job.

I hope this is the prevailing view, Mr. Chairman, and that we can move today to save social security and then proceed with our other work. We and the American people need this reassuring vote.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, in 1977 many of us in Congress voted for a social security financing bill we disliked because we were given a choice between supporting that bill and letting social security go bankrupt. We again face the choice of voting higher and more regressive payroll taxes or letting the system go bankrupt. Under the circumstances, I intend to cast my vote for the bill before us.

While the bill could be faulted on many grounds, its worst feature is that it increases social security's reliance on the regressive payroll tax. The payroll tax is just about the worst tax there is. It increases unemployment by making it more expensive for employers to hire new workers. It also increases inflation, since most employers simply pass the tax increase through to consumers in the form of higher prices.

Furthermore, it violates the principle that, where possible, taxes should be based on ability to pay; lower-income workers pay a higher percentage of their income in social security taxes than the well-to-do. It is truly a regressive tax.

Yesterday, I placed in the RECORD on page H935 a Washington Post article by Thomas B. Edsall examining how our overall tax system has become less and less progressive in the past few years. He notes that social security payroll taxes are three times higher as a percentage of Federal revenues than they were a quarter century ago. During that same timespan, the percentage contribution of personal income taxes, which are based on ability to pay, has remained constant while the corporate income tax today contributes barely one-quarter of what it used to.

This sad situation is made sadder by the fact that it is unnecessary. There are other alternatives—reasonable alternatives—to higher payroll taxes. One in particular which I have supported for many years is to remove medicare from payroll tax funding and fund it with general revenues. Moreover the committee bill does not even address the serious funding deficiencies facing medicare. The actuarial estimates provided by the Social Security Administration show that the health insurance trust fund will continue to decline and be depleted in about 1990. Thus, even if the committee bill becomes law, we will still have to come back in several years to address the serious deficiencies in the medicare program, dealing yet another body blow to public confidence in the long-term stability of social security.

Our colleague LEON PANETTA has introduced legislation that would deal effectively with both problems. I strongly urge the Ways and Means Committee to take that proposal up, in this session, so we can avoid the negative impact of the increase in the payroll tax and also settle the question of funding medicare before it becomes a critical problem.

Nor does the bill the House is considering today contain the supplemental Federal pension that will be needed for new Federal employees and for Members of Congress who will be covered by social security beginning next year. The lack of such a plan is a major concern to the many Federal and postal workers whom I have talked with in recent weeks.

I am gratified by the assurances we have received from Speaker O'NEILL and Chairman FORD of the Post Office and Civil Service Committee that a plan will be developed promptly and submitted to Congress. New Federal workers being placed under social security deserve to know that they will have supplemental retirement costs and benefits comparable to those of current Federal workers. It is abso-

lutely essential that Congress deal with this question in this session. I intend to do everthing I can to see that it does.

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Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. SAVAGE).

Mr. SAVAGE. Mr. Chairman, I oppose this bill because—just as we seek to balance the Federal budget on the backs of the needy to give to the greedy—we are seeking to balance our social security system on the backs of its poor beneficiaries and future beneficiaries.

If we want to find the money to heal social security, take it from bombs, not from bread. Pass a real jobs bill and put people back to work, and then the unemployed can pay into social security.

Take away our millions of dollars from the tyrannical El Salvadoran dictatorship with which it is murdering its citizens. Disengage the United States from its support of the racist/fascist South African dictatorship. Do not cut taxes any further for the big corporations and those who earn more than $50,000 per year.

Divert funds for the MX missile to retirement benefits. Switch our appropriations from nuclear weapons escalation to the health, hospitalization, and educational needs of the American people—and there will be no need to force Federal civil servants' retirement plans down into social security, but rather the opportunity to lift social security up to the level of those retirement plans.

The hodgepodge of political compromise before us did not require any courage of convictions, but putting the people first would.

The problem with this bill is not a matter of adding or subtracting a dollar here or there, or switching categories from here to there. We need to send the whole mess back to committee where the entire priorities of the ingredients of our Federal recipe need to be turned right-side-up.

We must restart by totally rejecting the upside-down priorities of that Robin Hood-in-reverse in the White House, rather than merely seeking to reconcile the differences within them between Democrats and Republicans.

Consider the people above power.

Mr. ALBOSTA. Mr. Chairman, since its inception in 1935, the social security system has strived to adhere to one of the most basic of American values: the right of a person to live out his last years with dignity and some economic security.

In the past few weeks I have traveled throughout my rural district in Michigan and talked to senior citizens, business people, labor unions, and farmers about this social security financing package that is before us today. The message they gave me was clear. Even though this package will have a great impact on their own individual interests, they told me, "Something must be done to keep social security solvent; we must all have to expect to make some sacrifices to make sure that this is done."

For those of my constituents who are willing to make sacrifices in order to insure the dignity and economic security of our older Americans, I sincerely thank you. Knowing that my constituents are willing to set aside selfish interests and have asked that I do what I feel is best for social security and the country, has helped me to support this very necessary bi-partisan reform package.

To be honest, there are many parts of this package I would have difficulty supporting under other circumstances.

Increased payroll taxes for workers and the self-employed and delays in the cost-of-living adjustments are provisions I could not support under ordinary circumstances. However, the circumstances we now find ourselves in demands that we make these difficult decisions. The bi-partisan agreement now before us requires that we all make sacrifices. A delicate balance between tax increases and benefit adustments to insure that solvency of the social security retirement system in both the short and long term have been carefully put together. While the National Commission's report paved and way for this financing package, I commend the members of the Subcommittee on Social Security and the full Committee on Ways and Means for pulling together this bi-partisan package, which I feel is a fair and responsible approach.

I am personally pleased that the committee chose to include my bill, H.R. 1276, which recredits uncashed social security checks to the trust fund, as well as includes Members of Congress under social security and provides for a tax credit to the self-employed to offset the costs of increased payroll taxes.

Furthermore, I want to make it clear that I support the version that came out of committee because I believe it to be the fairest, most equitable approach for strengthening the entire social security system. In my opinion, the two amendments offered today by my distinguished colleagues weaken this delicate compromise. One amendment returns to the old pattern of tax, tax, tax. It is about time we realize that we cannot use tax increases as our only way out of difficult financial situations. The other amendment attempts to reduce benefits for future retirees by increasing the retirement age to 67. The reduction in lifetime benefits could be as much as 14 percent compared to the 5 percent included in the financing package. More importantly, this increase in the retirement age will have a negative impact on women and those who are in jobs requiring heavy physical exertion. Based on these factors, I cannot in good conscience support either of these amendments.

I would also like to add here that as a member of the House Post Office and Civil Service Committee, I will continue to work to insure the continued viability of the civil service retirement system.

No doubt, this is a difficult decision and one which we will have to live with for a long time. As such, I feel that I must vote for the package that I feel will do the job of maintaining solvency of the social security system without placing the burden on one segment of the society over the other. Therefore, I reiterate my position of supporting the social security financing package without amendments and encourage my colleagues to do the same.

● Mr. SHUMWAY. Mr. Chairman, it is with regret that I rise in opposition to the Social Security Amendments of 1983, and with disappointment that I find those amendments unacceptable. Like many of my colleagues, I had anticipated the presentation of this legislation, believing that it would constitute an equitable and responsible remedy to one of the most important domestic problems confronting us. Unfortunately, the bill falls short of the desired goal.

Before outlining the details of my opposition, I would like to stress that my respect and admiration for the herculean effort set forth by the National Commission on Social Security has in no way been diminished. The task force is to be commended for achieving a broad consensus on the nature of the system's financing problems, and for establishing parameters for responsive action. The Ways and Means Committee is likewise deserving of recogition for its sincere efforts to identify and correct the difficult problems inherent in social security.

As the ranking minority member of the Subcommittee on Retirement Income and Employment of the Select Committee on Aging, my hope was to be able to support a fair and workable measure designed to avert the long- and short-term deficits projected for social security. I realize that any bill presented would have to reflect certain compromises among the principals and their constituences, and I was quite willing to sacrifice some of my own preferences for the common goal of restoring solvency to the system. However, I find that I simply cannot compromise enough to make the inequitable provisions of this bill acceptable. The measure violates some basic premises of the program and establishes unwarranted historical precedents. The earned right or insurance

character of the program is jeopardized, for example. The introduction of a means test, general revenue funding and taxation of benefits can only diminish the credibility and self-sufficiency of the program.

One of the most controversial components of the legislation is the provision for mandatory coverage of all Federal employees hired after January 1, 1984, including employees of nonprofit organizations, and preventing State and local governments from withdrawing from the social security system. This universal coverage provision has met with understandable opposition, because it is very unfairly applied. For example, only new Federal workers are to be covered, yet all nonprofit employees are forced into the system. In regard to the retention of State and local governmental employees in the system, it is clear that those remaining are dissatisfied with the system: 167,000 local government entities plan to withdraw from the plan in the next 2 years. Last year alone, 179,000 nonprofit employees withdrew. No one who works on Capitol Hill needs to be reminded of the adamant opposition of Federal employees to participation in the social security system. Perhaps we should consider reforming the system's structural deficiencies to make it more attractive, rather than coercing reluctant workers into a system they view as detrimental.

I understand that the Commission was concerned that serious constitutional questions would result if all State and local governments were required to participate. However, the Commission did see fit to prevent present participants from withdrawing. It seems to me that a prohibition against withdrawal is just as much mandatory coverage as forced enrollment would be, and that constitutional questions may still arise. The power of Congress to tax the States to affect certain traditional State functions under the 10th amendment seems likely to be questioned.

Nonetheless, if universal coverage is to be enacted, then I am pleased to note that the committee has mandated coverage for Members of Congress, the President, the Vice President, Federal judges, and political appointees.

Three major revenue proposals are contained in the bill which will impact every person in the labor force, every business, and millions of current social security benefit recipients. Next year, for the first time, social security benefits will be subject to Federal income tax if this bill is enacted. In 1984, a portion of social security benefits and railroad retirement tier one benefits will be treated as taxable income for persons with adjusted gross income including 50 percent of social security benefits in excess of $25,000 for individuals, $32,000 for married couples filing jointly, and zero for married persons filing separately. It is unfortunate that the committee left unresolved the problem resulting from the notch for taxpayers with adjusted gross income in excess of the threshold with 50 percent of their social security benefits included in taxable income, while those below the threshold would escape additional taxes entirely. The tax burden will be distributed unfairly. Additionally, the measure may encourage a reduction in taxable income through reduced work effort or the transfer of assets to tax-exempt instruments. The proposal would tax those who have saved for retirement and would, for the first time, impose a means test on social security benefits.

A second revenue proposal would increase OASDI tax rates for the self-employed to the combined employer-employee rate, as well as SECA tax credits to offset part of the tax burden. Small businesses may suffer substantial cost increases as a result of this revenue increase. The proposal also threatens to exacerbate unemployment and delay economic recovery further in the small business sector.

Finally, the committee recommends an acceleration of the FICA tax increased mandated by the 1977 amendments. The bill provides a one-time tax credit of 0.3 percent of compensation against the 1984 employee FICA taxes. Payroll tax increases have become a convenient source of needed revenue for the social security trust funds, but their virtues have been extolled far beyond the realistic abilities of those tax increases. I recall that, in 1977, then-President Carter stated that the massive payroll tax increases contained in the 1977 amendments were "the guarantee that, from 1980 to 2030, social security funds would be sound." The fact that we are here in this Chamber today debating the need for still more revenues seems to cancel Mr. Carter's "guarantee."

Another objectionable feature of the bill is the proposal to modify the cost-of-living adjustment (COLA). The June 1983 COLA would be delayed until December, and all subsequent COLA's would be payable on a calendar year basis. It is grossly unfair to change the rules for those already dependent upon social security, particularly the low-income elderly who rely upon social security and the COLA as their sole source of income. If COLA is to be the instrument of salvation for social security, then we in Congress should review the methodology for computing the Consumer Price Index, and should evaluate its applicability to the true cost of living for older Americans. Such an evaluation may lead to more realistic and cost effective means of calculating cost-of-living adjustments.

There are certain provisions of the bill which have my support. Improving benefits for surviving divorced or disabled spouses who remarry is one such positive provision; increased benefits for disabled widows and widowers is another. Benefits would be increased for widows whose husbands had died several years before the widow was eligible for benefits. Divorced individuals would be allowed to receive spouse's benefits at age 62 whether or not the former spouse had retired. I am also pleased that title III of the bill includes miscellaneous and technical provisions to eliminate gender-based distinctions under social security. The gentleman from Texas (Mr. PICKLE), is to be commended for his endeavors to remove from the system inequities against women.

Another feature of the bill which I endorse is the provision to place each of the three trust funds within the unified budget as separate functions and, in 1988, to remove those trust funds from the budget altogether. I strongly endorse the off budget approach.

However, those positive components of the bill do not weigh heavily enough to offset its inequitable provisions. In essence, the legislation before us is another example of the treatment of symptoms, rather than the curing of causes. The social security system has many faults and negative aspects which must be corrected, not masked. The very structure of the system is in need of reform and revision and, until such time as those structural weaknesses have been properly corrected, I fear that social security will be continually plagued with ills. I am opposed to the bill, and I am sincerely regretful that it is simply not enough.

Thank you.●

● Mrs. SCHNEIDER. Mr. Chairman, I rise today in support of the bill, H.R. 1900. There is no question that there are portions of the bill that I am very unhappy to see become law. Yet, as so often is the case with major, landmark legislation, we are faced with a package composed of many small parts. In order to reach enough of a consensus to save the system, it becomes necessary for all of us to accept some provisions we do not favor in order to accomplish the need for both immediate and long-term relief for the social security system.

Mr. Chairman, I must honestly say that I am most impressed with the quality of debate in this Chamber today. However, we must not lapse into complaceny with passage of this bill. I, for one, must insist that we continue to monitor the welfare of the Federal worker, the disabled recipient, and the medicare beneficiary. I am disturbed by the statements of some of our colleagues to the effect, "Sure,

this is a difficult vote, but do it now and this is the last time we will address social security during our lifetimes."

Let us remember that we have committees whose responsibility it is to closely follow the welfare of those receiving social security, disability, and medicare benefits. We must not neglect this very important responsibility, and we must reassure the American people that we would not enact this package and forget about them.

Mr. Chairman, yesterday I asked the Rules Committee to permit greater debate on some issues affecting the system, particularly with respect to coverage of Federal workers and delays in COLA adjustments. I certainly am disappointed that the Rules Committee failed to permit votes on these subjects, and I implore the committees to give due attention in the coming months and years to the effect of these measures with a view toward correction, if necessary.

Mr. Chairman, again, with these reservations and cautions to my colleagues, I will vote for this package. But let us not forget that one of our major responsibilities is oversight—and that we have a duty to insure that the result of this legislation is that which was intended when it was drafted.●

● Mr. GEJDENSON. Mr. Chairman, I rise today in opposition to H.R. 1900, the Social Security Act Amendments of 1983.

I oppose the bill because I believe that the Congress has, over the past 2 years, missed numerous opportunities to bring progressiveness to the Nation's tax structure, and that, by passing this package as it now stands, we are missing yet another opportunity to enact a progressive tax policy.

My colleague from Connecticut, Mr. MORRISON, and I had hoped to propose an amendment to the legislation that would have, in our estimation, made it far more equitable. Our amendment would have removed the cap from the taxable wage base for both employers and employees, a move that would have raised approximately $80 billion for social security between 1984 and 1990. In addition, we would have removed the language for the 6-month COLA delay and the inclusion of Federal new hires from the bill. Our proposal would have raised approximately $27 billion more for social security than does the inclusion of those two provisions.

Not only would our alternative have saved more money, but it would have done so in a far more equitable fashion. The Congress, over the past 2 years, has allowed a number of regressive tax proposals to be enacted, and has basically lost the opportunity to go back and make the tax cut progressive. In the face of huge Government deficits, the President continues to propose regressive tax measures such as the gasoline tax. We have rolled over and played dead too long while the President's policies benefiting the rich and denying the poor have become the law of the land.

Our proposal would have given Congress the opportunity to bring progressive tax treatment to the social security system—a move that is long overdue.●

● Mr. FAUNTROY. Mr. Chairman, I rise in opposition to title I of section 101(a) of H.R. 1900 which provides for the inclusion of new Federal employees hired on or after January 1, 1984, into the social security system.

I am also deeply disappointed that the rule under which we are debating the Social Security Act of 1983 does not permit a vote on the inclusion of new Federal workers into the social security system.

The civil service retirement system is being put at risk in order to bail out the social security system. Is not the inclusion of Federal workers into the social security system a case of robbing Peter to pay Paul?

The civil service retirement pay as you go system will not be able to function if new Federal workers are not added to the system. This provision to include Federal workers could mean that when current Federal workers retire there will not be a new generation of Federal workers to contribute to the program.

Federal employees have correctly argued that the only way to insure benefits for Federal workers is for the Government to put additional billions into the civil service system.

Mr. Chairman, what we are engaged in is a shell game. This proposal will provide no significant contribution to the solvency of the social security system.

The estimates of the additional revenues that the inclusion of new Federal workers are greatly exaggerated. The Congressional Budget Office has estimated that revenues deriving from the inclusion of new Federal workers could be as low as $4.9 billion in the short term. Over the longer period, many believe, that the social security system, will lose money when Federal workers begin to receive social security benefits.

Government costs emanating from this provision will increase as the Government begins matching Federal employee's social security taxes and paying for the new retirement system to supplement social security benefits.

Additionally, the Government would experience a loss in revenue as taxable civil service retirement benefits are replaced by nontaxable social security benefits.

Again, Mr. Chairman, I wish to express my disappointment that the rule under which we are operating will not permit a vote on this very unwise provision.●

Mr. WALGREN. Mr. Chairman, I want to add my support for the Social Security Act Amendments of 1983. This legislation, a careful compromise which earned the support of many diverse groups, promises to place social security on a sound financial basis well into the next century and provide us all with a basic income in our retirement years.

In talking to many of the people I represent, it is clear to me that the greatest reservation the public has is the belief that social security will run out of money again in the near future. After all, they say, we were told in 1977 that the tax increases the Congress then approved would keep the system sound into the 20th century. And, look what happened. The system is bankrupt in less than 5 years.

However, unlike the 1977 amendments which proved to be inadequate because of the unexpected double burden of severe inflation and unemployment of the past decade, this bill contains important automatic stabilizers which will do much to insure financial stability. Beginning in 1988, if the trust funds decline below a reasonable level, the cost-of-living benefit would automatically be reduced to the lower of the consumer price index increase or the increase in average wages. This will prevent depletion of the trust funds in times of rapid inflation and sluggish economic growth, when prices outstrip wages. When the funds recover, a "catch-up" benefit payment would be made.

Passage of this bill demonstrates the commitment of the Congress to the fundamental structure and principles of the social security program. It is important to keep in mind that the problems confronting social security merely reflect the changes in our society. Most important of these is that we are an aging society with longer life expectancies and lower birth rates. In 1950, there were 16.5 workers supporting each social security beneficiary; today there are only 3.2. Life expectancy for males has risen from 65 to 1950 to 70 in 1982. It is only to be expected that we must set aside more of our resources to meet the increased needs an aging population requires from our society. To think that we can avoid increasing our contributions and believe that basic social security benefits can be maintained, is simply wishful thinking.

Finally, I believe it is most important that this bill requires universal participation and coverage in social security. Every American without exception, including the President and each Member of Congress, will now be required to pay social security taxes.

No one will be able to point to anyone else and say they are not bear-

ing their fair share. Each of us will know that that, whatever burden we are bearing, it is only our fair share when we think about what everyone else is paying.

Mr. Speaker, the importance of continuing a healthy social security system was especially well put by a constituent of mine. In a recent letter to me, she wrote:

Dear Mr. Walgren: I am a senior citizen. My total income is $476 of social security and $5.00 benefit from the veterans administration which I get along on, paying $209 rent in addition to my gas, electric, phone and medical items. I also keep my life insurance as well as Blue Cross up each month. I dropped my Blue Shield because I knew I couldn't do it, but I manage okay. I am 76 years of age and have been a widow for 7½ years and I feel very lucky to be able to take care of myself so I see no reason for people with $20,000 or more should complain about having tax taken for social security when they know the condition of our great country. Let everyone help as much as they can and be happy doing so.

I don't live in a shabby neighborhood and am not ashamed to bring anyone into my apartment. If they would only bring food prices down a little it would help a great many people. I am thankful for everything I have. My late husband worried how a frail person like me would even exist after he was gone. But I did it and am contented. Sure, I must sacrifice some times but it never hurts me to do so.

God bless you and your fellow representatives.

I can think of nothing more important than that the Congress keep the social security system sound.

● Mr. LUNDINE. Mr. Chairman, today, as a result of the work of the bipartisan National Commission on Social Security Reform and the prompt consideration of the Commission's recommendations by the House Ways and Means Committee, we are considering H.R. 1900, the Social Security Act Amendments of 1983. All Americans have a stake in this legislation for, in one way or another, the social security system affects all of us.

The Commission's task was certainly not an easy one. The President proposed the creation of the Commission only after months of bitter dispute and debate over the President's earlier proposals to reduce social security benefits. These proposals met with widespread protest from the public and from Congress. I was supportive of the President's decision to withdraw his proposals and commend his willingness to separate social security from the politics of balancing the Federal budget.

In my view, the key to a compromise solution is fairness. I could not support proposed solutions based solely on benefit reductions or on tax increases, but rather, on a mix of both tax and benefit reforms. I feel the President's Commission and the House Ways and Means Committee have made an honest attempt to develop a bipartisan solution which balances the interests of those currently receiving benefits with the interests of those who are paying taxes and expect to receive benefits upon retirement. While the package of reforms contained in H.R. 1900 is by no means perfect, I rise in support of the legislation and am hopeful that these measures will go a long way toward solving the short-term financing problem of the social security system.

THE SHORT-TERM PROBLEM

I have always maintained that social security faces two financing problems. One is immediate and extends over the next 5 to 10 years—a short-term issue for the social security system which, by its nature, must project to the lifetime of all those who are paying taxes to support it. The other problem will require major structural changes to respond to demographic shifts in the American population after the turn of the century. The short-term problem is the result of reduced program revenue caused, to a great extent, by the combination of very high unemployment and inflation over the last decade. There are just not enough people contributing to the system at the present time to support the benefits received by a growing number of retirees who have been receiving indexed benefits since the early 1970's.

As a result, it is generally agreed that the social security system needs between $150 and $200 billion in order to continue to pay benefits through the rest of the decade. Faced with a financing deficit of this magnitude, the Ways and Means Committee has reported H.R. 1900, the Social Security Act Amendments of 1983, which includes provisions estimated to raise $165 billion. While I am hopeful that this measure will meet the system's short-term financing need, one must keep in mind that solving the problem also depends on our ability to revitalize the economy.

H.R. 1900

Faced with several proposals to significantly reduce social security benefits during the 97th Congress, I am pleased that benefits have largely been preserved. Considering past proposals, delaying the cost-of-living adjustment for 6 months and taxing a portion of benefits received by high-income recipients represent an equitable sacrifice on the part of current beneficiaries. I believe the advocates for the elderly have been successful in preventing significant reductions in benefits and I am concerned that the rejection of this compromise package would result in an alternative weighted far more heavily on the side of benefit reductions.

It is also very important for all of us to take a look at the system from a young worker's perspective. The burden of payroll taxes on today's workers has increased significantly. This is in sharp contrast to the rate of taxation for most of the history of the system. At the same time, confidence that social security will still be paying benefits upon their retirement has eroded. In my view, it is critical that confidence be restored, not only for current beneficiaries, but for our youth who are being asked to bear a great deal of the burden. While I support the acceleration of scheduled tax increases, I am absolutely opposed to increasing payroll taxes beyond those contained in this legislation.

Of the provisions of this legislation, I am most concerned with the increased tax on the self-employed. I do not believe that these individuals should be required to bear a disproportionate share of the burden. Since the self-employed will be required to pay the combined employer-employee payroll tax, I believe they should be exempt from paying taxes on any portion of their retirement benefits and support the provision to allow a tax credit for the self-employed.

FEDERAL EMPLOYEES

There has been a great deal of confusion surrounding the proposal to extend social security coverage to newly hired Federal employees as a result of the unfortunate timing of the Reagan administration in simultaneously proposing cutbacks in Federal retirement programs.

As you know, Mr. Speaker, President Reagan has proposed increasing the civil service retirement age to 65 and penalizing those who retire at an earlier age by reducing their benefits by 5 percent per year. Accordingly, even with 30 years of service, someone who retired at 55 would only be entitled to 50 percent of their benefits. The administration has also proposed increasing the employee contribution to the retirement fund from 7 percent to 11 percent by 1985. I strongly oppose these and other changes in the retirement system which I consider a breach of contract with Federal employees. I will do everything I can to prevent their implementation.

On the other hand, I do not oppose the provision to extend social security coverage to newly hired Federal employees as long as it is accomplished in an equitable manner and without loss to current Federal workers and retirees. There is no question that the Federal Government must contribute sufficient amounts to the civil service retirement system so that it can meet current and future benefit obligations. In addition, I support the creation of a supplemental retirement plan for newly hired Federal workers under which the Federal Government will make appropriate employer contributions, in addition to contributions to the social security system.

There is a real consensus of public opinion and support for extending social security coverage to newly hired

Federal workers. Considerable public resentment has been expressed over the fact that people who legislate and administer the social security system do not participate in it. This lack of coverage of Federal workers gives the impression that those closest to the system have little confidence in it. For this reason, I am extremely supportive of the provision to include all Members of Congress, the President, the Vice President, and all political appointees, as well as all newly hired Federal employees, in the social security system. At a time when social security faces considerable financing difficulties, continued public confidence in the future of social security is critically important.

OTHER PROVISIONS

I am pleased to see the inclusion of the provision to gradually increase the delayed retirement credit from 3 percent to 8 percent per year between 1990 and 2010. This provision is consistent with the approach to retirement policy I advocate. Ideally, I would like to see a retirement system that offers a range of retirement options with those choosing to retire early, obviously, entitled to a smaller benefit, together with a progressive lifting of limitations on earnings. Such a system could offer the choice of social security benefits in 2-year intervals from age 62 to age 72. This would permit workers to retire early if they need or wish to while encouraging other workers to continue working as long as they choose. This system would provide greater flexibility for individual workers in planning for retirement, while offering potential savings for the social security system.

Finally, I support bringing employees of nonprofit organizations into the system, returning uncashed checks to the social security trust fund, and the provisions designed to make the system more equitable for women. In addition, I believe it was a mistake to include social security trust funds in the unified Federal budget. Changes in the social security program should be made in order to improve the financial condition of the system, not for purposes of balancing the budget.

THE LONG-TERM PROBLEM

While I am hopeful that H.R. 1900 will significantly improve the short-term outlook for social security, I am not as confident that we have adequately addressed the long-term financial condition of the system. The continued "aging" of the population combined with declining birth rates will have significant implications for the social security system beginning around 2015. I believe we must consider additional options for assuring the long-term stability of the system.

In the past, I have advocated removing medicare from the social security trust fund. Medicare is a health benefit program more than a retirement insurance program and is already tied very closely to the medicaid program, not social security. While its separation would require continued efforts to protect it from budget reductions, the benefit of removing the program outweigh the problem of protecting medicare benefits and would provide the social security trust fund with additional revenue.

The Presidential Commission made several recommendations, which are included in H.R. 1900, that permit surplus social security trust funds to be invested in higher yielding U.S. Treasury obligations. Until very recently, surplus trust funds were invested in special Treasury bonds that paid interest far below the rates paid on all other Government securities. In effect, we were using these funds to help reduce the overall cost of Federal borrowing, when we should have been investing them to increase our ability to meet unexpected funding shortfalls.

This legislation corrects this problem, but does not go far enough in securing the maximum possible return to the social security program on invested surplus funds. In addition to the changes in the bill, I would propose that a portion of each year's surplus trust funds be set aside in a special capital investment fund that would be managed by a separate investment board. These funds would be invested in a mixture of secure Government and private investments yielding the highest possible rate of return. With sufficient funding and proper management, this capital fund could provide the additional reserves necessary to prevent a recurrence of our financial difficulties and place the trust fund on a more sound financial basis.

I urge that attention be directed to this and other proposals to further strengthen the long-term financing of social security benefits once Congress has completed work on this emergency legislation.

The success of our retirement system rests upon continued public confidence that the Federal Government will preserve the integrity of the social security trust fund and honor the commitments it has made to the Nation's workers. This system represents an irrevocable commitment between the American people and their Government. For this reason, I urge the adoption of H.R. 1900 and believe the passage of this legislation will send a message to the American public, restoring the confidence that has been missing in recent years.●

● Mr. WIRTH. Mr. Chairman, social security affects virtually every American in a direct and important way. It has been remarkably successful at achieving its central purpose of keeping senior citizens from living in dire poverty. It has provided a basic floor of income for retired Americans and has given working people the security of knowing they will not be destitute when they grow old. It is our country's largest social program, the result of a social compact we made in the dark days of the Depression.

Because social security is of such profound importance to all Americans, our overriding goal today must be to insure its solvency, both for people now receiving benefits and for people now paying into the system. As we know, that solvency is threatened—social security is expected to need $150 to $200 billion between now and the end of the decade to stay healthy. Social security checks are now literally being sent out on borrowed time, time which will expire in July. If we fail to act today in approving this plan, we run a very real risk of letting that time expire and letting a lifeline for millions of older Americans expire, too.

What the President's Bipartisan Commission on Social Security accomplished in achieving consensus on a package of reforms is nothing short of remarkable. This group, appointed by leaders of both parties, moved beyond the simplistic rhetoric in which many had engaged. Through more than a year of hard work and negotiation, they put together a realistic and balanced package. They deserve deep thanks from all of us.

One of the hallmarks of a true compromise is that there is something in it that everyone does not like. That is certainly true of this package. Each member of the Commission, acting individually, would have written a different plan. The Commission is asking for some sacrifice from nearly every American. But the reason their work is so impressive is that they do not ask an unfair sacrifice from any one group. Their compromise strikes a fragile balance between a number of competing and legitimate interests. If we turn it down today, there is certainly no guarantee that groups now unhappy with parts of the package would be more satisfied in the future. Indeed, there is no guarantee that another compromise could be reached.

When the Commission's plan was issued in January, I decided that before making my decision on whether to support it, I would consult broadly with my constituents. Through newsletters to each home in my district, I explained the major parts of the plan, and outlined arguments for and against each part. Hundreds of Coloradans took time to communicate with me about social security, and their thoughts were very helpful. Some of their feelings were touching—seniors living barely above the poverty line who wrote that a 6-month delay in their COLA's was a necessary part of keeping social security healthy, current workers stating that a gradual

speedup in their payroll taxes was a reasonable part of the needed solution, and many others.

Other constituents shared their concerns about parts of the package: Federal workers concerned about the future of their retirement system, small business people worried about the effect of the tax hikes on their businesses, working taxpayers who are feeling the brunt of ever-rising taxes, and others.

The level of response to my request for thoughts of constituents on social security was heartening. It underlined for me how important this issue is to millions of Americans. I fully understand the concerns of people opposing this plan, but I believe it is in the best broad national interest to support it.

While I share the concern of some senior citizens who are worried that a 6-month delay in their annual cost-of-living increase in the next 6 years will increase their economic hardship, this proposal has been coupled with relaxed eligibility for supplemental security income so that low-income seniors will be protected. Its effect on senior citizens will be far less than many other proposals to cap or cut the annual inflation adjustment. Alternative suggestions to use general revenues to shore up the system are untenable in this era of multibillion dollar annual Federal deficits, and social security must not be mixed into the annual political pressures to reduce Federal spending.

Some individuals have expressed concern about the gradual speed up in already scheduled tax increases through the rest of this decade. Certainly all of us are feeling the burden of these difficult economic times and are not pleased about the size of our tax bite. But again, this proposal was far more moderately designed than others which were considered by the Commission to speed up these tax rates much more dramatically.

One of my major principles in looking at this issue has long been that there must be a fair and careful balance between the revenue side of the social security trust fund—affecting current workers, and the benefit side of the trust fund—affecting current recipients. I find this basic balance in the combination of the delayed COLA and the very gradual speedup of scheduled tax increases.

Federal employees have been among the most vocal in opposing the provision to include new Federal employees in social security, because of its potential effect on their retirement system. I opposed the 1977 proposal to bring current and new Federal, State, and local employees into the system, because I believed then, and still do, that these people are entitled to benefits promised them when first hired. But the plan before us today would not affect the retirement of any current Federal worker, nor would it affect the other retirement plans of State and city workers who are not included in the social security system. There are discussions now under way to develop a supplemental pension plan so that future Federal employees are treated essentially the same as workers in private industry, who usually have a retirement plan in addition to social security. Federal workers are concerned that because fewer people will pay into their retirement program in the future, benefits may have to be reduced. But the Federal retirement program has never been a pay-as-you-go system like social security, and nor will it become one. Of the $19 billion paid to Federal retirees last year, about $4 billion came from contributions made by retirees, and $15 billion came from general Federal revenues. I will continue to support Federal workers on the range of other issues on which they are under attack by this administration, and I will continue to work to insure to solvency of the civil service retirement system for all current Federal workers and retirees.

Additionally, I was pleased at a provision added by the Ways and Means Committee to include the President, Vice President, Members of Congress and Federal judges, in the social security system. This is something I have been urging for years, and it is long overdue.

I was also pleased that the committee added long-range benefit and tax rate changes to the overall plan, in order to address the funding problems social security will face early in the next century when the post-World War II "baby boom" generation reaches retirement age. I believe the committee language is reflective of the fairness and compromise that has characterized the debate on this touchy political issue since the Commission's plan was issued. Like the rest of the plan, the committee's proposal would address both the benefit and revenue side of the social security funding picture by calling for raising taxes in the year 2015 and for reducing the bend points, or replacement ratio, by 5 percent between the years 2000 and 2008.

Because I believe the committee struck a fair and reasonable compromise on this long-term issue, I will oppose both the amendments being offered today by my two distinguished colleagues.

The amendment by my colleague, Mr. PEPPER, would ask that taxpayers bear the full load of the long-term financing problem, while the amendment by my colleague Mr. PICKLE would ask older Americans to bear the full load, by penalizing those who retire before age 67, without provisions for those who must retire early for health reasons. Instead, I hope we will preserve the careful balance in this plan as reported by the committee, with this long-term funding burden fairly shared, and oppose both amendments.

Mr. Chairman, we as a society decided two generations ago to enact true social security in which all share in the benefits and all share in the costs. This system has served our country well over the years, and if we pass this carefully crafted compromise today, social security will continue to serve our country well for the foreseeable future. Thanks to a great deal of hard work, we have the opportunity to act today to solve the problems of this huge program in a way that is fair and sound. It will insure that benefit checks continue to go to current recipients, and that they will be available in the future for people now paying social security taxes. It will ask for sacrifice from all of us, but it will also offer benefits to all of us. It is in the best interests of all 230 million Americans to pass this social security reform package today.●

● Mr. RODINO. Mr. Chairman, I rise in support of the Social Security Act Amendments of 1983 and of the amendment to be offered by our distinguished colleague, Chairman CLAUDE PEPPER of the House Rules Committee.

We all know that the social security system is facing grave financial problems, both in the short term and in the long term.

Unless we act expeditiously, benefits cannot be paid this coming July.

This most urgent problem has created fear and distress for the millions of our retired citizens who rely for all or part of their income on social security benefits. It is imperative that we act to assure the payment of benefits and to restore the confidence of Americans in the integrity of the social security system and in their Government's commitment to its solvency and future status.

As reported by the Ways and Means Committee, the bill will raise $165 billion through the end of this decade, which is expected to eliminate the anticipated deficit in social security trust funds.

For the long-term deficit, the committee bill would result in a reduction in benefit levels. I believe Chairman PEPPER's amendment, to institute a payroll tax increase of 0.53 percent in the year 2010, is a far better and fairer way to resolve the problem.

Taken individually, there are provisions of this bill I would strongly oppose. For example, it is distressing that the bill will delay the cost-of-living adjustment in benefits for 6 months.

But overall, I believe the balance of tax increases, benefit reductions, a limited use of general revenues, and the expansion of coverage to new Fed-

eral employees and others is the best possible compromise that could be worked out to resolve the social security crisis.

Another provision that has caused me much concern is the effect of including new Federal employees in the social security system on the future benefits of current Federal employees, who would continue to be covered under their separate civil service retirement system. These Government workers raised the very valid question of what would happen to their future benefits if new Federal employees would not be making contributions to the civil service retirement fund.

I am reassured that this will not become a problem. As Chairman FORD of the House Post Office and Civil Service Committee has told us during this debate, civil service retirement coverage is mandatory for all Federal employees. This is not changed under this bill, so new employees would, upon entering Government service, join the retirement system existing in their agency and be making contributions to the civil service retirement fund. In addition, the Speaker and Chairman FORD and ROSTENKOWSKI have stated their opposition to "any proposal which would threaten or adversely affect the financial integrity of the civil service retirement fund, or the ability of that fund to continue to pay benefits promised to participants in the civil service retirement system."

It is my conviction that the final supplement retirement plan developed for new Federal workers will be fair to them and will assure the payment of the scheduled retirement benefits of current Government employees. I will certainly do all in my power to carry out this commitment.

Mr. Chairman, separate parts of this bill constitute sacrifices by different groups of our citizens—the retired whose COLA's are delayed and our working citizens whose payroll taxes will rise. But taken as a whole, H.R. 1900, with Chairman PEPPER's amendment, is a balanced and fair resolution of the critical problem of restoring solvency to the social security system for the near term and over the next 75 years.●

● Mr. SISISKY. Mr. Chairman, our action today on the social security reform proposal presents the Congress with as grave a responsibility and as serious a vote as I ever expect to make during my service in this body.

The proposal developed by the bipartisan National Commission on Social Security Reform has been carefully considered by the House Ways and Means Committee under the able leadership of Chairman ROSTENKOWSKI. Extensive hearings have been held and a very comprehensive consideration of all the specific recommendations has now been completed. Several aspects of this proposal have been troubling to me and my colleagues, and to the people we represent.

One part of the proposal which has been of great concern to many workers in my own district is the requirement that all new Federal employees participate in the social security system effective January 1984. Although current Federal employees will be totally exempt from this requirement, there continues to be much legitimate concern and confusion over the impact of this particular requirement. Two important points should help allay these concerns.

First, the Social Security Commission has recommended that Congress develop a retirement plan that would supplement the benefits new workers will receive from social security. The Post Office and Civil Service Committees will soon begin to consider the details of such a plan.

Second, and most important perhaps for current Federal workers, Speaker O'NEILL and the chairman of the House Ways and Means Committee and the Civil Service and Post Office Committees have pledged to oppose any efforts that would adversely affect the ability of the civil service retirement system to pay promised benefits. Federal workers' retirement benefits will be protected in the future, just as they are now, by the willingness and commitment of the Congress to appropriate the funds necessary to pay for those benefits.

I share that commitment, that pledge, and that willingness to act to protect the benefits which Federal employees have worked hard to earn and have rightfully come to rely upon as they plan their retirement futures.

Objections have been raised to other aspects of this social security reform package. The House Ways and Means Committee has heard and well considered all of these objections, as have I.

Because the social security proposal is a compromise, it contains parts which, if considered alone, I would not support. Many of my colleagues share this opinion. But as a responsible legislator, I believe that my first responsibility is to insure that social security recipients do not experience any interruption in the flow of benefits. For fully one-third of those currently receiving a social security check, that check is the sole source of income. These recipients and millions of others live from one check to the next and would suffer even greater hardships if the system failed. I also believe that the Federal Government has an obligation to today's workers to insure that their investment and expectations are protected.

Despite my reservations about specific parts of this proposal, I do believe that this bill has been designed so that no one group in our country is asked to make unbearable sacrifices in order to protect the social security system. All groups must sacrifice a little to accomplish this goal as fair a manner as possible.

On the whole, I believe that the benefits of this reform package far outweigh the sacrifices called for in the proposal. For the first time, Members of Congress will also be required to contribute to the social security trust fund. Certainly, the Congress too is showing its strong personal commitment to the system and to its solvency.

Perhaps, there is no better demonstration of our democracy and the need for compromise among conflicting interests than our work on this proposal. I believe that this is the only way we can insure that this Government will be able to honor the commitments we have made for a system which is so crucial to the lives of millions of Americans.●

● Mr. BILIRAKIS. Mr. Chairman, I am distressed at the manner in which the U.S. House of Representatives, in its handling of the social security reform package today, violated its own tradition as a deliberative body.

Not only was the debate on this crucial issue limited severely by the rule under which it was considered, but the vote on the rule itself was handled in a most undeliberative way.

I opposed the rule under which the social security bill was considered. I opposed it because I wanted the opportunity to debate, fully and openly, some of the more controversial sections of the package—particularly the issue of universal coverage.

I am opposed to bringing Federal employees into the social security system because it violates the contract under which these employees have been working.

As a former civil service employee of the Federal Power Commission, I know of many Federal employees who turned down better paying jobs in the private sector because they wanted the security their Federal pension provides.

Now, because of the actions we took here today, that pension may be jeopardized.

And yet this specific issue was not a subject on which we could vote. The rule precluded such a vote, just as it precluded a vote on delaying this July's scheduled cost-of-living adjustment, advancing tax rate increases, and on the taxing of social security benefits for individuals whose earned income reaches a certain level.

Now, I realize that opening the whole social security package to amendments carried with it the risk the bipartisan spirit behind the package could be lost, but I still feel dismayed that I was not given the opportunity of voting on the various elements of the package.

This program is too important to too many segments of our economy to be handled in such a manner.

We should have been allowed to vote on each and every segment of this bill.●

● Mr. KASTENMEIER. Mr. Chairman, like many of my colleagues, I am certain, I have weighed the pluses and minuses of this legislation carefully. We all recognize the vital importance of acting on some package to assure the solvency of the social security system for current and future beneficiaries. We all, also, share the desire that whatever burden is imposed in order to achieve that solvency be spread as evenly and as fairly as possible so that no one group suffers an undue portion of the sacrifice that is, by necessity, required to achieve this goal.

I believe that the National Commission on Social Security Reform and the Ways and Means Committee have attempted to fashion as fair and as bipartisan an approach as is likely possible. Nonetheless, I have had problems with portions of this bill, some of which have caused me at times to feel I would vote against the package.

I am concerned with the impact of the delay in the cost-of-living increase for current beneficiaries, particularly those receiving minimal benefits and hope that every effort will be made to assure that the increase in SSI payments will help to compensate for the COLA delay imposed on particularly low income social security recipients.

The impact of the increase in taxation for the self-employed, especially small business people, is also a source of concern to me, and I sincerely hope that the tax credit provided the self-employed against their taxes will be adequate to help offset the increased burden, but I still have doubts—especially, after the 2-year duration of the tax credit.

Of particular concern to me has been the impact of the provisions extending social security coverage to new Federal employees effective January 1, 1984. Like many, I have questioned the impact of such a provision on the viability of the civil service retirement system for those who will rely on that system for their future retirement benefits. Questions have been raised as to whether the system will ultimately go bankrupt because of the lack of contributions by new Federal employees.

In my view, this has been a serious enough issue that I had considered voting against the bill solely because of that threat. In an attempt to gain a better perspective on just what this provision will mean to the future of the civil service retirement system, I spoke at length with the chairman of the Post Office and Civil Service Committee, the gentleman from Michigan (Mr. FORD) who was of immense assistance in helping to put this entire matter into better focus, and who has greatly assisted me in clarifying some misconceptions that have been promoted as arguments against such extension of coverage.

As I now understand this legislation, while new Federal employees will be required to contribute to social security effective January 1, 1984, they will also be required, as is currently the case, to contribute to the civil service retirement system. Therefore, contrary to the claims by many, the contributions of new Federal employees to the CSRS will not be lost.

However, this does not alleviate another serious concern, namely, whether these new Federal employees will therefore be forced to bear an unduly heavy financial burden because of the necessity of dual contributions to both systems, amounting to a total of about 14 percent of their salaries, at the outset, a very large assessment, indeed.

Because of this factor, I am assured by Mr. FORD and the House leadership that every effort will be made to implement a mini-program whereby new Federal employees will have, instead, a supplemental program under the civil service retirement system, permitting contributions at a lesser than full rate of 7 percent. While the contribution burden will still be more than if they were required to participate in only one program, they will also have the advantage of comparably higher retirement benefits through the two pension programs when they finally do retire.

I am further assured that every possible guarantee will be made that the Federal Government will contribute whatever will be necessary to assure expected benefits for current Federal employees when they do retire. As we all know through studying this issue, the General Treasury already contributes upward of 80 percent of the total needed to meet benefit obligations. Hopefully, under this new system, that contribution need not be significantly higher than it is today.

Because of these assurances regarding the future preservation of the civil service retirement system for those who must rely on that system for their retirement income, I have decided that, on balance, this is a supportable bill.

However, I also believe that some questions which I have raised, including assurances that adequate funding for the CSRS will be guaranteed for future years to come, must be addressed. I further believe that the Congress must closely monitor the impact of the dual contributions required of new Federal employees to assess the financial impact of such requirements, particularly on those at the lower rung of the GS ladder.

Mr. Chairman, on a final note I want to make the observation that Federal employees have been perhaps the most unjustifiably maligned group of workers in this country. For the most part these civil servants are hard working and dedicated employees who earn every dollar they make. They have continually been singled out for undue sacrifices ever time we face economic problems in this country. And, again, this administration has proposed asking more sacrifices from them by urging increased contributions to their retirement systems, freezing their wages when they have already been held to COLA increases far less than the cost-of-living increases for several years resulting in a lag of 14.47 percent behind the private sector as of October 1982.

If such actions continue, we will clearly come dangerously close to bringing reality to the myth that Federal employees are poorly qualified workers by making Federal employment so unattractive that we will be unable to find qualified persons to fill Government positions. Already studies show that Federal workers are paid an average of 20 percent less than comparable workers in the private sector and if the recommendations of this administration are adopted, they will fall even further behind.

I hope that bringing Federal employees under social security will quiet some of the criticism that they are somehow a privileged class. I hope, even more, that we will finally cease treating Federal workers like second-class citizens.

Mr. Chairman, I sincerely hope that with this legislation, and with what I assume will be comparable action by the Senate, we will adequately address the short-term needs of the social security system. I trust that this package will relieve the concern held by many that there will be no money in the trust funds when they retire.

Whether the long-term needs of the system will also be met by whatever legislation is ultimately sent to the White House for the President's signature, remains to be seen.●

● Mr. GONZALEZ. Mr. Chairman, I cannot support this bill.

On principle, it is wrong, in that it makes fundamental and probably irreversible changes in the nature of social security. For the first time, it places a tax on certain recipients, in effect creating a means test for beneficiaries. This ultimately means that the program will not be seen as an insurance program wherein all premium payers are treated equally, but as a welfare program in which some are treated differently from others, based on a test of need. Naturally, we are told that only a small percentage of recipients will be subjected to this new tax, but the principle will have been set,

and that principle is clearly to transform the basis of social security from an insurance program into a means-tested welfare program. We will see that in the future, when the program is in trouble, the means test will be expanded, the number of people with drastically reduced benefits will increase, and public support for the program will fall off. It is a small provision, this tax, but its meaning and portent are vast, and it is fundamental to the whole future of social security as we know and understand it today.

On principle, I cannot support a bill that is drawn up in a matter of days, when we know that the recommendations behind it were arrived at only after months of struggle, and then only after the Commission was force-fed. The issues embodied in this bill are immense. They deserve more careful consideration and time than we are permitted to give today. The questions before us are greater than the two amendments we are permitted to vote on. If the Commission on Social Security was free to work its will, and if the Committee on Ways and Means was able to work its will, why must we reduce ourselves to consideration of only two amendments? Why should we deny ourselves the opportunity to work our will on such matters as coverage of Federal employees, and on such issues as the new medicare reimbursement system—just to name two of the larger questions in this bill.

On principle, I cannot accept the argument that this bill is the ultimate cure for all that ails social security. That is the precise argument that we heard in the last major social security bill. At that time, just 5 years ago, we were told that the legislation before the House would assure the financial soundness of social security for 40 or 50 years. It was a solution that in fact did not last 3 years. It was a solution founded in erroneous assumptions. But then, it was also a solution that was, like this one, spoon fed to the House. It was true then, and it is true now, that the soundest answers are the ones that make sense in an open and free choice. But we are denied the opportunity to advance alternatives, denied the opportunity to test this bill against our own judgment.

It is little noticed in this bill that the whole basis of medicare reimbursement is changed. Henceforth, hospitals will not be paid for the costs they actually incur in treating a medicare patient; they will be paid on the basis of what experts estimate the cost of care for a particular diagnosis ought to be. That cost can be more, or it can be less, than the actual cost for treating any given patient. This is precisely the kind of cost containment program that the Congress has heretofore rejected. Yet we are given no opportunity to discuss it in any meaningful way, nor do we have the opportunity to vote on the merits of this change.

Let us consider this: It is not likely that the reimbursement formula will be generous. Suppose that it is a formula that creates a consistent loss for hospitals that treat medicare patients. There could only be two results that flow from that: either the quality of care must decline, or the losses made up on nonmedicare patients. If it is the latter, private insurance coverage will again leap in cost, as it has been especially in the last 2 years. Make no mistake: This formula system may well end up as a hidden and extremely expensive tax against patients who pay their own way, or who use private insurance.

The foundations of medicare have been hacked at for the past 2 years. This bill takes that process one step further, and again transforms what was supposed to be insurance into a welfare program, a program that threatens the quality of health care and at the same time loads new, hidden costs on full-paying patients—just in the same way that medicaid cuts forces a hidden tax on those full-paying patients.

There is more to this bill than meets the eye. There is general public understanding that cost-of-living adjustments will be delayed for 6 months. But there is precious little understanding that a few years hence, cost-of-living increases would be made in full only if trust fund reserves are at a certain ration. This is not a bill that calls for a one-time sacrifice; it is in fact intended to phase out these cost-of-living adjustments altogether, or make tham so low as to be meaningless.

This is a bill that creates higher taxes for the self-employed, that makes the overall tax system still more regressive, and that finally says to the future beneficiaries of social security that they will not only be paying more, but will be receiving less in the way of benefits. This is in short a bill—in terms of tax burden, in terms of reduced benefits, and in terms of hospital care, works in every way against the best interests of the great bulk of our citizens.

Finally, there is the matter of Federal employees. The picture is painted that all this bill does is to bring Federal employees into social security. That is not the whole truth. The bill also works to eliminate the civil service retirement system.

We are told that civil servants will get some kind of supplemental retirement program, so that in the future their retirement benefits, together with social security, would not be adversely affected. But we have yet to see, or even see proposed, such a supplemental retirement program. If the intention is to integrate civil service retirement with social security, the way to do that would be to have a bill that does so. But this bill does not provide, nor even envision, that kind of program integration. Nor are we told that the administration would support such a plan if it existed. Federal employees are concerned—and rightfully so—that their retirement program is being sold down the river, in the guise of merely integrating it with social security. Again, this is a large issue. Again, it is an issue that, under the rule, we cannot decide upon, on the basis of its own merit.

This bill, in principle, embodies the notion that since it makes everyone suffer, it must be virtuous. It embodies the idea that since this particular fish smells peculiar to everyone, it must be some rare delicacy. I do not accept that. On principle, and in substance, I cannot support this bill.●

● Mr. BERMAN. Mr. Chairman, we must consider the plight of the Federal worker. Although H.R. 1900, the Social Security Act Amendments of 1983, makes no changes in the civil service retirement system for current Federal employees, passage of the National Commission on Social Security's recommendations coupled with the President's pending budget requests certainly clouds the future for millions of loyal civil servants. It is important that Congress act promptly to remove this shadow of doubt.

Following passage of the social security package, Congress should enact a supplemental retirement plan for new Federal workers to insure their futures. Second, it is imperative that Congress rejects the proposed cuts in Federal employees' compensation contained in the administration's fiscal year 1984 budget request.

I have spoken with many Federal workers who have expressed their serious reservations about the long-term security of the civil service retirement system (CSRS). Not only are they worried about the effect that bringing new hires into social security will have on CSRS, but they also feel that CSRS may become vulnerable as the number of Federal employees under the system decreases. It is important to note that the House leadership is on record as "opposing any proposal which would threaten or adversely affect the financial integrity of the civil service retirement fund, or the ability of that fund to continue to pay benefits promised to participants in the civil service retirement system." It is critical that this Congress protect future Federal retirement benefits so that future Congresses will be unable to chip away at the civil service retirement system.

Congress should immediately pass a supplemental pension plan to supplement new workers' social security benefits. The level of benefits under this plan should equal those of the current system combined with social security

in order to guarantee financial security for future Federal employees.

President Reagan has called for far-reaching changes in the Federal compensation package that would result in Federal workers falling further behind the private sector in pay, shouldering much higher health-care costs, and receiving dramatically reduced benefits under the civil service retirement system.

It is important to consider the impact of budget decisions on workers over the past 2 years. First, the gap between salaries of Federal workers and the private sector has continued to widen. Federal workers have not received the full pay raise necessary to attain comparability with the private sector since 1977. As a result, there has been a growing gap between Federal and private wages and a continuing erosion of Federal earnings as inflation soared in the late 1970's. According to the Advisory Commission on Federal Pay, Federal employees needed an average pay raise of 18.5 percent last year in order to catch up with their private sector counterparts. Instead of the 18.5-percent increase required to reach comparability, Federal pay was increased by only 4 percent last year. For many Federal workers, the raise was completely offset by the new 1.3-percent medicare tax, and increases in the amount they were required to pay for health plan premiums.

The Reagan administration proposes to freeze Federal civilian and military pay for 1 year. Civil servants have borne the brunt of economic hard times for the past 6 years, as each administration has requested Federal pay raises well below that of the private sector. A freeze on Federal pay is unacceptable, for too long Federal employees have been the victims of the budget-cutting knife.

Furthermore, during the last 2 years Federal employees' health insurance premiums have sharply increased at the same time their health benefits have been significantly reduced. Under the Federal health benefit program (FEHBP) Federal workers and the Government share the costs of the system. In fiscal year 1981, when the Office of Management and Budget realized that there would be substantial shortfalls in the FEHBP, President Reagan decided against requesting a supplemental appropriation. Instead, the administration cut benefits and shifted the costs from the Government to civil servants by increasing their contribution. Last year, the administration once again increased worker contributions. Today, the average Federal employee is now paying 55 percent more for health coverage than in 1981.

The administration proposes to drastically alter the formula used in determining the Government's contribution to FEHBP. In lieu of a percentage formula, the Government would adopt a voucher plan. This means that the government would contribute a fixed dollar amount toward the purchase of a health plan. This proposal will force the Federal employees to bear a much greater share of the health care costs. This proposal will not hold down health care costs as the administration contends. Escalating medical expenses will become the financial responsibility of Federal employees.

Finally, major cuts have been made in the civil service retirement system (CSRS) since 1980. Cost-of-living adjustments (COLA) no longer come every 6 months, but on an annual basis. In 1982, these adjustments were delayed 1 month for each of the next 3 years beginning in 1983. This means that instead of COLA adjustments being on a 6-month cycle as they were at the start of the administration they are now on a 13-month cycle.

However, compared to the President's 1984 budget request these past cuts are minor. If passed, the fiscal year 1984 COLA will be canceled. In addition, the budget contains provisions to lower retirement benefits, increase employee contributions, and raise the age at which Federal employees can retire with full benefits. This proposal would have a devastating effect on the civil service retirement system. The administration is senselessly attacking a retirement system, which unlike most private pension plans employees contribute to, where the average retiree receives $12,550 a year and 22 percent of retirees receive less than $500 a month. Furthermore, these generous benefits are subject to Federal income tax.

Mr. Chairman, retired Federal employees and those nearing retirement have worked their entire lives at jobs less financially rewarding than those in the private sector. It is outrageous that we would now jeopardize their retirement security. Furthermore, unless this Congress passes a fair supplemental pension plan, and rejects the President's budget proposals pertaining to Federal employees, it will become impossible to attract qualified public servants. Providing equitable Federal employee benefits is a matter of simple justice and a necessary investment in America's future.●

● Mr. THOMAS of California. Mr. Chairman, as we consider how best to repair our Nation's social security system so that it will survive and continue to pay benefits to our retirees into the 21st century, I sincerely hope that Congress avoids taking the easy route—that is, more tax increases—and instead attempts a more permanent solution.

We have already agreed that in order to rescue the social security system, we must enact a set of short-term proposals with which every American may not agree, but which will put the system on a sounder basis. I may not agree with each proposal, indeed, no Member of Congress may agree on each proposal, but I believe the short-term package is by and large a responsible, balanced package which treats every group in our society fairly, and it must be enacted.

I believe Congress should take the same responsible attitude in dealing with the long-term problems which social security faces. In my opinion, the most equitable and responsible of the alternatives before us to assure social security's long-term solvency is to gradually raise the retirement age by 2 years, beginning in the year 2000.

According to actuarial estimates, this slight change, accomplished very gradually over a 25-year span in the next century, will assure that the system survives—without a future tax increase, without a future cut in benefits, without harming those now receiving benefits, without harming the disabled or women workers.

It is irresponsible and unfair for Congress to enact yet another payroll tax increase to cover 21st-century deficits. Payroll tax increases simply attempt to mask the real problem we face with social security: In short, people are living longer, and relatively fewer workers are being asked to support the system.

Is it equitable for Congress to require younger workers to pay more taxes and settle for a benefit cut of 5 percent when it is their turn to retire? That is one of the proposals we confront today.

Is it equitable or responsible to expect future employers and workers to contribute more and more of their payroll to cover yearly deficits that, under current law, are expected to reach $10 trillion by the year 2052? That is another proposal before us today.

I say that the Pickle amendment is the most responsible choice of the alternatives before us to complete the reform package which we send to the Senate. Raising the retirement age by an average of 1 month per year is an honest way to deal with an inescapable fact: The U.S. population is aging.

The current social security problem is before us precisely because people have changed. It would be foolish for us not to admit that the system needs to be changed to meet changes in the population.●

● Mr. BIAGGI. Mr. Chairman, I rise to express my opposition to the amendment sponsored by the distinguished chairman of the Social Security Subcommittee, Mr. PICKLE, to raise the retirement age to 67 as a main means of guaranteeing the future solvency of social security.

I oppose this amendment for several reasons, not the least of which is that

fact that we should not be adopting this radical approach at this time. We have before us a comprehensive enough bill in H.R. 1900, with its $165 billion in new revenues for social security ostensibly to keep the system afloat through 1990 and beyond. To add yet another difficult feature to H.R. 1900 seems to go far beyond what we must do today.

Yesterday, the House Select Committee on Aging, on which I am proud to be an original member, conducted a hearing which focused in great measure on the issue of raising the retirement age. At that time I raised the point that increasing the retirement age and justifying it by the fact that people are living longer overlooks a central issue. Just because people live longer does not mean that they are able to work longer. At this point a startling 74 percent of those exercising early retirement under social security must do so for reasons such as poor health. Will this percentage decrease that dramatically in the next two decades? I doubt it. Therefore, why do we assume it by raising the retirement age.

A second concern I have I can state very simply. If we raise the retirement age we may be seeing one of the first examples of our Nation legislating discrimination. It is a documented fact that the minority aged live fewer years than do their white counterparts. Therefore, raising the retirement age does not afford all aged persons equal protection under the law.

Finally, Mr. Chairman, I oppose the Pickle amendment because it once again places Congress in the position of cutting social security benefits. There should be other approaches explored before we take a step such as proposed in the Pickle amendment.●

● Mr. ROTH. Mr. Chairman, I rise in opposition to yet another attempt to restrain the Members of the House from expressing the views of their constitutents on this historic legislation. We will take actions today that will impact on future generations of Americans. Provisions of this bill will shape the workplace and the lifestyle of workers and retirees well into the next century.

To allow us to debate two amendments to one title of this bill suggests the imposition of a gag on the Members. To imply that the only provisions of the bill subject to significant difference of opinion or controversy are those in conjunction with one aspect of the long-term financing problem for the social security program borders on the ridiculous.

Like many of my colleagues, I have the benefit of the views of my constituents: Small business men and women, farm families, rural mail deliverers and urban postal employees, retirees, the employed, the self-employed and the unemployed. All suggest that this may be nothing more than another omnibus tax bill. Indeed, 75 percent of the solution comes from increased or new taxes.

Restricting the income of those already retired instead of addressing the mismanagement and abuse of thousands of annuitant checks is grossly unfair. How can we deny the timely payment of the COLA to the elderly couple solely dependent on their social security check while paying the prisoner, the illegal alien, foreign-born survivors or dependents of December-May marriages who have never even lived in this country, and people who died a dozen years ago.

Many of us are all too aware of the lack of statistical and factual data available regarding social security programs and beneficiaries. Many question if expertise exists to untangle the seemingly endless array of misinformation. The programing necessary in response to baby boom annuitants is mind boggling. However, a March 4 Social Security Administration Office of the Actuary memorandum commenting on the effects of this proposal states:

> • • • that the bill would not offer assurance that the OASDI program would operate satisfactorily under adverse economic conditions • • • it cannot be said the H.R. 1900 would assure the financial soundness of the OASDI program during this decade.

It is my conviction that the proper course of action today is to take the time to review each provision of this bill. We should not deny the representatives of the people the opportunity to express their views. In candid and open debate, we will not only better appreciate the work of the Commission and the committee but also pursue the potential of perfecting the solution. We owe this to our constituents and to ourselves. Thus, I urge my colleagues to vote against this rule which refuses our right to a full debate on this vital legislation.

● Mr. CHANDLER. Mr. Chairman, I am supporting today the Social Security Amendments of 1983. In July of this year, the old age and survivors' insurance trust fund will be unable to pay monthly benefits. Complicating the issue further are the indications that if the compromise package falls apart, it would be impossible to find a solution to this imminent problem. We are, therefore, faced with the decision head on.

I have pledged to maintain the social security system as I believe it is a workable program. Any solution must maintain equity while restoring confidence to the public of the future solvency of the system. Therefore, I have been a supporter of the provision that Members of Congress be included in the compromise package.

While I cannot agree with some provisions in this legislation, I think we must face reality that action must be taken and, on the whole, the compromise represents those components necessary for a workable social security program. I feel certain that any solution will be unpleasant medicine to swallow for someone. Indeed, I have received scores of letters from retirees who feel it unfair to tax a portion of their benefits and to slow down benefit growth. Federal workers do not want new Federal employees to be covered under the social security program because they fear it will affect their civil service retirement fund. I have heard from the self-employed who are asked to pay combined employer-employee FICA taxes. Sacrifices are being asked because action is needed to keep the social security system functional.

This compromise package is not a cure-all for the ills of the social security program. The threat of long-range insolvency remains as the baby boom generation ages, lives longer, and has fewer children. I am concerned with the tremendous dependence on taxes and general revenues in the compromise package. Workers who have received less pay increases and who have found it harder to meet their obligations in these difficult economic times are being subjected to increased FICA taxes. Life expectancy has increased and as our country continues to change demographically with more and more elderly, I cannot, in good conscience, place further burden on our children. Therefore, I support Mr. PICKLE's amendment for the gradual increase of the retirement age in the next century.

I commend the National Commission, the President, the Speaker, and the Ways and Means Committee for their fine work in structuring this compromise. The decisions have been difficult. I have approached this undertaking with a sense of compassion and a hope of equity. I believe that this compromise provides a workable solution.●

● Mr. BEILENSON. Mr. Chairman, I support the social security bill before us today, and I commend the Ways and Means Committee for acting on the National Commission's recommendations in a timely manner. However, there is one provision in the measure before us which troubles me greatly—the provision to take social security off budget in 1988.

The off-budget provision is one that has largely escaped the House's attention in the course of our deliberations over raising taxes and reducing benefits under social security, but it is a matter we should all be aware of because it will affect the decisions we make about social security and about other Government programs in the future. It will also determine whether we are going to have an honest Federal budget or whether, for budgetary

purposes, we are going to pretend that more than one-quarter of Federal spending and revenues is nonexistent.

If social security, including the medicare trust fund, is taken off budget in 1988, the size of the Federal budget will be understated by about $300 billion. Congress will not be in nearly so good a position as it is now to consider Federal spending as a percent of the economy. Nor will we be able so easily to directly compare similar programs, such as medicare and medicaid. Nor will we have a valid comparison of different components of Federal spending—for instance, we would not be able to compare out total outlays on entitlement programs with our total outlays on defense. The size of programs remaining on budget will show up as a larger percent of Federal spending than they actually are. And, the total tax burden on citizens will appear to be less than it actually is, and less regressive than it actually is.

Taking social security off budget is poor policy for other reasons. Insulating social security from budgetary pressures will leave other entitlement programs more vulnerable to cuts because will will have to direct our efforts to reduce the deficit at programs which are left onbudget. That deficit will be artifically large because we will not have the surplus in the social security trust funds to help offset spending in other programs. The likely result is that there will be more pressure to cut spending, and that pressure will be unevenly applied; that is, there will be a lot of pressure to reduce medicaid, for instance, but little or no pressure to reduce medicare.

Finally, giving social security off-budget status sets a bad precedent. It opens the door to giving off-budget status to other trust funds, such as the highway trust fund. If Congress is serious about having a budget system in which spending programs can be compared for purposes of setting priorities, allowing off-budget status for certain programs undermines our effort to do so.

If the Senate does not approve off-budget status for social security, I strongly urge that the House conferees drop that provision in conference.●

● Mr. RICHARDSON. Mr. Chairman, the essence of a compromise is a piece of legislation that nobody really likes. This social security package, therefore, is the quintessential compromise because there are two provisions that I find distasteful personally and on behalf of the people of my district.

First, I believe the provision requiring all new Federal employees to be included in the social security system next year is unwise. I am deeply concerned that the absence of new contributions for the civil service retirement system could seriously cripple that system during the next 40 years. If that happens, I am certain that the American taxpayer will be called upon to provide the revenues necessary to pay Federal retirement benefits.

The civil service retirement system is the crown jewel of the Federal employment system. During the past 2 years of Republican assault of the civil service, it has been the one thing Federal employees have been able to cling to. I think this program should remain as it is today: Healthy, viable, and solvent.

Second, I think the provision for delaying the cost-of-living increase for 6 months is unfortunate. My district is largely rural, sparsely populated, with high unemployment. The senior citizens of my district depend on social security for their economic survival. Asking them to forgo their COLA increase in the face of rising energy and health costs is a sacrifice that I find somewhat excessive.

But, Mr. Chairman, I am fully aware that it is critical that the social security system be kept solvent. Each of us must swallow hard and accept this compromise, even though there are portions that each of us dislikes. I, therefore, will vote in favor of the compromise. But in doing so I want my colleagues to understand that I will fight with every resource available to insure that those senior citizens who are being asked to sacrifice under this proposal are not hurt further under this administration's budget for the coming fiscal year.●

● Mr. DANNEMEYER. Mr. Chairman, during the debate on the rule for H.R. 1900, the Social Security Act Amendments of 1983, earlier today, I voiced my deep concerns about the adverse impact of the heavy reliance on payroll taxes upon intergenerational conflict in our society. This could very well occur as a result of the heavy use of payroll taxes and other revenue raising provisions to bridge the short-term and long-run shortfall currently projected for the social security trust funds.

In this connection, I would like to share with my colleagues the views of Peter Peterson, the former Secretary of Commerce who is now the chairman of the board of the investment banking firm Lehman Brothers Kuhn Loeb, Inc. He wrote a length analysis of social security which appeared in two parts in the New York Review of Books (December 2 and 16, 1982, issues). The March 1983 Reader's Digest carries a condensed version, which I would like to include as an insertion at the end of these remarks.

Peterson, correctly in my opinion, warns us of the social implications of a failure to enact long-term reform that is fair to citizens of all ages. The condensed version ends by noting that:

The only alternative to reorganizing Social Security is to sit by while the system collapses, either through a revolt of young taxpaying workers against their elders or through a catastrophic flood of deficits. Maintaining the status quo is impossible, an utter fantasy which will visit upon our children the same conditions of economic chaos that attended the birth of Social Security.

Peterson's thoughts on this subject, and his own views on possible alternatives, are worthy of our greater scrutiny and attention.

The following material was submitted for the RECORD:

[From the Reader's Digest, March 1983]

CAN SOCIAL SECURITY BE SAVED?

(Like all chain-letter schemes, our Social Security system has grown and grown until—horrors!—bankruptcy is imminent. Yet there is a way, says the author—without raising taxes, without sacrificing the needy—to put the whole mess on the track toward solvency)

(By Peter G. Peterson, condensed from New York Review of Books)

Social Security, by far our biggest government social program and long sacred in U.S. politics, today threatens our entire economy. Yet in the 1982 election campaign practically all the candidates promised to "preserve Social Security," to "resist any cuts in benefits" and to "protect the elderly poor." No one dared to say that without major reforms—including "cuts"—the system is heading for a crash.

We cannot permit this to happen. Though in effect for only two generations, Social Security has such uniform and reverential support that if the system crashes, so almost certainly will civic harmony and the economy itself.

In the past few years, we have witnessed a revolt against both the burden of rising federal taxes and the binge of spending that made those taxes necessary. In many ways, Social Security is the prime mover of both. The system—which spent over $190 billion in fiscal 1982—has grown from just under 2 percent of the federal budget in 1950 to 26 percent today.

How did we get into this mess? First, Congress has raised the initial benefit levels for newly retired persons by nearly 50 percent during the past 15 years. Second, Congress indexed all benefits to the consumer price index (CPI)—whose increases have routinely exceeded the real-wage increases of taxpaying workers. Third, medical-care costs have been climbing much faster than the CPI over the last decade. Fourth, increasing numbers of elderly people are living longer; average life expectancy at age 65 is today one-third longer than it was when Social Security was first enacted (16.6 years as against 12 years)—and it is still rising. Finally, the elderly are leaving the labor force to cash in on Social Security earlier and in greater numbers than ever before. In 1950, 46 percent of men 65 or older were part of the labor force; by 1980, this had dropped to 19 percent.

Thus the Social Security system has become a high-risk bet by today's workers that their children and grandchildren will be rich enough and numerous enough to foot the bill for yet another round of generous retirement benefits.

But it won't happen. Shortly after the beginning of the next century, the baby-boom generation will begin to retire, and all the demographic variables that once helped revenues will then come crashing down on the side of costs. Today there are about 30

Social Security beneficiaries for every 100 taxpaying workers. By the year 2050 there may be as many as 76 beneficiaries. At that point the system would have to absorb over one-half of the nation's taxable payroll just to break even.

If Social Security is to be saved, several myths—fantasies, really—that hide the system's problems must give way to informed debate.

MYTH 1

Social Security's problems are minor and temporary. Events are rapidly undermining this myth. Last November the system's retirement fund had to borrow from the disability fund—the first such borrowing in the history of Social Security. By late 1983 the disability fund will run out of money to lend—even if its "temporary" lending authority is extended. Like drowning swimmers, both funds will have to reach out to grasp the third fund, the hospital-insurance fund, which is itself sinking fast. Unless the economy undergoes a miraculous recovery, providing vast new payroll-tax revenue, all three funds—the entire Social Security system—will run out of money sometime in 1984 or 1985.

Such imminent bankruptcy does not bother many public spokesmen, who argue that deficits in the late 1980s will be compensated for by a period of surplus years between 1990 and 2010. Even the long-term problem, they believe, isn't too worrisome.

This sort of analysis drastically understates the crisis. It ignores over two-thirds of the problem, the huge projected deficits of our hospital-insurance fund, Medicare. This fund alone—even on the basis of the government's "intermediate" forecast—is projected to run deficits that will be more than twice as large as the combined deficits of the retirement and disability funds. Also, I believe that assumptions underlying the intermediate projections are unrealistic. They assume that unemployment, which has averaged 5.7 percent since 1960 and is rising, will fall to 5 percent by 1995; that real-wage growth, which has averaged 0.7 percent since 1960 and is falling, will rise to 1.5 percent; that increases in the life expectancy of the elderly—even in the face of revolutionary medical advances—will come substantially slower in the future; and that women, in the face of fertility rates that have been declining since the late 1950s and bottomed out in 1976, will start having significantly more children (about 15 percent more than currently). For each assumption that goes wrong, the long-term deficit of Social Security will grow larger.

Should we really gamble the future of our Social Security system on such optimistic assumptions? I believe it far more prudent to base our policy on the less rosy of the two official intermediate forecasts. Then, in the happy event that the "pessimistic" assumptions prove wrong, we can always lower future payroll taxes or increase benefits. This would be a far easier pill to swallow than the repeated tax increases or benefit cuts that would become necessary between now and 2035 should the worst-case scenario come about.

MYTH 2

It is "my money." Many retired couples believe they have a "contract" with the government to get back "their" money. They feel "entitled" to these benefits by right. Proposals to take any of them away are considered unjust.

This view bears little relation to reality. Consider a 65-year-old man who retired on January 1, 1982, who paid Social Security taxes during his entire working career, and who was an average wage earner. He contributed a total of $7209 in payroll taxes. Using pessimistic estimates of longevity and inflation, he and/or his nonworking spouse will receive (during the 25 years at least one of them can be expected to live) some $520,000, or 72 times what he contributed (30 times the value of his contributions plus interest).

As long as retirees receive benefits so wildly out of proportion to their lifetime contributions, the system will remain fundamentally out of balance. It's like a giant chainletter scheme, in which everyone is supposed to win. But, of course, everyone can't win—unless there's an impossible acceleration in the number or wealth of new players.

MYTH 3

The elderly are, by definition, needy. Unwavering support for the Social Security status quo is often considered a test of one's social compassion. Yet in mean per-capita income—adjusted for family size and including all sources of income—old people are actually doing better than people under 65. During the 1970s, in fact, the real average income of the elderly rose more than that of the general population.

Income averages can be deceptive, of course, and some elderly people are indeed very poor. How well directed is Social Security to meet the problems of these people? In fact, most benefits do not even go to those below the poverty level. Social Security is in many ways a middle- and upper-income program; it has become a political sacred cow not because of a humane concern for the poor but because of a political reluctance to impose fiscal restraint on middle- and upper-income voters.

According to the 1980 census, the aged below the poverty line received only 11 percent of Social Security benefits. By contrast, beneficiaries with incomes in excess of three times the poverty level received about 30 percent of benefit payments.

The total Social Security outlay for such relatively well-off families is more than the combined outlays of our major need-related welfare programs. I do not see how the claims of social fairness are met by holding inviolate what amounts to welfare for the well-off.

MYTH 4

People are physically unable to work beyond age 65. Untrue. Indeed, there is evidence that continuing to work at a reasonable pace contributes to better health. And polls show that a remarkable 79 percent of workers nearing 65 would like to continue working, at least part-time. The fact that relatively few do is obviously related to the disincentive to work built into the Social Security program: for retirees aged 65 to 69, each dollar of earned income (wages) over $6600 a year cuts Social Security benefits by 50 cents.

Three principles should, in my view, underlie Social Security reform. First, we must recognize that raising payroll taxes once again is not a solution. To close the deficits in the Social Security system under a conservatively pessimistic projection could require a rate of about 44 percent of taxable payroll by 2035. This simply is not going to happen. Working people will not accept it. The economy could not absorb it.

Second, we must avoid deficits in the long term. We are hearing much about "temporary" transfers from general revenues to "solve" Social Security deficits. But as Sen. Russell B. Long (D., La.) put it, "There is no such thing as general revenues. Only general deficits."

Third, any reform should be equitable between generations and should seek to protect the neediest.

To build a program that assures financial solvency, without additional taxes, and satisfies the requirements of equity, I propose:

Freeze cost-of-living adjustments (COLAs) for at least one year—except to those with the lowest wage histories. This would make up for some of the excesses that occurred between 1978 and 1981 because benefits were tied to the CPI. During that period, COLAs were too high by 10.8 percent compared with those measured by a more accurate inflation index, the personal-consumption deflator. Through fiscal year 1984, a freeze could save as much as $13 billion.

Limit future COLAs after the freeze is over. Automatic adjustments in labor contracts have historically equaled about 60 percent of the CPI increase. Holding Social Security COLAs to 60 percent would go a long way toward ensuring the system's solvency. Annual savings could reach $21 billion by 1986.

For those of our aged and disabled who qualify for welfare benefits under Supplemental Security Income (SSI), the loss in regular Social Security income would be made up dollar for dollar with higher SSI benefits. We must continue to provide adequate benefits for the poorest.

Tax all benefits received in excess of contributions. For every other retirement program, any benefits received in excess of employee contributions are subject to federal income tax. It's unclear why this principle has never been applied to Social Security. Taxing benefits this way would have no perceptible effect on those of the aged who are in serious need; their incomes are not large enough to be subject to income taxes.

Selectively lower initial benefits for retired persons. Currently, when someone reaches retirement age, the lifetime monthly earnings on which he paid Social Security taxes are calculated in current dollars, or indexed, and then averaged. If single, in 1982 he would have received 90 percent of his first $180 in average monthly earnings, 32 percent of all average monthly earnings between $180 and $1085, and 15 percent of average monthly earnings above $1085. We could cut future benefits, and still protect the poor, by lowering the 15-percent figure, or both the 15-percent and 32-percent figures, which apply to upper- and middle-income categories only.

Raise the retirement age by at least three years, to 68. Adding three months per year starting in 1990 would significantly improve the long-term financial status of the system. To protect the poorest elderly, I suggest not raising, and perhaps even lowering, the eligibility age for SSI, as well as increasing SSI benefit levels.

Bring civil-service workers into Social Security. The current retirement system for federal employees is 2.5 to 3 times more generous than are pensions for private workers. While cashing in on these generous early-retirement benefits, over 70 percent of government pensioners launch second careers that make them eligible for Social Security as well. Thus, a program of reform of Social Security should include federal employees only if it is part of a comprehensive reform of both Social Security and the bloated federal employee-retirement system.

Reform Medicare and reduce medical-cost inflation. Medicare is the fastest-growing part of Social Security. Between 1972 and 1982, outlays for the hospital-insurance fund increased from $6.5 billion to $35.7 billion, three times as fast as the GNP. Prospective costs are immense, especially in view of the substantial increase in the number of people over 65 and the emergence of new lifesaving technologies. Thus, the entire structure of Medicare needs reorganization, with emphasis on cost-reducing incentives—increased deductibles, co-payments, voucher systems, some taxing of employer contributions to medical benefits, negotiated rates, etc.—to both suppliers and users of medical services.

By conventional political standards this program of reform may seem impossible. Republicans and Democrats have both shared in the decisions that turned a sound program into a vast scheme of welfare for relatively well-off citizens. Politicians—both Republican and Democrat—remain convinced that any party proposing serious reform will face annihilation at the polls. Inaction may therefore seem to constitute smart politics for a few more years.

But were the system to come crashing down, smart politics will be small consolation. Indeed, Social Security reform poses one of the deepest challenges to democratic politics in our history. It is a challenge above all to the middle- and upper-income citizens who largely determine the course of public policy and to whom the system dispenses a big share of its welfare, stealing capital from tomorrow's citizens—our children—and making cuts in government programs to the poor irresistible.

The only alternative to reorganizing Social Security is to sit by while the system collapses, either through a revolt of young taxpaying workers against their elders or through a catastrophic flood of deficits. Maintaining the status quo is impossible, an utter fantasy which will visit upon our children the same conditions of economic chaos that attended the birth of Social Security.●

● Mrs. COLLINS. Mr. Chairman, today, my colleagues and I are called upon to cast our vote on the single most important issue to face us this session—social security.

It is with deep regret that I rise in opposition to the Social Security Act amendments as reported by the Ways and Means Committee. After careful and painful analysis, I have concluded that these provisions are neither fair nor responsible, and enactment, could only serve to further erode the confidence of the American people in the social security system.

The delay in cost-of-living adjustments is an unacceptable provision that would place intolerable hardship on social security beneficiaries. No equitable solution can deny the funds designated to offset inflation from recipients, many of whom count on social security as their sole source of income.

I also reject the inclusion of newly hired Federal workers into the system. While this would provide an immediate cash injection, the system would shortly face recurring financial problems as Federal employees start to collect benefits. In reality, no meaningful structural changes are established with the inclusion of Federal workers into the system. Additionally, one important incentive to attract qualified people into Federal service would disappear if the civil service retirement system atrophied.

Because it would place unfair burden on the individual, I do not support raising the age of retirement or the reduction of the basic benefits received by the retired worker from 42 percent to 40 percent of previous monthly gross pay at the time of retirement as scheduled to be phased in from the years 2000 to 2008.

It is incumbent upon Congress to innovate new and relatively painless sources of income to help fund the old age survivors and disability insurance program. I have recently reintroduced H.R. 85, the "National Social Security Lottery Act," which would establish a national lottery similar to the Irish Sweepstakes. If the Irish can fund their hospitals through a lottery, we should be able to help fund social security in the same manner. It is estimated that a national lottery could gross upward of $25 billion over the next 7 years, the period of time the Commission addressed in their short-term proposals. This would significantly lessen the number of unpopular compromises that would otherwise be necessary to keep the system solvent. A national lottery, however, is no panacea. Other avenues must also be explored in an effort to identify new sources of income. I urge the Congress not to act hastily. The outcome of this vote will shape the financial futures of millions of Americans.●

● Mr. BIAGGI. Mr. Chairman, the hour of decision has finally arrived. We stand on the threshold of a historic decision affecting the lives of some 36 million of our citizens. The hours and days and months of wrangling over what approach to take to aid the social security system are, for all practical purposes, over, for we have before us today, H.R. 1900, the Social Security Reform Act of 1983.

With the passage of this bill today, Congress will have administered to itself a stiff dose of castor oil—bitter medicine necessary to effect a cure to the ailing social security system. This bill has been properly designated as a bipartisan compromise package. However, as anyone in Congress knows, compromises by their very nature are imperfect, and H.R. 1900 is no exception.

As I stated earlier during the debate on the rule governing consideration of this bill, H.R. 1900 would be a far better document were more Members of Congress able to shape it. The rule we are operating under provides for separate votes only on two amendments, both of which deal with the longer term financing issues related to social security. As far as the issues affecting social security in the shorter term—as far as what comprises the $165 billion package before us—we have no opportunity to do anything but ratify or reject the entire package. Both routes are fraught with peril. However, I would emphasize the fact that the latter route is far more dangerous, for our failure to adopt a package along the lines of H.R. 1900 could result in the collapse of social security, to which none of us would want to be a party.

The facts are that social security is a system that is in the worst financial trouble in its more than 40-year history. The reasons are many—but very few do we have any real control over. One, of course, is demographic—social security as the "pay as you go" system is financed through taxes paid by both employers and employees into three trust funds. In the early days of social security, the ratio of contributors to beneficiaries was a healthy 5:1. This ratio has now slipped to just over 3:1, and based on current demographic projections could drop to a dangerous 2:1 by the year 2000. Further, none of us could anticipate the tremendous fluctuations in economic conditions which have been a part of this Nation over the past 10 years. In 1972, I supported the legislation which provided social security beneficiaries with a once-a-year cost-of-living increase. One could not expect the rampant inflation which raged through our Nation in subsequent years—yet it occurred, and under the law, social security benefits were to be raised according to the Consumer Price Index. There is little doubt that this, too, adversely affected the financial picture of the social security system, yet we were on sound footing in trying to provide our senior citizens with some protection against inflation.

Finally, as we move closer to the economy of today, now the impact of the recession is being felt on the social security system as well. One particular consequence is our high unemployment rate; today, we have more than 11 million people out of work. Many of these people could be contributors to social security, yet, instead, they are idle. The impact of high unemployment combined with demographic changes has done a great deal to put social security in the dangerous financial condition we face today.

As an illustration of how serious social security's problems have become for the past several months, the system has been forced to exercise its interfund borrowing authority provided to it by Congress. Under the proposal, this will insure the timely payment of benefits through July. This legislation will take care of the benefits after that date.

What we have before us is a balance of benefit reductions: Tax increases,

limited use of general revenues, and expansion of coverage under the system. It is a delicate balance, at best, but obviously the whole is more acceptable than the sum of its parts.

I wish to address some of the features contained in this legislation. Let me begin with the proposal which will provide the greatest amount of new revenue for social security but which will cause the greatest hardship for people presently enrolled in social security. I refer to the proposal to delay for 6 months the 1983 cost-of-living increase for the 36 million Americans on social security. Under this legislation, the 1983 increase would actually be in the January 1984 benefit check and all subsequent COLA's would be paid in January. The Committee on Ways and Means is to be commended for adding a very important provision guaranteeing that at least a 3-percent COLA will be paid in 1983-84 even if the CPI should not be at the 3-percent level.

However, there are powerful human problems associated with this provision. For an estimated 26 percent of the 36 million people on social security, this represents 90 percent or more of their income. H.R. 1900 is asking these people to go 18 months without an increase in their social security check. This does not take into account that almost all of these people have suffered from increases in some essential staple of their lives whether it be rent, heat, food, or medical care. We know that inflation has decreased substantially, but it has by no means disappeared altogether. What about the low-income seniors who have the misfortune to heat their homes this winter with natural gas—and were unable to get assistance from the Federal Government? What about the senior citizens who budget for the COLA in July—and suddenly realize the increase will not come until January? What essential will they have to go without during the balance of this year?

It is not easy for those of us who have worked so hard and voted for bills to preserve the integrity of the social security system to swallow a provision which constitutes a permanent reduction in social security benefits. These past 2 years have been difficult in that we have had to accept legislation which calls for the first reductions in benefits in the history of social security. In 1981, it was the minimum benefit payment which was cut off under the terms of the Budget Reconciliation Act. Through efforts of myself and others, the decision was partially reversed when Congress voted to restore the benefit for those currently enrolled, but barred the benefit for new beneficiaries. In that instance—much like the so-called "diet COLA"—it is the low-income senior who gets hit the hardest. For some, corresponding increases in SSI benefits provided as part of this bill may help to offset the hardship of the delayed COLA. However, it is by no means a substitute for it, and for many low-income seniors who fail to qualify for SSI, the problem becomes that much more acute.

One final point relative to the COLA delay—it seems hard for me to understand why it is necessary to implement this at a time when inflation is down drastically, therefore the size of the COLA would be far reduced from previous years and the amount this would cost the system would be far less than in previous years. Delaying the COLA until January will pose many problems—that is for certain—but having future COLA's paid in January instead of July and having the future formula after 1988 begin either the increase in the CPI for the last quarter of each year, or the increase in average wages, whichever is lower does throw into serious question our commitment to maintain the policy we began some 10½ years ago to provide seniors with adequate protection against inflation. I would state, as I have to my constituents in New York, if we were given an opportunity for a separate vote on this issue, I would have voted against a delay in COLA's.

Similarly, I am strongly opposed to the provision mandating social security coverage beginning in 1984 for all new Federal and postal workers and a host of other governmental employees. My opposition is based on a simple cost-benefit ratio principle. The most which this "universal coverage" provision could provide to social security would be some $12 billion. I would note that this is considerably lower than the $20 billion estimated by the Social Security Commission. The respected president of the National Association of Letter Carriers, Vincent Sombretto, contends it will only provide $6 billion for social security. Whether it be 6 or 12, this is not enough of a benefit to balance out the excessive costs which this provision will produce. First and foremost, based on current projections, putting new Federal and postal workers under social security will simply bankrupt the civil service retirement system in about 20 years—something which could cost the Government $185 billion, which I might point out is more than this entire bill will produce in new revenues, let alone the provision bringing in new Federal and postal employees.

I am confident that the distinguished chairman of the House Post Office and Civil Service Committee, BILL FORD, will initiate proceedings in his committee, which is responsible for this retirement program, to insure that a supplemental system is put into place. In my capacity as a senior member of the House Select Committee on Aging, I intend to do all that I can to assist Chairman FORD and other concerned Members of Congress in developing long-term protection for these Federal workers. They are entitled to equal benefits under social security that they would have received under their own retirement plan and I am confident that Congress will respond in timely fashion to insure that this happens.

Finally, let me add, as a former postal worker and current Federal employee—from the managerial sense—it is ludicrous to legislate in a way that produces divisiveness among Federal and postal employees. It is irresponsible to legislate in a way that produces different retirement systems for people doing the same type of work. It is wrong for Congress to pass legislation which will lower morale among Federal and postal employees. Finally, it is wrong the way we are legislating this major change in law today. There should have been a separate vote on an issue of such profound importance to the lives of millions of Federal and postal employees. They have not been afforded democracy.

Another provision that I have some serious reservations over is the provision to impose a first-time tax on social security benefits. Again, to the credit of the Ways and Means Committee, certain adjustments were made from the original proposal of the Social Security Commission, but in reality, we are violating a principle here. Social security recipients paid taxes on each and every paycheck they received in their working years—taxes which were earmarked for the social security trust funds. These were to be used by the worker to help finance a secure retirement. It was not paid with the expectation that they would be forced with another tax when they were begun to be applied to their retirement. Yet that is what we are proposing with this bill today.

H.R. 1900 proposes that benefits would be taxed only for those recipients whose taxable income (excluding social security) plus one-half of their social security benefits exceeds a base amount. This base would be $25,000 for an individual and $32,000 for a married couple. Further, the amount of social security benefits that would be taxed would be the lesser of one-half of the excess of the taxpayer's combined income over the base amount or one-half of the taxpayer's social security benefits.

As I mentioned earlier, the Ways and Means Committee did make some important improvements in this provision—perhaps the most important of which is eliminating the so-called "notch" problem which would have caused people with incomes just over the threshold to pay a disproportionately high tax compared to the person well above the threshold. By allowing

the tax to be applied to the amount by which a taxpayer's income exceeds the base amount alleviates this problem and institutes more equity into this process. Let me also add that I am pleased that this legislation mandates that all revenues raised from this tax be applied directly to the social security trust funds.

While it is estimated that only 7 percent of current beneficiaries will be affected by this provision, it does represent a radical departure from the history of social security. In addition to it being a first-time tax on social security benefits, it promises to affect more and more people each year because the thresholds are not indexed. There is a great deal of inequity associated with this particular proposal. Let us assume you are an elderly person who has elected to invest or save wisely for a comfortable retirement after years of hard work. Just as you reach this point in life—or in some cases while you are enjoying the fruits of your labor—a new tax is imposed on you by the Government.

I believe the provisions in this legislation accelerating the timetable for payroll tax increases passed by Congress in 1977 is far preferable to increasing them further between now and the year 1990. While it will be difficult for some to assume these increases under the timetable provided in this bill, there is sufficient time provided for people to plan for them. Over the history of the system, it has been the payroll tax which has provided the foundation of funding for social security. In the past decade, it has presented far more of a burden then in previous years, and H.R. 1900 strikes an effective balance in this area and I am in support of the language regarding the acceleration of the payroll tax increases.

I have some concerns about the impact of the provision in this bill which will raise the payroll tax rates paid by self-employed persons. Under present law, the self-employed pay retirement and disability taxes at a rate equal to about 75 percent of the combined employer-employee tax rate, while only about 50 percent of this rate for the medicare hospital insurance taxes. Under H.R. 1900, the self-employment tax for all three trust funds would be raised to 100 percent of the combined employer-employee rate. However, in another example of how the committee improved upon the Commission's recommendation, they helped soften the impact by allowing the self-employed a credit against their new self-employment tax rate amounting to 2.1 percentage points in 1984 and 1.8 percentage points over the period from 1985–87 and 1.9 percentage points for 1988 and beyond.

Clearly, like so many other provisions in this bill, a great sacrifice is being asked of a particular segment of people—in this case, the self-employed. Here we are in some ways rectifying a situation and bringing some degree of equity to the way payroll taxes are assessed. However, again like in so many other provisions in this legislation, we are asking too much too soon. There should be some degree of phase-in of provisions like this which so affect the economic fortunes of working people in already difficult economic times. The self-employed person—especially the small businessman—is being adversely affected already by a number of economic factors. H.R. 1900 asks for one more.

Let me now address several provisions in the bill for which I can claim some degree of responsibility. The first has to do with the provision reimbursing the social security trust fund for the full value, including interest, of uncashed checks. It was disclosed in hearings before my Aging Subcommittee in 1981, that while social security checks are drawn from the trust funds, if they should not be negotiated for whatever reason, the full value including interest accrued on the check is credited to the General Treasury, not the trust funds from where they were originally drawn. This has caused social security to lose an estimated $500 million over the life of the system and it could lose another $30 million over the next 3 years unless the law was changed. Under this bill, the trust funds will be compensated for the full amount they are owed by the General Treasury for uncashed checks. Further, the bill contains provisions which would presume a check to be uncashed after a more reasonable time than is presently the case. This is an important administrative reform which I had advocated, as evidenced by my authorship in the 97th Congress of H.R. 4003.

A second provision of this legislation which I helped to shape has to do with stemming the flow of people who are leaving social security. Last year, I sponsored H.R. 6356, and H.R. 475 in the Congress, to impose a 5-year moratorium on persons withdrawing from social security while also mandating that new nonprofit employees be covered under social security. My bill also would permit those entities that did withdraw from social security to return, which is not an option under current law.

What H.R. 1900 provides is the following: It bars State and local governments from terminating social security coverage for their employees if the termination had not taken effect by the time the measure is enacted. It also allows State and local governments that have previously withdrawn from social security to voluntarily rejoin. Further, the bill before us extends social security coverage to employees of all nonorganization's charitable groups—private schools and universities, and hospitals—and requires all of these organizations and their employees to begin paying social security taxes, effective January 1, 1984. This applies to all employees, not just newly hired. The bill does provide that people aged 55 and over would qualify for social security coverage with fewer quarters.

I commend the Social Security Commission and the Ways and Means Committee for addressing this very serious problem. At the beginning of this year, the entire city of Los Angeles—more than 100 counties—left social security. The Social Security Administration has applications pending which, if not stopped, would result in more than 400,000 additional employees leaving social security. If the system is already reeling from the effects of a shrinking ratio of workers to beneficiaries, to permit upward of 400,000 contributors to leave the system simply and unnecessarily exacerbates this situation.

Briefly, some final points about the social security provisions of this bill. I regret that there is not stronger language governing the use of general revenues for social security. There are a number of us over the years who have believed that limited general revenue financing was needed in social security. One approach was the one-third, one-third, one-third approach, advocated by our distinguished former colleague, Jim Burke of Massachusetts. Another would be to have the disability insurance and hospital insurance funds funded under general revenues. None of this has come to pass either in the Commission's report or the bill before us. Instead, we have somewhat general language saying that if—and only if—we have a serious decrease in available reserves, would funds from the general revenues be used but these must be paid within 2 years. The bill does provide for an extension of interfund borrowing authority through 1987 which is of obvious importance once we realize how the OASDI fund has paid its benefit checks these past several months.

Finally, I commend the Commission and the committee for including language which will improve the investment policies of the trustees. The main improvement is that, under the bill, trust funds could be invested in short-term as well as long-term Treasury securities. This should help the all-important rate of return on the investments which has been seriously lagging and, according to a report issued by the Community Service Society of New York, has cost the trust funds some $14 billion.

There are other important provisions in this bill which I would like to mention briefly. H.R. 1900 while delaying the cost-of-living increase until January, as in social security, does

provide a one-time permanent increase of $20 per month for all individuals and $30 for all couples receiving SSI benefits, effective in July. The bill also prohibits States with their own SSI programs from lowering their benefits in order to offset the increase in Federal benefits, thus insuring that every needy SSI person in every State receives this increase. SSI people are truly the poorest of the poor in our Nation and this increase is desperately needed for them to eke out a basic existence. It is long overdue and I fully support it.

The bill extends for 6 months the emergency Federal supplemental compensation program. The need for this is as obvious as anything we could do up here. As unemployment increases both in terms of absolute numbers and duration, we must take steps to keep those unemployed from being thrown any further or deeper into poverty. As it stands now, many of our Nation's unemployed have or are about to exhaust their unemployment benefits—their lifeblood, if you will. Many have already lost their health benefits, causing tremendous apprehensions that a serious illness could lead to financial ruin. We have an obligation to provide extensions of unemployment benefits for as long as it takes for full economic recovery to be translated into more people working.

Finally, let me convey my tentative support for the provision in this legislation introducing a new prospective reimbursement or payment system for medicare hospital insurance. It seeks to attack the excessive cost problems of medicare at the root cause—excessive hospital and physician rates.

The 1982 tax bill required the Department of Health and Human Services to come forth with a program to address the escalating drain on the medicare trust funds. This prospective payment plan is it. Prospective reimbursement, when properly implemented, is a viable alternative to cost containment as it pegs actual costs to average costs of a given region. This legislation rightly sets two variable rates for reimbursement of hospitals, one for urban and the other for rural. However, given the fact that health care costs have been disproportionately borne by the elderly over the past 2 years, we have to insure that any such system is sensitive to those on fixed income who could be forced to pay a greater share of their income under such a payment plan. In other words, we do not want to pass along those costs not reimbursed by the Federal Government to beneficiaries.

The legislation before us is of fundamental importance to the future of 36 million of our fellow Americans and millions more to follow. We have no real choice; we must pass this bill or face the national trauma of having social security miss its first payday in more than 40 years. Some of the best minds in the Nation were employed to bring about the reform package before us. Some of the best possible solutions are in this bill as are some of the worst. I do not vote for this bill with any enthusiasm but I do so with a sense of responsibility. It is a compromise—we all know it—but it is also all that we have at the present time. Therefore, I urge a favorable vote so that the minds of our senior citizens can be eased and the apprehensions that social security is to collapse can be put to rest.●

● Mr. RITTER. Mr. Chairman, the social security system is an indispensable source of income for millions of older Americans. The solvency of this system is of paramount concern to me, but I could not support H.R. 1900, the Social Security Act Amendments of 1983. There are many provisions in this bill that I feel we, as a legislative body, should examine more closely such as the coverage of Federal employees, the increase in social security payroll taxes, and the long-term funding sollutions. In 1977, the American people were told that the tax increases and benefit reductions would guarantee the health of the social security system into the next century. Six years later, the Congress came back for a massive bailout program. How long, it must be asked, will this plan keep social security solvent?

However, I do support the provision that extends the unemployment benefits of our Nation's unemployed. We have a responsibility to lend a helping hand to our unemployed. These workers, who, through no fault of their own, have lost their jobs, and have bills and mortgages to pay. The extension of unemployment benefits is certainly one way in which the Federal Government can ease the burden for our unemployed workers and their families.●

● Ms. KAPTUR. Mr. Chairman, the historic social security legislation before the House today is a compromise. Because it is a compromise, each and every aspect of it is not entirely acceptable to all those it affects. I firmly believe, though, that a failure to accept the compromise is a failure to meet our obligation to the American people and to do so with dispatch—thus, to reinforce a most important pillar of our economic and social system.

The strength of this compromise lies in its general fairness, imposing sacrifices and hardship equally on present and future beneficiaries as well as the public as a whole. With the acceptance of this compromise and the resultant guarantee of the social security system's survival, we will keep intact the compact of trust between generations which is the fundamental principle upon which the system exists.

In moving expeditiously and forthrightly on this issue, the House has assured the Nation's social security recipients that they will not miss a single social security check. We will provide peace of mind to our Nation's senior citizens who, of late, have not always had that luxury.

Solvency has been achieved through slight adjustments in benefits and taxes and not through benefit cuts, which I steadfastly oppose. We are protecting the poorest of recipients by offsetting the freeze on the cost-of-living adjustment by increasing the supplemental security income program (SSI). We will be protecting as well our local economies by guaranteeing the revenue they receive from recipient spending. In Ohio's ninth district, this is over $4.5 million per month from more than 74,500 people—no small concern in a region suffering desperately from economic dislocation.

I am disappointed that the House did not address the important issues involved in mandating participation in the social security system for newly hired Federal employees. I will work to insure that Congress does not renege on its commitment to Federal employees and current Federal retirees. Their full pension rights under the civil service retirement system must be guaranteed. Similarly, a Federal supplemental pension program needs to be established before January 1, 1984. Such a system should place no additional financial burden on new Government employees.

The greatest challenge and ultimate responsibility of any Representative is to legislate in a manner that improves the quality of life for the greatest number of his or her constituents. Because of the diversity of interests in any particular district, meeting that responsibility often requires tradeoffs and compromises on the broad, historic issues. Social security is such an issue. Today, I am confident that we, as Members of Congress, have carried out the duty with which we have been charged and kept faith with the American people.●

● Mr. WOLF. Mr. Chairman, I believe we are all in agreement that because of both the short- and long-term financing problems facing the social security system, action by the Congress before this summer is crucial to continue the payment of benefits to millions of Americans who have been promised security in their retirement years.

Where reasonable men and women differ on this issue, however, is in how we carry out the responsibility. I fully appreciate the work and efforts of both the bipartisan National Commission on Social Security Reform and the House Ways and Means Committee in formulating a reform package to bail out the social security system. In

carefully considering the bill before us today, however, I find a long-term solution missing and believe that the adoption of the amendment by the gentleman from Texas (Mr. PICKLE) offers an alternative to shore up our old age insurance system well into the next century and I rise in support of the Pickle amendment.

I believe a gradual increase in the retirement age phased in in two steps beginning in 2000 is a fair and equitable option that must be seriously considered. I do not believe further increasing the tax burden on Americans by continually raising social security payroll taxes is the answer. We must consider that between 1940 and 1980, the life expectancy at birth has increased by 12 years. Longevity is expected to increase even further in future years. The responsible action to take today is to begin to phase in changes in the system so that younger workers today can be confident in the future of social security.

Even with the adoption of this amendment, however, there are certain portions of the committee bill that concern me greatly. The first is the proposal to force newly hired Federal employees into the social security system. I believe this proposal is a shortsighted solution which has not received the thorough and careful study it deserves. Merging Federal workers into social security is a major and historic change in the civil service system with far-reaching impact on the quality of the Federal Government itself. Such a decision could erode the future revenue base of the civil service retirement system, and this is a great source of worry to all current civil servants. In addition, the new Federal employees to be covered by social security would need a new retirement system to supplement social security.

I believe it would be irresponsible of the Congress to bring new Federal workers into social security without addressing those concerns. We should deal with the social security financial crisis without creating a crisis situation in the civil service retirement system.

Because this proposal is such a drastic change in course for the civil service system, I believe this option demanded consideration on its own merits. The rule to consider this bill did not allow a separate vote on this issue, however, and I believe that to be grossly unfair to the Federal work force.

Another portion of this bill also concerns me because it singles out the self-employed to bear more than their fair share of the proposed tax increase. The self-employed, who represent 8 percent of the work force, would carry 20 percent of the burden of increased payroll taxes. This self-employment tax increase would also increase the tax burden disproportionately for low-income workers. This proposal would be particularly discriminatory also against women, who have increased during the last 30 years from 11 percent to 26 percent of the self-employed work force. The unfair tax increase on the self-employed would discourage innovative and important contributions to society from this segment of the work force and dampen the incentive for risk taking and entrepreneurship which is the backbone of American free enterprise.

Again, I want to emphasize my appreciation to the members of the bipartisan Commission and the Ways and Means Committee for their time and effort in formulating this reform package. I know a lot of hard work has gone into this important legislation and I understand fully the responsibility of the Congress to address the financial solvency of the social security system.

It is with reluctance that I vote against this bill, but I do so because I cannot reconcile the unfair treatment this legislation contains for Federal employees and the self-employed. It is my sincere hope that the Senate in considering this bill will make the necessary adjustments to assure fairness for these two groups of American workers so that when the House again considers the conference report on this bill, that I can support final passage of this legislation.●

● Mr. ACKERMAN. Mr. Chairman, I have been a Member of this House for only 1 week, but today I have the opportunity to cast a vote on one of the most crucial issues to ever face the Congress. I refer, of course, to H.R. 1900, Social Security Act Amendments of 1983, and our debate today on the future of the social security system.

I strongly support social security. I believe it is critical for this Congress to maintain the bond that has been forged between the Federal Government and millions of workers and retirees across this great Nation. I wish to commend the efforts of the leadership of this House, and the members of the National Commission on Social Security Reform, for their contributions to the national discussion on this most important subject.

However, I feel that this legislation falls short of the goal of protecting the rights and interests of the workers and retired persons of this country.

By forcing new Federal workers into the social security system, we would, by the most gracious estimates, be contributing only 13 percent of the funds needed to make the social security system solvent over the long haul. The actual figures may well be much lower. But we would do this at the cost of jeopardizing the pension rights that have been pledged to millions of Federal employees. These benefits have been paid for in good faith by Government workers, and we in the Congress have the duty to see that our commitment to them is not tarnished. But the legislation before us could very well deplete the civil service retirement fund, with disastrous consequences for Federal workers and retirees, their families, and their dependents.

In addition, I cannot support the postponement of the cost-of-living allowance for social security and supplemental security income recipients contained in this legislation. It would be unconscionable to allow the COLA to be delayed while the third year of the regressive Reagan tax cut goes into effect. The burden of taking this Nation out of its great economic distress must be shared by all. It must not be allowed to fall upon the shoulders of the elderly, the infirm, and those in need of our help.

Likewise, the drastic increase in the social security tax for the self-employed will fall disproportionately upon those of modest means.

Mr. Chairman, the disastrous economic policies implemented by President Reagan pose the greatest danger to the well-being of the social security system and the people who depend upon it. The administration's economic program, which has caused unemployment in the Nation to skyrocket to unprecedented levels, is the real cause of the problem we are addressing today. The best way to bolster social security is to scrap Reaganomics and return this country to full employment. That would shore up the social security system with the employer and employee payroll contributions that have historically supported benefits for millions of retired and disabled Americans and their survivors.

Mr. Chairman, we must preserve our commitment to those who look toward the social security system for assistance during their retirement years. But we cannot honor that commitment by cutting back on benefits to social security recipients, or by breaking our pledge to other workers or to retired Americans.●

● Mr. MINETA. Mr. Chairman, as former chairman of the Budget Committees' Task Force on Budget Process, I would like to express my sharp disappointment with the provision in this bill to take social security off budget.

In 1967 the President's Budget Concepts Commission recommended that all Federal programs be shown as part of the same budget, a "Unified Budget".

Starting in the early 1970's some programs—notably the Federal Financing Bank—were placed off budget by statute. Off-budget spending is exactly the same as on-budget spending—it is simply not counted. But it is a part of the Federal debt, since the Treasury finances all spending. In

fiscal year 1982 SPRO oil purchases were taken off budget as reconciliation savings.

Moving social security and medicare off budget, which was recommended by the Social Security Commission, is poor policy for three reasons.

First, it is bad for the budget process since it results in a budget that is understated by over $300 billion. Members will not be in a position to consider Federal spending as a percent of the economy. Nor will they be able to directly compare similar programs—for example, medicare will be off budget but medicaid on budget. Nor will they get a valid comparison of different components of Federal spending—defense, means-tested programs, grants to States, and so forth will all be overstated as percent of total spending. Nor will the revenue portion of the budget give an adequate portrayal of the total tax burden on taxpayers.

Second, it may be bad for social security benefits. Currently it is widely believed that social security and medicare are financed by taxes on the potential beneficiaries. This is not true—there are a number of general fund subsidies—by 1988 they could total $20 to $30 billion. Those subsidies are not obvious now, since they are paid by one fund and received by another—a net zero. But, with social security off budget, these subsidies will be very visible since they alone will remain as on-budget payments. Highlighting these subsidies could provide more ammunition for groups that want to cut benefits.

Third, it is bad for the deficit, hence for other spending programs. With the reforms, social security will be solvent—that is, in surplus—through the end of the century. This surplus would be shown off budget, so the on-budget deficit would be overstated. Voting for unnecessarily overstated deficits seems like unnecessary political pain. It could also lead to pressure against the remaining on-budget programs, most notably against discretionary appropriations.

As chairman of ths task force I introduced a comprehensive budget reform bill which, among other things, would bring off-budget agencies on budget. In addition, we held hearings in the 96th Congress on this issue and included language in our budget resolution of fiscal year 1980 to affirm our commitment to "relate accurately the outlays of off-budget Federal entities to the budget." Again in 1982 and 1983 we carried forward this commitment with language in the budget resolution which expressed the sense of Congress language that provides that future budget resolutions should also portray off-budget spending.

I will support this bill because of the need to take immediate measures to assume long-term solvency of the social security system, but this off-budget provision is a reversal in the budget process and we must do something to change this.

I hope the conferees will delete the provisions to make social security off budget in 1988 and in the event the conferees do not take this action I intend to introduce legislation to change this before 1988.●

● Mr. CONYERS. Mr. Chairman, since its creation in 1935, social security has proved to be the largest, most successful, and popular social program in the Nation's history. Primarily a social insurance program supported by the beneficiaries themselves, social security also contains features that benefit lower income retirees. For example, those who earn the smallest income receive a higher benefit in proportion to their lifetime contribution than those who earn the maximum income taxable under social security. While social security enjoys broad support among all income groups, its detractors oppose the program precisely because it is a Federal income maintenance program.

During the past 2 years, significant cuts were made in social programs affecting low-income households. It is deplorable that in Congress there was so little organized opposition to the cuts especially since they coincided with the largest tax giveaways to corporations and the biggest increase in peacetime military spending in the Nation's history.

This year it is social security's turn at the budgetary chopping block. Social security is the latest casualty of a depressed economy and a concerted administration policy to curb all types of nondefense spending in order to protect competing funds for the defense buildup and generate savings to reduce the budget deficit.

The question of social security really boils down to one of priorities and political pressure. Why should a Federal guarantee of Department of Defense obligations, which clearly is at the top of the President's agenda—and which will involve close to $2 trillion over the next 5 years—take precedence over a Federal guarantee for social security obligations? Is it fair for older Americans to shoulder the lion's share of budgetary sacrifice this year, just as low-income households shouldered it during the previous 2 years?

Attacks on social security have been frequent and varied over the years. First, opponents claimed the program was too costly to operate. That proved false: Few other Federal programs can claim as low an administrative overhead—a mere 1.2 cents on each dollar. Next, opponents charged the program was marked by fraud and abuse. That allegation also proved groundless. Last year social security disbursed $160 billion in benefits to more than 36 million recipients, and relatively little abuse was found. Defense spending with its uncontrollable cost overruns and lack of competitive bidding on contracts produces far more waste and fraud in its current $240 billion budget.

More recently, critics have attacked social security benefits as being overly generous. Reflecting that position, the Reagan administration, after only 5 months in office, proposed the largest benefit cuts—nearly $50 billion—in the program's history, only to withdraw the proposal in the face of massive public repudiation and opposition. The average benefit, currently, is $406 per month, under $5,000 per year, or the equivalent of $94 a week. If anything, social security benefits, in many cases, are too low, when housing and heating bills, food, and major medical costs are considered.

Social security was created to insure a minimally decent standard of living for older Americans in their retirement. A sign of its success is the dramatic decrease in poverty among older Americans—a drop from 25 percent in 1970 to 15 percent currently. Some 15 million retired persons today would still be living in poverty were it not for social security benefits. While over 76 percent of the income the elderly receive derives from social security benefits, 1 in 6 retirees, or 6.5 million persons, still live in or near the poverty level—among the black aged, nearly 40 percent live in poverty, 3 times as many as among the white aged. Clearly, social security still has a long way to go to eliminate economic hardship among older persons, as was originally intended.

During the past year, conservative opponents of the program mounted a damaging attack. They managed to convince a majority of citizens that social security was in dire financial trouble and that only a major reduction in its costs could rescue social security from financial collapse. To bolster these claims, the President's Commission on Social Security Reform produced grim actuarial figures and economic forecasts that showed a cumulative program deficit of between $150 and $200 billion over the balance of the 1980's. These figures assume very little improvement in the economy during this extended period, and for that reason alone are tentative, if not downright questionable. The hidden and questionable assumptions behind the Commission's proposals seemed to be calculated more to pressure Congress to enact swiftly the proposals than to reveal any truth about social security. Even the most stalwart supporters of social security on the Commission appeared to accept the assumptions and recommendations in order to shore up public confidence that social security would continue to operate in the future.

Social security, however, is not imperiled, although its opponents certainly seek to demoralize and divide its base of support. Congress always will find ways to support social security as long as the program enjoys broad public support. The real issue in the social security debate now before Congress is the future direction of the program—whether benefits should be cut at all and whether regressive payroll taxes ought to be raised again—and not the immediate danger of financial insolvency. By raising public fears needlessly about social security's future, and linking its alleged financial trouble to benefit levels rather than to the troubled economy, the Reagan administration found a ready formula for promoting its effort to whittle down benefits and down size the program in future years.

Social security can only run out of funds if the Nation's economy runs out of steam altogether. It is financed entirely by payroll taxes of employers and employees, and its receipts accurately reflect the condition of the economy. When the economy is strong, social security trust fund revenues are ample; however, when the economy is depressed over a long period, revenues drop dramatically.

Recessions and high unemployment have financially weakened social security. Every additional 1-percent increase in the Nation's jobless rate represents a loss of at least $1.6 billion in payroll tax revenues. In addition, during high-unemployment periods increasing numbers of workers opt for early retirement which boosts the payout the program costs. In 1982 social security had a $5.7 billion deficit. If the jobless rate last year stood at only 6 percent, rather than the actual 9.7 percent, the trust fund would have had a surplus, not a deficit.

The proposal before Congress would raise an additional $150 billion over the next several years through benefit reductions and further payroll tax increases—in 1977 Congress raised an additional $300 billion in payroll hikes to cover any possible shortage of revenues arising from economic weakness. The Commission's proposal to delay by 6 months the cost-of-living adjustment would cost a single retiree $133 in 1983 alone, which for individuals living at the margin, can be considerable. The Commission also proposed, and Congress is considering a 3-percent increase in the payroll tax on the self-employed. The burden of this tax hike would fall on the incomes of small business owners, many of whom already face serious financial difficulty.

Social security will remain vulnerable to economic ups and downs unless it is insulated from economic and political pressures. The top priority ought to be to rebuild public confidence in the program's stability. Instead, the Commission's proposals, while plugging estimated deficits, will simply maintain a high level of public anxiety until the next period when a rundown economy produces another round of social security red ink.

The best medicine now to allay public fears about social security is to put the full faith and credit of the U.S. Government behind it. Social security should be allowed to borrow, on a standby basis, any sums it needs to cover benefits during periods of economic recession or depression. The borrowed funds would be repaid with interest when the economy is strong. In addition, Congress should reauthorize interfund borrowing, which expires on July 1, 1983, until a Federal borrowing authority is established. This is standard practice in many European nations. It was recommended by the Carter administration, and approved by the House of Representatives in 1977. Even the President's Social Security Commission calls for "a fail-safe mechanism . . . so that benefits could continue to be paid on time despite unexpectedly adverse conditions." These measures alone would meet any short-term difficulty and allow time for a much deeper and broader national debate on the future direction of social security.

Unless a Federal guarantee is established, social security will continue to be held hostage to economic shifts or faulty economic policies, or both; and future beneficiaries will again be called upon to make sacrifices or else anxiously face more uncertainty—and all for other programs favored by other Presidents, such as the current massive boost in weapons production and defense spending. Why not give all older Americans a decent break, instead?●

● Mr. McDADE. Mr. Chairman, today we are acting on legislation to restore the social security system to solvency. The bill before us contains provisions which will directly affect every citizen of this country for at least the next 50 years. Although I support H.R. 1900, and will vote for its final passage, I do so with some considerable reluctance.

This massive measure has been brought to the floor of the House with very limited time for consideration. Although the Social Security Commission provided a number of recommendations for increasing revenues and reducing expenditures, this body has had little or no opportunity to consider alternative funding measures. Even worse, there has been little opportunity for Members to vote on the important issues this legislation raises, either in committee or on the floor. We are presented with a take-it-or-leave-it situation. If this bill does not pass, the social security system will be in serious financial peril. It may be the only realistic chance we have to save the system. However, by passing it, we are heaping large new burdens upon self-employed, farmers and businessmen, Federal employees, and others without any opportunity to consider their grievances and explore alternative funding sources to meet those grievances.

I am extremely disturbed that I am unable to vote separately on the affects of this bill on the self-employed. Unfortunately, this bill will mean a larger increase in taxes for the self-employed than for others. For the self-employed, the bill increases the tax from 9.35 percent to 14 percent. The tax credit of approximately 2 percent only reduces the real cost to 11.9 percent, which still is a huge increase over current law, and far higher than the employee rate.

For a self-employed person earning $20,000, this amounts to an annual tax increase of $510. If the income level is $35,000, the increase will be almost $900. This is far too heavy a burden to impose on our farmers and small businessmen, which are so essential to our economic well-being. It is especially unfair since employees will be paying more than 4 percentage points less than the self-employed rate. Certainly, there are more equitable solutions which we are not being given the chance to consider today.

The proposal to place new Federal employees under the social security system is unwise and shortsighted. Although this measure may help to resolve the short-term financing problems, I have serious reservations as to how this measure will affect the system in the long run. Further, I am extremely concerned about the inevitable detrimental effects this proposal will have on the civil service retirement program.

As Members of Congress we have a responsibility to provide Federal workers past and present with the retirement benefits they have earned and that they deserve. Placing new Federal hires under the social security system will make it difficult for us to live up to that responsibility. The major problem with this proposal is that it will erode the future revenue base of the civil service retirement program. With the elimination of new funds coming into the civil service system, Congress will, at some time in the future, be required to finance the system in order to meet the obligations to future Federal retirees.

This proposal would also require that a second, supplemental system be created to assure an adequate retirement for these new Federal workers. History has already shown us that the costs of operating two employee retirement systems is between two and four times greater than simply having one system. Furthermore, the U.S. Treasury will experience a substantial loss

of revenues. Under the current system, social security benefits are tax free, whereas 10.6 percent of Federal annuity payments are returned to the Treasury in taxes paid by retirees.

It is unfortunate that we are not being given the opportunity today to vote on these provisions of the bill. If we had been given the chance, I most certainly would have voted against placing Federal employees under the social security system, and against the onerous burdens imposed on the self-employed farmers and small businessmen.●

● Mr. LEHMAN of California. Mr. Chairman, I rise today to speak in favor of the passage of H.R. 1900, the Social Security Act Amendments of 1983.

It is no secret that the social security system is currently facing a severe financial crisis. In fact, upon close examination of the social security system, it becomes painfully obvious that the social security trust fund is on the verge of bankruptcy.

It is important to note that H.R. 1900 calls for sacrifices by all of those persons involved with social security; current social security recipients, future retirees, Federal employees, self-employed Americans, and all taxpayers. Like many of my colleagues, I realize that this package of reforms is far from perfect. However, I am convinced that the choice offered to us here today is a clear cut one. We can either vote for H.R. 1900, which provides for the continued financial security of the social security system, or we can vote against the measure and leave social security to go bankrupt by the end of this year. With such a decision before us, the only responsible course of action is to pass this measure. Only through the passage and successful implementation of H.R. 1900 can we provide for the retirement incomes of the millions of American workers who depend on social security for their livelihood.

With respect to the two amendments which are being offered today by my colleagues Messrs. PICKLE and PEPPER, I must vote against both. I believe that the National Commission on Social Security Reform has adequately addressed the vast majority of problems facing social security. I do not believe that it is in the best interests of social security that we make last minute changes in the Commission's recommendations.

Like many of my colleagues in the House of Representatives, I have received a great deal of mail from my constituents on this important issue. The great majority of this mail has been from Federal and postal employees. I regret that I did not have the opportunity to vote upon the rule regarding the inclusion of Federal and postal employees in the social security system. This is certainly one of the provisions that I would have changed had I had the opportunity.

Many of the Federal and postal employees whom I represent have expressed their fear that H.R. 1900 will initiate the demise of the civil service retirement system. I would like to take this opportunity to stress my commitment to preserving the integrity of the civil service retirement system. The Congress will be addressing this issue later during the year, and I would add my voice to those of my fellow Members who have pledged their support of the Federal workers in their fight to preserve their retirement system.●

● Mr. RAHALL. Mr. Chairman, I rise in support of H.R. 1900, the Social Security Act Amendments of 1983. While each of us has his or her disagreements on particular aspects of the bill, when taken as a whole, the legislation takes important steps toward solving the short- and long-term problems facing social security.

Estimates by the Social Security Administration indicate this bill will create revenue increases and outlay decreases totaling $165.3 billion between 1983 and 1989 for the retirement and disability trust funds. The bulk of savings will be achieved from delaying the COLA for 6 months—$39.4 billion—accelerating the payroll tax—$39.4 billion—taxing benefits for those retirees earning over $25,000 as an individual or $32,000 for a couple, and increasing the self-employment tax—$18.5 billion.

This legislation addresses the problems created by a change in our economic climate. When trust fund reserves drop below 20 percent at the beginning of any year after 1987, COLA's would be based on the average increase in the Consumer Price Index (CPI) or wages, whichever is lower. When reserves reach 32 percent in the trust fund, a catchup payment would be provided to all who suffered a loss in benefits during slower economic times. During periods when reserves are between 20 and 32 percent, COLA's will be based on the CPI as they are presently. In anticipating a slow economic upturn between 1983–87 the bill authorizes interfund borrowing between the three funds which comprise the social security system—retirement, disability, and medicare. It should be noted that provision must be made for the repayment at the earliest possible date, no later than the end of 1989.

At long last we have addressed the problems with uncashed social security checks. If a period of 6 months has elapsed from the time a check is issued, the Treasury Department now will be authorized to credit the amount of the uncashed check to the appropriate trust fund. Also, I have shared the concern that money in the trust fund could be more wisely invested. H.R. 1900 allows the funds to be invested in short- and long-term rates in order to get a maximum return for investing money in the trust funds.

Many of my constituents have been upset over a provision under current law regarding assistance given to SSI recipients in the form of emergency and in-kind aid counted as income. Under H.R. 1900, emergency and in-kind assistance provided by private nonprofit organizations would be disregarded under the SSI and AFDC programs if the State determines the aid was based on need.

Presently my State has the unwanted distinction of leading the Nation in unemployment at 17.6 percent. Many of our unemployed have or will shortly exhaust their unemployment benefits. Title V of this bill provides a most needed extension of the Federal unemployment compensation program. In West Virginia, individuals who become eligible for Federal unemployment payments on or after April 1, 1983, can get up to 14 additional weeks of benefits. Those in my State who have exhausted their Federal unemployment benefits on or before April 1, 1983, will be eligible for up to 10 additional weeks of benefits. While the jobless in my district would much rather be working than receiving a check, this action assures the long-term jobless—through no fault of their own—that we in the Federal Government have not forgotten about their needs and those of their families. Many unemployed have approached me recently about their concern over the fact their health benefits would soon run out. I want to point out that this legislation provides States the option of deducting a health insurance premium from unemployment benefits if the individual elects to do so and if the State has a health insurance program for the jobless.

Under title VI Congress implements a program to place a control on health care costs to the Government. Health care reimbursement, mainly under medicare and medicaid, will be broken down into 467 diagnostic-related groups (DSG). Separate rates will be devised for urban and rural areas in each of the nine census districts of the country. Congress is providing an incentive to control rising health care costs through this reimbursement system. For example, if a hospital bills the Federal Government more than its allowed DRG rate, it will have to find a way to make up the cost difference. On the other hand, if the same hospital submits a bill for less than the DRG rate, it can keep the difference between what the Government pays for that particular item and its lower cost. So instead of having a more or less open ended reimbursement system, Congress is now trying to induce hospitals and others to control health care costs. Hopefully a pattern

of more controlled health care costs will develop for all Americans.

Many postal workers and Federal employees in West Virginia have contacted me to express their strong opposition to the inclusion of new employees under social security. I have always opposed these attempts in the past and I would have done so today had I been given the opportunity for a separate vote on this issue. I am very pleased that the distinguished chairman of the Committee on Post Office and Civil Service assured us today that there is nothing in this legislation to stop new Federal and postal workers from paying into the civil service retirement system, an issue of great interest to many Government workers.

We must not be mislead by our actions today as to one of the most serious problems facing social security and the Nation—the current recession. It is incumbent upon all of us in Congress to put Americans back to work and I will do my best to work toward the goal of putting the unemployed back to work.●

● Mr. NEAL. Mr. Chairman, I am recovering from back surgery and am under doctor's orders to remain at home. The social security system faces serious financial problems because of high unemployment, deep recession, and a generally failing economy. The plan calls for sacrifice to be made by all Americans, and for the benefit of a system so vital to the well-being of our people; I believe the sacrifices are warranted. Had I been present on the floor, I would have cast my votes as follows:

Yes. Final passage: H.R. 1900, The Social Security Act Amendments of 1983

No. An amendment offered by Mr. Pickle.

Yes. An amendment offered by Mr. Pepper.

Mr. Chairman, I support Mr. PEPPER's amendment, because I believe it is a mistake at this time to attempt to deal with shortfalls in the system projected for well into the next century. It is difficult, if not impossible, to accurately predict economic conditions that far into the future. The Pepper amendment, among other things, strikes the committee's provision reducing initial benefit levels in the year 2000, postponing remedial action for several years. I am not in complete agreement with the amendment, but, in my opinion, it substantially improves the committee bill.●

● Mr. GAYDOS. Mr. Chairman, I support all the good that social security does, and I believe that a proper purpose of Government is to make it possible for its citizens to live with dignity and independence; to live in opportunity and in freedom from financial ruin.

However, if the blue ribbon commission that sent us this solution to social security's problems were an automobile dealership, it could be justifiably hauled before a better business bureau to explain accusations of bait-and-switch and high pressure salesmanship that depends on hasty action taken under fear of loss.

This is no way for the Congress of the United States to consider legislation that could force economic bondage on the people who will have to live with it after we are gone; it is no way to guarantee anything but another crisis.

There is a better way, and it involves the use of general revenue rather than higher taxes and fiddling with retirement benefits and sound outside pension plans and the retirement age; in short, it involves things other than economic conscription.

Furthermore, if social security were an automobile, it would be roundly condemned by Consumer Reports as unsafe and unsound.

As for soundness, we seem to be on a 5-year cycle of adjustment and repairs—always temporary repairs.

Congress gave it a major overhaul in 1972—in response to the pressures of that time—and then had to ask the people to stand for $277 billion in repairs in 1977; but that trip to the shop was to carry us well into the 21st century.

However, today we have it back in for more work, and the bill for this tuneup is $168 billion.

Those of us who are here in 1987 or 1988 can reasonably expect to be told—again under high pressure—that we need to move up to some near year the payroll tax increases that have been scheduled, and maybe to set up a schedule of hikes through 2035 to stave off intervening emergencies. By the way, I have read the payroll tax could be 28 percent by 2035.

The addition of options turned a sound basic model into something else again.

I checked the record for 1935—and by no means do I want to re-create the conditions of 1935—to see what we had when we started. And here is the way Mr. Doughton of North Carolina explained the bill to the House:

The essential feature of the social security bill is that of social insurance against the principal hazards or risks that have caused American families to become dependent upon relief.

These causes are well known: (1) unemployment, (2) old age, (3) lack of a breadwinner in families with young children, and (4) sickness. The bill includes comprehensive measures against all but the last of these.

The bill established the pension system. It set aside money for dependent children to age 16, but it did not include them in what became the pension system. It also established unemployment insurance. It did not do a lot more.

In 1935 they were estimating that 10 million would benefit from the system by 1970, and the debate did not project much further. Today we have about 36 million, I have read.

The basic model got a lot of options over the years.

Mr. Chairman, by no means do I advocate returning to a system as lean and as incompassionate as that of 1935; I believe in opportunity for orphans, dignity for widows, equity for the disabled, independence for the aged, and I want them to have it.

And I further believe in getting the system back to its basic soundness in providing fair and just old age benefits that meet the needs of the times, and in meeting as much of the other options as the fund can accommodate; and we turn to general revenue for what is necessary to meet the needs above that.

For money we can look among the millions and billions spent on foreign aid, among the millions and billions spent in developing the economies of foreign nations so they can dump goods here that cause unemployment among workers who pay the social security tax.

You see, if the additions get too expensive, and the taxes too high, the people will break the contract and the system is lost. If we bleed dry the Federal pension system for a quick fix in 1983, the only thing we guarantee is that the 107th or 108th Congress will have to conscript more money to fix both—temporarily.

The years have turned a sound basic model into a lemon and it is never going to deliver good mileage until Congress takes it apart—not in haste or fear, but with deliberation—and makes the right repairs. This bill does not do that.

For these reasons, I must vote against this measure.●

● Mr. SYNAR. Mr. Chairman, the vote we face today on social security is one of the most difficult votes I have cast. On one hand, we face the prospect of burdening our small businesses by moving up scheduled tax increases, taxing benefits for the first time, and creating fear among current middle-aged Federal employees over the fate of their retirement. But on the other hand, we face the option of leaving social security without an answer to its growing financial problem. While voting against the bill would placate the legitimate concerns of the various groups affected by the bill—small businesses, senior citizens, and Federal employees—it would be irresponsible. There is no alternative. For that reason, Mr. Speaker, I will vote for the bill.

Once we have completed work on this bill and it is law, we must immediately address two equally important issues. First, the tax increase that we are moving up from 1985 to 1984 could have a serious impact on small businesses, depending on the condition of

our economy and the status of recovery. We must closely monitor this and be prepared to act if needed. We owe it to our small businesses: As I have walked up and down main streets in northeastern Oklahoma the small business owners have told me that they want to help—but are not sure they can bear the increased tax burden.

And second, we must guarantee middle-aged Federal employees who are vested in the existing civil service retirement and have paid into it for 10, 15, and 20 years that their retirement will be there when they need it. They are worried the result of our putting new Federal employees under social security would be to lock their retirement into diminishing revenues while the liability remains the same. Congress will stand behind their pensions. But we must assure them.

Mr. Speaker, there are several components of this bill that I do not like. I am sure every Member of this House feels the same. But I have been impressed by the bipartisan effort by Members as well as the support of my constituents, and I will vote for it because we all will soon count on social security.●

● Mr. STUMP. Mr. Chairman, there is no doubt that social security is in a financial crisis. The bill we are considering today is a band-aid approach which fails to address the critical problems of the social security system. For that reason, I must oppose the bill.

Many of social security's problems stem from the confusing and conflicting roles Congress has mandated the system to play. While its original function was to provide an earned supplement to a worker's own retirement income, Congress has diluted this strong insurance foundation with social welfare elements. It is this conflict between the system's earned and unearned functions which contributed to past and present social security problems, and which will continue to erode the system unless resolved.

The "reform" proposal before us today does not address these structural conflicts. Rather, it camouflages them with a flood of tax-generated revenue. This is not the first time in recent history that the Congress has shirked its responsibility by relying on politically expedient tax increases rather than resolving structural problems. In 1977, I voted against what was then considered a long-term resolution to social security solvency—revenue increases and benefit reductions.

Today's reform solution takes much the same approach to providing financial stability for social security. Our actions a short 5 years ago, did not resolve the dilemma and I have no confidence that the Social Security Act Amendments of 1983 will. By adopting this bill, Congress is taking another step away from the fundamental philosophy of an earned self-supporting system and is again undermining incentives for workers to save for an income separate from social security in their retirement years.

Further, this change in concept punishes those who have retired, and, understanding the supplemental nature of social security, have provided for other retirement income. The system should be self-supporting and provide the worker an opportunity to build individual equity within the system. This reform bill is a continuation of a shift started long ago when Congress first began tinkering with the social security system, that shift intends to turn a self-supporting supplemental retirement system into a multifaceted government-funded welfare program.

The most obvious indication of this shift is the use of a means test to begin taxation of benefits for those individuals with a certain taxable income. We should not allow the original intent of the system to be violated by basing the amount of a benefit on factors other than time spent under the system and contributions. Although a means test may appear to be reasonable, it is simply the first step in determining who gets benefits regardless of who or how much they paid into the system.

In an effort to stabilize the financial crisis in social security, we are increasing a tax burden on those who may never see the return on their investment that the Government has always told them they can expect. There may not be a return on the investment of the 20-year-old worker who today can expect to pay more than $335,000 in social security taxes during his working career. We are asking a declining work force to pay higher and higher taxes, and carry the burden of a supplemental retirement program that could well be bankrupt when they reach retirement age.

Tax increases have proven to be ineffective in resolving this problem. If we are, indeed, taking steps toward long-term reform, we should have grandfathered current retirement recipients and phased out the nonretirement welfare benefits, returning the system to its original intent.

The philosophy on which social security was built forms a bond with the American people that is a matter of principle. We cannot allow that principle to be destroyed.●

● Mr. ALEXANDER. Mr. Chairman, in its action today, the House of Representatives is responding to the people's desire for a general rekindling of confidence in the social security system. I have always been acutely aware of the practical significance which the monthly social security check has to the retired Americans who are eligible for it—as well as its symbolic value to all of us as a token of national respect for our elderly and of good faith in keeping the commitment made to the American worker half a century ago.

I am hopeful that the Senate, in its turn, will act promptly on our initiative so that this new social security legislation becomes law before summer.

I should add that the final shape of my thinking on this crucial issue was primarily determined in recent weeks by the recommendations of a social security advisory committee which I appointed in the First Congressional District of Arkansas. The nine members of this committee, who worked conscientiously over a 5-week period, emerged with proposals that were both sound and inventive, and I think they are well worth sharing here.

Their recommendations were:

(1) To include all wage earners and self-employed persons as part of the social security system;

(2) To index retirement age in accordance with the anticipated increased lifespan during the next century, with any change to be phased in slowly;

(3) To delay cost-of-living adjustments for 6 months, with COLA's thereafter to be paid in January of each year and adjustments to be based on the increase in wages or prices, whichever is lower, with no COLA's to be paid when the increase is less than 3 percent;

(4) To eliminate the present reconsideration level and appeals council by making the Bureau of Hearings and Appeals into an independent agency responsible to the Secretary of Health and Human Services but separate from and independent of the Commissioner of Social Security, thereby guaranteeing the judicial independence of the administrative law judges.

The nine citizens whose intensive deliberations provided this interesting and responsible approach deserve our congratulations, I think. Their contribution was in the best tradition of the citizen asked to perform public service, and the fact that they were a good mix—by age, sex, and occupation—was a further guarantee that their advice would be a good cross-section of opinion. The members of the Social Security Advisory Committee of the First Congressional District of Arkansas were:

Harold Jinks, Piggott (chairman), age 71, retired postmaster;

Pat West, Forrest City, age 41, State employee;

Charles Latimar, Forrest City, age 73, commercial chemist;

Udell Smith, Jonesboro, age 68, retired Federal worker;

Ron Richardson, Jonesboro, age 31, CPA;

John Bland, Paragould, age 32, businessman;

C. A. Glidewell, Blytheville, age 44, businessman;

Idavonne Rose, Melbourne, age 60, registered nurse;

Sam Boyce, Newport, age 51, lawyer.●

● Mr. PATTERSON. Mr. Chairman, I, like many of our colleagues in the House of Representatives, am convinced that we must expeditiously act to resolve the financial problems of the social security system so that retirees today and in the future can fully benefit by retirement income security. Social security has evolved in the years since its inception to become even more valuable than the originally intended supplemental retirement system. It is a basic contract between the Government and private organizations—a contract which we must honor. Today a myriad of needed benefits are paid out to retirees, to disabled, to hospitalized, and to surviving dependents. For a relatively small percentage of payroll tax, over 39 million Americans receive social security benefits.

As we in Congress plan for the future of the social security system, we must rely on the lessons of the past. Chronic recession and higher unemployment, particularly during the past several years, have strained not only the social security trust funds but our good intentions. No one can accurately foretell all the future needs and costs of the social security system, but we must, to the best of our ability, insure that the social security system remains viable. Citizens of this rich and powerful Nation are entitled to income security in their senior years.

I am, however, also deeply concerned that the procedures under which this bill will be debated restricts Members from choosing among the options available for financing the social security trust funds. I have serious concerns with two sections of this bill. My first concern relates to the coverage of Federal employees under the social security system. By eliminating new Federal employee contributions to the civil service retirement system, the funding base of the retirement program will be eroded. Additional financing of the civil service retirement system will be required, and if we do not address this crucial issue today, we must commit ourselves to funding the CSRS so that no present Federal employee will ever worry about receiving full retirement benefits.

Second, I am also deeply concerned that some self-employed individuals, who are required in this legislative package to increase their payroll contribution by almost 100 percent, will be unable to survive such a financial burden. We must insist that income tax credits are made available to them which will not stifle their ability to remain self-employed.

I do not believe mandatory coverage is the sole answer to the social security problem, and while it represents a significant percentage of savings in the short term, it does not do so without increasing future financial obligations on the Federal budget.

We must save our social security system, and much of this compromise bill will achieve that goal. But we should do so in a fair and equitable manner and not at the expense of one or two groups of citizens.●

● Mr. LONG of Maryland. Mr. Chairman, I have grave reservations about this social security financing package. The package contains several provisions which I could not support as individual proposals, including the tax on social security benefits, delayed COLA's social security coverage for Federal employees and the increase in the self-employed tax. I am particularly disappointed that there was no opportunity to vote on these individual provisions. I would have voted against them.

I also believe that the long-term financing decision should wait. We cannot accurately predict even the weather a day in advance. How can we know what will happen to the economy 35 years from now? Any increase in the retirement age, as proposed in the Pickle amendment, or additional payroll taxes, as proposed by Senator PEPPER, in order to solve a problem that may well not exist is unwise, or at best, premature.

Nevertheless, I shall vote for this package. There is no alternative. There is no choice except to vote for this package as a vote on balance to protect social security.

I have supported social security throughout my 22 years in Congress. My record in support of older Americans is second to none in the House or the Senate. Despite my reservations, I cannot and will not break my commitment to the 176 million disabled, surviving family members and older people who currently rely on social security, and the 116 million people now paying into the system and banking on this for protection in the future, by voting against this bill.

The bill requires sacrifices from all of us—retirees, workers, Federal employees, Members of Congress—but it also offers benefits to all of us. It assures that social security will be safe, sound, and secure for current and future generations. It does not make any permanent cuts in basic benefits. It will restore public confidence in the the social security system.

In voting for this package, I am depending upon the assurances given by the House leadership and the chairman of the Post Office and Civil Service Committee that they will oppose "any proposal which would threaten or adversely affect the financial integrity of the civil service retirement fund, or the ability of that fund to continue to pay benefits promised to participants in the civil service retirement system." As a senior member of the Appropriations Committee, I shall continue to do everything I can to preserve the civil service retirement system and protect the benefits that Federal and Postal employees have worked so hard to earn.●

● Mr. OWENS. Mr. Chairman, the report of the National Commission on Social Security Reform and H.R. 1900, developed in response to the report, raise a number of immediate and long-term issues which must be considered.

IMMEDIATE BENEFITS REDUCTIONS

The current proposal will reduce benefits immediately through the delay in implementing the cost of living adjustment (COLA), subsequent COLA's may be reduced when the reserves are low. These reductions are based on the perceived need to maintain reserves. They fail to consider the cost of beneficiary needs. There is no consideration of differential inflation for goods and services, such as medical services and drugs, that re most commonly used by social security beneficiaries.

MEDICARE COST CONTAINMENT

Health care costs continue to soar. The current proposal would attempt to put a lid on costs by setting up a prospective rate of reimbursement based on diagnostic-related groups. The problem with this approach is that the aged generally suffer from a series of diseases which increase their need for, and cost of, care. A system that is being put in place to hold down costs can hardly be expected to be sensitive to the higher costs associated with the provision of care for the elderly. If hospitals feel that they do not receive adequate reimbursement from medicare, they will be unwilling and unable to provide care to the elderly. Rationing of care may become a reality, particularly for our elderly who cannot afford additional insurance to make up for any shortfall. This problem will be added to the existing problem of ever-increasing deductibles and copayments by our senior citizens. The intent of medicare was to make health care available to our elderly, not to create a brass ring which may be easily seized by well to do while remaining forever beyond the grasp of most of our people.

RAISING THE RETIREMENT AGE

The Pickle amendment seeks to raise the retirement age for full benefits. This is primarily but a device to cut benefits for those who retire earlier than the new maximum. It is generally agreed that people live longer today. Although that is true, there is a significant difference in life expectancy between whites and minorities in this country. It is also known that those in strenuous occupations have

shorter life expectancies than white collar workers. In short, those who do the physical labor in this country, those whose bodies simply give out, and those who are pushed out because they can no longer dig a ditch as quickly will have their benefits cut by a body whose Members do not engage in such work. I cannot help but think that if we all went out and dug ditches or pushed piecework through a sewing machine for a week, we would have a much better understanding of the unjust burden we ask these workers to bear for us. This Pickle amendment sets a dangerous precedent. I am unalterably opposed to any concept which penalizes the elderly for living longer and questions their basic "right to life."

LONG-TERM FINANCING DEVICES

The National Commission and the drafters of H.R. 1900 set forth a series of financing devices to insure the fiscal soundness of the social security system. By this they mean the continued funding of the system through a regressive payroll tax dedicated to social security. This approach is simply wrong. There is no reason to finance social security benefits such as disability insurance and medicare, which are unrelated to contributions, through this tax.

Events, such as illness and disability, which occur randomly in the population should be financed through other means. This approach would ease the burden on low-income workers and businesses which are on the brink of bankruptcy in these troubled economic times. If the costs of social security were partially met through general revenues, the burden would be spread more equitably as it would fall on additional forms of income such as unearned income and business profits made abroad which do not directly benefit American workers. Proposed devices such as intrafund borrowing and wage credits for the Armed Forces are simply mechanisms to "rob Peter to pay Paul." These devices do nothing to make the social security tax fair. They simply make the books look better and generate the appearance of additional revenues. These devices are akin to the "paper profits" that emerge from corporate maneuvers while no goods or services are produced.

THE FUTURE

We must face up to our responsibilities to the aged and the disabled. Social security must provide security that meets our responsibilities as a society. This is the product that we must design to buy. There can be no pride in a Nation which can send a man to the Moon and allows its elderly to live in poverty. We cannot call a program medicare when it leads to the denial of medical care because the program will not pay a fair share of costs. We cannot continue to rely on a tax scheme which penalizes lower income workers while allowing higher salaries and unearned income to escape this tax.

The proposed changes may well become law for the moment. This must mark the beginning of the struggle to develop a fair federal system which provides the security promised to a society that waits.●

● Mr. WEISS. Mr. Chairman, I am casting my vote against H.R. 1900, the Social Security Act Amendments of 1983. While I strongly support the social security system and commend the Commission on Social Security Reform as well as the Ways and Means Committee for having achieved a compromise package, I am not able to support the bill as amended on the floor. I had been prepared to vote for its final passage, although with great reservations, in order to insure the continued solvency of the social security system and to restore confidence in its viability. However, with the passage of the Pickle amendment, I can no longer support the bill.

The Pickle amendment would gradually raise the normal retirement age from 65 to 67 years of age by the year 2027. Those workers retiring early would face a significant reduction in their benefits. If a worker retires at age 65, benefits will be reduced to 86.7 percent of the current level. Retirees at age 62 will receive only 70 percent of the current benefits.

This amendment is based on misconceptions about the nature of our work force. Supporters of the amendment point to increasing longevity with a continued fixed retirement age. Yet, this is only part of the picture. The amendment is oblivious to the fact that while life expectancy has been steadily increasing, health has not been improving in conjunction with it. So, while workers are living longer, they are not necessarily able to work longer. In fact, 74 percent of workers retire early as a result of poor health. These workers, who tend to be recipients of lower benefits anyway, will be the victims of this amendment. Those who will be particularly adversely affected are workers who spend a lifetime in physically demanding jobs; women, who have higher disability rates and more chronic diseases; and minorities, who have a lower life expectancy. Many will spend a lifetime of work paying into the system receiving greatly reduced or no benefits in return.

The impact of this amendment will be felt by those who are more in need of full, early retirement benefits. They cannot afford to face the significant reductions in the social security benefits that the Pickle amendment offers. This proposal was not part of the Commission's original package and is an inequitable measure that should not have been passed.

Unfortunately, the Pepper amendment, which I supported, failed to pass. This amendment would have assisted in solving the long-term social security problem through an increase in the payroll tax. It provided for a modest tax rate increase of 0.53 percent in the year 2010, increasing the rate from 6.2 to 6.73 percent. This amendment would have eliminated the OASDI deficit, without any reduction in benefits.

The bill as reported from committee was a compromise measure designed to produce revenue increases and spending cuts totaling $165.3 billion over the years from 1983 through 1989. This bipartisan agreement contained some provisions which I do not support. Many of the proposals are highly controversial and would necessitate sacrifices by some portions of the population. But these sacrifices were to be shared and were necessitated in order to insure the continued integrity of the social security system. Adoption of the bill was intended to assure young workers that the social security trust funds will not be empty when they reach retirement age.

Several proposals included in the package that I fully support call for improvements in the following provisions affecting mainly women; Increasing benefits for disabled widows and widowers who retire before age 60 and who collect dependent's benefits; a change in calculating the benefit formula computed for widows and widowers who claim benefits based on the earnings of their deceased spouse; continuation of benefits for a surviving divorced or disabled spouse who remarries; and finally, a proposal which I have introduced as a separate bill: Legislation which would enable divorced spouses to receive benefits at age 62 even if the insured former spouse has not yet retired.

This group of proposals would reverse policies based on the assumption of lifelong marriages, in which the principal wage earner's income is available to the entire household. This is now an inaccurate assumption in a great many instances, and changes in the social security system should reflect the change in life patterns.

Social security, enacted in 1935, has been financed on a pay-as-you-go basis. Contributions made by workers and employers are used to pay benefits to current recipients. The payroll taxes paid by today's workers are deposited in three separate trust funds: old age and survivors insurance (OASI), disability insurance (DI), and hospital insurance (HI, or part A or medicare).

In recent years, poor economic conditions have been responsible for exhausting excess moneys in the trust funds, especially OASI. Because of high unemployment, fewer workers are paying taxes into the system. Ben-

efits have increased, however, to keep pace with the cost of living.

In 1977, Congress anticipated these problems and raised both the payroll tax and the taxable wage base. Unfortunately, economic conditions have been much worse than anyone predicted at that time. As a result, benefits are still being paid out at levels higher than taxes collected, causing a short-term revenue problem that needs to be corrected immediately. This funding crisis is expected to cause the social security system to fall short of its benefit payment needs by approximately $150 to $200 billion between now and 1990.

In addition, a second, longer range problem may develop in about the year 2010, when the Post-World War II, "baby boom" generation begins to leave the work force, adding millions of new beneficiaries to social security. We do not know, however, how many workers will then be contributing to social security, nor how much money will be coming into the system.

While I would have supported the package as reported from the Ways and Means Committee had the Pickle amendment not been adopted, I had serious concerns about several of the individual proposals.

I strongly opposed, for example, the 6-month delay in the COLA, from July 1983 until January 1984. The consequence of this provision is a permanent reduction in benefits, since retirees would have to wait 6 months longer each subsequent year to receive their COLA's. The reduction will cause severe economic hardship for those millions who are already living at or below the poverty level. This proposal was made slightly more palatable by amending current law so that the COLA will be provided even if the increase in the CPI is less than 3 percent.

In addition, while I believe in the principle of universal coverage, my support for the proposal to include newly hired Federal employees was conditioned on strong assurances that all pensions of present civil service workers would be protected and that a supplemental plan will be instituted to provide new Federal workers with retirement benefits equal to those of the present civil service retirement system. I am firmly committed to protecting the retirement benefits of Federal workers and supporting the appropriation of funds necessary to insure the solvency of the civil service retirement system.

My concern stems from the callousness of the Reagan administration toward Federal workers. While the administration is not likely to provide the funds needed to insure that Federal workers' retirement benefits are protected, it is Congress' responsibility to protect this system.

It is no secret that this administration, while promising to protect social security benefits, in fact has forced several significant reductions in benefits. A package of cutbacks was enacted over my strong opposition as part of the Omnibus Budget and Reconciliation Act of 1981. I have addressed these problems by reintroducing several bills which would restore these benefits.

Specifically, the bills would restore the minimum benefit for new and future recipients, student benefits, the lump sum death benefit for all beneficiaries, and the benefit for parents caring for children under age 18.

It is unfortunate that there was no opportunities for separate votes on the proposals in the Commission's bill.

Distortions and misrepresentations about the viability of social security have damaged the confidence of younger workers that the system would still be in existence when they are ready to retire. For both present and future retirees, it is essential that confidence in the system be restored. The social security system must remain solvent and secure for present and future generations. But this must not be done at the expense of those workers who are most vulnerable to a reduction in their benefits. The Pickle amendment is unacceptable and amounts to a major cutback in social security protection for today's young workers. Just as importantly, it sets a very bad precedent for future benefit reduction proposals.

For all of these reasons, I cannot vote for the adoption of this legislation.●

● Mr. DENNY SMITH. Mr. Chairman, the social security bailout considered by this House will not solve the long-term financial problems besetting the social security system. It simply shifts the social security deficit to the general budget deficit by dipping into general revenues.

It is as stable as a one-legged milking stool, because instead of relying on a fair mix of curbing abuses, adding new revenues and phasing in outlay modifications, 91 percent of the package leans on the working men and working women by raising their taxes.

This proposal is like putting a patient under anasthesia so that he will forget about the pain for awhile, and then never performing the corrective surgery that will restore him to health. It is a short-term cure for the patient.

When social security was begun in the late 1930's, it was to assist older Americans when they retired. It was a guarantee that they would not be without financial help during their golden years.

Social security was an easy program for politicians to expand and enhance, all the while promising current and future recipients, more than the shrinking pool of working taxpayers could afford to pay, until now when the system has an unfunded liability of $1.6 trillion over the next 75 years. It is losing $20,000 per minute.

Back in 1945, for example, there were 42 workers paying taxes for each person receiving benefits. This ratio changed dramatically in subsequent years: it fell to 16.5:1 in 1950; 4:1 in 1965; and it is only 3.2:1 today. By 2030 it is expected to be 2:1, or lower.

Presently, 116 million Americans and their employers pay $1.34 out of every $10 of wages to social security. Between 1950 and 1980 social security taxes soared by over 2,000 percent, while wages only went up by 490 percent. Since 1971, maximum social security tax rates have quadrupled. These rates are scheduled to triple again in the 1980's as a result of legislation already on the books. Passage of this act will increase taxes on the working middle class even more.

And yet, during the period of 1971-80, the real pay of workingmen and workingwomen fell—as a result of wages not keeping up with increased taxes and inflation—while social security benefits went up about 50 percent faster than the cost of living.

Instead of focusing on the basic deformity of the program—its lack of recognition that the ratio of workers to beneficiaries is dwindling—this proposal repeats what history has already proven is not long-term solution. It raises taxes.

Only 6 years ago, in 1977, President Carter signed legislation creating the biggest tax increase in peacetime history to bail out a financially strapped social security system. He said the tax increase would "guarantee that from 1980 to 2030 social security funds will be sound." In November of 1982, interfund borrowing was all that kept the checks flowing to beneficiaries because the funds were running dry.

The Congressional Budget Office estimated that the 1977 payroll tax increases have reduced employment by 500,000. Increased unemployment, higher inflation, and slower economic recovery helped cause the social security funds to run dry because fewer people were paying taxes during a time when high inflation drove up benefits through cost-of-living adjustments.

At a time when economic recovery is beginning to show like the first buds of spring, Congress considers snipping them off by fositing higher taxes on already overtaxed American workers.

The problem with social security is more than the shrinking ratios of taxpayers to beneficiaries—which means to steer the same course requires more be paid by those left working. No, the problem is one that was present when the program was conceived. Instead of getting back what you paid in, today's

retiree receives about five times more in benefits than he or she paid in taxes—even after adjusting for interest.

Workers paid $30 a year maximum in social security taxes through 1949. Then in 1950 the taxes were increased to $45—numerous increases to follow. Today, taxpayers pay a maximum tax of $2,931.90 per year—an amount equaled by employers—or 6.7 percent on the first $35,700 earnings each year. By the year 2035, the total social security payroll tax rate would have to rise to over 28 percent to meet obligations, and might well exceed 40 to 50 percent under more pessimistic assumptions.

It is the responsibility of the leaders of today to recognize the burden such taxes would place on our children and grandchildren.

As the postwar baby boom grays, and as medical breakthroughs continue, more Americans will be living longer, requiring bigger and more expensive programs.

Can Congress ignore these fundamental changes in America? This proposal to simply wring more money out of workers does just that. I wonder, would Congress view other programs in the light it does social security? Would, for example, Congress treat a flaw in the design of a nuclear power reactor by ordering a few more bags of cement to patch up the cracks? No; Congress would demand a correction that would forever guard people from disaster. Well, why can Congress not apply that same reason and logic to a program which if not corrected soon, will spell financial disaster for future generations? Is social security so sacrosanct that a flaw in its design cannot be corrected to preserve and strengthen its future?

The 36 million Americans who rely on social security are fair people who do not want to be a heavy burden on their children, and grandchildren. They are people like my mother and my father-in-law. Proud Americans who, when called upon, have sacrificed for the sake of their country in the past. To say that they would not sacrifice a little now, for the sake of their children and grandchildren is nothing short of misguided patronizing. The rapair and reform of social security demands sacrifice from all of us. So far, all that the Commission has been willing to do is cause great sacrifice among the workingman and workingwomen of this country by raising their taxes and decreasing their ability to set aside a few extra dollars in individual retirement accounts, or other savings.

Where is the fairness in looking to the future and seeing that payroll taxes for social security will top 30 to 40 percent, and then not doing anything about it? That is not fair. That is not leadership. Now is not the time to hide from the problem. Now is the time to solve it, but this proposal fails the long-term test.

Congress should recognize that people live longer and work longer than when social security began, and should begin increasing the retirement age past 65 to reflect this basic change in our country. Now, I do not mean that Congress should pull the rug out from under those who are about to retire. Rather, Congress should begin phasing in this increase over a period of time that allows workers to continue planning for their retirement.

Congress should also include itself under social security. I have always found that when you have a financial interest in something, you pay greater attention to its progress. Putting Members of Congress under social security would keep their feet to the fire. The dollar amount they contribute would not bail out the system by any means, but it might heighten their interest in its well being.

Congress should upgrade the Social Security Administration's ability to eliminate from the rolls, those who have died. The Social Security Commissioner estimates that his agency may have handed out some $100 million to the deceased. And, perhaps worse, the antiquated computers at the administration have also denied benefits to those who deserve them, confusing the living with the dead, and the dead with the living. I have helped several Oregonians prove to the administration that they were alive, despite the fact the Social Security Administration computers said otherwise.

But moreover, Congress should recognize that social security—as it is presently flawed—is like a chain letter that is about to run out. A number of proposals are emerging that would allow people more flexibility in planning their retirement through such means as individual retirement accounts, where the money you put in is there when you retire—safe and sound—and not within the reach of professional politicians.

The Federal Government has an obligation—that I will do all I can to insure is met—to older Americans presently retired and about to retire to make sure that they receive the benefits they have earned.

But what about the future? Is it right to continue a program that would be declared illegal if it were a private retirement plan because it is not properly funded? Or is it better to correct the flaws, and stop adding to it in a way that has made it more costly than taxpayers can afford, without huge tax increases such as this program requires?

Yes; this proposal is the only one on the board right now and yes; it will keep the checks coming on time. But it, like the ones before, fails to recognize the basic flaws in social security and therefore should be rejected. Now is the time for a long-term solution that is fair to beneficiaries and taxpayers.●

Mr. ROSTENKOWSKI. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield my remaining time to the gentleman from Illinois (Mr. MICHEL).

The CHAIRMAN. The gentleman from Illinois (Mr. MICHEL) is recognized for 18 minutes.

Mr. MICHEL. Mr. Chairman, back in 1941 when I was employed in my first 40-hour-a-week job between high school and college I was paid the handsome sum of $13 a week gross or $12.87 net take-home pay because the social security tax in those days was only 1 percent.

My father had deductions from his pay in that same year that totaled $30 for the entire year, since the law at that time called for a 1-percent-payroll deduction for an employee up to the maximum of $3,000 income.

In filing my income tax return for 1982 I will pay a self-employed social security tax 100 times larger than my father paid as a maximum under the law 40 years ago.

There is absolutely no way we can be honest to ourselves or our children by forcing the same kind of progressive tax burden on our children during the next 40 years.

I guess I am also reminded of the number of times my dad asked me before he died just a few years ago why he was getting those increases in his social security checks when his company pension check stayed the same.

I had to respond by telling him that I was one of those responsible for amending the law to tie social security benefits to the cost-of-living index. Then he would say, "But, Bob, I don't know how long you can continue to do that when we didn't earn it." Then I would recount to my dad that when I was a junior Congressman some of us just got fed up with the bidding game that went on between the political parties as to which could vote the higher benefits to social security recipients, this side or that, 4 percent, 5 percent or more. That is the way it went and it got to be rather disgusting.

So a number of us got together and considered why not turn to the scheme industry and labor are turning to more and more in negotiating their wage-management contributions, and that was tying wages and salaries to the cost-of-living index.

If it was good principle for them, why not for social security?

All well and good except for one factor that we left out of our calculations back in 1972 when we finally persuaded the Congress to adopt the prin-

ciple of tying social security benefits to the CPI and that was double-digit inflation.

Automatic increases of 14 percent, 11 percent, 10 percent, back to back, were just too much for the system to bear.

So that brings us, frankly, to where we are today.

Mr. Chairman, it has taken this House 2 years to make the journey from crisis to compromise in social security financing reform. The journey from there to here was senseless and rather destructive and debilitating. Seldom has an issue demanded so much statesmanship but produced so doggone much demagoguery.

Seldom have the energies and responsibilities of legislative bodies been so misdirected and misused in the course of reaching a consensus. But that is behind us and before us is a compromise.

Before us is a product born out of necessity and ripened by the kind of bipartisan deliberation that does this body some real credit. I must pause here to reiterate what was said by my colleague from Illinois (Mr. ROSTENKOWSKI) the chairman of the Ways and Means Committee. Throughout the last 2 years several Members of this body have certainly behaved and acted like statesmen. I am particularly proud of my two appointees to the Social Security Commission, BARBER CONABLE of New York, ranking member on the Ways and Means Committee, and BILL ARCHER of Texas, for their invaluable contributions to the work of the Commission.

I should also like to single out the chairman of the Ways and Means Committee, the gentleman from Illinois (Mr. ROSTENKOWSKI), and the other gentleman from Texas (Mr. PICKLE), chairman of the subcommittee who in their own deliberate way kept the light of compromise and conciliation burning while others did all they could do to snuff it out.

I support this compromise. I support it despite reservations about the additional tax burdens it will impose.

I support it despite my own personal belief that we could have done more in reforming the structure of the system, and it is in that vein that I will vote for the Pickle amendment later on today.

I support the compromise because compromise is the only hope we have for the survival of social security.

We have no other choice. We have no other alternative that could pass this House. And I think that is what we have to be talking about.

There are many of us, not a majority, a number of us who would like to do this, a number of us who would like to do that, some more who would like to do this and some more who would like to do that, and none of those individual groups willing to meet with the other enough to give you 218 votes to pass this House of Representatives. That is what makes this whole art of compromise, a working together with both sides of the aisle, factions on both sides to put together something that will fly in the House.

There are people right now outside the Capitol standing in protest against the compromise because they contend there are other alternatives. But their interests are rather personal, just as many of ours would be on an individual basis. Their intent is sincere, but their conclusions are wrong. We have run out of time. We have run out of solutions.

Time has run out for those Americans who are looking to social security to sustain them in their retirement years. Their future depends on what we do here today.

Equally as critical to me is the future of those younger Americans who are just beginning to make their way in the private sector, building a base of resources for themselves and their families.

I feel a strong sense of obligation to those young people. I look at my four children now all married and hopefully beginning to get into that grandchild area. We call upon them to supply the resources so that our older citizens can retire with greater dignity and greater security.

We went to them in the last decade and imposed a heavier tax burden on them to secure social security beyond the next century, remember, just a few years ago. We secured nothing. We saved nothing. We deceived them and, frankly, we deceived ourselves.

I do not want that to happen again.

This compromise must work as well for America's young people as it does for America's senior citizens. Again, this is why I intend to support the Pickle amendment over the Pepper amendment.

If there is one compelling argument in favor of the Pickle amendment it is this: When social security was originally enacted life expectancy for men was 60.8 years, for women it was 65.2, or an average of 62.9, remembering that 65 then was the year for retiring.

□ 1430

By 1980 life expectancy for men had increased to 69.8, for women it went up to 77.2, or an average of 73.6 years on an average. Now that is better than a 10-year increase in life expectancy during the past 40 years and it is high time we take those figures into account before piling on yet another round of tax increases on our children and our grandchildren.

I want to preserve for my kids and my grandchildren a social security system worthy of the name.

I do not ever again want to be asked to go back to those young Americans and demand from them still higher taxes to save social security.

This compromise to me is a commitment to them as much as it is a commitment to the current and future social security recipients.

So I hope that in the course of our further deliberations this afternoon, during consideration of the debate on the two amendments, that there will be a resounding vote for the Pickle amendment and against the Pepper amendment because that is one sure way of doing the right thing here today.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except the following amendments, which shall not be subject to amendment and shall be considered only in the following order. First, amendments recommended by the Committee on Ways and Means; second, the amendment printed in the CONGRESSIONAL RECORD of March 8, 1983, by Representative PICKLE of Texas, and said amendment shall be debatable for not to exceed 2 hours, equally divided and controlled by the proponent of the amendment and the chairman of the Committee on Ways and Means, or his designee; and third, the amendment printed in the CONGRESSIONAL RECORD of March 7, 1983, by Representative PEPPER of Florida, said amendment shall be in order even if the amendment designated No. 2 has been adopted, and said amendment shall be debatable for not to exceed 2 hours, equally divided and controlled by the proponent of the amendment and the chairman of the Committee on Ways and Means, or his designee.

The text of the bill, H.R. 1900, is as follows:

H.R. 1900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act, with the following table of contents, may be cited as the "Social Security Act Amendments of 1983".

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TITLE I—PROVISIONS AFFECTING THE FINANCING OF THE SOCIAL SECURITY SYSTEM

PART A—COVERAGE

COVERAGE OF NEWLY HIRED FEDERAL EMPLOYEES

SEC. 101. (a)(1) Section 210(a) of the Social Security Act is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) Service performed in the employ of the United States or any instrumentality of the United States, if such service—

"(A) would be excluded from the term 'employment' for purposes of this title if the provisions of paragraphs (5) and (6) of this subsection as in effect in January 1983 had remained in effect, and

"(B) is performed by an individual who (i) has been continuously in the employ of the United States or an instrumentality thereof since December 31, 1983 (and for this purpose an individual who returns to the performance of such service after being separated therefrom following a previous period of such service shall nevertheless be considered upon such return as having been continuously in the employ of the United States or an instrumentality thereof, regardless of whether the period of such separation began before or after December 31, 1983, if the period of such separation does not exceed 365 consecutive days), or (ii) is receiving an annuity from the Civil Service Retirement and Disability Fund, or benefits (for service as an employee) under another retirement system established by a law of the United States for employees of the Federal Government or members of the uniformed services;

except that this paragraph shall not apply with respect to—

"(i) service performed as the President or Vice President of the United States,

"(ii) service performed—

"(I) in a position placed in the Executive Schedule under sections 5312 through 5317 of title 5, United States Code,

"(II) as a noncareer appointee in the Senior Executive Service or a noncareer member of the Senior Foreign Service, or

"(III) in a position to which the individual is appointed by the President (or his designee) or the Vice President under section 105(a)(1), 106(a)(1), or 107 (a)(1) or (b)(1) of title 3, United States Code, if the maximum

rate of basic pay for such position is at or above the rate for level V of the Executive Schedule,

"(iii) service performed as the Chief Justice of the United States, an Associate Justice of the Supreme Court, a judge of a United States District Court (including the district court of a territory), a judge of the United States Claims Court, a judge of the United States Court of International Trade, a judge of the United States Tax Court, a United States magistrate, or a referee in bankruptcy or United States bankruptcy judge,

"(iv) service performed as a Member, Delegate, or Resident Commissioner of or to the Congress, or

"(v) any other service in the legislative branch of the Federal Government if such service is performed by an individual who, on December 31, 1983, is not subject to subchapter III of chapter 83 of title 5, United States Code;

"(6) Service performed in the employ of the United States or any instrumentality of the United States if such service is performed—

"(A) in a penal institution of the United States by an inmate thereof;

"(B) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government), other than as a medical or dental intern or a medical or dental resident in training; or

"(C) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;".

(2) Section 210(p) of such Act is amended by striking out "provisions of—" and all that follows and inserting in lieu thereof "provisions of subsection (a)(5).".

(b)(1) Section 3121(b) of the Internal Revenue Code of 1954 is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) service performed in the employ of the United States or any instrumentality of the United States, if such service—

"(A) would be excluded from the term 'employment' for purposes of this title if the provisions of paragraphs (5) and (6) of this subsection as in effect in January 1983 had remained in effect, and

"(B) is performed by an individual who (i) has been continuously in the employ of the United States or an instrumentality thereof since December 31, 1983 (and for this purpose an individual who returns to the performance of such service after being separated therefrom following a previous period of such service shall nevertheless be considered upon such return as having been continuously in the employ of the United States or an instrumentality thereof, regardless of whether the period of such separation began before or after December 31, 1983, if the period of such separation does not exceed 365 consecutive days), or (ii) is receving an annuity from the Civil Service Retirement and Disability Fund, or benefits (for service as an employee) under another retirement system established by law of the United States for employees of the Federal Government or members of the uniformed services;

except that this paragraph shall not apply with respect to—

"(i) service performed as the President or Vice President of the United States,

(ii) service performed—

"(I) in a position placed in the Executive Schedule under Sections 5312 through 5317 of title 5, United States Code.

"(II) as a noncareer appointee in the Senior Executive Service or a noncareer member of the Senior Foreign Service, or

"(III) in a position to which the individual is appointed by the President (or his designee) or the Vice President under section 105(a)(1), 106(a)(1), or 107 (a)(1) or (b)(1) of title 3, United States Code, if the maximum rate of basic pay for such position is at or above the rate for level V of the Executive Schedule,

"(iii) service performed as the Chief Justice of the United States, an Associate Justice of the Supreme Court, a judge of a United States court of appeals, a judge of a United States district court (including the district court of a territory), a judge of the United States Claims Court, a judge of the United States Court of International Trade, a judge of the United States Tax Court, a United States magistrate, or a referee in bankruptcy or United States bankruptcy judge,

"(iv) service performed as a Member, Delegate, or Resident Commissioner of or to the Congress, or

"(v) any other service in the legislative branch of the Federal Government if such service is performed by an individual who, on December 31, 1983, is not subject to subchapter III of chapter 83 of title 5, United States Code;

"(6) service performed in the employ of the United States or any instrumentality of the United States if such service is performed—

"(A) in a penal institution of the United States by an inmate thereof;

"(B) by any individual as an employee included under section 5351(2) of title 5, United States Code (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government), other than as a medical or dental intern or a medical or dental resident in training; or

"(C) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;".

(2) Section 3121(u)(1) of such Code is amended to read as follows:

"(1) IN GENERAL.—For purposes of the taxes imposed by sections 3101(b) and 3111(b), subsection (b) shall be applied without regard to paragraph (5) thereof.".

(c)(1) Section 209 of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"For purposes of this title, in the case of an individual performing service under the provisions of section 294 of title 28, United States Code (relating to assignment of retired justices and judges to active duty), the term 'wages' shall, subject to the provisions of subsection (a) of this section, include any payment under section 371(b) of such title 28 which is received during the period of such service.".

(2) Section 3121(i) of the Internal Revenue Code of 1954 (relating to computation of wages in certain cases) is amended by adding at the end thereof the following new paragraph:

"(5) SERVICE PERFORMED BY CERTAIN RETIRED JUSTICES AND JUDGES.—For purposes of this chapter, in the case of an individual performing service under the provisions of section 294 of title 28, United States Code (relating to assignment of retired justices and judges to active duty), the term 'wages' shall, subject to the provisions of subsection (a)(1) of this section, include any payment under section 371(b) of such title 28 which is received during the period of such service.".

(d) The amendments made by this section shall be effective with respect to remuneration paid after December 31, 1983.

COVERAGE OF EMPLOYEES OF NONPROFIT ORGANIZATIONS

SEC. 102. (a) Section 210(a)(8) of the Social Security Act is amended—

(1) by striking out "(A)" immediately after "(8)";

(2) by striking out "subparagraph" where it first appears and inserting in lieu thereof "paragraph"; and

(3) by striking out subparagraph (B).

(b)(1) Section 3121(b)(8) of the Internal Revenue Code of 1954 is amended—

(A) by striking out "(A)" immediately after "(8)";

(B) by striking out "subparagraph" where it first appears and inserting in lieu thereof "paragraph"; and

(C) by striking out subparagraph (B).

(2) Section 3121(k) of such Code is repealed.

(3) Section 3121(r) of such Code is amended—

(A) by striking out "subsection (b)(8)(A)" and "section 210(a)(8)(A)" in paragraph (3) and inserting in lieu thereof "subsection (b)(8)" and "section 210(a)(8)", respectively; and

(B) by striking out paragraph (4).

(c) The amendments made by the preceding provisions of this section shall be effective with respect to service performed after December 31, 1983 (but the provisions of sections 2 and 3 of Public Law 94-563 and section 312(c) of Public Law 95-216 shall continue in effect, to the extent applicable, as though such amendments had not been made).

(d) The period for which a certificate is in effect under section 3121(k) of the Internal Revenue Code of 1954 may not be terminated under paragraph (1)(D) or (2) thereof on or after March 31; but no such certificate shall be effective with respect to any service to which the amendments made by this section apply.

(e)(1) If any individual—

(A) on January 1, 1984, is age 55 or over, and is an employee of an organization described in section 210(a)(8)(B) of the Social Security Act (A) which does not have in effect (on that date) a waiver certificate under section 3121(k) of the Internal Revenue Code of 1954 and (B) to the employees of which social security coverage is extended on January 1, 1984, solely by reason of the enactment of this section, and

(B) after January 1, 1984, acquires the number of quarters of coverage (within the meaning of section 213 of the Social Security Act) which is required for purposes of this subparagraph under paragraph (2),

then such individual shall be deemed to be a fully insured individual (as defined in section 214 of the Social Security Act) for all of the purposes of title II of such Act.

(2) The number of quarters of coverage which is required for purposes of subparagraph (B) of paragraph (1) shall be determined as follows:

In the case of an individual who on January 1, 1984, is—	The number of quarters of coverage so required shall be—
age 60 or over	6
age 59 or over but less than age 60	8
age 58 or over but less than age 59	12

In the case of an individual who on January 1, 1984, is—	The number of quarters of coverage so required shall be—
age 57 or over but less than age 58.....	16
age 55 or over but less than age 57.....	20.

(f) Effective for cost reporting periods beginning on or after October 1, 1982, paragraph (6) of section 1886(b) of the Social Security Act is repealed.

DURATION OF AGREEMENTS FOR COVERAGE OF STATE AND LOCAL EMPLOYEES

SEC. 103. (a) Section 218(g) of the Social Security Act is amended to read as follows:

"Duration of Agreement

"(g) No agreement under this section may be terminated, either in its entirety or with respect to any coverage group, on or after the date of the enactment of the Social Security Act Amendments of 1983.".

(b) The amendment made by subsection (a) shall apply to any agreement in effect under section 218 of the Social Security Act on the date of the enactment of this Act, without regard to whether a notice of termination is in effect on such date, and to any agreement or modification thereof which may become effective under such section 218 after that date.

PART B—COMPUTATION OF BENEFIT AMOUNTS

SHIFT OF COST-OF-LIVING ADJUSTMENTS TO CALENDAR YEAR BASIS

SEC. 111. (a)(1) Section 215(i)(1)(A) of the Social Security Act is amended by striking out "the calendar quarter ending on March 31 in each year after 1974" and inserting in lieu thereof "the calendar quarter ending on September 30 in each year after 1982".

(2) Section 215(i)(2)(A)(ii) of such Act is amended by striking out "June" and inserting in lieu thereof "December".

(3) Section 215(i)(2)(A)(iii) of such Act is amended by striking out "May" and inserting in lieu thereof "November".

(4) Section 215(i)(2)(B) of such Act is amended by striking out "May" each place it appears and inserting in lieu thereof "November".

(b)(1) Section 215(i)(4) of such Act is amended by inserting ", as modified by the application of the amendments made by section 111(b)(2) of the Social Security Act Amendments of 1983," after "as in effect in December 1978" where it first appears.

(2) Section 215(i) of such Act as in effect in December 1978, and as applied in certain cases under the provisions of such Act as in effect after December 1978, is amended—

(A) by striking out "March 31 in each year after 1974" in paragraph (1)(A) and inserting in lieu thereof "September 30 in each year after 1982";

(B) by striking out "June" in paragraph (2)(A)(ii) and inserting in lieu thereof "December"; and

(C) by striking out "May" each place it appears in paragraph (2)(B) and inserting in lieu thereof "November".

(c)(1) Section 203(f)(8)(A) of such Act is amended by striking out "June" and inserting in lieu thereof "December".

(2) Section 230(a) of such Act is amended by striking out "June" and inserting in lieu thereof "December".

(3) Section 202(m) of such Act (as it applies in certain cases by reason of section 2 of Public Law 97-123) is amended by striking out "May" and inserting in lieu thereof "November".

(d) The amendments made by this section shall apply with respect to cost-of-living increases determined under section 215(i) of the Social Security Act for years after 1982; except that the amendments made by subsections (a)(1) and (b)(2)(A) shall apply only with respect to cost-of-living increases determined under such section 215(i) for years after 1983.

(e) Notwithstanding any provision to the contrary in section 215(i) of the Social Security Act, the "base quarter" (as defined in paragraph (1)(A)(i) of such section) in the calendar year 1983 shall be a "cost-of-living computation quarter" within the meaning of paragraph (1)(B) of such section (and shall be deemed to have been determined by the Secretary of Health and Human Services to be a "cost-of-living computation quarter" under paragraph (2)(A) of such section) for all of the purposes of such Act as amended by this section and by other provisions of this Act, without regard to the extent by which the Consumer Price Index has increased since the last prior cost-of-living computation quarter which was established under such paragraph (1)(B).

COST-OF-LIVING INCREASES TO BE BASED ON EITHER WAGES OR PRICES (WHICHEVER IS LOWER) WHEN BALANCE IN OASDI TRUST FUNDS FALLS BELOW SPECIFIED LEVEL

SEC. 112. (a) Section 215(i)(1) of the Social Security Act is amended—

(1) by striking out "in which" in subparagraph (B) and all that follows down through the first semicolon in such subparagraph and inserting in lieu thereof "with respect to which the applicable increase percentage is 3 percent or more;";

(2) by striking out "and" at the end of subparagraph (B);

(3) by redesignating subparagraph (C) as subparagraph (H); and

(4) by inserting after subparagraph (B) the following new subparagraphs:

"(C) the term 'applicable increase percentage' means—

"(i) with respect to a base quarter or cost-of-living computation quarter in any calendar year before 1988, or in any calendar year after 1987 for which the OASDI fund ratio is 20.0 percent or more, the CPI increase percentage; and

"(ii) with respect to a base quarter or cost-of-living computation quarter in any calendar year after 1987 for which the OASDI fund ratio is less than 20.0 percent, the CPI increase percentage or the wage increase percentage, whichever (with respect to that quarter) is the lower;

"(D) the term 'CPI increase percentage', with respect to a base quarter or cost-of-living computation quarter in any calendar year, means the percentage (rounded to the nearest one-tenth of 1 percent) by which the Consumer Price Index for that quarter exceeds such index for the most recent prior calendar quarter which was a base quarter under subpararaph (A)(ii) or, if later, the most recent cost-of-living computation quarter under subparagraph (B);

"(E) the term 'wage increase percentage', with respect to a base quarter or cost-of-living computation quarter in any calendar year, means the percentage (rounded to the nearest one-tenth of 1 percent) by which the SSA average wage index for the year immediately preceding such calendar year exceeds such index for the year immediately preceding the most recent prior calendar year which included a base quarter under subparagraph (A)(ii) or, if later, which included a cost-of-living computation quarter;

"(F) the term 'OASDI fund ratio', with respect to any calendar year, means the ratio of—

"(i) the combined balance in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, reduced by the outstanding amount of any loan (including interest thereon) theretofore made to either such Fund from the Federal Hospital Insurance Trust Fund under section 201(l), as of the beginning of such year, to

"(ii) the total amount which (as estimated by the Secretary) will be paid from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund during such calendar year for all purposes authorized by section 201 (other than payments of interest on, or repayments of, loans from the Federal Hospital Insurance Trust Fund under section 201(l)), but excluding any transfer payments between such trust funds and reducing the amount of any transfers to the Railroad Retirement Account by the amount of any transfers into either such trust fund from that Account;

"(G) the term 'SSA average wage index', with respect to any calendar year, means the average of the total wages reported to the Secretary of the Treasury or his delegate for the preceding calendar year as determined for purposes of subsection (b)(3)(A)(ii); and".

(b) Section 215(i)(2)(A)(ii) of such Act is amended by striking out "by the same percentage" and all that follows down through the semicolon, in the sentence immediately following subdivision (III), and inserting in lieu thereof "by the applicable increase percentage;".

(c) Section 215(i) of such Act is further amended by adding at the end thereof the following new paragraph:

"(5)(A) If—

"(i) with respect to any calendar year the 'applicable increase percentage' was determined under clause (ii) of paragraph (1)(C) rather than under clause (i) of such paragraph, and the increase becoming effective under paragraph (2) in such year was accordingly determined on the basis of the wage increase percentage rather than the CPI increase percentage (or there was no such increase becoming effective under paragraph (2) in that year because the wage increase percentage was less than 3 percent), and

"(ii) for any subsequent calendar year in which an increase under paragraph (2) becomes effective the OASDI fund ratio is greater than 32.0 percent,

then each of the amounts described in subdivisions (I), (II), and (III) of paragraph (2)(A)(ii), as increased under paragraph (2) effective with the month of December in such subsequent calendar year, shall be further increased (effective with such month) by an additional percentage, which shall be determined under subparagraph (B) and shall apply as provided in subparagraph (C).

"(B) The applicable additional percentage by which the amounts described in subdivisions (I), (II), and (III) of paragraph (2)(A)(ii) are to be further increased under subparagraph (A) in the subsequent calendar year involved shall be the difference between—

"(i) the compounded percentage benefit increases that would have been paid if all increases under paragraph (2) had been made on the basis of the CPI increase percentage, and

"(ii) the compounded percentage benefit increases that were actually paid under paragraph (2) and this paragraph,

with such increases being measured—

"(iii) in the case of amounts described in subdivision (I) of paragraph (2)(A)(ii), over the period beginning with the calendar year

in which the individual first became entitled to monthly benefits described in such subdivision and ending with such subsequent calendar year, and

"(iv) in the case of amounts described in subdivisions (II) and (III) of paragraph (2)(A)(ii), over the period beginning with the calendar year in which the individual whose primary insurance amount is increased under such subdivision (II) initially became eligible for an old-age or disability insurance benefit, or died before becoming so eligible, and ending with such subsequent calendar year;

except that if the Secretary determines in any case that the application (in accordance with subparagraph (C)) of the additional percentage as computed under the preceding provisions of this subparagraph would cause the OASDI fund ratio to fall below 32.0 percent in the calendar year immediately following such subsequent year, he shall reduce such applicable additional percentage to the extent necessary to ensure that the OASDI fund ratio will remain at or above 32.0 percent through the end of such following year.

"(C) Any applicable additional percentage increase in an amount described in subdivision (I), (II), or (III) of paragraph (2)(A)(ii), made under this paragraph in any calendar year, shall thereafter be treated for all the purposes of this Act as a part of the increase made in such amount under paragraph (2) for that year.".

(d)(1) Section 215(i)(2)(C) of such Act is amended by adding at the end thereof the following new clause:

"(iii) The Secretary shall determine and promulgate the OASDI fund ratio and the SSA wage index for each calendar year before November 1 of that year, based upon the most recent data then available, and shall include a statement of such fund ratio and wage index (and of the effect such ratio and the level of such index may have upon benefit increases under this subsection) in any notification made under clause (ii) and any determination published under subparagraph (D).".

(2) Section 215(i)(4) of such Act (as amended by section 111(b)(1) of this Act) is further amended by striking out "section 111(b)(2)" and inserting in lieu thereof "sections 111(b)(2) and 112".

(e) The amendments made by the preceding provisions of this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after December 1987.

(f) Notwithstanding anything to the contrary in section 215(i)(1)(F) of the Social Security Act (as added by subsection (a)(4) of this section), the combined balance in the Trust Funds which is to be used in determining the "OASDI fund ratio" with respect to the calendar year 1988 under such section shall be the estimated combined balance in such Funds as of the close of that year (rather than as of its beginning).

ELIMINATION OF WINDFALL BENEFITS FOR INDIVIDUALS RECEIVING PENSIONS FROM NONCOVERED EMPLOYMENT

SEC. 113. (a) Section 215(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(7)(A) In the case of an individual whose primary insurance amount would be computed under paragraph (1) of this subsection, who—

"(i) attains age 62 after 1985 (except where he or she became entitled to a disability insurance benefit before 1986 and remained so entitled in any of the 12 months immediately preceding his or her attainment of age 62), or

"(ii) would attain age 62 after 1985 and becomes entitled to a disability insurance benefit after 1985,

and who is entitled to a monthly periodic payment (including a payment determined under subparagraph (C)) based in whole or in part upon his or her earnings for service which did not constitute 'employment' as defined in section 210 for purposes of this title (hereafter in this paragraph and in subsection (d)(5) referred to as 'noncovered service'), the primary insurance amount of that individual during his or her concurrent entitlement to such monthly periodic payment and to old-age or disability insurance benefits shall be computed or recomputed under subparagraph (B) with respect to the initial month in which the individual becomes eligible for such benefits. Notwithstanding the preceding sentence, in no case shall the primary insurance amount of an insured individual be computed or recomputed under this paragraph if the monthly periodic payment to which such individual is entitled is based in whole or in part on earnings derived from the performance of service as an employee of the United States, or of an instrumentality of the United States, before 1971, and such service constituted 'employment' as defined in section 210(a).

"(B) If paragraph (1) of this subsection would apply to such an individual (except for subparagraph (A) of this paragraph), there shall first be computed an amount equal to the individual's primary insurance amount under the preceding paragraphs of this subsection, except that for purposes of such computation the percentage of the individual's average indexed monthly earnings established by subparagraph (A)(i) of paragraph (1) shall be 61 percent. There shall then be computed (without regard to this paragraph) a second amount, which shall be equal to the individual's primary insurance amount under the preceding paragraphs of this subsection, except that such second amount shall be reduced by an amount equal to one-half of the portion of the monthly periodic payment which is attributable to noncovered service (with such attribution being based on the proportionate number of years of noncovered service) and to which the individual is entitled (or is deemed to be entitled) for the initial month of his or her eligibility for old-age or disability insurance benefits. The individual's primary insurance amount shall be the larger of the two amounts computed under this subparagraph (before the application of subsection (i)) and shall be deemed to be computed under paragraph (1) of this subsection for the purpose of applying other provisions of this title.

"(C)(i) Any periodic payment which otherwise meets the requirements of subparagraph (A), but which is paid on other than a monthly basis, shall be allocated on a basis equivalent to a monthly payment (as determined by the Secretary), and such equivalent monthly payment shall constitute a monthly periodic payment for purposes of this paragraph.

"(ii) In the case of an individual who has elected to receive a periodic payment that has been reduced so as to provide a survivors benefit to any other individual, the payment shall be deemed to be increased (for purposes of any computation under this paragraph or subsection (d)(5)) by the amount of such reduction.

"(iii) If an individual to whom subparagraph (A) applies is eligible for a periodic payment beginning with a month that is subsequent to the month in which he or she becomes eligible for old-age or disability insurance benefits, the amount of that payment (for purposes of subparagraph (B)) shall be deemed to be the amount to which he or she is, or is deemed to be, entitled (subject to clauses (i), (ii), and (iv) of this subparagraph) in such subsequent month.

"(iv) For purposes of this paragraph, the term 'periodic payment' includes a payment payable in a lump sum if it is a commutation of, or a substitute for, periodic payments.".

(b) Section 215(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) In the case of an individual whose primary insurance amount is not computed under paragraph (1) of subsection (a) by reason of paragraph (4)(B)(ii) of that subsection, who—

"(A) attains age 62 after 1985 (except where he or she became entitled to a disability insurance benefit before 1986, and remained so entitled in any of the 12 months immediately preceding his or her attainment of age 62), or

"(B) would attain age 62 after 1985 and becomes entitled to a disability insurance benefit after 1985,

and who is entitled to a monthly periodic payment (including a payment determined under subsection (a)(7)(C)) based (in whole or in part) upon his or her earnings in noncovered service, the primary insurance amount of such individual during his or her concurrent entitlement to such monthly periodic payment and to old-age or disability insurance benefits shall be the primary insurance amount computed or recomputed under this subsection (without regard to this paragraph and before the application of subsection (i)) reduced by an amount equal to the smaller of—

"(i) one-half of the primary insurance amount (computed without regard to this paragraph and before the application of subsection (i)), or

"(ii) one-half of the portion of the monthly periodic payment (or payment determined under subsection (a)(7)(C)) which is attributable to noncovered service (with such attribution being based on the proportionate number of years of noncovered service) and to which that individual is entitled (or is deemed to be entitled) for the initial month of his or her eligibility for old-age or disability insurance benefits.

Notwithstanding the preceding sentence, in no case shall the primary insurance amount of an insured individual be computed or recomputed under this paragraph if the monthly periodic payment to which such individual is entitled is based in whole or in part on earnings derived from the performance of service as an employee of the United States, or of an instrumentality of the United States, before 1971, and such service constituted 'employment' as defined in section 210(a).".

(c) Section 215(f) of such Act is amended by adding at the end thereof the following new paragraph:

"(9)(A) In the case of an individual who becomes entitled to a periodic payment determined under subsection (a)(7)(A) (including a payment determined under subsection (a)(7)(C)) in a month subsequent to the first month in which he or she becomes entitled to an old-age or disability insurance benefit,

and whose primary insurance amount has been computed without regard to either such subsection or subsection (d)(5), such individual's primary insurance amount shall be recomputed, in accordance with either such subsection or subsection (d)(5), as may be applicable, effective with the first month of his or her concurrent entitlement to such benefit and such periodic payment.

"(B) If an individual's primary insurance amount has been computed under subsection (a)(7) or (d)(5), and it becomes necessary to recompute that primary insurance amount under this subsection—

"(i) so as to increase the monthly benefit amount payable with respect to such primary insurance amount (except in the case of the individual's death), such increase shall be determined as though such primary insurance amount had initally been computed without regard to subsection (a)(7) or (d)(5), or

"(ii) by reason of the individual's death, such primary insurance amount shall be recomputed without regard to (and as though it had never been computed with regard to) subsection (a)(7) or (d)(5).".

(d) Sections 202(e)(2) and 202(f)(3) of such Act are each amended by striking out "section 215(f)(5) or (6)" wherever it appears and inserting in lieu thereof "section 215(f)(5), 215(f)(6), or 215(f)(9)(B)".

INCREASE IN OLD-AGE INSURANCE BENEFIT AMOUNTS ON ACCOUNT OF DELAYED RETIREMENT

SEC. 114. (a) Section 202(w)(1)(A) of the Social Security Act is amended to read as follows:

"(A) the applicable percentage (as determined under paragraph (6)) of such amount, multiplied by".

(b) Section 202(w) of such Act is further amended by adding at the end thereof the following new paragraph:

"(6) For purposes of paragraph (1)(A), the 'applicable percentage' is—

"(A) ½ of 1 percent in the case of an individual who first becomes eligible for an old-age insurance benefit in any calendar year before 1979;

"(B) ¼ of 1 percent in the case of an individual who first becomes eligible for an old-age insurance benefit in any calendar year after 1978 and before 1987;

"(C) in the case of an individual who first becomes eligible for an old-age insurance benefit in a calendar year after 1986 and before 2005, a percentage equal to the applicable percentage in effect under this paragraph for persons who first became eligible for an old-age insurance benefit in the preceding calendar year (as increased pursuant to this subparagraph), plus ¼ of 1 percent if the calendar year in which that particular individual first becomes eligible for such benefit is not evenly divisible by 2; and

"(D) ⅔ of 1 percent in the case of an individual who first becomes eligible for an old-age insurance benefit in a calendar year after 2004.".

PART C—REVENUE PROVISIONS

SEC. 121. TAXATION OF SOCIAL SECURITY TIER 1 AND RAILROAD RETIREMENT BENEFITS.

(a) GENERAL RULE.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to amounts specifically included in gross income) is amended by redesignating section 86 as section 87 and by inserting after section 85 the following new section:

"SEC. 86. SOCIAL SECURITY AND TIER 1 RAILROAD RETIREMENT BENEFITS.

"(a) IN GENERAL.—Gross income for the taxable year of any taxpayer described in subsection (b) includes social security benefits in an amount equal to the lesser of—

"(1) one-half of the social security benefits received during the taxable year, or

"(2) one-half of the excess described in subsection (b).

"(b) TAXPAYERS TO WHOM SUBSECTION (a) APPLIES.—A taxpayer is described in this subsection if—

"(1) the sum of—

"(A) the adjusted gross income of the taxpayer for the taxable year (determined without regard to this section and sections 221, 911, and 931), plus

"(B) one-half of the social security benefits received during the taxable year, exceeds

"(2) the base amount.

"(c) BASE AMOUNT.—For purposes of this section, the term 'base amount' means—

"(1) except as otherwise provided in this subsection, $25,000,

"(2) $32,000, in the case of a joint return, and

"(3) zero, in the case of a taxpayer who—

"(A) is married at the close of the taxable year (within the meaning of section 143) but does not file a joint return for such year, and

"(B) does not live apart from his spouse at all times during the taxable year.

"(d) SOCIAL SECURITY BENEFIT.—

"(1) IN GENERAL.—For purposes of this section, the term 'social security benefit' means any amount received by the taxpayer by reason of entitlement to—

"(A) a monthly benefit under title II of the Social Security Act, or

"(B) a tier 1 railroad retirement benefit.

"(2) ADJUSTMENT FOR REPAYMENTS DURING YEAR.—

"(A) IN GENERAL.—For purposes of this section, the amount of social security benefits received during any taxable year shall be reduced by any repayment made by the taxpayer during the taxable year of a social security benefit previously received by the taxpayer (whether or not such benefit was received during the taxable year).

"(B) DENIAL OF DEDUCTION.—If (but for this subparagraph) any portion of the repayments referred to in subparagraph (A) would have been allowable as a deduction for the taxable year under section 165, such portion shall be allowable as a deduction only to the extent it exceeds the social security benefits received by the taxpayer during the taxable year (and not repaid during such taxable year).

"(3) WORKMEN'S COMPENSATION BENEFITS SUBSTITUTED FOR SOCIAL SECURITY BENEFITS.—For purposes of this section, if, by reason of section 224 of the Social Security Act (or by reason of section 3(a)(1) of the Railroad Retirement Act of 1974), any social security benefit is reduced by reason of the receipt of a benefit under a workmen's compensation act, the term 'social security benefit' includes that portion of such benefit received under the workmen's compensation act which equals such reduction.

"(4) TIER 1 RAILROAD RETIREMENT BENEFIT.—For purposes of paragraph (1), the term 'tier 1 railroad retirement benefit' means a monthly benefit under section 3(a), 4(a), 4(f) of the Railroad Retirement Act of 1974.

"(e) LIMITATION ON AMOUNT INCLUDED WHERE TAXPAYER RECEIVES LUMP-SUM PAYMENT.—

"(1) LIMITATION.—If—

"(A) any portion of a lump-sum payment of social security benefits received during the taxable year is attributable to prior taxable years, and

"(B) the taxpayer makes an election under this subsection for the taxable year,

then the amount included in gross income under this section for the taxable year by reason of the receipt of such portion shall not exceed the sum of the increases in gross income under this chapter for prior taxable years which would result solely from taking into account such portion in the taxable years to which it is attributable.

"(2) SPECIAL RULES.—

"(A) YEAR TO WHICH BENEFIT ATTRIBUTABLE.—For purposes of this subsection, a social security benefit is attributable to a taxable year if the generally applicable payment date for such benefit occurred during such taxable year.

"(B) ELECTION.—An election under this subsection shall be made at such time and in such manner as the Secretary shall by regulations prescribe. Such election, once made, may be revoked only with the consent of the Secretary.

"(f) TREATMENT AS PENSION OR ANNUITY FOR CERTAIN PURPOSES.—For purposes of—

"(1) section 43(c)(2) (defining earned income),

"(2) section 219(f)(1) (defining compensation),

"(3) section 221(b)(2) (defining earned income), and

"(4) section 911(b)(1) (defining foreign earned income),

any social security benefit shall be treated as an amount received as a pension or annuity."

(b) INFORMATION REPORTING.—Subpart B of part III of subchapter A of chapter 61 of such Code (relating to information concerning transactions with other persons) is amended by adding at the end thereof the following new section:

"SEC. 6050F. RETURNS RELATING TO SOCIAL SECURITY BENEFITS.

"(a) REQUIREMENT OF REPORTING.—The appropriate Federal official shall make a return, according to the forms and regulations prescribed by the Secretary, setting forth—

"(1) the—

"(A) aggregate amount of social security benefits paid with respect to any individual during any calendar year,

"(B) aggregate amount of social security benefits repaid by such individual during such calendar year, and

"(C) aggregate reductions under section 224 of the Social Security Act (or under section 3(a)(1) of the Railroad Retirement Act of 1974) in benefits which would otherwise have been paid to such individual during the calendar year on account of amounts received under a workmen's compensation act, and

"(2) the name and address of such individual.

"(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Every person making a return under subsection (a) shall furnish to each individual whose name is set forth in such return a written statement showing—

"(1) the name of the agency making the payments, and

"(2) the aggregate amount of payments, of repayments, and of reductions, with respect to the individual as shown on such return.

The written statement required under the preceding sentence shall be furnished to the individual on or before January 31 of the year following the calendar year for which the return under subsection (a) was made.

"(c) DEFINITIONS.—For purposes of this section—

"(1) APPROPRIATE FEDERAL OFFICIAL.—The term 'appropriate Federal official' means—

"(A) the Secretary of Health and Human Services in the case of social security benefits described in section 86(d)(1)(A), and

"(B) the Railroad Retirement Board in the case of social security benefits described in section 86(d)(1)(B).

"(2) SOCIAL SECURITY BENEFIT.—The term 'social security benefit' has the meaning given to such term by section 86(d)(1)."

(c) TREATMENT OF NONRESIDENT ALIENS.—

(1) AMENDMENT OF SECTION 871(a).—Subsection (a) of section 871 of such Code (relating to tax on income not connected with United States business) is amended by adding at the end thereof the following new paragraph:

"(3) TAXATION OF SOCIAL SECURITY BENEFITS.—For purposes of this section and section 1441—

"(A) one-half of any social security benefit (as defined in section 86(d)) shall be included in gross income, and

"(B) section 86 shall not apply."

(2) AMENDMENT OF SECTION 1441.—Section 1441 of such Code (relating to withholding of tax on nonresident aliens) is amended by adding at the end thereof the following new subsection:

"(g) CROSS REFERENCE.—

"For provision treating one-half of social security benefits as subject to withholding under this section, see section 871(a)(3)."

(3) DISCLOSURE OF INFORMATION TO SOCIAL SECURITY ADMINISTRATION OR RAILROAD RETIREMENT BOARD.—

(A) IN GENERAL.—Subsection (h) of section 6103 of such Code (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by adding at the end thereof the following new paragraph:

"(6) WITHHOLDING OF TAX FROM SOCIAL SECURITY BENEFITS.—Upon written request, the Secretary may disclose available return information from the master files of the Internal Revenue Service with respect to the address and status of an individual as a nonresident alien or as a citizen or resident of the United States to the Social Security Administration or the Railroad Retirement Board for purposes of carrying out its responsibilities for withholding tax under section 1441 from social security benefits (as defined in section 86(d))."

(B) CONFORMING AMENDMENT.—Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by inserting "(h)(6)," after "(h)(2)," in the material preceding subparagraph (A) and in subparagraph (F)(ii), thereof.

(d) SOCIAL SECURITY BENEFITS TREATED AS UNITED STATES SOURCED.—Subsection (a) of section 861 of such Code (relating to income from sources within the United States) is amended by adding at the end thereof the following new paragraph:

"(8) SOCIAL SECURITY BENEFITS.—Any social security benefit (as defined in section 86(d))."

(e) TRANSFERS TO TRUST FUNDS.—

(1) IN GENERAL.—There are hereby appropriated to each payor fund amounts equivalent to the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1954 which is attributable to the application of sections 86 and 871(a)(3) of such Code (as added by this section) to payments from such payor fund.

(2) TRANSFERS.—The amounts appropriated by paragraph (1) to any payor fund shall be transferred from time to time (but not less frequently than quarterly) from the general fund of the Treasury on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in such paragraph. Any such quarterly payment shall be made on the first day of such quarter and shall take into account social security benefits estimated to be received during such quarter. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(3) DEFINITIONS.—For purposes of this subsection—

(A) PAYOR FUND.—The term "payor fund" means any trust fund or account from which payments of social security benefits are made.

(B) SOCIAL SECURITY BENEFITS.—The term "social security benefits" has the meaning given such term by section 86(d)(1) of the Internal Revenue Code of 1954.

(4) REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress and to the Secretary of Health and Human Services and the Railroad Retirement Board on—

(A) the transfers made under this subsection during the year, and the methodology used in determining the amount of such transfers and the funds or account to which made, and

(B) the anticipated operation of this subsection during the next 5 years.

(f) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 85 of such Code is amended by striking out "this section," and inserting in lieu thereof "this section, section 86,".

(2) Subparagraph (B) of section 128(c)(3) of such Code (as in effect for taxable years beginning after December 31, 1984) is amended by striking out "85" and inserting in lieu thereof "85, 86".

(3) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 86 and inserting in lieu thereof the following:

"Sec. 86. Social security and tier 1 railroad retirement benefits.

"Sec. 87. Alcohol fuel credit."

(4) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following new item:

"Sec. 6050F. Returns relating to social security benefits."

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to benefits received after December 31, 1983, in taxable years ending after such date.

(2) TREATMENT OF CERTAIN LUMP-SUM PAYMENTS RECEIVED AFTER DECEMBER 31, 1983.—The amendments made by this section shall not apply to any portion of a lump-sum payment of social security benefits (as defined in section 86(d) of the Internal Revenue Code of 1954) received after December 31, 1983, if the generally applicable payment date for such portion was before January 1, 1984.

SEC. 122. CREDIT FOR THE ELDERLY AND THE PERMANENTLY AND TOTALLY DISABLED.

(a) GENERAL RULE.—Section 37 of the Internal Revenue Code of 1954 (relating to credit for the elderly) is amended to read as follows:

"SEC. 37. CREDIT FOR THE ELDERLY AND THE PERMANENTLY AND TOTALLY DISABLED.

"(a) GENERAL RULE.—In the case of a qualified individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of such individual's section 37 amount for such taxable year.

"(b) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means any individual—

"(1) who has attained age 65 before the close of the taxable year, or

"(2) who retired on disability before the close of the taxable year and who, when he retired, was permanently and totally disabled.

"(c) SECTION 37 AMOUNT.—For purposes of subsection (a)—

"(1) IN GENERAL.—An individual's section 37 amount for the taxable year shall be the applicable initial amount determined under paragraph (2), reduced as provided in paragraph (3) and in subsection (d).

"(2) INITIAL AMOUNT—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the initial amount shall be—

"(i) $5,000 in the case of a single individual, or a joint return where only one spouse is a qualified individual,

"(ii) $7,500 in the case of a joint return where both spouses are qualified individuals, or

"(iii) $3,750 in the case of a married individual filing a separate return.

"(B) LIMITATION IN CASE OF INDIVIDUALS WHO HAVE NOT ATTAINED AGE 65.—

"(i) IN GENERAL.—In the case of a qualified individual who has not attained age 65 before the close of the taxable year, except as provided in clause (ii), the initial amount shall not exceed the disability income for the taxable year.

"(ii) SPECIAL RULES IN CASE OF JOINT RETURN.—In the case of a joint return where both spouses are qualified individuals and at least one spouse has not attained age 65 before the close of the taxable year—

"(I) if both spouses have not attained age 65 before the close of the taxable year, the initial amount shall not exceed the sum of such spouses' disability income, or

"(II) if one spouse has attained age 65 before the close of the taxable year, the initial amount shall not exceed the sum of $5,000 plus the disability income for the taxable year of the spouse who has not attained age 65 before the close of the taxable year.

"(iii) DISABILITY INCOME.—For purposes of this subparagraph, the term 'disability income' means the aggregate amount includable in the gross income of the individual for the taxable year under section 72 or 105(a) to the extent such amount constitutes wages (or payments in lieu of wages) for the period during which the individual is absent from work on account of permanent and total disability.

"(3) REDUCTION.—

"(A) IN GENERAL.—The reduction under this paragraph is an amount equal to the sum of the amounts received by the individual (or, in the case of a joint return, by either spouse) as a pension or annuity or as a disability benefit—

"(i) under title II of the Social Security Act,

"(ii) under the Railroad Retirement Act of 1974, or

"(iii) otherwise excluded from gross income.

"(B) NO REDUCTION FOR CERTAIN EXCLUSIONS.—No reduction shall be made under clause (iii) of subparagraph (A) for any amount excluded from gross income under section 72 (relating to annuities), 101 (relating to life insurance proceeds), 104 (relating to compensation for injuries or sickness), 105 (relating to amounts received under accident and health plans), 120 (relating to amounts received under qualified group legal services plans), 402 (relating to taxability of beneficiary of employees' trust), 403 (relating to taxation of employee annuities), or 405 (relating to qualified bond purchase plans).

"(C) TREATMENT OF CERTAIN WORKMEN'S COMPENSATION BENEFITS.—For purposes of subparagraph (A), any amount treated as a social security benefit under section 86(d)(3) shall be treated as a disability benefit received under title II of the Social Security Act.

"(d) LIMITATIONS.—

"(1) ADJUSTED GROSS INCOME LIMITATION.—If the adjusted gross income of the taxpayer exceeds—

"(A) $7,500 in the case of a single individual,

"(B) $10,000 in the case of a joint return, or

"(C) $5,000 in the case of a married individual filing a separate return,

the section 37 amount shall be reduced by one-half of the excess of the adjusted gross income over $7,500, $10,000, or $5,000, as the case may be.

"(2) LIMITATION BASED ON AMOUNT OF TAX.—The amount of the credit allowed by this section for the taxable year shall not exceed the amount of the tax imposed by this chapter for such taxable year.

"(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) MARRIED COUPLE MUST FILE JOINT RETURN.—Except in the case of a husband and wife who live apart at all times during the taxable year, if the taxpayer is married at the close of the taxable year, the credit provided by this section shall be allowed only if the taxpayer and his spouse file a joint return for the taxable year.

"(2) MARITAL STATUS.—Marital status shall be determined under section 143.

"(3) PERMANENT AND TOTAL DISABILITY DEFINED.—An individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual shall not be considered to be permanently and totally disabled unless he furnishes proof of the existence thereof in such form and manner, and at such times, as the Secretary may require.

"(f) NONRESIDENT ALIEN INELIGIBLE FOR CREDIT.—No credit shall be allowed under this section to any nonresident alien."

(b) REPEAL OF EXCLUSION FOR CERTAIN DISABILITY PAYMENTS.—Subsection (d) of section 105 of such Code (relating to certain disability payments) is hereby repealed.

(c) CONFORMING AMENDMENTS.—

(1) Sections 41(b)(2), 44A(b)(2), 46(a)(4)(B), 53(a)(2), and 904(g) of such Code are each amended by striking out "relating to credit for the elderly" and inserting in lieu thereof "relating to credit for the elderly and the permanently and totally disabled".

(2) Subsection (a) of section 85 of such Code is amended by striking out ", section 105(d),".

(3) Subparagraph (B) of section 128(c)(3) of such Code (as in effect for taxable years beginning after December 31, 1984) is amended by striking out "105(d),".

(4) Paragraph (3) of section 403(b) of such Code is amended by striking out "sections 105(d) and 911" and inserting in lieu thereof "section 911".

(5) Clause (i) of section 415(c)(3)(C) of such Code is amended by striking out "section 105(d)(4)" and inserting in lieu thereof "section 37(e)(3)".

(6) Paragraph (6) of section 7871(a) of such Code is amended by striking out subparagraph (A), and by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

(7) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 37 and inserting in lieu thereof the following:

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1983.

(2) TRANSITIONAL RULE.—If an individual's annuity starting date was deferred under section 105(d)(6) of the Internal Revenue Code of 1954 (as in effect on the day before the date of the enactment of this section), such deferral shall end on the first day of such individual's first taxable year beginning after December 31, 1983.

SEC. 123. ACCELERATION OF INCREASES IN FICA TAXES; 1984 EMPLOYEE TAX CREDIT.

(a) ACCELERATION OF INCREASES IN FICA TAXES.—

(1) TAX ON EMPLOYEES.—Subsection (a) of section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees for old-age, survivors, and disability insurance) is amended by striking out paragraphs (1) through (7) and inserting in lieu thereof the following:

"In cases of wages received during:	The rate shall be:
1984, 1985, 1986, or 1987.....	5.7 percent
1988 or 1989.....	6.06 percent
1990 or thereafter.....	6.2 percent."

(2) EMPLOYER TAX.—Subsection (a) of section 3111 of such Code is amended by striking out paragraphs (1) through (7) and inserting in lieu thereof the following:

"In cases of wages received during:	The rate shall be:
1984, 1985, 1986, or 1987.....	5.7 percent
1988 or 1989.....	6.06 percent
1990 or thereafter.....	6.2 percent."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid after December 31, 1983.

(b) 1984 EMPLOYEE TAX CREDIT.—

(1) IN GENERAL.—Chapter 25 of such Code is amended by adding at the end thereof the following new section:

"SEC. 3510. CREDIT FOR INCREASED SOCIAL SECURITY EMPLOYEE TAXES AND RAILROAD RETIREMENT TIER 1 EMPLOYEE TAXES IMPOSED DURING 1984.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by section 3101(a) on wages received during 1984 an amount equal to 3/10 of 1 percent of the wages so received.

"(b) TIME CREDIT ALLOWED.—The credit under subsection (a) shall be taken into account in determining the amount of the tax deducted under section 3102(a).

"(c) WAGES.—For purposes of this section, the term 'wages' has the meaning given to such term by section 3121(a).

"(d) APPLICATION TO AGREEMENTS UNDER SECTION 218 OF THE SOCIAL SECURITY ACT.—For purposes of determining amounts equivalent to the tax imposed by section 3101(a) with respect to remuneration which—

"(1) is covered by an agreement under section 218 of the Social Security Act, and

"(2) is paid during 1984,

the credit allowed by subsection (a) shall be taken into account. A similar rule shall also apply in the case of an agreement under section 3121(l).

"(e) CREDIT AGAINST RAILROAD RETIREMENT EMPLOYEE AND EMPLOYEE REPRESENTATIVE TAXES.—

"(1) IN GENERAL.—There shall be allowed as a credit against the taxes imposed by sections 3201(a) and 3211(a) on compensation paid during 1984 and subject to such taxes an amount equal to 3/10 of 1 percent of such compensation.

"(2) TIME CREDIT ALLOWED.—The credit under paragraph (1) shall be taken into account in determining the amount of the tax deducted under section 3202(a) (or the amount of the tax under section 3211(a)).

"(3) COMPENSATION.—For purposes of this subsection, the term 'compensation' has the meaning given to such term by section 3231(e).

"(f) COORDINATION WITH SECTION 6413(c).—For purposes of subsection (c) of section 6413, in determining the amount of the tax imposed by section 3101 or 3201, any credit allowed by this section shall be taken into account."

(2) CLERICAL AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding at the end thereof the following new item.

"Sec. 3510. Credit for increased social security employee taxes and railroad retirement tier 1 employee taxes imposed during 1984."

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to remuneration paid during 1984.

(4) DEPOSITS IN SOCIAL SECURITY TRUST FUNDS.—For purposes of subsection (h) of section 218 of the Social Security Act (relating to deposits in social security trust funds of amounts received under section 218 agreements), amounts allowed as a credit pursuant to subsection (d) of section 3510 of the Internal Revenue Code of 1954 (relating to credit for remuneration paid during 1984 which is covered under an agreement under section 218 of the Social Security Act) shall be treated as amounts received under such an agreement.

(5) DEPOSITS IN RAILROAD RETIREMENT ACCOUNT.—For purposes of subsection (a) of section 15 of the Railroad Retirement Act of 1974, amounts allowed as a credit under subsection (e) of section 3510 of the Internal Revenue Code of 1954 shall be treated as amounts covered into the Treasury under subsection (a) of section 3201 of such Code.

SEC. 124. TAXES ON SELF-EMPLOYMENT INCOME; CREDIT AGAINST SUCH TAXES.

(a) INCREASE IN RATES.—Subsections (a) and (b) of section 1401 of the Internal Revenue Code of 1954 (relating to rates of tax on self-employment income) are amended to read as follows:

"(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to the following percent of the amount of the self-employment income for such taxable year:

"In the case of a taxable year		Percent:
Beginning after:	And before:	
December 31, 1983	January 1, 1988	11.40
December 31, 1987	January 1, 1990	12.12
December 31, 1989		12.40

"(b) HOSPITAL INSURANCE.—In addition to the tax imposed by the preceding subsection, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax equal to the following percent of the amount of the self-employment income for such taxable year:

"In the case of a taxable year		Percent:
Beginning after:	And before:	
December 31, 1983	January 1, 1985	2.60
December 31, 1984	January 1, 1986	2.70
December 31, 1985		2.90."

(b) CREDIT AGAINST SELF-EMPLOYMENT TAXES.—Section 1401 of such Code is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) CREDIT AGAINST TAXES IMPOSED BY THIS SECTION.—

"(1) IN GENERAL.—There shall be allowed as a credit against the taxes imposed by this section for any taxable year an amount equal to 1.8 percent (1.9 percent in the case of taxable years beginning after December 31, 1987) of the self-employment income of the individual for such taxable year.

"(2) ADDITIONAL CREDIT FOR 1984.—In addition to the credit allowed by paragraph (1), there shall be allowed as a credit against the taxes imposed by this section for any taxable year beginning during 1984 an amount equal to 3/10 of 1 percent of the self-employment income of the individual for such taxable year."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1983.

ALLOCATIONS TO DISABILITY INSURANCE TRUST FUND

SEC. 125. (a) Section 201(b)(1) of the Social Security Act is amended by striking out clauses (K) through (M) and inserting in lieu thereof the following: "(K) 1.65 per centum of the wages (as so defined) paid after December 31, 1981, and before January 1, 1983, and so reported, (L) 1.25 per centum of the wages (as so defined) paid after December 31, 1982, and before January 1, 1984, and so reported, (M) 1.00 per centum of the wages (as so defined) paid after December 31, 1983, and before January 1, 1990, and so reported, and (N) 1.20 per centum of the wages (as so defined) paid after December 31, 1989, and so reported,".

(b) Section 201(b)(2) of such Act is amended by striking out clauses (K) through (M) and inserting in lieu thereof the following: "(K) 1.2375 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1981, and before January 1, 1983, (L) 0.9375 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1982, and before January 1, 1984, (M) 1.00 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1983, and before January 1, 1990, and (N) 1.20 per centum of the self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1989,".

PART D—BENEFITS FOR CERTAIN SURVIVING, DIVORCED, AND DISABLED SPOUSES

BENEFITS FOR SURVIVING DIVORCED SPOUSES AND DISABLED WIDOWS AND WIDOWERS WHO REMARRY

SEC. 131. (a)(1) Section 202(e)(3) of the Social Security Act is repealed.

(2) Section 202(e)(4) of such Act is amended to read as follows:

"(4) For purposes of paragraph (1), if—

"(A) a widow or surviving divorced wife marries after attaining age 60 (or after attaining age 50 if she was entitled before such marriage occurred to benefits based on disability under this subsection), or

"(B) a disabled widow or disabled surviving divorced wife described in paragraph (1)(B)(ii) marries after attaining age 50,

such marriage shall be deemed not to have occurred.".

(3)(A) Section 202(e) of such Act is further amended by redesignating paragraph (4) (as amended by paragraph (2) of this subsection), and paragraphs (5) through (8), as paragraphs (3) through (7), respectively.

(B) Section 202(e)(1)(B)(ii) of such Act is amended by striking out "(5)" and inserting in lieu thereof "(4)".

(C) Section 202(e)(1)(F) of such Act is amended by striking out "(6)" in clause (i) and "(5)" in clause (ii) and inserting in lieu thereof "(5)" and "(4)", respectively.

(D) Section 202(e)(2)(A) of such Act is amended by striking out "(8)" and inserting in lieu thereof "(7)".

(E) The paragraph of section 202(e) of such Act redesignated as paragraph (5) by subparagraph (A) of this paragraph is amended by striking out "(5)" and inserting in lieu thereof "(4)".

(F) The paragraph of such section 202(e) redesignated as paragraph (7) by subparagraph (A) of this paragraph is amended by striking out "(4)" and inserting in lieu thereof "(3)".

(G) Section 202(k) of such Act is amended by striking out "(e)(4)" each place it appears in paragraphs (2)(B) and (3)(B) and inserting in lieu thereof "(e)(3)".

(H) Section 226(e)(1)(A) of such Act is amended by striking out "202(e)(5)" and inserting in lieu thereof "202(e)(4)".

(b)(1) Section 202(f)(4) of such Act is repealed.

(2) Section 202(f)(5) of such Act is amended to read as follows:

"(5) For purposes of paragraph (1), if—

"(A) a widower marries after attaining age 60 (or after attaining age 50 if he was entitled before such marriage occurred to benefits based on disability under this subsection), or

"(B) a disabled widower described in paragraph (1)(B)(ii) marries after attaining age 50,

such marriage shall be deemed not to have occurred.".

(3)(A) Section 202(f) of such Act is further amended by redesignating paragraph (5) (as amended by paragraph (2) of this subsection), and paragraphs (6) through (8), as paragraphs (4) through (7), respectively.

(B) Section 202(f)(1)(B)(ii) of such Act is amended by striking out "(6)" and inserting in lieu thereof "(5)".

(C) Section 202(f)(1)(F) of such Act is amended by striking out "(7)" in clause (i) and "(6)" in clause (ii) and inserting in lieu thereof "(6)" and "(5)", respectively.

(D) Section 202(f)(2)(A) of such Act is amended by striking out "(5)" and inserting in lieu thereof "(4)".

(E) The paragraph of section 202(f) of such Act redesignated as paragraph (6) by subparagraph (A) of this paragraph is amended by striking out "(6)" and inserting in lieu thereof "(5)".

(F) Section 202(k) of such Act is amended by striking out "(f)(5)" each place it appears in paragraphs (2)(B) and (3)(B) and inserting in lieu thereof "(f)(4)".

(G) Section 226(e)(1)(A) of such Act is amended by striking out "202(f)(6)" and inserting in lieu thereof "202(f)(5)".

(c)(1) Section 202(s)(2) of such Act is amended by striking out "Subsection (f)(4), and so much of subsections (b)(3), (d)(5), (e)(3), (g)(3), and (h)(4)" and inserting in lieu thereof "So much of subsections (b)(3), (d)(5), (g)(3), and (h)(4)".

(2) Section 202(s)(3) of such Act is amended by striking out "(e)(3),".

(d)(1) The amendments made by this section shall be effective with respect to monthly benefits payable under title II of the Social Security Act for months after December 1983.

(2) In the case of an individual who was not entitled to a monthly benefit of the type involved under title II of such Act for December 1983, no benefit shall be paid under such title by reason of such amendments unless proper application for such benefit is made.

ENTITLEMENT TO DIVORCED SPOUSE'S BENEFITS BEFORE ENTITLEMENT OF INSURED INDIVIDUAL TO BENEFITS; EXEMPTION OF DIVORCED SPOUSE'S BENEFITS FROM DEDUCTION ON ACCOUNT OF WORK

SEC. 132. (a) Section 202(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5)(A) Notwithstanding the preceding provisions of this subsection, except as provided in subparagraph (B), the divorced wife of an individual who is not entitled to old-age or disability insurance benefits, but who has attained age 62 and is a fully insured individual (as defined in section 214), if such divorced wife—

"(i) meets the requirements of subparagraphs (A) through (D) of paragraph (1), and

"(ii) has been divorced from such insured individual for not less than 2 years,

shall be entitled to a wife's insurance benefit under this subsection for each month, in such amount, and beginning and ending with such months, as determined (under regulations of the Secretary) in the manner otherwise provided for wife's insurance benefits under this subsection, as if such insured individual had become entitled to old-age insurance benefits on the date on which the divorced wife first meets the criteria for entitlement set forth in clauses (i) and (ii).

"(B) A wife's insurance benefit provided under this paragraph which has not otherwise terminated in accordance with subparagraph (E), (F), (H), or (J) of paragraph (1) shall terminate with the month preceding the first month in which the insured individual is no longer a fully insured individual.".

(b)(1)(A) Section 203(b) of such Act is amended—

(i) by inserting "(1)" after "(b)";

(ii) by striking out "(1) such individual's benefit" and "(2) if such individual" and inserting in lieu thereof "(A) such individual's benefit" and "(B) if such individual", respectively;

(iii) by striking out "clauses (1) and (2)" and inserting in lieu thereof "clauses (A) and (B)";

(iv) by striking out "(A) an individual" and "(B) if a deduction" and inserting in lieu thereof "(i) an individual" and "(ii) if a deduction", respectively; and

(v) by adding at the end thereof the following new paragraph:

"(2) When any of the other persons referred to in paragraph (1)(B) is entitled to monthly benefits as a divorced spouse under section 202 (b) or (c) for any month, the benefit to which he or she is entitled on the basis of the wages and self-employment income of the individual referred to in paragraph (1) for such month shall be determined without regard to this subsection, and the benefits of all other individuals who are entitled for such month to monthly benefits under section 202 on the basis of the wages and self-employment income of such individual referred to in paragraph (1) shall be determined as if no such divorced spouse were entitled to benefits for such month.".

(B)(i) Section 203(f)(1) of such Act is amended—

(I) in the first sentence, by inserting "(excluding surviving spouses referred to in subsection (b)(2))" after "all other persons" the first place it appears, and by striking out "all other persons" the second place it appears and inserting in lieu thereof "all such other persons"; and

(II) in the second sentence, by inserting "(excluding divorced spouses referred to in subsection (b)(2))" after "other persons".

(ii) Section 203(f)(7) of such Act is amended by inserting "(excluding divorced spouses referred to in subsection (b)(2))" after "all persons".

(2) Section 203(d)(1) of such Act is amended—

(A) by inserting "(A)" after "(d)(1)"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) When any divorced spouse is entitled to monthly benefits under section 202 (b) or (c) for any month, the benefit to which he or she is entitled for such month on the basis of the wages and self-employment income of the individual entitled to old-age insurance benefits referred to in subparagraph (A) shall be determined without regard to this paragraph, and the benefits of all other individuals who are entitled for such month to monthly benefits under section 202 on the basis of the wages and self-employment income of such individual referred to in subparagraph (A) shall be determined as if no such divorced spouse were entitled to benefits for such month.".

(c)(1) The amendments made by subsection (a) shall apply with respect to monthly insurance benefits for months after December 1984, but only on the basis of applications filed on or after January 1, 1985.

(2) The amendments made by subsection (b) shall apply with respect to monthly insurance benefits for months after December 1984.

INDEXING OF DEFERRED SURVIVING SPOUSE'S BENEFITS TO RECENT WAGE LEVELS

SEC. 133. (a)(1) Section 202(e)(2) of the Social Security Act is amended—

(A) by redesignating subparagraph (B) as subparagraph (D); and

(B) by striking out "(2)(A) Except" and all that follows down through "If such deceased individual" and inserting in lieu thereof the following:

"(2)(A) Except as provided in subsection (q), paragraph (8) of this subsection, and subparagraph (D) of this paragraph, such widow's insurance benefit for each month shall be equal to the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual.

"(B)(i) For purposes of this subsection, in any case in which such deceased individual dies before attaining age 62 and section 215(a)(1) (as in effect after December 1978) is applicable in determining such individual's primary insurance amount—

"(I) such primary insurance amount shall be determined under the formula set forth in section 215(a)(1)(B)(i) and (ii) which is applicable to individuals who initially become eligible for old-age insurance benefits in the second year after the year specified in clause (ii),

"(II) the year specified in clause (ii) shall be substituted for the second calendar year specified in section 215(b)(3)(A)(ii)(I), and

"(III) such primary insurance amount shall be increased under section 215(i) as if it were the primary insurance amount referred to in section 215(i)(2)(A)(ii)(II), except that it shall be increased only for years beginning after the first year after the year specified in clause (ii).

"(ii) The year specified in this clause is the earlier of—

"(I) the year in which the deceased individual attained age 60, or would have attained age 60 had he lived to that age, or

"(II) the second year preceding the year in which the widow or surviving divorced wife first meets the requirements of paragraph (1)(B) or the second year preceding the year in which the deceased individual died, whichever is later.

"(iii) This subparagraph shall apply with respect to any benefit under this subsection only to the extent its application does not result in a primary insurance amount for purposes of this subsection which is less than the primary insurance amount otherwise determined for such deceased individual under section 215.

"(C) If such deceased individual".

(2) Section 202(e) of such Act (as amended by paragraph (1) of this subsection) is further amended—

(A) in paragraph (1)(D) and in the matter in paragraph (1) following subparagraph (F)(ii), by inserting "(as determined after application of subparagraphs (B) and (C) of paragraph (2))" after "primary insurance amount"; and

(B) in paragraph (2)(D)(ii), by inserting "(as determined without regard to subparagraph (C))" after "primary insurance amount".

(b)(1) Section 202(f)(3) of such Act is amended—

(A) by redesignating subparagraph (B) as subparagraph (D); and

(B) by striking out "(3)(A) Except" and all that follows down through "If such deceased individual" and inserting in lieu thereof the following:

"(3)(A) Except as provided in subsection (q), paragraph (2) of this subsection, and subparagraph (D) of this paragraph, such widower's insurance benefit for each month shall be equal to the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual.

"(B)(i) For purposes of this subsection, in any case in which such deceased individual dies before attaining age 62 and section 215(a)(1) (as in effect after December 1978) is applicable in determining such individual's primary insurance amount—

"(I) such primary insurance amount shall be determined under the formula set forth in section 215(a)(1)(B) (i) and (ii) which is applicable to individuals who initially become eligible for old-age insurance benefits in the second year after the year specified in clause (ii),

"(II) the year specified in clause (ii) shall be substituted for the second calendar year specified in section 215(b)(3)(A)(ii)(I), and

"(III) such primary insurance amount shall be increased under section 215(i) as if it were the primary insurance amount referred to in section 215(i)(2)(A)(ii)(II), except that it shall be increased only for years beginning after the first year after the year specified in clause (ii).

"(ii) The year specified in this clause is the earlier of—

"(I) the year in which the deceased individual attained age 60, or would have attained age 60 had she lived to that age, or

"(II) the second year preceding the year in which the widower first meets the requirements of paragraph (1)(B) or the second year preceding the year in which the deceased individual died, whichever is later.

"(iii) This subparagraph shall apply with respect to any benefit under this subsection only to the extent its application does not result in a primary insurance amount for purposes of this subsection which is less than the primary insurance amount otherwise determined for such deceased individual under section 215.

"(C) If such deceased individual".

(2) Section 202(f) of such Act (as amended by paragraph (1) of this subsection) is further amended—

(A) in paragraph (1)(D) and in the matter in paragraph (1) following subparagraph (F)(ii), by inserting "(as determined after application of subparagraphs (B) and (C) of paragraph (3))" after "primary insurance amount"; and

(B) in paragraph (3)(D)(ii), by inserting "(as determined without regard to subparagraph (C))" after "primary insurance amount".

(c) The amendments made by this section shall apply with respect to monthly insurance benefits for months after December 1984 for individuals who first meet all criteria for entitlement to benefits under section 202 (e) or (f) of the Social Security Act (other than making application for such benefits) after December 1984.

LIMITATION ON BENEFIT REDUCTION FOR EARLY RETIREMENT IN CASE OF DISABLED WIDOWS AND WIDOWERS

SEC. 134. (a)(1) Section 202(q)(1) of the Social Security Act is amended by striking out the semicolon at the end of subparagraph (B)(ii) and all that follows and inserting in lieu thereof a period.

(2)(A) Section 202(q)(6) of such Act is amended to read as follows:

"(6) For purposes of this subsection, the 'reduction period' for an individual's old-age, wife's, husband's, widow's, or widower's insurance benefit is the period—

"(A) beginning—

"(i) in the case of an old-age or husband's insurance benefit, with the first day of the first month for which such individual is entitled to such benefit,

"(ii) in the case of a wife's insurance benefit, with the first day of the first month for which a certificate described in paragraph (5)(A)(i) is effective, or

"(iii) in the case of a widow's or widower's insurance benefit, with the first day of the first month for which such individual is entitled to such benefit or the first day of the month in which such individual attains age 60, whichever is the later, and

"(B) ending with the last day of the month before the month in which such individual attains retirement age.".

(B) Section 202(q)(3)(G) of such Act is amended by striking out "paragraph (6)(A) (or, if such paragraph does not apply, the period specified in paragraph (6)(B))" and inserting in lieu thereof "paragraph (6)".

(C) Section 202(q) of such Act is further amended, in paragraphs (1)(B)(i), (3)(E)(ii), and (3)(F)(ii)(I), by striking out "paragraph (6)(A)" and inserting in lieu thereof "paragraph (6)".

(3) Section 202(q)(7) of such Act is amended by striking out the matter preceding subparagraph (A) and inserting in lieu thereof the following:

"(7) For purposes of this subsection, the 'adjusted reduction period' for an individual's old-age, wife's, husband's, widow's, or widower's insurance benefit is the reduction period prescribed in paragraph (6) for such benefit, excluding—".

(4) Section 202(q)(10) of such Act is amended—

(A) in that part of the second sentence preceding clause (A), by striking out "or an additional adjusted reduction period";

(B) in clauses (B)(i) and (C)(i), by striking out ", plus the number of months in the adjusted additional reduction period multipled by 43/240 of 1 percent";

(C) in clause (B)(ii), by striking out "plus the number of months in the additional reduction period multiplied by 43/240 of 1 percent,"; and

(D) in clause (C)(ii), by striking out "plus the number of months in the adjusted additional reduction period multiplied by 43/240 of 1 percent.".

(b) Section 202(m)(2)(B) of such Act (as applicable after the enactment of section 2 of Public Law 97-123) is amended by striking out "subsection (q)(6)(A)(ii)" and inserting in lieu thereof "subsection (q)(6)(B)".

(c) The amendments made by this section shall apply with respect to benefits for months after December 1983.

PART E—MECHANISMS TO ASSURE CONTINUED BENEFIT PAYMENTS IN UNEXPECTEDLY ADVERSE CONDITIONS

NORMALIZED CREDITING OF SOCIAL SECURITY TAXES TO TRUST FUNDS

SEC. 141. (a)(1) The last sentence of section 201(a) of the Social Security Act is amended—

(A) by striking out "from time to time" each place it appears and inserting in lieu thereof "monthly on the first day of each calendar month"; and

(B) by striking out "paid to or deposited into the Treasury" and inserting in lieu thereof "to be paid to or deposited into the Treasury during such month".

(2) Section 201(a) of such Act is further amended by adding at the end thereof the following new sentence: "All amounts transferred to either Trust Fund under the preceding sentence shall be invested by the Managing Trustee in the same manner and to the same extent as the other assets of such Trust Fund; and such Trust Fund shall pay interest to the general fund on the amount so transferred on the first day of any month at a rate (calculated on a daily basis, and applied against the difference between the amount so transferred on such first day and the amount which would have been transferred to the Trust Fund up to that day under the procedures in effect on January 1, 1983) equal to the rate earned by the investments of such Fund in the same month under subsection (d).".

(b)(1) The last sentence of section 1817(a) of such Act is amended—

(A) by striking out "from time to time" and inserting in lieu thereof "monthly on the first day of each calendar month"; and

(B) by striking out "paid to or deposited into the Treasury" and inserting in lieu thereof "to be paid to or deposited into the Treasury during such month".

(2) Section 1817(a) of such Act is further amended by adding at the end thereof the following new sentence: "All amounts transferred to the Trust Fund under the preceding sentence shall be invested by the Managing Trustee in the same manner and to the same extent as the other assets of the Trust Fund; and the Trust Fund shall pay interest to the general fund on the amount so transferred on the first day of any month at a rate (calculated on a daily basis, and applied against the difference between the amount so transferred on such first day and the amount which would have been transferred to the Trust Fund up to that day under the procedures in effect on January 1, 1983) equal to the rate earned by the investments of the Trust Fund in the same month under subsection (c).".

(c) The amendments made by this section shall become effective on the first day of the month following the month in which this Act is enacted.

INTERFUND BORROWING EXTENSION

SEC. 142. (a) Sections 201(l)(1) and 1817(j)(1) of the Social Security Act are each amended by striking out "January 1983" and inserting in lieu thereof "January 1, 1988".

(b) Sections 201(l)(3) and 1817(j)(3) of such Act are each amended by inserting before the period at the end thereof the following: "; but the full amount of all such loans (whether made before or after January 1, 1983) shall be repaid at the earliest feasible date and in any event no later than December 31, 1989.".

RECOMMENDATIONS BY BOARD OF TRUSTEES TO REMEDY INADEQUATE BALANCES IN THE SOCIAL SECURITY TRUST FUNDS

SEC. 143. Title VII of the Social Security Act is amended by adding at the end thereof the following new section:

"RECOMMENDATIONS BY BOARD OF TRUSTEES TO REMEDY INADEQUATE BALANCES IN THE SOCIAL SECURITY TRUST FUNDS

"SEC. 709. If the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, or the Federal Supplementary Medical Insurance Trust Fund determines at any time that the balance of such Trust Fund may become inadequate to assure the timely payment of benefits from such Trust Fund, the Board shall promptly submit to each House of the Congress a report setting forth its recommendations for statutory adjustments affecting the receipts and disbursements to and from such Trust Fund necessary to remedy such inadequacy, with due regard to the economic conditions which created such inadequacy and the amount of time necessary to alleviate such inadequacy in a prudent manner.".

PART F—OTHER FINANCING AMENDMENTS

FINANCING OF NONCONTRIBUTORY MILITARY WAGE CREDITS

SEC. 151. (a) Section 217(g) of the Social Security Act is amended to read as follows:

"Appropriation to Trust Funds

"(g)(1) Within thirty days after the date of the enactment of the Social Security Amendments of 1983, the Secretary shall determine the amount equal to the excess of—

"(A) the actuarial present value as of such date of enactment of the past and future benefit payments from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund under this title and title XVIII, together with associated administrative costs, resulting from the operation of this section (other than this subsection) and section 210 of this Act as in effect before the enactment of the Social Security Act Amendments of 1950, over

"(B) any amounts previously transferred from the general fund of the Treasury to such Trust Funds pursuant to the provisions of this subsection as in effect immediately before the date of the enactment of the Social Security Act Amendments of 1983.

Such actuarial present value shall be based on the relevant actuarial assumptions set forth in the report of the Board of Trustees of each such Trust Fund for 1983 under sections 201(c) and 1817(b). Within thirty days after the date of the enactment of the Social Security Act Amendments of 1983, the Secretary of the Treasury shall transfer the amount determined under this paragraph with respect to each such Trust Fund to such Trust Fund from amounts in the general fund of the Treasury not otherwise appropriated.

"(2) The Secretary shall revise the amount determined under paragraph (1) with respect to each such Trust Fund in 1985 and each fifth year thereafter, as determined appropriate by the Secretary from data which becomes available to him after the date of the determination under paragraph (1) on the basis of the amount of benefits and administrative expenses actually paid from such Trust Fund under this title or title XVIII and the relevant actuarial assumptions set forth in the report of the Board of Trustees of such Trust Fund for such year under section 201(c) or 1817(b). Within 30 days after any such revision, the Secretary of the Treasury, to the extent provided in advance in appropriation Acts, shall transfer to such Trust Fund, from amounts in the general fund of the Treasury not otherwise appropriated, or from such Trust Fund to the general fund of the Treasury, such amounts as the Secretary of the Treasury determines necessary to compensate for such revision.".

(b)(1) Section 229(b) of such Act is amended to read as follows:

"(b) There are authorized to be appropriated to each of the Trust Funds, consisting of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund, for transfer on July 1 of each calendar year to such Trust Fund from amounts in the general fund in the Treasury not otherwise appropriated, an amount equal to the total of the additional amounts which would be appropriated to such Trust Fund for the fiscal year

ending September 30 of such calendar year under section 201 or 1817 of this Act if the amounts of the additional wages deemed to have been paid for such calendar year by reason of subsection (a) constituted remuneration for employment (as defined in section 3121(b) of the Internal Revenue Code of 1954) for purposes of the taxes imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954. Amounts authorized to be appropriated under this subsection for transfer on July 1 of each calendar year shall be determined on the basis of estimates of the Secretary of the wages deemed to be paid for such calendar year under subsection (a); and proper adjustments shall be made in amounts authorized to be appropriated for subsequent transfer to the extent prior estimates were in excess of or were less than such wages so deemed to be paid.".

(2) The amendment made by paragraph (1) shall be effective with respect to wages deemed to have been paid for calendar years after 1982.

(3)(A) Within thirty days after the date of the enactment of this Act, the Secretary of Health and Human Services shall determine the additional amounts which would have been appropriated to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund under sections 201 and 1817 of the Social Security Act if the additional wages deemed to have been paid under section 229(a) of the Social Security Act prior to 1983 had constituted remuneration for employment (as defined in section 3121(b) of the Internal Revenue Code of 1954) for purposes of the taxes imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954, and the amount of interest which would have been earned on such amounts if they had been so appropriated.

(B)(i) Within thirty days after the date of the enactment of this Act, the Secretary of the Treasury shall transfer to each such Trust Fund, from amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amount determined with respect to such Trust Fund under subparagraph (A), less any amount appropriated to such Trust Fund pursuant to the provisions of section 229(b) of the Social Security Act prior to the date of the determination made under paragraph (1) with respect to wages deemed to have been paid for calendar years prior to 1983.

(ii) The Secretary of Health and Human Services shall revise the amount determined under clause (i) with respect to each such Trust Fund within one year after the date of the transfer made to such Trust Fund under clause (i), as determined appropriate by such Secretary from data which becomes available to him after the date of the transfer under clause (i). Within 30 days after any such revision, the Secretary of the Treasury shall transfer to such Trust Fund, from amounts in the general fund of the Treasury not otherwise appropriated, or from such Trust Fund to the general fund of the Treasury, such amounts as the Secretary of Health and Human Services certifies as necessary to compensate for such revision.

ACCOUNTING FOR CERTAIN UNNEGOTIATED CHECKS FOR BENEFITS UNDER THE SOCIAL SECURITY PROGRAM

SEC. 152. (a) Section 201 of the Social Security Act (as amended by section 143 of this Act) is further amended by adding at the end thereof the following new subsection:

"(n)(1) The Secretary of the Treasury shall implement procedures to permit the identification of each check issued for benefits under this title that has not been presented for payment by the close of the sixth month following the month of its issuance.

"(2) The Secretary of the Treasury shall, on a monthly basis, credit each of the Trust Funds for the amount of all benefit checks (including interest thereon) drawn on such Trust Fund more than 6 months previously but not presented for payment and not previously credited to such Trust Fund.

"(3) If a benefit check is presented for payment to the Treasury and the amount thereof has been previously credited pursuant to paragraph (2) to one of the Trust Funds, the Secretary of the Treasury shall nevertheless pay such check, if otherwise proper, recharge such Trust Fund, and notify the Secretary of Health and Human Services.

"(4) A benefit check bearing a current date may be issued to an individual who did not negotiate the original benefit check and who surrenders such check for cancellation if the Secretary of the Treasury determines it is necessary to effect proper payment of benefits.".

(b) The amendment made by subsection (a) shall apply with respect to all checks for benefits under title II of the Social Security Act which are issued on or after the first day of the twenty-fourth month following the month in which this Act is enacted.

(c)(1) The Secretary of the Treasury shall transfer from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and to the Federal Disability Insurance Trust Fund, in the month following the month in which this Act is enacted and in each of the succeeding 30 months, such sums as may be necessary to reimburse such Trust Funds in the total amount of all checks (including interest thereon) which he and the Secretary of Health and Human Services jointly determine to be unnegotiated benefit checks. After any amounts authorized by this subsection have been transferred to a Trust Fund with respect to any benefit check, the provisions of paragraphs (3) and (4) of section 201(m) of the Social Security Act (as added by subsection (a) of this section) shall be applicable to such check.

(2) As used in paragraph (1), the term "unnegotiated benefit checks" means checks for benefits under title II of the Social Security Act which are issued prior to the twenty-fourth month following the month in which this Act is enacted, which remain unnegotiated after the sixth month following the date on which they were issued, and with respect to which no transfers have previously been made in accordance with the first sentence of such paragraph.

TITLE II—ADDITIONAL PROVISIONS RELATING TO LONG-TERM FINANCING OF THE SOCIAL SECURITY SYSTEM

ADJUSTMENTS IN OASDI BENEFIT FORMULA

SEC. 201. (a) Section 215(a)(1)(A) of the Social Security Act is amended by striking out "90 percent" in clause (i), "32 percent" in clause (ii), and "15 percent" in clause (iii) and inserting in lieu thereof in each instance "the applicable percentage (determined under paragraph (8))".

(b) The first sentence of section 215(a)(7)(B) of such Act (as added by section 113(a) of this Act) is amended by striking out "61 percent" and inserting in lieu thereof "the applicable percentage as determined under paragraph (8)".

(c) Section 215(a) of such Act is further amended by adding at the end thereof (after the new paragraph added by section 113 of this Act) the following new paragraph:

"(8) The 'applicable percentages' for purposes of clauses (i), (ii), and (iii) of paragraph (1)(A), and the 'applicable percentage' for purposes of the first sentence of paragraph (7)(B), shall be determined as follows:

For individuals who initially become eligible for old-age or disability insurance benefits, or who die (before becoming eligible for such benefits), in—	The 'applicable percentage'— for purposes of clause (i) of paragraph (1)(A) is—	for purposes of clause (ii) of paragraph (1)(A) is—	for purposes of clause (iii) of paragraph (1)(A) is—	for purposes of the first sentence of paragraph (7)(B) is—
any year from 1979 through 1999	90.0	32.0	15.0	61.0
2000	89.4	31.8	14.9	60.6
2001	88.8	31.6	14.8	60.2
2002	88.2	31.4	14.7	59.8
2003	87.6	31.1	14.6	59.4
2004	87.0	30.9	14.5	59.0
2005	86.4	30.7	14.4	58.6
2006	85.8	30.5	14.3	58.2
2007 or thereafter	85.2	30.3	14.2	57.7."

ADJUSTMENTS IN OASDI TAX RATES

SEC. 202. (a) Section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax on employees for old-age, survivors, and disability insurance), as amended by section 123(a)(1) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"1990 through 2014	6.2 percent
2015 or thereafter	6.44 percent."

(b) Section 3111(a) of such Code (relating to rate of tax on employers for old-age, survivors, and disability insurance), as amended by section 123(a)(2) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"1990 through 2014	6.2 percent
2015 or thereafter	6.44 percent."

(c) Section 1401(a) of such Code (relating to rate of tax on self-employment income for old-age, survivors, and disability insurance), as amended by section 124(a) of this Act), is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"December 31, 1989	January 1, 2015	212.40
December 31, 2014		12.88."

(d) The amendments made by this section shall apply to remuneration paid, and taxable years beginning, after December 31, 2014.

TITLE III—MISCELLANEOUS AND TECHNICAL PROVISIONS

PART A—CASH MANAGEMENT

FLOAT PERIODS

SEC. 301. (a) The Secretary of Health and Human Services and the Secretary of the Treasury shall jointly undertake, as soon as possible after the date of the enactment of this Act, a thorough study with respect to the period of time (hereafter in this section referred to as the "float period") between the issuance of checks from the general fund of the Treasury in payment of month-

ly insurance benefits under title II of the Social Security Act and the transfer to the general fund from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as applicable, of the amounts necessary to compensate the general fund for the issuance of such checks. Each such Secretary shall consult the other regularly during the course of the study and shall, as appropriate, provide the other with such information and assistance as he may require.

(b) The study shall include—

(1) an investigation of the feasibility and desirability of maintaining the float periods which are allowed as of the date of the enactment of this section in the procedures governing the payment of monthly insurance benefits under title II of the Social Security Act, and of the general feasibility and desirability of making adjustments in such procedures with respect to float periods; and

(2) a separate investigation of the feasibility and desirability of providing, as a specific form of adjustment in such procedures with respect to float periods, for the transfer each day to the general fund of the Treasury from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate, of amounts equal to the amounts of the checks referred to in subsection (a) which are paid by the Federal Reserve Banks on such day.

(c) In conducting the study required by subsection (a), the Secretaries shall consult, as appropriate, the Director of the Office of Management and Budget, and the Director shall provide the Secretaries with such information and assistance as they may require. The Secretaries shall also solicit the views of other appropriate officials and organizations.

(d)(1) Not later than six months after the date of the enactment of this Act, the Secretaries shall submit to the President and the Congress a report of the findings of the investigation required by subsection (b)(1), and the Secretary of the Treasury shall by regulation make such adjustments in the procedures governing the payment of monthly insurance benefits under title II of the Social Security Act with respect to float periods (other than adjustments in the form described in subsection (b)(2)) as may have been found in such investigation to be necessary or appropriate.

(2) Not later than twelve months after the date of the enactment of this Act, the Secretaries shall submit to the President and the Congress a report of the findings of the separate investigation required by subsection (b)(2), together with their recommendations with respect thereto; and, to the extent necessary or appropriate to carry out such recommendations, the Secretary of the Treasury shall by regulation make adjustments in the procedures with respect to float periods in the form described in such subsection.

SEC. 302. (a) Section 218(j) of the Social Security Act is amended—

(1) by inserting "(1)" after "(j)",

(2) by striking out "the rate of 6 per centum per annum" and inserting in lieu thereof "the applicable rate determined in accordance with paragraph (2)", and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of paragraph (1), the rate of interest applicable to late payments outstanding during the six-month period beginning on January 1, 1984, shall be 9.0 percent per annum. The rate of interest applicable to late payments outstanding during the six-month period beginning on July 1, 1984, and subsequent six-month periods beginning on January 1 or July 1 thereafter, shall be determined by the Secretary of the Treasury not later than 15 days after the end of the base period described in the following sentence and shall be an annual rate equal to the average (rounded to the nearest full percent, or the next higher percent if it is a multiple of 0.5 percent but not of 1.0 percent) of the annual rates of interest applicable to the special obligations issued to the Trust Funds (in accordance with section 201(d)) in each month of such base period. The 'base period' for the rate effective on January 1 of a year is the six-month period ending on the immediately preceding September 30, and the base period for the rate effective on July 1 of a year is the six-month period ending on the immediately preceding March 31.".

(b) The amendments made by this section shall apply with respect to payments made after December 31, 1983, under an agreement pursuant to section 218 of the Social Security Act.

TRUST FUND INVESTMENT PROCEDURES

SEC. 303. (a)(1) Section 201(d) of the Social Security Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such investments may be made only in interest-bearing public-debt obligations of the United States which are issued exclusively for purchase by the Trust Funds under title 31 of the United States Code.".

(2) The fifth sentence of such section 201(d) is amended to read as follows: "Such obligations shall be redeemable at par plus accrued interest at any time, and shall bear interest in any month (including the month of issue) at a rate equivalent to either (1) the average market yield (determined by the Managing Trustee on the basis of market quotations as of the end of each business day of the preceding month) on all marketable interest-bearing obligations of the United States then forming a part of the public debt (other than 'flower bonds') which are not due or callable until after the expiration of 4 years from the end of such preceding month, or (2) the average market yield (so determined) on all such obligations which are due or callable 4 years or less from the end of such preceding month, whichever average market yield (with respect to the month involved) is larger; except that where such equivalent interest rate is not a multiple of one-eighth of 1 percent, the rate of interest on the obligations involved shall be the multiple of one-eighth of 1 percent nearest such equivalent rate.".

(3) Section 201(d) of such Act is further amended by striking out the last sentence, and by inserting in lieu thereof the following: "For purposes of the preceding sentence, the term 'flower bond' means a United States Treasury bond which was issued before March 4, 1971, and which may, at the option of the duly constituted representative of the estate of a deceased individual, be redeemed in advance of maturity and at par (face) value plus accrued interest to the date of payment if (i) it was owned by such deceased individual at the time of his death, (ii) it is part of the estate of such deceased individual, and (iii) such representative authorizes the Secretary of the Treasury to apply the entire proceeds of the redemption of such bond to the payment of Federal estate taxes.".

(b)(1) Section 1817(c) of such Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such investments may be made only in interest-bearing public-debt obligations of the United States which are issued exclusively for purchase by the Trust Funds under title 31 of the United States Code.".

(2) The fifth sentence of such section 1817(c) is amended to read as follows: "Such obligations shall be redeemable at par plus accrued interest at any time, and shall bear interest in any month (including the month of issue) at a rate equivalent to either (1) the average market yield (determined by the Managing Trustee on the basis of market quotations as of the end of each business day of the preceding month) on all marketable interest-bearing obligations of the United States then forming a part of the public debt (other than 'flower bonds') which are not due or callable until after the expiration of 4 years from the end of such preceding month, or (2) the average market yield (so determined) on all such obligations which are due or callable 4 years or less from the end of such preceding month, whichever average market yield (with respect to the month involved) is larger; except that where such equivalent interest rate is not a multiple of one-eighth of 1 percent, the rate of interest on the obligations involved shall be the multiple of one-eighth of 1 percent nearest such equivalent rate.".

(3) Section 1817(c) of such Act is further amended by striking out the last sentence, and by inserting in lieu thereof the following: "For purposes of the preceding sentence, the term 'flower bond' means a United States Treasury bond which was issued before March 4, 1971, and which may, at the option of the duly constituted representative of the estate of a deceased individual, be redeemed in advance of maturity and at par (face) value plus accrued interest to the date of payment if (i) it was owned by such deceased individual at the time of his death, (ii) it is part of the estate of such deceased individual, and (iii) such representative authorizes the Secretary of the Treasury to apply the entire proceeds of the redemption of such bond to the payment of Federal estate taxes.".

(c)(1) Section 1841(c) of such Act is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such investments may be made only in interest-bearing public-debt obligations of the United States which are issued exclusively for purchase by the Trust Funds under title 31 of the United States Code.".

(2) The fifth sentence of such section 1841(c) is amended to read as follows: "Such obligations shall be redeemable at par plus accrued interest at any time, and shall bear interest in any month (including the month of issue) at a rate equivalent to either (1) the average market yield (determined by the Managing Trustee on the basis of market quotations as of the end of each business day of the preceding month) on all marketable interest-bearing obligations of the United States then forming a part of the public debt (other than 'flower bonds') which are not due or callable until after the expiration of 4 years from the end of such preceding month, or (2) the average market yield (so determined) on all such obligations which are due or callable 4 years or less from the end of such preceding month, whichever average market yield (with respect to the month involved) is larger; except that where such equivalent interest rate is not a multiple of one-eighth of 1 percent, the rate of interest on the obligations

involved shall be the multiple of one-eighth of 1 percent nearest such equivalent rate.".

(3) Section 1841(c) of such Act is further amended by striking out the last sentence, and by inserting in lieu thereof the following: "For purposes of the preceding sentence, the term 'flower bond' means a United States Treasury bond which was issued before March 4, 1971, and which may, at the option of the duly constituted representative of the estate of a deceased individual, be redeemed in advance of maturity and at par (face) value plus accrued interest to the date of payment if (i) it was owned by such deceased individual at the time of his death, (ii) it is part of the estate of such deceased individual, and (iii) such representative authorizes the Secretary of the Treasury to apply the entire proceeds of the redemption of such bond to the payment of Federal estate taxes.".

(d)(1) Not later than the date on which the amendments made by this section become effective under subsection (f), the Secretary of the Treasury shall—

(A) redeem at par plus accrued interest all outstanding obligations of the United States issued under the Second Liberty Bond Act or title 31 of the United States Code exclusively for purchase by (and then held by) the Federal Old-Age Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund (hereinafter in this subsection referred to as the "Trust Funds");

(B) redeem at market rates all "flower bonds" (as defined in the last sentence of sections 201(d), 1817(c), and 1841(c) of the Social Security Act as amended by this section) then held by the Trust Funds; and

(C) reinvest the proceeds (from the redemptions required under subparagraphs (A) and (B)) in the manner provided in such sections 201(d), 1817(c), and 1841(c) as amended by this section.

(2) Any other marketable obligations held by the Trust Funds at the time of the redemptions required by paragraph (1) shall continue to be so held until their maturity except to the extent it is necessary to redeem or sell them before maturity (at the market price) in order to meet the benefit obligations of the Trust Fund or Funds involved.

(3) Sections 201(e), 1817(d), and 1841(d) of the Social Security Act are repealed.

(e)(1) The next to last sentence of section 201(c) of such Act is amended by striking out "Such report shall also include" and inserting in lieu thereof the following: "Such report shall include an actuarial opinion by the Chief Actuary of the Social Security Administration certifying that the techniques and methodologies used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable, and shall also include".

(2) Section 1817(b) of such Act is amended by inserting immediately before the last sentence the following new sentence: "Such report shall also include an actuarial opinion by the Chief Acturial Officer of the Health Care Financing Administration certifying that the techniques and methodologies used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable.".

(3) Section 1841(b) of such Act is amended by inserting immediately before the last sentence the following new sentence: "Such report shall also include an actuarial opinion by the Chief Actuarial Officer of the Health Care Financing Administration certifying that the techniques and methodologies used are generally accepted within the actuarial profession and that the assumptions and cost estimates used are reasonable.".

(4) Notwithstanding sections 201(c)(2), 1817(b)(2), and 1841(b)(2) of the Social Security Act, the annual reports of the Boards of Trustees of the Trust Funds which are required in the calendar year 1983 under those sections may be filed at any time not later than forty-five days after the date of the enactment of this Act.

(5) The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(f) Except as otherwise provided, the amendments made by this section shall take effect on the first day of the first month which begins more than thirty days after the date of the enactment of this Act.

BUDGETARY TREATMENT OF TRUST FUND OPERATIONS

SEC. 304. (a)(1) Title VII of the Social Security Act (as amended by section 143 of this Act) is further amended by adding at the end thereof the following new section:

"BUDGETARY TREATMENT OF TRUST FUND OPERATIONS

"SEC. 710. The disbursements of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund shall be treated as a separate major functional category in the budget of the United States Government as submitted by the President and in the congressional budget, and the receipts of such Trust Funds, including the taxes imposed under sections 1401, 3101, and 3111 of the Internal Revenue Code of 1954, shall be set forth separately in such budget.".

(2)(A) The amendment made by paragraph (1) shall apply with respect to fiscal years beginning on or after October 1, 1984, and ending on or before September 30, 1988, except that such amendment shall apply with respect to the fiscal year beginning on October 1, 1983, to the extent it relates to the congressional budget.

(b) Effective for fiscal years beginning on or after October 1, 1988, section 710 of such Act (as added by subsection (a) of this section) is amended to read as follows:

"BUDGETARY TREATMENT OF TRUST FUND OPERATIONS

"SEC. 710. (a) The receipts and disbursement of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund and the taxes imposed under sections 1401, 3101, and 3111 of the Internal Revenue Code of 1954 shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

"(b) The disbursements of the Federal Supplementary Medical Insurance Trust Fund shall be treated as a separate major functional category in the budget of the United States Government as submitted by the President and in the congressional budget, and the receipts of such Trust Fund shall be set forth separately in such budgets.".

PART B—ELIMINATION OF GENDER-BASED DISTINCTIONS

DIVORCED HUSBANDS

SEC. 311. (a)(1) Section 202(c)(1) of the Social Security Act is amended, in the matter preceding subparagraph (A), by inserting "and every divorced husband (as defined in section 216(d))" before "of an individual" and by inserting "or such divorced husband" after "if such husband".

(2) Section 202(c)(1) of such Act is further amended—

(A) by striking out "and" at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

"(C) in the case of a divorced husband, is not married, and"; and

(C) by striking out the matter following subparagraph (D) (as so redesignated) and inserting in lieu thereof the following:

"shall be entitled to a husband's insurance benefit for each month, beginning with—

"(i) in the case of a husband or divorced husband (as so defined) of an individual who is entitled to an old-age insurance benefit, if such husband or divorced husband has attained age 65, the first month in which he meets the criteria specified in subparagraphs (A), (B), (C), and (D), or

"(ii) in the case of a husband or divorced husband (as so defined) of—

"(I) an individual entitled to old-age insurance benefits, if such husband or divorced husband has not attained age 65, or

"(II) an individual entitled to disability insurance benefits,

the first month throughout which he is such a husband or divorced husband and meets the criteria specified in subparagraphs (B), (C), and (D) (if in such month he meets the criterion specified in subparagraph (A)),

whichever is earlier, and ending with the month preceding the month to which any of the following occurs:

"(E) he dies,

"(F) such individual dies,

"(G) in the case of a husband, they are divorced and either (i) he has not attained age 62, or (ii) he has attained age 62 but has not been married to such individual for a period of 10 years immediately before the divorce became effective,

"(H) in the case of a divorced husband, he marries a person other than such individual,

"(I) he becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of the primary insurance amount of such individual, or

"(J) such individual is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.".

(3) Section 202(c)(3) of such Act is amended by inserting "(or, in the case of a divorced husband, his former wife)" before "for such month".

(4) Section 202(c) of such Act is further amended by adding after paragraph (3) the following new paragraph:

"(4) In the case of any divorced husband who marries—

"(A) an individual entitled to benefits under subsection (b), (e), (g), or (h) of this section, or

"(B) an individual who has attained the age of 18 and is entitled to benefits under

subsection (d), by reason of paragraph (1)(B)(ii) thereof,

such divorced husband's entitlement to benefits under this subsection, notwithstanding the provisions of paragraph (1) (but subject to subsection (s)), shall not be terminated by reason of such marriage.".

(5) Section 202(c) of such Act is further amended by adding after paragraph (4) (as added by paragraph (4) of this subsection) the following new paragraph:

"(5)(A) Notwithstanding the preceding provisions of this subsection, except as provided in subparagraph (B), the divorced husband of an individual who is not entitled to old-age or disability insurance benefits, but who has attained age 62 and is a fully insured individual (as defined in section 214), if such divorced husband—

"(i) meets the requirements of subparagraphs (A) through (D) of paragraph (1), and

"(ii) has been divorced from such insured individual for not less than 2 years,

shall be entitled to a husband's insurance benefit under this subsection for each month, in such amount, and beginning and ending with such months, as determined (under regulations of the Secretary) in the manner otherwise provided for husband's insurance benefits under this subsection, as if such insured individual had become entitled to old-age insurance benefits on the date on which the divorced husband first meets the criteria for entitlement set forth in classes (i) and (ii).

"(B) A husband's insurance benefit provided under this paragraph which has not otherwise terminated in accordance with subparagraph (E), (F), (H), or (I) of paragraph (1) shall terminate with the month preceding the first month in which the insured individual is no longer a fully insured individual.".

(6) Section 202(c)(2)(A) of such Act is amended by inserting "(or divorced husband)" after "payable to such husband".

(7) Section 202(b)(3)(A) of such Act is amended by striking out "(f)" and inserting in lieu thereof "(c), (f),".

(8) Section 202(c)(1)(D) of such Act (as redesignated by paragraph (2) of this subsection) is amended by striking out "his wife" and inserting in lieu thereof "such individual".

(9) Section 202(d)(5)(A) of such Act is amended by inserting "(c)," after "(b),".

(b)(1) Section 202(f)(1) of such Act is amended, in the matter preceding subparagraph (A), by inserting "and every surviving divorced husband (as defined in section 216(d))" before "of an individual" and by inserting "or such surviving divorced husband" after "if such widower".

(2) Section 202(f)(1) of such Act is further amended by striking out "his deceased wife" in subparagraph (D) and in the matter following subparagraph (F) and inserting in lieu thereof "such deceased individual".

(3) Section 202(f)(3)(B)(ii)(II) of such Act (as amended by section 133(b)(1)(B) of this Act) is amended by inserting "or surviving divorced husband" after "widower".

(4) Paragraph (3)(D) of section 202(f) of such Act (as redesignated by section 133(b)(1)(A) of this Act), and paragraphs (4), (5), and (6) of such section (as redesignated by section 131(b)(3)(A) of this Act), are each amended by inserting "or surviving divorced husband" after "widower" wherever it appears.

(5) Paragraph (3)(D) of section 202(f) of such Act (as redesignated by section 133(b)(1)(A) of this Act) is further amended by striking out "wife" wherever it appears and inserting in lieu thereof "individual".

(6) Section 202(g)(3)(A) of such Act is amended by inserting "(c)," before "(f),".

(7) Section 202(h)(4)(A) of such Act is amended by inserting "(c)," before "(e),".

(c)(1) Section 216(d) of such Act is amended by redesignating paragraph (4) as paragraph (6), and by inserting after paragraph (3) the following new paragraphs:

"(4) The term 'divorced husband' means a man divorced from an individual, but only if he had been married to such individual for a period of 10 years immediately before the date the divorce became effective.

"(5) The term 'surviving divorced husband' means a man divorced from an individual who has died, but only if he had been married to the individual for a period of 10 years immediately before the divorce became effective.".

(2) The heading of section 216(d) of such Act is amended to read as follows:

"DIVORCED SPOUSES; DIVORCE".

(d)(1) Section 205(b) of such Act is amended by inserting "divorced husband," after "husband,", and by inserting "surviving divorced husband," after "widower,".

(2) Section 205(c)(1)(C) of such Act is amended by inserting "surviving divorced husband," after "wife,".

REMARRIAGE OF SURVIVING SPOUSE BEFORE AGE OF ELIGIBILITY

SEC. 312. Section 202(f)(1)(A) of the Social Security Act is amended by striking out "has not remarried" and inserting in lieu thereof "is not married".

ILLEGITIMATE CHILDREN

SEC. 313. (a) Section 216(h)(3) of the Social Security Act is amended by inserting "mother or" before "father" wherever it appears.

(b) Section 216(h)(3)(A)(ii) of such Act is amended by striking out all that follows "time" and inserting in lieu thereof "such applicant's application for benefits was filed;".

(c) Section 216(h)(3)(B)(ii) of such Act is amended by striking out "such period of disability began" and inserting in lieu thereof "such applicant's application for benefits was filed".

(d) Section 216(h)(3) of such Act is further amended—

(1) by striking out "his" wherever it appears and inserting in lieu thereof "his or her"; and

(2) by striking out "he" in subparagraph (B) and inserting in lieu thereof "he or she".

TRANSITIONAL INSURED STATUS

SEC. 314. (a) Section 227(a) of the Social Security Act is amended—

(1) by striking out "wife" wherever it appears and inserting in lieu thereof "spouse";

(2) by striking out "wife's" wherever it appears and inserting in lieu thereof "spouse's";

(3) by striking out "she" wherever it appears and inserting in lieu thereof "he or she";

(4) by striking out "his" and inserting in lieu thereof "the"; and

(5) by inserting "or section 202(c)" after "section 202(b)" wherever it appears.

(b) Section 227(b) and section 227(c) of such Act are amended—

(1) by striking out "widow" wherever it appears and inserting in lieu thereof "surviving spouse";

(2) by striking out "widow's" wherever it appears and inserting in lieu thereof "surviving spouse's";

(3) by striking out "her" wherever it appears and inserting in lieu thereof "the"; and

(4) by inserting "or section 202(f)" after "section 202(e)" wherever it appears.

(c) Section 216 of such Act is amended by inserting before subsection (b) the following new subsection:

"Spouse; Surviving Spouse

"(a)(1) The term 'spouse' means a wife as defined in subsection (b) or a husband as defined in subsection (f).

"(2) The term 'surviving spouse' means a widow as defined in subsection (c) or a widower as defined in subsection (g).".

EQUALIZATION OF BENEFITS UNDER SECTION 228

SEC. 315. (a) Section 228(b) of the Social Security Act is amended—

(1) by striking out "(1) Except as provided in paragraph (2), the" and inserting in lieu thereof "The"; and

(2) by striking out paragraph (2).

(b) Section 228(c)(2) of such Act is amended by striking out "(B) the larger of" and all that follows and inserting in lieu thereof "(B) the benefit amount as determined without regard to this subsection.".

(c) Section 228(c)(3) of such Act is amended to read as follows:

"(3) In the case of a husband or wife both of whom are entitled to benefits under this section for any month, the benefit amount of each spouse, after any reduction under paragraph (1), shall be further reduced (but not below zero) by the excess (if any) of (A) the total amount of any periodic benefits under governmental pension systems for which the other spouse is eligible for such month, over (B) the benefit amount of such other spouse as determined after any reduction under paragraph (1).".

(d) Section 228 of such Act is further amended—

(1) by striking out "he" wherever it appears in subsections (a) and (c)(1) and inserting in lieu thereof "he or she"; and

(2) by striking out "his" in subsection (c)(4)(C) and inserting in lieu thereof "his or her".

(e) The Secretary shall increase the amounts specified in section 228 of the Social Security Act, as amended by this section, to take into account any general benefit increases (as referred to in section 215(i)(3) of such Act), and any increases under section 215(i) of such Act, which have occurred after June 1974 or may hereafter occur.

FATHER'S INSURANCE BENEFITS

SEC. 316. (a) Section 202(g) of the Social Security Act is amended—

(1) by striking out "widow" wherever it appears and inserting in lieu thereof "surviving spouse";

(2) by striking out "widow's" wherever it appears and inserting in lieu thereof "surviving spouse's";

(3) by striking out "wife's insurance benefits" and "he" in paragraph (1)(D) and inserting in lieu thereof "a spouse's insurance benefit" and "such individual", respectively;

(4) by striking out "her" wherever it appears and inserting in lieu thereof "his or her";

(5) by striking out "she" wherever it appears and inserting in lieu thereof "he or she";

(6) by striking out "mother" wherever it appears and inserting in lieu thereof "parent";

(7) by inserting "or father's" after "mother's" wherever it appears;

(8) by striking out "after August 1950"; and

(9) in paragraph (3)(A) (as amended by section 311(b)(7) of this Act)—

(A) by inserting "this subsection or" before "subsection (a)"; and

(B) by striking out "(c)," and inserting in lieu thereof "(b), (c), (e),".

(b) The heading of section 202(g) of such Act is amended by inserting "and Father's" after "Mother's".

(c) Section 216(d) of such Act (as amended by section 311(c)(1) of this Act) is further amended by redesignating paragraph (6) as paragraph (8) and by inserting after paragraph (5) the following new paragraphs:

"(6) The term 'surviving divorced father' means a man divorced from an individual who has died, but only if (A) he is the father of her son or daughter, (B) he legally adopted her son or daughter while he was married to her and while such son or daughter was under the age of 18, (C) she legally adopted his son or daughter while he was married to her and while such son or daughter was under the age of 18, or (D) he was married to her at the time both of them legally adopted a child under the age of 18.

"(7) The term 'surviving divorced parent' means a surviving divorced mother as defined in paragraph (3) of this subsection or a surviving divorced father as defined in paragraph (6).".

(d) Section 202(c)(1) of such Act (as amended by section 311(a) of this Act) is further amended by inserting "(subject to subsection (s))" before "be entitled to" in the matter following subparagraph (D) and preceding subparagraph (E).

(e) Section 202(c)(1)(B) of such Act is amended by inserting after "62" the following: "or (in the case of a husband) has in his care (individually or jointly with such individual) at the time of filing such application a child entitled to child's insurance benefits on the basis of the wages and self-employment income of such individual".

(f) Section 202(c)(1) of such Act (as amended by section 311(a) of this Act and the preceding provisions of this section) is further amended by redesignating the new subparagraphs (I) and (J) as subparagraphs (J) and (K), respectively, and by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of a husband who has not attained age 62, no child of such individual is entitled to a child's insurance benefit,".

(g) Section 202(f)(1)(C) of such Act is amended by inserting "(i)" after "(C)", by inserting "or" after "223,", and by adding at the end thereof the following new clause:

"(ii) was entitled, on the basis of such wages and self-employment income, to father's insurance benefits for the month preceding the month in which he attained age 65, and".

(h) Section 202(f)(5) of such Act (as redesignated by section 131(b)(3)(A) of this Act) is amended by striking out "or" at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) the last month for which he was entitled to father's insurance benefits on the basis of the wages and self-employment income of such individual, or".

(i) Section 203(f)(1)(F) of such Act is amended by striking out "section 202(b) (but only by reason of having a child in her care within the meaning of paragraph (1)(B) of that subsection)" and inserting in lieu thereof "section 202(b) or (c) (but only by reason of having a child in his or her care within the meaning of paragraph (1)(B) of subsection (b) or (c), as may be applicable)".

EFFECT OF MARRIAGE ON CHILDHOOD DISABILITY BENEFITS AND ON OTHER DEPENDENTS' OR SURVIVORS' BENEFITS

SEC. 317. (a) Subsections (b)(3), (d)(5), (g)(3), and (h)(4) of section 202 of the Social Security Act (as amended by the preceding provisions of this Act) are each amended by striking out "; except that" and all that follows and inserting in lieu thereof a period.

(b) The amendments made by subsection (a) shall apply with respect to benefits under title II of the Social Security Act for months after the month in which this Act is enacted, but only in cases in which the "last month" referred to in the provision amended is a month after the month in which this Act is enacted.

CREDIT FOR CERTAIN MILITARY SERVICE

SEC. 318. Section 217(f) of the Social Security Act is amended—

(1) by striking out "widow" each place it appears and inserting in lieu thereof "surviving spouse"; and

(2) by striking out "his" and "her" wherever they appear (except in clause (A) of paragraph (1)) and inserting in lieu thereof in each instance "his or her".

CONFORMING AMENDMENTS

SEC. 319. (a) Section 202(b)(3)(A) of the Social Security Act (as amended by section 311(a)(6) of this Act) is further amended by inserting "(g)," after "(f),".

(b) Section 202(q)(3) of such Act is amended by inserting "or surviving divorced husband" after "widower" in subparagraphs (E), (F), and (G).

(c) Section 202(q)(5) of such Act is amended—

(1) by inserting "or husband's" after "wife's" wherever it appears;

(2) by striking out "her" in subparagraph (A)(i) and inserting in lieu thereof "him or her";

(3) by striking out "her" the second place it appears in subparagraph (A)(ii) and inserting in lieu thereof "the";

(4) by striking out "she" wherever it appears and inserting in lieu thereof "he or she";

(5) by striking out "her" wherever it appears (except where paragraphs (2) and (3) of this subsection apply) and inserting in lieu thereof "his or her";

(6) by striking out "the woman" in subparagraph (B)(ii) and "a woman" in subparagraph (C) and inserting in lieu thereof "the individual" and "an individual", respectively; and

(7) in subparagraph (D)—

(A) by inserting "or widower's" after "widow's";

(B) by striking out "husband" wherever it appears and inserting in lieu thereof "spouse";

(C) by striking out "husband's" wherever it appears and inserting in lieu thereof "spouse's"; and

(D) by inserting "or father's" after "mother's".

(d)(1) Section 202(q)(6)(A) of such Act (as amended by section 134(a)(2) of this Act) is further amended by striking out "or husband's" in clause (i) and by inserting "or husband's" after "wife's" in clause (ii).

(2) Section 202(q)(7) of such Act is amended—

(A) in subparagraph (B), by inserting "or husband's" after "wife's", by striking out "she" and inserting in lieu thereof "such individual", and by inserting "his or" before "her", and

(B) in subparagraph (D), by inserting "or widower's" after "widow's".

(e)(1) Section 202(s)(1) of such Act is amended by inserting "(c)(1)," after "(b)(1),".

(2) Section 202(s)(2) of such Act (as amended by section 131(c)(1) of this Act) is further amended by inserting "(c)(4)," after "(b)(3),".

(3) Section 202(s)(3) of such Act (as amended by section 131(c)(2) of this Act) is further amended by striking out "So much" and all that follows down through "the last sentence" and inserting in lieu thereof "The last sentence".

(f) The third sentence of section 203(b)(1) of such Act (as amended by section 132(b) of this Act) is further amended by inserting "or father's" after "mother's".

(g) Section 203(c) of such Act is amended to read as follows:

"Deductions on Account of Noncovered Work Outside the United States or Failure to Have Child in Care

"(c) Deductions, in such amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefits or benefit under section 202 for any month—

"(1) in which such individual is under the age of seventy and for more than forty-five hours of which such individual engaged in noncovered remunerative activity outside the United States;

"(2) in which such individual, if a wife or husband under age sixty-five entitled to a wife's or husband's insurance benefit, did not have in his or her care (individually or jointly with his or her spouse) a child of such spouse entitled to a child's insurance benefit and such wife's or husband's insurance benefit for such month was not reduced under the provisions of section 202(q);

"(3) in which such individual, if a widow or widower entitled to a mother's or father's insurance benefit, did not have in his or her care a child of his or her deceased spouse entitled to a child's insurance benefit; or

"(4) in which such an individual, if a surviving divorced mother or father entitled to a mother's or father's insurance benefit, did not have in his or her care a child of his or her deceased former spouse who (A) is his or her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased former spouse.

For purposes of paragraphs (2), (3), and (4) of this subsection, a child shall not be considered to be entitled to a child's insurance benefit for any month in which paragraph (1) of section 202(s) applies or an event specified in section 222(b) occurs with respect to such child. Subject to paragraph (3) of such section 202(s), no deduction shall be made under this subsection from any child's insurance benefit for the month in which the child entitled to such benefit attained the age of eighteen or any subsequent month; nor shall any deduction be made under this subsection from any widow's insurance benefit for any month in which the widow or surviving divorced wife is entitled and has not attained age 65 (but only if she became so entitled prior to attaining age 60), or from any widower's insurance benefit for

any month in which the widower or surviving divorced husband is entitled and has not attained age 65 (but only if he became so entitled prior to attaining age 60).".

(h) Section 203(d) of such Act is amended by inserting "divorced husband," after "husband," in paragraph (1)(A) (as amended by section 132(b)(2) of this Act) and by inserting "or father's" after "mother's" each place it appears in paragraph (2).

(i)(1) Section 205(b) of such Act (as amended by section 311(d)(1) of this Act) is further amended by inserting "surviving divorced father," after "surviving divorced mother,".

(2) Section 205(c)(1)(C) of such Act (as amended by section 311(d)(2) of this Act) is further amended by inserting "surviving divorced father," after "surviving divorced mother,".

(j) Section 216(f)(3)(A) of such Act is amended by inserting "(c)," before "(f)",

(k) Section 216(g)(6)(A) of such Act is amended by inserting "(c)," before "(f)".

(l) Section 222(b)(1) of such Act is amended by striking out "or surviving divorced wife" and inserting in lieu thereof ", surviving divorced wife, or surviving divorced husband".

(m) Section 222(b)(2) of such Act is amended by inserting "or father's" after "mother's" wherever it appears.

(n) Section 222(b)(3) of such Act is amended by inserting "divorced husband," after "husband,".

(o) Section 223(d)(2) of such Act is amended by striking out "or widower" in subparagraphs (A) and (B) and inserting in lieu thereof "widower, or surviving divorced husband".

(p) Section 225(a) of such Act is amended by inserting "or surviving divorced husband" after "widower".

(q)(1) Section 226(e)(3) of such Act is amended to read as follows:

"(3) For purposes of determining entitlement to hospital insurance benefits under subsection (b), any disabled widow aged 50 or older who is entitled to mother's insurance benefits (and who would have been entitled to widow's insurance benefits by reason of disability if she had filed for such widow's benefits), and any disabled widower aged 50 or older who is entitled to father's insurance benefits (and who would have been entitled to widower's insurance benefits by reason of disability if he had filed for such widower's benefits), shall, upon application for such hospital insurance benefits be deemed to have filed for such widow's or widower's insurance benefits.".

(2) For purposes of determining entitlement to hospital insurance benefits under section 226(e)(3) of such Act, as amended by paragraph (1), an individual becoming entitled to such hospital insurance benefits as a result of the amendment made by such paragraph shall, upon furnishing proof of his or her disability within twelve months after the month in which this Act is enacted, under such procedures as the Secretary of Health and Human Services may prescribe, be deemed to have been entitled to the widow's or widower's benefits referred to in such section 226(e)(3), as so amended, as of the time such individual would have been entitled to such widow's or widower's benefits if he or she had filed a timely application therefor.

EFFECTIVE DATE OF PART B

SEC. 320. (a) Except as otherwise specifically provided in this title, the amendments made by this part apply only with respect to monthly benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted.

(b) Nothing in any amendment made by this part shall be construed as affecting the validity of any benefit which was paid, prior to the effective date of such amendment, as a result of a judicial determination.

PART C—COVERAGE

COVERAGE OF EMPLOYEES OF FOREIGN AFFILIATES OF AMERICAN EMPLOYERS

SEC. 321. (a)(1) So much of subsection (l) of section 3121 of the Internal Revenue Code of 1954 (relating to agreements entered into by domestic corporations with respect to foreign subsidiaries) as precedes the second sentence of paragraph (1) thereof is amended to read as follows:

"(l) AGREEMENTS ENTERED INTO BY AMERICAN EMPLOYERS WITH RESPECT TO FOREIGN AFFILIATES.—

"(1) AGREEMENT WITH RESPECT TO CERTAIN EMPLOYEES OF FOREIGN AFFILIATE.—The Secretary shall, at the American employer's request, enter into an agreement (in such manner and form as may be prescribed by the Secretary) with any American employer (as defined in subsection (h)) who desires to have the insurance system established by title II of the Social Security Act extended to service performed outside the United States in the employ of any 1 or more of such employer's foreign affiliates (as defined in paragraph (8)) by all employees who are citizens or residents of the United States, except that the agreement shall not apply to any service performed by, or remuneration paid to, an employee if such service or remuneration would be excluded from the term 'employment' or 'wages', as defined in this section, had the service been performed in the United States."

(2) Paragraph (8) of section 3121(l) of such Code (defining foreign subsidiary) is amended to read as follows:

"(8) FOREIGN AFFILIATE DEFINED.—For purposes of this subsection and section 210(a) of the Social Security Act—

"(A) IN GENERAL.—A foreign affiliate of an American employer is any foreign entity in which such American employer has not less than a 10-percent interest.

"(B) DETERMINATION OF 10-PERCENT INTEREST.—For purposes of subparagraph (A), an American employer has a 10-percent interest in any entity if such employer has such an interest directly (or through one or more entities)—

"(i) in the case of a corporation, in the voting stock thereof, and

"(ii) in the case of any other entity, in the profits thereof."

(b) The clause (B) of section 210(a) of the Social Security Act (defining employment) which precedes paragraph (1) thereof (as amended by section 323(a)(2) of this Act) is further amended to read as follows: "(B) outside the United States by a citizen or resident of the United States as an employee (i) of an American employer (as defined in subsection (e) of this section), or (ii) of a foreign affiliate (as defined in section 3121(l)(8) of the Internal Revenue Code of 1954) of an American employer during any period for which there is in effect an agreement, entered into pursuant to section 3121(l) of such Code, with respect to such affiliate;".

(c) Subsection (a) of section 406 of the Internal Revenue Code of 1954 (relating to treatment of certain employees of foreign subsidiaries for pension, etc., purposes) is amended to read as follows:

"(a) TREATMENT AS EMPLOYEES OF AMERICAN EMPLOYER.—For purposes of applying this part with respect to a pension, profit-sharing, or stock bonus plan described in section 401(a), an annuity plan described in section 403(a), or a bond purchase plan described in section 405(a), of an American employer (as defined in section 3121(h)), an individual who is a citizen or resident of the United States and who is an employee of a foreign affiliate (as defined in section 3121(l)(8)) of such American employer shall be treated as an employee of such American employer, if—

"(1) such American employer has entered into an agreement under section 3121(l) which applies to the foreign affiliate of which such individual is an employee;

"(2) the plan of such American employer expressly provides for contributions or benefits for individuals who are citizens or residents of the United States and who are employees of its foreign affiliates to which an agreement entered into by such American employer under section 3121(l) applies; and

"(3) contributions under a funded plan of deferred compensation (whether or not a plan described in section 401(a), 403(a), or 405(a)) are not provided by any other person with respect to the remuneration paid to such individual by the foreign affiliate."

(d) Paragraph (1) of section 407(a) of such Code (relating to certain employees of domestic subsidiaries engaged in business outside the United States) is amended—

(1) by striking out "citizen of the United States" and inserting in lieu thereof "citizen or resident of the United States", and

(2) by striking out "citizens of the United States" and inserting in lieu thereof "citizens or residents of the United States".

(e)(1) Those provisions of subsection (l) of section 3121 of such Code which are not amended by subsection (a) of this section are amended in accordance with the following table:

Strike out (wherever it appears in the text or heading):	And insert:
domestic corporation	American employer
domestic corporations	American employers
subsidiary	affiliate
subsidiaries	affiliates
foreign corporation	foreign entity
foreign corporations	foreign entities
citizens	citizens or residents
the word "a" where it appears before "domestic".	an

(2)(A) Section 406 of such Code (other than subsection (a) thereof) is amended in accordance with the following table:

Strike out (wherever appearing in the text):	And insert:
domestic corporation	American employer
subsidiary	affiliate
the word "a" where it appears before "domestic".	an

(B) Paragraph (3) of subsection (c) of such section 406 (as in effect before the amendment made by subparagraph (A)) is amended by striking out "another corporation controlled by such domestic corporation" and inserting in lieu thereof "another entity in which such American employer has not less than a 10-percent interest (within the meaning of section 3121(l)(8)(B))".

(C)(i) So much of subsection (d) of such section 406 as precedes paragraph (1) thereof is amended by striking out "another corporation" and inserting in lieu thereof "another taxpayer".

(ii) Paragraph (1) of subsection (d) of such section 406 is amended by striking out "any

other corporation" and inserting in lieu thereof "any other taxpayer".

(D)(i) The heading of such section 406 is amended to read as follows:

"SEC. 406. EMPLOYEES OF FOREIGN AFFILIATES COVERED BY SECTION 3121(l) AGREEMENTS.".

(ii) The table of sections for subpart A of part I of subchapter D of chapter 1 of such Code is amended by striking out the item relating to section 406 and inserting in lieu thereof the following:

"Sec. 406. Employees of foreign affiliates covered by section 3121(l) agreements."

(3) Clause (A) of the second sentence of section 1402(b) of such Code (defining self-employment income) is amended by striking out "employees of foreign subsidiaries of domestic corporations" and inserting in lieu thereof "employees of foreign affiliates of American employers".

(4)(A) Subparagraph (C) of section 6413(c)(2) of such Code (relating to special refunds of FICA taxes in the case of employees of certain foreign corporations) is amended—

(i) by striking out "FOREIGN CORPORATIONS" in the heading and inserting in lieu thereof "FOREIGN AFFILIATES", and

(ii) by striking out "domestic corporation" in the text and inserting in lieu thereof "American employer".

(B) The heading of paragraph (2) of section 6413(c) of such Code is amended by striking out "FOREIGN CORPORATIONS" and inserting in lieu thereof "FOREIGN AFFILIATES".

(f)(1)(A) The amendments made by this section (other than subsection (d)) shall apply to agreements entered into after the date of the enactment of this Act.

(B) At the election of any American employer, the amendments made by this section (other than subsection (d)) shall also apply to any agreement entered into on or before the date of the enactment of this Act. Any such election shall be made at such time and in such manner as the Secretary may by regulations prescribe.

(2)(A) The amendments made by subsection (d) shall apply to plans established after the date of the enactment of this Act.

(B) At the election of any domestic parent corporation the amendments made by subsection (d) shall also apply to any plan established on or before the date of the enactment of this Act. Any such election shall be made at such time and in such manner as the Secretary may by regulations prescribe.

EXTENSION OF COVERAGE BY INTERNATIONAL SOCIAL SECURITY AGREEMENT

SEC. 322. (a)(1) Section 210(a) of the Social Security Act is amended, in the matter preceding paragraph (1)—

(A) by striking out "either" before "(A)", and

(B) by inserting before "; except" the following: ", or (C) if it is service, regardless of where or by whom performed, which is designated as employment or recognized as equivalent to employment under an agreement entered into under section 233".

(2) Section 3121(b) of the Internal Revenue Code of 1954 is amended, in the matter preceding paragraph (1)—

(A) by striking out "either" before "(A)", and

(B) by inserting before "; except" the following: ", or (C) if it is service, regardless of where or by whom performed, which is designated as employment or recognized as equivalent to employment under an agreement entered into under section 233 of the Social Security Act".

(b)(1) Section 211(b) of the Social Security Act is amended by inserting after "nonresident alien individual" the following: ", except as provided by an agreement under section 233".

(2) The first sentence of section 1402(b) of the Internal Revenue Code of 1954 is amended by inserting after "nonresident alien individual" the following: ", except as provided by an agreement under section 233 of the Social Security Act".

(c) The amendments made by this section shall be effective for taxable years beginning on or after the date of the enactment of this Act.

TREATMENT OF CERTAIN SERVICE PERFORMED OUTSIDE THE UNITED STATES

SEC. 323. (a)(1) Subsection (b) of section 3121 of the Internal Revenue Code of 1954 (defining employment) is amended by striking out "a citizen of the United States" in the matter preceding paragraph (1) thereof and inserting in lieu thereof "a citizen or resident of the United States".

(2) Subsection (a) of section 210 of the Social Security Act is amended by striking out "a citizen of the United States" in the matter preceding paragraph (1) thereof and inserting in lieu thereof "a citizen or resident of the United States".

(b)(1) Paragraph (11) of section 1402(a) of the Internal Revenue Code of 1954 (defining net earnings from self-employment) is amended by striking out "in the case of an individual described in section 911(d)(1)(B),".

(2)(A) Paragraph (10) of section 211(a) of the Social Security Act is amended to read as follows:

"(10) the exclusion from gross income provided by section 911(a)(1) of the Internal Revenue Code of 1954 shall not apply; and".

(B) Effective with respect to taxable years beginning after December 31, 1981, and before January 1, 1984, paragraph (10) of section 211(a) of such Act is amended to read as follows:

"(10) in the case of an individual described in section 911(d)(1)(B) of the Internal Revenue Code of 1954, the exclusion from gross income provided by section 911(a)(1) of such Code shall not apply; and".

(c)(1) The amendments made by subsection (a) shall apply to remuneration paid after December 31, 1983.

(2) Except as provided in subsection (b)(2)(B), the amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1983.

TREATMENT OF PAY AFTER AGE 62 AS WAGES

SEC. 324. (a) Section 209 of the Social Security Act is amended by striking out subsection (i).

(b) Section 3121(a) of the Internal Revenue Code of 1954 is amended by striking out paragraph (9).

(c) The amendments made by this section shall apply with respect to calendar years beginning more than six months after the date of the enactment of this Act.

TREATMENT OF CONTRIBUTIONS UNDER SIMPLIFIED EMPLOYEE PENSIONS

SEC. 325. (a) Subparagraph (D) of section 3121(a)(5) of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "section 219" and inserting in lieu thereof "section 219(b)(2)".

(b) Subsection (e) of section 209 of the Social Security Act is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following: ", or (5) under a simplified employee pension (as defined in section 408(k) of the Internal Revenue Code of 1954) if, at the time of the payment, it is reasonable to believe that the employee will be entitled to a deduction under section 219(b)(2) of such Code for such payment;".

(c) The amendments made by this section shall apply to remuneration paid after December 31, 1983.

EFFECT OF CHANGES IN NAMES OF STATE AND LOCAL EMPLOYEE GROUPS IN UTAH

SEC. 326. (a) Section 218(o) of the Social Security Act is amended by adding at the end thereof the following new sentence: "Coverage provided for in this subsection shall not be affected by a subsequent change in the name of a group.".

(b) The amendment made by subsection (a) shall apply with respect to name changes made before, on, or after the date of the enactment of this section.

EFFECTIVE DATES OF INTERNATIONAL SOCIAL SECURITY AGREEMENTS

SEC. 327. (a) Section 233(e)(2) of the Social Security Act is amended by striking out "during which each House of the Congress has been in session on each of 90 days" and inserting in lieu thereof "during which at least one House of the Congress has been in session on each of 60 days".

(b) The amendment made by subsection (a) shall be effective on the date of the enactment of this Act.

TECHNICAL CORRECTION WITH RESPECT TO WITHHOLDING ON SICK PAY OF PARTICIPANTS IN MULTIEMPLOYER PLANS

SEC. 328. (a) Paragraph (2) of section 3(d) of the Act entitled "An Act to amend the Omnibus Reconciliation Act of 1981 to restore minimum benefits under the Social Security Act", approved December 29, 1981 (Public Law 97-123), relating to extension of coverage to first 6 months of sick pay, is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(D) in the case of a multiemployer plan, to the extent provided in regulations prescribed under paragraph (1), such plan shall be treated as the agent of the employers for whom services are normally rendered."

(b) The amendment made by subsection (a) shall apply to remuneration paid after June 30, 1983.

AMOUNTS RECEIVED UNDER CERTAIN DEFERRED COMPENSATION AND SALARY REDUCTION ARRANGEMENTS TREATED AS WAGES FOR FICA TAXES

SEC. 329. (a) Section 3121 of the Internal Revenue Code of 1954 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(v) TREATMENT OF CERTAIN DEFERRED COMPENSATION AND SALARY REDUCTION ARRANGEMENTS.—Nothing in any paragraph of subsection (a) (other than paragraph (1)) shall exclude from the term 'wages' any employer contribution—

"(1) under a qualified cash or deferred arrangement (as defined in section 401(k)) to the extent not included in gross income by reason of section 402(a)(8),

"(2) under a cafeteria plan (as defined in section 125(d)) to the extent the employee had the right to choose cash, property, or other benefits which would be wages for purposes of this chapter, or

"(3) for an annuity contract described in section 403(b)."

(b) Section 209 of the Social Security Act is amended by adding at the end thereof (after the new paragraph added by section 101(c)(1) of the this Act) the following new paragraph:

"Nothing in any of the foregoing provisions of this section (other than subsection (a)) shall exclude from the term 'wages' and employer contribution—

"(1) under a qualified cash or deferred arrangement (as defined in section 401(k)) of the Internal Revenue Code of 1954 to the extent not included in gross income by reason of section 402(a)(8) of such Code,

"(2) under a cafeteria plan (as defined in section 125(d) of such Code) to the extent the employee had the right to choose cash, property, or other benefits which would be wages for purposes of this title, or

"(3) for an annuity contract described in section 403(b) of such Code."

(c) The amendments made by this section shall apply to remuneration paid after December 31, 1983.

CODIFICATION OF ROWAN DECISION WITH RESPECT TO MEALS AND LODGING

SEC. 330. (a)(1) Subsection (a) of section 3121 of the Internal Revenue Code of 1954 (defining wages) is amended by striking out "or" at the end of paragraph (17), by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; or", and by inserting after paragraph (18) the following new paragraph:

"(19) the value of any meals or lodging furnished by or on behalf of the employer if at the time of such furnishing it is reasonable to believe that the employee will be able to exclude such items from income under section 119."

(2) Section 209 of the Social Security Act is amended by striking out "or" at the end of subsection (p), by striking out the period at the end of subsection (q) and inserting in lieu thereof "; or", and by inserting after subsection (q) the following new subsection:

"(r) The value of any meals or lodging furnished by or on behalf of the employer if at the time of such furnishing it is reasonable to believe that the employee will be able to exclude such items from income under section 119 of the Internal Revenue Code of 1954."

(b)(1) Subsection (a) of section 3121 of such Code is amended by inserting after paragraph (19) (as added by subsection (a) of this section) the following new sentence: "Nothing in the regulations prescribed for purposes of chapter 24 (relating to income tax withholding) which provides an exclusion from 'wages' as used in such chapter shall be construed to require a similar exclusion from 'wages' in the regulations prescribed for purposes of this chapter."

(2) Section 209 of the Social Security Act is amended by inserting immediately after subsection (r) (as added by subsection (a) of this section) the following new sentence: "Nothing in the regulations prescribed for purposes of chapter 24 of the Internal Revenue Code of 1954 (relating to income tax withholding) which provides an exclusion from 'wages' as used in such chapter shall be construed to require a similar exclusion from 'wages' in the regulations prescribed for purposes of this title."

(c) The amendments made by subsections (a) and (b) shall apply to remuneration paid after December 31, 1983.

PART D—OTHER AMENDMENTS

TECHNICAL AND CONFORMING AMENDMENTS TO MAXIMUM FAMILY BENEFIT PROVISIONS

SEC. 331. (a)(1) Section 203(a)(3)(A) of the Social Security Act is amended by striking out clause (ii) and inserting in lieu thereof the following:

"(ii) an amount (I) initially equal to the product of 1.75 and the primary insurance amount that would be computed under section 215(a)(1), for January of the year determined for purposes of this clause under the following two sentences, with respect to average indexed monthly earnings equal to one-twelfth of the contribution and benefit base determined for that year under section 230, and (II) thereafter increased in accordance with the provisions of section 215(i)(2)(A)(ii).

The year established for purposes of clause (ii) shall be 1983 or, if it occurs later with respect to any individual, the year in which occurred the month that the application of the reduction provisions contained in this subparagraph began with respect to benefits payable on the basis of the wages and self-employment income of the insured individual. If for any month subsequent to the first month for which clause (ii) applies (with respect to benefits payable on the basis of the wages and self-employment income of the insured individual) the reduction under this subparagraph ceases to apply, then the year determined under the preceding sentence shall be redetermined (for purposes of any subsequent application of this subparagraph with respect to benefits payable on the basis of such wages and self-employment income) as though this subparagraph had not been previously applicable.".

(2) Section 203(a)(7) of such Act is amended by striking out everything that follows "shall be reduced to an amount equal to" and inserting in lieu thereof "the amount determined in accordance with the provisions of paragraph (3)(A)(ii) of this subsection, except that for this purpose the references to subparagraph (A) in the last two sentences of paragraph (3)(A) shall be deemed to be references to paragraph (7).".

(b) Clause (i) in the last sentence of section 203(b)(1) of such Act (as amended by section 132(b) of this Act) is further amended by striking out "penultimate sentence" and inserting in lieu thereof "first sentence of paragraph (4)".

(c) The amendments made by subsection (a) shall be effective with respect to payments made for months after December 1983.

REDUCTION FROM 72 TO 70 OF AGE BEYOND WHICH NO DELAYED RETIREMENT CREDITS CAN BE EARNED

SEC. 332. (a) Section 202(w) of the Social Security Act is amended—

(1) in paragraph (2)(A), by striking out "age 72" and inserting in lieu thereof "age 70"; and

(2) in paragraph (3), by striking out "age 72 after 1972" and inserting in lieu thereof "age 70".

(b) The amendments made by subsection (a) shall apply with respect to individuals who attain age 70 after December 1983. For individuals who attain age 70 before January 1984, section 202(w) as in effect immediately before the enactment of the amendments made by this section shall apply, except that no increment months as determined under such section attributable to months after December 1983 shall accrue.

RELAXATION OF INSURED STATUS REQUIREMENTS FOR CERTAIN WORKERS PREVIOUSLY ENTITLED TO A PERIOD OF DISABILITY

SEC. 333. (a) Section 216(i)(3) of the Social Security Act is amended—

(1) by striking out the semicolon at the end of clause (ii) of subparagraph (B) and inserting in lieu thereof ", or"; and

(2) by inserting after clause (ii) of such subparagraph the following new clause:

"(iii) in the case of an individual (not otherwise insured under clause (i)) who, by reason of clause (ii), had a prior period of disability that began during a period before the quarter in which he or she attained age 31, not less than one-half of the quarters beginning after such individual attained age 21 and ending with such quarter are quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter are quarters of coverage;".

(b) Section 223(c)(1)(B) of such Act is amended—

(1) by striking out the semicolon at the end of clause (ii) and inserting in lieu thereof ", or"; and

(2) by inserting after clause (ii) the following new clause:

"(iii) in the case of an individual (not otherwise insured under clause (i)) who, by reason of section 216(i)(3)(B)(ii), had a prior period of disability that began during a period before the quarter in which he or she attained age 31, not less than one-half of the quarters beginning after such individual attained age 21 and ending with the quarter in which such month occurs are quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter are quarters of coverage;".

(c) The amendments made by this section shall be effective with respect to applications for disability insurance benefits under section 223 of the Social Security Act, and for disability determinations under section 216(i) of such Act, filed after the date of the enactment of this Act, except that no monthly benefits under title II of the Social Security Act shall be payable or increased by reason of the amendments made by this section for months before the month following the month of enactment of this Act.

PROTECTION OF BENEFITS OF ILLEGITIMATE CHILDREN OF DISABLED BENEFICIARIES

SEC. 334. (a) The last sentence of section 216(h)(3) of the Social Security Act is amended by striking out "subparagraph (A)(i)" and inserting in lieu thereof "subparagraphs (A)(i) and (B)(i)".

(b) The amendment made by subsection (a) shall be effective on the date of the enactment of this Act.

ONE-MONTH RETROACTIVITY OF WIDOW'S AND WIDOWER'S INSURANCE BENEFITS

SEC. 335. (a) Section 202(j)(4)(B) of the Social Security Act is amended—

(1) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(2) by adding after clause (ii) the following new clause:

"(iii) Subparagraph (A) does not apply to a benefit under subsection (e) or (f) for the month immediately preceding the month of application, if the insured individual died in that preceding month.".

(b) The amendments made by subsection (a) shall apply with respect to survivors whose applications for monthly benefits are

filed after the second month following the month in which this Act is enacted.

NONASSIGNABILITY OF BENEFITS

SEC. 336. (a) Section 207 of the Social Security Act is amended—

(1) by inserting "(a)" before "The right"; and

(2) by adding at the end thereof the following new subsection:

"(b) No other provision of law, enacted before, on, or after the date of the enactment of this section, may be construed to limit, supersede, or otherwise modify the provisions of this section except to the extent that it does so by express reference to this section.".

(b) Section 459(a) of such Act is amended by inserting "(including section 207)" after "any other provision of law".

(c) The amendments made by subsection (a) shall apply only with respect to benefits payable or rights existing under the Social Security Act on or after the date of the enactment of this Act.

USE OF DEATH CERTIFICATES TO PREVENT ERRONEOUS BENEFIT PAYMENTS TO DECEASED INDIVIDUALS

SEC. 337. Section 205 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Use of Death Certificates to Correct Program Information

"(r)(1) The Secretary is authorized to establish a program under which—

"(A) States (or political subdivisions thereof) voluntarily contract with the Secretary to furnish the Secretary periodically with information (in a form established by the Secretary in consultation with the States) concerning individuals with respect to whom death certificates (or equivalent documents maintained by the States or subdivisions) have been officially filed with them;

"(B) the Secretary compares such information on such individuals with information on such individuals in the records being used in the administration of this Act; and

"(C) the Secretary makes any appropriate corrections in such records to accurately reflect the status of such individuals.

"(2) Each State (or political subdivision thereof) which furnishes the Secretary with information on records of deaths in the State or subdivision under this subsection shall be paid by the Secretary from amounts available for administration of this Act the reasonable costs (established by the Secretary) for transcribing and transmitting such information to the Secretary.

"(3) In the case of individuals with respect to whom benefits are provided by (or through) a Federal or State agency other than under this Act, the Secretary may provide, through a cooperative arrangement with such agency, for carrying out the duties described in paragraph (1)(B) with respect to such individuals if—

"(A) under such arrangement the agency provides reimbursement to the Secretary for the reasonable cost of carrying out such arrangement, and

"(B) such arrangement does not conflict with the duties of the Secretary under paragraph (1).

"(4) Information furnished to the Secretary under this subsection may not be used for any purpose other than the purposes described in this subsection and is exempt from disclosure under section 552 of title 5, United States Code, and from the requirements of section 552a of such title.".

PUBLIC PENSION OFFSET

SEC. 338. (a) Subsections (b)(4)(A), (c)(2)(A), (f)(2)(A), and (g)(4)(A) of section 202 of the Social Security Act, and paragraph (7)(A) of section 202(e) of such Act (as redesignated by section 131(a)(3)(A) of this Act), are each amended—

(1) by striking out "by an amount equal to the amount of any monthly periodic benefit" and inserting in lieu thereof "by an amount equal to one-third of the amount of any monthly periodic benefit"; and

(2) by adding at the end thereof the following new sentence: "The amount of the reduction in any benefit under this subparagraph, if not a multiple of $0.10, shall be rounded to the next higher multiple of $0.10.".

(b) The amendments made by subsection (a) of this section shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act to individuals who initially become eligible (as defined in section 334 of Public Law 95-216) for monthly periodic benefits (within the meaning of the provisions amended by subsection (a)) for months after June 1983.

STUDY CONCERNING THE ESTABLISHMENT OF THE SOCIAL SECURITY ADMINISTRATION AS AN INDEPENDENT AGENCY

SEC. 339. (a) There is hereby established, under the authority of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, a joint study panel to be known as the Joint Study Panel on the Social Security Administration (hereafter in this section referred to as the "Panel"). The duties of the Panel shall be to conduct the study provided for in subsection (c).

(b)(1) The Panel shall be composed of 3 members, appointed jointly by the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and such chairmen shall jointly select one member of the Panel to serve as chairman of the Panel. Members of the Panel shall be chosen, on the basis of their integrity, impartiality, and good judgment, from individuals who, as a result of their training, experience, and attainments, are widely recognized by professionals in the field of government administration as experts in that field.

(2) Vacancies in the membership of the Panel shall not affect the power of the remaining members to perform the duties of the Panel and shall be filled in the same manner in which the original appointment was made.

(3) Each member of the Panel not otherwise in the employ of the United States Government shall receive the daily equivalent of the annual rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day during which such member is actually engaged in the performance of the duties of the Panel. Each member of the Panel shall be allowed travel expenses in the same manner as any individual employed intermittently by the Federal Government is allowed travel expenses under section 5703 of title 5, United States Code.

(4) By agreement between the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, such Committees shall provide the Panel, on a reimbursible basis, office space, clerical personnel, and such supplies and equipment as may be necessary for the Panel to carry out its duties under this section. Subject to such limitations as the chairmen of such Committees may jointly prescribe, the Panel may appoint such additional personnel as the Panel considers necessary and fix the compensation of such personnel as it considers appropriate at an annual rate which does not exceed the rate of basic pay then payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and may procure by contract the temporary or intermittent services of clerical personnel and experts or consultants, or organizations thereof.

(5) There are hereby appropriated to the Panel from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund, such sums as the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate shall jointly certify to the Secretary of the Treasury as necessary to carry out the Panel's duties under this section. The Secretary of the Treasury shall allocate among such Trust Funds the total amount to be transferred from such Trust Funds under this paragraph so that the amount of such sums which is transferred from each such Trust Fund under this paragraph shall bear the same ratio to the total amount transferred from all such Trust Funds under this paragraph as the amount expended from such Trust Fund during the fiscal year ending September 30, 1982, bears to the total amount expended from all such Trust Funds during such fiscal year.

(c)(1) The Panel shall undertake, as soon as possible after the date of the enactment of this Act, a thorough study with respect to the feasibility and implementation of removing the Social Security Administration from the Department of Health and Human Services and establishing it as an independent agency in the executive branch with its own independent administrative structure, including the possibility of such a structure headed by a board appointed by the President, by and with the advice and consent of the Senate.

(2) The Panel in its study under paragraph (1) shall address, analyze, and report specifically on the following matters:

(A) the effect of the organizational status of the Social Security Administration on beneficiaries under the Social Security Act and the general public;

(B) the legal and other relationships of the Social Security Administration with other organizations, within and outside the Federal Government, and the changes in such relationships which would be required as a result of establishing the Social Security Administration as an independent agency;

(C) any changes which may be necessary or appropriate, in the course of establishing the Social Security Administration as an independent agency, in the constitution of the Boards of Trustees of the four social security trust funds; and

(D) such other matters as the Panel may consider relevant to the study.

(d) The Panel shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than April 1, 1984, a report of the findings of the study conducted under subsection (c), together with any recommendations the Panel considers appropriate. The Panel and all authority granted in this section shall expire

thirty days after the date of the filing of its report under this section.

CONFORMING CHANGES IN MEDICARE PREMIUM PROVISIONS TO REFLECT CHANGES IN COST-OF-LIVING BENEFIT ADJUSTMENTS

SEC. 340. (a) Section 1818(d)(2) of the Social Security Act is amended—

(1) by striking out "during the last calendar quarter of each year, beginning in 1973," in the first sentence and inserting in lieu thereof "during the next to last calendar quarter of each year";

(2) by striking out "the 12-month period commencing July 1 of the next year" in the first sentence and inserting in lieu thereof "the following calendar year"; and

(3) by striking out "for such next year" in the second sentence and inserting in lieu thereof "for that following calendar year".

(b)(1) Section 1839(c) of such Act is amended—

(A) by striking out "December of 1972 and of each year thereafter" in paragraphs (1), (3), and (4) and inserting in lieu thereof "September of each year";

(B) by striking out "for the 12-month period commencing July 1 in the succeeding year" in paragraphs (1), (3), and (4) and inserting in lieu thereof "for months in the following calendar year";

(C) by striking out "such 12-month period" each place it appears in paragraphs (1) and (4) and inserting in lieu thereof "such calendar year";

(D) by striking out "that 12-month period" in paragraph (3)(A) and inserting in lieu thereof "that calendar year";

(E) by striking out "May 1 of the year" in paragraph (3)(B) and inserting in lieu thereof "November 1 of the year before the year"; and

(F) by striking out "following May" in paragraph (3)(B) and inserting in lieu thereof "following November".

(2) Section 1839(g) of such Act is amended—

(A) by striking out "June 1983" in paragraph (1) and inserting in lieu thereof "December 1983", and

(B) by striking out "July 1985" and inserting in lieu thereof "January 1986" each place it appears.

(d) The amendments made by this section shall apply to premiums for months beginning with January 1984, and for months after June 1983 and before January 1984—

(1) the monthly premiums under part A and under part B of title XVIII of the Social Security Act for individuals enrolled under each respective part shall be the monthly premium under that part for the month of June 1983, and

(2) the amount of the Government contributions under section 1844(a)(1) of such Act shall be computed on the basis of the actuarially adequate rate which would have been in effect under part B of title XVIII of such Act for such months without regard to the amendments made by this section, but using the amount of the premium in effect for the month of June 1983.

TITLE IV—SUPPLEMENTAL SECURITY INCOME BENEFITS

INCREASE IN FEDERAL SSI BENEFIT STANDARD

SEC. 401. (a) Section 1617 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) Effective July 1, 1983—

"(1) each of the dollar amounts in effect under subsections (a)(1)(A) and (b)(1) of section 1611, as previously increased under this section, shall be increased by $20 (and the dollar amount in effect under subsection (a)(1)(A) of Public Law 93-66, as previously so increased, shall be increased by $10); and

"(2) each of the dollar amounts in effect under subsections (a)(2)(A) and (b)(2) of section 1611, as previously increased under this section, shall be increased by $30.".

(b) Section 1617(b) of such Act is amended by striking out "this section" and inserting in lieu thereof "subsection (a) of this section".

ADJUSTMENTS IN FEDERAL SSI PASS-THROUGH PROVISIONS

SEC. 402. Section 1618 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) For any particular month after March 1983, a State which is not treated as meeting the requirements imposed by paragraph (4) of subsection (a) by reason of subsection (b) shall be treated as meeting such requirements if and only if—

"(A) the combined level of its supplementary payments (to recipients of the type involved) and the amounts payable (to or on behalf of such recipients) under section 1611(b) of this Act and section 211(a)(1)(A) of Public Law 93-66, for that particular month,

is not less than—

"(B) the combined level of its supplementary payments (to recipients of the type involved) and the amounts payable (to or on behalf of such recipients) under section 1611(b) of this Act and section 211(a)(1)(A) of Public Law 93-66, for March 1983, increased by the amount of all cost-of-living adjustments under section 1617 (and any other benefit increases under this title) which have occurred after March 1983 and before that particular month.

"(2) In determining the amount of any increase in the combined level involved under paragraph (1)(B) of this subsection, any portion of such amount which would otherwise be attributable to the increase under section 1617(c) shall be deemed instead to be equal to the amount of the cost-of-living adjustment which would have occurred in July 1983 (without regard to the 3-percent limitation contained in section 215(i)(1)(B)) if section 111 of the Social Security Act Amendments of 1983 had not been enacted.".

SSI ELIGIBILITY FOR TEMPORARY RESIDENTS OF EMERGENCY SHELTERS FOR THE HOMELESS

SEC. 403. (a) Section 1611(e)(1) of the Social Security Act is amended—

(1) by striking out "subparagraph (B) and (C)" in subparagraph (A) and inserting in lieu thereof "subparagraphs (B), (C), and (D)"; and

(2) by adding at the end thereof the following new subparagraph:

"(D) A person may be an eligible individual or eligible spouse for purposes of this title with respect to any month throughout which he is a resident of a public emergency shelter for the homeless (as defined in regulations which shall be prescribed by the Secretary); except that no person shall be an eligible individual or eligible spouse by reason of this subparagraph more than three months in any 12-month period.".

(b) The amendments made by subsection (a) shall be effective with respect to months after the month in which this Act is enacted.

DISREGARDING OF EMERGENCY AND OTHER IN-KIND ASSISTANCE PROVIDED BY NONPROFIT ORGANIZATIONS

SEC. 404. (a) Section 1612(b)(13) of the Social Security Act is amended by striking out "any assistance received" and all that follows down through "(B)" and inserting in lieu thereof the following: "any support or maintenance assistance furnished to or on behalf of such individual (and spouse if any) which (as determined under regulations of the Secretary by such State agency as the chief executive officer of the State may designate) is based on need for such support or maintenance, including assistance received to assist in meeting the costs of home energy (including both heating and cooling), and which".

(b) Section 402(a)(36) of such Act is amended by striking out "shall not include as income" and all that follows down through "(B)" and inserting in lieu thereof the following: "shall not include as income any support or maintenance assistance furnished to or on behalf of the family which (as determined under regulations of the Secretary by such State agency as the chief executive officer of the State may designate) is based on need for such support and maintenance, including assistance received to assist in meeting the costs of home energy (including both heating and cooling), and which".

(c) The amendments made by this section shall be effective with respect to months which begin after the month in which this Act is enacted and end before October 1, 1984.

TITLE V—UNEMPLOYMENT COMPENSATION PROVISIONS

PART A—FEDERAL SUPPLEMENTAL COMPENSATION

SEC. 501. EXTENSION OF PROGRAM.

Paragraph (2) of section 602(f) of the Federal Supplemental Compensation Act of 1982 is amended by striking out "March 31, 1983" and inserting in lieu thereof "September 30, 1983".

SEC. 502. NUMBER OF WEEKS FOR WHICH COMPENSATION PAYABLE.

(a) GENERAL RULE.—Subsection (e) of section 602 of the Federal Supplemental Compensation Act of 1982 is amended by redesignating paragraph (3) as paragraph (4) and by striking out paragraph (2) and inserting in lieu thereof the following new paragraphs:

"(2)(A) In the case of any account from which Federal supplemental compensation was first payable to an individual for a week beginning after March 31, 1983, the amount established in such account shall be equal to the lesser of—

"(i) 65 per centum of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

"(ii) the applicable limit determined under the following table times his average weekly benefit amount for his benefit year.

"In the case of weeks during a:	The applicable limit is:
6-percent period	14
5-percent period	13
4.5-percent period	11
3.5-percent period	10
Low-unemployment period	8

"(B) In the case of any account from which Federal supplemental compensation was payable to an individual for a week beginning before April 1, 1983, the amount established in such account shall be equal to the lesser of the subparagraph (A) entitlement or the sum of—

"(i) the subparagraph (A) entitlement reduced (but not below zero) by the aggregate amount of Federal supplemental compensation paid to such individual for weeks beginning before April 1, 1983, plus

"(ii) such individual's additional entitlement.

"(C) For purposes of subparagraph (B) and this subparagraph—

"(i) The term 'subparagraph (A) entitlement' means the amount which would have been established in the account if subparagraph (A) had applied to such account.

"(ii) The term 'additional entitlement' means the lesser of—

"(I) three-fourths of the subparagraph (A) entitlement, or

"(II) the applicable limit determined under the following table times the individual's average weekly benefit amount for his benefit year.

"In the case of weeks during a:	The applicable limit is:
6-percent period	10
5-percent period	8
4.5-percent period	8
3.5-percent period	6
Low-employment period	6

"(D) Except as provided in subparagraph (B)(i), for purposes of determining the amount of Federal supplemental compensation payable for weeks beginning after March 31, 1983, from an account described in subparagraph (B), no reduction in such account shall be made by reason of any Federal supplemental compensation paid to the individual for weeks beginning before April 1, 1983.

"(3)(A) For purposes of this subsection, the terms '6 percent period', '5 percent period', '4.5 percent period', '3.5 percent period' and 'low-unemployment period' mean, with respect to any State, the period which—

"(i) begins with the 3d week after the 1st week in which the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks falls in the applicable range, and

"(ii) ends with the 3d week after the 1st week in which the rate of insured unemployment for the period consisting of such week and the immediately preceding 12 weeks does not fall within the applicable range.

"(B) For purposes of subparagraph (A), the applicable range is as follows:

"In the case of a:	The applicable range is:
6-percent period	A rate equal to or exceeding 6 percent
5-percent period	A rate equal to or exceeding 5 percent but less than 6 percent
4.5-percent period	A rate equal to or exceeding 4.5 percent but less than 5 percent
3.5 percent period	A rate equal to or exceeding 3.5 percent but less than 4.5 percent
Low-employment period	A rate less than 3.5 percent

"(C) No 6-percent period, 5-percent period, 4.5-percent period, or 3.5-percent period, as the case may be, shall last for a period of less than 4 weeks unless the State enters a period with a higher percentage designation.

"(D) For purposes of this subsection—

"(i) The rate of insured unemployment for any period shall be determined in the same manner as determined for purposes of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

"(ii) The amount of an individual's average weekly benefit amount shall be determined in the same manner as determined for purposes of section 202(b)(1)(C) of such Act."

(b) TECHNICAL AMENDMENT.—Paragraph (3) of section 602(d) of the Federal Supplemental Compensation Act of 1982 (as amended by section 544(d) of the Highway Revenue Act of 1982) is amended by striking out "subsection (e)(2)(A)(ii)" and inserting in lieu thereof "subparagraph (A)(ii) or (C)(ii)(II) of subsection (e)(2)".

SEC. 503. COORDINATION WITH TRADE READJUSTMENT PROGRAM.

Subsection (e) of section 602 of the Federal Supplemental Compensation Act of 1982 is amended by adding at the end thereof the following new paragraph:

"(5)(A) Except as provided in subparagraph (B), the maximum amount of Federal supplemental compensation payable to an individual shall not be reduced by reason of any trade readjustment allowances to which the individual was entitled under the Trade Act of 1974.

"(B) If an individual received any trade readjustment allowance under the Trade Act of 1974 in respect of any benefit year, the maximum amount of Federal supplemental compensation payable under this subtitle in respect of such benefit year shall be reduced (but not below zero) so that (to the extent possible by making such a reduction) the aggregate amount of—

"(i) regular compensation,

"(ii) extended compensation,

"(iii) trade readjustment allowances, and

"(iv) Federal supplemental compensation,

payable in respect of such benefit year does not exceed the aggregate amount which would have been so payable had the individual not been entitled to any trade readjustment allowance."

SEC. 504. EFFECTIVE DATE.

(a) GENERAL RULE.—The amendments made by this part shall apply to weeks beginning after March 31, 1983.

(b) TREATMENT OF INDIVIDUALS WHO EXHAUSTED BENEFITS.—In the case of any eligible individual—

(1) to whom any Federal supplemental compensation was payable for any week beginning before April 1, 1983, and

(2) who exhausted his rights to such compensation (by reason of the payment of all the amount in his Federal supplemental compensation account) before the first week beginning after March 31, 1983,

such individual's eligibility for additional weeks of compensation by reason of the amendments made by this part shall not be limited or terminated by reason of any event, or failure to meet any requirement of law relating to eligibility for unemployment compensation, occurring after the date of such exhaustion of rights and before April 1, 1983 (and the period after such exhaustion and before April 1, 1983, shall not be counted for purposes of determining the expiration of the two years following the end of his benefit year for purposes of section 602(b) of the Federal Supplemental Compensation Act of 1982).

(c) MODIFICATION OF AGREEMENTS.—The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 602 of the Federal Supplemental Compensation Act of 1982 a modification of such agreement designed to provide for the payment of Federal supplemental compensation under such Act in accordance with the amendments made by this part. Notwithstanding any other provision of law, if any State fails or refuses, within the 3-week period beginning on the date the Secretary of Labor proposed such a modification to such State, to enter into such a modification of such agreement, the Secretary of Labor shall terminate such agreement effective with the end of the last week which ends on or before such 3-week period.

PART B—MISCELLANEOUS PROVISIONS

SEC. 511. VOLUNTARY HEALTH INSURANCE PROGRAMS PERMITTED.

(a) AMENDMENT OF INTERNAL REVENUE CODE OF 1954.—Paragraph (4) of section 3304(a) of the Internal Revenue Code of 1954 (relating to requirements for approval of State unemployment compensation laws) is amended by striking out "and" at the end of subparagraph (A), by adding "and" at the end of subparagraph (B), and by adding after subparagraph (B) the following new subparagraph:

"(C) nothing in this paragraph shall be construed to prohibit deducting an amount from unemployment compensation otherwise payable to an individual and using the amount so deducted to pay for health insurance if the individual elected to have such deduction made and such deduction was made under a program approved by the Secretary of Labor;".

(b) AMENDMENT OF SOCIAL SECURITY ACT.—Paragraph (5) of section 303(a) of the Social Security Act is amended by striking out "; and" at the end thereof and inserting in lieu thereof ": *Provided further*, That nothing in this paragraph shall be construed to prohibit deducting an amount from unemployment compensation otherwise payable to an individual and using the amount so deducted to pay for health insurance if the individual elected to have such deduction made and such deduction was made under a program approved by the Secretary of Labor; and".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 512. TREATMENT OF CERTAIN ORGANIZATIONS RETROACTIVELY DETERMINED TO BE DESCRIBED IN SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE OF 1954.

If—

(1) an organization did not make an election to make payments (in lieu of contributions) as provided in section 3309(a)(2) of the Internal Revenue Code of 1954 before April 1, 1972, because such organization, as of such date, was treated as an organization described in section 501(c)(4) of such Code,

(2) the Internal Revenue Service subsequently determined that such organization was described in section 501(c)(3) of such Code, and

(3) such organization made such an election before the earlier of—

(A) the date 18 months after such election was first available to it under the State law, or

(B) January 1, 1984,

then section 3303(f) of such Code shall be applied with respect to such organization as if it did not contain the requirement that the election be made before April 1, 1972, and by substituting "January 1, 1982" for "January 1, 1969".

TITLE VI—PROSPECTIVE PAYMENTS FOR MEDICARE INPATIENT HOSPITAL SERVICES

MEDICARE PAYMENTS FOR INPATIENT HOSPITAL SERVICES ON THE BASIS OF PROSPECTIVE RATES

SEC. 601. (a)(1) Subsection (a)(1) of section 1886 of the Social Security Act is amended by adding at the end the following new subparagraph:

"(D) Subparagraph (A) shall not apply to cost reporting periods beginning on or after October 1, 1985.".

(2) Subsection (a)(4) of such section is amended by adding at the end the following new sentence: "Such term does not include capital-related costs and costs of approved educational activities, as defined by the Secretary.".

(b) Subsection (b) of such section is amended—

(1) by striking out "Notwithstanding sections 1814(b), but subject to the provisions of sections" in paragraph (1) and inserting in lieu thereof "Notwithstanding section 1814(b) but subject to the provisions of section";

(2) by inserting "(other than a subsection (d) hospital, as defined in subsection (d)(1)(B))" in the matter before subparagraph (A) of paragraph (1) after "of a hospital";

(3) by inserting, in the matter in paragraph (1) following subparagraph (B), "(other than on the basis of a DRG prospective payment rate determined under subsection (d))" after "payable under this title";

(4) by striking out paragraph (2);

(5) by inserting "and subsection (d) and except as provided in subsection (e)" in paragraph (3)(B) after "subparagraph (A)";

(6) by inserting "or fiscal year" after "cost reporting period" each place it appears in paragraph (3)(B);

(7) by inserting "before the beginning of the period or year" in paragraph (3)(B) after "estimated by the Secretary"; and

(8) by striking out "exceeds" in paragraph (3)(B) and inserting in lieu thereof "will exceed".

(c)(1) Subsection (c)(1) of such section is amended—

(A) by striking out "and" at the end of subparagraph (B),

(B) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and

(C) by adding at the end the following:

"(D) the Secretary determines that the system will not preclude an eligible organization (as defined in section 1876(b)) from negotiating directly with hospitals with respect to the organization's rate of payment for inpatient hospital services.

The Secretary cannot deny the application of a State under this subsection on the ground that the State's hospital reimbursement control system is based on a payment methodology other than on the basis of a diagnosis-related group or on the ground that the amount of payments made under this title under such system must be less than the amount of payments which would otherwise have been made under this title not using such system. If the Secretary provides that the assurances described in subparagraph (C) are based on maintaining payment amounts at no more than a specified percentage increase above the payment amounts in a base period, the State has the option of applying such test (for inpatient hospital services under part A) on an aggregate payment basis or on the basis of the amount of payment per inpatient discharge or admission. If the Secretary provides that the assurances described in subparagraph (C) are based on maintaining aggregate payment amounts below a national average percentage increase in total payments under part A for inpatient hospital services, the Secretary cannot deny the application of a State under this subsection on the ground that the State's rate of increase in such payments for such services must be less than such national average rate of increase.";

(2) Subsection (c)(3) of such section is amended—

(A) by striking out "requirement of paragraph (1)(A)" and inserting in lieu thereof "requirements of subparagraphs (A) and (D) of paragraph (1) and, if applicable, the requirements of paragraph (5),", and

(B) by inserting "(or, if applicable, in paragraph (5))" in subparagraph (B) after "paragraph (1)".

(3) Subsection (c) of such section is further amended by adding at the end the following new paragraphs:

"(4) The Secretary shall approve the request of a State under paragraph (1) with respect to a hospital reimbursement control system if—

"(A) the requirements of subparagraphs (A), (B), (C), and (D) of paragraph (1) have been met with respect to the system, and

"(B) with respect to that system a waiver of certain requirements of title XVIII of the Social Security Act has been approved on or before (and which is in effect as of) the date of the enactment of the Social Security Act Amendments of 1983, pursuant to section 402(a) of the Social Security Amendments of 1967 or section 222(a) of the Social Security Amendments of 1972.

"(5) The Secretary shall approve the request of a State under paragraph (1) with respect to a hospital reimbursement control system if—

"(A) the requirements of subparagraphs (A), (B), (C), and (D) of paragraph (1) have been met with respect to the system;

"(B) the Secretary determines that the system—

"(i) is operated directly by the State or by an entity designated pursuant to State law,

"(ii) provides for payment of hospitals covered under the system under a methodology (which sets forth exceptions and adjustments, as well as any method for changes in the methodology) by which rates or amounts to be paid for hospital services during a specified period are established under the system prior to the defined rate period, and

"(iii) hospitals covered under the system will make such reports (in lieu of cost and other reports, identified by the Secretary, otherwise required under this title) as the Secretary may require in order to properly monitor assurances provided under this subsection;

"(C) the State has provided the Secretary with satisfactory assurances that operation of the system will not result in any change in hospital admission practices which result in—

"(i) a significant reduction in the proportion of patients (receiving hospital services covered under the system) who have no third-party coverage and who are unable to pay for hospital services,

"(ii) a significant reduction in the proportion of individuals admitted to hospitals for inpatient hospital services for which payment is (or is likely to be) less than the anticipated charges for or costs of such services,

"(iii) the refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital, or

"(iv) the refusal to provide emergency services to any person who is in need of emergency services if the hospital provides such services;

"(D) any change by the State in the system which has the effect of materially reducing payments to hospitals can only take effect upon 60 days notice to the Secretary and to the hospitals the payment to which is likely to be materially affected by the change; and

"(E) the State has provided the Secretary with satisfactory assurances that in the development of the system the State has consulted with local governmental officials concerning the impact of the system on public hospitals.

The Secretary shall respond to requests of States under this paragraph within 60 days of the date the request is submitted to the Secretary.".

(d) Subsection (d) of such section, as added by section 110 of the Tax Equity and Fiscal Responsibility Act of 1982, is amended—

(1) by striking out "section 1814(b)" in paragraph (2)(A) and inserting in lieu thereof "subsection (b)", and

(2) by redesignating the subsection as subsection (j) and transferring and inserting such subsection at the end of section 1814 of the Social Security Act under the following heading:

"Elimination of Lesser-of-Cost-or-Charges Provision".

(e) Such section 1886 is further amended by adding at the end the following new subsections:

"(d)(1)(A) Notwithstanding section 1814(b) but subject to the provisions of section 1813, the amount of the payment with respect to the operating costs of inpatient hospital services (as defined in subsection (a)(4)) of a subsection (d) hospital (as defined in subparagraph (B)) for inpatient hospital discharges in a cost reporting period or in a fiscal year—

"(i) beginning on or after October 1, 1983, and before October 1, 1986, is equal to the sum of—

"(I) the target percentage (as defined in subparagraph (C)) of the lesser of the hospital's target amount for the cost reporting period (as defined in subsection (b)(3)(A)), or the limitation established under subsection (a) (determined without regard to paragraph (2) thereof) for the period, and

"(II) the DRG percentage (as defined in subparagraph (C)) of the adjusted DRG prospective payment rate determined under paragraph (2) or (3) for such discharges; or

"(ii) beginning on or after October 1, 1986, is equal to the adjusted DRG prospective payment rate determined under paragraph (3) for such discharges.

"(B) As used in this section, the term 'subsection (d) hospital' means a hospital located in one of the fifty States or the District of Columbia other than—

"(i) a psychiatric hospital (as defined in section 1861(f)),

"(ii) a rehabilitation hospital (as defined by the Secretary),

"(iii) a hospital whose inpatients are predominantly individuals under 18 years of age, or

"(iv) a hospital which has an average inpatient length of stay (as determined by the Secretary) of greater than 25 days;

and, upon request of a hospital and in accordance with regulations of the Secretary, does not include a psychiatric or rehabilitation unit of the hospital which is a distinct part of the hospital (as defined by the Secretary).

"(C) For purposes of this subsection, for cost reporting periods beginning, or discharges occurring—

"(i) on or after October 1, 1983, and before October 1, 1984, the 'target percentage' is 75 percent and the 'DRG percentage' is 25 percent;

"(ii) on or after October 1, 1984, and before October 1, 1985, the 'target percentage' is 50 percent and the 'DRG percentage' is 50 percent; and

"(iii) on or after October 1, 1985, and before October 1, 1986, the 'target percentage' is 25 percent and the 'DRG percentage' is 75 percent.

"(2) The Secretary shall determine an adjusted DRG prospective payment rate, for each inpatient hospital discharge in fiscal year 1984 involving inpatient hospital services of a subsection (d) hospital (located in an urban or rural area within a census division) for which payment may be made under part A of this title, as follows:

"(A) DETERMINING ALLOWABLE INDIVIDUAL HOSPITAL COSTS FOR BASE PERIOD.—The Secretary shall determine the allowable operating costs of inpatient hospital services for the hospital for the most recent cost reporting period for which data are available.

"(B) UPDATING FOR FISCAL YEAR 1984.—The Secretary shall update each amount determined under subparagraph (A) for fiscal year 1984 by—

"(i) updating for fiscal year 1983 by the estimated average rate of change of hospital costs industry-wide between the cost reporting period used under such subparagraph and fiscal year 1983, and

"(ii) projecting for fiscal year 1984 by the applicable percentage increase (as defined in subsection (b)(3)(B)) for fiscal year 1984.

"(C) STANDARDIZING AMOUNTS.—The Secretary shall standardize the amount updated under subparagraph (B) for each hospital by—

"(i) excluding an estimate of indirect medical education costs,

"(ii) adjusting for variations among hospitals by area in the average hospital wage level, and

"(iii) adjusting for variations in case mix among hospitals.

"(D) COMPUTING URBAN AND RURAL AVERAGES IN EACH CENSUS DIVISION.—The Secretary shall compute an average of the standardized amounts determined under subparagraph (C) for each census division—

"(i) for all subsection (d) hospitals located in an urban area in that division, and

"(ii) for all subsection (d) hospitals located in a rural area in that division.

For purposes of this subsection, the term 'census division' means one of the nine divisions, comprising the fifty States and the District of Columbia, established by the Bureau of the Census for statistical and reporting purposes; the term 'urban area' means an area within a Standard Metropolitan Statistical Area (as defined by the Office of Management and Budget) or within such similar area as the Secretary has recognized under subsection (a) by regulation in effect as of January 1, 1983; and the term 'rural area' means any area outside such an area or similar area.

"(E) REDUCING FOR VALUE OF OUTLIER PAYMENTS.—The Secretary shall reduce each of the average standardized amounts determined under subparagraph (D) by a proportion equal to the proportion (estimated by the Secretary) of the amount of payments under this subsection based on DRG prospective payment rates which are additional payments described in paragraph (5)(A) (relating to outlier payments).

"(F) MAINTAINING BUDGET NEUTRALITY.—The Secretary shall adjust each of such average standardized amounts as may be required under subsection (e)(1)(B) for that fiscal year.

"(G) COMPUTING DRG-SPECIFIC RATES FOR URBAN AND RURAL HOSPITALS IN EACH CENSUS DIVISION.—For each discharge classified within a diagnosis-related group, the Secretary shall establish a DRG prospective payment rate which is equal—

"(i) for hospitals located in an urban area in a census division, to the product of—

"(I) the average standardized amount (computed under subparagraph (D), reduced under subparagraph (E), and adjusted under subparagraph (F)) for hospitals located in an urban area in that division, and

"(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group; and

"(ii) for hospitals located in a rural area in a census division, to the product of—

"(I) the average standardized amount (computed under subparagraph (D), reduced under subparagraph (E), and adjusted under subparagraph (F)) for hospitals located in a rural area in that division, and

"(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group.

"(H) ADJUSTING FOR DIFFERENT AREA WAGE LEVELS.—The Secretary shall adjust the proportion (as estimated by the Secretary from time to time) of hospitals' costs which are attributable to wages and wage-related costs, of the DRG prospective payment rates computed under subparagraph (G) for area differences in hospital wage levels by a factor (established by the Secretary) reflecting the relative hospital wage level in the geographic area of the hospital compared to the national average hospital wage level.

"(3) The Secretary shall determine an adjusted DRG prospective payment rate, for each inpatient hospital discharge in a fiscal year after fiscal year 1984 involving inpatient hospital services of a subsection (d) hospital for which payment may be made under part A of this title, as follows:

"(A) UPDATING PREVIOUS STANDARDIZED AMOUNTS.—The Secretary shall compute an average standardized amount—

"(i) for fiscal years 1985, 1986, and 1987, for hospitals located in a urban area within each census division and for hospitals located in a rural area within each census division, and

"(ii) for subsequent fiscal years, for hospitals located in an urban area and for hospitals located in a rural area,

equal to the respective average standardized amount (or, for fiscal year 1988, the weighted average of the respective average standardized amounts) computed for the previous fiscal year under paragraph (2)(D) or under this subparagraph, increased by the applicable percentage increase under subsection (b)(3)(B) for that particular fiscal year.

"(B) REDUCING FOR VALUE OF OUTLIER PAYMENTS.—The Secretary shall reduce each of the average standardized amounts determined under subparagraph (A) by a proportion equal to the proportion (estimated by the Secretary) of the amount of payments under this subsection based on DRG prospective payment amounts which are additional payments described in paragraph (5)(A) (relating to outlier payments).

"(C) MAINTAINING BUDGET NEUTRALITY.—The Secretary shall adjust each of such average standardized amounts as may be required under subsection (e)(1)(B) for that fiscal year.

"(D) COMPUTING DRG-SPECIFIC RATES FOR URBAN AND RURAL HOSPITALS.—For each discharge classified within a diagnosis-related group, the Secretary shall establish a DRG prospective payment rate for the fiscal year which is equal—

"(i) for hospitals located in an urban area (and, if applicable, in a census division), to the product of—

"(I) the average standardized amount (computed under subparagraph (A), reduced under subparagraph (B), and adjusted under subparagraph (C)) for the fiscal year for hospitals located in an urban area (and, if applicable, in that division), and

"(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group; and

"(ii) for hospitals located in a rural area (and, if applicable, in a census division), to the product of—

"(I) the average standardized amount (computed under subparagraph (A), reduced under subparagraph (B), and adjusted under subparagraph (C)) for the fiscal year for hospitals located in a rural area (and, if applicable, in that division), and

"(II) the weighting factor (determined under paragraph (4)(B)) for that diagnosis-related group.

"(E) ADJUSTING FOR DIFFERENT AREA WAGE LEVELS.—The Secretary shall adjust the proportion, (as estimated by the Secretary from time to time) of hospitals' costs which are attributable to wages and wage-related costs, of the DRG prospective payment rates computed under subparagraph (D) for area differences in hospital wage levels by a factor (established by the Secretary) reflecting the relative hospital wage level in the geographic area of the hospital compared to the national average hospital wage level.

"(4)(A) The Secretary shall establish (and may from time to time make changes in) a classification of inpatient hospital discharges by diagnosis-related groups and a methodology for classifying specific hospital discharges within these groups.

"(B) For each such diagnosis-related group the Secretary shall assign (and may from time to time recompute) an appropriate weighting factor which reflects the relative hospital resources used with respect to discharges classified within that group compared to discharges classified within other groups.

"(5)(A)(i) The Secretary shall provide for an additional payment amount (as determined by the Secretary) for a subsection (d) hospital for any discharge in a diagnosis-related group the length of stay of which exceeds by 30 or more days the mean length of stay of discharges within that group.

"(ii) The Secretary shall provide for an additional payment amount (as determined by the Secretary) for a subsection (d) hospital for any discharge in a diagnosis-related group—

"(I) the length of stay of which exceeds by a period (which may vary by diagnosis-related group) of less than 30 days the mean length of stay for discharges within that group or

"(II) which reflects extraordinarily or unusually expensive costs relative to discharges classified within that group,

so that the total of the additional payments made under this subparagraph for discharges in a fiscal year is not less than 4 percent of the total payments made based on DRG prospective payment rates for discharges in that year.

"(B) The Secretary shall provide for an additional payment amount for subsection (d) hospitals with indirect costs of medical education, in an amount computed in the same manner as the adjustment for such costs under regulations (in effect as of January 1, 1983) under subsection (a)(2), except that in the computation under this subparagraph the Secretary shall use an educational adjustment factor equal to twice the factor provided under such regulations.

"(C)(i) The Secretary shall provide for such exceptions and adjustments to the payment amounts established under this subsection as the Secretary deems appropriate to take into account the special needs of public or other hospitals that serve a significantly disproportionate number of patients who have low income or are entitled to benefits under part A of this title.

"(ii) The Secretary may provide (on a general, class, or individual basis) for exceptions and adjustments to the payment amounts established under this subsection to take into account the special needs of sole community hospitals. For purposes of this section the term 'sole community hospital' means a hospital that, by reason of factors such as isolated location or absence of other hospitals (as determined by the Secretary), is the sole source of inpatient hospital services reasonably available to individuals in a geographical area who are entitled to benefits under part A.

"(iii) The Secretary shall provide by regulation for such other exceptions and adjustments to such payment amounts as the Secretary deems appropriate (including exceptions and adjustments that may be appropriate with respect to public and teaching hospitals and with respect to hospitals involved extensively in treatment for and research on cancer).

"(iv) The Secretary may provide for such adjustments to the payment amounts as the Secretary deems appropriate to take into account the unique circumstances of hospitals located in Alaska and Hawaii.

"(D)(i) The Secretary shall estimate for each fiscal year the amount of reimbursement made for services described in section 1862(a)(14) with respect to which payment was made under part B in the base reporting periods referred to in paragraph (2)(A) and with respect to which payment is no longer being made in the fiscal year.

"(ii) The Secretary shall provide for an additional payment for subsection (d) hospitals in each fiscal year so as appropriately to reflect the net amount described in clause (i) for that fiscal year.

"(E) This paragraph shall apply only to subsection (d) hospitals that receive payments in amounts computed under this subsection.

"(6) The Secretary shall provide for publication in the Federal Register, on or before the September 1 before each fiscal year (beginning with fiscal year 1984), of a description of the methodology and data used in computing the adjusted DRG prospective payment rates under this subsection, including any adjustments required under subsection (e)(1)(B).

"(7) There shall be no administrative or judicial review under section 1878 or otherwise of—

"(A) the determination of the requirement, or the proportional amount, of any adjustment effected pursuant to subsection (e)(1), and

"(B) the establishment of diagnosis-related groups, of the methodology for the classification of discharges within such groups, and of the appropriate weighting factors thereof under paragraph (4).

"(e)(1)(A) For cost reporting periods of hospitals beginning in fiscal year 1984 or fiscal year 1985, the Secretary shall provide for such proportional adjustment in the applicable percentage increase (otherwise applicable to the periods under subsection (b)(3)(B)) as may be necessary to assure that—

"(i) the aggregate payment amounts otherwise provided under subsection (d)(1)(A)(i)(I) for that fiscal year for operating costs of inpatient hospital services of hospitals,

are not greater or less than—

"(ii) the target percentage (as defined in subsection (d)(1)(C)) of the payment amounts which would have been payable for such services for those same hospitals for that fiscal year under this section under the law as in effect before the date of the enactment of the Social Security Act Amendments of 1983;

except that the adjustment made under this subparagraph shall apply only to subsection (d) hospitals and shall not apply for purposes of making computations under subsection (d)(2)(B)(ii) or subsection (d)(3)(A).

"(B) For discharges occurring in fiscal year 1984 or fiscal year 1985, the Secretary shall provide under subsections (d)(2)(F) and (d)(3)(C) for such equal proportional adjustment in each of the average standardized amounts otherwise computed for that fiscal year as may be necessary to assure that—

"(i) the aggregate payment amounts otherwise provided under subsection (d)(1)(A)(i)(II) for that fiscal year for operating costs of inpatient hospital services of hospitals,

are not greater or less than—

"(ii) the DRG percentage (as defined in subsection (d)(1)(C)) of the payment amounts which would have been payable for such services for those same hospitals for that fiscal year under this section under the law as in effect before the date of the enactment of the Social Security Act Amendments of 1983.

"(2) The Secretary shall provide for appointment of a panel of independent experts (hereinafter in this subsection referred to as the 'panel') to review the applicable percentage increase factor described in subsection (b)(3)(B) and make recommendations to the Secretary on the appropriate percentage increase which should be effected for hospital inpatient discharges under subsections (b) and (d) for fiscal years beginning with fiscal year 1986. In making its recommendations, the panel shall take into account changes in the hospital market-basket described in subsection (b)(3)(B), hospital productivity, technological and scientific advances, the quality of health care provided in hospitals, and long-term cost-effectiveness in the provision of inpatient hospital services.

"(3) The panel, not later than the May 1 before the beginning of each fiscal year (beginning with fiscal year 1986), shall report its recommendations to the Secretary on an appropriate increase factor which should be used (instead of the applicable percentage increase described in subsection (b)(3)(B)) for inpatient hospital services for discharges in that fiscal year.

"(4) Taking into consideration the recommendations of the panel, the Secretary shall determine for each fiscal year (beginning with fiscal year 1986) the percentage increase which will apply for purposes of this section as the applicable percentage increase (otherwise described in subsection (b)(3)(B)) for discharges in that fiscal year.

"(5) The Secretary shall cause to have published in the Federal Register, not later than—

"(A) the June 1 before each fiscal year (beginning with fiscal year 1986), the Secretary's proposed determination under paragraph (4) for that fiscal year, and

"(B) the September 1 before such fiscal year, the Secretary's final determination under such paragraph for that year.

The Secretary shall include in the publication referred to in subparagraph (A) for a fiscal year the report of the panel's recommendations submitted under paragraph (3) for that fiscal year.

"(6) The Secretary shall maintain, for a period ending not earlier than September 30, 1988, a system for the reporting of costs of hospitals receiving payments computed under subsection (d).

"(f)(1) The Secretary shall establish a system for monitoring admissions and discharges of hospitals receiving payment in amounts determined under subsection (b) or subsection (d) of this section. Such system shall use fiscal intermediaries, utilization and quality control peer review organizations with contracts under part B of title XI, and others to review hospital admission and discharge practices and the quality of inpatient hospital services provided for which payment may be made under part A of this title.

"(2) If the Secretary determines that a hospital, in order to circumvent the payment method established under subsection (b) or (d) of this section, has taken an action that results in the admission of individuals entitled to benefits under part A unnecessarily, unnecessary multiple admissions of the same such individuals, or other inappropriate medical or other practices with respect to such individuals, the Secretary may—

"(A) deny payment (in whole or in part) under part A with respect to inpatient hospital services provided with respect to such an unnecessary admission (or subsequent admission of the same individual), or

"(B) require the hospital to take other corrective action necessary to prevent or correct the inappropriate practice.

"(3) The provisions of paragraphs (2), (3), and (4) of section 1862(d) shall apply to determinations under paragraph (2) of this subsection in the same manner as they apply to determinations made under section 1862(d)(1).

"(g)(1) No payment may be made under this title for capital-related costs of capital expenditures (as defined in section 1122(g)) for inpatient hospital services in a State, which expenditures occurred after the end of the three-year period beginning on the date of the enactment of this subsection, unless the State has an agreement with the Secretary under section 1122(b) and, under the agreement, the State has recommended approval of the capital expenditures.

"(2) The Secretary shall provide that the amount which is allowable, with respect to costs of inpatient hospital services for which payment may be made under this title, for a return on equity capital for subsection (d) hospitals (as defined in subsection (d)(1)(B))

shall, for cost reporting periods beginning on or after October 1, 1983, and before October 1, 1986, be equal to the target percentage (as defined in subsection (d)(1)(C)) of the amounts otherwise allowable under regulations in effect on March 1, 1983. For cost reporting periods beginning on or after October 1, 1986, the Secretary shall not provide for any such return on equity capital for such hospitals.".

CONFORMING AMENDMENTS

SEC. 602. (a) Section 1153(b)(2) of the Social Security Act is amended by adding at the end the following new subparagraph:

"(C) The twelve-month period referred to in subparagraph (A) shall be deemed to begin not later than October 1983.".

(b) Sections 1814(g) and 1835(e) of the Social Security Act are each amended by inserting "(or would be if section 1886 did not apply)" after "section 1861(v)(1)(D)".

(c) Section 1814(h)(2) of such Act is amended by striking out "the reasonable costs for such services" and inserting in lieu thereof "the amount that would be payable for such services under subsection (b) and section 1886".

(d)(1) The matter in section 1861(v)(1)(G)(i) of such Act following subclause (III) is amended by striking out "on the basis of the reasonable cost of" and inserting in lieu thereof "the amount otherwise payable under part A with respect to".

(2) Section 1861(v)(2)(A) of such Act is amended by striking out "an amount equal to the reasonable cost of" and inserting in lieu thereof "the amount that would be taken into account with respect to".

(3) Section 1861(v)(2)(B) of such Act is amended by striking out "the equivalent of the reasonable cost of".

(4) Section 1861(v)(3) of such Act is amended by striking out "the reasonable cost of such bed and board furnished in semi-private accommodations (determined pursuant to paragraph (1))" and inserting in lieu thereof "the amount otherwise payable under this title for such bed and board furnished in semi-private accommodations".

(e) Section 1862(a) of such Act is amended—

(1) by striking out "or" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; or", and

(3) by adding at the end the following new paragraph:

"(14) which are other than physicians' services and which are furnished to an individual who is an inpatient of a hospital by an entity other than the hospital, unless the services are furnished under arrangements (as defined in section 1861(w)(1)) with the entity made by the hospital.".

(f)(1) Section 1866(a)(1) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E), and

(C) by adding at the end the following new subparagraphs:

"(F) in the case of hospitals which provide inpatient hospital services for which payment may be made under subsection (c) or (d) of section 1886, to maintain an agreement with a utilization and quality control peer review organization (which has a contract with the Secretary under part B of title XI) under which the organization will perform functions under that part with respect to the review of admissions, discharges, and quality of care respecting inpatient hospital services for which payment may be made under part A of this title,

"(G) in the case of hospitals which provide inpatient hospital services for which payment may be made under subsection (b) or (d) of section 1886, not to charge any individual or any other person for inpatient hospital services for which such individual would be entitled to have payment made under part A but for a denial or reduction of payments under section 1886(f), and

"(H) in the case of hospitals which provide inpatient hospital services for which payment may be made under section 1886(d), to have all items and services (other than physicians' services) (i) that are furnished to an individual who is an inpatient of the hospital, and (ii) for which the individual is entitled to have payment made under this title, furnished by the hospital or otherwise under arrangements (as defined in section 1861(w)(1)) made by the hospital.".

(2) The matter in section 1866(a)(2)(B)(ii) of such Act preceding subclause (I) is amended by inserting "and except with respect to inpatient hospital costs with respect to which amounts are payable under section 1886(d)" after "(except with respect to emergency services".

(g) Section 1876(g) of such Act is amended by adding at the end the following:

"(4) A risk-sharing contract under this subsection may, at the option of an eligible organization, provide that the Secretary—

"(A) will reimburse hospitals either for the reasonable cost (as determined under section 1861(v)) or for payment amounts determined in accordance with section 1886, as applicable, of inpatient hospital services furnished to individuals enrolled with such organization pursuant to subsection (d), and

"(B) will deduct the amount of such reimbursement for payment which would otherwise be made to such organization.".

(h)(1) Section 1878(a) of such Act is amended—

(A) by inserting "and (except as provided in subsection (g)(2)) any hospital which receives payments in amounts computed under section 1886(d) and which has submitted such reports within such time as the Secretary may require in order to make payment under such section may obtain a hearing with respect to such payment by the Board" after "subsection (h)" in the matter before paragraph (1),

(B) by inserting "(i)" after "(A)" in paragraph (1)(A),

(C) by inserting "or" at the end of paragraph (1)(A) and by adding after such paragraph the following new clause:

"(ii) is dissatisfied with a final determination of the Secretary as to the amount of the payment under section 1886(d),", and

(D) by striking out "(1)(A)" in paragraph (3) and inserting in lieu thereof "(1)(A)(i), or with respect to appeals under paragraph (1)(A)(ii), 180 days after notice of the Secretary's final determination,".

(2) Section 1878(g) of such Act is amended by inserting "(1)" after "(g)" and by adding at the end the following new paragraph:

"(2) The determinations and other decisions described in section 1886(d)(7) shall not be reviewed by the Board or by any court pursuant to an action brought under subsection (f) or otherwise.".

(3) The third sentence of section 1878(h) of such Act is amended striking out "cost reimbursement" and inserting in lieu thereof "payment of providers of services".

(i) The first sentence of section 1881(b)(2)(A) of such Act is amended by inserting "or section 1886 (if applicable)" after "section 1861(v)".

(j) Section 1887(a)(1)(B) of such Act is amended by inserting "or on the bases described in section 1886" after "on a reasonable cost basis".

REPORTS, EXPERIMENTS AND DEMONSTRATION PROJECTS, AND INTENT OF CONGRESS RESPECTING TREATMENT OF NEW CAPITAL EXPENDITURES

SEC. 603. (a)(1) The Secretary of Health and Human Services (hereinafter in this title referred to as the "Secretary") shall study and report to the Congress at the end of 1983 on—

(A) the method by which capital-related costs associated with inpatient hospital services can be included within the prospective payment amounts computed under section 1886(d) of the Social Security Act,

(B) payment with respect to a return on equity capital for hospitals receiving payments under such section, and

(C) the impact on skilled nursing facilities of hospital prospective payment systems, and recommendations concerning payment of skilled nursing facilities.

(2)(A) The Secretary shall study and report annually to the Congress at the end of each year (beginning with 1984 and ending with 1987) on the actual impact, of the payment methodology under section 1886(d) of the Social Security Act during the previous year, on individual hospitals, classes of hospitals, beneficiaries, and other payors for inpatient hospital services, and, in particular, on the impact of computing averages by census division, rather than on a national average basis. Each such report shall include such recommendations for such changes in legislation as the Secretary deems appropriate. The Comptroller General shall review and comment on the adequacy of each of the reports with respect to their analysis of the impact of the payment methodology under section 1886(d) of the Social Security Act.

(B) During fiscal year 1984, the Secretary shall begin the collection of data necessary to compute the amount of physician charges attributable, by diagnosis-related groups, to physicians' services furnished to inpatients of hospitals whose discharges are classified within those groups. The Secretary shall include, in annual report to Congress under subparagraph (A) for 1984, recommendations on the advisability and feasibility of providing for determining the amount of the payments for physicians' services furnished to hospital inpatients based on the DRG classification of the discharges of those inpatients.

(C) In the annual report to Congress under subparagraph (A) for 1985, the Secretary shall include the results of studies on—

(i) the feasibility and impact of eliminating or phasing out separate urban and rural DRG prospective payment rates under paragraph (3) of section 1886(d) of the Social Security Act;

(ii) whether and the method under which hospitals, not paid based on amounts determined under such section, can be paid for inpatient hospital services on a prospective basis as under such section;

(iii) the appropriateness of the factors used under paragraph (5)(A) of such section to compensate hospitals for the additional expenses of outlier cases;

(iv) the feasibility and desirability of applying the payment methodology under such section to payment by all payors for inpatient hospital services; and

(v) the impact of such section on hospital admissions and the feasibility of making a change in the DRG prospective payment rates or requiring preadmission certification in order to minimize the incentive to increase admissions.

(D) In the annual report to Congress under subparagraph (A) for 1986, the Secretary shall include the results of a study examining the overall impact of State systems of hospital payment (either approved under section 1886(c) of the Social Security Act or under a waiver approved under section 402(a) of the Social Security Amendments of 1967 or section 222(a) of the Social Security Amendments of 1972), particularly assessing such systems' impact not only on the medicare program but also on the medicaid program, on payments and premiums under private health insurance plans, and on tax expenditures.

(b)(1) Except as provided in paragraph (2), the amendments made by this title shall not affect the authority of the Secretary to develop, carry out, or continue experiments and demonstration projects.

(2) The Secretary shall provide that, upon the request of a State which has a demonstration project, for payment of hospitals under title XVIII of the Social Security Act approved under section 402(a) of the Social Security Amendments of 1967 or section 222(a) of the Social Security Amendments of 1972, which (A) is in effect as of March 1, 1983, and (B) was entered into after August 1982, the terms of the demonstration agreement shall be modified so that the demonstration project is not required to maintain the rate of increase in medicare hospital costs in that State below the national rate of increase in medicare hospital costs.

(c) It is the intent of Congress that, in implementing a system for including capital-related costs under a prospectively determined payment rate for inpatient hospital services, costs related to capital projects initiated on or after March 1, 1983, may be distinguished and treated differently from costs of projects initiated before such date.

EFFECTIVE DATES

SEC. 604. (a)(1) Except as provided in paragraph (2), the amendments made by this title apply to items and services furnished by or under arrangements with a hospital beginning with its first cost reporting period that begins on or after October 1, 1983. A change in a hospital's cost reporting period that has been made after November 1982 shall be recognized for purposes of this section only if the Secretary finds good cause for that change.

(2)(A) Section 1866(a)(1)(F) of the Social Security Act (as added by section 602(f)(1)(C) of this title) takes effect on October 1, 1984, and section 1862(a)(14) (as added by section 602(e)(3) of this title) and sections 1886(a)(1) (G) and (H) of such Act (as added by section 602(f)(1)(C) of this title) take effect on October 1, 1983.

(B) The Secretary may provide that, during the period ending October 1, 1986, the provisions of sections 1862(a)(14) and 1866(a)(1)(H) of the Social Security Act shall not apply to services furnished in hospitals that can demonstrate that their billing practice prior to October 1, 1982, was to bill for such services independent of the hospital payment.

(b) The Secretary shall make an appropriate reduction in the payment amount under section 1886(d) of the Social Security Act (as amended by this title) for any discharge, if the admission has occurred before a hospital's first cost reporting period that begins after September 1983, to take into account amounts payable under title XVIII of that Act (as in effect before the date of the enactment of this Act) for items and services furnished before that period.

(c)(1) The Secretary shall cause to be published in the Federal Register a notice of the interim final DRG prospective payment rates established under subsection (d) of section 1886 of the Social Security Act (as amended by this title) no later than September 1, 1983, and allow for a period of public comment thereon. The DRG prospective payment rates shall become effective on October 1, 1983, without the necessity for consideration of comments received, but the Secretary shall, by notice published in the Federal Register, affirm or modify the amounts by December 31, 1983, after considering those comments.

(2) A modification under paragraph (1) that reduces a DRG prospective payment rate shall apply only to discharges occurring after 30 days after the date the notice of the modification is published in the Federal Register.

(3) Rules to implement subsection (d) of section 1886 of the Social Security Act (as so amended) shall, and exceptions, adjustments, or additional payment amounts under paragraph (5) of such subsection may, be established in accordance with the procedure described in this subsection.

The CHAIRMAN. Are there any committee amendments?

Mr. ROSTENKOWSKI. There are no committee amendments, Mr. Chairman.

AMENDMENT OFFERED BY MR. PICKLE

Mr. PICKLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PICKLE: Strike out sections 201 and 202 (beginning on page 84, line 9, and ending on page 86, line 8) and insert in lieu thereof the following new section (with a conforming amendment to the table of contents):

INCREASE IN RETIREMENT AGE

SEC. 201. (a) Section 216 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"RETIREMENT AGE

"(l)(1) The term 'retirement age' means—

"(A) with respect to an individual who attains early retirement age (as defined in paragraph (2)) before January 1, 2000, 65 years of age:

"(B) with respect to an individual who attains early retirement age after December 31, 1999, and before January 1, 2005, 65 years of age plus the number of months in the age increase factor (as determined under paragraph (3)) for the calendar year in which such individual attains early retirement age;

"(C) with respect to an individual who attains early retirement age after December 31, 2004, and before January 1, 2017, 66 years of age

"(D) with respect to an individual who attains early retirement age after December 31, 2016, and before January 1, 2022, 66 years of age plus the number of months in the age increase factor (as determined under paragraph (3)) for the calendar year in which such individual attains early retirement age; and

"(E) with respect to an individual who attains early retirement age after December 31, 2021, 67 years of age.

"(2) The term 'early retirement age' means age 62 in the case of an old-age, wife's, or husband's insurance benefit, and age 60 in the case of a widow's or widower's insurance benefit.

"(3) The age increase factor for any individual who attains early retirement age in a calendar year within the period to which subparagraph (B) or (D) of paragraph (1) applies shall be determined as follows:

"(A) With respect to an individual who attains early retirement age in the 5-year period consisting of the calendar years 2000 through 2004, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2000 and ending with December of the year in which the individual attains early retirement age.

"(B) With respect to an individual who attains early retirement age in the 5-year period consisting of the calendar years 2017 through 2021, the age increase factor shall be equal to two-twelfths of the number of months in the period beginning with January 2017 and ending with December of the year in which the individual attains early retirement age.".

(b)(1) Section 202(q)(9) of such Act is amended to read as follows:

"(9) The reduction factors for early retirement specified in paragraph (1) shall be periodically revised by the Secretary so that—

"(A) in the case of old-age insurance benefits, wife's insurance benefits, and husband's insurance benefits, the reduction factors applicable to an individual initially becoming entitled to such benefits at an age not more than 3 years less than the retirement age applicable to such individual will be the same as those specified in paragraph (1), and the reduction factors for each month below the age which is 3 years lower than the applicable retirement age shall each be five-twelfths of 1 percent; and

"(B) in the case of widow's insurance benefits and widower's insurance benefits, the reduction factors applicable to an individual initially becoming entitled to such benefits at early retirement age shall be the same as those specified in paragraph (1), and the reduction factors applicable to individuals initially becoming entitled to such benefits at a greater age shall each be established by linear interpolation between the applicable reduction factor for such early retirement age and a factor of unity at the applicable retirement age."

(2) Section 202(q)(1) of such Act is amended by striking out "If" and inserting in lieu thereof "Subject to paragraph (9), if".

(c) Title II of the Social Security Act is further amended—

(1) by striking out "age 65" or "age of 65", as the case may be, each place it appears in the following sections and inserting in lieu thereof in each instance "retirement age (as defined in section 216(l))":

(A) subsections (a), (b), (c), (d), (e), (f), (q), (r), and (w) of section 202,

(B) subsections (c) and (f) of section 203,

(C) subsections (f) of section 215,

(D) subsections (h) and (i) of section 216, and

(E) sections 223(a);

(2) by striking out "age sixty-five" in section 203(c) and inserting in lieu thereof "retirement age (as defined in section 216(l))"; and

(3) by striking out "age of sixty-five" in section 223(a) and inserting in lieu thereof "retirement age (as defined in section 216(l))".

(d) The Secretary shall conduct a comprehensive study and analysis of the implications of the changes made by this section in retirement age in the case of those individuals (affected by such changes) who, because they are engaged in physically demanding employment or because they are unable to extend their working careers for health reasons, may not benefit from improvements in longevity. The Secretary shall submit to the Congress no later than January 1, 1986, a full report on the study and analysis. Such report shall include any recommendations for legislative changes, including recommendations with respect to the provision of protection against the risks associated with early retirement due to health considerations, which the Secretary finds necessary or desirable as a result of the findings contained in this study.

Mr. PICKLE (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Chairman, pursuant to the rule, I designate the gentleman from Massachusetts (Mr. SHANNON) a member of the committee, to control the time in opposition to the Pickle amendment.

The CHAIRMAN. Pursuant to House Resolution 126, the gentleman from Texas (Mr. PICKLE) will be recognized for 1 hour, and the gentleman from Massachusetts (Mr. SHANNON) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Chairman, I rise in support of H.R. 1900, the Social Security Act Amendments of 1983. Although I do not support each and every individual provision in this bill, I do feel that as a whole the agreement reached represents a shared sacrifice between those who are presently retired and those in the work force—both of which have so much at stake in the strength of the social security system.

Judging from the hundreds of letters, phone calls, and appeals raised repeatedly across my congressional district, it is quite apparent that no other issue has alarmed so many Americans and caused so much anxiety as the future of social security. Directly or indirectly, social security touches the lives of almost every American. There is no question that it is the central feature of the way Americans plan their financial futures. That security must be restored and preserved.

I want to commend the National Commission on Social Security for its deliberations on this important matter and for putting forth a consensus package of recommendations designed to solve the system's short-range problems and most of its longer term difficulties. In addition, I want to extend my praise to the Ways and Means Committee and the Subcommittee on Social Security for their prompt action and leadership.

The bill before us today makes several changes in the social security retirement program designed to insure its solvency through a combination of tax and benefit adjustments, extensions of coverage, and administrative changes. In addition, H.R. 1900 begins to address the financial difficulties the medicare hospital insurance system is anticipated to face by the end of this decade.

As I stated, I do not agree with every element of this package. For example, I have concerns about the provision which increases the tax rate for self-employed persons to the full employer-employee rate. I also have reservations about solving the social security problems by merging civil service retirement with social security.

At the same time, we cannot ignore the fact that several problems of the system were not addressed in this legislation. For instance, prisoners are receiving social security benefits through a loophole. Even though there are relatively few recipients presently in the prison system and the savings may not appear significant, it just does not seem fair to allow convicted criminals to continue to drain the system in this way. The same concern applies to nonresident aliens who collect monthly social security checks.

However, our responsibility is to make an overall judgment on this package as a whole. Because of the seriousness of the problems facing our social security system, my vote today has to be based on a balancing of the benefits of the whole package against any specific concerns I have.

During the past few years, I have given the solvency question a lot of careful thought. I have received helpful ideas and suggestions from people all across northern Iowa on preserving social security in a fair and even-handed manner. During the course of my work on this issue and as a direct result of the thoughts of the people of the Sixth District, I introduced in the House of Representatives the Bedell social security package. As I stated in testimony I gave before the Ways and Means Subcommittee on Social Security in February, the Bedell package would not significantly change benefit payments or raise taxes, but would help put social security back on firm financial footing while at the same time ease the pressures on medicare. My package consists of bills to prohibit payment of any social security benefits to convicted criminals in penal institutions; reallocate the hospital insurance (HI) component of the payroll tax to the old age and survivors (OASI) and the disability insurance (DI) trust funds while paying hospital benefits from the general revenues; and modify the formula used to adjust benefits to keep pace with inflation by setting the cost-of-living adjustment at no greater than either the rise in the Consumer Price Index or the wage index, whichever is lower.

I am pleased to note, Mr. Chairman, that this safeguard concept regarding the cost-of-living adjustment formula, which is a part of the Bedell social security package, has been included in the Social Security Act amendments before us today.

Finally, Mr. Chairman, on the subject of raising the retirement age, I think the results of a recent poll I took of the views of northern Iowans is of interest. this poll shows that northern Iowans are receptive to raising the retirement age over a long period of time. This reenforces my own feeling that gradually raising the retirement age over a 12-year period beginning in the year 2000 is a constructive way of strengthening social security's long-term problem which will affect future generations of retirees.

Again, a sound and solvent social security system is one of the most important concerns of millions of Americans. I think we must act today to assure that Congress will continue to see to it that social security provides a security for these people during their golden years. We must make sure that social security will be there for those who need and deserve it. The worst thing we can do for social security is to do nothing at all.

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. I rise in support of H.R. 1900, the bipartisan Social Security Act Amendments of 1983. I commend the leadership of both parties as well as the Ways and Means Committee for reporting legislation I believe is a remarkably equitable and responsible effort which will not unfairly burden any segment of our society.

I am most pleased that the committee has included in the reform package several provisions I had included in the Social Security Loophole Reform Act of 1983, H.R. 1429. These provisions include placing Members of Congress and legislative branch employees under the program, turning uncashed social security checks into the social security trust funds rather than the General Treasury utilizing a short-term as well as a long-term interest rate for the payment of interest on social security trust fund investments, and preventing nonprofit organizations as well as State and local groups from dropping out of the program, a practice that has been on the increase

as the financial plight of the program became widely reported.

Hearings will be held on another aspect of my plan, preventing dependency payments to noncitizens. I am hopeful that a legislative remedy to this particular problem will be approved sometime later this year after hearings are held. Though none of these provisions alone will save social security, they do correct some very glaring inequities and discrepancies adversely affecting program revenues as well as citizen confidence in the overall fairness of the program.

I would also like to comment on a few other aspects of the compromise package. A number of self-employed persons have called me expressing concern over the increased taxes they will be expected to pay as a result of the compromise. I was pleased that the Ways and Means Committee will allow a credit instead of a deduction for the increased tax load the self-employed will be expected to bear. I believe the tax credit will to a large extent offset the impact of this proposal on the self-employed, and I heartily endorse this change.

Another change I support is the increase in the amount of outside earnings an individual or couple can have before one-half of this additional amount is made taxable. The Social Security Reform Commission had recommended $20,000 and $25,000 respectively for individuals and couples as the minimum level of outside income to be taxed. I believe the committee was a bit more realistic and farsighted in raising these levels to $25,000 for individuals and $32,000 for couples in recognition of future increases in income, and so forth, and as a result of inflation and other factors.

I also approve of the committee's actions with respect to prospective payments for medicare inpatient hospital services. Payments for medicare and medicaid have soared by an average of 17 percent a year. Medicare expenditures in 1981 totaled $42.5 billion, a staggering 35-fold increase from the $1.2 billion in outlays at the program's inception in 1966. I believe that prospective payment for medicare inpatient hospital services is an important start in the battle to control medical and health care costs.

The provision allowing for additional unemployment benefits is an important and compassionate effort to alleviate the suffering of some 12 million Americans currently out of work. I believe the committee acted appropriately and responsibly to assist these Americans hurt by the ravages of the current recession.

Finally, I believe it is time to recognize increased longevity in this Nation and by doing so adopt the Pickle amendment to phase in an increase in the retirement age from 65 to 67. In the year 2009, the retirement age would increase to 66 and in 2027 it would increase to 67. When President Roosevelt signed legislation enacting social security into law back in 1935, life expectancy was approximately 60 for men and 64.5 for women. Today these figures are 69.8 for men and 77.7 for women. It is not inappropriate to recognize this fact and increase the retirement age correspondingly. Only those persons 46 years of age or less will be affected by the increase to age 66, and those 19 or less by the increase to age 67. This is not an unreasonable burden to ask current generations which can expect to live longer than any other generation in our Nation's history.

I might also point out that the original retirement age of 65 was established in 1936. It has never in the program's history been changed to reflect increased longevity. I wish also to restate that this long-term funding proposal will not affect anybody currently over the age of 46.

I am also supporting the Pickle amendment because it would supplant the long-term financing committee compromise to cut benefits slightly in the year 2000 and further increase employer/employee taxes in the year 2010. I believe that acceleration of taxes in the short term is enough of a tax increase and that a further increase in taxes for long-term financing, albeit less than 0.6 percent, is excessive and a double burden on those already expected to pay accelerated social security taxes in the next several years.

In conclusion, Mr. Chairman, I heartily endorse the social security compromise plan with the Pickle amendment phasing in increased retirement ages. I believe this is a fair and responsible effort which will shore up social security for the indefinite future an restore our citizen's confidence in what has been a most successful, if often maligned, retirement program.

Mr. PICKLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. ROWLAND).

Mr. ROWLAND. Mr. Chairman, I commend the members of the Committee on Ways and Means for their diligence in seeing that an acceptable social security financing package was brought before the House in a timely fashion.

We are all aware of the severe time constraints involved with implementing H.R. 1900, and I know that every person in this Chamber will sleep a little easier tonight, knowing that the retirement checks to social security recipients will not be delayed.

Before us today, we have a compromise package. The gentleman from Florida (Mr. YOUNG) commented earlier that it must be a fair bill because each person with whom he met had a complaint about it.

Under closer observation, it is apparent that we have before us not a bill which satisfies a majority of the populace, but a bill that has generated an equal level of opposition from almost all factions. In fact, I would be hard pressed to find any two people with different occupations that would reject the same provision of this bill. The composition of this legislation has successfully fractionalized all interested parties. There has been no coalition of opposition, because there is no consensus of disagreement. A flawless strategy, I must admit.

The Federal employees have opposed extended social security coverage for new hires. And with good reason. They have been given no guarantees that the retirement system, which is their future, will be solvent.

Those self-employed workers who make up a large component of our labor force will be taxed as if each one is really two complete taxpayers.

And the elderly of this land are convinced that their incomes will not keep up with inflation if a delay in the COLA is enacted.

Then of course, there are the opposing factions on how to solve the remaining long-term financing problem—whether to increase employee taxes or reduce benefits to retirees.

But we had plenty of time to come to terms with all of these provisions. The passage of H.R. 1900 is inevitable. However, I am concerned that we might be taking advantage of this new found momentum by arbitrarily attaching other legislation to it, assured of its passage.

There is no doubt that we must stop the escalating cost of health care, but this bill may not be the proper mechanism for making sweeping changes to the medicare payment plan.

While the medical industry did not present any major obstacle to the inclusion of the prospective payment plan, we must remember the alternative plan for payment contained in the Tax Equity and Fiscal Responsibility Act of 1982 would have a more adverse affect on health care providers. This is merely the more attractive choice.

I implore you not to mistake my intentions. I sincerely hope this plan will equitably reduce health care cost. The concept of prospective payments is reasonable, but the potential of this plan is only as good as the provisions which were hurriedly assembled during the last few months of the 97th Congress.

History can at times provide us with clues to the future. Nearly a decade ago, a nationwide network of health agencies was created for the purpose of lowering hospital costs. Some of us who were professionally involved with the health care systems felt the legis-

lation was too hastily conceived and ill-advised. In November of 1975, I testified against a measure before the House Ways and Means Committee, and subsequently those remarks appeared in the CONGRESSIONAL RECORD.

When I read back over those remarks, I realize we were absolutely right about one point. Regardless of whether we were right or wrong on the merits of the issue, it would have been far more prudent to study the proposed program thoroughly before risking hundreds of millions of dollars on something that might not work the way it was designed.

Today we are phasing out those agencies. After spending up to $157.7 million a year on this program, funding was decreased to about $56 million for the past 2 fiscal years.

The goal was a worthy one, but the health agencies did not work out the way they were planned.

Now, we are again confronted by a proposed program to deal with health care costs that has been rather hastily developed. And at this stage, there is no conclusive evidence to verify the cost effectiveness of this plan.

I realize my arguments in this matter will not change the outcome of this legislation. In spite of all my reservations, this bill is the only option available. While this $165.3 billion package may temporarily ease the social security financing crisis, I have serious doubts about the long-term financial integrity of the system.

However, I will support this package because I have a responsibility to the 36 million retirees who are facing a bankrupt social security retirement program. To not expeditiously pass legislation to stabilize the social security system would be irresponsible and inexcusable to the millions who depend on their checks to survive.

But to pass this bill without acknowledging that it does not have the overwhelming support of my constituency would be deceptive.

Mr. PICKLE. Mr. Chairman, I yield myself 15 minutes.

Mr. PICKLE. Mr. Chairman, we have reached the point now in the consideration of our social security reform bill where the House will be asked to work its will to determine what route we take to correct the long-term deficit of 0.68 percent of payroll. Two amendments have been made in order, and I present the amendment that, in effect, would raise the normal retirement age in the future, starting at the year 2000 and completing in the year 2027.

First, I think it would be best if I would state to the Members what my amendment does.

The amendment I have offered raises the normal retirement age in two steps.

First it raises the normal retirement age to 66 by increasing the age for full benefits by 2 months per year for 6 years, so that the proposal would be fully effective beginning with those attaining the age 66 in the year 2009.

In other words, the change in age would not be fully completed for some 26 years.

The phasein would begin at age 62. We retain that 62 level of early retirement. It saves 0.42 percent of taxable payroll. Keep in mind that we must save or raise 0.68.

The second stage does this: It raises the normal retirement age from 66 to 67 by increasing the age for full benefits by 2 months a year for 6 years so that the proposal would be fully effective beginning with those attaining the age 67 in the year 2027.

The phasein would begin with those at age 62 which commenced in 2017. This second step saves 0.26 percent of payroll.

Another part of the amendment is that the age 62 benefits would be maintained at an ultimate rate of 70 percent of full benefits fully effective after the age for full retirement is changed to 67. There will be no changes made in medicare or SSI. And last, the amendment requires the Secretary, by January 1, 1986, to conduct and submit with recommendations to Congress a comprehensive study and analysis of the implications of the change in retirement age for those individuals affected by this change who, because they are engaged in physically demanding employment, or because they are unable to extend their working careers for health reasons, may not benefit from improvements in longevity.

Now, let me repeat, I would raise the retirement age way in the future by raising it 2 months per year starting in the year 2000. The first stage would be completed by the year 2009. In other words, with 17 years in this century and 9 years later, it would not be fully effective for some 26 years in the future.

□ 1400

Thus anybody 45 years or above would not be affected by this amendment.

The second part of the amendment raises the age from 66 to 67, and that does not start until 2017 and it is not made fully effective until the year 2027. Now with the 17 years in this century and the 27 years that would mean 44 years. Thus, my second stage would affect a very small percent of the present workforce.

Now why should the Congress take this step and why should the Congress take this step in 1983? Let me mention some of the points that I think should be made today.

First, the social security program faces a long-term deficit after the turn of the century that is largely demographic in nature. Now Members ought to remember that, it is substantial. The deficit is over 26 percent of program costs in the outyears and it begins sooner than most of us think, as income to the trust funds will begin to fall below the outgo somewhere in the years 2010 to 2015.

Now, Mr. Chairman, this shortage is a demographic shortfall. Overall program costs will remain fairly steady as a percent of GNP. This long-time deficit arises in spite—now in spite—of the projection of real wage growth of 1.5 percent, of low unemployment of 5.5 percent, of low inflation of 4 percent, and an increase in the birth rate over current levels.

The trustees of the social security program are very clear about the reason for this deficit, and I hope the Members listen to this point: This is the reason they cite for the deficit: The number of beneficiaries will be increasing faster than the number of workers; it is demographic and we should remember that.

Now, while we cannot forecast with total accuracy, we would have to have very, very substantial changes in these projections to eliminate the deficit in the outyears. Moreover, our young people know that this problem exists. They know that there are problems in the program which exist, and they will not have confidence in the system unless they see a solution enacted which addresses this four-square.

Second, the demographic impact on the social security trust funds comes not just from baby booms or from a drop in fertility rates. Longevity has increased dramatically in this century, with most of the increases in the last half occurring among the adult population and not through lower infant mortality or other factors. More people are living longer, and these increases have occurred already across the board among men and women and among all races.

The gentleman from Illinois (Mr. MICHEL) made the point very well that life expectancy has increased over 10 years in recent times, and we must take that into account as we consider the demographics of our program.

Three, the combination of demographic circumstances facing us means that an increase in the retirement age is inevitable. This Congress has already gone on record many times fighting age discrimination in employment. Once the baby boom is fully adult there will be a slowdown in the growth of the labor force, and it will become even more important to encourage individuals to work longer in order to maintain overall national growth.

Given the inevitability, and I say it is the inevitability, the only fair route, the only reasonable, responsible route, is to make the change now so that in-

dividuals have full notice of what to expect.

Now four, Mr. Chairman, any measure which seeks to address the long-term needs of social security are going to make some changes that have unfavorable side effects. Raising taxes hits hardest on the low income and consequently on minorities and women, who are often lower paid. Raising taxes causes inflation. It hurts the little worker more than anything that we could do. Reducing the growth of benefits by any measure or any formula also cuts benefits which hit these same groups just as hard. Only by raising the age are we making it clear that we want individuals who can stay in the work force longer. And if they do that then they will suffer no reduction. My colleagues are going to hear arguments later that our people who retire early will have to suffer from a reduction in their benefits and they will impart to you the harshness of that. I want to challenge those figures, but I want to say to my colleagues at the very beginning, those people who stay on the work force will not suffer reductions and thus that will not apply.

The responsibility of the Congress here today is to look down the road. We can sit here and continue to cut benefits and raise taxes, or we recognize the future and make the kind of change that will rekindle the confidence in this program by shaping it to what the future holds down the road.

Now, Mr. Chairman, there is nothing sacrosanct about the age 65. I think we would probably all agree it was a proper age when it was started back in 1935. But it does not mean that automatically you can never tamper with it or change that age. The social security program already offers benefits at different ages. Those alternatives and those options are available now. Right now, today, our program offers benefits without any test of retirement after age 70.

Second, it offers retirement benefits at many different levels between the ages of 62 and 70.

Third, if offers benefits to widows and widowers at age 60. And fourth, it offers benefit to disabled at any time.

Those are options available now.

Now, Mr. Chairman, my amendment does not change any of those options and the argument that we would take that away is just not a valid argument. All these benefits will be continued to be offered. The difference is that we are slightly altering the amount so that those who do stay in the work force longer will receive no reduction whatsoever. And that is a key factor. And we are seeking the concrete information we need to continue to provide the kind of protection appropriate for anyone who cannot stay in the work force longer.

We put in the amendment, which has the support of the administration, that we are going to require the Secretary of HHS to submit to the Congress within 3 years an analysis and a plan to put into effect to recognize those people who have any kind of occupational disability so if they cannot profit by longevity they can at least retire.

For instance, a coal miner in West Virginia might certainly qualify, and we want to take that into consideration. Or any manual type of labor that shows that individual's body might be unable to perform at age 62.

Mr. Chairman, we do not have the option of not making changes, the House must make changes. The former National Commission on Social Security recommended raising the age. The President's Commission on Pension Policy recommended raising the age. A majority of the most recent National Commission on Social Security Reform recommended raising the age. A clear majority of the Ways and Means Committee, both Democrat and Republican, have recommended raising the age. This is not a partisan matter. It is not a Republican or Democratic matter. I would remind the House that I am the one who started the proposal of raising the age and I did that over 2 years ago. And as a Democrat I want to make it plain that we are not playing politics; we are not being partisan at this point.

Now then there may be a temptation to vote on no amendments because some may view that as a safe route. But let me tell my colleagues, the only way to play it safe is to do the right thing and that is to raise this age prospectively in the future. We must restore confidence in this program. We must go about it in the cleanest and the clearest way possible. We must tell the people plainly that we are meeting the needs of the future. And we must give them notice of what is going to come about. Their confidence will depend in great measure on how we handle this long-term deficit.

The bill we brought before you makes many changes and it does solve two-thirds of the long-term deficit.

Now, Mr. Chairman, we must choose which route will we take. Your choices are simple. You can vote for the measure that is in the bill that reduces benefits and raises taxes. Or, you can vote for the Pepper amendment that raises taxes entirely. Or, you can go the Pickle route which raises age in the future and does not raise taxes. I think my proposal is the preferable one. It is the time to do it.

□ 1450

I conclude by saying this to you. This Congress, whenever we get into difficulty with social security, is going to do whatever is necessary. Mr. Chairman, we know that. If we are asked to raise taxes or to cut benefits, we will do that. We will measure up, I think, in some respects; but we may not have a chance in this lifetime to do the responsible thing about raising the age, and raising that age is absolutely inevitable. Now is the time. If we miss this chance, we will end up in the future just raising taxes. I do not think the American people want that or will stand for it.

I hope my party does not stand for it. I hope the majority of this House will recognize that we ought to increase the age as we have outlined, and I earnestly solicit your support on this amendment.

Mr. SHANNON. Mr. Chairman, I yield such time as he may consume to the gentleman from New Mexico (Mr. RICHARDSON).

Mr. RICHARDSON. Mr. Chairman, I strongly oppose Congressman PICKLE'S proposed amendment to H.R. 1900, the Social Security Act Amendments of 1983, which would increase the age at which a person could retire with full benefits, from age 65 to 67. The hard, cold fact is, this amendment calls for a cut in benefits for future retirees. Although supporters of the Pickle amendment claim that it is only logical to increase the retirement age due to the increased life expectancy of the average American, they ignore some important facts.

Longer life does not necessarily mean better health during later years. Due to rising costs of health care, the health of the elderly may actually worsen. Raising the retirement age would devastate those individuals who are unable to work beyond age 65 due to a lifetime of work in hard physical jobs. Additionally, it is the blue collar worker who already receives the smallest benefit. To further reduce their benefits would be unconscionable. A worker who had lost his job or is unable to work beyond age 65 due to poor health, will be extremely unlikely to find employment at an advanced age.

This amendment would also have an extremely adverse effect on women and minorities. Although women are living longer, their disability rates are on the rise. Older women would find it especially difficult to find employment due to the double burden of sex and age discrimination.

Minorities account for 60 percent of the population of my district in New Mexico. An unfortunate fact is that minorities have a substantially shorter life expectancy than other Americans do. In essence, this amendment asks minorities to pay into the social security system their entire life, with the likelihood that they may never receive benefits.

Mr. Chairman, I urge you and the Members of this body to vote against the Pickle amendment as a violation

of the promises that have been made to the American public. Let us make sure that Americans will be able to retire with security and dignity at a reasonable age. Although Congressman PEPPER's amendment will require a small tax increase in the year 2020 should the economy remain weak, it is a compassionate alternative to the Pickle amendment for solving the long-term deficit of social security.

Mr. SHANNON. Mr. Chairman, I yield myself such time as I shall use.

Mr. Chairman, I rise today in strong opposition to the Pickle amendment.

The idea of increasing the retirement age has some superficial appeal.

But I hope today we can strip away the mythology and look at who is affected by such a change.

HARSHEST IMPACT ON THE MOST VULNERABLE BENEFICIARIES

Increasing the retirement age would be a major benefit cut for America's most vulnerable senior citizens.

The Pickle amendment would end up cutting benefits by 12 to 14 percent compared to current law.

The Pickle amendment is designed to force people to stay in the work force longer—regardless of whether they are able to continue working, and regardless of whether there are any jobs.

This amendment assumes that most people are able to work longer than they do now.

This is not the case.

Survey after survey shows that a great many people, perhaps 2 out of 3, retire—not because they want to—but because of: First, poor health; second, mandatory retirement; third, lack of skills; and fourth, job loss.

According to the National Center for Health Statistics, as many as 30 percent of early retirees retire due to ill health and have no choice in their retirement decision.

Increasing the retirement age for these people would not keep them in the work force longer. It will simply cut their benefits. And what will they be able to do about it? Nothing.

Look at the numbers.

Two-thirds of the savings from the Pickle amendment come from cutting benefits for early retirees—not from workers staying on the job longer.

Instead of spreading the burden of the long-term solution evenly over all social security beneficiaries, the Pickle amendment heaps it onto the backs of those least able to carry it.

Those affected most harshly by the Pickle amendment include low-skilled blue collar workers, minorities, and women.

Low-skilled and manual workers perform more physically demanding work.

If manual and blue collar workers have health problems, they are more likely than other workers to retire early. A lot of these people cannot keep working up to age 67. Do you want to vote to cut retirement benefits for these people who are already hurting? Then vote for the Pickle amendment. But if you agree that these people already have enough problems, vote "no."

This proposal would also hit hard on minorities and women. Minorities would be hurt because they are much more likely to have their ability to work limited by health problems in late middle age. The job market tends to close up on them as they get older. And they often engage in more physically demanding work. Think about it—white or black—would you like to have to keep your job as a heavy laborer until you are 67—just so you can collect a reasonable social security check?

And under the proposal, women would get the same bad deal. Women have a higher incidence of chronic illness than men. Do we want to penalize them for this? If we do, the Pickle amendment is a good way to do it.

And remember too that these are the very groups least likely to have private pensions. They would not have other sources of retirement income to make up for this cut in their social security benefits.

The more you look into this, the more clearly you see that the Pickle amendment is much more than a benefit cut. It is just plain unfair and inequitable. It hits the most vulnerable beneficiaries the hardest. It says, "We do not care whether you can physically keep working or not, we are just going to slice back on your retirement."

COMPARISON BETWEEN THE COMMITTEE BILL AND THE PICKLE AMENDMENT

There is a much better way to go. It is the committee bill as proposed.

The committee bill reduces benefits across the board for all beneficiaries—regardless of their benefit level or work history, health, or when they plan to retire.

The reduction for people who retire at age 62 will be 5 percent when the bill is fully implemented.

Compare that to the Pickle amendment which would cut age 62 benefits. It would take them from the current level—80 percent of full benefits—to 70 percent of full benefits. When fully implemented, the Pickle amendment will cut benefits by 12 to 14 percent compared to current law.

WRONG MESSAGE TO YOUNGER WORKERS

And the way the Pickle amendment cuts benefits sends the wrong message to younger workers.

If the Pickle amendment is attached to this bill, not only are we saying to younger workers that they must pay more in social security taxes. But we are saying, "We are going to increase your retirement age right after the turn of the century.

"And we are going to increase it again in the 2020's."

The Pickle amendment feeds right into the fears of the millions of young workers who believe they will never see a social security check.

SIMILAR TO REAGAN APPROACH

Finally, Mr. Chairman, the Pickle amendment would cut early retirement benefits in much the same way as proposed by the Reagan administration in May 1981. At that point the President said, let us take back benefits from early retirees.

That was part of what caused the national anxiety over social security to get started in the first place.

And here we have the Pickle proposal, whose effect would be completely consistent with those Reagan proposals.

If the public has spoken in a unified voice on anything over the past few years, they clearly opposed the proposals of the Reagan administration in May of 1981. By the same token, they are saying that the Pickle proposal is not the way to go.

THE SOS COALITION OPPOSES THE PICKLE AMENDMENT

The 140 organizations that make up the Save Our Security coalition—the senior citizen, trade union, women's civil rights, social welfare and religious organizations—are unanimous in their opposition to the Pickle amendment.

Let us listen to them. Let us look at the numbers. Let us think about the millions and millions of workers who cannot keep working, and who now would have to suffer the extra burden of having their benefits slashed.

We have got the opportunity today to put social security back together again. Let us finish the job right. Let us not balance the books on the backs of the working people, on the backs of farmers and miners and maintenance workers and laborers.

I urge you to oppose this amendment.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I am happy to yield.

Mr. PICKLE. I appreciate the gentleman yielding. I am not going to try to impose on the gentleman's time; but the gentleman said that all the aged organizations had recommended being against the Pickle amendment. I know some of them have and we have known that for some time.

I want to tell the gentleman that I have a letter here from the AARP, the American Association of Retired People, which was listed as opposing the Pickle amendment. I want to say that that is incorrect.

The survey they made, they had different questions to ask. One was, "Would you raise the benefit age to 68?"

And 34 percent of the AARP membership said yes.

When it came to cutting all future benefits, only 12 percent said yes to that; and to increase payroll taxes, only 6 percent preferred that; so by about 5 to 1 the AARP membership would prefer raising the age over raising taxes.

Mr. SHANNON. Is the gentleman suggesting that the AARP is supporting the Pickle amendment?

□ 1500

Mr. PICKLE. I would say that they do not oppose it. I do not think the gentleman intended to say that they would oppose the Pickle amendment.

Mr. SHANNON. I do not think the AARP has taken a position in favor of the Pickle amendment. I know they have taken a position against the whole bill, which is a position that I disagree with strongly.

I think this bill is very important. I think we have put it together in the right way. I am afraid that if we adopt the amendment offered by the gentleman from Texas we will be undoing some of the good which we have done. We make no kind of effort to try to deal with this problem of early retirees, so I urge everybody to oppose this amendment.

We are going to be back looking at this problem many times between now and the beginning of the next century. If we are going to talk about raising the retirement age, let us talk about doing it the right way, a way that protects people who are forced into early retirement, and let us not just cut them adrift the way the gentleman from Texas would suggest.

Mr. PICKLE. That is what I have been telling the House: to do it the right, responsible way.

Mr. SHANNON. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Committee will rise informally to receive a message.

MESSAGE FROM THE PRESIDENT

(The SPEAKER resumed the chair).

The SPEAKER. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

SOCIAL SECURITY ACT AMENDMENTS OF 1983

(The Committee resumed its sitting.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. ANTHONY), a very valuable member of our subcommittee.

Mr. ANTHONY. Mr. Chairman, I support the Pickle amendment to raise the retirement age because I think this is the best approach to put social security on a sound financial basis for the long run. You just cannot keep increasing the tax rate to bail out social security.

Of the solutions facing us for solving the long-term financial problems—increasing taxes, reducing benefits, or raising the retirement age—I think this is the best and fairest choice.

It is important to emphasize that the raising of the retirement age will be phased in in two stages. The first phase, lifting the retirement age to 66 will only affect persons who now are under the age of 46. The second phase which will lift the retirement age to 67 will only affect persons who are now under the age of 29.

To have a balanced approach to solving the long-range financing problems, we need some structural changes. I think the Pickle amendment is a fair structural change because it gives ample notice to workers about the age change, so that workers can take that into consideration when preparing for retirement.

It is also important to note that between 1940 and 1980, life expectancy at birth has increased by 12 years. Moreover, longevity is predicted to increase even further in the future. Given this general increase in longevity, an increase in the age of full retirement is inevitable.

The Pickle amendment also mandates a study of those occupations that, because of the nature of work, make it difficult, if not impossible, to work to the extended age. The study will look at how disability can be redefined to insure that those workers are treated fairly.

It is also important to note that this action does not affect medicare or SSI eligibility.

Finally, after holding 16 hours of public hearings in the Fourth District of Arkansas this year, holding hearings in 1981, publishing two special reports on this issue, and my most recent constituent questionnaire, I find broad-based support among both younger and older workers for raising the retirement age.

Mr. SHANNON. Mr. Chairman, I yield 3 minutes to the distinguished member of the Committee on Ways and Means, the gentlewoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY. Mr. Chairman, I am opposed to the Pickle amendment. I was in committee, and continue to believe it will impact hardest on women, low-skilled workers, and minorities.

Raising the retirement age to 66, and then 67, will reduce benefits most directly for those who retire early. In fact, a worker who retires at age 62 in the year 2022 will suffer a 12-percent reduction in benefits. Many workers, especially women workers, have to retire early. They are in ill health, they are worn out from low-paid dead-end jobs. They may have spent a lifetime on their feet, not a lifetime of sitting down behind a desk.

It is these workers who I think of when I think about increasing the retirement age. I do not believe we are being fair to them, I think this amendment treats them harshly.

There is much talk about the increasing role of women in the government process. Women retire at an earlier age than men—age 62 retirement in 1978—44 percent women and 29 percent men—and receive a lower benefit award in 1979—$406 for men, $270 for women. Reducing the benefit level by 12 percent will force more elderly into poverty, and onto welfare. These souls will most likely be women, because women in most cases do not have a private pension to fall back on, and may have few additional resources to make up for the cut we are imposing. Even if a woman had the same resources as a man, it is a fact that women live longer than men. So it is they who are more likely to exhaust their resources over a lifetime. Finally, we all know that medicare is in deep trouble. Raising the retirement age sets the precedent for reducing medicare benefits by raising the age at which one qualifies for health benefits.

For all of these reasons, I oppose the Pickle amendment.

Mr. PICKLE. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Chairman, because I believe we must not allow the benefits of those who are dependent on social security to be interrupted, I reluctantly supported the social security reform package when it came out of the Committee on Ways and Means. But I submit to my colleagues that we are still faced with the dilemma of trying to save benefits for those who are retired and we are still faced with the dilemma of trying to assure benefits for those who will one day retire.

We have not yet solved our problem. Unless we resolve this conflict in a way that people at home understand is fair, we will be inviting the skepticism and the anger of the young working men and women of this country who are being called upon to pay a higher and higher share of their paychecks to support the benefits that have increased faster than the wages that they are making.

I want to make that point again: We are asking them to pay more to support benefits that are going up faster than their wages are going up.

Social security is an income transfer program. Recognize it for what it is. The payroll taxes a worker pays today are used for the benefit checks of

those who are retired. We used to have 16 workers working for each retiree, and now we have about 3. That is part of the reason that social security taxes have risen from $347 a year maximum in 1970 to $2,170 this year, and a projected $4,600 before the end of this decade—$347 to $4,600 in a short period of time. That is an enormous tax increase.

A worker paying into the system over an entire lifetime who retired last year contributed, at the most, $14,767. That worker will get back everything paid in within 18 months.

□ 1510

Compare that to a young person entering the program today. That person can expect to contribute some $335,000 at a maximum into the system and I submit that it is questionable that they will ever draw it back. That is what we are faced with. We can ask ourselves, do we really think it is fair? Is it fair to ask this young person to pay an even greater portion of his earnings or her earnings when in fact the per capita income of those over age 65 now exceeds the per capita income of the rest of the population? And those retirees who were 65 in 1980 can expect to enjoy their retirement for 16 more years.

That is good news. I think it is extremely good news that people are living longer. A male born in 1940, when the social security program got underway, had an expected lifespan of 61.1 years; a female had an expected lifespan of 65.6 years. By 1980 that was up to 69.8 years for a male and 77.7 years for a female. Do we know anybody who wants to reverse that trend? I do not. I think we have to recognize it.

By the year 2000, when the Pickle amendment would go into effect, a baby boy can look forward to 72.9 years and a girl, 81.1 years. We do not want to change that.

The Pickle amendment recognizes this happy fact of life and eases the age for full retirement benefits up by 2 months a year for those who are 62 in the year 2000 until it reaches 66 in the year 2009. And then, after another 10 years, it is eased up to 67.

Those who wish to retire early will still be able to do so with only an actuarial reduction. To those who question the ability of citizens over 65 to stay on the job, I say, "Look to the Halls of Congress. Look to the Speaker. Look to Senator THURMOND. Look to Mr. PEPPER." Let them tell me that they cannot do it. Many of them can do it, and many of them do do it. To those who say they are forced out of the work force, I say, "Look at the law." We raised the age to 70 for compulsory retirement, not 65 or 62.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. No; I will not yield. I would suggest the gentleman use his own time.

Mr. Chairman, I would not support a drastic change for those who have worked half their lives and who are planning for their leisure years. The Pickle amendment is not a drastic change. That is the point. It is a modest change, the concept of which has been recommended by every major study group and which, according to a New York Times poll, had public support by a margin of 5 to 4.

Mr. Chairman, the Pickle amendment is an amendment which addresses the long-term deficit. Let us ask ourselves, though, the crucial question. Is it fair? That is the question we have to look at. This amendment addresses the problem without asking our children and our grandchildren to sacrifice their quality of life for ours. This amendment is fair, and it merits our support.

Mr. SHANNON. I yield 4 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Chairman, I rise in opposition to the Pickle amendment. I do so because I come from the State of West Virginia, which is heavily labor intensive—and in that respect it is no different than most other States represented here today—and a State where people make their living with their hands and their backs.

I represent a State that has heavy manufacturing, a large chemical industry, and, of course, above all, mining, coal mining, which is probably one of the most physically demanding jobs in this country.

I cannot go home and tell people that I supported an amendment that says they have got to stretch it out 2 more years, that they have got to go from 65 to 67, or, if they do take early retirement, they will take early retirement at lesser benefit ratio.

How do I tell that to someone who works a mile underground and who lays on his back cutting coal in about 3 feet of space? How do I tell that to somebody who suffers most likely from black lung disease after 15 years' exposure in the mines? How do I tell that to someone who works in the chemical industry where everyday he is encountering dangers we did not know existed 20 years ago? Who knew about asbestosis 20 years ago or 25 years ago?

I have a person on my staff today who just retired from a job; he is 55 years old, and he has asbestosis. He would not be able to continue. Can we let him continue? Should we tell him he has to? These are those who work in heavy physical labor and who work in other manufacturing jobs, those who make their living with their muscles and their backs as well as their minds.

I am fortunate. I am in Congress. I get to wear a necktie. That also means that I do not have the physical strain that many have. We have to appreciate that.

I am also concerned because I do not think we necessarily treat ourselves in the same way we would treat others. Consider, for instance, the congressional retirement system. A Member can, after 20 years, retire from Federal service with full benefits or retire with a high benefit ratio at the age of 60. A Member may retire earlier, at the age of 50 with a reduced scale of benefits.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. WISE. I will wait until the conclusion of my remarks, if I may, before yielding.

So why is it good enough for some but not for others?

I attended and held actually seven town meetings, meeting with senior citizens. What they told me was that they would take the COLA deferral and they would take the other benefits, because that is in effect what they are, but we are raising the ante now. I explained to them the short-term package. I said that this will keep us solvent until the year 2010, and then there are some other possibilities. But now we have come back and we have raised the ante, and now we are asking them to do what was unthinkable a year ago, and that is to raise the retirement age.

Mr. Chairman, I ask that the House not send me back to my State and tell them that we broke that bargain and have now raised the ante.

I now yield to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I thank the gentleman for yielding.

Under the present law a coal miner in West Virginia—or whatever the occupation it was the gentleman had in mind—can retire at age 62. That is provided. My bill makes no difference in that.

The only difference in the slightest would be that under present conditions he would retire at 20 percent of full benefits. Under my amendment it would be 25, a 5-percent difference.

But the more important thing that we ought to remember is this: my bill requires the Secretary to give us a formula and a plan by which we can put into force these occupational disability programs. My bill gives the gentleman what he is wanting. If he takes the committee version, he is going to have a reduction in benefits, we are going to raise taxes, and he will get no relief at all on disability.

Mr. Chairman, it seems to me that if the gentleman wants to protect his State, he should be supporting the Pickle amendment instead of doing just the opposite.

Mr. WISE. Yes; but I am afraid what happened is that that is a little inconsistent with what that committee is coming back with, and I know what social security is doing with disability.

I have one final note. It does concern me that while the longevity has increased and people are living longer—and I am glad to hear it—I do not see them living stronger. What I see is that people who have aged do live longer, but they have the same level or decreasing level of physical ability.

Mr. BURTON of California. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from West Virginia (Mr. WISE), has expired.

Mr. SHANNON. Mr. Chairman, I yield 30 additional seconds to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Chairman, I yield to the gentleman from California.

Mr. BURTON of California. Mr. Chairman, I would like to associate my remarks with those of the gentleman in the well, the gentleman from West Virginia (Mr. WISE).

His point is unassailably accurate. There can be no doubt in the world that extending the time for which a social security beneficiary can receive full benefits discriminates against those who have had to spend their work lives using physical and manual labor. There can be no doubt about this. There is a roaring inequality in this proposal, and it ought to be rejected.

Mr. SHANNON. Mr. Chairman, I yield 4 minutes to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Chairman, for me and for many other Members, this is the critical amendment. In fact, the outcome of the vote on this amendment will determine how I vote on final passage of this bill.

We have heard the debate. There are elements in the proposal that some Members like and some do not like. I do not happen to like taxation of benefits, because of the precedent it sets. I do not like a 6-month delay in cost of living for 35 million American retirees. I do not like including new Federal employees, but that issue has gone by the board.

There are other elements that I do not like but that, unfortunately, appear to be necessary. I do not like accelerating the rate of taxation for employers and employees, and requiring the self-employed to pay more.

But there are proposals, Mr. Chairman, that I simply cannot support, and, regrettably, they are contained in the amendment before us at this time. The long-term changes represent, I think, a breach of faith with the American worker because they represent a combination of a cut in benefits and a requirement that the American workers work longer, work to age 66, work to age 67, or, as an option, face a reduction in benefits.

□ 1520

The Chair knows that I am the former commissioner on aging in the State of Connecticut, and I will tell you, Mr. Chairman, whether it is Connecticut or West Virginia, whether it is Massachusetts or California, what we are saying to many older workers of the future, especially factory workers, is that this Congress is prepared to break faith with the older workers of America.

Let me be specific: Say to an older steelworker, whether it is now or in the year 2000, "Help out the social security system by working for 2 more years," and they will tell you, Mr. Chairman, whether it is in steel or copper or brass or textile or mining or construction or trucking or maritime or, yes, in a high pressured job in many of the offices of America, "We do not know if we are going to live to age 67."

That is not the way to go for any of these older workers in the year 2007 or 2009. We are saying to them, "We are going to shorten your life or reduce your benefits," and these are no choice options.

Mr. Chairman, there is another option. It will be presented by my good friend, the gentleman from Florida. He speaks for the older worker. He expresses the concern for those who will be older workers in the next century, and they say to us, as a Congress, "As the Representatives of the people, do not break faith with the older worker."

For a small increase in taxes, for a minor adjustment in the rate schedule, we can keep faith with the older worker. We can allow them to retire with decency and dignity. We can do so without cutting their benefits.

As respectful as I am for the gentleman from Texas for the tough but very compassionate job he has done, I would say, in this instance, his amendment goes too far.

Before we vote to take away benefits, before we vote especially to require factory workers or construction workers to work longer, let us remember those workers and not go back to them and say, "I am sorry, but I broke faith with the American work force."

Reject this amendment. Support the Pepper amendment. It is a better amendment. It is an amendment with compassion, commitment, and concern that keeps faith with the workers of America.

Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. GRADISON), and I want to pay my respects to him for the valuable work he has done on the Social Security Subcommittee.

Mr. CLINGER. Mr. Chairman, will the gentleman yield?

Mr. GRADISON. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. Mr. Chairman, today Congress is faced with the monumental task of effecting a solution to the years of neglect visited upon the social security system. I rise in reluctant support of this package as the only alternative we have for protecting the retirement security of the elderly.

Because of our inaction and partisan political bickering that seems to have dominated this debate, we are faced with a crisis situation that has forced us to make some distasteful choices which could have been avoided. America's retired workers deserve more consideration than this hastily put together hodge-podge of proposals before us today.

This bill will require some sacrifice by virtually everyone, however, optimistically speaking, it will guarantee the system's solvency for at least 75 years and initiates some long overdue changes in the health insurance system on the provider level. That is why I support the Pickle amendment as the fairest way to achieve that guarantee. I do have one strong reservation about this package and that is the coverage of new Federal employees by social security. In this matter we would be well advised to refrain from tampering with their retirement system. The civil service retirement system is a healthily functioning pension system in its own right and I fear that restructuring it will, in the long run, cause problems for the social security system as well. I am not convinced that the gradual merger of the two systems will provide much more than a quick infusion of funds into the system, moreover, we must not continue to insist that Federal workers bear the brunt of our inability to enact reform.

But, under the rule we do not have the option of considering better alternatives and so I will support this bill.

Mr. GRADISON. Mr. Chairman, there is great concern in this House about the proper balance between increasing taxes and benefit adjustments as a means of putting social security back on the track. The short-term package covering the balance of this decade is heavily tilted toward higher taxes. And I believe the public will accept this. I am convinced the public is willing to pay higher social security taxes to save the system. But that willingness to pay higher taxes is not without limit. Relying on increased taxes to solve the long-term problem is bad economics and bad politics. It will hurt, not help, social security. It will weaken, not strengthen, public support for the system.

Let us look at the worst case scenario: Under the Pickle amendment, in January, in the year 2027, a worker retiring at age 67 will receive 14 percent

less in benefits than provided under present law. This will apply only—and let me stress this—only to workers now age 23 or younger.

I do not know what other Members are hearing, but what I hear convinces me that the younger workers would far prefer to accept an 86-percent benefit than have the privilege of paying higher taxes during most of their working years, as the Pepper amendment provides.

Outside of Washington-based lobbyists, I find little oppositon to the Pickle amendment. Is age 67 a reasonable age for full benefits in 2027? It actually could be justified today.

For example, males who became age 65 in 1940 had an average life expectancy of about 12 years. Today it is about 14½ years, an increase of 2½ years since the first workers retired under social security. And much the same point could be made about the life expectancy of women.

At bottom, the issue is whether the benefits under present law can ever be modified. They can, and they have, and the sky has not fallen in.

Over the last 2 years, the death benefit, minimum benefit and student benefit have been limited or phased out by action of this Congress. The agreed upon portion of the bill before us delays the July 1 cost-of-living adjustment until January 1, at a loss to beneficiaries of $40 billion over the balance of this decade and far more in later years.

The age adjustment recommended by the gentleman from Texas (Mr. PICKLE) deserves our support. It strikes a fair balance between present workers who pay for social security and former workers who receive the benefits. And it gives ample advance warning of the new ground rules to younger workers.

Mr. Chairman, I urge my colleagues to support the Pickle amendment.

Mr. SHANNON. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I admire the gentleman from Texas. He is doing what he thinks is the right thing, and I do not think anybody can argue with that around here. I admire that in any person. He thinks it is necessary to cut early retirement benefits and to raise the retirement age in order to keep the social security system sound on a long-term basis.

I suspect, frankly, that we will probably need both the Pepper amendment and probably also, in the long term, some increase in the age limit in order to keep the social security system sound on a long-term basis, because my hunch is that the revenue gap in this bill is probably understated, long term. And I even would say that if the Pickle amendment were confined only to raising the age limit by a year or so, I would probably vote for it, as well as the Pepper amendment. But the problem is that the gentleman from Texas gets a very large share of those revenue-gap savings in his amendment by reducing below the present law benefits that people would receive in early retirement.

Now, I do not want slackers to retire early and live off the contributions of other people into the system. But I would say, as have many other Members on the floor today, that if you are a steelworker, if you are working at a coke oven, if you are a foundry worker, I really doubt very seriously you are going to last those extra 2 years. It is true that there is an increase in longevity, but I know of no reliable studies that indicate that worker health years have extended commensurately with that increase in longevity.

So it seems to me that if we are going to study the impact of the increased retirement age on hard labor workers, we ought to do it before we lock into the system a higher retirement age and not afterward, as the Pickle amendment would do.

One of the previous speakers said, "Look, we have Members in this House who are over 65 years, and they are still in great shape." That is fine. I hope I am in good enough shape to be here when I am over 65. But I will tell you something: If I had worked on a wet machine in a papermill for 25 years, as I did for a year and half when I was going to college, I doubt very seriously I would be in shape to continue to work until 67 and, very frankly, given the pressures on us in this job, I do not think we are going to, either, 15 years from now.

So I would simply urge the Members to support the Pepper amendment and to withhold support for the idea of raising the retirement age at this time until it is fixed up so that at least if you are going to do it, it is done cleanly, without reducing the benefits for people who have to retire early, and until you have done those studies to demonstrate what, in fact, the real impact will be on workers who are having a difficult time now making it to age 65.

Mr. PICKLE. Mr. Chairman, I yield 3½ minutes to the gentleman from Hawaii (Mr. HEFTEL), who served very valuably as a member of our subcommittee previously.

Mr. HEFTEL of Hawaii. Mr. Speaker, I think we all know that America, through the social security system, has clearly told all of the people that we care about the elderly. But notwithstanding that great care for the elderly, we have certain problems in the system, problems which were born of promises upon which the system could not deliver, well meaning political promises which exceeded the ability of the system to meet its obligations to its beneficiaries.

The first problem, obviously, is fiscal. The second problem of great concern to me is credibility, particularly credibility among our people under the age of 40, who say, "We are paying into the system, we do not believe we will necessarily have the system to take care of us in our retirement years."

□ 1530

They believe that they are being given political rhetoric instead of real facts and a sound system that they can depend upon. One of the things we can do today is offer the people under 40 a creditable long-term solution for the social security system. Those over 45 are not affected by this legislation.

As the gentleman from Wisconsin (Mr. OBEY) very accurately pointed out, these are optimistic projections. If they fall short, as those of the past have, the people under 40 will have to raise taxes just to meet this commitment to the age of 67 by the year 2027.

And people who are now retired also understand the problem. I would like to read a letter to the Speaker of the House of Representatives from the American Association of Retired Persons. It reads as follows:

AMERICAN ASSOCIATION OF RETIRED PERSONS,
Washington, D.C., March 9, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN O'NEILL: On March 8, a letter was transmitted to you from the Leadership Council of Aging Organizations expressing the Council's opposition to Congressman Pickle's Amendment. This amendment proposes to raise the age for full social security benefits from the current age of 65 to age 67 on a phased-in basis beginning in the year 2000.

Because of the critical nature of the social security issue for both current and future beneficiaries, the American Association of Retired Persons believes that it is essential we clarify our position. AAPR's name should be removed from the Leadership Council's communication, as it does not accurately reflect our stance.

Thank you for allowing us to clarify any misunderstanding.

PETER W. HUGHES,
Legislative Counsel.

We must not continue playing politics with the Social Security system. We must rebuild the faith of the people in the system.

We can do that for Americans under 45 by voting for the Pickle amendment.

Thank you, Mr. Speaker.

Mr. SHANNON. Mr. Chairman, I now yield 2½ minutes to the distinguished gentlewoman from California (Mrs. BOXER).

Mrs. BOXER. Mr. Chairman, I rise to oppose the Pickle amendment, which will mean an unfair and major cutback in social security protection. This cut will affect a large percentage

of workers who wish to retire with their full benefits before age 67, workers who need to retire before 67, workers who deserve to retire before age 67.

Just like blue-collar workers, women particularly will be severely hurt by this amendment. Many more women retire before age 65 now, and small wonder, given the low pay and long hours that unfortunately accompany most jobs held by women.

The Pickle amendment asks these women to either continue working and suffer the consequences of ill health resulting from long hours of work at an advanced age or take a 13-percent reduction in their benefits for the rest of their lives. The women of this country deserve better than that in their old age.

Mr. Chairman, let us not turn our children against their grandmothers. If our grandmothers work until age 67 they are taking jobs away from the younger generation. They do not want to be forced to do that.

The Pickle amendment means taking the whole long-term social security solution out on those who can least afford it. We can give bonuses to those who want to wait until 67 to retire, but we should not force it.

Let us not turn generation against generation. Let us not say that because some of us live longer we should force many of us to wait longer to enjoy that longer life.

This is a very critical vote and I urge a "no" vote.

Mr. PICKLE. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. PORTER).

Mr. PORTER. Mr. Chairman, in 1977, the Congress compromised and passed what was touted as the "final solution" to the long- and short-term funding crisis then facing the social security system. As we now know, the 1977 amendments "fixed" the system for only 6 years.

Unfortunately, the compromise now before us may not last even that long. Increasing taxes, including Federal employees, and taxing benefits is no answer to the social security crisis. Social security taxes are already too high and even now increase labor costs to a point that employment is being discouraged. Including Federal workers, whose pension system is fiscally sound, under the social security system is a disservice to them and could bankrupt the Federal retirement system as well. In addition, this proposal calls for taxing the benefits of people who have worked long and hard in the belief that benefits would be tax-free. How can the Government break that trust with the American people?

The really sad part is that, with all this damage, this so-called solution will probably only get the social security system past the 1984 campaign as an issue and will be right back into crisis in 1985 when the Congress will sell the American people another spineless "final solution" to the continuing social security crisis.

If there is a ray of hope in this otherwise unacceptable package, it is provided by my distinguished colleague from Texas. At the heart of the long-term financing problem facing the system and the attendant politics that intrudes itself into its solution is the pay-as-you-go financing scheme adopted by the Congress in 1939. Sometime soon we are going to have to do something to correct that and make social security a vested program of individual retirement accounts free from the political winds. In any case, the problems will be magnified over the next 75 years, when fewer active workers will be paying taxes to support more and more retirees. Currently, 3.3 workers pay taxes to support 1 beneficiary. After the post-World War II "baby boom" generation retires, the ratio will decline to 2 to 1.

Not only will there be fewer workers to support the retirees; the retirees can be expected to enjoy much longer lives. In 1940, males were expected to live to 61, females to 65. Today, males can expect to live to 69 and females to 77. In the year 2000, expectations for males and females will be 72 and 81. Up to now, the Congress has been unwilling to recognize these facts and have the courage to take the only logical step needed to address long-term insolvency and to avoid the economic rigidity that excessive social security taxes entails.

But today we have an opportunity to address this issue, and it my hope that my colleagues will join me in support of the Pickle amendment. Although I could not support quickly or precipitously increasing the retirement age, I believe that the Pickle amendment's gradual and prospective increase in the retirement age is equitable to future retirees by accounting for their increased life expectancy and the clear trend for Americans to be productive longer. I commend my colleague from Texas for his genuine and honest efforts to repair social security logically and fairly for all Americans.

Mr. SHANNON. Mr. Chairman, may I inquire of the Chair as to how much time I have remaining?

The CHAIRMAN. The gentleman from Massachusetts (Mr. SHANNON) has 34 minutes remaining, and the gentleman from Texas (Mr. PICKLE) has 28½ minutes remaining.

Mr. SHANNON. Mr. Chairman, I yield 6½ minutes to the distinguished member of the Ways and Means Committee, the gentleman from Georgia (Mr. FOWLER).

□ 1540

Mr. FOWLER. I thank the Chairman.

Let me say at the outset that I support the bill as proposed by the Committee on Ways and Means, on which I serve.

I want to say to the gentleman from Texas (Mr. PICKLE) my subcommittee chairman, that were it not for his personal persuasiveness, his ability to negotiate from principle, and his dedication to a sound and solvent social security system, I do not believe this bill would be on the floor. He is to be commended for his leadership. I want to tell him that as one American I am thankful for that leadership over many, many months now.

I had signed a letter in support of the amendment offered by the gentleman from Texas (Mr. PICKLE), which I hope will show that I have no academic problem or opposition to supporting an increase in the retirement age. But upon close scrutiny of the amendment, I have found that it bothers me and I think should bother all of us, if we adopt a national policy that would penalize those people who are physically incapable of working past age 62.

Under the present law as we all know, if a worker retires at age 62, he or she receives 80 percent of their benefits. If the Pickle amendment is adopted, in the year 2006, there will be a reduction from 80 percent to 75 percent down to 70 percent in year 2027 on a sliding scale for those who choose to exercise the option of early retirement.

I do not know what the correlation is between living longer and the ability to work longer. I suspect with all the studies that we have had there is no definitive answer.

But I also suspect that as our society moves away from an industrial base and more and more toward the long-heralded information-computer society, that there will be less and less political support for those people who have worked with their hands and their backs and for whom any retirement age is a race against time to achieve any reward short of their celestial one.

There is a third alternative to the Pickle or Pepper amendments and that is the committee's proposal. We have a slight revenue surplus in this bill. We have a mixture of benefit points to taxation which I believe to be fair and that is why I support our proposal.

And I would urge, based on fairness, solvency, and integrity of the social security system, that we reject both the Pickle amendment and the Pepper amendment and support the bill as crafted by the Subcommittee on Social Security and by the full Committee on Ways and Means.

Mr. PICKLE. Would the gentleman yield?

Mr. FOWLER. I would be happy to yield to the gentleman, Mr. Chairman.

Mr. PICKLE. I appreciate the gentleman's concern. As I told him in advance of the presentation of this amendment when I talked to him personally we have put a proviso in there in an attempt to say to the Secretary we want him to give us a definition of occupation disability so that those people who cannot take advantage of longevity can indeed have some protection if they retire at an early age, perhaps even as early as 60.

We do not take away any options they may have today under present law. What we are doing is not reducing benefits nearly so much as the chart has been shown. We are trying to protect the very people that the gentleman indicated he wants protected. He has a valid concern. That is why we put the amendment in this bill.

Now, under the committee bill that he has recommended or pointed out, there is no help for him in that area. It is a reduction of 5 percent in benefits, it is a tax raising of 0.24. You are not only raising taxes, you are cutting benefits 5 percent and that is the same amount that my amendment would do if they retired, with age 66, at the early age of 62, so actually you are better off under my approach, which recognizes the need to act in this area.

Mr. FOWLER. I say to my subcommittee chairman in responses to his comments, under present law, if you retire at age 62 you get 80 percent of benefits. Under the Pickle amendment after the year 2006 you would eventually drop down to 70 percent of benefits. I say to you that a study of what we should do for those people who fall from 80 percent to 70 percent, for whatever reason and for whatever category, is just that, a study.

Mr. PICKLE. If the gentleman would yield further, keep in mind, Mr. FOWLER, we only reduce 5 percent at age 66, that is all. That is little different from what the committee bill does; that is, the committee version does in the reduction of their benefits.

Mr. FOWLER. Will the gentleman give me a couple of minutes here if we keep this going?

Mr. PICKLE. I wish I had time.

Mr. FOWLER. I want to make part of the RECORD excerpt from the report of the Select Committee on Aging on early retirement, "Why Men Retire at Age 62," whose conclusions are, among many, "The incidence of permanent withdrawal before age 62 was greater among blacks than whites." We do not address that in our bill. "A large portion of very elderly withdrawees before age 62 lack adequate income. Labor force separation was involuntary for the large majority. The health of most very elderly withdrawees was not good and a large proportion died within a few years of withdrawal."

Until we can answer the question of how we deal with the least of these our brethren who are forced to retire because of health at age 62, I say we should await this mandated study before we answer the great charge of when we allow Americans to retire without penalty under our Nation's social security system.

I thank the gentleman from Massachusetts and my chairman.

Mr. PICKLE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, I rise in support of the Pickle amendment. As I listen to the debate, the very people who are so concerned about the possibility of raising the retirement age to 66, some 30 years down the road, have no compunction whatsoever in imposing upon those workers 25 years from now a rather substantial increase in taxes.

Now, let me say this to my colleagues: How much of a tax increase are we talking about? How much of a tax bite are we willing to vote on the young people today who will be working 25 years from now? Let us take a self-employed person: Under the Pepper amendment, the tax will go to over 16 percent, one-sixth of total payroll. If you are earning $36,000 a year, you will be paying $6,000 per year under social security, in addition to your income tax.

Mr. PICKLE. Did I understand those figures correctly? What figure did you say?

Mr. JENKINS. One-sixth or 16 percent.

Mr. PICKLE. How much would an individual be paying more?

Mr. JENKINS. If you earned $36,000 you would be paying $6,000 per year.

□ 1550

If you are earning $30,000 per year, you are willing to vote today to say those people 25 years from now will be paying at least $5,000 per year before they even pay any income tax. While people are very willing to stand up and say I shall never vote to increase the retirement age to 66 even though it does not bother people in the work force today, you have no hesitation whatsoever to impose upon that generation 25 years from now a tremendous taxload.

I urge my colleagues to support the Pickle amendment.

Mr. SHANNON. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. ROYBAL), the chairman of the Committee on Aging.

Mr. ROYBAL. Mr. Chairman, I think that one must point out the fact that the Pickle amendment is not part of the compromise that was presented to the Congress of the United States. But if adopted by the Congress, the entire burden of solving the predicted long-range financing problems will be heaped on the old and the infirm, the least able to support themselves. Those beneficiaries are already paying a heavy price due to the delay in the COLA which affects present and future beneficiaries. The taxation of benefits will affect up to half of all beneficiaries by the end of this century, simply because taxation thresholds are not indexed.

The Pickle amendment would add another real cut which would affect all people 45 years of age and under. People who have been in the work force paying taxes for 25 or more years will be told that they will have to choose between delaying their retirement and receiving fewer benefits.

I believe that the true position of those 45 years of age and under was clearly articulated before the Select Committee on Aging just yesterday. We were told by younger people of their personal hardship. When they were in their twenties they were able to get up with great vigor and go work in the fields, in the factories, or in the shipyards of this Nation. They did admit that it got a little bit harder when they were in their thirties, still harder when in their forties, and hardest of all in their fifties at a time when they were starting to think about retirement. Yes, they told the committee, it is very difficult to get up in the morning and work in those menial hard jobs. Why, they ask, does the Congress want to increase our retirement age?

What they said to the committee and to this House is very clear. We do not believe they said that Congress has the right to sentence millions of Americans to 2 more years of hard labor. That is exactly what we are doing if we pass the Pickle amendment. We are telling millions of Americans the cream of our working force, not professional white-collar workers, not professors in our universities, but the vast majority of our work force who labor in our factories, mines, farms, and sweatshops, that they will be forced to wait 2 more years before retirement.

For those who are able to delay retirement for just 1 year this represents a 7-percent cut in lifetime benefits on the average. But it is a cut for women and a much greater cut for lower income groups and minorities due to shorter life expectancy.

If social security retirement is delayed, private pensions—which provide income to only 28 percent of male retirees and to only about 20 percent of older women—could be expected to follow suit. The result would be that great groups of older people who are unable to work would be deprived of both social security and private pensions.

Mr. Chairman, we have a superior alternative to be considered later. This alternative, to be offered by the gentleman from Florida, would solve the

longrun funding problems without need to cut benefits.

Arguments in support and opposition to all of the options were presented at a hearing of the Select Committee on Aging, which I chaired yesterday. Witnesses from Congress, aging organizations, labor, and women's groups argued in favor of the Pepper amendment because:

It does not cut benefits for current workers who are our future retirees. One-third of the elderly hover near or below the poverty line. If future benefits are reduced, tomorrow's elderly will be even worse off than today's;

It does not unnecessarily burden minorities, women, and those who must retire early because of health problems or employment difficulties;

And, it does not disrupt the basic compact between the Government and the people.

The Pepper amendment is clearly the best alternative we will be presented with today. The others represent significant cuts in benefits which work severe hardships on retirees.

Raising the age of eligibility for benefits, as proposed by the gentleman from Texas, would result in reduced benefits for the three-fourths of the population who retire before age 67. Workers with low income, minorities, women, and those in physically demanding jobs would be devastated by this proposal.

Again, I urge you to vote against the Pickle amendment and to vote for the Pepper amendment. Only the Pepper amendment will restore faith in social security and will bolster the American public's trust in their Government.

Mr. PICKLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. MATSUI), who has been an excellent member of our subcommittee.

Mr. MATSUI. Mr. Chairman, I would like to speak in very strong support of the Pickle amendment. To some extent the debate we are engaging in at this particular time is irrelevant since what occurs will not happen until the year 2000 and beyond.

But I would like to present a few arguments why I think the Pickle amendment is the way to go rather than the committee version or the version that will be coming up for an amendment shortly.

First of all, the work force will only be two employees for every retired individual as we get into the year 2000 and beyond. We will probably need more individuals in the work force as a result of that and we can use those able-bodied senior citizens who will remain in the work force if we increase that age of retirement.

Second, as the gentleman from Georgia (Mr. FOWLER) said, we are moving away from a heavy industry base to a high technology-service economy. And that being the case, more people will be able to stay in the work force longer, more people will be able to work longer and enjoy their senior years as working productive citizens of our country.

Third, I think most people are mistaken in the debate on this issue. There are many senior citizens who are obviously very concerned about increasing the age of retirement. But we might just point out to them that they are not going to be affected by this debate. The debate will be among those individuals 45 years and younger, that is, those in the work force today and people like my son, who is about 10 years old. That is where the debate actually is.

And I do not think that we should put a burden upon the children of the future by the so-called Pepper amendment which will cost 8 percent or more of payroll if that is adopted. I think we should stand up and say that we in this generation are going to be willing to suffer the burdens of social security rather than passing that on to the young people of today.

Mr. SHANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. OBERSTAR.)

Mr. OBERSTAR. Mr. Chairman, make no mistake about it, a vote for the age 66, 67 retirement is a benefit cut. It is a vote to cut benefits for those workers. That is plain and simple what it is.

Ask the widow at age 60 if she can live on $300 a month. Ask a worker at age 62 if he can live on $375 a month, or $350 a month. It cannot be done. Ask any worker who is in the work force now how much longer he or she wants to work. Oh, yes, this is a good deal if you have a job that is indoor work and no heavy lifting. It is all right if you have a comfortable job that uses perhaps a little brain power but does not debilitate your body.

Ask my father. Twenty-six years in an underground iron ore mine, 14 years in the open pit. Standing out on the ore dumps in 35 below zero weather, jacking track, ask him how much longer he wanted to work.

I asked him that years ago. I said: "Dad, you are 62, you are at a point where you do not have to worry about layoffs, with your seniority you are working day shift steady now. Why do you want to retire?"

He said: "I am not going to stand out here and freeze my ——— off in this winter weather for another 3 years until I am age 65." He would not want to work another 5 years at that age either.

And neither do the people who are in the work force now at age 45 doing lousy routine work on an assembly line, day after day. It is debilitating.

Use a little commonsense. We do not need to do this injustice to people who are in the work force today to make them work all those years longer. Actually what will happen is thousands of people will die before they ever get to enjoy their retirement at age 66 or 67. This amendment is not going to save social security; it will be an injustice to millions of workers who will be forced, unnecessarily, to spend additoinal years in the work force.

I urge a no vote.

Mr. PICKLE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, my hat is off to the gentleman from Texas. I think this is clearly our only opportunity in this Congress and perhaps for many, many Congresses to come to make a long-term solution to the social security shortfall.

This is the opportunity that many of us have been waiting for, for a long time and I certainly hope we do not have a replay of 1977, when so many people followed the actions of the Congress, when the promises were made that we solved the problem well into the 21st century, and yet we are here about 6 years later debating again the problem of social security funding.

□ 1600

I support generally the bill that came out of the committee, but the long-term solution is before us and basically it is a choice of two things. Do we want to continue on the path of tax and tax and spend and spend in social security, or do we want to make a legitimate reform in the system?

Currently, Mr. Chairman, 25 percent of the people in this country are paying more in social security taxes than they are paying in income taxes. I do not think I have to remind anybody about how regressive the social security tax system is. The same people who would ask for more social security taxes in many cases are the same people who oppose regressive taxation; yet that is what we are faced with today, the Pepper alternative.

Mr. Chairman, I am not so sure what the magic age of 65 was or why it was chosen by the Congress back then. Perhaps it was in response to the Bismarck Social Security Plan in Germany. We do not know; but the fact is there was not necessarily anything magic about that age 65.

We have to recognize times have changed, that people are living longer, they are more productive; so I ask that this statesmanlike approach by the gentleman from Texas be approved.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PICKLE. Mr. Chairman, I yield 30 additional seconds to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. Mr. Chairman, there was a song back in the 1960's known as "Ball of Confusion", and the lyrics said, "Politicians say more taxes will

solve everything * * * and the band played on."

Mr. Chairman, I think we have learned from our past mistakes. Let us support the Pickle amendment and make a long-term change in the social security structure.

Mr. SHANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. HARRISON).

Mr. HARRISON. Mr. Chairman, the arguments for and against this amendment have been well and concisely stated, before the Social Security Commission, in the Ways and Means Committee and here on the floor, by knowledgable and dedicated Members of this House. But, for me, the most persuasive argument was voiced, unknowingly, by a lady I met during my campaign. It was in a dress factory in Mount Carmel, Pa.

She was an attractive lady, with silvery hair and a cheerful disposition. She told me how much she was looking forward to retiring the following year when she would become 62.

Since she did not look her age and seemed to be in good health; I asked her why she was so eager to retire. She replied that 44 years was enough. She told me that she had come to work in that very factory immediately after graduating from high school at the age of 18. And every year since then, week in and week out, she had worked in the same location, on the same floor of the same factory; 44 years was enough, and she was prepared to accept lower benefits to put an end to the daily monotony that her life had become.

Mr. Chairman, if 44 years is enough, 47 years certainly is. That is the total working life of someone who begins at 18 and labors until they are entitled to retire at 65.

I cannot say to the working men and women of this country, under the age of 40, that for them 47 years is not enough and that they must work for 48, or 49, before they are entitled to retire on the benefits they have earned.

The working men and women of this country, at least since this Government began to recognize its social responsibilities 50 years ago, have labored with certain expectations. Among the expectations to which they have become accustomed, if not entitled, are reasonable working hours, a fair wage, safe working conditions, equal employment opportunity and the justifiable belief that, when the time comes, whether because of physical infirmity, economic recession, or the simple desire to enjoy a well-earned rest, the means will be available for them to leave work at a reasonable age and still enjoy a decent standard of living.

I think that this amendment violates their trust that after long years of work, they will finally be rewarded, however modestly, by a system into which they have been paying, in most instances for their entire working lives, at a time when their minds and bodies tell them it is time to step down.

The proponents of this measure say that the impact of this provision will not take effect for many years, that between now and the year 2000, medical science will assure us of longer and healthier lives, and that there is nothing, therefore, magic about the age of 65. They may well be right, and I sincerely hope that they are. I hope by then that we have conquered heart disease, the scourge of cancer, and the needless debilitations caused by occupational hazards and diseases.

If so, and I look forward to that time, an amendment such as this might deserve serious consideration when a major overhaul of the social security system again comes before this body—in another 75 years.

But until then, I believe that we must look to the future in a manner that is tempered by the realities of the present. Well-meaning promises and overly optimistic projections of future developments have a way of unraveling, as any serious observer of this administration's supply-side economic theories would quickly acknowledge.

The proponents of this amendment point out that workers will, of course, retain the option of retiring at age 62, with reduced benefits. They try to downplay the fact that reduced benefits received by early retirees would be even smaller under the provisions of the Pickle amendment than they are under the terms of the bill reported out of committee. It would be difficult, if not impossible, for all but the higher income members of the work force to exercise this so-called option, and those most in need of the benefits of the system would be economically unable to enjoy its benefits.

If it is our desire to keep men and women in the work force longer, and paying into the system longer, then we ought to accomplish this by enticing them through incentives such as increased payments to later retirees, rather than by moving the retirement age ahead, a little bit now, perhaps more later, and who knows how far ahead the next time we perceive problems in the system.

Mr. Chairman, I have listened carefully to the words of this debate and I have tried to weigh the arguments for and against this bill. I say to the House that I—and I suspect that I am one of many—want to find a way to support this bipartisan compromise, which is the product of so much effort by so many able and distinguished public servants.

But I must say, Mr. Chairman, that if this amendment passes—and if it is not superseded by the one which follows it—it will become extremely difficult for me to support the bill.

Mr. PICKLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Chairman, I rise in support of the Pickle amendment knowing full well that people may say this is a benefit cut. I promised not to cut benefits and this amendment is not a benefit cut for those over 40 years old.

You might say it is a benefit cut for my children but I can look my son in the eye and say, "It is a benefit cut from what you may have received. But the benefit gains that this same Government has given you, will outweigh the future changes. You, my son, will not have the same onerous work conditions that the gentleman from Minnesota's father had in that mine because of new work rules and because of OSHA.

"We paid for that with Federal money and your work will be safer and you will live longer because the gentleman from California, Mr. WAXMAN, who heads the Subcommittee on Health has done so much to make health better in this country you will have a healthier work life, and we paid for that benefit with Federal money.

"So while we may ask you to work for an extra year or two under better conditions, our whole society will have a better retirement, because with Federal money we have created housing and many other benefits for senior citizens."

I do not think that you can talk about benefit cuts without talking about the many benefit gains that we have voted. Year after year we have had deficit spending to provide for our young people. I think we can ask everyone to understand the need to raise the normal retirement age.

I feel that this body in supporting the Pickle amendment keeps faith with the senior citizens who will not be asked to retire any earlier. For those younger who are enjoying the benefits that this body has provided in the way of outstanding programs, I can state I have kept faith with you as well.

This is a very small step back, but we have balanced that with great advances in so many other areas. I therefore ask your support.

The major problem facing social security in the next century is not economic and it is not the overall size of the program, which will remain fairly stable as a portion of GNP. Mr. Chairman, the major problems facing social security in the next century are demographic, and I believe that calls for a demographic solution.

I am not alone in thinking that we need to gradually raise the age of retirement in the next century. Both the (former) National Commission on

Social Security and the President's Commission on Pension Policy recommended increases in the retirement age for social security. Likewise, a majority of the National Commission on Social Security Reform recommended alleviating the long-term fiscal problem by gradually increasing the age of retirement.

Specifically, I support the Pickle amendment for a number of reasons:

First, as I have said this proposal represents a demographic solution to a demographic problem.

Currently, 3.2 workers support each beneficiary. Once the baby boom generation retires, the best estimate is that there will be only two workers to support each beneficiary. If those projections are modified to reflect continuation of current birth rates, as has been done by the Census Bureau, even fewer workers than expected will actually be supporting each beneficiary. This means that younger generations will be expected to pay significantly higher taxes to support the system in the 21st century. A gradual increase in the normal retirement age will certainly lessen the need to place a heavier burden on workers.

I might add that if there is a change in demographics—if families start to get larger, if families return to having children at a younger age—then some Congress in the 21st century will have the opportunity to reassess the situation and keep the retirement age at 66 or 65.

Second, the ability of senior citizens to continue working has increased and will continue to do so. I recognize that the demands of certain occupations may continue to make earlier retirement both desirable and necessary in some cases. The disability benefits program can be improved to provide cash benefits and medicare to those between age 62 and the higher normal retirement age who, for reasons of health, are unable to continue working. However, those turning 65 in the 21st century will live longer and will be potentially far more productive than those currently turning 65. Therefore, raising the retirement age to 66 by the year 2009 and to age 67 by the year 2027 should not prove a hardship.

Third, older workers will be in greater demand in the future. It is significant that attitudes toward senior citizens in the workplace have changed. A recent survey of pension plan sponsors conducted by CIGNA Corp., and the Employee Benefit Research Institute revealed that most plan sponsors support older workers staying active longer. As a result the older worker will find a positive response to his or her participation in the work force.

Fourth, even with eligibility shifted to age 67 in the year 2027, it is estimated that the average retired person would enjoy benefits for a longer period than did his or her parents or grandparents. Thus we are in no way shortchanging beneficiaries by raising the normal retirement age.

Lastly, I support the Pickle amendment because it calls for a realistic program to phase in an increase in the normal retirement age. This proposal gives workers a minimum of 26 years to adjust their retirement plan, when we will begin the phase-in in the year 2000.

Mr. Chairman, I would like to make one other observation as a Representative from a State which has been swept with the fever of a tax revolt and tax limitation movement. So far, there are very few complaints about social security taxes and the burden that they place on younger workers. But I do think that there is a breaking point at which we could provide fertile ground for some future Howard Jarvis in his twenties or thirties to argue that the taxes are too high that two workers to support one retiree is too much, and that we should break this social compact. I do not know where that breaking point is, but I think we should be willing to leave to some future Congress the decision to tax themselves in order to maintain the age 65 benefit point. We should prepare our children for the possibility of change—for a higher retirement point—then if our children want to retire at 65, they can choose to tax themselves to maintain that position.

In closing, Mr. Chairman, this amendment will solve the long-term funding problem without reducing benefits or placing further burdens on the working population. I hope my colleagues will see the merits of this proposal and realize we must solve demographic problems with demographic solutions.

Mr. SHANNON. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Subcommittee on Health and the Environment of the Committee on Energy and Commerce, the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I found the comments by my colleague, the gentleman from California (Mr. STARK) surprising. If this is the basis upon which we would support the Pickle amendment, I think we ought to give it close scrutiny, because the gentleman seems to be suggesting that the Congress through all sorts of welfare safety laws, we have guaranteed that people are going to have a safer workplace and that generally people are going to increase year after year with better health.

I wish this picture were true, but we see right at this moment the Environmental Protection Agency disregarding its responsibilities to protect us from exposure to very hazardous chemicals. We see the breakdown in the last 2 years of many regulatory programs that have tried to give us a safer workplace. We see an increase in many diseases.

I have to assume that the rosy future described by my friend and colleague from California may not occur. Under the Pickle amendment, we ask people many years from now to take a benefit cut because they will be early retirees, presumably by choice. We ought to ask, who are these people who choose, so to speak, to retire early?

Well, I think we can make certain assumptions about those early retirees in the next century, based on who the early retirees are now. The early retirees are those who are not able to work any longer because of health reasons, often because of jobs that are very, very difficult and demanding physically. The early retirees are people who have no job at all because they face dificulties in their elderly years in finding an employer who will hire them. They tend to be women. They tend to be low income. They tend to be minorities and these are the people who will bear the benefit cut if the Pickle amendment is adopted. That, I believe, is unfair. It is unfair to them because they are the ones who do not have extra pension benefits and savings upon which they can cushion their retirement. They are the ones who are going to be asked to take the benefit cuts and they are the ones who are going to be hardest hit by this benefit cut.

It seems only fair to me that we ought to ask those who are working to pay for and carry the burden for those who during their working years paid into the fund. I will therefore support the proposal that will be soon offered by our colleague, the gentleman from Florida (Mr. PEPPER) which will increase the taxes paid by those who can best bear paying those increased taxes, those who are in fact working.

I ask you not to think of early retirees as people with whom most of us in these Chambers usually associate—middle-class professionals who have a private pension or private means. Think of those early retirees who are the people who have broken their backs working in the hard labor jobs who have seen the toll it has taken on their health and who must quit work at an earlier age than 67. Do not turn your back on them.

□ 1610

Mr. PICKLE. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. HANCE).

Mr. HANCE. Mr. Chairman, I rise in support of the Pickle amendment and I commend the chairman of the subcommittee on the outstanding job that he did.

I think the thing that we have to look at and the group that we have to

think about, the grandchildren and the children that would be self-employed and would get strapped with that 16.3-percent payroll tax. I guarantee you, they cannot pay it. If you are talking about over 16 percent on payroll taxes, plus your income taxes, you are talking about taxes that will be very hard for young people to swallow and believe that there is going to be a sound social security system. I think that is the thing we have to look at.

The gentleman from Massachusetts (Mr. SHANNON) has pointed out, and I think properly so, that there are those who are in physically tough jobs, but we can take those exceptions and take care of those in some way, and Congress will. But the other thing we have to look at is the long-range effect, and I think without this amendment we will not be fixing the program. The social security system would not have the support that it has had in the past unless we adopt the Pickle amendment.

My support of this bill was the result of assurances that an amendment would be made in order that would solve the long-term financial problems of social security without further increases in the payroll tax. The Pickle amendment gives us this opportunity. I understand the concerns of Mr. PEPPER and I commend him on his work on behalf of our older Americans. I can understand how this compromise reform package contains items he would prefer not to see in it, like the COLA delay. There are items in the compromise package that I would prefer not to see in it, too, like the tax increases for the self-employed. We both have had to accept the compromise in order to present to Congress a package that not only would resolve the funding problems of social security, but would distribute the financing burdens in as fair a manner as possible.

This bill was not an easy one to draft and it will not be an easy one to implement. It requires hard choices by each one of us in Congress and sacrifices by every American—old and young alike. I strongly object to the tax increases in the bill yet realize without them, proposals to reform the system would have failed. We need to protect the benefits of our elderly yet in doing so should not break the backs of the American worker.

While this bill is not perfect, it takes necessary action to resolve the social security crisis in a responsible manner.

Mr. PICKLE. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS of California. I thank my subcommittee chairman for yielding this time to me, and want to commend him for the job he has done, along with my ranking member, Mr. CONABLE and the chairman of the Committee on Ways and Means, Mr. ROSTENKOWSKI.

Mr. Chairman, I think we ought to confess at the outset that imperfect people were trying to accomplish the art of the possible on a package that was already two-thirds locked up. When you examine that two-thirds of the untouchable part of the package, it was mostly tax increases and speedups.

The solution to the shortfall in revenue over the long term was left up to us, and now we have moved the choice for the long term to the floor.

In argument on the bill itself and on this amendment, the record will show show that we can stipulate that the basic problem in the social security system is structural and the reason it is structural is because the American people have changed. The profile of our population has changed.

I have heard the test of fairness used several times. I think we need a plan that is fair to the youth, the middle aged, and our senior citizens. I want to tell those people who want to march under the Pepper banner, that that banner reads, "We do not reform; we just raise taxes," to those people who want to march under that banner, this gentleman says that that banner is available any time. Next year, 10 years from now, 25 years from now, if you do not want to reform, you can always raise taxes. There is no structural change in the Pepper amendment. Structural change takes time and we have lost too much time already.

Under the Pepper amendment we are telling people that they are going to get 40 years of increased taxes that is not fairness.

The committee proposal for the long-term funds a portion of it from raising taxes, 40 percent, more taxes on top of taxes. You could characterize 60 percent of the proposal 25 demographic change since it embodies benefit reduction. In other words, we tell our youth, "Pay more taxes and get benefit cuts when you retire." You call that fairness? And who gets their benefit cut? It is across the board. It is overkill. The disabled get their benefits cut. But they are not the problem. The widows and orphans of workers who die before age 62, they get their benefits cut. They are not the problem.

The problem is that the American peoples' demographic pattern has changed. The Pickle amendment is a demographic solution to a demographic problem.

My colleague from California (Mrs. BOXER) indicated that she was worried about the people who retire when their age reaches 67. That is 45 years from now. That is a longer period of time than she has been alive.

My colleague from Connecticut (Mrs. KENNELLY) worried about the lady who perhaps might have to retire at 62 in the year 2022 with a 12-percent reduction over current law. Year 2022 is 36 years after the study that is required in this amendment to determine what we do with those individuals who, through no fault of their own, are forced to retire early.

The gentleman from Massachusetts (Mr. SHANNON) clearly indicated, based upon the percentage of those people who have to retire early, that a majority of people are not in that category. A majority of people retire early because they want to, not because they have to.

The gentleman from Georgia (Mr. FOWLER) is concerned about the least of our brethren. We all are concerned about the least of our brethren, but we do not think the least of our brethren ought to drive the system. We can take care of those people without requiring that the entire system be structured to deal with this minority.

If we combine the short-term committee solution with the long-term Pickle amendment, we produce an acceptable package, a package that is fair, a package that is supported by the chairman of the Committee on Ways and Means, the chairman of the Subcommittee on Social Security, and a majority of the members of the full Committee on Ways and Means.

Support the Pickle amendment. Make the total social security package an acceptable one.

Mr. SHANNON. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. WYDEN).

Mr. WYDEN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the Pickle amendment.

First, I understand that we have got a gun at our heads right now. We have been told that there are only two long-term alternatives, raising the retirement age or raising payroll taxes.

Even though neither of these proposals is to go into effect for decades, we are being asked today to opt for one of two choices that most of us, and our constituents, feel uncomfortable with.

I think we should reject this amendment and in the months ahead prepare legislation in two areas that will genuinely address the long-term needs of social security:

First, the gradual transfer of medicare from the payroll tax into the general fund; and

Second, work promotion, not work coercion.

That way we can take up long-term solutions based on real reform, not just political scale balancing between benefit cuts and regressive taxes. And the way to start the process is by beginning to phase medicare off the payroll tax and into the general fund, with new revenue sources such as a

modest increase in the tax on hard liquor.

If we begin this transfer of medicare to the general fund between now and 1988 when the large payroll tax boosts for social security go into effect, we can avoid serious shortfalls in the program down the road—and without precipitous benefit cuts or regressive tax hikes.

I strongly support enactment of a prospective payment system for medicare, but the clear reality is that that reform alone will not solve the financing problems of medicare. And if medicare is not removed from the payroll tax in the years ahead, the American people will be faced with regressive payroll tax hikes for both social security and medicare that they cannot afford and will not stand for.

Liberals and conservatives do not agree on much of anything around here, but both dislike payroll taxes—and for the right reasons. Liberals do not like payroll taxes because of their regressivity, and conservatives do not like them because of their impact on small business. Both concerns are valid, and both raise serious questions about what has to be done for social security and its health care arm for the long-haul.

Beyond developing ways to transfer medicare to the general fund and reduce the growth of payroll taxes, I also feel Congress should be in the business of work promotion, rather than work coercion.

The Pickle amendment coerces older people to work—whether or not they are physically able. What I believe Congress should do is promote older worker productivity by developing new incentives to encourage older people who want to keep working to do so.

One of the first steps to take in this area is to change the outside earnings test, a bizarre discrimination which means that if an older person gets up at 6 in the morning and drives a milk truck to supplement their retirement, he or she has to give up what they earn over $6,600 per year, but if they rely on stocks and bonds and other such sources for their livelihood, there is no limit at all.

Over the long term, we must return to a discussion of true incentives for older people who want to keep working that will encourage productivity among a generation that has made incredible contributions to virtually every aspect of our society. If we do not, we all lose.

Mr. Chairman, all of us here today recognize all of the hard work that went into putting this package together—and we appreciate it. But let us also recognize that for the long-term strengthening of social security, the pot of gold is not yet at the end of the rainbow. We have just begun a massive undertaking, and when we finish our work tonight, I think we need to make clear to our constituents that additional steps will be needed to insure that 75 years from now, this country has in place a retirement and health care systems that is truly just, fair, and efficient.

Thank you, Mr. Chairman.

The CHAIRMAN. The Chair would like to state that the gentleman from Texas (Mr. PICKLE) has 15 minutes remaining, and the gentleman from Massachusetts (Mr. SHANNON) has 15½ minutes remaining.

Mr. PICKLE. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Chairman, I come from a district with steelworkers, truckbuilders, truckers, cement workers, and other heavy manufacturing industries. That is why I opposed the administration's 1981 suggestions to raise the early retirement age almost immediately. Right now early retirement is taken by a very large percentage of those who do the hardest jobs, perhaps two-thirds or more. And that is the way it will be starting in the year 2000 and extending to the year 2027. For these jobs, early retirement will continue. But I think we also need to recognize that the heaviness of physical labor has declined with the forward thrust of technology. And in the next several decades, this forward thrust will accelerate, further supplanting heavy manual work with machine work just like our jobs were more physical 20 years ago, so they will be less physical 20 years from now and beyond. It is shortsighted to extend, as some on this floor have done, the physical component of todays jobs into the technological environment of the year 2000 and beyond without considering the impact of technology. The Pickle amendment does not discriminate against those who will be engaged in performing heavy physical work, as they will not only continue to retire early but will see the nature of their jobs change.

If you are buying vegetables today, a "Pickle" is a better buy than a "Pepper."

□ 1620

Mr. PICKLE. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, there are not any good solutions to the problem we face. I think we need to start discarding solutions and then see what is left.

The first thing we need to do is to understand that taxes under the bill are already going to increase substantially in the outyears. This will be an added burden on every individual in the work force. It will be an added burden upon America in its competitive position. So I would discard, first of all, increasing taxes.

The second thing is that we do not know what the future holds. We can make some predictions about the future, but our vision about the future is much more clouded than our vision of the past, particularly when we think that we are looking as far forward as we would have to look backward to get back to 1939. And how many of us can remember when Hitler invaded Poland?

So our vision is clouded. We need to prevent making mistakes. What we should do now is adopt Pickle, because Pickle can be changed more easily out in the future. If we make a mistake with Pickle it will be much easier to correct Pickle than Pepper. We may have to adopt a little Pepper tax increases out in the future because we may need more money than we have anticipated.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I only have 2 minutes at my disposal.

Mr. SHANNON. Mr. Chairman, if the gentleman runs out of time, I will yield him an additional minute.

Mr. GIBBONS. Fine. I yield to the gentleman from Massachusetts.

Mr. SHANNON. Mr. Chairman, the gentleman has just stated that it would be easier to change the provisions of the Pickle amendment than it would be to change the provisions of the Pepper amendment.

Mr. GIBBONS. The retirement age, yes.

Mr. SHANNON. I want to make the point that we are not deciding between Pickle and Pepper.

Mr. GIBBONS. Well, we really are.

Mr. SHANNON. We are deciding between Pickle and what the committee has done. I do not understand how the gentleman can make that statement. If we pass the Pickle amendment, then all the pension plans and all the provisions for retirement outside of social security will have to be adjusted to ratchet it up to a 66- or 67-year-old retirement age. We can always adjust the tax rate again. We can always go back and do that, and I am sure we are going to go back and do that.

Mr. GIBBONS. That is exactly my point.

Mr. SHANNON. But I think it is going to be very difficult for us to go back, if we make this decision today to change the retirement age. So I disagree strongly with the gentleman.

Mr. GIBBONS. Mr. Chairman, the gentleman is making the point I want to make, and that is that it is much easier to change the tax rate than it is to change the retirement age, because the closer you get to that retirement age, the more people feel they will be adversely affected. That is going to be

a political problem that leaders in this Congress in the years further out will have to face. That is really the dilemma we have had for a long time.

So we can adopt Pickle now, and if we make a mistake, it will be very easy to change back to the present retirement age.

The CHAIRMAN. The time of the gentleman from Florida (Mr. GIBBONS) has expired.

Mr. SHANNON. Mr. Chairman, I yield 1 additional minute to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. So, Mr. Chairman, looking forward to the future, it will be easier to address our problems if we adopt Pickle now. As I said at the beginning, I think we are going to have to have a little Pepper as we go along because I am not convinced that the solution we have reached so far is going to be the final solution, and I would rather get a little closer to the problem time and decide then whether or not we need our Pepper tax increase then or not. That is essentially my argument. So I would say Pickle now and maybe a little Pepper later on.

Mr. SHANNON. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I thank the gentleman for yielding some time to me.

I just want to make a couple of points. First of all, to me, the entire legislation has some real problems, but if the Pickle amendment is adopted and prevails, that is to me the death knell of the legislation. I just want to state that I have the greatest respect for the gentleman from Texas (Mr. PICKLE) but I certainly do not agree with his amendment.

First of all, it pits the young against the old. Are we telling our 20- and 30-years-olds that it is all right if we retire at 62 and 65 under the social security plan, but they will have to wait ultimately until they are 67? And under the provisions, really what that means is a loss of benefits to them.

In addition, there is a lot of talk about the Social Security Act of 1936. I wish some Members would read the report, because in the report it shows that they were almost completely accurate about the life expectancies in the 1970's and the 1980's. They projected that people would live a lot longer, and on that basis they brought forward a program. So it is not true that they did not expect people to live longer. They did. It is in the report, and they were brilliant in their projections.

If we are to make projections, however, there is no proof that men are going to live a lot longer. The median age expectancy of men is 68. Are we telling the men in the year 2000 or more that they will pay all of their working lives into a system and collect for just one full year? That discriminates against men, and, most importantly, it is blatantly discriminatory toward women.

In addition, I truly understand the difficult task that the Committee on Ways and Means had in presenting this body with a comprehensive, rational social security package that does not place an unnecessary burden on either social security contributors or beneficiaries. I also believe that certain aspects of H.R. 1900 accomplish the goals that the members of the Ways and Means Committee set. I commend the members of this Committee and the National Commission on Social Security Reform for their efforts.

However, I cannot deny that I have strong reservations regarding core issues. First, Mr. Chairman, I am disappointed with the rule that was granted on H.R. 1900. It appears unfair that Members were not allowed to vote separately on the issue regarding Federal employees. I am not asking that the provision be eliminated. I am asking why Members were not provided a choice to delay implementation by 1 year. In 1 year, the Committee on Post Office and Civil Service with the assistance of postal and Federal unions and administrative agencies would have been better prepared to formulate a supplemental civil service retirement system. The statistical data and actuarial projections that are definitely needed to reshape a retirement system would have been available.

Without the choice, new Federal hires will be mandated to pay 7 percent of their pay into the civil service retirement system and 7 percent in the social security system. Members of Congress will see 15 percent of their pay going into both systems. Perhaps Members will not miss the 15 percent. New hires, whose average starting salary is below $15,000, will feel the loss. Federal employees will also be looking forward to reductions in pay in benefits as prescribed by the administration in its fiscal year 1984 budget.

I empathize with these employees and only hope that we can formulate a reliable supplemental system in the short amount of time we were given.

The second area of concern that I have affects present and future female beneficiaries. We all know that the package that Ways and Means passed includes certain provisions that specifically address some of the problems that women beneficiaries face; namely, widows, divorced spouses, and disabled widows. These low-cost measures will assist certain women, and generally women's groups seem to be pleased that the Ways and Means Committee included those provisions. But, one provision which allows divorced spouses to draw spouses' benefits at age 62 whether or not the former spouse has retired will place an unnecessary burden on certain women because a divorce must have been finalized 2 years prior to receiving benefits, effective in 1985. Basically, if a person becomes divorced in 1984, he/she cannot receive social security benefits—to which he/she is entitled—until 1986. What happens to the divorced spouse who is not employed and needs that monthly check to pay the bills and support the family?

Coupled with the financial burden that many divorced spouses will face in the coming years is the threat that all women feel if Congressman PICKLE's amendment, raising the retirement age to 67, is passed. Generally speaking women receive lower social security benefits than do men. The average female beneficiary only receives $300 more than the national poverty level. Women also tend to retire early because of health-related reasons. If the Pickle amendment is passed, our future female retirees will not win. They will face low benefits, perhaps placing them closer to or at the poverty level. They will be penalized for leaving the work force early if their health fails. They will have to depend on assumptions that may not be realized regarding the disability system. Will the disability program be able to provide protection for the workers who will not be physically able to work?

Can these future retirees also rely on the assumptions that jobs will be available? Statistics prove that women, older women, are discriminated against because of their age in more cases than not. When they do face unemployment, they tend to stay out of the work force longer. Will these inequities disappear in 17 years? I would like to think yes, but can we insure that such changes will occur?

Can we also ignore the data which shows that female mortality is declining, while disability rates are increasing? Clearly, the choice seems obvious. If we agree to the Pickle amendment we will be subjecting a vulnerable group of citizens to hardship. If we agree to the Pepper amendment—increasing the tax rate in 2010 by 0.53 percent—we will be spreading out the burden among all groups involved. It has been estimated that approximately 43 percent of the cost will be assumed by the beneficiaries and 43 percent assumed by the contributors under the provision of Senator PEPPER's amendment. On the other hand, if the Pickle amendment is adopted, almost 76 percent of the burden will fall on the beneficiaries—the group that cannot guarantee themselves alternative sources of income.

Unfortunately, I cannot support this package if the Pickle amendment prevails. The inclusion of the Pickle amendment further threatens the se-

curity of our elderly. It places the majority of the financial burden on them at a time when they will need the Government's support more than ever. Coupled with my misgivings regarding the Federal workers and women, H.R. 1900 does not accomplish what it is intended to do. It does not insure security to the future elderly of this country.

Thank you, Mr. Chairman.

We know that right now women receive notoriously lower benefits because of low wages, et cetera, and they are the first ones to be removed from the employment rolls. The Pickle amendment clobbers women. It decreases their benefits, and their benefits are already low.

Mr. PICKLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. PICKLE), and I wish to associate myself with his remarks. The gentleman's amendment would gradually increase the age of eligibility for full social security benefits beginning at the turn of the century.

Just yesterday, the Select Committee on Aging, on which I serve, conducted hearings on this critical issue. During the course of those hearings, excellent testimony was presented by our colleague from California (Mr. THOMAS) which confirmed the need to change the social security system so that it reflects a very basic fact: Americans are living, and producing, longer.

This essential change in the pattern of American living cannot be ignored. Numerous advisory groups have recommended increasing the eligibility age over the past several years, including the 1979 Advisory Council on Social Security and the 1981 National Commission on Social Security. As the distinguished author of this amendment no doubt recalls, the Ways and Means Subcommittee on Social Security considered an increase in eligibility age when fashioning the last major social security amendments in 1977. Even then, it was evident that, by the year 2000, the number of Americans over 65 years of age will have increased by 36 percent. Continued life expectancy for men 65 years of age will be 3.5 years longer than in 1940, while women will be able to anticipate an additional 7.5 years. What is more is that increased longevity will be accompanied by increased vigor. Americans are not only living longer lives—they are living healthier, more active lives.

It is somewhat ironic to me that we should perpetuate an outdated and unrealistic retirement age while at the same time fighting against age discrimination in the work force. Only last year, the Equal Employment Opportunity Commission threatened to file suit against my hometown of Stockton, Calif. unless firefighters and law enforcement officers were permitted to work until age 70. There seems to be a great disparity between the efforts of the EEOC and the dictates of the Social Security Act. Elevating the eligibility age would not only relieve the burden on the social security trust funds—it would also help abolish the vestiges of age discrimination in the work force.

In short, increasing the eligibility age would be of great benefit on more than one front, and would have a positive effect on the social and economic lives of older Americans. I strongly endorse the language of this amendment, and urge my colleagues to do likewise.

Mr. SHANNON. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Missouri (Mr. GEPHARDT) a member of the Ways and Means Committee.

[Mr. GEPHARDT addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. PICKLE. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, the issue before us is whether social security, a terribly sensitive and central institution, not just in the consciousness of this body but in the consciousness of the American people, can be reformed or if the only way in which we can respond to crisis is to raise its cost to the taxpayers.

In fact, if we cannot reform the retirement age many years from now then we are never going to be able to reform social security at all. If we are never going to be able to reform it because it is a social contract carved in brass, then indeed that institution is going to be buffeted from time to time due to the vicissitudes of the economy.

We must in fact be able to reform it if it is to survive.

What we are suggesting is not something that abuses the social contract because that is what we are talking about. Instead, we are trying to create a new social contract here with our younger workers. We are saying to them as your Representatives we assume that you would rather take your chances on a somewhat later retirement than to pay during the intervening years even higher taxes which will otherwise be necessary.

If asked in those terms, that is what many would respond, and we must be responsive not just to our older people but to those younger workers with whom we are forming this new social contract.

We cannot change the retirement age on short notice. We can always raise taxes on short notice, and we have demonstrated that time and time again. If it is not necessary to have an older retirement age some 20 or 30 years from now it is always possible for the Congresses of the future, and we cannot bind them, to back off. But it is not fair for them to raise the retirement age on short notice even though demographics may demonstrate that that is the thing to do.

Now we have a terrible tendency in this body to cherish the way things are now and to defend the status quo. In fact, there is nothing speculative about the conditions of the labor force after the year 2000.

They are going to have the post-World War II baby boom moving into retirement and the relatively low birth rate of today will be moving into the labor force. Therefore we are going to have a very difficult time trying to maintain an institution as sensitive and as important as social security unless we have planned carefully—not speculated—but planned on known facts.

These people exist. They are here now. We know there may be many reasons, including longevity, including psychological factors, including the necessity that we will have to maintain our standard of living by using the many talents of our senior citizens for a longer period of time than we use them now, to encourage some increase in the retirement age. I say this is a perfectly acceptable and sensible thing to do, provided we do not mislead people.

If it proves to be unnecessary later on, we can always back off. It is always possible for us to raise taxes at some time in the future. But to build a tax increase into the system now is to signal an institutional defeatism that would be most inappropriate for a representative body like ours.

Mr. SHANNON. Mr. Chairman, I yield myself 2½ minutes.

Mr. Chairman, we come down to the final moments of what I think will be the most important debate that will be taking place on this floor today. We have to face a question and an issue that we are going to have to live with for a good long time.

I would say to my colleagues this whole business of trying to deal with the long-term problem of social security is speculative to some degree. I think we all agree that we wanted to try and address it in some way or another but anybody who goes home to their consitituents and says these numbers we are talking about today are going to be the absolute accurate numbers by which social security will be governed for the next 75 years is making a terrible mistake.

Thirty years ago we could not have predicted what has happened to the American economy in the past 30 years, and today we cannot look ahead 30 or 40 or 50 or 75 years and predict with any accuracy as to what is going

to happen to our population, what is going to happen to our economy, what the rate of life expectancy is going to be, and what sorts of problems people are going to be facing in the future. These are all unknowns.

Yet what we are saying is on the basis of what we think might happen, on the basis of what we think could possibly happen, we are going to single out one small segment of the population, we are going to say to them whatever happens in the future, the burden is going to rest on your shoulders, the burden is going to rest on those who do hard labor and are forced to retire early.

We are very privileged to be Members of the House of Representatives. We are privileged because we are able to serve our constituents and our country. But we are privileged in another way as well. We do not get our hands dirty when we work. We do not break our backs working to serve the people. We do not have to worry about doing labor that forces us into retirement at 62.

Several people have referred to the fact that we have many Members who are 63, 64, 65, or 66. Ask yourself, can you picture them putting up steel, mining coal, breaking their backs in farm labor? I cannot.

Think about the people you represent. Are we going to ask them to bear all of the burden of the future problems of social security? I hope not.

This has been a fine package that has been put together by the Commission, by the Ways and Means Committee; fine, because the burden of solving the problem of social security is shared. This amendment, if adopted, violates that concept. It says we are not going to share the long-term burden, we are going to place it on the little guy. We are going to place it on those who cannot raise their voices. We are going to place it on people who do the hard work in our society. And there are going to be plenty of them in the future.

I say if we do this today we will never undo it, we will never go back. We will never remember, and they will be the ones who suffer. Let us not do it. Reject the Pickle amendment.

● Mr. HUGHES. Mr. Chairman, I rise in support of the Social Security Act amendments we are considering on the floor today.

Most of us would agree, I believe, that this is not a perfect bill. Each of us have some individual ideas on how the package could be improved. It was for that reason I voted against the modified closed rule that prevented further amendments. In particular, I have serious reservations about several of its provisions, most significantly, the payroll-tax increases. These will hit especially hard at the self-employed who are being increased from 9.35 to 11.9 percent.

My major concern, however, throughout the months of debate on the social security program, has been to insure that promises made to those working under the social security system are not broken—that those who paid into the system will receive the benefits they are entitled to, and which they have planned for.

I believe that this bill, on balance, keeps this promise, although I was disappointed by passage of the Pickle amendment. The increase in retirement age provided for in that amendment for those retiring after the year 2000, does affect those now paying into the system.

I have no objection, in light of increasing life expectancies, to raising the retirement age for those who have not yet entered the social security system. But to change the rules in the middle of the game, for those who have been paying into the system for as long as 20 to 25 years with the expectation of retiring with full benefits at the age of 65 is, I believe, unfair and unfortunate. Twice I joined with many of my colleagues to vote against this provision. We lost that battle in the House and we can only hope that we can prevail in the Senate or in conference. For now, however, we must face the fact that the crisis is upon us, and this compromise does represent a good-faith effort by all concerned to put the social security system on a sound footing for the years and decades ahead. Its defeat here would put us right back where we were 1 year ago, when the study of this urgent subject was commenced by the President's bipartisan commission, and we just do not have that kind of time left to us.

As such, this bill achieves our basic goals—restoring financial stability to the social security system—without jeopardizing the welfare of those who depend upon social security for their retirement, both now and in the years ahead.

I believe, in short, that this is the best bill we can write at this time, and the Ways and Means Committee should be commended for the compromise it has brought to the floor. I urge my colleagues to support this measure.●

● Mr. McCURDY. Mr. Chairman, I rise in support of H.R. 1900, the Social Security Act Amendments of 1983. While this is not a perfect bill, it is a fair and balanced approach to eliminating present and projected deficits in the social security trust funds. Furthermore, its passage by this House is urgently needed to restore public confidence in the social security program itself—a program that constitutes one-fourth of the entire Federal budget, and pays benefits to 36 million people, 1 of every 7 Americans.

Under this bill, which generally follows the recommendations of the bipartisan National Commission appointed last year, everyone will bear part of the burden of putting the social security system back on a sound footing: current beneficiaries, currently covered workers and their employers, the self-employed, Federal employees, Members of Congress, and other elected officials, higher income retirees, State and local government employees, and employees of nonprofit organizations. But no one group will be called on to sacrifice unfairly.

There are some problem areas, however, that must be addressed.

The Ways and Means Committee bill proposes to make up part of the system's predicted long-term deficit through a 5-percent, across-the-board reduction in initial benefit levels, beginning in the year 2000, and the remainder through a tax increase.

Instead of this approach—cutting benefits and raising taxes—I support the amendment offered by the gentleman from Texas (Mr. PICKLE) to strike this provision, and substitute an increase in the retirement age from 65 to 67, to be phased in gradually in two stages between the years 2000 and 2027. I believe this is preferable to further increases in the payroll tax, which would only add to unemployment and inflation.

In addition, I regret that the parliamentary situation under which this bill has been brought to the floor prevents us from debating and voting separately on the provisions affecting Federal workers hired after January 1, 1984. I urge the Committee on Post Office and Civil Service to act quickly on legislation to create a supplemental retirement program for these new Federal workers. I commend the committee for rejecting the administration's proposals to freeze wages and reduce benefits for Federal employees and retirees, and I am confident that the Congress will continue to insure the integrity of the civil service retirement system.

As we strive to make social security solvent, we must also consider those persons who apparently are exploiting the system. I continue to support separate legislation to limit benefits for illegal aliens, foreign nationals, and prison inmates.

Finally, we should insure that unclaimed social security benefit checks are returned to the social security trust fund, rather than to general revenue. I hope that prompt action will be taken on these issues.●

● Mr. FRENZEL. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Texas (Mr. PICKLE) to increase the retirement age as a solution to the long-term problems facing the social security system.

As I stated earlier, we raised taxes too high to support the social security

system in 1977. We are raising them again today. Without the Pickle amendment, we will be forced to go back to the same well again. It is time we stopped pumping that well dry.

The amendment raises the age of normal retirement by only 1 year from 2000 to the year 2008. It raises the age to 67 by 2023. This will give working American people at least 25 years to take the new retirement ages into consideration in planning for their retirements.

With the increases in life expectancy, and the increase in the number of older Americans choosing to keep on working in many cases far past the age of 65, the Pickle amendment makes sense. We have retained the early retirement age of 62. I urge my colleagues to support this amendment.●

● Mr. GLICKMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas, the chairman of our Social Security Subcommittee. I do not do so with great enthusiasm. I have not been an advocate of increasing the retirement age. Instead, I do so because I have reached this conclusion based on what I think are the realities confronting us in terms of the long-term solvency of the social security system and the legitimate concerns of those who would be affected.

First of all, let us consider the facts. People are living longer and healthier lives. That trend is certain to continue over the next 50 years. In fact, this Congress has recognized that reality in earlier legislation generally raising the mandatory retirement age to 70—that is 3 years beyond the eligibility age for full social security benefits in the year 2027 under the Pickle amendment.

Second, the amendment offered by Chairman PICKLE would have no effect at all on individuals who are over 45 years of age today. It would raise the retirement age less than a full year for individuals who are more than 40 years old today. It would not mean a full 2-year increase except for people born in 1960 or after; those people are 23 years old or younger right now. The length of time before this provision would begin to take effect is certainly sufficient for people to adjust themselves to the fact that the general retirement age will be a bit higher in the next century. It is not an onerous burden particularly since the amendment sets in progress a study which will serve as the basis for modifications in the program, if necessary, to provide relief for individuals in physically demanding jobs or who need to retire earlier for health reasons.

Third, the Pickle amendment appeals to me because it eliminates the need for doing two things none of us relish but which would happen under the committee bill: Cutting benefits or raising taxes.

By making this realistic, long-range and gradual change in the eligibility age for full social security benefits, we will not have to make the effective 5-percent benefit cut which the bill would require beginning in the year 2000. We would also not have to move ahead with the tax increase that would be required beginning in 2015.

None of these choices are pleasant; in fact, the whole question we are facing in this bill is less than pleasant. I have come to the conclusion that the Pickle option is the least objectionable, the most realistic, and the most reasonable from all perspectives. I hope my colleagues will share that point of view.●

● Mr. SILJANDER. Mr. Chairman, I have heard it said cynically by Senator DOLE that the social security bill worked out must be good because it offends just about everybody.

This is typical of the rationale this Congress and its predecessors have developed to justify its inability to deal with the structural crisis in social security and other important problems.

The reason few truly support this bill is because it is inadequate and poorly conceived.

The short-term package relies far too heavily on increasing taxes both in the social security trust fund and through general revenues, instead of addressing the structural crisis of out-of-control expansive growth of benefits. This growth is making the social security system a massive welfare program instead of the insurance-pension plan it was meant to be.

Let us address the problem. The underlying structural problem with the social security system is its attempt to fulfill its conflicting objectives of insurance and welfare. The lack of needed revenue is a symptom of the problem, not the cause itself. All we have done by bankrolling 75 percent of the short-term solution to the social security crisis with tax increases is to postpone the day of bankruptcy for the system.

In short, this package is only a Band-Aid approach. Between 1950 and 1980, social security taxes have increased 2,000 percent while wages only went up 490 percent. By increasing taxes again, we will be taking critically needed money away from capital formation and further hurt our efforts to curb unemployment.

We were led to believe that raising taxes would solve social security's problems in 1977. President Carter claimed that the tax increase guaranteed that social security would be sound until the year 1980. Right now, social security is losing $20,000 a minute. It has been estimated that 500,000 jobs have been permanently lost because of the effects of the 1977 tax increase. Some solution.

By basing the solution on tax increases only, the system is dangerously susceptible to the effects of another recession. The bill provides for a very slim margin of error. If the economy was to enter into a period like the one we just left, the social security trust fund could be facing bankruptcy once again, most likely before the end of the decade.

If this bill passes, and escapes past this slim margin of error for failure in this decade, there is still the long-term structural deficit facing us. Mr. PICKLE's amendment that would gradually increase the retirement age from 65 to 67 by 2025 for my generation is at least true to the concept of paying for one's own benefits that most Americans believe in.

I do not want to increase taxes again though as the Pepper amendments propose to do.

So I believe that based on the sour aspects of the tax increase amendment that we should pickle the Pepper but we should not pepper Pickle. I like pickles better than pepper anyway.

Mr. Chairman, I urge adoption of the Pickle amendment, since it would at least make a poor bill a better one, although I urge defeat of the entire package and urge Congress to be more responsible to the taxpayers and not just to the tax receivers.●

□ 1640

The CHAIRMAN. The Chair would like to state that the gentleman from Texas (Mr. PICKLE) has 6 minutes remaining, the gentleman from Massachusetts (Mr. SHANNON) has 5 minutes remaining.

Mr. SHANNON. Mr. Chairman, I yield 5 minutes to the distinguished chairman of the Rules Committee, the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Chairman, a few days ago the gentleman from North Dakota (Mr. DORGAN) and I were making a video tape for him to send back to his State. We were talking about social security. Mr. DORGAN said, "The other day in my State of North Dakota, I was approached by a lady who said, 'Mr. Congressman, please do not cut the benefits of those who are going to retire at 62.' She says, 'I am just praying that I will be able to carry on for a few more months because I have arthritis so bad I can hardly get out of bed in the morning.' " That lady, by the Pickle amendment, if she retired at 62, would have her benefits cut 12.5 percent. Is that helping the system or the country?

What we come to decide now is what kind of a package we are going to end with. We started with a magnificent package. I say magnificent in its overall comprehensive accomplishments. There were parts of it that some of us bitterly opposed. I never thought I would vote to take away any part of the COLA from the elderly people of this country; I never thought I would

vote to tax any part of the social security benefits of the elderly of America, but I did, because I had no choice except to vote for this package or to vote against it. And by voting for this package, in spite of the sacrifices I had imposed upon the elderly, I was able to confront them and say with pride and confidence, "We have given you a social security system that will be sound and strong and stalwart and solvent 75 years from now."

And if my amendment is adopted and this one is defeated, then we can also say to them, I think with great pride, "And we have not cut your social security benefits." That was one of the reasons we were able to persuade the elderly to go along. You have not been button-holed in the corridors by the elderly pleading with you, "Do not do the things that this package does to the elderly." They thought in the long run we were doing them a good deal.

Now, here at the very tail end, when we are not dealing with the magnitude of the problem, but only with the tail end of it, at the utmost only a third of the money that might be involved, we are going to lose all the benefit that we will have derived from being able to say, "We have not cut your benefits" and come along and say we will cut benefits if you are going to retire at 62 by 12.5 percent. You know, they forget, when they say the "people are living longer." Yes, thank God. But the other day we had witnesses before the Aging Commission, or the Commission on Social Security, one Dr. Robert Butler, the head of the National Institute on Aging, and a member of his group; both of them testified, "Yes, in the last 10 years the average age has risen 10 percent." But they also added disabilities among the elderly working people have also increased 10 percent. Mr. PICKLE recognizes that by having brought on here now the suggestion that he will have a commission set up to try to accommodate the difficulties that will be experienced by those who will get less when it comes to the time of their retirement. I think Mr. Lane Kirkland, who is the head of the AFL-CIO, was a member of the commission, he said in a stirring statement he made before the commission, "If anybody has to bear the burden as one of my distinguished colleagues said here a while ago, it is a question of who should bear the burden, all right let us solve that problem." Mr. Kirkland said, "If anybody is to bear the burden let it be those strong enough to be able to work, not those who are not able to work or those who quit work and could not find another job or those who have one difficulty or another or have been shoved out of their job by racial or age discrimination."

Yes; what we are saying is, this Pickle proposal is something that was rejected in substance by the commission, in the very last day; there was a provision in the proposed package that we reduce——

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. PICKLE. Mr. Chairman, I yield my dear friend 1 additional minute.

Mr. PEPPER. I thank my distinguished friend for his kindness.

In that package proposal if he retires at 62 your income will be reduced from 80 percent of what you would get at 65 down to 74 percent. We defeated that in the commission. Now we have another proposal here raising the age of eligibility, another way of cutting benefits, another way of us alleviating some of the burden we have imposed upon the elderly of America, now with this amendment adopted we cannot say any longer, "We have not cut benefits" no matter what pride we take in the accomplishments of the package.

Mr. PICKLE. Mr. Chairman, I yield myself the remainder of my time.

The CHAIRMAN. The gentleman from Texas (Mr. PICKLE) has 5 minutes remaining.

Mr. PICKLE. Mr. Chairman, first I wish to attempt to straighten the RECORD on a matter that is in a handout with respect to the so-called Pickle amendment. The context was that we would reduce benefits 5 percent and then 12 percent; to age 67. Now, Mr. Chairman, the handbill compares lifetime benefit returns in an inaccurate way, that is the kindest way I can put it—an inaccurate comparison ignoring the larger taxes that must be paid by these individuals before they retire. The tax increases in the bill now combined with the benefit reductions in the committee bill actually raises slightly more revenue over the long term than my amendment and therefore should have at least an equal impact on these individuals.

In comparing age 62 benefits, the handout ignores the fact that the purpose of raising full benefits is to encourage people not to retire at age 62. Rather, the purpose is to encourage people to delay retirement, at which time they would receive full benefits.

Further, and I want to make this point, under the Pickle amendment, provision is made to provide the Congress the solution to prevent benefit reductions for individuals who cannot delay their retirement. The handout shows that my bill would be making reductions when in fact the provision in the bill, itself, makes reductions and increases taxes to raise more money than what I have proposed.

□ 1650

This is an inaccurate handout and I think the RECORD ought to show it because some people think the Pickle amendment would make big reductions.

Now, Mr. Chairman, 2 years ago my subcommittee made recommendations in an effort to cure our short- and long-term deficit. We were told then there was not a need to act and that we really need not worry about the long term because of the demographics, the problem would take care of itself. We have found that is not so.

Now we have reached a point where we have a chance to do something about it. We tried to move and we could not. But we have kept together now the last 2 years, our committee and the full committee, on a bipartisan basis.

I want to make two or three points now as we close.

First, we cannot just keep on raising taxes. My colleagues know that and I know it. The committee bill raises taxes, overall now, to a rate of 15.78 percent. The Pepper bill would raise taxes in excess of 16.36 percent. Now we know we cannot just keep on raising taxes. We know that longevity has increased. We do not have to argue that question. Thank goodness that medical science has been such that we have learned to live longer and to work longer. I contend that people want to stay in the work force, people want to keep working. They are better off physically, mentally, and financially. There is nothing in the world wrong with raising our retirement age just 1 year, 66, and then up to 67. That is not harsh, that is just in keeping with the time.

I said to my colleagues earlier that I think that is inevitable and I think that it is.

Now the committee bill before us and the one which one Member said he thought might be preferable, the committee bill cuts benefits. It cuts benefits, 60 percent of that deficit is made up by cutting benefits. It is a 5-percent overall cut in benefits. And in addition, it has a 0.24-percent increase in taxes. So you are cutting benefits and you are raising taxes at the same time.

Now it may be that that may be the amendment you want to fall back on. But I say to my colleagues it is far better for us to raise the retirement age in the future so that people will have ample notice when to get ready for it. And we are going to be ready in the meantime to give them a definition on the disability, on occupational disability, because we think they are entitled to that.

I would think then we ought to sum up this argument by this. Nobody wants to cut benefits, my dear friend from Florida. I do not want to cut benefits, but I think the American people expect us, the Congress, to make some structural changes. We have raised taxes three or four times in this bill that is before us. We are taxing one-half of the benefit and we have raised

the retirement age. We need to make structural changes.

I urge the Members to support this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PICKLE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SHANNON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 202, not voting 3, as follows:

[Roll No. 22]

AYES—228

Alexander	Gibbons	McKinney
Andrews (TX)	Gingrich	McNulty
Annunzio	Glickman	Michel
Anthony	Gradison	Montgomery
Archer	Gramm	Moore
AuCoin	Green	Moorhead
Badham	Gregg	Morrison (WA)
Barnard	Gunderson	Myers
Bartlett	Hall, Ralph	Nielson
Bateman	Hall, Sam	O'Brien
Bates	Hamilton	Olin
Bedell	Hammerschmidt	Ortiz
Beilenson	Hance	Oxley
Bennett	Hansen (ID)	Packard
Bereuter	Hansen (UT)	Parris
Bethune	Hartnett	Pashayan
Bilirakis	Hatcher	Paul
Bliley	Hefner	Penny
Boehlert	Heftel	Petri
Bouquard	Hightower	Pickle
Breaux	Hiler	Porter
Brooks	Hillis	Pritchard
Broomfield	Holt	Pursell
Brown (CO)	Hopkins	Quillen
Broyhill	Horton	Ray
Burton (IN)	Hunter	Ridge
Byron	Hutto	Ritter
Campbell	Hyde	Roberts
Carney	Ireland	Robinson
Carper	Jeffords	Roemer
Chandler	Jenkins	Rogers
Chappell	Jones (NC)	Rostenkowski
Chappie	Jones (OK)	Roth
Cheney	Kasich	Roukema
Clinger	Kazen	Rowland
Coats	Kemp	Rudd
Coleman (MO)	Kindness	Sawyer
Coleman (TX)	Kramer	Schulze
Conable	Lagomarsino	Sensenbrenner
Cooper	Latta	Shaw
Corcoran	Leach	Shelby
Coughlin	Leath	Shumway
Courter	Lent	Shuster
Craig	Levitas	Siljander
Crane, Daniel	Lewis (CA)	Skeen
Crane, Philip	Lipinski	Slattery
Daniel	Livingston	Smith (NE)
Dannemeyer	Loeffler	Smith (NJ)
Daschle	Lott	Smith, Denny
Daub	Lowery (CA)	Smith, Robert
de la Garza	Lujan	Snowe
DeWine	Lundine	Solomon
Dickinson	Lungren	Spence
Downey	Mack	Stangeland
Dreier	MacKay	Stark
Duncan	Madigan	Stenholm
Edwards (AL)	Marlenee	Stratton
Edwards (OK)	Marriott	Studds
Emerson	Martin (IL)	Stump
English	Martin (NC)	Sundquist
Erlenborn	Martin (NY)	Synar
Evans (IA)	Matsui	Tauke
Fiedler	Mazzoli	Tauzin
Fields	McCain	Taylor
Fish	McCandless	Thomas (CA)
Flippo	McCollum	Thomas (GA)
Forsythe	McCurdy	Udall
Franklin	McDonald	Valentine
Frenzel	McEwen	Vander Jagt
Fuqua	McGrath	Vandergriff
Gekas	McKernan	Vucanovich
Walker	Whittaker	Wright
Watkins	Wilson	Wylie
Weber	Winn	Young (AK)
Whitehurst	Wolf	Young (FL)
Whitley	Wortley	Zschau

NOES—202

Ackerman	Gephardt	Ottinger
Addabbo	Gilman	Owens
Akaka	Gonzalez	Panetta
Albosta	Goodling	Patman
Anderson	Gore	Patterson
Andrews (NC)	Gray	Pease
Applegate	Guarini	Pepper
Aspin	Hall (IN)	Perkins
Barnes	Hall (OH)	Price
Berman	Harkin	Rahall
Bevill	Harrison	Rangel
Biaggi	Hawkins	Ratchford
Boggs	Hertel	Regula
Boner	Howard	Reid
Bonior	Hoyer	Richardson
Bonker	Hubbard	Rinaldo
Borski	Huckaby	Rodino
Bosco	Hughes	Roe
Boucher	Jacobs	Rose
Boxer	Johnson	Roybal
Britt	Jones (TN)	Russo
Brown (CA)	Kaptur	Sabo
Bryant	Kastenmeier	Savage
Burton (CA)	Kennelly	Scheuer
Carr	Kildee	Schneider
Clarke	Kogovsek	Schroeder
Clay	Kolter	Schumer
Coelho	Kostmayer	Seiberling
Collins	LaFalce	Shannon
Conte	Lantos	Sharp
Conyers	Lehman (CA)	Sikorski
Coyne	Lehman (FL)	Simon
Crockett	Leland	Sisisky
D'Amours	Levin	Skelton
Davis	Levine	Smith (FL)
Dellums	Lewis (FL)	Smith (IA)
Derrick	Long (LA)	Snyder
Dicks	Long (MD)	Solarz
Dingell	Lowry (WA)	Spratt
Dixon	Luken	St Germain
Donnelly	Markey	Staggers
Dorgan	Martinez	Stokes
Dowdy	Mavroules	Swift
Durbin	McCloskey	Tallon
Dwyer	McDade	Torres
Dymally	McHugh	Torricelli
Dyson	Mica	Towns
Early	Mikulski	Traxler
Eckart	Miller (CA)	Vento
Edgar	Miller (OH)	Volkmer
Edwards (CA)	Mineta	Walgren
Erdreich	Minish	Waxman
Evans (IL)	Mitchell	Weaver
Fascell	Moakley	Weiss
Fazio	Molinari	Wheat
Feighan	Mollohan	Whitten
Ferraro	Moody	Williams (MT)
Florio	Morrison (CT)	Williams (OH)
Foglietta	Mrazek	Wirth
Foley	Murphy	Wise
Ford (MI)	Murtha	Wolpe
Ford (TN)	Natcher	Wyden
Fowler	Nelson	Yates
Frank	Nichols	Yatron
Frost	Nowak	Young (MO)
Garcia	Oakar	Zablocki
Gaydos	Oberstar	
Gejdenson	Obey	

NOT VOTING—3

Boland	Neal	Washington

□ 1710

Messrs. BORSKI, WIRTH, VOLKMER, ANDERSON, and PRICE changed their votes from "aye" to "no."

Mr. PARRIS changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PEPPER

Mr. PEPPER. Mr. Chairman, I offer an amendment which, in compliance with the rule, was printed in the RECORD of March 7, 1983.

The Clerk read as follows:

Amendment offered by Mr. PEPPER: Strike out title II of the bill (beginning on line 6 of page 84 and ending on line 8 of page 86) and insert in lieu thereof the following:

TITLE II—ADDITIONAL PROVISIONS RELATING TO LONG-TERM FINANCING OF THE SOCIAL SECURITY SYSTEM ADJUSTMENTS IN OASDI TAX RATES

SEC. 201. (a)(1) Subsection (a) of section 3101 of the Internal Revenue Code of 1954 (relating to rate of tax on employees for old-age, survivors, and disability insurance), as amended by section 123(a)(1) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"1990 through 2009	6.2 percent
2010 or thereafter	6.73 percent."

(2) Subsection (a) of section 3111 of such Code (relating to rate of tax on employers for old-age, survivors, and disability insurance), as amended by section 123(a)(2) of this Act, is further amended by striking out the last line of the table and inserting in lieu thereof the following:

"1990 through 2009	6.2 percent
2010 or thereafter	6.73 percent."

(b)(1) Subsection (a) of section 1401 of such Code (relating to rate of tax on self-employment income for old-age, survivors, and disability insurance), as amended by section 124(a) of this Act, is further amended by striking out the last of the table and inserting in lieu thereof the following:

"Dec. 31, 1989.....Jan. 1, 2010	12.40
"Dec. 31, 2009	13.46."

(2) Paragraph (1) of section 1401(c) of such Code (relating to credit against self-employment taxes), as amended by section 124(b) of this Act, is further amended by striking out "beginning after December 31, 1987" and inserting in lieu thereof "beginning after December 31, 1987, and before January 1, 2010, and 2.1 percent in the case of taxable years beginning after December 31, 2009".

In the table of contents of the bill, strike out the items relating to sections 201 and 202 and insert the following:

"Sec. 201. Adjustments in OASDI tax rates."

Mr. PEPPER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Chairman, pursuant to the rule, I designate the gentleman from New York (Mr. CONABLE), a member of the committee, to control the time in opposition to the Pepper amendment.

The CHAIRMAN. Pursuant to House Resolution 126, the gentleman from Florida (Mr. PEPPER) will be recognized for 1 hour and the gentleman from Ney York (Mr. CONABLE) will be recognized for 1 hour.

PARLIAMENTARY INQUIRY

Mr. CONABLE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONABLE. Mr. Chairman, under the rule, would the adoption of the amendment currently before us wipe out the effect of the amendment just adopted?

The CHAIRMAN. The gentleman is correct.

The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, due to there being not altogether the best of order in the Chamber, I would like to be assured that the Members all heard the last ruling of the Chair as to what would be the situation if the Pepper amendment should be adopted by the committee.

The CHAIRMAN. The last amendment adopted and reported back to the House will prevail.

Mr. PEPPER. Mr. Chairman, you will remember this day and so will the people of America because we are determining the future and the character of one of the greatest institutions ever established in this land.

Nearly 100 million people have been recipients of social security since it was established back in 1935.

□ 1720

Every month 36 million people receive a social security check, the average of which is about $400 or a little less. One-third of the recipients of those checks do not have a dime's income except what they get from social security, and 6 out of 10 of the American people rely primarily for their sustenance upon social security. Every month 116 million Americans pay into social security.

This is the people's program, intended by President Roosevelt and those who were the authors of the measure in those early days as some measure of assurance that those who retired would have a decent sustenance upon which to live, that those who died would have a measure of protection to transmit to their widows and their children, and that those who became disabled under another phase of the system would have some support.

The Congress has been not only the creator but the protector of social security. Now we are determining to what extent we are going to preserve it in the character in which it was conceived. If today we cut benefits, it will be the first time in the history of the Congress since the inception of social security, except in 1977, when we corrected an actuarial error that had been inadvertently included in the previous legislation. But today, by any method, whether by raising the age of eligibility or by changing the formula under which we calculate social security benefits, if we reduce benefits from the structure that now exists, no matter how sound and solvent we preserve the system, we will leave a taint upon its character that has never been put there by any previous Congress. And, remember, the people we are cutting are not even the able-bodied workers, about whom Lane Kirkland, president of the AFL-CIO, said before the Commission:

> If anyone had to bear the burden, he was better able to bear it than the unemployed, the retired, the discharged, the ill, or the disabled who are the beneficiaries of social security.

There have been, unfortunately, two causes of the trouble we have now with social security. One was back in 1972 when the Congress determined that we would have a cost-of-living adjustment to preserve the value of benefits against inflation, trying to prevent the lowering of the standard of living of the recipients of social security. And even now a large part of them have incomes below the poverty level. One-sixth of the elderly of America today, in spite of social security, have total incomes less than the income level of the poverty line.

In the 1972 social security amendments, Congress provided that benefit cost-of-living adjustments would be determined by the Consumer Price Index. Unfortunately, the historical relationship between wages and prices reversed itself. In almost every year since 1972 the CPI has exceeded the wage increase, therefor precipitating an increase upon the demands of the social security funds.

Rampant unemployment was the second cause of the system's funding problems. Today there are 12 million people unemployed, still looking for a job, and another 2 million who have given up that hope, and with those people unable to pay into social security because they do not have any pay check, is it any wonder that the old age and survivors insurance fund needs help through loans from the disability insurance fund? That is what we have been considering here in the last few months.

In 1981 the President asked the American Congress to cut social security benefits by $88 billion in the 5 years succeeding 1981, and he induced the Congress to cut social security benefits in the succeeding 5 years by $19 billion.

The next request of the President was to reduce by about a third the amount of benefits to be received by anybody retiring at 62 in order to discourage withdrawals from the work force.

The next request of the President was to reduce by 10 percent the benefits of those retiring at 65 over the following 5 years, and the last request was to reduce by about a third the number of people who are the beneficiaries of the disability insurance program, reducing the number insured for disability from 93 million to 60 million.

Well, by that time the sentiment of the Congress was very much opposed to those cuts, and so was the sentiment of the country. Then the President said, "I will withdraw those last requests, and we will set up a nonpartisan commission, a very objective and fair commission, to study the problems of social security and to make appropriate recommendations."

So in December of 1981 the Social Security Commission was set up consisting of 15 members. Actually there were five active members appointed by the Democractic Party and supported by the Speaker. These five were the Honorable Lane Kirkland, head of the AFL-CIO, Senator PAT MOYNIHAN of New York, I from this House, Ms. Martha Keyes, a former distinguished Member of this House, and the Honorable Robert Ball, who had been for 12 years Commissioner of Social Security.

There were five active Democrats, as I said. There were two other Democrats, but they were appointed by the Republican Party and never worked with us. One was Mr. Waggonner, a former distinguished Member of this House, and another was Mr. Trowbridge, now head of the National Association of Manufacturers.

We started our deliberations under a very able chairman, Mr. Alan Greenspan, in December 1981. The Commission was supposed to expire at the end of December 1982 but by that time all that had happened was that we five Democrats had made some proposals that could be the basis of negotiation for a package to be submitted to the President and the Congress. The White House had not made any proposals, and basically the Republicans on the committee had not made any.

By that time the chairman appealed to the President to extend the life of the Commission. He extended it for 15 days. Finally, a week before January 15, the chairman induced the White House to enter into negotiations over the character of the recommendations of the Commission. We struggled over this matter. The number of participants in the negotiations increased.

Finally, on Saturday afternoon late of January 15, just a few hours before the expiration of the Commission by its extended life, we obtained an agreement supported by the distinguished Speaker, by the President, and by 12 of the 15 members of the Commission. We came up with a package that pro-

vided revenue of $165 billion to cover the needs of the first phase of the problem; namely, the period from 1983 to 1989. The Commission agreement also solved two-thirds of the long-term deficit, which would bring the system into close actuarial balance. We were unable, however, to come to an agreement on closing the final one-third of the long-term deficit.

There was a schism throughout the deliberations of the committee, a schism that rages on this floor today. The question was, do we want to meet the problems of social security by cutting benefits, or do we want to preserve the structure we now have and meet those needs in some other way?

There was not a single permanent cut in the benefits to be received by the elderly now or yet to come in the recommendations of the Commission. I want to emphasize that. The Commission rejected a proposal that was first in the proposed recommendations; namely, that we reduce the benefits to those retiring at 62 from 80 percent of what they would get if they retired at 65 to 76 percent.

□ 1730

The proposal was rejected by the Social Security Commission, and so the Commission is on record as not making any permanent cut in social security benefits for the present or future recipients from that great program.

We came there that Saturday evening, January 15, and 12 of us had agreed to sign that package. There were many aspects of that that every one of us detested and strenuously opposed.

I never thought I would ever vote to take away a day from the cost-of-living increases that were paid under the existing law to the elderly. But that was in there, to cut out 6 months. I called the White House. I did everything I could to prevent any cut in the social security cost-of-living increases.

And then I never believed that I would vote to tax any of the social security benefits, and yet that package contained a provision that we tax for those in the higher income brackets one-half of their social security income, the half attributable to the employer contribution.

These were great sacrifices. But we had to measure and to balance what we were required to give up with what we were getting.

What were we getting? We were getting for the first time the commitment of the President of the United States and the Congress of the United States that social security benefits would be strong and solvent and sound at least 75 years in the future.

In addition when we put together that first package which 12 of us signed, there was not a nickel's cut in social security benefits to any recipient of social security now or in the future.

Well, what were we going to do that evening? Some of the members of the Commission thought we should cover the period of 75 years. I thought the Commission should finance the program for a 50-year period. The Executive Director of the Commission had informed the Commission that the taxes already levied would provide adequate protection for social security for the next 50 years, once we got over the temporary problem of 1983 to 1989.

I said that we cannot anticipate what conditions will be like with any reliability more than 50 years in the future. Let us not try to go beyond that. But the Chairman and evidently the larger opinion on the Commission was to finance the system over the 75-year period. So we had a dispute over a possible third of the long-term problem.

The Chairman, Mr. Greenspan, proposed to us Saturday evening, that since we cannot agree upon what we will do to meet that possibility of need in the last third of the 75-year period, the Commission will issue separate reports with respect to the remaining one-third of the long term. So the Republican group—and all of them were members appointed by the Republican Party—came up with a supplementary recommendation, and the Democratic group came up with its own recommendations as to how the last part of the problem should be met.

The Republican group recommended that we raise the age of eligibility. They proposed that in orders to reduce the system's expenditure, the outgo from the fund enough to meet whatever the needs were in that advanced time.

On the other hand, we Democrats reaffirmed the principle of not cutting social security benefits. We still hope, we still believe that the economy of this country in some better day may be strong enough to afford even a better structured social security than we have today.

The average benefit today is only $400 a month. So there must be a lot of people receiving benefits between $300 and $400 a month. There are millions more between $200 and $300, and there are a large number of people even between $100 and $200 in their monthly benefits. There are a lot of people today who have no income but social security, that are living in the direct poverty.

We were hopeful that maybe a day would come when we could better the lot of those unlucky and unfortunate people.

So what we have today is essentially the two recommendations of the two groups. My distinguished friend from Texas, Mr. PICKLE, is one of the dearest friends I have in this body. He is one of the noblest friends I have in this body. When my dear wife was gone and he knew that I was suffering from dire sorrow, he asked me to go on a trip to get my mind off my sorrow. I shall never cease to appreciate his personal kindness and his great personal friendship. But what he is offering us today is essentially the Republican proposal offered after the conclusions of the Commission. What I am offering is exactly the recommendations of the Democratic five appointed by our great Speaker and told to go and do what was right.

That is what we tried to do, and that is the reason that we recommended as we did, that we preserve what we had achieved up to that moment—no cut in social security benefits.

There is a gentleman here in this body, a Mr. AL WHEAT, who is one of the distinguished new Members of this House. I hope he will mention it on the floor today—he mentioned the other day in the Rules Committee that just a week ago they had a referendum in his district in Kansas City, Mo., and in the referendum was the question: "Do you favor cutting social security benefits?" The referendum was 80 percent "No." Take any poll in America that has ever been taken and see if a single poll anywhere shows that the people propose and support cutting social security benefits.

So today we have to make up our minds. Are we going to cut social security benefits? Are we going to mar the message that we can give to our people?

I do not say this in any way at all with any partisan intent. I respect the two-party system. Thank God we have it. Thank God in this Congress, Senate and House, that not a single person is not a Democrat or Republican, and that has added strength to the great democracy that we have in America.

But the fact is I noticed on the last record of the votes on the tally board here a while ago, at the end of the Pickle amendment vote, that we who opposed the Pickle amendment because it cut benefits were some 30 votes behind. On that vote, 150 Republicans supported the Pickle amendment and only 17 voted against the Pickle amendment.

So, we might just as well be frank about it among ourselves. That is the Republican point of view all through the deliberations of this Commission, the effort of the Republicans, of the White House, the Members of Congress. Relying primarily on cutting benefits was set forth as the salvation of social security. On the Democratic side, we opposed this approach. We said we would not support cutting benefits.

If I may say so, on Thursday afternoon before we adjourned I called Mr. Stockman at the White House. I said,

"Mr. Stockman, I want to speak to you a few minutes if I may against that proposal in the package we are now considering to reduce from 80 percent of what they get at 65 to 76 percent of what they get at 65, people where he would retire at 62 years of age." I said, "Mr. Stockman, if that provision goes in this package I will not support it."

I spoke in 26 States in the last election, and in every place I spoke I held up the hands of a man or a woman and I said that he or she will not vote to touch, to cut social security benefits. It was the principal issue in the last year's campaign.

If you do not agree with me, ask the new Members who are here and see if most of them would not tell you that that is true in their case.

□ 1740

Now here is our dilemma, if some regard it as such: If we will pass this package as, of course, we must do and then if you will adopt my amendment, we can go proudly from this Chamber and say to the 26 million senior citizens of America and to their children, and we can say to those who will be the ancestors of those yet to be born, whether it is 10 or 15 or 25 or 75 years from now, "The Congress of the United States of America has said your social security package is secure and we have not cut social security benefits and we made it solvent and sound for 75 years."

Why would we want to violate the principle of maintaining benefits at the end when the rest of the package preserves the current benefit structure? The Commission agreement leaves only the slightest bit of imbalance in the period 50 to 75 years away. It is hardly necessary to adopt the approach of benefit cuts in order to meet the exigencies of that problem.

They say, "Oh, well, but are not people living longer?" Thank God they are. But we had two witnesses before our commission who testified on that subject: Dr. Jacob Feldman of the National Center for Health Statistics and Dr. Robert Butler of the National Institute on Aging. They testified that during the last 10 years the rate of longevity has increased by 10 percent, but, they added, during the same period of time the disability incidence rate of the elderly working people had increased by 26 percent. In other words, what assurance have we that we are not reducing the benefits of people who are going to need it as bad as they do now?

Mr. DORGAN of North Dakota and I were making a TV taping to be broadcast back in his State. During that taping he told me, "The other day in my State of North Dakota a lady approached me and said, 'Mr. Congressman, please do not cut benefits for those who retire at 62 years of age.' She said, 'I am just praying that I can last a few months longer because I have arthritis so bad I can hardly get out of bed in the morning.' "

My dear friend, under Mr. PICKLE's amendment, that lady's benefits would be cut 12.5 percent from the amount of benefits she would be entitled to under the present law of this land.

The truth is that about half of the people who retire at 62 do so for reasons of ill health. An additional 20 percent are forced out of the labor market because they have been discriminated against on account of their age.

I suggest that we just don't know whether or not the need may be just as great out there in the future as it is today. The other day when I was testifying before the Ways and Means Committee on this matter, I looked around the room and I said, "I do not see any of these people that we are voting on to cut their benefit out there in the year 2008, 2017." I do not see any of them here today. Somehow I do not feel just right about exerting the privilege of relying on the law of the present and retiring at 65, but saying a man in the year 2000 or 2022 cannot retire when he is 65, he has to wait until he is 67. Why do I need to do that? Is that quite fair to him that I prejudge his eligibility for these receipts and the desirability of giving them to him?

So, what I am proposing is we simply increase the payroll tax by 0.53 percent. Even if the worker had a salary of $36,000 a year my amendment would add only $190 in a year to the taxes that man would have to pay. Only 20 percent of the American people in their work make over $20,000 a year. So my amendment would not cause the expenditure of very much more.

Furthermore, the Democratic five on the Commission expressed gravest doubt as to whether there will be any money at all needed in the last 25 years of the 75 with which we are dealing. Our estimate is—based on the work of technical people of great competence—that the money provided under the Commission agreement social security will come within 4.1 percent of meeting the projected need of the old age and survivors and disability insurance programs over the next 75 years. The social security actuaries will tell you that when you are dealing with estimates of 50, 75 years in the future, if your income and outgo are off only 5 percent, it is an acceptable figure that you have.

Furthermore, if my amendment is put in effect, when the Congress gets out nearer to the time that it would begin to take effect, if they do not anticipate there will be a real need for supplemental funds, all Congress has to do is to modify it or rescind it. But once you have frozen into the law the principle of cuts in benefits by reducing the benefit formula or by raising the age of eligibility, that will remain with us into the distant future.

So, I am saying to you, my colleagues, those people out there have suffered enough under this proposal, this package. I have had to look into their face as their friend, as if I was their attorney and say, "Listen, I did not come out as well as I wish I could have in your case. I tried my best but I did not win all the things that I sought to achieve. You are going to have to pay a considerable price for the enjoyment of the boon of social security in the years ahead. But, my friend, I want to tell you one thing, that withholding of the cost-of-living increase is only for 6 months. You only pay taxes on one-half of your social security benefits even if you are of the few who would be affected. The part of your benefits attributable to your half of the contribution would still be tax free, and it is still less than the tax you would have to pay on the benefits you receive from the civil service retirement fund. But I want you to know that in return for that we brought you back something you can cherish. It will give assurance to you and your family that you have not enjoyed. You may now be sure that your social security protection will not be cut."

Many an elderly person in America has quaked in his or her tracks wondering from all they had heard coming out of Washington as to the dangers of social security, whether or not they would ever get another social security check. And these young workers all over America, skeptical and cynical, have been saying, we have been ripping them off, making them pour their hard-earned dollars down a rathole that will never yield them anything in the future because they say, "Well, by the time I get to 62 or 65 there will not be any social security. If there is, it will not be anything but a shell and there will not be any money there for me."

I have personally noticed, as I go around the country, in airports and other places, since this package has been before this House, the number of young people who walked up to me and said, "We appreciate what you are trying to do for us on social security. Not just for my mother and father and my aunt and uncle, but for me as well."

□ 1750

We have restored their confidence when we enact this measure that their Government really did care about their social security program. Their Government was committed as a point of honor to keep it strong and solvent and sound.

Mr. Chairman, I wish this House could follow the lesson and the exam-

ple of the Social Security Commission and reject any effort to contaminate the compromise package with any cuts in social security benefits. If we will do that, this will be a monumental day in the history of this country. It will be a day that will mean an awful lot because I just add this: Social security gives something more than money to people over this country. If I may use a personal experience. Last summer one of my brothers and I went back to east Alabama, where I was born and reared. And I visited with a lot of old relatives and friends all over that dear part of America.

One afternoon I was sitting in a neat little home in Birmingham, talking to a first cousin of mine, a lady with whom I grew up in east Alabama. She was telling me about her two fine sons and she was so proud of them. One was a minister who had just been promoted to some prestigious position. The other was a businessman who was doing well. Suddenly I said, "Eunice, do you have social security?"

She said, "Oh, yes, I have social security."

"Well," I said, "you are all right then, aren't you? You have got your two fine sons to help you and you have got your social security."

She drew herself up and said, "I have got my social security, I don't need my sons to help me. I don't want to be a drag on my sons. They have got children to support."

What parent in America wants to be a burden upon his or her children no matter how faithful and loving they are? And yet here we twiddle over giving them a few more dollars a month, keeping them from being crushed from poverty down to misery, giving them the right to sustain that dignity. That is characteristic of this great country.

I have done all I could. I leave the decision to my colleagues whether you are going to preserve this great institution in its integrity.

Mr. Chairman, I have a prepared statement which I would like to include at this point in the RECORD:

Mr. Chairman, I ask for unanimous consent to revise and extend my remarks.

Mr. Chairman, today this body will be asked to make a very difficult decision. We will be called upon to act on a set of admittedly imperfect recommendations arrived at by the National Commission on Social Security Reform. The compromise agreement contains some provisions which I could not support as individual proposals. But there are a host of very compelling reasons for this body to adopt the legislative embodiment of the Commission agreement.

The most immediate reason is time. Under current law, the interfund borrowing authorized by Congress has expired. The last loan from the disability insurance fund will help finance the uninterrupted payment of old age and survivors' insurance benefits through the end of June. If we fail to act, these benefits—the lifeblood of 31 million people—will be delayed.

The most compelling reason is fairness. I believe the Commission package represents a fair and equitable sharing of sacrifice. Beneficiaries are asked to defer their cost-of-living adjustment, or COLA, for 6 months. Those with the highest incomes will pay more in income taxes; those at the low end will be protected from the COLA delay. Workers are asked to pay higher payroll taxes in 1988 and 1989, and Federal workers are asked to participate in social security for the first time. The self-employed are asked to contribute more, only partially offset by an income tax cut. Even the general revenues will pitch in. Everyone in America will give a little in order to get a lot.

The changes in the Commission agreement are designed to make the social security system safe, solvent, sound, and secure, for now and for future generations. The Commission agreement will provide the means to more than finance social security's obligations over the next few years, for the next half century, and will bring the system into close actuarial balance over the long term.

This brings me to the most important reason for acting favorably on the Commission's recommendations. The bipartisan agreement preserves the current law level of benefits, for now and for future generations. Mr. Chairman, this is the very heart of the matter, and this is what my amendment is all about.

The House has before it three choices. Two of them involve cutting benefits. My amendment will restore the current law level of benefit protection guaranteed in the Commission agreement.

The Social Security Act Amendments of 1983 as reported by the Committee on Ways and Means are primarily based on the Commission compromise. Unfortunately, the committee bill takes a radical departure from the bipartisan Commission agreement. Contained in title II of the committee bill is a 5-percent benefit reduction for future beneficiaries—today's contributing workers. That is one alternative.

Next we have the amendment just offered in the Committee of the Whole, the substitute offered by Mr. PICKLE. The Pickle substitute would raise the age of entitlement to full benefits, and would substantially reduce benefits to early retirees. This benefit cut is the second alternative.

Finally, there is the pending amendment. My amendment in the nature of a substitute to title II of the bill is quite simple and straightforward. There are no gimmicks, no complex phaseins, no benefit formula adjustments. My amendment preserves the current law benefit structure. I believe that this is the only real alternative.

TWO POOR ALTERNATIVES

Committee bill: The Commission agreement, embodied in title I of the committee bill, reduces the system's long-term actuarial deficit by 68 percent. Taken alone, this restores the social security system to close actuarial balance. In order to address the remaining 32 percent, the committee bill contains a provision to reduce the benefit replacement rate which determines the real benefit level of present and future beneficiaries.

Under the committee bill, the percentage factors in the benefit formula would be decreased during the years 2000-2007 so as to reduce the average worker's replacement rate from 42 to 39.9 percent. This amounts to a reduction in the initial benefit levels of workers now 45 years of age. A full 5-percent reduction would await workers now 37 years of age.

This technical-sounding proposal reduces benefits in an insidious and surreptitious manner. Over time, the benefit protection of future workers is reduced upon initial entitlement and is further ratcheted down because cost-of-living adjustments are applied to a lower base. The result of this replacement rate reduction would be to guarantee a lower relative standard of living for future beneficiaries—today's contributing workers.

Under the 1977 amendments, the social security replacement rate was stabilized. The replacement rates are 53 percent for a low-income worker, 42 percent for an average earner, and 28 percent for a worker at the maximum wage base. These replacement rates are frozen in perpetuity, absent action by Congress.

The average retired worker benefit is under $5,000 a year—barely over the poverty line. And since the social security replacement rate is frozen, average benefits in the future will remain close to future poverty thresholds. So all this proposed reduction in the benefit formula will accomplish is to drive more people into poverty.

I know that as we consider the remainder of the long-term deficit, it will be difficult to ignore the temptation to cut benefits. Some may consider reducing the benefits of young workers far off in the future the politically expedient thing to do. Others may even tout it as an "act of courage." I fail to see how reducing the incomes of the aged and disabled constitute "courage" simply because they are affected in the distant future.

PICKLE AMENDMENT

The Pickle amendment would increase the age of entitlement for full benefits. In addition, benefits would be reduced for all those who claim bene-

fits at an earlier age. This proposal is also a benefit cut. However, the reductions disproportionately affect those who lose their jobs or are unable to work because of poor health.

The arguments against this proposal are compelling, overwhelming, and have been stated at length before the Commission and the House. I will briefly summarize them. Raising the age eligibility for full benefits:

Ignores the need of a substantial number—possibly a majority—of older workers to leave the labor force before age 65.

Uses compulsion when market forces and incentives are preferable in encouraging later retirement.

Attempts to force older people to work longer by cutting benefits but does not eliminate impediments to employment or assure jobs.

Assumes that because longevity is improving, health is improving in tandem with longevity. It is not.

Meets the entire long-range deficit remaining after the Commission agreement by cutting benefits.

Mr. Chairman, I would like to share with my colleagues the findings from testimony presented before the Commission by Dr. Robert Butler of the National Institute on Aging and Dr. Jacob Feldman of the National Center for Health Statistics. Dr. Feldman reported not only that work disability rates increase with age, but that the work disability rates within each age group of older workers have been increasing during the last decade. "Remember," he says, "this was the period of the rapid decline in death rates for men of that age."

Dr. Robert Butler, former director of the National Institute on Aging, told the Commission that early retirees tend to be nonwhites and in physically demanding occupations. Minorities have poorer health and higher mortality rates than whites. In 1978, the number of deaths was nearly twice as high for black men age 55 to 64 than white men in the same age group. In addition, the percent of minority men age 55 to 64 who are unemployed is higher than white men in that age group.

In essence, Mr. Chairman, people may be living longer, but millions will live with chronic and disabling health conditions. They will not have the choice of working for 2, 3, or 4 additional years. They will simply have to retire at age 62 at benefit levels 12½ percent below current law.

Let me be very clear about this. Merely increasing the age of entitlement saves very little money. The bulk of the savings comes to the extent that workers must accept reduced benefits because ill health precludes their working any longer. It is the 12½ percent cut in early retirement benefits—from 80 to 70 percent—that achieves the savings in the Pickle amendment.

As an 82-year-old (or young) worker, I know that this proposal should have a certain amount of attractiveness. I know many people, working past the traditional "age of retirement," who favor this proposal. But I suspect that many of these people are engaged in self-satisfying occupational pursuits which are less than physically demanding.

On the other hand, millions of workers joined the labor force at a young age, foregoing a college education. Many have worked for 45 years or more by the time they reach age 62. A large number are engaged in physically debilitating labor. They simply do not have the capacity to remain in the work force any longer.

CUTS IN BENEFITS UNNECESSARY

If this is true, why are these two options to cut social security benefits being given such serious consideration? I suspect that the remaining long-term actuarial deficit has convinced many of my colleagues that the system needs "fundamental reform." I would like to put this issue into some perspective.

LONG-TERM FINANCING: CURRENT LAW

Although much is said and written about the projected status of the trust funds 75 years from now, the truth is that very little is known. Assumptions made with respect to inflation, wage growth, GNP, employment, longevity, immigration, interest and birth rates are just that—assumptions. I would submit that there will be other factors which affect OASDI financing, ones we cannot even contemplate at present. That will emerge in the future. In short, I believe that we should approach the long-term financing of OASDI with due humility and respect for the limitations of our ability to predict a future three-quarters of a century away.

As projections are made further into the future, accuracy and reliability markedly diminish. Most nations with social insurance systems make 25- or 50-year cost projections, but almost never beyond the latter. Only the United States and Canada make 75-year actuarial projections. With this in mind, it is important to note that virtually all of the problems associated with long-term OASDI financing occur during the last 25 years of the 75-year valuation period.

The most striking aspect of the long-range financing picture is that under current law the OASDI programs are in close actuarial balance over the next 50 years. Demographic trends very favorable to OASDI financing which allow the buildup of large trust fund surpluses during the 1990's and the first decade of the 21st century account for this little-known fact.

Even absent any long-term financing measures by Congress, the cash-benefit programs are adequately financed for the next half-century. The reliability of estimates beyond 50 years are questionable at best. At worst, the projections for 50 to 75 years in the future have served as a rationale to make dramatic changes in the obligations of the Nation's social insurance system. Because the system relies on the contributions of participants whose benefit obligations may not be paid for decades, I have opposed dramatic changes in social security's benefit obligations based on assumptions about what may or may not occur 50 to 75 years from now.

Nevertheless, I have supported efforts to bring the OASDI programs within close actuarial balance along the lines of the National Commission agreement. As the provisions of the Commission agreement indicate, it is possible to close the 75-year financing gap without reductions in benefit protection.

When the long-range estimates are considered in perspective, it is not difficult to see how this is true. With no changes in current law, the average annual cost of OASDI is 14.38 percent of payroll over the next 75 years. During that time, the present law average annual contribution rate is 12.29 percent of payroll, leaving a deficit of 2.09 percent of payroll.

Virtually all of the deficit accumulates during the final third of the 75-year valuation period, when the estimates are the least certain. Moreover, the shortfall amounts to 14.5 percent of program expenditures. In fact, the closer one examines the long-term financing of social security, the more that claims of impending calamity and intergenerational warfare ring hollow.

LONG-TERM FINANCING AND COMMISSION RECOMMENDATIONS

The recommendations of the Commission, as contained in title I of the bill, are known as short-term recommendations. If the truth-in-lending law were to apply to pending bills, however, this title might be called long- and short-term recommendations.

The provisions in title I reduce the deficit over the 75-year valuation period as a level which the social security actuaries regard as statistically insignificant. Enactment of these provisions—without the long-term cuts contemplated in the committee bill or the Pickle amendment—reduces the estimated deficit to within 0.68 percent of payroll. This would bring estimated revenues to within plus or minus 5 percent of estimated outlays, or within close actuarial balance.

It is an irony of the highest order that both of the pending benefit reductions triggers in during the first decade of the 21st century. The very estimates used to justify these cuts project that the trust fund reserves will be at their highest level in history: more than 200 percent of estimated

annual outlays. Yet, this would be the very time that substantial benefit cuts would occur.

In short, Mr. Speaker, reducing benefits for today's young workers is not only unwise and unfair, it is unnecessary. Neither of the pending benefit cuts belongs in this refinancing legislation. There are far superior ways to finance the system's benefit obligations.

A FAIR ALTERNATIVE

My amendment would institute an employer/employee tax rate increase of 0.53 percent in the year 2010. This would increase the FICA tax rate from 6.2 percent which, under present law goes into effect in 1990, to 6.73 percent. Moreover, my amendment would preserve the self-employed net tax burden contained in the committee bill by adjusting the SECA tax credit to 2.1 percent of self-employed income. This amendment reduces the long-range OASDI deficit to exactly zero while maintaining current law benefit levels.

My amendment has several other advantages over the benefit-reduction approaches:

FLEXIBILITY

Mr. Chairman, no one in this Chamber knows for sure whether the additional financing contained in title II of the bill will be necessary or not. We are simply making the best guess we can. I am inclined to believe that the assumptions in SSA's long-term forecasts are quite conservative, especially with respect to the birth rate and the immigration rate. But even under these assumptions, we have brought the system as close to long-term balance as the actuaries expect under their criteria. There is simply no need to lock in the type of magnitude or benefit reductions proposed by the committee bill or the Pickle amendment.

My amendment allows the greatest degree of flexibility to meet the system's anticipated need in the years 2022-2057. Should the additional financing provided in title II of the bill prove to be unnecessary, my intention is that Congress would repeal the tax rate increase provided in the amendment. I have little fear that Congress would allow an unnecessary tax increase to remain in the law.

The other two alternatives before the House would lock in substantial reductions which would be difficult to repeal. Pension plans for millions of workers are integrated with social security and contributions to the plans are set to the social security benefit level. A report prepared for the Senate Special Committee on Aging found that a reduction in the social security benefit formula would cost private pension plans billions of dollars annually. There would be an additional cost to the taxpayers amounting to billions of dollars to the extent that these contributions are written off as a business expense.

It is anticipated that raising the age of eligibility for full benefits would trigger a parallel increase in private pension plans. Tomorrow's retirees would find themselves in double jeopardy—losing private pension plan protection at the same time they are losing social security protection. My amendment would avoid locking into law permanent reductions in benefits.

2. POSITION

Time and time again, Mr. Chairman, this House has gone on record in its opposition to reductions in social security. Yet the committee bill resolves 60 percent of the long-term problem with cuts in basic benefits. I can assure my colleagues that the situation will be no better in the Senate. In fact, it is anticipated that in the other body, the entire long-range deficit will be addressed by cutting benefits. I would submit that giving away 50 percent of our position—against cutting benefits—before going to conference is not the best negotiating stance for this House to adopt.

Mr. Chairman, if the committee bill provision is adopted, the range of options before the conferees is extremely limited. The conferees would be constrained between a choice of solving the long-term problem completely with benefit reductions and a choice of addressing at least 60 percent of the deficit with benefit reductions. On the other hand, if the amendment offered by Mr. PICKLE is adopted, the conferees will be put between a rock and a hard place.

If we are to preserve the maximum freedom of the conferees to act, my amendment is the only alternative.

TAX BURDEN WILL NOT INCREASE

One of the biggest myths surrounding social security is the misconception that the payroll tax burden on contributing workers will increase to unwieldy levels in the future. In fact, Mr. Chairman, the payroll tax burden as a proportion of future workers' compensation will decrease.

According to the intermediate set of assumptions used in the 1982 trustee's report, a real wage growth will proceed at the rate of 1½ percent per year—a relatively modest growth project. But under these assumptions, a future worker's payroll tax contribution will be no larger, as a proportion of his total income, than that of his present-day counterpart.

This is because of the remarkable stability of the system's future costs. Traditionally, the long-term cost of OASDI has been measured in terms of taxable payroll, which the Social Security trustees believe will substantially shrink over the next 75 years. The trustees' projections assume that cash wages (which are subject to the payroll tax) will decline from 84 percent of total compensation at present to 62 percent. However, if the cost of OASDI is measured in terms of the relative burden on current and future workers, it becomes clear that the cost of social security cash benefits will, on average, remain virtually the same as it is today.

For example, it is assumed that the taxable wage base does not erode substantially (that workers continue to receive 84 percent of their compensation in the form of wages), then fully one-third of the entire long-term deficit (0.6 percent of taxable payroll) is eliminated. Under this assumption, revenues would increase enough to cover the benefit obligations projected under current law (about 14 percent of payroll). However, higher earnings credits would boost benefit obligations to about 15.2 percent of payroll, leaving a gap of 1.2 percent of payroll or about 7.8 percent of program expenditures—just outside the range of close actuarial balance.

On the other hand, if Congress were to adjust the payroll contribution rate for the erosion in the payroll tax base anticipated by the trustees, virtually the entire long-term deficit of the system (1.85 percent out of 2.09 percent of payroll) is eliminated. Although this particular method of maintaining the system's revenue base at its current level would have negative income redistribution effects, I have included it as an illustration of how closely the current OASDI benefit structure conforms with our ability to finance it.

As a percentage of gross national product, the OASDI programs are remarkably stable over the long run. Under the alternative II-B assumptions, cost as a percentage of GNP dips from its current level of 5.16 to 4.97 percent in 1990, 4.53 percent in 2000 to a low of 4.35 percent in 2004. With the projected relative decrease in workers-to-beneficiaries, systems costs begin to rise to 4.92 percent of GNP in 2015, 5.9 percent in 2025, and peak at 6.1 percent in 2030. Thereafter, the cost of OASDI drops steadily, reaching 5.4 percent of GNP in the year 2060.

The relative stability of OASDI costs as a proportion of GNP is shown by table 3. Over the entire valuation period, the expenditures of the cash-benefit programs are projected to be 5.28 percent of GNP—roughly what they are today. Even under the pessimistic assumptions, the long-term cost of OASDI is 6.7 percent of GNP.

TABLE 3.—ESTIMATED COST OF THE OASDI SYSTEM AS PERCENT OF GNP BY ALTERNATIVE, CALENDAR YEARS 1982-2056

Alternative	I	II-A	II-B	III
1982	5.07	5.08	5.16	5.19
2056	4.37	5.49	5.54	8.61
25-year averages:				
1982 to 2006	4.25	4.40	4.75	5.25
2007 to 2031	4.67	5.11	5.30	6.50

TABLE 3.—ESTIMATED COST OF THE OASDI SYSTEM AS PERCENT OF GNP BY ALTERNATIVE, CALENDAR YEARS 1982–2056—Continued

Alternative	I	II–A	II–B	III
2032 to 2056	4.70	5.67	5.78	8.34
75-year average: 1982 to 2056	4.54	5.06	5.28	6.70

CONTINUED SUPPORT OF YOUNG WORKERS

Perhaps the most important reason, Mr. Chairman, for approving this amendment is the future viability of the social security system. It is common to think of social security in terms of its worth to the elderly. But at the core of the system's viability is the support of millions of contributing workers. It is those 116 million contributors to whom we must pay close attention to as we consider our choices today.

The commission agreement asks each and every one of these workers to pay a tax increase. No one wants to pay more in taxes, and certainly no one wants to vote for increased taxes. But the payroll tax is a relatively popular tax, if there is such a thing. National poll after poll demonstrates that young workers would rather pay increased taxes if necessary to protect their benefits.

Today's workers are very much aware of the vital disability, family and survivor protection they receive in their young working years, as well as the wage-indexed, inflation-proof old age protection they can look forward to. No wonder they overwhelmingly support the social security system, even if they must pay higher taxes.

But this support is contingent upon the honor and integrity of the Congress to uphold the commitments made to contributing workers. It is one thing to increase their contribution rate; they will support that. It is another matter, however, to turn around and reduce the benefits of these same workers when it is their turn to collect. Not only is it unfair to these people, it, is poor public policy to endanger the support of the system's lifeblood—the payroll contributors.

Mr. Chairman, the heart of my amendment is the issue of confidence. Can the 36 million beneficiaries of the system remain confident that young workers will continue to support social security? Can the 116 million contributors remain confident that Congress will uphold the future benefit obligations made to them? Can Americans remain confident in the integrity of their Government to honor its commitments to them?

I hope that this body will answer these questions in the affirmative by approving my amendment.

Mr. CONABLE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, allow me to express my respects and those of my colleagues to the distinguished gentleman from Florida. We know he is a great fighter and that he is absolutely sincere in his fight for his views of what is appropriate in social security.

Mr. Chairman, we do believe on this side, however, that the burden of proof is on those who wish to raise taxes further. Senator PEPPER's cousin's fine sons do help maintain their mother in social security through their taxes. The money does not come from nowhere.

I would like to report that at this time on this side we have no further requests for time. However, I will reserve the balance of my time.

Mr. PEPPER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DURBIN).

Mr. DURBIN. Mr. Chairman, almost a half century ago, men and women stood in this Chamber and debated the creation of social security. Critics of the program, primarily from the other side of the aisle, labeled the concept dangerous, socialistic, and unworkable. Those in the New Deal who labored to create social security did so with a vision that our elderly in generations to come would live in dignity and independence.

I stand here today as a beneficiary of their vision. Our grandparents, parents, and millions of Americans live richer and fuller lives because of that vision.

But each generation must carry its burden for the future and as a new Member of Congress I have been called upon early in this session to face the difficult choices as to the future of social security.

I rise today, having made my choice, to support the Pepper amendment. And I do so for several reasons.

First, the provision in the Pickle amendment, which raises the retirement age, actually reduces benefits and is part of a long-term solution which I consider wrong-headed and dangerous. To face the coal miners in my 20th Congressional District, who have lived a life fighting off black lung and tell them they must wait 2 more years, 2 more years for retirement in generations to come, is a burden that I would not take home lightly.

To force recipients 18 years from now into a level of reduced benefits is to deny the basic goals of social security, the dignity and independence which our predecessors fought so hard for 50 years ago.

I concede the inherent fallibility of this process. Only 5 years ago, men and women in this Chamber, stood and announced to our Nation that they had saved the social security system and they were convinced that they had insured its financial integrity for years to come. They were mistaken.

Our efforts today are an attempt to right the balance in the most successful social program this Nation has ever conceived or created. What if we are wrong today?

The Pepper amendment and his approach gives us more flexibility than any alternative, primarily because it does not force recipients to make difficult and irreversible decisions early in their working careers. Increasing the retirement age could force decisions by people my age in their selection of personal retirement plans which might not be remedied or modified without considerable expense or hardship.

If we are wrong today and our economy makes a better recovery than we envision, we have it within our power to reduce or eliminate this future tax.

The choices before us are not easy. But if our predecessors in this Chamber had the courage to create social security, let us today have the courage to insure its integrity in the future.

Senator PEPPER's amendment continues that fine tradition, a tradition and a vision of independence and dignity for senior citizens. I proudly support Senator PEPPER's efforts and urge my colleagues to join me.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

Mr. Chairman, I simply want to join the gentleman. I think one point that the gentleman makes we have to keep in mind. If this were social security for white collar workers then we would not need the Pepper amendment, but what we are talking about are waitresses, we are talking about women who work in dress factories, we are talking about coal miners, people who are exhausted by the time they get to be 62 and 63 and 64.

I commend the gentleman from Illinois and I agree with him.

Mr. DURBIN. I thank the gentleman.

Mr. PEPPER. Mr. Chairman, with apologies to my many friends that I would like to give longer time to, I regret to say that I have consumed so much time myself and I have to reserve a little at the end, I am only going to be able to yield 1 minute each. But I do want every Member who would like to say something to be able to.

Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Chairman, I believe that the problem that we face today is part of an unfortunate trend. It is an unfortunate trend—that we have seen too much of in the country and I guess we are beginning to see it in the House—of not fully understanding the nature of the work that so many of our fellow citizens do.

It is nice to talk about the era of the pushbutton and the computer and

high technology. The fact remains that tens of millions of Americans now still and will in the future be working with their hands and their bodies in circumstances that are not always pleasant, in temperatures that are not conducive to good health. People who bend over machines and wield jackhammers and do all of the difficult physical labor ought not to be told by this Congress that they will no longer have the option of retirement at 62. Then we are told, "Well, don't worry, they can go and apply for disability."

□ 1800

For people to say that, given what has happened with disability in the past couple years, is a cruel joke. We have people now in control of the disability administration who think they have discovered miracle cures. They lay on the hands and people are cured.

We have to adopt the Pepper amendment and respect the nature of hard work.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, I did not intend to speak on this amendment, but I feel constrained to do so now and I must reluctantly oppose the amendment, since the fine gentleman from Florida offered it and I might otherwise perhaps be in favor of it.

It does increase the tax in the bill. That is abhorrent to me.

I wanted to make the observation that we are legislating by consensus nowadays it seems. Last week we had a consensus jobs bill. Today we have a consensus social security bill. Those subjects had to be addressed immediately and it is to the credit of President Reagan and House Speaker O'NEILL and others in leadership positions in both the House and the Senate that these problems of national importance are being addressed in this manner.

That the Speaker is cooperating was evidenced by the fast gavel on the previous question earlier in the day.

Mr. O'NEILL. Will the gentleman yield?

Mr. WYLIE. Yes; I will be glad to yield.

Mr. O'NEILL. Was the gentleman on the floor at that particular time?

Mr. WYLIE. Yes; I was on the floor.

Mr. O'NEILL. Then he had an opportunity, because I looked to both sides and the only gentleman on that side that even made a move was the gentleman from Pennsylvania (Mr. WALKER).

The gentleman did not stand. The gentleman did not rise.

I resent the statement of the gentleman.

Mr. WYLIE. Well, I am sorry if the Speaker was offended.

Mr. O'NEILL. I acted in absolute complete fairness and had intended to do so all the way. Had there been anybody to stand, I would have recognized him.

Mr. WYLIE. Sir, I did not mean to suggest that the Speaker was not acting in fairness at all. What I was suggesting was that we do have a consensus bill here that the gentleman has worked with the President of the United States——

Mr. O'NEILL. That is not what the gentleman said. The gentleman said I had a fast gavel and it was not a fast gavel. It was the normal procedure of this House and on a bill of this type I would never do a thing like that.

I left the opportunity not only for a vote on the previous question, but for a vote on the rule and there was not a man on either side of the aisle that stood.

Mr. WYLIE. Well, I respectfully suggest, sir, that I did not mean to offend the Speaker and it was not——

Mr. O'NEILL. Well, the gentleman has offended me, perhaps unintentionally, and I will accept his apology.

Mr. WYLIE. I am sorry for that.

But in any event, Mr. Chairman, I have concluded that we must face reality and pass the bill before us today. We cannot admit to a shortfall in the social security fund of $200 billion in the next 7 years and do nothing about it.

Social security recipients must not be intimidated by the thought of bankruptcy in the system. I do not like some parts of the package——

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WYLIE) has expired.

Mr. CONABLE. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, I do not feel it is in the best interests of the Federal workers or of the social security system to have Federal workers merged into the social security system. I think it would be better to have a broader base of separate pension programs, rather than throw them all into one massive system. Including Federal employees does not under present financing arrangements help solve the problem, since the Federal employees' retirement program is not in itself self-sustaining.

This bill is a major accomplishment. A consensus was reached as to how the immediate crisis could be solved and social security kept solvent for at least the next 30 years.

The bill provides a forum to avoid a bitter partisan battle over social security so we can go on to other problems.

It would be easy to vote no because the Federal employees are included or because self-employed people are included.

Yes; there is a lot to disagree with in this bill, but overriding all this, it seems to me is the fact that we do not have any better alternative. I have concluded a no vote would be worse than an aye vote.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in strong support of the Pepper amendment to H.R. 1900.

We have a basic choice to respond to the long-term deficit problem facing the social security system. The Pepper approach suggests that we do so by raising the tax about one-half percent in the year 2010. I for one do not object to that increase in cost of the mature social security system. Remember that all of the money collected by the social security program goes to pay the benefits of the program, in essence, it goes to the survivors, the spouses, the retired workers of America.

It is always difficult to propose tax increases to pay for programs that is one of the major problems with today's Federal fiscal policy.

While social security problems can be counted as $2 or $3 billion of shortfall, the rest of the Federal budget deficit shortfall is counted in the hundreds of billions. This social security system and its benefit structure are sound, far more sound than some critics would have us believe today.

The Pepper approach to dealing with the long-term deficit, indeed if there is one in the year 2010, is appropriate, it keeps faith with today's workers.

On the other hand the Pickle amendment which just passed and hopefully we will now overturn, breaks faith with the American workers. The Pickle amendment will resolve the long-term deficit problem by cutting benefits in a unique way.

The Pickle approach will save that revenue because many potential recipients will indeed not live to gain the benefits that they otherwise would have been paid under the existing social security—the current social contract.

It literally saves the social security system by running it and makes it gain on the bones and the death of the potential beneficiaries. I think this is wrong and urge my colleagues to reject the Pickle approach.

We do not have to break faith with the American worker; we do not have to pull the rug out from under the group in our society who will be asked to pay the highest taxes both payroll and other domestic taxes of any generation in our history.

Mr. Speaker, let me address one unique argument that the proponents who urge us today to raise the age to 67 for full social security benefits, that

life expectancy has and perhaps will increase dramatically justifying this change.

Let me point out the truth and the fact and at once the fallacy of this supposition.

Yes; life expectancy has increased dramatically; however, working life expectancy now and in the future can better be expressed in months not years.

The fact is that workers who started working at the inception of the social security program are little different from today's workers. Therefore what the Pickle amendment amounts to is a significant cut in benefits, virtually a reneging, a shrinking from the great social contract that social security represents.

To many Members they may feel that we are dealing with something that does not matter very much, that in essence nobody will notice this raising of the retirement age. I can tell you that you are wrong, it will be screamed in the headlines across this country, it will do more to break the confidence than any recent action, the confidence of Americans in this Congress, at the first opportunity we will have withdrawn from a longstanding commitment and really shattered the dreams of workers across America.

I simply cannot understand the logic of this Congress, this House reaching out over 20 years to create this type of credibility gap, creating a loss of confidence in the institution of social security.

We would be well advised to adopt the Pepper amendment and keep our problem solving to the near and midterm social security issue and leave a few questions to future Members of this distinguished body.

It could almost be comical today if the implications of this change were not as profound as they are. It is ludicrous to assume we will do anything but harm if we do not move to pass the Pepper amendment.

Mr. Chairman, we are sitting and looking today at a very unique situation. I for one am not offended by the Pepper approach in terms of raising taxes by a half percent in the year 2010 in order to provide benefits for those that are on social security.

I would remind my colleagues in this House that all the money that is paid into the social security program indeed is paid out to the recipients, generally to the aged and the others we have classified.

The only way the proposition of the gentleman from Texas (Mr. PICKLE) actually saves money is because a lot of people that otherwise would engage the benefit will not. To a large extent it is because they are going to be dead. That is the way that it saves money. That is one way to do it. This is the other way.

I think this breaks faith with the social contract that exists, because indeed while life expectancy has increased dramatically, working life expectancy has not, and the consequence of that is that we will be breaking faith with those workers today in a mature system of social security that we are asking to pay the greatest amount of any participants in history.

Let us vote up the Pepper amendment and then pass this social security package—a package I must say that is a bitter pill to accept but necessary because of the dire condition in our economy. The price of a failed economic policy.

I can support this package without the Pickle amendment with little enthusiasm, but with Pickle I feel the basic fabric of this compromise package is torn.

So let us vote for the Pepper approach and pass this package today.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the able gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I support the Pepper amendment. If the Pickle amendment prevails, it will be devastating for women. For women, social security is their only retirement benefit and now it is about $250 a month. If women retire at age 62, it is about $189 a month. It will not be that much better in the year 2000.

The Pickle amendment cuts that benefit 12½ percent if they retire at 62 and 20 percent, it is estimated, if they retire at 67.

Now, Mr. Chairman, studies show that the mortality rate of women is declining and their disability rate is rising. If the Pickle amendment prevails, women will be in trouble.

I want to just tell this male-dominated body, whom I respect, women are tired of seeing the budget cuts that affect them, the discrimination in insurance and pensions and now what you want to do to women is to clobber them with the Pickle amendment. It is unfair.

Who do you trust? Do you trust the original Reagan proposal or do you trust Senator CLAUDE PEPPER? I trust Sentator CLAUDE PEPPER and I hope you support his amendment.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the able gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, first, I want to congratulate the gentleman from Florida (Mr. PEPPER) for the excellent statement he made in the well today. He has had many fine hours in this Chamber, but today certainly was his finest hour.

I want to say to him that I think that we are indeed fortunate that he has offered this amendment and if we support this amendment, we have an opportunity this afternoon to correct a very inequitable and unfair situation.

I am concerned particularly about the effect of a reduction in benefits when people receiving their checks are already receiving checks that are at about the poverty line. When we consider the fact that the average check is about $406 per month, or about $4,800 per year, and the poverty line is $4,500, then we realize that an additional cut on these people is certainly unfair and inequitable.

In addition to this, the speaker right before me, the gentlewoman from Ohio, has mentioned the unfairness as it relates to women; but also, Mr. Chairman, both minorities and women suffer more than others by benefit reductions.

Even though this legislation embodies a major compromise, there are key elements of the entire bill which I cannot, in good conscience, compromise on.

Mr. Chairman, among the other provisions of particular concern to me is the recommendation to place new Federal hires under the social security system. I see this as an unfair, unsound, and unjustifiable proposal. Adding millions of people to an already overburdened social security system just does not make sense.

Mr. Chairman, Federal workers currently pay 7 percent of their salaries into the civil service retirement system. Under current funding, the civil service retirement system is financially sound and will remain so for at least 100 years. But retirement systems depend on receipts from current employees to pay benefits to retired workers. Placing newly hired workers under social security instead of the civil service retirement system would quickly bankrupt civil service retirement. Once bankrupt, the cost to the taxpayers to meet civil service retirement benefits already promised would be immense—a minimum of $185 billion according to independent research.

Mr. Chairman, advocates claim that placing newly hired Federal workers under social security will help in the short run. However, today's contributor will become tomorrow's liability. Instead of the $9.3 billion savings claimed by the Ways and Means Committee, other estimates show a short-term savings of less than $5 billion between 1983 and 1989. Even these short-term gains, however, would be offset by increased Government costs in the future.

Mr. Chairman, the Government would have to increase its payments into the civil service retirement trust fund just to offset the revenue lost that will occur as new workers pay into the social security system. Unless these payments are made, the civil service retirement system reserve will gradually disappear. If no new employees contribute to the civil service re-

tirement fund, the reserve will be exhausted in about 20 years, and the civil service retirement system will be in the same position as the social security system is now—current revenues will not be sufficient to meet all current obligations.

Given these facts, it is difficult to see what the attractiveness is of placing newly hired Federal workers under the social security system. I do not see it, and neither do the millions of Americans who have raised their voices in opposition to this provision.

In addition, Mr. Chairman, I cannot support the provision of the committee bill to defer the cost-of-living adjustment due in July 1983 until January 1984, and paying all future cost-of-living adjustments in January instead of the previous July.

Mr. Chairman, this provision would only result in reduced benefit levels—compared to the levels that would prevail under current law—not only in 1983 but also in future years, because each year social security recipients would have to wait 6 months longer to receive their COLA's than they would under present law.

Mr. Chairman, there are 26 million senior citizens in this country. Sixteen percent of all senior citizens have incomes at or below the poverty level and are struggling to make ends meet. Any proposal to modify or reduce their cost-of-living adjustments will only place an even greater economic hardship on the aged and dramatically reduce their present standard of living.

In spite of the obvious needs of our Nation's senior citizens, Federal budget reductions implemented last year have already imposed heavy burdens on the elderly. Due to the administration's policies, benefits to the most needy senior citizens under the food stamp, medicare and housing assistance programs have been cut. In fiscal year 1983, the President proposed additional cuts in not only these programs but also in senior citizen employment, social services, and nutrition programs.

Mr. Chairman, the elderly have already suffered more than their fair share in budget reductions. This delay in the cost-of-living adjustment will only cause more hardship for the low-income elderly who can ill-afford any reduction in their protection against the rising cost of living.

And finally, Mr. Chairman, I must voice my strong opposition to the amendment, offered by the gentleman from Texas, Mr. PICKLE. The Pickle amendment would strike the provisions reducing initial benefit levels beginning in the year 2000 and raising payroll taxes beginning in the year 2015. Consequently, the amendment would gradually raise the normal social security retirement age from 65 to 67.

Mr. Chairman, raising the retirement age under social security will have an extremely negative impact on those people who are unable to work beyond age 65—or age 62, for that matter because of poor health or because they have lost their jobs and are unlikely to be able to find new employment at an advanced age. The Pickle amendment assumes that jobs will be readily available to all who want them, and it also assumes that the disability program will be "improved" to take care of those who cannot continue to work. Persons in low-paid, physically demanding work, and minorities who have a lower life expectancy, will be heavy losers if the social security retirement age is raised.

Further, Mr. Chairman, the Pickle amendment clearly constitutes another benefit cut for the elderly and uses this benefit cut to make up the estimated shortfall. Instead of the Pickle amendment, I favor the amendment offered by the distinguished gentleman from Florida, Mr. PEPPER. The Pepper amendment eliminates the remaining projected shortfall in the social security trust funds without resorting to benefit cuts beyond those recommended by the Social Security Commission.

Mr. Chairman, I urge those of my colleagues who may be tempted to approve raising the retirement age, to ask themselves if they are also firmly committed to coupling this change with new job training and placement programs, not just for dislocated workers, but also for persons in their sixties with limited paid work experience; whether they are willing to support more liberal disability programs for persons unable to work; whether they will stand behind vigorous enforcement laws prohibiting age, sex, and racial discrimination in employment.

Mr. Chairman, without an integral linking of such policies, raising the age of retirement or decreasing replacement rates may contribute to the actuarial balance of the social security system, but will also aggravate the "actuarial balance" between affluence and poverty in this Nation.

Mr. Chairman, if the Pepper amendment fails I cannot in good consicience support this legislation. I urge my colleagues to support the Pepper amendment.

□ 1810

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California (Mr. ROYBAL).

Mr. ROYBAL. Mr. Chairman, the Pepper amendment is the only vehicle that we have to signal to the American people that we mean it when we say that we are not going to cut social security.

We should support the Pepper amendment because it does not cut benefits for current workers who are future retirees, and the Pickle amendment does. The Pepper amendment does not unnecessarily burden minorities and women, and the Pickle amendment does. It does not disrupt the basic concept or the compact between our Government and the people of the United States, and the Pickle amendment does just that.

If we truly want to protect those who will be too old or too infirm to support themselves, then the choice, is quite clear: The Pepper amendment must be adopted. This is an amendment that will definitely put in its correct perspective the future of the American senior citizen, a concept led and championed by Mr. Senior Citizen himself, the gentleman from Florida (Mr. PEPPER).

I strongly urge a "Yes" vote on the Pepper amendment.

The CHAIRMAN. The Chair would like to advise the gentleman from Florida (Mr. PEPPER) that he has 16 minutes remaining.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Chairman, when my father lived, he worked as a waiter. That was one of the few occupations that was open to a black man in my city. He could be a waiter, he could teach school, maybe work in the post office, but my father worked as a waiter.

As a waiter, he worked 10 hours a day, and if any of you have ever waited tables, you know what it means carrying heavy trays for 10 hours a day. He did it because he had children that he loved and wanted to support.

He burned out—he burned out—at age 62, but he kept on going, further jeopardizing his health, until he reached age 65. At 65, because he had not been covered earlier under social security, he got a pittance, and he would have starved had not his children whom he loved, loved him and took care of him.

There are occupations where people burn out despite progress that has been made in this Nation. They burn out.

Support the Pepper amendment. For God's sake support it.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the able gentleman from New Mexico (Mr. RICHARDSON).

Mr. RICHARDSON. Mr. Speaker, I was one of those Democrats elected to Congress on the banner of protecting social security, and I feel if this body rejects the Pepper amendment it will be destroying that banner and saying "tough beans" to the millions of Americans who work with their hands, who would be badly hurt by the passage of the Pickle amendment to raise the retirement age.

The Pepper amendment does not cut benefits. The Pepper amendment does

not burden minorities and women who might have to retire early because of health problems and employment.

The Pepper amendment preserves the basic compact between the Government and the people.

Mr. Speaker, I feel that if this body rejects the Pepper amendment, we will be turning our backs on the millions of Americans who have broken their backs for this country. Let us not cut benefits. Let us preserve and protect social security—the people of northern New Mexico elected me to do that. I hope the House of Representatives passes the Pepper amendment. It is a vote to preserve social security.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I made it clear in earlier debate that I had no knee-jerk objection to the Pickle amendment if all it did was to raise the retirement age by 1 year in the 21st century but this bill, as it stands now, also reduces benefits below today's present amounts for people who have to retire early, people who are going to need those benefits more than anybody else.

I think the gentleman from Missouri (Mr. GEPHARDT) made the essential point: The committee bill had the virtue of at least sharing the burden of benefit reductions broadly across society. Now, the way this bill stands, the biggest load is laid on the backs of the people who can least afford to carry it, and I would urge my colleagues, therefore, to recognize that the only option left to achieve real fairness is the Pepper amendment, and I would urge support for the Pepper amendment.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I think we made a mistake on the last amendment. What we did was, we upset a very, very carefully placed balance. After the Social Security Commission issued its report, we said we were going to try to pass a bill that spreads the burden of solving the social security problem.

I am afraid that the Pickle amendment which has been adopted upsets that balance.

We have a chance, by adopting the amendment offered by the gentleman from Florida, to put that problem right, to solve that problem, and to say we are going to keep to our commitment not to cut benefits. We are going to keep to our commitment not to single out a segment of the society and say that it is going to bear the total burden.

The Pepper amendment offers us the opportunity to do that. I urge all my colleagues to support it.

I think the most important thing is, beyond passing the Pepper amendment, we pass this bill. We have a chance to come back together, put the Pepper amendment into the bill, and then, most important of all, no matter what happens on this amendment, we have to vote to get this legislation through and solve the total problem that we are facing in social security.

Mr. PEPPER. If I may have the attention of the gentleman from New York (Mr. CONABLE), I have only one more speaker. Does the gentleman have any requests for time?

Mr. CONABLE. Mr. Chairman, I do have a request for time. May I ask how much time is remaining?

The CHAIRMAN. The gentleman from Florida has 12 minutes remaining, and the gentleman from New York (Mr. CONABLE) has 56 minutes remaining.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Chairman, I will support H.R. 1900, which represents a valiant effort to provide a sound financial future for the social security system. We cannot afford to delay any further legislation designed to eliminate the projected shortfalls in OASDI through 1990. The committee has done a good job in spreading the cost of saving social security without imposing an undue hardship on any one sector of the population.

Despite my overall support for H.R. 1900, I have been greatly disturbed by the consequences of one of its provisions. Since the beginning of last month, many groups of Federal employees, both in the 21st Congressional District and here in Washington, D.C., have been expressing their deep concern over the impact of universal coverage on the future of the civil service retirement system. These hardworking public servants are truly worried that when they retire, there will be no money left for their Federal pension. Questions have been raised as to why a healthy system is being sacrificed for a sick one, and why a system older and more efficient than social security should be changed in the future. Many of these people expressed the view that Federal workers are being made a scapegoat for the private sector, and that universal coverage is just the latest of several recent efforts to make Federal employment unattractive and inefficient.

For me to vote for H.R. 1900, I had to satisfy both my concerns, which I share with these Federal workers, and those of the many people who have taken the time to visit me in my district and in Washington. In today's debate, the gentleman from Michigan, chairman of the Post Office and Civil Service Committee, Mr. FORD, has assured this body and Federal workers that his committee recognizes its responsibility and will fashion a plan to insure that Federal workers get the full retirement benefits they have been promised for many years. I am confident that the Congress will act to make sure our contract with Federal workers will be fulfilled.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho (Mr. CRAIG).

Mr. CRAIG. Mr. Chairman, I stand in opposition to the Pepper amendment because increased taxes are not the solution of our problem. Already, the law of the land provides for payroll taxes to increase 1 full percentage point in 1990. Adding an additional one-half of 1 percent, as proposed under the Pepper amendment, is simply further mortgaging our future generations.

In addition, I object to this legislation for a variety of other reasons. The 30-percent increase of taxes on the self-employed is too great a burden for those who are already operating at the margin because of difficult economic conditions. The inequity of allowing Federal employees to remain with the Civil Service Retirement System, but not allowing longtime employees of nonprofit organizations the same opportunity to opt out of the social security system is unfair. Moving new Federal employees from the Civil Service Retirement System would not, in itself, solve the financial crisis of social security. At this time, I have not been convinced that using one retirement system to bolster the actuarially unsound social security system is in the best interest of the Federal employees, the Federal retirees, or the American public. This House is considering the most significant changes in medicare since its inception during the Johnson administration. I fear the provision proposed by the Ways and Means Committee will create a bureaucratic nightmare for the hospitals and medical facilities across the country. The National Commission did not address, specifically, financing of the hospital insurance program because an existing Advisory Council on Social Security will be making recommendations to the administration and Congress in the near future on the medicare program and its future solvency. We should wait for their report and not address this particular legislation in this bill. Congress has moved away from a self-contained system to using approximately one-third direct and indirect infusion of general revenues. Long-term solutions, except for Congressman PICKLE's amendment, which I stringly support, structurally change nothing in the OASDI program beyond that which the National Commission suggested for the 1983–89 period. That package before us

almost completely ignores the inter- and intra-generational equity problems. Finally, the unwillingness of Congress, controlled by the Democratic majority, to confront this difficult issue head on and not take the politically expedient route is my biggest disappointment. H.R. 1900 still leaves in doubt the future of the social security system. This body had a golden opportunity to bring the system into the line and to secure the financial future of the system. With some small modifications, we are running the same tired horse around the track again, only to have this all important issue back before us in a few years.

□ 1820

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, first and foremost, I want to pay my respects to my dear friend, Senator PEPPER. He and I do have a difference on the approach we should take in the long term. Mine is as sincere as I know his is. I have advocated this for 2 years. I think it is the proper approach.

I have asked for this time simply to say to my colleagues that a great many statements have been made in the well now that are not factually correct, and I would hope that we would not be so worked up emotionally that we lose sight of the fact of exactly what we have done.

Let me respond first by saying that if we go with Senator PEPPER's amendment now, we are saying in effect that from now on the only way we will correct long-term deficits in the social security program is to raise taxes. There must be some other way than just to keep raising taxes, because eventually that is going to get so onerous the American people will rebel. We know that under the committee bill it is over 15 percent, and within a short time, by Senator PEPPER's amendment, it would be 16.3 percent. There just simply must be some way to correct the social security problem other than by just raising taxes. I would think that the approach we have taken will do that.

Let us keep in mind that the amendment we have just passed does not raise taxes. The bill has a reduction of the 0.68-percent deficit by making 60 percent of that deficit in reductions in benefits and an increase of 0.24 percent in taxes. It does both.

There has been criticism, as I said, that the Pickle amendment clobbers the ladies, that it hurts the coal miners, and that it prevents the young from being able to retire on time. What we can do today we can still do under the amendment we just passed. My amendment does not change any of that. It does not change the right to claim benefits at 62, nor does it affect medicare at 65, nor does it affect SSI. We simply do not touch that.

Now, it is true that if one did not stay in the work force 1 more year, in the year 2009 approximately, then there would be some slowing in the growth of benefits. I am of the opinion that the American people would expect us to make some structural change in the social security program. That is not being harsh. If we leave our hearts to control what we do, we would then raise benefits and raise taxes, and then everybody could retire with all the money in the world they need.

Social security is not a full retirement program. It is a floor. It is a supplement, and it can be supported only as long as the American people will support it. I say to the Members that if we keep going in the direction of Senator PEPPER, then there will be a generation gap, there will be generation conflict, and our young people simply will not continue to support it.

When we go to any of our high school groups, when we go to our young businessmen's groups, and ask them, "Which do you want to do, raise taxes or raise the age?" By a 9-to-1 vote, or more, they say, "Do not raise taxes."

If we go to our elderly people, as I have in my senior citizens' homes, and ask them, "Should we raise taxes potentially?" As much as they want the benefits, they do not endorse that automatically because they have children; they have sons and grandsons, daughters and granddaughters coming up.

The temptation is just to say, "Let us raise taxes a modest amount and pay these benefits." That is what we would like to do. None of us ran on a platform that we want to cut benefits, but I do think that the American people expect us to do the responsible thing, and that is to keep the social security program solvent.

Let us not think for a moment now that what we have done at 62 would keep everybody in so they cannot get benefits for another 2 years. That is not correct. They have about five options to retire and take early retirement now. I do not change any of that. There is a slight reduction in 20 years from now, there is another one in the year 2027, but there are no taxes and nobody is hurt.

Most of all—and I want the Members to hear this—we put in this bill an amendment that directs the Secretary of HHS to give us a description of the occupational disabilities. So all these concerns that have been expressed have been taken care of, and they are not taken care of in the bill. If Members follow the bill at this time, then they must understand that they would get none of that relief.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

Mr. CONABLE. Mr. Chariman, I yield 1 additional minute to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman for yielding.

I spoke today and I spoke yesterday about the fact that this bill raises social security payroll taxes and that this adds to the increasingly regressive character of our entire taxing system. I agree with the gentleman about raising taxes, but I am not worried about what happens in 2010, 20 years from now.

We have to do something very soon about cutting the payroll tax, and we have a means of doing so. The medicare program is going to be in the same financial fix that social security is at the end of this next decade. We can move on that, transfer the cost of medicare to the generations, and cut the payroll taxes. That is what we ought to be doing.

Mr. PICKLE. Mr. Chairman, the question on the amendment we have before us and the controversy we have is, how do we handle the long range? In the short range this bill raises $165 billion, so we do not have a shortfall, and we have taken every precaution that the money will be there. But if we just raise taxes, we must understand that taxes cause inflation and taxes cause unemployment.

Mr. SEIBERLING. Mr. Chairman, I could not agree with the gentleman more in that respect.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

Mr. CONABLE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I had not intended to say anything further, but it does occur to me that the point the gentleman from Texas (Mr. PICKLE) makes is a terribly important one.

We must have the capacity to reform critical institutions like the social security system. Institutions which cannot be reformed become rigid and eventually shatter. The social contract must be a pliable thing, bent to the public will and adjusted to the needs of the times.

For instance, at some time I hope the social security system can be reformed to provide a better system of benefits for working women. As it was drawn in 1935, the social security system was designed to protect the one-wage-earner family, and the result was that we provided spousal benefits but did not leave a system which could accommodate to the intervention of large numbers of women in the work force on an intermittent basis.

Women now contribute to social security substantial sums of money but rarely get any return on their money because their derivative benefits as wives exceed the benefits they earn as workers. Thus what they contribute to the system helps others but does not help them at all.

Correcting much anomalies is the sort of reform we must achieve, and if all we can do is raise taxes, we will never achieve it.

What we do to change the system, though, must be thoughtfully done, must be done over a period of time, and must be well adapted to the situations in which we find ourselves and which constantly change.

Mr. Chairman, I hope that we will not decide now to abandon the idea of reform and simply raise taxes. A vote for the Pepper amendment says that reform is impossible, just because the subject is so important.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

Ms. OAKAR. Mr. Chairman, will the gentleman yield to me?

Mr. CONABLE. Mr. Chairman, I yield back the balance of my time.

Mr. PEPPER. Mr. Chairman, may I inquire, how much time do I have remaining?

The CHAIRMAN. The gentleman from Florida (Mr. PEPPER) has 12 minutes remaining.

Mr. PEPPER. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WALGREN).

Mr. WALGREN. Mr. Chairman, I believe it is unconscionable to raise the retirement age at which people will be eligible for full social security benefits. This amendment is based on the assertion that Americans are living longer and therefore it would be reasonable to ask us to work longer. That assumption is patently false. The increase in the average life expectancy of Americans is not because we are living longer. The increase in average life expectancy is because infant mortality is declining. Although more people are living to be 60 or 70 years old, none of us are living any longer.

The fact is that someone reaching the age of 45 in 1950 could expect to live 24 more years. Someone reaching the age of 45 in 1970 could expect to live no longer. Someone reaching the age of 65 in 1900 could expect to live to the age of 70. Someone reaching the age of 65 in 1970 could expect to live no longer.

When we say Americans are living longer, we really mean that more Americans are living to be 65 years or older. We do not mean that those who reach 65 are living any longer, or are in any better condition to continue work. Any increase in retirement age can only be supported if those who reach age 65 live longer. They do not.

I believe there is a serious misunderstanding of life expectancy by many who support Mr. PICKLE's amendment. Many will be surprised to know that those reaching age 65 in 1970 can expect to live no longer than those who reached age 65 at the turn of the century in 1900. Even though the average life expectancy rose from 50 to 75 years of age during that time. The reason is that, in 1900, infant mortality was much higher. The fact that infant mortality has fallen says nothing about the ability of those who reach 65 to continue working.

To raise the retirement age is the ultimate cut in benefits. The same number of people will be dying at age 66 and 67 as always have died during those years. For those who choose to work until full retirement, but die at age 66, the Pickle amendment eliminates their benefits completely.

I emphasize that the President's Commission made no such recommendation as is contained in Mr. PICKLE's amendment. Should this amendment be adopted, we would deeply violate the standard of retirement we have set in this country. If this amendment is adopted, this bill does not deserve to be supported.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the able gentleman from Florida (Mr. SMITH).

Mr. SMITH of Florida. Mr. Chairman, today is a historic day for me and for most of us here. We have seen today an American institution, Senator CLAUDE PEPPER, protecting and fighting for an American institution.

The social security system is the United States of America. It is a commitment to not only today's retirees but the retirees of tomorrow. Let us not be fooled by this supposed tax increase. Senator PEPPER's amendment calls for an increase of twenty-nine one-hundredths of 1 percent over what was in this bill 30 years from now. That is a small price to pay for the future of this country. For the future of the retirees who are today dependent upon social security, and for the future of the retirees who are going to come on this system. And I refer to you, to me, and to the majority of Americans.

□ 1830

I ask you to reconsider what you do and vote for this institutional amendment not only to protect social security but also to protect Americans like Senator PEPPER who have gone to the wall for the American people.

Mr. PEPPER. Mr. Chairman, I yield 1 minute to the able gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I know many in this room thought that the Ways and Means proposal was an equitable way to resolve the issue of long-term financing for social security. It balanced out some tax increases with benefit cuts.

But the fact of the matter is we now have before us the choice of the Pickle amendment, which places the full burden of dealing with the long-term problem by cutting the benefits for many people who will be least able to be on it.

So I would recommend that we support the Pepper proposal. Then if we see down the road that we need to make changes in the law we can make those changes.

But once we change the retirement age to 67, the private pensions will change their retirement age to 67 as well and we will have no realistic opportunity to revise what many of us believe to be a major error.

Let us vote for the Pepper provision for the long-term financing of the system and make the changes down the road if we need to. We will be able to do it far better if the Pepper amendment is adopted.

I would urge my colleagues to vote aye for the Pepper amendment.

Mr. PEPPER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-seven Members are present, not a quorum.

Members will record their votes by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 23]

ANSWERED "PRESENT"—403

Ackerman	Brown (CA)	Dickinson
Akaka	Brown (CO)	Dicks
Albosta	Broyhill	Dixon
Alexander	Burton (IN)	Donnelly
Anderson	Byron	Dorgan
Andrews (NC)	Campbell	Dowdy
Andrews (TX)	Carney	Downey
Annunzio	Carper	Dreier
Anthony	Carr	Duncan
Applegate	Chandler	Durbin
Aspin	Chappell	Dwyer
AuCoin	Chappie	Dymally
Badham	Cheney	Dyson
Barnard	Clarke	Early
Bartlett	Clay	Eckart
Bateman	Clinger	Edgar
Bates	Coats	Edwards (CA)
Bedell	Coelho	Edwards (OK)
Beilenson	Coleman (MO)	Emerson
Bennett	Coleman (TX)	English
Bereuter	Collins	Erdreich
Berman	Conable	Erlenborn
Bethune	Conte	Evans (IA)
Bevill	Conyers	Evans (IL)
Biaggi	Cooper	Fascell
Bilirakis	Corcoran	Fazio
Bliley	Coughlin	Feighan
Boehlert	Courter	Ferraro
Boggs	Coyne	Fields
Boner	Craig	Fish
Bonior	Crane, Daniel	Flippo
Bonker	Crane, Philip	Florio
Borski	Crockett	Foglietta
Bosco	Dannemeyer	Foley
Boucher	Daschle	Ford (MI)
Bouquard	Daub	Ford (TN)
Boxer	Davis	Fowler
Breaux	de la Garza	Franklin
Britt	Dellums	Frenzel
Brooks	Derrick	Frost
Broomfield	DeWine	Fuqua

Garcia	Mack	Roybal
Gaydos	MacKay	Rudd
Gejdenson	Madigan	Russo
Gekas	Markey	Sabo
Gephardt	Marlenee	Savage
Gibbons	Marriott	Sawyer
Gilman	Martin (IL)	Schneider
Gingrich	Martin (NC)	Schroeder
Glickman	Martin (NY)	Schulze
Gonzalez	Martinez	Schumer
Goodling	Matsui	Seiberling
Gore	Mavroules	Shannon
Gradison	Mazzoli	Sharp
Gramm	McCain	Shaw
Gray	McCandless	Shelby
Green	McCloskey	Shumway
Gregg	McCollum	Sikorski
Guarini	McCurdy	Siljander
Gunderson	McDade	Simon
Hall (IN)	McEwen	Sisisky
Hall (OH)	McGrath	Skeen
Hall, Ralph	McHugh	Skelton
Hall, Sam	McKernan	Slattery
Hamilton	McNulty	Smith (FL)
Hammerschmidt	Mica	Smith (IA)
Hance	Michel	Smith (NE)
Hansen (ID)	Mikulski	Smith (NJ)
Hansen (UT)	Miller (CA)	Smith, Denny
Harkin	Miller (OH)	Smith, Robert
Harrison	Mineta	Snowe
Hartnett	Minish	Snyder
Hatcher	Mitchell	Solarz
Hawkins	Moakley	Solomon
Hefner	Molinari	Spence
Heftel	Mollohan	Spratt
Hertel	Montgomery	Staggers
Hightower	Moody	Stangeland
Hiler	Moore	Stenholm
Hillis	Moorhead	Stokes
Holt	Morrison (CT)	Stratton
Hopkins	Mrazek	Studds
Horton	Murphy	Stump
Howard	Murtha	Sundquist
Hoyer	Myers	Swift
Hubbard	Natcher	Synar
Huckaby	Nelson	Tallon
Hughes	Nichols	Tauke
Hunter	Nielson	Tauzin
Hutto	Nowak	Taylor
Hyde	O'Brien	Thomas (CA)
Ireland	Oakar	Thomas (GA)
Jacobs	Oberstar	Torres
Jenkins	Obey	Torricelli
Johnson	Olin	Towns
Jones (NC)	Owens	Traxler
Jones (OK)	Oxley	Valentine
Jones (TN)	Packard	Vander Jagt
Kaptur	Panetta	Vandergriff
Kasich	Parris	Vento
Kazen	Pashayan	Volkmer
Kemp	Patman	Vucanovich
Kennelly	Paul	Walgren
Kildee	Pease	Walker
Kindness	Penny	Watkins
Kogovsek	Pepper	Waxman
Kolter	Perkins	Weaver
Kostmayer	Petri	Weber
Kramer	Pickle	Weiss
LaFalce	Porter	Wheat
Lagomarsino	Price	Whitehurst
Lantos	Pritchard	Whitley
Latta	Pursell	Whittaker
Leach	Quillen	Whitten
Leath	Rahall	Williams (MT)
Lehman (CA)	Rangel	Williams (OH)
Leland	Ratchford	Wilson
Lent	Ray	Winn
Levin	Regula	Wirth
Levine	Reid	Wise
Levitas	Richardson	Wolf
Lewis (CA)	Ridge	Wolpe
Lewis (FL)	Rinaldo	Wortley
Lipinski	Ritter	Wright
Livingston	Roberts	Wyden
Loeffler	Robinson	Wylie
Long (LA)	Rodino	Yates
Long (MD)	Roe	Yatron
Lott	Roemer	Young (AK)
Lowery (CA)	Rogers	Young (FL)
Lowry (WA)	Rose	Young (MO)
Lujan	Rostenkowski	Zablocki
Luken	Roth	Zschau
Lundine	Roukema	
Lungren	Rowland	

□ 1850

The CHAIRMAN. Four hundred and three Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair recognizes the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Chairman, I yield the remainder of my time to our distinguished Speaker, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Chairman, I rise in support of the amendment offered by Senator PEPPER. However, before I address myself to that amendment, I want to commend Chairman DAN ROSTENKOWSKI, JAKE PICKLE, HAROLD FORD, and ANDY JACOBS for the excellent work they have done in bringing this landmark legislation to the floor.

It is just about a year ago the President of the United States, President Reagan, was proposing a national commission. And it was decided that a national commission would be appointed. I appointed Chairman CLAUDE PEPPER, Robert Ball, and Martha Keys to the National Commission on Social Security Reform. Senator BYRD appointed the following Democrats, Senator MOYNIHAN, and Lane Kirkland.

When I appointed them there was little hope that the Commission would accomplish much. Well, in fact, it has accomplished a great deal and reached a general consensus of the nature of the problem and the measures necessary to deal with the problem.

For all of this, I want to thank CLAUDE PEPPER. What a beautiful and brilliant job you did. It is regrettable that we did not have more Members on the floor today when you gave those brilliant remarks. In my 30 years it was one of the finest speeches I have ever heard.

I want to thank all the members of the Commission, particularly the ones that I appointed myself. I had the opportunity of seeing Martha here today and Bob Ball out in the hall.

It was a bipartisan consensus and a bipartisan report. That report is the basis of legislation which we are considering today. We owe a debt of gratitude to every member of the Commission for their hard work and their perseverance in producing this report.

Social security represents a basic contract between the Government and the citizens of this Nation. No program affects more Americans, no program is as sacred as this one, and, consequently, saving it and reforming it is difficult and controversial.

The program was enacted because of a crisis, the Great Depression. In 1935 only one-sixth of the Nation's elderly had income from savings or investments to live on. Sixty percent of the elderly lived in poverty back in the thirties. And upholding the constitutionality of the social security, Supreme Court Justice Cardozo observed, the Nation responded to the call of the distressed when it passed the social security tax.

Well, I myself worked with the Commission. So many times with the Commission, so many times did I talk to them I would have to say probably 50 times along the line. We discussed the definitions, we discussed the 6-month COLA. Could we go along with it? But no benefit cuts along the line, it was agreed.

We talked about taxing a portion of social security benefits, that part the employer had paid in for the recipient. All right. No benefit cuts were to be made.

We talked about the Federal employees and I have seen so many around here. Originally is was thought that we would put all the Federal employees in. Then the unions came, the Federal unions. "Would you drop out the Federal employees?"

And then we put in those who had not been vested, had been here but 5 years and were not vested.

And then they came to us a second time and they said, "Will you drop them out?"

We told them that we were going to put in future employees and they winked as though everything was fine. And suddenly they appear on the horizon here and to those appearing here, I think it has been very, very unfair, because in no way have we hurt them whatsoever.

What is this bill all about today? The truth of the matter is we are all in agreement on both sides of the aisle as far as saving the system as of today and today is the day of crisis. Because of this bill the social security is secure for the next 25 or 30 years.

But we are thinking beyond 25 and 30 years. That is what the argument is all about today.

It came down to three issues. The issue of the committee's amendment that was amended by the gentleman from Texas (Mr. PICKLE). And the amendment as written in the bill was really a compromise between the Pepper amendment and the Pickle amendment.

And so basically it came down to this: Is there any increase in tax? I would have to say, yes, there is an increase in tax in all three bills. How is there an increase? I see the gentleman from Texas rises himself. Well, in 1984, goes to 5.70 and it remains at that. In 1988 the current law stays at 5.70, the committee bill, which is not changed by the gentleman's amendment, goes to 6.06. In 1989, it remains at 6.06. And in 1990, it goes to 6.20.

The difference between the gentleman's bill and DAN ROSTENKOWSKI's, the Ways and Means Committee bill, was the Ways and Means Committee increased that 6.2 by 0.25 in 2015. That is twenty-four one-hundredths

percent. And then there are the bend point changes.

The Pepper bill, what the Pepper bill does is increase the tax rate in the year 2010 by 0.54. Point 54, that is not 54 percent, that is just a little more than one-half of 1 percent in the year 2010.

Well, what the Pickle did along the line was this. As far as the committee bill, the workers retiring at the age of 62 in the year 2007, there was a deduction of 5 percent in the benefits. The Pickle bill, 6 percent in the benefits.

If you retired at the age of 62 in the 2022, 5 percent in the committee bill; 12 percent in the Pickle bill.

And so it goes along that way. If you go to 66, 67, the increases are that you take it out of the benefits. It comes down to basically this: Should you increase the tax one-half of 1 percent or should you cut those who retire at the age of 62 ultimately 14 percent, because you cut them from 80 to 70 percent of full benefits, is a 12-percent cut.

Now the interesting thing about it is this. It is just a question of philosophy as to what you believe in. I want the people on my side of the aisle to vote for the bill whether the Pepper bill passes or not and I am sure the gentleman from Florida (Mr. PEPPER) is going to vote for it. And I hope and trust that as many who suppported the Pickle bill on this side will vote for final passage of the bill. It is a question of philosophy.

I believe that we made a commitment along the line and I know I did to the committee that I appointed as I talked with them time after time when they were in the art of compromise with the President. No benefit cuts at any time. No benefit cuts at any time. Yes; we will make concessions in the COLA. Yes; we will make concessions on the taxing of the social security. Yes; we will make concessions on this along the line, but no benefit cuts.

Why do I talk that way? In my lifetime in politics there have been two important pieces of legislation that sing out. The social security bill of the thirties and in the fifties the GI bill of rights. The social security gave dignity to the golden agers of America in the twilight of their career. The GI bill of rights educated 19 million Americans. And the interesting fact about it is we are changing tradition today. History is being written on this floor. We are changing the tradition of this country. In America, each generation has always paid for the generation that has gone before them, because the generation, the senior citizens in their seventies and eighties, paid for the bill of rights. They paid for the social security system through the years. And what are we doing today? We are changing the system of this Government and how this Congress has always acted that each generation should take care of the generation that went before it.

□ 1900

Basically, I think we are wrong in what we are doing today. It is just a question of my philosophy. It is a question of how I feel.

What does the tax bill of the gentleman from Florida (Mr. PEPPER) mean? Does it mean that much, fifty-four one-hundredths percent, 38 years down the line? If you make $30,000 a year, it means you will pay an extra $162. If you make $50,000 a year, in the year 2010 you will pay $270 more.

Should we change the tradition? I say no.

I ask you to vote for the Pepper amendment and whether you vote for the Pepper amendment or you do not vote for the Pepper amendment, I think the real purpose of this bill as we originally submitted it, was to straighten out the crisis. On both sides we are agreed with that.

I hope you will vote for final passage of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER).

RECORDED VOTE

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 132, noes 296, not voting 5, as follows:

[Roll No. 24]

AYES—132

Ackerman	Frost	Pepper
Addabbo	Garcia	Perkins
Alexander	Gejdenson	Price
Anderson	Gonzalez	Rahall
Andrews (NC)	Gray	Rangel
Annunzio	Guarini	Ratchford
Aspin	Hall (IN)	Reid
Barnes	Hall (OH)	Richardson
Berman	Harrison	Rodino
Biaggi	Hawkins	Roe
Boggs	Hertel	Rose
Bonior	Howard	Roybal
Bonker	Hoyer	Russo
Borski	Huckaby	Savage
Boucher	Jacobs	Scheuer
Boxer	Kaptur	Schneider
Brown (CA)	Kennelly	Schumer
Bryant	Kildee	Seiberling
Burton (CA)	Kolter	Shannon
Carr	Kostmayer	Simon
Clarke	Lehman (FL)	Sisisky
Clay	Leland	Skelton
Collins	Levin	Smith (FL)
Conyers	Levine	Solarz
Coyne	Lowry (WA)	Spratt
Crockett	Markey	St Germain
D'Amours	Martinez	Staggers
Dellums	Mavroules	Stokes
Dixon	McCloskey	Swift
Donnelly	McNulty	Tallon
Dowdy	Mikulski	Torres
Durbin	Mineta	Torricelli
Dwyer	Minish	Towns
Dymally	Mitchell	Traxler
Dyson	Moakley	Vento
Early	Mollohan	Walgren
Edwards (CA)	Moody	Waxman
Evans (IL)	Morrison (CT)	Weaver
Fascell	Oakar	Weiss
Ferraro	Oberstar	Wheat
Foglietta	Obey	Wise
Foley	Ottinger	Yates
Ford (MI)	Owens	Young (MO)
Frank	Patterson	Zablocki

NOES—296

Akaka	Glickman	Moore
Albosta	Goodling	Moorhead
Andrews (TX)	Gore	Morrison (WA)
Anthony	Gradison	Mrazek
Applegate	Gramm	Murphy
Archer	Green	Murtha
AuCoin	Gregg	Myers
Badham	Gunderson	Natcher
Barnard	Hall, Ralph	Nelson
Bartlett	Hall, Sam	Nichols
Bateman	Hamilton	Nielson
Bates	Hammerschmidt	Nowak
Bedell	Hance	O'Brien
Beilenson	Hansen (ID)	Olin
Bennett	Hansen (UT)	Ortiz
Bereuter	Harkin	Oxley
Bethune	Hartnett	Packard
Bevill	Hatcher	Panetta
Bilirakis	Hefner	Parris
Bliley	Heftel	Pashayan
Boehlert	Hightower	Patman
Boner	Hiler	Paul
Bosco	Hillis	Pease
Bouquard	Holt	Penny
Breaux	Hopkins	Petri
Britt	Horton	Pickle
Brooks	Hubbard	Porter
Broomfield	Hughes	Pritchard
Brown (CO)	Hunter	Pursell
Broyhill	Hutto	Quillen
Burton (IN)	Hyde	Ray
Byron	Ireland	Regula
Campbell	Jeffords	Ridge
Carney	Jenkins	Rinaldo
Carper	Johnson	Ritter
Chandler	Jones (NC)	Roberts
Chappell	Jones (OK)	Robinson
Chappie	Jones (TN)	Roemer
Cheney	Kasich	Rogers
Clinger	Kastenmeier	Rostenkowski
Coats	Kazen	Roth
Coelho	Kemp	Roukema
Coleman (MO)	Kindness	Rowland
Coleman (TX)	Kogovsek	Rudd
Conable	Kramer	Sabo
Conte	LaFalce	Sawyer
Corcoran	Lagomarsino	Schroeder
Coughlin	Lantos	Schulze
Courter	Latta	Sensenbrenner
Craig	Leach	Sharp
Crane, Daniel	Leath	Shaw
Crane, Philip	Lehman (CA)	Shelby
Daniel	Lent	Shumway
Dannemeyer	Levitas	Shuster
Daschle	Lewis (CA)	Sikorski
Daub	Lewis (FL)	Siljander
Davis	Lipinski	Skeen
de la Garza	Livingston	Slattery
Derrick	Loeffler	Smith (IA)
DeWine	Long (LA)	Smith (NE)
Dickinson	Long (MD)	Smith (NJ)
Dicks	Lott	Smith, Denny
Dorgan	Lowery (CA)	Smith, Robert
Downey	Lujan	Snowe
Dreier	Luken	Snyder
Duncan	Lundine	Solomon
Eckart	Lungren	Spence
Edgar	Mack	Stangeland
Edwards (AL)	MacKay	Stark
Edwards (OK)	Madigan	Stenholm
Emerson	Marlenee	Stratton
English	Marriott	Studds
Erdreich	Martin (IL)	Stump
Erlenborn	Martin (NC)	Sundquist
Evans (IA)	Martin (NY)	Synar
Fazio	Matsui	Tauke
Feighan	Mazzoli	Tauzin
Fiedler	McCain	Taylor
Fields	McCandless	Thomas (CA)
Fish	McCollum	Thomas (GA)
Flippo	McCurdy	Udall
Florio	McDade	Valentine
Ford (TN)	McDonald	Vander Jagt
Forsythe	McEwen	Vandergriff
Fowler	McGrath	Volkmer
Franklin	McHugh	Vucanovich
Frenzel	McKernan	Walker
Fuqua	McKinney	Watkins
Gaydos	Mica	Weber
Gekas	Michel	Whitehurst
Gephardt	Miller (CA)	Whitley
Gibbons	Miller (OH)	Whittaker
Gilman	Molinari	Whitten
Gingrich	Montgomery	Williams (MT)

Williams (OH)	Wolpe	Yatron
Wilson	Wortley	Young (AK)
Winn	Wright	Young (FL)
Wirth	Wyden	Zschau
Wolf	Wylie	

NOT VOTING—5

Boland	Dingell	Washington
Cooper	Neal	

□ 1910

Mr. DANIEL changed his vote from "Aye" to "No."

Mr. BIAGGI changed his vote from "No" to "Aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1920

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 1900) to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes, pursuant to House Resolution 126, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 230, noes 200, not voting 3, as follows:

[Roll No. 25]

AYES—230

Alexander	Carney	Edwards (AL)
Andrews (TX)	Carper	Edwards (OK)
Annunzio	Chandler	Emerson
Anthony	Chappell	English
Archer	Chappie	Erlenborn
AuCoin	Cheney	Evans (IA)
Badham	Clarke	Fiedler
Barnard	Clinger	Fields
Bartlett	Coats	Fish
Bateman	Coleman (MO)	Flippo
Bates	Coleman (TX)	Forsythe
Bedell	Conable	Franklin
Beilenson	Cooper	Frenzel
Bennett	Corcoran	Fuqua
Bereuter	Coughlin	Gekas
Bethune	Courter	Gibbons
Bilirakis	Craig	Gingrich
Bliley	Crane, Daniel	Glickman
Boehlert	Crane, Philip	Gradison
Boggs	Daniel	Gramm
Bouquard	Dannemeyer	Green
Breaux	Daschle	Gregg
Brooks	Daub	Gunderson
Broomfield	de la Garza	Hall, Ralph
Brown (CO)	DeWine	Hall, Sam
Broyhill	Dickinson	Hamilton
Burton (IN)	Downey	Hammerschmidt
Byron	Dreier	Hance
Campbell	Duncan	Hansen (ID)
Hansen (UT)	Mazzoli	Shaw
Hartnett	McCain	Shelby
Hatcher	McCandless	Shumway
Hefner	McCollum	Shuster
Heftel	McCurdy	Siljander
Hightower	McDonald	Skeen
Hiler	McEwen	Slattery
Hillis	McGrath	Smith (NE)
Holt	McKernan	Smith (NJ)
Hopkins	McKinney	Smith, Denny
Horton	McNulty	Smith, Robert
Hunter	Michel	Snowe
Hutto	Montgomery	Solomon
Hyde	Moore	Spence
Ireland	Moorhead	Stangeland
Jeffords	Morrison (WA)	Stark
Jenkins	Myers	Stenholm
Jones (NC)	Nielson	Stratton
Jones (OK)	O'Brien	Studds
Kasich	Olin	Stump
Kazen	Ortiz	Sundquist
Kemp	Oxley	Synar
Kindness	Packard	Tauke
Kramer	Parris	Tauzin
Lagomarsino	Pashayan	Taylor
Latta	Paul	Thomas (CA)
Leach	Penny	Thomas (GA)
Leath	Petri	Udall
Lent	Pickle	Valentine
Levitas	Porter	Vander Jagt
Lewis (CA)	Pritchard	Vandergriff
Lipinski	Pursell	Vucanovich
Livingston	Quillen	Walker
Loeffler	Ray	Watkins
Lott	Ridge	Weber
Lowery (CA)	Ritter	Whitehurst
Lujan	Roberts	Whitley
Lundine	Robinson	Whittaker
Lungren	Roemer	Wilson
Mack	Rogers	Winn
MacKay	Rostenkowski	Wolf
Madigan	Roth	Wortley
Marlenee	Roukema	Wright
Marriott	Rowland	Wylie
Martin (IL)	Rudd	Young (AK)
Martin (NC)	Sawyer	Young (FL)
Martin (NY)	Schulze	Zschau
Matsui	Sensenbrenner	

NOES—200

Ackerman	Early	Kildee
Addabbo	Eckart	Kogovsek
Akaka	Edgar	Kolter
Albosta	Edwards (CA)	Kostmayer
Anderson	Erdreich	LaFalce
Andrews (NC)	Evans (IL)	Lantos
Applegate	Fascell	Lehman (CA)
Aspin	Fazio	Lehman (FL)
Barnes	Feighan	Leland
Berman	Ferraro	Levin
Bevill	Florio	Levine
Biaggi	Foglietta	Lewis (FL)
Boner	Foley	Long (LA)
Bonior	Ford (MI)	Long (MD)
Bonker	Ford (TN)	Lowry (WA)
Borski	Fowler	Luken
Bosco	Frank	Markey
Boucher	Frost	Martinez
Boxer	Garcia	Mavroules
Britt	Gaydos	McCloskey
Brown (CA)	Gejdenson	McDade
Bryant	Gephardt	McHugh
Burton (CA)	Gilman	Mica
Carr	Gonzalez	Mikulski
Clay	Goodling	Miller (CA)
Coelho	Gore	Miller (OH)
Collins	Gray	Mineta
Conte	Guarini	Minish
Conyers	Hall (IN)	Mitchell
Coyne	Hall (OH)	Moakley
Crockett	Harkin	Molinari
D'Amours	Harrison	Mollohan
Davis	Hawkins	Moody
Dellums	Hertel	Morrison (CT)
Derrick	Howard	Mrazek
Dicks	Hoyer	Murphy
Dingell	Hubbard	Murtha
Dixon	Huckaby	Natcher
Donnelly	Hughes	Nelson
Dorgan	Jacobs	Nichols
Dowdy	Johnson	Nowak
Durbin	Jones (TN)	Oakar
Dwyer	Kaptur	Oberstar
Dymally	Kastenmeier	Obey
Dyson	Kennelly	Ottinger
Owens	Scheuer	Torricelli
Panetta	Schneider	Towns
Patman	Schroeder	Traxler
Patterson	Schumer	Vento
Pease	Seiberling	Volkmer
Pepper	Shannon	Walgren
Perkins	Sharp	Waxman
Price	Sikorski	Weaver
Rahall	Simon	Weiss
Rangel	Sisisky	Wheat
Ratchford	Skelton	Whitten
Regula	Smith (FL)	Williams (MT)
Reid	Smith (IA)	Williams (OH)
Richardson	Snyder	Wirth
Rinaldo	Solarz	Wise
Rodino	Spratt	Wolpe
Roe	St Germain	Wyden
Rose	Staggers	Yates
Roybal	Stokes	Yatron
Russo	Swift	Young (MO)
Sabo	Tallon	Zablocki
Savage	Torres	

NOT VOTING—3

Boland	Neal	Washington

□ 1930

Mr. SCHEUER and Mr. RANGEL changed their votes from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ARCHER. In its present form I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARCHER moves to recommit the bill, H.R. 1900, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROSTENKOWSKI. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 282, noes 148, not voting 3, as follows:

[Roll No. 26]

AYES—282

Albosta	Anthony	Bartlett
Alexander	Applegate	Bateman
Anderson	Aspin	Bates
Andrews (NC)	AuCoin	Bedell
Andrews (TX)	Badham	Beilenson
Annunzio	Barnard	Bennett

Berman	Guarini	Pease
Bevill	Gunderson	Penny
Biaggi	Hamilton	Pepper
Bilirakis	Hammerschmidt	Petri
Bliley	Hance	Pickle
Boehlert	Harkin	Price
Boggs	Harrison	Pritchard
Boner	Hatcher	Pursell
Bonior	Hefner	Quillen
Bonker	Heftel	Rahall
Bouquard	Hightower	Rangel
Boxer	Hiler	Ray
Breaux	Hillis	Regula
Britt	Hopkins	Reid
Brooks	Huckaby	Richardson
Broyhill	Hughes	Ridge
Bryant	Hutto	Robinson
Burton (CA)	Hyde	Rodino
Burton (IN)	Ireland	Rogers
Campbell	Jacobs	Rose
Carper	Jeffords	Rostenkowski
Carr	Jenkins	Roukema
Chandler	Johnson	Rowland
Chappell	Jones (NC)	Roybal
Chappie	Jones (OK)	Russo
Cheney	Kaptur	Sabo
Clarke	Kasich	Sawyer
Clinger	Kastenmeier	Scheuer
Coats	Kennelly	Schneider
Coelho	Kogovsek	Schumer
Coleman (MO)	Kolter	Seiberling
Coleman (TX)	LaFalce	Shannon
Conable	Latta	Sharp
Conte	Leach	Shaw
Cooper	Lehman (CA)	Shelby
Corcoran	Lehman (FL)	Sikorski
Coughlin	Levin	Simon
Courter	Levitas	Sisisky
Coyne	Lewis (FL)	Skeen
D'Amours	Lipinski	Skelton
Daschle	Livingston	Slattery
Daub	Long (LA)	Smith (FL)
Davis	Long (MD)	Smith (IA)
de la Garza	Lowry (WA)	Smith (NE)
Derrick	Lujan	Smith, Robert
Dickinson	Luken	Snyder
Dicks	Lundine	Solarz
Dingell	Mack	Spratt
Dorgan	MacKay	Staggers
Downey	Madigan	Stark
Duncan	Martin (NC)	Stratton
Durbin	Matsui	Sundquist
Dwyer	Mazzoli	Swift
Dyson	McCain	Synar
Eckart	McCandless	Tallon
Edgar	McCloskey	Tauzin
Edwards (AL)	McCollum	Taylor
Edwards (CA)	McCurdy	Thomas (CA)
Edwards (OK)	McDade	Thomas (GA)
Emerson	McHugh	Torres
English	McKinney	Udall
Erdreich	McNulty	Valentine
Erlenborn	Mica	Vander Jagt
Evans (IA)	Michel	Vandergriff
Fascell	Mikulski	Vento
Fazio	Miller (OH)	Volkmer
Ferraro	Mineta	Vucanovich
Fields	Moakley	Walker
Fish	Mollohan	Watkins
Flippo	Montgomery	Weaver
Foglietta	Moody	Weber
Foley	Moore	Wheat
Ford (MI)	Morrison (WA)	Whitehurst
Ford (TN)	Mrazek	Whitley
Forsythe	Murtha	Whittaker
Fowler	Natcher	Williams (OH)
Frenzel	Nelson	Wilson
Frost	Nichols	Winn
Fuqua	Nowak	Wirth
Garcia	O'Brien	Wise
Gephardt	Oberstar	Wolpe
Gibbons	Obey	Wortley
Glickman	Olin	Wright
Gore	Ortiz	Wyden
Gradison	Ottinger	Wylie
Gramm	Oxley	Young (FL)
Green	Packard	Zablocki
Gregg	Patterson	Zschau

NOES—148

Ackerman	Bereuter	Broomfield
Addabbo	Bethune	Brown (CA)
Akaka	Borski	Brown (CO)
Archer	Bosco	Byron
Barnes	Boucher	Carney
Clay	Hunter	Paul
Collins	Jones (TN)	Perkins
Conyers	Kazen	Porter
Craig	Kemp	Ratchford
Crane, Daniel	Kildee	Rinaldo
Crane, Philip	Kindness	Ritter
Crockett	Kostmayer	Roberts
Daniel	Kramer	Roe
Dannemeyer	Lagomarsino	Roemer
Dellums	Lantos	Roth
DeWine	Leath	Rudd
Dixon	Leland	Savage
Donnelly	Lent	Schroeder
Dowdy	Levine	Schulze
Dreier	Lewis (CA)	Sensenbrenner
Dymally	Loeffler	Shumway
Early	Lott	Shuster
Evans (IL)	Lowery (CA)	Siljander
Feighan	Lungren	Smith (NJ)
Fiedler	Markey	Smith, Denny
Florio	Marlenee	Snowe
Frank	Marriott	Solomon
Franklin	Martin (IL)	Spence
Gaydos	Martin (NY)	St Germain
Gejdenson	Martinez	Stangeland
Gekas	Mavroules	Stenholm
Gilman	McDonald	Stokes
Gingrich	McEwen	Studds
Gonzalez	McGrath	Stump
Goodling	McKernan	Tauke
Gray	Miller (CA)	Torricelli
Hall (IN)	Minish	Towns
Hall (OH)	Mitchell	Traxler
Hall, Ralph	Molinari	Walgren
Hall, Sam	Moorhead	Waxman
Hansen (ID)	Morrison (CT)	Weiss
Hansen (UT)	Murphy	Whitten
Hartnett	Myers	Williams (MT)
Hawkins	Nielson	Wolf
Hertel	Oakar	Yates
Holt	Owens	Yatron
Horton	Panetta	Young (AK)
Howard	Parris	Young (MO)
Hoyer	Pashayan	
Hubbard	Patman	

NOT VOTING—3

Boland	Neal	Washington

□ 1950

The Clerk announced the following pair:

On this vote:

Mr. Neal for, with Mr. Washington against.

Mr. BURTON of California and Mr. PATTERSON changed their votes from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. I was unable to be on the floor on March 3, 1983, for the first three rollcall votes because of a funeral in my district. Had I been present, I would have voted:

"Yea" on rollcall No. 15, on approving the journal:

"No" on rollcall No. 16, on ordering the previous question, providing for the consideration of H.R. 1718, emergency supplemental appropriations for fiscal year 1983; and

"No" on rollcall No. 17, on agreeing to the resolution (the rule) that provided for the consideration of H.R. 1718.

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1296) relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the House amendment to the Senate amendment, as follows:

In lieu of inserting the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Payment-in-Kind Tax Treatment Act of 1983".

SEC. 2. INCOME TAX TREATMENT OF AGRICULTURAL COMMODITIES RECEIVED UNDER A 1983 PAYMENT-IN-KIND PROGRAM.

(a) INCOME TAX DEFERRAL, ETC.—Except as otherwise provided in this Act, for purposes of the Internal Revenue Code of 1954—

(1) a qualified taxpayer shall not be treated as having realized income when he receives a commodity under a 1983 payment-in-kind program,

(2) such commodity shall be treated as if it were produced by such taxpayer, and

(3) the unadjusted basis of such commodity in the hands of such taxpayer shall be zero.

(b) EFFECTIVE DATE.—This section shall apply to taxable years ending after December 31, 1982, but only with respect to commodities received for the 1983 crop year.

SEC. 3. LAND DIVERTED UNDER 1983 PAYMENT-IN-KIND PROGRAM TREATED AS USED IN FARMING BUSINESS, ETC.

(a) GENERAL RULE.—For purposes of the provisions specified in subsection (b), in the case of any land diverted from the production of an agricultural commodity under a 1983 payment-in-kind program—

(1) such land shall be treated as used during the 1983 crop year by the qualified taxpayer in the active conduct of the trade or business of farming, and

(2) any qualified taxpayer who materially participates in the diversion and devotion to conservation uses required under a 1983 payment-in-kind program shall be treated as materially participating in the operation of such land during such crop year.

(b) PROVISIONS TO WHICH SUBSECTION (a) APPLIES.—The provisions specified in this subsection are—

(1) section 2032A of the Internal Revenue Code of 1954 (relating to valuation of certain farm, etc., real property),

(2) section 6166 of such Code (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business),

(3) chapter 2 of such Code (relating to tax on self-employment income), and

(4) title II of the Social Security Act (relating to Federal old-age, survivors, and disability insurance benefits).

SEC. 4. ANTIABUSE RULES.

(a) GENERAL RULE.—In the case of any person, sections 2 and 3 of this Act shall not apply with respect to any land acquired by such person after February 23, 1983, unless such land was acquired in a qualified acquisition.

(b) QUALIFIED ACQUISITION.—For purposes of this section, the term "qualified acquisition" means any acquisition—

(1) by reason of the death of a qualified transferor,

(2) by reason of a gift from a qualified transferor, or

(3) from a qualified transferor who is a member of the family of the person acquiring the land.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) QUALIFIED TRANSFEROR.—The term "qualified transferor" means any person—

(A) who held the land on February 23, 1983, or

(B) who acquired the land after February 23, 1983, in a qualified acquisition.

(2) MEMBER OF FAMILY.—The term "member of the family" has the meaning given such term by section 2032A(e)(2) of the Internal Revenue Code of 1954.

(3) MERE CHANGE IN FORM OF BUSINESS.—Subsection (a) shall not apply to any change in ownership by reason of a mere change in the form of conducting the trade or business so long as the land is retained in such trade or business and the person holding the land before such change retains a direct or indirect 80-percent interest in such land.

(4) TREATMENT OF CERTAIN ACQUISITIONS OF RIGHT TO THE CROP.—The acquisition of a direct or indirect interest in 80 percent or more of the crop from any land shall be treated as an acquisition of such land.

SEC. 5. DEFINITIONS AND SPECIAL RULES.

(a) GENERAL RULE.—For purposes of this Act—

(1) 1983 PAYMENT-IN-KIND PROGRAM.—The term "1983 payment-in-kind program" means any program for the 1983 crop year—

(A) under which the Secretary of Agriculture (or his delegate) makes payments in kind of any agricultural commodity to any person in return for—

(i) the diversion of farm acreage from the production of an agricultural commodity, and

(ii) the devotion of such acreage to conservation uses, and

(B) which the Secretary of Agriculture certifies to the Secretary of the Treasury as being described in subparagraph (A).

(2) 1983 CROP YEAR.—The term "1983 crop year" means the crop year for any crop the harvesting or planting period for which occurs during 1983.

(3) QUALIFIED TAXPAYER.—The term "qualified taxpayer" means any producer of agricultural commodities (within the meaning of the 1983 payment-in-kind programs) who receives any agricultural commodity in return for meeting the requirements of clauses (i) and (ii) of paragraph (1)(A).

(4) RECEIPT INCLUDES RIGHT TO RECEIVE; ETC.—A right to receive (or other constructive receipt of) a commodity shall be treated the same as actual receipt of such commodity.

(5) AMOUNTS RECEIVED BY THE TAXPAYER AS REIMBURSEMENT FOR STORAGE.—A qualified taxpayer reporting on the cash receipts and disbursements method of accounting shall not be treated as being entitled to receive any amount as reimbursement for storage of commodities received under a 1983 payment-in-kind program until such amount is actually received by the taxpayer.

(6) COMMODITY CREDIT LOANS TREATED SEPARATELY.—Subsection (a) of section 2 shall apply to the receipt of any commodity under a 1983 payment-in-kind program separately from, and without taking into account, any related transaction or series of transactions involving the satisfaction of loans from the Commodity Credit Corporation.

(b) REGULATIONS.—The Secretary of the Treasury or his delegate (after consultation with the Secretary of Agriculture) shall prescribe such regulations as may be necessary to carry out the purposes of this Act, including (but not limited to) such regulations as may be necessary to carry out the purposes of this Act where the commodity is received by a cooperative on behalf of the qualified taxpayer.

SEC. 6. STUDY.

(a) GENERAL RULE.—The Secretary of the Treasury or his delegate, after consultation with the Secretary of Agriculture, shall conduct a study of—

(1) the 1983 payment-in-kind program, and

(2) the tax treatment provided with respect to such program by this Act.

(b) REPORT.—Not later than September 1, 1983, the Secretary of the Treasury shall submit to the Congress a report on the study conducted under subsection (a), together with such recommendations as he may deem advisable.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the House amendment to the Senate amendment be considered as read and printed in the RECORD.

Mr. SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPEAKER. Is there objection to the initial request of the gentleman from Illinois?

Mr. CONABLE. Mr. Speaker, reserving the right to object and I do not object, but I would like to ask the distinguished chairman, the gentleman from Illinois (Mr. ROSTENKOWSKI), if he could tell us what procedure is being followed here with respect to the so-called PIK program, which I understand has passed the Senate in a somewhat different form from what it passed the House and therefore requires some further procedure.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, H.R. 1296 passed the House yesterday by a vote of 401 to 1. The bill satisfactorily resolves the tax problems of farmers who participate in the payment-in-kind or PIK program while achieving a delicate balance between farm and tax policy. The bill was reported to the Committee on Ways and Means by a unanimous vote of the Subcommittee on Select Revenue Measures. The Committee on Ways and Means also approved the bill unanimously. Both Treasury and Agriculture Department officials have publicly voiced the support of the administration for the House bill.

Despite the exceptionally strong support for H.R. 1296, as passed by the House, the Senate substantially modified the House bill. The Senate amendment eliminates the antispeculation rule which was included in the House bill and provides expanded tax benefits both retroactively and on a permanent basis. The Senate amendment also deletes the provision of the House bill which provides a tax exemption for the National Farmers Organization or NFO.

H.R. 1296, as passed by the House, fully addresses farmers' concerns that participation in the 1983 PIK program may have adverse tax consequences. However, many farm cooperatives have expressed opposition to the tax exemption for the NFO. These cooperatives fear that such an exemption would provide a competitive advantage to the NFO. Therefore, I recommend deleting this NFO exemption.

Under the request I am making, I am asking the House to return the original House bill to the Senate with certain technical changes recommended by the Senate Finance Committee by deleting the NFO exemption to which cooperatives have objected.

□ 2000

Mr. CONABLE. Further reserving the right to object, Mr. Speaker, to summarize, then, it is the plan to send the measure back to the Senate?

Mr. ROSTENKOWSKI. As passed the House, deleting the NFO provision.

Mr. CONABLE. As passed the House, but deleting the NFO provision.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. Further reserving the right to object, I yield to the gentleman from Illinois.

Mr. MICHEL. I appreciate the gentleman yielding under his reservation. I only wanted to make the point that when we were considering the measure here in the House under the suspension of the rules, the gentleman from Illinois was called to the White House and could not obviously vote at the time when the vote was taken.

Obviously, if I had been here, I would have supported it wholeheartedly, as we had been pressing the committee to address itself to this project. I am happy to see that it will finally be resolved before the deadline.

Mr. CONABLE. Further reserving the right to object, Mr. Speaker, does

the gentleman from Minnesota wish me to yield?

Mr. FRENZEL. Yes.

Mr. CONABLE. I yield to the gentleman.

Mr. FRENZEL. Mr. Speaker, the NFO amendment was not mine, but I am the principal author of the bill from which the amendment was drawn. It is an important and a good amendment, but the importance of the PIK bill is so overwhelming that we are better off to leave the NFO amendment behind and we will try to work that out at a later date.

I thank the gentleman for yielding.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. Further reserving the right to object, I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Speaker, I only wanted to express my appreciation to the chairman of the Ways and Means Committee and the ranking member and all who have worked to assist us in this endeavor. We from the Agriculture Committee are very appreciative of the gentleman's spirit of cooperation and understanding of our problem.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. Further reserving the right to object, I yield to the gentleman from Vermont.

Mr. JEFFORDS. I appreciate the gentleman yielding.

I just want to echo the comments of the chairman of the full Agriculture Committee. The minority feels likewise. We really appreciate what the gentleman has done.

Mr. CONABLE. Mr. Speaker, under the circumstances, I withdraw my reservation of objection.

Mr. SPEAKER. Is there objection to the initial request of the gentleman from Illinois (Mr. ROSTENKOWSKI)?

There was no objection.

A motion to reconsider was laid on the table.

FREEZE MOVEMENT DETRIMENTAL TO NUCLEAR ARMS NEGOTIATORS

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROOMFIELD. Mr. Speaker, the House Foreign Affairs Committee's decision yesterday reporting a nuclear freeze resolution to the House has more to do with the Democratic Presidential sweepstakes than it does with serious arms control talks with the Russians.

Unfortunately, the committee's resolution could do serious damage to the President's efforts to win real reductions in nuclear arms levels before a freeze.

Both of our top negotiators, Gen. Edward Rowny and Ambassador Paul Nitze, said in telegrams to me yesterday that this freeze resolution would make their task "immensely more difficult, if not impossible."

Ambassador Nitze pointed out that the prospect of deployment of U.S. longer range missiles in Europe is "the strongest incentive the Soviets have to negotiate seriously." Passage of a freeze resolution would leave him with "virtually no bargaining leverage with the Soviets," Ambassador Nitze said.

Mr. Speaker, I am inserting the full text of their message in the RECORD today, and I urge the Members to read them carefully.

When this issue comes to the floor next week, our decision should be based on what is good for America's national security rather than what is good theater at the Democratic National Convention.

Text of telegram from Gen. Edward Rowny:

Last June when I evaluated the effects of a freeze vote, the START negotiations had not begun. Since June I have had many hours of face-to-face negotiations with the Soviets. This experience has only reinforced my earlier conclusion: negotiations on reducing strategic arms will be made immensely more difficult, if not impossible, by passage of a freeze resolution. An immediate freeze on research, development, testing, production and deployment of all nuclear systems would make it virtually impossible to achieve the reductions we seek. In short, the Soviets would have no incentive to negotiate.

The process of negotiation is a difficult and painstaking one. It is not made any easier when the Soviets perceive that our proposals for reductions lack the support of Congress. A freeze would immediately involve me in negotiations on what to freeze and how to verify the freeze. We should not divert our efforts toward negotiating these matters but should continue to negotiate on an agreement which would result in real reductions.

I have continued to explain our fair, far-reaching and equitable U.S. reductions proposal to the Soviets. Given good faith and seriousness of purpose by the Soviets, I think progress towards a sound agreement is possible. I do not believe, on the other hand, the causes of peace, stability and reducing the risk of nuclear war can be advanced if we are faced with either a unilateral and immediate freeze, or the requirement to negotiate a bilateral freeze.

In short, my efforts to negotiate reductions to substantially lower, equal and verifiable levels would be very seriously harmed by a vote for a freeze.

Text of telegram from Ambassador Paul Nitze:

Delegation has learned of the proposed congressional freeze resolution which, among other things, would mean a halt to the implementation of the modernization track of the 1979 NATO decision on intermediate-range nuclear forces. We are concerned that its passage would seriously undermine our ability to negotiate an equitable agreement with the Soviets and would appreciate the Department conveying our views to appropriate Members of the House.

We are pursuing the INF negotiations with the Soviets with vigor and determination. However, continuation of NATO preparations for deployment of U.S. longer range INF missiles in Europe and the prospect of that deployment are the strongest incentives the Soviets have to negotiate seriously and to take account of the legitimate Western security concerns that prompted the 1979 decision. We would note that it was the 1979 decision that brought the Soviets to agree to INF negotiations in the first place.

Were the development and deployment of U.S. longer range INF missiles to be deferred, we would have virtually no bargaining leverage with the Soviets. They would have every reason to draw out the negotiations indefinitely without result, as they then would be assured of the indefinite continuation of their existing monopoly over the United States in longer range INF missiles.

SKILLED ENLISTED RESERVE TRAINING ACT

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I have just introduced a bill that I believe will contribute significantly to both the Nation's defense capability and its response to global competition in the new and emerging technologies.

H.R. 1937 would draw upon the Nation's marvelous network of community and technical colleges to train the advance technicians that our military services need to install, operate, and maintain the increasingly sophisticated weapons systems on which we depend for national security.

Mr. Speaker, this is an acute need—a need which bears just as heavily upon our security as does the quality of the weaponry itself. Army planners have told us, for example, that Army Reserve units alone need at least 250,000 new, technically skilled personnel to staff effectively the various weapons systems now deployed among those units.

Without such technicians, the Army Reserve would be hardly more than a fighting shell, were it called to mobilize suddenly in a national crisis.

Columnist Jack Anderson, who often performs a public service by his probes into the shortcomings of the military establishment, pointed up this need in a recent Washington Post column which I wish to inject at this point in the RECORD:

NEW WEAPONS TOO COMPLEX FOR MILITARY

President Reagan has taken exception to my report that the Pentagon's new weapons are too complicated for our military personnel to operate, so civilians known as "technical mercenaries" must be hired to help keep them in working order.

"I don't think it's true," he told a news conference.

Now, I know the president can't keep track of everything that's going on in the federal government, particularly a military beehive like the Pentagon.

So I'll be glad to help the president find out what his generals and admirals aren't telling him.

First, the president should send someone over to Room 3B915 at the Pentagon to pick up a report titled "DOD Use of Civilian Technicians."

The report was prepared for the Pentagon by a Washington think tank called the Logistics Management Institute.

The summary states: "The [Defense Department] forces rely heavily upon civilians for technical assistance—advice, instruction and training of military personnel in the installation, operation and maintenance of weapon systems and equipment, plus liaison between users and equipment."

Next, the president might want to send out for an internal Pentagon document, DOD Directive 1130.2, titled "Management and Control of Engineering and Technical Services."

My associate Lucette Lagnado obtained a copy, which I'll be happy to show the president if he can't locate it. I think he'll find it a little puzzling. It states clearly that the use of technical mercenaries should be kept to a minimum.

It requires the armed services to "achieve in-house self-sufficiency as early as possible," and states that "the use of contract field services is limited to a period not to exceed 12 months" after military personnel are trained in how to maintain and use a weapons system.

Despite this official line, the president will find, if he pursued the matter, that the Pentagon is using scores of civilian technicians, sometimes for years at a stretch, to keep some of our most important weapons systems functioning. For example:

Westinghouse has supplied 23 technicians to give operational and maintenance training for AWACS (Airborne Warning and Control System) personnel at Tinker Air Force Base in Oklahoma. There are also some civilian technicians with the AWACS planes we sent to Saudi Arabia.

Our aircraft carriers in the Indian Ocean, according to House defense subcommittee investigators, have civilians on board to help maintain the Navy's fighter and attack planes and their weapons systems.

Even the B52s, which went into service decades ago, still rely to some extent on technical mercenaries. Part of this is due to a continuous modification of the planes over the years. But part of it may also be due to the contractor's desire to assure continued long-term income.

The Navy's F14 fighter planes, the Air Force's F15 fighter planes and the Army's Hawk missiles are heavily dependent on civilian technicians, and not just for short-term training of uniformed personnel. The report prepared for the Pentagon states that for these weapons civilian assistance "is essential throughout the system's life, not just for initial self-sufficiency."

The military's dependence on civilian technicians was reflected dramatically in the response of the commander of Naval Air Forces, Atlantic Fleet, when faced with reductions in the number of civilians in 1979. Such a reduction could "result in jeopardization of . . . flight safety, impaired weapon system capability and impacted flight training and mission accomplishment objectives," the admiral wrote.

In short, without civilian mercenaries, our expensive weapons won't work. Check it out, Mr. President.

In addition to the problem of civilians manning crucial military positions that Mr. Anderson addressed, there are other important problems that will affect military performance.

The numbers of young people available in this country for military duty are diminishing, and will continue to diminish for at least the remainder of this decade. The majority of those available during this period will be in need of special, basic educational instruction in communications, and math science skills. The military services currently offer this training to recruits, but at an excessive cost, since much of their enlistment period is spent in the classroom instead of actively performing their technical speciality.

To exacerbate the problem, when the economy improves, even modestly as it is projected, the military services will have to compete with local business and industry for the most attractive individuals. Because of our current weak economy, the services are now experiencing no difficulty in meeting their recruitment goals. Recruiting is a costly procedure when you consider that recruitment costs average, according to a recent calculation, $39,000 per person. However, recruitment will be much more difficult as the economy improves.

Also, the services have weak retention rates in many technical specialties. For example, in the military occupational specialty 335 EW/intercept sensor repairman, the Army trains students for 35 weeks. In fiscal year 1981, only 58 percent of the students who entered this formal training completed it. Training costs per student completing the program were $34,430. Of the 153 persons with this specialty who were available for reenlistment, only 37 of them actually reenlisted—for a 24-percent retention rate, a very costly record. The program I am proposing today would cost—at the high extreme, using the most costly 2-year college program—$8,000 per participant. Currently, military training costs range from $50,000 for low skilled person to $150,000 for a technician. The need is dramatized by the Army's intention to develop a high technology battlefield operation and the Navy's plans for a 600-ship, and a 600-crew, Navy by 1987.

Mr. Speaker, the program that I proposed in H.R. 1937, the Skilled Enlisted Reserve Training Act (SERTA), would make more highly qualified technicians available for both the regular service and the Reserve Forces of every branch of the military, and I am convinced it would provide them at substantial cost savings to the military budget.

A leading authority on military training, Walter E. Muller of George Washington University, who has served for years as a consultant to both the Navy and the Army, has estimated that the savings in training costs alone under this program could reach $10 billion—yes, billion—by 1987, not to mention the additional enormous savings that would be realized on the maintenance of the weapon systems through the more competent personnel the program would generate. Mr. Muller also makes the point that the great economic benefit of such a program would not be confined to the military.

It would enhance the general economy by enlarging the national skills base—the pool of technicians who become available sooner or later to the private sector. The program would also foster stronger technician training programs that would be equally useful to the industries which are producing the weapons systems. Also, because the program provides the training in the participants' local communities, and requires involvement in local Armed Forces Reserve units, it will contribute to the economic health and development of local and State economies.

These latter points are tremendously significant to a national economy which is struggling to reestablish the competitive edge it must have to meet global competition. The industries which are turning out our weapons systems, and expanding the frontiers of the technology on which both our economic progress and military capability hinge, are wrestling with many of the same technician shortages being faced by the military. The defense establishment's need for advanced technicians is simply part of our national crisis in retraining much of our work force in the technologies needed for the future.

Former Deputy Secretary of Defense, Frank C. Carlucci III, hit the nail on the head last fall in a banquet address to a national conference which the Department and the American Vocational Association gave to showcase educational programs that respond to defense needs. He said that the most crucial variable in national security is the human resource. Incidentally, about half the models spotlighted by that conference were community college programs.

Under the Skilled Enlisted Reserve Training Act, program participants would have the choice of meeting their military commitment and pursuing their technician training through service on active duty as ready reservists, which in many cases could be through affiliation in their home community. This we see as one of the strong attractions of this program—the opportunity it offers the enlistee

to serve our country without leaving home for more than basic training and the 2-week Reserve duty once a year. Another major advantage to this program is advancement upon successful completion of the participant to a noncommissioned officer grade between E–4 and E–8, as specified in the contract.

As the program develops, we see the individual services developing contracts with various community colleges across the country that train the technicians in demand by the services. Some of the advanced skills which are currently in short supply in various military components—and our list is by no means all inclusive—would include electronics technician, machinist's mate, electrician's mate, boiler technician, aviation machinist's mate, aviation electrician's mate for the Navy; and for the Army, instrumentation specialist, tank systems mechanics, diesel mechanics, aerial survey sensor repairman, computer repairer, watercraft operator, and combat area survey radar repairman.

We stress that this bill gives each service the flexibility to tailor the program to its own needs. Each service would list the fields in which it has both current and projected personnel shortages, along with both the Reserve units and the regular military bases requiring those skills and the institutions offering associate-degree programs in those particular skills.

The program participant entering active military service might then have the opportunity to take his skill training with a community college and at a base so situated that his or her leave would afford regular visits home; whereas, the enlistee serving his or her commitment with a Reserve unit might have a skill preference that would fit him or her into the community college and the Reserve unit in his own community.

This program would offer the enlistees the advantages of both the career training in a demand skill, and early advancement in both rank and pay, assuming the enlistees' satisfactory progress in the program.

The program, if imaginatively developed by the services, should provide a matchup of Reserve units and systems with many community college programs in the same locations, thus allowing the reservists to join their skills to national service without leaving home.

In summary, to pinpoint some of the many advantages of this act in national productivity and in military preparedness, the following points can be made:

First, it will signficantly reduce the costs of training technicians for the military services and, thus, will contribute to the reduction of the Federal deficit.

Second, it will insure a flow of prescreened, well-trained young persons who have proven their technical capabilities, and who can be trained more quickly to install, maintain, and operate complicated military equipment and systems.

Third, it will more effectively use an already existing, high-quality training system—the Nation's community, technical, and junior colleges.

Fourth, it will narrow or eliminate the present gap between military shortages of technicians in the E–4 to E–8 range, and reduce or eliminate the need for civilians in critical military positions.

Fifth, it will produce a cadre of skilled persons not only for the military—both active and Reserve units—but also for the national economy, a cadre that will help this Nation improve its productivity and enhance its international competitiveness.

Sixth, it responds pointedly to national priorities—national security and economic development.

Seventh, it takes advantage of the rising tide of patriotism evident in our young people today.

Eighth, it will contribute to the achievement of the military services' objectives; that is, the high technology battlefield and the 600-ship Navy.

Ninth, it will be able to adjust to changing economic, demographic, and military circumstances.

And, tenth, it would give the military services a return of 3.7 years—per 4 year enlistment—of productivity for each participant in this program as opposed to the 1.6 years of productivity produced by the present military training system.

Mr. Speaker, I include the full text of H.R. 1937 in the RECORD herewith:

H.R. 1937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Skilled Enlisted Reserve Training Act".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The national defense readiness of the United States is increasingly dependent upon the use of technically sophisticated weapons.

(2) The number of technically skilled enlisted members in each of the Armed Forces, both on active duty and in the reserve components, should be substantially increased in the near future in order to enable the Armed Forces to operate and maintain adequately the increasingly technical and sophisticated weapons systems being introduced to modernize the Armed Forces.

(3) There are significant personnel shortages in many technical military occupational specialities. These shortages could be met at a reduced cost to the Government through a program in which civilian educational institutions provide technical training to qualified individuals and such individuals then enter the Armed Forces for service in pay grades commensurate with that training.

(4) The Armed Forces have traditionally used a variety of programs to provide specially-qualified individuals entry into the Armed Forces at grades higher than the lowest officer or enlisted grade in order to meet a specific need. Such special entry programs have the potential for great cost savings to the Government and significant increases in return on training costs.

(5) In many skill categories in the Armed Forces, training takes over half the period of an initial four-year enlistment, meaning that less than half an initial enlistment may be spent in productive technical work for the Armed Forces. An effective special entry program would significantly increase productive work per initial enlistment period, and the potential to reduce the short- and long-term costs of military service, and would add needed trained members to the Ready Reserve.

(6) The community and technical colleges and institutes of the United States have the resources and capabilities to provide training in the technical specialities required by the Armed Forces.

(7) A special entry program under which community colleges and technical institutes would provide high school graduates technical training leading to an associate degree or technical certificate, simultaneously with the preparation of such high school graduates for military service in a pay grade commensurate with their training, would (A) contribute to the recruitment into the Armed Forces of young men and women with aptitudes and interests in high technology fields, and (B) reduce personnel shortages in specific military occupational specialties.

(8) The economic vitality of the United States would be strengthened through the establishment of such a program by increasing the number of persons having technical skills required to broaden the industrial base of the United States in critical skilled technical fields in which shortages have developed.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) Part III of subtitle A of title 10, United States Code, is amended—

(1) by redesignating chapter 108 as chapter 109; and

(2) by inserting after chapter 107 the following new chapter 108:

"CHAPTER 108—SKILLED ENLISTED RESERVE TRAINING PROGRAM

"Sec.
"2151. Definitions.
"2152. Establishment of program; service agreements.
"2153. Eligibility.
"2154. Status of member of program.
"2155. Penalties.
"2156. Approval of courses of instruction at educational institutions.
"2158. Assistance to educational institutions.
"2159. Annual report.

"§2151. Definitions.

"In this chapter:

"(1) 'Program' means a Skilled Enlisted Reserve Training Program established by the Secretary concerned under this chapter for an armed force under his jurisdiction.

"(2) 'Member of the program' means a person entering into an agreement with the Secretary concerned under this chapter for

participation in the Skilled Enlisted Reserve Training Program of an armed force.

"(3) 'Educational institution' means a civilian college or university or a trade, technical, or vocational institute or other associate-degree-granting institution in the United States (including the District of Columbia, Puerto Rico, Guam, and the Virgin Islands) that provides education beyond the high-school level and that is accredited by a nationally recognized accrediting agency or association or by an accrediting agency or association recognized by the Secretary of Education.

"§ 2152. Establishment of program; service agreements

"(a) For the purpose of obtaining adequate numbers of enlisted members with critical technical skills for service on active duty and in the reserve components, the Secretary of each military department, under regulations prescribed by the Secretary of Defense, and the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy, shall establish a Skilled Enlisted Reserve Training Program. Under such program, the Secretary concerned may enter into agreements with qualified persons under which the Secretary agrees to provide educational assistance in a technical field to a person in return for that person's agreement to perform a specified period of active and reserve enlisted service in the Armed Forces.

"(b) An agreement under subsection (a) shall provide—

"(1) that the Secretary concerned shall provide educational assistance to the member of the program in accordance with subsection (c) for pursuit of a course of instruction in a technical field to be specified in the agreement;

"(2) that the member of the program, in consideration for that educational assistance, shall agree that, upon completion of the course of instruction, the member will either (as specified in the agreement)—

"(A) serve on active duty for a period to be specified in the agreement of not less than three years; or

"(B) serve in the Selected Reserve of the Ready Reserve under such terms and conditions as prescribed by the Secretary concerned for a period to be specified in the agreement of not less than six years (including any period of service on active duty, in active duty for training, and in any other active or inactive status); and

"(3) that upon completion of the technical course of training and completion of any additional military training requirements for service in a particular grade (other than requirements relating to length of service or time in grade) the member shall be placed in an enlisted pay grade (between pay grade E-3 and pay grade E-8) to be specified in the agreement.

"(c)(1) An agreement under subsection (a) shall provide for payment by the Secretary concerned of a stipulated percentage (up to 100 percent) of the educational expenses incurred by the member of the program for instruction in the technical course of training stipulated in the agreement. Expenses for which payment may be made include tuition, fees, books, laboratory fees, and shop fees for consumable materials used as part of classroom or shop instruction. Payments for these expenses shall be limited to those educational expenses normally incurred by students at the institution providing the course of training.

"(2) An agreement under subsection (a) may also provide for payment of a stipend for each month the member is pursuing the course of training. The amount of the stipend shall be determined by the Secretary concerned, but may not exceed 50 percent of the rate of basic pay in effect at the time of payment for members on active duty in the grade held by the member.

"(d) Assistance may be provided to a member of the program under the agreement until the member completes the course of instruction required for the award of an associate degree (or the equivalent evidence of completion of a technical course of training) by an accredited institution. However, a member of the program may not be provided assistance under this chapter for more than 24 months.

"(e) The authority of the Secretary concerned to enter into agreements under this chapter is subject to the availability of appropriations for that purpose.

"§ 2153. Eligibility

"To be eligible to participate in the program, a person must—

"(1) be selected under procedures prescribed by the Secretary concerned;

"(2) be a high school graduate (or the equivalent);

"(3) be accepted for enrollment, and enroll, in an approved course of instruction at an approved educational institution for training in a technical occupation that is designated by the Secretary concerned as a military occupational specialty in which significant enlisted personnel shortages exist; and

"(4) enlist in a reserve component of an armed force under the jurisdiction of the Secretary concerned.

"§ 2154. Status of member of program

"(a) Upon signing an agreement under this chapter and becoming a member of the program, a person becomes a Reserve member of the Armed Forces. Before beginning the course of technical training provided for in the agreement the member shall complete basic training. If the member fails to successfully complete basic training, the agreement shall be terminated and the member shall be discharged from the armed forces.

"(b) Following completion of basic training, the member shall begin the course of technical training provided for in the agreement. Upon completing the technical training and completing any additional military requirement (other than length of service on active duty or time in grade) for the pay grade concerned, the member shall (if not already in that pay grade) be placed in the pay grade specified in the member's agreement under the program.

"§ 2155. Penalties

"(a) An agreement under this chapter is subject to section 2005 of this title in the same manner as that section is applicable to the provision of advanced education assistance (as that term is defined in subsection (e)(1) of that section).

"(b) The Secretary concerned, if the Secretary determines that the interest of the service so requires, may release any person from the program and discharge that person from the Armed Forces under the jurisdiction of the Secretary.

"§ 2156. Approval of courses of instruction at educational institutions

"The Secretary concerned may not make an agreement for the training of a member of the program in a course of technical training at an educational institution unless the course and the institution have been approved by the Secretary for the purposes of this chapter. The Secretary concerned shall prescribe regulations for the approval of courses of technical training and the approval of educational institutions. Such regulations shall require that in order for a course of training in a particular technical field to be approved the institution offering the course may have offered a program of instruction in that technical field or a similar technical field for a period of time to be specified in the regulations.

"§ 2157. Assistance to educational institutions

"The Secretary concerned may provide to educational institutions providing courses of training under the program—

"(1) financial assistance to cover the cost of the authorized purchase or lease of instructional equipment and training systems, course or curriculum development costs, and other related costs, including administrative costs associated with the program; and

"(2) other logistical support to assist in the operation of the program by the institution.

"§ 2158. Detail of military personnel

"The Secretary may detail members of an Armed Force under his jurisdiction (including retired members and members of the Fleet Reserve and Fleet Marine Corps Reserve recalled to active duty with their consent) for instructional and administrative duties at educational institutions where courses of training under the program are offered.

"§ 2159. Annual report

"(a) The President shall submit to Congress not later than December 1 of each year a report on the program. Each report shall include—

"(1) an evaluation of the program;

"(2) a determination of the feasibility of expanding the program; and

"(3) any recommendation for administrative or legislative action with respect to the program that the President considers appropriate.".

(b) The tables of chapters at the beginning of subtitle A, and at the beginning of part III of subtitle A, of title 10, United States Code, are amended by striking out the item relating to chapter 108 and inserting in lieu thereof the following:

"108. Skilled Enlisted Reserve Training Program 2151
"109. Granting of Advanced Degrees at Department of Defense Schools. 2161".

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. Effective for fiscal years beginning after September 30, 1983, there are authorized to be appropriated such amounts as may be necessary to carry out chapter 108 of title 10, United States Code, as added by section 3.

COMMUNICATION FROM THE HONORABLE GEORGE HANSEN

The SPEAKER laid before the House the following communication from the Honorable GEORGE HANSEN:

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule 50(L) of the Rules of the House of Representatives that I have received a subpoena issued by the Maryland Circuit Court for Anne Arundel County.

I will consult with counsel to make the determinations required by paragraph 3 of Rule 50(L).

Sincerely,

GEORGE HANSEN,
Member of Congress.

NEW DEFERRAL OF BUDGET AUTHORITY AND REVISION TO A PREVIOUSLY REPORTED DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-29)

The SPEAKER pro tempore (Mr. SPRATT) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, Wednesday, March 9, 1983.)

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to proceed for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked to proceed for 1 minute for the purpose of inquiring of the distinguished majority whip the program for the balance of the day, tomorrow—the balance of the week, I guess, for that matter.

Mr. FOLEY. Mr. Speaker, will the distinguished Republican leader yield?

Mr. MICHEL. I am happy to yield.

Mr. FOLEY. Mr. Speaker, the House will convene tomorrow at 11 a.m. and consider seven deferrals reported by the Committee on Appropriations. That will be the extent of the legislative business tomorrow and the House should expect to adjourn at an early hour.

On Friday, the House will convene at 10 a.m. There will be no legislative business scheduled, but the House will be in session in the event it might be necessary to appoint conferees or take care of other procedural business. There will be no legislative business scheduled.

Mr. MICHEL. I thank the gentleman. That, of course, would be the conferees on the jobs bill, would it not?

Mr. FOLEY. Yes; the Emergency Assistance Act.

Mr. MICHEL. I thank the gentleman.

GENERAL LEAVE

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the rule on the social security bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. OLIN. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Colorado (Mr. WIRTH).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

A TOUGHER NATIONAL POLICY REGARDING IMMIGRATION AND REFUGEE MATTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. SENSENBRENNER) is recognized for 5 minutes.

● Mr. SENSENBRENNER. Mr. Speaker, today I am introducing legislation which provides for a tougher national policy regarding immigration and refugee matters.

This legislation is basically the same bill that was introduced in the 97th Congress; that is, H.R. 4162.

This legislation is preferable to the immigration legislation of the 97th Congress for these reasons. First, it does not give amnesty to millions upon millions of illegal aliens. Instead, the registry date is advanced from 1948 to 1973. Second, it places a cap on all legal immigration including refugees. Third, it restricts fifth preference to unmarried brothers and sisters. Other provisions include stronger deportation rules, harsher penalties on employers hiring illegal aliens, in addition to measures which place restrictions on public assistance or tax breaks to both illegal aliens and their employees.

This legislation is necessary because of the demonstrated shortcoming of the Refugee Reform Act of 1980, as well as other weak laws, tax enforcement, and too many economic incentives for excessive entry of foreigners to our country. Our present policy has resulted in increased Government expenses and the displacement of American workers from their jobs.

I have prepared a section-by-section analysis of this legislation and insert it in the CONGRESSIONAL RECORD at this point.

SUMMARY OF PROVISIONS OF IMMIGRATION IMPROVEMENTS ACT OF 1983

SECTION 1—SHORT TITLE, REFERENCES IN ACT; TABLE OF CONTENTS

TITLE I—CHANGE IN NUMERICAL LIMITATIONS AND ENTRY OF ALIENS INTO THE UNITED STATES

SECTION 101—ANNUAL IMMIGRATION PLAN AND CHANGE IN NUMERICAL LIMITATIONS

This Section requires the President of the United States to sent to Congress by July 1, 1985, a proposed immigration plan for that fiscal year. This plan is to take effect unless with 30 calendar days of continuous session each House of Congress passes a resolution stating its disapproval.

Section 101 provides for a numerical limitation of not less than 300,000 nor more that 420,000. Included in this numerical limitation are spouses, minor children, and in some cases, the parents of U.S. citizens (§ 200(b)(1)(B)(i)), aliens and asylees who are admitted for humanitarian purposes (§ 200(b)(1)(B)(ii)), and all other aliens who are admitted for permanent residence status (§ 200(b)(1)(B)(iii)).

This plan is to include information on the anticipated impact of admission of such aliens on the economy of the U.S. including information on the rate of unemployment and conditions of employment in the U.S. There is a requirement that a summary of the plan be printed in the Congressional Record.

Emergency Refugee Situation

The numerical limitations can be exceeded if the President determines that an emergency situation exists, that the admission of a specified number of refugees is in response to grave human concerns or is in the national interest, and that the admission of the refugees cannot be accomplished under Subsection a. Congressional approval is required if a major refugee crisis exists.

In such a situation, the President is to transmit to the Chairman of the House and Senate Judiciary Committees a recommendation as to the number of refugees who should be admitted. If it is determined that a minor refugee crisis exists, i.e., a crisis which not more than 5,000 aliens can be admitted, the President's recommendation is accepted, unless each House of Congress passes a resolution of disapproval within 45 calendar days of continuous session. In any event, not more than 15,000 refugees can be admitted in any one calendar year under the minor refugee crisis provisions.

If a determination of major refugee crises is made (i.e., a Presidential determination which recommends the admission of more than 5,000 aliens in response to an emergency refugee situation) then both Houses of Congress are required to pass resolutions approving such determinations.

SECTION 102—RESTRICTIONS ON PAROLE AUTHORITY

The Attorney General's parole authority was originally intended to be used in individual emergency situations when it was necessary to bring an alien to the U.S. temporarily. An unsuccessful attempt was made to restrict this authority in the Refugee Reform Act of 1980. The language in this provision attempts to restore the original intent by codifying successive Congressional Report language which has heretofore been ignored.

SECTION 103—LIMITING 5TH PREFERENCE IMMIGRANTS TO UNMARRIED BROTHERS AND SISTERS

This Section would alleviate the present problem of chain migration whereby alien brothers and sisters of U.S. citizens are given a preference when applying for permanent residence by limiting the 5th Preference to unmarried brothers and sisters. The Select Commission on Immigration Reform rejected this change despite a staff recommendation.

SECTION 104

This provision makes hardship suspension of deportation unavailable to aliens still in the U.S., unless they qualify for limited amnesty. At present, aliens who can show they would suffer hardship if deported can become legal residents. Some courts have concluded that aliens on welfare would suffer hardship if deported because they would lose their welfare benefits. Some charge that this change would eliminate the suspension procedure entirely while others point out that the suspension procedure violates all the other terms of the immigration laws and deserves to be eliminated. The effect of this Section would be to make the suspension of deportation procedures unavailable for most illegal immigrants.

SECTION 105—QUARTERLY REPORTS ON ENTRY OF ALIENS INTO THE UNITED STATES

Section 105 requires the Attorney General to submit a quarterly report to the Chairman of the House and Senate Judiciary Committees on the number of aliens, parolees, asylees, etc., admitted to the U.S. for the previous quarter. There is also a requirement that the report be printed in the Congressional Record.

SECTION 106—CHANGING REGISTRY DATE FROM 1948 TO JANUARY 1, 1973

TITLE II—IMPROVED ENFORCEMENT

PART A—RESPECTING ILLEGAL EMPLOYMENT OF ALIENS

SECTION 201

This provision prevents work experience an alien obtains while illegally in the U.S. from qualifying the alien for preference as a professional, skilled or experienced worker. The effect of this Section would be to remove an incentive for an alien to come to work in the U.S. before securing permission.

SECTION 202—RESTRICTIONS ON IMPROPER EMPLOYMENT OF ALIENS

This Section toughens the sanctions which may be taken against an employer who knowingly recruits, lures, or employs any alien who has not been lawfully admitted to the United States for permanent residence or has not been authorized to be in the U.S. by the Attorney General. A civil violation of $500 for the first violation and $20,000 for subsequent violations could be assessed for each such alien to whom a violation has occurred. This Section would not pre-empt states or localities from the adoption and enforcement of laws prohibiting or restricting the employment of aliens in the U.S. (who are not lawfully admitted for permanent residence) who the Attorney General has not authorized to be employed.

SECTION 203—ELIMINATING TAX CREDIT FOR EARNED INCOME

This provision amends the Internal Revenue Code to deny the negative income tax, known as the Earned Income Credit, to illegal immigrants. Illegal immigrants now get $500 to $750 from the government from this program. The effect of this Section would be to save the Treasury an unknown amount of money.

SECTION 204—DISALLOWING DEDUCTION FOR COMPENSATION FOR ILLEGALLY EMPLOYED ALIENS

This provision makes salaries paid unauthorized aliens not deductible as business expenses on the theory that no employer should profit from violating the law. The effect should be to make employment of illegal immigrants more expensive.

PART B—IN GENERAL

SECTION 211—STATE AND LOCAL COOPERATION IN APPREHENSION OF ALIENS WHO HAVE ESCAPED CUSTODY

This provision allows the Attorney General to enter into agreements with State and local law enforcement officials to give them authority with proper training, to help to enforce the immigration laws. During the Cuban relocation camp period, the federal government at Fort McCoy in Wisconsin was unable to police or control exits from the camps. The State discovered that their own officials could not do anything about the situation because they were not allowed to detain illegal immigrants. The effect of this Section would be to increase the resources available to enforce the immigration laws.

SECTION 212—PLAN FOR EXPANDED BORDER PATROL

This Section provides for the submission of a plan to expand the Border Patrol to at least 6,000 officers. Such a plan would include the use of the most modern equipment and support available. The effect of this Section would be to start in the direction of increasing the resources available to enforce the immigration laws.

SECTION 213—DEPORTATION FOR ALIENS KNOWINGLY INVOLVED IN SMUGGLING OF ILLEGAL ALIENS

This Section removes the "for gain" requirement for prosecuting alien smugglers. The effect of this change is to ease the administrative burden of prosecuting smugglers. In addition, this change also equalizes the potential penalties afforded aliens who become immigrant smugglers with the harsher penalties suffered by citizen smugglers.

SECTION 214—BURDEN OF PROOF IN DEPORTATION PROCEEDINGS

Section 214 establishes statutory guidelines for the burden of proof in deportation proceedings. Since 1966, the Supreme Court has requested guidance in this area. This language restores the burden of proof to the same level as in 1966 and to the same level as similar civil proceedings through the government. The effect of this Section is to ease the difficulty of deportation.

SECTION 215—PROHIBITING COUNTERFEITING OF CERTAIN IMMIGRATION DOCUMENTS

Section 215 makes either production of or use of fraudulent immigration documents a federal crime. the effect would be to permit federal prosecution of those who aid in or commit violations of immigration laws through fraud.

PART C—DISALLOWING CERTAIN BENEFITS FOR ILLEGAL ALIENS

SECTION 221—LIMITATIONS ON AFDC AND MEDICAID BENEFITS

Section 221 amends the Social Security Act to make only citizens and legal resident aliens eligible for benefits. At present, there is no statutory prohibition against an alien applying for and receiving benefits under several SSA programs. The effect of this Section would be to save the Treasury an unknown amount of money.

SECTION 231—FEES AND CHARGES

Section 231 provides statutory authority for the Attorney General to charge fees for immigration services and documents. Present authority is by regulation and general government statutes. It provides a possible off-setting revenue source for as much as $239,000,000 per year.●

LEGISLATION TO PROHIBIT U.S. ECONOMIC ASSISTANCE TO WARSAW PACT COUNTRIES UNTIL SOVIET UNION SIGNS NUCLEAR ARMS LIMITATION AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEWIS) is recognized for 5 minutes.

● Mr. LEWIS of California. Mr. Speaker, today I reintroduced a bill which addresses two critical issues in the world community—the nuclear arms race and Western aid and credit flowing into Warsaw Pact countries. The essence of this legislation is to stem the flow of free world aid and credit to the Warsaw Pact until a verifiable nuclear arms reduction agreement is obtained with the Soviet Union.

The specter of nuclear conflict has generated justifiable concern that the very dangerous situation we now face needs defusing. We need to create additional incentives for the Soviets to participate in meaningful nuclear arms control. My bill does exactly that. It says to the Soviets that Western capital, which they so vitally desire, will be increasingly denied until their world-threatening nuclear policies are changed.

Moreover, the U.S. Government has gotten into the untenable situation of financing, in part, both sides of the arms race. U.S. Government aid, loans and guarantees through programs such as the Ex-Im Bank and the Commodity Credit Corporation have taken the pressure off the Soviet economy to maintain living standards in Soviet satellite nations. For example, the Ex-Im Bank extended $6 million in guarantee insurance to Hungary in 1982. Poland received $5 million in ESF in 1982 and $30.5 million in Public Law 480 title II food donations in 1982 and is estimated to receive $26.1 million in food donations in 1983. It should also be noted that Poland currently has an outstanding debt of $535.7 million and Romania one of $19.4 million vis-a-vis the export credit sales program of the Commodity Credit Corporation. In addition, Poland has an outstanding debt as of the end of 1982 of $665.7 million through the export credit guarantees program.

The following bill will help reorient our economic policies to deter Soviet

adventurism, redress the military balance between the West and the Warsaw Pact and halt the buildup of nuclear arms. Now is the time to stop this inane situation of economically aiding those nations which pose a menacing military threat to us and the entire world. Verifiable nuclear arms reduction is clearly the most important challenge facing our generation. America has a responsibility to lead in the struggle for a lasting peace for the future of freedom, indeed the existence of humanity is fundamentally involved.

H.R. 1998

A bill to prohibit United States economic assistance for Warsaw Pact countries until the Soviet Union and the United States have signed a nuclear arms limitation agreement which provides for significant and verifiable reductions in nuclear weapons

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, no economic assistance may be provided by a United States Government agency with respect to any country which is a member of the Warsaw Pact until the Soviet Union has signed a nuclear arms limitation agreement.

(b) As used in this Act—

(1) the term "nuclear arms limitation agreement" means an agreement between the United States and the Soviet Union which provides for significant and verifiable reductions in nuclear weapons, which is negotiated after the enactment of this Act, and which is signed by the United States;

(2) the term "economic assistance" includes loans, loan guarantees, investment guarantees, credits, insurance, and any other form of economic assistance, but does not include assistance provided for disaster relief; and

(3) the term "United States Government agency" includes the Export-Import Bank, the Commodity Credit Corporation, the Agency for International Development and the Overseas Private Investment Corporation.

SEC. 2. (a) It is the sense of the Congress—

(1) that private commercial interests in the United States should refrain from making loans or credit advances with respect to Warsaw Pact countries until the Soviet Union has signed a nuclear arms limitation agreement; and

(2) that in the event that such loans or advances are made with respect to Warsaw Pact countries and defaults ensue, the United States Government will not assist in obtaining relief for those who made the loans or advances.

(b) It is further the sense of the Congress that the President should seek agreements with our allies to halt the flow of financial credits, loan guarantees, and other forms of economic assistance to the Warsaw Pact countries until the Soviet Union has signed a nuclear arms limitation agreement.●

LEGISLATION TO EXPAND AND IMPROVE DOMESTIC COMMODITY DISTRIBUTION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MADIGAN) is recognized for 30 minutes.

● Mr. MADIGAN. Mr. Speaker, I am pleased to introduce today legislation that will help meet the current extraordinary need for the donation and distribution of food by providing surplus agricultural commodities to charitable organizations for local distribution to needy families and individuals. It is a terrible irony that the Federal Government will pay almost $500 million in fiscal 1983 to store farm products while food banks and soup kitchens are unable to meet the demand for food. It is no wonder that the Federal Government is viewed by many Americans as unfeeling and unresponsive.

In spite of the implementaiton of the payment-in-kind program and the continuation of the dairy surplus distribution program, the Agriculture Department estimates that the Federal Government will have in storage by the end of fiscal 1983: 1 million tons of rice, 18 million bushels of wheat, 431 million bushels of corn, 53 million pounds of honey, 715 million pounds of butter, 1.1 billion of cheese, and 1.8 billion pounds of dried milk. Storage costs for these commodities during fiscal 1983 are estimated to reach $377.9 million.

The Domestic Commodity Distribution and Food Assistance Act will direct the Secretary of Agriculture to make available, without charge, agricultural commodities which are in great surplus to food banks, churches, and other organizations that provide food to low-income and unemployed persons. Other charitable institutions, nutrition programs, and school lunch program will also be eligible for the receipt of suplus commodities.

The continued growth and cost of storing huge surpluses of agricultural commodities and the growing demand for donated food lead me to believe that Federal resources can be better focused to meet the needs of hungry Americans. There are many charitable organizations that can muster the necessary manpower to collect and distribute food but many times they do not have the financial resources to rent the trucks and buy the gasoline to take the food where it is needed. This legislation will help alleviate this problem by directing the Secretary to pay such administrative costs on a State-by-State basis up to an amount equal to 5 percent of the value of the commodities distributed. The savings in storage and handling costs will help offset the cost of processing and distribution.

Mr. Speaker, this bill is not a panacea but I believe it will help to alleviate the conditions of hunger in rural and urban areas that have been aggravated by a sluggish economy and high unemployment while at the same time reducing the unnecessarily high level of agricultural surpluses stored by the Federal Government.

Following is the text of the bill and a brief summary of its provisions:

DOMESTIC COMMODITY DISTRIBUTION AND FOOD ASSISTANCE ACT—SUMMARY OF BILL

1. The Secretary of Agriculture is required to make available, without charge, surplus commodities (CCC owned) to eligible recipients—nonprofit organizations that provide emergency food to needy persons plus a range of nutrition programs, school lunch, disaster relief and charitable institutions.

2. The Secretary determines when surpluses are available—those in excess of quantities needed to meet domestic obligations, PIK, and international food aid commitments.

3. Commodities made available under this Act will be provided in a form suitable for institutional uses except, in the case of recipients that provide emergency food to needy persons, the commodities will be provided in a form suitable for home use. The Secretary may use a PIK type arrangement for payment of the processing and packaging costs.

4. The Secretary must spend at least on much as processing and packaging for home use as he estimates will be saved due to reduced storage and spoilage costs.

5. Up to 500,000 metric tons of wheat may be borrowed from the Food Security Wheat Reserve for use under this Act. Wheat borrowed must be replaced no later than September 30, 1985.

6. The Secretary shall make the commodities available to state agencies for delivery to eligible recipients or he can deliver such commodities directly to eligible recipients.

7. Recipients that provide emergency food to needy persons will receive distribution priority from state agencies.

8. The Secretary is directed to pay the states for their administrative costs—storage and distribution. That payment is limited to 5 percent of the value of the commodities delivered to a particular state.

9. States are directed to pay the costs incurred by nonprofit organizations that provide emergency food to needy persons, including low-income and unemloyment persons, in the storage, distribution, and administration of commodities.

10. States are barred from charging recipient agencies for transportation and storage costs.

11. The Secretary is to encourage the further processing of commodities into end food products through inventory agreements with private processing companies but the costs of such processing will be paid by recipient agencies.

12. The program expires on September 30, 1985.

H.R. 2023

A bill to expand and improve the domestic commodity distribution program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That this Act may be cited as the "Domestic Commodity Distribution and Food Assistance Act".

SEC. 2. (a) Notwithstanding any other provision of law, in order to complement the domestic nutrition programs, make maximum use of this Nation's agricultural abundance, and expand and improve the domestic distribution of price supported commodities, commodities acquired by the Commod-

ity Credit Corporation that the Secretary determines are in excess of quantities needed to meet domestic obligations (including quantities needed to carry out a payment-in-kind acreage diversion program) and international commercial and food aid commitments for a fiscal year shall be made available in such year for use by eligible recipient agencies.

(b) Commodities made available under subsection (a) shall be provided upon request, without charge or credit, and in a form suitable for institutional food use, except that commodities made available for use by public and private nonprofit organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons, shall, upon request, be provided in a form suitable for individual household food use.

(c) With respect to commodities made available under subsection (a), the Commodity Credit Corporation shall pay the costs of initial processing and packaging of such commodities into forms suitable for home or institutional use. The Corporation may pay such costs by providing commodities equal to the value of the processing or packaging costs. If such processing or packaging costs are paid with commodities, the Secretary shall ensure that such payments-in-kind will not displace commercial sales of such commodities. The cost of processing commodities into forms suitable for home use shall be no less than the savings from storage and spoilage costs that the Secretary estimates would have incurred each year, but for this Act.

(d) Not later than forty-five days after the date of enactment of this Act, the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall publish in the Federal Register an announcement of the types and quantities of commodities that the Secretary anticipates are likely to be made available under subsection (a) during such fiscal year. Prior to the beginning of each subsequent fiscal year, the Secretary shall publish such an estimate with respect to the commodities that the Secretary anticipates are likely to be made available under subsection (a) during such fiscal year.

(e) Notwithstanding any other provision of law, and in the event wheat stocks acquired by the Commodity Credit Corporation are not available for purposes of this Act, up to 500,000 metric tons of wheat designated pursuant to section 302(b)(1) of the Food Security Wheat Reserve Act of 1980 may be used for the purposes of this Act. Any amount of wheat used from the food security wheat reserve pursuant to this subsection shall be replenished by an equivalent quantity of wheat designated pursuant to the provisions of section 302(b) but in no case later than September 30, 1985.

SEC. 3. Eligible recipient agencies are nonprofit organizations that administer—

(a) activities and projects providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons;

(b) school lunch programs, summer camps for children, and other child nutrition programs providing food service;

(c) nutrition projects operating under authority of the Older Americans Act of 1965, including congregate nutrition sites and providers of home delivered meals;

(d) projects and activities that are supported under section 4 of the Agriculture and Consumer Protection Act of 1973;

(e) charitable institutions, including hospitals, to the extent that needy persons are served; and

(f) disaster relief programs;

and that have been designated by the appropriate agency or the Secretary and approved by the Secretary for participation in the commodity distribution program established under this Act.

SEC. 4. (a) The Secretary shall, as expeditiously as possible, provide the commodities made available under section 2 in such quantities as can be used without waste to State agencies designated by the Governor or other appropriate State official for distribution to eligible recipient agencies, except that the Secretary may provide such commodities directly to eligible recipient agencies and to private companies that process commodities for eligible recipient agencies pursuant to section 6.

(b) State agencies receiving agricultural commodities under this Act shall, as expeditiously as possible, distribute such commodities in the quantities requested to eligible recipient agencies within their respective States. If a State agency cannot meet all requests for a particular commodity under this Act, the State agency shall give priority in the distribution of such commodity to public or private nonprofit organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

(c) In administering this Act, the Secretary shall minimize, to the maximum extent practicable, the regulatory, recordkeeping and paperwork requirements imposed on eligible recipient agencies.

SEC. 5. (a) The Secretary shall make payments to States from funds available to the Commodity Credit Corporation or from funds available to the Secretary under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to pay the expenses incurred by State agencies in the storage and distribution of commodities provided under this Act and to pay the expenses incurred by State agencies under subsection (b), except that in no case shall payments to any State for a fiscal year exceed five per centum of the value of all commodities distributed in such State under section 2 during such fiscal year.

(b) States shall pay the costs incurred by nonprofit organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons, in the storage, distribution, and administration of commodities provided under this Act, except that the liability for the State for the costs enumerated in this subsection in any fiscal year shall be limited to the amount of funds received by the State pursuant to subsection (a) in such fiscal year.

(c) No State may charge recipients or eligible recipient agencies for costs related to the storage and distribution of commodities under this Act.

SEC. 6. (a) The Secretary and State agencies shall encourage consumption of commodities made available under this Act through inventory agreements with private companies under which such commodities are reprocessed or further processed into end food products for use by eligible recipient agencies, with the expense of the processing to be borne by the recipient agencies.

SEC. 7. (a) The Secretary shall obtain such assurances as the Secretary deems necessary that the eligible recipient agencies that receive commodities donated under this Act will not diminish their normal expenditures for food by reason of such donation. The Secretary shall obtain such assurances as the Secretary deems necessary that the donations of commodities under this Act will not displace to a significant extent commercial sales of such commodities and the products thereof.

(b) Commodities provided under this Act shall be requested and distributed only in quantities that can be consumed without waste. Eligible recipient agencies shall not request food in excess of anticipated usage based on inventory records and controls or in excess of their ability to accept and store such food.

SEC. 8. Section 4(b) of the Food Stamp Act of 1977 shall not apply with respect to distribution of commodities under this Act.

SEC. 9. Section 4(c) of the Agriculture and Consumer Protection Act of 1973 is amended by—

(1) striking out "or section 709" and inserting in lieu thereof "section 709"; and

(2) inserting after "(7 U.S.C. 1446a-1)," the phrase "or the Domestic Commodity Distribution and Food Assistance Act,".

SEC. 10. Clause 3 of the first sentence of Section 416 of the Agricultural Act of 1949 is amended by inserting "in public or nonprofit post secondary schools, penal institutions, and Veterans' Administration medical care facilities," after "for children."

SEC. 11. The authorities provided under this Act shall not be effective after September 30, 1985.●

DEPENDENT CARE TAX CREDIT AND TAX-EXEMPT STATUS FOR DEPENDENT CARE CENTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 20 minutes.

● Mr. CONABLE. Mr. Speaker, I am introducing today legislation to continue the steady progress which has been made over the past several years to bring Internal Revenue Code provisions up to date in terms of their impact on work-related dependent care.

Joining me in introducing this bill are Representatives MIKULSKI, KENNELLY, SHANNON, DOWNEY of New York, and JOHNSON.

The bill has two provisions. The first is intended to weigh the Federal dependent care income tax credit more heavily in the direction of families at the lower end of the economic scale, the families for whom the cost of work-related dependent care is proportionately the greatest. In the last Congress, legislation was introduced to change the flat 20-percent dependent care credit to a sliding scale based on income. Under this scheme, families with incomes under $10,000 were to get a credit equal to 50 percent of their allowable dependent care expenses. This credit was to be phased down at a rate of 1 percent for every full $1,000 by which a family's income exceeded $10,000, but not below 20 percent, so that a family with $40,000

or more would get only the 20-percent credit. This sliding scale credit ranging from 50 to 20 percent is being reintroduced as the first provision of the bill.

The Economic Recovery Tax Act took a substantial step by enacting a sliding scale to apply to the dependent care credit. However, the "slide" which was adopted was minimal—ranging from 30 percent for families under $10,000 to 20 percent for families above $28,000. Families will, for the first time as they file their tax returns this spring, be able to use this sliding scale credit.

I continue to believe that the 50-percent beginning point for the sliding scale more accurately reflects the type of recognition of work-related dependent care costs which ought to be reflected in the Tax Code. For working single parents, dependent care is an obvious necessity and in today's economy the same is true for most two-parent families as well. Dependent care is, and ought to be, a heavily labor-intensive service. If care providers are paid even minimally adequate wages, the costs of dependent care can easily exceed what many working parents can afford to pay. Increasing the dependent care credit sliding scale to 50 percent is intended to help families with low to moderate incomes cope with the economic impact of purchasing these dependent care services.

The second provision of the bill is intended to make it easier for nonprofit dependent care centers to qualify for tax-exempt status. Most nonprofit dependent care organizations readily qualify for tax-exempt status because they can satisfy the test that they be organized and operated exclusively for educational purposes. However, in the case of infant care and before- and after-school care for school age children, this education requirement is difficult to satisfy since the IRS tends to view both these activities as "custodial" rather than "educational."

The bill provides that the term "educational purposes" in the sections of the code dealing with tax-exempt status will be defined as including nonresidential care of individuals if substantially all of the dependent care provided by the organization is for the purpose of enabling individuals to be gainfully employed and if the services provided by the organization are available to the general public.●

THE ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 30 minutes.

● Mr. CORCORAN. Mr. Speaker, I am pleased to introduce today, with the entire Illinois delegation, legislation to establish the Illinois and Michigan Canal National Heritage Corridor which runs from Chicago to La Salle-Peru, Ill. I would like to commend my Senate colleagues, Senators CHARLES PERCY and ALAN DIXON, for introducing identical legislation today.

Ever since I was elected to Congress in 1977, I have introduced legislation to promote the historical and recreational potential of the canal, which runs through my hometown in Ottawa, Ill. Credit for my initial involvement in this project goes to a group of active volunteers—the La Salle volunteers who dedicated hundreds of man hours to renovating the canal and also to a group of historically minded people—the I&M Canal Foundation—who recognized the recreation and historic potential of the canal.

In 1980, I wrote to the Secretary of the Interior requesting a reconnaissance study by the National Park Service for the canal to determine the recreation and historic benefits of the area. The resulting favorable report led to a further, more detailed study of the canal and the Des Plaines River Valley. Released in 1981, this excellent study was directed by Dr. John Peine of the National Park Service and formed the basis for the legislation we are introducing today. Working closely with Illinoisans concerned about the development of this Heritage Corridor plan, this legislation calls for a partnership among Federal, State, and local entities and the private sector to develop the recreation, historic and economic potential of the area.

The bills introduced today represents a significant but improved change from last year's legislation mainly due to meaningful input from meetings between members of the business community and representatives of historic, recreation, and conservation groups. Boundaries were more clearly delineated at the request of these groups. I am pleased that this new bill insures adequate representation of each partner.

Specificially, the bill creates a new national designation in the national park system called a Heritage Corridor, which calls for no major Federal role in land acquisition or in operation and maintenance and no new environmental or access restrictions. Rather a Federal commission is created to coordinate the implementation of the goals listed in the National Park Service report.

The major functions of this Commission are to market the resources in the corridor and to assist in raising funds for projects to further develop the recreational potential of the canal and the Des Plaines River Valley.

The voting membership of the Commission would consist of equal ratios of public representatives, including a National Park Service representative, members of the business community, representatives for conservation, historic and recreation interests, and 4 county board members, for a total of 19 members. All, except for the Park Service representative, would be appointed by the Secretary of the Interior upon recommendation of the Governor.

Furthermore, the Heritage Corridor designation is clarified in the legislation to allow no modification nor establishment of any regulatory authority of State and local government, including land use regulations, environmental quality, or pipeline or utility crossings. Participation in corridor programs by any firm, public or private owners is on a voluntary basis.

We are also requesting that the Interior Department provide technical assistance in the form of interpretative studies, feasibility studies and fundraising consultation. In addition, we have provided for the placement of two Interior Department personnel on the staff of the Commission.

Finally, the canal title question, which has been a source of controversy over the past years between the State of Illinois and the Army Corps of Engineers, has been resolved in this legislation.

The Federal Government is to release all remaining rights it holds to the title of the property associated with the canal except for the canal prism and towpath within the existing I&M State Park. Any right, title or interest of the United States in this area will revert back to the United States should the State of Illinois cease to use the prism and towpath in the State park for recreational, park, or any other public purpose.

The Heritage Corridor is an exciting new concept in park developments, and it reflects the New Federalism philosophy supported by President Reagan, as it relies heavily upon cooperation among Federal, State, and local entities and the private sector for implementation of the goals. In fact, the administration strongly supports the concept and endorsed last year's legislation.

We already have a commitment by the State for the loan of two staff people, one each from the department of conservation and the department of commerce and community affairs. The Governor of Illinois, Jim Thompson, has fully endorsed the legislation along with the Illinois General Assembly, who unanimously passed a resolution in support of last year's bill. The amount of State involvement has been tremendous, and especially noteworthy is the leadership provided by the State department of conservation.

The forest preserve districts of Cook, Will, and DuPage Counties have also taken a leadership role in the development of the corridor by committing funds and moving forward with devel-

opment plans in their respective areas. Members of the private sector, including prominent industries located in the corridor, have expressed an interest in taking advantage of the income tax deduction provision for donations to the Commission for improvement of the corridor.

There is a lot of enthusiasm and support at the local level, too, with many canal towns already endorsing the concept along with State legislators and other individuals and organizations. Even before this Heritage Corridor idea was created, many persons donated time and money into improving the canal.

As a measure of the community's support, Mr. Speaker, I am pleased to mention that two organizations have recently been formed to provide a means of encouragement for the corridor project.

First, the Upper Illinois Valley Association was organized to bring together industrial interests along the corridor for the support of the creation of the Heritage Corridor. This association has been actively involved in negotiations on the legislation and has successfully provided a focal point for industrial support for this project.

In addition, the Friends of the Canal Corridor was formed by interested individuals and conservation, historic, recreation, and other involved groups to display a broad spectrum of involvement from many communities working for the preservation of the historic Illinois and Michigan Canal Corridor.

Several endorsements of support have been garnered, including local and statewide groups who recognize the potential value of the corridor. On a national level, the Audubon Society, National Trust for Historic Preservation, Isaac Walton League, Nature Conservancy, and Sierra Club have all given their support to this project.

I am happy to report that the business community has been actively involved into making the legislation sensitive to their interests, also. Three Rivers Manufacturers' Association and the Grundy County Industrial Development Corp. have displayed exemplary leadership during the discussions on the bill. Illinois Bell Telephone is also to be commended for its role in coordinating key meetings on the legislation and in conducting market surverys in the corridor area.

Finally, I would like to commend the open lands projects which laid the foundation for the cooperative negotiation between the conservation groups and the business community during the important legislative discussions. I am pleased at this not-for-profit organization's leadership role in Illinois in developing the recreational and historical potential of the Illinois and Michigan Canal and the Des Plaines River Valley and hope it will continue in this effort.

Finally, Mr. Speaker, I believe that the hearings held last year by the Senate Energy and Natural Resources Committee's Subcommitee on Public Lands and Reserved Water displayed the unity and enthusiasm felt by all groups on this legislation and it is my hope that we will be successful in our efforts to hold hearings in the House and receive floor consideration this year. This is truly an innovative piece of legislation and I urge my colleagues to support it.●

BRANDON GIRL WINS MISSISSIPPI VFW VOICE OF DEMOCRACY COMPETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I have the honor of submitting into the RECORD today a copy of the winning essay from my State of Mississippi in the 1982-83 VFW Voice of Democracy program.

The State winner this year is Angela Carol Calder of Brandon, Miss., daughter of Mr. and Mrs. George Edward Calder. She is a 17-year-old student at Brandon High School.

In the national competition, Angela placed sixth and was the recipient of a $1,000 scholarship.

The Voice of Democracy scholarship program was begun 35 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. Sponsors for the program were the National Association of Broadcasters, Electronic Industries Association, and the State Associations of Broadcasters.

In 1961-62, the Veterans of Foreign Wars assumed sole sponsorship of the program. At that time, the national awards consisted of a lone $1,500 scholarship for the first place national winner.

The program has grown dramatically over the past 20 years. The annual national scholarships have increased to six, totaling $32,500. The first place national winner receives a $14,000 scholarship to attend the school of his/her choice. Student participation has tripled and school involvement has doubled.

This past year more than one-quarter million students participated from over 8,000 schools. More than 4,400 VFW posts and 3,600 auxiliaries were sponsors, along with over 2,400 radio and TV stations.

During the 20 years under VFW sponsorship, over 4½ million students have participated in the scholarship program. Awards totaling over $2½ million have been presented to winners at all levels.

Angela's essay is most inspiring and well written. I want to share it with my colleagues.

The essay follows:

All our lives we have heard that youth are the source of America's strength. Let's briefly analyze this statement. What is youth? According to the dictionary, Webster's defines youth as a young person whose life is marked by growth and development, between childhood and maturity.

What is strength? Webster's gives many definitions here but one word can sum it up: support. The definition of support: is, "to serve as a foundation." So if we briefly analyze this statement: Youth: America's Strength, we find it says: the supporting foundation of America is in our young people. That is one short statement packed full of meaning. Today let's look at a part of this meaning.

Foundations are to be built upon. If youth are to be America's foundation, to stand up and support the rest of America, then we will be making our own decisions, discovering our own potential and our own creativity. But we, as young people, are still in a stage of growth and development and should never take for granted the experiences of older people.

In my own life, I have found that the saying "no man is an island", is very true. I have learned that others (like my parents, grandparents, and teachers) have gone through most of the things I have and I only have to ask and they are more than willing to share their experiences with me.

It should be the same with other youth. There should be no hesitation on the part of a young person to ask for help from the experiences of others. Proverbs 20:29 in the Living Bible says, "The glory of young men is in their strength, of old men, their experience". It is the combination of strength and experience that will bring success to our country.

To make this success even greater, it will depend a lot on how our young people are brought up. I have always heard that children grow up in the likeness of their parents. That's a lot of responsibility on parents, isn't it? For if you have children who have grown up seeing their parents smoke, drink, and/or take drugs, then they will say, well, it's okay, because my mom and dad do it. What kind of foundation can we have of alcoholics, smokers, and drug addicts? A very weak one I can assure you.

So when we talk about youth being America's strength, that doesn't mean everyone else can sit back and watch. Every American citizen has to contribute his or her part, no matter what age, race, or sex.

But I believe that the majority of America's strength comes from youth. We have to have common sense, wisdom, and good judgement to give this strength. As youth, our responsibility is, in a sense, to lead with the knowledge we have gained. This knowledge we get is from listening to the experiences of others, from being properly raised by our parents, and from our own learning through school, scouts, church, and other activities.

The statement, Youth: America's Strength, expresses the responsibility of each person. Therefore, the true strength of America is not solely youth. Isn't it, we: America's Strength?●

MAJOR LEAGUE SPORTS COMMUNITY PROTECTION ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 10 minutes.

● Mr. STARK. Mr. Speaker, today Congressman SAM B. HALL, JR., of Texas and I are introducing the Major League Sports Community Protection Act of 1983. This bill is similar to the bill which attracted wide, bipartisan support in the last Congress, both in the House and Senate as well as from our Nation's mayors and Governors. It was also the subject of extensive hearings in the House and the Senate. These hearings provided the basis for several refinements and improvements that are incorporated in this version of the legislation.

The bill continues clearly to serve important public and community interests. It does so through an extremely limited clarification of antitrust principles. The bill allows professional sports leagues to protect local communities by keeping successful teams where they are and enabling leagues to share revenues to the benefit of teams in smaller, less well-situated markets. Such revenue sharing itself eliminates the financial difficulties that can generate instability and team movement. It also sets some standards which must be met before a league or team may move.

The bill achieves its goals by clarifying, first, that under our antitrust laws it is not unlawful for a league or its member clubs to enforce rules authorizing the league membership to decide that a club shall not be relocated. Second, the bill clarifies that antitrust laws do not hinder the promotion of comparable economic opportunities for the member clubs of a league; instead, it recognizes the inherent prerogative of league members to divide league and member club revenues among the various clubs producing a league's sports product.

As introduced today, this legislation is even narrower in respect of team location issues than was H.R. 6467 in the last session. This bill is a one-way street: It allows leagues to preserve the status quo in the location of their teams. It allows a league to disapprove a proposed team relocation. It does not accord pro football or any other league anything like the baseball antitrust exemption that supposedly permitted various team moves to proceed, such as the Braves move from Milwaukee to Atlanta in the 1960's.

The hearings in the last session have also led me to revise the bill in three other respects. In order to avoid possible misunderstanding, we have specified that the bill has no effect, one way or the other, on any antitrust principle concerning challenges by municipalities of the relocation of a team from its league-franchised home area to another such area. Second, we have made clear that the legislation will apply to pending suits when they involve the abandonment of "a municipal or other public stadium or arena." This approach reflects the fact that such stadiums are usually financed through public revenue bonds exempt from Federal taxation.

Third, to give cities and the public more say in the movement process, the bill provides that no person or league may change the territory of a team unless there has been a significant breach of contract, the team's stadium is inadequate, or the team has incurred 3 years of loss preceding any notice of intent to move. This addition is designed to further protect the interest of the cities and the taxpaying public.

As was stated upon introduction of our bill last year, Congress has long needed to examine the legal standards controlling the relationship between our Nation's communities and professional sports teams. In the years preceding the introduction of this bill, it had become apparent that a special relationship existed between a community and its professional sports team. The love affairs between fans and their teams often produced marriages that benefited the community as well as the team and created bonds between the two that seemed unbreakable. Based on these bonds, stadiums were built, businesses grew, community pride soared, and fan loyalty increased.

However, we were warned that our laws provided little protection for these bonds and that the individual whim of a team owner could break them. Nevertheless, we believed that, as long as we supported our teams financially and emotionally, we had nothing to worry about. We were heartened when some leagues, like the National Football League, passed rules that made it difficult for an individual owner to ignore the league concerns of stable community-team relations and geographic balance. In the NFL, these rules had worked so well that since 1960 no well-supported team had been allowed to abandon its home community.

Ignoring pleas from the legal community and elsewhere to clarify the status of these rules under the antitrust laws, Congress failed to act until Al Davis, the owner of the Oakland Raiders, did the unthinkable: in the same year his team won the Super Bowl and following 12 consecutive sellout seasons, he began efforts to move the Raiders. Although the city of Oakland and the league acted swiftly and decisively to stop Mr. Davis, they have been virtually defenseless in preventing misguided courts from applying antitrust principles designed for ordinary businesses to a unique business like a sports league.

The Major League Sports Community Protection Act of 1983 gives the courts the guidance they need in this area. Put simply, H.R. 6467, and this year's version of that bill, principally confirm the right of the members of a sports league to act jointly and decided that a team shall not be relocated. In confirming this right, Congress will merely recognize the reality of the sports league as a joint business enterprise—the view expressed both by scholars and Federal courts, such as *Mid-South Grizzlies* v. *National Football League*, 1982-83. Trade Cas. (CCH) 65,141 at 71,485 (E.D. Pa. 1982) and *San Francisco Seals, Ltd.* v. *National Hockey League*, 379 F. Supp. 966 (C.D. Cal. 1974).

The joint venture league structure was most recently recognized in Justice Rehnquist's dissent from the denial of certiorari in *National Football League* v. *North American Soccer League*, 103 S. Ct. 499, 500 (1982), where he stated that the:

> NFL owners are joint venturers who produce a product . . . which competes with other sports and other forms of entertainment in the entertainment market.

The need to come to the defense of the city of Oakland and other sports communities is most apparent now that another chapter in Al Davis' absurd antitrust case is about to unfold. Beginning March 14, Al Davis' attorneys will be presenting evidence in support of his contention that he is entitled to millions of dollars in damages because he abandoned the city of Oakland. The man who lined his own pockets, while leaving Oakland taxpayers a public debt service of $1.6 million annually through the year 2005, wants damages.

I am hoping the introduction of this bill sends a strong signal to that court. This legislation, though limited in scope, is clear in purpose. It is designed to prevent a few from profiting by ignoring the public interest and sports league rules designed to protect that interest in the areas of team location and revenue sharing.

I would like to remind my colleagues that the underlying fairness of applying this bill to the pending Raiders case was reaffirmed just a few months ago when a California State court held that the Raiders must return to Oakland in 1983, pending final resolution of the city of Oakland's proposal to purchase the team by eminent domain. This decision demonstrates the need for affirmative Federal action to untangle the conflicts between Federal and State law which promise to keep this case in costly litigation for years to come. The State court, by returning the parties to their respective positions prior to the litigation, has removed any doubt as to the

fairness of applying this legislation to the Raiders situation.

In fact, Al Davis by his own actions has implicitly abandoned his retroactivity argument against this bill by seeking retroactive legislation in the California State Legislature that would eliminate the city of Oakland's eminent domain suit.

Davis' efforts in Sacramento, in support of retroactive eminent domain legislation are well documented in the CONGRESSIONAL RECORD of September 14, 1982, H 6972. I implore my colleagues not to be fooled by Davis and his lobbyists when they criticize this bill. Ask them what they are doing in Sacramento.

I also want to impress upon my colleagues the care with which we drafted this bill to avoid any impact upon labor-management issues. No bill could have less of an impact upon labor law or labor policies.

I believe players will realize that stable team-community relations are as much in their interest as they are the public's. A sports hero has a future in the business life of the community which paid to see him play. A sports star who is part of a team which flits from town to town is simply a hired gun.

As difficult as it is at times, we must try to simplify complex problems like the proper treatment of professional sports under the antitrust laws. In its simplest terms, Congress must act in a manner consistent with the public interest. In this instance, the affected "public" is also well represented by our Nation's mayors and municipal leaders. That is why I am so gratified by the overwhelming support the bill received last year from over 50 mayors from across the country. We all know that you cannot fool Dianne Feinstein of San Francisco, Henry Cisneros of San Antonio, Ernest Morial of New Orleans, or Richard Caliguiri of Pittsburgh. These individuals serve the public as close to the grassroots as you can get, and their judgment is in harmony with the more than 180 Members of this body who cosponsored this bill last year.

Just last Sunday, Richard Sinnott, the able Washington representative of the Oakland-Alameda Coliseum, in an editorial appearing in the New York Times spelled out clearly why our Nation's mayors and others are calling for in this bill:

> It is not a movement inspired by the N.F.L. lobbying for special-interest protection. It was not generated by promises of expansion franchises. It is a national expression of concern that, if the public interest can be ignored in the Oakland situation, it can be ignored in every city that has a major league sports franchise. The ability of cities to construct new stadiums or modernize existing ones could be limited, and the ability of cities to secure expansion of teams and of leagues to adhere to expansion commitments could be adversely affected.

I request that this article appear in its entirety at the conclusion of these remarks.

I urge my colleagues to support this measure, and I am including the text for printing in the RECORD.

[From the New York Times, Mar. 6, 1983]

NEEDED TO PROTECT CITIES

(By Richard L. Sinnott)

Unless Congress acts this year, the National Football League and other sports leagues will have to change their schedule of newsworthy events. Besides playoff games, the Super Bowl, the Stanley Cup and the annual college drafts, a new highlight will become part of the annual saga of professional sports. It could be held in the main room at Christie's or possibly Sotheby-Parke Bernet. Maybe it would be nationally televised, with Howard Cosell and Jimmy the Greek commenting and predicting the winners.

It will be the national auction of sports franchises put on the block by owners ready to abandon their communities for higher profits. The buyers will be public authorities using taxpayer funds to induce teams to move to their cities. Already we have had a dry run in Los Angeles, where Al Davis, the managing general partner of the Oakland Raiders, won a lower Federal Court decision that interpreted the antitrust laws as making the N.F.L. powerless to prevent the Raiders from moving to Los Angeles.

If we are to avoid repetitions of this spectacle, Congress will have to decide whether this application of the antitrust laws is consistent with the public interest and congressional intent. When antitrust theories defeat the legitimate interests of communities, taxpayers and loyal sports fans, something is wrong. If the antitrust laws can be interpreted to require sports leagues to permit their best-supported and most financially successful teams to abandon their assigned communities, the laws should be clarified. Congress never intended the Sherman Act to be a crutch for the rich to get richer at public expense.

The Oakland Raiders were the N.F.L.'s second-most successful team, next to the Dallas Cowboys, The Raiders' success was as strong at the box office as it was on the field—12 straight sellout seasons, three Super Bowl appearances, a modern stadium built for them and a community commitment that was universally envied.

The Raiders were as much a part of Oakland as the Yankees are of New York or the Redskins are of Washington. The citizens and fans of Oakland and Alameda County should have been able to look forward to a continuing "love affair" with the Raiders. Those same citizens and fans as taxpayers should have been able to view as a wise investment the $1.5 million per year necessary to retire the tax-exempt bonds used to build the Oakland Coliseum for the Raiders.

But, responding to the lure of a giant cable television market and a rich combination of cash grants and minimal or giveway occupancy costs, Al Davis decided to try to abandon Oakland for the Los Angeles Coliseum. When the Raiders' request to the N.F.L. for approval was unanimously rejected by the league's owners, the Raiders defied a league rule and sued the N.F.L., claiming the denial was a violation of antitrust laws. A Federal trial jury, sitting in Los Angeles and operating under count instructions that made Oakland's civic and public interests irrelevant, ruled that the N.F.L. could not lawfully keep the Raiders in Oakland.

The jury verdict, if not overturned on appeal or by a legislative clarification of the antitrust laws, will have far-reaching implications.

The city of Oakland, faced with the potential loss of such a valuable civic asset, moved to retain the Raiders in the state courts where the public could be heard in a neutral forum. The California Supreme Court ruled that the city was entitled to acquire the Raiders under California eminent domain law. This creates a classic confrontation between state law and a conflicting interpretation of Federal law—with further protracted legal battles benefiting only the lawyers for all sides.

Recognizing this, the N.F.L., the Oakland community and some 50 mayors of big and small cities throughout the country supported passage of the Sports Community Protection Act of 1982. They were joined by 184 members of Congress who cosponsored the legislation. Major papers editorially supported passage, but because of the late date of the bill's introduction and the press of business of the 97th Congress, the bill did not come up for a vote.

This support is not fragile. It is not a movement inspired by the N.F.L. lobbying for special-interest protection. It was not generated by promises of expansion franchises. It is a national expression of concern that, if the public interest can be ignored in the Oakland situation, it can be ignored in every city that has a major league sports franchise. The ability of cities to construct new stadiums or modernize existing ones could be limited, and the ability of cities to secure expansion teams and of leagues to adhere to expansion commitments could be adversely affected.

The bill before Congress last year, and soon to be introduced in this new Congress, simply allows leagues to require successfully supported teams to stay in their home community. It also allows sports leagues to share their jointly generated revenues so that no one team, because of its location or other distorting factors, can acquire disproportionate revenues over teams that are not located in major media markets or the largest metropolitan areas (a practice that the N.F.L. has been following since the early 1960's).

Passage of the bill as written will mean the Raiders will have to play in Oakland and that the present stability and future growth of the N.F.L. and other sports leagues will be consistent with fan and taxpayer interests. It will provide for an orderly atmosphere for expansion where leagues can both select new areas for professional sports and assure the sharing of revenues with new teams.

Inaction by this Congress will encourage the national public auction for franchises by cities and stadium authorities engendered by the Raiders' efforts in Los Angeles. Indeed, inaction would go against the already expressed intent of Congress. In 1966, when the merger of the old American Football League into the N.F.L. was approved by Congress, one of the assurances asked by Congress of the new merged league was that the Raiders would remain in Oakland's publicly built stadium so long as they were well supported.

There is no hidden agenda in this legislation. Its passage will not secretly increase the profits of the N.F.L. or its member teams. It has no effect on labor-management issues except when thousands of local

jobs are lost when a team owner walks out of a community.

Its passage is required by more than a need to clarify the law for sport leagues. It will protect the psychological and local economic benefits of a successful competitive team in a community. In Washington, we just had a recent demonstration of what the Redskins' Super Bowl victory meant to the spirit and vitality of this area. In New York, when the Yankees recently wanted to play just four scheduled home games in another community, the city had civic convulsions. In his decision prohibiting the transfer of the games, a New York Supreme Court justice said: "Much more is at stake than merely the loss of direct and indirect revenue to the city."

If the Redskins, a less successful and less profitable team than the Raiders for the last decade, were to announce their intentions to move, Congress would probably act with deliberate speed to give the N.F.L. the legal right to keep them in Washington. Of course, everyone knows "that will never happen."

Everyone in Oakland also knew three years ago it would never happen there—everyone except Al Davis.

H.R. 2041

A bill to clarify the application of the antitrust laws to professional team sports leagues, to protect the public interest in maintaining the stability of professional team sports leagues, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Major League Sports Community Protection Act of 1983".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that the public has an interest in preserving stability in the relationship between professional sports teams and the communities in which they operate and in encouraging professional team sports leagues to promote the economic and geographic stability of their member clubs: Therefore, be it enacted, that—

(1) It shall not be unlawful by reason of any provision of the antitrust laws for a professional team sports league and its member clubs—

(a) to enforce rules or agreements authorizing the membership of the league to decide that a member club of such league shall not be relocated from its league-franchised home area, provided that nothing in this subsection (a) shall otherwise affect the applicability or nonapplicability of the antitrust laws to any action instituted by a municipality or other public authority challenging the relocation of a member club from its league-franchised home area; or

(b) to enforce rules or agreements for the division of league or member club revenues that tend to promote comparable economic opportunities for the member clubs of such a league.

(c) no person or league may change the territory assigned to any professional sports team organized to play football, basketball, hockey, or soccer, by any territorial agreement unless—

(i) one or more of the parties to the stadium lease agreement fails to comply with a provision of material significance to the agreement, and such noncompliance cannot be remedied within a reasonable period of time;

(ii) the stadium in which the team wishing to move presently plays is inadequate for the purposes of properly and competitively operating the team, and the stadium authority demonstrates no intent to remedy such inadequacies; or

(iii) the team has incurred a continuous loss of net income for at least three years preceding notice of intent to move.

(2) Subject to the terms of subsection 1(a) of this section, any civil action under the antitrust laws to challenge a league decision granting permission to a member club to relocate must be commenced in a United States district court having jurisdiction under title 28, United States Code, section 1331, except that no such action may be brought in any district wherein such member club is located or to which such member club proposes to relocate.

In applying the standards of this section, the court shall decide whether the league's decision was arbitrary or capricious or obtained by corruption, fraud, or undue means, and it may grant or deny relief exclusively through declaratory or injunctive orders.

INAPPLICABILITY TO CERTAIN MATTERS

SEC. 3. Nothing contained in this Act shall—

(a) be deemed to change, determine, or otherwise affect the applicability or nonapplicability of the labor laws, the antitrust laws, or any other provision of law to the wages, hours, or other terms and conditions of player employment within any sports league, to any player employment matter within any sports league, or to any collective bargaining rights and privileges of any player union within any sports league;

(b) exempt from the antitrust laws any agreement to fix the prices of admission to sports contests;

(c) exempt from the antitrust laws any predatory practice or other conduct with respect to competing sports leagues which would otherwise be unlawful under the antitrust laws; or

(d) modify any existing Federal statutes relating to the television practices or sports leagues, or change, determine, or otherwise affect the applicability or non-applicability of the antitrust laws or communications laws to any form of joint dealing practices by sports leagues with respect to the sale of any form of television.

FEDERAL PREEMPTION

SEC. 4. Notwithstanding any other provision of law, no State or political subdivision thereof shall establish, maintain, or enforce any regulation of commerce that imposes any limitation on the collective conduct of professional team sports leagues or their member club authorized by this Act.

APPLICABILITY TO PENDING ACTIONS

SEC. 5. This Act shall apply to any action commenced after the date of enactment of this Act and to any pending action involving the relocation of a member club of a professional team sports league from its league-franchised home area if such club is leaving a municipal or other public stadium or arena constructed with funds obtained through the sale of public or governmental bonds, the interest on which is exempt from income tax under title 26 and which are not fully retired, and the relocation is the subject of one or more lawsuits commenced in any state or federal court by a municipality, a public authority, or any other party.

DEFINITIONS

SEC. 6. For purposes of this Act, the term "professional team sports league" means the organized professional team sports of basketball, football, hockey, or soccer.●

OLDER AMERICANS ALTERNATIVE CARE ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I do not think anyone would dispute the fact that there is a tremendous need for services which allow older Americans to remain independent in their homes and their communities for as long as possible. Members of Congress on both sides of the aisle recognize that current Federal policies do not adequately address the needs of the elderly. The legislation I am reintroducing today would allow for the provision of a comprehensive range of services to older Americans and their families who seek to avoid inappropriate health care in an institution.

The need for comprehensive, coordinated, cost-effective alternatives to entering an institution has never been greater, and a review of current demographics adds another dimension of urgency to the current situation. Those who are 65 and over now comprise over 11 percent of our Nation's population. The Congressional Budget Office recently reported that the number of persons aged 65 and over is expected to grow by 2 percent a year between 1982 and 1995. The average age of the elderly population is also expected to increase. This growth in the elderly population will require modifications in current policies to insure that the needs of the elderly are properly addressed.

Institutional care, while expensive, is clearly appropriate and necessary for a number of our older citizens; however, it makes no sense at all to emphasize or encourage institutional care for all elderly Americans. I believe we have resources available to provide cost effective, compassionate alternatives through a range of services, including the utilization of healthy seniors in helping their peers remain independent as long as possible.

My bill would address this situation in three ways: First, by expanding and liberalizing the home health benefit under medicare; second, by strengthening and expanding the Senior Companion program; and third, by offering a $500-refundable tax credit to individuals who care for their parents in their home.

Title I of the Older Americans Alternative Care Act of 1983 would expand on past efforts to encourage home health care under medicare. As my colleagues are well aware, many of this Nation's elderly do not need and cannot afford costly institutionalization, yet the current orientation of the

medicare program is weighted in favor of institutional care.

Studies have shown that if adequate home health services were available through medicare, approximately 2.5 million elderly persons could be kept out of institutions. With recent reports outlining the financial crisis which exists in the medicare program, the budgetary savings which would be made possible through the greater use of home health care become very attractive from a fiscal perspective.

Title I of my legislation would remove the current requirement that the patient be homebound in order to be eligible for home care reimbursement, include reimbursement of periodic chore services, allow provision of covered home health services in certain adult day care centers, and allow reimbursement for respite services which are necessary to provide incentives and support to the primary caretaker of the person receiving home health services.

Title II addresses itself to strengthening and expanding an existing, effective alternative to institutionalization, the Senior Companion program. The Senior Companion program is one of the smallest programs administered by the ACTION agency. This program is a model of cost effectivenesses, which serves not only the frail elderly citizen but also utilizes low-income healthy elders as the deliverers of client services. The approach of peers helping one another is beneficial not only to the recipient but also to the Senior Companion, who is provided with a small, protected stipend as well as the opportunity to serve others in a meaningful way.

A number of approaches to avoiding institutionalization have been explored in the recent past. Clearly, it makes a great deal of sense to utilize an existing, cost-effective program with a proven track record. Thus, my legislation would increase the authorization level of the Senior Companion program to $100 million and codify many of the administrative provisions which make it so effective. This sum would provide 36,780 companions nationwide who, using the formula contained in this legislation, could serve 735,600 older Americans, a significant portion of the at-risk population.

As a complement to the Senior Companion program and the expansion of home health benefits, title III of my legislation would offer a $500 refundable tax credit to a taxpayer who had his parent stay in his home, provided the parent was over the age of 65. This provision recognizes that there are many situations where it is most desirable for all concerned to have the elderly parent reside in his or her children's home. This provision would create an incentive for families to arrange for this type of care.

I trust that this Congress will move to address many of the difficulties facing the elderly population. We must insure that affordable and quality health care is made available to the elderly. The utilization of cost-effective and compassionate alternatives must be encouraged. We must take actions to make sure that old age is something which is looked forward to rather than dreaded. I urge the support of this proposal by my colleagues.

Mr. Speaker, following is the text of my legislation:

H.R. 2029

A bill to amend title XVIII of the Social Security Act to remove the homebound requirement for home health services and to include additional types of services as home health services, to amend the Domestic Volunteer Service Act of 1973 to clarify the purposes, goals, and administration of the senior companion program, and to amend the Internal Revenue Code of 1954 to establish an income tax credit for maintaining a household for dependents who are sixty-five years of age or older

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Older Americans Alternative Care Act of 1983".

TITLE I—MEDICARE AMENDMENTS

REMOVAL OF HOMEBOUND REQUIREMENT FOR HOME HEALTH SERVICES

SEC. 101. (a) Section 1814(a)(2)(D) of the Social Security Act is amended by striking out "is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and".

(b) Section 1835(a)(2)(A)(i) of such Act is amended by striking out "is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and".

(c) The amendments made by this section shall apply with respect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.

INCLUSION OF ADDITIONAL ITEMS AND SERVICES AS HOME HEALTH CARE

SEC. 102. (a) Section 1861(m) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this title, such term also includes periodic chore services (as defined in subsection (dd)) in the case of any individual with respect to whom there is in effect a plan for furnishing such services (to that individual) which has been established and is periodically reviewed by the appropriate health professional under regulations, and respite care services (as defined in subsection (ee)) for not more than 52 days in any calendar year as determined by the Secretary taking into consideration the need for such services with respect to the individual for whom they are provided and the person who normally cares for the individual.".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsections:

"Periodic Chore Services

"(dd) For purposes of the last paragraph of subsection (m), the term 'periodic chore services' means services which are performed in the home of an aged, blind, or disabled adult individual to help such individual remain in or return to such home, maintain or strengthen his capacity for self-care, and maintain or raise his level of functioning in the areas of personal care and household management, when such individual is unable to perform such services by or for himself, whether or not such individual also requires the services of a home health aide or other specialist. Such term includes the performance for an individual of household tasks, transportation for medical visits, and essential shopping and transportation to and from multipurpose senior centers (as defined in title III of the Older Americans Act of 1965, as amended) and nutrition projects (such as those funded under part C of title III of such Act), essential shopping and simple household repairs, assistance in outdoor walking, and other services furnished to an individual which are reasonably necessary (as determined under regulations) to maintain him outside of a hospital, skilled nursing facility, or intermediate care facility.

"Respite Care Services

"(ee) For purposes of the last paragraph of subsection (m), the term 'respite care services' means services for an individual who is unable to care for himself or herself on a full-time basis, which are provided on a temporary basis to such individual because of the absence of the person who normally cares for such individual, but only if such individual is a dependent of such other person for purposes of the Internal Revenue Code of 1954. Such services must be provided by persons who have been trained to provide homemaker-home health aide services, and such services must be provided in the home of the dependent individual under the supervision of a registered nurse who is employed by a certified home health agency, homemaker-home health aide agency, or local public health department. Such services shall, when necessary and appropriate, be provided in addition to other services under this title to ensure that such individual receives a coordinated system of services designed to help the individual reach his or her maximum level of independence.".

(c) Section 1861(m) of the Social Security Act is amended by inserting after "individual's home", in the material which precedes paragraph (1), the following: "or in an adult day care center which is a nonprofit center eligible for funds under title XX of this Act and which meets standards prescribed by the Secretary and applicable State and local health and safety requirements".

(d) The amendments made by this section shall apply to items and services furnished on or after the first day of the month following the month in which this Act is enacted.

TITLE II—SENIOR COMPANIONS PROGRAM

ADMINISTRATION OF PROGRAM

SEC. 201. (a) Part B of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011 et seq.) is amended by redesignating section 212 as section 213, and by inserting after section 211 the following new section:

"SENIOR COMPANION PROGRAM

"SEC. 212. (a) The Director is authorized to make grants or contracts to carry out the purpose described in section 221(a) through the establishment of senior companion programs. Each senior companion program—

"(1) shall be designed to encourage older persons receiving assistance under such pro-

gram to participate actively in the affairs of their communities, to help themselves to the extent possible in order to lead independent lives outside of institutional settings, to take advantage of services and activities available to older persons under the senior companion program, and to reach out to their peers for companionship and assistance to the extend possible; and

"(2) shall be administered by a public or private nonprofit community-based organization of proven ability in providing services and assistance to older persons, except that such program may be administered under the auspices of a hospital in the community involved in any case in which administration by a public or private nonprofit community-based organization is not feasible or appropriate in such community.

"(b) Each organization responsible for the administration of a senior companion program—

"(1) shall take such action as may be necessary to minimize costs associated with the administration of such program;

"(2) shall train senior companions through the use of available comunity resources, to the extent practicable, in order to minimize administrative costs and in order to coordinate the operation of such program with the activities of other community agencies and organizations; and

"(3) shall organize personnel participating in such program in the manner specified in subsection (c).

"(c)(1) The personnel administering each senior companion program shall consist of individuals serving as directors, supervising senior companions, and senior companions. Each director shall be responsible for overall administration of such program and for the supervision of approximately 10 supervising senior companions participating in such program.

"(2) Each supervising senior companion—

"(A) shall be responsible for the supervision of approximately 15 senior companions;

"(B) may participate in such program for not more than 40 hours during any workweek; and

"(C) shall devote 50 percent of such work period to the provision of services and assistance to older persons as a senior companion, and shall devote the balance of such work period to coordinating the activities of individuals serving as senior companions in such program.

"(3) Each individual serving as a senior companion—

"(A) shall participate in the senior companion program as a part-time volunteer for not more than 20 hours during any workweek; and

"(B) shall be responsible for the provision of services and assistance to approximately 20 older persons.

The number of older persons which may be served by a senior companion shall be based upon the needs of such older persons, distances which the senior companion is required to travel in order to serve such older persons, and other factors present in the community involved (such as the provision of services and assistance in congregate housing programs and in ethnic communities). The director of any such program, in determining the number of older persons which may be served by each senior companion participating in such program, shall ensure that the nature and quality of service provided by each senior companion is not adversely affected by the number of older persons for whom such senior companion is responsible.

"(d) Each individual serving as a senior companion—

"(1) shall work primarily with homebound older persons, except that such senior companion may enter into cooperative agreements with nursing home officials for the purpose of identifying older persons who are able to return to their homes if support services are made available to them in their homes;

"(2) shall make an initial assessment of the needs of each older person to whom such senior companion is assigned, including an evaluation of—

"(A) the availability and quality of food at the home of such older person;

"(B) whether such home is safe, clean, and sufficiently heated or cooled;

"(C) the ability of such older person to care for personal hygiene needs with appropriate assistance and encouragement from such senior companion;

"(D) the availability of needed medical and rehabilitative supplies;

"(E) the ability of such older person to manage financial resources and affairs; and

"(F) whether such older person requires any immediate professional assistance, as the result of despondency, drug dependence, or other similar factors; and

"(3) shall provide such older person with a variety of personal care services, nutritional services, social and recreational services, home management services, and information and advocacy services, which may include (A) shopping assistance; (B) transportation for medical or other appointments; (C) letter writing; (D) maintaining contacts with family members and friends; (E) bill payments and other financial matters; (F) meal preparation assistance; (G) minor housekeeping chores, sewing, minor home repairs, and personal hygiene services and other personal care services; (H) companionship and socialization; and (I) initiating contacts with social service providers, including providers of (i) mobile meal services; (ii) chore or homemaker services; (iii) nursing services; (iv) income assistance services; (v) transportation; (vi) social and recreational programs; (vii) medical services; and (viii) income tax assistance.

"(e) Not more than 10 percent of any funds received by any public or private nonprofit organization under this section may be expended for administrative services which are not directly related to the provision of services or assistance to older persons.".

(b) Section 211(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011(b)) is amended by striking out ", and as" and all that follows through "companionship".

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. Section 502(b)(2) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(b)(2)) is amended by adding at the end thereof the following new sentence: "There is further authorized to be appropriated $100,000,000 for the fiscal year ending September 30, 1982, for the purpose of carrying out the programs under section 212.".

TITLE III—INCOME TAX CREDIT FOR MAINTAINING HOUSEHOLDS WHICH INCLUDE DEPENDENTS WHO HAVE ATTAINED AGE 65

SEC. 301. REFUNDABLE CREDIT FOR MAINTAINING HOUSEHOLDS WHICH INCLUDE DEPENDENTS WHO HAVE ATTAINED AGE 65.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 441. MAINTAINING HOUSEHOLDS WHICH INCLUDE DEPENDENTS WHO HAVE ATTAINED AGE 65.

"(a) $500 CREDIT ALLOWED.—A $500 credit against the tax imposed by this subtitle for the taxable year shall be allowed to a taxpayer who has 1 or more qualified dependents for the taxable year.

"(b) DEFINITION AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED DEPENDENT DEFINED.—The term 'qualified dependent' means any individual who—

"(A) has as his principal place of abode the principal residence of the taxpayer, and is a member of the taxpayer's household, for more than 270 days of the calendar year during which the taxable year of the taxpayer begins,

"(B) is a dependent of the taxpayer (within the meaning of section 152) for such calendar year, and

"(C) has attained the age of 65 before the close of such calendar year.

"(2) SPECIAL RULES.—

"(A) MAINTAINING A HOUSEHOLD.—An individual shall be treated as maintaining a household for any period only if over half the cost of maintaining the household for such period is furnished by such individual (or, if the individual is married, by the individual and his spouse).

"(B) MARRIED COUPLES MUST FILE JOINT RETURNS.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return under section 6013 for the taxable year.

"(C) MARITAL STATUS.—The marital status of a taxpayer shall be determined in the manner provided in section 143(a).

"(D) CERTAIN MARRIED INDIVIDUALS LIVING APART.—If—

"(i) an individual who is married and who files a separate return maintains a household which includes a qualified dependent,

"(ii) over half the cost of maintaining such household is furnished by such individual, and

"(iii) during the last 6 months of the taxable year, the spouse of such individual is not a member of such household,

such individual shall not be considered as married.

"(E) MULTIPLE SUPPORT AGREEMENTS.—In making any determination of the amount furnished by the taxpayer for maintaining a household, such amount shall include any amount contributed under a multiple support agreement for the support of any qualified dependent to the extent the amount contributed is treated as received from the taxpayer under section 152(c)."

(b) CREDIT MADE REFUNDABLE.—Subsection (b) of section 6401 of such Code (relating to excess credits treated as overpayments) is amended—

(1) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 441 (relating to credit for maintaining households which include dependents who have attained age 65)", and

(2) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44I".

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 55 of such Code (relating to alternative minimum tax for taxpayers other than corporations) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44I".

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44I. Maintaining households which include dependents who have attained age 65."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

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A MARSHALL PLAN FOR LATIN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, Ambassador Kirkpatrick the other day suggested that the United States ought to have a Latin American version of the Marshall plan though at the same time endorsing increasing military aid. She ought to say that again, and louder. The tragedy is that the administration hears "martial," meaning military aid, and only military aid, when it ought to be hearing "Marshall," meaning a plan of economic and human assistance, a plan that substitutes progress for repression.

"I don't see why the Cubans should be relied upon to bring literacy to Central America," Ambassador Kirkpatrick says. She recognizes the truth of what I have said before, many times: that if the United States wants to influence events in Central America, we have to stand for hope and progress, not degradation and repression. If we have to send soldiers to Central America or Mexico or anywhere else in Latin America, it will be very likely to be simply because we did not send teachers, or books, or tools. It will very likely be because we did not stand on the side of justice and progress and hope.

That is what the Marshall plan was all about. It was about helping devastated countries recover and grow. It was about human caring. And that is precisely the kind of policy that we need today. The Marshall plan was the most spectacularly successful of all our foreign and economic policies; we are still realizing its benefits today, decades later.

That kind of policy requires leadership, and it requires foresight, and it requires political courage.

I have suggested to the administration that the United States convene a meeting to discuss and implement exactly that kind of policy for 3 years. I have likewise suggested such a proposal to Ambassador Orfila, at the Organization of American States. Regretfully, the administration is cold to the idea, but the OAS understands exactly what the potential is. And so, apparently, does Ambassador Kirkpatrick. There are a great many things she is wrong about, but on this one, the Ambassador is dead right. A Marshall plan for Latin America. Say it again, please. It would make more sense to implement such a plan for progress, than it would to pretend that military aid, the crudest and least effective of all foreign policy tools, is any substitute for genuine leadership.

I offer Ambassador Kirkpatrick's comments for the RECORD, and once again include my letter to the President encouraging a progressive, positive policy instead of a dead end, deepening venture into a military quagmire:

[From the New York Times, Mar. 6, 1983]

MRS. KIRKPATRICK URGES UNITED STATES TO ADOPT LATIN MARSHALL PLAN

(By Bernard Weinraub)

WASHINGTON, March 5.—Jeane J. Kirkpatrick, the United States delegate to the United Nations, said today that Washington should initiate a major economic aid program for Central America similar to the Marshall Plan in Europe after World War II.

At the same time Mrs. Kirkpatrick, who has played a key role in shaping the Reagan's Administration's policy toward Central America, said the region's leaders had voiced anxiety to her about "the very large Soviet effort influencing the region." She said the leaders also expressed concern about "subversion, terrorism and guerrilla warfare" by the Nicaraguan Government.

"They fear Nicaragua's goals and they fear systematic subversion by way of terrorism and guerrilla subversion," Mrs. Kirkpatrick said in an interview, "They believe there's a plan, and El Salvador is the focus of it today."

It was Mrs. Kirkpatrick's report to President Reagan, after a Feb. 3-12 trip to the area, that led the Administration to seek an additional $60 million in military aid to El Salvador and undertake a reassessment of the United States' policy toward the region, according to officials. Mrs. Kirkpatrick met with the leaders of Panama, Costa Rica, Honduras, El Salvador and Venezuela.

Mrs. Kirkpatrick, seated in her sixth-floor office at the State Department, said a Vietnam analogy to the situation in El Salvador "is mistaken, it doesn't apply."

She said that "perhaps the most relevant analogy" to Central America and the Caribbean should be the Marshall Plan. "That's because the Marshall Plan constituted a response to a regional problem that was simultaneously economic and social and military," she said. "That was a highly successful use of American strength."

"I don't know why the Cubans should be relied upon to bring literacy to Central America," Mrs. Kirpatrick said.

She added that the Reagan Administration should "consider seriously providing development assistance" on the scale of the Marshall Plan in order to thwart Soviet-backed "subversion" in the region.

Although it was widely believed that Mrs. Kirkpatrick's report to President Reagan had focused on the deteriorating military situation in El Salvador and the region, she used relatively muted terms in the interview about the conflict in El Salvador.

"I don't think it's that dicey," she said of the military situation. "The fact that they need more military assistance to sustain their effort against the guerrillas doesn't mean the war is going very badly. It just means that there's a very sustained effort on the other side and in order to respond to that they need assistance.

"As long as the Government in El Salvador can sustain its own internal divisions, and as long as the levels of our military assistance are comparable to what we've been providing, there isn't any danger of losing the war," she added.

"THAT'S FOR THE BIRDS"

Mrs. Kirkpatrick said reports of her trip "overemphasized the military." She added: "I am not at all an expert on military affairs. Tass said I spent most of my time in Honduras visiting military installations. That's for the birds. I didn't spend any time visiting military installations there."

Mrs. Kirkpatrick said she had conveyed to President Reagan, after speaking to officials, labor leaders, journalists and educators in Central America, that there had been an increase in the level of anxiety about Soviet, Cuban and Nicaraguan "subversion" and cultural influences.

"There is this very widespread concern about the level of Soviet long-range investment in the region and the low level of apparent U.S. interest and involvement," she said.

In Costa Rica, she said, the airwaves are "saturated" each night with propaganda from Nicaragua and Radio Venceremos, the Salvadoran guerrilla radio station. In Panama and Costa Rica, she said, hundreds of fellowships have been awarded to students to study in Cuba and Eastern Europe. "They see this very large Soviet effort influencing the region that's expressed through educational and cultural programs," she said.

THE MILITARY BALANCE

Beyond this, Mrs. Kirkpatrick said, the leaders in the region voiced repeated concerns about the military balance in Central America. "What they talked about was the systematic importation into Nicaragua of heavy armaments, unique in the region," she said.

It's hard for us to think very seriously about a Nicaraguan military threat, but the fact is Nicaraguan military power outstrips any other military establishment in the region," she said.

She said the region's "longer range problems are economic, educational and cultural," and the United States has offered "nothing like" the fellowships and other programs provided by the Soviet Union. Generous development and food aid should mark United States involvement in Central America and the Caribbean, she said.

Mrs. Kirkpatrick said: "The United States has attempted to use American strength to influence events many times since World War II. One of those times was in Vietnam. Obviously we did badly in Vietnam, with its very high human cost and very high social cost. On the other hand we used American strength with a greater degree of success, and perhaps the most relevant analogy now is the Marshall Plan."

The program, under Gen. George C. Marshall, helped rebuild Europe after the war. Mrs. Kirkpatrick noted that at the time Greece, Italy and France were facing unrest and disorder. "There can be successful uses of American strength and resources," she said.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 15, 1982.
His Excellency ALEJANDRO ORFILA,
The Secretary General, Organization of American States, Washington, D.C.

DEAR MR. SECRETARY GENERAL: I sincerely appreciated your kind letter, which I have just received.

I am gravely concerned by the economic prospects for our hemisphere, and believe that the economic and political interests of all countries in the Hemisphere can be enhanced if our governments act in concert to establish new currency and trade arrangements.

With that view in mind, I have asked President Reagan to consider convening a Hemispheric Conference on economic arrangements which would be on the order of the Bretton Woods Conference, which established the enormously successful arrangements for the post World War II period. As you know, the Bretton Woods system finally collapsed in 1971. The years since that time have been characterized by increasing economic instability and unacceptable growth in international debt, all of which is reflected, of course, in growing political instability.

I am firmly convinced that imaginative and positive action can be taken to reverse the present dangerous and undesirable trends. I am enclosing for your information a copy of a letter I have sent to President Reagan concerning my view. I hope that if you find these suggestions worthwhile, you might be able to solicit support from Member States of the OAS.

With best wishes, I remain,
Sincerely,

HENRY B. GONZALEZ,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 6, 1982.
Hon. RONALD REAGAN,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Though for the past two years national attention has been concentrated on domestic economic issues, these are momentous times in the realm of foreign policy. Your planned meetings with heads of state in Washington, and your forthcoming journey to Latin America, clearly evidence the scope and depth of urgent problems.

I am, as you know, gravely concerned about the economic and social problems of our neighboring countries—problems that are reflected in grave political events. It was this concern that led me to suggest earlier a hemispheric version of the Bretton Woods talks. Concentrating on economic problems, these talks produced the framework of economic growth, international cooperation, and political stability that blessed the industrial world in postwar times. Since President Nixon ended the Bretton Woods monetary policy in 1971, there has been nothing to replace it. During the intervening years, we have seen an explosive growth in debt, a rapid erosion in trade terms for developing countries, and a steady march toward protectionism and similar beggar-thy-neighbor policies. It is no secret that the prospect for world economic growth is not very bright today, nor that country after country is finding itself unable to repay debt, resist the drift toward trade warfare (for example, the threat only this week by Secretary Block to dump U.S. dairy products on the world market; Japan's deliberate cheapening of the yen; unwarranted European and Japanese export subsidies), or maintain political stability. More and more, it seems, there is a drift toward radical schemes that promise something different—though the radical is not often something that works. All of this, I think, reflects a growing kind of anarchy. This trend can be stopped, and must be. It can only be done if the world finds within itself the leadership and discipline to agree on sensible programs for the benefit of all—which is what Bretton Woods was all about. If ever there was a time when new arrangements were needed, it is now. If ever there was an opportunity for American leadership, it is now. Opportunity is at hand, and you can grasp it by the forelock, and I urge that you do.

Not only do I think that you should propose a Hemispheric Conference, on the order of Bretton Woods, I believe you should reassert American commitment to democracy and human rights. This could be done by revising the Haig policy of vast arms sales. It could be done by maintaining insistence (for example) that the Government of El Salvador make genuine progress toward redressing the grievances of that country's people. Violence is no substitute for honest government, and no substitute for necessary reform. The flight of hundreds of thousands of political refugees to our country signifies but one thing: that ours is a land of honest government, a land of open voices, a land where peaceful change is possible.

Our country is frequently blamed for all the problems of neighboring nations. Mexican politicians, no less than Fidel Castro, are prone to blame their ills on the United States. Yet everywhere, the great mass of people look to the United States as the hope for reform, for progress, for a better world. To the extent that our policy nourishes those hopes, helps to realize them, we remain true to our Revolution, our national principles. But if we merely peddle arms, ignore abuse and grievance, and stand silent in the face of overwhelming abuse, we not only fail to live up to our own ideals, we promote enmity elsewhere. Therefore, I hope that you will use your forthcoming journey to revise the Haig arms sales drive, call for a Hemispheric Conference on economic and human progress, and hold high the American dream of freedom for all people.

With all good wishes, I am,
Respectfully yours,

HENRY B. GONZALEZ,
Member of Congress.

MITCHELL INTRODUCES BILL TO ADDRESS SELECTIVE SERVICE REGISTRATION ABUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 5 minutes.

● Mr. MITCHELL. Mr. Speaker, today I am introducing legislation to address a serious problem in my State of Maryland. Specifically, in Baltimore City, the State Selective Service Office has enlisted volunteers to distribute draft registration forms throughout unauthorized locations. The practice is a blatant intrusion into certain communities and a direct violation of existing authority.

Presidential Proclamation 4771, July 2, 1980, states expressly that,

> Persons who are required to be registered and who are in the United States on any day fixed herein for their registration, shall present themselves for registration before a duly designated employee in any classified United States Post Office.

While the proclamation is clear, in my city registration forms have been distributed at a State college, various lumber yards, service stations, and even a restaurant. Such discrepancies cannot be allowed.

My legislation provides that:

> Registration under the Military Selective Service Act may only be carried out in accordance with applicable regulations and Presidential proclamations.

Several Members of the House have joined me in appealing to the President to halt this practice, particularly before other communities are victimized. However, I believe that we should also enact legislation to avoid future abusive practices in this area.

Mr. Speaker, we cannot sanction a clear defiance of authority within our Government agencies. Therefore, I would urge expeditious movement of this legislation.●

THE MISGUIDED ECONOMIC POLICY OF THE SHADOW OPEN MARKET COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

● Mr. ST GERMAIN. Mr. Speaker, the high interest rate gang of eight is at it again. For 10 years, the Shadow Open Market Committee has sallied forth to warn that interest rates and unemployment were too low, while economic growth was too high. And for the last 3 years, whenever the Shadow Committee speaks, the Federal Reserve listens. The Shadow's guiding light is the dim ray of monetarism, and its most fervent hope is for permanent recession and zero inflation.

On Monday, the Shadow demanded that "the Federal Reserve must slow money growth now," even though the Wall Street Journal reports that "several committee members acknowledged that their proposals probably would mean a 'retardation' of U.S. economic growth." Yesterday, Chairman Volcker told the House Budget Committee that the growth in money supply will have to be slowed. The reaction on Wall Street was immediate: Interest rates shot up, bond prices dropped, and the stock market plummeted from the record heights. Whenever the United States is in danger of a strong recovery, dire warnings spew forth from the Shadow Open Market Committee about renewed inflation. Even now, at a time of rock bottom commodity prices, falling oil prices and continued wage givebacks by unions, the Shadow sees inflation on every horizon, and Chairman Volcker

is grappling for a look through the committee's bleak-colored glasses.

The Shadow Committee played a major role in badgering the Federal Reserve Board toward adopting high interest rate monetarism in October 1979. For the next 3 years—through mid-1982—our Nation suffered through no economic growth, record unemployment levels, droves of businesses failures and interest rates that self-respecting usurers would not discuss in 1978.

Since the Federal Reserve abandoned monetarism last fall, interest rates have come down and are still falling, the economy is picking up steam faster than any economist dared predict a few months ago, and our housing and auto industries are emerging from the shadows of depression. Does the Shadow Open Market Committee welcome these rays of hope? No; it demands that the Fed stomp out the recovery while there is still time.

The Shadow Open Market Committee does not view the last 3 years as an unmitigated disaster, costing millions of jobs, thousands of businesses, and many lives. Instead, it speaks of the "gains achieved at the cost of two recent recessions and prolonged stagnation from 1979 through 1982," and it worries that "rapid monetary growth threatens to squander the gains."

The Shadow Open Market Committee characterizes the years of monetarist living as "prolonged stagnation." Does the committee believe that this is just a coincidence? Well, the 25 million Americans who were unemployed at some time last year can join us in Congress to tell the committee that it is not a coincidence—it is a consequence of monetarism.

Over the past decade, the Shadow Committee has become like a Chorus of Shades in Greek drama. Whenever good economic times settle upon us, this modern Chorus of Shades enters stage right to repeat endlessly the only refrain it knows: "Slow money growth—high interest rates—slow money growth—high interest rates."

This one phrase has earned the Shades respect on Wall Street, tenure at their universities, and the rapt attention of some at the Federal Reserve Board. The Shades know that flinty-eyed warnings of doom always find an audience, and calls for belt-tightening always command a respectful hearing, no matter how awful the last recession has been.

Today, we have news for the Committee of Shades and for Chairman Volcker. This Congress will not tolerate a return to flinty-eyed monetarism, high interest rates, and recession. Our citizens have suffered under 3 years of miscreant monetarism, and the time to stay with recovery is upon us.

The Committee of Shades must now learn a second lesson. Too much recession is a bad thing. Its preferred policies have brought this Nation and the world economy to the brink of bankruptcy. Monetarism has lashed our Nation to a mountain of debt, and while Americans are willing to suffer equal sacrifice for the common good, we know that fast growth, increased investment, and high employment are the only answers to inflation, poverty, and international debt overloads. The United States is rising once more, struggling to its feet after casting off the bonds of high interest rates, and as the Shadow Committee should know, Prometheus unbound is bad news for Shades.●

NEW LAWS ARE NEEDED FOR FAIR FEDERAL CAMPAIGNS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 10 minutes.

● Mr. BROWN of California. Mr. Speaker, few issues affect each of us in Congress more personally than Federal election laws and the problems associated with campaign financing. Since everyone who is here has somehow mastered the system, or proven to be an exception to the rules, we may be the last place one could expect to find the will for reformation. Yet we have the sole authority, and the solemn responsibility, for writing Federal election laws, and it is our task to do our public duty as best we can.

In previous years, I have personally been content to follow the legislative lead of colleagues, such as DAVID OBEY, of Wisconsin, who have attempted to legislate constructive curbs on campaign spending, and in other ways reform the way congressional elections are run. I still support the approach by Mr. OBEY and others to institute partial public financing for House races. But the experience in my own campaign this last November demonstrated to me that even if this comprehensive approach should fail to be enacted, other changes in Federal law must be ready in time for the 1984 general election. For this reason, I am today introducing legislation which I sincerely hope will become law within a year.

The legislation which I am introducing recognizes several facts. First, a campaign is like an arms race, and only mandated curbs on spending will limit excessive spending. Second, we already have partial Federal financing of congressional elections through the U.S. postage subsidy to political parties, which amounts to about 5 cents per piece of mail, the difference between bulk rates available to individuals versus those available to political parties. Due to the vagaries of Federal election law, in my campaign only the Republican candidate received the subsidy, worth perhaps $40,000, which I could not claim or use. Third, the last-minute contributions of up to $60,000 from political parties are as important to the outcome of a campaign as a last-minute $1,000 contribution from a businessman or a PAC, and should be subject to the same last-minute reporting requirements. Fourth, last-minute negative mailers, or "hit pieces," are as powerful and corrosive to fair and honest elections as unchallenged negative advertising or television, and are even more important for House races.

Mr. Speaker, the legislation which I am introducing attempts, in a modest and constitutional way, to effectively deal with each of these facts, and provide remedies to make the 1984 elections fairer, cleaner, and less expensive. Because I believe that eventually all campaigns must be subjected to an overall spending limit, whether publicly financed or not, I am also introducing a constitutional amendment, first introduced in the last Congress by our former colleague Jonathan Bingham, making it clear that spending limits can be required by law. However the legislation I am introducing establishes a voluntary spending limit, with the incentive of a partial Federal subsidy through lower postage rates and the assurance that each candidate will operate under the same overall spending limit.

Specifically, my legislation the Clean Campaign Act of 1983, sets an overall limit of $90,000 for any candidate to receive from political action committees (PAC's). It also extends the nonprofit postage privilege, now available to political party committees, to qualified candidates in general elections, provided they agree to certain limitations. This nonprofit postage privilege is worth in a hotly contested campaign, between $40,000 and $75,000 of Federal subsidy.

In order to receive this Federal subsidy, a candidate must agree to an overall general election expenditure of no more than $180,000, and be willing to subject all mailers to the review of opposing candidates and the local election authority 48 hours in advance. That literature can be blocked from being mailed "on the grounds of: First, libel; second, nondocumentation; or third, deliberately and maliciously misleading language." If the complaint is found valid by a special board, appointed by the local Federal district court on the basis of integrity, commonsense, and fairness, the piece may not be mailed. Obviously, any candidate who intends to engage in dirty politics would not sign such an agreement, but the prior acknowledgment of such rules by ordinarily well-intentioned candidates would keep the last few weeks of a campaign from falling

into the gutter. One final feature of this agreement is that the last mailer must be shared with the opposing candidates not later than the last Wednesday before the Tuesday election, and cannot be in the mail later than the last Friday before the Tuesday election.

Finally, my legislation treats late contributions by political parties in the same manner as it treats late contributions by political action committees, in terms of reporting requirements. This change is probably more useful to the news media than to candidates, who generally know in the last 2 weeks who is getting what, but public disclosure and real time reporting of contributions should occur on all large contributions. In the case of political parties in House races, this last-minute contribution could be as much as $60,000.

I should clarify here that some of this legislation is voluntary, and some is binding on everyone. The $90,000 limit on PAC contributions is binding, and even if no other provision in this legislation is agreed to, this provision would be in force. The change in reporting requirements by political parties is also binding. The overall spending limit of $180,000 is a voluntary agreement, which entitles the candidates to the same Federal postage subsidy now available to political parties, provided they also agree to prior review of campaign literature.

In terms of how this would work in a campaign under the voluntary spending limits, the candidate could raise up to $90,000 from political action committees and perhaps up to $60,000 from political parties, leaving $30,000 from individuals to reach the $180,000 limit. However, the $180,000 could be worth in the range of $210,000 to $250,000, depending on how much the candidate spent on direct mail at the subsidized postage rate.

Mr. Speaker, now that I have explained my legislation, I would like to make a few more personal comments which I hope are understood in the spirit in which they are given. While it is difficult to be nonpartisan after going through a hotly contested race of a highly partisan and personal sort, I think my colleagues know me well enough to know I do not scare very easily in campaigns. Yet the changes which I have seen taking place in Federal campaigns do scare me, and I have begun to doubt that the Congress can long survive the way it is going.

I was able to raise and spend more money during the 1982 campaign than at any time in my career. I raised over $400,000, including over $100,000 from PAC's—along with 170 of my colleagues. The limits I propose in this legislation would have affected me personally, but the total context of the legislation would have affected me far less than my Republican opponent, as I will explain below.

In 1982, I spent somewhere in the range of $220,000 for the general election. While by my estimates, my Republican opponent spent $180,000 in the general election. However, and this is a crucial point, my Republican opponent was subsidized by the U.S. taxpayer at the rate of about 5 cents per piece of mail due to the use of the nonprofit postage permit of the Republican Party. This amounted to about $40,000 of hidden taxpayer subsidy for his political mailers, which incidentally were mostly negative mailers, or "hit pieces" distorting or lying about my voting record, residency and related items. Thus, by simply adding his reported costs, which do not include the various other independent expenditures against me, my opponent actually spent the equivalent of $220,000. In fact, if I had had my mailers subsidized, I would have spent close to the $180,000 established as the spending limit in my new legislation.

What this legislation would have done, then, is equalized the reported spending of my campaign and that of my opponent by the device of giving a subsidy to each candidate. But this is not the key change the legislation would have made. I believe the key would have been the alteration of the campaign literature of my opponent, which would have resulted in different, more substantive, issues being discussed in the last 10 days of the campaign. Because it was in the last 10 days that the National Republican Congressional Committee-produced "hit pieces" began to appear in my congressional district. This literature, which I would be pleased to show to any of my colleagues, was obviously designed to distort, defame, inflame, and otherwise create a negative image of my congressional service. Lest anyone think I exaggerate, let me quote two accusations which resulted in major controversy. The National Republican Congressional Committee is listed as the source of this literature, which claimed that I supported "legalizing sex between teachers and students," and I supported "scientific experiments on live human fetuses." Does anyone here know if he voted on either of these two items? Does anyone know which way he voted? Does anyone think these phrases accurately describe any vote on the floor of the House? The literature, which went to every household, gave no references, no dates, and no further information except that my opponent opposed both of these immoral acts. And for this, a 5-cent-per-piece Federal subsidy was given, no questions asked. My legislation would eliminate this subsidy unless the questions were asked, and satisfied by the judgment of an independent, impartial panel.

Mr. Speaker, let us limit money in politics and lower the emotion. Let us debate the fundamental issues facing the land, rather than continue down the path of a campaign "arms race" without any rules of war.

The text of my legislation follows:

H.R. 2005

A bill to amend the Federal Election Campaign Act of 1971 to limit contributions by nonparty multicandidate political committees in election campaigns for the House of Representatives, to provide for reduced rates of postage for general election campaigns for the House of Representatives, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Clean Campaign Act of 1983".

SEC. 2. Section 315(a) of the Federal Election Campaign Act of 1971 (hereinafter in this Act referred to as the "Act") (2 U.S.C. 441a(a)) is amended—

(1) by inserting after paragraph (3) the following new paragraph:

"(4) A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized political committees shall not accept contributions from multicandidate political committees, other than multicandidate committees of a political party, aggregating more than $90,000 in any calendar year except that in the case of a candidate who is a candidate in a general election and a special election, such candidate may accept such contributions aggregating—

"(A) $90,000 with respect to such general election and any primary election relating to such general election; and

"(B) $90,000 with respect to such special election and any primary election relating to such special election.

For purposes of this paragraph, any contribution made in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held, and any contribution made after the date of such election shall be considered a contribution with respect to such election only if such contribution is used to pay obligations incurred with respect to such election."; and

(2) by redesignating paragraphs (4) through (8) as paragraphs (5) through (9), respectively.

SEC. 3. Section 301(8)(A) of the Act (2 U.S.C. 431(8)(A)) is amended—

(1) by inserting after clause (ii) the following new clause:

"(iii) with respect to a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress and his authorized political committees, any extension of credit for goods or services relating to advertising on broadcasting stations, in newspapers or magazines, by direct mail (including direct mail fund solicitations) or other similar types of general public political advertising, if such extension of credit is—

"(I) in an amount of more than $1,000; and

"(II) for a period of more than 30 days after the date on which such goods or services are furnished, which date in the case of advertising by direct mail (including a direct mail solicitation) shall be the date of the mailing.";

(2) in clause (i), by striking out "or" after the semicolon at the end; and

(3) in clause (ii), by striking out the period at the end and inserting in lieu thereof "; and".

SEC. 4. The Act is amended by adding at the end the following new title:

"TITLE V—REDUCED RATES OF POSTAGE FOR GENERAL ELECTION CAMPAIGNS FOR THE HOUSE OF REPRESENTATIVES

"DEFINITIONS

"SEC. 501. When used in this title—

"(1) The term 'authorized committee' means, with respect to any candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress, any political committee which is authorized by such candidate to accept contributions or make expenditures on behalf of such candidate to further the election of such candidate.

"(2) The term 'eligible candidate' means a candidate who is eligible under section 502 for reduced rates of postage under section 504.

"(3) The term 'election' means any election which directly results in the election of a person to the office of Representative in, or Delegate or Resident Commissioner to, the Congress.

"(4) The term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such individuals.

"ELIGIBILITY TO RECEIVE REDUCED RATES OF POSTAGE

"SEC. 502. (a) To be eligible to receive reduced rates of postage under this title, a candidate shall, with respect to an election, in such form and manner as the Commission may prescribe by regulation, and within 10 days after such candidate qualifies for the election ballot under the law of the State involved—

"(1) agree—

"(A) to furnish campaign records, evidence of contributions and expenditures, and other appropriate information to the Commission;

"(B) to cooperate in the case of any audit and examination conducted by the Commission under section 507;

"(C) that such candidate and his authorized committees will not accept any contribution in violation of section 315(a);

"(D) that such candidate and his authorized committees will not make any expenditure which exceeds the limitation established in section 315(b)(2); and

"(E) that such candidate will comply with the limitation on expenditures of personal funds established in section 503;

"(2) certify to the Commission that such candidate and the authorized committees of such candidate have received contributions aggregating not less than $10,000; and

"(3) apply to the Commission for the reduced rates of postage referred to in section 504(a).

"(b) For purposes of subsection (a)(2), in determining the amount of contributions received by a candidate and his authorized committees—

"(1) no contribution received as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account;

"(2) no contribution received from any person other than an individual shall be taken into account, and no contribution received from an individual shall be taken into account to the extent that such contribution exceeds $200 when added to the amount of all other contributions made by such individual to or for the benefit of such candidate during the applicable period specified in paragraph (3); and

"(3) in the case of a general election, no contribution received on or before the date of the preceding general election, or received after the date on which the general election involved is held shall be taken into account, and in the case of a special election, no contribution received more than 90 days before such election or received after the date on which such election is held shall be taken into account.

"(c) Each candidate who does not apply for reduced rates of postage under subsection (a)(3) shall, in the manner prescribed for subsection (a)—

"(1) make an agreement described in subsection (a)(1); or

"(2) decline to make such an agreement.

"LIMITATION ON EXPENDITURES OF PERSONAL FUNDS

"SEC. 503. No candidate who is eligible under section 502 to receive reduced rates of postage shall make expenditures from the personal funds of such candiate, or the funds of any member of the immediate family of such candidate, aggregating in excess of $20,000, with respect to the election involved.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO REDUCED RATES OF POSTAGE

"SEC. 504. (a) The rates of postage for matter mailed by an eligible candidate with respect to the campaign involved shall be the same as the rates of postage provided for a qualified political committee under section 3626 of title 39, United States Code.

"(b) Matter may be mailed at rates provided for under subsection (a) only during the period beginning on the day after the date on which the candidate qualifies for the election ballot under the law of the State involved and ending on the fourth day before the date of the election, or on the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election, whichever occurs first.

"(c) Not later than 48 hours before any matter is to be mailed under this title, the candidate involved shall submit such matter to each other candidate and to the State election official having responsibility for conduct of the election. In the event of a complaint by a candidate with respect to the contents of the matter proposed to be mailed, a panel shall be appointed under paragraph (2). The panel shall have the power to hold an open hearing and to enter an order prohibiting mailing of the matter on grounds of (1) libel, (2) nondocumentation, or (3) deliberately and maliciously misleading language. Upon entry of the order, the Postal Service shall not accept the matter for mailing under this title.

"(2) The panel referred to in paragraph (1) shall be appointed by the appropriate United States district court, and shall consist of three persons—

"(A) of whom not more than one shall be a member of the same political party; and

"(B) who shall be selected on the basis of integrity, common sense, and fairness.

"SUSPENSION OF EXPENDITURE LIMITATION

"SEC. 505. If any candidate—

"(1) makes an agreement under section 502(c)(1) and violates that agreement; or

"(2) declines to make an agreement under section 502(c)(2);

the limitation on expenditures established in section 315(b)(2) shall not apply to any eligible candidate in the election involved.

"CERTIFICATION BY COMMISSION

"SEC. 506. (a) No later than 48 hours after a candidate files a request with the Commission to receive reduced rates of postage under section 504, the Commission shall certify eligibility for such rates to the Postmaster General. The request referred to in the preceding sentence shall contain—

"(1) such information, and be made in accordance with such procedures, as the Commission may provide by regulation; and

"(2) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) Initial certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 510.

"(c) Any candidate who submits false information to the Commission under this section shall be subject to section 329.

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 507. (a)(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of 10 percent of the eligible candidates as designated by the Commission through the use of an appropriate statistical method of random selection to determine whether contributions and expenditures of such candidates complied with this title.

"(2) After each special election, the Commission shall conduct such an examination and audit of the campaign accounts of each eligible candidate in such election.

"(3) Before any general election or special election, the Commission may conduct such an examination and audit of the campaign accounts of any eligible candidate in such election if the Commission, by an affirmative vote of 4 members, determines that there exists reason to believe that such candidate has violated any provision of this title.

"(b) If the Commission determines that any matter mailed by a candidate at a reduced rate under this title was not used in compliance with section 504 (b) and (c), the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to 2 times the value of the rate reduction.

"(c)(1) Any eligible candidate who makes an expenditure that exceeds, by 1 percent or less, the limitation on expenditures under section 315(b)(2) shall pay to the Secretary an amount equal to 2 times the amount of the excess expenditure.

"(2) Any eligible candidate who makes an expenditure that exceeds, by more than 1 percent, the limitation on expenditures under section 315(b)(2) shall pay to the Secretary an amount equal to 3 times the amount of the excess expenditure.

"(3) The Secretary shall deposit in the general fund of the Treasury all payments received under this section.

"REPORTS TO CONGRESS

"SEC. 508. Not more than 6 months after the end of each calendar year, the Commission shall submit to the House of Repre-

sentatives a report setting forth for such calendar year—

"(1) the expenditures made by eligible candidates, and their authorized committees, receiving reduced rates of postage under this title;

"(2) the amounts certified by the Commission under section 506 with respect to such candidates; and

"(3) the amounts of payments, if any, required from such candidates under section 507, and the reasons for each payment required.

Each report submitted under this section shall be printed as a House document.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 509. (a) The Commission may appear in and defend against any action filed under this title, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, concerning appointments in the competitive service, and whose compensation the Commission may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission may appear, through attorneys and counsel described in subsection (a), in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary as a result of any examination and audit made under section 507.

"(c) The Commission may petition, through attorneys and counsel described in subsection (a), the courts of the United States for declaratory or injunctive relief concerning any civil matter arising under this title. Upon application of the Commission, an action brought under this subsection shall be heard and determined by a court of 3 judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal from the determination of such court shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"(d) The Commission may, on behalf of the United States, appeal from, and petition the Supreme Court of the United States for certiorari to review, judgments or decrees entered with respect to actions in which the Commission appears under the authority provided in this section.

"JUDICIAL REVIEW

"SEC. 510. (a) Any certification, determination, or other action by the Commission made or taken under this title shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition filed in such court by any interested person. Any petition under this section shall be filed within 30 days after such certification, determination, or other action involved.

"(b)(1) The Commission, the national committee of any political party, and any individual eligible to vote for any Representative in, or Delegate or Resident Commissioner to, the Congress, are authorized to institute any action under this section, including an action for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this title.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted under this subsection and shall exercise such jurisdiction without regard to whether a person asserting rights under the provisions of this subsection shall have exhausted administrative or other remedies provided by law. Such proceedings shall be heard and determined by a court of 3 judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 511. There are authorized to be appropriated to the Commission, for the purpose of carrying out its functions under this title, such sums as may be necessary.".

SEC. 5. Section 304 of the Act (2 U.S.C. 434) is amended by adding at the end the following new subsection:

"(d)(1) The provisions of subsection (c) shall apply to independent expenditures made by political committees of political parties.

"(2) Any expenditure by a political committee of a political party under section 315(d) aggregating $1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such expenditure is made. The report shall be filed by the committee with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain such information as may be required by the Commission. The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all expenditures under section 315(d), as reported under this subsection, and for periodically publishing such indices on a timely preelection basis.".

SEC. 6. (a) Section 315(b) of the Act (2 U.S.C. 441a(b)) is amended by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) No candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress who establishes eligibility under section 502 to receive reduced rates of postage may make expenditures in excess of $180,000 with respect to the election involved.".

(b) The sentence beginning "Each limitation" in section 315(c)(1) of the Act is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (a)(4), subsection (b),".

(c) Section 315(c)(2)(B) of the Act (2 U.S.C. 441a(2)(B)) is amended by inserting after "calendar year 1974" the following: ", except that, with respect to the limitations established in subsection (a)(4) and subsection (b)(2), such term means the calendar year 1981".

(d) Section 301 of the Act (2 U.S.C. 431) is amended by striking out "SEC. 301. When used in this Act:" and inserting in lieu thereof "SEC. 301. Except as provided in section 501, when used in this Act—".●

TRANSFER OF SURPLUS PROPERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ROSE) is recognized for 5 minutes.

● Mr. ROSE. Mr. Speaker, today my colleague Congressman SKEEN, and I are introducing legislation to transfer surplus property and a saline water conversion test facility in Wrightsville Beach, N.C., and a similar saline water conversion test facility in Roswell, N. Mex., to the respective towns of Wrightsville Beach and Roswell.

The facilities and the issues regarding both towns are similar and I am pleased to have Congressman SKEEN join me as an original cosponsor of this legislation.

In 1961, the Interior Department signed a cooperative agreement with the town of Wrightsville Beach, N.C., after obtaining the site for the use of this facility. Included with the parcel reserved for the facility was additional property deemed necessary for the successful operation of the facility. At the time the agreement was made, the town did not contemplate that the funding for the maintenance and use of this facility would be discontinued, and hence, there was no clause in the agreement which provided for the reversion of the land on which the plant was built, or the surplus property, to the town in the event of the discontinuance of such funding.

Prior to and since that cooperative agreement was executed, the town of Wrightsville Beach has contributed thousands of dollars to the operation of the saline water conversion test facility. The town was instrumental in obtaining the site for the property and spent municipal funds in cooperation with the Department of the Interior and the State of North Carolina to locate the site. The town has also provided rights-of-way's, easements, police and fire protection, water and sewer services, refuse collection, and other services typically offered to any other taxpaying citizen, business, or industry. In addition, the town has consistently contributed uncollected tax revenues and zoned the land "governmental."

The town of Wrightsville Beach has what I consider to be a vested interest in the facility and the surrounding land, and a genuine desire to keep the facility operating for the benefit of its citizens.

Recognizing these important interests in the town of Wrightsville Beach, the Interior Department consented to a cooperative use agreement on January 25, 1983, which transferred the operation of the saline water conversion test facility to the town, and which will pave the way to place full responsibility for the maintenance, operation, and general upkeep of the facility in the hands of the town after a transition period.

I am pleased that the Interior Department recognized the extent of the town's contribution to the facility, and my bill will provide for a transition

period of operation of the facility by the town, in consideration for which the town will receive after 4 years, the right, title, and ownership in the facility and the surrounding lands.

My bill recognizes the growing need to allow local governments more responsibility for Federal programs which the Federal Government is no longer willing to fund. At the same time, this bill insures that important saline research and development will continue, and that the Federal Government will benefit from this research.

I would like to thank the Interior Department for their assistance in this matter, and for their cooperation with the town in reaching what I consider to be a very important agreement. The passage of this bill will insure that the town of Wrightsville Beach will have the opportunity to demonstrate their willingness to cooperate with the Federal Government and assume responsibility for a vital governmental function. The bill follows:

H.R. 2031

A bill to require the Secretary of the Interior, under certain conditions, to convey the Wrightsville Beach Test Facility (a Federal desalting facility) to the town of Wrightsville Beach, N.C., and to convey the Roswell Test Facility (another Federal desalting facility) to the city of Roswell, N. Mex., and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") shall convey, not later than January 24, 1984, and without consideration, all right, title, and interest of the United States in the real property described in subsection (b) to the town of Wrightsville Beach, North Carolina.

(2) The conveyance of real property described in subsection (b)(1), which constitutes the Wrightsville Beach Test Facility, to such town shall be made by the Secretary on the condition that, during the period beginning on the date of such conveyance and ending on January 24, 1988, such Facility is—

(A) maintained in a working order which is comparable to the condition of such Facility on the date of such conveyance, and

(B) operated and maintained primarily for desalinization or other related research.

(b) The real property referred to in subsection (a) is real property located in the town of Wrightsville Beach, North Carolina, as follows:

(1) Real property which constitutes the Wrightsville Beach Test Facility and may be described as beginning at a point in the old northern line of U.S. Highway 76, said point located north 51 degrees 05 minutes west 530.00 feet as measured with said line from the southeast corner of Tract No. 1 as shown by "Map Showing Property of State of North Carolina" recorded in Mat Book 7, Page 40, New Hanover County Registry; running thence from said Beginning north 38 degrees 55 minutes east 660.00 feet to a point; thence north 51 degrees 05 minutes west 129.80 feet to a point; thence north 38 degrees 56 minutes 30 seconds east 157.89 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 101.40 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of U.S. Highway 74; thence with said southern line south 77 degrees 53 minutes west 563.57 feet to a point; thence south 58 degrees 55 minutes west 554.52 feet to a point in the old northern line of U.S. Highway 76; thence continuing south 58 degrees 55 minutes west 150.00 feet to a point in the new northern line of U.S. Highway 76 (Causeway Drive); thence with said new northern line south 51 degrees 05 minutes east 538.47 feet to a point; thence north 38 degrees 55 minutes east 150.00 feet to the point of beginning containing 11.42 acres.

(2) Real property which is adjacent to such Facility and may be described as beginning at a point in the old northern right of way line of U.S. Highway 76 (Wrightsville Causeway) at the southeastern corner of Tract No. 1 as shown by "Map Showing Property of State of North Carolina" recorded in Map Book 7, Page 40, New Hanover County Registry; said southeast corner located north 51 degrees 05 minutes west 862.6 feet as measured with said northern line from its intersection with the extension of the western line of Island Drive, Shore Acres; running thence from said beginning south 38 degrees 55 minutes west 150.00 feet to a point in the new northern right of way line of U.S. Highway 76; thence with said line north 51 degrees 05 minutes west 530.00 feet to a point; thence north 38 degrees 55 minutes east 150.00 feet to a point in said old northern right of way line; thence continuing north 38 degrees 55 minutes east 660.00 feet to a point; thence north 51 degrees 05 minutes west 129.80 feet to a point; thence north 38 degrees 56 minutes 30 seconds east 157.89 feet to a point; thence north 77 degrees 32 minutes 30 seconds east 101.40 feet to a point; thence north 12 degrees 07 minutes west 151.19 feet to a point in the southern line of U.S. Highway 74; thence north 77 degrees 53 minutes east 240.00 feet to the northernmost corner of said Tract No. 1, Map Book 7, Page 40; thence with the eastern lines of said Tract No. 1, Map Book 7, Page 40; thence with the eastern lines of said Tract No. 1 south 12 degrees 07 minutes east 723.8 feet to its easternmost corner; thence continuing with said eastern line south 38 degrees 55 minutes west 723.8 feet to the point of beginning, containing 14.61 acres.

SEC. 2. (a)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary shall convey, not later than December 31, 1983, and without consideration, all right, title, and interest of the United States in the real property describing in subsection (b), which constitutes the Roswell Test Facility, to the city of Roswell, New Mexico.

(2) Such conveyance shall be made on the condition that, during the period beginning on the date of such conveyance and ending on December 31, 1987, such Facility is—

(A) maintained in a working order which is comparable to the condition of such Facility on the date of such conveyance, and

(B) operated and maintained primarily for desalinization or other related research.

(b) The real property referred to in subsection (a) shall consist of so much of the real property located in the county of Chaves, New Mexico, as constitutes the Roswell Test Facility. Such real property shall consist of—

(1) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico by warranty deed dated April 13, 1961, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico, at book 205, page 406, and more fully describing such lands as being—

A tract of land lying and being situated in the SW¼ of Section 32, Township 10 South, Range 25 East, NMPM, and being more particularly described as; Beginning at a point on the west line of said Section 32 which bears N3 58′ east at 137 feet distant from the southwest corner of said Section 32; thence N3 58′ east, a distance of 455 feet thence N78 03′ east a distance of 531.9 feet, thence S25 00′ east a distance of 450.1′, thence southwesterly along a curve to the right, the arc which bears S77 43′ west a distance of 760.4 feet to the point of beginning, containing 6.94304 acres, and

(2) the lands at the Roswell site as conveyed to the United States by the city of Roswell, New Mexico by warranty deed dated June 18, 1968, said deed being recorded in the office of the county clerk of the county of Chaves, New Mexico at book 250, page 390, and more fully describing such lands as being—

A tract of land lying and being situated in the W½W½SW¼ of Section 32, Township 10 South, Range 25 East, NMPM, and being more particularly described as follows: Beginning at a point on the west line of said Section 32 which bears N3 58′ East 592 feet distant from the southwest corner of said Section 32, thence N358′ East a distance of 911.5 feet, thence S39 33′ East a distance of 179.00 feet, thence S27 35′ East a distance of 1,193.00 feet thence southwesterly along the north highway right-of-way line on a curve to the right of 5,655′ radius through an included angle of 0 13′ a distance of 21.31 feet, thence N25 00′ West a distance of 444.26 feet, thence S78 03′ West a distance of 531.9 feet to the point of beginning containing 5.795 acres, more or less. NOTE: The east boundary of this tract of land lies 50′ west of the center line of the Hagerman canal. Together with water rights appurtenant thereto.●

THE SOLAR ENERGY NATIONAL SECURITY AND EMPLOYMENT ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 30 minutes.

● Mr. WIRTH. Mr. Speaker, the energy crisis is gone from the headlines. Our national preoccupation with gaslines and the billions of dollars annually transferred to OPEC has been replaced with a concern about the effects of rapidly falling oil prices on national and international banking systems. But this reprieve is temporary, and must not weaken our resolve to meet our stated national goals of developing alternative energy sources and reducing our country's dangerous dependence on foreign oil.

The SENSE Act, which we have introduced, provides a broad and cost-effective framework for accomplishing these goals. It will harness the tremendous potential of renewable energy and conservation programs to increase employment, promote small business-

es, enhance our national security, and reduce the need for imported energy.

SENSE is the legislative tool through which the Nation's conservation and solar industries can be more fully developed, commercialized, and integrated into our Nation's energy grid. SENSE is also the political tool that can be used to promote a rational and comprehensive energy policy. It does not propose massive, new regulatory structures, but rather the coordination of existing Federal initiatives so that the current fragmented grab bag of programs can be transformed into a comprehensive national policy.

The need for the SENSE Act in this context is clear. The current administration simply has no energy policy. If one eliminates the amount proposed for nuclear technologies from the administration's fiscal 1984 budget request, one is left with $314 million for all other energy research and development—ranging from coal to solar. This is compared to the $2.4 billion for these efforts in 1981. Nonnuclear energy research and development represented 60 percent of the total energy technologies budget in 1981; the adminstration wants to drop that to 16 percent in 1984. What would this mean? Another giant step toward destroying the careful balance in energy development which was in place, after years of effort, at the beginning of this decade.

This approach to energy research and development is pound foolish, and that is why I am proud to sponsor the SENSE Act. While a high administration official has been quoted saying solar energy would only amount to a "few windmills," the bipartisan group of Members of Congress from both Houses sponsoring this bill knows otherwise.

Among the most important reasons for promoting the development of renewable energy and conservation technologies is their tremendous potential as major new export industries. They are clearly among the future winners in our rapidly changing economy which can provide jobs at home and contribute in a major way to sustained economic growth. For example, exports of photovoltaics rose 79 percent from 1979 to 1980, and exports of solar heating and cooling products rose 45 percent in that period. This was at a time when these technologies were just becoming commercially viable.

Although U.S. firms pioneered the development of photovoltaic cells—which directly convert sunlight into electricity—and many other new energy technologies, this administration wants to end our very modest commitment to making them competitive in world markets. Such shortsighted action would delight our economic competitors in Europe and Asia.

The SENSE Act also realizes that for American consumers and businesses to reap the benefits of these technologies, we need to extend business and residential tax credits until 1990, reauthorize the Solar Energy and Conservation Bank, encourage small businesses to continue their innovations in this field, adopt a more assertive trade posture, include renewable energy in strategic planning, reaffirm our commitment to low-income weatherization, and take a variety of other steps to realize the potential of these energy sources.

I am optimistic that our colleagues in Congress will realize the eminent sense the SENSE Act makes, and that we will be able to pass it in this Congress.●

● Mr. CONTE. Mr. Speaker, this day marks a momentous occasion in the history of renewable energy. The bill we are introducing today is the culmination of years of effort in the renewable energy field. This comprehensive bill presents renewable energy as a viable answer to many of the major issues facing this Nation today—the cost of imported oil, jobs, and national security.

We have made great strides over the past several years in conservation and renewable energy development. I am proud of my role in those efforts. In 1977 I introduced an amendment that tripled the appropriations for solar research and development. Also, I have been, and will continue to be a leader in the low-income weatherization program.

The motivation behind these conservation and renewable energy efforts was the stranglehold of OPEC on the United States. That organization has nearly brought us to our knees twice in the last 10 years. The oil shocks of 1973 and 1977 made us realize we had to become energy independent.

Today, partly because of the conservation efforts of our citizens and partly because of the recession, the price of oil is dropping and OPEC is in disarray. But we must not let this disarray cloud our memories of the pain OPEC once inflicted upon us. We must intensify our resolve to achieve energy independence as soon as possible. Why is time so important? Some oil analysts are predicting another oil crisis between 1984 and 1986. And as if to foretell this crisis, the Department of Energy predicts that oil imports will increase for the first time in 4 years during 1983.

There is no better time than now to focus our attention on the role of renewable energy. By showing how renewable energy can help solve the major issues facing us—jobs, national security, and our reliance on imported oil—the SENSE Act can become the starting point for energy independence.●

● Mr. DICKINSON. Mr. Speaker, I have sponsored along with my colleague, DAVE MCCURDY, H.R. 1597, the Renewable Energy National Security Act of 1983. This bill is one of four bills comprising the Solar Energy National Security and Employment Act of 1983—the SENSE Act.

There are four major provisions within the Renewable Energy National Security Act. First, it directs the U.S. Department of Defense to purchase energy conservation equipment, biofuels, and renewable energy systems or components, for military facility applications where cost effective, reliable and otherwise suited. Since the Department of Defense is the largest Federal purchaser in general, and the largest Federal user of energy in the United States this provision will insure a market and save taxpayers money by cutting Department of Defense's use of energy.

It also requests a very brief report from the Secretary of the Department of Defense assessing the feasibility of using mobile renewable energy generators such as a photovoltaic cells and mobile biomass gasifiers to back up existing conventional energy supplies for military facilities in case of emergencies. According to GAO, military facilities are susceptible to electrical outages and fuel cutoffs. In times of emergency such disruptions without a backup could be very harmful to our defense capability. Therefore, this provision requests the Department's views so that a congressional dialog on this issue can begin.

This bill also suggests that, along with the listings of conventional fuels, the Department of Energy should have access to existing Federal databank listings, such as SERI, in order to maintain current records in a catalogued, readily accessible system on the location of all stockpiles in the United States of renewable energy supplies and biofuels and the location of all facilities in the United States for production of renewable energy supplies and biofuels that may be of use to the United States during a national fuel emergency.

Lastly, this piece of legislation will authorize the U.S. Department of Agriculture Commodity Credit Corporation to use spoilt and contaminated grains first—rather than feedstocks—for strategic ethanol for farmers and it enables them to store this fuel for use during periods of fuel shortages in order to provide a stable supply of fuel to the agriculture sector, particularly during seasonal agricultural activities.

This bill has negligible impact on the Federal budget because it makes use of existing Federal programs. It establishes a role for renewable energy in national defense planning and modernization. The expanded role of renewable energy and energy conservation will make the United States militarily more secure in its energy supply.

I ask that my colleagues, by cosponsorship, show their support for this bill that does not create new Federal spending but contributes to reducing U.S. vulnerability to oil embargoes, natural disasters, or other energy emergencies.●

● Mr. JEFFORDS. Mr. Speaker, it is a pleasure and a privilege to join with my colleagues in sponsoring the Solar Energy National Security and Employment Act. It is time to rekindle Federal efforts to promote the development of renewable energy sources and I believe that this bill is an important vehicle for doing so.

In spite of signs that the OPEC cartel is in disarray and the current glut of oil on the international market, it would be foolish of us to believe that the energy crisis is over. An end to the worldwide recession could go a long way toward helping OPEC solve its problems. We are still far too dependent on other countries for our energy.

We are also facing two other immediate problems in this country that are related to the energy crisis and its impacts. One is an unacceptably high level of unemployment. Another is a growing rate of farm failures. These problems threaten to have lasting adverse impacts on our Nation.

I have introduced title III of the SENSE Act, H.R. 1598. This bill, the Renewable Energy Employment Act, is intended to help address some of these problems. A major obstacle to the development of renewable energy technologies is a shortage of skilled technicians in both construction and installation. Surveys indicate that poor installation of solar devices is often a far greater problem than equipment failure. This problem can impede the development of renewable energy sources by engendering public reluctance to invest in these technologies. for example, similar problems with heat pumps in the 1950's prevented their widespread use for nearly 20 years.

One title of the SENSE Act requires that the Secretary of Labor, within existing job training and placement programs, implement policies to enhance the development of a labor force skilled in energy conservation and renewable energy technologies. According to a 1979 study for the Joint Economic Committee, conservation and solar measures create 2½ times as many jobs as an equivalent investment in oil, natural gas, or electricity.

It is becoming increasingly clear that a healthy farm economy is central to a healthy national economy. We must work to reverse the current trend of farm bankruptcies and growing rural unemployment. Unstable energy prices have contributed to these trends, and many farmers have found that windmills, anaerobic digestors, solar heating, and other renewable energy technologies can be cost-effective additions to their operations. The traditions of innovation and self-reliance are perhaps stronger on our farms than anywhere in our Nation.

One section of the SENSE Act attempts to stimulate the use of renewable energy technologies and energy conservation through existing programs of the Department of Agriculture. It is important that USDA help to educate farmers about the benefits of insulating themselves from the vagaries of the international oil market. This can be accomplished with only minor modifications of existing programs.

I want to reiterate my enthusiasm for this bill, its sponsors and the approach of working through existing programs to promote a sound national energy policy. I am optimistic about the prospects for this legislation and I look forward to working with the diverse group assembled here today.●

● Mr. McCURDY. Mr. Speaker, I am pleased to join with my colleague, BILL DICKINSON, to introduce title II of the Solar Energy National Security and Employment Act of 1983. I serve on the House Armed Services, Science and Technology, and Intelligence Committees. As a member of the Armed Services Subcommittees on Procurement and Readiness, I have focused much of my energy on eliminating waste and improving efficiency at the Department of Defense. As a member of the Science and Technology Subcommittee on Energy Development and Applications, I have been strong and vocal supporter of conservation and renewable energy programs.

Energy efficiency and energy independence are vital to our national security. Conservation and renewable energy programs are integral components of a balanced national energy policy directed toward efficiency and independence. DOD is the single largest consumer of energy in the United States. In fiscal year 1981 alone, defense energy costs exceeded $10 billion. The Renewable Energy National Security Act would direct DOD to buy conservation, biofuels, and renewable energy systems for military facilities where cost effective and appropriate. DOD would also have direct access to information on the location of our renewable energy supplies for use in national emergencies. Not only will the SENSE Act improve energy efficiency and make DOD less vulnerable to petroleum disruptions, but also save the Federal Government millions of dollars in energy costs.

I am proud to be a sponsor of the SENSE Act and I urge my colleagues to support this legislation which is vital to our national security and energy independence.●

● Mrs. SNOWE. Mr. Speaker, I am particularly pleased to be a sponsor of title I, the Small Business Development Act. This legislation will expand upon existing Federal programs to help small, renewable energy concerns compete in the growing domestic and world market for renewable energy technologies, systems, and components.

Small businesses are sometimes given short-shrift in Federal programs, and title I helps offset this oversight through its five provisions. Renewable energy businesses tax credits are extended to 1990, and the credits are increased for solar, wind, and geothermal applications, other provisions encourage the Export-Import Bank to devote a percentage of its loans to small renewable energy businesses, mandate that a proportion of Federal energy research and development budgets be spent on renewable energy concerns, direct the Commerce Department to focus attention on renewable energy's export potential, and enable small power producers to receive a fair and reasonable payment for the electricity they supply utilities.

I commend the Solar Lobby for supporting a program that is comprehensive in scope, yet, except for the extension of the energy tax credits, will cost the Federal Government very little. I believe that with the modest encouragement provided by title I, the renewable energy field can make a significant contribution to our own energy independence, and to a receptive world market. I look forward to working for passage of title I and the entire SENSE package in the months ahead.●

● Mr. BEDELL. Mr. Speaker, I am pleased to join my colleague from Maine, OLYMPIA SNOWE, as a sponsor of title 1 of the Solar Energy National Security and Employment Act (SENSE).

The introduction of the SENSE Act comes at a time when our renewable energy programs are under siege. For the past 2 years, Congress has been able to fight off administration attempts to virtually eliminate entire renewable energy programs by voting to maintain minimum program budgets. In addition, by twice showing strong bipartisan support for the business and residential energy tax credits, Congress was able to convince the President to back off from his proposals to eliminate them in fiscal years 1982 and 1983.

This year the story is much the same. The administration's fiscal year 1984 budget request for the Department of Energy contains drastic cuts for renewable energy programs. On the other hand, nuclear energy programs continue to receive the lion's share of DOE's budget. The chart below looks at selected items from the Department's fiscal year 1984 budget request and compares them to actual

funding levels in 1981. Note the staggering increase in the atomic energy defense activities at DOE, both in dollars and as a proportion of the DOE's total mission.

SELECTED ITEMS FROM DOE'S ENERGY BUDGET

[Dollars in millions]

Description	Fiscal year 1981 actual	Fiscal year 1984 Reagan request	Percent of change
General Science and Research	504	645	+28
Conservation activities	712	74	−90
Geothermal R&D	143	13	−91
Solar R&D	500	87	−83
Electrical energy	40	12	−70
Fossil energy activities	994	138	−86
Energy storage	72	14	−80
Hydropower R&D	12		
Total nonnuclear	2,977	983	−67
Atomic energy defense activities	3,668	6,778	+85
Nuclear fission R&D	986	844	−14
Nuclear fusion R&D	376	467	+24
Total nuclear	5,030	8,089	+61

Most troubling to me is the failure to commit the Government to a policy of pursuing least-cost energy options. Such a policy, in the long run, could reduce our dependence on unstable and environmentally unsound sources of energy.

If we are going to adopt the notion of an unencumbered, free market, hands off approach to energy policy, as the administration claims, then we must not play games as they are with fiscal year 1984 budget request, by blatantly favoring certain energy technologies over others. If the administration is really serious about free-market energy policies, then I suggest we join together to root out the billions of dollars of subsidies we now give each year to petroleum, gas, coal, and nuclear industries. But if this administration will not or cannot do this, then they should at least stop trying to kill the emerging new technologies that are arising to compete with those older sources of energy.

But our Government continues to encourage, through tax policy and numerous other subsidies, conventional and capital intensive sources of energy. We are even encouraging the export of nuclear technology and hardware using scarce trade subsidies.

At the same time, this administration makes it extremely difficult for renewable energy industries to gain access to similar subsidies. In the last Congress I chaired the Small Business Energy Subcommittee. We held hearing on marketing opportunities in the photovoltaics industry. You would not believe the trouble the photovoltaics industry has in getting just a little respect from this administration. Foreign competitors, who enjoy strong support from their governments, are rapidly overtaking our domestic solar industry in the race for world markets.

I submit that our present national energy policies, if we can call it that, is taking us in the wrong direction. If we continue on our present course, we will have to pay a tremendous price in the future for the poor choices we are making today. We will lose some of the technological advantages over our international competitors that we have achieved in recent years; the growth of new energy industries in this country will be stunted; jobs and tax revenue will be forgone, and our national security will be weakened. All this is likely unless we act now to increase our energy independence by investing in the energy sources of the future.

That is why the SENSE Act is so important. This legislation is the rallying point behind which we can gather to affirm our support for a rational, balanced energy policy in America. The time has come for the Congress to write and present to the President its own national energy plan. We must reject the confused and misguided policies that this administration has sent forward.

Mr. Speaker, the following is an outline of title 1 of the SENSE Act, the Renewable Energy Small Business Development Act of 1983.

OUTLINE OF TITLE I OF THE SOLAR ENERGY NATIONAL SECURITY ACT

Title I: "The Renewable Energy Small Business Development Act of 1983."

To extend the business energy tax credits for all renewable energy applications through 1990; to increase the business tax credits for solar, wind and geothermal energy applications to 25 percent, and the business tax credits for hydroelectric projects to 15 percent.

To reserve at least 12 percent of the Export-Import Bank's loan authority in any fiscal year for businesses with $25 million or less in previous-year sales, with a suggested involvement of renewable energy businesses.

To instruct the U.S. Department of Commerce, in the context of its trade development policy and program activities, to address the renewable energy sector as a separate industry sector and to coordinate trade development activities through its formal industry and export-related organizations.

To clarify Section 210 of the Public Utility Regulatory Policies Act (PURPA) of 1978, re-establishing the right of small power producers to interconnect with utility grids, and to enter into power exchanges with utilities at fair and reasonable rates as intended in the original Act.

To reaffirm the importance of small innovative businesses in federally-supported research, development and demonstration (RD&D) activities as required under P.L. 97-219, and to suggest that a portion of the U.S. Department of Energy programs under this law be reserved for renewable energy small R&D businesses.●

● Mr. EDGAR. Mr. Speaker, I am deeply concerned about the large-scale unemployment across the United States. In 1982, I orchestrated a discussion on the floor of the House of Representatives on the positive impacts of renewable energy development on our Nation's employment. I believe we must put the American people back to work in occupations with high-future-growth potential. The employment title of the Solar Energy, National Security, and Employment (SENSE) Act is a rational step in this direction. I would like to submit the article by the Christian Science Monitor, published February 7, 1983, titled "A Way To Help Put America Back To Work—and Save Energy."

A WAY TO HELP PUT AMERICA BACK TO WORK—AND SAVE ENERGY

(By Leon Lindsay)

SAN FRANCISCO.—One of the best job-producing moves government could make, according to energy-conservation advocates, would be an investment in weatherization and solar-energy devices for homes and businesses across the United States.

People involved in such conservation activities say their potential for producing new jobs, business expansion, and energy savings has been demonstrated. A much larger commitment than has been proposed either by the Reagan administration or congressional Democrats is justified, the conservationists argue.

A $5.4 billion Democratic jobs bill, passed by the US House late last year but not acted upon by the Senate, would have provided $250 million for weatherproofing homes and apartments occupied by low-income residents.

Although Department of Energy funding for conservation projects is cut almost in half in President Reagan's proposed fiscal 1984 budget—from $670 million in fiscal '83 to $383 million in the budget year beginning next July 1—statistics gathered over the past several years by agencies involved in weatherization and solar energy projects indicate these activities are very efficient employment stimulators.

The Solar Lobby in Washington, D.C., will announce later this month a "Solar Energy, National Security, and Employment Act." The measure would provide major impetus to the energy conservation effort. It will not require any new funding in fiscal 1984, according to Scott Sklar, the lobby's political director.

The bill has four parts, explains Mr. Sklar, dealing with small business, national security, employment, and consumer information. "Basically they either protect or broaden certain programs to help renewable energy or extend programs that are due to be cut off in the future," he says. Energy tax credits for small businesses and homeowners, due to expire in 1985, would be extended to 1990. Under the bill, skill training for workers in renewable energy and conservation activities, such as solar and weatherization, would be allowable in all federal jobs programs.

A bipartisan group of 20 US senators and representatives, several of them chairmen of key committees, are sponsoring the legislation.

Ted Rauh, chief of the Division of Conservation of the California Energy Commission, points out that conservation activities are a close second to highway construction in providing jobs and stimulating business activity—with the added benefit of cutting energy consumption and costs. Energy efficiency programs and businesses in California provided $750 million worth of jobs and investments in 1982, Mr. Rauh reports.

Researchers for the AFL-CIO's Industrial Union Department project that energy conservation activities could create 600,000 jobs by 1990.

Michael Gordon, program director of The Institute for the Human Environment in San Francisco, says: "An expanded effort to 'button up our homes' would provide many thousands of jobs in both the public and private sectors—through production of home weatherization materials; retail sales of insulation, weatherstripping, caulk, water-heater blankets, low-flow shower heads, and other products: and the organization, administration, and implementation of coordinated local weatherization programs throughout the United States."

He cites Santa Clara County, Calif., as an example. It is estimated, Mr. Gordon says, that "if even 25 percent of homes in the county needing weatherization were made energy-efficient, almost $30 million in local sales of material could be realized."

Portland, Ore., which began an ambitious weatherization and energy-conservation program in 1979, provides impressive evidence of what it can mean to a local economy.

According to Jeanne McCormick, director of the Portland [Ore.] Energy Office, that city's weatherization and energy conservation program has produced many benefits in terms of residential and business savings—and jobs saved as well as created. "We have found," she says, "that, generally, investment of $15 million by local businesses in such projects such as insulating buildings, or changing to more energy-efficient ways of making their products, create—directly—525 jobs.

"There's not only the contractor who comes in to do the job, there are engineers who perform energy audits and architects who design changes. Then there's what we call the 'leveraging effect,' where you have the secretary who works for the contractor, and so forth.

"We have done energy audits for 146 small businesses, which have been able to cut energy consumption [an average of] 19½ percent as a result. Even though energy costs in Portland are lower than in many other areas of the country, those firms collectively are saving $525,000 a year. They can reinvest that money in expansion.

"So it's not just the number of jobs created by the weatherization itself, but how much money that business saves that can be used to diversify or expand or spend on training or use it to keep people on the job."

Mrs. McCormick and others point out that little retraining of workers is involved in these energy-conservation activities. Most come from the existing pool of unemployed skilled workers—carpenters, pipefitters, boilermakers, and plumbers, and others in light construction and light manufacturing. Other direct and indirect positions are created in marketing, retail sales, business management, lending, and the appraisal and real-estate fields.●

● Mr. NEAL. Mr. Speaker, no one needs to be reminded of the havoc caused by the oil embargo of 1973, and in turn, the quadrupling of oil prices. The crisis demonstrated how dangerously dependent our Nation and the rest of the West had become on imported oil—the lifeblood of industrialized civilization. It also pointed out the need and the value of developing our virtually untapped renewable resource base. Threatened with more possible supply interruptions, Congress implemented valuable programs promoting renewable resources, yet current apathy threatens to halt the impressive progress we are making. Therefore, I have joined Congressman STEWART MCKINNEY in introducing the Renewable Energy Consumer Incentives Act of 1983, which constitutes title IV of the Solar Energy National Security and Employment (SENSE) Act. Essentially this legislation reaffirms our Nation's commitment to the full development of renewable energy technologies, by using existing Federal programs to promote consumer use of renewable energy resources.

Provision I of this bill proposes to extend the renewable energy and energy conservation home tax credits to 1990 and to insure that this credit can be taken for both active and passive solar devices. The IRS has maintained that passive solar systems do not qualify for tax credits, even though these systems were specified in the law.

Mr. Speaker, in 1980, my Solar Energy and Energy Conservation Bank concept was adopted as the centerpiece of the Carter administration's solar program, and later enacted into law. Unfortunately, the Reagan administration opposed the Bank program and withheld its funds. Subsequently, several of my colleagues and I joined the solar lobby and others in a successful lawsuit to force the U.S. Department of Housing and Urban Development to implement the Bank program and release some of $40 million of appropriated funds. The Bank is now several years behind schedule and funding authority has been reduced to a fraction of what was permitted under the Energy Security Act of 1980. The second provision of this legislation, therefore, includes my recent bill, H.R. 231, which would restore the Solar Bank to its original dimensions and extend its authorization through 1990. The legislation would direct the Bank to fund active solar applications, to treat single and multifamily housing equally, and to allow entites other than the States—cities, credits unions, banks, etc.—to apply directly for Bank funds. The most salient feature of the Bank, Mr. Speaker, is that it helps the vast majority of middle-income families that do not qualify for the low-income weatherization program and cannot afford to take advantage of the residential solar tax credits.

In addition, the legislation would maintain Federal programs providing information about renewable energy technologies and products to business and consumers. Federal and State governments maintain a storehouse of valuable information about renewable energy technologies, but it is of little value if it is not readily accessible to the public.

In another provision, Mr. Speaker, the bill would reaffirm Federal support for energy labeling for automobiles and home appliances that enable consumers to make wise shoping comparisons. To help insure the reliability of these new products, the bill would allow the Small Business Administration to extend loans to enable small renewable energy businesses to test their products under its energy loan program.

While small generators of electricity can sell excess load to utilities, it is generally a difficult and costly process. Our legislation would follow the pattern of several innovative States and require all State utility commissions to standardize contracts between residential producers of less than 100 kilowatts and electric utilities.

Mr. Speaker, the administration's opposition to renewable energy, the recession and general apathy about our energy problems have combined to create considerable confusion and uncertainty about the future market for renewable energy products. If we are to be prepared for inevitable shortages of oil and natural gas—and the attendant price hikes—it is critical that we act now to restore confidence in the future of renewable energy. This proposal is a modest effort but its passage would go a long way toward assuring that our Nation has a viable alternative to imported oil.

Finally, Mr. Speaker, it would be a mistake, in my opinion, not to focus on energy in devising legislation to reduce unemployment in this country. Improving the energy efficiency of buildings is labor intensive and requires both low-skilled and highly trained workers in the construction trades. It fulfills a real and pressing national need, providing basic training in skills that are highly transferable, in an economic sector—housing—that has historically led us out of recessionary periods. Moreover, energy is one of the most inflationary sectors of the economy, accounting for 15 percent of the increase in the Consumer Price Index since 1973. An energy jobs program, therefore, would be uniquely suited to help accomplish the elusive twin goals of low inflation and high employment. Therefore, I would urge my colleagues and the leadership to support this proposal from the perspective of an energy bill, a national security bill, and as a means of addressing our serious unemployment problems.●

● Mr. MCKINNEY. Mr. Speaker, while utility bills rise and oil prices drop, solar energy continues to be a stable and viable energy source. The relatively new and advancing technologies to harness an increasing amount of solar energy need to be made more accessible to all consumers; therefore Congressman NEAL and myself are introducing the Renewable Energy Consumer Incentives Act of 1983, which is a part of the Solar Energy National Security and Employment (SENSE) Act.

One provision of this bill proposes the reauthorization of the Solar Energy and Conservation Bank bill 1990, which provides low-interest loans for cost-effective residential renewable energy and energy conservation applications. As a coauthor of the original Solar Bank legislation in 1980, I still see the need for the Bank to continue. While the residential renewable energy tax credits are available for people of higher income brackets, and the low-income weatherization programs assist the poor, the Solar Energy Bank and Energy Conservation Bank is the only vehicle available to assist the large group of middle-income Americans wanting to make the conversion to solar.

Another key provision is this bill extends the residential renewable energy tax credits to 1990. This makes the purchase of solar systems that are economical over the life of the system more feasible by the average consumer.

Most of the remaining provisions of this bill, maintain effective existing programs which provide consumers with information to make informed purchases, provide business with Federal loans to meet these information requirements, and provide Congress with data on the impacts to renewable energy on domestic employment, international balance of payments, and displacement of oil imports.

I am happy to be a prime sponsor of Renewable Energy Consumer Incentives Act which helps the average American make the transition to renewable energy. I am pleased to be part of the large bipartisan effort to use existing Federal programs to promote the use of energy conservation and renewable energy in the SENSE Act.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOLAND (at the request of Mr. WRIGHT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GEKAS) to revise and extend their remarks and include extraneous material:)

Mr. SENSENBRENNER, for 5 minutes, today.

Mr. LEWIS of California, for 5 minutes, today.

Mr. MADIGAN, for 30 minutes, today.

Mr. CONABLE, for 20 minutes, today.

Mr. CORCORAN, for 30 minutes, today.

Mr. LEACH of Iowa, for 30 minutes, today.

(The following Members (at the request of Mr. OLIN) to revise and extend their remarks and include extraneous material:)

Mr. MONTGOMERY, for 5 minutes, today.

Mr. STARK, for 10 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MITCHELL, for 5 minutes, today.

Mr. ST GERMAIN, for 15 minutes, today.

Mr. BROWN of California, for 10 minutes, today.

Mr. ROSE, for 5 minutes, today.

Mr. WIRTH, for 30 minutes, today.

Mr. KASTENMEIER, for 10 minutes, today.

Mr. GAYDOS, for 30 minutes, on March 14.

Mr. PEASE, for 10 minutes, on March 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GILMAN, to revise and extend his remarks on the rule.

Mr. BIAGGI to revise and extend his remarks on the rule.

Mr. ALBOSTA, to revise and extend his remarks today on general debate on H.R. 1900.

Mr. WALGREN, in general debate on H.R. 1900 in the Committee of the Whole today.

(The following Members (at the request of Mr. GEKAS) and to include extraneous matter:)

Mr. BROOMFIELD.
Mrs. SNOWE.
Mr. FRENZEL.
Mr. GINGRICH in two instances.
Mr. BROYHILL.
Mr. SOLOMON.
Mr. SUNDQUIST.
Mr. KEMP.
Mr. FIELDS in three instances.
Mr. MCKINNEY.
Mr. GEKAS.
Mr. GILMAN in two instances.
Mr. BILIRAKIS in two instances.
Mr. SHUMWAY.
Mr. CORCORAN.
Mr. PURSELL.
Mr. MADIGAN.
Mr. HILLIS.
Mr. RITTER.
Mr. LIVINGSTON.
Mr. SKEEN.
Mr. GRADISON.
Mr. DANNEMEYER.
Mr. LENT.
Mr. HAMMERSCHMIDT.
Mr. PHILIP M. CRANE.
Mr. STUMP.
Mr. WOLF.

(The following Members (at the request of Mr. OLIN) and to include extraneous matter:)

Mr. HOYER in two instances.
Mr. YATRON in two instances.
Mr. WIRTH.
Ms. MIKULSKI.
Ms. FERRARO in two instances.
Mr. RATCHFORD.
Mr. HARRISON in three instances.
Mr. D'AMOURS.
Mr. GAYDOS in three instances.
Mr. UDALL.
Mr. RANGEL in three instances.
Mr. BORSKI.
Mr. SCHUMER.
Mr. HATCHER.
Mr. FAUNTROY.
Mr. REID.
Mr. GIBBONS in two instances.
Mr. BERMAN.
Mr. SIMON in three instances.
Mr. WYDEN.
Mr. EDWARDS of California.
Mr. BEVILL.
Mr. EDGAR.
Mr. ZABLOCKI.
Mr. NEAL.
Mr. BURTON of California.
Mr. BEDELL.
Mr. HUBBARD.
Mrs. SCHROEDER.
Mr. WALGREN.
Mr. PATTERSON.
Mr. LEVINE of California.
Mr. BARNES.
Mr. OTTINGER in two instances.
Mr. TORRES.
Mr. MINETA.
Mr. CONYERS.
Mr. WEISS.
Mr. LELAND.
Mrs. KENNELLY.
Ms. KAPTUR in two instances.
Mr. HANCE.

BILL PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on March 8, 1983 present to the President, for his approval, a bill of the House of the following title:

H.R. 1572. An act to repeal section 311 of the Federal Public Transportation Act of 1982.

ADJOURNMENT

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Thursday, March 10, 1983, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

513. A letter from the Secretary of the Army, transmitting a written report on the

unit cost breaches reported in February (Executive Communication No. 314) to further comply with the reporting requirements, pursuant to section 1107 of Public Law 97-252; to the Committee on Armed Services.

514. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the decision to convert to contractor performance the administrative telephone service for the southeast region, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

515. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to permit the Army and the Air Force to appoint physicians with at least 4 years of service credit to the Medical Corps Reserve in the initial pay grade of 0-3; to the Committee on Armed Services.

516. A letter from the General Counsel, Federal Emergency Management Agency, transmitting a proposal to amend the National Housing Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

517. A letter from the Assistant Secretary for Food and Consumer Services, Department of Agriculture, transmitting a report on the evaluation of the child care food program, pursuant to section 17 of Public Law 95-627; to the Committee on Education and Labor.

518. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of political contributions of Ambassador-designate Alvin P. Adams, Jr., and members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

519. A letter from the Executive Director, Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1983, and to authorize appropriations for fiscal years 1984 and 1985; to the Committee on Foreign Affairs.

520. A letter from the Director, U.S. Information Agency, transmitting a draft of proposed legislation entitled, "United States Information Agency Authorization Act, Fiscal Years 1984 and 1985"; to the Committee on Foreign Affairs.

521. A letter from the Director of Administration, Department of Energy, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

522. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the final report on the adjacent lands study for Grand Canyon National Park, pursuant to Public Law 93-620; to the Committee on Interior and Insular Affairs.

523. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, as well as a list of persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

524. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1984 and 1985 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

525. A letter from the Chairman of the Board of Governors, U.S. Postal Service, transmitting the annual report of the Postmaster General for fiscal year 1982, pursuant to 39 U.S.C. 2402; to the Committee on Post Office and Civil Service.

526. A letter from the Comptroller General of the United States, transmitting a report on ways to change the medicaid formula to improve distribution of funds to States (GGD-83-27); jointly, to the Committees on Government Operations, Energy and Commerce, and Ways and Means.

527. A letter from the Comptroller General of the United States, transmitting a report on legislative changes that are needed to more efficiently and equitably handle certain cases under the Federal Youth Corrections Act (GGD-83-40, March 9, 1983); jointly, to the Committees on Government Operations and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPIN: Committee on Armed Services. H.R. 1936. A bill to amend title 37, United States Code, to extend certain expiring enlistment and reenlistment bonuses for the Armed Forces (Rept. No. 98-27). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 271. A bill to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes (Rept. No 98-28). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOWARD: Committee on Public Works and Transportation. House Resolution 97. Resolution disapproving the proposed deferral of budget authority for the Mass Transportation Capital Fund (deferral numbered D83-59) (Rept. No. 98-29). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 1646. A bill to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure sufficient resources to pay current and future benefis under the Railroad Retirement Act of 1974, to make technical changes, and for other purposes; with an amendment (Rept. No. 98-30, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ (for himself, Mr. ST GERMAIN, Mr. FAUNTROY, Mr. PATTERSON, Mr. LUNDINE, Ms. OAKAR, Mr. VENTO, Mr. GARCIA, Mr. LOWRY of Washington, Mr. MITCHELL, Mr. HUBBARD, Mr. D'AMOURS, Mr. SCHUMER, Mr. FRANK, Mr. COYNE, Mr. LEHMAN of California, Mr. MORRISON of Connecticut, Ms. KAPTUR, Mr. ERDREICH, Mr. LEVIN of Michigan, Mr. CARPER, and Mr. TORRES):

H.R. 1983. A bill to amend certain housing and community development laws to provide emergency mortgage assistance to homeowners and emergency shelter for the homeless; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FIELDS (for himself, Mr. RANGEL, Mr. VANDER JAGT, Mr. GUARINI, Mr. GEPHARDT, Mr. HEFTEL of Hawaii, Mr. HANCE, Mr. CAMPBELL, Mr. THOMAS of California, Mr. ST GERMAIN, Mr. KEMP, Mr. ADDABBO, Mr. CONTE, Mr. GRAY, Mr. LOTT, Mr. MONTGOMERY, Mr. HOWARD, Mr. PRICE, Mr. FISH, Mr. ANNUNZIO, Mr. AKAKA, Mr. ANDREWS of Texas, Mr. BADHAM, Mr. BARNARD, Mr. BARTLETT, Mr. BENNETT, Mr. BEREUTER, Mr. BIAGGI, Mr. BILIRAKIS, Mr. BLILEY, Mr. BONIOR of Michigan, Mrs. BOXER, Mr. BREAUX, Mr. BROWN of Colorado, Mrs. BYRON, Mr. CARPER, Mr. CHANDLER, Mr. CHAPPIE, Mr. CHENEY, Mr. CLINGER, Mr. COATS, Mr. COELHO, Mrs. COLLINS, Mr. CONYERS, Mr. CORCORAN, Mr. CORRADA, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. DANNEMEYER, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DE LUGO, Mr. DEWINE, Mr. DIXON, Mr. DREIER of California, Mr. DYMALLY, Mr. DYSON, Mr. ECKART, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. ENGLISH, Mr. FEIGHAN, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. FRANKLIN, Mr. GARCIA, Mr. GINGRICH, Mr. GRAMM, Mr. GUNDERSON, Mr. RALPH M. HALL, Mr. SAM B. HALL, Jr., Mr. HANSEN of Utah, Mr. HARTNETT, Mr. HERTEL of Michigan, Mr. HIGHTOWER, Mr. HILER, Mr. HORTON, Mr. HUBBARD, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JEFFORDS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEATH of Texas, Mr. LEHMAN of California, Mr. LELAND, Mr. LENT, Mr. LEWIS of California, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCDADE, Mr. MCEWEN, Mr. MCGRATH, Mr. MCKERNAN, Mr. MCKINNEY, Mr. MCNULTY, Mr. MADIGAN, Mr. MARKEY, Mr. MARLENEE, Mr. MARRIOTT, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MAVROULES, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MORRISON of Washington, Mr. MURPHY, Ms. OAKAR, Mr. OBERSTAR, Mr. ORTIZ, Mr. OTTINGER, Mr. OWENS, Mr. OXLEY, Mr. PACKARD, Mr. PARRIS, Mr. PASHAYAN, Mr. PORTER, Mr. PRITCHARD, Mr. PURSELL, Mr. RAHALL, Mr. RATCHFORD, Mr. RICHARDSON, Mr. RITTER, Mr. ROBERTS, Mr. ROE, Mr. ROGERS, Mr. SABO, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SHAW, Mr. SHELBY, Mr. SHUMWAY, Mr. SILJANDER, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mrs. SNOWE, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STENHOLM, Mr. STOKES, Mr. SUNIA, Mr. SYNAR, Mr. TAUKE, Mr. TAUZIN, Mr. TAYLOR, Mr. VANDERGRIFF, Mr. WALGREN, Mr. WALKER, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEBER, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr.

WINN, Mr. WIRTH, Mr. WON PAT, Mr. YOUNG of Alaska, Mrs. VUCANOVICH, Mr. BURTON of Indiana, and Mr. MRAZEK):

H.R. 1984. A bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the U.S. Olympic Committee; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. ANDREWS of North Carolina (for himself, Mr. JONES of North Carolina, Mr. ROSE, Mr. WHITLEY, Mr. NEAL, Mr. MARTIN of North Carolina, Mr. HEFNER, Mr. BRITT, Mr. CLARKE, and Mr. VALENTINE):

H.R. 1985. A bill to prevent the sale of certain lands located in Research Triangle Park, N.C.; to the Committee on Government Operations.

By Mr. ARCHER:

H.R. 1986. A bill to amend the Tariff Act of 1930 regarding the country of origin marking requirements for certain imported pipe and pipe fittings; to the Committee on Ways and Means.

By Mr. GARCIA (for himself, Mr. COURTER, and Mr. CONTE):

H.R. 1987. A bill to establish the Commission on the Bicentennial of the Constitution of the United States; to the Committee on Post Office and Civil Service.

By Mr. BETHUNE:

H.R. 1988. A bill to authorize the flood control project on Fourche Bayou in Saline and Pulaski Counties, Ark.; to the Committee on Public Works and Transportation.

By Mr. BROYHILL (for himself, Mr. BLILEY, Mr. OXLEY, Mr. LENT, Mr. MADIGAN, and Mr. TAUKE):

H.R. 1989. A bill to establish a National Commission to examine and report to Congress regarding the Superfund program, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BURTON of California:

H.R. 1990. A bill to amend the Immigration and Nationality Act to provide special preference treatment for certain children born in the Philippines and fathered by American servicemen; to the Committee on the Judiciary.

By Mr. CONABLE (for himself, Ms. MIKULSKI, Mrs. KENNELLY, Mr. SHANNON, Mr. DOWNEY of New York, and Mrs. JOHNSON):

H.R. 1991. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the expenses for household and dependent care services necessary for gainful employment which may be taken into account for computing a tax credit, and to include certain organizations providing dependent care within the definition of tax-exempt organization under such Code; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 1992. A bill to amend the Internal Revenue Code of 1954 to exempt from rules relating to foreign conventions all conventions, and so forth held on domestic cruise ships and on certain foreign cruise ships which port in qualified caribbean Basin countries; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 1993. A bill to prohibit for 2 years the conversion of residential rental units to residential units which are to be offered for sale, and to establish a Presidential Commission on Problems Relating to the Conversion of Residential Rental Units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1994. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of condominiums and cooperative housing corporations; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 1995. A bill to suspend for a 2-year period the duty on the chemical commonly known as flecainide acetate; to the Committee on Ways and Means.

By Mr. FUQUA (by request):

H.R. 1996. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal years 1984-85, and for other purposes; to the Committee on Science and Technology.

By Mrs. HOLT:

H.R. 1997. A bill to amend chapter 10 of title 36, United States Code, to define the "Star-Spangled Banner," and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LEWIS of California:

H.R. 1998. A bill to prohibit U.S. economic assistance for Warsaw Pact countries until the Soviet Union and the United States have signed a nuclear arms limitation agreement which provides for significant and verifiable reductions in nuclear weapons; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. McDADE:

H.R. 1999. A bill to amend the Public Works and Economic Development Act of 1965 to target economic development assistance to areas which are suffering the most chronic conditions of unemployment, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MOORE:

H.R. 2000. A bill to amend the Internal Revenue Code of 1954 to allow nondeductible savings contributions to individual retirement accounts and individual retirement annuities and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 2001. A bill to amend the Internal Revenue Code of 1954 to deny the benefits of the accelerated cost recovery system to any business which does not expand its employment; to the Committee on Ways and Means.

By Mrs. COLLINS:

H.R. 2002. A bill to amend the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2003. A bill to amend the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2004. A bill to prohibit involuntary terminations by electric and natural gas utilities of service for residential heating and other residential purposes between October 15 each year and April 14 of the following year and in cases in which such terminations present special dangers to health, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BROWN of California:

H.R. 2005. A bill to amend the Federal Election Campaign Act of 1971 to limit contributions by nonparty multicandidate political committees in election campaigns for the House of Representatives, to provide for reduced rates of postage for general election campaigns for the House of Representatives, and for other purposes; jointly, to the Committees on House Administration and Post Office and Civil Service.

By Mrs. COLLINS:

H.R. 2006. A bill to prohibit the export of certain military significant items to the Republic of South Africa and to provide for notification to the Congress of the proposed issuance of a validated license for an export to the Republic of South Africa, with each House of Congress being able to prevent the issuance of any such license by adoption of a resolution of disapproval; to the Committee on Foreign Affairs.

H.R. 2007. A bill to amend the Immigration and Nationality Act to require that any alien who has been detained for further inquiry or who has been temporarily excluded shall have the right to be represented by counsel from the time of such detention or exclusion; and for other purposes; to the Committee on the Judiciary.

H.R. 2008. A bill to amend title 18 of the United States Code to provide penalties for assaults against the elderly that result in medical expenses paid by the United States; to the Committee on the Judiciary.

H.R. 2009. A bill to amend title 5, United States Code, to require certain Federal agencies to provide to certain employees notice of procedures through which such employees may challenge actions taken against them by such agencies; to the Committee on Post Office and Civil Service.

H.R. 2010. A bill to amend part A of title XVIII of the Social Security Act to provide emergency assistance to medicare-participating hospitals to enable them to continue to provide vital medical and other health services; to the Committee on Ways and Means.

H.R. 2011. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mrs. COLLINS (for herself and Mr. OBERSTAR):

H.R. 2012. A bill to amend the Natural Gas Policy Act of 1978 to permanently control wellhead natural gas prices, to control certain prices currently deregulated, to eliminate ceiling price inflation, to prohibit take-or-pay contract clauses, to prices, to require hearings in advance of pipeline rate increases, to provide funding for low-income fuel assistance and weatherization, and to limit the importation of imported natural gas; to the Committee on Energy and Commerce.

By Mr. CONYERS:

H.R. 2013. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. CORCORAN (for himself, Mr. O'BRIEN, Mr. MADIGAN, Mr. ERLENBORN, Mrs. COLLINS, Mr. LIPINSKI, Mr. PRICE, Mr. MICHEL, Mr. YATES, Mr. ANNUNZIO, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DURBIN, Mr. EVANS of Illinois, Mr. HYDE, Mrs. MARTIN of Illinois, Mr. PORTER, Mr. ROSTENKOWSKI, Mr. RUSSO, Mr. SAVAGE, Mr. SIMON, and Mr. WASHINGTON):

H.R. 2014. A bill to establish the Illinois and Michigan Canal National Heritage Corridor in the State of Illinois, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GILMAN:

H.R. 2015. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit employ-

ment discrimination on the basis of political preference; to the Committee on Education and Labor.

By Mr. CRAIG:

H.R. 2016. A bill to provide that the Secretary of the Army and the Chief of Engineers shall not have certain permitting authority with respect to Lake Pend Oreille, Idaho; to the Committee on Public Works and Transportation.

By Mr. DASCHLE:

H.R. 2017. A bill to amend title 38, United States Code, to provide a presumption of service connection for the occurance of certain diseases related to exposure to herbicides or other environmental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era; to the Committee on Veterans' Affairs.

By Mr. DONNELLY:

H.R. 2018. A bill to provide for the issuance of a commemorative postage stamp to honor Rocky Marciano; to the Committee on Post Office and Civil Service.

By Mr. LIVINGSTON (for himself, Mrs. BOGGS, Mr. BEAUX, Mr. HUCKABY, Mr. MOORE, and Mr. TAUZIN):

H.R. 2019. A bill to provide for the minting of silver dollars to support the 1984 Louisiana World Exposition; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LUJAN:

H.R. 2020. A bill to direct the Secretary of the Treasury to pay the funds appropriated by this act to the Administrator of Veterans' Affairs for the purchase of a parcel of land adjacent to the Santa Fe, N. Mex., National Cemetery; to the Committee on Appropriations.

By Mr. McEWEN:

H.R. 2021. A bill to amend the Internal Revenue Code of 1954 to allow an individual to withdraw amounts from an individual retirement account for the purchase of a principal residence; to the Committee on Ways and Means.

H.R. 2022. A bill to amend the Internal Revenue Code of 1954 to provide that amounts paid for health insurance will be allowed as a deduction without regard to the 3 percent limitation on the medical deduction, and for certain life insurance premiums, and for other purposes; to the Committee on Ways and Means.

By Mr. MADIGAN:

H.R. 2023. A bill to expand and improve the domestic commodity distribution program; to the Committee on Agriculture.

By MATSUI (for himself and Mr. FAZIO):

H.R. 2024. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the American River in California as a component of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. MINETA:

H.R. 2025. A bill to amend the Congressional Budget Act of 1974 to improve the congressional budget process, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. MITCHELL (for himself, Mr. DELLUMS, and Mrs. BOXER):

H.R. 2026. A bill to provide that registration under the Military Selective Service Act may only be carried out in accordance with applicable regulations and Presidential proclamations; to the Committee on Armed Services.

By Mr. OBERSTAR:

H.R. 2027. A bill to exempt entities receiving financial assistance from the Rural Electrification Administration from fees under the Federal Land Policy and Management Act of 1976; to the Committee on Interior and Insular Affairs.

By Mr. PANETTA:

H.R. 2028. A bill to amend title 18, United States Code, to make unlawful the adulteration of any food, drug, or cosmetic carried out with knowledge that it is probable that the death or injury of a person will be caused by such adulteration; to the Committee on the Judiciary.

H.R. 2029. A bill to amend title XVIII of the Social Security Act to remove the homebound requirement for home health services and to include additional types of services as home health services, to amend the Domestic Volunteer Service Act of 1973 to clarify the purposes, goals, and administration of the senior companion program, and to amend the Internal Revenue Code of 1954 to establish an income tax credit for maintaining a household for dependents who are 65 years of age or older; jointly, to the Committees on Ways and Means, Energy and Commerce, and Education and Labor.

By Mr. PAUL:

H.R. 2030. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to make social security coverage completely optional for both present and future workers, to freeze benefit levels, to provide for the partial financing of future benefits from general revenues subject to specified conditions, to eliminate the earnings test, to make changes in the tax treatment of IRA accounts, and for other purposes; to the Committee on Ways and Means.

By Mr. ROSE (for himself and Mr. SKEEN):

H.R. 2031. A bill to require the Secretary of the Interior, under certain conditions, to convey the Wrightsville Beach Test Facility (a Federal desalting facility) to the town of Wrightsville Beach, N.C., and to convey the Roswell test facility (another Federal desalting facility) to the city of Roswell, N. Mex., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUSSO (for himself and Mr. CONABLE):

H.R. 2032. A bill to amend the Internal Revenue Code of 1954 to permit the Secretary of the Treasury to extend, under certain circumstances, the 5-year period within which private foundations must dispose of excess business holdings; to the Committee on Ways and Means.

By Mr. SCHUMER (for himself, Mr. MORRISON of Connecticut, Mr. COYNE, and Ms. OAKAR):

H.R. 2033. A bill to provide that the Secretary of the Department of Housing and Urban Development shall use the same cost-based criteria in determining payments for the operation of lower income housing projects that were used immediately prior to January 1, 1983; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SEIBERLING:

H.R. 2034. A bill to amend the Military Selective Service Act to exempt from registration under that act persons who are conscientiously opposed to participation in war in any form; to the Committee on Armed Services.

By Mr. SENSENBRENNER:

H.R. 2035. A bill to amend the Immigration and Nationality Act to change the numerical limitations on admission of permanent residents and refugees to the United States, to deter illegal employment of aliens, and for other purposes; jointly, to the Committees on the Judiciary, Rules, Ways and Means and Energy and Commerce.

By Mr. SIMON:

H.R. 2036. A bill to amend the Public Health Service Act to provide assistance to medical facilities in developing and establishing dependent care facilities for dependents of employees of such medical facilities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DENNY SMITH:

H.R. 2037. A bill to amend section 2687 of title 10, United States Code, to provide greater flexibility and efficiency in existing procedures for the closure and realinement of military installations and in the disposal of excess Federal real property under the jurisdiction of the Department of Defense; to the Committee on Armed Service.

By Mr. SOLARZ:

H.R. 2038. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for expenditures made for the purchase and installation of locks and other security devices in principal residences; to the Committee on Ways and Means.

H.R. 2039. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

H.R. 2040. A bill to amend title XVI of the Social Security Act to provide that parent's income and resources shall not be attributed to a child under age 21 for purposes of determining such child's eligibility for SSI benefits, if such child is under a disability which is permanent and total; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. SAM B. HALL, JR.):

H.R. 2041. A bill to clarify the application of the antitrust laws to professional team sports leagues, to protect the public interest in maintaining the stability of professional team sports leagues, and for other purposes; to the Committee on the Judiciary.

By Mr. STUDDS:

H.R. 2042. A bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets; to the Committee on Ways and Means.

By Mr. WATKINS (for himself, Mr. ALEXANDER, Mr. ANTHONY, Mr. BARNARD, Mr. BEVILL, Mrs. BOGGS, Mr. BROYHILL, Mr. CONYERS, Mr. DANIEL B. CRANE, Mr. FAZIO, Mr. FOLEY, Mr. FUQUA, Mr. HAMMERSCHMIDT, Mr. HUBBARD, Mr. JONES of North Carolina, Mr. KAZEN, Mr. McNULTY, Mr. MARTIN of New York, Mr. MURPHY, Mr. NIELSON of Utah, Mr. OBERSTAR, Mr. RAHALL, Mr. RATCHFORD, Mr. ROWLAND, Mr. SCHUMER, Mr. SKELTON, Mr. TAUZIN, Mr. WILLIAMS of Montana, and Mr. WILSON):

H.R. 2043. A bill to provide that the Department of Agriculture shall be known as the Department of Agriculture and Rural Development; to the Committee on Agriculture.

By Mr. WEISS:

H.R. 2044. A bill to amend title II of the Social Security Act to provide that the divorced spouse of a fully insured individual shall be eligible to receive spouse's insurance benefits (if otherwise qualified under the applicable criteria for such benefits) even though such insured individual has not yet actually become entitled to old-age or

disability insurance benefits; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 2045. A bill to provide for the induction of individuals, during the period beginning on July 1, 1983, and ending on June 30, 1985, for training and service in the Armed Forces; to the Committee on Armed Services.

H.R. 2046. A bill to provide that aliens employed in the United States shall not be entitled to vote in certain elections conducted among members of labor organizations; jointly, to the Committees on Education and Labor, Energy and Commerce.

H.R. 2047. A bill to authorize the Corps of Engineers to establish and develop separate campgrounds for senior citizens at lakes and reservoirs under the jurisdiction of the corps and to require that such a campground be established and developed at the Sam Rayburn Dam and Reservoir; to the Committee on Public Works and Transportation.

H.R. 2048. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

By Mr. BROWN of California:

H.J. Res. 188. Joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect congressional, Presidential, and state elections; to the Committee on the Judiciary.

By Mr. CORCORAN:

H.J. Res. 189. Joint resolution proposing an amendment to the Constitution of the United States providing that no person may be elected to the House of Representatives more than five times, and providing that no person may be elected to the Senate more than twice; to the Committee on the Judiciary.

By Mr. EVANS of Iowa:

H.J. Res. 190. Joint resolution to designate Wednesday, April 20, 1983, as "National Teachers Day"; to the Committee on Post Office and Civil Service.

By Mr. STRATTON (for himself, Mr. ANDREWS of North Carolina, Mr. ANTHONY, Mr. APPLEGATE, Mr. ARCHER, Mr. BADHAM, Mr. BARNARD, Mr. BARTLETT, Mr. BATEMAN, Mr. BENNETT, Mr. BEREUTER, Mr. BETHUNE, Mr. BEVILL, Mr. BILIRAKIS, Mr. BLILEY, Mrs. BOGGS, Mr. BONER of Tennessee, Mrs. BOUQUARD, Mr. BREAUX, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BURTON of Indiana, Mrs. BYRON, Mr. CAMPBELL, Mr. CARNEY, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CHENEY, Mr. CLINGER, Mr. COATS, Mr. CONABLE, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DANIEL, Mr. DANNEMEYER, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DEWINE, Mr. DICKINSON, Mr. DREIER of California, Mr. DUNCAN, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. ENGLISH, Mr. ERLENBORN, Mr. FIELDS, Mr. FISH, Mr. FLIPPO, Mr. FOWLER, Mr. FROST, Mr. FUQUA, Mr. GEKAS, Mr. GILMAN, Mr. GINGRICH, Mr. GOODLING, Mr. GRADISON, Mr. GRAMM, Mr. GREGG, Mr. GUNDERSON, Mr. RALPH M. HALL, Mr. SAM B. HALL, JR., Mr. HAMMERSCHMIDT, Mr. HANCE, Mr. HANSEN of Idaho, Mr. HANSEN of Utah, Mr. HARTNETT, Mr. HATCHER, Mr. HEFNER, Mr. HEFTEL of Hawaii, Mr. HIGHTOWER, Mr. HILER, Mr. HILLIS, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JENKINS, Mr. JONES of North Carolina, Mr. KASICH, Mr. KAZEN, Mr. KEMP, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEATH of Texas, Mr. LENT, Mr. LEVITAS, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOTT, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNGREN, Mr. MCCAIN, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCDADE, Mr. MCDONALD, Mr. MCEWEN, Mr. MCGRATH, Mr. MACK, Mr. MADIGAN, Mr. MARLENEE, Mr. MARRIOTT, Mr. MARTIN of New York, Mr. MICA, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MOLINARI, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MURPHY, Mr. MURTHA, Mr. MYERS, Mr. NELSON of Florida, Mr. NICHOLS, Mr. NIELSON of Utah, Mr. O'BRIEN, Mr. OXLEY, Mr. PACKARD, Mr. PARRIS, Mr. PASHAYAN, Mr. PERKINS, Mr. PETRI, Mr. PICKLE, Mr. QUILLEN, Mr. RAY, Mr. REGULA, Mr. RINALDO, Mr. RITTER, Mr. ROBERTS, Mr. ROBINSON, Mr. ROEMER, Mr. ROGERS, Mr. ROTH, Mr. ROWLAND, Mr. RUDD, Mr. SAWYER, Mr. SCHULZE, Mr. SHAW, Mr. SHELBY, Mr. SHUMWAY, Mr. SHUSTER, Mr. SILJANDER, Mr. SISISKY, Mr. SKEEN, Mr. SKELTON, Mr. ROBERT F. SMITH, Mr. DENNY SMITH, Mrs. SMITH of Nebraska, Mrs. SNOWE, Mr. SNYDER, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STENHOLM, Mr. STUMP, Mr. SUNDQUIST, Mr. SYNAR, Mr. TAUZIN, Mr. TAYLOR, Mr. THOMAS of Georgia, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. WALKER, Mr. WATKINS, Mr. WEBER, Mr. WHITEHURST, Mr. WHITLEY, Mr. WHITTAKER, Mr. WHITTEN, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WOLF, Mr. WON PAT, Mr. WORTLEY, Mr. WYLIE, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri):

H. Con. Res. 83. Concurrent resolution to express the sense of the Congress that the national security policy of the United States should reflect a national strategy of peace through strength; jointly, to the Committees on Armed Services and Foreign Affairs.

Mr. SIMON:

H. Res. 130. Resolution commending Asian Americans of Indian descent for the contributions they have made to American society; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of California:

H.R. 2049. A bill for the relief of George Kim Wee Ma, a.k.a. Kim Wee Mah, a.k.a. George Mar; to the Committee on the Judiciary.

By Mr. LOTT:

H.R. 2050. A bill for the relief of Gerald M. Hendley; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.R. 2051. A bill for the relief of Susan Waldo; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 2052. A bill for the relief of Alejandro Morales-Cabrera; to the Committee on the Judiciary.

PRIVATE RESOLUTIONS

By Mr. FRANK:

H. Res. 131. Resolution honoring Col. George Snyder; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 42: Mr. SIMON.

H.R. 84: Mr. HORTON, Mr. ADDABBO, Mr. WASHINGTON, and Mr. CORRADA.

H.R. 86: Mr. BATES.

H.R. 87: Mr. NIELSON of Utah, Mr. PATMAN, and Mr. SMITH of New Jersey.

H.R. 217: Mr. ROE.

H.R. 354: Mr. COELHO.

H.R. 475: Mr. WASHINGTON and Mr. BATES.

H.R. 485: Mr. BADHAM, Mr. NIELSON of Utah, Mr. ROGERS, Mr. HUCKABY, and Mr. GEKAS.

H.R. 570: Mr. STARK, Mr. HERTEL of Michigan, Mr. DWYER of New Jersey, Mr. PETRI, Mr. VENTO, Mr. HUGHES, and Mr. TAUKE.

H.R. 601: Mr. PRITCHARD, Mr. LEACH of Iowa, Mr. LANTOS, Mr. BEILENSON, Mr. RODINO, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. MARKEY, Mr. RATCHFORD, Mr. LAGOMARSINO, Mr. BEDELL, Mr. BARNES, Mr. LONG of Maryland, Mr. FAUNTROY, Mr. FOLEY, Mr. ERLENBORN, Mr. HERTEL of Michigan, Mr. UDALL, Mr. CHANDLER, Mr. EDGAR, Mr. WAXMAN, Mr. MINETA, Mr. HOYER, Mr. WEISS, Mr. REID, Mr. BERMAN, Mr. RICHARDSON, Mr. HILLIS, Mr. CROCKETT, Mr. DYMALLY, Mr. IRELAND, Mr. BEREUTER, Mr. DINGELL, Mr. WIRTH, Mr. LONG of Louisiana, Mr. WOLPE, Mr. PURSELL, Mr. BONIOR of Michigan, Mr. FORD of Michigan, Mr. SEIBERLING and Mr. PERKINS.

H.R. 701: Mr. BROWN of California.

H.R. 777: Mr. MITCHELL, Mr. CONYERS, Mrs. COLLINS, Mr. PEASE, Mr. FORD of Michigan, and Mr. DWYER of New Jersey.

H.R. 836: Mr. DUNCAN, Mr. MCGRATH, Mr. WHITEHURST, Mr. BEVILL, Mr. SKEEN, Mr. JEFFORDS, and Mr. RATCHFORD.

H.R. 873: Mr. MRAZEK and Mr. HAMILTON.

H.R. 953: Mrs. SCHNEIDER, Mr. LIPINSKI, Mr. GILMAN, and Mr. HARTNETT.

H.R. 959: Mr. ANDREWS of North Carolina, Mr. BEDELL, Mrs. COLLINS, Mr. DYSON, Mr. HYDE, Mr. LEVIN of Michigan, Mr. MARKEY, Mr. MCNULTY, Ms. MIKULSKI, Mr. MITCHELL, Mr. MRAZEK, Mr. NIELSON of Utah, Mr. PORTER, Mr. SCHEUER, Mr. SOLOMON, Mr. VENTO, Mr. WAXMAN, Mr. FRENZEL, Mr. ROE, Mr. BORSKI, Mr. HOYER, Mr. LIPINSKI, Mr. STENHOLM, and Mrs. BOXER.

H.R. 960: Mr. ANDREWS of North Carolina, Mr. BEDELL, Mr. BURTON of Indiana, Mrs. COLLINS, Mr. DAUB, Mr. DYSON, Mr. FROST, Mr. HYDE, Mrs. KENNELLY, Mr. LEVIN of Michigan, Mr. MARKEY, Mr. MCNULTY, Ms. MIKULSKI, Mr. MITCHELL, Mr. MRAZEK, Mr. NIELSON of Utah, Mr. PORTER, Mr. SCHEUER, Mr. VENTO, Mr. WAXMAN, Mr. SOLOMON, Mr. FRENZEL, Mr. FAZIO, Mr. BORSKI, Mr. BAR-

NARD, Mr. ROE, Mr. HOYER, Mr. LIPINSKI, Mrs. BOXER, and Mr. STENHOLM.

H.R. 1010: Mr. NIELSON of Utah, Mr. ENGLISH, Mr. STENHOLM, and Mr. GRAMM.

H.R. 1015: Mr. KOGOVSEK and Mr. MOLLOHAN.

H.R. 1016: Mr. KOGOVSEK.

H.R. 1084: Mr. PARRIS, Mr. HILER, Mr. KASTENMEIER, Mr. MCGRATH, Mr. DREIER of California, Mr. RIDGE, Mr. YATRON, and Mr. NIELSON of Utah.

H.R. 1100: Mr. BARNARD, Mr. DANIEL, Mr. FORSYTHE, Mr. FROST, Mr. MARRIOTT, Mr. PAUL, Mr. ROE, Mr. SUNIA, and Mr. DUNCAN.

H.R. 1142: Mr. BIAGGI and Mr. LENT.

H.R. 1144: Mr. PRITCHARD, Mr. BEDELL, Mr. MATSUI, Mr. WILSON, Mr. HUGHES, Mr. GINGRICH, Mr. EDGAR, Mr. MRAZEK, Mr. VANDERGRIFF, Mr. LIPINSKI, Mrs. BOXER, Mr. FEIGHAN, Mr. FORSYTHE, Mr. FAZIO, Mr. ECKART, Mr. OBERSTAR, Mr. HAMMERSCHMIDT, and Ms. FERRARO.

H.R. 1176: Mr. SYNAR, Mr. ROWLAND, Mr. HEFNER, Mr. DICKINSON, Mr. ERDREICH, Mr. EDWARDS of California, Mr. DYMALLY, Mr. SISISKY, Mr. DAUB, Mr. ENGLISH, Mr. HUBBARD, Mr. SIKORSKI, Mr. STANGELAND, Mr. LEVITAS, Mr. PETRI, Mr. MOAKLEY, Mr. LEHMAN of Florida, Mr. ZABLOCKI, Mr. MACKAY, Mr. ROSE, Mr. MCDADE, Mr. PRITCHARD, Mr. KASTENMEIER, Mr. CRAIG, Mrs. JOHNSON, Mr. DONNELLY, Mr. HOWARD, Mr. BOUCHER, Mr. PENNY, Mr. HOPKINS, Mr. CHANDLER, Mr. HANSEN of Idaho, Mr. ROGERS, Mr. BROOMFIELD, Mr. PURSELL, Mr. GINGRICH, Mr. SMITH of New Jersey, Mr. MONTGOMERY, Mr. NEAL, Mr. WISE, Mr. CLARKE, Mr. ASPIN, Mr. HUGHES, and Mr. CHAPPIE.

H.R. 1179: Mr. BADHAM, Mr. BROYHILL, Mr. COATS, Mr. CRAIG, Mr. DANNEMEYER, Mr. DAUB, Mr. DEWINE, Mr. DREIER of California, Mr. FISH, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GINGRICH, Mr. GRADISON, Mr. GUNDERSON, Mr. HARTNETT, Mr. HATCHER, Mr. HIGHTOWER, Mr. HILER, Mr. JEFFORDS, Mr. KINDNESS, Mr. LAFALCE, Mr. LIVINGSTON, Mr. MCGRATH, Mr. MARRIOTT, Mrs. MARTIN of Illinois, Mr. MICHEL, Mr. MORRISON of Washington, Mr. OXLEY, Mr. PASHAYAN, Mr. PATMAN, Mr. PETRI, Mr. PORTER, Mr. PURSELL, Mr. RANGEL, Mr. RITTER, Mr. ROBINSON, Mr. ROE, Mr. ROGERS, Mr. RUDD, Mr. SAWYER, Mr. SHELBY, Mr. DENNY SMITH, Mr. SOLOMON, Mr. STANGELAND, Mr. SUNIA, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WINN, Mr. WOLF, and Mr. WYLIE.

H.R. 1196: Mr. WILSON, Mr. MARRIOTT, Mr. KINDNESS, Mr. YATRON, Mr. BILIRAKIS, Mr. DUNCAN, Mr. ENGLISH, Mr. FORSYTHE, Mr. NICHOLS, Mr. SMITH of New Jersey, Mr. HUCKABY, Mr. WORTLEY, Mr. LEWIS of Florida, Mr. COLEMAN of Missouri, and Mrs. HALL of Indiana.

H.R. 1199: Mrs. HOLT, Mr. MATSUI, Mr. DWYER of New Jersey, Mr. DE LA GARZA, Mr. KASICH, Mr. LAGOMARSINO, Mr. EMERSON, Mr. O'BRIEN, Mr. FORSYTHE, Mr. LENT, Mr. SUNIA, Mr. RATCHFORD, Mr. STANGELAND, Mr. VANDERGRIFF, Mr. MONTGOMERY, Mr. EVANS of Illinois, and Mr. RINALDO.

H.R. 1200: Mr. HORTON, Mr. SUNIA, Mr. JACOBS, Mr. CROCKETT, Mr. FRANK, Mr. WILLIAMS of Montana, Mr. YOUNG of Alaska, Mr. DWYER of New Jersey, Mr. HERTEL of Michigan, and Mr. CORRADA.

H.R. 1202: Mr. LEVINE of California.

H.R. 1203: Mr. WEBER.

H.R. 1206: Mr. CHAPPIE and Mr. SUNIA.

H.R. 1223: Mr. GEPHARDT and Mr. TRAXLER.

H.R. 1242: Mr. BATES, Mr. BONER of Tennessee, Mr. DELLUMS, Mr. FRANK, Mr. LOWRY of Washington, Mr. MARTINEZ, Mr. MRAZEK, Mr. TALLON, Mr. TORRICELLI, and Mr. RINALDO.

H.R. 1249: Mrs. BOXER, Mr. SUNIA, Mr. ECKART, Mr. LAFALCE, Mr. LANTOS, Mr. OWENS, Mr. CLINGER, Mr. STARK, and Mr. TRAXLER.

H.R. 1263: Mr. FLORIO.

H.R. 1264: Mr. TALLON and Mr. WASHINGTON.

H.R. 1270: Mrs. COLLINS, Ms. FERRARO, Mr. CONYERS, and Mr. BORSKI.

H.R. 1276: Mr. WEAVER, Mr. BARNARD, Mr. LUKEN, Mr. WORTLEY, Mr. DEWINE, Mr. DANIEL B. CRANE, Mr. ROE, Mr. PATMAN, Mr. WOLPE, Mr. EVANS of Iowa, Mr. SUNIA, and Mr. RIDGE.

H.R. 1280: Mr. SEIBERLING, Mr. WASHINGTON, Mr. HUGHES, Mr. SYNAR, Mr. BOSCO, Mr. FAZIO, Mr. OWENS, Mr. SAVAGE, Mr. VANDERGRIFF, Mrs. HALL of Indiana, Mr. FORSYTHE, and Mr. LIVINGSTON.

H.R. 1353: Mr. FLIPPO and Mr. APPLEGATE.

H.R. 1357: Mr. WEAVER, Mr. HARKIN, and Mr. PANETTA.

H.R. 1405: Mr. KOGOVSEK, Mr. MCNULTY, Mr. MURTHA, Mr. BATES, Mr. HUBBARD, Mr. WISE, Mr. LUKEN, Mrs. BOUQUARD, Mr. SUNIA, Mr. MADIGAN, Mr. SNYDER, Mr. TAYLOR, Mr. ORTIZ, Mr. MCEWEN, Mr. MILLER of Ohio, and Mr. SKEEN.

H.R. 1419: Mr. RATCHFORD, Mr. MARTIN of New York, Mr. GINGRICH, Mr. KINDNESS, Mr. ROGERS, Mr. BONIOR of Michigan, Mr. STANGELAND, Mr. FRANKLIN, Mr. TALLON, Mr. STOKES, Mr. SUNIA, Mr. ORTIZ, Mr. RAHALL, Mrs. SNOWE, Mr. BRITT, Mr. ECKART, Mr. COATS, Mr. MRAZEK, Mr. WEAVER, and Mr. DUNCAN.

H.R. 1456: Mr. BURTON of California.

H.R. 1513: Mr. GOODLING, Mr. KILDEE, Mr. WEISS, Mr. OWENS, Mr. CORRADA, Mr. JEFFORDS, and Mr. WILLIAMS of Montana.

H.R. 1528: Mr. STANGELAND.

H.R. 1531: Mrs. COLLINS, Mr. CROCKETT, Mr. DELLUMS, Mr. FAUNTROY, Mr. FISH, Mr. FRANK, Ms. KAPTUR, Mr. MAVROULES, Mr. RAHALL, Mrs. SCHNEIDER, Mr. SCHUMER, Mr. STOKES, Mr. SUNIA, Mr. WALGREN, and Mr. WISE.

H.R. 1533: Mr. BROWN of Colorado.

H.R. 1542: Mr. KOGOVSEK, Mr. SEIBERLING, Mr. RATCHFORD, Mr. FRANK, and Mr. SUNIA.

H.R. 1552: Mr. MARKEY and Mr. MAZZOLI.

H.R. 1584: Mr. BERMAN, Mr. BEVILL, Mr. BROWN of California, Mr. COATS, Mr. DOWNEY of New York, Mr. GEJDENSON, Mr. HORTON, Mr. HOWARD, Mrs. KENNELLY, Mr. LEHMAN of Florida, Mr. MAVROULES, Mr. MCGRATH, Mr. MINISH, Mr. MURPHY, Mr. ORTIZ, Mr. OWENS, Mr. PANETTA, Mr. PATMAN, Mr. RANGEL, Mr. TRAXLER, Mr. VENTO, and Mr. YATES.

H.R. 1593: Mr. BOSCO, Mr. WAXMAN, Mr. MILLER of California, Mr. PATTERSON, Mr. PANETTA, Mr. LEVINE of California, Mr. BERMAN, and Mr. EDWARDS of California.

H.R. 1595: Mr. DE LUGO, Mr. MURPHY, Mr. HORTON, Mr. BARNES, Mr. JEFFORDS, Mr. MARKEY, Mr. GARCIA, Mr. FROST, Mr. FRANK, Mr. RAY, Mr. SMITH of Florida, Mr. MCDADE, Mr. STUDDS, Mr. BEILENSON, Mr. WASHINGTON, Mr. MITCHELL, Mr. LEVINE of California, and Mr. BONKER.

H.R. 1597: Mrs. HOLT.

H.R. 1611: Mr. EDGAR, Mr. LAFALCE, Mr. PRITCHARD, and Mr. HORTON.

H.R. 1617: Mrs. COLLINS, Mr. HARTNETT, Mr. JEFFORDS, Mr. LEACH of Iowa, Mr. PASHAYAN, Mr. PATTERSON, Mr. SIMON, and Mr. WYDEN.

H.R. 1621: Mr. WILSON, Mr. MATSUI, Mr. WISE, Mr. MURPHY, Mr. MOLLOHAN, Mr. PARRIS, Mr. ROGERS, Mr. CLINGER, Mr. BEVILL, and Mr. ERDREICH.

H.R. 1622: Mr. VANDERGRIFF, Mr. LUNDINE, Mr. CROCKETT, Mrs. COLLINS, Mr. WHEAT, Mr. MITCHELL, Mr. TORRICELLI, Mr. DWYER of New Jersey, and Mr. WYDEN.

H.R. 1644: Mr. ROE.

H.R. 1691: Mr. VANDER JAGT, Mr. STUMP, Mr. PARRIS, Mr. REID, Mr. ROBERT F. SMITH, and Mr. HERTEL of Michigan.

H.R. 1730: Mr. SMITH of New Jersey.

H.R. 1743: Mr. DELLUMS, Mr. STARK, Mr. EDWARDS of California, and Mr. EVANS of Illinois.

H.R. 1810: Mr. OWENS, Mr. TRAXLER, Mr. MITCHELL, Mrs. COLLINS, and Mrs. HALL of Indiana.

H.R. 1880: Mr. BEILENSON and Mr. LEVINE of California.

H.R. 1890: Mr. DUNCAN.

H.R. 1937: Mr. BEVILL, Mr. HYDE, and Mr. HUTTO.

H.J. Res. 6: Mr. BATES and Mr. SIMON.

H.J. Res. 32: Mr. EDGAR.

H.J. Res. 71: Mr. DWYER of New Jersey, Mr. ROE, and Mr. FORSYTHE.

H.J. Res. 97: Mr. BEREUTER and Mr. MCHUGH.

H.J. Res. 102: Mr. ADDABBO, Mr. AKAKA, Mr. BARNES, Mr. BATES, Mr. BENNETT, Mr. BERMAN, Mr. BEVILL, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mrs. BOXER, Mr. BREAUX, Mr. BRITT, Mr. BROOKS, Mr. BROYHILL, Mr. CARR, Mr. CHAPPELL, Mrs. COLLINS, Mr. DAUB, Mr. DICKINSON, Mr. DIXON, Mr. DOWNEY of New York, Mr. DOWDY of Mississippi, Mr. DUNCAN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. DYSON, Mr. EDGAR, Mr. EDWARDS of Alabama, Mr. ERDREICH, Mr. FAUNTROY, Mr. FAZIO, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FLORIO, Mr. FLIPPO, Mr. FRANKLIN, Mr. FRENZEL, Mr. GEKAS, Mr. GRADISON, Mr. GUARINI, Mrs. HALL of Indiana, Mr. SAM B. HALL, JR., Mr. HEFNER, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. LAGOMARSINO, Mr. LEHMAN of California, Mr. LELAND, Mr. LENT, Mr. LEVINE of California, Mr. MCCAIN, Mr. MCCLOSKEY, Mr. MCGRATH, Mr. MCNULTY, Mr. MADIGAN, Mr. MARTINEZ, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MURPHY, Mr. NATCHER, Mr. NEAL, Mr. NICHOLS, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OWENS, Mr. PERKINS, Mr. PRICE, Mr. PRITCHARD, Mr. RAHALL, Mr. RATCHFORD, Mr. RITTER, Mr. ROE, Mr. SCHEUER, Mr. SHARP, Mr. SHELBY, Mr. SIMON, Mr. SKEEN, Mr. SKELTON, Mr. SMITH of Florida, Mr. SNYDER, Mr. SOLARZ, Mr. STOKES, Mr. SUNIA, Mr. TALLON, Mr. TORRICELLI, Mr. TRAXLER, Mr. VANDER JAGT, Mr. VANDERGRIFF, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WILLIAMS of Ohio, Mr. WIRTH, Mr. WYDEN, Mr. YATRON, Mr. YOUNG of Florida, Mr. O'BRIEN, Mr. BORSKI, and Mr. HUTTO.

H.J. Res. 120: Mr. FORSYTHE, Mr. BONKER, and Mrs. MARTIN of Illinois.

H.J. Res. 127: Mr. KINDNESS, Mr. SUNIA, Mrs. HOLT, Mr. VANDER JAGT, Mr. BROYHILL, Mr. CORCORAN, Mr. MARTIN of North Carolina, Mr. GRADISON, Mr. NIELSON of Utah, Mr. DANNEMEYER, Mr. FROST, Mr. EDGAR, Mr. DAUB, Mr. DENNY SMITH, Mr. FRENZEL, Mr. CONABLE, Mr. BROWN of Colorado, Mr. PETRI, Mr. AUCOIN, Mr. WEBER, Mr. DREIER of California, and Mr. HANSEN of Utah.

H. Con. Res. 37: Mr. JONES of Oklahoma.

H. Con. Res. 40: Mr. LEACH of Iowa, Mr. DINGELL, Mr. YATES, Mr. ANDREWS of North Carolina, Mr. CLAY, and Mr. HOWARD.

H. Con. Res. 45: Mrs. BOUQUARD.

H. Res. 15: Mr. ADDABBO, Mr. AUCOIN, Mr. BARNES, Mr. BATES, Mr. BEDELL, Mr. BENNETT, Mr. BERMAN, Mr. BIAGGI, Mr. BONIOR of Michigan, Mr. BOUCHER, Mrs. BOUQUARD,

Mrs. BOXER, Mr. BREAUX, Mr. BROWN of California, Mr. BURTON of California, Mr. COLEMAN of Texas, Mr. CONYERS, Mr. CORRADA, Mr. CROCKETT, Mr. DASCHLE, Mr. DELLUMS, Mr. DIXON, Mr. DORGAN, Mr. DOWNEY of New York, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDGAR, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FRANK, Mr. GORE, Mr. HERTEL of Michigan, Mr. HOWARD, Mr. HOYER, Mr. HUCKABY, Mr. JACOBS, Mr. KASTENMEIER, Mr. KILDEE, Mr. LEACH of Iowa, Mr. LEVINE of California, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MCHUGH, Mr. MCNULTY, Mr. MINISH, Mr. MITCHELL, Mr. MRAZEK, Mr. NEAL, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. OWENS, Mr. RAHALL, Mr. RATCHFORD, Mr. SAVAGE, Mr. SHANNON, Mr. SIKORSKI, Mr. SIMON, Mr. SLATTERY, Mr. SMITH of Florida, Mr. SMITH of New Jersey, Mr. ST GERMAIN, Mr. STOKES, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAXLER, Mr. VANDERGRIFF, Mr. VANDER JAGT, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. WOLPE, Mr. WORTLEY, Mr. WYDEN, Mr. GRAY, and Mr. GARCIA.

H. Res. 24: Mr. ADDABBO, Mr. BEDELL, Mr. CONYERS, Mr. D'AMOURS, Mr. DOWNEY of New York, Mr. EDGAR, Mr. FAUNTROY, Mr. GARCIA, Mr. HEFTEL of Hawaii, Mrs. JOHNSON, Mrs. KENNELLY, Mr. MAVROULES, Mr. MINISH, Mr. MRAZEK, Mrs. SNOWE, Mr. STOKES, Mr. VANDERGRIFF, and Mr. VENTO.

H. Res. 52: Mr. MARTINEZ, Mr. WON PAT, and Mr. GILMAN.

H. Res. 78: Mr. BONIOR of Michigan, Mr. OWENS, and Mr. GILMAN.

EXTENSIONS OF REMARKS

SECONDARY EDUCATION ACT OF 1983

HON. PAUL SIMON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, today I am introducing legislation designed to address a major problem facing our Nation.

While we have made improvements in education, young people continue to graduate from our high schools as functional illiterates, lacking the ability to read and write well enough to function in today's society. Thousands of others give up on education completely and drop out each year, and many of them are also unable to function in 1983 America. What is the answer?

We have an effective program, though not fully funded, at the elementary school level that deals with the problem where it is most crucial—in our areas of high concentrations of poverty. In those neighborhoods and in those schools children get the extra push necessary to help them succeed through the title I (now called chap. 1) program.

But the sad fact is that while we concentrate our efforts at the earlier years of schooling when development is most important, we do not have the funds necessary to continue these vital extra services in our high schools.

The Secondary Education Act of 1983, which I am introducing today, would offer grants to local school districts to help provide compensatory education services to students in public and private high schools with high numbers of young people from poor families.

With this legislation we would be relying on a formula that is known to work. Statistics have indicated that the title I program has been highly successful in helping children from poor families improve their math and reading abilities. By concentrating the same type of extra educational services at the high school level, I believe we can help wipe out the crippling illiteracy that plagues so many young people from poor backgrounds in that age group.

I also believe the Secondary Education Act of 1983 will be far more effective in meeting the needs of high school students than the tuition tax credit proposal espoused by the administration. Merely rebating money to the rich is not the answer. Providing services that are known to produce results makes far more sense. It helps public and private schools where the need is the greatest.

I urge my colleagues to look carefully at the Secondary Education Act of 1983 and join with me in cosponsoring this legislation.

H.R.—

A bill to amend the Education Consolidation and Improvement Act of 1981 to provide grants for secondary schools to improve mathematics and reading competencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Secondary Education Assistance Act of 1982".

SEC. 2. The Education Consolidation and Improvement Act of 1981 is amended by redesignating chapter 3 as chapter 4 and by inserting after chapter 2 the following new chapter:

"CHAPTER 3—EDUCATION GRANTS TO HIGH SCHOOLS IN ECONOMICALLY DEPRESSED AREAS

"DECLARATION OF POLICY

"SEC. 590A. The Congress declares—

"(1) that only eight to ten percent of basic grant funds available under title I of the Elementary and Secondary Education Act of 1965 or chapter 1 of the Education Consolidation and Improvement Act of 1981 serves students in senior high schools;

"(2) that although it has been demonstrated that focusing such funds on the early elementary school grades helps increase the reading and math skills of children in those grades, it also has been shown that a sharp dropoff in achievement occurs once children leave the program;

"(3) that significant numbers of our youths graduate or drop out of high school every year as functional illiterates;

"(4) that providing an income tax credit for tuition paid at private schools will tend to aid only children from higher income families which have adequate educational resources; and

"(5) that public and private high schools serving large numbers of youths from low income families need extra resources to help overcome educational deficiencies and illiteracy among those youths.

"DURATION AND AMOUNT OF ASSISTANCE

"SEC. 590B. (a)(1) During the period beginning October 1, 1984, and ending September 30, 1988, the Secretary shall, in accordance with the provisions of this chapter, make payments to local educational agencies in amounts not to exceed $300 for each eligible student in a qualified secondary school in the area served by such agency.

"(2) If the amount appropriated for purposes of this chapter for any fiscal year is not sufficient to pay to each local educational agency the total amount for which it is eligible under paragraph (1), then the amount of the grant to each such agency shall be ratably reduced. If additional amounts become available for such fiscal year, such reduced amounts shall be increased on the same basis they were reduced.

"(b) For the purposes of this chapter—

"(1) the term 'eligible student' means any individual who is required to be counted for purposes of section 111(c) of the Elementary and Secondary Education Act of 1965 and who is enrolled or accepted for enrollment in a secondary school; and

"(2) the term 'qualified secondary school' means a public or nonprofit private secondary school not less than 30 percent of whose students are eligible students.

"USE OF FUNDS; PROGRAM REQUIREMENTS

"SEC. 590C. (a) Each local educational agency shall allocate the funds it receives under this chapter among qualified secondary schools in its district on the basis of the number of eligible students enrolled in such schools.

"(b) Programs established with funds provided under this chapter shall be designed to serve educationally deprived youths in qualified secondary schools.

"(c) A local education agency may use funds received under this chapter only for programs and projects which are included in an application for assistance approved by the Secretary. Such programs and projects may include the acquisition of equipment and instructional materials, employment of special instructional and counseling and guidance personnel, employment and training of teacher aides, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas, the training of teachers, the construction, where necessary, of school facilities, and planning for such programs and projects.

"(d) Each local education agency shall keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter).

"(e) The application described in subsection (c) shall be approved if it provides assurances satisfactory to the Secretary that the local educational agency will make a good faith effort to improve the quality of instruction and will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation and that the programs and projects described—

"(1) are conducted in only qualified secondary schools;

"(2) are based upon an annual assessment of educational needs which (A) identifies educationally deprived youths in all qualified secondary schools, (B) permits selection of those youths who have the greatest need for special assistance, (C) identifies the general instructional areas on which the program will focus; and (D) determines the needs of participating youths with sufficient specificity to facilitate development of high-quality programs and projects;

"(3) are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the educational needs of the youths being served and are de-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

signed and implemented in consultation with parents and teachers of such youths;

"(4) will be evaluated in terms of their effectiveness in achieving the goals set for them, and that such evaluations shall include objective measurements of educational achievement in basic skills and a determination of whether improved performance is sustained over a period of more than one year; and

"(5) make provision for services to educationally deprived youths attending private elementary and secondary schools in accordance with section 590D.

PARTICIPATION OF YOUTHS ENROLLED IN PRIVATE SCHOOLS

"SEC. 590D. (a)(1) None of the funds provided under this chapter, nor any facility or equipment acquired or constructed with such funds, may be used for religous worship or for any sectarian activity.

"(2) To the extent consistent with the number of eligible students in the school district of the local educational agency who are enrolled in qualified secondary schools which are private secondary schools, such agency shall make provisions for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such students can participate and which meet the requirements of sections 590C(c), 590C(d)(2), (3), and (4), and 590E(b). Expenditures for educational services and arrangements pursuant to this section for educationally deprived youths in private schools shall be equal (taking into account the number of youths to be served and the special educational needs of such youths) to expenditures for youths enrolled in the public schools of the local educational agency.

"(b)(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived youths enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall waive such requirements, and shall arrange for the provision of services to such youths through arrangements which shall be subject to the requirements of subsection (a).

"(2) If the Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived youths enrolled in private elementary and secondary schools as required by subsection (a), he shall arrange for the provision of services to such youths through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of subsection (a) shall be waived.

"(3)(A) When the Secretary arranges for services pursuant to this subsection, he shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this chapter.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of such services.

"(C) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

"(4)(A) The Secretary shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why such action should not be taken.

"(B) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"GENERAL PROVISIONS

"SEC. 590E. (a)(1) Except as provided in paragraph (2), a local educational agency may receive funds under this chapter for any fiscal year only if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 per centum of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

"(2) The Secretary shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of paragraph (1) by falling below 90 per centum of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

"(3) The Secretary may waive, for one fiscal year only, the requirements of this subsection if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.

"(b) A local educational agency may use funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this chapter, and in no case may such funds be so used as to supplant such funds from such non-Federal sources. In order to demonstrate compliance with this subsection a local education agency shall not be required to provide services under this chapter outside the regular classroom or school program.

"(c)(1) A local educational agency may receive funds under this chapter only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this chapter. Where all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable in each project area.

"(2) A local educational agency shall be deemed to have met the requirements of paragraph (1) if it has filed with the Secretary a written assurance that it has established—

"(A) a districtwide salary schedule;

"(B) a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and

"(C) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

Unpredictable changes in student enrollment or personnel assignments which occur after the beginning of a school year shall not be included as a factor in determining comparability of services.

"(d) For the purposes of determining compliance with the requirements of subsections (b) and (c), a local educational agency may exclude State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived youths, if such programs are consistent with the purposes of this chapter."●

LAWYERS SUPPORT KENNEDY-HATFIELD RESOLUTION

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SCHUMER. Mr. Speaker, I would like to share with my colleagues a statement by the members of the New York City Chapter of the Lawyers Committee on Nuclear Policy, Inc. This statement clearly expresses the urgency for the need of an immediate, mutual, and verifiable freeze on the testing, production, and deployment of nuclear weapons. Furthermore, I wish to take this opportunity to urge my colleagues to support the Markey resolution, the House version of the Kennedy-Hatfield joint resolution, which this statement endorses. I strongly believe that Congress should act on this crucial matter before the world is plunged into the irrevocable madness of a nuclear catastrophe.

The statement follows:

We are members of the Lawyers Committee on Nuclear Policy, Inc., an organization of lawyers dedicated to the achievement of nuclear disarmament. We maintain that the testing, production, deployment, use, and threat of use of nuclear weapons are illegal under International Law and American Constitutional law, and also subvert our democracy.

As lawyers, we have an affirmative duty to apply our skills to what is unquestionably the most pressing issue of our age. Today's nuclear arsenals, comprising 60,000 weapons, have the potential for annihilating the world's population, for devastating and contaminating vast areas of the earth's surface, and for producing unpredictable and uncontrollable biological and environmental consequences. As Albert Einstein said at the dawn of the atomic age: "The unleashed power of the atom has changed everything save our mode of thinking and we thus drift toward uparalleled catastrophe".

On our national agenda is an important first step in reversing this rush to disaster: the Kennedy-Hatfield Joint Resolution in support of a mutual verifiable freeze on the testing, production, and deployment of nuclear weapons. Passage of this resolution will harmonize the sense of Congress with the expression of the popular will in the referenda of nine states and 26 cities. Congressional approval of this resolution would comport with international law and the provisions of the United States Constitution.

The cardinal priniciple of the laws of war, as expressed in international treaties and custom and usage, is the preservation of civilian populations. Genocide is prohibited, as are attacks on undefended cities, towns, and villages. Belligerent nations must respect the right of neutral states, and occupying powers must provide food and medical care to civilians. Additionally, the destruction of the enemy's property is forbidden unless imperatively demanded by necessities of war.

Another hallmark of the international rule of law is that the only legitimate object of a state during war is the weakening of the military forces of the enemy. Arms calculated to cause unnecessary suffering are prohibited, as are weapons which may be expected to cause widespread, long term, and severe damage to the environment. The use of poisonous gas and bacteriological weapons are forbidden; encompassed within this prohibition are nuclear weapons, with their far more destructive biological and environmental effects. The United Nations has declared that the use of nuclear weapons by a state would be a crime against mankind and civilization.

The law is not a fixed body of immutable principles; rather it is designed to adapt to new circumstances, and to achieve justice. International law should be treated with the same sense of solemn obligation by nations that is expected of citizens of a state with regard to their penal code. Aware of the ever advancing war technology, the codifers of international law, as early as 1907, adopted the Martens Clause to apply to situations where no specific treaty existed to prohibit a new type of weapon. This clause makes the principles of humanity and the dictates of public conscience obligatory and thus negates any necessity to formulate a treaty specifically prohibiting a new weapon. Nuclear weapons, by their very nature, contravene the central precept of the laws of war—the survival of humanity—and thus are illegal under the Martens Clause.

One of the inescapable lessons of the Nuremberg Tribunals is that individuals are responsible for their nation's conduct in planning, initiating, and waging a war of aggression. The principles of the Nuremberg Tribunals were adopted by the United Nations at the behest of the United States. In our democracy, the affirmative obligations of the people flow to their elected representatives. The Congress, in turn, balances the powers of the executive branch of our government.

The amassing of nuclear weapons has been largely the undertaking of the executive branch of our government. Otherwise sensible men make plans to use nuclear weapons, in the name of "deterrence," which hold the lives and liberty of millions hostage to their decision and make of democracy a slender reed. The power of monarchs who ruled by "divine right" pales by comparison to the authority of our president to decree life and death. This presidential power usurps the exclusive power vested in Congress under the Constitution to declare war. The Congress also has the duty under the Constitution to "define and punish . . . offenses against the Law of Nations." Therefore, Congress has the obligation to prevent nuclear weapons from being deployed and used, since the production, deployment and use violate the dictates of international law.

Nuclear weapons necessarily constitute an encroachment by the state upon the protection afforded by the Bill of Rights. The vast military-industrial security network, which is an appendage of the massive weapons systems being produced, hinders the freedoms of speech, press, and assembly. It impedes the dissemination of information and exchange of ideas in the name of national security, and intimidates assertive opposition to the policies of the government.

Just as the Constitution protects the people through the Bill of Rights, it imposes an affirmative duty on all branches of government under the Due Process Clause to protect against evils which menace the health, safety, and welfare of the people. The ultimate attainment of disarmament is obligatory under the Constitution because nuclear weapons constitute the ultimate menace.

The will of the American people already expressed in referenda, international law, and constitutional law mandate that Congress pass the Kennedy-Hatfield Resolution now.●

THE PARENTS OUGHT TO KNOW

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GINGRICH. Mr. Speaker, the Department of Health and Human Services, under the able leadership of former Secretary Schweiker, recently took a small but courageous step—a step toward dismantling the wall the Government puts between the rights of parents and the family planning centers those parents support with their tax dollars.

A rule recently took effect requiring those centers getting Federal money to notify parents within 10 days that their children were given prescription contraceptives.

The uproar that has greeted this rule has been amazing—in a society where, as George Will notes, the public schools cannot even give a teenage child an aspirin without the parents knowing about it.

To judge from the campaign against the rule, you would think the parents of America should be indicted for invading the rights of the family planning centers, rather than the other way around.

Senator JEREMIAH DENTON, from my neighboring State of Alabama, has put all these issues in context in a column he wrote for the Washington Post on March 2, 1983.

He hits the nail right on the head: "What is at issue here is the role the Federal Government has been playing in facilitating and encouraging adolescent sexual activity without parental knowledge or participation."

That role has been too large, and HHS is doing the right thing in trying to strike a better balance.

I commend to my colleagues the insights and arguments of Senator DENTON. His column follows:

PARENTS OUGHT TO KNOW

(By Jeremiah A. Denton, Jr.)

NOTICE TO TAXPAYERS

A portion of your tax dollars will be used to make sex counseling and prescription birth control drugs and devices available to your minor children at no cost and without your knowledge. This is the only notice you will receive.

How would parents react if they found that notice on their income tax forms? It is an entirely accurate statement of prevailing federal laws, regulations and practice. Parents are simply not told when big government counsels and equips their children for sex.

At long last, in 1981, Congress did mandate that federally funded "family planning" programs "to the extent possible . . . shall encourage family participation" in the provision of contraceptives to minors.

Accordingly, on Jan. 26, 1983, the Department of Health and Human Services took a small step toward involving the parents by issuing a regulation requiring that parents be notified within 10 days after their minor child receives prescription contraceptives from a federally funded clinic. This regulation is a sensible step to chip away at the "Berlin Wall," as then HHS secretary Richard Schweiker characterized it, that government has erected between parents and their children.

In attacking the regulation, the "family planning industry" and many newspapers claim, without credible evidence, that informing the parents will increase the number of adolescent pregnancies and abortions. The "industry" accepts the increasing rate of teen-age sexual activity as unalterable if not desirable. It conveniently ignores the fact that, ever since the federal government got involved, virtually every problem that the family planning formula of counselors and contraceptive service providers is supposed to prevent has grown much worse:

Increasing millions find themselves exposed to venereal diseases such as herpes.

Increasing numbers of illegitimate children are handicapped in their early lives as their unwed mothers face the difficult problems of raising children alone.

Social costs escalate as single mothers join the welfare ranks and poorly reared children grow into problem citizens.

Most tragic of all, the toll of human unhappiness continues to grow.

That sex is beautiful, joyful and powerful is not at issue here. No one opposes teenagers' receiving information to help them place it in perspective. Indeed, parents have a special right and duty to provide such information, a duty shared by the clergy and physicians.

What is at issue is the role the federal government has been playing in facilitating and encouraging adolescent sexual activity without parental knowledge or participation. Millions of parents angrily resent the violation of their right to know what is said and given to their children by the government through entities like Planned Parenthood. Moreover, the "family planning" industry downplays the health risks for teenage girls using prescription contraceptives. Clinics provide the pill and intrauterine devices with insufficient regard for the potential harm to the bodies of the recipients.

Articles in the Post itself have described the dangers of these drugs and devices. For example:

"According to a number of scientists familiar with research on oral contraceptives, there is no longer any doubt that the pill's side effects include potentially fatal diseases: heart attacks, strokes, blood clots, brain hemorrhages. Its relation to cancer is confusing. . . . It will be years before its real impact is known" [Feb. 15, 1981].

"A leading pathologist [Dr. Prabodh K. Gupta, Johns Hopkins School of Medicine] says, "There is no safe IUD and urges the nearly 3 million women using them to find another form of contraceptive because they cause infertility and life-threatening infections" [March 4, 1981].

Yet children as young as 13 years old, and perhaps younger, are expected to decide without the help of any responsible adult—except, of course, the "family planning professional"—whether to use those dangerous drugs and devices.

Research has shown that, when adolescents communicate with their parents about sex and sexuality, they are more likely to postpone sexual activity. Those who are sexually active after talking with their parents are far more likely to use contraceptives consistently and carefully. The fact is that the increase in premarital adolescent pregnancy is only the most obvious symptom of a deeper societal problem, a dramatic increase in illicit and ill-advised sexual activity among very young teenage boys and girls.

A government policy that continues to wink at such activity, using taxpayer dollars to pay for contraception for any adolescent who solicits it and withholding that information from parents, fails to pay even token respect to the overall emotional and physical health of the child, to the values of the family and, most important, to the rights and duties of parents.

The writer, a Republican senator from Alabama, is chairman of the subcommittee on aging, family and human services.●

FREEZE OR FOLLY?

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WYDEN. Mr. Speaker, the President's fiscal year 1984 budget supposedly requests an across-the-board freeze on Federal spending. I would like to share with my colleagues a letter I received from the Oregon School Boards Association that shows that this freeze is nothing but folly—that it actually would result in a 10-percent decrease in funding for elementary and secondary education.

I urge my colleagues to see through the guise and support reasonable appropriations for education in fiscal year 1984.

OREGON SCHOOL BOARDS ASSOCIATION,
Salem, Oreg., March 2, 1983.

Representative RON WYDEN,
1406 Longworth HOB,
Washington, D.C.

DEAR REPRESENTATIVE WYDEN: We have now received a clear analysis of the President's requested funding for elementary and secondary programs in his 1984 budget. Rather than the freeze which he trumpeted, we find that the category of elementary and secondary education is projected to absorb nearly a 10% decrease from its present authorized funding level. The President has requested rescission of 125 million dollars of Chapter 1 of the ECIA, the old Title 1 program, rescission of forty some million dollars to bilingual education together with certain other smaller rescissions, and in 1984 would reduce the funding for vocational education, as we all try to work our way out of unemployment problems, by 300 million dollars. The total reduction from the level of spending approved by the Congress to that forecast is 600 million dollars, out of the $6.3 billion approved spending level.

All of you are acutely aware of the problems in the State of Oregon's budget and limitations voters are placing on property tax revenues in Oregon. To have these programs, almost all of which target special needs or are strictly directed at higher cost children, who if not treated here, will be higher cost problem adults in welfare, criminal or retraining programs is simply backwards thinking.

If there is to be a freeze, education must also live with a freeze, but it should be just that. The 1983 funding for elementary and secondary education should not be hit by rescissions and the total funding levels for 1984 must be increased at least to that presently approved 1983 level. Thank you for your consideration.

Yours very truly,

DOUGLAS P. CUSHING.●

A PRAYER FOR THE FUTURE OF THE HUMAN RACE

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GIBBONS. Mr. Speaker, it is not my custom to place matters in the CONGRESSIONAL RECORD, but where the matter is particularly appropriate, I want to vary from my past practice. Yesterday, I was visited by a group of concerned citizens from the Seventh Congressional District of Florida who were interested in the nuclear freeze resolution, and at the conclusion of our meeting I was asked to place in the CONGRESSIONAL RECORD a prayer. The following is a prayer that they offered:

A PRAYER FOR THE FUTURE OF THE HUMAN RACE

O God our heavenly Father, you have blessed us and given us dominion over all the Earth: Increase our reverence before the mystery of life; and give us new insight into your purposes for the human race, and new wisdom and determination in making provision for its future in accordance with your will—Amen.

Taken from the "Book of Common Prayer," 1979.●

PENNY WISE, BARREL FOOLISH

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. RATCHFORD. Mr. Speaker, much has been made of the fact that OPEC is in disarray and oil prices are dropping. For the United States, this is a welcome short-term prospect.

What remains to be seen, though, is whether the Nation as a whole and the Federal Government in particular will have the foresight to recognize that the expected duration of this soft oil market is relatively short. It remains further to be seen whether we will continue to take the steps needed to soften the blow from future oil shocks.

In its budget submissions for the coming fiscal year, the current administration answers these questions in a very disturbing way. I refer to an editorial from the March 7 edition of the New York Times as but one instance of the dangerous direction being taken in the Nation's energy policy:

[From the New York Times, Monday, Mar. 7, 1983]

PENNY WISE, BARREL FOOLISH

Imagine that you have a serious illness but treatment has eliminated most of the symptoms and the prognosis is fair. Does it now make sense to stop paying premiums on your life insurance?

That, in effect, is what the Reagan Administration wants to do in regard to Ameri-

ca's dependence on imported oil. It proposes to reduce purchases for the country's strategic petroleum reserve. The present oil gut notwithstanding, that's reckless economy. Congress should insist that national economic security counts for more than short-term penny-pinching—and insist that the reserve be filled, full speed ahead.

The strategic petroleum reserve was created in 1975 as a first defense against oil shocks. The program got off to a slow start, however; poor management dogged construction of underground storage capacity. Then, once the management problems were solved, the fill rate was kept down for fear of offending Saudi Arabia.

But under goading from Senator Bill Bradley of New Jersey, Congress ordered the Energy Department to add a minimum of 36 million barrels to the reserve each year. The Reagan Administration willingly complied, exceeding that rate several times over. By the end of this fiscal year there will be 357 million barrels in storage, nearly half of the 750 million barrel goal.

Why, then, does Mr. Reagan now wish to slow construction of storage space for the last 250 million barrels? And why does he want to reduce purchases from 80 million in 1983 to 53 million in 1984?

World demand for oil has fallen sharply, even as sources of supply have become more diverse. The recent collapse of OPEC prices proves there is no cartel capable of manipulating supplies. Nor could Saudia Arabia, the largest of the exporters, reduce deliveries sufficiently to create a world crisis. Hence, the Administration reckons, there is no longer a compelling reason to invest in oil at the taxpayers' expense.

The trouble with this reasoning is that in a few years, world oil supplies could easily tighten again—and the best time to buy insurance against that is now, while fuel is cheap and sources are plentiful. Besides, even today, military conflict could create the crisis that OPEC can't.

If Iran, say, managed to close the Persian Gulf—or even seriously threatened to disrupt tanker traffic from the Gulf—oil importers would start buying in a panic. A major infusion of oil from the reserve could prevent it. It's called a strategic reserve for good reason.

The Reagan Administration knows that. Recognizing our continuing economic dependence on the Persian Gulf states, it is currently budgeting about $4 billion a year for the military's rapid deployment force to defend the region. Yet the penny-wise Office of Management and Budget doesn't want to spend a lesser sum to accomplish the same goal without arms.

The Senate Energy Committee has already recommended that $2.5 billion (a sum identical to 1983's) be spent buying more oil to fill up the strategic petroleum reserve. We can't imagine a better insurance investment.●

FEDERAL STUDENT ASSISTANCE RESTRICTIONS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, the Subcommittee on Postsecondary Education, which I Chair, recently held 2 days of hearings on the Secretary of Education's proposed regulation to implement the Solomon amendment to the Military Selective Service Act. That amendment requires students to be registered with the Selective Service System in order to receive Federal student assistance under title IV of the Higher Education Act. The members of the Subcommittee on Postsecondary Education recently wrote Secretary Bell regarding a series of problems with the proposed regulation. We have made several critical recommendations to the Secretary to improve the proposed rule.

My colleague on the subcommittee, STEVE GUNDERSON, of Wisconsin, has introduced legislation to permit conscientious objector status information to be included on the current postcard registration form. I support that legislation, although the Selective Service System has authority to include that information at the current time. My colleague from Colorado, PAT SCHROEDER, has introduced legislation to postpone the effective date of the Solomon amendment from July 1, 1983, to July 1, 1984. While I believe some sort of postponement is desirable—even if the Secretary responds quickly and effectively to the recommendations of the subcommittee—a 1-year postponement may be too long. Therefore, I am introducing legislation today to provide for a postponement of 7 months, from July 1, 1983, to February 1, 1984. I offer this amendment fully cognizant of the concerns of my colleagues who supported the Solomon amendment in the 97th Congress, but also fully aware of the problem attending its implementation without notice to higher education institutions and the opportunity to make the new requirements a part of the student financial aid award process.

Several of my colleagues on the Subcommittee on Postsecondary Education join me as cosponsors of this bill.

H.R. ——

A bill to delay the effective date for the denial of Federal educational assistance to students who have failed to comply with registration requirements under the Military Selective Service Act from July 1, 1983, to February 1, 1984, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1113(b) of the Department of Defense Authorization Act, 1983 (Public Law 97-252; 96 Stat. 748), is amended by striking out "for periods of instruction beginning after June 30, 1983" and inserting in lieu thereof "for periods of instruction beginning after January 31, 1984".

SEC. 2. The Comptroller General shall conduct an ongoing study of the impact of section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)) on enforcement of the registration requirements under section 3 of such Act and the efficiency and effectiveness of enforcing such requirements through programs of student assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.). The Comptroller General shall submit to the Congress a report on the results of such study not later than March 1, 1985.

U.S. HOUSE OF REPRESENTATIVES

98th Congress, March 8, 1983

Pursuant to Clause 4 of rule XXII of the rules of the House of Representatives, the following sponsors are hereby added to H.R. ——:

Honorable Steve Gunderson;
Honorable Ray Kogovsek;
Honorable James Jeffords.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION AND LABOR
Washington, D.C., February 28, 1983.

Hon. TERREL H. BELL,
Secretary, Department of Education,
Washington, D.C.

DEAR MR. SECRETARY: The Subcommittee on Postsecondary Education recently held two days of public hearings on the proposed regulation implementing the so-called Solomon/Hayakawa Amendment to the Military Selective Service Act. The amendment requires students to be registered with the Selective Service System in order to receive Federal student assistance under Title IV of the Higher Education Act. The Amendment also directed you, in consultation with the Director of the Selective Service System, to issue implementing regulations. The regulations were published in the Federal Register on January 27, 1983 (34 CFR 668), approximately five months prior to the effective date of the new law. By the time the Department reviews all of the public comments, publishes a Final Rule and the 45 day congressional review period has expired—we will be perilously close to the beginning of the 1983-84 academic year.

The Subcommittee has reviewed the proposed rule carefuly and explored various alternatives with several expert witnesses who testified before the Subcommittee. While we do not share the same views on the need for the law; the impact of shifting the verification/enforcement tasks to colleges and universities, or the necessity for linking students eligibility to draft registration—we all believe that the proposed rule imposes administrative burdens and enforcement responsibilities on institutions which Congress forbade or did not require; and that the proposed rule should be replaced with a simpler procedure which meets with congressional intent. We strongly urge you to adopt our joint recommendation or any alternative which comports with the following principles:

Only male students, who are required to register, should submit to the appropriate school, college or university evidence of his registration or a statement of his compliance with the Military Selective Service Act (see enclosure);

The institution of higher education should only be required to provide to the Selective Service copies of the Statement of Compliance (for those male students who failed to provide satisfactory evidence of registration with the Selective Service), or a list of the names, addresses, etc. of those students who completed a Statement of Compliance (at the option of the institution);

Title IV funds should be disbursed when the institution has either evidence of registration or a statement of compliance in its possession. Pre-award certification should

not result in delays in awards to any student.

All verification and enforcement, except a good faith attempt to recover student aid funds obtained in violation of 20 U.S.C. 1097, should be carried out by the Department and/or the Selective Service System—collection of student aid funds on the basis of a false affidavit should be the exclusive responsibility of the Department of Education;

Any proposed denial of Title IV, Student Assistance must be preceded by notice, opportunity to respond in writing, and the opportunity to be heard (in the discretion of the Secretary). No aid can be denied without complying with these statutory minimum due process standards.

We believe these principles are consistent with the law and minimize the burden on postsecondary institutions as contemplated by Congress:

"The conferees urge that such regulation and procedures necessary to implement this provision minimize the administrative burden on colleges and universities and the delays in processing aid applications and awards."

This Conference Report language (Rpt. No. 97-749) explains the conferees concern in completely rewriting the Solomon and Hayakawa Amendments adopted in the respective House and Senate versions of the Department of Defense Authorization Act of 1983 (P.L. 97-252). We do not believe the Department's proposed rule is in accord with either the letter of the law nor the intent of Congress for the following reasons.

Paperwork burden.—The proposed rule places unnecessary paperwork burdens and time-consuming counseling responsibilities on institutions of higher education by making them implement a law Congress only intended that they have a passive role in. Requiring all student aid recipients—not just registration-age males—to complete a compliance statement is unnecessary and beyond the command of the statute. The verification of *all* applications *before* Title IV funds are disbursed is also unnecessary and beyond the plain meaning of the statute.

Award delays.—If verification for all student aid applications is required before disbursement, delays in the award of Title IV funds is inevitable. No reading of Section 1113(4) of P.L. 97-252 can construe that language to require universal verification nor that verification must precede disbursement, especially if delays in making awards to students resulted. If the proposed rule were followed, a student who registered, *or who was not required to register* could be denied student aid because he could not establish that fact in 120 days.

Temporary awards.—This concept, advanced in the proposed rule, will wreak havoc on the award process, especially as it affects Guaranteed Student Loans. Both lenders and guarantors have advised the Subcommittee they will not make loans to students whose eligibility might be considered "temporary" because they ". . . may experience increased default rates as a result of the proposed regulations, and because our reinsurance formulas may be adversely affected. . . ." The Subcommittee was told during its February 24 hearing: "Institutions and lenders will probably not process loan applications for students unless the students file the required documents." This type of lender reaction is understandable and adds to the complexity created by the proposed rule which we believe must be avoided.

Enforcement.—The entire burden of enforcement is misplaced by the regulation. The conferees, in adopting major modifications in the Solomon/Hayakawa Amendments, took special cognizance of the implementation problems associated with the provision. The Executive Branch's expressed intention to place the entire burden of enforcement on postsecondary institutions and students is unwise and unworkable. In our view, the intention of the Solomon/Hayakawa Amendment is best effectuated by placing the burden of verification and enforcement on the Selective Service System. Institutions of higher education should not have the burden of enforcement placed on them.

We believe that the Department's regulation and the lack of certainty about implementation of the Solomon/Hayakawa Amendment must be resolved quickly. Otherwise, students and parents will be in a quandry regarding what procedure is to be followed and whether or not they are eligible for Federal student assistance. We urge you to keep these factors in mind as you review the comments from the higher education community and the general public.

Finally, Mr. Secretary, we want to underscore our firm advice to you that the proposed regulation not be finalized in its present form. We are willing to work with you and General Turnage. We hope to hear from you before publication of the Department's final regulation.

Sincerely,

Paul Simon, Chairman; James M. Jeffords, Steve Gunderson, William F. Goodling, William D. Ford, Ike Andrews, Thomas E. Petri, Ray Kogovsek, Frank Harrison, Frederick C. Boucher, Major R. Owens.

AFFIDAVIT OF COMPLIANCE WITH SELECTIVE SERVICE REGISTRATION LAWS

☐ I am not required to register under Selective Service laws.

☐ I affirm that I have reached my eighteenth (18th) birthday, that I am required to register and that I am registered with the Selective Service System under the Military Selective Service Act. I understand that if this information is found to be false, I may be subjected to prosecution for violation of the registration law and for submitting false information in connection with my application for Federal student assistance, or both, and that I could receive a fine of up to $10,000 for each violation, a prison sentence or both.

If necessary, I will make every effort to provide proof of my registration with the Selected Service System to my college or university.

Signature:————————

Date:————

Affirmed before me on the——day of————, 19—.●

PROGRESS IN EL SALVADOR

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BROOMFIELD. Mr. Speaker, I believe that the administration has reason to be optimistic about America's commitment to a just and peaceful resolution of the problems in El Salvador. Let me share a few observations with you on this subject.

The President of El Salvador, Alvaro Magana, recently announced that elections would be held this year and not next year. All indications are that nationwide voting will occur in mid-December. President Magana also pledged that the upcoming elections would be fair and open to all parties and groups. This offer includes those who are in violent opposition to the Salvadoran Government, as long as they are willing to participate in a peaceful electoral process.

The recently formed Peace Commission in El Salvador is now preparing a general amnesty program and is actively studying various ways to achieve national reconciliation. During his recent visit to Central America, the Pope, John Paul II, endorsed the Salvadoran Government's call for general elections.

An additional encouraging factor is that the Salvadoran Constituent Assembly voted 36 to 23 to extend the national land reform program until the end of December 1983. As you know, Decree 287 permits campesinos to apply for land title to the 17.5 acres which many of the farmers presently rent. Over 120,000 campesinos have the right to apply for titles to land. By the end of 1982, over 51,000 had applied for these titles. Many more are expected to apply. The former large landowners are compensated by the Salvadoran Government by reimbursing them for the value of their property, or letting them buy Salvadoran Government bonds.

President Magana's initiatives appear to me to be a step in the right direction and a manifestation of his sincere commitment to democracy. I am certain that our Government and President Magana are seeking a reconciliation to put an end to the violence in that long-suffering country. In last December's national elections, the Salvadoran people, themselves, overwhelmingly supported a political solution to end the ongoing tragic warfare in that nation.

In complying with the desires of his people, the Salvadoran President has offered these new proposals to reduce the violence in his country. He has held out the olive branch to the guerrillas. Let us hope that they will respond, and that the election plan will be a first step along the road to political reconciliation and peace.●

CHILD CARE LEGISLATION

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Ms. MIKULSKI. Mr. Speaker, I join my colleague Mr. CONABLE in introduc-

ing child care legislation today. Child care is a vital support service for working parents, especially in these hard economic times.

There is a common misconception that women really do not need to work and so the Federal Government really does not need to concern itself with child care or other support services important for workingwomen. But the fact is, women do not work for luxuries, they work to support their families. They work to survive.

Women are working in rapidly growing numbers. In the last decade, women have increased their labor force participation from 42 percent in 1970 to 52 percent in 1980. Labor analysts project that if this trend continues, by 1990, 56 percent of all American workers will be women. And, because women with children are staying in the labor force, a majority of the work force will have children—children who will need child care.

The economics of being a workingwomen make child care legislation even more essential. Although women are presently more than one-third of the full-time paid labor force, they are more than half of those who earn less than $5,000 per year.

The bill introduced today is part of the Women's Economic Equity Act. Although it will not overturn these statistics, this bill does take important first steps toward alleviating the economic burden of child care. I urge my colleagues to support this legislation.●

FIGHT TO ADVANCE CONSUMER RIGHTS CONTINUES

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Ms. FERRARO. Mr. Speaker, today I am introducing two pieces of legislation which would help stop the nationwide epidemic of converting rental housing to condominiums and cooperatives.

These bills are the result of the dedication of our late colleague, Representative Benjamin Rosenthal. Through his Subcommittee on Commerce, Consumer and Monetary Affairs, Ben held numerous hearings on condominium conversions and developed these two proposals for protecting the interests of the millions of Americans who are each year threatened with losing their homes. The bills mark the continuation of Ben's longtime fight to advance consumer rights in all sectors of our economy.

The first bill would prohibit for 2 years the conversion of residential rental units to residential units which are to be offered for sale, and to establish a Presidential Commission on Problems Relating to the Conversion of Residential Rental Units.

The second bill would make certain changes to the basic Federal tax laws that apply to real estate transactions and is called the Condominium-Cooperative Conversion Tax Adjustment Act of 1983. The purpose of this legislation is to slow down excessive speculation in rental housing, which has resulted in steep increases in the cost of housing when conversion occurs. The bill is also designed to encourage sales directly to the people living in rental buildings, without the intervention of cost-increasing intermediaries, when such conversion occurs.

In the past decade the conversions of rental units to condominiums and cooperatives has increased at alarming rates, displacing those on fixed and limited incomes. For all too many of these people it is becoming impossible to find equivalent affordable housing elsewhere.

As Representative Rosenthal said:

The human, economic, and political problems stemming from conversions are nowhere in the Nation more acute than right here in Queens. Affordable rental housing will soon disappear if present trends continue.

Enacting these bills will do a great service to America's apartment dwellers, as well as pay tribute to a great legislator and humanitarian. I urge the support of my colleagues in this effort.●

INTRODUCTION OF RESOLUTION ON STATE COMMISSIONS ON TEACHER EXCELLENCE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, today I am introducing a joint resolution calling upon States to create temporary Commissions on Teacher Excellence. The commissions would be charged with reviewing State requirements for teacher certification and programs for teacher retention and in-service training and more important, how we attract and retain the very finest personnel in the teaching profession. The commissions could examine the entire process of teacher training, including recruitment, in conjunction with institutions of higher education. The end product of such reviews would be a report and recommendations for programs at the local, State, and possibly Federal level.

Many States have agencies or boards similar to the proposed commissions and have begun preparation of comprehensive teacher quality reports. The resolution would not require the creation of any new agency as existing offices could fulfill the mandate. In many cases, the resolution would not require any new collection or analysis of teacher training and retention information since such an analysis is ongoing. However, the resolution would affirm that the problem of teacher quality is a national one, that an evaluation of the current situation and possible remedial actions would be of value of all State education agencies, colleges, and universities who train teachers, and local districts who have the prime jurisdiction in dealing with recruitment and retention of quality teachers.

The resolution was developed during the last Congress in response to hearings which revealed the scope of the problem of teacher excellence. My Subcommittee on Postsecondary Education held 4 days of hearings on teacher quality and the information we received is disturbing. For example:

Scholastic Aptitude Tests (SAT) for high school seniors in 1979–80 show that on the verbal scores, those planning to become teachers rank at the bottom among 12 categories, showing a drop of 79 points in scores over the last 8 years. The next lowest category is a full 60 points higher than education majors.

Education majors consistently graduate in the lowest third of their college or university classes.

Teachers in the field scoring highest on the National Teacher Exam (NTE) leave teaching in higher proportions than their colleagues who score lower on the NTE.

While the last few years have shown a "glut" of teachers, demographic changes indicate a shortage of teachers by the end of the decade. Currently, there exists a shortage of teachers in particular concentrations especially science and mathematics.

The situation was summed up by Dr. Milton Goldberg, of the National Institute of Education, who told the subcommittee: "On both sides of the equation there is some disquieting news: On the average, those entering [teaching] are not terribly promising, and those leaving are among the best in the profession."

The resolution on State Commissions on Teacher Excellence does not solve the problem. It does affirm that teacher quality has national implications and calls on those with responsibility for teacher preparation and certification to look at existing training and employment problems and ways to encourage quality teaching in the classroom. It will be the States who then suggest an appropriate Federal role.

The current unemployment situation, the needed upgrading in technological skills of the work force, our posture in international trade, and ability to compete with other industrial nations and the frightening levels of adult illiteracy make it imperative that our children receive a strong education. Our Nation can afford no less.

H.J. RES. —

Joint resolution to establish State commissions on teacher excellence

Whereas the education of Americans is the foundation on which the future well-being and progress of the Nation depend;

Whereas the quality of the Nation's teachers is vital to the quality of that education; and

Whereas under the American federal system it is the responsibility of the States to regulate the certification and licensing of those teachers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares—

(1) that the governments of the States should carefully evaluate the training and performance requirements which they specify for teachers and teacher preparation institutions to ensure the competence and encourage the excellence of their teachers;

(2) that such an evaluation by any individual State could well profit from the investigation of teacher recruitment, selection, training, certification, and licensing in other States;

(3) that, in order to promote this evaluation, the States should establish commissions on teacher excellence to undertake consideration of the broad range of factors involved in the entire process by which teachers are recruited, selected and trained from admission to college and university degree programs through preparation for teaching in the current educational environment, certification, and licensing, and continuing professional development; and

(4) that, in addition to the progress which could be obtained by the use of this evaluation by State and local government, the national interest in the continuous improvement of the Nation's teachers would be served if the results of these investigations were made available to the President and Congress, together with recommendations from the States on ways in which improvements in the quality of public school instruction could be assisted by research, evaluation, new policy initiatives, and changes in existing Federal laws.●

THE COST OF COMMUNISM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GINGRICH. Mr. Speaker, the American media tell us much of deaths resulting from political violence in Central America. But we are not told very much about refugees that same violence makes homeless.

The United Nations High Commission for Refugees, for example, found that 25,000 Guatemalans had fled across the Mexican border by October of last year. The Salvadoran Green Cross relief agency estimated last May that there were 300,000 displaced people in El Salvador.

I hope that private charities can meet the needs of these and other Central American refugees, but I know that such human suffering contributes to the instability of a strategic region close to the United States.

So I want to put in the RECORD a column written by Mike Meyer, for the Carrollton, Ga., Times-Georgian, September 22, 1982. A farmer now living in my State, he and his family fled from Nicaragua after the Sandinista takeover. American citizens, they had farmed on the Caribbean frontier of that country before the Communists took power.

Unlike the thousands mentioned above, Mike and his family had a safe place to go to.

The column follows:

[From the Times-Georgian, Sept. 22, 1982]

REFUGEES USED FOR DEVIL'S WORK

(By Mike Meyer)

Refugees result today from the world acting like the limp end of a dish rag. I thought to myself while listening to a recent radio broadcast appealing for funds for refugees in Atlanta.

Yes friends, some of us are mumbling and grumbling things like—why don't we close the doors, lock the windows and put the Statue of Liberty in moth balls! With reason.

Well now. We have to study on this a bit from all sides an use a lick of horse sense.

Firstly a refugee is a person who flees for safety. This human being didn't plan on coming for a fancy fling. He came running desperate carrying a strong desire to live.

Secondly in order to aid Atlanta refugees and refugees the world over ya gotta work to stop the cause that makes a human being need refuge. While we're doing it don't forget humanism. Now we don't want to hear anybody say they don't know what humanism is. It doesn't require a college diploma to practice it every day, and if we ain't, we might as well look on packing it all in down the road a way.

I shared daily in cups of Lipton soup with wall to wall refugees in Honduras, Central America, sharing my living quarters. Dehydrated Lipton soup is of the highest quality but a bit boring after six months. These people were scared for their lives and lives of their loved ones created by an intrusion of an ungodly ideology.

You see Marx and Lenin wrote that confounded book on communism making certain people aware of power to be ravished from creation of destruction and devastation. Much like natures' vultures of the world, they get you when you are weak or down and before you know it you are picked clean.

If a person will take time to study methods used by world communism today, they can understand the plan of trespassing on God loving people.

A refugee is one communist instrument creating an economic mill stone onto otherwise stable countries. Everyone in West Georgia knows a refugee is a human being in need of the right to survive and that is one of the big differences between communism and us.

A proverb comes to mind. "A man gives nothing who does not give himself." It looks like to be, from my observations of some governments in this ole world, that leaders don't have the answers to resolve this problem of humans being used for the devil's work. May I suggest we take 15 minutes a week and pray on it until the problem is solved.

Avenues lie before us from which to choose. We inherited them from our forefathers through the laws of our land in which we ourselves are guests as they were. Deciding what our grandchildren will inherit from us and examples we set today will be their standards to live by tomorrow.

We need to come to grips as to what our dedication will be to resolve the problem of the holocaust victims of the world. For those who see the word holocaust and relate it only to the Jews in the 1940s, I suggest we bring ourselves up to date and be aware of the holocaust of the Christians today on the American continent.

Three million Cubans in Miami we all know about. They were forced to take flight some 20 years ago from Castro's Cuba. Just a few years ago we read about 2 million Cambodians starving to death. My cousin is working as a volunteer in Thailand feeding millions of people through the work of the Southern Baptist Foreign Mission. I personally have known of 33,000 refugees from Nicaragua living in camps in Honduras in 1980. Since the battle of El Salvador in Central America began, thousands have poured into Arizona. The battle in neighboring El Salvador is a duplication of what happened to our neighbor Nicaragua. All caused by the book that Marx and Lenin wrote.

Our forefathers made this U.S. and from the start designed the words of our beginning laws to say "we the people of the United States" and we have followed those laws some 200 years. They were good then. They are good now. In our history books we studied in school, our forefathers let it be known to the beginning government as to their desires and will in a lawful manner. This is our time to speak up and let our desires be known in the world today following a tradition. Each person should communicate with his or her representative, with our ministers of faith and local organizations. It's no time to hide in the closet.

So may the good Lord take a liking to you and hang on.●

HOW A BILL BECOMES LAW

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. EDGAR. Mr. Speaker, from time to time I receive requests from my constituents, both young and old, wanting to know how a bill becomes law. Because we are so closely involved in the process, we often forget that it is not always readily understood by others. The following summary is meant to outline the legislative process. I hope that it will be useful to anyone interested in understanding the Government machinery.

Ours is a Government of the people, by the people, for the people. It is not a pure democracy. It is a republic in a democracy. It is a representative democracy.

Our laws are the embodiment of the wishes and wants, the ideas and ideals of the American people as expressed through their Representatives in the Congress: 435 in the House of Representatives and 100 in the Senate. Any Member of the House or Senate may introduce a bill embodying a proposed law or revision of existing laws, at any

time when his respective House is in session. When introduced, the bill will be entered in the Journal of the House, and the title and sponsors of it printed in the CONGRESSIONAL RECORD of that day.

EACH BILL NUMBERED

Each bill introduced is assigned a number by the clerk of each House and referred to the committee having jurisdiction over the subject matter by the presiding officer, that is, the Speaker of the House or the President of the Senate. Copies of the bill are printed by the Government Printing Office and made publicly available from the congressional document rooms.

Acting through its chairman, the committee decides whether a bill should be taken up by the full committee or referred to a subcommittee for its initial consideration.

THE DELIBERATIVE STAGE

The subcommittee's deliberations are the most important stage of the legislative process. It is here that detailed study of the proposed legislation is made and where people are given the right to present their views in public hearings. When the chairman has set a date for public hearings it is generally announced by publication in the CONGRESSIONAL RECORD.

Copies of the bill under consideration by the subcommittee are customarily sent to the executive departments or agencies concerned with the subject matter for their official views to be presented in writing or by oral testimony before the subcommittee. The number of witnesses, pro and con, heard by the committee is largely dictated by the importance of the proposed legislation and degree of public interest in it.

TESTIMONY HEARD

The transcript of the testimony taken is available for inspection in the individual subcommittee offices. Quite frequently, dependent on the importance of the subject matter, the subcommittee hearings on a bill are printed and copies made available to the public.

After conclusion of the hearings the subcommittee proceeds to meet in executive sessions—sometimes referred to as "markup" sessions—to discuss the bill in detail and to consider such amendments as any member of the subcommittee may wish to offer. The bill then is reported to the full committee and the same process is undertaken there. Each committee has its own rules of procedure but they generally conform to the rules of the House itself.

THE COMMITTEE VOTE

By a formal vote of the committee, it decides whether to report favorably to the House the bill with or without committee amendments. A committee report must accompany the bill, setting forth the nature of the bill and reasons for the committee's recommended approval. The report sets forth specifically the committee amendments and, in compliance with the rules of each House, indicates all changes the bill would make in existing law. Any committee member, individually or jointly, may file additional supplemental or minority views to accompany the majority committee report. The committee report, accompanying the bill, is viewed by the courts and the administrative agencies as the most important documents as to the intent of the Congress in the proposed legislation.

AFTER REPORTING

When a bill is reported by the committee it is placed on the appropriate calendar. The majority leadership decides how and when the bill will be considered on the floor. In general the bill is allowed to remain on the calendar for several days to enable Members to become acquainted with its provisions.

In both the House and the Senate innumerable measures of relatively minor importance are disposed of by unanimous consent. In the Senate, where debate is unlimited, major bills are brought up on motion of the majority leader and in the House are called up under a privileged resolution reported from the Rules Committee which fixes the limits of debate and whether amendments may be offered from the floor. The Rules Committee resolution is called a rule for consideration of a bill; a closed rule if no amendments are allowed, as is generally the case in tax bills, and an open rule if amendments can be offered.

REACHING CONSENSUS

While there are distant differences between the House and Senate procedures, in general a bill is debated at length with the proponents and opponents presenting their views to acquaint the membership, as well as the general public, with the issues involved, and all with a view to arriving at the consensus. Amendments are frequently offered to make the measure more in conformity with the judgment of the majority. In the course of consideration of the bill there are various parliamentary motions, in both the House and the Senate, which may be offered to determine the sentiment of the Members with respect to the pending legislation. The measure may be postponed to some future date or referred back to the committee which reported it.

With the conclusion of general debate and the reading of the bill for amendments, the question becomes whether the House or Senate, as the case may be, will pass the bill in its final form. The CONGRESSIONAL RECORD of the day the bill was under consideration will set forth the verbatim debate on the bill and the disposition made of such amendments as were offered.

AFTER PASSAGE

With the passage of a bill by either body it is messaged to the other with the request that they concur. If no action has been taken on the like measure by the body receiving the message, the bill is usually referred to the appropriate committee of that body for consideration. Hearings are again held and the bill reported for floor action. On relatively minor or noncontroversial matters the Senate or the House accepts the measure as messaged to it by the other body.

If there are substantial differences between the House and Senate versions of a given bill, the measure is sent to a conference committee which is appointed by the Speaker and the President of the Senate from the ranking committee members of each body having original jurisdiction over the bill. The object of the conference committee is to adjust the differences between the two bodies, and to report back to each its agreement. The report of the conference committee must be in writing and signed by those agreeing thereto and must have the signature of the majority of the conferees of each House.

CONFERENCE REPORT

The report of the conference committee cannot be amended and must be accepted or rejected by each House as it stands. If either House finds itself unable to accept the conference committee report a further conference is usually requested.

When the bill has been agreed to in identical form by both bodies, a copy of the bill is enrolled, signed by the Speaker and by the President of the Senate, for presentation to the President. The bill becomes law with the President's signature of approval, or it may become law without his signature if he does not return it, with his objections, to the Congress within 10 days of its presentation to him.

If the President should return the bill, with his objections, to the originating body of the Congress, his veto may be overridden by two-thirds of both the House and Senate respectively voting to have the measure become law the President's objections to the contrary notwithstanding. Both the President's veto message and a record of the vote of the individual Members in the motion to override are required by the Constitution and set forth in the CONGRESSIONAL RECORD.●

YOUTH—AMERICA'S STRENGTH

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GIBBONS. Mr. Speaker, each year for the past 35 years the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as top prizes. First prize is a $14,000 scholarship, second prize is $7,000, third prize is $4,500, fourth prize is $3,500, and the fifth prize is $2,500. The winning contestant from each State is brought to Washington, D.C., for the final judging as a guest of the Veterans of Foreign Wars.

I am proud to share with you the winning speech from the State of Florida as delivered by Catherine A. Lindley of Tampa. The contest theme this year was "Youth—America's Strength."

YOUTH—AMERICA'S STRENGTH

(Speech by Catherine A. Lindley)

Throughout the centuries of American history, individuals have set into motion influences that affect my life today. I have inherited the rich legacy of all the dreams, ideas and actions of my great nation's people. Living in me now are the ideals of the gallant Pilgrims, the daring explorers and pioneers, the rugged soldiers of Valley Forge, the dedicated, fiercely independent statesmen . . . all the fighters for freedom throughout our country's history. And on a closer note, adult Americans all around me, through example, have influenced my character.

As a teenager, I am too young to be of much importance, too inexperienced to know much about life and its complexities. And yet, because of my youth, I am one of those who must carry on what you have started. When you are gone, I with the others of my age must assume control of all cities and states . . . the fate of our nation will rest one day in our hands. America's future strength depends upon today's youth. And in my concern for America's dignity and well-being, I propose that since the adults and leaders of the present generation cannot always build and strengthen the future for their children, they need to build and strengthen their children for the future.

As the trustees of America's posterity, children must be somewhat frightening to adults. It has been said that children today love luxury, have bad manners, contempt for authority, show disrespect for their elders, contradict their parents and tyrannize over their teachers. But when you consider it was Socrates who said that over 2,000 years ago, it becomes clear that there's nothing really wrong with our younger generation that the older generation didn't outgrow. Much of the difficulty of youth lies in the confusion adults suffer in not knowing what to do with us. As Henry Ward Beecher put it, "Badgered, snubbed and scolded on the one hand; petted, flattered and indulged on the other, it is astonishing how many children work their way up to an honest adulthood considering the inconsistencies of parents and friends." Kids can't win, you know; if we're too noisy, we get punished . . . if we're too quiet, someone takes our temperature.

As a young person, I am today's investment, tomorrow's dividend. Blessed am I for I shall inherit the national debt . . . along with the earth and its many other problems. And the most fitting education to prepare me for the challenges that lie ahead is one that teaches me to become independent and self-determined. To be willing to fight for freedom, I must live with both the luxuries and the responsibilities of freedom. Diderot said that young people suffer less from their own mistakes than from older people's cautiousness. So much of the difficulty with young people in America today is caused by adults attempting to shield children from the challenges of life rather than teaching them how to meet and cope with daily difficult experiences. Adults need to remember that in doing everything for a child and expecting nothing, they do a child a disservice. Children may seem to want to be indulged, but they really want to learn to be responsible. Young people need to experience the struggles in life in order to prepare us to take the responsibility for our own actions and lives . . . and eventually, the responsibility to direct the future of our nation and our universe.

To those adults who love young people, I say, feel our dignity, believe in our value and give us but two gifts: one of them roots, the other wings. If you love us, let us go. Let us make our own mistakes. Struggle with our own decisions; but, all the time, be there helping us curb our impulses and holding us with your love to our responsibilities. Teach us by your faith in us that this beautiful country some day will have to be ours. And as guardians of this great nation, we will have to shoulder the responsibility for the miracle of it as well as the harsh, bitter realities of it, and we will have to pledge ourselves to our country.

For in the youth of each generation lies America's strength . . . we are America's future. And the influence of my generation will merge with the influence of Americans throughout history helping to inspire succeeding generations to be finer than ours ever dared yearn to be. For in every child who is born, the potentiality of the human race is born again and with it all the hope and strength for America's future.●

CIVIL SERVICE RETIREES DESERVE LEGISLATIVE ASSURANCE

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SUNDQUIST. Mr. Speaker, the most important vote we will be making within the remainder of the week will be the vote on the rule for consideration of the social security bill; and whether or not we want to give the important issue of the inclusion of Government employees under social security a chance for full debate on this House floor.

I am fearful of this universal coverage, because there has been no legislation proposed to implement the Commission's promise that there will be a supplemental pension for the civil service retirees. We the Members of the House of Representatives have been asked to accept this without any real legislative assurances that many Federal retirees will receive their earned benefits

The Federal employees concerns, I believe, are justified. First of all, social security is not solvent, and Congress seems to be attempting to solve a long-term problem in the short term with the civil service retirement pension fund. Also, this merging will be difficult and complicated and one in which I feel should be scrutinized and debated by this body.

Finally, Mr. Speaker, my fear is that we are attempting to tax new Federal employees to raise quick money for social security rather than addressing, and most importantly, debating the pros and cons as a quick fix for social security.

So, I encourage the Members of the House to vote against the rule, in hopes that we can get a separate vote for universal coverage and give it the debate it deserves.●

THE BREAKFAST OF CHAMPIONS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HOYER. Mr. Speaker, I would like to bring to your attention an outstanding group of individuals in Prince Georges County, Md., who take a strong and active interest in the future of our youth.

The Prince Georges County Champions Association is made up of individuals, civic and business groups, whose primary goal is to honor the outstanding youth of our county. Volunteers contribute many hours a year to congratulate those who have distinguished themselves as champions in their fields of endeavor. Each year, the association recognizes those young people who will certainly be the future athletes, artists, scientists, and leaders of our country at a "Breakfast of Champions" awards ceremony. Since its inception, the association has heralded from among our county's youth such outstanding award recipients as Sugar Ray Leonard, Stacy Alford, and Joseph Sheppard. Winners have included not only sports stars, but high achievers who are mathematicians, piano players, Special Olympics champions, and gold medal lifesaving-award winners.

The champions association had its beginning 10 years ago when a small group of citizens decided it was time to honor those who had excelled with su-

perior achievement at local, State, regional, and national levels of competition. At first, the group had modest plans, expecting only a handful to be recognized each year. But within 4 years, it had honored more than 200 champions, all from the county or representing teams from the county. Today the list has grown to more than 500 individuals and groups honored by the association.

Award recipients are chosen by a steering committee which reviews applications submitted by professionals who work with the youth. Although most awards are presented to nominees under the age of 21, the association recognizes other outstanding individuals who have served or contributed to the success of the young people in the county. The record for the oldest "youngster" recognized by the association is held by 75-year-old Rita Shephard of Hyattsville, who regularly swims about 1 mile a day and places in national age-group meets. The Guys and Dolls Cloggers came to the association's attention at one awards breakfast when Jimmy Lovelace proudly accepted an award for being a champion clogger at the age of 2.

Included in the list of recipients at the first breakfast in 1974 was Carol Pelosi of Greenbelt, the national indoor women's crossbow champion. Carol had picked up the target crossbow for the first time only months before winning her first national championship. Yet, 10 years later, she is still the undefeated national champion who routinely scores higher totals than the men in their competitions. Another county resident, Jay Diamond, recognized several times for his long-jump achievements, is now at Princeton and on the track team. In 1978, the association honored Carol Byrd as the Maryland State AA Shot Put Champion. She attended George Washington University on a full basketball scholarship, where she became the third woman in the country to attain a 1,000-point college career total.

Another outstanding achiever, May-Lily Lee, won her first award in 1979 at the age of 13 for a 10-minute video tape she wrote, produced, and directed. Since then, she has been recognized twice by the association and has performed her magic tricks at the breakfast program. She has written two books, one entitled "Magic for Kids Under 80," and she plans to become a doctor.

The list of names will continue, as more of the county's youth are honored each year at the Breakfast of Champions. This unique event is thought to be the only one of its kind in the country. The association brings together the newest nominees, their families and friends to bestow recognition in the form of a medallion or plaque upon the champions. Guest speakers, such as Joe Theisman and Jo Jo Starbuck tell their own success stories to the young people. One guest speaker, who was held captive in Vietnam for 7 years, likened his desire to live to the desire of the youths to win.

This spring, the champions association will celebrate a special breakfast, marking the 10th year of its award presentation. On March 19, at the Andrews Air Force Base Officer's Club in Maryland, recipients from previous years will join those newly honored to perform some of the special talents that have made them champions.

It was a small group of citizens who began the amazing Breakfast of Champions, but the number of lives their work has touched is endless. Members such as association president Mary Ellen Kiss have spent many hours to show our outstanding citizens how much they are appreciated. The association has stirred great pride among the families, friends, and community members of the county's youth.

Mr. Speaker, the association members also deserve to be called champions for bringing honor and pride to those young people whose hours of struggle have led them to the ultimate victory of success. I applaud the work of the champions association, both its dedicated members and the outstanding young achievers who have and will receive the laurels so rightly bestowed by the group.●

JAMES M. COUGHLIN HIGH SCHOOL FOOTBALL BOOSTERS 31ST ANNUAL AWARDS BANQUET

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HARRISON. Mr. Speaker, on Sunday evening, March 13, the Coughlin High School Football Boosters Club will sponsor its 31st annual awards banquet. Jackets, plaques, and trophies will be awarded to those who have earned them. Special awards will also be given to senior team members, many of whom have devoted 6 years to the sport. In addition, the outstanding girl athlete of the school will receive an award.

Mr. Speaker, the Coughlin High School football program is well known not only throughout Wilkes-Barre, the Wyoming Valley and Commonwealth of Pennsylvania but, I am proud to say, throughout the Northeastern part of the Nation. The recognition which it has gained is due to the skill, dedication and hard work of the young men who make up the team and serve as its managers. It is due also to their parents, friends, and family whose encouragement and support have led them to make the sacrifices which go into an outstanding football team.

A word must be said, also, about their great coaches. Assistant coaches John Joseph and Cliff Jones deserve mention and high praise for their day-in and day-out work. And, of course, special recognition must be given to Coughlin football coach J. P. Meck. The contributions he has made to sports, to coaching and to our community can be summed up by noting he has been named Pennsylvania Coach of the Year by the Downtown Binghamton Football Clinic. That award will be presented in conjunction with Binghamton's annual clinic March 18 through 20.

But before that, Mr. Speaker, the students, teachers, parents, and boosters of Coughlin football will pay tribute to Coach Meck, to his assistants and to their team with a well-deserved ovation next Sunday evening.

Mr. Speaker, it is a genuine pleasure for me to join with the boosters club and with our entire community in paying tribute to the James M. Coughlin High School football program. To those who will continue football careers, whether at Coughlin or elsewhere, we all wish the best of luck and much success. To their coaches we wish a long career and continued good fortune. And to all the boosters and fans of Coughlin football, we say thank you for the support you have given over the years and we remember that "they also serve who only stand and cheer."●

REMARKS OF HON. GUS YATRON AT A LUNCHEON HOSTED BY THE CENTER FOR INTERNATIONAL POLICY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. ZABLOCKI. Mr. Speaker, on Monday, the distinguished new chairman of the House Foreign Affairs Subcommittee on Human Rights, Congressman GUS YATRON, made an important speech on his goals and aspirations for the subcommittee. His remarks, at a luncheon hosted by the Center for International Policy, will be of interest, I am sure, to every Member of Congress.

Father Drinan, thank you for that very kind introduction.

I am most appreciative to Don Randard, Don Frazer, Tom Harkin and the Center for International Policy for hosting this luncheon and for giving me the opportunity to meet many of you for the first time and to renew old friendships with many others. I am especially honored that Kim Dae Jung is here.

Who would have thought 20 years ago that there would be an international human rights establishment in Washington? As I

look around this room I know that there is. The men and women here can no longer be dismissed as a group of idealists tilting at windmills. You are not just men and women of talent, energy and wisdom: You are people of consequence, people whose ideas are heard and listened to, and people whose determination and influence have enriched this nation's heritage of commitment to human dignity.

I am proud to be among you: To share your ideas and your commitment.

In the few moments we have together this afternoon, I briefly want to share with you the principles which I believe should guide the Subcommittee on Human Rights in the years ahead and some of the objectives which we should have in mind.

PRINCIPLES

The foremost principle I will follow is that the central focus of human rights policy must always be the individual. We must not allow the faces of the victims of oppression to fade into the background, to become cold statistics—one number amongst hundreds or thousands. A mere reduction in the number of abuses may be a cause for satisfaction but not for joy. Where even only one man or woman's rights are trampled so are endangered the rights of all his or her fellow citizens and so too all mankind is diminished. A second principle which will guide the Human Rights Subcommittee under my direction—as it has under all my predecessors—is that of equal treatment. We will look at abuses of rights no matter where they occur, or what the nature of the government concerned, and no matter how "friendly" that government may be to the United States.

Human rights knows no nationally, political, ideological, religious or other boundaries. Human rights belong to persons, not governments. No person is worth more or less than any other.

In this connection, I would like to echo a concern Patt Derian shared with you at a similar luncheon in 1981. I refer to the tendency for our own human rights community in the United States to be divided along ideological lines. Whether repression is by a government of the left or of the right the victims have, in common, their suffering. It is my fervent hope that this division of concern in our own country can be overcome and that the underlying unity of purpose, rooted in concern for the individual, will assert itself.

A third principle which I believe must guide our subcommittee relates to effectiveness. The time and resources of the subcommittee are limited. The task we face together with all of you is enormous. Thus, we must carefully select from all that we might do those situations where our attention can do the most good. For if we try to do too much I fear we may achieve too little. We will need your help and support in making these difficult choices on which situations and which cases merit our attention.

A final principle which will guide the subcommittee in the future, as it has in the past, is openness. My door and that of the staff will always be open to you and to all others. We want and need your suggestions and ideas.

GOALS

The first goal of the subcommittee must be to safeguard the tremendous achievements which previous chairmen and members have made in securing for human rights a prominent and hopefully permanent role in the formulation and implementation of American foreign policy. Two years ago all that the Congress and you in this room had built together was threatened with extinction. Those dark days are hopefully behind us. We must continue to be alert to those, who out of ignorance, still question the central importance of human rights to our foreign policy.

A second major objective of the subcommittee's activities must be to see that the policies laid down in law are fully and energetically implemented by the executive branch.

A third objective of our subcommittee must be to further strengthen human rights laws both in general and on a country-by-country basis as the situation warrants.

A fourth goal is the widening of international law in the area of human rights and a strengthening of the international mechanisms for encouraging observance of existing laws and agreements.

A final goal must be to continue the magnificent past work of the subcommittee in promoting public awareness of the importance of human rights, not only as a moral issue but as the keystone of an effective American foreign policy.

In closing I want to reiterate my appreciation to the center for giving me this opportunity. I look forward to sharing with all of you in the noble work of promoting respect for the dignity of the individual and civil liberties.

Thank you.●

STATEMENT OF CITIZENS CONCERNED TO HALT THE NUCLEAR ARMS RACE TO HON. GUS YATRON, MEMBER OF CONGRESS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. YATRON. Mr. Speaker, yesterday I met with a group of concerned citizens whom I have the privilege of representing in Congress to discuss the nuclear freeze resolution which passed the House Committee on Foreign Affairs on the same day by a vote of 27 to 9.

As a member of the committee and a cosponsor of the nuclear freeze resolution authored by our good friend and colleague, Chairman ZABLOCKI, I would like to share with you a statement submitted to me by this group of Pennsylvanians from the 6th Congressional District which I feel accurately reflects the mood of the country with respect to the nuclear arms race.

READING, PA., *March 8, 1983.*

The reason the delegation from Berks County is here to visit you, our representative in Congress, is because of our very deep concern for what we perceive as a no-win situation with regard to the nuclear arms race. Our delegation constitutes a broad cross-section of the community that you represent. We wish to present to you our reasons for making this journey.

For some time the world has been made aware of the dreadful power possessed by the United States and its adversary, the Soviet Union. This power far transcends the awesome forces of the past. Scientists responsible for this development have told us in no uncertain terms that a future conflagration involving nuclear weapons could in fact end life on earth as we know it. It is this reality that brings us together in this democratic process of petitioning you to sponsor and speak out for all measures calculated to bring a halt to the current race toward inevitable disaster.

We are aware of your vote against the deployment of the MX missile and support you wholeheartedly for taking this stand. We wish to call your attention to H.J. Res. 2 which calls for mutual and verifiable freeze and reduction in nuclear weapons. We urge you to join the more than 173 co-sponsors of that resolution.

It has been said by Robert W. Kates, former research professor at Clark University in Massachusetts, that "Nothing could be worse than the loss of hope and idealism. If we come to accept the inevitability of nuclear war, the persistence of hunger and disease, the mindless autonomy of technological change, then they surely will come to pass. It is only the curious mixture of faith and necessity that we call hope that can keep these problems in their places."

The question is no longer one of patriotism. Neither is it a question of might versus right. Neither is it an ideological response to an alien philosophy such as communism. It is simply a question of whether we are going to allow our leaders to follow the outmoded clichés of the past as they develop the very forces that can lead to the ultimate destruction of the world.●

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. OBERSTAR. Mr. Speaker, the refusal of the Soviet Union to allow the free emigration of its Jewish citizens is an international tragedy. All of us in this House have a duty to speak out in protest of the violation of the Helsinki accords. It is for that reason I am proud to be a member of the Congressional Call to Conscience Vigil for Soviet Jews.

The citizens of the Soviet Union have no democratically elected Parliament or Congress to speak out on their behalf. We, therefore, must serve as their representatives. Several years ago, I became deeply interested in the welfare of Mr. Boris Dekhovich, a Soviet Jew who has been denied permission to join his family in Israel. On two occasions, over 60 Members of the House joined me in a letter to the Soviet Government urging it to permit Mr. Dekhovich to emigrate to Israel. At my request, Ambassador Arthur Hartman attempted to deliver our letter to the Foreign Ministry in Moscow. The Soviet Government refused, as apparently is its misguided policy, to accept our appeal. Regrettably, the Soviet Government regards its

violation of international accords as a strictly internal matter.

I today again urge the Soviet Government to abide by the Helsinki accords and permit Boris Dekhovich to exercise his right to emigrate to Israel. Furthermore, it should reverse a policy which cruelly separates Jewish families. Boris Dekhovich and thousands of other Soviet Jews are no threat to the stability of the Soviet Government or the hegemony of the Communist Party. Boris Dekhovich seeks freedom to observe his religious and cultural heritage in Israel with his family.

I hope that the Soviet Government will respond to the plea which so many of us in this House and throughout the Nation are making through the vigil. The Soviets can demonstrate their interest in improved relations with the United States by allowing Boris Dekhovich and other Soviet Jews to emigrate.●

THE U.S. OLYMPIC CHECKOFF ACT OF 1983

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. RANGEL. Mr. Speaker, yesterday in conjunction with Congressmen VANDER JAGT, FIELDS, and over 170 of our colleagues, I reintroduced H.R. 1984, the U.S. Olympic Checkoff Act of 1983. This bill will amend the Internal Revenue Code of 1954 to establish an Olympic trust fund within the Treasury of the United States. Taxpayers could allocate $1 of their personal income tax refunds to that account or they could include cash contributions with their returns to be given to the U.S. Olympic fund.

The work of the U.S. Olympic Committee is very important to this country. USOC's actions contribute to national and international prestige. The USOC has set as its goal providing opportunities in sports for all American citizens who wish to make the sacrifice of becoming athletes at the Olympic or other levels. In recent years, through its many problems, the USOC has made an excellent beginning at achieving this goal. However, in order to more fully carry out its internal and congressional mandate, the USOC needs continued and substantial funding support. It is in this context that my colleagues and I offer the Olympic Checkoff Act of 1983.

Government certainly has a role in supporting the activities of the U.S. Olympic Committee. USOC's activities are unique, contribute to international prestige and help to underwrite the social welfare opportunities of all Americans. Yet, a controversy has always surfaced regarding just what is the proper role of the Federal Government in support of amateur sports.

I personally favor mechanisms such as the checkoff provision we introduced yesterday. It will provide consistent support on behalf of this Government although it will need America's support for the program to be a success. The process strikes a perfect balance between doing nothing and subjecting amateur sports to the irregularities of direct appropriations.

I have had a long commitment to the inherent qualities of participation in sports. Those that have the opportunity to participate seem enriched in their personal lives. Those that make it to the Olympic level have a great sense of personal satisfaction and become role models for youngsters around the country and the world. I would like to see these opportunities broadened still further. It is in this context that my colleagues and I offer the Olympic Checkoff Act of 1983. It is long overdue that our national Government develop a consistent policy of support for our Nation's amateur athletes.●

DRAFT REGISTRATION AND CONSCIENTIOUS OBJECTORS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SEIBERLING. Mr. Speaker, in 1980, President Carter resumed the draft registration program in response to the Soviet invasion of Afghanistan. I opposed the President's decision on the grounds that draft registration would accomplish little in terms of improving national emergency military mobilization capabilities.

Currently a person convicted of nonregistration could receive a 5-year jail term and a $10,000 fine. During debate on the draft registration program, opponents warned that reviving the program would eventually put the United States in the position of prosecuting tens of thousands of nonregistrants. Those concerns have proved to be justified. The number of nonregistrants is currently about 700,000. The Federal Government is obviously not going to prosecute everyone who has failed to register for the draft, but is instead going to be able only to single out a small number of nonregistrants for prosecution.

It is particularly unfortunate that the registration program has the potential of making "criminals" out of young men whose religious beliefs prevent them from complying with the registration requirement. Current law draws no distinctions between those who willfully refuse to register for political or personal reasons, and those who do not register because their religious convictions prevent them from doing so.

Part of the problem might be solved if there was some way for an individual to register as a conscientious objector to participation in war in any form. However, conscientious objection is a classification, not a term suitable for registration, We do not have an active classification system operating, and I do not think we are likely to have one except in the event of a true national military emergency. Given that, conscientious objectors have two choices: Either participate in a system which does not even allow them to register their religious beliefs, or risk going to jail for 5 years. Under current law, religious conviction is simply not a defense to nonregistration.

I do not think the Federal Government should be in the position of sending people to jail for their religious beliefs. The simplest solution to this problem is to amend the Military and Selective Service Act to exempt individuals who are conscientiously opposed to participation in preparation for war in any form from the registration requirement.

Accordingly, I am today introducing legislation which would provide such an exemption. The exemption for nonregistration because of conscientious objection to participation in war in any form would be suspended during a period of national mobilization declared by the President or Congress, since mobilization would result in the resumption of classification, enabling conscientious objectors to seek such status. The legislation I am introducing would also permit the courts to vacate a judgment of conviction for any defendant who has been convicted of nonregistration if justice requires such an action.

Mr. Speaker, I would hope Congress will take prompt action on my bill. I am convinced this remedy to a serious problem merits the support of the House, whether Members support or oppose the registration program itself.●

THE NATIONAL EMERGENCY MATH AND SCIENCE EDUCATION ACT

HON. HARRY M. REID

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. REID. Mr. Speaker, it is indeed a pleasure to commend the members of the Education and Labor Committee, Science and Technology Committee, and the Congress for their swift and unified action to address the national critical shortage of elementary, secondary, and postsecondary teachers in math and science.

The abundance of well-documented evidence demonstrates clearly the need for a national strategy if the United States is to maintain its global leadership in the sciences and meet the needs of the new age of technology.

I also want to commend this body for recognizing the importance of classroom teachers and their contribution to the quality of American life. A quality education for all our citizens is the foundation of democracy. This bill is a modest approach, a beginning that will address the national crisis on a level that will have the greatest impact—training and retraining the quality classroom teacher at all levels of our school system. The emphasis of this bill is on people. The recruitment, training, and upgrading of classroom teacher skills.

In conclusion, the national crisis is upon us and I am hopeful that this combined effort will allow our Nation to move forward quickly to meet the technological needs of our citizens and our Nation. I am proud to be a part of this national effort.●

SPEECH BY CONGRESSMAN WILLIAM D. FORD

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, although he no longer serves as chairman of the House Subcommittee on Postsecondary Education, my friend and colleague BILL FORD from Michigan, continues to be a leader and advocate for higher education in America. Congressman FORD recently addressed the National Forum on Financing Graduate and Professional Education on the subject of "Financing Graduate and Professional Education." The Graduate and Professional Financial Aid Council (GAPFAC) is the leading representative of graduate and professional school admissions and student financial aid officers.

In his recent address, Congressman FORD outlines a series of proposals, which would go a long way toward restoring accessibility and creditability to Federal financing of the Nation's graduate schools, and would improve the Nation as a whole. I share Mr. FORD'S concerns about the effects of this administration's budget cutting on graduate and professional education. I look forward to correcting the problems created by Gramm/Latta II and the administration's budget proposals in fiscal year 1981–83 in the upcoming budget and then in the Higher Education Act reauthorization process.

I encourage my colleagues to read Mr. FORD'S remarks.

FINANCING GRADUATE AND PROFESSIONAL EDUCATION

I am very pleased to have been invited to address this national forum on financing graduate and professional education. I would like to commend the Graduate and Professional Financial Aid Council for sponsoring this event because financial assistance for graduate and professional students has not received the attention that it merits as a concern of Federal policy. It has been largely overshadowed in Federal policy by the concern for assistance to undergraduates. Not only has financial assistance to graduate students taken a back seat to undergraduate aid but also the responsibility for aid to graduate students is widely dispersed among Federal agencies including the Department of Education, the Department of Health and Human Services, the National Science Foundation and others. Much of the assistance graduate and professional students receive as research assistants is a by-product of Federal support for a wide variety of research programs which are scattered across the Federal landscape. My impression is that there is a lack of comprehensive policy for financial aid to graduate and professional students both in the Federal government and on the campuses. At universities, this assistance is balkanized among the schools of arts and sciences, law, business, medicine, dentistry, education, public administration, social work and others. Thus, at both the Federal level and on the campus, financial assistance to graduate and professional students has not received the priority and the attention that it deserves.

As you know, there are glaring inadequacies in the financial assistance available to graduate and professional students. These inadequacies exist in the face of pressing national needs to enhance our economic productivity and competitiveness and to strengthen our national defense. These needs can only be met by producing larger numbers of more highly trained men and women to expand the frontiers of knowledge, to apply to real world problems the technologies of today and those of the future and to manage and harness these technologies lest we become their servants rather than their masters.

I believe that this forum can help financial assistance to graduate and professional students receive a higher priority and more adequate attention at the Federal level. Indeed, I believe that financial assistance for graduate and professional students raises the fundamental issue of progress toward achieving equal educational opportunity as well as issues of the fundamental national interest for security and prosperity. I would suggest that financial assistance to graduate and professional students can be the next frontier in Federal policy for postsecondary education.

Let me now review some of the specific issues involved in financial assistance to graduate and professional students and suggest the beginnings of a practical Federal program to address our national needs in this area.

We all know that the pool of applicants for graduate study in the arts and humanities has been steadily declining. Not only are fewer undergraduates applying for graduate study in the arts and humanities but fewer of the very best students are choosing graduate study in these fields. President William Bowen of Princeton University noted in his 1981 Annual Report that: "Often the best prospective graduate students choose other careers. At Dartmouth for example, a comparison of the top 100 students in 1977 and 1978 showed a 25 percent decline in the number going on to graduate study in the arts and sciences. At Harvard and Radcliffe, more than 75 percent of all summa graduates planned immediate graduate study in the arts and sciences in the mid 1960's, compared to 34 percent last year."

The diminishing attractiveness of graduate education in the arts and humanities is caused in large measure by the lack of job opportunities for new Ph. D.'s in academic faculties. Job prospects are dim because of low rates of turnover among current faculty along with currently stable enrollments that are projected to decline significantly in the years ahead. The lack of adequate financial aid for graduate study in the arts and humanities is also a significant deterrent for students who might otherwise study in these fields. The combination of grim job prospects and inadequate financial aid threaten to erode the quality of scholarship and teaching in the arts and humanities as well as to deny educational opportunities to those with the talent to enrich our nation through these disciplines.

A somewhat different problem faces us in engineering and related fields. The report, Engineering Manpower and Education prepared by the Business-Higher Education Forum notes: "Overwhelming evidence and almost unanimous consensus point to a severe shortage of doctoral-level engineers, both in the immediate market and in preparation." For example, a recent report of the National Science Foundation indicates that there are more than 16,000 unfilled engineering faculty positions. The shortage is most severe in computer engineering where 16% of faculty positions are unfilled.

In this area the basic problem is a high demand for engineers by business and industry. Those graduating with an undergraduate degree in engineering or even in some cases those with advance degrees who are now teaching are attracted away from graduate study or out of the classroom by high salaries in the private sector. This same phenomenon is also at the root of our severe shortage of qualified mathematics and science teachers at the elementary and secondary education levels. The lack of financial aid for graduate students compounds the problem of attracting students into engineering and related fields. when a student is faced with severe economic sacrifices in order to attend graduate school in conjunction with high paying job opportunities in the private sector, the choice is heavily biased away from graduate education. As a nation we risk crippling our ability to produce the next generation of engineers as well as eroding our capacity to conduct the basic and applied research that are the foundation of future growth and productivity. At the graduate level in engineering, we are eating our own seed corn.

There is yet a third problem in graduate education that is most directly linked to inadequate financial assistance for graduate and professional students. In the last few years we have lost ground in opening graduate educational opportunities to those from low income and minority backgrounds. You are all familiar, for example, with the decline in the percentage of blacks enrolled in our medical and law schools. We are in danger of making graduate educational, particularly in the most costly professional programs, once again the preserve of the rich and the privileged.

The inadequacy of Federal financial assistance is highlighted by the dramatic decline in Federal fellowship awards for graduate study in the last decade and the increasing reliance by graduate students on loans. Loans have displaced grant or fellowship assistance as the Federal government's system of support for graduate students over the past 15 years. In 1968, the Federal government offered some 51,000 fellowships to graduate students across the country. That number had fallen to 9,186 in 1980, a decline of 82%, and I suspect that the number is even smaller today. Federal grants and fellowships in 1980 from all sources amounted to only about $40 million. The decline in Federal fellowship awards has been paralleled by an erosion of private sources of fellowships for graduate study illustrated by the termination of the Woodrow Wilson and Danforth Fellowship Programs. In contrast, of the $7.7 billion Guaranteed Student Loans made in 1981, almost 30%, $2.2 billion, is estimated to have gone to graduate and professional students, in addition to another $145 million in National Direct Student Loan funds. In short, we have replaced what was once a balanced system of loans and fellowship support for graduate education with a virtual dependence on loans alone.

Let me illustrate this situation by testimony from a Vice President of the University of Chicago which was presented last week to the National Commission of Student Financial Assistance of which I am a member. Vice President O'Connell said:

"Accumulated undergraduate debt; the prospects of a bleak employment market after the Ph. D. as well as the income foregone while attaining it; and the necessity to rely on even heavier borrowing for a period of 5 to 8 years—have combined to chill the enthusiasm of even our brightest college seniors who might otherwise embark on the path of the Ph. D.* * * In our graduate division, Federal grant assistance to graduate students declined 37% between 1970 and 1980, from $3.8 million to $2.4 million * * *. And our graduate students in the art sciences, who borrowed $734,000 in 1970–71 are borrowing $3.2 million this year—even with strict need standards applied—for an increase of 331%. Sixteen percent of our graduate students borrowed an average of $1,570 in 1970; this year, 39% of our graduate students are borrowing an average of $4,000. * * * The grant-loan situation is even more one-sided, of course, in our professional schools: there Federal fellowship assistance has declined from $1.7 million in 1970 to $108,000 in 1982 (a 94% decrease), while student loans a necessary source of support for two-thirds of our professional students, have increased over the same period from $1.4 million to $8.7 million, an increase of over 520%.

Fashioning Federal policy to meet the needs of graduate students is a formidable undertaking. There are wide variations in the costs of graduate and professional education with tuition and fees ranging from a couple thousand dollars in arts and science programs at some universities to well over $10,000 at some professional schools. There is also a substantial range in the future earnings expectations of graduate and professional students in different fields. Doctors, lawyers and dentists can anticipate much higher incomes than Ph. D.'s in philosophy or archaeology. These variations in future earnings suggest different mixes of fellowship grants and self-help through loans for students in different fields. But even this situation is not simple since some doctors, dentists, and lawyers will work in private practice at higher salaries than those who pursue their careers in research and teaching, and some Ph. D.'s in economics will work on Wall Street while others will teach in undergraduate liberal arts colleges.

A renewed Federal commitment to financial assistance is clearly in the national interest. Our economic prosperity, our national security and our concern for the quality of our intellectual and cultural life demand that we focus our attention on the needs in this area. Yet, as I have indicated, formulating effective Federal policy for graduate student assistance is a uniquely challenging undertaking. In contrast to stretch socks, one size does not fit all. However, the goals of such assistance are clear: to maintain the quality of research, scholarship and teaching in graduate education and to assure access to educational opportunity for all those talents and aspirations lead them to graduate education. President Bowen stated these two goals for Federal policy quite well. He said: "Maintaining a continuity of excellent scholarship and research in all major fields of knowledge seems to me to be one . . . objective of paramount importance. Another is the assurance that opportunities for graduate study of the highest quality will be available to outstanding individuals of all races, both sexes, and varying economic circumstances."

How has this Administration responded to the pressing national need for a recommitment to graduate student financial assistance? How have they faced the challenge of fashioning Federal policy to meet the needs in this complex but critically important area? You know the answers as well as I. This Administration has met these needs and these challenges not only with indifference and insensitivity but also with proposals to further reduce and retrench the already meager levels of financial assistance for graduate and professional students. Last year the Administration proposed eliminating graduate and professional students from the Guaranteed Student Loan Program. Last year and this year the Administration proposed eliminating new Federal capital contributions for the National Direct Student Loan Program. Last year and this year the Administration proposed eliminating the $12 million in fellowship support provided under Title IX of the Higher Education Act. This year the Administration proposed increasing the origination fee for Guaranteed Student Loans from 5% to 10% of the amount borrowed only for graduate students. In his State of the Union address the President said, "Education, training and retraining are fundamental to our success as are research, development and productivity. Labor, management and government at all levels can and must participate in improving these tools of growth." Clearly the Administration rhetoric has not been matched by actions. Indeed, financial support for graduate and professional students has been singled out as a special target to have their modest current levels of funding reduced or eliminated.

I would like to propose a program which, if adopted, would be a strong beginning in meeting our national need for adequate graduate student financial assistance. The beauty of this package is that it requires only a few minor changes in current law and most of it could be accomplished without any changes in the law. In that sense it is a modest proposal. But it is also a call to action by those in the higher education community and the nation who are concerned about graduate education. We do not need to wait years until a grand new legislative mechanism is in place. The tools are at hand and with your commitment and your efforts we can get on with the job now.

I would propose the following program:

First, for the Guaranteed Student Loan Program—

The Secretary of Education should be directed to exercise his authority to set higher GSL limits "for graduate or professional students who are pursuing programs which the Secretary determines are exceptionally expensive." This authority, which I just quoted, has been on the books since 1972 but has never been used. Requiring the Secretary to use this authority would go a long way toward helping to meet the special needs of medical and dental students among others. At this time I would caution against raising the annual limit on Guaranteed Student Loans because graduate students are already heavily burdened with debt, and the guaranteed student loan program should not become the means for filling all of the gap left by the decline in Federal fellowship support. Fellowships must be restored rather than shifting all the costs to graduate students.

The 5% origination fee should be repealed. This fee was established as a stop gap budgetary measure during a period of very high interest rates. With the decline in interest rates, students should receive the full amount of their loan for use in meeting their educational expenses.

Second, with respect to the National Direct Student Loan Program—

New federal capital contributions should be provided at least at the current level, $179 million. This program provides a flexible campus-based source of low-interest loan funds available to both graduate and undergraduate students based on their financial need.

Third, with respect to the College Work Study Program—

Appropriations for this program should increase by $150 million. The increase of $310 million proposed by the Administration, a jump of nearly 60 percent, is too large to be absorbed efficiently in one academic year. This program should continue to grow at a steady and substantial rate. Both undergraduate and graduate students are eligible for college work study based on their financial need. Universities should be more aggressive and creative in making use of the College Work Study Program to provide support for graduate students.

Fourth, with respect to fellowships—

The two fellowship programs established by the Education Amendments of 1980 should be adequately funded. The first program provides for grants to institutions for them to use in making fellowship awards to any graduate and professional student on the basis of their financial need. The maximum award is $4,500 and students would normally be eligible for three years of aid. In essence, this program is a broad based Supplemental Educational Opportunity Grant program for graduate and professional students. In the current year, $11.9 million has been appropriated under this authority, all of which has been used to continue the previous Graduate and Professional Opportunities Program (GPOP) and the Public Service Fellowship Program. I have been very disappointed that the graduate community has not urged that larger appropriations be provided for this broader new

program. It has tremendous potential to begin to fill the gap in fellowship support for graduate and professional students. It would help to realize the national goal of equal educational opportunity in graduate education. I would recommend that $60 million be appropriated for this program this year.

A second fellowship program authorized by the Education Amendments of 1980 is the National Graduate Fellows Program. This program provides for the awarding of 450 fellowships per year by a board of distinguished educators appointed by the President. The recipients of these fellowships would be "students of superior ability selected on the basis of demonstrated achievement and exceptional promise" for study in the arts, humanities and social sciences. The fellowships would be portable allowing students to select the graduate program most suited to their interests. The fellowship awards could cover the full cost of attendance in graduate school for up to four years. The National Graduate Fellows Program could begin to address the problem of many of the best students no longer choosing graduate education in the arts and humanities. I would recommend that this program be fully funded to provide 450 fellowships.

Looking toward the future, the National Commission on Student Financial Assistance will make recommendations concerning graduate student financial aid in its report which is due on July 1 of this year. The Commission has a Subcommittee on Graduate Education chaired by President John Brademas of New York University. I would urge you to share with that subcommittee your ideas for future directions in graduate student financial assistance. The reauthorization of the Higher Education Act in the next Congress will also provide the opportunity to advance the Federal commitment to aid for graduate students. But as I indicated, there is no need to wait for either the Commission's report or the next reauthorization to begin to make substantial progress on assistance for graduate students.

In conclusion, I must tell you that as Chairman of the Subcommittee on Postsecondary Education during the consideration and adoption of the Education Amendments of 1980, I was disappointed with the lack of consensus within the graduate education community concerning financial assistance for graduate and professional students. I was disappointed as well with the lack of activism in the graduate education community as participants in the reauthorization of the Higher Education Act. I hope that this community can be unified and energized in support of an adequate program of financial aid for graduate and professional students. This forum is perhaps a good starting point. As I said when I began, I believe that graduate financial assistance can be the next major frontier in Federal policy for postsecondary education. I look forward to working with you to explore and to conquer that frontier.●

ALABAMA VOICE OF DEMOCRACY WINNER TERRY GARGUS OF GADSDEN

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BEVILL. Mr. Speaker, the residents of the Fourth Congressional District of Alabama share a great deal of pride in Terry L. Gargus, of Gadsden, Ala., who is this year's Alabama winner of the Veterans of Foreign Wars Voice of Democracy Contest.

Terry's award-winning speech on America's youth, and the strength they hold for this great Nation, is inspirational and I feel it would be of great interest to all who read this RECORD.

With your permission, I would like to enter Terry's speech into the RECORD and to add my personal congratulations on Terry's outstanding accomplishment in being selected to represent Alabama in the national VFW Voice of Democracy competition.

The speech follows:

SPEECH OF TERRY L. GARGUS, ALABAMA'S WINNER OF THE VETERANS OF FOREIGN WARS VOICE OF DEMOCRACY CONTEST

Youth America's Strength: A parable. One day as God was surveying His earth, He chanced upon a conversation between two young Americans—hearing one of them say, "How can I, ignorant and inexperienced, be considered the strength of America?" He began to consider this question.

He strolled through the fields of time and found prominent in every generation, from the beginning of the United States, the contributions of its youth to this nation. God visioned the pride that should be distilled within the hearts of Americans. He then summoned all of America, young and old, to stand before Him, and these were His words:

I have called you here that I might refresh your memory and reinforce the strength of America. Having blessed your country with My stamp of approval, in ways hidden and yet seen, I am openly giving you a second approval because you are a special nation and deserve My special attention. When I made man and placed him in the Garden, it was after his period of youth that he rebelled against Me. Likewise, after the colonists had settled America, they rebelled and gained their independence. It was in that day that I proclaimed the youth of America as its strength. For in youth has My name been glorified.

First, consider America as a struggling young nation. Young and old working hand in hand for one union. Young men led, fought and died. Independence was won through the lives of innocent young men. When the Revolutionary War had been won, it was young men with new ideas and fresh energy who served as the backbone in establishing a new system of government. When these young men grew old and died, a new generation with a new responsibility took their place, thus preserving your freedom. A new breed, led by young men who had risen to the top by sheer ability, accepted the challenge of the War of 1812 in standing for the rights of Americans. They had the first chance to prove the real spark of freedom that had been kindled in the hearts of Americans. The victory of this war brought memories of winning independence and the glory of preserving freedom. This was the beginning of the unadulterated pride that has been bedrocked in the soul of Americans.

Now, I see you as you are entangled in the preservation of freedom. As you have learned, the preservation of freedom depends heavily upon innovations making every day life easier and increasing the efficiency of your fighting procedures. Having contemplated young Americans, I find them to be most prominent in this field. Every day young people are making new discoveries, new inventions, and are building fresh ideas. Even still, the youth, by sheer existence, serve as initiative to your leaders, being a major part of their drive power.

This day, as you have been called before Me, I praise you, as Americans, for what you have offered the world. Affirming American pride, I again proclaim your youth as the strength of America. For the birth of your nation was crowned by the fact that you loved Me, that you allowed young things to grow, to build, to dream, to fight, and to die. This growth has been watered with many tears, and the songs you have sung with such fervor have reached all parts of My world. It is My conclusion that all your brave young men and women are the strength and marrow of your bones, the fiber of your blood, and the beating of your heart.

And God, having made His conclusion, went wandering about in His universe—confident of the strength of America.●

REV. THOMAS CARLIN RETIREMENT AS PASTOR TO ST. MARY'S CHURCH, AVOCA, PA.

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HARRISON. Mr. Speaker, on Saturday evening, March 19, the parishioners of St. Mary's Church in Avoca, Pa., will honor their retiring pastor, Rev. Thomas Carlin, with a testimonial.

Father Carlin is retiring after 39 years of service to the Lord in the Diocese of Scranton. During his career, he has served as diocesan youth director, camp director, Boy Scout director, director of the Council of Catholic Men, and Moderator of the Serra Club.

Since 1960, Father Carlin has served the people of God as a pastor: At St. John's Parish in Troy, Pa.; at St. Agnes Parish in Forest City, Pa., and, for the last 9 years, at St. Mary's in Avoca.

St. Mary's was 100 years old when Father Thomas Carlin became its pastor. He immediately undertook its renovation, which he completed in November 1979. No sooner was this accomplished than he was confronted with the threat of the closing of St. Mary's Parish grade school in 1981. By rallying the entire parish and working tirelessly, Father Carlin saved St.

Mary's Grade School and, today, as in years gone by, the children of St. Mary's benefit from the dedicated labors of the wonderful sisters who teach there.

On Saturday night, March 19, Father Thomas Carlin can indeed look back over a magnificent career of service to God and his fellow man.

Mr. Speaker, it is a pleasure and an honor for me to join with the parishioners of St. Mary's and, indeed, our entire community in congratulating Rev. Thomas Carlin, a priest forever according to the order of Melchizedek, on this glorious occasion and to wish him many, many more years of health and success in all that he undertakes.●

DO WORLD TRADE WARRIORS BENEFIT BY U.S. LAW?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GAYDOS. Mr. Speaker, Allegheny Ludlum is an efficient and world-class American steel company whose productive workers are being pounded by samauri economics and the theories of von Clausewitz on war as applied to trade; and its president, Richard Simmons, is one of the leaders doing journeyman work in attempting to raise our debate on trade above the level of bumperstrip economics.

Mr. Simmons, in a recent speech at Marquette University, raised a question that should draw the attention of this Congress.

He noted that if U.S. antitrust law were applied to many of those whose products are putting American workers into unemployment lines, they would lose the market advantage they gain through the practice of von Clausewitz and samauri economics. After all, there are close to 500 legal cartels in Japan alone, according to our Department of Commerce.

Conversely, if American companies tried to do business, even for export, in the fashion of our trading partners, one possible result under this same law would be heavy fines and maybe some hard time in prison.

And this is Mr. Simmons' question: Can any U.S. enterprise—smokestack, high-tech, or service—survive playing under handicaps such as this one?

And many such handicaps are imposed, Mr. Speaker.

For a deeper and thoughtful exploration of the subject by Members who are interested in ending the trade war and establishing real free trade, I offer the text of Mr. Simmons speech, which is as follows:

AWARENESS OF U.S. NEED FOR TRADE POLICY GROWS

"Free Trade"—it is a term perceived by most as American as apple pie. It has an aura of goodness, of rightness, of purity that transcends its technical definition. It suggests a spirit of American enterprise that is intertwined historically in the growth of this nation since the colonial days. It is of the beaten snow . . . it is difficult to be against "free trade." It is generally supported by the media.

"Protectionism"—it is a pejorative word perceived by most as bad. It suggests greed; of business attempting to thwart the rights of the individual to exercise his or her free choice in matters of personal selection in the marketplace. It is difficult to be in favor of "protectionism." It is generally opposed by the media. It is the reverse of "free trade."

These two terms, "free trade" and "protectionism," represent the polar positions in the debate concerning American international trade policy. And because the stakes are so high, emotions run equally high. Indeed, it is difficult to have an effective, rational and unemotional debate of the trade issues facing this nation. Yet the consequences of our actions regarding trade in the decade of the eighties may well shape the economic well-being of this nation for the next 50 years.

The terms "free trade" and "protectionism" represent the extremes in position when considering the issues involved in international trade. Those that report the debate almost without exception identify the participants and their positions as representing one or the other polar positions . . . and while this may make the observers' and reporters' task easier, it clearly makes careful consideration of the issues far more difficult.

Must a person be either a "free trader" or a "protectionist?" Are the issues so simplistically defined in "black hat"—"white hat" terms?

Implicit in any investment decision made by the private sector is the belief that any investment decision will enhance the worth of the corporation or more specifically will provide or protect a rate of return which exceeds the available rate for a riskless investment if properly selected from a strategic and tactical standpoint and if properly executed by those making the investment.

Businessmen functioning in the free market system must be willing to accept the risk of failure if they wish to enjoy the rewards of success. Fundamental to our system is the belief that if we are successful in achieving the objectives we set out to achieve, then we are entitled to the rewards.

For import sensitive businesses, however, that may not be the case. A company may be technologically advanced, productive, cost competitive and be driven out of business in today's world of international competition. And it is for this reason that the results of the debate are so important. Without reward as a result when success is achieved, the private sector mechanism no longer motivates (indeed, no longer works). The business process . . . is based on the simple concept that if a venture succeeds it will achieve the rewards that go with success. When this concept does not work, or is not permitted to work for external reasons independent of the efficiency of the venture, it results in uncertainty and this must inevitably lead to less investment or even disinvestment.

HARD LOOK AT MANUFACTURING SECTOR

An examination of the manufacturing sector of our economy for the past decade would suggest that non-investment in capital intensive and import sensitive industries has been the rule.

The question is why? Is it only, as is popularly reported, that inflation has caused investment costs to rise above the threshold level permitted by minimum acceptable rates of return? Is this why investment instead has become acquisition . . . and diversification . . . ? Or perhaps is it also because of external factors, such as international competition, which create the uncertainty that perhaps reward will not necessarily follow success—and thus increases the risk premium necessary to justify the investment.

Those identified with "free trade" positions make an eloquent case. Based on the concepts of Adam Smith and his disciples, goods are produced presumably in the part of the world which can most efficiently produce those goods. Goods are traded back and forth presumably with each nation doing what it does best. Each nation benefits from trade flows based on comparative advantage.

Those who are displaced from their jobs and businesses because of foreign imports are sufficiently mobile (in this classic economic model) to move to other economic sectors which enjoy a comparative advantage and can thus compete.

But what happens if trade flows are distorted? What are the natural consequences if an increasing number of trading nations restrict trade flows into their nations and distort comparative advantage by subsidizing trade flow out of their nations? Is this not a negative sum game for anyone on the wrong end of the transaction?

The doctrinaire free trader would point out that imported goods offered at lower prices than domestic goods of equal quality offers benefits to consumers and in effect raises the standard of living. To him it matters not "how" or "why" the goods are offered at lower prices than domestic goods of equal quality. The fact that such goods are available is good—inherently. Comparative advantage, while seminal to the original concepts of free trade, is not relevant to those committed to the precepts of free trade. As one famous free trader said to me, ". . . if the British government wants to subsidize the American consumer by subsidizing exports to the U.S.—that's good."

The free trade outpost is defended well by an entire generation of economists within and without the government process who insist that any excursion from the holy grail of free trade under all and any circumstances is unacceptable. These same defenders of the only true faith quietly advocate that U.S. trade laws concerning dumping or subsidies be repealed or ignored. It matters not to such stalwarts that such U.S. laws are consistent with world trade laws negotiated within the world trade body under GATT (the General Agreement on Tariffs and Trade).

POSITION OF THE PROTECTIONISTS

At the other extreme of this grand trade debate is the "protectionist."

Simply put, the protectionist position would close the borders to any product which captures business from existing U.S. business. And it is ironic that while we have a 35-year history of U.S. commitment to free trade, we have protectionist excursions in certain agricultural products, textile

products and others which reflect the political muscle of the protected.

While I am identified as a protectionist, I reject that label. While I reject the rigidity and inefficiency of the protectionist position, I reject with equal vigor the doctrine purity of "free trade." I believe that one can be a little "pregnant" in the trade area even though true free traders would not agree.

I believe that protectionism which protects against illegal, subsidized trade does not contravene the concepts of "free trade." I do believe that free trade which implicitly accepts the concepts of comparative advantage, indeed insists that trade among nations be based on comparative advantage, is a vital ingredient if we are to have growing, competitive economy. But I believe also that there are clear, unassailable examples of subsidized trade which violate our laws, weak as they are, which cause massive incremental, cumulative and permanent injury to this nation.

You may describe me as a "free trade-protectionist," committed as I am to free trade and equally committed to the same protection under U.S. law that I would have from any domestic competitor who attempted to drive me out of business illegally. Our antitrust laws were fashioned as a result of such predatory competition.

Yet these same laws firmly embodied in the U.S. economic system, intended to protect U.S. businesses against illegal (and by definition monopolistic or predatory) domestic competition, offer no aid when the illegal, monopolistic act (and no less damaging) is committed by a foreign company.

For the past 10 years I have frequently been identified as a "protectionist" as I have defended my company and the specialty steel industry against imports sold below cost. And as important as the survivial of allegheny Ludlum Steel may be to me (or even the entire specialty steel industry), the stakes are far higher than the survival of this high technology, competitive industry.

The real question is whether any business can compete or be expected to compete and survive against world businesses which do not have to meet our disciplines of profit and capital formation. If competing systems do not have to meet our disciplines or our laws, does our economic system have a future?

As the world gropes for solutions to its economic ills, increasingly it uses manufacturing segments of its economy and our markets to deal with such ills. And it does so in a way to make mockery of the term "comparative advantage."

Let me emphasize I am not here to defend protection for inefficient companies which cannot meet the test of comparative advantage. While I have great sympathy for those who cannot compete, their battle is not mine. I am here to speak on behalf of those companies which can compete, which are efficient, which are productive and yet which are being systematically destroyed not by more efficient but by less efficient foreign companies.

I am here to pose the question: Can our system—the market system—long endure as we place in doubt the rewards that should go with success measured by technology cost competitiveness and efficiency? If foreign competition can for long periods of time distort the price in the marketplace only because of the fact that they are financially supported by their governments, it is difficult to be optimistic about the future for U.S. business required to compete in such an environment.

PROTECTIONISM NOT ALL BAD

Can we not and should we not ask those who view the trade question in simplistic terms (of) "free trade" versus "protectionism" is the former always the good guy? Is the latter always the bad guy? I don't believe all imports are bad. Indeed, when they meet the test of comparative advantage they add to the wealth of this economy. But at the same time I don't think protectionism is all bad when it is used to protect American jobs. American companies and American self-interest from predatory practices against which we have no workable defense.

Allegheny Ludlum does indeed believe in free trade. For the record, we are projectable and have always been. We are exporters of high technology specialty steels and technology as well. However, I estimate that our exports would increase seven fold if we had the same access to foreign markets that foreign companies have ours and comparative advantage was permitted to function.

My firm is excluded from most of the Western European nations because our competition is government-owned and sells below cost. We are excluded from Japan regardless of price or quality because of the cultural nationalism of Japan. One of Allegheny Ludlum's patented alloys has been selected by the French government owned power system for its nuclear program because it was 40 percent more cost effective than its competition but it would only be used—so say the French—if it was produced in France. Trade reciprocity—an eye for an eye—is an understandably going demand.

This grand debate as I refer to it must resolve ultimately the question of U.S. economic competitiveness in a world where only the U.S. places business at a material disadvantage. Does the term "free trade" have relevance in a contest where the players play by such different rules?●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 10, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 11

9:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on automobile safety, focusing on the role of government and industry in bringing improved car safety technology to the marketplace.
SR-253

9:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To hold closed hearings on S. 675, authorizing funds for fiscal year 1984 for military programs of the Department of Defense, focusing on strategic net assessment.
SR-232A

Energy and Natural Resources
To continue hearings on S. 615, providing for a free market to establish long-term incentives to produce and market ample natural gas supplies at a reasonable cost, and related measures, including S. 60, S. 239, S. 291, S. 293, and S. 370.
SD-106

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Railway Association, and Conrail.
SD-138

Budget
Business meeting, to continue markup of the first concurrent resolution on the fiscal year 1984 congressional budget.
SD-608

Finance
To hold hearings to examine certain tax preferences for banks, credit unions, savings and loan associations, and other financial services.
SD-215

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on S. 637, authorizing funds for fiscal years 1984 and 1985 for international security and development assistance programs.
SD-419

Judiciary
Courts Subcommittee
To hold hearings on the proposed Courts Improvements Act of 1983.
SD-226

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

MARCH 12

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 615, providing for a free market to establish long-term incentives to produce and market ample natural gas supplies at a reasonable cost, and related measures, including S. 60, S. 239, S. 291, S.293, and S. 370.
SD-366

MARCH 14

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for student financial assistance, student loan insurance, higher and continuing education, higher education facilities loan and insurance, and educational research and training activities overseas.
SD-116

9:00 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings on the effectiveness of Federal nutrition programs, and to review proposed budget requests for these programs.
SR-332

Commerce, Science, and Transportation
To resume hearings on proposed legislation authorizing funds for fiscal year 1984 for the National Oceanic and Atmospheric Administration, Department of Commerce, focusing on weather and satellite programs.
SR-253

10:00 a.m.
Energy and Natural Resources
To hold hearings on S. 267, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.
SD-366

Judiciary
Courts Subcommittee
To hold oversight hearings on home and farm foreclosures as they relate to personal bankruptcy.
SD-226

1:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1984 for Amtrak.
SR-253

Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on S. 41, to extend the revenue sharing program for local governments through fiscal year 1986, and S. 525, to require that installment payments of revenue sharing allocations be paid at the beginning of each quarter.
SD-215

2:00 p.m.
Foreign Relations
Western Hemisphere Affairs Subcommittee
To hold hearings on S. 638, authorizing supplemental funds for fiscal year ending September 30, 1983, for international security assistance programs, and S. 637, authorizing funds for fiscal years 1984 and 1985, for international security and development assistance programs.
SD-419

8:30 a.m.
Appropriations
Labor, Health, and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institute of Education, education statistics, bilingual education, and libraries, all of the Department of Education.
S-126, Capitol

9:00 a.m.
Commerce, Science, and Transportation
Science, Technolology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Aeronautics and Space Administration.
SR-253

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Soil Conservation Service, and the Agricultural Stabilization and Conservation Service, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
Federal Credit Programs Subcommittee
To hold oversight hearings on activities of the Federal Financing Bank.
SD-538

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget, request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on conservation and renewable energy programs.
SD-366

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 336, to revise prohibitions against persons guilty of criminal offenses holding specified offices or positions, and clarifying the jurisdiction of the Department of Labor relating to the detection of and investigation of criminal violations relating to ERISA.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agenices Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Interstate Commerce Commission.
SD-138

Foreign Relations
Business meeting, to consider proposed authorizations for foreign assistance and related programs, including S. 695, S. 637, S. 638, S. 639, S. 701, and S. 714.
SD-419

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings to investigate the use of offshore banks and companies to facilitate crime in the United States.
SD-342

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

10:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Commodity Credit Corporation, Foreign Agricultural Service (including Public Law 480), Office of International Cooperation and Development, Department of Agriculture.
SD-124

11:00 a.m.
Foreign Relations
Business meeting, to consider the Treaty of Friendship with Tuvalu (Ex. W, 96th Cong., 1st sess.), Treaty of Friendship with the Republic of Kiribati (Ex. A, 96th Cong., 2d sess.), Treaty with Cook Islands on Friendship and Delimitation of the Maritime Boundary (Ex. P, 96th Cong., 2d sess.), and the Treaty with New Zealand on the Delimitation of the Maritime Boundary Between the United States and Tokelau (Treaty Doc. 97-5).
SD-419

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior, and the Department of Energy.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for departmental administration of the Department of Energy.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Advisory Committee on Federal Pay, Committee for Purchase From the Blind and Other Severely Handicapped, Federal Election Commission, and the U.S. Postal Service.
SD-124

MARCH 16

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for college housing loans, special institutions, Howard University, departmental management (salaries and expenses), Office for Civil Rights, and Office of

the Inspector General, all of the Department of Education.
SD-116

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Terrence M. Scanlon, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.
SR-253

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of the U.S. Trade Representative, Securities and Exchange Commission, and the U.S. Arms Control and Disarmament Agency.
S-146, Capitol

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on S. 397, S. 407, and S. 434, bills to improve the enforcement of export administration laws.
SD-538

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Small Business
Innovation and Technology Subcommittee
To hold oversight hearings on the implementation of the Small Business Innovation Research Act (Public Law 97-219).
SR-428A

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Civil Aeronautics Board.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
Business meeting, to continue consideration of proposed authorizations for foreign assistance and related programs, including S. 637, S. 638, S. 639, S. 701, and S. 714.
SD-419

Governmental Affairs
To hold hearings on the annual report of the U.S. Postmaster General.
SR-385

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate the use of offshore banks and companies to facilitate crime in the United States.
SD-342

Judiciary
Separation of Powers Subcommittee
To hold hearings on proposed legislation to revise certain federal court procedures relating to the exclusionary rule, habeas corpus, and other related matters.
SD-226

Veterans Affairs
To hold hearings on proposed legislation provoding educational assistance for certain members of the Armed Forces.
SR-418

10:30 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 564, to establish the U.S. Academy of Peace.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.
SD-192

Armed Services
To hold hearings on the nomination of Bernard A. Maguire, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and routine military nominations.
SR-222

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on the status of emergency preparedness in the District of Columbia.
SD-342

Judiciary
Security and Terrorism Subcommittee
To hold oversight hearings on the U.S. Attorney General's domestic security investigative guidelines.
SD-226

MARCH 17

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Railroad Retirement Board, ACTION (domestic programs), Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the Soldiers' and Airman's Home.
SD-116

9:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold oversight hearings on the status of the Strategic Petroleum Reserve.
SD-366

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to receive legislative recommendations for fiscal year 1984 from AMVETS and the Blinded Veterans Association.
334 Cannon Building

Special on Aging
To hold hearings to examine the impact on the elderly of natural gas deregulation.
SR-385

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and the National Agriculture Library, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold oversight hearings on consumer interest rates charged by financial institutions.
SD-538

Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To continue hearings on the status of emergency preparedness in the District of Columbia.
SD-562

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1984 for the Department of Defense, focusing on defense readiness.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Railroad Administration of the Department of Transportation, and the National Railroad Passenger Corporation (AMTRAK).
SD-138

Foreign Relations
Business meeting, to continue consideration of proposed authorizations for foreign assistance and related programs, including S. 695, S. 609, S. 637, S. 638, S. 639, S. 701, S. 714, S. 660, S. 608, S. 694.
SD-419

Governmental Affairs
To hold hearings on S. 121, to establish a U.S. Department of Trade.
SD-342

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Institutes of Health, Department of Health and Human Services.
SD-430

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Surface Mining of the Department of the Interior, and the Advisory Council on Historic Preservation.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for atomic energy defense activities of the Department of Energy.
SD-192

Finance
International Trade Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1984 for the U.S. Customs Service, U.S. International Trade Commission, and the Office of the U.S. Trade Representative; and to review the trade adjustment assistance program for workers and firms of Title II of the Trade Act (P.L. 93-618).
SD-215

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

MARCH 18

8:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Oceanic and Atmospheric Administration of the Department of Commerce, Marine Mammal Commission, and the Small Business Administration.
S-146, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
SD-430

10:00 a.m.
Judiciary
Agency Administration Subcommittee
To hold oversight hearings on the indemnification of and contributions to Government contractors.
SD-226

MARCH 21

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Rehabilitation Act of 1973, and the Education of the Handicapped Act.
SD-430

Labor and Human Resources
Labor Subcommittee
To hold hearings on the current health and future prospects of defined benefit pension plans under the Employee Retirement Income Security Act.
SD-562

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation authorizing funds for programs of the Defense Production Act.
SD-538

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on fossil energy programs.
SD-366

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Appalachian Regional Commission, and the Tennessee Valley Authority.
SD-192

MARCH 22

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Mediation and Conciliation Service, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mine Safety and Health Review Commission, and the President's Commission on Ethical Problems in Medicine.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984, for the Economic Research Service, Statistical Research Service, and the World Agricultural Outlook Board, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on proposed legislation authorizing funds for the Export-Import Bank of the United States.
SD-538

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Highway Administration, Department of Transportation.
SD-138

Foreign Relations
Business meeting, to resume consideration of proposed authorizations for foreign assistance and related programs, including S. 695, S. 609, S. 660, S. 608, S. 694, S. 701, and S. 714.
SD-419

Labor and Human Resources
Family and Human Services Subcommittee
To hold hearings on the broken family, focusing on its effects on children.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Land Management of the Department of the Interior.
SD-138

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of the Secretary, international affairs programs, Bureau of Government Financial Operations, Bureau of the Public Debt, and the Bureau of the Mint, all of the Department of the Treasury.
SD-124

3:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Internal Revenue Service, Department of the Treasury.
SD-124

MARCH 23

9:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings to receive testimony from the U.S. Attorney General on the overall budget for the Department of Justice, and on proposed budget estimates for fiscal year 1984 for general legal activities, Antitrust Division, general administration, Executive Office for U.S. Attorney, U.S. Marshals Service, and the Office of Justice Assistance, Research and Statistics.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for rural housing programs.
SD-538

Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Education of the Handicapped Act.
SD-430

Small Business
To hold hearings on umbrella contracting procedures and their impact on small business.
SR-428A

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Panama Canal Commission, and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
SD-138

Governmental Affairs
To hold oversight hearings on management activities of the Department of Defense.
SD-342

Select on Intelligence
Budget Authorization Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Pennsylvania Avenue Development

Corporation and the Smithsonian Institution.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

2:30 p.m.
Veterans Affairs
To hold hearings on proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration.
SR-418

MARCH 24

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Governmental and Public Affairs, Office of the General Counsel, Office of the Inspector General, Office of the Secretary, and departmental administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Legal Services Corporation, U.S. Information Agency, and the Equal Employment Opportunity Commission.
S-146, Capitol

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on proposed legislation authorizing funds for the Export-Import Bank of the United States.
SD-538

Small Business
To hold hearings on Federal Government minority business development programs of the Small Business Administration.
SR-428A

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Science and Technology Policy, and the Council on Environmental Quality.
SD-124

Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 268, authorizing funds to construct, operate, and maintain hydroelectric powerplants at existing reclamation project facilities, S. 448, authorizing funds to rehabilitate the Belle Fourche irrigation project in South Dakota, and S. 672, authorizing funds for programs of the Reclamation Safety of Dams Act of 1978.
SD-366

Labor and Human Resources
Family and Human Services Subcommittee
To continue hearings on the broken family, focusing on its effect on adults.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy conservation programs of the Department of Energy.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

MARCH 25

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed legislation authorizing funds for the Securities and Exchange Commission.
SD-538

APRIL 4

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Health and Human Services.
SD-116

APRIL 5

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Health Resources and Services Administration, and the Office of the Assistant Secretary for Health, both of the Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Food and Nutrition Service, and the Human Nutrition Informatin Service, Department of Agriculture.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on general revenue sharing.
Room to be announced

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Minerals Management Service, and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 6

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Social Security Administration, and refugee programs, Department of Health and Human Sercvices.
SD-116

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on general revenue sharing.
Room to be announced

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to radiation, and other related matters.
SR-418

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 7

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Health Care Financing Administration, Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Farmers Home Administration, Federal Crop Insurance Corporation, Office of Rural Development Policy, and the Rural Electrification Administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Bureau of Investigation, Drug Enforcement Administration, drug task forces, Immigration and Naturalization Service, and the Federal prison system.
S-146, Capitol

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on general revenue sharing.
Room to be announced

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Environmental Protection Agency.
SD-124

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 530, to provide Federal assistance to upgrade instruction in mathematics, science, computer technology and foreign languages in the Nation's elementary, secondary,

and postsecondary institutions, and to provide assistance for employment-based vocational training programs, and related proposals.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Forest Service of the Department of Agriculture.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Personnel Management, Merit Systems Protection Board, Office of Special Counsel, Federal Labor Relations Authority, U.S. Tax Court, Advisory Commission on Intergovernmental Relations, and the Administrative Conference of the United States.
SD-124

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Human Development Services, Department of Health and Human Services.
SD-116

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Customs Service, U.S. Secret Service, Bureau of Alcohol, Tobacco, and Firearms, and the Federal Law Enforcement Training Center, all of the Department of the Treasury.
SD-138

APRIL 11

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

APRIL 12

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 372, to promote interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
SR-253

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Food and Drug Administration, Department of Health and Human Services, the Farm Credit Administration, and the Commodity Futures Trading Commission.
SD-138

Labor and Human Resources
To hold hearings on the nomination of Edward A. Knapp, of New Mexico, to be Director of the National Science Foundation.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Aviation Administration, Department of Transportation.
SD-192

Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' health care services, proposed legislation providing educational assistance for certain members of the Armed Forces, and proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration.
SR-418

Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 13

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management (salaries and expenses).
SD-116

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, Commission on Security and Cooperation in Europe, and the Commission on Civil Rights.
S-146, Capitol

Finance
To hold hearings on S. 544, to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin Region.
SD-215

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on proposed legislation on health promotion.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 14

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Centers for Disease Control, Department of Health and Human Services.
SD-116

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Science Foundation.
SD-124

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Urban Mass Transportation Administration, Department of Transportation.
SD-192

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on the implementation of vocational education programs administered by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Endowment for the Humanities, and the Office of Federal Inspector, Alaska Natural Gas Transportation System.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the General Services Administration, and to discuss the substance of S. 102, to allow State and local governments to continue to acquire surplus Federal lands for park and recreational use.
SD-124

APRIL 15

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Al-

cohol, Drug Abuse, and Mental Health Administration, Department of Health and Human Services.
SD-116

APRIL 18

10:30 a.m.
Labor and Human Resources
To hold hearings on a radiation/epidemiological study.
SD-430

APRIL 19

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Indian Health Service of the Department of Health and Human Services, and the Office of Indian Education.
SD-192

9:30 p.m.
Labor and Human Resources
To hold hearings on railroad retirement program.
SD-430

APRIL 20

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, U.S. International Trade Commission, and the Federal Maritime Administration.
SD-146, Capitol
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Executive Office of the President, National Security Council, and the Property Review Board.
SD-124
Labor and Human Resources
To hold hearings on proposed legislation relating to smoking.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for fossil energy research and development programs of the Department of Energy.
SD-192
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.
S-146, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Treasury.
SD-124

APRIL 21

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, receiving testimony from public witnesses on energy research, conservation and renewable energy, nuclear energy, and nuclear waste activities.
SD-366

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Aeronautics and Space Administration.
SD-124
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of State, and certain international organizations.
S-146, Capitol
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of bilingual education programs administered by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Fish and Wildlife Service of the Department of the Interior.
SD-192

APRIL 25

9:30 a.m.
Labor and Human Resources
To hold hearings on unemployment cycles.
SD-430

2:00 p.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192

APRIL 26

9:30 a.m.
Labor and Human Resources
To continue hearings on unemployment cycles.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-124

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior.
SD-138

APRIL 27

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192
Labor and Human Resources
To hold hearings on disease prevention.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Land and Water Conservation Fund.
SD-192

APRIL 28

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Emergency Management Agency, and the Neighborhood Reinvestment Corporation.
SD-124
Judiciary
Constitution Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430
Labor and Human Resources
To hold joint hearings with the Committee on the Judiciary's Subcommittee on the Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the strategic petroleum reserve, and the naval petroleum reserves, Department of Energy.
SD-138

APRIL 29

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

10:00 a.m.
Judiciary
Constitution Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

Labor and Human Resources
To continue joint hearings with the Committee on the Judiciary's Subcommittee on Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

MAY 2

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies
SD-116

MAY 3

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the Legal Services Corporation.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

MAY 4

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on proposed legislation on science education.
SD-430

MAY 5

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Revenue Sharing (New York City loan program), Federal Home Loan Bank Board, and the National Credit Union Administration.
SD-124

MAY 10

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care services.
SD-430

MAY 11

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To continue hearings on home health care services.
SD-430

MAY 12

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Housing and Urban Development.
SD-124

MAY 13

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

MAY 18

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on activities of the Equal Employment Opportunity Commission.
SD-430

10:00 a.m.
Veterans Affairs
To hold oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-418

2:00 p.m.
Veterans Affairs
To continue oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-418

MAY 23

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

MAY 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

JUNE 8

10:00 a.m.
Veterans Affairs
To hold hearings on proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 15

10:00 a.m.
Veterans Affairs
To hold oversight hearings to review certain health care and other services provided Vietnam veterans.
SR-418

JUNE 22

10:00 a.m.
Veterans Affairs
To hold oversight hearings on certain health care services for veterans.
SR-418

JUNE 29

10:00 a.m.
Veterans Affairs
Business meeting, to consider proposed legislation providing for certain veterans' compensation.
SR-418

CANCELLATIONS

MARCH 17

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on cost management policies relating to the transfer of Federal funds to State and local governments.
Room to be announced,

HOUSE OF REPRESENTATIVES—*Thursday, March 10, 1983*

The House met at 11 a.m.

The Reverend Dr. George A. Pera, D.D., L.H.D., Westminster Presbyterian Church, Alexandria, Va., offered the following prayer:

Almighty God, in whom is found all goodness and righteousness, we ask Thy blessing upon this assembly. We give Thee thanks for all those past and present who, by their leadership, have inspired in us a passion for excellence.

Whatever our tasks, may we do them honestly and well, knowing that the longings and aspirations of the people of this Earth rest on our deliberations. Make our hands eager to work effectively, our feet swift to walk in Thy ways, our ears, eyes, tongues, hearts, and minds dedicated to noble living and effective service. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

EPA INVESTIGATORS SHOULD STAY THE COURSE

(Mr. BOUCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOUCHER. Mr Speaker, the message for this morning is, "stay the course."

For those committees of this House investigating the policies and practices of the Environmental Protection Agency, the message is, "stay the course." Do not be deterred in your investigations by the departure of Mrs. Burford from the EPA.

A cloud still hangs heavy over the Environmental Protection Agency, thickened by suggestions of destroyed documents, altered appointment calendars, and lackluster enforcement of our environmental laws.

The truth is, Mrs. Burford was only part of the problem at EPA. She was merely the enforcer of this administration's disastrous environmental and conservation policies. Those policies, devised in the White House with the advice of the Secretary of the Interior, represent nothing short of a wholesale attempt to dismantle two decades of bipartisan commitment to protect the environment, to preserve natural resources, to develop clean, renewable energy sources, and to promote clean air and water.

Those policies are the real problem we face.

To the congressional investigators this morning, I say, "stay the course." Do not let this resignation sweep the problems at EPA under the rug.

SOCIAL SECURITY AMENDMENTS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, yesterday the House took a step which is always difficult for a representative body but which is vital to the health of our Nation. In passing amendments to refinance the social security system in the short and the long term, the House of Representatives measured up to the best standards of democracy. It proceeded with caution and deliberation but without delay and without rancor.

All share in that credit, but this morning I salute our Speaker, who helped to move the National Commission to agreement and who maintained and upheld an attitude of utter fairness and openness in the House consideration of the social security bill.

As a result, this House has done more than pass a social security bill. It has shown that Congress can make substantive changes even in our most important programs; Congress can make the structural reforms that are occasionally necessary to keep our best programs strong.

Yesterday America came of age. We have progressed with the changes of our time. And I think we have chosen the fairest, most open, and most equitable of the routes we had.

Passage of the social security bill is a victory for the National Commission, for the administration, for the leadership of the House on both sides of the aisle, for the House Members themselves—but most of all it is a victory for the social security system, and that is what is most important of all.

SOCIAL SECURITY PACKAGE MEETS THE "MORAL TEST OF GOVERNMENT"

(Mr. SIKORSKI asked and was given permission to address the House for 1 minute.)

Mr. SIKORSKI. Mr. Speaker, in his last speech in Congress, Hubert Humphrey challenged us to meet the moral test of Government. The true test of any society, he said, was how it treats those in the twilight of life—the elderly.

With the passage of the social security package yesterday, we also passed that test. No longer need the 36 million Americans dependent on social security fear the loss of their social security benefits. No longer need 116 million workers who support social security worry that the system will not be there when they retire.

The preservation of social security does mean sacrifices from just about everyone: The young and the old, Government and private sector employees, businesses and the self-employed, and even Congressmen. But there are sacrifices proudly made in exchange for caring for those who fought our wars, built our roads, preserved our wilderness, fed the world, educated all of us—who now wait in the twilight of life.

BURFORD RESIGNATION

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I do not rejoice when anyone is forced to abruptly terminate a career in public life and, therefore, I take no personal pleasure in Anne Gorsuch Burford's downfall as Chief Administrator of the Environmental Protection Agency.

But it was clearly time for her to go. The growing scandal at EPA has made it obvious that Ms. Burford failed utterly at her primary task—that of protecting the environment. And the fact is that she is not a unique example. The most alarming fact about this administration is that too many high officials—including Cabinet-level officers—have functioned as the enemies, apparently by design, of the very programs which they are supposed to be guiding.

At Justice we see repression; at Interior, the planned despoilation of our natural heritage; at Education the liquidation of academic programs and of the Department itself; at the Economic Development Administration the elimination of economic development initiatives. The sad list goes on and on in this administration, with growing evidence that officials are not minding the store or performing those duties for which they are paid by the taxpayer—and to which they are sworn by

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

11-059 O-87-21 (Pt. 4)

oath, to see that the laws are faithfully executed.

MORE WORK AHEAD ON SOCIAL SECURITY TO ADDRESS PROBLEMS OF FEDERAL AND POSTAL WORKERS

(Mr. CARPER asked and was given permission to address the House for 1 minute.)

Mr. CARPER. Mr. Speaker, yesterday, the 98th Congress acted to pull the social security system back from the brink of certain bankruptcy. I believe that we can be proud of our work and I would like to again commend our leadership, Chairman ROSTENKOWSKI, Congressman CONABLE, Congressman PICKLE, Congressman PEPPER, and my colleagues for their efforts in fashioning the bipartisan plan that we passed yesterday.

I want to take this opportunity today, however, to remind us that our work is not yet done. In moving to restore the faith of the American people in our social security program, we created serious doubt in the minds of many Federal workers about the stability of their own retirement plan.

Our Federal and postal workers have listened to our assurances with skepticism. We should not be surprised. These workers have received promises and assurances in the past—not all of those promises have been kept.

This Congress must demonstrate to our Federal and postal workers in the years ahead that we will act to keep their retirement program secure when newly hired employees may no longer be contributing to the existing civil service pension fund. In addition, Congress must move expeditiously to create a new supplemental retirement program for new Federal employees, which, coupled with their social security benefits, will enable our Government to attract and retain quality employees in the future.

YESTERDAY'S ACTION ON SOCIAL SECURITY CASTS DOUBTS ON VALIDITY OF PROGRAM

(Mr. TRAXLER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. TRAXLER. Mr. Speaker, I rise to condemn the action of the House yesterday in the adoption of the amendment to the Social Security Act. The so-called Pickle amendment breaks faith with the American worker and the American public. The social contract between this Government and its citizens has now been breached.

Nothing prevents a future Congress, whether it be next year or 5 years from now, from increasing the retirement age, as it did yesterday to 67 in the year 2000 and beyond, to 68. The game plan here is clearly to cast doubt and suspicion upon the validity and the security of the social security program and to place it in disrepute in the eyes of the American public. I have already received two long-distance phone calls from my constituents this morning, at their expense, and these are average American citizens saying to me, "Mr. Congressman, can we trust and believe in the system if you people in Washington are going to insist upon making changes in the most basic and critical law that affects all of us in our future and in our retirement?"

I could not give them an assurance or a positive response that the Congress at some point, now that we have taken the age of 65 out of concrete and made that subject to the whims of this Congress and outside pressure groups which tend to dominate on this issue for their own financial advantage, would not in the next few years or beyond take further action which will further destroy their concept of their retirement.

Mr. Speaker, I hope the Senate will restore the age of 65 to the act and restore in the American public perception the sanctity of the social security system.

STRUCTURAL CHANGES IN WEATHER SERVICES THREATEN FLORIDA AGRICULTURE

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, agriculture is a billion-dollar industry in Florida and involves millions of acres.

I am deeply concerned about the announcement to commercialize weather satellites and what that portends for the agricultural industry in Florida.

I strongly oppose this proposal if it is the first in a series of steps to turn over other areas of the National Weather Service to the private sector—which at this point has not indicated the capacity or the inclination to deliver these services.

I strongly oppose asking the agricultural community to pay for a structural change in the delivery of vital information when no one knows if these services can be adequately duplicated.

We have no assurance that the small family farmer can afford a fee and rate schedule that at this time is only bureaucratic pie in the sky.

Any serious disruption of agricultural weather services has the potential to cripple agricultural production, which is so central to the national welfare.

□ 1115

THE EXCLUSIONARY RULE

(Mr. FRANKLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRANKLIN. Mr. Speaker, last week the Supreme Court heard arguments on whether there should be an exception to the exclusionary rule when police officers have acted in good faith. As Members of this House know, the exclusionary rule provides that evidence seized by police officers in violation of the fourth amendment may not be admitted in a criminal trial. Consequently, many criminals go free or are never prosecuted because the best evidence against them cannot be used in court.

From my observations as a former sitting judge in a criminal felony court I believe that fourth amendment law has become so complicated that our best lawyers cannot understand it, much less police officers whose training is necessarily limited by overburdened public budgets. For that reason, the Supreme Court is considering whether the exclusionary rule ought not to apply when police officers acting in good faith have simply misunderstood the complexities of the law. The Justice Department has urged the Supreme Court to recognize the good faith exception.

Indeed, last year President Reagan asked Congress to enact the good faith exception into law. He is expected to make the same request again this year. Nevertheless, the House Judiciary Committee did not see fit to let this House vote on the issue. The protection of the general public is our most important duty, and we can accomplish this without infringement on the rights Americans enjoy under the fourth amendment. It is absolutely crazy for criminals to go free because policemen have made an honest mistake. This year the House should be allowed a chance to debate this most important issue with a view toward continuing the protections afforded Americans under our Constitution, but at the same time protecting our society against criminals who are set free because of honest mistakes made by our policemen in enforcing the law.

INTRODUCTION OF LEGISLATION CALLING FOR SPECIAL ENVOY FOR CENTRAL AMERICA

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, His Holiness, Pope John Paul II, has just completed a historic visit to Central America, during which he called

for a cease-fire in El Salvador and the beginning of a political dialog to end that country's bloody civil war. To date, the administration's response to this apostle of peace continues to be a shrill cry for more guns, more bullets, and more advisers. Whether it be $60 million, $110 million, or $140 million, more money and more military assistance will not bring peace to El Salvador. Only negotiation and a political settlement can do that.

Last week I introduced a bill (H.R. 1899) which would condition further U.S. military assistance to El Salvador on the willingness of that country's Government to enter into a good faith dialog with its political opponents. Senator HATFIELD initiated similar legislation in the other body.

Today I am placing before the House a resolution urging the administration to appoint a prestigious special envoy to work with all parties in El Salvador and Central America to bring an end to the hostilities.

What we ask of others—to work for peace rather than military domination—we must also demand of ourselves. We must seek a solution to El Salvador's complicated political and social problems with negotiation rather than bullets, with economic and humanitarian assistance rather than military hardware. As Washington Archbishop James Hickey told a House panel earlier this week, the aim of Americans and Salvadorans alike must be reconciliation, not a box score of victors and vanquished.

Mr. Speaker, it is proper for the United States to aid a democratic government which seeks a democratic settlement; it would be futile for this country and this administration to try to attain the unattainable by single-mindedly pursuing a military solution which does not address the fundamental political and social realities in El Salvador.

SUPPORT IS URGED TO DISAPPROVE THE ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS DEFERRAL

(Mr. McKERNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McKERNAN. Mr. Speaker, approval of House Resolution 74, which would free up more than $181.9 million for Economic Development Administration programs for the current fiscal year, is important for both real and symbolic reasons.

I believe that the effort to withhold EDA funds is misguided in view of the tremendous success of the program in Maine and other areas of the Northeast over the last 15 years.

During that period, EDA has created or saved nearly 1½ million jobs in the private sector and leveraged $9 billion in private investment.

Thousands of worthwhile, permanent jobs have been generated in Maine alone under this public-private partnership program. In the last fiscal year, more than $3.3 million was targeted for EDA projects in Maine.

To cite just one example, the fish pier project in Portland will become a reality due to the availability of EDA funds. The virtual elimination of this source of funds could deal a damaging blow to this and other potential projects.

On a more symbolic level, I believe that, at a time when unemployment remains above 10 percent, failure to expend the EDA funds would indicate a lack of commitment to economic recovery in distressed areas throughout the Northeast.

I strongly support the resolution to clear the way for expending the EDA funds.

NATIONAL WEEK OF THE OCEAN

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, from the dawn of mankind, people have looked to the horizons of the oceans, and have been inspired by their promise—the promise of a new tomorrow.

Today, the oceans of the world present us with a new challenge: that of providing for our children, and their childrens' children. For within the waters of the oceans lay vast undeveloped sources of food, unharnessed sources of energy, and untapped sources of raw materials. Today's ocean explorers must reach for the inner space of the oceans to understand it, so that we may harness its potential without destroying its delicate balance.

Recognizing the crucial nature of this challenge, today I am calling for the Congress to recognize, and ask the President to proclaim, the week of April 24 through April 30, 1983, as the National Week of the Ocean; 36 of our colleagues from all across the country have recognized the importance of this challenge by cosponsoring this joint resolution, and I urge all the Members of the House to join in our efforts.

INTRODUCTION OF SAVINGS INCENTIVE ACT OF 1983

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, yesterday I introduced H.R. 2000 as a means to induce savings information by use of individual retirement accounts while having minimal adverse impact on Federal revenues. My Savings Incentive Act of 1983 would permit an after-tax nondeductible contribution of $2,000 per year plus an additional $8,000 over the life of the account. Only the interest earned on such deposits would accrue on a tax-deferred basis as is now the case with regular IRA deposits. Thus, the impact on Treasury revenues is negligible because these contributions are after-tax and receive no tax deduction whatsoever.

Two econometric studies commissioned at my request find the bill will add between $7 and $8.5 billion to the Nation's savings pool annually.

The bill also upgrades IRA status when compared to Keogh plan opportunities for the self-employed. Keogh plans for some years have allowed nondeductible additions to be made once the deductible annual contribution limits were reached. The same practice would apply under the terms of H.R. 2000 for IRA contributions.

H.R. 2000 is the next natural step in IRA expansion especially in view of fiscal and revenue concerns we must observe. It promises the biggest savings bang for the buck while enabling more Americans contemplating retirement income security otherwise unused due to diminutive size or having too few years left before retirement would be taken.

APPOINTMENT AS MEMBERS OF COMMISSION ON NATIONAL DEVELOPMENT IN POSTSECONDARY EDUCATION

The SPEAKER. Pursuant to the provisions of section 101(a), Public Law 96-374, the Chair appoints as members of the Commission on National Development in Postsecondary Education the following Members on the part of the House:

Mr. BIAGGI, of New York, and

Mr. COLEMAN, of Missouri.

And the following from private life:

Mr. J. Donald Monan, Chestnut Hill, Mass.;

Mr. David M. Bartley, Holyoke, Mass.;

Mr. Richard A. Fulton, Washington, D.C.;

Mr. Aubrey Lucas, Hattiesburg, Miss.;

Mr. John Corbally, Urbana, Ill.; and

Mr. Martin Abegg, Peoria, Ill.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that pursuant to clause 5, rule I, in the event there are rollcalls today on the deferral resolution, the rollcalls will be postponed until the end of the debate on all resolutions, and if there is more than one rollcall, such subsequent rollcalls will be 5 minute votes.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

Mr. WHITTEN. Mr. Speaker, I call up the resolution (H. Res. 90) disapproving the deferral of certain budget authority (D83-36) relating to the Department of Agriculture, Agricultural Stabilization and Conservation Service, and ask unanimous consent that the resolution be considered in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. VALENTINE). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 90

Resolved, That the House of Representatives expresses its disapproval of proposed deferral D83-36, relating to the Department of Agriculture, Agricultural Stabilization and Conservation Service, Dairy Indemnity Program, as set forth in the message of January 6, 1983, which was transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the Committee on Appropriations, to whom was referred House Resolution 90, disapproving the deferral of certain budget authority relating to the Department of Agriculture, which was proposed by the President in his message of January 6, 1983, transmitted under section 113 of the Impoundment Control Act, reports the same to the House of Representatives, with the recommendation that the resolution be passed.

This action occurs on an impoundment of $7 million that was due to the dairy industry in Hawaii under the dairy indemnity program. The dairy indemnity program is designed to indemnify dairy farmers where, through no fault of their own, milk products were removed from the commercial market because it contained certain chemical residue. On March 18, 1982, pesticide contamination was discovered in milk produced on dairy farms in Hawaii. The milk contamination occurred because dairy farmers fed their cattle feed unknowingly tainted with a pesticide. Upon discovery, 80 percent of the milk on the island of Oahu was found to be contaminated and was forced to be recalled.

The Secretary of Agriculture, Mr. Block, has determined that this come within the provision of the indemnity law. Yet the Office of Management and Budget has proposed that the funds be deferred. The Committee on Appropriations has turned down this recommendation of deferral. For that reason, I submit the matter to the House and ask for approval of the resolution.

Mr. Speaker, I yield 10 minutes to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, first, I wish to thank Chairman JAMIE WHITTEN for bringing House Resolution 90 to the floor. I introduced this resolution with Chairman WHITTEN on February 17, 1983. On March 3, House Resolution 90 was approved by the House Appropriations Committee and reported to the House floor. The speed with which the Committee acted on this resolution of disapproval is indicative of the urgency and the importance of the problem that House Resolution 90 addresses.

This resolution disapproves the deferral of $7 million in budget authority provided to the Agricultural Stabilization and Conservation Service for compensation of dairy farmers and processors under the dairy indemnity program. The dairy indemnity program was authorized by Congress to indemnify dairy farmers and processor who, through no fault of their own, are forced to remove their milk from commercial markets because of pesticide contamination. This is precisely what occurred in Hawaii.

In March of last year, pesticide contamination was discovered in Hawaii's milk supply. This contamination occurred when dairy cows were unknowingly fed pineapple greens that were contaminated by the pesticide heptachlor. When the full details of this episode came to light, it was discovered that 80 percent of the milk supply on Oahu was unfit for consumption.

For Hawaii, this was a very serious situation. Because of the time and distances involved, we are unable to depend upon shipments of fresh milk from the mainland. We produce all of our milk locally. Therefore, the contamination affected virtually our total supply of wholesome fresh milk.

The dairy indemnity program was established to handle precisely such a situation. Once it became apparent that Hawaii's dairy farmers qualified for this assistance, I wrote to the Secretary of Agriculture, urging him to provide the relief due our dairy farmers under this program. On September 16, 1982, Secretary Block informed me by letter that the contaminated milk in Hawaii was indeed eligible for compensation under the dairy indemnity program.

Mr. Speaker, I ask that a copy of the Secretary's letter appear in the RECORD following my statement.

In response to the Secretary's letter, the Appropriations Subcommittee on Agriculture, of which I am a member, approved an appropriation of $7 million to compensate affected Hawaii's dairy farmers under the dairy indemnity program. This appropriation was part of the agriculture appropriations bill for fiscal year 1983 (Public Law 97-370). At the time the appropriation became law, dairy farmers in Hawaii were already on the verge of bankruptcy because their milk was still being withheld from markets.

On January 6, 1983, the President recommended that this $7 million be deferred. This recommendation was made in spite of the fact that Secretary Block had determined that Hawaii's dairy farmers indeed qualified for payments under this program. No consideration was given either to the plight of these dairy farmers, or to the need to assure the people of Hawaii adequate supplies of wholesome milk. During hearings on this deferral recommendation, the Department of Agriculture was unable to offer our subcommittee any valid justification for the deferral. Clearly, no such justification exists.

The administration's deferral message indicated that the money should be deferred because the farmers are seeking recourse through the courts. Although farmers have filed suits in court, the fact is that any relief is 2 to 3 years away. If this deferral is allowed to stand, the dairy industry in Hawaii would have great difficulty in supplying our State's population with wholesome fresh milk. In the time it would take to gain relief through the courts, many of our dairy farmers would be forced out of business, thus jeopardizing supplies of this food staple.

There is no reason why the funds to compensate Hawaii's farmers should be targeted for deferral. The Hawaii milk contamination was one of six contaminations occurring in 1982 certified as eligible for payment. To single out this single contamination for a deferral is clearly unfair, ill-advised and shortsighted.

Finally, any contention that granting these indemnity payments would result in double compensation is unfounded. The Department of Agriculture has ample means available to assure that no double compensation occurs. The Department need only follow its past practices to provide this safeguard.

My colleagues, a full year has passed since it was discovered that Hawaii's milk was contaminated. Dairy farmers and processors in Hawaii have already incurred overwhelming losses; any further delay would only push them closer to bankruptcy. Our situation constitutes a true emergency. I urge you to support this resolution of disapproval. At this point I include the following letters:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., September 16, 1982.

Hon. DANIEL K. AKAKA,
House of Representatives, Washington, D.C.

DEAR CONGRESSMAN AKAKA: This is in response to your letter concerning the eligibility of certain Hawaiian dairy farmers for assistance under the Dairy Indemnity Program (DIP).

We have reviewed all available information concerning the milk indemnity claims filed for losses due to milk contamination by heptachlor in Hawaii. We have determined that this contaminated milk is eligible for indemification under the DIP.

At the present time, there is $162,285 of appropriated funds available to make payments under the DIP. The regulations governing the program which are found at 7 CFR Part 760, provide that "Payment of indemnity claims filed after June 22, 1979, will be contingent upon availability of funds to the U.S. Department of Agriculture (USDA) to pay such claims."

We hope this will answer your questions concerning the eligibility of certain Hawaiian dairy farmers for assistance under the DIP. Thank you for your interest in this matter.

Sincerely,

JOHN R. BLOCK,
Secretary.

IKAZAKI, DEVENS, LO,
YOUTH & NAKANO,
Honolulu, Hawaii, January 14, 1983.

The PRESIDENT,
The White House, Washington, D.C.

MR. PRESIDENT: This office represents the 50th State Dairy Farmers' Cooperative, a Hawaii agricultural cooperative association, and its individual dairy farmer members who produce approximately 30.7 percent of the total fresh fluid milk utilized in the City and County of Honolulu (Island of Oahu), State of Hawaii.

Apparently, you have been advised of the tragic situation affecting our clients and all other dairy farmers on the Island of Oahu who supply the balance of the fresh fluid milk market involving the ingestion of the chemical heptachlor by their dairy cows by way of contaminated feed. This ingestion contaminated the milk supply which was first determined on or about March 15, 1982, and which further made the milk unmarketable for any purpose, causing enormous economic loss to our clients.

Because of the continuing loss of milk for several months and until our animals were determined to be clear of the chemical heptachlor, this situation could be likened to a natural disaster calling for emergency relief. We were advised by our congressional delegation that there was an indemnity program administered by the U.S. Department of Agriculture specifically for emergencies of this nature, but that at the time of the initial loss, there were limited funds appropriated in an amount insufficient to fairly indemnify even a single member of our cooperative from losses sustained.

Steps were then taken by our congressional delegation to provide for additional funding, culminating in an appropriation of approximately $7 million.

We have just learned that you have accepted the recommendation of your Office of Management and Budget not to allow the disbursement and expenditure of the $7 million appropriation that would aid all Oahu dairy farmers at a time when the dairy industry was almost destroyed by the heptachlor contamination.

In part, we understand that your reasoning in denying the use of these monies was based on the fact that there is pending litigation in the Hawaii State courts brought by dairy farmers in an attempt to be compensated for their losses due to the fault of others. Unfortunately, like litigation in many jurisdictions, we, here, are faced with crowded court dockets, and although we have proceeded with dispatch on behalf of our clients in moving their claims to trial at the earliest possible time, still it may be upwards of a year before their claims can actually be tried. Moreover, if post-trial appeals are taken, it could extend the ultimated resolution of the case an additional two or more years.

Some emergency loans have been supplied by the State of Hawaii through its Department of Agriculture. However, such aid falls far short of what is necessary and reasonable in order to restore the local dairy industry to good financial health.

It should be pointed out that it is true, as you indicated in your message deferring the use of these funds, that the marketing of fresh fluid milk on Oahu is governed by State statute and rules and regulations adopted thereunder. The administration of that Act is paid for by assessments made against the dairy farmers. It is also true, and should be pointed out, that at no time since the adoption of our State Milk Control Act in 1969 (and to my knowledge at no time ever prior to that) has the federal government been called upon to financially aid our dairy farmers through price support or any other programs. In short, we have never been a party to any federal marketing orders or other pricing programs administered by the U.S. Department of Agriculture made available to dairy farmers elsewhere throughout the United States.

In conclusion, I cannot overemphasize the devastating economic effect that the heptachlor contamination brought about not only to the dairy farmers whom we represent but also to the entire dairy farming industry on Oahu. To give you some perspective, I should indicate that the present population of Oahu is approximately 774,000 and all of the fresh fluid milk supplies necessary to support that population are produced locally.

May we respectfully request your reconsideration of your decision not to allow the use of the funds appropriated by Congress to render emergency aid to our dairy farmers.

Respectfully yours,

PAUL DEVENS.

S. CON. RES. 20

Whereas, there is a great need for a continuous and reliable supply of wholesome fresh milk on the island of Oahu where approximately eighty per cent of the population of the State of Hawaii reside; and

Whereas, since March of 1982 the herds of Oahu's dairy farmers which supply fresh milk to the population of Oahu have been contaminated with the pesticide heptachlor to such an extent that the milk produced by the dairy cows has been contaminated with heptachlor at levels in excess of the allowable action level of 0.3 parts per million; and

Whereas, the dairy farmers on Oahu did not themselves use heptachlor and were not responsible for the contamination of their herds; and

Whereas, the pesticide heptachlor was registered and approved for use in the State of Hawaii by the United States Environomental Protection Agency; and

Whereas, Oahu's dairy farmers have been forced to dump the contaminated milk produced by their herds and have sustained financial losses in excess of $7,000,000 and are presently experiencing extreme financial difficulty in paying their bills, meeting their overhead costs, meeting their obligations to creditors and remaining solvent; and

Whereas, the dairy farmers on Oahu have been unable to obtain commercial loans due to high interest rates and being classified, in some cases, as poor risks due to the contamination of their herds; and

Whereas, the dairy farmers are presently pursuing all legal remedies available to them for recovery of economic losses but any compensation awarded through the legal system is probably several years away; and

Whereas, the dairy farmers on Oahu are in need of immediate financial assistance; and

Whereas, the Appropriations Committee of the United States Senate has allocated $7,000,000 for the Dairy Indemnity Program for fiscal year 1983; and

Whereas, the Congress of the United States has approved an Agricultural Appropriations bill allocating $7,000,000 to assist dairy farmers on the island of Oahu; and

Whereas, the President of the United States has indicated his intention to defer the spending of the $7,000,000 appropriated by Congress to aid Hawaii's dairy farmers; now, therefore,

Be it resolved, by the Senate of the Twelfth Legislature of the State of Hawaii, Regular Session of 1983, the House of Representatives concurring, That the United States Congress is hereby urged to pass a resolution disapproving of President Reagan's deferral of budget appropriations intended to aid dairy farmers in the State of Hawaii; and

Be it further resolved, That the President of the United States is hereby requested to immediately release the $7,000,000 appropriated by Congress to aid Hawaii's dairy farmers under the Dairy Indemnity Program; and

Be it further resolved, That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and Hawaii's congressional delegation.

Mr. WHITTEN. Mr. Speaker, the gentlewoman from Nebraska (Mrs. SMITH), the ranking Republican member on the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations is in thorough agreement with this resolution. The gentlewoman is unable to be on the floor, but she has assured me she is in thorough agreement with the resolution.

● Mr. CONTE. Mr. Speaker, the House today will consider seven resolutions disapproving proposed deferrals of budget authority.

I will include for the benefit of my colleagues a summary description of the five resolutions which relate to deferrals under the jurisdiction of the Commerce-Justice Subcommittee.

I would also like to say a word about the spending issue. By definition, a de-

ferral does not raise the question of whether a given amount of money will be spent or not. The only issue is when the money will be spent.

By disapproving these deferrals, the House is not saying that it wants to spend more money than the President, but rather, that the money should be spent sooner than the President proposed.

Disapproval of these deferrals may mean in some cases that appropriations will be obligated and expended in this fiscal year, rather than the next, but there is no net increase in Federal outlays.

SUMMARY OF COMMERCE, JUSTICE, STATE DEFERRAL RESOLUTIONS

1. H. RES. 73, SMALL BUSINESS ADMINISTRATION, BUSINESS LOAN AND INVESTMENT FUND

Resolution disapproves the requested deferral of $143 million. The deferred amount includes $137 million for direct lending and $6 million for guarantees (affecting $600 million of the FY 1983 guaranteed loan approved level of $3 billion). The deferred amount would be used for the purchase of defaulted SBA guaranteed loans, which are expected to total $700 million this year. The Committee disapproves this deferral, stating that SBA direct loans provide "vital resources." The Committee urges the Administration to send up a supplemental request to cover the SBA defaults.

2. H. RES. 74, ECONOMIC DEVELOPMENT ADMINISTRATION

Resolution disapproves the requested deferral of $181.9 million. The Administration wishes to defer this amount in order to transfer $158.5 million to SBA to purchase defaulted guaranteed loans and to transfer $23.4 million to the EDA Revolving Fund to cover defaults. The Committee disapproves this deferral, stating that EDA funds are needed to develop private sector jobs. The Committee urges the Administration to send up a supplemental request to cover the SBA defaults. No mention is made of the EDA defaults.

3. H. RES. 75, INTERNATIONAL TRADE ADMINISTRATION, TRADE ADJUSTMENT ASSISTANCE

Resolution disapproves the requested deferral of $20.1 million. The Administration wishes to defer this amount in order to transfer the funds to SBA to purchase defaulted guaranteed loans. The Administration argues that Trade Adjustment Assistance to firms injured by imports has failed "because many of the beneficiary firms go bankrupt shortly after receiving assistance." The Committee disapproves this deferral, stating that Trade Adjustment Assistance is critical to maintaining jobs in the U.S. The Committee urges the Administration to send up a supplemental request to cover SBA defaults.

4. H. RES. 76, SMALL BUSINESS ADMINISTRATION, POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEES REVOLVING FUND

Resolution disapproves the requested deferral of $1 million. The $1 million deferral, would have the effect of reducing pollution control guarantees by $100 million below the approved FY 1983 level of $250 million. In requesting this deferral, the Administration is being consistent with budget requests in the past to limit this program to $150 million. The Committee disapproves the deferral, stating that the program makes money for the Government in the form of fees that are charged for the pollution control guarantees and that the program benefits small businesses.

5. H. RES. 77, SMALL BUSINESS ADMINISTRATION, SURETY BOND GUARANTEES REVOLVING FUND

Resolution disapproves the requested deferral of $3 million, resulting in a reduction of surety bond guarantees in FY 1983 of $120 million out of a total of $1.2 billion approved for this year. The Administration states that this reduction will give SBA the incentive to improve the operation of the program. The Committee disapproves the deferral, stating that the reduction would harm SBA's efforts to help small contractors to stay in business as productive sources of private sector jobs.●

● Mr. HEFTEL of Hawaii. Mr. Speaker, I rise in support of House Resolution 90, to disapprove the President's deferral of certain funds appropriated under the fiscal year 1983 agriculture appropriations bill.

The President proposed deferral of $7 million that was to go to certain Hawaii dairy farmers who suffered losses as a result of the heptachlor contamination in milk last year. The President's reason for deferring this money was twofold: First he had a number of legal questions regarding eligibility; second he believed that since recourse was being sought in the courts, farmers would not necessarily need Federal assistance.

Mr. Speaker, neither of these reasons are valid. Last August, the Acting Administrator of the Agricultural Stabilization and Conservation Service sent me a letter stating clearly that Hawaiian dairy farmers are eligible for indemnification payments under the dairy indemnity program. In answer to the second reason for deferral, I point out to my colleagues that according to the regulations governing the dairy indemnity program, if a farmer is later compensated for his losses by those responsible for the loss, then the dairy indemnity payment should be refunded.

Hawaii's dairy farmers suffered tremendous losses as a result of the heptachlor contamination. There were at least 11 milk recalls last year in our State. It must be apparent that our farmers need assistance now—not in the far future when pending court cases are settled.

Mr. Speaker, I hope my colleagues will join with me in disapproving this unnecessary and damaging deferral.●

Mr. WHITTEN. Mr. Speaker, unless there is further discussion, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO CONSIDER IN THE HOUSE RESOLUTIONS DISAPPROVING DEFERRAL OF CERTAIN BUDGET AUTHORITY

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that House Resolutions 73, 74, 75, 76, and 77, disapproving the deferral of certain budget authority, each be considered in the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

GENERAL LEAVE

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and that all Members may have 5 legislative days in which to insert their remarks in the RECORD on House Resolutions 73, 74, 75, 76, and 77.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (SMALL BUSINESS ADMINISTRATION, BUSINESS LOAN AND INVESTMENT FUND)

Mr. SMITH of Iowa. Mr. Speaker, I call up the resolution (H. Res. 73) to disapprove the business loan and investment fund deferral, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 73

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $143,000,000 for the Business Loan and Investment Fund, Small Business Administration (deferral numbered D83-62), as transmitted by the President to the Congress on February 1, 1983, under section 1013 of the Impoundment Control Act of 1974.

Mr. SMITH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. SMITH) is recognized for 1 hour.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the House, House Resolution 73 to disapprove the business loan and investment fund deferral. The Appropriations Committee

reported this resolution by voice vote on March 3, 1983.

This impoundment resolution disapproves the proposed deferral of $143,000,000 for the business loan and investment fund out of a total appropriation of $38.7 million for fiscal year 1983. The business loan and investment fund provides funds for direct loans and loan guarantees to qualified small businesses for plant expansion, additional working capital, expansion of inventories and other business purposes.

Of the $143,000,000 proposed for deferral, $137,000,000 is for direct loans and $6,000,000 for the guaranteed loan program. The administration proposes to use the amount deferred to honor commitments to purchase defaulted guaranteed loans made in previous years.

The committee recommends that the proposed deferral be disapproved. Deferral of the $143,000,000 would result in the termination of the section 7(a) direct loan program—except the MESBIC program—for the remainder of fiscal year 1983 and a reduction of $600,000,000 from the $3,000,000,000 level approved for the guaranteed loan program for fiscal year 1983. The committee and our subcommittee believes that termination of the direct loan program and a substantial reduction in the guaranteed loan program would deprive many small businesses of vital resources and would do so at a time when the jobs which would be stimulated by these resources are critical to the national economic recovery effort.

Mr. Speaker, I recommend that this deferral disapproval resolution be approved.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding.

Mr. Speaker, I share the gentleman's view, and the statement made by our chairman reflects the committee's view on this matter.

● Mr. MITCHELL. Mr. Speaker, I rise in support of House Resolution 73 to disapprove the business loan and investment fund deferral.

Under the terms of the continuing resolution, Congress provided the Small Business Administration with funds specifically earmarked to permit a direct loan program of $175 million in fiscal year 1983. These loans are made available for general small business purposes, for the handicapped, for economically or socially disadvantaged individuals, to promote energy savings and energy conservation and to veterans of the Vietnam conflict. These loans are available, however, only to those small businesses which can document that they cannot obtain financial assistance through any other source, including through a local bank even with an SBA guarantee on the loan.

In the first quarter of this fiscal year, SBA approved approximately $30 million of the $175 million appropriated. It now proposes to defer the remainder and to take some $140 million and use it to pay claims under the guaranteed loan program. I find that this proposal is simply outrageous as it would take financial assistance away from those who have absolutely no other sources of such aid.

Furthermore, it is very strange that an administration which wants the private sector to lead us out of the current recession is proposing to deny the private sector needed capital to permit it to do so.

Recent unemployment statistics show that nearly 17 million Americans are out of work. This is 15.3 percent of the civilian labor force and includes discouraged workers and half of the part-time workers who are seeking fulltime employment. Since the President, himself, has cited statistics showing that the small business community accounts for more than 85 percent of the new jobs created during a 7-year period, how can we possibly justify this type of proposal?

It also should be noted why we are in the position of needing additional money to pay claims for defaulted loans under the bank guaranteed program. Obviously defaults are up tremendously, as are small business bankruptcies, because of the recession. This is not something, however, which came on us overnight. Defaults have been up for the past 2 years and yet the administration, in computing the necessary budget authority, has lowballed its requirements and is doing so again in the 1984 budget estimate.

The solution for these additional needed funds is very simple: a supplemental.

We should not be destroying valuable and needed programs in order to obtain the necessary funding.

I wholeheartedly support the resolution of the gentleman from Iowa and urge its adoption.●

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Mr. SMITH of Iowa. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION)

Mr. SMITH of Iowa. Mr. Speaker, I call up the resolution (H. Res. 74) to disapprove the economic development assistance programs deferral, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 74

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $181,900,000 for Economic Development Assistance Programs, Economic Development Administration, Department of Commerce (deferral numbered D83-43), as transmitted by the President to the Congress on February 1, 1983, under section 1013 of the Impoundment Control Act of 1974.

Mr. SMITH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. SMITH) is recognized for 1 hour.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the House, House Resolution 74 to disapprove the deferral of certain budget authority for economic development assistance programs, Economic Development Administration in the Department of Commerce. The Appropriations Committee reported this resolution by a voice vote on March 3, 1983.

This impoundment resolution disapproves the proposed deferral of $181,900,000 for economic development assistance programs out of a total appropriation of only $198.5 million for fiscal year 1983. EDA uses Federal funds to leverage State, local, and private resources to promote local economic development and create and maintain jobs.

The administration proposes to use $158,500,000 of the amount deferred for transfer to the Small Business Administration to honor commitments to purchase defaulted guaranteed loans and $23,400,000 to the economic development revolving fund for defaults, interest payments to the Treasury and care and protection of collateral.

The committee recommends that the proposed deferral be disapproved. The proposed deferral and transfer of these funds would result in termination of urgently needed economic development assistance and would do so at a time when private sector jobs which would be stimulated by such resources are vital to the national economic recovery effort.

Mr. Speaker, in view of the economic situation in this country, it is not an appropriate time for such a deferral. I, therefore, recommend that this disapproval resolution be approved.

Mr. Speaker, for purposes of debate only, I yield such time as he may consume to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. I thank the gentleman for yielding. I share the chairman's view.

While there may be different ways in which individual committee members would deal with the EDA funding, none of us felt this particular deferral should be approved.

Mr. SMITH of Iowa. Mr. Speaker, I yield, for purposes of debate only, such time as she may consume to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Speaker, I rise in support of the resolution of disapproval. The attempt to deny funding to EDA is ill conceived, ill timed, and counterproductive. I commend my colleague, Mr. SMITH of Iowa, and the Appropriations Committee for their prompt action on this resolution of disapproval. I might note that I have introduced a similar disapproval resolution regarding the Economic Development Administration, House Resolution 78, which has garnered 43 cosponsors. Clearly, there is broad bipartisan support in the House for appropriating the agreed funding levels from the continuing resolution for EDA.

I am disappointed that the administration would propose to delete funds from an agency which Congress has mandated to help alleviate the joblessness in this depressed economy. The deferral message that the administration has sent to the Congress is contrary to the understanding which was reached with respect to the first concurrent resolution for fiscal year 1983. This breach by the administration is what prompted my action.

Since its inception in 1965, the Economic Development Administration, through loans and grants totaling $130 million, has created thousands of cost-effective, permanent jobs in my home State of Maine. The example set by Maine EDA borrowers and management personnel is one which EDA officials here in Washington would be wise to study. Overall there has been a high level of success and positive economic impact resulting from EDA seed money in Maine.

This is not to say, however, that improvements cannot be made in the agency. In the 97th Congress, the House recognized that EDA eligibility had to be targeted and management improvements were in need. That is why H.R. 6100, the National Development Investment Act, which sought to insure that national development funds were applied as effectively as possible, was passed by the House. I am in hope that similar progress can be made this session.

But I submit, that in this period of double-digit unemployment, it is not the time to scuttle the EDA. We should not and cannot turn our backs on an agency which was founded to help create permanent jobs. We should not throw our hands up and say "it can't be done." Congress must work to improve the concept of EDA. By maintaining and reforming EDA we can help reduce the unemployment this Nation is experiencing.

At the close of the 97th Congress, the administration, in an attempt to relieve EDA of a portion of its responsibilities, enacted a policy of selling loans of operating businesses. The purchasers of the EDA loans made a quick profit, at the expense of the Government, and then left the borrowers to figure out how they would be able to keep their businesses open. Fortunately, the Congress put a stop to these loan sales, but not before serious damage was inflicted on some viable businesses.

So today I strongly urge my colleagues, much as we did in the last Congress when we voiced our support for EDA by halting the loan sales, to take a stand for the continued operation of EDA. By your support of this disapproval resolution you will be aiding job development and you will be sending the administration a message to live up to its promises.

● Mr. RICHARDSON. Mr. Speaker, the President's decision to request deferral of $181.9 million in appropriations for development programs of the Economic Development Administration shows just how little he cares about economically distressed areas. In my district, unemployment is above 10 percent, and in certain areas is as high as 40 percent. EDA funds are crucial to the survival of those communities.

The President claims that all of us must sacrifice to reduce the ever-swelling budget deficits. But the people of my district have suffered enough. I think the President should get his priorities in order. Let us see requests to defer money for defense procurement that is handed out without competitive bidding. Let us see some proposals to close tax loopholes.

But until we see some sort of balance in sacrifices that are proposed to be made, leave the people in economically distressed areas such as the people of my district alone. They have already been bled dry.

I urge passage of the resolution.●

● Mr. HOWARD. Mr. Speaker, I strongly support House Resolution 74 to disapprove the deferral of funds for the Economic Development Administration and I compliment Chairman NEAL SMITH for his leadership in bringing this resolution to the House floor.

The President has requested a deferral of $181.9 million of the $198.5 million available for fiscal year 1983 for the Economic Development Administration programs.

The deferral and subsequent transfer of these funds to the Small Business Administration as envisioned by the administration would result in a shutdown of EDA and place an embargo on new economic development projects. EDA moneys provide grants for public facilities and other activities that expand a community's economic base and enhance its business climate. These programs help local communities tackle their own economic problems.

Deferring funds for these proven programs, would be contrary to repeated congressional efforts to keep the Economic Development Administration alive and operating until a revised and strengthened authorization measure can be enacted. It would be extremely shortsighted for Congress to pass one jobs measure while terminating programs that for nearly a decade have stimulated economic growth, facilitated economic adjustment, and retained and created thousands of jobs.

I urge my colleagues to vote in favor of House Resolution 74. It is important that the House take swift action to make these funds available for local economic development and job creating projects.●

● Mr. DE LA GARZA. Mr. Speaker, as much as anyone else, I recognize the importance of saving money for our Government, but when you look at programs like the Economic Development Administration, you are not looking at an ordinary Government program that spends taxpayer dollars without expectation of any return. The EDA is not a giveaway program. It is an economic stimulus program. This is its great attraction. It is a good use of taxpayers' money.

In my district alone, I have seen the tremendous benefits EDA-assisted projects have brought to individual communities through the years. Technical assistance for local governments, water, sewer and other municipal improvements, industrial parks, port expansions, vocational and other educational facilities, foreign trade zones, citrus processing and packing facilities, and other commercial development funded by EDA not only have created new jobs and a larger tax base in my district but also have improved the living and working environment for residents and encouraged further economic development.

The Federal and State governments have benefited as well from EDA expenditures. Their tax revenues have increased and their social service costs have been reduced. Over the long term, the benefits of return have and will continue to outweigh the program costs.

EDA programs, encouraging economic development, diversification and adjustments in distressed areas, play a key role in maintaining and improving the economic strength upon which the health of our regions and local communities depend. I fully sup-

port House Resolution 74 to disapprove the deferral of EDA funds. Let us get on with providing jobs.●

Mr. SMITH of Iowa. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (DEPARTMENT OF COMMERCE, INTERNATIONAL TRADE ADMINISTRATION)

Mr. SMITH of Iowa. Mr. Speaker, I call up the resolution (H. Res. 75) to disapprove the operations and administration, International Trade Administration deferral, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 75

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $20,100,000 for Operations and Administration, International Trade Administration, Department of Commerce (deferral numbered D83-44), as transmitted by the President to the Congress on February 1, 1983, under section 1013 of the Impoundment Control Act of 1974.

Mr. SMITH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. SMITH) is recognized for 1 hour.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the House, House Resolution 75 to disapprove the operations and administration, International Trade Administration deferral. The Committee on Appropriations reported this resolution by a voice vote on March 3, 1983.

This impoundment resolution disapproves the proposed deferral of $20,100,000 for the trade adjustment assistance program in the International Trade Administration in the Department of Commerce. This program provides technical assistance grants, direct loans, and loan guarantees to firms that have been injured by imports.

The deferral is for $20,100,00 of the $27,500,000 appropriated for fiscal year 1983 for the trade adjustment assistance program. The administration proposes to use the amount deferred for transfer to the Small Business Administration to repurchase defaulted guaranteed loans made in prior years.

The committee recommends that the proposed deferral be disapproved. The deferral and transfer of these funds would result in the termination of critically needed resources for maintaining American jobs in the private sector and fostering American business competition with foreign producers.

Mr. Speaker, I recommend that this disapproval resolution be approved.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. I thank the gentleman for yielding.

Mr. Speaker, the administration argued that trade adjustment assistance to firms injured by imports has failed because many of the firms go bankrupt shortly after receiving the assistance. The committee disapproves this deferral and believes that the trade adjustment assistance is critical to maintaining jobs in the United States. The committee urges the administration to send up a supplemental to cover SBA defaults.

Mr. SMITH of Iowa. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (SMALL BUSINESS ADMINISTRATION, POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEES REVOLVING FUND)

Mr. SMITH of Iowa. Mr. Speaker, I call up the resolution (H. Res. 76) to disapprove the pollution control equipment contract guarantees revolving fund deferral, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 76

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $1,000,000 for Pollution Control Equipment Contract Guarantees Revolving Fund, Small Business Administration (deferral numbered D83-64), as transmitted by the President to the Congress on February 1, 1983, under section 1013 of the Impoundment Control act of 1974.

Mr. SMITH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. SMITH) is recognized for 1 hour.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the House, House Resolution 76 to disapprove the pollution control equipment contract guarantees revolving fund deferral. This Appropriations Committee reported this resolution by a voice vote on March 3, 1983.

This impoundment resolution disapproves the proposed deferral of $1,000,000 for the pollution control equipment contract guarantees revolving fund in the Small Business Administration. The fund provides guarantees for payments of rentals or other amounts due under qualified contracts for small businesses which are at an operational or financial disadvantage in the planning, design and installation of pollution control facilities.

The administration would like to reduce the program level for these guarantees by $100 million. The proposed deferral of $1,000,000 is the amount appropriated to cover anticipated losses on these guarantees. The approved program level for fiscal year 1983 is $250,000,000 in pollution control contract guarantees. Thus, the proposed deferral, if allowed to stand would result in a program reduction of 40 percent.

The committee recommends that the proposed deferral be disapproved. This program actually makes money for the Federal Government through the fees that are charged for the guarantees. In view of the demand for the program, the benefits to small businesses, and the fact that the program provides revenue for the Federal Government, the committee believes that the program should be carried out at the level originally approved for fiscal year 1983.

Mr. Speaker, I recommend that this deferral disapproval resolution be approved.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding. We share the chairman's view with respect to this program. It is a moneymaker and the proposed deferral would wipe out $100 million in guarantees, even though it seems like a modest sum in itself.

We share the view of the chairman that the deferral should be disapproved.

Mr. SMITH of Iowa. Mr. Speaker, I yield, for purposes of debate only, such time as he may consume to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Speaker, I would like to express my support for House Joint Resolution 76 and want to commend my colleague from Iowa (Mr. SMITH) for bringing this to the attention of the House.

This is another administration effort to cripple the SBA pollution control bond guarantee program.

It is generally agreed that this program has been a great success. Not only has it met its objective of helping small business finance the cost of complying with environmental protection but it actually earns the Government

a net profit because of interest earned on escrow funds.

In addition, the program has a very low default rate. Mr. Speaker, in the first 6 weeks of 1983 big business issued well over $244 million worth of tax exempt pollution bonds. This equals the size of the entire SBA pollution control program for this whole fiscal year. Yet for reasons I certainly cannot understand, this administration is determined to deny these tax-exempt pollution control bonds to small businesses.

Small businesses used to be able to use SBA loan guarantees, in conjunction with the Treasury Department consent, to pool these guarantees together into one industrial revenue bond issue. The net result allowed small firms to finance their Government-mandated pollution control expenditures at a moderate interest rate.

Big businesses do not need the guarantee or the pooling authority because of their access to the capital markets and the size of their bond issues. In addition, they are allowed to directly issue tax-exempt pollution control bonds.

Yet, last year the administration sought to deny the same benefits to small business. First they tried through the Treasury regulations to deny small business the ability to pool their pollution control bond issues and receive tax-exempt status. The work of the gentleman from Massachusetts (Mr. CONTE) on the continuing resolution has helped us overcome that obstacle.

Next the administration tried to cut the loan guarantee authority in SBA's pollution control program. The Small Business Committee in the House and in the Senate restored those funds. Now, the SBA, no doubt under orders from OMB, is refusing to issue guarantees to small businesses who wish to use them in connection with tax-exempt revenue bond issues.

Under siege from the administration no activity has occurred in the only program available to assist small businesses to finance pollution control expenditures. Small businesses are squeezed between complying with environmental laws and not being able to finance the cost of compliance.

Already several of the small businesses who applied to the program and have been denied are threatened with bankruptcy.

Last month the gentleman from Massachusetts (Mr. CONTE) and I reintroduced our bill to deny the authority to discriminate against small businesses that want to use SBA guarantees in connection with tax-exempt bonds.

This bill is cosponsored by all the members of the Small Business Energy and Environment Subcommittee in the 97th Congress.

Apparently the administration still does not recognize the need that exists for this program. Last month the administration proposed a deferral of the operating expenses for SBA's pollution control loan guarantee program. Without this money, which supports salaries and overhead for the program, the administration would have the excuse to grind SBA's program to a halt.

House Resolution 76 would deny the administration's deferral requests.

Mr. Speaker, I ask you, how are small businesses supposed to meet their Government imposed obligations to improve the environment if the administration continually attempts to suffocate small businesses' only opportunity to meet those obligations?

The only alternative to the administration's actions on the part of small firms is bankruptcy.

Mr. Speaker, you should know that we had a representative of the administration before my Small Business Subcommittee. We explained to him that the net result of what they were doing was to make tax-exempt pollution control bonds available to big business and to deny them to small business. I asked him if he could be shown that they were discriminating against small business would they consider changing their position, and his answer was no, they would not.

It is time for somebody to stand up here, Mr. Speaker, and speak out, and let the people know what is happening under this administration and how they are treating small business, which is a part of our total economy that brings us our jobs, that brings us our new developments.

Mr. Speaker, if we are going to go ahead and continue to say we are going to do things for big business and freeze out small business, I have great sadness for the whole country that we represent.

Mr. SMITH of Iowa. Mr. Speaker, I yield 3 minutes to the chairman of the Small Business Committee, the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Speaker, I rise in support of House Resolution 77 to disapprove the surety bond guarantees revolving fund deferral.

Previously Congress approved a program level of $1.2 billion in guarantees of surety bonds issued to small business. The administration is now proposing to reduce this program level by $120 million and thus reduce budget authority by $3 million, the amount SBA computes would be necessary to fund losses on $120 million in program authority.

The surety bond guarantee program is SBA's second largest program, exceeded only by the guaranteed business loan program. Many small business contractors are required to have a bid, performance or payment bond in order to obtain a Government or other contract and they would be unable to secure a bond from a private surety without SBA's guarantee against a percentage of any loss. This program is the only hope for our small startup or rapidly growing contractors.

There has been an 18-month volume decline in the program. The economy and management problems in the program have taken their toll.

But this decline has recently leveled off and hopefully signals a turn around for small concerns. Certainly our hard hit small and minority businesses are looking to Congress to help bring about a turnaround.

The administration's proposed deferral certainly does not take into account the increased demand for surety bond guarantee assistance flowing from last year's highway gas tax bill which requires a 10-percent set-aside for minority contractors on billions of dollars of highway construction funds.

I am convinced that as our Nation's most innovative businesses and as our chief source of job creation, small business will lead any turnaround.

At the very beginning of any economic recovery Congress certainly does not want to signal America's small contractors and the surety industry that support for this program is lessening. Rather the opposite must be the case.

On the contrary, in view of our efforts last week in the House to pass H.R. 1718 to provide appropriations for productive job creation, we should reject this or any administration action which might deny small and disadvantaged businesses their rightful share in our economic recovery.

Mr. Speaker, if we are to have an economic recovery and an improvement in construction, it is essential that small business be able to participate in this recovery. It cannot do so without the ability SBA surety bond guarantees provide.

I urge adoption of the resolution of the gentleman from Iowa.

Mr. SMITH of Iowa, I yield such time as he may consume to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, just for the record I would like to disassociate myself from the remarks of the previous two speakers. I think that the committee has approached this problem in an intelligent and dispassionate way and without any partisanship.

I think the administration's efforts are to cut the losses in SBA progams. We disagree with the way they are going about it. We do not impugn their motives.

I thank the gentleman for yielding.

Mr. SMITH of Iowa. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (SMALL BUSINESS ADMINISTRATION, SURETY BOND GUARANTEES REVOLVING FUND)

Mr. Speaker, I call up the resolution (H. Res. 77) to disapprove the surety bond guarantees revolving fund deferral and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution as follows:

H. RES. 77

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $3,000,000 for Surety Bond Guarantees Revolving Fund, Small Business Administration (deferral numbered D83-63), as transmitted by the President to the Congress on February 1, 1983, under section 1013 of the Impoundment Control Act of 1974.

Mr. SMITH of Iowa (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. SMITH) is recognized for 1 hour.

Mr. SMITH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I bring to the House, House Resolution 77 to disapprove the surety bond guarantees revolving fund deferral. The Appropriations Committee reported this resolution by voice vote on March 3, 1983.

This impoundment resolution disapproves the proposed deferral of $3 million for the surety bond guarantees revolving fund in the Small Business Administration. Under the surety bond guarantee program, SBA provides a guarantee for a portion of the losses sustained by a surety company as a result of the issuance of a bid, payment or performance bond to a small business concern.

The administration would like to reduce the program level for these guarantees by $120 million. The proposed deferral of $3 million represents the amount that it is estimated that the losses would be on $120 million of guarantees. The approved program level for fiscal year 1983 is $1.2 billion. Thus, the proposed deferral, if allowed to stand, would result in a program reduction of 10 percent.

The committee recommends that the proposed deferral be disapproved. For small businesses these guarantees are very important. In many cases small businesses cannot even bid on a Government project unless they can get one of these bonds. Therefore, we felt, especially at a time with our economy the way it has been and still is, that this would not be an appropriate time to defer this $3 million which supports $120 million of these surety bond guarantees.

Mr. Speaker, I recommend that this disapproval resolution be approved.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. I thank the gentleman for yielding.

Apparently the administration was of the view that the reduction would give the SBA an incentive to improve the operation of the program.

We simply disagree with that, and we concur in the disapproval of the deferral.

Mr. SMITH of Iowa. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Speaker, I rise in support of House Resolution 76 to disapprove the pollution control equipment contract guarantees revolving fund deferral.

Under our tax law, companies are authorized to issue bonds whose proceeds are used to finance pollution control equipment mandated by law. These bonds are very attractive to companies which need such financing as they can be structured as tax exempt and thus carry a lower interest rate.

Small business, however, although technically eligible to participate in this program is effectively precluded for a myriad of reasons. This inability was corrected by Congress when we established a pollution control contract guarantees program.

The administration now proposes to cut $100 million from the congressionally approved 1983 program level of $250 million. I find this to be completely unacceptable.

This program is a very valuable one for small business. In return for the SBS guarantee, the small business must pay a fee and these fees are sufficient that SBA not only recovers its projected losses but is making a profit and has always made a profit on this program. It is ironic indeed that the administration is proposing to cut a small business program which earns money for the Government, not only from the fees themselves but also as interest from investing these fees.

I urge support for the resolution of the gentleman from Iowa.

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Mr. SMITH of Iowa. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY (DEPARTMENT OF ENERGY)

Mr. YATES. Mr. Speaker, I call up the resolution (H. Res. 80) to disapprove the strategic petroleum reserve deferral, and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 80

Resolved, That the House of Representatives hereby disapproves the proposed deferral of budget authority in the amount of $57,400,000 for Strategic Petroleum Reserve, Department of Energy, to delay phase III development of the reserve during fiscal year 1983 (deferral numbered D83-50), as transmitted by the President to the Congress on February 1, 1983, under section 1013 of the Impoundment Control Act of 1974.

Mr. YATES (during the reading). I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois (Mr. YATES) for immediate consideration of the resolution in the House?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. YATES) is recognized for 1 hour.

Mr. YATES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the question before us with House Resolution 80 is the rate of development for the strategic petroleum reserve. House Resolution 80 disapproves the deferral of budget authority related to development of additional permanent storage capacity for the strategic petroleum reserve. Specifically, the deferral relates to $57,400,000 for construction related activity at Big Hill, Tex., where an additional 140 million barrel storage facility is to be built. This increment of 140 million barrels in storage capacity when finished in 1989 would complete a 750 million barrel reserve, the size now authorized.

We believe that development of permanent storage capacity should move forward as quickly as possible. There is no indication that the Congress has had second thoughts about a 750 million barrel reserve and administration witnesses have confirmed the administration's commitment to a 750 million barrel reserve.

We should overturn the deferral as a first step in assuring that the reserve move ahead on schedule. At the hearing on the deferral, the Department of Energy witnesses could not tell the committee when development of Big Hill would start again. Many of you will recall that there was a similar deferral last year. The fiscal year 1984 budget request also indicates a slow down in filling the reserve. This year

the reserve is being filled at a rate of 220,000 barrels per day while the fiscal year 1984 proposal is 145,000 barrels per day with the subsequent years projected at 100,000 barrels per day.

These delays are costly. A 1-year delay is estimated to increase construction costs by $80 million, and one estimate affecting oil costs by up to $300 million. And this does not include the cost of not having the extra security that a reserve provides. Development of permanent storage capacity as rapidly as possible also relieves pressure to store oil in temporary facilities which could cost up to $5 per barrel per year. In comparison, the average cost to develop permanent storage is only $5 per barrel with only minimal operating costs.

The disapproval of the deferral is but the first step in keeping the reserve on schedule. At the first opportunity we must also provide an unbudgeted increment of $370 million for further development of the Big Hill site.

The reserve is vital to our economic security. I urge you to vote to overturn the deferral.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. McDADE).

Mr. McDADE. Mr. Speaker, I rise in support of House Resolution 80 and urge its unanimous approval by the Members of the House.

Mr. Speaker, this resolution seeks to disapprove a proposed deferral of $57.4 million for the purchase of long-lead equipment necessary to begin construction of the Big Hill storage site in Texas. This is the second such request by the administration to defer funds and delay construction at Big Hill. Last year a similar request was denied by the House. The members of the committee, Republicans and Democrats alike, believe these deferrals are a mistake. Again we unanimously oppose this deferral.

Big Hill represents the final 140 million barrel storage site necessary to complete the mandated 750 million barrel reserve. It has become apparent that we are slowing down our efforts not just to complete Big Hill but the entire SPRO program. It is our committee's belief that we need to complete the reserve as soon as possible. So today what you are considering is whether or not we go to 750 million barrels as soon as possible or whether we slow down and stop at 610 million barrel capacity.

A 1-year delay of the kind envisoned by the administration would cost an additional $82 million in facility costs and another $300 million in oil acquisition costs. There are few if any of us who can see clearly enough into the energy crystal ball to predict whether or not we are going to have another energy crisis. But all of us are willing to put our dollars and our support into seeing that the SPRO program is a vital element of our national security.

We need to stop playing games with the SPRO. We need to stop deferring funds and delaying acquisitions. We need to fill the reserve now when stocks are plentiful and prices are coming down.

Mr. Speaker, I hope our actions today will send a message to OMB and the Department of Energy to move aggressively on completing SPRO. It is in our national interest to do so.

Mr. YATES. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Speaker, I join the chairman and ranking member of the Subcommittee on Interior Appropriations in calling for the rejection of this deferral. What we are talking about is a question of energy policy, a question of the direction of this country on the whole critical issue of energy, and a question of the type of signal we are going to send not only to the country, to the world, but to the American people.

It is obvious, Mr. Speaker, that in the whole area of energy, the Congress, the House of Representatives specifically, those elected every 2 years by the American people, will have to lead in the development of an energy policy because this administration, sadly, has no energy policy.

There is no commitment on behalf of the administration to conservation. There is little commitment to the development of alternative energy sources. There is no commitment to mass transit in America. We need an energy policy as much in 1983 and 1984 as we did in 1973, when there was a world crisis; in 1979 when there was a world crisis. How well we remember the gas lines at that point, but how clearly, sadly, the administration forgets the state of America in 1979.

I would say that it is therefore even more significant in this time when OPEC is in a period of disarray at this point when energy prices are low, to continue an energy policy, to continue a commitment to energy development and to continue a further fill of SPRO and a further expansion of the strategic petroleum reserve.

We need to take advantage of the current disarray and the only way we can do it is by sending a signal not only to OPEC but to 1600 Pennsylvania Avenue, that the Congress of the United States, in spite of the administration, will move forward with a commitment to energy policy.

I would say, therefore, the strongest way we can send the signal to the administration, to the country, to the American people and, yes, to OPEC, is to continue our commitment to the buildup of the strategic petroleum reserve and, yes, to the expansion of the critical resources that are above all the best insurance we can take against the next time that OPEC turns off the spigot and says to America, "You are on your own" as it relates to energy and as it relates to oil and as it relates to the resources that this country needs to continue to move forward toward the 21st century.

● Mr. RICHARDSON. Mr. Speaker, the President's decision to seek a deferral of $57.4 million in appropriations for facility development, planning, and administration of the strategic petroleum reserve is but another chapter in the sad story of the Reagan energy nonpolicy.

The administration professes its belief in the marketplace. Yet, when the market softens and crude prices begin falling, the administration ignores the benefits of the marketplace. Instead of buying as much oil as possible at lower prices, the administration wants to stretch the purchases out an additional 2 years, thereby running the risk of having to buy more oil when prices firm up.

One of the ways the administration seeks this delay is by deferring money for storage facility development including construction. The administration wants to argue that if the storage space in the salt domes is not available, then the Congress should be willing to go along with the massive cuts the President proposed for SPR oil purchases in the coming fiscal year.

Mr. Speaker, to allow the administration to create their own storage shortage would be an outrage. The strategic petroleum reserve is critical to our Nation's security. It stands as the strongest defense we have against further blackmail from the Middle East. And it also serves as an important resource during any future supply disruption. The crude oil in the SPR can be used to quiet panic on the spot market and ensure that prices do not skyrocket like they did in 1979 during the Iranian crisis.

I commend by distinguished colleague from Illinois for bringing this resolution to the floor, and I strongly urge my colleagues to pass it by the widest margin possible.●

Mr. YATES. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. McDADE asked and was given permission to address the House for 1 minute.)

Mr. McDADE. Mr. Speaker, I have asked for this time to inquire of the acting majority leader concerning the program for the balance of this week and next week.

Mr. MICA. Mr. Speaker, will the gentleman yield?

Mr. McDADE. I am delighted to yield to my friend, the gentleman from Florida.

Mr. MICA. I thank the gentleman. This completes the program for today.

On Friday, March 11, tomorrow, will be in pro forma session; there will be no legislative business. On Monday the House meets at noon, again in pro forma session, with no legislative business. On Tuesday, the House is scheduled to meet at noon. There will be three suspension bills, S. 271, National Trails Systems Amendments; H.R. 982, Mashantucket Pequot Indians Claims Settlement Act (Connecticut); and H.R. 1936, Expiring Bonus Authority for Armed Services.

On Wednesday and the balance of the week: The House will meet at 3 p.m. on Wednesday and will consider House Joint Resolution 13, the bill calling for a mutual and verifiable nuclear freeze. We also have scheduled H.R. 1983, the Emergency Mortgage and Foreclosure bill. For the balance of the week we meet at 11 a.m. That should conclude our business. Of course, any conference reports, particularly the one on the jobs bill, would and could be brought up as soon as it is available, possibly Wednesday or Thursday.

Mr. McDADE. Does the distinguished gentleman anticipate that it will be Wednesday or Thursday we will get the conference report and the jobs bills?

Mr. MICA. If the gentleman will yield further, at this time we do not know. It could be Wednesday or Thursday. We would consider it whenever it is ready.

Mr. McDADE. The gentleman does not anticipate I take it then a session on Friday next week?

Mr. MICA. We hope that a Friday session will not be necessary. If all business is completed on Wednesday and Thursday, and that is the hope of the leadership, we could have Friday without a session but at this time it is not possible to promise. If the business would spill over, of course, we would have to be here on Friday. However, our hope is to complete everything by the close of business on Thursday.

Mr. McDADE. I thank my colleague.

ADJOURNMENT FROM FRIDAY, MARCH 11, 1983, TO MONDAY, MARCH 14, 1983

Mr. MICA. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MICA. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROTECTING SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. COYNE) is recognized for 15 minutes.

● Mr. COYNE. Mr. Speaker, yesterday the House passed H.R. 1900, a bill which would preserve the fiscal integrity of the social security system. I voted in favor of that bill. The legislation now goes to the Senate and I hope that the other body will act quickly.

The task this Congress faced—to restore fiscal soundness to social security while guaranteeing benefits for current and future beneficiaries—was not an easy one. This assignment was made none the easier by a personal priority which I believe is shared by a number of my colleagues: No person who relies on social security as a sole means of support should face any reduction in current benefits.

The National Commission on Social Security Reform did this Congress and the Nation a great service by recommending a series of changes in the program which reflect these goals. I am pleased that H.R. 1900 incorporates most of the Commission's suggestions.

This legislation combines revenue increases and spending cuts to increase social security revenues by $165.3 billion from 1983 to 1989.

Specifically, H.R. 1900 will defer the cost of living adjustment now scheduled for July of this year until January of next year, scheduling future COLA's for that month as well.

To raise revenue, a portion of social security benefits for those earning more than $25,000 will be taxed. Low income beneficiaries will not be affected by this provision.

This measure will require all newly hired Federal employees to come under social security, employees which include current Members of Congress, the President and Vice President, Federal judges, and senior political appointees. I strongly concur with the bill's exclusion of current Federal employees from this coverage. I am heartened by the strong pledge of support by the leadership of this House on behalf of the civil service retirement fund, which must continue to pay benefits promised to all employees. New employees brought into the social security system should continue to receive benefits comparable to those received by employees presently paying into the civil service retirement system.

Revenue would increase under this measure by moving the scheduled 1985 payroll tax increase forward to 1984, and by a partial acceleration of the payroll tax increase in 1990 to 1988. Social security taxes paid by the self-employed would rise.

H.R. 1900, which incorporates most of the recommendations of the reform commission, had to be considered as a package. Taken as a whole, the combined achievements of this bill are greater than the sum of the parts. This measure accomplished what few would have thought possible several months ago—the elimination of the projected shortfall in the disability and retirement system, over the next decade and over the next 75 years.

At this point, I would like to insert into the RECORD a breakdown of the $165.3 billion in short-range savings:

EFFECT OF MAJOR PROVISIONS ON RETIREMENT AND DISABILITY TRUST FUNDS

[Dollars in billions]

	Short-range savings	Percentage of total savings	
		Short-range	Long-range
Total	+$165.3	100	100
Delay in cost-of-living adjustment	+39.4	+24	+14
Reduced COLA when reserves are low			
Reduction in windfall benefit	+0.3	(1)	+1
Taxation of benefits	+26.6	+16	+29
Accelerated payroll tax increases	+39.4	+24	+1
Increased self-employment tax	+18.5	+11	+9
Coverage of new Federal workers and elected and appointed officials	+9.4	+6	+13
Coverage of all nonprofit groups	+12.5	+7	+5
Ban on new withdrawals	+3.2	+2	+3
Reimbursement from General Treasury	+17.7	+11	(1)
Increased Delayed retirement bonus			−3
Certain improved benefits for women	−1.6	−1	−3
Treatment of elective compensation			+1
Long-term benefit reduction			+20
Long-term tax increase			+13

[1] Less than 1 percent.

Note: Short range refers to the period from 1983 through 1989; long-range refers to the next 75 years. Positive numbers indicate increases in revenues or decreases in outlays; negative numbers indicate decreases in revenues or increases in outlays.

These reforms will be a major step toward making the social security system safe and secure, solvent and sound. This is a system that is made to last, if we are willing to make adjustments. I reject the arguments of those who say the system cannot be reformed, that it is bound to collapse,

that we would be better served by some sort of private insurance mechanism. These arguments fan fears while overlooking facts.

We know that in the 21st century fewer workers will pay into the system to support far more older persons. This has been widely reported. One fact rarely reported is this: Due to dropping birth rates, those workers in the 21st century will be supporting far fewer younger dependents than did their grandparents. Our Nation's dependent needs will indeed be demographically different in 2030 than they were in 1930. I believe our commitment to aid those dependents will remain the same.

Social security was launched in the midst of the greatest economic depression this Nation has ever known. Perhaps better than any other Federal program, it symbolizes our national commitment to a better life for our elderly, our disabled, our handicapped. We are a far wealthier nation now than we were in 1935. We can make it work. The social security system is both adjustable and durable. H.R. 1900 says, in essence, that we can add to the durability of the system by making some adjustments.

I strongly agree. By our support of this measure, we can share sacrifices, giving up a little in order to receive a lot—for ourselves, for our dependents, and for those who follow us.●

EXEMPTING CERTAIN OUTER CONTINENTAL SHELF AREAS OFFSHORE THE COASTS OF CALIFORNIA AND MASSACHUSETTS FROM OFFSHORE OIL AND GAS LEASING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, in July 1982, Secretary of Interior Watt announced his approval of the Department of the Interior's 5-year Outer Continental Shelf (OCS) oil and gas leasing program. The plan, which the Secretary termed "a program with vision" calls for the consideration of nearly 1 billion offshore acres—nearly the Nation's entire Outer Continental Shelf—for leasing during the next 4½ years. Under the plan, 20 times the offshore acreage offered since the Federal Outer Continental Shelf leasing program began in 1954, would be offered and reoffered for lease by 1987. The 5-year OCS program represents a myopic fixation upon development for development's sake more than it does "vision."

During the past few years, I have appeared before numerous subcommittees of this body to detail my concerns over the scope of the 5-year plan. I have also worked successfully with the Appropriations Committees of both bodies to effect passage of some necessary stop-gap measures to prevent the implementation of this plan in those Outer Continental Shelf areas where the economic and environmental costs of offshore oil and gas drilling outweigh the benefits of increased hydrocarbon production. Despite the objections of affected States—seven States: Alaska, California, Maine, Florida, Oregon, Massachusetts, and Washington are involved in litigation challenging the program—despite judgments against the Department in both Federal district and circuit courts for its implementation of the plan and despite the enactment of prohibitions in 2 consecutive years to prevent implementation of the plan in certain low-resource, high economic and environmental-risk areas. The Department continues to prepare other similar sensitive areas for lease.

After consultation with affected parties in both California and Massachusetts Representative STUDDS and I have drafted legislation which addresses the concerns of members of our respective congressional delegations, numerous local and State government officials, fishing, and tourism industries, and citizens. The legislation would effect changes in the 5-year offshore oil and gas leasing plan without threatening our national security, and without aggravating our Nation's severe unemployment. In fact, by reducing the size of the area offered for lease under the 5-year plan, this legislation would offset the deflationary tendency of a leasing program of such enormous scope, conducted while world crude oil prices are dropping, and the strength of the world's formerly powerful oil cartels wanes. In so doing, this legislation seeks to insure compliance with the provision of the Outer Continental Shelf Lands Act (43 U.S.C. 1344(a)(4)) which requires that the Nation's offshore leasing program assure receipt of fair market value for offshore lands leased.

The legislation we introduce today would impose a 17-year moratorium on offshore oil and gas leasing in certain economically and environmentally sensitive areas of the Outer Continental Shelf off California and Massachusetts, as well as establishing an offshore study area in the George's Bank area off Massachusetts with a 7-year offshore development moratorium. The area of the California OCS from Pismo Beach north to the Oregon border and westward to the limit of the central and northern California planning area, represents the area approved by the House for withdrawal from leasing when it passed the fiscal year 1983 Interior appropriation bill. The northern and central California leasing provision of this bill is identical in size to the leasing moratorium the House approved in December.

Under our legislation, the following California offshore areas will be protected from offshore oil and gas leasing until the year 2000:

First, the central and northern California OCS planning area from Pismo Beach north to the Oregon border. This area is particularly sensitive to offshore oil-related damage to its coastal economies and environment. The Department of the Interior has stated—in the DEIS to the proposed 5-year plan—that central and northern California's commercial fisheries industry and marine mammal populations are among the most sensitive of those in offshore oil and gas drilling areas. The moratorium area contains the entire range of the threatened southern sea otter, a marine mammal protected and listed under the Endangered Species Act. Offshore development has already been prohibited by two separate acts of Congress in 92.5 percent of this northern and central California area through the 1983 fiscal year. The resource-rich southern portion of the Santa Maria basin would not be affected by this bill.

Second, tracts adjacent to Santa Monica Bay, in southern California. These tracts lie on, or near shipping lanes across Santa Monica Bay, are directly adjacent to the Malibu and Ballona Creek estuaries, and lie offshore some of the most heavily used beach in the world. Last year alone, over 60 million people visited the Los Angeles county beaches just onshore from these tracts. Further, development of several of these tracts has been strongly opposed by the State of California in a suit against the Department of the Interior, and a development moratorium on the tracts named in the State's suit has been supported by a resolution enacted by the California legislature.

Third, tracts within the Interior Department-designated Santa Barbara Ecological Preserve and buffer and the Channel Islands National Marine Sanctuary. The preserve was created by then-Secretary of the Interior Walter Hickel following the 1969 Santa Barbara blowout. To date, the preserve has been maintained; tracts within the preserve have been deleted from a recent lease sale in the area by Secretary Watt. Inclusion in this legislation would prevent breaching of the preserve's permanent oil-development exclusion. The Channel Islands National Marine Sanctuary—which received 205,000 visitors last year alone—has been designated by Congress, thus prohibiting offshore oil and gas leasing there forever. As with the ecological preserve, inclusion of the sanctuary in this legislation would serve to reinforced its permanent preserve status.

Fourth, near shore tracts roughly 16 miles offshore San Diego and Orange

Counties. All tracts nominated to be leased within this area were deleted by Secretary of the Interior Cecil Andrus from Lease Sale 48. This area around the Navy's principal west coast home port receives heavy military use; in fact, 23 of 26 tracts scheduled to be leased there were rated by the Department of the Interior as having high levels of conflict with submarine transit lanes. During 1982, over 1½ billion people visited southern California beaches and parks, making sensitive beach-front areas one of San Diego's most valuable recreational resources. Further, sport fishing, which could be severely affected by development, is one of San Diego's most popular recreational activities. Over half of the $17 billion generated in tourism-related revenues in California coastal counties last year was earned in southern California, and an additional $1 billion was generated by the State's fisheries industry.

The estimated recoverable resources for the central and northern California areas covered by this legislation are among the lowest of the Nation's OCS regions. U.S. Geological Survey estimates have indicated that the hydrocarbon resources lying offshore between Point Concepcion and the Oregon border would meet the Nation's energy needs for 30 days. Taking into account the fact that 90 percent of those resources estimated to be recovered in a previous northern and central California lease sale (L.S. 53) were expected to be recovered from the southern Santa Maria basin, none of that resource-rich portion of the basin would be affected by provisions of this bill. Further the resource estimates for the 26 tracts off San Diego offered in Lease Sale 48 would represent only 42 hours of oil and 17 hours of natural gas at 1980 national consumption rates.

My colleague from the Commonwealth of Massachusetts, Mr. STUDDS, will describe those North Atlantic offshore areas included in this legislation.

This legislation represents an attempt by Members of Congress and the Senate to effect necessary modifications of the Department of the Interior offshore oil and gas leasing policy after exhausting other means: Public and Government comment, administrative appeal, negotiation, and even litigation. Almost all of the areas included in this legislation have—at one time—been exempted from Federal leasing either through legislation or administrative action. However, the Secretary of the Interior's 5-year offshore oil and gas leasing policy may disregard those previous exemptions from offshore development, and would offer for lease in 5 years almost the entire national Outer Continental Shelf. This development would take place against a backdrop of falling crude oil prices, low capital reserves for exploration, and a crumbling oil cartel. I remain firmly committed to maintaining the important share—nearly one-eight in 1981—of domestic crude oil production which offshore production contributes. It is clear that offshore oil production must continue to contribute important resources, jobs, and revenue to our Nation's economy; it is not clear that we must threaten other coastal economies, sensitive marine areas, and endangered species with the Department of the Interior's leasing plan for that development to occur.

This bill does not so much concern those legitimate and important reservations expressed by States, cities, counties, industries, and citizens over the Secretary's leasing plans as it concerns the Secretary's adherence to priorities established by Congress for developing our offshore resources. Federal offshore leasing law clearly requires a balance between the amount of energy resources to be gained by offshore drilling and the potential economic and environmental loss which may result from such development. Congress has provided for a careful balance of the risks and benefits of offshore development to coastal areas in its approval of the OCS Lands Act and amendments. The act requires the Secretary of the Interior conduct his Outer Continental Shelf leasing program so as to obtain a proper balance between the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone. The issue presented before Congress today in this legislation is whether or not this Congress will oversee the implementation of the act's provisions. Will Congress seek to insure that the balance required by the OCSLA is achieved in development decisions affecting the hundreds of coastal counties around the Nation, or will it permit the Department of the Interior to ignore that carefully crafted balancing requirement? The sensitive offshore areas included in this legislation should, as a result of their special environmental and economic circumstances, be among the last, not the first, offshore areas to be developed. They are truly unique in their economic and environmental sensitivity to offshore development.

This legislation would establish, at least on the California and Massachusetts OCS, that balance of economic and environmental loss versus resources gained which Congress and the Executive intended when enacting the Outer Continental Shelf Lands Act. The implementation of the 5-year OCS oil and gas leasing plan would have a significant effect upon coastal economies and environments upon which residents rely for livelihood and recreation. Previous administrations, Congress, Governors, and legislatures of affected States, local governments, industries, and those who elected us have recognized this fundamental fact. Apparently, the Secretary of Interior has not. Offshore oil and gas development should take place only in those areas for which an accurate, comprehensive assessment of the proposed drilling's effects has been made. It is clear from the abundance of opposition to the Department's offshore leasing plan that such an accurate, comprehensive assessment of all the effects of proposed offshore development simply has not yet been made. I urge your support for this important bill.

The bill follows:

H.R. 1129

A bill to impose a moratorium on offshore oil and gas leasing, certain licensing and permitting, and approval of certain plans, with respect to geographical areas located in the Pacific Ocean off the coastline of the state of California, and in the Atlantic Ocean off the State of Massachusetts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337), the Secretary of the Interior may not issue any oil and gas lease on any submerged lands located within the geographical areas described in section 4(a) and the additional area referred to in section 4(b).

(b) Notwithstanding sections 11 and 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340 and 1351), the Secretary of the Interior may not grant any license or permit for any activity which—

(1) affects the geographical areas described in section 4(a), and

(2) involves drilling for oil or gas.

(c) Notwithstanding sections 11 and 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340 and 1351), the Secretary of the Interior may not approve any exploration plan, or any development and production plan, which—

(1) provides for any activity affecting the geographical area described in section 4(a), and

(2) involves drilling for oil or gas.

SEC. 2. This Act shall not affect the authority of the Secretary of the Interior to approve any plan, or to grant any license or permit, which allows scientific exploration or other scientific activities.

SEC. 3. This Act shall take effect on the date of the enactment and shall remain effective—

(1) until January 1, 2000 in the case of the areas referred to in section 4(a), and

(2) until January 1, 1990 in the case of the additional area referred to in section 4(b).

SEC. 4. (a) The geographical areas specified in the preceding sections of this Act are:

(1) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Pacific Ocean off the coastline of the State of California with the boundaries of—

(A) on the north, the line between the row of blocks numbered N968 and the row of blocks numbered N969 of the Universal Transverse Mercator Grid System based on the Clarke Spheroid of 1866; and

(B) on the south, the line between the row of blocks numbered N808 and the row of blocks numbered N809 of the Universal Transverse Mercator Grid System based on the Clarke Spheroid of 1866;

(2) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Pacific Ocean off the coastline of Santa Monica Bay, State of California, which begins at the point of intersection of a seaward extension of the boundary line between Los Angeles County and Ventura County with the seaward limit of the California State Tidelands; thence due south to the midpoint of Block 339N-52W; thence diagonally southeast to the southeast corner of Block 35N-45W; thence due east to the first point of intersection with a line extended south from Pt. Fermin along the eastern boundary of the State of California Oil and Gas Sanctuary in effect on June 1, 1982; thence north along that line to the first point of intersection with seaward boundary of the California State Tidelands; thence northwesterly to the point of beginning along the seaward boundary of the California State Tidelands; and

(3) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Pacific Ocean off the coastline of Orange and San Diego Counties, State of California, which begins at the intersection of the southern border of Row 34N with the seaward boundary of the California State Tidelands; thence due west to the northwest corner of Block 33N-35W; thence due south to the southeast corner of Block 31N-35W; thence diagonally southeast to the southwest corner of Block 21N-25W; thence due south to the point of intersection with the International Boundary line between the United States and Mexico; thence easterly along said International Boundary line to its first point of intersection with the seaward boundary of the California State Tidelands; thence northwesterly along the seaward boundary of the California State Tidelands to the point of beginning.

(4) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Pacific Ocean off the coastline of the State of California and consisting of the following tracts identified on the official Outer Continental Shelf Leasing Map for the Channel Islands Area (map numbered 6B):

(A) All of block 50 north, 67 west

(B) The northwestern quarter of the northwestern quarter of block 51 north, 65 west

(C) All of block 51 north, 66 west

(D) All of block 51 north, 67 west

(E) All of block 51 north, 68 west

(F) All of block 51 north, 69 west

(G) The eastern half and the eastern half of the western half of block 51 north, 70 west

(H) All of block 52 north, 64 west

(I) All of block 52 north, 65 west

(J) All of block 52 north, 66 west

(K) All of block 52 north, 67 west

(L) All of block 52 north, 68 west

(M) All of block 52 north, 69 west

(N) The eastern half and the eastern half of the western half of block 52 north, 70 west,

and any submerged lands within that part of the Channel Islands National Marine Sanctuary which lies 3 to 6 miles out from the base line from which the State waters are measured around San Miguel and Prince Islands, Santa Rosa, Santa Cruz, Anacapa, and Santa Barbara Islands;

(5) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts and extending from the base line, defined as the seaward limit of the Commonwealth of Massachusetts' territorial sea, to a line every point of which is 50 nautical miles seaward of the nearest point of the base line;

(6) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, known as the Great South Channel, which runs northerly from the head of Hydrographer Canyon, and which has southern points at Lat. 40°36'N/Long. 68°30'W and Lat. 40°36'N/Long. 69°30'W, and which has northern points at Lat. 41°39'N/Long. 68°30W, and Lat. 41°38'N/Long. 69°30W;

(7) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying in water of 60 meters depth or less, and within an area described by the following four corners:

(A) Lat. 41°39'N/Long. 68°27'W;

(B) Lat. 42°7'N/Long. 67°3'W;

(C) Lat. 41°12'N/Long. 67°8'W;

(D) Lat. 41°41'N/Long. 68°46'W; and

(8) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, Munson Canyon, and Corsair Canyon, and consisting of the following blocks respectively:

(A) On OCS Protraction Diagram NJ 19-1; tracts, 36, 37, 38, 42-44, 80-82, 86-88, 124, 125, 130-132, 168, 169, 174-176, 212, 213.

(B) On OCS Protraction Diagram NJ 19-2; tracts, 17-19, 51-52, 61-63, 95-96, 105, 106, 139, 140, 149, 183, 184.

(C) On Ocs Protection Diagram NK 19-10; tracts, 921, 922, 965-967, 960, 961, 1003-1005, 1009-1011.

(D) On OCS Protraction Diagram NK 19-11; tracts, 521, 522, 566, 609, 610, 654-656, 697-699, 741-743, 778-781, 785-787, 813, 824-826, 829-831, 857, 858, 867-869, 873-875, 901, 902, 911-913, 917, 936-938, 955-957, 989-991, 999.

(E) On OCS Protraction Diagram NK 19-12; tracts, 281, 282, 321-326, 369-371, 413-416, 445, 446, 450, 451, 490, 491, 494, 495, 531, 534, 535, 538, 539, 574, 575, 578, 579, 560, 561, 582, 583, 605-607, 618, 619, 622, 623, 626, 627, 662, 663, 666, 667, 649-651, 671, 672, 693-695, 706, 707, 710, 711, 738, 739, 750, 751, 754, 755, 794, 795, 798, 799.

(F) On OCS Protraction Diagram NK 20-7; tracts, 626, 670, 671, 14.

(b) The additional geographical area referred to in the preceding sections of this Act is: an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, bounded by the following line, but not including those areas described in subsection (a): from the intersection of the seaward limit ot the Commonwealth of Massachusetts Territorial Sea and the 71°W longitude line south along the longitude line to its intersection with the 200 meter isobath, thence easterly along the 200 meter isobath around Georges Bank. At the intersection of the 200 meter isobath line with the 68° longitude line north of any part of that portion of Georges Bank defined in subsection (a)(7), the boundary runs south until it intersects with the 42°N latitude line. From there, the boundary follows the 42°N latitude to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts Territorial Sea, thence southwesterly along the seaward limit of the Territorial Sea to the point of beginning at the intersection of the seaward limit of the Territorial Sea and the 71°W longitude line.

(c) The northern and southern boundaries of the geographical area described in subsection (a)(1) are marked on the map entitled "United States Department of the Interior Bureau of Land Management Index of Outer Continental Shelf Official Protraction Diagrams Pacific Coast", dated March 1982. The areas described in subsections (a)(2) and (3) are those areas contained on a map entitled "U.S. Department of the Interior Bureau of Land Management, Pacific Outer Continental Shelf Office, Southern California Offshore Area."●

COMMUNICATION FROM THE HONORABLE GEORGE HANSEN

(Inadvertently omitted from the RECORD of Wednesday, March 9, 1983.)

The SPEAKER laid before the House the following communication from the Honorable GEORGE HANSEN:

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule 50(L) of the Rules of the House of Representatives that I, and two members of my Washington office staff, have received subpoenas issued by the United States District Court for the District of Columbia.

I will consult with counsel to make the determinations required by paragraph 3 of Rule 50(L).

Sincerely,

GEORGE HANSEN,
Member of Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOLAND (at the request of Mr. WRIGHT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. YATES, for 60 minutes, on Monday, March 14, 1983.

(The following Members (at the request of Mrs. JOHNSON) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 20 minutes, today.

Mr. LEACH of Iowa, for 15 minutes, today.

(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)

Mr. COYNE, for 15 minutes, today.

Mr. MICA, for 15 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, on March 15.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. JOHNSON) and to include extraneous matter:)

Mr. KEMP.

Mr. MARRIOTT.

Mr. COURTER.

Mr. CLINGER.

Mr. JEFFORDS.

Mr. LEACH of Iowa.

Mr. WYLIE.

(The following Members (at the request of Mr. MICA) and to include extraneous matter:)

Mr. ADDABBO.

Mr. LEVINE of California.

Mr. SIKORSKI.

Mr. HALL of Ohio.

Mr. LAFALCE.

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 58 minutes a.m.), the House adjourned until tomorrow, Friday, March 11, 1983, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees and miscellaneous reports filed with the Committee on House Administration concering the foreign currencies and U.S. dollars utilized by them during the first, second, third, and fourth quarters of calendar year 1982 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Daniel K. Akaka	11/82	11/20	People's Republic of China		$862.50		$2,403.00				$3,265.50
	11/20	11/22	Japan		309.00		43.60				352.60
Hon. Lawrence Coughlin	11/6	11/8	France		152.00						152.00
	11/8	11/10	Israel		180.00						180.00
	11/10	11/12	Egypt		180.00		87.83		$64.03		331.86
	11/12	11/13	Jordan		84.00				43.84		127.84
	11/13	11/15	Saudi Arabia		320.00						320.00
	11/15	11/17	Cyprus		150.00		36.67		28.31		214.98
	11/16	11/16	Lebanon								
	11/17	11/17	Syria								
	11/17	11/20	Great Britain		327.00						327.00
Transportation (DOD)							5,533.82				5,533.82
Hon. Bob Livingston	10/26	10/27	Lebanon		80.00		[3] 2,227.00				2,307.00
	10/27	10/28	Egypt		150.00						150.00
Hon. John P. Murtha	10/26	10/27	Lebanon		80.00		[3] 2,227.00				2,307.00
	10/27	11/28	Egypt		150.00						150.00
Hon. Eldon Rudd	11/12	11/16	England		436.00						436.00
	11/16	11/21	Spain		375.00						375.00
	11/21	11/23	Switzerland		162.00						162.00
Transportation (DOD)							4,608.42				4,608.42
Hon. Charles Wilson	10/16	10/17	Cyprus		75.00		4,519.00				4,594.00
	10/17	10/18	Lebanon		160.00						160.00
	10/18	10/21	Israel		270.00						270.00
	10/21	10/24	Jordan		316.00						316.00
	10/24	10/26	Egypt		188.00						188.00
	10/27	10/31	Abu Dhabi		426.00						426.00
	10/31	11/4	Pakistan		313.00						313.00
	11/4	11/7	Egypt		374.00						374.00
Robert V. Davis		10/9	United States		75.00		4,948.00				5,023.00
	10/10	10/10	Great Britain		75.00						75.00
	10/11	10/15	Kenya		375.00						375.00
	10/16	10/17	Bahrain		150.00						150.00
	10/17	10/18	Oman		75.00						75.00
	10/19	10/20	Philippines		75.00						75.00
	10/20	10/21	Diego Garcia		150.00						150.00
	10/21	10/22	Philippines		75.00						75.00
	10/23	10/24	Hong Kong		75.00						75.00
	10/24	10/25	Hawaii		150.00						150.00
Mark W. Murray	11/4	11/10	Japan		630.00		3,623.00				4,253.00
	11/10	11/11	Okinawa		76.00						76.00
	11/11	11/13	Hong Kong		330.00						330.00
Transportation (DOD)							882.66				882.66
Terry R. Peel	11/4	11/10	Japan		630.00		3,623.00				4,253.00
	11/10	11/11	Okinawa		76.00						76.00
	11/11	11/13	Hong Kong		330.00						330.00
Transportation (DOD)							882.66				882.66
John G. Plashal	10/26	10/27	Lebanon		80.00						80.00
	10/27	10/28	Egypt		150.00		[3] 2,227.00				2,377.00
Edwin F. Powers	10/4	10/5	France		76.00		5,581.60				5,657.60
	10/5	10/6	Holland		82.00						82.00
	10/7	10/12	Sri Lanka		504.00						504.00
	10/13	10/15	England		106.00						106.00
	10/15	10/17	Cyprus		150.00						150.00
	10/17	10/18	Lebanon		160.00						160.00
	10/19	10/21	Israel		270.00						270.00
	10/21	10/22	Jordan		84.00						84.00
Committee total					11,128.50		43,454.26		136.18		54,718.94
Surveys and Investigations Staff											
Felix E. Asby	10/3	10/16	Germany		1,214.00		1,663.00		41.50		2,918.50
George C. Baird	10/4	10/12									
	10/23	10/26	England		1,155.00						
	10/12	10/15	Italy		234.00						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1982—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	10/15	10/17	Sicily		168.75						
	10/17	10/19	Cyprus		262.50						
	10/19	10/23	Spain		262.50						
	10/26	10/28	Iceland		240.75		1,652.00		105.94		4,081.44
Robert E. Carroll	10/3	10/22	Germany		1,558.25						
	10/22	10/25	Netherlands		301.00						
	10/25	10/28	England		225.50		1,758.00		95.38		3,938.13
James T. Caruso	11/4	11/11	Germany		644.50						
	11/11	11/17	Italy		551.50						
	11/17	11/22	Spain		375.00						
	11/22	11/25	England		327.00		2,437.00		26.25		4,361.25
Committee total					7,520.25		7,510.00		269.07		15,299.32
David F. Combs	10/2	10/8									
	10/22	10/30	Germany		1,104.50						
	10/8	10/15	Spain		525.00						
	10/15	10/22	England		611.25		1,663.00		36.88		3,940.63
Alfred L. Esposito	10/4	10/8									
	10/22	10/30	Germany		1,050.00						
	10/8	10/15	Spain		532.00						
	10/15	10/22	England		611.25		1,663.00		44.10		3,893.35
William L. Fleshman	11/4	11/11	Germany		644.50						
	11/11	11/17	Italy		551.50						
	11/17	11/22	Spain		375.00						
	11/22	11/25	England		327.00		2,437.00		75.28		4,410.28
Henry L. Flynn	10/4	10/12	England		840.00						
	10/12	10/15	Italy		234.00						
	10/15	10/17	Sicily		168.75						
	10/17	10/20	Cyprus		225.00						
	10/20	10/23	Spain		225.00						
Committee total					8,017.75		5,763.00		156.26		13,937.01
Henry J. Flynn (Cont'd)	10/23	10/26	England		315.00						
	10/26	10/28	Iceland		240.75		1,680.00		151.71		2,387.46
Paul T. Grishkat	10/4	10/22	Germany		1,558.26						
	10/22	10/25	Netherlands		301.00						
	10/25	10/28	England		225.50		1,827.26		117.76		4,029.77
Francis J. King	10/3	10/4	Germany		168.75						
	10/4	10/12	England		813.75						
	10/12	10/15	Italy		234.00						
	10/15	10/17	Sicily		168.75						
	10/17	10/20	Cyprus		225.00						
	10/20	10/23	Spain		225.00						
	10/23	10/26	England		315.00						
	10/26	10/28	Iceland		240.75		1,502.00		211.85		4,104.85
Committee total					5,031.50		5,009.26		481.32		10,522.08
Stuart F. King, Jr.	10/4	10/8									
	10/22	10/30	Germany		1,050.00						
	10/8	10/15	Spain		525.00						
	10/15	10/22	England		611.25		1,663.00		55.84		3,905.09
Timothy B. Klund	10/3	10/23	Germany		1,632.25						
	10/23	10/30	Italy		561.75		1,918.00		36.86		4,148.86
Joseph W. Montefiore	11/13	11/20	Brazil		516.26						
	11/20	11/27	Peru		684.75						
	11/27	12/3	Colombia		513.26		2,769.00		80.20		4,563.45
	11/27	12/3	Colombia		513.25		2,769.00		80.20		4,563.45
Robert C. Quigley	10/3	10/12	Germany		807.25						
	10/12	10/15	Italy		214.50						
	10/15	10/17	Sicily		131.25						
	10/17	10/19	Cyprus		131.25						
	10/19	10/20	Lebanon		131.26						
	10/20	10/22	Italy		214.50		1,659.00		38.00		3,327.00
Committee total					7,724.50		8,009.00		210.90		15,944.40
Donald B. Sutton	10/4	10/12	England		840.00						
	10/12	10/15	Italy		234.00						
	10/15	10/17	Sicily		168.75						
	10/17	10/20	Cyprus		225.00						
	10/20	10/23	Spain		225.00						
	10/23	10/26	England		315.00						
	10/26	10/28	Iceland		240.75		1,652.00		131.11		4,031.61
R. W. Vandergrift	10/3	10/4	Germany		105.00						
	10/4	10/11	England		630.00		1,770.44		120.74		2,626.18
John A. Van Wagenen	11/4	11/11	Germany		504.50						
	11/11	11/17	Italy		691.50						
	11/17	11/22	Spain		375.00						
	11/22	11/24	England		236.75		2,437.00		62.69		4,307.44
Committee total					4,791.25		5,859.44		314.54		10,965.23
Joseph A. Vignali	11/13	11/20	Brazil		516.25						
	11/20	11/27	Peru		684.75						
	11/27	12/3	Colombia		513.25		2,769.00		129.48		4,612.73
Ben A. Weaver	10/4	10/8									
	10/22	10/30	Germany		1,029.50						
	10/8	10/15	Spain		525.00						
	10/15	10/22	England		611.25		1,663.00		33.52		3,862.27
Committee total					3,880.00		4,432.00		163.00		8,475.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation furnished by DOD. Cost shown is comparable 1st class commercial rate.

JAMIE WHITTEN, Chairman, Feb. 25, 1983.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Breaux, John., M.C.	11/14	11/15	West Germany	84.00							
	11/15	11/23	U.S.S.R.		$400.50						
	11/23	11/24	France		76.00		[3] $1,641.00				$2,201.50
Long, John R.	11/15	11/19	Republic of Panama		321.00		726.60				1,038.60
Mannina, George J., Jr.	11/5	11/18	Portugal		1,050.00		1,725.00				2,775.00
McClung, Robin W.	11/15	11/19	Republic of Panama		312.00		726.60				1,038.60
Miller, Kathryn J.	11/15	11/19	Republic of Panama		312.00		726.60				1,038.60
Smith, Duncan	11/29	12/2	Haiti		300.00						
	12/3	12/3	Cuba				[4] 350.00				650.00
Smith, G. Wayne	9/30	10/3	Grand Cayman Islands		130.00		568.38				698.38
	11/14	11/15	West Germany		84.00						
	11/15	11/23	U.S.S.R.		400.50		[3] 1,641.00		[5] $216.00		
			France		76.00						2,417.50
Waldron, Suzanne J.	11/29	12/2	Haiti		300.00						
	12/3	12/3	Cuba				[4] 350.00				650.00
Welch, Edmund B.	11/15	11/19	Republic of Panama		312.00		726.60				1,038.60
Committee total					4,149.00		9,181.78		216.00		13,546.78

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Airfare, Moscow/Paris, France/Washington, D.C.; military transportation, Washington, D.C./West Germany/Moscow.
[4] Air fare, Washington, D.C. to Miami, Fla. to Port-au-Prince, Haiti; Miami, Fla. to Washington, D.C.
[5] Represents excess baggage charged by Soviet Union in Moscow; State Department reimbursed traveler by check on Dec. 15, 1982.

WALTER B. JONES, Chairman, Feb. 18, 1983.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Joseph K. Dowley	10/26	10/30	Switzerland				$172.02				$172.02
Mary Jane Wignot	11/21	11/28	Switzerland				40.00				40.00
Committee totals							212.02				212.02

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman, Feb. 10, 1983.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CANADA-UNITED STATES INTERPARALIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Barnes, Michael D.	3/4	3/8	United States		$631.16		[3] $245.17				$876.33
Boland, Edward	3/4	3/8	United States		642.73		[3] 245.17				887.90
Eckart, Dennis E.	3/4	3/8	United States		620.48		[3] 245.17				865.65
Fascell, Dante B.	3/4	3/8	United States		626.03		[3] 245.17				871.20
Frenzel, Bill	3/4	3/8	United States		617.41		[3] 245.17				862.58
Gibbons, Sam	3/4	3/8	United States		629.30		[3] 245.17				874.47
Hamilton, Lee H.	3/4	3/8	United States		608.00		[3] 245.17				853.17
Horton, Frank	3/4	3/8	United States		621.15		[3] 245.17				866.32
La Falce, John J.	3/4	3/8	United States		636.08		[3] 245.17				881.25
Martin, David O.	3/4	3/8	United States		661.66		[3] 245.17				906.83
Mitchell, Donald J.	3/4	3/8	United States		633.39		[3] 245.17				878.56
Oberstar, James L.	3/4	3/8	United States		650.04		[3] 245.17				895.21
Scheuer, James H.	3/4	3/8	United States		641.85		[3] 245.17				887.02
Snowe, Olympia	3/4	3/6	United States		304.00		[3] 124.36				428.36
Winn, Larry, Jr.	3/4	3/8	United States		652.44		[3] 245.17				897.61
Wright, Jim	3/4	3/8	United States		625.76		[3] 245.17				870.93
Zablocki, Clement J.	3/4	3/8	United States		615.08		[3] 245.17				860.25
Brady, John J.	3/4	3/8	United States		618.00		[3] 245.17				863.17
Daoust, Elizabeth	1/25	1/27	United States		171.94		[4] 335.00				506.94
	3/4	3/8	United States		608.00		[3] 245.17				853.17
Hickey, Deborah	3/4	3/8	United States		650.27		[3] 245.17				895.44
Ingram, George M.	1/21	1/27	United States		449.75		[4] 217.00				666.75
							[4] 135.00				
	3/3	3/8	United States		832.16		[3] 120.81				1,087.97
Johnson, Victor	3/4	3/8	United States		608.00		[3] 245.17				853.17
Nelson, Stephen	3/4	3/8	United States		636.13		[3] 245.17				881.30
Schlundt, Virginia	3/4	3/8	United States		608.00		[3] 245.17				853.17

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CANADA-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPANDED BETWEEN JAN. 1 AND DEC. 31, 1982—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Delegation expenses:											
Stationery supplies									202.90		
Official delegation meals and functions									15,520.41		
Ground transportation									1,799.15		
Inflight expenses and control room									2,133.78		
Miscellaneous									396.73		
Total delegation expenses											20,052.97
Committee total					15,598.81		[4] 687.00				
							[3] 5,638.91		20,052.97		41,977.69

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Department of Defense.
[4] Commercial.

DANTE FASCELL, Chairman, Mar. 3, 1983.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
de la Garza, E	5/27	6/1	United States		$1,243.44		[3] $1,599.37				$2,842.81
Dreier, David	5/27	5/29	United States		214.20		[3] 768.17				982.37
Gilman, Benjamin	5/27	5/29	United States		222.09		[3] 768.17				990.26
Goodling, William F	5/27	5/30	United States		419.68		[3] 768.17				1,187.85
Kazen, Abraham	5/27	6/1	United States		580.96		[3] 1,599.37				2,180.33
Lagomarsino, Robert J	5/27	6/1	United States		560.85		[3] 1,599.37				2,160.22
Rousselot, John H	5/27	6/1	United States		618.27		[3] 768.17				1,386.44
Rudd, Eldon	5/27	5/30	United States		403.52		[3] 768.17				1,171.69
Yatron, Gus	5/27	6/1	United States		610.81		[3] 1,599.37				2,210.18
Castillo, Mario	5/27	6/1	United States		605.51		[3] 1,599.37				2,204.88
Chester, John C	4/25	4/28	United States		295.50		[4] 424.00				719.50
	5/27	6/1	United States		555.68		[3] 1,599.37				2,155.05
Daoust, Elizabeth	4/25	4/28	United States		330.03		[4] 372.00				702.03
	5/25	6/1	United States		859.94		[4] 179.00				1,038.94
Dunman, Tabor	5/27	6/1	United States		576.29		[3] 1,599.37				2,175.66
Fox, J. Edward	5/27	6/1	United States		651.08		[3] 1,599.37				2,250.45
Jewell, Keith	5/27	6/1	United States		574.03		[3] 1,599.37				2,173.40
Livingston, Shelly S	4/25	4/28	United States		270.32		[4] 350.00				620.32
	5/25	6/1	United States		765.66		[4] 179.00, [3] 831.20				1,775.86
Tavlarides, Mark	5/27	6/1	United States		557.18		[3] 1,599.37				2,156.55
Delegation expenses:											
Planning sessions									$145.33		
Official delegation meals and functions									17,575.56		
Stationery items									1,494.66		
Embassy assistance									739.98		
Interpreting and technician assistance									1,953.30		
Ground transportation									3,312.50		
Inflight expenses									733.09		
Control room charges									866.44		
Miscellaneous									122.60		
Credit for deposit									+500.00		
Total delegation expenses							[4] 1,504.00				26,443.46
Committee total					10,915.04		[3] 20,665.75		26,443.46		59,528.25

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Department of Defense.
[4] Commercial.

E de la GARZA, Mar. 1, 1983.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Phillip Burton	5/28	6/1	Portugal	28,000	$400		$1,279				$1,679
Jack Brooks	5/28	6/1	Portugal	28,000	400		1,279				1,679
Elliott H., Levitas	5/28	6/1	Portugal	28,000	400		1,279				1,679
William Gray	5/28	6/1	Portugal	28,000	400		1,279				1,679
Wyche Fowler	5/28	6/1	Portugal	28,000	400		1,279				1,679
Robert Kastenmeier	5/28	6/1	Portugal	28,000	400		1,279				1,679
Clair Burgener	5/28	6/1	Portugal	28,000	400		1,279				1,679
Frank Horton	5/28	6/1	Portugal	28,000	400		1,279				1,679
Robert E. Badham	5/28	6/1	Portugal	22,400	320		750				1,070
Peter Abbruzzese	5/28	6/1	Portugal	28,000	400		1,279				1,679
Sharon Matts	5/28	6/1	Portugal	28,000	400		1,279				1,679
Judith K. Lemons	5/28	6/1	Portugal	28,000	400		1,279				1,679
(Control room and delegation expenses)									$1,867.74		
Committee total					4,720		14,819		1,876.74		21,406.74
Phillip Burton	11/13	11/19	England	454.17	763.00		1,217.15				1,980.15
Jack Brooks	11/13	11/20	England	454.17	763.00		2,257.40				3,020.40
Charles Rose	11/13	11/20	England	454.17	763.00		2,311.15				3,074.15
Robert Garcia	11/13	11/19	England	454.17	763.00		1,230.59				1,993.59

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1982—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Mary Rose Oakar	11/13	11/20	England	454.17	763.00		647.00				1,410.00
Frank Horton	11/13	11/20	England	454.17	763.00		2,257.40				3,020.40
Toby Roth	11/13	11/20	England	454.17	763.00		2,257.40				3,020.40
Sharon Matts	11/13	11/20	England	454.17	763.00		2,257.40				3,020.40
Judith Lemons	11/13	11/19	England	454.17	763.00		2,257.40				3,020.40
Peter Abbruzzese	11/13	11/19	England	454.17	763.00		1,217.15				1,980.15
(Control room and embassy OT)								107.11	1,809.55		
Committee total					7630.00		17,910.04		1,809.55		27,349.59

[1] Per diem constitutes lodging amd meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note.—Includes cost of ground transportation and pro rata share of military travel costs. Includes cost of ground transportation and commercial travel. This report is based on information available at the time of the report.

PHILLIP BURTON, Mar. 3, 1983.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPRING MEETING OF THE INTERPARLIAMENTARY UNION, LAGOS, NIGERIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 9 AND 18, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Pepper	4/9	4/11	Germany (Federal Republic of)		$181.38						$181.38
	4/11	4/17	Nigeria		453.50						453.50
	4/17	4/18	Canary Islands		54.96						54.96
DOD transportation							3,948.20				3,948.20
Hon. Harold Washington	4/11	4/17	Nigeria		540.00						540.00
	4/17	4/18	Canary Islands		60.00						60.00
DOD transportation							2,798.37				2,798.37
Hon. Robert McClory	4/9	4/11	Germany (Federal Republic of)		222.25						222.25
	4/11	4/17	Nigeria		548.00						548.00
	4/17	4/18	Canary Islands		75.00						75.00
DOD transportation							3,948.20				3,948.20
Hon. M. Caldwell Butler	4/9	4/11	Germany (Federal Republic of)		230.00						230.00
	4/11	4/17	Nigeria		435.00						435.00
	4/17	4/18	Canary Islands		65.00						65.00
DOD transportation							3,948.20				3,948.20
Vance Hyndman	4/9	4/11	Germany (Federal Republic of)		120.00						120.00
	4/11	4/17	Nigeria		440.00						440.00
	4/17	4/18	Canary Islands		50.00						50.00
DOD transportation							3,948.20				3,948.20
Ellen Rayner	4/9	4/11	Germany (Federal Republic of)		114.94						114.94
	4/11	4/17	Nigeria		322.00						322.00
	4/17	4/18	Canary Islands		54.87						54.87
DOD transportation							3,948.20				3,948.20
Diane Stoner	4/9	4/11	Germany (Federal Republic of)		137.15						137.15
	4/11	4/17	Nigeria		311.00						311.00
	4/17	4/18	Canary Islands		51.00						51.00
DOD transportation							3,948.20				3,948.20
Ann Bolton	4/9	4/11	Germany (Federal Republic of)		123.44						123.44
	4/11	4/17	Nigeria		493.18						493.18
	4/17	4/18	Canary Islands		58.00						58.00
DOD transportation							3,948.20				3,948.20
Frances Campbell	4/9	4/11	Germany (Federal Republic of)		129.13						129.13
	4/11	4/17	Nigeria		448.25						448.25
	4/17	4/18	Canary Islands		53.62						53.62
DOD transportation							3,948.20				3,948.20
Delegation expenses:											
Official meals	4/9	4/11	Germany (Federal Republic of)		305.69						305.69
	4/11	4/17	Nigeria		1,068.54						1,068.54
	4/17	4/18	Canary Islands		76.42						76.42
Control room	4/9	4/11	Germany (Federal Republic of)		517.87						517.87
	4/11	4/17	Nigeria		3,821.66						3,821.66
	4/17	4/18	Canary Islands		282.73						282.73
Transportation	4/9	4/11	Germany (Federal Republic of)				455.61				455.61
	4/11	4/17	Nigeria				2,184.30				2,184.30
	4/17	4/18	Canary Islands				135.00				135.00
Overtime (Emb. personnel)	4/9	4/11	Germany (Federal Republic of)						1,095.89		1,095.89
	4/17	4/18	Canary Islands						887.00		887.00
Gratuities	4/9	4/11	Germany (Federal Republic of)						95.64		95.64
	4/11	4/17	Nigeria						81.10		81.10
	4/17	4/18	Canary Islands						67.50		67.50
Official calls	4/9	4/11	Germany (Federal Republic of)						71.84		71.84
	4/11	4/17	Nigeria						345.80		345.80
	4/17	4/18	Canary Islands						28.27		28.27
Miscellaneous	4/9	4/11	Germany (Federal Republic of)						23.00		23.00
	4/11	4/17	Nigeria						63.78		63.78
Committee total					11,844.58		37,158.88		2,759.82		51,763.28

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLAUDE PEPPER, Feb. 24, 1983.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, FALL CONFERENCE OF THE INTERPARLIAMENTARY UNION, ROME, ITALY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 10 AND SEPT. 22, 1982

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Pepper	9/10	9/18	Italy		$960.00		[3] $2,426.46				$3,386.46
Hon. Edward J. Derwinski	9/18	9/22	Italy		600.00		[3] 2,655.79				3,255.79
Hon. L. H. Fountain	9/10	9/18	Italy		1,200.00		[3] 2,426.46				3,626.46
Hon. J. J. Pickle	9/10	9/18	Italy		1,200.00		[3] 2,426.46				3,626.46
Hon. E de la Garza	9/18	9/20	Italy		450.00		[3] 1,072.58				1,522.58
Hon. David R. Bowen	9/18	9/22	Italy		480.00		[3] 2,655.79				3,135.79
Hon. Robert McClory	9/10	9/18	Italy		1,040.00		[3] 2,426.46				3,466.46
Hon. J. William Stanton	9/18	9/22	Italy		600.00		[3] 2,655.79				3,255.79
Hon. M. Caldwell Butler	9/10	9/18	Italy		1,200.00		[3] 2,426.46				3,626.46
Hon. Wayne Grisham	9/18	9/22	Italy		600.00		[3] 2,655.79				3,255.79
Vance Hyndman	9/10	9/22	Italy		1,100.70		[3] 2,810.92				3,911.62
Ellen Rayner	9/10	9/22	Italy		912.39		[3] 2,810.92				3,723.31
Julie Illsley	9/10	9/22	Italy		1,210.00		[3] 2,810.92				4,020.92
Ann Bolton	9/18	9/22	Italy		397.27		[3] 2,655.79				3,053.06
Frances Campbell	9/10	9/18	Italy		960.00		[3] 2,426.46				3,386.46
Delegation expenses:											
Official meals	9/10	9/22	Italy		2,155.29						2,155.29
Control room	9/10	9/22	Italy		4,478.73						4,478.73
Transportation	9/10	9/22	Italy				2,762.35				2,762.35
Overtime (Embassy personnel)	9/10	9/22	Italy						1,339.48		1,339.48
Gratuities	9/10	9/22	Italy						297.80		297.80
Official calls	9/10	9/22	Italy						382.32		382.32
Miscellaneous	9/10	9/22	Italy						75.30		75.30
Committee total					19,544.38		40,105.40		2,094.90		61,744.68

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] DOD transportation provided pursuant to 31 U.S.C. 22A.

CLAUDE PEPPER, Feb. 24, 1983.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

528. A letter from the Deputy Assistant Secretary of Defense, transmitting the annual report for calendar year 1982 on special pay to military officers holding critical positions, pursuant to 37 U.S.C. 306; to the Committee on Armed Services.

529. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal sections 3502 and 8502 of title 10, United States Code, relating to a physical examination for each member of the National Guard called into and mustered out of Federal service; to the Committee on Armed Services.

530. A letter from the Secretary, Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Education and Labor.

531. A letter from the Secretary of Energy, transmitting the annual report on the strategic petroleum reserve, pursuant to section 165 of the Energy Policy and Conservation Act of 1975; to the Committee on Energy and Commerce.

532. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Navy's proposed lease of defense articles to the Government of Greece, pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

533. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador Allen Clayton Davis, and by members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

534. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of International Labor Organization Protocol to convention No. 110, concerning the conditions of employment of plantation workers, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

535. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of International Labor Organization recommendation No. 153, concerning the protection of young seafarers, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

536. A letter from the Assistant Secretary of State for Congressional Relations, transmitting texts of International Labor Organization convention No. 145 and recommendation No. 154, concerning continuity of employment of seafarers, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

537. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of International Labor Organization convention No. 146 concerning annual leave with pay for seafarers, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

538. A letter from the Assistant Secretary of State for Congressional Relations, transmitting texts of International Labor Organization convention No. 149 and recommendation No. 157, concerning employment and conditions of work and life of nursing personnel, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

539. A letter from the Assistant Secretary of State for Congressional Relations, transmitting texts of International Labor Organization convention No. 154 and recommendation No. 163, concerning the promotion of collective bargaining, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

540. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization convention No. 155 and recommendation No. 164, concerning occupational safety and health and the working environment, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

541. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization convention No. 156 and recommendation No. 165, concerning equal opportunities and equal treatment for men and women workers with family responsibilities, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

542. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the text of International Labor Organization convention No. 157 and concerning the establishment of an international system for the maintenance of rights in social security, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

543. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization convention No. 158 and recommendation No. 166, concerning termination of employment at the initiative of the employer, pursuant to article 19 of the ILO constitution; to the Committee on Foreign Affairs.

544. A letter from the Chairman, Civil Aeronautics Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1982, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

545. A letter from the Director, Federal Emergency Management Agency, transmitting a report on the Agency's activities under the Freedom of Information Act

during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

546. A letter from the Director, Peace Corps, transmitting a report on the Corp's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

547. A letter from the Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

548. A letter from the Supervisory Copyright Information Specialist, U.S. Copyright Office, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

549. A letter from the Director, U.S. Information Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

550. A letter from the Chairman, National Endowment for the Humanities, transmitting a report on the Endowment's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

551. A letter from the Secretary, the American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

552. A letter from the Railroad Retirement Board, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

553. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

554. A letter from the Secretary of the Interior, transmitting notice of the leasing systems to be used in oil and gas lease sale No. 52, North Atlantic, to be held on March 29, 1983, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

555. A letter from the Acting Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the Confederated Tribes of the Colville Reservation judgment funds in docket 178-A before the U.S. Court of Claims, pursuant to section 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

556. A letter from the Director, Administrative Office of the United States Courts, transmitting his annual report for fiscal year 1982, pursuant to § 8 U.S.C. 604(a)(4), together with the reports of the sessions of the Judicial Conference of the United States held in 1982; to the Committee on the Judiciary.

557. A letter from the Chairman, Advisory Committee on Reactor Safeguards, U.S. Nuclear Regulatory Commission, transmitting the committee's annual report on the review and evaluation of reactor safety research, pursuant to section 29 of the Atomic Energy Act of 1954, as amended; to the Committee on Energy and Commerce and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON (for himself, Mr. HOWARD, Mr. BONER of Tennessee, Mr. ROE, Mr. FLORIO, Mr. BADHAM, Mr. YOUNG of Missouri, Mr. SUNIA, Mr. DE LUGO, Mr. HEFTEL of Hawaii, Mr. DICKS, Mr. FORD of Tennessee, Mr. QUILLEN, and Mr. PASHAYAN):

H.R. 2053. A bill to assure the continued protection of the traveling public in the marketing of air transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BEDELL:

H.R. 2054. A bill to amend the Natural Gas Policy Act of 1978 to require interstate and intrastate pipelines to transport natural gas on behalf of producers and purchasers; to the Committee on Energy and Commerce.

By Mr. GARCIA (for himself, Mr. STOKES, Mr. MORRISON of Connecticut, Mr. RATCHFORD, Mrs. COLLINS, Mr. VENTO, Mr. HOWARD, Mr. BERMAN, Mr. FAZIO, Mr. MITCHELL, Mr. RANGEL, Mr. FEIGHAN, Mr. LEVINE of California, and Mr. DE LUGO):

H.R. 2055. A bill to amend the Internal Revenue Code of 1954 to impose a tax on the failure by a charitable organization to use certain funds to provide legal services to the poor; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 2056. A bill to amend title XIX of the Social Security Act to extend medicaid coverage of home care to certain disabled individuals over 18 years of age and to amend the Internal Revenue Code of 1954 to provide a credit for households with certain qualified disabled dependents; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. LAFALCE (for himself, Mr. MCKINNEY, Mr. ST GERMAIN, Mr. LUNDINE, Mr. VENTO, Mr. D'AMOURS, Ms. OAKAR, Mr. MINISH, Mr. FAUNTROY, Mr. COYNE, Mr. SCHUMER, Mr. PATTERSON, Mr. GARCIA, Mr. FRANK, Mr. TORRES, and Mr. ANNUNZIO):

H.R. 2057. A bill to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States; jointly, to the Committees on Banking, Finance and Urban Affairs and Education and Labor.

By Mr. MARRIOTT:

H.R. 2058. A bill to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) to expedite exploration and development of geothermal resources; to the Committee on Interior and Insular Affairs.

By Mr. PANETTA (for himself and Mr. STUDDS):

H.R. 2059. A bill to impose a moratorium on offshore oil and gas leasing, certain licensing and permitting, and approval of certain plans, with respect to geographical areas located in the Pacific Ocean off the coastline of the State of California, and in the Atlantic Ocean off the State of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mr. SHAW (for himself, Mr. YOUNG of Missouri, and Mr. SNYDER):

H.R. 2060. A bill to amend the John F. Kennedy Center Act to direct the General Accounting Office to conduct biennial audits of the accounts of the John F. Kennedy Center for the Performing Arts and transmit to Congress reports on the results of those audits; to the Committee on Public Works and Transportation.

By Mr. SHAW (for himself, Mr. HUTTO, Mr. LAGOMARSINO, Mr. SIMON, Mr. FASCELL, Mr. WOLF, Mrs. SCHNEIDER, Mr. FORSYTHE, Mr. MCNULTY, Mr. VANDERGRIFF, Mr. PRITCHARD, Mr. YOUNG of Alaska, Mr. FUQUA, Mr. HOWARD, Mr. CHANDLER, Mr. SWIFT, Mr. CHAPPIE, Mr. YOUNG of Missouri, Mr. ROE, Mr. JEFFORDS, Mr. HUGHES, Mr. FIELDS, Mr. SUNIA, Mr. BILIRAKIS, Mr. LIPINSKI, Mr. FRENZEL, Mr. SMITH of Florida, Mr. RODINO, Mr. DAVIS, Mr. TALLON, Mr. OWENS, Mr. JONES of North Carolina, Mr. WAXMAN, Mr. MAVROULES, Mr. DYSON, Mr. WASHINGTON, and Mr. MATSUI):

H.J. Res. 191. Joint resolution designating the week of April 24 through April 30, 1982, as "National Week of the Ocean"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 408: Mr. EDWARDS of California, Mr. OTTINGER, Mr. DICKS, Mr. COATS, Mr. WASHINGTON, and Mr. SMITH of New Jersey.

H.R. 912: Mr. BLILEY, Mr. FORSYTHE, Mr. HORTON, and Mr. HUTTO.

H.R. 1955: Mr. BROOMFIELD, Mr. CHAPPIE, Mr. DUNCAN, Mr. HUGHES, Mrs. KENNELLY, Mr. WALKER, Mr. YOUNG of Alaska, and Mr. ROE.

H.J. Res. 120: Mr. WISE, Mr. SCHUMER, Mr. LEHMAN of California.

H.J. Res. 136: Ms. MIKULSKI.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

40. By the SPEAKER: Petition of the Committee on Developing American Capitalism, Fairfield, Conn., relative to the U.S. economy; to the Committee on Banking, Finance and Urban Affairs.

41. Also, petition of the Elizabethton/Carter County Chamber of Commerce, Elizabethton, Tenn., relative to tax withholding on interest and dividend income; to the Committee on Ways and Means.

SENATE—*Thursday, March 10, 1983*

(Legislative day of Monday, March 7, 1983)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Come now, and let us reason together, says the Lord. Though your sins are as scarlet, they shall be as white as snow, though they are red like crimson, they shall be like wool.—Isaiah 1:18—NAS.

Lord God of Israel, we thank Thee for this remarkable word from the prophet Isaiah. It has been said that guilt is the most corrosive force in life. Forgive us, Lord, for compounding the problem by ignoring Isaiah's reasonable promise and enduring guilt, or trying to talk ourselves out of it, as though there were no remedy.

Deliver us, gracious God, from human pride which refuses to seek forgiveness. Help us to understand that guilt is relentless in its destructive work within, even when we ignore it or try to rationalize it away. We thank Thee for the provision Thou didst make in the sacrifice of Thy Son on a cross for the remission of sin. May we heed Thy word, "If we confess our sins, He is faithful and just to forgive us our sins, and to cleanse us from all unrighteousness." (I John 1:9) In the Redeemer's name, we thank Thee for such generous resource. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, this morning, at 10 a.m., we will resume consideration of H.R. 1718, at which time the Abdnor amendment will be the pending question before the Senate.

There are no special orders today. Therefore, I ask unanimous consent that any time remaining after the time allocated to the two leaders under the standing order has expired or has been yielded back be devoted to the transaction of routine morning business, in which Senators may speak for not more than 1 minute each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, there is one other matter I should like to take up as soon as we can. I mentioned this to the minority leader just before we convened. It is the agriculture PIK bill, which we sent to the House yesterday, and which the House amended and sent back to us. The papers have not as yet arrived from the House. As soon as they do, the leadership on this side would like to take up that measure and pass it.

It is anticipated that the bill will not be controversial in the form in which it has been sent back. A rollcall vote is anticipated. I believe the matter may be handled with a minimum of debate. Senators should be aware that I would like to call up the PIK bill when we get it back from the House of Representatives.

Mr. President, I anticipate that today will be a late day. It is the intention of the leadership on this side to finish this measure today. It is hoped that we will not have to be in tomorrow. I do not plan to be in tomorrow, if we finish this bill today. However, that will entail completing this measure, appointing conferees, and making sure that the conference process can proceed over the weekend.

The Speaker has indicated to me that he will appoint conferees when the moment arrives and that he will ask the House to be in session tomorrow, if necessary, in order to do so.

I hope and expect that we can take care of a conference report, assuming that one is available and agreed to by the House, which must act first, on Monday, so that it will not be necessary to await the conference report on the House action, under those circumstances. I will have a further progress report on that during the course of the day.

I think the prospects are good that we can finish this bill today. We will not be in session tomorrow, if that is the case, and if the matter of the conference with the House of Representatives can be arranged suitably.

Mr. President, I see a messenger at the door, and I entertain the fond hope that he may bear us good tidings—even the PIK bill itself.

I will now yield so that we can admit the messenger; and if he does not have the PIK bill, we may regret it.

MESSAGES FROM THE HOUSE

At 9:35 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the following bill, with an amendment, in which it requests the concurrence of the Senate:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 272) to improve small business access to Federal procurement information; it insists upon its amendments to the said bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. MITCHELL, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LAFALCE, Mr. WYDEN, Mr. ECKART, Mr. SAVAGE, Mr. LUKEN, Mr. MCDADE, Mr. CONTE, Mr. BROOMFIELD, and Mr. WILLIAMS of Ohio as managers of the conference on the part of the House.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 174. An act entitled the "Gladys Noon Spellman Parkway; and

H.R. 1213. An act to amend certain provisions of law relating to units of the national park system and other public lands, and for other purposes.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, my optimism was justified. [Laughter.]

We now have the PIK bill, and I ask the distinguished minority leader if he might consider whether or not we can proceed to the consideration of that measure before we get to the emergency jobs appropriations bill at 10 a.m.

Mr. BYRD. Mr. President, I am in no position to answer that question at the moment. Personally, I have no problem with that, but we have to check our various comrades on this side of the aisle.

Mr. BAKER. I understand. I appreciate that. I thank the minority leader.

Mr. President, I have no need for any time I have remaining under the standing order, and I yield it to the control of the minority leader.

Mr. BYRD. I thank the majority leader for his kindness.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. BYRD. I thank the Chair.

THE NONALINED NATIONS' RESPONSE TO AFGHANISTAN

Mr. BYRD. Mr. President, the nonalined nations are meeting in New Delhi this week. Perhaps the most compelling issue on their agenda is the fate of India's neighbor on the Asian subcontinent, Afghanistan. More than 3 years after the invasion by the Soviet Union, the people of that war-torn country continue to resist their oppressors. Under Secretary of State Eagleburger correctly characterized their struggle when he said:

> I don't know of another example in the world today where a small and ill-equipped people has stood up to the might of a tremendous military power with such effectiveness.

The resistance of the Afghan freedom fighters is all the more remarkable when we consider how little help and support it has received from other countries that profess a nonalined status. As William Safire pointed out in his article in Monday's (March 7, 1983) New York Times, there is reason to doubt that this latest meeting of nonalined nations will provide the people of Afghanistan with hope for a change in this policy of neglect.

The Department of State has released a new study detailing the tragedy of the Soviet occupation of Afghanistan. Despite the commitment of over 100,000 troops and vast amounts of military hardware, the Soviets and their puppet regime control less than 25 percent of the country. Because they have been frustrated in their attempts to defeat the freedom fighters, Soviet soldiers have turned their aggression against civilians. This brutal repression has forced some three million Afghan civilians to flee their country and become refugees. Some of these have been the objects of Soviet helicopter attacks while they were in refugee camps outside of Afghanistan.

The Soviet occupation also has weakened the economy of the country to a critical degree. Most of the refugees from rural areas have taken their livestock with them, deteriorating further Afghanistan's agricultural base. Many farms have been abandoned in areas of heavy fighting. Food distribution has broken down, and prices have skyrocketed as production has fallen. In this way, the Soviets have succeeded in their announced goal of making the Afghan economy a Soviet-style socialist economy—which is to say a failure.

It is a bitter irony that the Soviets carry out their policy of terror and oppression in Afghanistan while advertising themselves to be the "natural ally" of the nonalined movement. Four United Nations resolutions have called for the withdrawal of Soviet troops from Afghan territory, and the issue has been on the agenda of the Islamic Conference and other international bodies. But nonalined countries have failed to meet this challenge head on. By failing to go on record in support of the brave people of Afghanistan and to denounce the tyranny of Soviet aggression by name, these countries have brought the legitimacy of the nonalined movement into question. This reluctance has not stopped them from accusing the United States of aggression. Yet we are nowhere engaged in the forceable occupation of another country. We do not maintain a 100,000 man army to oppress people.

In his article, Mr. Safire suggests that the issue of Afghanistan is a litmus test of the legitimacy of the nonalined movement. If these countries have the honesty to describe the Soviet's naked aggression for what it is in their final communique, then there is hope for the nonalined movement as a real political and moral force in world politics. But if the charade of last year's Havana meeting is played out again, then we are right in regarding the nonalined confederation as a poor cousin of Soviet doctrinairism.

I concur with this analysis of the situation. Afghanistan is a test of the will of nonalined nations, and I call on Mrs. Gandhi and the leaders of the nonalined world to rise to the challenge that the Soviet occupation represents, and to condemn the Soviets for this brutal and lawless act. In doing so, they give hope to the long-suffering people of Afghanistan, and renew the world's hope of a positive role for the nonalined countries.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE STUDENT FIRE PATROL PROGRAM OF HUNTINGTON, W. VA.

Mr. BYRD. Mr. President, I take this moment today to pay tribute to officials in the fire department of the city of Huntington, in my State of West Virginia, for their successful inception of a student fire patrol program, and to the earnest youngsters who participate in the program.

The history of the program goes back 25 years. On December 2, 1958, shortly after two young firefighters had joined the Huntington Fire Department, their interests were drawn to accounts of a horrible fire in an elementary school in Chicago, Ill; 87 children and three teachers perished in the fire, and as many more were injured.

The young officers, H. Hal Johnson and James Damron, decided then and there to devote their careers to the prevention of similar calamities in West Virginia.

Graphic eyewitness accounts of the Chicago fire provided Johnson and Damron the opportunity to analyze the mistakes which attributed to the casualties and encouraged them to study fire protection techniques specifically for schools. They conceived a program for student participation in fire control and safety and envisioned their program in all of West Virginia's elementary schools.

Funding was necessary and hard to find, and it was necessary to gain the cooperation of the schools. Nevertheless, against the odds, Johnson and Damron organized student fire patrol units in the elementary schools in Huntington.

Then, in 1975, Johnson was appointed to the position of chief of the city of Huntington Fire Department. Early on, he assigned his long-time colleague, Lieutenant Damron, to the post of director of the now viable student fire patrol program. The two officers forged ahead with renewed vigor toward their goal to eliminate the threat of fires in elementary schools.

To date, 40 schools have joined the program, contributing an army of 1,000 young fire patrollers to the protection of some 60,000 elementary school children. The patrollers are instructed in fire prevention, escape measures and survival techniques. They are recognizable by their orange chest bands, and carry their expertise into their communities and their homes. The children are required to maintain good grade averages and to attend 8 hours of fire protection classes each month.

The student fire patrol units swell the ranks of the marchers in the Huntington Fire Prevention Parade during Fire Prevention Week, and their slogans and posters designed for the event are displayed throughout the city. Once a year, the Huntington Fire Department hosts an outing of fun and games for the student fire patrollers, laying aside the sober demands of the program to present awards, citations, and to encourage their continued commitment.

Among schools participating in the student fire patrol program, four fires have occurred, with no damages or injuries. There have been no fires in homes of the student fire patrollers.

The officers are proud of this record, and they are confident their program will expand to elementary schools throughout the State, making West

Virginia a model for the rest of the Nation in affording protection to today's children who will be tomorrow's adults.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I believe there is an order for a period for the transaction of routine morning business.

The PRESIDENT pro tempore. There will now be a period for the transaction of routine morning business.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. (Mr. ABDNOR). Without objection, it is so ordered.

KENNAN ON THE RENUNCIATION OF NUCLEAR POWER

Mr. PROXMIRE. Mr. President, in his recent book "The Nuclear Delusion" George Kennan calls on the decisionmakers of both super powers to recognize the appalling power that has fallen into our hands with our capability to wage nuclear war. Every Member of Congress should read the words of this wise expert on Soviet-American relations. The words are brief:

> For the love of God, of your children, and of the civilization to which you belong, cease this madness. You have a duty not just to the generation of the present—you have a duty to civilization's past, which you threaten to render meaningless, and to its future, which you threaten to render nonexistent. You are mortal men. You are capable of error. You have no right to hold in your hands—there is no one wise enough and strong enough to hold in his hands—destructive powers sufficient to put an end to civilized life on a great portion of our planet. No one should wish to hold such powers. Thrust them from you. The risks you might thereby assume are not greater—could not be greater—than those which you are now incurring for us all.

FORTIETH ANNIVERSARY OF THE WARSAW GHETTO UPRISING

Mr. PROXMIRE. Mr. President, in April 1943, the Jewish inhabitants of the Warsaw ghetto waged a courageous and epic struggle against the Nazi occupation forces in Poland. To commemorate the 40th anniversary of this noble endeavor, the Senate will be considering a joint resolution to proclaim the week of April 10-16, 1983, a national week of remembrance.

Those who are familiar with the events leading up to the Warsaw ghetto rebellion and the details of the battle itself, understand why this anniversary deserves a special commemoration.

Warsaw, Poland, in the early 19th century was the home of a thriving community of over 1 million Jews. When the Germans invaded in 1939, they turned this productive Jewish community into a holding pen for those who were to be transported to the death camps being built in Germany. Before long, this thriving cultural center deteriorated into a squalid ghetto.

When the Germans hit on their "final solution" and deportation to the death camps began, the population of the Warsaw ghetto rapidly declined to only one-half its original size. The Jews realized that, without a struggle, they were doomed to perish in concentration camps and gas chambers. However, if they could engage the Nazis in battle, they felt that they could die with dignity.

Hopelessly outnumbered from the start, this handful of Jews decided to rebel against the might of the Nazi armies. Though they lacked military resources and had virtually no hope of assitance from any outside source, the Jews waged an impressive struggle against the Germans. Three weeks of bitter fighting left 28,000 men, women, and children dead amongst the ruins of Warsaw; 10,000 others were exterminated in concentration camps.

The struggle of these valiant Jewish fighters, perhaps one of the most moving stories to come out of the World War II era, remains an inspiration to us all. A commemoration of the 40th anniversary of this event would be an acknowledgement of the world significance of the Warsaw ghetto uprising as a symbol of man's struggle for freedom over forces of oppression.

While we remember the uprising and honor the memory of those who died, it is equally important to dedicate ourselves to never letting such a thing happen again.

Forty years after the Warsaw ghetto uprising, the threat of genocide still exists. The Genocide Convention, which has been pending before the Senate since its approval by the United Nations General Assembly in 1948, deals with this threat. This treaty declares the systematic destruction of any racial, ethnic, national, or religious group, a crime under international law. The United States has failed to become a party to the Genocide Convention, despite its initial support and the overwhelming support of 85 other nations who have already ratified it.

Forty years after the Warsaw ghetto uprising, let us prove that we are truly willing to dedicate ourselves to the prevention of another Holocaust by ratifying this important treaty.

LOST IN THE DIRKSEN SENATE OFFICE BUILDING

Mr. PROXMIRE. Mr. President, the room number of my Senate office used to be 5241 Dirksen Senate Office Building. There was some logic to this number. The first digit indicated the floor level for example. And when you walked down the hall you had a reasonable expectation that the numbers of the rooms would flow in a normal fashion—either higher or lower in consecutive and sequential procession.

I pay my respect to the way they mangled that system of numbering our rooms in the Dirksen Building.

Now my room number has been changed to SD-531. I have not moved my offices but the numbering system has been changed. It is now possible to become more lost in the Dirksen Senate Office Building than the Rayburn House Office Building where it is a known fact that wandering staffers have been sent out on errands and never returned.

SD, of course, is supposed to stand for Senate Dirksen. So now we get mail addressed to SD-531 Senate Dirksen Office Building or a variation thereof.

Yesterday I went down to the Joint Economic Committee on the ground floor of the Dirksen Building. Their new numbering system is SD-G01. It looks like a car license plate number taking on the form of the nine-digit ZIP code.

Ah, but at least there is a logic to all this. For example, as I walked over to the floor for a vote I thought I detected a pattern in the numbers with the odd numbered rooms being on the outside of the building and the even numbered rooms on the inside. As I walked down the hall the hunch looked good: SD-531, SD-529 on the outside with SD-526, SD-524, SD-522, SD-520, SD-518 on the inside. But then out popped SD-530 and SD-528 on the outside although about halfway down the hall the pattern reestablished itself until the very end with SD-502.

And then we get to the very interesting way rooms are numbered at the end of the hallways in the wings of the Dirksen Building. On the fifth floor the numbers on my wing go up to SD-549. Then a doorway opens to the new Hart Building and the next number, after walking down some steps since the floor levels of the two buildings are not at equal height, we find SH-521.

Where is SD-550 and higher? It turns out those numbers are on the other wing of the fifth floor. To get from SD-549 to SD-550 you either have to walk through the Hart Building or all the way back around three corridors in the Dirksen Building.

Have you got that, Mr. President?

So what do we expect—consistency all the time? A little variation from

time to time keeps us on our toes. So that is why I think they slipped in those even numbers on the outside.

But, Mr. President, I have a startling announcement to make. Someone has stolen room SD-517. It is gone—nowhere to be seen. Someone came in over a weekend and simply walked off with the room between SD-519 and SD-513. I think the appropiate authorities should be notified.

Now I am told, Mr. President, that the Architect of the Capitol hired a consultant to develop a graphics plan for the new Madison Library Building. The consultant developed a plan at a cost of $80,000 and, since the Hart Building was nearing completion, went ahead and prepared a numbering system for the new building as well. In order to make the numbering system compatible, the consultant also prepared a new numbering system for the Dirksen and Russell Buildings.

The only thing we are lacking at this point is a consultant to tell us how to figure out the new numbering system. Perhaps we could form a committee, hire staff, and commission a study of how to understand the new numbering system.

Now, Mr. President, I am about to go back to my office in the Dirksen Building. Can someone please tell me how to get there?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

STATE OF BILATERAL JAPAN-UNITED STATES ECONOMIC RELATIONS

Mr. DIXON. Mr. President, I rise to bring to the attention of our colleagues a pressing international situation which impacts adversely upon American business and the American economy. Recently, I had the good fortune of being sent a copy of a timely speech on this very subject, which is the persistent undervaluation of the Japanese yen against the U.S. dollar. This speech was delivered by Illinois' own Lee L. Morgan, the chairman and chief executive officer of Caterpillar Tractor Co.

At the close of my remarks, I would like to request that Chairman Morgan's speech be inserted into the RECORD, because it speaks to a problem which poses a threat to a sustained recovery of a large bloc of this Nation's manufacturing base.

Mr. President, the undervaluation of the Japanese yen has a disabling impact on the ability of all American companies to compete fairly with Japan in the world market. I commend Mr. Morgan's speech to my colleagues, and ask that it be reprinted in full.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STATE OF BILATERAL JAPAN-UNITED STATES ECONOMIC RELATIONS

(By Lee L. Morgan)

I think we would all agree that the purpose of these meetings is to improve Japanese and U.S. economic relations.

Let me be blunt * * * we have failed.

In the six months since this group last met, the relationship has gotten worse. And it continues to deteriorate. While the recent U.S. visit of Prime Minister Nakasone provided some strong statements of cooperation, danger signs are still everywhere.

Consider two recent public statements—one by a member of the United States Senate; the other by a member of the Japanese Diet.[1] The U.S. senator said: "Negotiations have settled into a depressing cycle of tough Administration rhetoric (and) conciliatory Japanese messages followed by absolutely no action." The member of the Diet said: "I think it's very unfortunate that Japan is criticized for being slow in responding. I believe the basic problems are being resolved." It's clear that perceptions on the two sides of the Pacific are quite different. In general, Americans—including the majority of opinion leaders—do not believe that Japan is moving fast enough to resolve trade disputes. And it would seem the Japanese tend to believe that Americans are asking too much, too fast.

Americans tend to overlook or downplay domestic Japanese political problems—Japanese don't seem to understand the depth of frustration of unemployed American workers and the political impact of that frustration. Americans don't seem to recognize Japan's competitive challenge from other Far Eastern nations like Taiwan and Singapore * * * Japanese tend not to give enough attention to the severity of the U.S. recession. The breach between our two nations grows wider. In the United States, I sense a growing mistrust of Japan and increasingly strong anti-Japanese rhetoric. It's evident everywhere—in the media, at business meetings, in Washington, at social gatherings. We have reached a frightening level of rhetoric—the worst in many, many years.

It is with great reluctance that I use such strong language, but we must be frank and honest with each other. We must talk "heart to heart." Otherwise, these sessions would be meaningless social gatherings.

America's mistrust and frustration can be seen clearly in Congress, where proposed legislation to protect American industry now has wide bipartisan support. It's well understood by everyone that these bills are aimed at Japan. A local content bill was introduced to the House of Representatives two days ago—it probably will be passed by the new Congress. President Reagan might veto such a bill. But, as you probably know, Congress can override the President's veto—unless the President can line up enough votes in Congress to block such action.

Ambassador Mansfield commented recently on where the President can find such votes—namely, among legislators from areas that produce beef, oranges, and tobacco. Those legislators could be willing to help block protectionist legislation if they saw major actions by Japan to open Japanese markets to American products. But let us recall the statement by a U.S. senator that I cited earlier * * * about the depressing cycle of tough U.S. rhetoric and conciliatory Japanese messages followed by absolutely no action.

Congress will not accept explanations * * * or timetables * * * or new proposals. What's needed is results—more American products flowing into Japan, so that the American public can see that trade is a two-way street.

There are many political and business leaders in the United States who have always been strong supporters of the Japanese, and who have urged the U.S. government not to overreact to one or another of the sectoral trade issues that have plagued the U.S.-Japan relationship. Many of us in this room have impeccable free trade credentials and have worked hard to offset the pressures for protectionist legislation. But for many people, patience is near the breaking point.

It's regrettable, but I must say to our Japanese colleagues: "Some of your friends have left you. Others are likely to. You should not count on the same number of Americans as in the recent past who will fight protectionist legislation in Congress."

We voiced these concerns to Prime Minister Nakasone during his visit to Washington. I had the good fortune to be part of a group of businessmen who dined with Mr. Nakasone on January 19.

He, too, is worried about the protectionist leanings in the United States. Thus, he took to Washington a series of trade proposals, all of which were welcome * * * but most of which were labeled "too little, too late" by an increasingly antagonistic American Congress and public.

This, for example, is what U.S. News and World Report said:

"The (Japanese) cabinet has approved tariff cuts for more than 300 items, but most are small. And no mention has been made of easing restrictions on imports of beef and citrus fruits, two major products the U.S. wants to sell Japan. Tariffs on American cigarettes also were cut from 35 to 20 percent. But U.S. officials say this largely is meaningless because distribution now is restricted to a handful of outlets where sales are insignificant."

Bilateral relations are not improving * * * they're getting worse.

I'd like to speak for a few minutes about a specific component of the trade relationship—a problem that transcends individual industrial sectors, whether construction equipment, autos, steel, machine tools, or whatever. It transcends individual problems of citrus or beef or tobacco or baseball bats. It is pervasive; it affects every transaction in the international marketplace for which there is Japanese and American competition.

I'm referring to the yen/dollar exchange rate misalignment. In my view, and I believe in the view of many of you here today, it is the single most important bilateral economic problem confronting the United States and Japan today.

Following the 19th Japan-U.S. Businessmen's Conference last July in Hakone, this statement was issued. It's worth reviewing today.

"Japanese and American businessmen agreed that the current misalignment of yen/dollar exchange rates, which has resulted in substantial undervaluation of the

[1] The two people quoted are John Heinz, chairman of the Senate subcommittee on International Finance and Monetary Policy, and Masumi Esaki, a member of the Diet who has been in charge of the Liberal Democratic Party's market-opening committee.

yen and overvaluation of the dollar in relation to one another, is one of the factors responsible for an unprecedented imbalance in the trade accounts between the two countries."

"Both Japanese and U.S. businessmen are vitally concerned with the serious tensions which such an imbalance has created in the economic relations between Japan and the United States. Both sides agreed that this relationship has been of great benefit to both countries over many years, and both, therefore agreed that appropriate steps should be taken in both countries to bring about a more realistic and stable yen/dollar exchange rate, thereby contributing to a lessening of tensions over trade matters which threaten to undermine the positive contacts established over many years.

"The two groups agreed that a realistic yen/dollar exchange rate should adequately reflect the relative economic conditions of the two countries and that, in the present circumstances, this implies a realistic revaluation of the yen relative to the U.S. dollar.

"It was agreed that this could best be achieved by specific actions which both countries' governments should be urged to take as soon as possible. It was also agreed that each country should act quickly and without waiting for actions on the part of the other, thereby contributing to the earliest possible amelioration of the present situation.

"With respect to the United States, it was felt that the most important step to be taken would be to change as soon as possible the mix between monetary and fiscal policies so as to bring about a reduction in the excessively high level of U.S. interest rates. This required importantly an early reduction in the large and prospective deficit in the federal budget.

"With respect to Japan, it was felt that the most important steps to be taken would be to continue liberalization of the Japanese capital markets, emphasizing particularly capital inflows at this time, achieving an appropriate mix of monetary and fiscal policies, and working actively to attain the longer term goal of according key currency status to the yen in the international marketplace."

Most of us were greatly troubled when the yen weakened to 230 in 1981. That level, we felt, did not reflect the relative economic conditions of the two countries. A rate of 180 to 200 to the dollar was—and is today—widely felt to be more realistic. Some economists even suggest a yen as strong as 140 to 150 to the dollar.

By the time of the Hakone meeting, the yen had weakened further—to 255—causing deep anxiety. After Hakone, it continued its trend, reaching its weakest level of 278 Japanese yen to one American dollar—a situation so disturbing that a number of us went to Washington to meet with cabinet level officials about the problem. I testified before a Congressional committee and made this statement:

"The undervalued yen is a natural consequence of an economic and political structure that maintains high employment and low interest rates by controlling capital flows and foreign reserves."

Over the next two months, the yen strengthened, reaching a level of 229—many people relaxed, feeling the crisis was over. After all, the yen had appreciated 21 percent in just two months.

But the problem is not solved. The yen is still significantly undervalued and the dollar is still greatly overvalued. Perhaps the patient is out of the intensive care unit, but still in the hospital * * * and in declining health.

Need I remind you that the worried discussion started when the yen weakened to 230? The recent strengthening of the yen does offer us the opportunity, though, to seek solutions in a less critical environment.

What's to be done?

Some needed actions in the United States are clear. We must continue to attack federal deficits and high real interest rates. We must maintain a balance of fiscal and monetary policy and thus get U.S. interest rates more in line with those of other countries. Other measures—including possible direct intervention in exchange markets—must be openly and carefully considered.

On the Japanese side, we urge continued initiatives to encourage capital inflows and further liberalization of the yen. The yen should become a freely traded international currency, able to move as freely in and out of Japan as the dollar moves in and out of the United States. Japan plays in the big leagues as far as trade is concerned. But their currency is still back on the sandlot. It should become a true international currency, so that it does not provide a contrived competitive advantage to Japanese exporters.

This problem is very real; it is urgent; and the solution requires action by both sides. I believe it is important that this conference recognize the critical nature of this matter and reaffirm the special statement issued at Hakone for use with our respective governments.

Prime Minister Nakasone has made bold moves to further liberalize trade, and we applaud his political courage to make those moves so quickly after taking office. We encourage him to stay on that path, not only regarding sectoral trade matters, but also on the broader and more troublesome issue of monetary exchange rates.

At the recent dinner meeting in Washington, he told us the Japanese government intervened in the exchange market to the extent of $8 billion. That's important because it should have a direct effect on the short-term cyclical misalignment, but it doesn't affect the more basic, systemic problem.

All of us must continue to confront the long-term problem of yen/dollar misalignment, keeping it at the forefront among political and business leaders of our nations. We must not allow bias or secondary matters to cloud the primary issues. Where we have differences of opinion, let's openly express them and talk our way through them.

If I may quote from Prime Minister Nakasone's statement of January 13:

"Today, the world economy is confronted with acute difficulties. With simultaneous economic stagnation worsening in many parts of the world and with increasing unemployment, there is rising protectionism. The continuation of the free trading system which has sustained the post-war economic development of the world has become endangered. If we fail to respond commensurately to these challenges, we will be faced with the danger that the very basis of the stability and prosperity of the democratic, free world economies will be undermined. In the face of these difficulties, Japan, which together with the United States and Europe carries an important responsibility in sustaining the world economy, must make an active and leading contribution befitting its international positions."

He closed his statement with the following words * * * and they form a proper conclusion for my remarks as well.

"We have encountered many difficulties in the past, but we have surmounted them with wisdom and determination and have built the prosperity of today. I am convinced that we can certainly overcome the current challenges if we place our faith in the vigor of the societies of free world and join our hands together to tackle the problems before us."

Within the same spirit of the thought expressed by Prime Minister Nakasone, let us continue this meeting with open, free discussion and get on with concerted action to solve our mutual problems.

Thank you.

PORK INDUSTRY HONORS FRANCIS CALLAHAN

Mr. DIXON. Mr. President, yesterday in St. Louis, the American Pork Congress bestowed one of its highest awards on a distinguished Illinoisan, Mr. Francis Callahan of Milford, in Iroquois County.

The National Service Award, which Fran Callahan received, recognizes a lifetime of distinguished contribution to the pork industry, and it could not have been given to a more deserving man.

I have known Fran Callahan and his family for many years. I served with his father, Joe, in the Illinois General Assembly. I feel fortunate to be able to call Fran, his wife Elaine, his daughter Colleen, and his mother, Helen, my friends.

In the Chicago Tribune last week, Richard Orr, the farm editor, took note of Mr. Callahan's achievements, and I would like to share that story with my colleagues.

Fran Callahan is a great farmer. His contributions to agriculture in general, to the pork industry in particular, to agricultural education, and intercollegiate athletics at the University of Illinois, are remarkable, indeed.

I am pleased to be able to take this opportunity to call his accomplishments to the attention of the Members of this body.

Mr. President, I ask unanimous consent that the text of the Chicago Tribune article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PORK INDUSTRY HAILS ILLINOISAN

(By Richard Orr)

Back in 1972, Francis "Fran" Callahan, his wife, Elaine, and their daughter Colleen exhibited a sleek and trim 215-pound Hampshire barrow, named Ambassador, that was judged grand champion among several hundred market pigs at the Illinois State Fair.

Ambassador was such an outstanding example of high-quality ham, pork chops and bacon-on-the-hoof that the hog marketing firm which paid what was then a record $8,400 for the animal at auction donated it to Gov. Richard Ogilvie so he could, in turn, donate it to Soviet Premier Alexei Kosygin.

The idea was to show the Soviet Union the kind of high-quality pork produced by American farmers.

Ambassador, however, was only one of many blue-ribbon championship prize-winners exhibited at major shows by Callahan, of Milford in Iroquois County, Ill. Callahan is one of the nation's top breeders of purebred Hampshire swine.

He has shown prize porkers at Chicago's late, great International Live Stock Exposition, the National Barrow Show at Austin, Minn., the Louisville Barrow Show and numerous state fairs and swine conferences.

Moreover, the progeny of the purebred stock he has sold to other hog raisers have garnered blue ribbons for them as well.

Callahan, 62, knows how to "look under the hide" to pick a prime pork chop or ham because he is also a top swine judge who over the last 40 years has awarded blue ribbons to scores of other hog exhibitors in shows in 30 states.

Now Callahan has won still another award, this time not for one of his hogs but for himself.

One of the most prestigious of its kind, it's the National Service Award for a career of distinguished service to the pork industry, presented by the National Hog Farmer, a monthly magazine published in St. Paul.

The magazine gives two such awards annually, one to a pork producer, the other to an individual in a related field. The other award goes to Marvin Garner, vice president of Bio-Zyme Enterprises, a feed additive manufacturer in St. Joseph, Mo.

Garner is a former executive vice president of the National Pork Producers Council and former secretary of the Chester White Association. The awards will be presented Wednesday at the annual American Pork Congress in St. Louis.

"Our awards are for a lifetime of distinguished contributions to the pork industry, not for just one or two outstanding things an individual may have done," said Bill Fleming, editor of the National Hog Farmer.

"The prestige of the award stems from the fact is is not selected by our staff, but by a panel of 40 judges who are former award winners."

Callahan, a former president of the Illinois Purebred Swine Breeders Association, is a director of the Illinois Pork Producers Association. He founded the Fighting Illini Pork Club, which raises funds to support University of Illinois animal science and atheletic programs.

Did he ever hear from Kosygin about what the Soviets thought of Ambassador, grand champion pig of the Illinois State Fair?

"Not a word," Callahan said. "They probably ate him, and if they did, they tasted some darn good pork."

A TRIBUTE TO DR. JOHN F. RAMSEY

Mr. HEFLIN. Mr. President, on February 16, 1983, Alabama lost one of its most outstanding citizens when Dr. John Fraser Ramsey passed away.

Dr. Ramsey first came to Alabama as a history instructor at the University of Alabama in 1935. Except for 3 years when he served as senior historian of the United States Air Force, he would remain a member of the faculty at the university for 42 years until his retirement in 1977.

His career at the university was certainly a distinguished one. During his tenure, Dr. Ramsey served as chairman of the department of history, the American Studies Committee, the President's Committee on Academic Activities of the university, the Committee on the Honors Program, the Arts and Sciences Faculty Senate, the Arts and Sciences Committee on Instruction, the University Committee on Student Awards, and the Arts and Sciences Committee on Student Academic Affairs. He has also served as president of the Alabama Council for the Social Studies and the Alabama Association of Historians, which has named its annual award "The John F. Ramsey Award of Merit," in recognition of his outstanding service in founding the association.

To fully realize the depth and demension of this dedicated teacher, one must look beyond a mere listing of his honors and awards, even when they are as impressive as these are.

The true essence of Dr. Ramsey was as a teacher. His life was shaped around his love of history, his students, and the University of Alabama. He was a scholar, and had several scholarly works published but I believe his own measure of success was not in these personal, material accomplishments, but was in conveying an enthusiasm for the study of man to many generations of students. My son Tom was one of his students and I have heard him speak at length about his respect and devotion of his friend and teacher.

Professor Ramsey was truly fond of his students, thinking of them not as impersonal numbers or mere faces in a large lecture room but as human beings. He was widely known among the student body for his wit and humor, his integrity, and his leadership but no more so than for his ability and willingness to listen and advise.

During his years at the university, John Ramsey was not only a professor, but an example, a counselor, and a friend. He earned, many times over, the respect and admiration of all who knew him, both inside and outside of the university community.

In 1977, the year of his retirement, two distinctive honors were bestowed on Dr. Ramsey which perhaps best indicate the attitude which the university had toward him. The first of these honors came when he was given the highest award which the University of Alabama can bestow, the doctor of humane letters degree.

Second, his friends endowed, in Dr. Ramsey's name, the first university-wide endowed scholarship. This $1,000 scholarship is now presented annually, encouraging students to follow in the path of John Ramsey's high standards of excellence.

Mr. President, Prof. John Fraser Ramsey was a truly great educator and citizen. I only wish that my words today could convey the esteem in which he was held as clearly and succinctly as did a professor of law in Illinois, who said, "When I think of the value of liberal education, I think of John Ramsey. When my students say I am a good teacher, I think: I knew one. If I could be more like him, you would know what a good teacher is."

Mr. President, I ask unanimous consent that an article from the Birmingham Post-Herald be printed in the RECORD.

Thank you, Mr. President.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Birmingham Post-Herald, Feb. 18, 1983]

UNIVERSITY OF ALABAMA HISTORY PROFESSOR DIES

TUSCALOOSA.—Longtime University of Alabama history professor Dr. John Fraser Ramsey died Wednesday in a Florence nursing home. He was 75.

No funeral services will be held. There will be a memorial service on the Tuscaloosa campus during the observance of Honors Day, April 7.

Ramsey joined the UA faculty as a history instructor in 1935 and, except for three years on the staff of the United States Air Force, during which time he was its senior historian, he served on the faculty for the 42 years.

He was promoted to full professor in 1947 and was chairman of the history department from 1971-75.

During his distinguished career as a teacher and historian, Ramsey published a number of books and articles, including a study of Anglo-French relations from 1768-1770 published by the University of California Press.

Ramsey received his A.B degree with honors in history; his M.A. degree, and his Ph.D. in modern European history from the University of California at Berkeley.

The degree Doctor of Humane Letters was conferred on him by the University of Alabama in 1977, and that same year, the National Alumni Association selected him for one of its Outstanding Commitment to Teaching awards.

He also received the Algernon Sydney Sullivan Award, one of the highest honors given at UA in 1962; the Alabama Residence Halls Council Distinguished Professor Award in 1954; and the Carlton K. Butler Award for service to the university bestowed by Theta Chi fraternity in 1974.

At his retirement in 1977, his friends endowed the first University-wide endowed scholarship in his name. The $1,000 scholarship is now presented annually.

Ramsey was one of the founders of the Alabama Association of Historians, which has named its award of merit for him.

Memorial contributions should be made to: The John F. Ramsey Scholarship Fund, P.O. Box. 1436, University, Ala., 35486.

SENATOR JENNINGS RANDOLPH

Mr. RIEGLE. Mr. President, 50 years ago a young Congressman from West Virginia came to this Capitol to serve in one of the most historic periods of this Congress: the "First Hun-

dred Days" of the Franklin Roosevelt administration. During those 100 days, he and the Congress went to work at putting America back to work following the Great Depression. That young Congressman was JENNINGS RANDOLPH, now one of the most respected Members of this U.S. Senate. This very day, he is still working on another jobs bill—to put America back to work after the ravages of this recession.

Senator RANDOLPH announced yesterday that he is retiring at the end of his current term in 1984. It is a well-deserved retirement, earned after a half century of making a better life possible for the American people. If you look at the great "people" legislation of the past 50 years: the New Deal, the Great Society, mine safety, labor relations, clean air, clean water, the vote for 18-year-olds, economic development for depressed areas—the firm and fair leadership of JENNINGS RANDOLPH has made its mark.

This Senate will miss the gentlemanly ways of JENNINGS RANDOLPH, and the American people will miss him working on their behalf. But I think he can go home as a proud and satisfied man for his 50 years of service to this country. His legacy, however, will remain here in this Capitol as an example of the highest level of public service. Few of us will ever match this record, but we can do high honor to JENNINGS RANDOLPH by at least trying to follow his course of fairness and compassion.

THE CURRENT DRAFT OF THE UNITED STATES-CANADA SALMON AGREEMENT

Mr. STEVENS. Mr. President, I wish to bring to my colleague's attention a serious situation which may be detrimental to the best interests of the United States. Negotiations have been temporarily suspended in the draft United States-Canada salmon agreement. There would be serious problems if this were proposed as a treaty.

Most of the affected groups recognize the importance of, and need for, an acceptable salmon fishing arrangement for our west coast fisheries, including Alaskan fishermen. However, I also know the problems which occurred when the east coast fishing treaty was submitted to the Senate without the suport of the affected user groups. Therefore, I must express serious reservations concerning the current text of the proposed agreement.

Alaskan fishermen have faced reduced harvest quotas for the past several years. During this time, Canadian fishing has been comparatively unrestricted on the same resource. Conservation and management goals can not be insured without mutually recognized and implemented conservation measures. It is important that a coastwide agreement be developed which represents a fair arrangement for all of the parties involved.

I support the view expressed by the Alaska State Legislature in their joint resolution requesting a renegotiations of the proposed United States-Canada salmon interception agreement and rejection of that agreement in its present form. I urge the Senate to not initiate action on this matter until an acceptable text is negotiated. A fair and reasonable agreement must be reached prior to the submission of any proposal to the Senate. I support reopening the discussions between the United States and Canada to guarantee better protection of U.S. west coast salmon fishery interests.

I ask unanimous consent that the text of the Alaska State Legislature joint resolution be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S.J. RES. 10

Whereas the commercial salmon industry is an integral and important part of the economy of Alaska; and

Whereas the proposed treaty between the United States and Canada concerning Pacific salmon calls upon Southeast Alaska's salmon fishermen to take further reductions in harvest, while calling upon Canadian fishermen to take only their first reduction; and

Whereas the Southeast Alaska trollers have already been compelled to make considerable unilateral reductions in their harvests of chinook salmon for the sake of conservation, while Canadian fishermen have been allowed comparatively unrestricted harvest of the same resource; and

Whereas chinook salmon conservation measures proposed in the treaty are based on catch statistics for years in which Canadian catches were at record high levels and their fishery was expanding, while during the same years the Alaskan fishery was already being restricted; and

Whereas under the proposed treaty a substantial portion of Stikine River salmon, which traditionally has been harvested by United States gillnetters, would be allocated to a recently established Canadian fishery without compensation to the United States; and

Whereas the proposed treaty does not preclude the possibility of an expansion of the Canadian gillnet fishery on the Taku River and a reduction in allowable harvest by United States gillnetters; and

Whereas, although the provisions of the proposed treaty addressing Yukon River salmon require an accounting of United States and Canadian interests in those salmon prior to the effective date of the treaty, the United States and Canada possess virtually no biological information upon which to base such an accounting; and

Whereas there are no guarantees in the proposed treaty that United States fishermen will automatically and directly benefit from their own successful fisheries enhancement projects; and

Whereas all commercial salmon gear groups have expressed opposition to certain provisions in the proposed treaty; and

Whereas the proposed treaty does not address the issue of high seas foreign interception of all species of salmon; and

Whereas the language in the proposed treaty is not sufficiently specific to insure the conservation and rational management sought by the parties to the treaty; and

Whereas implementation of the proposed treaty would have a disastrous economic impact on many Alaskan fishermen; and

Whereas it is vitally important that a treaty transferring significant management authority from the state to an international commission include clear safeguards to protect Alaska's fisheries; and

Whereas the Alaska State Legislature recognizes the value of a coastwide agreement and the need to work toward the development of a fair treaty;

Be it resolved, That the Alaska State Legislature respectfully requests the Governor of the State of Alaska to urge greater consideration of Alaska's interest in the proposed United States-Canada Salmon interception treaty; and be it

Further resolved, That the Alaska Senate delegation in Congress is respectfully requested to use its best efforts to prevent ratification of the United States-Canada salmon interception treaty in its present form by the United States; and be it

Further Resolved that the Legislature respectfully requests the Secretary of State to seek reopening of United States-Canada salmon treaty negotiations with renewed efforts to secure terms to better protect the Alaska fishing industry.

Copies of this resolution shall be sent to the Honorable George Shultz, Secretary of State; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, members of the Alaska Senate delegation in Congress; and to the Honorable Bill Sheffield, Governor of the State of Alaska.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WILSON). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is concluded.

EMERGENCY JOBS APPROPRIATIONS, 1983

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the Senate will resume consideration of the pending business which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

The Senate resumed consideration of the bill.

UP AMENDMENT NO. 34 TO AMENDMENT NO. 493

(Purpose: Amendment in the nature of a substitute to unprinted amendment No. 30)

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I send to the desk a perfecting amendment on behalf of Senator BYRD, Senator STENNIS, and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) for himself, Mr. BYRD, and Mr. STENNIS, proposes an unprinted amendment No. 34:

On page 1, strike all after line 2 of the Abdnor Amendment No. UP 30 and insert:

On page 50, line 10, strike out "One-third" and insert in lieu thereof "The first one-third".

On page 50, strike out lines 15 through 22.

On page 50, line 23 strike out "(C) One-third" and insert in lieu thereof "(B) One-third of such sums for each program shall be allotted among 'long-term unemployment States', to be allotted among 'long-term unemployment States', on the basis of the relative number of unemployed individuals who reside in each 'long-term unemployment State' as compared to the total number of unemployed individuals in all 'long-term unemployment States': *Provided*, That the 'long-term unemployment State' means any State in which the average unadjusted unemployment rate was equal to or above the unemployment rate of 9.4 percent for the period of June 1982, through November 1982.

"(C) The balance of one-third".

One page 52, line 1 after the comma insert the following: "and subject to the provisions of subsection (d),".

On page 52, lines 6 and 7, strike out "determined in accordance with subsection (a)" and insert in lieu thereof "as defined in subparagraph 1(B) of subsection (a)".

On page 52, line 8 after the comma insert the following: "and subject to the provisions of subsection (d),".

Mr. HATFIELD. Now, Mr. President, briefly, this amendment that Senator BYRD and Senator STENNIS and I offer is a modification of the targeting principle which was offered yesterday. The pending Abdnor amendment to which we have made this as a perfecting amendment attempted to strike tier 2 from the targeting proviso of the bill. In the original targeting language that we had in the bill, there were 15 States which qualified under the definition we used as long-term unemployment States. Obviously, it did not include enough States to gain the majority support. There were States which had indicated that their feeling was that they had qualified maybe 6 months out of the year or such and why would they not be included.

In any kind of a formula, you are going to have to have a cut-off position. You are going to have to set certain parameters around any kind of a targeting plan, otherwise it becomes just a total distribution over all 50 States and you really have eliminated the whole principle of of targeting. In this particular perfecting amendment what we have done is to state that the long-term unemployment will be computed on the basis of those States which had 9.4 percent, which was above the national average, from June until November. In other words, we are taking almost a half year.

You might ask why was it not from June to December. Well, the thing is we do not have the computation of those statistics for December. There is about 3 months time lag. So we took up to the last month in which we had the computation of statistics on unemployment. That means that the States which had that kind of above average unemployment, higher than 9.4, would qualify rather than the previous language which said the State had to have 12 months above the national average. So we cut it in half in a sense.

Now, what we have done is we have moved from 15 States up to 21 States. Consequently, we add to the original list some 6 States, and those States are Nevada, California, New Mexico, Arkansas, Rhode Island, and Arizona.

The States which were in the original targeting formula remain. The amounts of money are diminished by the addition of those States, of course. But we have at least maintained the basic formula for its simplicity, for its workability, for its immediate implementation, for recognizing the long-term unemployment areas, and for an equitable formula that seeks to target in with some additional funds without diluting that one-third of the total package.

Mr. President, I think that the debate yesterday was of such length and intensity that we found most of the arguments raised for both sides. I will not belabor the point at this time. I hope that this perfecting amendment can prevail and that we can get on to the other parts of the bill.

Mr. President, I yield the floor.

Mr. JOHNSTON and Mr. ABDNOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the reason for this bill is, as everyone says, from the President to the Republicans to the Democrats, to aid in areas, in pockets, of unemployment, to assuage the misery we have in this country. If we are going to keep at least that figleaf, at least the logic of any jobs bill, we must have a formula that targets those areas of unemployment.

Mr. President, the Appropriations Committee tried to do that initially in its formula. That formula obviously was rejected by the Senate, or by a majority of the Senate, and I think improperly so, because I thought the formula was a proper one that recognized not only unemployment but also chronic long-term unemployment, the kind of unemployment where unemployment insurance has run out, where health benefits have run out, where there are large numbers and large percentages of unemployed workers with nowhere else to turn. That is what the Appropriations Committee formula did, and that is the logic of the Appropriations Committee position.

I do not understand how Senators can take the attitude that you junk that kind of formula and just give out the goodies across the country.

Nevertheless, Mr. President, the Senate has worked its will on the motion to table, and we recognize that changes have to be made.

What this new formula does, of course, is to reduce it to 6 months. There is also a logic to this amendment, because it continues to recognize the pockets of unemployment, continues to recognize long-term unemployment, albeit it redefines long-term down to 6 months from 1 year.

Mr. President, the amount of the funds distributed by this formula was only a little more than $1 billion, which is 25 percent of the total bill. The other three-quarters does not go according to the targeted formula. So it is a mere fraction that goes to the areas with the worst unemployment.

I hope the Senate will recognize the compromise of at least keeping part of the money, at least keeping one-fourth of the money, for areas which have deep areas of unemployment.

I yield the floor.

Mr. ABDNOR. Mr. President, I am happy that I saw this amendment 5 minutes before it was submitted. I think I was the cause of the whole concern that brought all this on, in 6 hours of debate.

In reading this amendment, about all I can say is that six other States ought to hang a medal on me because I helped them. We made sure to include enough States to take a couple of cosponsors who were cosponsors of my amendment, which was fair and equitable and which treated unemployment as unemployment should be treated.

Now, instead of 15 States, we found the magic 21. I have to believe that 9.4, the percentage used for the minimum on this, was just enough to take care of those specific States that they wanted. They probably could have said eight and taken a couple more, if it would have been necessary.

I wondered what was going on during all these hours. I knew it was not good.

I want to tell every one what we are doing here, though, and what I have in mind. No one bothered to ask me and get together with me, to see if I would go along with something. I have been trying to be fair about this. As a matter of fact, I thought seriously of

standing up here and asking for the floor and offering a substitute amendment. Someday I am going to learn how to play hard ball with everyone around this place, because that is what you are supposed to do. But by doing that, I would have cut off my friend from Wisconsin, who wants to offer an amendment.

Before voting on this amendment, I want to tell everyone what my amendment would have done. I was going to strike tier 2 in a substitute amendment. I was going to take all the money out of tier 2 and put it into tier 1, and treat everyone fairly.

Anyone who had taken the trouble to review what tier 1 involves would find that what it does is decide how much you get. Under tier 1, you take the number of unemployed people in your State as a factor along with the total number of unemployed in the United States. What could be more fair than that?

Yesterday, on the floor, we pointed out that Texas has more people unemployed than Michigan, but Texas gets zero, and they are going to get zero here. But Michigan gets $150 million under the other formula—which is the way it would have worked.

I do not want to be picking on Illinois, but instead of their picking up $120 million, they are going to get a little less than that, under my new substitute. But it so happens that Illinois residents are making $1,100 per capita more than the national average.

Is that fair? I said yesterday that things such as underemployment and a lot of other factors should be considered. People in a lot of our States have been unemployed so long they are not even counted, so they do not show up in this. Maybe looking at per capita income is something we should be doing.

Let us be fair about this. If you want to treat unemployment, take the money and put it in tier 1. That is about as fair as I can get. That is not doing much for South Dakota, but that is treating every State in the United States fairly, dealing directly with the number of unemployed people they have.

Mr. JOHNSTON. Mr. President, the Senator asks what could be more fair than counting the total number of unemployed and compensating the total number just on that basis alone. My answer to the Senator—and I ask him if this is not correct—is to take three-quarters of the money and base it on that, but base at least one-quarter on long-term unemployment, on the theory that after unemployment compensation is gone, nothing remains. That is why the length of unemployment, as well as the total number, is an important factor.

Would not the Senator recognize that the length of unemployment is one of the factors that should be considered in this formula?

Mr. ABDNOR. No. I think total unemployed is the answer. This thing changes from one day to the next.

If some State barely misses, if it had been 22d and not 21st, by that small difference, they get nothing. Their long-term unemployment does not mean a thing.

That just goes out the window because they are No. 22 and they did not need No. 22's vote to bring them in so they left 22 out.

Mr. JOHNSTON. Mr. President, would the Senator recognize that, for example, on unemployment benefits you get the number of weeks provided and that when that last week is gone it is all gone? I mean you have to draw lines. But is it not correct that the length of unemployment, considering that unemployment benefits expire after the designated period of weeks, should be one of the factors taken into consideration?

Mr. ABDNOR. I think the Senator just said something that did not quite carry through. He mentioned the words "unemployment compensation." That is a great term. I would like to have seen some of it in South Dakota. Unfortunately, the small businessman is losing money every day hanging on, hoping that things are going to get better. He does not know what unemployment compensation is. As the Senator from Louisiana knows he has farmers and it is actually costing farmers money to go to work every day, to turn the switch on their tractor. It is costing them and has been for a couple of years now.

Look at their net income and see what we are talking about. They do not know what the thing called "unemployment compensation" is.

They do not count the wives who are not working. They do not count.

But we are going to take care of some magic figure the Senator has. I think we are treating them pretty fairly. We are saying here is the figure. I am not going to get any benefit out of it, but I am making sure all the States are going to get some consideration on true unemployment as it is today, a formula that was put together by none other than the group I am talking to and addressing my remarks to.

Mr. JOHNSTON. Mr. President, I quite agree with the Senator that farmers and small businessmen should be taken into consideration. We have big problems with those in Louisiana as well.

But the Senator's amendment does not do that either, does it? And if not, I would welcome a move by the Senator to recognize farmers and small businessmen in this formula some way.

Mr. ABDNOR. What I am trying to show is how unfair the Senator's formula is.

Once again let me use a couple of figures in relation to South Dakota that I quoted yesterday. I am not going to get any benefits out of this. But had it not been for 1 decent year in agriculture in the year 1981, South Dakota would have had less of a per capita income than 14 of those 15 magic States that were so hard pressed and which we were talking about yesterday. Believe it or not, as I told the Senate, if we want to talk about long-term unemployment, I have 3 counties in my State that are 3 of the 10 poorest counties in the United States. That is something I am not bragging about. I am sorry it is there. I hate to talk about it. But it is the truth.

What are we doing about addressing problems like that? At least this amendment is somewhat close. I do not think we can devise any kind of a magic formula that is going to be that fair to one and all. But let us be halfway fair about this thing, and I want all the people and the Members of the Senate who are listening back in their offices to know this. They are wondering what this is going to do for them when I offer my substitute amendment. If we are successful in defeating this perfecting amendment, I am still going to offer my substitute.

If they take the table in their office, if they look at what they get under tier 1 and just double that figure, that is exactly what they are going to get under my formula. It is fair, and it is an honest-to-goodness attempt to be fair as we possibly can.

So I plead with Senators back in their offices and their undecided people to look over that table and decide for themselves if they want to include this magic number of 21. At least 22, 23, 24, and 25 are out of it because they do not quite qualify. But those who oppose my formula hope they picked up enough Senators that they think are needed to defeat it. If they pick those up, maybe this can do the job. There were some Senators yesterday that voted against my amendment, I do not understand how they possibly could but they did. I want them to think about it today because when they are doing it they are knocking themselves out. They could vote for my substitute that I hope to have the opportunity to offer which will double the amount of money they receive in tier 1.

I thank the Chair.

The PRESIDING OFFICER. Are there questions on the perfecting amendment?

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, what has happened overnight is just about what I anticipated.

What happened last night is that the tier 2 funding formula for assistance to the unemployed has been changed just enough to garner enough votes to pass this amendment.

Let me say, Mr. President, that I support the thrust and the intent of this bill. I think it is necessary. But I just cannot accept the funding formulation that we have under title 1 for tier 2.

The first formula or tier 1 distributes aid for the unemployed worker on a per capita formula. It acknowledges that unemployment is a national problem which reaches into every city, every town, and every community.

The use of that per capita formula is appropriate. The tier 2 formula is a totally different story. It is based on the mistaken impression that unemployment stops at State borders, that only a few States have long-term unemployed and that only a selective few States should share in the amount of funds that are disbursed under that particular formula.

Last night that concept embodied in the tier 2 formula was rejected by the Senate. It lost. It provided aid to 15 States. What did the committee do overnight? It went down the list of States. They looked at some of the States who joined me last night in opposing the tier 2 formula. They said, "If we just add a few more, we can bring that formula down to where we may be able to swing this vote."

That effort does not add any more credibility to tier 2 than it had last night. Unemployment does not stop at State lines. Unemployment is a local phenomenon. Jobs are lost at the supermarket or the local gas station. It is a very personal tragedy. But the committee selects in their formula a handful of States to receive over a billion dollars in aid to the unemployed, while across the rest of the Nation you have many localities, SMSA's, regions within other excluded States, which have a significantly higher rate of unemployment.

I look at the size of some of these States and I look at the population of some of those States. I can show you south Texas which has more geographic area and more population than some of those States have which are targeted for help under the tier 2 formula.

I can show you an enormous area of long-term unemployment in south Texas. I can show you counties with 50 percent out of work, and others with 45 percent out of work. How do they differ from people in the chosen few States? How do they differ in the human tragedy in not being able to meet mortgage payments on the home, or payments on the automobile, or being unable to put enough food on the table for their families? Why are they so different that they are to be excluded from tier 2?

It is not right, it is not equity; it is not justice. We may well lose in our efforts to throw out tier 2. But that does not make it a fair way to treat the human tragedy which is being endured across this country by people out of work.

The House did not think it was fair. They defeated this kind of an approach. It was told to me last night following our debate, "Well, you can't do it differently. You try to develop a different formulation, and it is going to take 18 months to achieve that. We can't wait." But I am not asking for a different formulation. I am talking about simply allocating tier 2 funds entirely to tier 1, not something new. I am trying to say that problems associated with unemployment affect individuals wherever they may be across this great Nation of ours, and we ought to try to address them all equally, and not limit it to State borders.

I hope this body will defeat this modified amendment. I am convinced if we had a vote last night that we would have done so. The committee staff has worked long and hard to try and pick up those extra votes; they may well have done it. If so, the committee will have denied equity to the rest of us across this Nation who have these same kinds of problems and same kinds of concerns.

As I said last night, I can take you to Laredo, Tex., and walk you down the streets. You would say, "it is Sunday, it has to be". You can fire a cannon down some of those streets today and not hit anyone. But it is Saturday, and I can tell you in years past those streets were crowded, teeming with people, people in the shops, people employed. But now you are seeing the opposite.

In El Paso, Tex., one of the largest cities in the Nation, you would see the same kinds of concerns and the same kinds of problems you find in Gary or Youngstown or Charleston. Yet we are to say here today that they are to be denied the same kinds of relief that we are providing to those in these other cities.

I am concerned about West Virginia, I am concerned about Tennessee and Ohio. I am concerned about Louisiana, but I want your concern about our problems in other States, too. There are major pockets of poverty and areas of unemployment which should be addressed by each tier of this formula. But that has been denied to us.

Mr. President, I have been delighted to join with my friend, Senator ABDNOR, in this effort. I think he has addressed a real concern, and I hope that we would be able to set aside this amendment and get back to the problem of addressing the concerns of the Nation for the unemployed wherever they may reside utilizing the formula adopted either for tier 1 or the House approach to address the problem.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Louisiana.

Mr. JOHNSON. Mr. President, we are ready to vote.

The PRESIDING OFFICER. Is there further debate? The Senator from South Dakota.

Mr. ABDNOR. I have some additional discussion because the thing that concerns me is that perhaps not every Member of this Senate, of this distinguished body, fully understands what they are voting on, and I question that.

I questioned that last night as I looked over the rollcall in today's CONGRESSIONAL RECORD. It causes me to believe that a number of the Members did not have the opportunity to follow this through and give it adequate study as to how it would affect not only the Nation, but more specifically their own States.

Now, here we are after 6 hours' debate yesterday, and debate again today, and while there have been just a few Members on the floor and many did not participate in the debate and perhaps did not have the opportunity to hear what I was saying, I just want them to go back to the very beginning, the very concept of this plan. I do not know what it was in the beginning. I know we adopted what was called the Hatfield amendment in committee. It was the first amendment offered, first time any of us had seen it, and at the time I questioned it very seriously and voted against the Hatfield amendment but it did carry. So I carried my fight on to the floor because I think it is worthy of serious consideration by one and all in what we are trying to do in spending $3.2 billion to help unemployment.

We keep hearing this term "long-term unemployment." To me, a guy without a job or a lady without a job is a lady or a man who is not working whether in South Dakota or Louisiana or Mississippi, they are not working, and we are trying to put them to work. It is just a temporary deal. I hope we are not going to be appropriating $3.2 billion every time we turn around. But some people think this might help stimulate business a little so we are going to give it a try. We are trying to progress and move along on projects that have been scheduled for the future. Projects that are now ready to go, designed and ready to be put into

effect, and put people to work. We will try it and hopefully by another year under the regular free enterprise system, people are going to be back working so we do not have to do this every year. I think that is what this is all about. If we are putting up a building out in South Dakota or in California or wherever we might be putting it up, if we are putting it up we are using products that put other people to work.

I listened to a gentleman on the morning news today telling me what is going to happen if we get the automobile manufacturers and the people back to work, how it is going to have a rippling effect all through the Nation. It sounded like the only thing we have to worry about. Last year we were told by the housing industry if we give them a billion dollars, we were going to create enough rippling effect everybody was going to benefit from it. Now I heard today on TV if we put the automobile people to work, everyone is going to benefit by it.

I think this bill will benefit everyone. I think we ought to forget about this term "hard core" or "long term" unemployment. Unemployment is unemployment whether you live in South Dakota or whether you live in Michigan.

The only thing I can say about this amendment—and it bothers me and I hope again that all Senators are listening—we have now added six more States to the list of hard core unemployment. I do not know how we got it but that could relate to 12 potential votes, I guess, 6 times 2, because some of those States were supporting my amendment. So we did that now.

What I intended to do today—again I repeat this—what I intended to do this morning, I did not have to sit up all night worrying about. I thought the gentlemen who were working on this from the other side were going to come up with a very fair amendment and work through the night. So I am working on the floor and in the last minute I see the results of adding six more States to the number. I guess it took that long to figure out how many it would take to get this amendment passed. But what I intended to do was to be fair, absolutely fair; as fair as any one person can be.

Again I go back to the formula that was devised by none other than the chairman of the Senate Appropriations Committee, whom I admire so greatly for his great ability and the work he does. He found this formula by including unemployment in tier 1 where he took each State's total unemployed as a factor with the other factor being the total number of unemployed in the Nation. And when you put those together, I do not know how you can be more fair. That is what we ought to base two-thirds of our appropriations on.

Again, I say to every Senator, all they have to do is look at the chart that was handed out yesterday. It showed in the very beginning what they would receive under tier 1 of the formula I am talking about. If they double that figure, that is what they will receive when I have the opportunity to offer my substitute amendment. I hope to do that because in a few minutes I am going to move to table the pending amendment or the perfecting amendment that is before us. So when that opportunity comes up and everyone has had an opportunity to be heard, I will be offering the motion. I know that other people would like to speak on this matter, and I know they think seriously about it and are concerned with the unemployment back in their States. They want to see everyone treated fairly.

We were talking the other day and I put my name to a piece of legislation to try to help get the young people back to work. I do not know that we are designating or pegging any particular State, but we are talking about trying to pass a differential wage rate for our young people so they would have a chance to go to work. Maybe we should design that for certain States also.

I am envious of a State like Michigan, where I am told—maybe I am wrong; I stand to be corrected if I am—where the autoworkers receive something like $23 an hour in wages and benefits. Now that is nice, and I can see in some ways why it could cause unemployment up there.

I still know that Michigan has a higher per capita income than many, many other States that are not going to benefit by this magic formula defining 21 States that we are now including. I think that is something we have just got to think about.

I just wanted to once again say that 3 of the 10 poorest counties in the United States are located in my State of South Dakota. And believe me it will not show up in this 9.4 factor that we are dishing out to the privileged few.

The per capita income in 1979 of the three poorest counties back in South Dakota was between $2,500 and $3,000, and 44 percent of those residents had incomes below the poverty level. I just want you to think about that when we are talking about this situation.

I pointed out yesterday that the State of Texas had more people out of work than Michigan, yet Michigan is going to receive $170 million.

I would like to point out one thing here. Under my amendment, my substitute amendment, I want to give a good example. Here is Illinois. I hate to keep picking on my good friends from Illinois, Senator PERCY and Senator DIXON, but I think it is worthy to note. Here is a State that is making $1,100 more per capita income than the average of this Nation. And do you know what they would have gotten? Let me point this out. In Illinois—this is a good example—they were slated to get, under tier 1 and 2, $206 million. Well, we are treating them pretty nice. Under my substitute proposal that I am going to be offering here in a few minutes, hopefully after we kill or table this pending amendment, we would be talking about Illinois receiving $129 million, almost $130 million. That is treating a State pretty well. That is giving them an opportunity to get back to work. They are a State that makes $1,100 per capita more than the average of this Nation.

Look at Michigan. We are treating them very fairly. Maybe not as lucrative as they would receive under the new proposal, but they would be receiving $137 million under my measure, the measure I will be offering as a substitute in a few minutes. That is not bad. They were going to get $219 million or something like that before. But these are things I think that have to be weighed and taken into consideration when the time comes to have this vote.

I submit to you the amendment that I am going to offer in the form of a substitute in a few minutes—I hope that I have that opportunity—is going to be the most equitable, the fairest of all that can be devised on this short notice. It was not my original proposal to come in here and put in this kind of legislation. But if we are going to have it, if this body decides that we should spend this kind of money to try to stimulate employment throughout this country, then the least we could do is try to make it fair and equitable. And when everyone's unemployment is considered in each State as a part of the factor used, I know of nothing fairer than that.

In a few minutes I will be passing out the new formulas and how the money would be allocated under the substitute amendment I will be offering. I certainly hope that everyone will take the opportunity to study this, see how it affects them and pay attention particularly to the fairness of the proposal and the treatment it gives all States in their unemployment which we are talking about. Bear in mind I am no longer trying to take half of the money and putting it down in tier 3, I am putting all the money from tier 2 up where it belongs. And I am going to be big about this—admittedly maybe I was being a little selfish for South Dakota.

But the Senator from Indiana has all that unemployment. He is going to benefit by it. I should not take Indiana as an example here because it does cut him back a little. Where he would have gotten $98 million under tier 1 and 2 in the original proposal, he now only gets $62 million. But that is

really not bad because remember we are going to be helping the unemployment in the other States. Not a pork barrel formula, I assure you. But if the formula that was devised was good enough for tier 1, I submit it is good enough for tier 2.

So this is the thing we have to consider.

You know they have a lot of unemployment down in the State of Florida. I understand the Senator from Florida is on her way over here. I just point out that she would benefit. Yes, she was going to stand to receive $42 million for all the problems they have down there in Florida. That is quite a situation. You know what they will get under our formula by taking the factor of real unemployment, the unemployment she has in Florida which is just as important to her as any other Member of the Senate? She will receive, under my proposed substitute that I hope to be offering here in a few minutes, $84 million, not $42 million. Just double what she was going to receive. A State like Florida with all their troubles, I have got to believe that the Senator from Florida would have to admit it is very equitable, very fair, and it would be hard to be against it.

The State of Idaho. I have heard the good Senator from Idaho take the floor. I heard him in the conference committee telling me how difficult it is with the silver mines closed and people unemployed; no jobs; in some areas 40, 50 percent unemployment. What they would get under the other proposal, the one proposed originally, they stood to get $4 million.

They are going to have over $8 million by treating everyone fairly and counting the unemployed as the unemployed.

We go down the list one after another. The State of Massachusetts has unemployment. They are concerned, the Senators from Massachusetts, as are the Senators from any other State.

Under tier 1 of the old proposal, they were to get $19,700,000, but now, under my substitute, if I have the opportunity to offer it—and we are going to treat everyone alike, unemployment in Massachusetts being the same as in any other State in the country—under my proposal they will get $39 million.

Next is Hawaii. They must have some unemployment because even under the previous amendment, the one we had up yesterday, the Hatfield amendment, Hawaii was slated to get $2,600,000, which tells me they have some unemployment in Hawaii.

Hawaii under the Hatfield original proposal was slated to get $2.6 million. Under my substitute, if I am given the opportunity to offer the amendment, they would receive $3.5 million.

Again I point out, so we cut back Illinois $70 million. Instead of getting $206 million, they are going to get the whole sum of $130 million. I see nothing wrong with that because I do not think they are hurting as much as many States who do not qualify under this magic formula to become part of the 21 States.

Mr. President, I suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, I would like to briefly summarize my views on this formula battle. I know every time a bill comes up in the Senate we have a battle between the different States, the big States and the small States.

I am joining with my colleague in his efforts. We are in a difficult situation in my State. I find we have a great deal of economic hardship as well as unemployment. During the February recess I was in 22 communities in South Dakota and during that time I talked to small businessmen, farmers, wage earners and others, and the economy is very tough. Interest rates are high. We have a great deal of underemployment, which is more extensive than unemployment.

Our State does not qualify under tier 2 for this funding. We are not one of those States that has an unemployment rate which is high enough to make us eligible for those funds.

I think my colleague's remarks have been excellent and I am very supportive of his remarks.

Let me also say that in many of the other bills that come through Congress, we are fighting more and more battles between the regions and the various sections of our country. I think we need to recognize that economic indicators in one State mean something quite different in another State.

For example, in the State of South Dakota we have a very different economic situation. In fact, I said upon finishing my visit there that many people were not aware of how tough things were for small business, low commodity farm prices, and with wage earners feeling the brunt of the high interest rates.

So we are in a situation that our State does not qualify under this bill for the tier 2 funding, and I suspect that we probably will not qualify because we do not have the same type of unemployment that some of the industrial States have. But we do have underemployment. We do have extremely low farm income. We have many cuts that have occurred in farm programs and elsewhere that have slowed the economy of our State.

As I have noted earlier in this debate, I do not believe that the standard unemployment figures are indicative of the real unemployment situation with regard to groups such as native Americans. On the Indian reservations in my home State of South Dakota, conservative estimates place unemployment at 70 percent. On some of the reservations, the estimates are over 80 percent. For instance, on the Pine Ridge Reservation in western South Dakota, official BIA figures put unemployment at 72 percent at the end of 1982. Because these figures only reflect the numbers who have applied for assistance, tribal officials place the unemployment rate at 82 percent. There are 16,000 people living on the Pine Ridge Reservation. If 82 percent of labor force is unemployed, that means that over 6,000 people on Pine Ridge alone are out of work.

While I understand that the unemployment problem is serious in States that qualify for tier 2 funds, I submit that the unemployment problem is also very serious in places such as our Indian reservations, and the committee formula simply does not take this into account. I have no argument with targeting funds to the long-term unemployed, but it is clear that the tier 2 formula does not do so.

Mr. President, I know that this debate is not over yet, but I wanted to rise in support of my colleague and thank him very much for his leadership in this area. I think it has been an excellent effort and he has my full support.

The PRESIDING OFFICER. The Senator from Florida.

Mrs. HAWKINS. Mr. President, I rise in support of the Senator from South Dakota. It seems to me that what has happened here overnight was a reshuffling of those States eligible in the tier 2 schedule that would provide enough votes to pass the original amendment.

Senator ABDNOR was entirely right, I think, when he said that we have to pay attention to the rural areas.

I come from a very large State, mileage, population, and diversity, where out State is usually the last one to feel the impact of what is going on nationally, such as unemployment. Our unemployment did go to 10.9 percent in December, which was the first time statewide that it happened. However, there are portions of Dade County, our largest county in Florida, that have experienced up to 40 percent unemployment, in certain neighborhoods, for an entire year.

Dade County has a larger civilian labor force than several of these States that qualify for the extra help. The solution might be to make Dade County a State, then it might qualify for the additional unemployment help.

St. Lucie County, for instance, which is just two counties above Dade County, is currently experiencing 20.3 percent unemployment. Another county, a very large county, Polk County, in central Florida, phosphate mining country, had 17.6 percent unemployment throughout most of the year.

Mr. President, I could go on and on naming the rural areas, as well as the downtown hardcore unemployed areas that really have phenomenally high, unacceptable unemployment figures. Florida has had to suffer financially because of the onslaught of the illegal Cuban and Haitian entrants to our shores. There are 150,000 that have reached our shores and Florida must bear this added financial burden of training and finding jobs for these entrants. We will constantly be out of pocket over $50 million that we have had to spend just to accommodate these people who have washed up on our shores. The entire State of Florida is nervous that it may happen again and there is no national policy yet to take care of these types of emergencies when we have political instability south of us and we are only 90 miles away from Castro's Cuba.

So, Mr. President, I feel, as the junior Senator from Florida, that it is very unfair to treat just the States that have accommodated some magic formula that was thought up in the middle of the evening. The allocation formula would bring relief to only those States that had a constant figure of unemployment when, indeed, I can go to my State and find counties that have a total civilian labor force that exceed the total civilian labor force of some of these States. Yet they are ineligible for any of the tier 2 money.

I think the Senator from South Dakota was exactly right when he states that what we do here should be fair, should not be regional, should be universal to those areas that have high unemployment. I think he has done us a great service by bringing this to our attention and I commend him for it.

The PRESIDING OFFICER. Is there further debate?

Mr. HATFIELD. I ask for the vote.

Mr. ABDNOR. Mr. President, I would like to ask unanimous consent that this table I was quoting from be printed in the RECORD. Regardless of what happens, I want this table to stand so we can always turn to it and see where the 42 Senators are who are really benefiting. I just want to show for the record what they are doing to their own States by voting for this particular proposal.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE ALLOCATIONS UNDER THE REVISED ABDNOR TARGETING AMENDMENT

	Tier 1	Committee bill—tiers 1 and 2	Difference
Alabama	50,699,950	80,842,988	(30,143,038)
Alaska	3,621,426	1,819,713	1,819,713
Arizona	25,989,050	12,994,525	12,994,525
Arkansas	19,811,326	9,905,663	9,905,663
California	247,961,100	123,980,550	123,980,550
Colorado	25,989,050	12,994,525	12,994,525
Connecticut	20,876,450	10,438,225	10,438,225
Delaware	4,047,474	2,023,737	2,023,737
District of Columbia	5,964,700	2,982,350	2,982,350
Florida	84,783,950	42,391,975	42,391,975
Georgia	38,557,526	19,278,763	19,278,763
Hawaii	5,325,626	2,662,813	2,662,813
Idaho	8,094,950	4,047,475	4,047,475
Illinois	129,306,176	206,208,201	(76,902,025)
Indiana	61,990,276	98,737,088	(36,746,812)
Iowa	22,580,650	11,290,325	11,290,325
Kansas	15,550,826	7,775,413	7,775,413
Kentucky	35,575,176	56,664,651	(21,089,475)
Louisiana	36,214,250	57,836,288	(21,622,038)
Maine	7,455,876	3,727,938	3,727,938
Maryland	31,314,674	15,657,337	15,657,337
Massachusetts	39,409,626	19,704,813	19,704,813
Michigan	137,614,150	219,504,575	(81,890,425)
Minnesota	36,427,276	18,213,638	18,213,638
Mississippi	21,728,550	34,616,563	(12,888,013)
Missouri	40,900,800	20,450,400	20,450,400
Montana	6,603,776	3,301,888	3,301,888
Nebraska	10,012,176	5,006,088	5,006,088
Nevada	10,864,276	5,432,138	5,432,138
New Hampshire	6,390,750	3,195,375	3,195,375
New Jersey	58,581,876	29,290,938	29,290,938
New Mexico	10,438,226	5,219,113	5,219,113
New York	123,980,550	61,990,275	61,990,275
North Carolina	48,356,676	24,178,338	24,178,338
North Dakota	4,473,526	2,236,763	2,236,763
Ohio	131,223,400	209,190,550	(77,967,150)
Oklahoma	17,894,100	8,947,050	8,947,050
Oregon	29,610,476	47,291,551	(17,681,075)
Pennsylvania	127,388,950	203,225,850	(7,583,690)
Rhode Island	9,799,150	4,899,575	4,899,575
South Carolina	30,249,550	48,250,163	(18,000,613)
South Dakota	3,834,450	1,917,225	1,917,225
Tennessee	52,617,176	84,038,363	(31,421,187)
Texas	102,038,976	51,019,488	51,019,488
Utah	11,077,300	5,538,650	5,538,650
Vermont	3,408,400	1,704,200	1,704,200
Virginia	41,539,876	20,769,938	20,769,938
Washington	47,717,600	76,049,925	(28,332,325)
West Virginia	25,349,974	40,474,750	(15,124,776)
Wisconsin	55,386,500	88,405,375	(33,018,875)
Wyoming	3,621,426	1,810,713	1,810,713

Mr. ABDNOR. We were talking about fairness last night, Mr. President. It comes up time and time again. I think we ought to talk about fairness today when we talk about unemployment in one State as one factor over the total number of unemployed in the United States. What could be fairer than that? I say to the Members of the Senate, I do not know.

I think the Senator from New York did want to say a few words.

Mr. D'AMATO. Yes, Mr. President.

Mr. ABDNOR. I shall not yield to him. I shall sit down and he may have the floor for himself.

Mr. D'AMATO. Mr. President, I thank my distinguished colleague for bringing to the attention of this body a very important issue. That issue is fairness in distribution of the funds designated in this important legislation. The issue is stating that we recognize a need to deal with the long-term unemployed. We recognize that. No one is against dealing with this problem. But we must also recognize that there is a fundamental flaw in the present bill that deals with this problem: It simply missed the mark.

The bill presently states that there are 15 geographic boundaries, 15 States that have long-term unemployed, 15 States that fall within the criteria.

Mr. ABDNOR. Will the Senator yield? I want to bring him up to date because I know he was off in a committee meeting, chairing, and could not get away.

Mr. D'AMATO. Yes; I yield.

Mr. ABDNOR. The new proposal no longer has 15 States; it now has 21. They have now included six States, by which they hoped to bring in a few more Senators to sponsor it.

Mr. D'AMATO. That is even more crass.

Mr. ABDNOR. To bring the Senator further up to date, the amendment I hope to be able to offer in a few minutes after I move to table this one and the Senator is through talking—if I am successful in the tabling motion, I am going to offer an amendment, so he will understand, that will simply do away with tier 2, as I am doing in my original, only I am putting all of the money in tier 1.

So we are taking solely the number of people unemployed in one State versus the whole Nation. That is what it will be based on. What will happen in New York is it will get twice as much because it is based solely on unemployment. I wanted the Senator to be up to date.

Mr. D'AMATO. I thank the Senator.

Mr. President, I think, again, it is important that we look at the manner in which this proposal was developed.

It was not developed to take care of the needs of all of the long-term unemployed, wherever they may live in this country. It was not developed with care or thoughfulness for those long-term unemployed. I suggest that whether that long-term unemployed family comes from New Jersey, Connecticut, Alabama, New York, or wherever, they all suffer the same problems.

How can we, as a Congress, as a Senate, say that we are going to recognize these special needs in only 15 geographic areas? That is all, 15. We will not work or attempt to develop a formula that will count the cities, the counties, the hamlets that have experienced these difficulties.

Are we saying to the American public that we do not have the capacity to do that? Or do we wait until the last moment, the last moment, to work out a reasonable and just formula?

Yesterday we suggested utilizing labor-surplus areas that would identify regions that already exist under designations of the Bureau of Labor Statistics. This suggestion was pushed aside, set aside.

We suggested using formulas that would identify people, and such a formula has been utilized before, realistic formulas, identifying people out of work 15 weeks or more, taking areas with these unemployed persons in all

50 States and utilizing the funds for them. Again it was put aside—put aside.

So, now, six more States are added as a result of the new formula—by the way, a formula that was never used before. It was drafted at the last minute to take in certain States. Let us understand that, to take in the needs of certain States. Since it excluded others, we fixed it up and added six more.

This formula requires 12 months' unemployment over the national average. That is what is needed, every single month, each and every single month. If a State has 11, it does not qualify; if it has 10, it does not qualify, and so forth.

So now they tamper with that formula a little so six more States can be added, get a few more votes, and pass this amendment. Well, it is not fair to the people, wherever they may be, who are also long-term unemployed. We are talking fairness. We are talking equity. How hollow those words ring. How hollow they ring when the purpose of this perfecting amendment is not to deal with this problem nationally but to see to it that $1 billion gets distributed in a disproportionate manner.

That is what we are talking about, Mr. President, people who have needs in other areas get put aside, we shunt them aside.

I suggest to my colleagues that the long-term unemployed in Buffalo, N.Y., have as much right to these funds as do the long-term unemployed in West Virginia or other areas of this country, and vice versa.

I think that if this legislation passes this body, we do ourselves a terrible disservice in the name of targeting to the long-term unemployed. More accurately described, it is a bill which caters to those States that command the power.

This is not a jobs bill that deals with equity, that deals with needs. This act that we are debating now is really one that is quite fruitless, I do not believe that the House of Representatives, when we go to conference, is going to accept this turkey, because that is what this bill is. The bill in this form is a turkey. Imagine targeting funds and distributing them in such a manner for programs that really will not solve the hardships of the unemployed. That is how ill conceived this targeting system was. Could we have developed a targeting program that made sense? Yes. Did we attempt to? No. Expedience. Expedience.

Now, I would suggest that probably if my good friend from South Dakota makes a tabling motion and it fails, why, then maybe we will enrich the formula; we will add a new criteria, thereby adding 2 more States and so instead of 21 we will have 23. Then if that fails, we can put in 2 or 3 more until we reach 26 States. And if that fails, well, we will add 1 or 2 more, and finally we can make it so that we just eliminate funds going to the hardcore, long-term unemployed in 20 States leaving a fatter pie to slice up.

Pork barrel? This is pork barrel. This is classic pork barrel. I have heard those terms again, and again, and again in reference to my State. What I am suggesting is that if we want fairness, we have a right to expect that the most deliberative body, supposedly, not only in this Nation but in the free world, would be able to develop a program, yes, even under the so-called deadline, for the conclusion of this legislation, that would be fair, that would be equitable.

Mr. President, I should like to ask my colleague, the distinguished Senator from South Dakota (Mr. ABDNOR), if indeed he intends to make a tabling motion with respect to this perfecting amendment?

Mr. ABDNOR. I intend to offer, at the proper moment in time, a motion to table the perfecting amendment with the hopes that this will give me the opportunity to really present a fair amendment for this body to vote on, one that distributes the money solely on the basis of unemployment, the number of unemployed in each Senator's State, and that is the real test of what long-term unemployment is all about. This is the solution for long-term unemployment, if that is what we are talking about.

The PRESIDING OFFICER. Is there further debate?

Mr. D'AMATO. Mr. President, I yield the floor back to the distinguished Senator from South Dakota.

Mr. ABDNOR. I thank the Senator from New York.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, at this time I want to move that the pending amendment be laid on the table.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. ABDNOR. And I ask for a rollcall vote.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 50, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—49

Abdnor	Baucus	Biden
Armstrong	Bentsen	Boren
Boschwitz	Garn	Murkowski
Bradley	Grassley	Nickles
Burdick	Hatch	Nunn
Chiles	Hawkins	Pressler
Cohen	Helms	Roth
D'Amato	Humphrey	Stafford
Danforth	Jepsen	Symms
DeConcini	Kassebaum	Tower
Dodd	Lautenberg	Trible
Dole	Leahy	Tsongas
Domenici	Mattingly	Warner
Durenberger	McClure	Weicker
Eagleton	Melcher	Zorinsky
East	Mitchell	
Exon	Moynihan	

NAYS—50

Baker	Heinz	Percy
Bingaman	Hollings	Proxmire
Bumpers	Huddleston	Pryor
Byrd	Inouye	Quayle
Chafee	Jackson	Randolph
Cochran	Johnston	Riegle
Cranston	Kasten	Rudman
Denton	Kennedy	Sarbanes
Dixon	Laxalt	Sasser
Ford	Levin	Simpson
Glenn	Long	Specter
Goldwater	Lugar	Stennis
Gorton	Mathias	Stevens
Hart	Matsunaga	Thurmond
Hatfield	Metzenbaum	Wallop
Hecht	Packwood	Wilson
Heflin	Pell	

NOT VOTING—1

Andrews

So the motion to lay on the table Mr. HATFIELD's amendment (UP No. 34) was rejected.

PIK TAX TREATMENT

Mr. BAKER. Mr. President, there is another matter I wish to take up at this point, if I might have the attention of the Senate. It is urgently important that we try to pass the PIK bill. The Senate passed the House bill with an amendment. The House now has sent that bill back with a further amendment which appears agreeable to both sides of the aisle.

Mr. President, I ask unanimous consent that it may be in order to temporarily lay aside the pending measure and proceed to the consideration of a message from the House of Representatives on H.R. 1296.

The PRESIDING OFFICER. Is there objection?

Mr. KASTEN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator reserves the right to object.

Mr. KASTEN (continuing). I would like to inquire of the majority leader what the pending business would be immediately after the request.

Mr. BAKER. Mr. President, I anticipate that the PIK bill will take about 30 seconds. I do not believe anybody is going to ask for a rollcall or perhaps just a little longer. I believe that Senator BAUCUS wishes to make some brief remarks.

After we finish, PIK we will be back on this bill and at that time the Hatfield amendment will be the pending amendment which was not tabled.

Mr. KASTEN. The amendment to the Abdnor amendment.

Mr. BAKER. Does the Senator wish me to yield further?

Mr. KASTEN. I know where we are at.

Mr. ABDNOR. Mr. President, will the majority leader yield?

Mr. BAKER. Yes.

Mr. ABDNOR. I would like to move on the motion to table that was lost, that the vote be reconsidered. There was nothing done about it.

Mr. BAKER. Yes, Mr. President, I withhold my request if the Senator wishes to do that.

Mr. ABDNOR. Mr. President, I move to reconsider the vote by which the motion to table was rejected.

Mr. BYRD. Mr. President, was the Senator qualified?

The PRESIDING OFFICER (Mr. PRESSLER). The Senator did not vote on the prevailing side. He is not qualified.

Mr. BAKER. Mr. President, I say to my friend from South Dakota that even after PIK is dealt with if someone on the prevailing side wishes to do that and they may do that.

Mr. President, I put the request at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, so that Senator BAUCUS may reach the floor and make a statement, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 1296.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 1296) entitled "An Act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes", with the following amendment:

In lieu of the matter proposed to be inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Payment-in-Kind Tax Treatment Act of 1983".

SEC. 2. INCOME TAX TREATMENT OF AGRICULTURAL COMMODITIES RECEIVED UNDER A 1983 PAYMENT-IN-KIND PROGRAM.

(a) INCOME TAX DEFERRAL, ETC.—Except as otherwise provided in this Act, for purposes of the Internal Revenue Code of 1954—

(1) a qualified taxpayer shall not be treated as having realized income when he receives a commodity under a 1983 payment-in-kind program,

(2) such commodity shall be treated as if it were produced by such taxpayer, and

(3) the unadjusted basis of such commodity in the hands of such taxpayer shall be zero.

(b) EFFECTIVE DATE.—This section shall apply to taxable years ending after December 31, 1982, but only with respect to commodities received for the 1983 crop year.

SEC. 3. LAND DIVERTED UNDER 1983 PAYMENT-IN-KIND PROGRAM TREATED AS USED IN FARMING BUSINESS, ETC.

(a) GENERAL RULE.—For purposes of the provisions specified in subsection (b), in the case of any land diverted from the production of an agricultural commodity under a 1983 payment-in-kind program—

(1) such land shall be treated as used during the 1983 crop year by the qualified taxpayer in the active conduct of the trade or business of farming, and

(2) any qualified taxpayer who materially participates in the diversion and devotion to conservation uses required under a 1983 payment-in-kind program shall be treated as materially participating in the operation of such land during such crop year.

(b) PROVISIONS TO WHICH SUBSECTION (a) APPLIES.—The provisions specified in this subsection are—

(1) section 2032A of the Internal Revenue Code of 1954 (relating to valuation of certain farm, etc., real property),

(2) section 6166 of such Code (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business),

(3) chapter 2 of such Code (relating to tax on self-employment income), and

(4) title II of the Social Security Act (relating to Federal old-age, survivors, and disability insurance benefits).

SEC. 4. ANTIABUSE RULES.

(a) GENERAL RULE.—In the case of any person, sections 2 and 3 of this Act shall not apply with respect to any land acquired by such person after February 23, 1983, unless such land was acquired in a qualified acquisition.

(b) QUALIFIED ACQUISITION.—For purposes of this section, the term "qualified acquisition" means any acquisition—

(1) by reason of the death of a qualified transferor,

(2) by reason of a gift from a qualified transferor, or

(3) from a qualified transferor who is a member of the family of the person acquiring the land.

(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

(1) QUALIFIED TRANSFEROR.—The term "qualified tranferor" means any person—

(A) who held the land on February 23, 1983, or

(B) who acquired the land after February 23, 1983, in a qualified acquisition.

(2) MEMBER OF FAMILY.—The term "member of the family" has the meaning given such term by section 2032A(e)(2) of the Internal Revenue Code of 1954.

(3) MERE CHANGE IN FORM OF BUSINESS.—Subsection (a) shall not apply to any change in ownership by reason of a mere change in the form of conducting the trade or business so long as the land is retained in such trade or business and the person holding the land before such change retains a direct or indirect 80-percent interest in such land.

(4) TREATMENT OF CERTAIN ACQUISITIONS OF RIGHT TO THE CROP.—The acquisition of a direct or indirect interest in 80 percent or more of the crop from any land shall be treated as an acquisition of such land.

SEC. 5. DEFINITIONS AND SPECIAL RULES.

(a) GENERAL RULE.—For purposes of this Act—

(1) 1983 PAYMENT-IN-KIND PROGRAM.—The term "1983 payment-in-kind program" means any program for the 1983 crop year—

(A) under which the Secretary of Agriculture (or his delegate) makes payments in kind of any agricultural commodity to any person in return for—

(i) the diversion of farm acreage from the production of an agricultrual commodity, and

(ii) the devotion of such acreage to conservation uses, and

(B) which the Secretary of Agriculture certifies to the Secretary of the Treasury as being described in subparagraph (A).

(2) 1983 CROP YEAR.—The term "1983 crop year" means the crop year for any crop the harvesting or planting period for which occurs during 1983.

(3) QUALIFIED TAXPAYER.—The term "qualified taxpayer" means any producer of agricultural commodities (within the meaning of the 1983 payment-in-kind programs) who receives any agricultural commodity in return for meeting the requirements of clauses (i) and (ii) of paragraph (1)(A).

(4) RECEIPT INCLUDES RIGHT TO RECEIVE, ETC.—A right to receive (or other constructive receipt of) a commodity shall be treated the same as actual receipt of such commodity.

(5) AMOUNTS RECEIVED BY THE TAXPAYER AS REIMBURSEMENT FOR STORAGE.—A qualified taxpayer reporting on the cash receipts and disbursements method of accounting shall not be treated as being entitled to receive any amount as reimbursement for storage of commodities received under a 1983 payment-in-kind program until such amount is actually received by the taxpayer.

(6) COMMODITY CREDIT LOANS TREATED SEPARATELY.—Subsection (a) of section 2 shall apply to the receipt of any commodity under a 1983 payment-in-kind program separately from, and without taking into account, any related transaction or series of transactions involving the satisfaction of loans from the Commodity Credit Corporation.

(b) REGULATIONS.—The Secretary of the Treasury or his delegate (after consultation with the Secretary of Agriculture) shall prescribe such regulations as may be necessary to carry out the purposes of this Act, including (but not limited to) such regulations as may be necessary to carry out the purposes of this Act where the commodity is received by a cooperative on behalf of the qualified taxpayer.

SEC. 6. STUDY

(a) GENERAL RULE.—The Secretary of the Treasury or his delegate, after consultation with the Secretary of Agriculture, shall conduct a study of—

(1) the 1983 payment-in-kind program, and

(2) the tax treatment provided with respect to such program by this Act.

(b) REPORT.—Not later than September 1, 1983, the Secretary of the Treasury shall submit to the Congress a report on the study conducted under subsection (a), together with such recommendations as he may deem advisable.

IN SUPPORT OF PASSAGE OF PIK TAX LEGISLATION

Mr. DOLE. Mr. President, I would like to indicate my support for the compromise worked out on the House

and Senate PIK tax bills, and to urge my colleagues to pass this legislation this morning. The farmers of America have had to live with the uncertainty of tax treatment of participants under the PIK program long enough. The deadline for signup is tomorrow. Either we pass this compromise or we throw the entire program into confusion—along with the Nation's farm economy.

ELEMENTS OF THE PIK COMPROMISE

Mr. President, in resolving differences between the House and Senate versions of the PIK tax bill, we tried to retain the Senate provision that would extend coverage to 1984 as well as 1983 crops. This would have taken care of tax issues in case the administration decides to continue the PIK program for a second year. The House Ways and Means Committee, however, preferred to require new legislation in the event an extended program is necessary. As the bill is drawn, crops planted in the fall of 1983 for harvest in 1984 will also be covered, a provision that will take care of winter wheat producers under a 1984 PIK. This feature should allow Congress enough time this session to enact a bill to include spring sown crops prior to the beginning of seedbed preparation at the end of the year.

Another modification, Mr. President, involves a House-passed provision that would have provided a special tax exemption to one farm organization. This addition was not in line with the basic thrust of the emergency PIK tax legislation and was clearly not germane, regardless of considerations of merit. In addition, the provision was objected to by other farm organizations concerned that it might convey an unfair competitive advantage. These factors, combined with the potential cost of the provision if its terms were applied to similar organizations, made it necessary to delete it in the final package. In this regard, Mr. President, I received letters from the National Council of Farmer Cooperatives and the National Milk Producer Federation opposing inclusion of the tax exemption contained in the House bill, and will ask to include them in the RECORD at the end of my remarks.

CONCLUSION

Mr. President, with these exceptions, the bill before the Senate responds to all known major concerns on the tax implications of the administration's payment-in-kind program. It will clear the air by allowing farmers to treat PIK commodities for tax purposes as if they had produced them themselves. Reinforced by testimony received from Treasury Department witnesses and from IRS Commissioner Egger regarding treatment of estate tax issues, this legislation removes the last obstacle to encouraging broad participation in this vital program.

U.S. farmers have indicated a sharp interest in the PIK program, and there is significant potential for reduced production and stock levels for 1983 crops. I am sure my colleagues recognize the need for raising farm prices and revitalizing the agricultural economy, and trust that the Senate will support passage of this important piece of legislation without delay.

In closing, Mr. President, I would like to express appreciation for the hard work on the original Senate version of the PIK tax bill contributed by both distinguished Senators from Iowa, by my distinguished colleague from Wyoming, Senator WALLOP, and by the cosponsors of their legislation. I would also like to thank the distinguished chairman of the House Ways and Means Committee, Mr. ROSTENKOWSKI, for his cooperation and flexibility in reaching a mutually acceptable compromise on this matter.

I ask that the letters to which I earlier referred be printed in the RECORD.

The letters follow:

NATIONAL MILK
PRODUCERS FEDERATION,
Arlington, Va., March 9, 1983.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOLE: H.R. 1296, which passed the House of Representatives yesterday, and which is basically directed at the tax treatment of commodities received under PIK program contains one section which is not germane to this subject and totally unrelated to the rest of the bill.

Section 7 grants tax exemption to certain agricultural organizations. It is our understanding, corroborated by the floor statement of Congressman Dingell of Michigan, that this section applies only to the National Farmers Organization (NFO).

In this legislation, NFO seeks to attain tax exempt status on its activities even when they are engaged in marketing members products by serving as their agent. Under these provisions NFO, in its marketing activities, would not be required to allocate any gain on the proceeds to producers of the commodities involved.

This approach is totally contrary to cooperative principle and law as it applies to agricultural cooperatives, such as those which represent the great majority of dairy farmers throughout the United States. These cooperatives are required to allocate proceeds to their members or, in the alternate, to pay taxes upon them. Under the provisions of H.R. 1296, NFO would be obliged to do neither. The law, in fact, clearly provides that they could retain up to ten percent of the proceeds of such sales.

It is, therefore, our contention that they should be treated no differently than any other marketing organization. Either they should allocate margins on the sale of commodities or they should pay taxes on them.

Sincerely,

PATRICK B. HEALY,
Chief Executive Officer.

NATIONAL COUNCIL
OF FARMER COOPERATIVES,
Washington, D.C., March 9, 1983.

Hon. ROBERT DOLE,
Senate Finance Committee, U.S. Senate,
Washington, D.C.

DEAR SENATOR DOLE: This is intended to supplement my letter of March 8, 1983 concerning implementation of the PIK-Tax bill and the inclusion of non-germane amendments which could jeopardize timely approval of this important legislation.

While the National Council of Farmer Cooperatives fully supports swift passage of PIK-Tax legislation we do object to the provision in H.R. 1296 granting tax exempt status to the National Farmers Organization. Such an exemption would give NFO an unfair competitive advantage over cooperatives with which they compete, since cooperatives are required either to allocate earnings to patrons or pay taxes. Additionally, because of the way H.R. 1296 is drafted, NFO is the only organization that could possibly benefit from this provision.

We appreciate your efforts in connection with PIK-Tax legislation, and we share your desire to enact an effective tax relief provision without delay.

Sincerely,

JAMES S. KRZYMINSKI,
Acting President.

Mr. BAUCUS. Mr. President, I rise to support adoption of the amendment to H.R. 1296. We have worked out the details. This has to be passed before March 11.

Mr. President, I compliment those who worked so very assiduously.

This bill answers the major tax questions raised by the PIK program. It does so by providing that commodities farmers receive under the PIK program will be taxed the same as commodities farmers' produce, and by providing that participation in the PIK program will not endanger farmers' eligibility for special use valuation under section 2032A.

However, I regret that this verison of H.R. 1296, passed by the House last night, differs from the version the Senate passed Tuesday. There are two main differences between the two versions. First, this version has a 1-year sunset provision; the Senate version had no sunset provision. Second, this version covers the estate tax treatment only of the PIK program; the Senate version also covered other Agriculture Department land diversion programs, including the 20-percent set-aside program. This second difference, however, probably has been rendered inconsequential by the Treasury Department's March 1, 1983, ruling that participation in any U.S. Agriculture Department land diversion program does not endanger farmers' eligibility under section 2032A; this ruling seems to accomplish the same result that legislation would.

Mr. President, time is short. The PIK enrollment period expires tomorrow. That makes it imperative that we pass this bill today. Therefore, we must put our differences aside, pass the bill unamended, and send it to the

President for this signature. This will send a clear signal to America's farmers. And, it will be the first of many steps that this Congress must take to help revive America's farm economy.

Mr. NICKLES. Mr. President, I ask unamimous consent that I be added as a cosponsor of S. 690, the Payment-In-Kind Tax Treatment Act of 1983.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I am pleased to support such a timely reply to a unfair situation facing one sector of our economy. Earlier this week, I predicted to farmers in my State that Congress would not let them down on this issue. I will be glad to report to them that on this issue we have worked hard, quickly, and in their best interests.

The farmers of this country are victims for the third year in a row of low commodity prices and supply in excess of demand. These problems are the result of many factors, one of which is the unfair trading practices of some of our international competitors. I am pleased that this body will soon be acting on legislation to put America on equal footing with those trading partners. Improving our agricultural export stance can only benefit both our farmers and our economy as a whole. We must continue to work for better markets worldwide.

In the short run, however, the Department of Agriculture has recognized the farmers' need for some sort of interim program. Net farm income in Oklahoma last year, Mr. President, was $14. I do not know any businessman, the farmer included, who can operate for a very long period at minimal or negative returns. I support the innovative PIK program as a short-term program which can help farmers buy time while seeking new and expanded markets for their produce. PIK gives each producer who participates the freedom to make his own market decisions with the payment-in-kind he receivers. At the same time, PIK is the first farm program ever to actually take action to reduce the huge commodity surpluses which depress the farmer's market.

Last month, however, the Internal Revenue Service indicated that under current tax laws it would charge farmers income tax on PIK commodities in 1983, regardless of when or in what manner they would be disposed of. Such a ruling would have had a disastrous effect on the payment-in-kind program. In addition, it would have denied farmers the same management choices with PIK grain that they could exercise had they grown the crop.

A great deal of uncertainty has also been raised in my own State of Oklahoma regarding PIK's effect on the preferred tax status of certain estates. Although the IRS has issued a statement that PIK would not adversely affect this preferred tax status, misinformation about this aspect, and other aspects of the PIK program, has caused many farmers in my State to distrust a program which has been carefully constructed to benefit them. In fact, a farmer called me this morning from Fairview, Okla., because he had heard that Uncle Sam was going to withhold income tax from his PIK payment, and he wanted to know just how this would be done.

H.R. 1296 will clarify those areas of uncertainty, and insure that PIK commodities will be treated as commodities grown on the farm. The PIK program presents most producers with a viable and sound business option. It is my hope that swift passage of this tax clarification legislation will help "make PIK work," and will reassure our agricultural community that their elected representatives are working for—and not against—them.

I thank the Chair.

Mr. BENTSEN. Mr. President, passage of this legislation to correct the tax problems with the payment-in-kind program is vital to farmers all across this country. As an original cosponsor of legislation to correct this problem, I commend the distinguished Senator from Kansas (Mr. DOLE) for his leadership role in this effort as chairman of the Senate Finance Committee.

This legislation will allow farmers to treat commodities received under the PIK program exactly as if they had been grown by the farmer. This will avoid the inequity of forcing farmers to pay taxes on these commodities before they have even been sold, and it will allow the PIK program to work as originally intended in this respect.

It is vital that we take action to improve farm prices and farm incomes from their current depressed levels, and I urge immediate passage of this bill.

Mr. HUDDLESTON. Mr. President, I wish to take this opportunity to commend the distinguished chairman of the Finance Committee of the Senate, Mr. DOLE of Kansas, for the expeditious way he has moved in resolving this issue.

The American farmer is in the worst financial condition he has been in since the Great Depression and, by some yardsticks, even worse than at that particular time. The Department of Agriculture's payment-in-kind program is a bold initiative to assist our agricultural producers by improving the prices they get for their product. It would do that by reducing the tremendous amounts of surplus that we have on hand at the present time. The program was inhibited some by the uncertainty about the tax treatment of PIK commodities. What we are doing now will help eliminate that uncertainty, will encourage more farmers to participate in the program and, therefore, make its chances of success much greater.

I also commend our colleagues who, recognizing the emergency nature of this particular bill, are forgoing the opportunity to add other amendments that would have delayed or crippled or perhaps even have made it impossible to get this legislation passed. It is important for our farmers. I think we are doing a great service to them by moving rapidly on this legislation.

With the signup period for the Department of Agriculture's payment-in-kind land conservation program for the 1983 crops to end tomorrow, immediate action to make needed changes in the tax laws is required.

ADVERSE EFFECTS OF CURRENT TAX LAWS

The concept underlying the USDA's 1983 payment-in-kind (PIK) land conservation program is to compensate farmers for reducing acreage planted to crops through a payment of a certain amount of the commodity they would have grown on the acres retired from production.

Under the Department of Agriculture's program, the farmer will be able to treat the PIK commodity exactly as if he had grown it—the PIK commodity is made available to the farmer at approximately the normal date of harvest for the area in which the farm is located; and the farmer can market the PIK commodity as he would if it were actually produced by him.

However, certain aspects of current tax laws could adversely affect the operation of the 1983 PIK program. Under current law, the farmer who participates in the PIK program would realize gross income in the amount of the fair market value of the commodities received under the PIK program at the time the commodities are made available to him. On the other hand, for commodities grown by the farmer, taxable income can be deferred to the time the commodities are sold. Thus, for a farmer who sells his 1982 crop this year and then receives PIK commodities for reducing his acreage planted this year, the tax laws—unless amended—could have the effect of forcing the farmer to combine 2 years of income into the 1983 tax year.

PIK TAX REVISION

The pending bill will resolve the problem by allowing the farmer who participates in the 1983 payment-in-kind program to be treated, for tax purposes, as if he had produced the grain he received from the Government for participating in the program. Under this provision, a farmer would realize income on PIK commodities only at the time he sells them, and a farmer who receives payments of storage costs under a qualified land diversion program, such as PIK, will be permitted to defer recognition of income

from the storage payments until the payments are actually received.

The bill also codifies the estate tax law treatment of farmers who participate in the payment-in-kind program.

The Internal Revenue Service, on March 1, 1983, released questions and answers that clarify estate tax consequences of the PIK program. The clarification states that land diverted from the production of an agricultural commodity under the PIK program will be treated as being used as a farm for farming purposes and in the active conduct of a farming business.

Thus, participation in the PIK program sponsored by the U.S. Department of Agriculture will have no adverse effect on the land qualifying for special use valuation or estate tax deferral if the farmer dies.

Further, participation by a qualified heir in the PIK program will not cause the qualified heir to be treated as having ceased to use the diverted acres for a qualified use. This result is so regardless of the number of acres diverted from production and regardless of whether any of the qualified heir's land reamins in production.

Under this bill, this IRS clarification is specifically codified. The requirements of the special use tax valuation will be determined to apply to farmers who participate in PIK programs. Land diverted from production under such a program will be treated as being used as a farm for farming purposes. Such favorable treatment would apply even if the entire farm is devoted to conservation use under the program.

CONCLUSION

Mr. President, this bill will provide greater incentive for farmers to participate in the 1983 PIK program by allowing farmers the flexibility to decide when to market commodities received under the program. Thus, the bill will enhance the likelihood of success of the program, and contribute to reducing the surplus of certain agricultural commodities that have contributed to the depression in agriculture. I urge my colleagues to vote for passage of the bill.

PIK TAX ARRANGEMENT HELPS FARMERS

Mr. HELMS. Mr. President, I commend the disinguished senior Senator from Kansas (Mr. DOLE) for working out the details of this legislation. He has performed an outstanding service to farmers everywhere, and as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I believe I can speak for all of our Members on both sides of the aisle in expressing our thanks to Senator DOLE.

It is clear that the tax issues raised by USDA's payment-in-kind (PIK) program must be addressed, since they could have a dramatic effect on the success of the program. It is clear that all Senators want the PIK program to succeed, since it will benefit farmers in every State.

The PIK tax bill is not a bill to confer special status or benefits upon farmers or upon agriculture. The tax issues which have arisen have come up because of the way the PIK program was designed and the way the Federal Tax Code has been interpreted.

It is clear that these issues would not have arisen if the farmers involved were planting and harvesting crops, as they normally do, instead of participating in the PIK program. No one intended that farmers be subject to tax consequences different from those which they would have encountered as a result of their normal planting and harvesting activities.

This bill assures that the tax consequences to PIK program participants will be no different from their neighbors who are not participating in the PIK program. Thus, this bill is clearly must legislation.

Mr. President, the date for final signup for participation in the PIK program is this Friday, March 11. Farmers should rest assured that we intend to deal with the tax issues raised by the PIK program along the lines of this PIK tax bill, even if final action is not completed by March 11. Consequently, farmers who are deciding whether to sign up for the PIK program should make their decision independent of the adverse tax consequences which may flow from the PIK program, since these consequences will be obviated in the near future.

● Mr. GRASSLEY. Mr. President, I rise to encourage my colleagues to support the enactment of this important legislation. As the Friday enrollment deadline for the payment-in-kind (PIK) program nears, it is imperative that we enact legislation to address the tax issues surrounding the program. The bill before us is designed to remedy the adverse tax consequences to farmers if they participate in the PIK program. PIK gives farmers commodities in exchange for their agreement not to grow corn, wheat, sorghum, cotton, or rice. This program enables the Government to reduce its supply of stored grain by returning it to the farmer, thus reducing the Government's storage costs and aggregate supply.

USDA initially estimated that 55 to 60 percent of all corn farmers will enroll in the previously announced acreage reduction and required land diversion program. Of those farmers 55 to 60 percent are expected to also enroll in the PIK program. This will remove an estimated 12.8 million acres of corn from production. Any reduction in supply will benefit farmers through increased prices as the surplus is reduced. The problem of oversupply is so great that by the end of the 1982-83 crop year, the farmer-owned reserve for corn will have increased twelvefold, approaching 2.5 billion bushels. Swelling production and sluggish demand make the success of this program critical to many of the farmers I represent.

Farmers have become reluctant to enroll in the PIK program because of the uncertain tax consequences of receiving commodities rather than growing them. The possibility of recognizing the income upon receipt of a 1983 PIK crop with a 1982 stored crop has dissuaded many farmers from signing up for the program. Also, a farmer's eligibility for special use valuation to reduce estate tax liability if he participates in PIK is an issue which is causing many farmers to rethink their participation in the program. Many farmers in Iowa anticipate good PIK participation, but caution that many other farmers are waiting to see if the tax consequences are resolved before they enroll.

Both the Senate Committee on Finance and the House Committee on Ways and Means have acted quickly to resolve these tax problems. The House and Senate passed versions of the PIK bill are similar in most respects. The House compromise version before us differs from the Senate bill in only four respects: First, it includes estate tax language which applies only to the payment-in-kind program rather than the concepts contained within the Treasury press release; second, it contains antispeculation language; third, it sunsets these tax rules after 1 year; fourth, it requires a Treasury study by September 1, 1983.

Although the original Grassley-Wallop bill contained the language in the House-passed measure, the Committee on Finance incorporated the Treasury press release language extending special use benefits to all acreage reduction programs. In my view, Treasury has adopted the correct approach. Senator WALLOP and I limited our legislation to the tax consequences of the PIK program with the intent not to create a negative inference about other acreage reduction programs. Participation in farm programs that further our national interest should be considered a qualified farming use. The position of the Treasury is the proper interpretation of the law, in my view.

The antispeculation language requires a farmer to own land as of February 23, 1983, to receive the tax treatment set forth in this bill. The Senate sponsors of this bill thought a similar provision was unnecessary, since very few investors would be lured into purchasing farmland for favorable PIK tax consequences, given the recessed state of agricultural economy. Nevertheless, to the extent this provision prevents a possible abuse, it is not an unacceptable addition to this measure.

While the Senate sponsors of the measure desired a longer effective period for this legislation, it is imperative to enact a measure quickly to rectify current tax problems jeopardizing the program. All of us will work to extend these provisions throughout the duration of the PIK program on the next available tax bill.

The provision added by the House to study the effect of these tax changes should lay to rest many of the fears of concerned legislators that these tax changes will attract large numbers of investors.

I would like to thank the Senator from Wyoming for all of his help in bringing this legislation to fruition. His hard work and accommodation of my concerns have made my effort with him in enacting this bill one of the most rewarding experiences in my Senate career. I look forward to working with him on tax issues in the future. His kind and self-effacing manner downplay his achievements; without his assistance this bill would probably not have been enacted.

I would also like to commend Senator DOLE for his leadership and statesmanship on this issue. Shepherding a bill of this importance through the legislative process expeditiously is yet another testament to his acclaimed leadership ability. I am also grateful to the senior Senator from Iowa, ROGER JEPSEN, for spotting this issue and acting forcefully to resolve it. His cooperation with me in this effort has been of real value.

Finally, I would like to thank the distinguished chairman of the Committee on Ways and Means for agreeing to include the crop storage payment provision in his substitute measure. The issue of constructive receipt of these storage payments would plague farmers unless addressed in this legislation. His willingness to accommodate my concern is appreciated by me.

To conclude, I would like to urge all of my colleagues to support this measure. If further refinements are needed, they can be made at a later time. It is essential that this legislation is signed by the President before Friday so farmers may participate in this important program. Our acceptance of the House substitute will allow us to accomplish this important goal.●

Mr. WALLOP. While I do not find the PIK legislation which the House has submitted to the Senate the best solution to the tax problems associated with the PIK program and other Government-sponsored land diversion programs, I believe it is in the best interests of this country's agricultural community to pass this legislation now and get it to the President for his signature. I have a particular concern with the estate tax provisions in the House bill, and I would like to direct a question to the chairman of the Finance Committee, Senator DOLE, to clarify the impact of the estate tax provisions of this legislation and how it may affect a recent ruling by the Internal Revenue Service.

Is it the understanding of the Senator from Kansas that the estate tax provisions of this PIK legislation are in no way intended to create a negative inference with respect to the estate tax treatment of land and activities associated with other Federal Government sponsored land diversion programs or PIK program land not covered by this legislation because of its limitation regarding the land's date of acquisition, or the bill's sunset provisions. For such PIK land and other lands and activities associated with land diversion programs, it is my hope and understanding that the substance and intent of the recent IRS ruling in this area will be considered controlling.

Mr. DOLE. I thank the Senator from Wyoming for raising what I think is a very fundamental question, and let me say that I agree with the Senator that the passage of this legislation is not intended to create any inference with respect to any land or activity not specifically referenced in this legislation. I mean by that that the recent IRS ruling should be considered controlling for the purpose of PIK land not covered by the bill and land and activities associated with other land diversion programs sponsored by the Federal Government. Once this legislation sunsets, the IRS ruling is intended to be controlling with respect to land and activities associated with the present PIK program and future PIK or other land diversion programs.

Mr. DIXON. Mr. President, I urge my colleagues of the Senate to support the passage of H.R. 1296 which will clarify the income tax and estate tax liabilities of farmers participating in the payment-in-kind (PIK) program.

The PIK program allows the Government to pay farmers in grain, instead of cash, if they agree to reduce their production in 1983. The success of the program will depend upon the extend of farmer participation.

Farmers may be discouraged from participating in the program because of a Treasury Department policy which requires farmers to pay tax immediately on the grain they receive from the Government, rather than allowing them to defer payment until they actually sell it.

This legislation directs the IRS to treat the PIK payments as income only after the commodities have been sold. This bill also clarifies the estate tax treatment of farmers who participate in the PIK program.

The PIK program has the potential of reducing our vast grain surpluses and stimulating farm prices. It is imperative that we take action today by passing this legislation to give farmers the assurance they need to participate in the PIK program.

Mr. JEPSEN. Mr. President, today we desperately need to pass the compromise PIK tax legislation. Speculation is at a fever pitch within the farming community as to whether a bill will be passed and sent to the President for signature before tomorrow's deadline.

Efforts have been made for the past week to move this legislation to the White House for signature. No program is more important to our Nation's farmers. The farming community is in extreme financial distress. The primary cause of this deplorable economic condition is price-depressing surplus grain stocks. Innovative, potentially highly effective Government programs to reduce burdensome stocks such as the payment-in-kind program must not be compromised.

To tax a commodity before it has generated any income will not only seriously damage the effectiveness of the payment-in-kind program with disastrous long-term consequences, but will also heighten the financial plight of those farmers choosing to participate and contribute to reducing grain production.

The closing date for farmer participation in the PIK program is tomorrow. This Congress must act immediately to send a clear signal to U.S. farmers that their Government will not unjustly penalize them for participating in this extremely important supply control program.

Many farmers in Iowa and other farm States are reluctant to sign up for the program. Farmers have told me that they are presently in the program, but will come out unless Congress acts today. Because of the present plight of our farmers, the success of the payment-in-kind program is of the utmost importance.

I am pleased that we finally have a PIK tax bill. I am disappointed that we had to wait until the 11th hour to get a bill through Congress. I am also disappointed that in ironing out the differences between the House and Senate versions of the bill, the House language limiting the bill to 1 year was accepted. I would have much preferred a permanent change in the Tax Code to take care of future tax issues in case the Secretary of Agriculture would decide to continue the program for a second year.

In sum, Mr. President, the Congress finds itself trying to adequately address a farm program whose signup deadline is 24 hours away. Even though time is so short, we can still encourage farmers to participate if we eliminate the concerns of those farmers who are worried about the tax problems with the PIK program.

Simply stated, this legislation is essential if we are to have full participation in the program.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

EMERGENCY JOBS APPROPRIATIONS, 1983

The Senate continued with the consideration of the bill.

Mr. BAKER. Mr. President, what is the question pending before the Senate?

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon.

Mr. HATFIELD. Mr. President, I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

UP AMENDMENT NO. 34

Mr. EXON. Mr. President, we are moving very rapidly. I would like to be heard on this for a moment, if I might. What is the pending business before the Senate at this time?

The PRESIDING OFFICER. The amendment of the Senator from Oregon.

Mr. HATFIELD. I would inquire of my colleague from South Dakota whether or not he is interested in making a statement.

Mr. ABDNOR. At this time, the question is not on reconsideration. I will offer my amendment in the nature of a substitute at the proper time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 34) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN. Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

UP AMENDMENT NO. 35 TO AMENDMENT NO. 493

(Subsequently numbered Amendment No. 497).

(Purpose: To repeal the withholding of tax from interest and dividends and to require statements to be filed by the taxpayer with respect to interest, dividends, and patronage dividends)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. KASTEN), for himself, Mr. HELMS, Mr. BOREN, Mr. HEFLIN, Mr. MATTINGLY, Mr. RANDOLPH, Mr. EAST, Mr. GLENN, Mr. FORD, Mr. NUNN, Mr. DENTON, Mr. NICKLES, Mr. BAUCUS, Mr. HOLLINGS, Mr. MURKOWSKI, and Mr. PRYOR, proposes an unprinted amendment numbered 35.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment, insert the following:

REPEAL OF WITHHOLDING ON INTEREST AND DIVIDENDS, AND REQUIREMENT OF FILING OF DUPLICATE STATEMENTS

(a)(1) Subtitle A of title III of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to withholding of tax from interest and dividends) is hereby repealed.

(2) The Internal Revenue Code of 1954 shall be applied as if such subtitle A (and the amendments made by such subtitle) had not been enacted.

(b) Section 6249 of the Internal Revenue Code of 1954 (relating to returns regarding payments of interest) is amended—

(1) in subsection (a)—

(A) by inserting "or" at the end of paragraph (1),

(B) by striking out "or" at the end of paragraph (2),

(C) by striking out paragraph (3) and

(D) by striking out "tax deducted and withheld,",

(2) in subsection (b)(2)—

(A) by striking out subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (C), and striking out "not described in subparagraph (C) of this paragraph", and

(C) by redesignating subparagraph (E) as subparagraph (D),

(3) in subsection (b)(3) by striking out "paragraph 2 (D)" each place it appears and inserting in lieu thereof "paragraph 2(C)",

(4) in subsection (c)(1)—

(A) by inserting "and" at the end of subparagraph (A),

(B) by striking out ", and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C), and

(5) in subsection (c) by adding at the end thereof the following new paragraph:

"(4) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under paragraph (1) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(c) Section 6042 of such Code (relating to returns regarding payments of dividends) is amended by adding at the end thereof the following new subsection:

"(e) DUPLICATE STATEMENT TO BE "INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (c) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(d) Section 6044 of such Code (relating to returns regarding payment of patronage dividends) is amended by adding at the end thereof the following new subsection:

"(f) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (e) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

Mr. KASTEN. Mr. President, this is a simple amendment. This amendment would repeal the scheduled 10-percent withholding on interest and dividends scheduled to take effect in July and to replace that new withholding requirement with new enforcement procedures which would allow the Internal Revenue Service to match up the 1099 forms.

Essentially, Mr. President, we are saying that with the technical and the operational clarifications that the Treasury issued last week, although they might ease some of the problems that savings institutions are faced with in withholding on interest and dividends, unfortunately their customers will continue to bear the burden of withholding.

This issue is no longer an issue of the banks, it is no longer an issue of savings and loans, it is not an issue of the thrift institutions in general. This issue of withholding on interest and dividends is now a consumer issue, a people issue.

Mr. President, we have a responsibility to respond to the needs and the views of the people across this country who have been writing us letters, who have been contacting us in town hall meetings, who have been contacting us throughout the country.

I believe we have an opportunity to respond today and that we have a responsibility to respond before the banks, the savings and loans, the credit unions, the thrift institution community will be forced to make the expenditures in computer hardware and computer software that they are now in the process of making. It would be a shame if we force the thrift institutions to put into place the mechanisms—the banks estimate it will be $1.5 billion and the S&L's estimate it could be close to $900 million—and expenditures on computer hardware and computer software. We want to prevent that unnecessary waste of money from taking place.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KASTEN. Mr. President, I have no desire to take up the time of the

Senate on this question. I am pleased and happy to debate, and I am also pleased and happy to vote any time the Senate chooses to do so.

Mr. BAKER. Mr. President, I am told that the distinguished chairman of the Finance Committee is on his way to the floor, and I know this is a matter of special interest to that committee. He should have an opportunity to be here and speak.

I will not support the amendment. I do not support offering the amendment to this bill. I will not support the amendment separately. It is my own personal view that it should not pass.

What I am about to say, Mr. President, I do not say often and I do not say in any way as a personal criticism of the distinguished Senator who offers the amendment. I have a high regard for him, and he has a perfect right to offer it. But knowing that such an amendment was in the offing, I inquired of the President as to his position on this bill, and I will simply say that if this amendment passes and remains on this bill, I think there is a high likelihood that the President will veto this measure. The President has authorized me to say that it would be his intention to consider most seriously vetoing the bill, even though it contained the jobs provisions which he so very much wants.

Mr. President, this is not the way to pass a jobs bill. I predict that this bill would be vetoed if this amendment is added. But these are matters that should be addressed most carefully by the chairman of the Committee on Finance. In order to gain time for him to reach the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EAST). Without objection, it is so ordered.

Mr. HELMS. Mr. President, I am pleased to be a principal cosponsor of the Kasten amendment. I think there is very little that needs to be said in terms of debate, beyond the fact that obviously the American people want this tax repealed, and they are justified in their demand that it be repealed.

I have worked up a few comments based on my study of the withholding tax on interest and dividends, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENTS

THE PROBLEMS WITH WITHHOLDING

Withholding is a net loser for America in terms of increased paperwork, added costs to the consumer, and the trouble it will cause the elderly and low-income individuals.

And, a net loser for the government. No one has figured out how much it will cost the government to enforce and handle withholding, but the IRS already spends $6 billion a year to process, appeal, enforce, and service the tax code.

And, how does the IRS know that 11 percent of all American taxpayers don't pay taxes on their interest and dividend income?

Withholding can't be intended to get the big interest and dividend earners because they already file and pay their taxes quarterly. The burden of withholding will fall on the small saver and investor.

In order to get at the small percentage of taxpayers who fail to report their interest and dividend income, we are penalizing nearly 90 percent of the American taxpayers who have honestly paid their taxes all along.

COMPLIANCE

My bill requires that interest and dividend 1099 forms be attached to each filed tax return. This should help the IRS check these forms with the amount of interest and dividend income declared on the return. Together with the compliance measures enacted in the 1982 Tax bill, this should considerably improve compliance without the headache of withholding.

There is already a problem with overwithholding on wage and salary income. In 1982—for 1981 returns—it was to the tune of $55 billion. This is 15 percent more than was overwithheld in 1981—for 1980 tax returns.

BEING EXEMPT FROM WITHHOLDING DOESN'T MEAN PEOPLE WILL BE EXEMPT FROM THE TROUBLE IT WILL CAUSE

Since qualifying for an exemption is based on your previous year's tax liability, many elderly and unemployed people will fall into an overwithholding trap. If they retire or are unemployed this year, they will not be exempt from withholding.

And, if an individual forgets to file—or is physically unable to do so—then he must wait an entire year to file for a refund.

The result is that people who need this income for everyday expenses—food, housing and medical care—will lose it to the federal government. It isn't until they file their tax returns in the following year that the money will be returned.

The withholding exemption process will force many into the taxpaying system who have not been required to file for years.

A DISINCENTIVE TO SAVINGS

Withholding means less money in the savings pool and this means less money to put America back to work. The IRS expects to get $5 billion in 1984 from withholding—$3 billion from compliance and $2 billion from accelerated tax payments.

Withholding will undermine the spirit of savings, investment, risk-taking and entrepreneurship that is key to getting our economy back on track.

The American people save less than any other people in the Western world. Instead of providing incentives to save, withholding robs savers and investors of the benefits of interest compounding and automatic dividend reinvestment.

A HEADACHE FOR SAVINGS INSTITUTIONS

Withholding will hurt savings institutions in each and every state of the Union. They will have to notify their depositers of the withholding rules, set up the exemption system, and keep track of all those exemption certificates.

The American Banker Association estimates that initial costs for all this will be about $1.5 billion in the first year alone.

Small banks that do not have computers will be able to file for a six-month hardship extension, but no one has addressed the competitive disadvantage that will be created when one bank in town starts taking money out of people's savings and the other bank in town doesn't.

WITHHOLDING IS AN INVASION OF PRIVACY

Right now, banks, savings and loans, brokerage houses, credit unions and farm cooperatives don't know how much money each of us makes, how old we are, and how much we pay in taxes each year. With withholding they will, whether we like it or not.

For the first time in our country's history, millions of exempt Americans will have to swear to a third party that they have low incomes and tax liabilities in order to qualify for the exemptions.

Withholding on interest and dividend income will become effective July 1, 1983—leaving a few short months to repeal it. This effort to repeal is my number-one legislative priority for the year.

I have introduced a bill—S. 222—to repeal 10 percent withholding and replace it with expanding information reporting requirements.

S. 222 was introduced on January 27, 1983, with 22 original cosponsors. Since then the number of cosponsors has grown to 33—17 Republican and 16 Democrat. Nine of these cosponsors voted against my amendment to kill withholding last summer.

On the House side, there are numerous bills to repeal withholding. The D'Amours bill has about 160 cosponsors and the cosponsors of all the bills together comes to 220. A simple majority of 218 is needed to repeal.

The public outcry against withholding has been growing. In my office alone roughly 3,000 pieces of mail come in each day. Withholding mail in the last two months is 51 percent of the total output on my mailroom in the previous 12 months.

EXEMPTIONS

The law does allow for exemptions from withholding. To qualify if you're single you must have had taxable income in the previous year of $7,000 or less, tax liability for the same year of $600 or less, or be at least 65 and liable for $1,500 or less in taxes in the previous year.

If you're married you must have had taxable income in the previous year of $12,000 or less, tax liability for the previous year of $1,000 or less, or be at least 65 and liable for $2,500 or less in taxes in the previous year.

Accounts that earn less than an annualized rate of $150 in a withholding period are exempt from withholding. However, if your savings account earns $50 dollars in the first quarter and $37.50 in the second quarter, withholding is required in the first quarter but not the second.

Each exempt individual is responsible for finding out if he qualifies, getting the forms and filing them for each interest and dividend earning account.

Half of the 400 million accounts in America—or 200 million—are qualified for an exemption. This alone adds 200 million more pieces of paper to the great American paperflow.

This does not include the added paperwork that come about everytime a new savings account is opened, stocks are traded, or a money market fund is started.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, there is no doubt that we have a responsibility to insure that taxes are paid fully. We have a responsibility in particular to those citizens who honestly and fully comply to insure that some means is found to catch cheaters and to force them to pay their fair share of taxes. So the motives behind the proposal passed by Congress to withhold taxes on dividend and interest income are lofty motives and certainly those who supported the measure on that basis cannot be blamed at least in the abstract, but the real effect of the withholding provision on dividend and interest income is to burden the vast majority of American citizens who honestly report such income and pay taxes on it, to burden those people with paperwork and inconvenience and even loss of income although that aspect perhaps has been a little bit overplayed in the arguments against the withholding provision. Nevertheless, there is a very great violation, it seems to this Senator, a great violation of the American way. Here we are burdening people who honestly comply with the Tax Code in order to catch a handful of cheaters, and it is unnecessary that we do this. That is the irony of this situation. There is a better way to catch these cheaters than to burden the vast majority of American people who are honest in reporting such income and paying taxes upon it.

That better way is incorporated in the amendment offered by the Senator from Wisconsin of which the Senator from New Hampshire is a cosponsor, and that better way is very simply requiring the IRS, putting the burden upon the IRS instead of upon honest American citizens, requiring the IRS to compare form 1099 which is issued by the payors of dividends and interest with form 1040 submitted by each citizen, and in this day and age of computers that would seem to be a relatively easy task and a small burden to place upon the IRS.

But surely that is the way to go. This is a simple way to cure an unfortunate problem, a problem that materialized even though the efforts behind it were praiseworthy. There is a better way to catch cheaters, a better way to insure compliance, a better way to recapture that money which is justly due the Treasury, which is to say the citizens of the United States, than this withholding which will go into effect on July 1, and that better way is to require the IRS to compare forms 1099 and 1040.

Mr. President, I find it unfortunate that the administration continues to show signs of opposing the correction of the mistake which Congress made last summer. I have stated that I believe this withholding approach is an un-American way of doing things in that it heavily burdens innocent citizens and if I may be more partisan as a member of the President's party, a member of the majority party of this body, I would say also it is an un-Republican way of doing things.

So I urge my colleagues on this side and, of course, on both sides of the aisle to reconsider their positions. I urge the administration to reconsider its position. It is on the wrong side of this issue. It is on the wrong side of equity and justice on this issue and especially so since there is a better, an easier, a less costly, and a more equitable way of insuring tax compliance and assuring the Treasury of the money which it so badly needs and which is due.

Mr. President, withholding of tax on interest and dividends has in recent days received a considerable amount of criticism. This is true, notwithstanding what many might consider to be laudable motive behind this newly enacted provision. Motive or no motive, we have to take withholding on interest and dividends to be exactly what it is; an extremely costly means of attaining a goal of acceptable taxpayer compliance ratios in the area of interest and dividends reporting.

Figures indicate that $3.1 trillion will be affected in some way by the withholding provision. Consequently, the potential loss to existing savers of investment income could reach as high as $1.7 billion a year. This amount represents the value of those dollars withheld if maintained in the investment market. The Federal Reserve tells us that $900 billion of that $3.1 trillion is invested in small time deposits of the certificate of deposit variety. I shudder to think of the damage to savings institutions that could occur if just one-quarter of these deposits were shifted into some other form of investment, now made more attractive given the withholding of taxes. And then of course, we must deal with the horde of paperwork as well as 136 pages of new regulations. Our 50,000 financial institutions and inevitably the consumer will bear the burden of shuffling the papers. And last, we must not forget the enormous costs of implementing as well as maintaining the withholding system, costs again to be ultimately borne by the American taxpayer and consumer.

I said earlier that the implementation of the withholding provision would be extremely costly. The figures and estimates I have received from various institutions and industries indicate that if anything, I have understated my case. The actual startup cost of implementing withholding is estimated to be $1.655 billion. Millions have already been expended by some of the larger institutions just on their initial efforts to gear up so as to comply with the statute and accompanying regulations. Even more disheartening is the apparent fact that a number of the smaller depository institutions will apparently be unable to significantly benefit from the "float" provisions, which was initially designed to offset startup costs. At this point, Mr. President, I would like to read into the RECORD two letters from Equity Employees Credit Union of Orford, N.H.

EQUITY EMPLOYEES CREDIT UNION,
Orford, N.H., November 22, 1982.

NEW HAMPSHIRE CREDIT UNION LEAGUE,
Airport Road,
Concord, N.H.

DEAR FRIENDS: In response to the request included in the Special Withholding Edition of Capitol Viewpoints, November 15, 1982, I must say, and this should be the feeling of the entire Board of Directors, that for a Credit Union like ours, with 62 members as of the end of October 1982, showing shares balances of $21,728.45 and loans balances of $21,815.89 as of the same date in the Financial and Statistical Report, the newly created obligation of withholding income tax on dividends paid may very well put us out of business, due to the additional cost involved.

We do not have clerical staff nor any paid personnel. Our accounting is carried on a volunteer basis by the accounting department of the sponsoring institution, which provides us with locale, space, stationery, etc. Our Board of Directors is totally alien to the inside information of credit institutions. If we have to assume that additional responsibility or that of keeping track of exemption certificates, we may as well fold over.

Very truly yours,
EQUITY EMPLOYEES CREDIT UNION,
DR. ENRIQUE H. MIYARES, Jr.,
Secretary-Treasurer.

EQUITY EMPLOYEES CREDIT UNION,
Orford, N.H., December 9, 1982.

HON. GORDON J. HUMPHREY,
U.S. Senator,
Washington, D.C.

DEAR SENATOR HUMPHREY: Expanding the information supplied in my letter of November 22, 1982 to the New Hampshire Credit Union League, regarding the withholding provisions in the new tax law that you are opposing on the floor of the Senate, I would like to speculate about the way the "float" benefit would not give us any help in our dire situation:

During economic year 1981, Equity Employees Credit Union paid a total of $1,730 in dividends to our shareholders. 10 percent of that amount would come to $173, which invested at the best rate available for such an amount—14 percent in loans to our own members—would yield in thirty days the impressive sum of $2.02. That would not pay for 15 minutes of the work of an accountant every quarter. Moreover, if you consider

that due to withdrawals and retirements, we estimate payments of $1,000 in dividends for 1983, the year in question, our float benefits will be the astonishing amount of $1.17. And our contribution to alleviate the fiscal deficit of our nation would not even cover the expenses for verifying its accuracy.

Sincerely,

EQUITY EMPLOYEES CREDIT UNION,
Dr. ENRIQUE H. MIYARES, Jr.,
Secretary-Treasurer.

There is another serious problem which has arisen as a result of the way the IRS intends to enforce the existing withholding provisions. The new regulations provide that interest-paying entities do not have to aggregate interest payments in different accounts of a payee before determining whether the $150 minimal interest payment exemption from withholding can be applied. This means that the average depositor, regardless of age or income level, can avoid withholding entirely simply by establishing a series of small accounts. For example, an individual age 25 with an income level of $25,000 per year, could deposit and earn interest on a sum of $10,000 without having 1 cent withheld. Assuming an interest rate of 10 percent, he would simply have to open seven separate $1,500 accounts at the same or at different depository institutions. I do not think it is unreasonable to anticipate that a very large number of people will follow this course of action, further compounding the problems of efficient administration and undoubtedly resulting in a substantial and otherwise unexpected revenue loss. This single factor alone is in my opinion an excellent reason for my colleagues to reconsider whatever support they might have given the withholding provisions of the Tax Equity and Fiscal Responsibility Act.

Up to this point my comments, and those made in the earlier debate on withholding, revolved primarily around concerns associated with implementation of withholding. Few have focused concerns on the costs of prepetuating this system. Contrary to popular belief, these costs are also enormous. In certain cases, they are estimated to approach as much as two-thirds of implementation costs on an annual basis. Savings and loans association estimates, for one, fall well within these parameters. With an estimated startup cost of $435 million, these associations will dole out an additional $325 million annually just to maintain the program. The estimates of First and Merchants National Bank supersede this two-thirds rule, with estimated annual maintenance costs exceeding startup costs by approximately $450,000. When we add up the estimated industrywide maintenance costs, we are left with a net cost estimate of $1.5 billion, just to maintain the system once it is in place. This is an estimate exclusive of implementation costs. I might point out that 50 percent of that sum, three-quarters of a billion dollars, is deductible by financial institutions from their Federal taxes, reducing Federal revenues proportionately. Of course, this is not the case for financial institutions operating in the red, as so many are today. They will be expected to bear the full brunt of this increased cost of compliance as they have no profits against which to offset their losses.

The figures I have been using here are based on nationwide estimates; in other words we have been approaching the issue from a macroeconomic perspective. Sometimes it is more helpful to take a closer look at a particular industry to insure that we do not fail to consider factors otherwise muted by a macroeconomic approach. With these concerns in mind, I approached the New Hampshire banking industry to ascertain what special effects, if any, the withholding provision would have on the New Hampshire banking community. Let me preface my remarks by saying that my home State of New Hampshire, as I am sure many of you are aware, is not a large State with a large banking industry. New Hampshire is, however, I am sure, fairly similar, at least with regard to the role of the banking community, to many other States in this great Nation. So what I am about to tell you about the New Hampshire banking industry may, in fact, be the same situation in many other States.

The figures released by the New Hampshire Banker's Association, show a statewide estimate of withholding implementation costs to be $3.37 million. Annual maintenance costs would approximate $1.5 million per year. This annual cost constitutes approximately 44 percent of the implementation costs. This means that the average bank in New Hampshire, in just a little over 2 years after withholding becomes effective, would have incurred costs double those incurred for implementation of the withholding system. Even more disturbing is the fact that annual maintenance costs incurred by small banks could approach one-fiftieth of the total value of their deposits. I am talking about banks with up to $50 million in deposits, of which we have 49 in New Hampshire. If you think about it, that means that these banks will, within 50 years, have spent an amount equal to the entire value of the bank's deposits just on annual withholding maintenance costs. That is a great deal of money.

I see the potential cost to maintain the withholding system as being one of the most compelling arguments against perpetual withholding. This factor coupled with other arguments against withholding which have been addressed in the past and which I have addressed today are reasons why repeal of the impending withholding system would go a long way toward protecting the combined interests of the consumers and taxpayers.

Mr. President, this amendment would provide for a repeal of the withholding provisions incorporated in the Tax Equity and Fiscal Responsibility Act of 1982.

It provides an opportunity for every Member to take into consideration the alternatives to withholding on interest and dividends. There are alternatives—do not let anyone tell you otherwise. High levels of taxpayer compliance in the interest and dividend area can be obtained through improved and expanded information reporting systems. If anyone has any doubts, let us ask the IRS. A July 1981 study of the information returns program conducted by the IRS Research and Operations Analysis Division shows taxpayer compliance rates in the interest and dividends area as high as 97.3 percent. Now, admittedly, this information is based on reports from prior year studies and is an accurate figure only with respect to areas where information reporting is adequately utilized. Nevertheless, these figures point out an important consideration, namely that where adequate information reporting systems are in effect, there is a high level of taxpayer compliance. This point, in my opinion, takes the wind out of the sails of the withholding provision.

Mr. President, you might ask, "Well, if this is the case, why don't we expand and improve information reporting requirements instead of implementing withholding." To that, I answer, "Adopt this amendment and that is exactly what will transpire." I am confident that the proper combination of modification and improvements in the information reporting and enforcement areas will more than compensate for the benefit derived from the withholding system. We can already look to anticipated benefits derived from improved and expanded information reporting requirements incorporated in the Tax Equity and Fiscal Responsibility Act. Increasing civil penalties for failure to file returns or provide taxpayer identifications numbers, and expanding the definition of interest to cover Treasury instruments constituted two long overdue steps which in and of themselves will substantially improve taxpayer compliance in the interest and dividend area. At the same time, this amendment will make maximum use of form 1099. Requiring taxpayers to attach a copy of their 1099, as they now attach their W-2 form, would in my opinion be extremely helpful to the IRS in their matching efforts.

Not surprisingly, I am not the only one saying that better compliance ratios can be obtained without insti-

tuting withholding. On July 23 of this year, the General Accounting Office released a report calling on the IRS to implement further research into taxpayer noncompliance. The report questions the cost-effectiveness of current IRS enforcement procedures and makes recommendations as to how the service might improve voluntary taxpayer compliance.

Mr. President, we need to sit back and take a good hard look at these types of alternatives before we lunge forward into what I feel will become a costly system of withholding on interest and dividends. This amendment offers the alternative approach.

Mr. President, I urge my colleagues to join me in an effort to insure that a rational and cost-effective system of taxpayer compliance will be developed in the interest and dividend area without the enormous costs, burdens, and ramifications of the planned withholding system.

Mr. KASTEN. Mr. President, I wish to simply commend the Senator from New Hampshire. He has been a leader in the efforts to repeal these new regulations. He has been working in very, very close touch with a number of us as we have worked to try to make the point that this can be done, that we can find the cheaters without the new regulations.

I am pleased that the Senator from New Hampshire (Mr. HUMPHREY) and also the Senator from New York (Mr. D'AMATO) are joining as cosponsors, and I appreciate particularly the support of the Senator from New Hampshire here in this debate.

As he has pointed out taxes owed to the Government should be paid but withholding is simply not the best way to accomplish that. This amendment repeals withholding but includes the requirement that interest and dividend reporting 1099 forms be matched with each filed tax return.

By this, together with the expanded information reporting which was in the Tax Equity and Fiscal Responsibility Act of 1982, TEFRA, the Treasury should be able to get the tax cheaters without penalizing the 90 percent of all Americans who right now are honestly paying their taxes and have been honestly paying their taxes all along.

So the Senator is correct in being opposed to this withholding scheme which does not mean that any of us are in favor of tax cheating. The fact is that we have a better way of getting at the problem without these huge new regulations and bureaucratic costs.

Mr. President, I ask unanimous consent that, in addition to Senator D'AMATO and Senator HUMPHREY, Senator DECONCINI, the Senator from Arizona, be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DANFORTH. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Nebraska.

Mr. EXON. I thank the Chair and I thank my friend from Tennessee.

Mr. President, I ask unanimous consent that I be added as a cosponsor to the amendment offered by the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I rise to support the amendment offered by the Senator from Wisconsin for several reasons, not the least of which is I was an original cosponsor to the bill that he had introduced. I thank him for offering this as a amendment on the jobs bill.

Mr. President, I suspect that there are many reasons that could be advanced against the passage of the Kasten amendment. I think the bottom line consideration is that at this particular juncture in our attempt at economic recovery, any possible signal that we send that we are not encouraging Americans to save and create the funds that are necessary to provide the capital to continue to fund our hoped for total economic recovery, I think is a step in the wrong direction.

The record will show that this Senator from Nebraska has always opposed the interest withholding provisions when they were first advanced. I was a cosponsor in the lameduck session of a bill that was introduced at that time to try and repeal and, as I just mentioned a moment ago, I was an original cosponsor of the bill that was introduced on this subject by the Senator from Wisconsin.

Mr. President, the feelings of the people of the State of Nebraska are strongly against this measure and I would suggest that while the initial reaction to citizens across the Nation——

The PRESIDING OFFICER. The Senate will be in order. The Senator from Nebraska has the floor and under the rules of this body is entitled to be heard. With the current conversations it makes it very difficult. If those people who are conducting business will please repair to the back of the Chamber or the cloakroom, the Chair will appreciate that and I am sure the Senator from Nebraska would also.

The Senator will proceed.

Mr. EXON. I thank the Chair.

Mr. President, if the hue and cry that has been raised against this proposal is intense now, I suggest that we just wait, if you will, until July 1 next when this bill is supposed to go into effect. Because at that time everyone who has any kind of savings will see on their statement that will be received sometime shortly after the first of July that once again Uncle Sam is becoming involved in their affairs in a place where he should not be.

Now there has been a great amount of rhetoric about the fact that the main reason for this bill is to prevent people who are not paying their fair share of income tax, to keep them from escaping that liability. The facts are that every institution that is authorized to withhold savings today sends a proper and required form to the Internal Revenue Service of all of the withholdings that are made or of all of the interest that is earned from anyone who has any kind of a savings account.

Therefore, it seems to me that it is up to the Federal Government, since they already have the necessary information to properly enforce the laws, to get with it with the facilities that they now have at hand. Regardless of the arguments pro or con—and, as I said earlier, I suppose some could be made—this is the wrong time to send the wrong signal to the people of this great country of ours that in any way takes away their desire to create more savings at a time when we need more savings and not less.

I say, in conclusion, that I have seen nothing that has upset the people of my State more—that the Federal Government has done recently—than the ill-advised action that we took last year when we enacted the $92 billion tax increase measure. I voted against the measure for several reasons, not the least of which was that it had this withholding provision. I simply say that we could make that tax increase bill somewhat more palatable, at least, if we would wisely accept the amendment offered by the Senator from Wisconsin. I thank the Chair.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I thank the Senator from Nebraska. I would also like to inform the Senate that we now find ourselves in a position where a majority, it could be close to two-thirds of the U.S. Senate, supports this repeal effort. There are 51 or 52 cosponsors of one or more of the various pieces of repeal legislation. I think it is important that we proceed.

I am anxious to vote on this issue. I have no desire to delay. I think it is also important that the jobs bill with the unemployment compensation section be acted upon by this body.

So I would hope that Senators who are in opposition to our side will come to the floor and speak, that we will have a debate, if that is what we want to have, and then we go forward with the vote.

As of now, no one has spoken against the measure. I think it is important that we do not waste the time of the Senate, that we do not put ourselves into the late hours this evening. I think it is important that we move forward with this debate, that we consider this issue on its merits, and that we go forward with the urgent business of the Senate.

Mr. LONG. Will the Senator yield?

Mr. KASTEN. I am pleased to yield to the Senator from Louisiana.

Mr. LONG. Mr. President, may I just say to the Senator that, if he is correct that an overwhelming majority of the Senators favor the amendment—and I suspect he is—I believe it is also correct that a majority of those in the House of Representatives favor the amendment. That being the case, our democratic process dictates that this matter should be put to a vote and that in due course this matter should find its way down to the President's desk so we could see what the President wants to do about the matter.

Might I point out to the Senator that it is very doubtful that the provision that he seeks to repeal at any point ever had a majority in either Chamber of Congress to support it. The Senator from Louisiana noticed in the RECORD of the vote that the measure was kept in the bill by a single vote—I think the vote was 49 to 48—but there were three absentees and all three absentees announced as being against the withholding on interest and dividends.

So it would appear that the provision never did have a majority of the votes in the U.S. Senate, and I am led to believe it never had the majority of the votes in the House of Representatives. The provision was only passed there by virtue of the rules which make it possible for a big bill to be brought back with the only vote being on agreeing to the conference report. One does not have the opportunity of voting in detail on the items within the conference report, more often than not.

So here is a situation where the matter was brought up and passed through the Finance Committee the same day it was submitted. Before the public as a whole had a chance to find out about it, the matter had been rammed through the Senate Finance Committee.

Then, before the people out in the hustings had an opportunity to find out about it, it had been passed through the U.S. Senate. The public never really had a chance to react, to make themselves heard.

I am led to believe that some had been told that they better not oppose this matter, that dire consequences might fall upon them if they dared to exercise their privilege of opposing legislation which they did not particularly like.

The little banks out in the hustings, the thousands of banks across the width and breadth of this land, did not have the opportunity to react at all, or even to be intimidated about the matter, with the result that when they did have the opportunity to communicate with their savers and with those who had an interest in the matter, there was a great uprising in the hustings.

I have heard from those people. May I say to the Senator, I have had more than 25,000 letters and post cards written to this Senator. I just decline to believe that those people who save money and put it into the banks can all be stupid. I have the feeling that that kind of outpouring of public sentiment must express the informed judgment of a lot of good Americans.

It would seem to this Senator that this matter is not one that should be filibustered. I see nothing in this matter that would justify a filibuster or a prolonged delay. I do not see any reason why anyone should look upon it as other than simply a matter of taxation: Do you want to withhold taxes on this income or do you think these people should be permitted to pay their taxes as ordinary citizens pay taxes in the ordinary course of business?

This Senator has voted on the matter several times in years gone by, and may I say I have voted on both sides of the issue. I think I can really look upon this matter in a somewhat statesmanlike fashion, having seen both sides.

I see no reason that we should have a prolonged delay on the matter. The Senate should be permitted to express its view on the matter and move on to the next matter.

I applaud the Senator for bringing this matter before the Senate. I think it should be voted on. I hope he will persevere, that he will insist on maintaining his position. A lot of us agree with him. I, for one, would not want to attempt to explain to 25,000 people why I told them I would vote for this matter but not on this bill. I would have to explain to the 25,000 people why I do not do what I said I was going to do. I do hope we can vote on this matter soon.

Mr. KASTEN. I thank the Senator for his comments. I share the strong concern that we proceed. I hope if there are people who would like to debate this issue, that they will come to the floor and then we vote on it and go onto other important business before us.

Mr. EXON. Will the Senator yield for a question?

Mr. KASTEN. I am pleased to yield to the Senator from Nebraska.

Mr. EXON. The amendment I just volunteered to cosponsor is at the desk. Is that correct?

Mr. KASTEN. That is correct.

Mr. EXON. Has the Senator asked for the yeas and nays on his amendment?

Mr. KASTEN. The yeas and nays have been ordered.

Mr. EXON. May I inquire of the Chair if it would be proper for us to proceed to a vote at this time?

The PRESIDING OFFICER. Is there further debate on this amendment?

Mr. KASTEN. I know of no further debate on our side, Mr. President.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I ask unanimous consent that I be made a cosponsor of the amendment of the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. What is the pending business?

The PRESIDING OFFICER. The Kasten unprinted amendment numbered 35.

Mr. DOLE. Is that the amendment with reference to repealing withholding on interest and dividends?

The PRESIDING OFFICER. That is correct.

Mr. DOLE. I appreciate that information.

Mr. President, I know the chairman of the Committee on Appropriations would like very much to dispose of this bill. In the Finance Committee we are in the process, beginning at 2 p.m., of

marking up the social security bill, which is another high-priority item. I assume we have to lay all that aside to debate interest and dividend withholding again. If the sponsors of this amendment succeed in repealing withholding, it is going to take enough revenue out of the Treasury to pay for the entire jobs bill.

If we are going to have to debate that issue, then I suggest, as much as I dislike holding up other legislation that we will need an extended debate. This is a nongermane amendment; it does not belong on this bill. This amendment seeks to repeal a provision in last summer's tax reform act. That withholding provision simply says that people who are not paying their taxes will pay their taxes so the rest of the people in the country will not have to pay as much.

If some would rather accommodate those banks, those savings and loans, and those credit unions who have led people to believe that we have imposed a new tax, who have frightened senior citizens, who have indicated we are taking away 10 percent of savings, who have indicated in some of their advertisements that Congress is looting the savings accounts of their customers and picking the pockets of their customers, then I think we ought to debate it for several days so there can be a full understanding of what the withholding provision really is.

There is no way that any 1 Senator or any 10 Senators or any 50 Senators can possibly spend the millions of dollars that have been spent by certain members of the banking industry, led by the American Banking Association, to, in effect, I think, mislead many of their customers into believing that somehow we have proposed some new tax. If you pay your taxes on interest and dividend income, it is not a new tax at all. If you have not been paying, I assume it is new in the sense that you are going to be paying if this provision is not repealed.

The provision has been around a long time, has been supported by a lot of Presidents. Franklin Roosevelt suggested it, Jack Kennedy suggested it, Richard Nixon, Gerald Ford, and Jimmy Carter. Then Ronald Reagan suggested it in his 1983 budget. This time it was passed.

I do not quarrel with those who have a different view, those who did not support it in the first place. Some have changed their minds. Some just cannot handle the avalanche of mail from the so-called grassroots compaign on this issue. I have had a lot of letters, too.

I really do believe, however, that if all the people are concerned about taxes in this country and all the conservatives who talk about the high level of taxes in this country need to review very carefully our efforts to collect the taxes owed before we raise tax rates. I think we ought to debate this issue for sometime, if need be.

My view is we ought to lower taxes. We ought to keep the third year of the tax cut. We ought to keep indexing. I also think we ought to lower the projected Federal budget deficits.

We hear a lot of talk about deficits, about spending restraint, and a lot of talk about how we are going to raise the money to meet the deficits. The President suggested a trigger tax of some kind. I do not myself think it is a good idea, but it is a suggestion that should be considered seriously. The President has also considered an excise tax that would raise about $5 billion a year on oil. While we are reviewing those proposals, trying to figure out whom we are going to tax next, we are in here trying to take away about $4 billion in revenue next year—$20 billion over the next 5 years—that does not hurt anyone.

If we do not want people to pay their taxes, if we do not want withholding on interest and dividend income, why should we have it on wages? Why should the working people of this country have their taxes withheld from wages? Why can they not save that all year long and invest it, and pay their tax at the end of the year? That is one of the arguments of the proponents. What is fair for the people with savings accounts ought to be fair for people who are out working. There is no difference.

The difference is the bankers have the money, they have the power, they have the political action committees. Many banks and credit unions have spread a lot of false information across this country, and in my State, too. The withholding provision may lose when the facts are out on the table, but I believe many of my colleagues may not understand as fully as this Senator understands the genesis of this proposal and the purpose of this proposal. It just seems to me that it is unfair to debate this issue here, while we let the poor people who are looking for jobs wait while we take care of the financial institutions.

Mr. DANFORTH. Will the Senator yield so I may ask some questions?

Mr. DOLE. As soon as I finish my thought. Let the poor wait while we take care of the bankers on the Senate floor. They have the powerful committees; they have the political action committees. I may also say that a lot of bankers do not agree with the advertising that is going on. A lot of bankers in my State are not very proud of it. We are talking about repealing last year's tax reform. If the Senate, after full deliberation, does not want tax reform, that is all right with this Senator.

We are told by the Commissioner of Internal Revenue that there is still nearly $100 billion a year in uncollected revenue. Moreover, we are simply trying to get some people to pay more taxes when a lot of people are not paying any taxes at all. That was the purpose of this provision, not to penalize some saver or some investor, but to make certain they had a chance to contribute to economic recovery like almost everybody else in this country.

We are told by the IRS that nearly 20 million Americans failed to report their interest and dividend income in all or in part. A lot of it is inadvertent. A lot of it is honest mistakes. Some people just do not report their interest and dividend income.

It is said all we have to do is match up the 1099 forms. Again, I am not the expert. I rely on experts in Government, at the Treasury Department and the Joint Committee on Taxation. We are told that information reporting only gets us about 85- to 87-percent compliance, which means we lose about $28 billion a year in unreported interest and dividend income and about $8 billion in revenue.

We are told about all the redtape. Here I have a W-6 form. You have to know your name. You have to know your address. You have to know the State you are from. Ninety-nine percent of the people already know that information. You also have to know your account number and you have to be able to check a box. You have to be able to sign your name, or someone can do that for you.

That is that complicated redtape we are being told about. The opponents of withholding are going to continue to tell their story, Senator MATHIAS stood on the floor here 2 days ago and said we cannot even answer the mail in the country. We have mail so plugged up in the Senate the machines cannot handle it fast enough. It is giving a lot of us good mailing lists. One thing we search for in politics is mailing lists. We all have thousands and thousands of names in our States for mailing lists. So there has been some advantage. I suggest that withholding is not a complicated redtape mechanism.

I do not understand why people should not pay their taxes. If we do not want people to pay taxes, let us repeal the income tax. We will probably get a lot of votes for it, come to think of it, but we should not discriminate against the workers in this country, the people who earn wages and salaries and have their Federal income taxes withheld. They can make the same arguments and better arguments than the bankers have made.

Mr. President. This Senator made his criticism of the recent campaign to repeal withholding to the bankers. I did not make them somewhere else. I went to the American Bankers Association legislative meeting on February 17 and told them I thought they were making a mistake. I did not do it behind their backs. I did not have any

false advertising. I stood up and said this is what I believe. I said they must act responsibly.

I have also said, and I say it as fairly as I can now, that we know the banks' great sensitivity and great concern for their customers, and they have always had that concern. There are questions that ought to be asked. Why is the minimum market fund $2,500? Why can I not go in and buy one for $100? Obviously, there is an answer. Because all that money, $2,500 and under, is getting passbook savings at 5.5 percent and all that money at $2,500 or more is getting a higher rate, 8 or 9 percent.

Maybe that is the way it ought to be. But when we have bankers writing me that they are worried about the loss of 50 cents per year on a $10,000 savings account, somebody might lose 50 cents, then perhaps we ought to take a look at that provision.

I would just say—and this is only preliminary to what we hope to say in the next few days—that if in fact there are concerns that should be addressed, we ought to address the concerns. Nobody wants Government interference, nobody wants undue burdens on the banks or financial institutions, nobody wants burdens on savers, but nobody wants to support those who do not pay their taxes.

I would say, to the credit of the Secretary of the Treasury, Don Regan, that about 10 days ago he announced seven changes to the withholding rules because many of the banks said, that they could administer withholding if we have year end withholding. You cannot honestly make the argument any longer that you are going to lose compounding in the process. That has been taken care of.

Many banks said, "This is burdensome; it is going to cost a lot of money." That complaint has been taken care of through what we call the float. We can adjust the float to take care of any legitimate costs that the banks might have.

But the America Bankers Association and others have declined to provide us with estimates of those costs. I think the real issue is the banks just do not want to do it, and that may be enough in itself, for some of my colleagues.

Mr. MELCHER. Will the Senator yield?

Mr. DOLE. Not yet.

I suggest that there are a lot of people who do not want to pay taxes. A lot of people also do not want to withhold from wages or salaries, as I have said before. Many employers, including banks, savings and loans, and credit unions, have withholding from wages and salaries.

Now, I am like a lot of other people; I have been on both sides of this issue. I was for it and against it and now I am for it. I know the right side politically, believe me. There is only one side to be on, and that is for repeal. The mail is coming in and the mail is piling up. I also know the right side to be on as a matter of tax equity and fiscal policy. Again, there is only one side to be on.

So it just seems to me that this is tax legislation on an appropriations bill. It is not going to get anywhere in the House. Before we vote on it, we ought to talk about it for a while because, this issue merits careful consideration.

As I have indicated before, in an effort to accommodate the banks and the financial institutions—and I think it was an appropriate thing to do—we delayed the effective date of these rules in the House-Senate conference on the tax reform bill last year.

I said, "OK, let us just delay withholding for 6 months. Let us give banks time to work this out," because they were telling us, "We need more time." But I guess the Senator from Kansas did not fully understand what they said they needed more time for. It was my view they needed more time to make it work. What they needed was more time to rally the troops and get up a multimillion dollar campaign to try to kill withholding. Now they are at the point where they think—mistakenly, in this Senator's judgment—they are getting close.

The President has indicated to me in a letter that he also recognizes some of the distortions in these campaigns that are going on for repeal and that he strongly believes in the interest and dividend withholding provision he proposed.

I can recall a conversation with the President about this provision when we were discussing it in the tax reform bill. He related why he thought it was a fair provision. I indicated at the time it would probably be rather controversial, and that turned out to be true.

So the Senator from Kansas knows where the power is in this instance; it is with the banks, and they have converted that power into votes.

I do not quarrel with that. There were a lot of votes against it. I voted for this in 1976 when my distinguished colleague from Louisiana was telling me what a great idea it was, and I believed it. And now I want to try to persuade him it is a great idea and get him back on the right side. In 1980 I think I joined with the Senator from Louisiana saying it was not such a good idea, did I not?

Mr. LONG. Will the Senator yield at that point since my name has been called?

Mr. DOLE. Yes.

Mr. LONG. Mr. President, to be fair about the matter, some years ago I did offer an amendment to repeal withholding on interest and dividends. I really did not think it was going to carry. I thought I would at least find out how long it took the banks and the savings and loans to wake up to what was happening on the Senate floor. It took about 24 hours for them to find out that the amendment was pending. As this Senator recalls, the amendment was not agreed to, but I did offer such an amendment and I voted for it on that occasion.

As I said to Senators, and perhaps the Senator from Kansas was not here to hear me say it, I really think I am in a position to be somewhat of a statesman about this issue. I have heard both sides and made both arguments. The Senator has made the best speech that has been made for withholding on interest and dividends in the Senate. I have heard arguments for and against it, and I think he has made one of the better speeches for it.

Mr. DOLE. I appreciate that, and I will probably make a number of other speeches. I do not know why I should make a different speech every day.

I get postcards, thousands and thousands of postcards saying the same thing. It occurs to me, that if the banks had worked as hard to get interest rates down as they have to kill withholding, the interest rates in this country might be about 6 or 7 percent instead of 11 percent of even 14 percent in most places in my State.

Now, that is another matter. But not all of the banks are opposed to withholding, and the RECORD should indicate I do not know what percentage. If you look at the mail, you would think it was fairly lopsided, but in my view there are a number of banks that have been satisfied with some of the changes that have been made, and they are now saying, "Well, if we can work out the float so it does not cost us any money, we are going to try to live with it."

I have a letter from the Bank of America saying they have no interest in repealing interest and dividend withholding, and I do not see many of the stock types around saying they have to repeal withholding on the pension plans. Dividend income is just as onerous as withholding on interest. Withholding on passive income must be the same, but we have not had the outcry from those payors who will be required to withhold on dividend. It has all come primarily from the banks, and the savings and loans and the credit unions.

There are some who say it is not such a bad idea.

Mr. DANFORTH. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

The PRESIDING OFFICER (Mr. PRESSLER) the Senator from Mississippi.

Mr. STENNIS. Mr. President, will the Senator yield to me for 2 minutes? I have to leave the floor for another matter.

Mr. DOLE. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, my name is on one of the proposed amendments to repeal the present law. As a matter of fact, I voted against the proposal when it came up last year.

I am among those who feel a personal and official debt to the Senator from Kansas—and I mean every word of this—for the fine work he does on the Finance Committee, matched by the Senator from Louisiana. It is an unrewarding assignment. The logic of the Senator from Kansas is always strong. I will tell him why I voted against this withholding provision.

The so-called little people, the working people, are just taxed to death already. It appears to me that we have gone so far and so fast—I mean in the last 2 or 3 years—with so much change that they are becoming bewildered with all this business they have to do with the Government.

I live in a little town; I know everybody and they know me, and I am thankful for it. They stop me on the street, little women, with little checks, wanting to know what is wrong. I am glad to talk to them.

The point is that it proves what was in the back of my mind when I voted against the withholding provision. We must avoid confusing these people, causing them to wonder whether they should save and invest their money. We must help them feel that they are on the team, that they are part of the Government, rather than a victim of the Government.

I thank the Senator for yielding.

Mr. DOLE. I say to the distinguished Senator from Mississippi that I certainly appreciate those remarks, and I understand.

I am hearing from a lot of people who have not been told the facts about exemptions. I am not here to castigate the banks. They should lay out the facts and let the people make the judgment on withholding. We have made every effort to protect the people about whom the Senator from Mississippi is concerned.

I yield to the Senator from Missouri for a question.

Mr. DANFORTH. Mr. President, first, in passing, I say that the little people with the little checks, to whom the Senator from Mississippi referred, are almost certainly exempt from the coverage of this provision.

I, too, have received numerous letters from people who are very old, and they are scared. But the fact is that they are scared on the basis of misinformation about what this provision states.

One question I ask is this: It is my recollection that the origin of this provision in the tax law was not that the members of the Senate Finance Committee woke up one morning and decided, just out of the blue, that they liked the concept of withholding on interest and dividends. Instead, as I recall the situation, last summer we were under a mandate from the Congress of the United States to produce close to $100 billion over a 3-year period in increased revenue.

Members of the Finance Committee do not like to increase taxes. What we like to do is to cut taxes. However, acting pursuant to that resolution of Congress to come up with about $100 billion of increased revenues, we went into action. We held long days and nights of meetings in the Finance Committee to draft a bill to meet our end of the obligation of producing about $100 billion in additional revenue.

It was the theory of the Finance Committee that it was much better to increase compliance on taxes already owing than to raise the tax liability of people who did not owe it.

It is my recollection—and this is what I should like to ask the Senator from Kansas—that this was part of the general compliance effort we had in the committee and again on the floor of the Senate. As I recall, we spent 3 nights in conference—one of them around the clock—dealing with the tax part of meeting our obligation to Congress in the budget resolution. We went through all kinds of ideas, and nothing was popular. Nothing in that bill was popular. You are never popular when you try to increase revenues for the Federal Government.

Mr. President, what I should like to find out from the Senator from Kansas is this: If I am correct in my recollection of the history of this particular provision in the law, what remains if we repeal it? Do we say to the Congress of last year, the 97th Congress, that we are not going to meet the mandate? Do we say that there is going to be a shortfall in the dollar amount we were supposed to come up with in reducing the size of the deficit in the Federal budget? And how much is that shortfall?

If we were asked to raise about $100 billion in revenue to close the deficits, how much of that deficit is going to be opened up again by virtue of the repeal of withholding on interest and dividends?

Mr. President, it is wonderful to go around saying that we are going to start repealing provisions of the Internal Revenue Code. I have a list of things I would like to repeal in the Internal Revenue Code.

What I should like to know is this: Is it true that this provision in the law was enacted only because we were under a mandate in a budget resolution to come up with additional revenue? Is it true, further, that if we repeal this without doing something else to make up the same revenue amount, we will just be reneging on the commitment we made last year?

Mr. DOLE. Let me say, first of all, that the Senator from Missouri again clearly really focused on the problem.

Withholding on interest and dividends was contained in the budget of the U.S. Government, fiscal year 1983 budget, the President's budget. I should like to read a portion of that document.

Improved Tax Collection and Enforcement.—Several improvements in tax collection and enforcement are proposed. These initiatives, which will ensure that the taxes due the Government are paid and that they are collected on a more timely basis, are estimated to increase receipts by $0.2 billion in 1982, $5.5 billion in 1983, $5.5 billion in 1984 and $4.7 billion in 1985.

This is on pages 4-13.

This provision was described as follows:

Withholding on interest and dividends.—Currently no tax is withheld on interest and dividends paid to domestic taxpayers, although taxes are withheld from wages. About 9% to 16% of taxable interest and dividends currently is not reported; the comparable figure for wages and salaries is 2% to 3%. The administration proposes withholding on interest and dividend payments at the rate of 5% effective January 1, 1983. Where feasible, withholding would be extended to U.S. Government securities. Corporations and nontaxable individuals filing exemption certificates would be exempt from withholding. Taxpayers aged 65 or older with a tax liability of $500 ($1,000 on a joint return) or less would also be exempt.

That was the President's budget.

We went further than the President proposed. As far as the exemptions are concerned, as the Senator from Mississippi pointed out and the Senator from Missouri indicated, a single person aged 65 with tax liability of less than $1,500 is exempt from withholding. Another exemption applies to a couple filing a joint return where one or both are age 65 with tax liability of less than $2,500 the previous year, others exempt are single low-income taxpayers with a tax liability of less than $600, married low-income taxpayers with a tax liability of less than $1,000, and small accounts of $150 or less of annual interest. All these are exempt.

As I said earlier, all you need do to complete this W-6 exemption form, this complicated form we are told that the bankers tell us about, is to fill in your name, address, social security number, State, account number which is sometimes the same as the other number, and then you check one box. You do not have to check that you are 65 or that you are poor. You just check a box and are exempt and sign your name. That is it. The exemption lasts forever unless you revoke it.

That takes care of the sort of groundwork for the question. The question was, how do we come to put this provision in the law itself? That was stated by the Senator from Missouri. We do have a budget process. It

may not be perfect. Some of us do not like it. Much of the direction comes to the Finance Committee because we have a lot of jurisdiction. We must review all of the revenue, medicare, medicaid, SSI, social security, and trade legislation. So we get a pretty good part of whatever instructions the Budget Committee may give.

One thing they requested, and in the past Congress it became our responsibility, was to raise $98 billion over a 3-year period. One of the items in the final package of that was withholding on interest and dividend income. That provision was not a new tax, but was designed to boost tax compliance.

I should say that when Senator GRASSLEY, the Senator from Iowa and I introduced our tax compliance provision I think on March 11, 1982, it did not contain mandatory withholding on interest and dividend income because we knew it would be highly controversial. But let us face it. Sometimes, maybe not very often, but there are times you have to do things that are difficult. That is not the normal way. No one wants to face up to tough decisions. The Senator from Kansas does not quarrel with that, and I am not saying I am an exception, but sometimes you just have to do it.

So we added interest and dividend withholding to the committee's tax bill. That bill became law. We are now met with this avalanche of misinformation and criticism. I do not really believe is what I would call fair campaign tactics. There is no truth in lobbying legislation. The Senator from Kansas is not advocating any, but I am going to make the point that we have had a lot of misinformation and that is why in the streets of Mississippi, in the streets of Russell, Kans., and every other place where we may live people walk up and say, "Why are you taking 10 percent of my savings account?"

The Senator from Kansas was in the Safeway store last Saturday evening and I was asked by a lady there: "I have been wanting to see you. You are the chairman of the Finance Committee. Why are you taking 10 percent of my savings account?" After I explained it to her she said, "Oh, I do not have any problem with that. I pay my taxes."

This issue is not going to get away because if it is not discussed here it will be discussed on social security. But I would again make the point: It is my understanding that the jobs bill is high priority. It is my understanding that according to some repealing of interest and dividend income is of high priority.

I guess we have reached the point where we have to make the choice which has the greatest priority because if we do not settle it here we have to settle it on something else, and this battle is going to be fought over and over again.

I believe that the President should state once and for all that "I am going to veto legislation that repeals this provision." It is the President's provision. It is an $11 billion provision in 1984, 1985, and 1986 which is just about the cost of a 3-year jobs program.

Maybe some will say that it does not make any difference. What is $11 billion? In the deficit we have maybe another $3 billion or $4 billion or $5 billion, or $11 billion would not make any difference.

But, it does make a difference to this Senator. I think we need to talk about it. We need to discuss it.

The Senator from Iowa and I tried the approach of trying to collect the revenue through improved information reporting. We could not tighten it up enough without even being more burdensome to banks and without creating more paperwork and more regulation on so-called savers.

The Senator from Kansas does not quarrel with the Senator from Mississippi. He said, "Well, there are just some things we should not do."

It seems to this Senator the one thing we should do is to try to make the system fair. We are told that 5 to 6 million people did not file tax returns 2 years ago. Many did not file because they do not think the system is fair, that it is geared to help the rich and the upper income who can shelter all their income from taxes or a lot of it—not the wage earner. His compliance rate is 98 percent, 99 percent or more in the case of taxpayers who file returns.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield for a question to the Senator from Montana.

Mr. MELCHER. Mr. President, the Senator is making the point about the unreported interest. The banks, savings and loans, credit unions, and other institutions have to send out form 1099's that show the interest income per person.

Why does the chairman take for granted that the word of the IRS is that they do not have the authority—they certainly have the authority—that they do not have the ability to match those 1099's with the tax returns of individuals? Why not go that route?

Mr. DOLE. That is a good question, the same question this Senator raised with the Commissioner of Internal Revenue.

I said if we have gone too far is there some other way to do it? Can we match 1099's? Let us do it. That is the same question we asked the Commissioner early in 1982.

Mr. MELCHER. The Senator made a point that, first of all, he said 87 percent of the money was collected, between 87 and 88 percent was collected. Now they are making the point that about 97 percent of it is collected.

Mr. DOLE. That is on wage earners, not on interest and dividend income.

Mr. MELCHER. All right. Does not the Senator get the same type of mail I do, that is not generated by a bank, that is not generated by a savings and loan, that is not generated by a credit union, but is generated by an irate taxpayer who has talked to his accountant and found out what this is going to entail? Does not the Senator get thousands of those letters, as I do, that are from the salaried people who are the wage earners, who are the farmers, who are the ranchers, who are the ordinary folks?

The Senator has said the banks have the power.

Mr. DOLE. They have.

Mr. MELCHER. Maybe they do, but they do not control this Senator. My letters are coming to me handwritten with a stamp on them from individual taxpayers who say this is an outrage.

Does not the Senator get that type of mail?

Mr. DOLE. I must say I have probably gotten as much as the Senator from Montana because a lot of it is just addressed to the chairman of the Finance Committee, so I have gotten the Senator's letters and my own letters. I do not quarrel with the fact that some people are not going to like this, and they are not dishonest taxpayers. They are honest taxpayers. A lot of people did not even know they were supposed to pay taxes on interest and dividend income; they think this is a new tax.

If we want to adopt as a policy in this Congress that everyone can report 87 percent of his income and not the other 13 percent then let us make it fair for everyone and extend it to all of the wage earners—why should they have a 97-, 98-, 99-percent compliance rate and those with money in the bank or dividend income have an 85-, 86-, or 87-percent compliance rate?

We want to give everybody the same break and say, "OK, report all the tax you owe and then take off 10 percent because that makes you in line with those who have interest and dividend income."

I will be glad to respond to the question, which was answered in a letter on March 2 from Don Regan because there have been some stories going around they have a 97-percent compliance rate on interest and dividend income because that is not a fact and if the Senator has that question in mind, I will respond to that.

Mr. MELCHER. I think the Senator has already responded to it when he said the 97 percent are the ordinary folk.

Mr. DOLE. The wage earner with respect to his wages, the compliance rate for ordinary folk with respect to interest and dividend income is only about 90 percent.

Mr. MELCHER. Does that include farmers, too? Can you call them wage earners?

Mr. DOLE. The farmers' rate is pretty high, but it is not that high.

Mr. MELCHER. That is where my mail comes from, that is exactly where my mail comes from, from those folks, and they are outraged. They think this is just one more tough paperwork requirement they have to comply with.

I have looked at these forms. How do you know in your business if you are going to know whether you are going to pay $1,500 this year so you are not eligible for the withholding exemption.

Mr. DOLE. If the Senator will yield, if you know that you paid only that tax last year, you are exempt. The exemption is not based upon the taxes you will pay in the current year.

Mr. MELCHER. What?

Mr. DOLE. You know how much you paid.

Mr. MELCHER. As I read this form, I could be exempt if my tax liability for last year was $600 or less, or if I am 65 or older, and my tax liability for last year was $1,500.

I just ask this question. The Senator said he thought this issue ought to be debated, and I think it ought to be debated. I just ask this question of my friend from Kansas, if I—I do not want to use "I"; use a Senator, for example—but if a small business person who paid $1,500 in taxes and had a savings account then that person is not exempt, is that not correct?

Mr. DOLE. Excuse me? I did not hear the Senator's question.

Mr. MELCHER. If a small business person has paid $600 and is less than 65, or $1,500 and is over 65, then that person is not exempt?

Mr. DOLE. I think there is a confusion between income levels and taxes paid.

Mr. MELCHER. Please pardon me. I am referring to income taxes paid during the past year.

Mr. DOLE. I see. Again I am not certain I heard the question. But I think the answer is that you can reduce the quarterly estimated tax payments and wage withholding to reflect amounts withheld from dividend and interest. Thus, in many cases there will be no loss of compound interest.

Mr. MELCHER. That is a good answer from the IRS. It sounds good.

Mr. DOLE. It is from the Treasury and the staff of the Joint Committee on Taxation.

Mr. MELCHER. Is the answer to the question yes or no? Is the person going to be exempt or not?

Mr. DOLE. The person who has what, $600?

Mr. MELCHER. Paid $600 in taxes last year, or is 65 years or older and paid a tax of $1,500.

Mr. DOLE. They would not be exempt, no.

Mr. MELCHER. They would not be exempt. So that places small business persons in a position where it is going to be withheld.

Mr. DOLE. As I have indicated, they can adjust for that on their estimated payments and quarterly payments.

Mr. MELCHER. I think that answers the question.

People are quite outraged that another complicated form, not necessarily complicated but just another red-tape form, is put on them that they have to have reviewed by their accountant, whoever that might be, or reviewed by H&R Block.

Mr. DOLE. For the couple there, I think $2,500 in taxes translates to an income level of about $22,000, such a couple would be exempt.

Mr. MELCHER. That, Senator, is only for the couple who are 65 years and older.

Mr. DOLE. Right.

Mr. MELCHER. Mr. President, there are several points that ought to be answered. I am delighted this matter is being debated now, it does not have to be debated very long. We can just vote on it and have a test as to where the votes lie. I do not think there is any real desire to prolong consideration of it, but there are several points the Senator from Kansas has raised.

First of all, this question about, whether the banks are calling the shots on whether or not this should be repealed. Well, I think perhaps it is popular here on this floor, as it is popular in Montana or popular probably in many States, to flay the banks a little bit. After all, they charge pretty high interest and perhaps that can be dramatized as being for the people. But I do not believe that the banks or the savings and loans or the credit unions taken all together in one cluster really have the capability to stir up the people of this country as much as they are stirred up over another intrusion by IRS into their business and into their private lives.

There are a lot of people who draw a small amount of interest, there are a lot of people who, having drawn that small amount of interest and counting on it during the course of the year, do not want it withheld. A great percentage of those people really will not owe 10 percent of that interest when the year is over.

Much has been made that, "Well, they can file this form, a W-6 and W-7 form," and if you are under 65 and the taxes you paid for the preceding year, were $600 or $601, it is going to be withheld. The exemption does not apply to many. So they have their, some of their, money withheld, and then it is accounted for at the end of the year. They do not owe that tax and they file and get it back eventually in the next year. That brings us to the point of how much revenue there really is in this. During World War II Congress passed the Ruml Act, I think it was called that, to withhold taxes from wages and salaries now rather than paying them at the end of the year, and that generated a tremendous amount of cash flow at that particular time. A lot of people resented it, but over a generation it has come to be accepted. But this is a little bit different. This goes beyond just talking about how much tax you might owe on wages or how much you might owe on salary. This goes into what people think is meddling, and I agree. But $4 billion that is described as additional income is, first of all, because the taxes will be collected early, and, second, because there are going to be more taxes collected than are owed, and the reason for that is simply because of what I first described, some people who have some interest coming, and they were taxed over $600 in the preceding year, they are going to have the 10 percent withheld and they are not going to owe it at the end of the year so they are going to have to file to get it back.

I do not know, I never have been advised, although I have searched, for the computation by IRS, I do not know what is estimated it is going to cost the Internal Revenue Service and therefore cost the Treasury of the United States to make those adjustments.

In other words, you receive it from the taxpayer that overpaid, and they file for their overpayment back. And I really do not know how much that is going to cost the IRS. But that is going to eat into that $4 billion generated because of early collection.

Much is made of the fact, "Well, there are a lot of people that are not paying their taxes." Well, I do not think the people who are upset are the ones that are not paying their taxes. First of all, the interest they earn on their money in a savings and loan or credit union or bank savings accounts or CD, certificate of deposit, the institution fills out that form, the 1099 form, and sends it to everybody that has received $2 worth of interest.

I was amazed to learn that it was not essential that individual taxpayers attach that form 1099 to income tax returns. If IRS was really worried about this, I suggest the first step would be to require that each taxpayer attach the form 1099 showing that interest income to the taxpayer's income tax return.

But I think the average person, and surely the group that has been described by the Senator from Kansas as

the wage earner and the small-income-type people, always pay their taxes. I do not think it is any problem to look at those that do not file their 1099, have it cross-checked by IRS through computers, and then find out who is not paying their taxes. After all, that is who the IRS and the U.S. Congress and the people of this country want—to make sure they pay their taxes, the ones who have been avoiding it.

So, in order to justify this unwise provision of last year's tax bill, this is all trotted out as a justification. I do not think it washes.

The cost of withholding is another matter. And there are two costs. Besides the IRS there is the cost to the institution. They set up their computers, or whatever they are going to use, or whatever their ledger system is. That is going to be a cost. It is estimated that it is about $1½ billion for the first-year cost. It will go down after that.

Mr. DOLE. Will the Senator yield at that point? I wonder if the Senator could furnish us more details on those estimates. We have been trying to find out from the American Bankers Association how they came up with that figure of $1.5 billion, but we cannot get the information. They appear to include lost opportunity costs, to seek to make a profit on withholding. Maybe it is just because of the person who requested it. Maybe if the Senator requested it they could inform us about that. That is one of the big points they make in their advertising. If they cannot back it up, they should not be making the statement.

Mr. MELCHER. First of all, you ask the credit unions how much they estimate it is going to cost them, then you ask the savings and loans how much they think it is going to cost them, and then you ask the bankers and they will all give you a figure. But I am here to tell you, without going into the rest of it—the States are also obliged to pay and they do not have any figure yet. They are obliged, and all of their bonds that they sell that are going to generate interest to individuals, to prepare a form, also. So I think the $1.5 billion for the first-year cost is probably very much underestimated. But I repeat, that is a first-year cost and it will go down after that.

I do not, however, think that is the best argument against this provision in the tax bill. The real argument against this provision is that people—ordinary taxpayers—are very much fed up with filling out forms that are a responsibility to them to doublecheck on whether or not they paid all of their taxes. When you get the 1099 forms from all the various institutions a taxpayer might have—he might have three or four little savings accounts or dividend receipts from somebody—he has those available and puts that information right in his tax return. That ought to be enough.

Well, that does not get away from the argument about, "Well, let us have the Ruml plan repeated." In other words, collect the money that would be due at the end of the year, collect it during the year. That is a good argument to make. But my point on that is it is not worth it because the $4 billion that is estimated by IRS to add to the Treasury costs the individuals as much confusion and as much effort and as much time and as much extra accountants or H&R Block or whatever the service that eats up that $4 billion. Then when you deduct whatever it is going to cost the IRS to refund what has been overcharged because they really do not owe 10 percent on their interest—they do not owe that much tax money on that amount of income because their situation is different, they have a loss this year or did not work or maybe they are living off their interest—you find out that that eats into the $4 billion per year also. Then you really do not have much left.

The real question is, Is it proper to impose on the individual and on small businesses this extra burden? I do not think it is. That is why I am very much in favor of repealing withholding. I was not for it all last summer and I am very much interested in seeing it repealed now.

Much has been said about what banks think about this, what the savings and loans think about this, and what the credit unions think about this. But I would like to point out what the certified public accountants think about it.

Mr. DOLE. Will the Senator yield?

Mr. MELCHER. I am delighted to yield at this point.

Mr. DOLE. I do not want to interrupt the Senator's point.

Mr. MELCHER. I will get back to the certified public accountants.

Mr. DOLE. Mr. President, in 1962, the Kennedy administration proposed a 20-percent withholding and it passed the House. I do not know when President Carter proposed 15 percent, but President Reagan proposed 5 percent and we made it 10 percent because we needed the revenue.

But the point is that most taxpayers at that rate are going to be underwithheld, since the 10-percent withholding tax is lower than the lowest marginal tax rate for taxable individuals at 11 percent in 1984. It is below the lowest marginal rate. Do you think that is going to cause any problems?

I want to touch on one other thing. The Senator from Kansas pointed out earlier that we do not want the banks to have to undergo any cost or the savings and loans or the credit unions. We devised what we call a float. We allow the banks the use of the money for a period sufficient to recover their cost.

I quoted earlier what the Bank of America said about this. Yesterday I received a letter from the chairman of the board of the Bank of America in which he indicates that they can probably break even, on a 30-day float, they could probably break even in a period of 24 months on a 30-day float, even with today's lower interest rate. The current float is 30 days for 12 months for his bank. Smaller institutions receive up to a 3-year float. I just want the record to show that some financial institutions do not agree with the statements that have been made here today.

I think there may be some that feel the IRS is out trying to get them to do something, at their cost and a cost to their customers for the Federal Government. I believe the law is clear: The float is intended to compensate the banks and other withholding agents for their direct costs. If the drop in interest rates has thwarted our interest, we need to know that.

The banks in my State, the banks in the Senator's State, the banks in California, the big banks, little banks, middle-sized banks, are engaged in a service and it should not cost them money to set up the withholding system.

Mr. MELCHER. What the Bank of America gets on a 15-, 30-, or 45-day float is going to come right out of the pockets of those people whose money it really is. It is not the bank's money. It is coming out of the pockets of their savers.

Mr. DOLE. Does the Senator think he ought to go in and buy one of these new money market accounts for less than $2,500, if he is concerned about the savers? Why have passbook savings at 5.5 percent?

Mr. MELCHER. The answer to that is a profound, ringing yes. So, that is the next point of interest you are going to bring up in the Finance Committee? If it is in order to threaten the savings and loans or banks, all right, I am for it. Threaten them. Maybe we have the votes to pass it.

Mr. DOLE. The Senator from Kansas would not try to threaten anyone any more than the Senator from Montana would try to threaten them. We are harmless. They know that.

Mr. MELCHER. But my vote is yes.

Mr. DOLE. Maybe you will get a vote on it, before we are finished.

Mr. MELCHER. When we talk about the Bank of America, let me just state this. Their floats and other people's floats are different. The float is not going to do any good for the little savings and loan in Deer Lodge, Mont., that does not have a computer. It does not have a computer to figure this out. In the first place, they will have to spend $6,000 a month renting comput-

er time so they can comply with this withholding.

Mr. DOLE. The Senator is correct. But the law already provides the small institution with three times the float we gave larger banks.

Mr. MELCHER. It is the savings and loan in Deer Lodge.

Mr. DOLE. We will be glad to extend the float for Deer Lodge. Would that bring the Senator on our side?

Mr. MELCHER. No, and it will not bring Deer Lodge to your side either.

The Bank of America is one that would support this because they do not really want to get in the crossfire right now. They have to have enough money in that bank to cover some of their losses in Mexico. It is going to be very apparent that they want to stay in as good a position with everyone they can here in Washington.

Mr. STEVENS. Will the Senator yield for a question?

Mr. MELCHER. Yes.

Mr. STEVENS. I am one of those conservative types who never liked withholding at all. Why not repeal all withholding, if that is the Senator's position? I supported the Finance Committee and the Senator from Kansas on this withholding provision last year. I am getting tired of having money withheld from my salary and my children's salary to pay taxes, and then find out that there are people out there with unearned income who do not pay taxes. We do not hear complaints from people who pay taxes. We hear complaints from people who did not realize that interest income is subject to taxes. My staff figured out if you have $1,000 in the bank and you are going to pay the taxes anyway, this provision loses you 50 cents a year. The difference is if you repeal withholding, we are going to lose badly needed tax revenue.

I assume the Senator would be in favor of doing away with the 10 percent tax cut in July as a means of making up the lost revenue. That means a great deal to the people in my State and we want to see it maintained. I do not want to lose this money and do away with the 10 percent tax cut in July.

Mr. MELCHER. First of all, to respond to this, if there is a fair way of collecting taxes from all the people of this country—there ought to be a fairer way or a better way, rather than withholding—we should consider it. But it has to make up the same amount of revenue. What I am saying is that this is not a fair way of collecting additional revenue. It will only collect $4 billion at the most. That is all anybody has ever said. That is probably overestimated. And probably part of that will have to be returned to people from whom it was collected who did not owe that much taxes.

Mr. STEVENS. Even to Alaskans $4 billion is still a lot of money.

Mr. MELCHER. I am only talking in relationship to whether or not you are replacing the whole process of withholding taxes. I am only responding to that; $4 billion is a minor part of that, so I am just responding to that case.

Of course, it is a great amount of money. It is a bigger amount of money in Montana. We have not had the capability of having tax refunds to the citizens of Montana as in Alaska. We do not begrudge that to Alaska. We admire that.

Mr. LONG. Will the Senator yield?

Mr. MELCHER. I yield.

Mr. LONG. There is no doubt in this Senator's mind that the Government can get this money, that the IRS can collect whatever they say they are not collecting. It could be collected. All they have to do is to hire themselves some young lawyers on a contingency basis as people do just to collect bills, to put a bunch of young lawyers on the payroll, on a commission basis, letting them keep 20 percent of what they collect.

The IRS has all the information they need. The banks and the savings and loans institutions are required to provide all the information right now. The banks tell me that as far as they are concerned, they would be glad to make available the information they have on their computer tapes, so that you could put a telephone call in from anywhere, from Washington or anywhere else, and get that information.

All they have to do is to hire young lawyers and they can go out and collect the money. While they are at it, why not collect a lot of other money that is due out there that they never bothered to go after, money from gamblers and goodness knows who else?

Why do they not do that kind of thing? It seems to me that the answer must be that they just do not want to be bothered. The IRS likes to target some prominent person, a Member of Congress would be a good target, or take a prominent person in the community, to pick that person out, hold him up to public scorn, prosecute him, and scare the daylights out of all the other people.

By now, the rank and file people know that that gun is not loaded. The IRS does seek to make exemplary cases of these small people. They prefer to like to pick prominent people, well-known people, well-regarded people in the community. They go after those people and make a big thing out of it. They get a lot of publicity. Then they count on other people coming in and paying up.

It seems to this Senator that this ought to be changed. We should provide them with the authority to hire themselves as many lawyers as they need on a contingency basis to go out and collect this money. While they are at it, they ought to take a look at any other taxes those people might owe. The information is there.

Can the Senator explain this to me: When we put in the law that the banks and savings institutions have to provide all this information, and the Government has all the information because it is receiving this information, why do they not use it?

Mr. MELCHER. I think the Senator from Louisiana has made a very telling point. He is the proper person to make that telling point. I have not been here nearly as long as the Senator from Louisiana, but in the 14 years I have been in the House and the Senate I have not noticed any time when authority to collect taxes that are due was not promptly given to the Treasury Department and the Internal Revenue Service by acts of Congress. They have gotten everything they asked for in that regard.

What they are asking for here is somebody else to do the job for them.

Mr. LONG. May I just suggest to the Senator the reason why I think the IRS does not care to fool around with that? They would rather not be bothered. They would rather make the bankers, corporate executives, just like employers, go and collect all this money and send those taxpayers up to the IRS saying, "Will you please give me back some of my money?"

That is how they want to do it. They want to take your money. They do not want to ask you for it. They do not even want to go after it. They want somebody to withhold it, turn it over to them, and then have the taxpayer come in and say, "Will you please give me back some of my money?"

Mr. MELCHER. I think the Senator is absolutely correct.

I do want to respond to the second question raised by the Senator from Alaska.

Mr. STEVENS. Will the Senator yield?

Mr. MELCHER. I yield.

Mr. STEVENS. If a college student goes to work in the summertime, and he does not file an exemption certificate they withhold from his salary for the full amount as though he is working all year. They can file a certificate. Everybody has been handling those certificates for years. If someone has been out of work for 4 or 5 months and they go to work, the very first week, guess what? They have the full amount withheld as if they were going to work all the year, whether they do or not. The difference you cannot see is that people who are earning income are doing this all the time. This concept will now be applied to those who have unearned income. It is high time those who get unearned income are treated the same way as people who earn income.

(Mr. HECHT assumed the chair.)

Mr. MELCHER. If the Senator is making the point that an exemption for the college student, who signs the form so his taxes are not withheld——

Mr. STEVENS. That is the same as this case. The college student has the same burden although most of them do not do it. Exemptions are provided under this withholding provision.

Mr. MELCHER. If the Senator had been in here earlier, he would have heard us discussing what exemption is allowed. If you are under 65 and single and you have paid a tax during the preceding year of $601, you cannot file this exemption form.

Mr. STEVENS. Why should you?

Mr. MELCHER. Let me give a couple of examples.

Mr. STEVENS. If you earned the money you owe $600 on, you would not be able to file that form unless you qualified under the wage withholding exemption. My point is we should generally treat people who get unearned income the same way as the people who earn income.

Mr. MELCHER. I am going to answer the Senator by giving two examples. The first is the case of a person who paid taxes of $601 last year on income earned and this year is not going to earn enough money to pay $601 in income taxes. That is the first example.

The second example is the person—I shall go to the next exemption, the single person who is over 65 and who paid taxes of $1,500 last year, which may have been more than ordinarily that person would ever pay again, but he is going to have to have the 10 percent withheld on the interest, on the earned interest.

Mr. STEVENS. What is wrong with that, I ask the Senator?

Mr. MELCHER. I shall say what would be wrong with it. In this instance, I am talking about a person who, through some reason, over 65, was obligated to pay $1,500 last year but would not be obligated this year and was not obligated the year before, but is going to be, because of this new law. You have 10 percent of this earned interest withheld for tax purposes.

Mr. STEVENS. Suppose you have the same circumstances for persons earning income and for 2 years, they had losses which enabled them to get their money back. The third year, they did not. They still withhold from that income. Why can we not we treat people who are getting unearned income the same way we treat people who are earning income? That is the principle here.

I think the public ought to wake up. There are 21 million people getting interest income who are not reporting. How many million does the Senator know who are working for wages who are not reporting it?

Mr. MELCHER. The Senator has raised a new figure. We tossed around 87 percent of the money that is collected and we tossed around 97 percent of the money collected from those who are wage earners.

Mr. STEVENS. Let me correct the figure, Senator. Twenty million individuals who have interest income are not reporting it. Let the Senator show me 20 million individuals who are earning their income and their employer is not withholding it and I shall cry all the way to the bank with him.

Mr. MELCHER. As soon as the Senator will show me where those 20 million people are who have those 1099 forms filed by the savings institutions or whoever it is and not paid their taxes. Show me 20 million people who have the nerve to cheat the Government, if there are that many—I do not believe there are. But if there are that many, the IRS simply ought to crosscheck and turn up one almost the first minute they crosscheck, if there are 20 million.

Mr. BOREN. Will the Senator yield? I am having trouble following this argument.

Mr. MELCHER. Yes, I yield.

Mr. BOREN. I agree with what the Senator from Montana said. If there are any financial institutions not filing 1099's, I do not know them. The IRS ought to have to report on every single saver in this country who has money in a financial institution, every single one.

I heard the Senator from Alaska saying that the financial institutions are disobeying the law and not sending in the 1099 form. I am sure the Senator from Montana has seen this. This is a report from the IRS dated July 1981, Research and Operations Analysis Division, Office of the Assistant Commissioner, Planning and Research. It is a study of information returns, tax years 1975 and 1976.

This is not some industry publication, it is the Internal Revenue Service. It says on the back page—and I shall be glad to enter it into the RECORD—that they find, after having matched up and examined 224.9 million information returns out of a total of what they estimate to be 471.6 million filed in 1975, they found a 97-percent compliance record. That was in 1975-76. Surely, the compliance rate has not fallen and they have not regressed to such an extent under this administration in the last year, we have not regressed to that point.

I simply do not understand where these figures are coming from and why, as the Senator from Louisiana said earlier—they have the information. Is there one single 1099 by one institution that is due to file? How many 1099's—that is the question I think the Senator from Montana is trying to get. How many 1099's have not been filed by how many financial institutions?

If they are not filing them and not giving the IRS the information, let us go after them. Let us not go after the poor individual saver around here who already has so much paperwork and is harassed by the Government day after day.

Why not do what this President said he wanted to do, one reason why I supported his first budget, get savings up in this country?

It would be interesting to go back and read the statements of the Secretary of the Treasury himself when he was in private industry, opposing the proposal of an earlier administration of another party for this idea. It was so evil then, it was so wrong, it would discourage savings. I wonder what miraculous thing has happened and why we have regressed.

Mr. STEVENS. Will the Senator yield?

Mr. MELCHER. The Senator from Oklahoma is absolutely correct on that point.

May I add something to that on the letters I receive—the point has been made by the Senator from Kansas and the Senator from Alaska that some of these people who are writing to us do not know they owe any tax on the interest. I find that is not in my mail, first of all. I do not get those kinds of letters. I have not gotten any letters from people in Montana who say they are not aware that earned interest becomes taxable and has to be counted in with the rest of their earnings.

Why would they? They get the 1099 form that says, this is the amount of interest we have paid to you and it is subject to taxation; turn it in to your accountant or whoever figures your tax return.

Mr. DOLE. Will the Senator yield?

Mr. MELCHER. The second point is—I shall yield in just a minute.

The second point is that the certified public accountants—we get many of those letters from certified public accountants who say, first of all, this is a very confusing law and it is a very unjust law and it is pretty much unworkable.

Second, they say they are not going to be obligated to collect the money and they will so advise their clients.

I yield.

Mr. DOLE. The American Institute of Certified Public Accountants has endorsed withholding. The Senator may get some letters from accountants, but their principal trade group, the group that keeps track of all these things for accountants, supports this.

I want to point out, if I may, before we get around to this 97 percent—that is some more misinformation the banks are distributing. We ought to correct the record; 13 million form 1099's on interest and 5 million form

1099's on dividends are in error that come to the IRS. They are not correctly filed by the banks or other payors. People ask, why do they not match them up? Because 18 million do not have on them the social security number or something else is missing. So they cannot match them up.

Mr. MELCHER. I think the Senator from Oklahoma said there are 400 million 1099 forms. So I do not know, it seems to me, that the Senator has given us a smaller percentage of errors than would be in withholding or in IRS' calculations or anybody else's.

Mr. DOLE. That 400 million figure is for all 1099's, not just those for interest and dividends. The latter number is considerably smaller. The percentage of erroneous 1099 information reports hiring out to be 11 percent. Could I continue then? I do not want to interrupt the Senator's thought. I think he is against me.

Mr. MELCHER. Sure. I did not know I interrupted the Senator. I thought he had made the point.

Mr. DOLE. I did make the point. If the Senator is satisfied, then I will stop. But I want to get into that 97-percent figure. Maybe I can do it on my own time. I do not believe that the Senator from Oklahoma fully understands what that figure is. I do not know what he is reading from. I want to read him a letter that he and I got just last week from the Treasury Secretary.

The 97-percent figure is not an accurate one. The purpose of that study was not compliance, and I have the information. I would like at the appropriate time and I get the floor to discuss that in a couple or 3 days.

Mr. MELCHER. I ask unanimous consent that the study by the Research and Operations Analysis Division from the Department of the Treasury that the Senator from Oklahoma mentioned be made a part of the RECORD at this point, a study conducted on 1975 and 1976 returns and was made available to the public in July of 1981.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

STUDY OF THE INFORMATION RETURNS PROGRAM (IRP) TAX YEARS 1975 AND 1976

BACKGROUND

The Department of the Treasury and the Internal Revenue Service are urged by House Report No. 94-167 [1] to develop reliable current estimates of unreported income and resultant tax loss from wages, interest, dividends, rents, royalties, and all other non-wage income, and to provide such data to the Congress. This information is needed by the tax writing and oversight committees, so that they can be informed of the magnitude of unreported income and resultant tax loss.

An IRS report published in 1979, "Estimates of Income Unreported on Individual Income Tax Returns," [2] attempts to answer the questions raised by the Committee on Government Operations. Specifically, the report contains the following estimates of income unreported on individual tax returns for TY 1976, for both filers and nonfilers.

[In billions of dollars]

Type of income	Lower estimates	Higher estimates
Wages and salaries	21.3	26.8
Interest	5.4	9.4
Dividends	2.1	4.7
Rents and royalties	3.2	5.9
Pensions, annuities, estates and trusts	3.6	5.4
Capital gains	3.9	5.1
Self-employment	33.0	39.5
Other	2.3	2.9
Total [1]	74.9	99.7

[1] Sum of components may not add to totals due to rounding.

The Internal Revenue Code and the U.S. Treasury Regulations require payers of certain categories of income to file annual information returns and to report such payments to IRS. The matching program compares these information returns (principally forms of the W-2, 1099, and 1087 series) with the income tax returns filed by the recipients so as to detect and follow up on underreporters and nonfilers. To the extent income unreported by the recipients is reflected on information returns processed by IRS, the information returns matching program constitutes an efficient vehicle for narrowing the unreported income gap.

The report describes two research studies based on a sample of information documents covering payments to individual income recipients during calendar years 1975 and 1976. These studies attempt to measure the amount of unreported income and associated tax loss which is capable of being detected through the Information Returns Program (IRP).

The first study looked at about 32,000 TY 1975 "in sample" IRP cases; the second involved a subsample of about 12,000 "in-sample" TY 1976 returns which were part of the individual income tax Taxpayer Compliance Measurement Program (TCMP) and for which IRP transcripts had been secured after the close of the TCMP examination. The purpose of the latter study was to evaluate the benefit of having an IRP transcript available at the time of the examination, as well as to evaluate the effectiveness of TCMP in uncovering unreported income subject to information reporting.

Although the nature of the TY 1976 TCMP/IRP study excluded consideration of nonfilers, this area was originally included in the TY 1975 study. As explained in Appendix I which describes the study in more detail, however, the nonfiler portion of the TY 1975 study provided unreliable data. Findings pertaining to nonfilers, therefore, are not included in this analysis; a separate study of nonfilers (TCMP IX-1) is currently being conducted and initial results will be available in 1982.

FINDINGS

The TY 1975 study focuses on the Service's IRP program and analyzes compliance in terms of whether and to what extent taxpayers reported on their income tax returns that income reflected on information returns matched by IRS. The TY 1976 study is based on TCMP examinations, augmented subsequently by analysis of the information returns processed by IRS with respect to the sampled taxpayers. These studies compliment each other and together tell an important story.

1. Voluntary compliance in reporting income covered by information returns is ostensibly high. For the TY 1975 study, Table 2A shows compliance rates determined from the income as reported on the tax return in relation to the income as corrected after review of information documents. Table 2B shows comparable data from the TY 1976 study.

Table 2A.—Comparative compliance rates tax year 1975 IRP study

[In percent]

Type of income reported on IRP documents:	*IRP voluntary compliance level*
Wages	99.9
Rents and royalties	99.8
Pensions and annuities	98.9
Medical payments	[1] 100.0
Partnerships	99.8
Commissions and fees	99.6
Estates and trusts	99.1
Small business corporations	99.9
USDA support payments	93.4
Other income	97.4

Table 2B.—Comparative compliance rates tax year 1976 TCMP/IRP study

[In percent]

Type of income reported on tax return:	*IRP voluntary compliance level*
Wages, tips, etc	99.8
Rents and royalties	99.9
Pensions and annuities	98.0
Partnerships	99.4
Estates and trusts	99.1
Small business corporations	97.3
Schedule C [2]	[1] 100.0
Schedule F [2]	99.8
Other income	90.8

[1] The 100.0 percent figure results from rounding.
[2] IRP documents were available for only a minor portion of the gross receipts reported on these schedules.

Mr. BOREN. Will the Senator from Montana yield?

Mr. MELCHER. I would be delighted to yield.

Mr. BOREN. Mr. President, I am proud to be a cosponsor of the amendment being offered by Senator KASTEN to repeal that portion of the Tax Equity and Fiscal Responsibility Act (TEFRA), which would require banks and other savings institutions withhold 10 percent from interest and dividend payments beginning July 1, 1983. We who have been sponsors and cosponsors of legislation designed at eliminating this provision of TEFRA have heard it said that this is a bankers issue. Had you been with me on my travels around the State of Oklahoma during February you would know that this is not a bankers issue, it is a people issue. In every town I visited concerned citizens came to me asking that I work to repeal this measure. My office has been inundated with mail from Oklahomans outraged that the

[1] "Effectiveness of the Internal Revenue Service's Income Information Document Matching Program, Thirty-third Report by the Committee on Government Operations", September 23, 1976.

[2] IRS Publication 1104(9-79).

Federal Government would penalize the majority of Americans who lawfully pay their taxes just to get after the few people who cheat. Many of these letters were hand written and not just postcards or Xeroxed letters.

I gladly voted for striking this provision from TEFRA on July 22, 1982. A vote I might add that only failed by one vote. I believed then, as I do now, that withholding will have a devastating impact on the elderly and lower income families. If you think the mail we have received up to now is bad, I submit that we should just wait until the withholding law actually goes into effect. Many elderly and low income people will be overwithheld and they will come to the Congress and ask us how we could allow this to happen. Proponents of this measure have attempted to get around this problem by proposing regulations that exempt older Americans and others who expect to have little tax liability. Yet, the fact of the matter is that by placing the burden on the individual to exempt himself from withholding, the tax brings many elderly people into the taxpaying system who have been out of it for years. It is for just this reason the American Association of Retired Persons (AARP) worked to try to defeat this provision last summer.

Further, I find it interesting, to say the least, that the Federal Government found it necessary to exempt itself from its own rules. As the Treasury news release of March 2, 1983, states, it will ". . . defer the effective date for withholding with respect to original issue discount instruments until January 1, 1984." They are, in effect, telling banks and other savings institutions that they must begin withholding on July 1, 1983, while the Federal Government will be given a 6-month reprieve to determine if there is any logical way to institute withholding on original issue discounts such as Treasury bills.

Finally, from the point of view that a withholding tax on interest and dividends is necessary to raise sorely needed revenues, I would site an Internal Revenue Service document which shows that compliance could be raised to around 97 percent simply by matching information returns. In the "Study of the Information Returns Program (IRP)" prepared by the Research and Operations Analysis Division of the Internal Revenue Service it is stated that the IRS was able to process 224.9 million information returns out of the 471.6 million filed in 1975. This means that in 1975 a little under half of the information returns filed were matched with the income tax returns filed by the recipients so as to detect and followup on underreporters and nonfilers. It would seem reasonable to me that the advances in technology made in the last 8 years would make it possible to improve upon this percentage thereby negating the need for a withholding system.

In conclusion Mr. President, I would urge my distinguished colleagues to support the Kasten amendment. In an attempt to get at the small percentage of taxpayers who fail to report their interest and dividend income, Congress has enacted legislation which would penalize the nearly 90 percent of American taxpayers who have honestly paid their taxes all along. It seems abundantly clear that the enactment of the 10 percent withholding provision was a serious mistake.

I thank the Senator.

Mr. MELCHER. Mr. President, I should like to read from——

Mr. DOLE. Will the Senator yield for a question?

Mr. MELCHER. After I respond to this one point that the Senator just raised on noncompliance in his previous question.

I should like to submit for the RECORD the last paragraph on the report prepared by the staff of the Joint Committee on Taxation dated March 19, 1982.

I will just read it into the RECORD. It is only one long sentence on the subject matter of increased Internal Revenue Service enforcement efforts.

> The ultimate deterrents to noncompliance are Internal Revenue Service enforcement efforts and the penalties imposed on taxpayers who fail to comply.

Now, they made their point there, but the next sentence helps, too. It says:

> Thus, an increase in compliance could be expected from increased spending on Internal Revenue Service enforcement activities including increased audits of tax returns and from increased penalties.

So that is what the Joint Committee on Taxation said would be the way to get the increased revenue as of March 19, 1982, that as I just said was prior to us passing this ill-conceived tax change.

Yes, I would be glad to yield to the Senator from Kansas.

Mr. DOLE. I just want to know if I might get the sponsors of the amendment to agree to a perfecting amendment to repeal all withholding. If you do that, we can vote right away. Put repeal of wage withholding in with withholding on interest and dividend income. You certainly do not want to hurt the poor working people in this country just to protect the banks. I would broaden the amendment to wipe out all withholding.

Mr. MELCHER. The Senator from Alaska has asked that question.

Mr. DOLE. I have the amendment right here. It is drafted. It will not take long.

Mr. MELCHER. The Senator from Alaska asked this question previously, and my response as one Senator is simply this, that there must be a fairer way of taxing than we are doing

Mr. DOLE. Let us get to the issue.

Mr. MELCHER. If we can find a fair way of taxing, a better way of taxing that is more fair affecting everybody than withholding and we will collect about the same amount of money—remember, you have to have the same amount of money I would agree.

The chairman of the Finance Committee would have to come up with a method of getting the same amount of money—but the Senator has not presented a better way, and I do no think this little middling, additional burden——

Mr. DOLE. $4 billion?

Mr. MELCHER (continuing). Of paperwork to get the $4 billion as compared to what we get off withholding—what do we get off withholding, $200 billion estimate?

Mr. DOLE. What is that?

Mr. MELCHER. Off of withholding.

Mr. DOLE. The first year?

Mr. MELCHER. Every year.

Mr. DOLE. $20 billion on wages. I do not think we ought to discriminate in favor of the rich against the wage earners.

Mr. MELCHER. How much do we get off the other portion of it?

Mr. DOLE. It is going to be about a 10-percent speedup somebody mentioned earlier. The total effect is going to be $3.8 billion, $4 billion increased receipts each year in about 2 or 3 years.

Mr. MELCHER. The Senator misunderstands me. I do not mean on withholding on the interest. The Senator said repeal all withholding, meaning on wages and salaries and the estimates of the self-employed. What figure are we talking about if that were repealed?

Mr. DOLE. It would be $20 billion revenue loss on wage withholding and then $4 billion on the Senator's proposal. That is only $24 billion, and just add to it the deficit. The proponents of this amendment say it does not make any difference.

Mr. MELCHER. If the Senator and the committee can come up with a better way than withholding that is fair, you can count on me. But I do not think this is fair, I do not think this is effective, and I do not think this is efficient.

Mr. LONG. Will the Senator yield at that point?

Mr. MELCHER. I yield to the Senator from Louisiana.

Mr. DOLE. Could I correct the RECORD?

I said only $20 billion, but that is just compliance.

Mr. MELCHER. I thought the Senator was underestimating.

Mr. DOLE. I spent a lot of time reviewing the debate on this in previous years, and I have listened to a lot of Senators on this floor supporting withholding.

In fact, we are looking for a quote from Franklin D. Roosevelt. I think he is the first fellow who indicated we ought to have it.

I ask unanimous consent that at the appropriate time we might modify the amendment to include the repeal of wage withholding. Then we can dispose of this this afternoon and get on with the jobs bill. I am certain the President would want to repeal all withholding if he is going to repeal withholding on interest and dividend income.

We want to make the point that it is not fair. What the people are seeking on this floor because they have had a lot of mail is not fair and they know it is not fair, but they just do not know how to handle the mail. I will answer it for the Senator if he votes with me.

Mr. MELCHER. The Senator and I have different opinions on what is fair. I think this extra burden is totally unfair.

Mr. LONG. Will the Senator yield on that point?

Mr. MELCHER. Yes, I would be delighted to yield.

Mr. LONG. I believe it is correct that the withholding on wages occurred back in World War II. That was part of the so-called Beardsley-Ruml plan. Back at that time the proposition was that you would get 1 year's tax forgiveness in order to go on to the pay-as-you-go system which brought us the withholding. That was very popular at that time.

May I say that it was a tradeoff. You got 1 year's forgiveness of taxes which, from the point of view of most taxpayers, was a great thing. My impression was that people were telling Congress, "By all means, vote for the Ruml plan to put us on a pay-as-you-go basis. We get 1 year's forgiveness of taxes."

So, from the point of view of the taxpayers who were going to be withheld on, it sounded like a good deal.

In the long run, it was a better deal for the Government, but in the short run it was a very popular thing, and my impression was that the public applauded it.

I was overseas when that happened. Other Senators were, too, I am sure. But I was very pleased to find that I did not have to pay taxes that particular year. I was an ensign or a lieutenant in the Navy at the time, and it was very nice to find out, that when tax time came around, I did not owe taxes for a year. We had the withholding system after that.

When one talks about being unfair, one must keep in mind the context under which wage withholding was enacted. It was a very popular proposition as far as the average worker was concerned, and also as far as most successful people were concerned. They got 1 year of income with no income tax.

Mr. MELCHER. I thank the Senator. I recall that at the time it was widely accepted by the American people for that very point, that the preceding year's taxes were forgiven and tax withheld on that particular year, and that is the way we have gone since then.

Nevertheless, the whole tax situation is a sore subject with the taxpayers at this time, and a lot of it arises because of a difficulty in dealing with the forms that are required by IRS and, of course, the amount of money that is taxed, too.

Mr. BOREN. Will the Senator yield in regard to a slightly different issue?

Mr. MELCHER. Yes, I will be glad to yield.

Mr. BOREN. Is the Senator aware that the Treasury actually increased their own estimates as to how much would be obtained by the speedup of collections in their March 1 estimates in spite of the fact that the rule changes they announced on March 2 would present a longer period of time before some of this money is collected?

Also, apparently the Treasury did not actually take into account the offset which individuals may and will make in their wage and salary withholding, especially those who pay their estimated quarterly returns.

I ask unanimous consent to have printed in the RECORD a study by Dr. Donald J. Puglisi, professor of finance at the University of Delaware, on this point. It casts some real doubt on the accuracy of the Treasury's figures.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

IMPROVING TAXPAYER COMPLIANCE ON INTEREST AND DIVIDEND INCOME

(A Study Prepared by: Dr. Donald J. Puglisi, Professor of Finance, University of Delaware)

The success of our voluntary income reporting and tax payment system depends on our ability to assure the compliance of taxpayers.

Clearly it is as much in the interest of financial institutions as it is of the government to assure that tax cheating is discouraged to the extent possible—and that honest taxpayers are required to pay no more than their fair share.

The only question is—what is the best way to achieve maximum compliance?

In the area of interest and dividend income, obviously the Treasury believes the best way is through withholding on dividend and interest income, as is done in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), effective generally on July 1, 1983.

However, the evidence in this study demonstrates that:

(1) equal or better compliance could be achieved through better enforcement and the more comprehensive information reporting also required by TEFRA; and (2) that the burden of meeting TEFRA's 10 percent withholding requirements would fall hardest on honest and diligent taxpayers who now comply fully by declaring their interest and dividend income. (These would include tax compliers who fail to claim exemptions to which they are entitled, the less-sophisticated who do not adjust their W-2s and estimated payments to compensate for withholding, and taxpayers generally who are already over-withheld upon.)

Note that this study does not recommend the repeal of TEFRA. It recommends that all relevant provisions of the Act remain in force except those imposing a 10% withholding on interest and dividend income.

TREASURY REVENUE ESTIMATES ARE MISLEADING

The revenue estimates supplied by the Treasury Department in support of withholding are misleading. The Treasury will not lose revenue if withholding is repealed. Full utilization of TEFRA's comprehensive reporting and enforcement system would produce more tax revenue than a withholding system.

The Treasury's estimates, which purport to show that withholding would bring in a total of $22.7 billion in tax revenues over fiscal years 1983 through 1988, are unsatisfactory because:

The Treasury tabulates additional revenue which is actually obtained from the expanded information reporting system also included in TEFRA—revenue that will be realized with or without repeal of the 10% withholding provision of the Act.

The Treasury grossly overestimates the benefits of the one-time tax collection speed up.

The Treasury does not take into account the problem of the escape of tax revenues through the exemptions in withholding dictated by administrative and political necessity.

Even so, based on an analysis of the Treasury's own data, it's clear that withholding can be repealed with no adverse impact on Treasury tax receipts. Efficient matching of 1040s with 1099s, and 1099s with 1040s, and followup enforcement with taxpayers who do not file, or who underreport interest and dividend income, will achieve at least as much in tax collections as 10% withholding.

Thus, Congress is not faced with the difficult dilemma of finding alternate revenue sources to replace those lost by the repeal of withholding. The revenue figures can remain substantially unchanged in the budget line items. Only the methods of producing that revenue need be changed to create a more efficient system.

INFORMATION REPORTING IS A SEPARATE ISSUE

The common contention is that withholding repeal would cost $22.7 billion over this and the next five fiscal years. The Treasury figures for tax revenues break down as follows:

REVENUE IMPACT

[In billions of dollars]

	Fiscal year						Cumulative
	1983	1984	1985	1986	1987	1988	
Reporting	0.1	0.4	0.7	0.9	1.2	1.3	4.6
Speedup	.9	3.0	.3	.2	.3	.4	5.1
Compliance	.3	2.3	2.5	2.5	2.7	2.8	13.1
Total	1.2	5.7	3.4	3.7	4.2	4.5	22.7

Office of the Secretary of the Treasury, March 1, 1983.
Office of Tax Analysis.

Note.—Details may not add to totals due to rounding.

On close analysis, each line in this table is open to serious question.

The first line—$4.6 billion—is the Treasury estimate of the expected gain from the requirement of reporting on interest and dividend sources not previously subject to information returns.

It is very significant that for the first time full information reporting is now required for such formerly exempted investments as Treasury and U.S. Agency obligations, corporate bearer bonds, original issue discount instruments (both Government and corporate), jumbo certificates of deposit and U.S. Savings Bonds. (Apparently, comparing the above Treasury estimate with those previously available, no adjustment has been made in FY '83 and FY '84 for a Treasury rule change announced March 2 which excuses withholding and reporting on original issue discount instruments, including Treasury bills, until January 1, 1984). There are also tougher penalties for falsifying numbers.

But that $4.6 billion has no connection with the provision for interest and dividend withholding. It simply does not belong in the discussion. Repeal of withholding is a separate, independent issue. It is important to remember, however, that withholding repeal would not sacrifice this $4.6 billion in Treasury receipts. This is new revenue made possible by the comprehensive reporting coverage provisions of TEFRA.

SPEEDUP BENEFITS GREATLY OVERESTIMATED

The second line—the $5.1 billion speedup benefits of collecting some of the taxes owed on interest and dividend receipts in an earlier rather than a subsequent fiscal year—has no better foundation. This speedup is really a significant item only once (fiscal 1984), reflecting the predicted acceleration in the first full year of withholding.

Interestingly, the Treasury's March 1 estimates increase the speedup effect over earlier projections. However, serious doubt must be cast upon these latest figures because of rule changes announced March 2. The Treasury's new regulations will permit once-a-year withholding collections on passbook, transaction, money market deposit (MMDA), and Super NOW accounts at banks and savings institutions. These categories now represent approximately $500 billion in deposits. Since their inception in mid-December, balances in the MMDAs and the Super NOWs have grown to $300 billion—with continued growth a virtual certainty. No speedup effect will be realized from such interest-earning balances where once-a-year withholding is used.

Even so, the Treasury's estimate does not take adequate account of the offset which individuals may and will make in their wage and salary withholding and, more especially, in their quarterly estimated tax payments.

Taxpayers filing estimated tax are expressly permitted to reduce their payments by the amount of interest and dividends withheld. The vast majority of these taxpayers, representing an even higher percentage of the dollars involved, will elect to make this adjustment.

The Treasury's own 1980 estimates show that taxpayers in full compliance with the law could offset approximately 95% of the revenue speedup by adjusting their estimated payments and withholding forms for wages and salaried income. Even though all taxpayers may not make these adjustments, the Treasury's numbers seem far too high. Some reasonable downward adjustment should be provided to make these figures credible.

The revenue benefits of speedup is greatly exaggerated.

WITHHOLDING WILL NOT STOP TAX CHEATERS

The third line—$13.1 billion anticipated from compliance improvement—is the largest component of the Treasury's projections.

All depository institutions and honest citizens favor measures to ensure that everyone pay all taxes legitimately owed to the government. The only disagreement stem from how to eliminate tax cheating in the most efficient manner.

The withholding regulations will not stop many tax cheats from continuing or partially avoiding their full tax liability. The only way to bring these cheaters under withholding would be to permit no exemptions at all. Withholding, as mandated by TEFRA, is not a suitable method for assuring a high level of compliance.

It is poor public policy to be satisfied with the 10% receipts from some tax evaders that would be produced by withholding. If additional tax is owed, the tax liability is probably much higher. The goal should be to target all tax evaders and then obtain all tax owed.

IMPROVED REPORTING, MATCHING SYSTEM WILL DO THE JOB

An improved reporting and 1099 matching system will address the compliance problem more completely. Virtually every 1099 should appear on a tax return somewhere. Conversely, for every Form 1099 submitted by a payor of interest and dividends a Form 1040 should be identifiable. With the Treasury's discretionary authority to require computer-readable 1099 reporting, the matching process can be done efficiently by the IRS. Non-filers of 1040s can be traced through information received in 1099s; under-reporting can be discouraged by matching 1099s against 1040s. Taxpayer identification numbers are now required on each account.

Additionally, because cheating in one area of the tax form is likely to have spread to other income sources, an improved matching system to audit tax compliance on interest and dividend income will also target returns which merit examination for other types of non-compliance. Such targeting can be enforced by low-cost, computer-generated tax deficiency notices. This may be sufficient to collect taxes due without incurring high IRS audit costs (or harassing the vast majority of taxpayers who comply fully and voluntarily by declaring taxes due).

Without proper enforcement, withholding will not produce significant improvement in taxpayer compliance and tax receipts; with proper utilization of the enforcement tools also provided by TEFRA, withholding is unnecessary.

In addition, the imposition of withholding would impose significant added burdens on the private sector. Implementation of withholding will not only fail to produce new revenues for the government but will reduce the tax receipts which would have been generated. Such costs run into hundreds of millions of dollars.

Expansion of the enforcement activities of the IRS is the fairest and most cost-effective way to close the interest and dividend revenue gap. It targets the closing of the revenue gap toward the noncompliers who have created it, rather than unnecessarily penalizing the vast majority of Americans who already comply with the Tax Code.

Withholding on interest and dividend income is both bad public policy and bad economics. A system of comprehensive reporting and effective enforcement would avoid those errors and should be the preferred solution to noncompliance.

Mr. BOREN. Mr. President, I ask the Senator from Montana if he agrees that a lot of questions are raised by the kinds of estimates of additional revenue which would be achieved by this result in terms of the figures given by the Treasury Department.

Mr. MELCHER. To respond to the Senator from Oklahoma, I think that is a pertinent point, because I believe that the amount of additional revenue that will be received has been grossly overstated. It may not result in much of a net increase in revenue at all. It depends on the various points the Senator from Oklahoma has raised. Also, it depends upon how many people have had too much withheld, and they will have to file to get it back. That is costly.

We have made a couple of points that should not be ignored and that should be elaborated on very briefly.

Whatever the cost is to the institutions that will have to withhold this tax on the earned interest, it is going to be picked up by the customers of that particular institution.

The Senator from Kansas says we will give them more float. The Bank of America has indicated that that would be a way to handle it so far as they are concerned, and I would certainly agree that it could be done that way. But giving them more float either deprives the Treasury of that money, which has been estimated at $4 billion, or it will cost the savers and investors something.

Whatever the cost is, the customers of that institution will have to pay it. It does not make any difference what size institution it is, whether it is a little savings and loan in Deer Lodge. If it is going to cost them $6,000 every month to rent computer time in order to accomplish this, the customers of that savings and loan will have to pay that $6,000. That is a fact of life.

So they are going to get the opportunity to pay that particular institution and every institution like it, and you have the opportunity for those customers to pay that additional bill.

The cost of this, when you net it out, is not going to be very good for the Treasury, and it seems to me that it is going to be very hard for the taxpayers, particularly the smaller ones.

There is another element, also. I mentioned earlier that the States have to review this, and how they are obligated, and I will submit for the RECORD a letter received in my office from the Department of Administration, board of investments, of the State of Montana. That is one of the State agencies. They state:

The Montana Board of Investments manages $1.5 billion of investments for 66 separate funds which are tax-exempt. We esti-

mate there are over 5,000 issuers of interest and dividends to these funds. We will have to obtain a withholding exemption from each issuer when the withholding tax becomes effective July 1, 1983 under the Tax Equity and Fiscal Responsibility Act of 1982. We also will have to provide a withholding exemption for each security that will be purchased for these funds in the future. This law places an overwhelming and unnecessary cost burden on our operation which eventually must be borne by the retiree and beneficiary of the funds which we manage.

Therefore, the Board requests your vote to repeal the withholding statutes.

Mr. President, that is not a letter from a bank. That is not a letter from any other type of financial institution that we have been talking about. This is a letter from the State of Montana. I suppose there are corresponding letters in the offices of other Senators, from their States, telling them what the burden is going to mean to them.

These people from the States did have the clout to have recognition of the fact that they have a problem that was not anticipated by the Treasury Department or the Internal Revenue Service. So their requirements have been shoved back from July 1 to January 1.

That is a recognition that States like Montana or any other State are having placed upon them by this withholding, a problem that is very difficult to comply with right now and that it is going to be costly. So they are getting that additional time. They have clout.

After all, the administration has made clear that they want to work with the States. So when the State of Montana and other States write in and say, "We have this problem," the Treasury Department recognizes it and complies and does something about it.

I do not know exactly what will be done between now and January 1 to make it easy for the States to comply with this, but I will guarantee that these States have enough clout with the Treasury and with this administration that they will get some recognition.

A lot of noise has been made about how much clout the banks have or how much clout the savings and loans have or, taken together, how much clout the savings and loans, the credit unions, and the banks have. They have generated all these letters. That is not the case with the letters we have received from Montana.

We have received more mail from more individuals in Montana on this point, asking us to repeal or modify it somehow, than we received on the Panama Canal. We thought we received a lot of mail on the Panama Canal treaties, but we have received more on this matter. Why? The reason is that they want somebody with clout, the U.S. Senate, to hear them and to do something about this.

My response has been that the cleanest way and the best way is for repeal of this particular section of the law and to go back to figuring out how you collect taxes from people who have not paid it.

The people who write me are well aware of their 1099 forms. They are well aware that they are obligated to pay taxes on that, counted in with the rest of their income, to pay taxes on it if they are subject to income taxes. They are not playing any games. They are simply saying to me, as one of their Senators, "Do something about this. We can't get anywhere. It seems like Congress is giving too much authority to the IRS and to the Treasury Department."

Mr. BOREN. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. BOREN. Talking about those with clout, I wonder whether the Senator from Montana has noticed that the Treasury Department has deferred the date on the Treasury's instruments until January 1, 1984.

It seems strange that the little saver in Montana and Oklahoma, or the small institution there, has to come to immediate compliance; but we are going to extend the deadline 6 more months on the issuance of the Government itself, the Treasury Department itself. Is that not a little strange?

Mr. MELCHER. No; I admire the candor and frankness of the Treasury Department in this instance. They have recognized that their customers who buy those notes and bonds from the Treasury would have a problem. I admire their candor and frankness, which says, "We have a problem here, and we are going to try to straighten it out between now and January 1."

But I wish they would understand that these taxpayers who are writing to us are also their customers and that they do have a problem and that they should not only extend the time to January 1, they should consider—and I am speaking about the Treasury Department and IRS—they should consider sending up here a recommendation to either repeal this or modify it because all of these taxpayers are really the customers of the Treasury Department.

Mr. BOREN. The Senator is saying what is good for the goose should be good for the gander in terms of little people across the country.

Mr. MELCHER. Particularly the little gander.

Mr. BOREN. Speaking of candor and open expression, I wonder if the Senator is aware of a statement made by the Commissioner of the Internal Revenue Service, Mr. Roscoe Egger, Jr., before the Committee on Ways and Means. He gave a very candid statement which I am sure represents an honest point of view and I wish to share it with the Senator. I quote from the hearings before the Committee on Ways and Means of the House of Representatives on April 30, 1980, in which Mr. Roscoe Egger, the Commissioner of the Internal Revenue Service of this administration, I think gave an excellent discussion, very candid, and open on this subject. He said:

> We view this proposal for a 15-percent withholding tax on dividends and interest payments to individuals as imposing significant burdens on taxpayers and Government alike, without any real assurances that the benefits will outweigh those negative factors.
>
> We surely do not need to impose a whole new level of administrative complexity to solve a problem that may go away by itself.

Then Mr. Egger in a moment of extreme candor concludes:

> What, then, is the answer to this dilemma? Is our system becoming so complex that we can no longer afford to enforce it? Is the solution to withholding on everything that moves, and then place a heavy burden on many taxpayers in order to carry the responsibility for collecting taxes from a very few?
>
> And what about the real cost to the economy? Are we once again about to eliminate the proverbial gnat with a baseball bat?

That was the statement of Mr. Roscoe Egger, a very worthwhile statement. And I ask the Senator from Montana what in the world does he think happened to this candid and insightful man who testified in 1980 against the very same kind of withholding proposal that he apparently is now being called upon to support? I wonder if he would share with me concern about the pangs of conscience that he must be feeling as he is being forced to support something that he obviously so strongly opposed just 2 years ago.

Mr. MELCHER. I was not aware of the statement. I am surprised that if it were made in 1980 that that same strong feeling would not be evident in 1982.

I thank the Senator from Oklahoma.

Mr. President, I ask unanimous consent to have printed in the RECORD the entire statement of Roscoe L. Eggers, Jr.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF ROSCOE L. EGGER, JR., CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. EGGER. Yes, sir. My name is Roscoe Egger. I am here on behalf of the U.S. Chamber of Commerce and its taxation committee, of which I am a member. I have been associated with the chamber now for 20 years and I am appearing here on behalf of the chamber.

The national chamber is in favor of improving the effectiveness of the administration of our tax laws, but as with any other regulatory action by a Federal agency, it is essential that we weigh carefully the cost versus the benefits.

We view this proposal for a 15-percent withholding tax on dividends and interest

payments to individuals as imposing significant burdens on taxpayers and Government alike, without any real assurances that the benefits will outweigh those negative factors.

We do not really know where the presumed underreporting of income is coming from. The Treasury suggests it results principally from inadvertence, forgetfulness, and poor records, particularly from taxpayers who receive relatively small amounts of dividends and interest income.

If this is so, the recently enacted exclusions of up to $400 in dividends and/or interest income should go far in eliminating the problem.

We surely do not need to impose a whole new level of administrative complexity to solve a problem that may go away by itself.

If we assume that after the effect of those exclusions there will still be unreported income from these sources, then we must ask ourselves the question, can we afford to penalize a substantial list of taxpayers to catch a few not covered by the IRS enforcement procedures?

First of all, every affected taxpayer will lose some of the benefits from his savings or investment through the acceleration of tax collection process. In light of the need to encourage savings and investment, isn't this a counterweight?

It seems clear that a substantial majority of those from whom tax will be withheld will, in fact, be overwithheld; thus the Government will have siphoned off from the savings and investment pipeline more tax than will, in fact, be due.

This consequence impinges most heavily upon those taxpayers as a group least equipped to offset the effect. This includes the elderly, a significant number of whom are without wage and salary withholding and thus are unable to adjust; and it also includes low-income taxpayers, many of whom will certainly be uninformed with respect to the availability of downward adjustments in wage and salary withholding.

Our complete statement shows that millions of taxpayers would have no resource except to forego the income during the year and then file for refund in the next calendar year.

The Treasury's own estimate shows a pickup of nearly $2.5 billion in fiscal 1981 from the acceleration alone. Who is paying this $2.5 billion? Are these tax cheats or those who just forgot, or are we about to extract it for those who can least afford it?

There are already difficult and complex problems with wage and salary withholding. These problems are simple compared to the complexities of attempting to achieve a reasonable level of fairness in withholding from interest and dividend payments.

First, from the sheer increased volume of paper, we see the problem. If we visualize some procedure such as the W-2 form currently in use with respect to wage and salary income, we can expect an additional 300 to 400 millions pieces of paper added to the already complicated tax returns with which the Internal Revenue Service and taxpayers as a group must somehow cope.

And then there is a problem of policing and verification. In order to maintain the integrity of the system, the IRS must devise additional procedures through which to police the effectiveness and the consequences of the system.

This means, among other things, expanded scope and increased audit effort. All of this is costly and simply results in expanded administrative activity.

And then, of course, there is the increase in administrative costs by the payors of interest and dividends. The increased cost will impact the business community in differing ways. It is probably safe to say that in the case of a larger, more sophisticated business, the net administrative impact will be somewhat less. However, small business who will be involved and who will use essentially manual systems, will find themselves with yet another series of regulations with which to cope.

Make no mistake. Devising a withholding system that will be fair and reasonable and yet attain the objectives is no simple matter. It will be far more complex than the system of withholding on wages and salaries.

What, then, is the answer to this dilemma? Is our system becoming so complex that we can no longer afford to enforce it? Is the solution to withholding on everything that moves, and then place a heavy burden on many taxpayers in order to carry the responsibility for collecting taxes from a very few?

And what about the real cost to the economy? Are we once again about to eliminate the proverbial gnat with a baseball bat?

There appears to be significantly less costly and more efficient way to improve taxpayer compliance. One way might be to require informational reporting on the amount of interest paid on bearer securities, particularly Treasury issues.

Second, the revenue gain associated with requiring reporting on these instruments could be substantial. Previous experience with informational reporting indicates that the compliance rate is likely to jump from something under 80 percent when there is no information reporting, to approximately 90 percent after the reporting is in place.

IRS could make better use of the information it now receives on dividends and interest payments. To date, the Service has achieved limited success in matching of information supplied by dividend and interest payers with their tax returns.

Finally, IRS should take steps to insure that information on dividend and interest payments, including valid social security or taxpayer ID numbers for all recipients, are being received.

The chamber strongly favors improvements in the tax collection system to insure high compliance and a fair burden for all taxpayers. Unfortunately, the administration's proposal for a 15-percent withholding payment on dividends and interest will impose unwarranted difficulties to 30 to 40 million taxpayers, particularly the low income and the elderly, as well as on business and on the IRS, while doing relatively little to improve compliance.

Therefore, the U.S. Chamber is opposed to this withholding plan.

Instead, Congress and the administration should examine ways to make the existing system work better, including the extension of reporting to Treasury issues and improvements in IRS matching of existing information with tax returns.

[The prepared statement follows:]

STATEMENT OF THE CHAMBER OF COMMERCE OF THE UNITED STATES

I am Roscoe L. Egger, Jr., partner in charge of the Office of Government Services of Price Waterhouse & Co. I have served for six years as a member of the Board of Directors, as Chairman of the Government and Regulatory Affairs Committee, and as a member of the Taxation Committee of the Chamber of Commerce of the United States, on whose behalf I am appearing today.

The U.S. Chamber is the world's largest business federation, comprising more than 91,000 businesses, 1,100 Chambers of Commerce in the United States and abroad, and 1,100 trade and professional associations. On behalf of our more than 90,000 members, we welcome this opportunity to express our serious misgivings concerning the administration's proposal to impose a 15 percent withholding tax on payments of interest and dividends.

Summary

A tax system should distribute tax burdens fairly in order to encourage maximum compliance by all taxpayers. Central to any tax system is the need for fair and effective tax collection. The Chamber supports changes in tax administration designed to improve taxpayer compliance, so long as these changes do not unduly burden businesses, individual taxpayers, or the Internal Revenue Service. Unfortunately, imposing a 15 percent withholding tax on dividend and interest income of individuals would place an undue burden on all three parties—businesses, individuals and the IRS. The Chamber thus opposes the current proposal to withholding of dividends and interest.

In a year when inflation is pushing tax burdens to record levels and savings and productivity growth rates are an all-time low, Congress should be enacting investment-oriented tax relief, not considering measures which further discourage saving and accelerate tax payments.

There are a number of actions the I.R.S. could take to improve compliance without increasing the burden on honest taxpayers. These include making better use of the existing information the I.R.S. collects on dividend and interest payments, extending the requirement for reporting interest income to Treasury securities which are not now covered by provisions affecting private payors, and encouraging greater reporting of taxpayer identification numbers by interest and dividend recipients. Until these measures are taken, it would be inappropriate to adopt a burdensome and inequitable system of withholding.

The administration proposal

The Administration has proposed that payments of taxable dividends and interest that are now subject to information reporting be subject to withholding at the rate of 15 percent of such payments. It is difficult to ascertain how withholding would be handled, however, since only the most general details are known. Where information reporting currently occurs, the proposal builds upon the system that is now in place. The proposal also extends withholding to instruments with respect to which reporting is not currently required, including obligations of the U.S. Government such as Treasury bills and savings bonds, and certain corporate debt obligations.

The proposal requires withholding with respect to all dividends and interest paid to individuals, partnerships and certain trusts. Payments to corporations would be exempt from withholding. This exemption would include regulated investment companies (mutual funds), collective investment funds managed by banks, money market funds and the like. All of these entities would, however, be required to withhold upon the payment of dividends or interest to their shareholders or certificate holders.

An exemption also could be obtained by individuals who expect to have no tax liabil-

ity, if they filed an exemption certificate with each dividend and interest payor.

Withholding would generally occur at the time dividends or interest are paid or credited to an account. However, depository institutions could elect to withhold interest annually, regardless of the frequency with which interest is posted, so long as a taxpayer's account balance were not permitted to fall below an amount equal to the deferred withholding. Withholding for short-term discount obligations such as commercial paper, banker's acceptances or Treasury bills, and for savings bonds, would take place at maturity.

Revenue effects

The Treasury estimates the revenue gain from this proposal as follows:

TABLE 1.—TREASURY ESTIMATES OF REVENUE GAIN FROM 15 PERCENT WITHHOLDING

[In billions of dollars]

Fiscal year	Increased compliance	Speedup in collections	Total
1981	1.0	2.4	3.4
1982	2.2	.3	2.5
1983	2.5	.3	2.8

In fiscal 1981, most of the gain would come from overwithholding and speeding up collection of revenues which would otherwise have been paid during January through April of 1982, when taxpayers filed their 1981 returns. In subsequent years the speedup is a relatively minor part of the revenue gain, because the earlier collections for both fiscal years are largely offset by the loss of collections which would occur under present law in January to April of that year.

However, the Treasury estimates that the gains from increased compliance, that is withholding from taxpayers who currently do not file returns or do not report all of their interest and dividend income, will grow substantially, from $1 billion in fiscal 1981 to $2.2 billion in fiscal 1982, the first entire fiscal year in which this proposal would be in effect.

The actual revenue to be gained from increased compliance may not be as substantial as the Treasury suggests. The revenue estimates are based on a September, 1979, I.R.S. report, "Estimates of Income Unreported on Individual Income Tax Returns," which relied extensively on data from 1972 and 1973 and contained estimates of unreported dividend and interest income based on these data, projected to 1976. The Treasury has estimated revenue gains from compliance in 1981 and thereafter by further projecting these 1972 and 1973 data forward to 1981. However, the estimate in the I.R.S. report includes a number of income sources that would not be affected by the withholding proposal, such as home mortgage interest paid to individuals.

A second problem with the I.R.S. study is that it fails to identify the taxpayers who are not reporting dividend and interest income. There is no way of knowing whether there are relatively few high income taxpayers who are cheating or whether there are many low and moderate income taxpayers who are not reporting. In their explanation of the proposal, the Administration indicates that much of the noncompliance probably is "due to inadvertence, forgetfulness and failure to keep records, particularly by taxpayers who receive relatively small amounts of dividend and interest income." The $200/$400 interest and/or dividend exclusion contained in the recent Crude Oil Windfall Profit Tax Act, however, will mean that many of these taxpayers will owe no taxes on this dividend and interest income. These uncertainties and omissions mean that it is quite possible that actual gains from dividend and interest withholding would be far smaller than the Treasury has estimated.

The need for tax relief

Withholding a portion of dividend and interest income will drive much-needed funds away from corporate equities, bonds, and many other savings mechanisms. Withholding lowers the real rate of return on investments by denying investors the use of withheld funds, which could make investment less attractive. This "wedge" which withholding enlarges between pretax and aftertax rates of return affects all investors, and for many, withholding will speedup tax payments by as much as 15 months.

Withholding on interest and dividends will leave taxpayers with fewer dollars to invest or will drive many into investments not subject to withholding. Other taxpayers may decide to increase consumption instead of savings. In addition, to the extent that payors of interest and dividends cannot pass on the increased costs that operating a withholding system would impose, they will have fewer funds available to invest. All of these results will exacerbate our already acute problems of underinvestment and falling productivity.

PROBLEMS WITH WITHHOLDING

The Administration's withholding proposal would place an undue burden on businesses, individuals, and the Internal Revenue Service. The burden would be most severe for individuals, particularly lower income and elderly individuals. Under the proposal, the vast majority of individuals with interest or dividend income would have too much tax withheld, unless they were eligible to file exemption certificates, or could reduce amounts withheld on their wages and salaries. Based on 1976 tax returns, the last for which complete information is available, nearly 80 percent of interest recipients and 70 percent of dividend recipients would face overwithholding—33.8 million taxpayers with interest income and 9.6 million with dividend income, as Table 1 shows. (These totals cannot be added together since many dividend recipients also have interest income). These totals include many individuals with no tax liability (6.4 million with interest income and 1.5 million with dividend income), who, to avoid being overwithheld, would have to file exemption certificates. The totals also include a far larger number of taxpayers with some tax liability, but whose tax liability equals less than 15 percent of their adjusted gross income (AGI).

Imposing withholding would create difficulties particularly for taxpayers in lower tax brackets. Nearly 100 percent of taxpayers with AGI of less than $10,000 and 90 percent of those in the $10-15,000 AGI class would be overwithheld. As Table 1 shows, the bulk of taxpayers who would be overwithheld are in the lower AGI classes,—two-thirds of overwithheld interest recipients had AGI of less than $15,000 in 1976. Under the Administration proposal, however, these taxpayers would receive relief only if they could correspondingly lower salary and wage withholding or estimated tax payments. Otherwise the only recourse would be to file for a refund the following year.

TABLE 2.—NUMBER OF TAXPAYERS WHO WOULD BE OVERWITHHELD BY 15 PERCENT WITHHOLDING ON DIVIDENDS AND INTEREST, BY ADJUSTED GROSS INCOME (AGI) CLASS

[Taxpayers in millions]

Amount of AGI (thousand)	Taxpayers with income from:		Percent with tax less than 15 percent of AGI	Taxpayers with tax less than 15 percent of AGI and income from:	
	Interest	Dividends		Interest	Dividends
(1)	(2)	(3)	(4)	(5)	(6)
0 to $5	7.5	1.8	100	7.5	1.8
$5 to $10	8.1	2.2	100	8.1	2.2
$10 to $15	7.6	2.0	90	6.8	1.8
$15 to $20	7.2	2.0	85	6.1	1.7
$20 to $25	4.9	1.7	65	3.2	1.1
$25 to $30	3.0	1.2	46	1.4	.6
$30 to $50	3.3	1.9	21	.7	.4
$50 to $100	.9	.7	2	(1)	(1)
$100 plus	.2	.2	5	(1)	(1)
Total	42.6	13.6		[2]33.8	[2]9.6

[1]Less than 50,000.
[2]Includes 6,400,000 nontaxable returns with interest and 1,500,000 with dividend income.

Sources:
Col. (2) and (3): Internal Revenue Service, "Statistics of Income—1976 Individual Income Tax Returns," table 1.6.
Col. (4): See appendix.
Col. (5): Col. (2) x col. (4).
Col. (6): Col. (3) x col. (4).

A category of taxpayers who would be especially hard hit is the elderly, who often rely interest and dividends as their principal source of income. In 1976, 7 million taxpayers over age 65 reported interest income, and 3.4 million reported dividend income, while only 3.3 million reported wage and salary income. Thus, if the Administration proposal were adopted, several million elderly taxpayers would be overwithheld. While some would be able to offset these amounts by reducing their estimated tax payments, many others would find that the amounts withheld exceeded their estimated tax payments. These individuals would have no recourse other than to wait until the following calendar year to file for a refund.

It appears that initially, overwithholding could be significantly greater, perhaps more than twice as much, compared to the amount gained through increased compliance. This strikes us as a highly inefficent and unfair way to collect roughly $2 billion from taxpayers who are currently underreporting or not complying at all, particularly when so much of the overwithholding would be at the expense of taxpayers least able to afford even a temporary loss of funds.

If the proposal were modified to allow all taxpayers who expect to be overwithheld to file exemption certificates, the plan would present significant difficulties to taxpayers, dividend and interest payors, and the I.R.S. In 1976, according to I.R.S. statistics, companies and depository institutions reported interest and dividend income paid on nearly 269 million accounts. That year 42.6 million taxpayers reported having interest income and 13.6 million reported dividend income, implying that each taxpayer had interest or dividend income from an average of at least four accounts (even allowing for several million noncomplying taxpayers). If all of the 33.8 million interest recipients and the 9.6 million dividend recipients with tax liability of less than 15 percent of AGI shown in Table 1 file exemption certificates for four accounts each, taxpayers would have to file, and companies would have to handle, over 170 million additional forms. If exemption certificates were limited to the 6.4 million returns with interest income and the 1.5

million with dividend income showing no tax liability, those taxpayers would have to file some 37 million certificates, a substantial burden for both taxpayers and payors.

Clearly, corporations, brokerage firms, banks, and similar institutions would incur substantial costs in notifying taxpayers of the criteria for filing exemption certificates, processing those certificates, and adjusting interest or dividend payments to each taxpayer accordingly. When proposals to withhold on interest and dividend payments have been made in the past, it has been suggested that these costs could be reduced or eliminated by allowing payors to keep the withhold funds for some period before requiring them to be deposited with the Treasury. This would be inconsistent, however, with the efforts of the present Treasury Department to speed up the deposit of social security taxes and withheld income taxes, regardless of the collection and processing costs to business.

The proposal could represent a substantial increase in paperwork for the I.R.S. as well. If taxpayers are not required to report withholding or exemption from withholding to the I.R.S., it could be difficult for the Service to verify the amounts taxpayers claim. If taxpayers are required to file information on amounts withheld, an estimated 350 million additional pieces of paper will flood I.R.S. Service Centers. This is twice the number of W-2 forms now filed annually. Moreover, processing costs for the I.R.S. will increase as taxpayers not subject to tax but who failed to file exemption certificates will be forced to file returns in order to receive refunds of amounts withheld.

Until the Administration provides further details on how the withholding system is to be applied, it is impossible to determine all of the administrative problems payors, taxpayers, and the I.R.S. will face. Will those recipients who are exempt from withholding be required to file annual exemption certificates? If they are not, will they be forced to revoke the certificates if circumstances change? Will couples who receive less than $400 in annual dividends or interest be able to file an exemption certificate, regardless of their other earnings, as a result of the recently enacted dividend and interest exclusion? How will stockholders who have been reinvesting dividends through an automatic plan, rather than receiving them in cash, be treated? Will a small, family-owned business be required to withhold on a payment to a preferred stockholder before it is known if the payment is a dividend, or a return of capital? Since payments to corporations are not subject to withholding, what mechanisms will be required to police transactions in bearer obligations between individuals and corporate entities?

Attempting to find an equitable solution to these and the many other problems that will arise, will, we believe, add significantly to the administrative complexity of enforcement of the revenue laws. These added complexities may be so costly and cumbersome to administer as to overshadow any benefits.

BETTER WAYS TO IMPROVE COMPLIANCE

There appear to be significantly less costly and more efficient ways to improve taxpayer compliance without excessively burdening honest taxpayers, dividend- and interest-paying businesses, or the Internal Revenue Service.

One way may be to require information reporting on the amount of interest paid on bearer securities, especially Treasury issues. The I.R.S. has estimated in connection with the withholding proposal that extending reporting to bearer securities would entail an additional 3 million documents, mainly from the Treasury's Bureau of the Public Debt. This represents less than 1 percent of the estimated 350 million accounts that would be subject to withholding. But the revenue gain associated with requiring reporting on these instruments could be substantial. Previous experience with information reporting indicates that the compliance rate is likely to jump from less than 80 percent when there is no information reporting to approximately 90 percent with reporting.

A second significant way to improve compliance would be for the I.R.S. to make better use of the information it now receives on dividend and interest payments. To date, the Service has achieved limited success in matching of information supplied by dividend and interest payors with tax returns. The I.R.S. could enhance compliance at minimal cost to complying taxpayers by making better use of this information through better matching and followup with taxpayers who appear to be in noncompliance.

Third, the I.R.S. should take steps to insure that information on dividend and interest payments, including valid social security or taxpayer identification numbers for all recipients, are being received. Furthermore, data should be reported whenever feasible for payors on magnetic tape or similar format that makes it accessible to the Service with minimum cost and errors and maximum efficiency.

CONCLUSION

The U.S. Chamber strongly favors improvements in the tax collection system to ensure high compliance and a fair tax burden for all taxpayers. Unfortunately, the Administration's proposal for a 15 percent withholding tax on dividends and interest will impose unwarranted difficulties on 33 to 43 million taxpayers, particularly the low-income and elderly, on business, and on the I.R.S., while doing relatively little to improve compliance. Therefore, the U.S. Chamber opposes this withholding plan. Instead, Congress and the Administration should examine ways to make the existing system work better, including the extension of reporting to Treasury issues and improvements in I.R.S. matching of existing information with tax returns.

APPENDIX

Taxpayers with tax less than 15 percent of adjusted gross income

The table below shows the number of taxpayers whose tax liability was less than 15 percent of their adjusted gross income (AGI), based on I.R.S. data from individual income returns for 1976, the latest year available. The I.R.S. data show the number of taxpayers in each AGI class who paid a specified amount of total income tax, e.g., $4,000-$5,000, $5,000-$10,000, etc. It was assumed for the table below that all taxpayers in a tax interval had paid tax equal to the midpoint of the interval, e.g., $4,500 in tax for the $4,000-$5,000 interval. Since $4,500 equals 15 percent of $30,000, it was assumed that all taxpayers with AGI of $30,000 or over and total income tax of $4,500 or less would have tax liability of less than 15 percent of AGI. These figures are shown in Column (3). Column (4) shows taxpayers with tax less than 15 percent of AGI (Column 3) as a percent of all taxpayers in an AGI class (Column 2).

PERCENT OF TAXPAYERS WITH TAX LESS THAN 15 PERCENT OF ADJUSTED GROSS INCOME (AGI), BY AGI CLASS

Amount of AGI (thousand)	Number of taxpayers (million)	Taxpayers with tax less than 15 percent of AGI	
		Number (million)	Percent of all taxpayers
(1)	(2)	(3)	(4)
0 to $5	23.94	23.93	100
$5 to $10	19.89	19.82	100
$10 to $15	14.55	13.13	90
$15 to $20	11.20	9.53	65
$20 to $25	6.65	4.35	65
$25 to $30	3.63	1.68	46
$30 to $50	3.64	.77	21
$50 to $100	.95	.02	2
$100 plus	.23	.01	5

Source: Internal Revenue Service "Statistics of Income—1976 Individual Income Tax Returns," table 3.5.

Mr. MELCHER. Mr. President, some of the points that Mr. Egger made in that statement to the Ways and Means Committee in 1980 are repeated here in 1983 by Michael W. Holland who is a managing partner of Kindred, Holland & Co., certified public accountants in Helena, Mont. He says as it affects subchapter S corporations:

As the law stands, cash distributions to the owners of a Subchapter S corporation will be subject to the withholding provisions. Many small businesses operate in the form of Subchapter S corporations.

I well understand that because prior to coming to the House of Representatives in 1969 we operated our veterinary clinic as such a small corporation.

The letter goes on to state that:

Cash distributions from them are little different from the cash drawings of a sole-proprietor or a partner in a partnership, and are very often needed by the owners to live on, or to repay debts incurred in order to purchase the business.

Again, since the withholding doesn't take into account the recipient's income tax status, many small business owners are going to be faced with serious cash flow problems. Admittedly, the withholding will offset income tax or be refunded with the recipient's 1040, but the timing may render this situation impossible.

The fourth point, and I am not reading all of his letter, but the next point that Mr. Holland makes is this on compliance:

Cash flow is a serious problem for most small businesses today, but compliance problems will overwhelm most taxpayers who are payors of interest and dividends.

Just as small financial institutions will encounter problems administering the law, the small businessman will find it nearly impossible. We suggest you read the rules regarding due dates for deposits of withheld taxes. "Eighth monthly periods" and "aggregate undeposited taxes from prior eighth monthly periods" are not phrases easily understood by the owners of a "mom and pop" grocery store.

The penalties will be harsh, and interest is now accruing at a 16 percent rate, compounded daily. The IRS has never been particularly helpful or knowledgeable in the payroll tax area, and we do not expect the withholding area to be any different.

The reasoning often given for the new withholding law is to improve compliance in the reporting of income. Interest and divi-

dends, after wages, should show the second highest compliance rate. In our experience, the only unreported interest and dividends are the result of honest and infrequent errors.

IRS has a 1099 matching program which has become somewhat dependable. It seems that 1099 matching is an area where resources could be applied rather than entering into this mess of interest and dividend withholding. We expect many errors to be made in reporting withholdings, and the resulting 1040 errors will number far in excess of the errors in reporting interest and dividend income.

The only difference is that the government has the money, in advance. It seems this may have been the reason in the first place.

These are only a few of the major problems. Research into the law and implementing it will provide us with numerous other problems that will be presented to the taxpayers. We as CPA's will be asked to "take care of this" for those of our clients who are even aware that the law exists and, frankly, we are not likely to accept the responsibility.

This law goes into effect at a time when most small businesses are struggling to survive, and cannot afford the cost of another layer of beauracracy. In fact, many small businessmen will have significant sums to their credit through withholdings when they owe little or no tax, not through loopholes, but from what we fondly refer to as net operating losses.

The entire law was poorly thought out and sold to Congress by an IRS—

This is a little harsh, I admit—

that rarely knows the truth, let alone tells it. Certainly, General Motors and American Bell, Chase Manhattan and Bank of America will be able to comply, and in an accurate and reasonable manner. But Tim's Husky, Herb's Quick Stop, and Bob's Fine Used Cars will find it extremely difficult, if not impossible.

In the event that you feel we are exaggerating, we pay, through an escrow agent, over $50,000 interest on a building contract each year, to an individual whose income tax liability will very likely be less than one-half the income tax withheld. Further, his monthly retirement income will be reduced by approximately $500.

Please tell us if you feel that is reasonable. Otherwise, we would like to think that you will work towards the repeal of this legislation.

Now, that is part of a letter from a certified public accountant and the managing partner of this particular firm, and a person who deals continuously with tax matters and taking care of clients' income tax problems. When they have a problem with it and they make a judgment on it, it is coming to us, I would say, out of the horse's mouth. There is little reason to doubt not only the sincerity but there is probably no reason to doubt the veracity and the accuracy of this assessment by this particular individual.

Of course, it is a self-generated letter. It was not generated by a bank or a savings and loan or the credit unions. It was generated by the thoughtful consideration of the person who has to deal with it and a person who well understands the situation of his clients, most of whom are either small business people or farmers in the area.

So, Mr. President, I know when the Senator from Kansas, who is my good friend, and whom I highly respect, when the Senator who is chairman of the Finance Committee finds that there is an amendment offered to do something that is not only contrary to his judgment but is also contrary to the committee's position, that the Senator is kind enough to allow us a thorough discussion of it and then moves or politely requests we have a vote or either moves to table it. I think this is a very fine time for one or the other, because I feel ready to vote and I think those of us who have a great interest in seeing this amendment adopted to repeal withholding have a great interest in seeing what the vote is and hopefully we will have enough.

I would hope, I have taken plenty of time, we have had a spirited discussion of several of the points involved, and I hope we will get to a vote very quickly.

I yield the floor, Mr. President.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Montana. I do not think we are quite ready to vote. I know those who would like to repeal withholding would like to vote. I know the chairman of this committee would like to get on with the jobs bill. I know the chairman of the Finance Committee would like to go back to the Finance Committee to mark up the social security bill. We have about 151 million people concerned about that.

We have hundreds of thousands waiting for the jobs bill but we have to take some time here to satisfy the avalanche of mail generated by the banks and the savings and loans and by the credit unions. I do not fault anybody who is flooding us with mail and I will just say it is going to take a little time to answer the mail.

Many people wonder why we have not responded but I do not think anybody can appreciate the mountains and mountains of mail and the millions and millions of dollars that have gone into this campaign.

We can talk about the Panama Canal, the mail on the Panama Canal, and the Senator from Kansas voted against the Panama Canal proposal, but there were not all these banks and other financial institutions behind that push or we would have had mountains of mail.

I am not surprised about the volume of mail if since the banks have been sending out little forms in every month-end statement. Whenever you walk into some banks you are asked to mail in a coupon, or they will mail it in for you. There are big ads in the papers in all of the States, saying this is a new tax, and that your savings are going to disappear. When you frighten people, and invite people to participate, and give them little coupons to fill out, and collect them and mail them in boxes and large envelopes, some may call that a grassroots campaign. But there is no doubt in my mind that a lot of good people in my State and States across this country are convinced, quite mistakenly, that this is a new tax and that somehow Congress is trying to pull a fast one. Most who are concerned, because of misleading information, are honest taxpayers. There is no doubt in this Senator's mind which is the easy side to be on. I have been here long enough to know when the avalanche is coming which way to jump.

I was impressed with the letter from Roscoe Egger, but I can find all kinds of speeches made by Senators on this floor who have been on both sides of a lot of issues, too, and many of us have on the issue of withholding. But the one thing we are not hearing from the banks and the American Bankers Association is what they are going to do about reducing the loss of $4 billion if we repeal withholding, and what could replace withholding as a method of making the system fair for all taxpayers.

Mr. MELCHER. Will the Senator yield?

Mr. DOLE. I will yield.

Mr. MELCHER. I do not think that statement is quite fair. I cannot speak for the banks, but I do not think it is quite fair for the debate we have had here this afternoon. The point has been repeatedly made, "Let's collect the money. There is an easier way of collecting it by matching up these 1099 forms that are issued by every one of those institutions, they are obligated to do it, and matching that up with the returns of the individual taxpayer." That has been the whole thrust of this debate this afternoon.

We are not trying to make it possible for people to continue to evade paying these taxes if indeed they are. We want it done in a more efficient, effective way. That has been the whole thrust of this debate this afternoon.

So while I am not speaking for the banks, I would assume that that is their attitude also, and the savings and loans people and the credit unions, too, and every other financial institution. That is their attitude. But the Senators who have been debating this this afternoon say, "All right," to the IRS and Treasury Department, "you say you don't have total compliance, let's get it, match up those forms." They say, you have already stated, the Senator from Kansas already stated, they asked them that and they said they cannot do it, too much error or something. I think

there is a better way of doing it than this new procedure.

Mr. MATTINGLY. Will the Senator from Kansas yield?

Mr. DOLE. I want to complete my thought. Going back to 1962 the Senate was courageous then when they struck out the House-passed 20 percent withholding tax provision, which has been recommended by President Kennedy and adopted by the House. The Senate made a great statement about how they believed in tax compliance. They went on to say, "Despite the shortcoming of a system of withholding dividends and interest and patronage dividends, your committee strongly endorses the concept that everyone must pay his full share of the income tax liability," which is a nice statement to make, but it concluded, "that an improved reporting system is preferable to a provision for withholding." So they go on with that rhetoric and suggest that as a result—and this is 1962, mind you, 21 years ago—"in lieu of the withholding provisions that the House bill provides, * * * payers of dividends, interest, and patronage dividends are to report annually to the Federal Government all such payments aggregating $10 or more per person."

This is how the Senate faced up to this issue in 1962. Look at the billions and billions of dollars in lost revenue that have gone because we have not had tax compliance for 21 years.

Now, we can argue about the volume of mail, and certainly it is important. This Senator knows when you do something difficult people are not going to like it. If you vote "yes" for all spending and "no" for all debt increases, you can be popular and stay here for 100 years, but if you have to face up to some of the tough problems you have to face when you are in the majority, and it is our reponsibility in the majority, it is more difficult.

But I am wondering what we tell these working people. We have a lot of people around who want to repeal indexing. They do not like indexing, they want to take away $90 billion of tax relief for the working people, and many on the other side of the aisle want to repeal the third year of the tax cut that is taking $30 billion from the working people, but what did they want to do? Protect the banks. The banks have become the focal point. Forget about the taxpayers, forget about the working people, take away indexing, the third year of the tax cut but do not do anything to the banks. I am just suggesting we want to be totally fair. We ought to amend this amendment and just strike out all withholding on wages and salaries and interest and dividends and come and give the workers the same advantages that everyone else has.

Now, I want to answer another point that was raised by the Senator from Oklahoma. In a letter from Secretary Regan dated March 2 with reference to this study and this alleged compliance rate of 97 percent that has been referred to in a lot of the banks' advertising Secretary Regan said:

I would like also to correct any misleading impression that may have arisen from a 1981 study undertaken by the Internal Revenue Service. Some persons have asserted that this study found a 97 percent rate of compliance for all dividends and interest. That is incorrect. This study was not designed to measure the level of interest and dividend compliance generally. Rather, the study focused on certain limited situations that are not at all representative of the overall compliance problem. Specifically, the study measured noncompliance only in cases meeting each of the following three conditions:

(i) the taxpayer had filed a proper tax return,

(ii) the payor had filed an information return (Form 1099), and

(iii) the information return was readable and contained a proper taxpayer identification number.

That is the very point the Senator from Kansas made before. Millions and millions and millions of 1099 forms are made out incorrectly. All this measured was compliance where those three conditions were met. Secretary Regan's letter went on to say:

Unfortunately, one or more of these conditions are not met in a great many situations. Many taxpayers who should file tax returns do not. Currently, between 5 and 6 million taxpayers fail to file required tax returns. In addition, over 11 percent of information returns for interest and dividends lack a taxpayer identification number, or show an improper number. For taxpayers who file income tax returns on a timely basis, and provide payors with information that enables them to file a proper Form 1099, it is not surprising that voluntary compliance is at a materially higher level than occurs in situations where either a tax return is not properly filed or accurate information is not provided to the payor. As reported above, it is estimated that prior to TEFRA the rate of taxpayer compliance for interest and dividend income of all taxpayers is 90 percent, based on conservative assumptions.

And it is probably much less than that. Mr. President, I ask unanimous consent that the text of Secretary Regan's letter and the attached table be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, March 2, 1983.

Hon. ROBERT DOLE,
Chairman, Senate Finance Committee, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to respond to the questions raised during my appearance before the Committee on February 3 concerning the revenue estimate for interest and dividend withholding and the current level of under-reporting of interest and dividend income.

The revenue estimate for withholding was derived in the following manner:

The base for the estimate is the amount of unreported interest and dividend income. Excluded from this base (throughout this letter) are interest and dividend payments that are not affected by the withholding rules, such as interest paid by individuals. Based on the Internal Revenue Service's research programs, including the Taxpayer Compliance Measurement Program, it is estimated that, at 1983 levels, $25 billion of interest and dividend income that should be reported on tax returns will not be reported in the absence of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

We wish to make clear that this estimate of the interest and dividend tax gap is based upon conservative assumptions. An estimate based on all payments of interest and dividends and on claimed deductions of interest (the National Income Accounts Analysis) by the Bureau of Economic Analysis of the Department of Commerce concludes that the tax gap of unreported interest and dividends is almost twice as large as that estimated by the Treasury Department. We believe, however, that the absence of certainty as to the cause of this discrepancy requires the use of the more conservative estimate of the size of the gap of unreported interest and dividends, rather than the much larger number indicated by the National Income Accounts, or an average of the two numbers.

Approximately 86 percent of all interest and dividend payments—including most interest paid by banks and thrift institutions—were subject to information reporting prior to enactment of TEFRA. As mentioned above and based on the conservative estimating techniques also noted above, the amount of interest and dividend income earned but not reported prior to TEFRA was $25 billion (interest earned but not reported was about $18 billion and unreported dividend income was about $6.5 billion).

For interest payments on bearer obligations and on most Federal obligations, there was no information reporting required prior to TEFRA. For payments not subject to information reporting, the rate of compliance was only about 78 percent. Thus, in the absence of any of the TEFRA provisions 22 percent ($7 billion) of interest on obligations not subject to information reporting would go unreported by taxpayers. Because the amount of payments not subject to information reporting was small compared to the amount of payments for which information reports were required to be filed, the combined rate of compliance for all interest and dividends without the TEFRA provisions is estimated to be about 90 percent, leaving the total gap of $25 billion mentioned above.

A comprehensive system of information reporting will increase the rate of compliance on all payments to 91 percent. Thus, the broadened information reporting introduced by TEFRA will, by itself, only reduce the amount of unreported interest and dividends to $21 billion, still an unacceptable gap.

The withholding provisions in TEFRA reduce the revenue loss from the $21 billion that goes unreported even after the broadened information reporting in TEFRA. The 10 percent withholding on that amount improves compliance by $2.1 billion of additional tax collections at 1983 levels, even if withholding causes no further increase in reporting. (The total revenues raised through 1988 from the improved compliance due to withholding is $13.1 billion.) In fact, compliance will increase more than this amount because some persons who do not now report receipts of interest and dividends (and who would not report such re-

ceipts even under the expanded information reporting provided by TEFRA) will be inclined to report and pay tax on the entire payment once such payments are subject to withholding. The amount of induced compliance resulting from this tendency again was conservatively estimated.

It is useful to compare the above figures on noncompliance and unpaid taxes on interest and dividend income with corresponding experience with respect to wages subject to withholding. Not only is the compliance rate on wages significantly higher than that on interest and dividends, but even when wage income is not reported on tax returns, taxes are collected through the existing withholding system. As a result essentially 100 percent of taxes due on wages subject to withholding are collected.

With respect to payments that are currently reported by taxpayers, the new withholding provision will raise a small amount of revenue—about $0.3 billion—generated on an annual basis because of an acceleration of tax collections. In addition, in the period immediately after withholding becomes effective, there will be a one-time acceleration of receipts of $3.9 billion. This is because no credits from prior year withholding will offset current withholding receipts in the first year. This acceleration of tax payments required by withholding will treat taxes due on interest and dividends essentially like taxes due on wages. Taxes on all these sources of income will be paid on a timely and fair basis, as the income is earned.

The enclosed table shows the breakout of the three components of the withholding revenue estimate: increased compliance resulting from expanded information reporting, increased compliance from the imposition of withholding, and the acceleration or speedup of tax payments.

I would like also to correct any misleading impression that may have arisen from a 1981 study undertaken by the Internal Revenue Service. Some persons have asserted that this study found a 97 percent rate of compliance for all dividends and interest. That is incorrect. This study was not designed to measure the level of interest and dividend compliance generally. Rather, the study focused on certain limited situations that are not at all representative of the overall compliance problem. Specifically, the study measured noncompliance only in cases meeting each of the following three conditions:

(i) the taxpayer had filed a proper tax return,

(ii) the payor had filed an information return (Form 1099), and

(iii) the information return was readable and contained a proper taxpayer identification number.

Unfortunately, one or more of these conditions are not met in a great many situations. Many taxpayers who should file tax returns do not. Currently, between 5 and 6 million taxpayers fail to file required tax returns. In addition, over 11 percent of information returns for interest and dividends lack a taxpayer identification number, or show an improper number. For taxpayers who file income tax returns on a timely basis, and provide payors with information that enables them to file a proper Form 1099, it is not surprising that voluntary compliance is at a materially higher level than occurs in situations where either a tax return is not properly filed or accurate information is not provided to the payor. As reported above, it is estimated that prior to TEFRA the rate of taxpayer compliance for interest and dividend income of all taxpayers is 90 percent, based on conservative assumptions.

Many have suggested that the compliance levels sought through interest and dividend withholding could be achieved by a vastly enlarged IRS audit program. This is simply not a realistic proposal. An attempt to achieve the compliance levels that will be obtained under withholding would require literally millions of new taxpayer contacts, audits, and legal proceedings. Consequently, attempts to resolve the compliance problem through a stepped-up audit program would be perceived correctly as harassment. This would seriously damage ongoing efforts to insure honest taxpayers that our tax system is fair and uniformly applied in such a way as to encourage the highest degree of voluntary compliance with the law.

Sincerely,

DONALD T. REGAN.

REVENUE EFFECT OF WITHHOLDING ON INTEREST AND DIVIDENDS (INCLUDING EXPANDED INFORMATION REPORTING)

[Dollars in billions]

	Fiscal years—						Cumulative total (1983–88)
	1983	1984	1985	1986	1987	1988	
Reporting (compliance)	0.1	0.4	0.7	0.9	1.2	1.3	4.6
Withholding:							
Interest:							
Speedup	0.7	1.9	0.2	0.2	0.2	0.2	3.4
Compliance	0.2	1.6	1.7	1.7	1.8	1.9	9.0
Total interest	0.9	3.5	1.9	1.9	2.0	2.2	12.4
Dividends:							
Speedup	0.2	1.1	0.1	0.1	0.1	0.1	1.7
Compliance	0.1	0.7	0.8	0.8	0.9	0.9	4.1
Total dividends	0.2	1.8	0.8	0.9	1.0	1.1	5.8
Total:							
Speedup	0.9	3.0	0.3	0.2	0.3	0.4	5.1
Compliance	0.3	2.3	2.4	2.5	2.7	2.9	13.1
Total withholding	1.1	5.3	2.7	2.8	3.0	3.2	18.2
Grand total:							
Speedup	0.9	3.0	0.3	0.2	0.3	0.4	5.1
Compliance	0.4	2.7	3.1	3.5	3.8	4.2	17.7
Total	1.2	5.7	3.4	3.7	4.2	4.5	22.7

Note: Details may not add to totals due to rounding.

Mr. DOLE. Mr. President, I say to my friends on both sides of the aisle, and all of those in the financial community, if there is a better way and if someone has a plan or someone has an idea, not just some more of this matching up 1099's, because that is not going to work, but if someone has an idea, then we ought to pursue that idea.

We are debating a $4.3 billion jobs bill for a lot of unemployed people. I am not so certain the jobs bill is all that good. But now we want to lose $4 billion in revenue with one amendment. It is going to cost $11 billion over the next 3 years if this withholding on interest and dividend income is repealed. So you have a jobs bill and you have an $11 billion loss on the revenue side.

The Senator from Kansas would just make this point. No one likes to pay taxes. They do not like to pay taxes in the Senate. Senators do not like to pay taxes. Working people do not like to pay taxes. Professional people do not like to pay taxes. Maybe there is a better way to do it.

But I just read to you the 1962 report where the Senate said: "Oh, we got a solution. Just require better reporting." That was 21 years ago and it is the same argument we have heard today. So it is at least 21 years old and I bet it is older than that. If there is a better answer or if the bankers want to sit down and work out a solution, that is fine, but none of the bankers have asked to do that. They went out and launched a multimillion-dollar campaign to flood our offices with mail, to spread a lot of misinformation about withholding.

I say to my colleagues that, in my view, when you give the bankers, as we did, and others, 6 months to try to work out this very complex withholding problem—and many of the banks that followed through on that are now in place. In fact, there was an article yesterday in the Wall Street Journal saying many banks are geared up and they do not see withholding as a problem.

I read a letter here from Bank of America. In fact, I met with the chairman of the board of the Bank of America a couple of weeks ago. He indicated that in a period of 2 years, with a 30-day float, that they can pay the cost.

Now, if it is more in Deer Lodge, Mont., if it takes 3 years, that is provided for. The law allows a 3-year period of 30-day float for the small institutions. We have taken care of the cost problem. We are not trying to burden banks with costs.

We did not give that break to employers, I might say, who had to withhold on wages when wage withholding was passed. But we understand there may be costs for software, or other costs to gear up for withholding, and we recognized that in the law.

I do not believe the President of the United States, Ronald Reagan, is running around with a bunch of ideas to bring the Government more and more into the lives of the people in this country. He has a different philosophy. But this was a part of his 1983 budget. I want to repeat, in case somebody may have missed it earlier, it is not some idea dreamed up in the Senate Finance Committee. It was in the President's 1983 budget. The Reagan administration proposal was different than the Carter proposal, it was different than the Ford proposal, and many other proposals because it provided exemptions for the elderly and those with less than a certain amount of interest and dividend income.

Mr. CHAFEE. Will the Senator from Kansas yield for a question?

Mr. DOLE. I will yield, but I wish to make this point. This is in the budget of the U.S. Government for 1983. It did not crop up in my backroom. It is a budget document. It is Ronald Reagan's budget document. This has been discussed with the President. As recently as 2 days ago, the President indicated to me, and I think as recently as today he has indicated to others, that this bill, the jobs bill, is in serious trouble if we insist on tacking this nongermane amendment on this bill.

I do not fault those who are trying to do it. You have to use every way you can to try to make your point. I hope those who are trying to do that will not fault me for the next 3, or 4, or 5 days as we try to keep it off. We understand the rules. Nobody is taking advantage of the rules. You are doing what you should do. If you want to repeal withholding, then I guess you make the effort. I am not suggesting you should not make the effort.

But it would seem to me, as a conservative, that improving tax compliance would be better than raising taxes, taking away the third year or taking away indexing, or taking away a lot of other good tax provisions. We did a lot of things in the 1981 Tax Act that helped a lot of taxpayers. We have IRA's now. That helps the bankers, and helps their customers. They can put their money in those accounts, tax free. That was the idea of Senator CHAFEE of Rhode Island. We have reduced the marriage penalty. We have provided relief for a lot of small royalty owners in my State and in the State of Montana and other oil-producing States. In addition, so-called stripper wells are now exempt from taxation. We enacted a lot of estate tax relief, and about 90 percent of the estates are not going to be subject to tax. We raised the gift-tax exemption to $10,000. And all this was tax reform under President Reagan.

So we said in 1982, we have a problem. Interest rates were still way up there. The stock market way down, the financial community was saying that we had to do something in the Congress of the United States to demonstrate our responsibility and courage. We listened, and passed a $100 billion revenue bill. A lot of people supported it, some on both sides of the aisle. It was a tough vote.

But what has happened since then? Well, the stock market has jumped 350 points, interest rates have dropped 5 points, and the economy is starting to take off. Not all because we passed the tax reform bill, but in part because we passed the tax reform bill.

This Senator visited the stock exchange after that happened and visited with business people after that happened. We do have the support of business for tax reform, even though it meant a tax increase to some. So what do we do now? We are on the verge of recovery. We are still faced with $200 billion to $300 billion deficits unless we cut spending and do some other things we must do. Do we give it all up now because we have all this mail? Is the best way to answer the mail just to say: "Well, I voted for repeal." Well, that way you make somebody happy forever, until the next thing comes along.

I am hearing from people today who have already forgotten what we did in 1981 to cut their taxes and eliminate the windfall profit tax and help them on the estate taxes, and increase the gifts you can make without taxes. We also added—and I am not mentioning this because the Senator is on the floor—a special land-use provision which helped a lot of people in Montana. But my point is we did a lot in 1981—$750 billion in tax relief in 1981. All we are saying here is we ought to continue to do those good things, provide relief for taxpayers, but at the same time make certain people who are not paying their taxes pay their taxes.

As far as this Senator is concerned, that is a consistent policy.

Mr. MATTINGLY. Will the Senator yield for a moment for a better idea?

Mr. DOLE. If the Senator has a good idea, I would be happy to yield.

Mr. MATTINGLY. I thought the Senator said he might have a better idea on the 10-percent withholding.

Mr. DOLE. I did not mean today.

Mr. MATTINGLY. Well, the Treasury Department put out a little brochure on withholding dividends. I assume they have the right questions, but not the right answers.

Before I begin, Senator GOLDWATER has asked to be added as a cosponsor to the amendment by Senator KASTEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. The better idea I was talking about is I assume the figures are still about the same, that there are roughly $1.5 to $2 billion of unpaid dividends. Is that correct, I ask the Senator from Kansas?

Mr. DOLE. No; there are about $20 billion a year.

Mr. MATTINGLY. No, unpaid.

Mr. DOLE. $20 billion.

Mr. MATTINGLY. Well, it has grown, I guess. That may be the total being paid. Well, I do not think that is right.

Mr. DOLE. That is $20 to $25 billion of interest and dividends not being reported. There is not that much tax. It is about $8 or $9 billion. Withholding will raise at least $3 or $4 billion of that when fully effective in 1985.

Mr. MATTINGLY. I think the $4 billion, though, was also included in the acceleration payments.

Mr. DOLE. It would be only about 10-percent acceleration by 1985.

Mr. MATTINGLY. That is right.

Mr. DOLE. The other 90 percent would be real income.

Mr. MATTINGLY. Then all I would try to get at is what we had talked about before, trying to make sure that the identification numbers and social security numbers were put on the 1099's, and at least try a better idea of trying to get better compliance, embracing the penalties for the savings institutions and also the savers to make sure they go in and change and put on the correct number. Let us have a real go and real compliance and let the IRS and savings institutions merge their computer tapes and insure that the correct amount of money is being paid. Instead of trying to coerce—and I do not mean the banks, because I am not taking up for the banks—I think if you go back to your State, and I have been out talking to my banks and I have been out listening to the people talking——

Mr. DOLE. Then you have been listening to the banks.

Mr. MATTINGLY. I do not think so. I think if you walk down the street, you are not listening to the banks. I think the Senator accuses the financial institutions of putting out mailers, but the people were opposed to the 10-percent withholding anyhow. Irrespective of that, I think in trying to get a better idea, maybe it would be a better idea of trying to have utilization of the identification number or social security number really be tried, say for 1 year.

If you miss the $4 billion, I have a good place for you to get it. Dump this jobs bill, this pork barrel.

Mr. DOLE. They are about to dump the jobs bill.

Mr. MATTINGLY. That would be fine. If that happened, maybe you would be willing to try compliance. You would make up $4 billion right there.

Mr. DOLE. It is only a 1-year jobs bill.

Mr. MATTINGLY. I am sure the Senator would be coming back with withholding next year if we strike it out this year.

Mr. DOLE. But this would just be adding to the deficit.

Mr. MATTINGLY. If you do away with the jobs bill, you would also suppress more of the deficit. We are going to finance $4 billion more into the deficit. We are talking about roughly $5 billion in the jobs bill anyhow. I think the idea of trying to beat out a new vehicle would not be a bad idea. Trying to repeal withholding is one thing, and I am for repealing it. But I think you also have to try to be responsible and say where you can get the rest of the money. That is, the money that is really owed by people who do not pay it.

Mr. DOLE. I was happy to yield for a question.

Mr. MATTINGLY. The question is, Why did we not try to institute a better method of compliance by raising the penalties high enough on savers and saving institutions instead of passing a law that is, in fact, going to collect more moneys than are owed?

(Mr. WALLOP assumed the chair.)

Mr. DOLE. I will just say to the Senator from Georgia that I tried that approach first. That approach was in a bill I introduced, with Senator GRASSLEY, a compliance bill. We tried to tighten up on reporting. Based on that, we figured over a 7-year period it would raise $4.6 billion. As hard as we tried, we could not come up with any compliance method that would not be more onerous than the President's withholding proposal.

I want to say that the Senator may not have been present when I read from the 1962 report of the Senate, another move by the Senate, saying that we ought to tighten up on requirements for reporting. So they did in 1962.

Mr. MATTINGLY. What was the compliance rate in 1962?

Mr. DOLE. I can probably find it here. I am certain it is in the booklet. The reporting gap in 1962 was $850 million for interest and dividends. Now it is $25 billion. That is how well information reporting has worked. An $850 million gap led President Kennedy to propose a 20-percent withholding, which passed the House and was stricken out in the Senate. We have had the issue around here for a long time. Let us face it, it is not popular. I would say because you hear about it from people on the street, I hear about it from people in the Safeway store. I am not sure it is Safeway any more, but I go in there.

They have heard about it from their bankers. Where do you think they hear about it from? You walk in the bank and there is a big billboard that says: "They are taking away your savings with a new tax."

I just picked up this article which appeared in the Wichita Beacon, one of the articles trying to straighten it out. Jane Bryant Quinn wrote, "Withholding of interest on dividends not a new tax." That was only printed once, but they see the other every time they walk into the bank, or it is in big full-page ads in newspapers, most of it misinformation.

Bankers are tender. They do not want anybody to suggest that they ever give misinformation, but I am willing to put it into the RECORD.

Mr. MATTINGLY. Will the Senator yield?

Mr. DOLE. I have the floor. Does the Senator have a question?

Mr. MATTINGLY. Yes.

Mr. DOLE. I yield for a question.

Mr. MATTINGLY. The debate is not between the banks.

Mr. DOLE. The debate is between the banks and the banks.

Mr. MATTINGLY. The debate is between six of us here on the floor.

Mr. CHAFEE. Here is one Senator that would like to get in on the debate. I have been waiting patiently.

I wonder if I can ask the distinguished Senator a question?

Mr. MATTINGLY. I had a question.

Mr. CHAFEE. I have one question.

Mr. DOLE. Yes?

Mr. CHAFEE. The Senator from Georgia can go ahead with his question as long as it is not too long.

Mr. MATTINGLY. It will not be too long.

The question is, Is compliance used to try to get the revenue in?

Mr. DOLE. As far as this Senator is concerned, the question is compliance and I assume that is the President's wish.

Mr. MATTINGLY. But is it not for compliance and not to try to go out and——

Mr. DOLE. Is the Senator opposed to compliance?

Mr. MATTINGLY. I am for compliance but I am not for the scuffing up of extra tax dollars from the taxpayers, and I do not think the Senator is either.

Mr. DOLE. Why should we have withholding on wages?

Mr. MATTINGLY. That is not the question.

Mr. DOLE. That is my question. What is the answer?

If I were Senator GOLDWATER, I would make a pure argument because he would say you should not have withholding on wages. All I am trying to do is to get them to amend their amendment to say we are going to get rid of all withholding. Why pick on the working people?

Mr. MATTINGLY. We have a compliance that is outstanding in what you have right now.

Mr. DOLE. About 87 percent.

Mr. MATTINGLY. It is more than that, I believe. That would be on dividends? Is it not higher than that on interest?

All I am saying is what we are trying to do is to get compliance and not go out and grasp out extra tax dollars that are not meant to come under compliance. That is the disagreement.

Mr. DOLE. Again, I am not here to give any testimony for the IRS. I do not agree with all the stuff they do. But somehow they get figures, and maybe their figures are wrong. I have a copy of a letter they wrote to the distinguished Senator from Wisconsin which I will get into in the next few days, when they talk about the cost of what he wants to do. The fact is, information reporting on interest and dividends increases the compliance rate from about 78 to 91 percent. The issue is, do we ignore the remaining 10 percent?

As I said earlier, if that is the case, we will just tell all taxpayers, "Whatever your taxes, take off 10 percent. That is the normal compliance rate."

Everybody ought to have the same advantage.

This is for compliance. We were told as recently as last week by the IRS there is still $80 to $100 billion not being paid in taxes because of non-compliance.

I do not want to raise anybody's taxes. I want to keep the third year of the tax cut. I want to keep indexing. We are going to run into efforts to repeal all these things. Without improved tax compliance we will have to take the tax cuts away from the working people, and the other people in this country.

It seems to me all the taxes that we reduced in 1981—that was the right thing to do. A lot of my colleagues on the other side have been trying to repeal the third year, they want to do away with indexing. Some over there also want to do away with and repeal withholding. Not all. We are going to need the help of what few we have.

I am not questioning anybody's motives, I am not questioning anybody's purpose. I am just saying very honestly, we are dealing with a powerful lobby. Let us face up to it.

If these were the people worrying about food stamps, we would not be here debating. If these were the people worrying about medicare, we would not be here debating. If these were the low income people, we would not be here debating. But they are not low income people. These are the bank directors, the chairman of the boards, these are leading citizens.

I agree with the President; if we want to get the economy back on track, everybody ought to make a contribution. If they have a better idea, they ought to discuss it with us. They do not want to discuss it. They have this multimillion-dollar, Madison Avenue campaign going. They have flooded us with mail. That is OK, because they have a bottomless pit of money. They do not mind spending $4,000 per page for an advertisement that has six false statements in it.

But let us fight fair. But the banks and financial institutions do not want to come in here and debate withholding or anything else. I want to find out, if I have only $500, why I can not get an insured money market account. Oh, they say, you have to have $2,500—because they want to keep the rest of the money in the passbook savings, which pays only 5 percent, not 9 percent or 8 percent or 10 percent. Now we are aware of the sensitivity of the banks to their customers.

There are probably a lot of things we can do to help their customers. I would like to let you read what I said to the bankers, to the American Bank-

ers Association about consumer protection at their annual meeting here in Washington. I ask unanimous consent to include in the RECORD the text of my speech to the ABA.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR BOB DOLE TO THE AMERICAN BANKERS ASSOCIATION

BANK LEGISLATION THIS CONGRESS

This year Congress has a full plate of legislation of interest to the banking industry—banking deregulation, International Monetary Fund legislation, bankruptcy revisions, and of course, tax matters of concern to the financial industry.

Congress, of course, must deal responsibly with issues affecting financial institutions, because of their important position in our economy.

BANKS MUST ACT RESPONSIBLY

But responsibility is not a one-way street. The banks must recognize their duty of good citizenship. While banks should not hesitate to speak out on issues of concern, I believe they should do so accurately and responsibly, precisely because of the trust so many Americans place in their banks and bankers.

Unfortunately, the campaign to repeal withholding has hardly lived up to that standard. From the perspective, the tactics used by many banks, savings and loans, and credit unions have reached an historic low, at least if one judges institutions like banks by the standards of trustworthiness and responsibility they hold out as their calling card.

A constituent writes me to criticize your organization's campaign, saying "The impression is certainly created that the withholding constitutes some new form of tax and imposes some horrendous new burdens" on savers. I agree that this erroneous impression is created, and let me provide some examples.

First of all, your poster announces a bold, and bold-faced warning that ten percent of the money savers earn in interest is simply going to "disappear." This, of course, is not true.

Then your organization talks repeatedly of a loss of billions in compound interest. And yet, when an ABA spokesman appearing on "The Today Show" is pressed on the point, he admits that the effect of withholding on an individual's savings yield would be—"really rather insignificant."

Let me provide an example: For a depositor with $1,000 in an account bearing 9 percent interest compounded quarterly, the loss of yield due to withholding is less than fifty cents per year. That estimate, of course, assumes that the bank does not take advantage of the option to have end-of-the-year withholding, which virtually eliminates any loss of compound interest.

When you advertise about withholding's effect on compound interest, but fail to explain that banks can elect end-of-the-year withholding to eliminate virtually any loss of compound interest, the only proper characterization, in terms bankers can understand, is that you have made a misleading omission of a material fact. But, of course, there is no "truth in lobbying" law.

Another example: a credit union flyer sent to one of my constituents warns of "the complicated red tape of filing a Federal application for exemption." But in fact, the exemption form is simple, and actually does not require any direct disclosure of tax liability, age, or income. Indeed, the form does not even require the individual to identify which exemption he is claiming.

Of course, there is no "truth in lobbying" law. But you have not fought your campaign on the high ground. You may have concerns about the cost of implementation. But it is unfortunate to fight that battle by upsetting your depositors about supposed hardships that the law we enacted actually precludes.

The withholding proposal, of course, was initially put forward by the President in his 1983 Budget proposal. As you know, the original bill passed by the Senate would have taken effect last December. But many bankers told us that more time was needed to gear up for compliance. In Conference, I felt we had to be responsible and so I offered an amendment to delay the effective date for six months. But instead of using that time to gear up for compliance and help your depositors understand the law, many of you have simply used the time to try to repeal the law. We may learn slowly up here, but we do learn, and we remember what we learn from bitter experience. You should know that we will fight hard to prevent repeal. I have sent a letter to the President urging him, in the unlikely event repeal legislation passes the Congress, that he should veto the law. I believe your effort to repeal the law will fail. I believe that when the law takes effect, the American people will realize that it is not at all an onerous or burdensome way to improve tax compliance.

I believe your campaign will be costly to your industry and ultimately counterproductive.

Let me give you an example: You have made a great deal of noise about a small amount of lost compound interest. As I said before, the loss on a deposit of $1,000 earning 9 percent interest is less than 50 cents per year.

But consider the much larger loss that results from the fact that a depositor with $1,000 is prohibited from opening a new insured money market account. That loss, at current interest rates, may be as high as $25 per year. Some of you may favor rapid and complete deregulation of passbook savings accounts. Others may feel it will hurt bank profits if done too quickly. The fact is, the reduction of yield from withholding is trivial compared to the loss suffered by small savers because some banks, savings and loans, and credit unions have opposed more rapid passbook deregulation by the DIDC. You may find the consumer reacting to your publicity about interest yields, and clamoring for immediate passbook deregulation.

Now that the Congress is aware of how concerned you are with increasing savings incentives and protecting the small saver, I would expect that the consumers and the advocates of rapid passbook deregulation will prevail over those primarily concerned with protecting bank profits.

You should also be aware that the Finance Committee will be holding hearings on March 11, 1983, to review some of the special tax preferences enjoyed by various members of the financial services industry including banks, credit unions and savings and loans. Our intent is not to single out any industry, but just to ensure that all individuals and businesses pay their fair share of taxes.

We certainly invite your attendance and participation. If we conclude that there are unwarranted or obsolete tax preferences, we will add them to the list used when we are directed by a Budget Resolution to raise revenues.

Mr. DOLE. I know emotions are high. I also know we are dealing with a powerful lobby. The Senator from Georgia knows that. Everybody on the floor knows that. They are powerful.

But that does not mean they are right. They may be right part of the time, but they are not right every time.

I have talked to my bankers in Kansas and they understand what the law does. For the most part, they do not like it, but they are not going to lead any revolution.

So, if we are going to repeal withholding, why not repeal it on wages and salaries? If the Senator wants to amend his amendment, let us vote right now. Why treat differently the people who can put their money away in savings, or buy stock? I do not have any stock, so I have no problem. I do not get much interest, so I have no problem there.

But it seems to this Senator that either we are for tax reform or we are not. If we are not for tax reform, this is a good way to demonstrate it.

I know there are some who have fierce feelings about withholding. I have already confessed I have been on both sides of the issue, as others have been. If we get all the people who have been on one side or the other at the same time, either side could win.

I think right now, I will confess, I do not think I have 51 votes to table this amendment. I can count. I have lost some since the mail started coming. That grassroots campaign—it comes in boxes and big envelopes. I know some people who have jumped overboard and abandoned ship. I do not fault them for that.

It just seems to me that the one thing we can do is discuss this for a few days so that the American people understand it. This is one way to answer our mail, right here on the Senate floor. Once the American people understand what the debate is all about, what the exemptions are, what we are not doing and what the banks are not doing, or the savings and loans or the credit unions, it will be better understood.

We are having hearings tomorrow, not as an intimidation, not as a threat, not as a witchhunt, about taxes and financial institutions. We have been accused of threatening the banks because we are having a hearing.

Senators ought to take a look at this report in their spare time, when they are answering their mail. It is not a report I prepared. It is called, "Taxation of Banks and Thrift Institutions." It is a Committee on Finance report prepared by the Joint Committee on Taxation on the effective tax

rate of banks. They do not pay much tax, many of them. Maybe that is right. Maybe they should not pay any because they invest in tax-exempt securities.

We are just trying to find out if the tax system is fair. We are looking at life insurance companies, at property and casualty insurance companies, thrift institutions, and others. There are $296 billion in tax expenditures. If we are talking about restraining spending, we ought to take a look at the revenue side.

If we are talking about cutting defense on the one hand, and food stamps, agriculture, education on the other, then we cannot ignore $296 billion in tax expenditures.

The 20 top banks have an effective tax rate of 2.3 percent as opposed to the beverage industry's, 28.8 percent; electronics, 29.6 percent; food processors, 26.8 percent; and of course, credit unions are tax exempt, even though we have some that have assets over $1 billion now. They do not pay taxes at all. Other industries' effective tax rates include industrial and farm equipment, 24.1 percent; motor vehicles, 47.7 percent; pharmaceuticals, 35.9 percent; tobacco, 31.3 percent; airlines, 16 percent.

That may not prove anything, but if you are looking around and shedding crocodile tears for the banks in this massive mail campaign ginned up by the American Bankers Association, just keep in mind what they pay in taxes. Then we know why they have so much money to generate so much mail and run so many ads.

Mr. MATTINGLY. Mr. President, may I ask the Senator a question?

Mr. DOLE. I yield to the Senator from Rhode Island for a question.

Mr. CHAFEE. Mr. President, I thank the Senator for yielding for a question. My question is this: It is my understanding that this withholding on dividends is nothing new. It is my understanding that this is done in Canada. That is not a question, that is a statement. I know it is done in Canada.

My question is as follows: I have a little statement I would like to make in preface to that question. As the Senator knows, I voted against withholding in committee. As he knows, I voted against withholding on the floor. But I am going to support the Senator in his vote against the Kasten amendment for three reasons.

First, because this amendment has not been considered by the Senate Committee on Finance. That is the proper forum for us to address it. We have had people attempt to bring up this amendment in connection with jobs bills, in connection with social security, in connection with other matters. But it ought to be brought up in the committee in a proper manner, with some hearings on it to discuss all the problems that are there.

Second, I am not convinced that there is not an alternative to outright repeal of the withholding law—even though, I confess, the Treasury has not offered us much optimism in that regard.

For example, it seems to me there is a possibility of not having the withholding on savings accounts but having it apply to dividends or interest on bonds or bearer bonds, whatever it might be, on which 1099 forms do not now apply. Whether they are all the alternatives or not, I do not know. But certainly, we ought to explore them before we go ahead with an amendment like this on a jobs bill.

Finally, Mr. President, I want to see this jobs bill pass. It means a lot to my State. It means a lot to the people in our State. What we are doing, the danger of this amendment being attached on this bill is the possibility of having a veto.

Is that not right—I think the distinguished chairman of the Committee on Finance touched on that before. The President has not said he is going to veto it, but he certainly does not say he will not veto it; is that correct?

Mr. DOLE. Mr. President, I think the President has given every indication—I have had no direct contact with him. I know other Senators have. He does not want this amendment on this bill. He has indicated to the majority leader that he is thinking that veto is a possibility. I have called the White House to tell them that until I hear clearly from the President, there "ain't going to be no jobs bill."

Mr. CHAFEE. I certainly agree with the danger we run. I find it difficult to understand why this was brought forth. I am not questioning the motives of anybody. I know those involved feel strongly about it. But here is a jobs bill that is important across the country—it is important to Michigan, to Pennsylvania, to every State in the Nation.

We ought to get on with it. We are trying to get out of this place. We want this jobs bill to pass and pass quickly, to become effective quickly and to create jobs. And now we are risking that.

How I vote today is not to be construed as my final position on withholding. As I indicated previously, I voted against it. Withholding is nothing new. The Democratic President, President Carter, proposed withholding years ago, and we resisted that; I resisted that. But I certainly am going to resist this amendment which threatens to drag down the jobs bill with it.

Furthermore, I think the distinguished chairman of the Finance Committee has made a very valid point. We are in a recession. We are coming out of it now. Everything, it seems to me, hinges on this deficit. If we can bring down the deficit, which greater compliance will bring about, then the better chance of holding down the interest rates. And do not anybody think these interest rates are going to continue to go down on a slide. Of course, they are not. There is the threat of a curve upward. Everybody says that by yesterday's paper. We are not home free. Sure, the oil cartel is breaking up, OPEC prices seem to be coming down. All that looks favorable as far as we are concerned, but we cannot walk into homeplate by a long shot.

The difficulty is that we need every cent we can get. We need to hold down these deficits. If the deficits stay down, then the interest rates will stay down. And that leads us to what we are most of all concerned with, reducing the joblessness in the country.

So I support what the chairman of the Finance Committee is doing this afternoon. We are going to have our opportunities on other days to look at withholding, to look at it in the Finance Committee further. There will be other bills that it could be attached to. But this is certainly the wrong vehicle.

I commend the chairman of the Finance Committee in his efforts this afternoon.

Mr. MATTINGLY. Mr. President, I should like to make a——

Mr. DOLE. May I just thank the distinguished Senator from Rhode Island. I think the point he just made, the last point, is important. This is not the only vehicle going through this Congress. And I know that the distinguished Senator from Wisconsin, the Senator from New Hampshire, and others—as I said earlier, if I were on their side, I would be looking for any vehicle that came through. They have to make that choice. I am not going to deprive them of any rights, and I am sure they are not interested in depriving me of any rights. But this is a matter of high priority. This is going to be followed by another matter of higher priority, social security. I do not know where the judgment is made. We cannot report out of the Senate Finance Committee a free-standing bill. Revenue bills have to originate in the House.

The debt ceiling is coming along, railroad retirement is coming along. There are plenty of opportunities to offer amendments. I know the interest is to offer the amendment now to repeal withholding so some of the banks who have been dragging their feet—not many but some—will not have to make any investment in compliance. That is a consideration.

On the other hand, there are a lot of banks who have made the investment and are working with us in trying to make it work. But again, that is a judgment that this Senator cannot

make. I think that is the point that is the telling one.

Mr. CHAFEE. I know that the chairman of the Finance Committee said he may have lost somebody on this issue, but I will say that on this particular issue, on this particular vehicle, he picked up somebody. So it is not all downhill. There is some gain.

Mr. DOLE. I am fairly much downhill but——

Mr. MATTINGLY. Let me see if I cannot help go downhill further.

Mr. DOLE. The Senator wants to sign up?

Mr. MATTINGLY. What I was going to add——

Mr. CHAFEE. I think there is some room to get aboard.

Mr. DOLE. Not much but we have a little room.

Mr. MATTINGLY. I would not join the bandwagon, but I just want to repeat something that was said because the Senator was talking about being careful about holding down the deficit. All of a sudden we are debating 10 percent withholding on a bill that is going to raise the deficit.

That just seems to me to be contrary to what we are talking about. If recovery is right around the corner and we see all these signs, then why do we even want to pass a jobs bill to add to the deficit? I think it is not very reassuring to say that we need to jump on the bandwagon for the withholding.

I would add one other thing to my good friend, the Senator from Kansas. I think he said he was going to hold hearings beginning tomorrow?

Mr. DOLE. We hope to, unless we are on the floor.

Mr. MATTINGLY. The Senator may be here, but if he is holding hearings, I would suggest maybe bringing in some regular taxpayers from out in America to let them testify about withholding.

Mr. DOLE. The hearing is not on withholding.

Mr. MATTINGLY. I know that, right.

Mr. DOLE. We will be glad to have a hearing on withholding and passbook savings and money market funds and the international monetary fund. Is that a bailout for banks? I do not believe so, but some have said it is. So there are all kinds of things. We are not trying to get into a contest with the banks or the financial institutions. I must say, I want to make the point very clear, that not all the banks out here are tied in with the ABA lobby. It has a life of its own. They have mailed out 22 million pieces of mail, 19 million pieces, something like that. It has been a very massive campaign to mislead their depositors. And they have had some success.

Mr. MATTINGLY. I am not saying that the Senator is the one who is trying to coerce the banks. Undisclosed sources said you were.

Mr. DOLE. That is what I added, undisclosed sources of income.

Mr. MATTINGLY. Yes, undisclosed sources were the ones that were telling the banks that we were going to raise taxes on the banks because they had tried to mount a campaign, I take it, to really stimulate the savers, to tell them what was happening. I think they already knew what was happening. But I am just saying, if you are going to bring in banks and savings institutions to testify to certain new taxes, it sounds like what we are doing is punishing them for this 10-percent withholding drive. We may want to bring in the people of our country and see, really, do they like it. I do not think they do. The people I have run into are not for it.

Mr. DOLE. They like the other taxes. Is it just they do not like the withholding part?

Mr. MATTINGLY. No.

Mr. DOLE. They do not like taxes at all.

Mr. MATTINGLY. I did not say that. We are talking about 10 percent withholding.

Mr. DOLE. I did. I think we ought to bring in the wage earner. That is the guy I am worried about. They take it out of his check every 2 weeks.

Mr. MATTINGLY. I think they are satisfied with getting——

Mr. DOLE. The banks are satisfied with the wage earners being withheld from, that is right.

Mr. MATTINGLY. I think a majority of taxpayers are satisfied with this administration and this Senate for trying to lower taxes, but I think that they also have a right, when they see one come along that they do not like, to rise up in arms about it and try to change it. I think that is really what has happened across our country.

Everything that we do is not 100 percent right, whether Republican, Democrat, or whatever. And every bill we pass is not 100 percent correct. If you go back and try to correct——

Mr. DOLE. The Senator from Georgia did not vote for any of the bill.

Mr. MATTINGLY. I was not for increasing the taxes——

Mr. DOLE. The Senator was not for tax reform. It is a tax reform bill.

Mr. MATTINGLY. That is right. The tax reform bill that the Senator sponsored last year, I could accept about 70 percent of it. The rest of it, 30 percent, I could not accept. But that is neither here nor there.

I am for decreasing taxes upon the people, and I will continue to be that way.

Mr. DOLE. May I just say that there are people concerned—I was not able to get off the floor, but I had a note for me a while ago from the United Food & Commercial Workers saying, "Bob, can we help Arnold." I do not know where Arnold is but, "Yes, Arnold, come on in."

There are people out there who want to help. A lot of people want to help. They do not have the money. They do not have the American Bankers Association's powerful lobby. Take on the American Bankers Association and you have taken on a pretty powerful lobby. I do not know where the Bankers Association is, but they are here somewhere in town. They have put a lot of mailmen to work. They have increased the employment. We are trying to add up how much it is going to cost the Government for us to answer all the mail they have shipped in here.

Senator MATHIAS stood on the floor—he has not said whether he is for or against withholding—and told us that the entire mail system of the Senate is plugged up; you cannot answer it. And if you answer a personal letter, you have to pay that rate. He said, "You ought to get up and just put 'dear friend' on all your letters to get the bulk rate to save the Government a few million dollars." I do not know how much it is. We are trying to get that cost.

There is no way anybody can stand up and defeat the American Bankers Association. I have already determined if they keep pouring the mail in here and keep running those misinformed ads, there is no way you are going to beat them. But I have got to believe, after we discuss this 2 or 3 weeks, there will be enough Members of the Senate to really focus on it. All Senators have done up to now is weigh their mail. Once they look at the other side, OK. We have not had a chance to talk with anyone.

Mr. LEVIN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I am happy to yield.

Mr. LEVIN. For a few questions.

I am one who is truly undecided about what to do on this issue. I supported the Senator from Kansas when this matter came up on the floor the first time, but it was only after the Senate adopted an amendment I had offered which authorized the Treasury to delay the imposition of withholding as long as it created an undue burden on any of the persons who would have to put the system in.

That amendment had been crafted carefully. I had talked about it with the Secretary of the Treasury. I told him that if that amendment were adopted by the Senate, to provide that kind of flexibility to avoid undue burdens, I could then, in good conscience, support the amendment of the Senator from Kansas.

I have great admiration for the Senator from Kansas. I feel that what he is after in compliance is generally the way we should go. But we cannot create greater burdens in doing it than we are accomplishing in terms of revenue.

My first question is this: What happened to my amendment in conference, the one that provided the flexibility to provide delay in the event the undue burdens were there, regardless of the size of the financial institution?

The Senator from Kansas may recall that there had been a provision which permitted a delay for smaller institutions, and the way it ended up in conference was that it permitted a delay, but there was a time limit on it. My amendment did not have a time limit, nor did it restrict the application to any particular size institution; because if there is an undue burden on any institution, regardless of size, there should be a delay in connection with imposition of the system.

Can the Senator from Kansas remember what happened in conference to the Levin amendment?

Mr. DOLE. I remember what happened in conference. The staff is trying to put it together.

In conference, the Senator from Kansas offered an amendment to delay all withholding for 6 months, because it occurred to me that we had raised more money than we were asked to do by the Budget Committee and by Congress, and it was not my idea to raise any more revenue than we were required to do. So I asked that we postpone withholding for 6 months, because we had been told by the banks, the ABA, the savings and loans, and the credit unions that it was going to take 6 months to get this worked out. That amendment was adopted. I offered the amendment that we delay it 6 months. That delayed the withholding for 6 months. The final conference agreement authorizes an additional 6-month regulatory delay.

I remember very well the amendment of the Senator from Michigan. I remember his coming to me and discussing whether that would be acceptable, that we had problems, and that we had heard of certain hardship cases.

That provided, also, for a 6-month regulatory delay. As I recall, in effect, it was accommodating the concerns of the distinguished Senator from Michigan. If not, then we have to go back and review what happened, because the Senator from Kansas left this floor in good faith to go to conference to preserve the Senator's amendment. If we have not done that, I hope we will do it. We gave our word at that time, and we intend to keep it.

Mr. LEVIN. I thank the Senator from Kansas. I know that he left the floor with that intent. Something happened in conference which undermined the effect of that amendment. It would be helpful if the Senator's staff could dig up the conference notes and supply that to us, if the Senator is not able to do it at this time.

Mr. DOLE. The staff has worked on that specifically.

Of course, the amendment of the Senator from Michigan still applies to all institutions, but I think there was some thought in conference that we might be giving too much discretion.

We still believe that the issue can be reviewed in October and November, when the regulatory delay is close to expiring, but we are not going to wait until that time. We will start working on it immediately.

Mr. LEVIN. As to the discretion that was being provided to the Secretary of the Treasury, he is not one who is likely to exercise that discretion too liberally, because he wants withholding. So I think it was a safe depository for that exercise of discretion.

I would appreciate the Senator from Kansas' continuing to work on that matter and provide us, as he goes along, with any progress that can be made to restore adequate discretion.

I am particularly worried about the small institutions, but not just them. There are institutions that do not use computer tapes and where these kinds of withholdings would have to be done by hand. I do not know the answer to that. Perhaps the Senator could help on that issue. What about the institutions that do not use computers? Could we expect them to follow these rules within the same timeframe?

Mr. DOLE. I have raised the same concerns as the Senator from Michigan, because I think that sometimes when you talk to the Treasury about banks, they think about New York City. If we are talking about banks in Phillipsburg, Kans., or Long Island, Kans., or Deer Lodge, Mont., that does not register as a bank or an S&L.

I indicated to the Secretary of the Treasury as recently as a couple of days ago that we understand the concerns of the big banks and the middle-sized banks. We are talking about banks in towns of 300, 400, or 500 people, where they do not have computers. Some banks in my State have computers and some do not.

In my view, the undue hardship clause should give the Secretary of the Treasury that authority, if more time is needed or more float is needed or something is needed to make certain that we do not place an undue burden on that institution.

Mr. LEVIN. I do not want to take up the floor with questions, but does the Senator have any idea how much it would cost the Federal Government to gear up the Treasury's capacity to make the 1099 forms an effective mechanism for assuring compliance?

Mr. DOLE. We have asked the IRS for that information, but it has not been furnished.

It is well to keep in mind that the IRS would have to audit about 20 million returns, and that is 10 times the amount required by the present law. The cost would be enormous. We have asked for estimates based on what would happen if they did audit that many returns.

Mr. LEVIN. I think the answer to that kind of question is an important bit of information for someone like me, who genuinely does not know how he is going to vote on the repeal of withholding.

For example, I do not know if the 1099 forms are used relative to the Treasury notes. Is a 1099 form filed on that?

Mr. DOLE. They are.

Mr. LEVIN. I hope there will be an opportunity for the committee to hold a hearing on this matter.

I hope the Senator from Wisconsin, at some point—provided there are commitments on time, as to when this matter could be brought up—would allow that to happen. There are a lot of unanswered questions.

I am very much troubled by withholding, particularly in smaller institutions. I am troubled by the Treasury not utilizing the 1099 form in order to obtain compliance.

I am also troubled by the lack of compliance with our laws and the escape of some people from paying taxes, while the rest of us are paying taxes very heavily. I think an effort should be made to collect these taxes if it can be done without undue burden.

I hope we can have some assurance on when we can vote on this, as to when a hearing can be held, so that information can be obtained on the additional discretion of the Secretary of the Treasury, on how much it would cost to assure greater compliance through the 1099 forms, and on many other questions. So long as we could have a timeframe for such a hearing and a vote, I hope the Senator from Wisconsin would permit us to vote on a jobs bill.

My State is flat on its rear end. I have 17 percent unemployment in my State. This jobs bill is a pretty modest contribution to the solution of the problem, but it is better than nothing. We need a jobs bill, and the holdup of this bill in order to vote on withholding, when we can vote on withholding next week or the week after, it seems to me, is a real injustice to the unemployed.

Mr. KASTEN. Mr. President, will the Senator yield?

Mr. LEVIN. I will yield in a moment.

I think the Senator from Wisconsin has a right to a resolution of this issue, and I would like to resolve this, too, because I would like to resolve the mail flow in my office, and I would like to reach a conclusion on it.

I think that provided there is some assurance that we can get to this in a timely fashion in the next few weeks, we should let the jobs bill proceed, so

that whatever modest contribution it can make to restore jobs to people in this country who are desperate can be made.

I thank the Senator from Kansas for yielding. I do not have the floor, but if the Senator from Kansas is willing, I will be happy to yield.

Mr. KASTEN. Mr. President, will the Senator from Kansas yield to me for a moment to give me an opportunity to respond to a question of the Senator from Michigan.

Mr. DOLE. In fact, the Senator from Michigan has the floor.

Mr. LEVIN. I asked a question.

Mr. DOLE. I am happy to yield to the Senator from Wisconsin.

Mr. KASTEN. I wish to say to the Senator from Michigan that I agree with almost everything that the Senator said. I remember that we worked together on his particular concern, and I agree with him that his concerns in terms of hardship have not been addressed.

I have asked the question that he has asked, and I have been asking the question that he has asked from the IRS for at least 6 months.

How much is it going to cost you in computer time, hardware and software, and employees to put this withholding system in to process 200 million forms, which the IRS is going to have to process? There are 400 million forms, but 200 million exemptions. I asked them how much is it going to cost you to process the 400 million accounts, half exempt on age, income or size of account—how much is it going to cost you to do that? And I also asked them how much would it cost you to match up the 1099's so you can get from 90 percent compliance to 97.3 percent compliance, according to your study?

I have received no answer for months.

Whether we had a hearing or not that might help or not help.

The other question the Senator asks is why now. I have spoken today with our acting majority leader, the whip, and I have spoken today with people at the White House. I have spoken today with the President. I have said to him that I believe when we get to a point where we have over 50 cosponsors on a bill, where the American people are speaking out with thousands of letters a day, when it is the key issue at our town meetings, when it is the key issue in radio talk shows, that we deserve a vote to resolve this issue.

I have been precluded from a decision of this issue. We have been precluded from a vote.

So I began here.

I would agree with the Senator from Michigan and if the Senator from Kansas would agree with us right now I would say we can take this off of this bill and let us decide on this issue and get an up-or-down vote in the House of Representatives and the Senate for or against before the spring break, and if we can schedule that we can walk away right now.

But the fact is that there are some who are not willing today, there are some who feel we should delay the vote until July 1 and the pressure will go away. But that is flawed because July 1 when withholding begins we are really going to see the problem and in August, September, and October when people are incorrectly or improperly withheld on that mail is going to change and then even though they have been improperly or incorrectly withheld on they cannot get their money back until next year and then they have to file another form to get their money back and the mail is still going to change month by month, quarter by quarter, and let me make one other point.

The Senator talked about the problem of small banks, of the problem of one bank can comply and one bank cannot.

One question that the Senator from Kansas and the Secretary of the Treasury cannot answer is the competitive disadvantage question when you have one bank or, one savings institution that has the hardship exemption, and one thrift institution that does not in the same marketing area.

I once received a comment from a high official at Treasury, "Well, you are right. That is a tough problem, Senator KASTEN. I will tell you what we will do. We will not let that institution that is not withholding advertise."

In a small town or in a big town—I mean this is crazy.

There are a number of basic questions like that that they cannot answer.

The answer is we can get the compliance, we can get the cheaters, we can do it by matching the 1099 forms, and as you know the second part of this amendment says match the 1099 forms. That stops the problems of audits that has been suggested.

Mr. LEVIN. Mr. President, will the Senator yield?

Mr. KASTEN. So there are lots of problems, but I agree with the Senator and I am happy to work with him and the Senator from Kansas, and I now see the majority leader is in the Chamber, to set up a time certain within the next week or so when we get an up-or-down vote on this issue and maybe that will put the Treasury and the IRS under notice that they should come up with some answer, that we have not been able to get for many months, but the issue is not going to go away. We find ourselves in this position because the Senate has been frustrated in getting a vote on this issue all along, and it is time that we respond to the American people.

The issue is not a thrift institution issue. It has gone beyond that. It is now a savers and a consumers issue, and that is what we have to deal with.

Mr. LEVIN. Mr. President, will the Senator yield for a moment?

Mr. KASTEN. I am pleased to yield to the Senator from Michigan.

Mr. LEVIN. I thank him for his comments.

I must tell him that I have been bombarded with mail also and much of that mail is a product of an advertising campaign by some of the institutions and some of those institutions—I am not going to label all of them—have misrepresented withholding. Frankly, I think it will backfire.

I think there is some resentment in this institution to false labeling of an action of the Senate.

Now this is a bill which should be debated on its merits. It should not be debated on any false representations of what it provides.

There has been some accurate advertising and it is a very difficult issue if accurately represented. But I have seen some misrepresentations in my own bank as to what withholding does, and when I get a letter from my bank urging me to write my Senator—my bank here in Washington, may I say, with all my $12 in the account, writes me urging me to write my Senator to stop this new tax, I have to tell you it backfired. I resent it.

Now, I have heard the Senator from Kansas this afternoon say that, No. 1, he is willing to hold hearings. I thought I heard him say that. And, No. 2, there are a number of vehicles coming down the road in the next few weeks.

All I am urging the Senator from Wisconsin to do is let us get on with the jobs bill because I know this has priority. People are entitled to a resolution on withholding. They have a major issue. I do think that the jobs bill is the top priority before the Senate now even above withholding, as important as withholding is.

Mr. DOLE. Mr. President, the Senator from Kansas I think has the floor. I do not want to interrupt the colloquy between the two Senators.

Again, in response to the distinguished Senator from Wisconsin, I ask unanimous consent to include in the RECORD a copy of a letter sent to the Senator from Wisconsin by the Assistant Secretary for Tax Policy.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 8, 1983.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR BOB: This is in reply to your request for estimates of additional revenues that could be raised through various compliance

measures, including the reporting provision contained in S. 222.

Requiring taxpayers to submit copies of forms 1099 provided to them by payors of interest and dividends is estimated to have a negligible revenue effect since the perceived risk of noncompliance will not be appreciably greater than under current law.

Increased use of magnetic computer tapes by payors in reporting payments made to the IRS and increased cross-checking of forms 1099 against taxpayer claims of dividends and interest received would, in principal, give rise to higher levels of compliance. Under the Tax Equity and Fiscal Responsibility Act of 1982, however, the Secretary has already been directed to prescribe regulations to assure optimal use of magnetic tape reporting. Thus, increased use of magnetic tapes, together with the increased IRS cross-checking that such use will facilitate, has already been assumed in estimates of current law tax revenues.

The IRS currently has the authority to request additional funds for stepped-up audit and debt collection programs. Undoubtedly some additional tax revenues could be raised through such efforts. However, it would be a serious mistake to attempt to attain desired compliance levels by substituting a vast audit program for withholding on interest and dividends. An audit program of the magnitude necessary would be viewed as taxpayer harassment because millions of new taxpayer contacts, audits, and legal proceedings would be initiated. Such contacts, audits, and legal proceeding would be required in cases where the apparent underpayment of tax is very small. This process would seriously undermine tax administration efforts to insure honest taxpayers that our tax system based on voluntary compliance is both workable and fair. Thus, withholding is by far the most effective means of combating the noncompliance problem in the area of interest and dividends.

Sincerely,

JOHN E. CHAPOTON,
Assistant Secretary (Tax Policy).

Mr. DOLE. The letter explains that the Senator's proposal to require attachments of 1099 forms would have only a "negligible" reverse effect. I do not know how we can assure that every form 1099 is properly filed but we do know that 13 million 1099's used for interest are not properly filled in; 5 million used for dividends are not properly filled in. That is about 11 percent that are inaccurate, they have the wrong social security number, the wrong address.

This compliance problem does not only involve nonfilers. There are about 5 to 6 million nonfilers, but there are almost 20 million individuals who file tax returns but fail to report all of their interest and dividend income. That is over 20 percent of all returns filed. What the Kasten amendment would require is for the IRS to conduct audits of each of those 19 million-odd taxpayers. Currently, fewer than 2 million taxpayers are audited by IRS. The IRS under the Kasten amendment would audit 20 percent of all taxpayers if the revenue is to be collected.

Many Senators talk about harassment. I could imagine the reaction in this Chamber if the IRS started auditing 20 percent of all taxpayers' returns. That is not what this Senator has in mind. All we want is legal, legitimate compliance with the tax laws. But some of my colleagues are not being realistic about what their amendment would do and the costs that it will create.

When we stand up in the meeting and say, "OK, you are paying your taxes," we should be able to say, "I am paying my taxes and she is paying her taxes." Why should anyone not pay their taxes? Some do not pay their taxes.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. DOLE. I will yield in a minute.

Some do not pay their taxes unintentionally. I am not suggesting that the large majority of these people in my State or any other State are dishonest as I have been told by some. They are not. A lot of it is done unintentionally, a lot of them have to keep track of their own 1099's and they forget about it at the end of the year.

I know withholding is a very emotional issue and I do not want to quarrel with the banking lobby. I will quarrel with the banking lobby, however, as long as it takes to educate the American people to what withholding really is. The one thing it is not, it is not a new tax. Withholding is not a new tax. It simply says you are going to pay the tax at a 10-percent rate on interest and dividend income. If you have got a lot of interest income and a lot of dividend income, I am suggesting you probably are paying your tax and probably paying much more than 10 percent because the minimum marginal rate is 11 percent. Not many people, despite what we have heard here this afternoon, are going to overpay because of the 10-percent withholding.

I would just want to respond that as far as hearings are concerned, that withholding is not just the Senator from Kansas' decision. I am on the floor representing the President of the United States. Interest and dividend withholding was in the President's budget in 1983. It also happens to have strong House support. In the House of Representatives the Speaker of the House and the chairman of the Ways and Means Committee and the ranking Republican on the Ways and Means Committee, Congressman CONABLE, are all for withholding. So the Senator from Kansas cannot stand here and make any accommodation or any arrangements with any Senator and say we will have hearings or have an up-or-down vote. Revenue measures normally originate in the House. But the chairman of the Ways and Means Committee would not look at me kindly if I made some arrangement to repeal withholding after he worked so hard to pass the President's bill last year, I commend him for his courage in trying to work out that kind of difficult legislation.

But I would say to all the bankers who would be listening and all those in savings and loans and all the credit unions if you have a problem we will work out the problem, the problem is they do not want to do it. They do not want to sit down with us, and have repeatedly declined even to meet with us. Are they concerned about deficits, are they concerned about interest rates, are interest rates too high as some would charge? Are we bailing out the banks with the International Monetary Fund legislation? There are a lot of questions we must ask at the appropriate time if we are to reduce Government spending and restore economic growth.

Mr. BAUCUS. Mr. President, Tuesday, Mr. KASTEN and I stood here and advocated repeal of the requirement that financial institutions withhold taxes from interest and dividend payments.

My opinion has not changed.

Withholding is an old idea. Many times, Congress considered and rejected it. In 1982, however, it was enacted by a narrow vote.

Since then, opposition to withholding has intensified. Thousands and thousands of Montanans have called me and written me to decry the withholding requirement and demand its repeal.

These calls and letters have confirmed what I thought last year when I voted against withholding in the Finance Committee and on the Senate floor—withholding is a bad idea.

This point has been partly obscured by the mistakes made, during the past month or so, by some of the opponents and supporters of withholding. Some of the opponents of withholding have misled people by describing withholding as a new tax. Some of the supporters of withholding have inappropriately threatened to retaliate against those who disagree with them.

I deplore these mistaken overreactions. They undermine rational debate and divert attention from the underlying issue.

That underlying issue, Mr. President, is not whether we should catch tax cheats. Of course we should. The underlying issue, instead, is whether withholding is a fair and efficient way to do so.

The evidence indicates that it is not. The vast majority of taxpayers already pay taxes on the interest they earn. To catch the relatively few cheats who do not, the IRS should simply put its own house in order by improving and expanding information "matching." Withholding, in contrast, transfers administrative costs from

the Federal Government to taxpayers and transfers substantial investment resources from taxpayers to the Federal Government. This is a good deal for the Federal Government, but a bad one for taxpayers. That is why I and many of my Senate colleagues voted against withholding last year. And that is why I will vote to repeal withholding now.

Mr. MITCHELL. I rise in strong support of the pending amendment to repeal the provision in the 1982 tax bill which will provide for automatic withholding of 10 percent of the interest earned on savings and on dividends.

This provision was a bad idea when it was added to the tax bill last year and time has not improved it. It is still a bad idea and should be repealed.

The IRS now requires financial institutions to make quarterly reports on interest earnings. The tax bill tightened that reporting requirement to cover those forms of deposits which had previously been exempt from the requirement. The only thing needed for the IRS to achieve its goal—of insuring taxpayer compliance—is for the IRS to match the information it receives from banks and other financial institutions with the information filed by taxpayers. There are a number of relatively simple, inexpensive ways in which that can be achieved. And it does not require the withholding of 10 percent by financial institutions themselves.

The fact is that this virtually universal withholding requirement attempts to achieve a goal that is uncontroversial—increased compliance with our tax laws—but does so with the greatest inconvenience and cost to the largest number of people.

As a former U.S. attorney for the State of Maine, I discovered very quickly when I prosecuted income tax evasion cases that the problem of noncompliance or tax evasion does not occur with respect to interest on savings accounts. It occurs with respect to stock dividends and bond interest, particularly where the securities are not registered in the owner's name. That is the area in which substantial revenue gains can be achieved by increasing compliance, not the interest earned on small savings accounts.

In fact, the IRS itself admits that compliance with respect to that kind of interest is no less than 89 percent. And a study of filed bank interest reports matched against taxpayers' returns found that in the cases where the bank filed legible and correct information, compliance was at a 96.7 percent level. There is no need to institute this costly and burdensome process for the sake of the 3.3 percent of savers who fail to report their earned interest.

It is clear, both from tax evasion cases and from studies of current compliance by taxpayers with savings accounts that a strong reporting requirement substantially increases compliance. The stricter requirement now in the law, and additional strengthening if needed, should substantially increase compliance.

The pitfalls inherent in the universal withholding requirement are clear. They all boil down to the simple fact that a person's financial situation does not remain unchanged throughout a year, and that financial institutions, to protect themselves against liability for underwithholding, will be under pressure to withhold on all accounts, regardless of the option of exempting those which earn less than $150 per year in interest. The financial institutions have made it clear that the costs to set this system into effect will be substantial.

The option now provided which would let banks withhold the full amount at the end of the year raises as many questions and difficulties as it tries to answer. If depositors withdraw substantial portions of some accounts to use, for instance, for the holiday gift season, will the bank have to withhold capital as well, should the quarter's interest be lower than the 10 percent? And banks will be forced to determine whether it is in their or their clients' interest to withhold in quarterly amounts or all at one time. Individuals who count on interest earnings would find themselves with a single quarter in which their expected income could be reduced by 10 percent. Rational financing planning is complicated by such a situation.

The option of excluding those accounts which earn less than $150 a year can be exercised at the option of the bank. It is not a requirement. Thus, lower-income savers may find they are losing a portion of their interest earnings, even though the total earnings themselves are minimal. And it is precisely this group of taxpayers who generally are overwithheld and eligible for tax refunds, so the net effect would be to force a small, but interest-free loan to the Government by the very people who can least afford such a loan. The argument has been made that because the sums involved are, themselves, so small, the principle at stake should be ignored. I do not accept that argument.

Much has been made of the claim that the elderly poor or middle-income are protected by the exemptions in the law. I suggest that this is wishful thinking on the part of the proponents of withholding. The fact is that many elderly people use the interest on a life insurance policy or small lifetime savings to augment their social security benefits. These people are not liable for taxes in many instances. And many of them have been retired long enough to have lost touch with the need to file annual tax returns. A recently retired businessman may not find the filing of a certificate of exemption a hardship or a complex undertaking. But an elderly widow, using her interest earnings to meet regular living costs, is not in the same position. Nor do many of our elderly people relish providing their neighborhood bank with the information that they have a low tax liability, which this withholding exemption process would require of them.

It is ironic that one of the threats being used to stifle public concern about this provision is the threat to impose heavier taxes on banks. Today's Washington Post carried a story to the effect that several large banks have paid low taxes. The explicit threat, outlined in the column, was that higher effective tax rates would be imposed unless the financial institutions stopped opposing the 10-percent withholding provision. That threat, and the assumptions on which it is based, is a misguided use of the power to tax.

If the taxes on financial institutions deserve to be raised, then the Treasury Department and the appropriate congressional committees should review the issue on its own merits, not treat it as a club with which to prevent opposition to this particular law. Unwarranted tax favoritism ought not be a subject of bargaining between the Congress and any part of the private sector. The assumption behind this threat seems to be that the low taxes paid by some banks are perfectly acceptable on their own merits.

The other assumption is that the American people who have written to Congress about this issue are too foolish to understand their own best interests, and that they are being stampeded into opposing something which will not seriously affect them. I have a greater respect for the ability of our people to recognize their own interests. Other grassroots lobbying campaigns on various issues have been mounted in the past. None has generated the kind of response that this one has. That does not reflect some magical quality in the financial institutions' lobbying efforts. It reflects the fact that most Americans who save dollars which have already been taxed once, when they were earned, do not want to give Government an interest-free loan of any amount of their savings for any length of time. Three-quarters of taxpayers receive refunds. Most of the people in this country know that if 10 percent is withheld from their savings interest, they will ultimately get it back. But the question is, why should it be denied to them for any period of time, when they do not owe it to anyone else?

The unstated assumption behind this entire provision is that regardless of a taxpayer's financial circum-

stances, loss of work or sudden high bills or any other situation, the Federal Government still has first call on his money. That is not a notion to which I subscribe, whether the amount involved is $10 or $100 or $1,000. The Federal Government has a call on the taxes owed, no more and no less. That is a fundamental principle and one which this law violates.

I strongly urge that this amendment pass.

● Mr. SASSER. Mr. President, I support the Kasten amendment which repeals the 10-percent withholding provision contained in the Tax Equity and Fiscal Responsibility Act of 1982. This provision is one that I have consistently opposed from its inception. Repealing this onerous section of the Internal Revenue Code is long overdue.

It was clear to me that the 10-percent withholding provision in the 1982 tax bill would have severe consequences for many Americans. Not only would banks be forced to adopt new costly procedures to accommodate the withholding provision, but many elderly and middle income Americans would be adversely affected by the 10-percent withholding provision.

My apprehensions were generated not only by my own personal misgivings about the withholding provisions of the 1982 tax bill, but also from the public outcry that has been heard on this issue. I have received a flood of mail and phone calls on this matter. In all, I have received over 14,000 letters and phone calls from bank depositors and bankers requesting that I work to repeal this heartless provision.

Excerpts from some of these letters underscore the depth of concern Americans feel over this provision. A letter from Mrs. K. Chesser pointed out that her family's savings account represented money they had set aside for emergencies and hard times. Her family is in need of every penny of that money during these economically harrowing times.

Mrs. Chesser was confused as to why the President would give Americans a tax break one year and then implement a new withholding provision the the next year. To quote Mrs. Chesser, "That doesn't add up in my book."

I also heard from 75-year-old Bertha M. Bedwell of Springfield, Tenn. Mrs. Bedwell is a widow who lives on a very limited income. The interest from her small savings is necessary to pay her monthly bills as her social security payment is simply not sufficient to take care of her everyday needs.

Many of the letters I received contained similar sentiments. People are very fearful of the adverse impact of the 10-percent withholding provision. Some of these fears were borne out in a study done by Arthur Young & Co. which was reported in the Washington Report last August. That study concluded that withholding of interest and dividends would hit hardest those least able to afford it. The reliance of the elderly poor on interest and dividend income from their savings makes them particularly vulnerable to the effects of withholding according to the study.

In addition to this unnecessary human suffering, the 10-percent withholding provision will impose a major fiscal burden on the financial institutions of this country. All institutions that are affected by this provision face large outlays to purchase the equipment necessary to fully implement this new procedure. Estimates on the cost of setting up this new procedure run as high as $1.5 billion for the first year of withholding.

Withholding will also require a new wave of paperwork for those individuals who are also exempt from the provision. This sea of paperwork will be further congested by the forms filed by issuers of tax-exempt bonds who must establish their tax-exempt status.

In sum, Mr. President, the provision calling for withholding of 10 percent of interest and dividends was unwise when passed last August and it is unwise now. The need for enhanced reporting designed to halt taxpayer cheating in this area can be achieved through less burdensome means. I applaud Senator KASTEN for bringing this amendment to the Senate floor, and I urge my colleagues to support this worthwhile amendment.●

STATEMENTS OF SENATORS DELIVERED OR SUBMITTED DURING TODAY'S PROCEEDINGS RELATING TO H.R. 1718 FOLLOW

Mr. HATCH. Mr. President, as I have said before, H.R. 1718 is for the most part a construction bill, aimed at providing relief for skilled workers. Despite our best intentions, these projects are often slow off the mark and provide no permanent employment in the private sector. They virtually ignore the needs of the structurally unemployed.

Instead of learning from the experience of previous jobs initiatives, we repeat the same policy and program cycle with predictably few positive results.

Labor market problems are concentrated primarily among the poor, minorities, and youth. Training programs for the economically disadvantaged tend to receive their greatest public support when economic conditions are good or improving, when the numbers in need are shrinking, and when, in general we can most afford to be generous.

When the economy becomes tighter, cutbacks in programs addressed to long-term solutions for structural unemployment problems are adopted to help justify spending for short-term quick fixes. This makes a bad situation worse for those at the end of the labor line.

Actions to get the economy moving again with old-fashioned macroeconomic stimuli will only reemploy a few of those at the front of the jobless line. Now is not the time to renege on our previously adopted employment strategy. We must continue our efforts for the structurally disadvantaged, since their problems are, by any standard, increasingly severe.

Congress and the Reagan administration argued for the targeting of Federal manpower improvement programs on the poor adults and youth who could obtain a new perspective on life with a good job and the proper prior training. The Job Training Partnership Act exemplifies this new commitment.

Minority men, 25 years and over, accounted for a fourth of the unemployed in 1979. A more accurate indicator, however, of labor market realities is the employment rate. In 1979, 58 percent of the population age 14 and over was employed. By 1982, the employment rate had dropped to 56 percent representing a decline in employment of 3.6 million jobs. It is clear that training needs to be directed to these people.

We also cannot forget those youth who are still in school, but are headed for a lifetime of hopelessness. These young people can be identified and singled out for special counseling and training. Our country has many such programs, such as the jobs for America's graduates program now operating in eight States, which can pick up these young men and women before they fall into a life of despair. Many are scheduled to graduate this June with no marketable skills, no employment future.

After discussing these ideas with the Senator from Connecticut, it is apparent that the appropriate Federal programs needed to address these issues cannot be achieved under this legislation. I recognize that the problem is not one of concept or concern but one of implementation, and I think it may ultimately prove counterproductive to debate these programs today. Instead, I hope that the distinguished Senator from Connecticut, who I know is personally concerned with these issues, will agree to address them during his subcommittee's consideration of the fiscal year 1984 appropriation for the Job Training Partnership Act and, in particular, the funding for title II-A.

Mr. WEICKER. I agree with the Senator from Utah's concern for the vocational training needs of the most unskilled, disadvantaged individuals among the unemployed. The programs most directly aimed at serving these individuals are in the process of being shifted from administration primarily by cities and counties to the Governors, effective October 1, 1983. It is doubtful Governors will be ready to

implement these programs before October, and existing projects are being phased out.

Appropriations under title II of the new law should therefore wait until the regular fiscal 1984 Labor-HHS bill, as proposed by the President, and as contemplated by the Job Training Partnership Act. I assure the Senator from Utah that I will give careful attention to adequately providing for these title II services during consideration of the regular fiscal 1984 Labor-HHS appropriations bill.

THE JOBS BILL IS UNWISE, INEFFECTIVE AND DANGEROUS

Mr. ARMSTRONG. What a phony.

How else can I describe a so-called jobs bill that is likely to cost more jobs than it creates and which is one of the most blatant examples of pork barrel legislation that has been seen in this town in years.

Members of Congress currently have before them a dilemma. We are in the midst of large unemployment and the early stages of economic recovery. We in the Congress realize that deficits that cause interest rates to rise will seriously threaten any recovery. Yet, at the same time, we are very aware of the human suffering encountered by the unemployed and their families. Much of the present unemployment problem is structural in nature. That is, the jobs which workers used to hold are no longer available—not because of a depressed economy, but rather because the product of their labor is made more cheaply elsewhere, is of lower quality than that produced by someone else with more advanced technology, or simply is no longer in demand by the consumers of this country, or the world for that matter. A multibillion dollar expenditure for jobs, although it would exacerbate the present deficit situation, might be justified if it would work. The present proposal, although not really a jobs bill, will fail like many of its predecessors for reasons that I will elaborate upon shortly. But first I would like to call your attention to some recent figures announced by the Reagan administration.

On March 2, the Commerce Department released data on its Index of Leading Economic Indicators. The index, the Department noted, was up 3.6 percent. This was the biggest gain in 30 years. Earlier, in February, the Labor Department released unemployment figures for January. They noted that the unemployment rate had declined from 10.8 to 10.4. This figure reflected 340,000 nonfarm workers back at work. Moreover, virtually every business economist in the country is predicting real economic growth of at least 4 to 6 percent in 1983. Goldman Sachs has increased their estimate of the rise in GNP for 1983 to the high end of the 4- to 5-percent range. H. C. Wainwright & Co. Economics is predicting real growth of 8.7 percent in 1984. Morgan Guaranty notes that "there is now little doubt about it: the U.S. economy is beginning to emerge from the recession. Orders are rising and inventories have been greatly reduced, a combination that almost inevitably means higher output * * *." Morgan predicts that real GNP will grow 5.1 percent in the fourth quarter of 1983.

Not only are the forecasts positive, but so are the indicators of actual economic performance. You might want to dispute a forecast but you cannot dispute what is already happening. Initial unemployment claims are declining, automobile sales and housing starts are up. Paperboard production and railcar loadings are up, as is real personal disposable income. The President called it right—the economy is on the mend. Inflation forecasts have been the key in bringing down interest rates from highs in excess of 21 percent to the present prime rate of 10.5 percent. This is the lowest rate in 4 years and people who need houses and cars know it. Building starts alone were up 96 percent in January compared to a year earlier.

Despite these tangible signs of renewed economic health and forecasts for a truly robust economy in 1983 and 1984, the Congress is considering a so-called jobs bill. In reality, the proposal is not a jobs bill or a jobs program. Actually, the proposal just pours more money into projects the Federal Government already funds and will continue to fund.

Basically, Members of the House of Representatives were asked by the chairman of the House Committee on Appropriations to pick their favorite project for funding. As Congressman ROBERT MICHEL noted:

> This legislation does not target the chronic unemployed. We are asked to send $4.6 billion up in a plane to be scattered across the landscape with little hope of ever reaching those who need it most.

In many cases the money cannot even be spent this year because there is no way to shovel it out. Clearly, this is not a jobs bill. It is just more money for pet projects.

This is ironic, given that there is one other area of agreement among economists other than that the U.S. economy has begun its recovery and is poised for better than average growth in the future. Economists also agree that so-called jobs programs do not create jobs. In the past such programs were implemented long after they were needed—taking effect when the economy was running smoothly, and consequently, adding to inflation. Moreover, such programs do little to employ the hard-core unemployed, and have proven difficult to terminate once they began.

For example, the high unemployment rates during the 1974–75 recession and its aftermath prompted Congress to enact a trio of job-creating programs over a 3-year period—$2 billion for public works, $1.25 billion in antirecession aid for the States, and a temporary program to help the hard-core unemployed under, you guessed it, CETA—a program which temporarily lasted over 8 years. All three were slow in getting started. It was not until mid-1978, 3 years after the program's inception, that outlays reached their peak. Additionally, a 1979 OMB study found that fewer than one in three hired for local public works programs came from the ranks of the unemployed, and that wages paid to these workers amounted to less than 7 percent of the program costs. Finally, jobs for unskilled workers lasted, on average, less than 4 weeks.

It is also ironic that, at the very same time the Congress is considering spending billions of dollars for a jobs program that will provide perhaps one quarter to one-half million jobs, they are considering enacting a social security tax increase that, according to DRI, will reduce employment between 2 and 4 million job years by the end of this decade. In fact, the Congressional Budget Office predicted that the 1977 social security package that increased taxes $437 billion during the 1980's would cost 500,000 jobs. Might I suggest that this is the same number of jobs we are now trying to unwisely "create" with this multibillion dollar package.

The jobs bill reported by the House Appropriations Committee is a hoax. The bill proposes to spend $5 billion we do not have a program that will not work. These programs are expensive despite their ineffectiveness. A 1979 OMB study found that the cost of creating a job ranges from $69,320 to $198,059 per year. The problem is twofold: First, Federal projects must comply with Davis-Bacon regulations which effectively force the payment of high union wage rates on all projects. Second, experience has shown that Federal public works expenditures simply replace a large amount of State and local government expenditures for public works, meaning there is no net job creation. Moreover, according to the Congressional Research Service, only 13 percent of those hired under the Public Works Employment Act of 1976 were unemployed just prior to their new jobs.

The primary beneficiaries will be those Members of Congress most adept at getting their hands in the pork barrel.

There are many such examples—but let me cite just one.

For example, the funds under this supplemental appropriation H.R. 1718 as reported by the Appropriations Committee are not even targeted to high unemployment areas. For exam-

ple, the committee's lump sum appropriation to the major corps and bureau construction accounts is a blunt instrument where a scalpel is required. How can we explain the funding of the WEB rural water development project in South Dakota, a State that had a 6.6-percent unemployment rate at the end of 1982, the second lowest in the Nation? How can we justify additional funds at this time for the McGee Creek project in Oklahoma, a State that had an unemployment rate of 6.8 percent at the end of 1982, the third lowest in the Nation?

The bill has $50 million for a Small Business Administration "natural resource development program"—a program which one Small Business Committee member noted does not even exist. One Member of Congress has hit the nail right on the head because he goes on to note "this money is for planting trees, and I can tell you that the businessmen and businesswomen in my district do not want to plant trees—they want the Federal Government to reduce the deficit and stop crowding the capital markets so they can get back in."

The people of Colorado echo these sentiments. One Colorado banker noted that loan requests for new projects and business expansion have already picked up considerably as interest rates have declined and economic forecasts improved. The recovery has good prospects. But I am convinced that if the Congress acts irresponsibly on this and other matters that affect the deficit, we will snuff out the recovery and we will be worse off than before.

I recall another ill-advised $5 billion measure to prime the pump for the housing industry. Last summer, when we considered the mortgage subsidy bill, reason prevailed. Thank goodness President Reagan vetoed the bill which was subsequently dropped in conference. The market does work. I note again that building starts were up over 95 percent in January compared to a year earlier without the mortgage subsidy bill. Building permits were up 85 percent for the same period. I do not think Members of the Senate need to succumb to the rationale for the jobs program that its most ardent supporters advocate—namely that we have to show our concern for the unemployed by voting for a program that will not work. Rather, I submit, we need to show our concern for the unemployed by providing an economy and an economic outlook that will allow them to go back to work. Lower inflation has had a direct effect on interest rates, which in turn have had an enormous effect on housing starts. We must bring these deficits under control now to allow the economy the breathing room it needs and will continue to need as it grows—in housing, automobiles, and capital goods.

Not all jobs programs are without merit. Indeed, some programs such as the Jobs Training Partnership Act passed by Congress last October are attempting to get at the root of structural employment. Rather than create jobs in the public sector which will eventually end, this act will prepare youths and unskilled adults for entry into the labor force while also offering job training to the disadvantaged and hard-core unemployed. Training is provided at the local level with private industry offering policy guidance and oversight. I voted in favor of this proposal because it addresses the problem in a constructive manner which will provide long-term solutions. The Jobs Training Partnership Act is a far cry from the current pork barrel proposal. We all know the differences.

In short, the so-called jobs bill is unwise, effective and dangerous—dangerous because some influential Members of the House have indicated that more proposals are on the way. We can ill-afford another $5 billion drain on the Treasury for a program that just will not work.

WINDHAM COLLEGE CAMPUS PURCHASE

Mr. LEAHY. There are funds in this bill for the construction and renovation of a number of projects proposed by the Bureau of Prisons. This includes funds for the proposed renovation project of the abandoned Windham College campus in Putney, Vt., for a minimum security facility.

The Chief of Facilities Development and Operations, Mr. James Webster, has assured me in writing that the Bureau has agreed not to locate the facility in Putney if a majority of the local voters vote against the Bureau's proposal. That vote in Putney is scheduled for March 30.

Mr. Webster will be beginning a well-deserved retirement on March 17. I have pledged to the people of Putney, Vt., to follow this proposal closely to insure that the Bureau of Prisons honors Mr. Webster's good faith promise.

Mr. Chairman, this proposal by the Bureau of Prisons is a very important issue to the people of Putney. I would like the committee's assurances that none of the funds in this bill we are considering today will be obligated for or spent to acquire this facility before the voters have the opportunity to cast their votes on March 30, or if the voters of Putney vote against having the Bureau locate the minimum security prison at the Windham College campus.

Mr. LAXALT. I would like to assure the gentleman from Vermont that it is not the intent of this committee to change in any way the written promise of the Bureau of Prisons, as stated in the February 17 letter to you from Mr. Webster.

Mr. LEAHY. I want to thank the gentleman from Nevada and request that the February 17 letter to me from Mr. James H. Webster, Chief of Facilities Development and Operations, Bureau of Prisons, U.S. Department of Justice, be included in the RECORD.

I would also like to make it clear that the manner in which Mr. Webster and his staff have handled this entire matter thus far has been exemplary. I have nothing but the highest regard for Mr. Webster. If all Federal efforts were conducted with the same straightforwardness and respect of the local community's support and participation, then the Federal Government would be perceived much less as an ogre by the general public.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
FEDERAL PRISON SYSTEM,
Washington, D.C., February 17, 1983.

Hon. PATRICK J. LEAHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEAHY: The purpose of this letter is to review the latest events leading to our efforts to acquire Windham College for use as a minimum security prison camp.

On the evening of January 11th we met with the townspeople of Putney and answered questions concerning the Bureau of Prisons' proposed use of the college. Also during the last week of January we took John Bagge, Town Manager, and the Selectmen to the Federal Prison Camp, Allenwood, Pennsylvania to talk to staff, inmates and local townspeople. The Putney group's reaction to the visit should be verified with John Bagge. However, it is my impression that the group was convinced that the Bureau of Prisons is being factual and honest in the evaluation of the affects of a minimum security facility on its immediate neighbors.

On Wednesday, February 9, Mr. Sorg, the Chief of Operations in my office and two architects will visit Putney to gather additional budget information and facts concerning the Environmental Impact Statement (EIS). Mr. John Bagge knows of our visit and the purpose. Informing him of visits is a standard procedure.

Our target date for completion of the draft EIS is February 28. Putney citizens will have approximately 30 days to review our EIS and will have accurate information concerning our proposed use of Windham College.

The draft EIS must be circulated for 30 days prior to the holding of a formal public hearing. The purpose of the hearing is to address any questions that people have that were not clearly answered in the draft. All questions must be answered in the final version of the EIS. We do not want to hold the hearing prior to the Australian Ballet on whether to accept the prison camp or not. We have agreed not to locate the facility in Putney if the town votes a majority in opposition to us. This action may seem unusual for the Federal government. However, in our case, the support of the local community is vital to our success. Additionally, we respect the will of the people of Putney, Vermont.

Sincerely,

JAMES H. WEBSTER,
Chief, Facilities Development and Operations.

BRADLEY UP NO. 26—STATEMENT IN OPPOSITION TO REDUCTIONS IN FUNDING FOR EDUCATION AND CHILD NUTRITION PROGRAMS

Mr. HEFLIN. Mr. President, on February 3, 1983, the distinguished senior Senator from New Jersey introduced Senate Resolution 50, a sense-of-the Senate resolution regarding cuts in education programs. I commend him for his efforts to bar any further cuts in education programs, and I have joined him in sponsoring the resolution because I firmly believe that the Senate should not adopt any budgetary proposals which would make further cuts in our education and child nutrition programs.

The administration's budget proposals call for drastic cuts in funding for both elementary and secondary education programs, as well as deep reductions in funding for higher education. These proposals would also reduce funding for child nutrition programs by almost 10 percent. These are the programs that have already received cuts over the past 3 years, and any further reductions of them would undermine the ability of our local school officials to effectively serve our children. To further reduce Government assistance for child nutrition would have a devastating impact on lunch room programs across the country, causing many schools to eliminate entirely the hot meals that our children currently receive.

In 1981, approximately 35 percent of the Federal dollars for the school lunch program was eliminated from the budget. Our Nation is one which can certainly afford to feed its poor and disadvantaged children. The school lunch program is one of the most important programs in existence today. It cannot stand further cuts if it is to continue to be effective.

Mr. President, it is equally important that we provide adequate funding for our academic programs in elementary, secondary, and vocational education, which, this year the administration wants to cut by 15 percent across the board. For the past 2 years these same programs have been under attack. For example, the fiscal year 1983 budget decreased education programs by approximately 32 percent from the fiscal year 1980 amount. The current proposals would reduce title I compensatory education by $154 million in fiscal year 1984. This is a program which has a proven track record of improving the reading and math skills of low-income elementary school children. To reduce this program would certainly be unwise.

It is imperative also that we protect vocational education. This is the segment of education which has the responsibility for preparing young people for qualification in specific trades or occupation. Vocational education is the backbone of our Nation's employment and training programs. It draws its strength from the fact that training is an integral part of our Nation's public educational system which represents a joint Federal, State, and local partnership effort to meet America's need for skilled workers.

Likewise, our higher education programs are slated for additional reductions in funding. The proposals to require graduate students to pay a 10 percent origination fee on the guaranteed student loan will simply eliminate many of our students from the program. This program has provided millions of students with loan capital to meet their educational expenses. Mr. President, it is a recognition of both individual and national needs, that the Federal Government has maintained our student assistance programs. They are designed to assure broader access to higher education by providing resources to assist the financial efforts of our students and their families. The proposed cuts in Federal aid to higher education would revoke the Federal Government's commitment to assure that no student of ability is denied the opportunity for higher education because of financial need. It is totally unrealistic to propose these cuts in our higher education programs at a period in history when we are relying upon our colleges and universities to produce highly skilled men and women who are sorely needed to develop high technology and stimulate industrialization and economic growth in our Nation. In fact, Mr. President, the Federal Government must begin to address the problems of the present shortage of highly skilled individuals needed to maintain our technological superiority. It is clear that the ability of the United States to maintain a competitive edge in science and technology will not only influence our economic well being, but also our national security. Therefore, we will depend upon our institutions of higher education more than ever before for research and training, if America is to maintain a position of world leadership in the high technology fields. The Federal Government is the stabilizing force behind our Nation's basic research effort and we must provide adequate funding in direct assistance to our institutions, as well as through student financial aid.

The Congress clearly has a responsibility to provide a reasonable level of financial assistance to public education and I urge the entire Congress to join me in this effort to place a halt on any future cuts in education.

● Mr. PRYOR. Mr. President, I want to commend the distinguished Senator from Oregon—the chairman of the Appropriations Committee, Senator HATFIELD, and the ranking minority member, the Senator from Mississippi, Senator STENNIS, for the outstanding leadership they have displayed in handling this important legislation before the Senate. I am especially pleased with the decision by the committee to include $17 million in funding for the National Center for Toxicological Research (NCTR) in Jefferson, Ark.

These funds will we used for expansion/renovation projects identified in a master plan which Congress in 1975 directed NCTR to formulate.

Mr. President, in times of record unemployment the impact of an injection of money into the economy of Jefferson will be important not only to the community but also to the entire State of Arkansas. I have been informed that approximately 300 construction jobs will be created, as well as 200 new personnel positions. In a county that shares the unemployment plight of the Nation—Jefferson County has 10.5 percent unemployment—this money can and will have a positive economic impact.

As a component of the Food and Drug Administration, NCTR conducts research programs to study the biological effects of potentially toxic chemical substances found in man's environment and develops improved scientific procedures for evaluating the safety of chemical toxicants and their long-term effects.

The importance of this type of work must not be lost on Congress. It is critical that we understand our responsibility to commit adequate resources to an area of research which has such potentially dramatic human implications. The Appropriations Committee has recognized this responsibility in its inclusion of NCTR funds in this bill. I am confident that the taxpayers' investment will be paid back many times.

Mr. President, I am excited about the prospects for research breakthroughs at NCTR. Later this month I will visit the facility, and in this Congress I hope to introduce legislation to emphasize and improve cooperation among Federal and State governments, as well as the private sector, in our common goal of tapping the great potential at NCTR.●

● Mr. McCLURE. Will the chairman of the Appropriations Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies yield for a question?

Mr. LAXALT. I yield to the Senator from Idaho.

Mr. McCLURE. Today the House and Senate have disapproved the deferral of fiscal year 1983 Economic Development Administration funds. If such funds are to be released for obligation, I believe they should be expended in the most cost-effective manner possible. Based on that, is it the Senator's understanding that incomplete public works projects of the Economic Development Adminstration receive a higher priority for additional funding than new projects?

Mr. LAXALT. That is my understanding. If a project has not been completed due to unanticipated cost overruns, rather than a change in the scope of the project, the EDA makes every reasonable effort to provide funds to finish the project.

Mr. McCLURE. I thank the Senator for his courtesy.●

THE OMISSION OF A COSPONSOR FROM THE ANA TRANSFER AMENDMENT TO H.R. 1718

● Mr. ANDREWS. Mr. President, late yesterday, the Senate adopted an amendment to H.R. 1718 that I proposed that would prohibit the transfer of the administrative functions of the administration for Native Americans to the Bureau of Indian Affairs. The Senate adopted that amendment and I look forward to its retention when the bill is sent to conference.

Unfortunately, when the list of cosponsors of the amendment was compiled, the name of my good friend and colleague, the senior Senator from North Dakota, MR. BURDICK, was inadvertently omitted. I would like the record to show that, in fact, Mr. BURDICK was an early cosponsor of the amendment and should have been included in this list that was set forth yesterday afternoon. He is well aware of the value of the ANA programs nationally and, most particulary, in our home State of North Dakota. He shares the sentiments of all those who cosponsored the amendment that the impending transfer of the administrative functions of ANA to BIA was ill conceived and ill advised.

I would like to take this opportunity to thank Senator BURDICK for his early and effective assistance on this matter and hope that, by these remarks, I have set the record straight.●

Mr. DOLE. I am happy to yield to the majority leader.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is clear to me that we are not going to be able to unravel this situation now. At some point we have to do that. We have to move on this bill. It has been my experience over the years that a night's sleep is some of the best balm one can supply.

I will say to my colleagues I do not have any solution right now, but I will work with my side of the aisle and confer with the minority leader. But at this moment I am inclined to think that the Senate should go out unless there is some urgent business the minority leader wishes to take up.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not past the hour of 5:15 p.m.

The PRESIDING OFFICER. Is there objection?

ORDER OF PROCEDURE—EMERGENCY JOBS APPROPRIATIONS, 1983

Mr. KASTEN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator will state his objection.

Mr. KASTEN. I would just like to reserve the right to object. If we go out tonight is it the Senator's intention—what would be the pending order of business beginning tomorrow?

Mr. BAKER. When we return tomorrow—Mr. President, what is the question before the Senate at this moment?

The PRESIDING OFFICER. The question before the Senate is the amendment of the Senator from Wisconsin to the amendment of the Senator from South Dakota.

Mr. BAKER. I thank the Chair.

Mr. President, in answer to my friend, the Senate would resume consideration of the Kasten amendment. We will be in exactly the same situation tomorrow when we resume consideration of this measure.

Mr. KASTEN. I thank the Senator.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS AND CONSIDERATION OF THE PENDING BUSINESS ON TOMORROW

Mr. BAKER. Mr. President, are there any special orders? There are none entered, are there, for tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I ask unanimous consent, Mr. President, after the recognition of the two leaders under the standing order, that there be a period for the transaction of routine morning business to extend from that time until 10:30 a.m. in which Senators may speak for not more than 1 minute each, and at 10:30 a.m. the Chair lay before the Senate the pending business and the pending question.

Mr. HUMPHREY. Mr. President, reserving the right to object, I want to inquire of the majority leader how his request affects the unanimous-consent agreement reached last night with respect to the order of precedence.

Mr. BAKER. Mr. President, I would say to the Senator from New Hampshire it does not affect it. It will remain intact.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Now, Mr. President, let me first yield to the junior Senator from Illinois, then the senior Senator from Illinois.

Mr. DIXON. May I ask the majority leader is he aware of the fact that there is a time problem with respect to this jobs bill concerning States like those of my colleague from Michigan and my colleague and myself from Illinois with the trust fund problem which arises next Wednesday, and I wonder if the Senator from Wisconsin also appreciates those very serious consequences for unemployed people who will be off the compensation rolls next Wednesday if we do not pass this bill by that time?

Mr. BAKER. Mr. President, if I may answer my friend from Illinois, he knows, I am sure, that I have been the one pushing to see that this bill is taken up and passed, and I have repeatedly pointed out we do indeed have a deadline tomorrow at midnight, and we have a deadline again on March 15 as a practical matter when all of our options will expire, the pooling and pro rating of funds to pay unemployment benefits will all be gone by then. So it is my firm determination to see this matter dealt with to the extent that the Senate will permit me to do that.

Mr. DIXON. I thank the Senator.

Mr. BAKER. I yield to the senior Senator from Illinois.

Mr. PERCY. Mr. President, can the majority leader advise the Senate then what his best estimate might be as to the schedule for tomorrow and how late we might be in tomorrow and will we be in on Saturday?

Mr. BAKER. Mr. President, there is a distinct possibility we will be in on Saturday now. This is not meant to criticize any Member. I understand fully what happened, but we have squandered this day and there is a real possibility we will be in on Saturday. We will certainly be in tomorrow all day and maybe late in the evening depending on when we can get to a vote on it.

Mr. PERCY. I thank the majority leader.

Mr. BAKER. Mr. President, there are other Senators who wish to speak in morning business, but before they do that, if they will permit me, I have a series of requests for committees to meet during the session of the Senate which bear the approving notation of the minority leader.

(The Notices of Hearings are printed later in the RECORD.)

THE CALENDAR

Mr. BAKER. Mr. President, there are two items on today's Legislative Calendar I am told that are cleared for action by unanimous consent. They are Calendar Orders No. 38, Senate Resolution 49, and Calendar Order No. 37, Senate Resolution 18.

May I inquire of the minority leader if he will permit me to consider those two items en bloc?

Mr. BYRD. Those items have been cleared and there would be no objection to acting on them en bloc.

Mr. BAKER. I thank the minority leader. I ask unanimous consent that these two items be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISAPPROVING THE DEFERRAL OF CERTAIN BUDGET AUTHORITY

The resolution (S. Res. 49) disapproving deferral D83-43, relating to economic development assistance programs, was considered, and agreed to, as follows:

S. RES. 49

Resolved, That the Congress disapproves the proposed deferral D83-43 relating to the Economic Development Administration, "Economic Development Assistance Programs", as set forth in the message of February 1, 1983, which was transmitted to the Congress by the President. This disapproval shall be effective upon approval of this resolution and the amount of the proposed deferral disapproved herein shall be made available for obligation.

DISAPPROVING THE DEFERRAL OF CERTAIN BUDGET AUTHORITIES

The resolution (S. Res. 18) disapproving the proposed deferral of budget authority for the dairy indemnity program, was considered, and agreed to, as follows:

S. RES. 18

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D83-36) for the making of indemnity payments to dairy farmers and manufacturers of dairy products under the Act entitled "An Act to provide indemnity payments to dairy farmers", approved August 13, 1968 (7 U.S.C. 450j et seq.), set forth in the special message transmitted by the President to the Congress on January 6, 1983, under section 1013 of the Impoundment Control Act of 1974.

Mr. BAKER. Mr. President, I move to reconsider, en bloc, the vote by which the items were agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I now yield the floor.

Mr. D'AMATO. Mr. President, might I inquire of my colleague from Wisconsin if he has an amendment on the floor——

The PRESIDING OFFICER. We are in morning business.

Mr. D'AMATO. We are in morning business? Excuse me.

The PRESIDING OFFICER. Is there further morning business?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have two resolutions dealing with the Senate Legal Counsel, which are cosponsored by myself and the distinguished minority leader. I send them to the desk and ask for their immediate consideration.

DIRECTING SENATE LEGAL COUNSEL TO REPRESENT THE SENATE PARTIES IN A COURT ACTION

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 86) to direct the Senate Legal Counsel to represent the Senate parties in *Thomas Paul* v. *The Executive Branch of the Union Known as the United States of America, et al.,* Civil Actions No. 83-C-224.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, pursuant to Senate Resolution 477 of the 97th Congress, the Senate Legal Counsel is defending the Senate, the President of the Senate, and the Secretary of the Senate in two actions by Members of the House of Representatives who are seeking to invalidate the Tax Equity and Fiscal Responsibility Act of 1982. The house plaintiffs contend that the act was passed in violation of the origination clause of the Constitution. On December 16, 1982, the U.S. District Court for the District of Columbia dismissed the complaint, and the plaintiffs have appealed. Pursuant to Senate Resolutions 21, 22, and 67 of the 98th Congress, the Senate Legal Counsel is defending Senate defendants in three similar suits brought by individual plaintiffs.

There is now an additional lawsuit brought by an individual plaintiff who claims that the act was passed in violation of the origination clause. This complaint also names Senate parties as defendants, as well as naming the legislative branch as a defendant. The following resolution will direct the Senate Legal Counsel to represent the Senate defendants in this new case. The Senate Legal Counsel will be authorized to request on behalf of the Senate that the complaint against the Senate parties and the legislative branch be dismissed.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 86) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 86

Whereas, in the case of *Thomas Paul* v. *The Executive Branch of the Union Known as the United States of America, et al.,* Civil Action No. 83-C-224, pending in the United States District Court for the Western District of Wisconsin, the constitutionality of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law 97-248, has been challenged as having been enacted in violation of Article I, Section 7, Clause 1 of the United States Constitution;

Whereas, the complaint in this action names the Legislative Branch, the United States Senate, the Honorable George Herbert Walker Bush, President of the Senate, and William F. Hildenbrand, Secretary of the Senate, as parties defendants;

Whereas, pursuant to sections 703(a) and 704(a) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a) (Supp. V 1981), the Senate may direct its counsel to defend the Senate, its Members and officers, in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the United States Senate, the Honorable George Herbert Walker Bush, in his capacity as President of the Senate, and William F. Hildenbrand, Secretary of the Senate, in the case of *Thomas Paul* v. *The Executive Branch of the Union Known as the United States of America, et al.*

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DIRECTING SENATE LEGAL COUNSEL TO REPRESENT THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS IN A CERTAIN ACTION

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 87) to direct the Senate Legal Counsel to represent the Permanent Subcommittee on Investigations in an application for a writ of habeas corpus ad testificandum.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, the Permanent Subcommitee on Investigations has applied to the U.S. District Court for the District of Columbia for a writ of habeas corpus ad testificandum. The purpose of the application is to obtain the presence of a Federal prisoner for interrogation by the sub-

committee in connection with one of its pending investigations.

Committees of the Senate and House have requested and obtained many such writs over the years and the applications have been routinely handled by committee counsel. With respect to the Permanent Subcommittee on Investigation's current application, the district court has requested the subcommittee to submit a brief on the court's jurisdiction to grant the writ. The following resolution will authorize the Senate Legal Counsel to represent the subcommittee in this proceeding.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 87) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 87

Whereas the Permanent Subcommittee on Investigations had filed an application, Miscellaneous numbered 83-0080, in the United States District Court for the District of Columbia, for a writ of habeas corpus ad testificandum to Federal authorities to bring a witness, who is in the custody of Federal correctional officials, to Washington, District Columbia for questioning by the subcommittee;

Whereas the district court has requested the subcommittee to brief the question of the court's authority to issue the writ; and

Whereas pursuant to section 708(c) of the Ethics in Government Act of 1978, 2 United State Code 288g(c) (Supp. V 1981), the Senate may direct the Senate Legal Counsel to perform such duties consistent with the purposes and limitations of title VII of the Ethics in Government Act of 1978 as the Senate may direct: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent the Permanent Subcommittee on Investigations in its application, Miscellaneous numbered 83-0080, for a writ of habeas corpus ad testificandum.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, there are other Senators who wish to speak in morning business. Therefore, until they are prepared to do so, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A MISGUIDED U.S. OCEANS POLICY

Mr. PELL. Mr. President, today President Reagan has established, via Presidential proclamation, an exclusive economic zone (EEZ) within 200 miles of U.S. shores. From this day forward all living and nonliving resources are declared to be within the exclusive jurisdiction of the United States outside the framework of the Law of the Sea Treaty which will become international law when it comes into force. Although I do not challenge the President's authority under the U.S. Constitution to issue such a proclamation, I regret very much that the President has chosen to act so precipitously, prior to careful consideration by Congress to determine the wisdom of such an action and to assess the possibility of any adverse international political and economic reactions.

As you know, the EEZ proclamation is essentially consistent with the EEZ provisions of the Law of the Sea (LOS) Treaty. It is for this reason, I am told, that the President's advisers believe that this proclamation will have a salutary effect on our relations with nations which participated in LOS negotiations—relations heretofore embittered by U.S. rejection of the treaty. It is thought that the proclamation will "reassure" them that the United States is prepared to adhere to the non-seabed provisions of the LOS Convention.

I think it is equally possible that tempers will be further enflamed by such a blatant action by the United States, to pick and choose from the treaty as if from a bowl of cherries, choosing only those provisions most pleasing while rejecting the more onerous obligations in a treaty that the United States had agreed for years was to be a package deal. It is understandable that those 118 nations which have signed a treaty concluded after 9 long years of difficult compromises, many in an attempt to meet U.S. concerns, should be irritated by this unilateral U.S. action. They, after all, were prepared to accept provisions not to their liking in order to obtain certain benefits they sought. The timing of this proclamation, as a unilateral act could not come at a worse time with the work of the Preparatory Commission—a multilateral initiative under the auspices of the treaty—slated to start later this month on its arduous task of drafting the rules and regulations to govern deep seabed mining.

It is ironic that this proclamation may set in motion once again, the very forces that the United States hoped to stop when the Nixon administration agreed to participate in LOS negotiations 9 years ago, namely: ever-creeping jurisdictional claims by many coastal states which were endangering U.S. navigational, fisheries and research interests. I hope that I am wrong—but the President has certainly opened the door to this result.

Even if the President's EEZ proclamation is not challenged by other nations of the world, we are still left with a vacuum in U.S. policy with respect to other U.S. oceans interests. For example, is the President going to assert a U.S. right to benefit from the Law of the Sea Treaty's provisions which would insure unimpeded passage by U.S. military and commercial ships and aircraft through and over distant straits? Would he be prepared to send the U.S. Navy to protect any future U.S. mine sites beyond 200 miles of our shores from "claim jumpers" operating under international law as embodied in the LOS Treaty, and if so, what implications would this have for the other duties and responsibilities that the U.S. Navy must discharge? Is he prepared to guarantee the access of U.S. marine scientists to research areas within 200 miles of other states' coasts?

I think the answers to all of these hypothetical questions are obvious. There is no way that the United States, acting unilaterally, can insure and protect all of the myriad U.S. oceans interests. When the dust has cleared on the EEZ proclamation, I hope that the President's vision will be focused sufficiently to recognize this fact and that he will then move forward to a multilateral framework to insure U.S. oceans interests across the board and to advance the rule of law in international relations.

I ask unanimous consent that a very thoughtful letter to the editor, which appeared in the New York Times, on this subject by Margaret L. Dickey, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 9, 1983]

SEA LAW AND THE U.S.: A MISDIRECTED SPOTLIGHT . . .

To the EDITOR:

The Law of the Sea Treaty is frequently as ill served by its friends as by its enemies, as witness the Feb. 21 Op-Ed articles by Edwin Meese ("Seabed? No, Bed of Nails") and Clifton Curtis ("Sign the Law of the Sea Treaty"). Both miss the point. The 400-plus articles of this treaty are not primarily, or even secondarily, about seabed mining, but what stranger to this excruciating debate would have a clue?

The real issue is whether, on balance, U.S. interests are better served by a broadly accepted agreement on the rules to be applied to a wide variety of ocean uses, most of them of greater importance than seabed mining, or by being isolated with a view of customary international law which is uncertain in some areas and inapplicable in others.

In the 1960's, increasing numbers of countries were claiming jurisdiction of one sort or another out as far as 200 miles, undermining the concept of "freedom of the seas" beyond a narrow three-mile limit, a matter of vital strategic concern for the naval forces of the two superpowers. The problem was further complicated when the United

Nations pronounced some undefined area "the common heritage of mankind" and called for another conference on the law of the sea.

At that conference, the U.S. achieved its major goals. First among these was the preservation of rights of submerged transit and overflight of narrow straits like Gibraltar, which would become territorial waters by an extension of the territorial sea from 3 to 12 miles. Next, the territorial sea, with its restrictions of some degree on navigation, was limited to 12 miles.

Finally, we got to eat our cake, too: coastal states, of which the United States is one of the largest, obtained rights to offshore resources in a 200-mile exclusive economic zone, with protections provided for navigation and related high-seas uses in the zone. It is this careful balance that is jeopardized by the pending U.S. unilateral declaration of an economic zone: it is one thing to claim rights and quite another to impose duties on other nations.

It was not unexpected that in a negotiation of this magnitude we would pay some quid for our quos, and the quid was for the international mining "enterprise." The crux of the matter is not whether the mining provisions are awkward, complicated and inefficient (which they are), but whether the outcome is tolerable: Does the regime preserve reasonably assured U.S. access to what may or may not someday be a viable source of needed minerals?

Mr. Meese argues that customary law may be relied upon to protect U.S. interests, including pursuit of seabed mining as a freedom of the high seas. Customary law has never envisioned the exclusive occupation of hundreds of miles of a seabed mining site for extended periods of time by any nation or its nationals.

Such a novel use if not analogous to fishing, which requires no such territorial occupations. In any case, custom remains custom only as long as most of the principal players observe it. Japan and France, which also possess mining technology, have already signed the treaty.

Maybe "We've got ours, Jack," as Mr. Curtis so elegantly expresses his view of the Administration view. The question is, What is the prudent price to pay to keep it?

MARGARET L. DICKEY.

WASHINGTON, *March 2, 1983.*

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN. Mr. President, I ask unanimous consent that I may proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 57—MUTUAL BUILD-DOWN OF NUCLEAR FORCES

Mr. COHEN. Mr. President, I am pleased today to present the names of 28 of my colleagues who are cosponsoring the resolution Senator NUNN and I introduced last month calling for the negotiation of a mutual guaranteed build down of nuclear forces by the United States and the Soviet Union.

In developing and formulating Senate Resolution 57, Senator NUNN and I consulted closely with advocates of a nuclear freeze and proponents of U.S. military force modernization, including many of our colleagues in the Senate. The mutual guaranteed build down is an idea with many fathers.

Senator HART, who is cosponoring the build down resolution as well as the nuclear freeze resolution, has written and spoken extensively on the question of force modernization and arms control. His thinking is clearly reflected in the build-down concept. For example, in an address last autumn, Senator HART emphasized the importance of coupling military force modernization with arms reductions. He pointed out that the objective of modernization should be to enhance survivability. The resulting stability would have the effect of reducing the risk of nuclear war. This is an essential tenet of the build-down concept.

Senator THURMOND, the President pro tempore of the Senate and a strong advocate of military force modernization, was the first of our colleagues to join Senator NUNN and me as a cosponsor of the build-down resolution. Senator THURMOND has long been sensitive to the need for melding the desire for reductions with the requirement to maintain a force which will insure a strong deterrent posture.

Senator MOYNIHAN, a cosponsor of the nuclear freeze and build-downs resolutions, has addressed many of the difficult issues in military planning and nuclear arms reductions in his extensive writings. In his long search for a device which the Senate could utilize in shaping policy on these critical matters, Senator MOYNIHAN has given impetus to much productive thought and debate.

The Senate minority leader, Senator BYRD—a cosponsor of the nuclear freeze resolution—has also joined us as a cosponsor of Senate Resolution 57. Senator BYRD has been actively searching for a means of forming a coalition of forces behind an arms initiative which could satisfy our country's need to develop more survivable, stabilizing forces while reducing arms and tensions.

The chairman of the Senate Foreign Relations Committee, Senator PERCY, has established an impressive record of dedication and initiative in seeking meaningful arms control measures which serve U.S. national security interests. In a statement before this body on March 1, Senator PERCY described the build-down concept as "one of the most innovative and promising arms control proposals to be presented to the Senate in many years."

The list of contributors goes on and includes others from among the cosponsors of the build-down resolution. I would add to the list a distinguished former colleague of ours, Ed Muskie. As Secretary of State and chairman of the Foreign Relations Committee's Arms Control Subcommittee, Senator Muskie demonstrated a deep commitment and sensitivity to questions of military readiness and weapon reductions. In a recent Washington Post article, Senator Muskie called the build-down concept "the kind of constructive initiative for which those of us who support a nuclear freeze have been waiting."

Senator NUNN and I introduced Senate Resolution 57 in the hope that it would provide the basis for a national consensus of nuclear freeze advocates and proponents of U.S. military force modernization. I believe that the response from colleagues on both sides of the aisle in developing, introducing and pressing forward with the resolution represents a significant step toward achievement of that goal.

The build-down concept represents a beginning. There are many thorny issues to deal with in reconciling our desire for lasting peace with the need for maintaining our Nation's security. The nuclear freeze movement has raised the consciousness of all of us to the imperatives we face. The debate over means of achieving a reduction in—and, we pray, elimination of—the risk of nuclear war will be long, but useful. I hope that the build-down concept will serve as an early but significant step toward achieving this objective.

I believe that if we can forge a consensus of the well-grounded, well-meaning freeze and modernization forces in the United States, we can provide a mandate which will significantly enhance the prospects for negotiating arms control agreements which will promote United States and international security.

Mr. President, it is in this spirit that I place before you the names of the present cosponsors of Senate Resolution 57.

In addition to Senator HART, I would like to list the following Members as cosponsors: Senator BIDEN, Senator BOSCHWITZ, Senator BYRD, Senator CHILES, Senator COCHRAN, Senator DANFORTH, Senator DURENBERGER, Senator EXON, Senator FORD, Senator GORTON, Senator HATCH, Senator HEINZ, Senator HOLLINGS, Senator JEPSEN, Senator JOHNSTON, Senator KASTEN, Senator MATTINGLY, Senator MOYNIHAN, Senator NICKLES, Senator PACKWOOD, Senator PERCY, Senator QUAYLE, Senator ROTH, Senator RUDMAN, Senator SIMPSON, Senator SPECTER, and Senator THURMOND.

Mr. BAKER. Mr. President, this initiative is one of major importance. It

is one that I commend the Senator for undertaking and I commend it to the attention of all of our colleagues.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there any other Senator who wishes to speak?

Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended until 5:30 under the same terms and conditions.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

PARENTAL NOTIFICATION

Mr. DENTON. Mr. President, 1 month ago, former Secretary of HHS Richard Schweiker took a major stride in improving Federal policy toward the family. He issued a final regulation, now widely touted in the press, that would require that parents be notified within 10 days when federally financed family planning clinics issue prescription contraceptives to minor children. Implementation of the regulation has been temporarily halted by permanent injunctions issued by two Federal district courts.

This regulation is the direct result of a 1981 amendment to title X of the Public Health Service Act in which Congress mandated that federally funded "family planning" programs "to the extent possible * * * shall encourage family participation" in the provision of contraceptives to minors. It is commendable and appropriate that the administration has at last taken a minimal step toward encouraging family involvement. As a coauthor of the amendment which prompted this regulation, I can only say that it is well within the purview of the congressional mandate for increased "family involvement." After all, the family cannot be involved if it is not at least made aware.

Opponents of the regulation have only speculated that its implementation would result in higher rates of teenage pregnancy. Recent data accumulated in the wake of a Utah State requirement that parents consent to their children receiving prescription contraceptives demonstrates that such assertion by opponents of the regulation is false. Contrary to predictions by Planned Parenthood and others, pregnancy and abortion rates among girls aged 15 to 17 actually declined significantly during the year in which the parental consent requirement was enacted. This result bodes well for similar nationwide results following implementation of the proposed HHS regulation, even though that regulation requires only after-the-fact parental notification.

I am confident that most of my colleagues agree that Federal policy should promote, not discourage, strong families. Yet for some years the Federal Government has been spending millions of dollars to hand out prescription contraceptive drugs and devices to minor children behind the backs of their parents. "Strictest confidentiality" has been the watchword for the provision of prescription contraceptives to the young teenage girls who patronize the family planning clinics. The policy of the "family planning" industry has been that parents should not be permitted to know unless their child chooses to tell them. It is indeed a tragedy that we have allowed Government to impose itself between parent and child in an issue that so intimately affects that child's values and well-being. How and why have we allowed Government to so threaten parents' moral and legal responsibility for their children?

More is at issue here, however, than handing out prescription drugs and devices behind the backs of parents. Before family planning clinics distribute contraceptives, they give sex "counseling" to our children. Family planning professionals frequently call such counseling "value free." I call it value laden, laden with the value that sex among unwed adolescents is a normal, acceptable, even valued practice. All too often, federally supported counseling is of the sort seen in "About Sex," a film shown by Planned Parenthood and so offensive that I doubt that it could be aired on national television.

But it should be. After all, it has been shown to so many teenagers already. Anyone who sees that movie or some of the other examples of Planned Parenthood Association material realizes that the message is not really "value free," but it in fact promotes premarital sexual intercourse and makes its consequences, including pregnancy and abortion, more likely. Moreover, after pregnancy results from premarital sexual activity, the "family planning" programs are ready to provide abortion counseling and referral to the troubled adolescent. As pregnancy and abortion rates rise, the "family planning" industry tells Congress that it simply needs more money to fight the very problems that it is helping to create.

During this heated debate, I hope that opponents of the regulation will respect the opinion of parents of adolescents. An article in the Minneapolis Tribune entitled, "Forty-five Percent Believe Clinics Should Notify Parents" summarized a recent Minnesota poll which shows that more people favor this new regulation than oppose it. Moreover, the poll finds, "supportive majorities * * * among both men and women in their 40's, the age range (whose) children might be most affected by the rule."

Parenthood in the 1980's is perhaps more difficult than ever before. Our laws and regulations should not casually discount the value of parental love and care. If the Federal courts misapprehend the congressional intent of the 1981 amendment, I will introduce legislation that will clearly state that parents have the right and duty to be involved in governmental programs which affect their children. I hope my colleagues will join me with me in this effort.

George F. Will eloquently made a case for the new regulation in his Newsweek column of February 28. I ask unanimous consent that the text of that column, the summary of the Utah findings, and the article from the Minneapolis Tribune be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Newsweek, Feb. 28, 1983]

TEEN-AGERS AND BIRTH CONTROL

(By George F. Will)

Victoria Will is two years old and perfect. That is, she is perfectly like a two-year-old, which means she has the executive disposition of Lady Macbeth:

Me: "What is your name?"

She: "No!"

That word will stand her in good stead in about 15 years. Until then I live in blissful ignorance of the special tribulations of a parent of an adolescent daughter. But as a citizen as well as a father, I favor the Department of Health and Human Services' rule requiring federally funded birth-control clinics to notify parents whose daughters 17 or under are receiving prescription contraceptive drugs or devices.

Opponents call this the "squeal rule," implying that it is dishonorable for the government to codify the fact that parents have an interest in knowing of a minor daughter's receipt of prescription materials related to sexual activity. Notice, the rule does not require parental permission. A child may need parental consent even to take a school trip to the zoo, but the HHS rule requires only parental notification, and only after prescriptions have been filled.

Civil Liberty: A civil liberty, correctly understood, is a liberty central to the functioning of democracy. The American Civil Liberties Union evidently thinks it is a civil liberty for children to be given federally subsidized contraceptive measures and counsel, in secret. In response to an ACLU suit, a judge has blocked implementation of the rule, arguing that it would lead to an increase in teen-age pregnancy and thus constitute "blatant disregard" for Congress' intent in supporting family-planning clinics. Arguing against the rule in another court, a lawyer said it would cause 33,000 such pregnancies annually. Amazing, how folks can know these things.

It is devilishly difficult to prove cause-and-effect relationships between social policies and social changes. But this is clear: the problem of teen-age pregnancy has grown as contraceptives and sex education have become increasingly available. I am not saying the availability caused the growth.

But it would be rash to say the availability is irrelevant. And many of those who today are predicting with such certitude awful results from the HHS rule predicted that teen-age pregnancies would decline as contraception and sex education became more available.

Supporters of the rule note that prescription birth-control measures can have serious side effects. Opponents reply that pregnancy is more dangerous than contraception, especially to adolescents. That is true, but hardly an answer to this argument: in a society where most schools will not give a child an aspirin without parental consent, parents have the minimal right to be notified after a minor daughter has received a drug related to sexual activity. Besides, adolescents have a third choice between contraception and pregnancy. It is continence.

Opponents of the rule say it constitutes governmental intrusion into family relationships. But surely the government subverts family relationships when it subsidizes 5,000 clinics that purvey to children medical treatment and counsel on morally important matters, and do so without informing those who have legal, financial and moral responsibility for children—parents.

Opponents say that if parents are told that their minor daughters are on the Pill, some daughters will be deterred from seeking contraceptives, but will be no less sexually active. This is true. But the law that the HHS rule implements does not say that all values shall be sacrificed to the single aim of reducing pregnancy. Indeed, the law stipulates that subsidized clinics must "encourage," to the extent practical, "family participation." Again, the HHS rule does not require parental participation. It does not, for example, require that parents accompany the child to the clinic. It does not even require that contraceptive drugs or devices be withheld until parents are notified. It requires only that parents receive after-the-fact information that parents can act on as they please. It is hard to imagine a more minimal compliance with Congress' mandate to "encourage" parental participation. The rule is just an executive-branch attempt to balance the various values Congress affirmed.

It has provoked a disporportionate response. The New York Times had editorialized against the rule at least six times, denouncing it as "cruel." The Times says the rule would increase bureaucracy, which in this case the Times is against. The Times says the rule is an example of intrusive government, which in this case the Times is against. (Force busing? Fine. Parental notification of drugs prescribed for unemancipated minors? Too intrusive.) Why such uproar over a halfhearted rule that barely constitutes compliance with Congress' unexceptionable affirmation of parental involvement? Perhaps the decay of liberalism into a doctrine of "liberation" has led to this idea: even children must be "liberated," even from parental knowledge of even their sexual activities. Perhaps the extreme individualism of today's liberalism finds "repressive" even restraints associated with a collectivity as basic as the family.

The Rule: Many opponents of the rule seem to think that realism consists of accepting as irreversible the recent increase in teenage promiscuity. (Be honest, readers: how many of you think the value-laden word "promiscuous" is illiberal?) Granted, governments can do nothing to make teenagers less sexually ardent. And when traditional mores are dissolving as fast as ours are, trying to arrest the dissolution with a law is like trying to lasso a locomotive with a thread. However, policy need not passively reflect and accommodate itself to every change, however destructive. It need not regard social change as a process that is or ought to be entirely autonomous, utterly immune to the influence of judicious interventions. The HHS rule is such an intervention.

Law should express society's core values, such as parental responsibility. If HHS's mild rule is declared incompatible with public policy, what, for goodness' sake, is that policy? What values does it affirm, or subvert by neglect? HHS's rule at least does not express complacent acceptance of the inevitability of today's rate of teen-age sexual activity. Obviously the trend is against sexual restraint. But as has been said, a trend is not a destiny.

UNITED FAMILIES OF AMERICA, MARCH 1983

Everyone wants to reduce teenage pregnancies. All sides of this many-sided debate can agree at least on that. Jerry Falwell wants to, Sol Gordon wants to, Phyllis Schlafly wants to, Faye Wattleton wants to, I want to. So much for the aim; how do we do it?

For at least the last ten years, the assumption has been that teenagers are going to be sexually active, and that nothing can be done about that. The thing to do, then, if we want to reduce teenage pregnancies, is to give the kids instruction on sex and contraception. That way, their sexual activity won't hurt anyone.

Thus a comprehensive program of sex education has become an accepted part of the curriculum in our public (and many private) schools, and contraceptives are readily available to teenagers without even parental notification, let alone consent. The courts have approved this policy, and it is actively promoted by the federal Departments of Education, and Health and Human Services. It is pursued even more actively by the State counterparts of these agencies, which are staffed almost exclusively by SEICUS and Planned Parenthood-trained professionals.

The result has not been a decrease in teenage pregnancy. Quite the contrary. As UFA Vice President Susan Roylance testified before a Senate Subcommittee two years ago, the research of the family planning industry itself establishes the high positive correlation between the federally-funded family planning programs and elevated rates of "problem pregnancies" among teenagers. "Problem pregnancies" are those where the partners are unmarried or which end in abortion. Other correlating factors are suicide and venereal disease.

In an effort to recover some lost ground, the Reagan Administration, about a year ago, issued some regulations governing its Title X Family Planning Programs. Henceforth, whenever minors (and remember we are talking about girls as young as 11 and 12) receive prescription contraceptives (the Pill and Dalkon Shields you read about in the paper), their parents will have to be notified within ten days.

The family planning industry exploded: "Squeal Rule!" they cried; "invasion of privacy," they cried. And indeed, they have squealed the loudest, and their privacy to use taxpayer dollars without any accountability was about to be invaded.

But their most telling argument against these regulations was that they would increase the pregnancy rate. That is an argument anyone can understand, and as noted above, no one wants teenage pregnancy rates to go up. The most hardened anti-abortionist does not desire that consequence. "If these rules go into effect," the industry warned, "use of the family planning clinics will decrease. Girls will be up-protected, and the pregnancy rate will rise. And with it the rate of abortion, illegitimate births, venereal disease, suicide, and maybe dental caries." A federal judge in New York bought this argument, and on 7 February issued an order staying the regulations. His reasoning rested plainly and simply on the assumption that, the pregnancy rate would go up, and that that was not to be allowed.

That is his opinion, and he is welcome to it. It is the opinion of a great many other people, as well, some informed, some quite ignorant. But we ought to act in accordance with facts, and not opinion. So what are the facts?

There aren't many. We do know of the very high correlations between the use of family planning clinics and problem pregnancies. Many of us have supposed a cause and effect relationship, but that is just opinion.

But we do have one hard fact to go on: In 1981, use of family planning clinics by teenagers in one State declined sharply from the level of the year before. If the opinions cited above are correct, the pregnancy rate should have gone sky high in that State. The fact is, it did not go skyhigh; it fell, sharply.

The State was Utah, and the use of the clinics fell because in 1980, Utah passed S.B. 3, a strong parental consent bill. United Families of America was instrumental in writing that bill and getting it passed, but we don't care about the credit for that. The important thing is that we now have some facts to throw into the hopper. The data are not yet complete, and there is much more to do, but we are very hopeful that before long, we will be able to use the cold wind of fact to blow away all the smog of bare, uninformed opinion, Stay tuned. In the hope that many of our readers will find these Utah figures helpful and informative, we would like to present them here in as much detail as we have.

In 1980, teenage use of family planning clinics in Utah was 2,789; in 1981 under the influence of S.B. 3, usage by teenagers fell to 1,138, just as Planned Parenthood predicted. PP's predictions as to pregnancy rates did not hold true, however.

PREGNANCY RATES FOR GIRLS 15 TO 19

[Figures in thousands]

	15 to 17	18 to 19
1979	43.8	118.4
1980	45.7	119.1
1981	42.1	117.5
Rate of abortions also fell:		
1980	9.1	119.1
1981	7.9	117.4

[From the Minneapolis Tribune, Feb. 20, 1983]

FORTY-FIVE PERCENT BELIEVE CLINICS SHOULD NOTIFY PARENTS

(By Dan Wascoe)

Minnesotans lean in favor of a controversial federal rule that would require family planning clinics receiving federal funds to inform parents when the clinics prescribe contraceptives for children 17 and younger.

According to the Tribune's latest Minnesota Poll, more people endorse the rule than oppose it, but the supporters are less than a majority: 45 percent were in favor and 33 percent were opposed. The rest didn't know or didn't answer.

Judging by the poll findings, religious convictions and parenthood make the biggest difference in shaping people's views on the issue.

Among the most likely supporters would be a Minnesota mother in her 40s who attends a Catholic church every week.

But a childless, college-educated man under 30 who never goes to church almost certainly would oppose the rule.

The poll's 608 telephone interviews were completed Monday, the same day a federal judge in New York issued a preliminary injunction against implementation of the rule, at least in that state.

During the interviews, supporters and opponents alike expressed themselves strongly. Supporters, in particular, seemed to consider the issue morally important:

Among those attending church every week, seven of 10 endorsed the measure. Even among young adults (under 30), who on the whole leaned against the rule, two-thirds of weekly churchgoers approved it.

People who put a high priority on religion (besides church attendance) were three times as likely to favor parent notification as were Minnesotans who did not consider religion very important—60 to 22 percent.

Overall, Catholics were more likely than Protestants to favor the rule, 58 to 43 percent. But among those who attended church every week there was no difference between the two religious groups.

"One thing that I absolutely deplore is a parent not knowing if a child is using birth control," said a 74-year-old nurse in northwest Minnesota. The woman, who said she attends her Lutheran church four times a week, was asked why she felt that way.

"Well, I happen to be a Christian and would not want my daughter having . . . this freedom of sex . . . I do not condemn someone who gets pregnant by accident. This could happen sometimes, I think, between two people who, you know, felt like they're meant for each other. But I don't go along with this business of just going from one partner to another."

Other supporters of the rule talked of parents' legal and financial responsibilities.

"If a girl (daughter) used (contraceptives) without your knowledge and she were to suffer some effects from using them, you'd ultimately be responsible for (her) medical expenses as well as emotional support," said a 47-year-old Shoreview woman. She was moderately in favor of the federal rule.

A majority of all Minnesota parents said the rule was a good idea—57 percent of the mothers and 47 percent of the fathers. For parents under 30, the fact that they were parents was especially telling. Childless adults in that age group opposed the rule, 58 to 23 percent. But parents the same age favored the rule 47 to 27 percent.

Opponents frequently suggested that the rule would lead to more pregnant teenagers.

"The kids should be able to get the (birth control) pills," said a 58-year-old Norman County woman who strongly opposed the rule. "The teenagers would be too embarrassed to confront their parents (to talk about contraceptivies) and would not get the pills when they needed them."

A 28-year-old Mahtomedi disapproved for a different reason: "Because it is religious fanatics trying to push their morals on me."

The rule, issued by the U.S. Department of Health and Human Services, would apply to prescriptions for birth-control pills, diaphragms and intra-uterine devices. It was to take effect Feb. 25 at about 5,000 family planning clinics that receive federal funds. A larger number of clinics that do not receive such funds would not be affected.

Federal Judge Henry Werker implied in his decision last week that the requirement would prompt teenagers to avoid family planning clinics and that pregnancies in this group therefore would increase. Such a result would not meet the intent of Congress as reflected in its family planning law, he said.

On Thursday, Judge Werker, addressing confusion over the scope of his order, made clear that he meant for it to apply nationwide. And on Friday, a federal district judge in Washington, D.C., issued a similar order in a separate case, one of several working their way through the courts around the country.

The attitudes of the 608 people interviewed by telephone differed in significant ways:

A majority of women (51 percent) approved the rule, while men were more divided (39 percent in favor and 35 percent opposed). But supportive majorities turned up among both men and women in their 40s, the age range when their children might be most affected by the rule.

A look at the results according to where people lived showed that Minneapolis and St. Paul residents were likely to oppose the rule, 45 to 34 percent. Rural residents were most likely to support it, 57 to 27 percent.

A 31-year-old Martin County woman supported the rule because, she said, parents need to reassert control over their children: "Kids are too much on their own and have no respect for anything. This would give parents an opportunity to learn what they (the children) are doing."

But a 29-year-old St. Paul man was opposed because of the privacy issue: "Parents don't share their medical records with their 16 or 17 year olds, so why should the 16 and 17 year olds have to share (theirs) with them?"

(An analysis of the poll results by age showed that Minnesotans under 30 were the only group to oppose the parental notification rule.)

In Kandiyohi County a 25-year-old woman borrowed from both sides of the argument: "The parents should know, but the kids have a right to decide what they want to do with their lives."

Here is what the poll asked:

Now we want to ask you what you think about a new federal law. Most clinics will have to notify the parents of any unmarried person under 18 who receives prescription contraceptives such as birth control pills. Do you think this law is a good idea or a bad idea, or haven't you thought about it? (If answer "good" or "bad") Do you feel strongly about that or not too strongly?

Strongly for, 28 percent; moderately for, 17 percent; moderately against, 14 percent; strongly against, 19 percent; don't know, 21 percent; no answer, 1 percent.

FACTS ABOUT THE MINNESOTA POLL

The Minnesota Poll, started by the Minneapolis Tribune in 1944, measures the opinions of Minnesotans 18 and older about public issues and the quality of their lives.

Poll topics are developed by reporters and editors of the Minneapolis Star and Tribune in consultation with Minnesota Opinion Research, Inc., Minneapolis. This firm drafts and pretests the questionnaires under the newspaper's direction and helps to analyze and interpret the poll's results.

Staff writer Dan Wascoe Jr. writes the Minnesota Poll articles.

The current poll was taken Feb. 9 to 14. Telephone interviews were conducted by Jeanne Drew Surveys, Minneapolis.

Several steps are taken to ensure that the sample of adult Minnesotans is as representative as possible.

First, a computer program selects Minnesota phone numbers at random. The Minnesota Public Utilities Commission staff estimates that 96 to 98 percent of state households have telephones.

Within each household, the particular respondent is determined in a statisically unbiased fashion, with no substitutions allowed. In order to reach hard-to-get respondents, each household is called up to five times, and appointments are made to interview the designated respondent.

In samples this size—608 interviews—the margin of error in 95 cases out of 100 is estimated at 4 percent above or below the figures cited in the poll reports. For subsamples, the margin of error is greater, depending on the size of each subsample.

MESSAGES FROM THE HOUSE

At 9:35 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the following bill, with an amendment, in which it requests the concurrence of the Senate:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 272) to improve small business access to Federal procurement information; it insists upon its amendments to the said bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. MITCHELL, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LAFALCE, Mr. WYDEN, Mr. ECKART, Mr. SAVAGE, Mr. LUKEN, Mr. MCDADE, Mr. CONTE, Mr. BROOMFIELD, and Mr. WILLIAMS of Ohio as managers of the conference on the part of the House.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 174. An act entitled the "Gladys Noon Spellman Parkway; and

H.R. 1213. An act to amend certain provisions of law relating to units of the national park system and other public lands, and for other purposes.

At 4:33 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that pursuant to the provisions of section 101(a), Public Law 96-374, the Speaker appoints as members of the Commission on National Development in Postsecondary Education

the following Members on the part of the House: Mr. BIAGGI and Mr. COLEMAN of Missouri; and the following from private life: Mr. J. Donald Monan, Chestnut Hill, Mass.; Mr. David M. Bartley, Holyoke, Mass.; Mr. Richard A. Fulton, Washington, D.C.; Mr. Aubrey Lucas, Hattiesburg, Miss.; Mr. John Corbally, Urbana, Ill.; and Mr. Martin Abegg, Peoria, Ill.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 174. An act entitled the "Gladys Noon Spellman Parkway"; to the Committee on Energy and Natural Resources.

H.R. 1213. An act to amend certain provisions of law relating to units of the national park system and other public lands, and for other purposes; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-486. A communication from the Secretary of the Navy transmitting, pursuant to law, a report on three weapons systems that have exceeded baseline unit costs by more than 15 percent; to the Committee on Armed Services.

EC-487. A communication from the Deputy Assistant Secretary of Defense for Military Personnel and Force Management transmitting, pursuant to law, a report on officer responsibility pay; to the Committee on Armed Services.

EC-488. A communication from the Secretary of the Air Force transmitting, pursuant to law, a report on four weapons systems that have exceeded their baseline unit costs; to the Committee on Armed Services.

EC-489. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Examination of the Government National Mortgage Association's Financial Statements for the Fiscal Year Ended September 30, 1982"; to the Committee on Banking, Housing, and Urban Affairs.

EC-490. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation amending certain flood insurance statutes; to the Committee on Banking, Housing, and Urban Affairs.

EC-491. A communication from the President of COMSAT transmitting, pursuant to law, the 19th annual report of COMSAT; to the Committee on Commerce, Science, and Transportation.

EC-492. A communication from the Director of the Minerals Management Service of the Department of the Interior transmitting, pursuant to law, a refund of an excess royalty payment to Arco Oil & Gas Co.; to the Committee on Energy and Natural Resources.

EC-493. A communication from the Director of the Minerals Management Service of the Department of the Interior transmitting, pursuant to law, a report on a refund of an excess royalty payment by Koch Exploration Co.; to the Committee on Energy and Natural Resources.

EC-494. A communication from the Secretary of Energy transmitting, pursuant to law, the 1982 Annual Report on the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-495. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, to dedicate certain fees to the protection and improvement of facilities and resources of the national park system, and for other purposes; to the Committee on Energy and Natural Resources.

EC-496. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report of the Advisory Committee on Reactor Safeguards on the Nuclear Regulatory Commission Safety Research Program for fiscal years 1984 and 1985; to the Committee on Environment and Public Works.

EC-497. A communication from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of the Corporation on activities under the Government in the Sunshine Act for calendar year 1982; to the Committee on Governmental Affairs.

EC-498. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, the annual report of the Commission on activities under the Government in the Sunshine Act for calendar year 1982; to the Committee on Governmental Affairs.

EC-499. A communication from the Executive Director of the Board for International Broadcasting, transmitting, pursuant to law, the annual report of the Board on activities under the Government in the Sunshine Act during calendar year 1982; to the Committee on Governmental Affairs.

EC-500. A communication from the District of Columbia Auditor, transmitting, pursuant to law, reports on the Rental Housing Conversion and Sale Act of 1980, and the District of Columbia's General Hospital's 1982 annual report; to the Committee on Governmental Affairs.

EC-501. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a plan for the use and distribution of Colorado River Indian Tribes; to the Select Committee on Indian Affairs.

EC-502. A communication from the Director of the United States Information Agency, transmitting, pursuant to law, the Freedom of Information Act annual report of the Agency for calendar year 1982; to the Committee on the Judiciary.

EC-503. A communication from the Solicitor of the U.S. Commission on Civil Rights, transmitting, pursuant to law, the Freedom of Information Act annual report of the Commission for calendar year 1982; to the Committee on the Judiciary.

EC-504. A communication from the Secretary of the Treasury transmitting, pursuant to law, the Freedom of International Act annual report of the Department for calendar year 1982; to the Committee on the Judiciary.

EC-505. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, the Freedom of Information Act annual report of the Bank for calendar year 1982; to the Committee on the Judiciary.

EC-506. A communication from the Director of the Peace Corps, transmitting, pursuant to law, the Freedom of Information Act annual report of the Peace Corps for calendar year 1982; to the Committee on the Judiciary.

EC-507. A communication from the Acting Director of the Office of Government and Public Programs, National Science Foundation, transmitting, pursuant to law, the Freedom of Information Act annual report of the Foundation for calendar year 1982; to the Committee on the Judiciary.

EC-508. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, the Freedom of Information Act annual report of the Commission for calendar year 1982; to the Committee on the Judiciary.

EC-509. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the Freedom of Information Act annual report of NASA for calendar year 1982; to the Committee on the Judiciary.

EC-510. A communication from the Secretary of Education, transmitting, pursuant to law, the Freedom of Information Act annual report of the Department for calendar year 1982; to the Committee on the Judiciary.

EC-511. A communication for the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the Freedom of Information Act annual report of the Corporation for calendar year 1982; to the Committee on the Judiciary.

EC-512. A communication from the Supervisory Copyright Information Specialist, Copyright Office of the Library of Congress, transmitting, pursuant to law, the Freedom of Information Act annual report of the Office for calendar year 1982; to the Committee on the Judiciary.

EC-513. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to the law, the Freedom of Information Act annual report of the Agency for calendar year 1982; to the Committee on the Judiciary.

EC-514. A communication from the Principal Deputy Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of the ground maintenance function at the Navy Public Works Center, Pearl Harbor, Hawaii to performance by contract; to the Committee on Armed Services.

EC-515. A communication from the Assistant Secretary of Agriculture (Food and Consumer Services), transmitting, pursuant to law, a report on the evaluation of the child care food program; to the Committee on Agriculture, Nutrition, and Forestry.

EC-516. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for a Department of Defense Military retirement and disability fund; to the Committee on Armed Services.

EC-517. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The 1978 Navy Shipbuilding Claims Settlement Ar Litton/Ingalls Shipbuilding—Status As of August 1, 1982"; to the Committee on Armed Services.

EC-518. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend "An act to provide for the reporting of weather modification activities to the Federal Government, as amended, to authorize appropriations to carry out the provisions of such Act for fiscal years 1983, 1984, and 1985, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-519. A communication from the Vice President for Governmental Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on total itemized revenues and expenses and revenues of each train operated by the Corporation for November 1982; to the Committee on Commerce, Science, and Transportation.

EC-520. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report on the average number of passengers on board and the on-time performance of each train operated by the Corporation for November and December 1982; to the Committee on Commerce, Science, and Transportation.

EC-521. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Ocean Pollution Planning Act of 1978, as amended, to authorize appropriations to carry out the provisions of such act for fiscal years 1983, 1984, and 1985; to the Committee on Environment and Public Works.

EC-522. A communication from the Acting Secretary of Health and Human Services transmitting a draft bill to permit disclosure from tax records of the addresses of individuals who have defaulted on health education loans; to the Committee on Finance.

EC-523. A communication from the Chairman of the Civil Aeronautics Board transmitting, pursuant to law, the Board's annual report to Congress in accordance with the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-524. A communication from the General Counsel of the Department of Defense transmitting a proposal to retain the Defense dependents schools system within that Department; to the Committee on Governmental Affairs.

EC-525. A communication from the vice president of C&P Telephone transmitting, pursuant to law, a statement of receipts and expenditures of the Chesapeake & Potomac Telephone Co. for the year 1982 and comparative general balance sheet; to the Committee on Governmental Affairs.

EC-526. A communication from the Administrator of Veterans Affairs and the Secretary of Defense transmitting, pursuant to law, a joint report on the implementation of health resources sharing and emergency operations between the two agencies; to the Committee on Governmental Affairs.

EC-527. A communication from the Freedom of Information Act Officer of the Occupational Safety and Health Review Commission transmitting, pursuant to law, a report on the administration of the Freedom of Information Act during calendar year 1982 by the Occupational Safety and Health Review Commission; to the Committee on the Judiciary.

EC-528. A communication from the Chairman of the National Credit Union Administration transmitting, pursuant to law, concerning Freedom of Information requests during calendar year 1982; to the Committee on the Judiciary.

EC-529. A communication from the General Counsel of the Administrative Conference of the United States transmitting, pursuant to law, a report regarding agency experience in dealing with Freedom of Information Act requests in calendar year 1982; to the Committee on the Judiciary.

EC-530. A communication from the Chairman of the National Endowment for the Humanities transmitting, pursuant to law, the Freedom of Information Act report for 1982 from the National Endowment for the Humanities; to the Committee on the Judiciary.

EC—531. A communication from the Executive Director of the Federal Labor Relations Authority, the Acting General Counsel of the Federal Labor Relations Authority and the Executive Director of the Federal Services Impasses Panel transmitting, pursuant to law, a report with regard to public information requests during calendar year 1982; to the Committee on the Judiciary.

EC—532. A communication from the Secretary of Education transmitting, pursuant to law, comments regarding the final report of the Advisory Panel on Financing Elementary and Secondary Education; to the Committee on Labor and Human Resources.

EC—533. A communication from the General Counsel of the Department of Defense transmitting a draft of legislation to amend title 10, United States Code, to permit the Army and the Air Force to appoint physicians with at least 4 years of service credit to the Medical Corps Reserve in the initial pay grade of O-3; to the Committee on Armed Services.

EC—534. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management) transmitting, pursuant to law, notification of a decision to study the conversion to contractor performance of a commercial activity being performed by Department of Defense employees; to the Committee on Armed Services.

EC-535. A communication from the Assistant Secretary of the Army (Installations, Logisitics and Financial Management) transmitting, pursuant to law, notification of a decision to study the conversion to contractor performance of a commercial activity being performed by Department of Defense employees; to the Committee on Armed Services.

EC-536. A communication from the Assistant Secretary of the Army (Installations, Logistics and Fianancial Management) transmitting, pursuant to law, notification of a decision to study the conversion to contractor performance of a commercial activity being performed by Department of Defense employees; to the Committee on Armed Services.

EC-537. A communication from the Assistant Secretary of the Army (Installations, Logistics and Financial Mangement) transmitting, pursuant to law, notification of a decision to study the conversion to contractor performance of a commercial activity being performed by Department of Defense employees; to the Committee on Armed Services.

EC-538. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of legislation to further amend the National Housing Act by extending the expiration date for the Urban Property Protection and Reinsurance Act from May 20, 1983 to September 30, 1983; to the Committee on Banking, Housing, and Urban Affairs.

EC-539. A communication from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, notification of an extension of time for incorporating certain rate increases in individual or basic tariffs of railroads; to the Committee Commerce, Science, and Transportation.

EC-540. A communication from the Chairman of the National Advisory Committee on Oceans and Atmosphere transmitting a report on marine transportation in the United States; to the Committee on Commerce, Science, and Transportation.

EC-541. A communication from the Acting General Counsel of the Department of Energy transmitting proposed legislation to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1984 and fiscal year 1985, and for other purposes; to the Committee on Energy and Natural Resources.

EC-542. A communication from the General Counsel of the Department of Energy transmitting, pursuant to law, a notice of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-543. A communication from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting, pursuant to law, the final adjacent lands study for Grand Canyon National Park; to the Committee on Energy and Natural Resources.

EC-544. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International Monetary and Financing Policies, transmitting, pursuant to law the Council's report on the proposed increase in quotas of the International Monetary Fund and the expansion of the IMF's General Agreements To Borrow; to the Committee on Foreign Relations.

EC-545. A communication from the Chairman of the Board of Governors of the U.S. Postal Service, transmitting, pursuant to law, the annual report of the Postmaster General covering fiscal year 1982; to the Committee on Governmental Affairs.

EC-546. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the annual report of the General Accounting Office for fiscal year 1982; to the Committee on Governmental Affairs.

EC-547. A communication from the D.C. Representative of the Ladies of the Grand Army of the Republic, Inc., transmitting, pursuant to law, the audit report for the Ladies of the Grand Army of the Republic, Inc. for the year ending August 31, 1982; to the Committee on the Judiciary.

EC-548. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Legislative Changes Are Needed To More Efficiently and Equitably Handle Certain Cases Under The Federal Youth Corrections Act; to the Committee on the Judiciary.

EC-549. A communication from the Assistant Secretary for Administration of the Department of Commerce transmitting, pursuant to law, the Department's calendar year 1982 report of activities under the Freedom of Information Act; to the Committee on the Judiciary.

EC-550. A communication from the Director of the Administrative Office of U.S. Courts transmitting, pursuant to law, the annual report of the Office for fiscal year 1982; to the Committee on the Judiciary.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
George S. Dunlop:									
Switzerland	Swiss franc	1,245.40	567.00	311.95	146.50			1,557.35	713.50
United States	Dollar				1,550.50				1,550.50
Senator Jesse Helms:									
Switzerland	Swiss franc	1,067.50	486.00					1,067.50	486.00
United States	Dollar				1,742.00				1,742.00
Total			1,053.00		3,439.00				4,492.00

JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Feb. 2, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator, Warren Rudman:									
Belgium	Franc	4,145	$84.00					4,145	84.00
Germany	Dollar		252.00						252.00
France	Dollar		76.00						76.00
Greece	Drachma	10,234.05	146.85					10,234.05	146.85
Dwight Dyer:									
Portugal	Escudo	13,541	150.00					13,541	150.00
Greece	Drachma	10,755	150.00					10,755	150.00
Italy	Lire	230,256	156.00					230,256	156.00
Germany	Deutsche mark	578.25	225.00					578.25	225.00
United Kingdom	Pound	324.41	545.00					324.41	545.00
Bermuda	Dollar		280.00						280.00
Norma H. Anderson:									
Portugal	Escudo	13,541	150.00					13,541	150.00
Greece	Drachma	10,755	150.00					10,755	150.00
Italy	Lire	230,256	156.00					230,256	156.00
Germany	Deutsche mark	578.25	225.00					578.25	225.00
United Kingdom	Pound	324.41	545.00					324.41	545.00
Bermuda	Dollar		280.00						280.00
Gwen Larsen:									
Portugal	Escudo	13,541	150.00					13,541	150.00
Greece	Drachma	10,785	150.00					10,785	150.00
Italy	Lire	230,256	156.00					230,256	156.00
Germany	Deutsche mark	578.25	225.00					578.25	225.00
United Kingdom	Pound	324.40	545.00					324.40	545.00
Bermuda	Dollar		280.00						280.00
Richard Collins:									
Greece	Drachma	5,370	75.00					5,370	75.00
United States	Dollar				3,157.00				3,157.00
Oliver Kinney:									
Morrocco	Dirham	465	75.00					465	75.00
Ivory Coast	CFA franc	62,656	176.00					62,656	176.00
South Africa	Rand	260.7	237.00					260.7	237.00
Tanzania	Tanzania shilling	1,992.8	212.00					1,992.8	212.00
Kenya	Kenya shilling	836.05	75.00					836.05	75.00
Tunisia	Dinar	93.75	150.00					93.75	150.00
Italy	Lire	381,060	261.00					381,060	261.00
Portugal	Escudo	13,329.5	150.00					13,329.5	150.00
Richard Collins:									
Egypt	Dollar		357.00						357.00
Sudan	Pound		476.00						476.00
Kenya	Shilling	5,014.10	450.00					5,014.10	450.00
United States	Dollar				123.75				123.75
Pakistan	Rupee	6,186.85	489.00					6,186.85	489.00
James D. Bond:									
Spain	Dollar		154.00						154.00
Morrocco	Dollar		300.00						300.00
Tunisia	Dollar		225.00						225.00
Italy	Dollar		225.00						225.00
Portugal	Dollar		315.00						315.00
United States	Dollar			2,565.00					2,565.00
Jane S. McGhee:									
Spain	Dollar		154.00						154.00
Morocco	Dollar		300.00						300.00
Tunisia	Dollar		225.00						225.00
Italy	Dollar		225.00						225.00
Portugal	Dollar		315.00						315.00
United States	Dollar				2,565.00				2,565.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John M Ryan:									
Great Britian	Pound	523.21	874.00						874.00
Total			11,571.85		8,410.75				19,982.60

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Dec. 31, 1981.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SENATE COMMITTEE ON THE BUDGET, FOR THE PERIOD NOV. 1 TO NOV. 19, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Charles Flickner:									
Egypt	Pound		357.00						357.00
Sudan	Pound		476.00						476.00
Kenya	Shilling	5.104	225.00					5.104	225.00
Pakistan	Rupee	6.187	489.00	196	15.00			6.383	504.00
Greece	Drachma	5.370	75.00					5.370	75.00
United States	Dollar				3,158.00				3,158.00
Total			1,622.00		3,173.00				4,795.00

PETE V. DOMENICI,
Chairman, Committee on the Budget, Feb. 8, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR THE PERIOD OCT. 20 TO NOV. 25, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Kevin B. Coyner:									
Japan	Yen	254,286	918.00		1,478.00		41.92		2,437.92
Korea	Won	223,500	300.00						300.00
Roger A. Sindelar:									
Japan	Yen	82,314	306.00		3,737.00	12,270	49.48		4,092.48
Singapore			340.43						340.43
Korea	Won	149,000	200.00						200.00
Hong Kong	HK Dollar	2,713	412.00			400	60.74		472.74
Taiwan	NT Dollar	4,651.80	115.00						115.00
Philippines	P Dollar	1,332.75	150.00						150.00
Daryl H. Owen:									
Great Britain	Sterling pound	263.26	436.00						436.00
France	Franc	4,282.20	585.00						585.00
Germany	Mark	410.22	159.00		1,780.27				1,939.27
Elizabeth A. Moler:									
Canada	Canadian dollar	336.21	275.00		266.54				541.54
Benjamin S. Cooper:									
Great Britain	Sterling pound	222.25	368.00		1,870.78				2,238.78
France	Franc	4,282.20	585.00						585.00
Germany	Mark	410.22	159.00						159.00
Total			5,308.43		9,132.59		152.14		14,593.16

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, Feb. 17, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR THE PERIOD JAN. 1 TO MAR. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
AMENDMENTS TO FIRST QUARTER REPORT									
Senator Christopher Dodd:									
Colombia	Peso	9,028.90	152.85					9,028.90	152.85
Nicaragua	Cordova	685.50	68.55					685.50	68.55
Dominican Republic	Peso	225	225.00					225	225.00
Haiti	Gourde	2,400	480.00					2,400	480.00
United States	Dollar				316.00				316.00
Graeme Bannerman:									
United States	Dollar				[1] −222.33				−222.33
Scott Cohen:									
Israel			270.00						270.00
Jordan	Dinar	71.405	211.26					71.405	211.26
Sudan	LS	104.984	240.00					104.984	240.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR THE PERIOD JAN. 1 TO MAR. 31, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Egypt	LE	187.130	225.00					187.130	225.00
Italy	Lira	102.850	85.00					102.850	85.00
United States	Dollar				2,284.00				2,284.00
Robert H. Dockery:									
Colombia	Peso	10,028.90	169.78					10,028.90	169.78
Nicaragua	Cordova	685.50	68.55					685.50	68.55
Dominican Republic	Peso	225	225.00					225	225.00
Haiti	Gourde	1,600	320.00					1,600	320.00
Jamaica	Pound	339.50	194.00					339.50	194.00
Edward G. Sanders:									
Israel	Dollar		270.00						270.00
Jordan	Dinar	85.175	252.00					85.175	252.00
Egypt	LE	187.130	225.00					187.130	225.00
Sudan	LS	427.115	476.00					427.115	476.00
Saudi Arabia	SR	1,363	402.00					1,363	402.00
Oman	RO	142.830	414.00					142.830	414.00
United Arab Emirate	DHS	521.57	142.00					521.57	142.00
Bahrain	BD		152.00					57	152.00
Kuwait	Dollar		314.00						314.00
London			108.00						108.00
United States	Dollar				2,594.00				2,594.00
Total			5,689.99		4,971.67				10,661.66

[1] Ticket refund.

CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, Dec. 2, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Howard H. Baker, Jr.:									
United Kingdom	Pound	181.65	315.00					181.65	315.00
Federal Republic of Germany	Deutsche mark	1,137.24	468.00					1,137.24	468.00
The Netherlands	Guilder	384.60	145.13					384.60	145.13
Senator Christopher J. Dodd:									
Germany	Deutsche mark	580.56	246.00					580.56	246.00
United Kingdom	Pound	115.18	209.41					115.18	209.41
France	Franc	1,177.40	172.00					1,177.40	172.00
Israel	Dollar		270.00						270.00
United States	Dollar				4,582.00				4,582.00
Senator John Glenn:									
Abu Dhabi	USA				3,038.00				3,038.00
Senator Claiborne Pell:									
Switzerland	Franc	142.20	65.36					142.20	65.36
United States	Dollar				751.00				751.00
Senator Charles H. Percy:									
Federal Republic of Germany	Deutsche mark	387.04	164.00					387.04	164.00
Cyprus	Cyprus pound	180.941	375.00					180.941	375.00
United States	Dollar				1,178.50				1,178.50
United Kingdom	Pound	65.07	106.00					65.07	106.00
United States	Dollar				805.00				805.00
Senator Paul E. Tsongas:									
Cyprus	Cyprus pound		75.00						75.00
Lebanon	Lebanese pound	382.50	75.00	1,066.66	209.15	37.50	7.35	1,108.66	291.50
Israel	Dollar		273.00						273.00
United States	Dollar				1,795.00				1,795.00
Patrick Balestrieri:									
Turkey	Turkish lira	40,140	229.00					40,140	229.00
Greece	Greek drachma	10,530	150.00					10,530	150.00
Italy	Italian lira	249,690	174.00					249,690	174.00
Portugal	Escudo	6,703	75.00					6,703	75.00
United Kingdom	Pound	389.29	654.00					389.29	654.00
Spain	Peseta	35,850	300.00					35,850	300.00
Graeme Bannerman:									
Cyprus			150.00						150.00
Lebanon			300.00						300.00
Israel			180.00						180.00
United States	Dollar				1,933.00				1,933.00
Robert G. Bell:									
United Kingdom	Pound	454.17	763.00					454.17	763.00
Johannes A. Binnendijk:									
United Kingdom	Pound	259	435.12					259	435.12
Switzerland	Swiss franc	360	162.00					360	162.00
France	Franc	556	76.00					556	76.00
United States	Dollar				941.00				941.00
Christopher Chamberlin:									
Cyprus	Cyprus pound		75.00						75.00
Lebanon	Lebanese pound	382.50	75.00	1,066.66	209.15	37.50	7.35	1,108.66	291.50
Israel			273.00						273.00
United States	Dollar				1,795.00				1,795.00
Gerylд B. Christianson:									
Turkey	Lira	40,140	229.00					40,140	229.00
Greece	Drachma	10,530	150.00					10,530	150.00
Italy	Lira	249,690	174.00					249,690	174.00
Portugal	Escudo	20,111	225.00					20,111	225.00
United Kingdom	Pound	389.29	654.00					389.29	654.00
Spain	Peseta	35,850	300.00					35,850	300.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Scott Cohen:									
Israel			474.00						474.00
Greece			300.00						300.00
Hungary			117.00						117.00
Austria	Austrian schilling	6,809.50	408.00					6,809.50	408.00
United Kingdom			100.00						100.00
Gerald E. Connolly:									
Switzerland	Franc	503.10	255.00					503.10	255.00
Austria	Schilling	3,404.75	204.00					3,404.75	204.00
Italy	Lira	244,218	186.00					244,218	186.00
France	Franc	1,122.95	182.00					1,122.95	182.00
United States	Dollar				1,620.00				1,620.00
Carl Ford:									
Abu Dhabi	DHS	810.20	220.58					810.20	220.58
United States	Dollar				3,038.00				3,038.00
Joel L. Johnson:									
Sudan	Dollar		476.00						476.00
Saudi Arabia	Dollar		140.00						140.00
India	Rupee	7,038.80	717.75					7,038.80	717.75
Indonesia	Rupiah	237,335	348.00					237,335	348.00
Japan (advanced in Indonesia)	Rupiah	71,610	105.00					71,610	105.00
United States	Dollar				3,090.00				3,090.00
David Keaney:									
United States	Dollar				1,620.00				1,620.00
Switzerland	Franc	503.10	255.00					503.10	255.00
Austria	Schilling	3,384.75	202.80					3,384.75	202.80
Italy	Lira	191,218	145.63					191,218	145.63
France	Franc	1,022.95	165.79					1,022.95	165.79
Michael Kraft:									
Syria	L. Syr	9,366	240.00					9,366	240.00
Jordan	J. Dinar	59.800	168.00					59.800	168.00
Israel	Dollar		360.00						360.00
United States	Dollar				2,103.00				2,103.00
Janice O'Connell:									
Sudan	Dollar		476.00						476.00
Saudi Arabia	Dollar		140.00						140.00
India	Rupees	5,838.80	597.00					5,838.80	597.00
Indonesia	Rupiah	237,335	348.00					237,335	348.00
Japan (advanced in Indonesia)	Rupiah	71,610	105.00					71,610	105.00
United States	Dollar				3,090.00				3,090.00
John Ritch:									
United Kingdom	Pound	454	771.00					454	771.00
Spain	Peseta	38,850	300.00					38,850	300.00
Edward G. Sanders:									
Greece	Drachma	10,530	150.00					10,530	150.00
Turkey	Lira	27,040	154.00					27,040	154.00
Italy	Lira	249,690	174.00					249,690	174.00
Portugal	Escudo	20,111	225.00					20,111	225.00
United Kingdom	Pound	454.17	763.00					454.17	763.00
Barry Sklar:									
Nicaragua			400.00						400.00
United States	Dollar				626.00				626.00
Cuba	Dollar		262.50						262.50
United States	Dollar				250.00				250.00
Diana Smith:									
Portugal	Escudo	20,111	225.00					20,111	225.00
Italy	Lira	249,690	174.00					249,690	174.00
Greece	Drachma	10,530	150.00					10,530	150.00
Bill White:									
Abu Dhabi	DHS	878.20	239.10					878.20	239.10
United States	Dollar				3,038.00				3,038.00
Casimir Yost:									
United Kingdom	Pound	458.32	763.00					458.32	763.00
Spain	PT	35,850	300.00					35,850	300.00
AMENDMENT TO THIRD QUARTER (1982) REPORT									
Graeme Bannerman:									
Lebanon	Lebanese pound			1,066.66	209.15	37.50	7.35	1,104.16	216.50
AMENDMENTS TO THIRD QUARTER (1979) REPORT									
Pauline Baker:									
Algeria	Dinar	913.46	206.20					913.46	206.20
Johannes A. Binnendijk:									
Algeria	Dinar	912.58	206.00					912.58	206.00
Total			21,661.37		35,920.95		22.05		57,604.37

CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, Feb. 22, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard W. Day:									
Switzerland	Swiss franc	708.40	324		2,042.00				2,366.00
Austria	Austrian schilling	3,416.35	194						194.00
Senator Alan K. Simpson:									
Switzerland	Swiss franc	354.20	162		4,151.52				4,313.52

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joel S. Lisker:									
Israel	Dollar		2,000		2,767.00				4,767.00
Bert W. Milling, Jr:									
Israel	Dollar		1,300		2,767.00				4,067.00
Ralph Oman:									
Switzerland	Swiss franc	1,048.10	648	141	63.94				711.94
Senator Arlen Specter:									
Switzerland	Swiss franc	178.80	81		369.60				450.60
Senator Alan K. Simpson:									
Austria	Austrian schilling	6,987.90	388						388.00
Italy	Lira	635,535	435						435.00
Richard W. Day:									
Austria	Austrian schilling	6,987.90	388						388.00
Italy	Lira	635,535	435						435.00
Total			6,355		12,161.06				18,516.06

STROM THURMOND,
Chairman, Committee on the Judiciary, Dec. 31, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR THE PERIOD NOV. 15 TO NOV. 24, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin G. Hatch:									
Switzerland	Franc	180.35	81.00					180.35	81.00
Austria	Schilling	3,503.65	194.00					3,503.65	194.00
Germany	Mark	442.04	176.00					442.04	176.00
France	Franc	551	76.00					551	76.00
Spain	Peseta	17,925	150.00					17,925	150.00
England	Pound	67.70	109.00					67.70	109.00
United States	Dollar				1,843.50				1,843.50
Michael P. Pillsbury:									
Switzerland	Franc	180.35	81.00					180.35	81.00
Austria	Schilling	3,503.65	194.00					3,503.65	194.00
Germany	Mark	442.04	176.00					442.04	176.00
France	Franc	551	76.00					551	76.00
Spain	Peseta	17,925	150.00					17,925	150.00
England	Pound	67.70	109.00					67.70	109.00
United States	Dollar				1,843.50				1,843.50
Total			1,572.00		3,687.00				5,259.00

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Dec. 13, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON SMALL BUSINESS, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert J. Dotchin:									
Bermuda	Dollar		720.00						720.00
United States	Dollar				270.00				270.00
Total			720.00		270.00				990.00

LOWELL WEICKER, JR.,
Chairman, Committee on Small Business, Jan. 27, 1983.

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Rob Simmons			841.00		2,013.85				2,854.85
Herbert M. Kline			614.00		1,810.00				2,424.00
Charles Andreae			697.00		1,810.00				2,507.00
Daniel Finn			284.00						284.00
Thomas Connolly			3,666.81		3,587.20				7,254.01

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Angelo Codevilla			1,640.00		1,099.00				2,739.00
Total			7,742.81		10,320.05				18,062.86

BARRY GOLDWATER,
Chairman, Committee on Intelligence, Jan. 3, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE (AUTHORIZED BY CHAIRMAN HENRY S. REUSS) FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert Premus:									
Luxembourg	Franc	14,933	300.00			51,750	115.00	66,683	415.00
United States	Dollar				1,063.00				1,063.00
Marian Malashevich:									
Switzerland	Franc	1,067.5	486.00					1,067.5	486.00
United States	Dollar				1,282.00		35.00		1,317.00
Total			786.00		2,345.00		150.00		3,281.00

ROGER W. JEPSEN,
Chairman, Joint Economic Committee, Jan. 31, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT COMMITTEE ON PRINTING, FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Thomas J. Kleis:									
Germany	Mark	2,125.20	840.00					2,125.20	840.00
Italy	Lire	224,016	156.00					224,016	156.00
Spain	Pound	44.24	75.00					44.24	75.00
England	Pound	309.66	525.00					309.66	525.00
United States	Dollar				1,494.00				1,494.00
Nevin A. Brown:									
Germany	Mark	2,125.20	840.00	1,879.78	743.00			4,004.98	1,583.00
Italy	Lire	224,016	156.00					224,016	156.00
Spain	Pound	44.24	75.00					44.24	75.00
England	Pound	309.66	525.00					309.66	525.00
United States	Dollar				1,494.00				1,494.00
Total			3,192.00		3,731.00				6,923.00

CHARLES McC. MATHIAS, JR.,
Chairman, Joint Committee on Printing, Jan. 26, 1983.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), CODEL HATFIELD, FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FOR THE PERIOD OCT. 19 TO NOV. 4, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Mark Hatfield:									
Morocco	Dirham	465	75.00					465	75.00
Ivory Coast	CFA franc	62,656	176.00					62,656	176.00
South Africa	Rand	260.7	237.00					260.7	237.00
Tanzania	Tanzania shilling	1,992.8	212.00					1,992.8	212.00
Kenya	Kenya shilling	836.05	75.00					836.05	75.00
Tunisia	Dinar	93.75	150.00					93.75	150.00
Italy	Lire	381,060	261.00					381,060	261.00
Portugal	Escudo	13,329.5	150.00					13,329.5	150.00
Senator Paul Laxalt:									
Portugal	Escudo	13,329.5	150.00					13,329.5	150.00
Ivory Coast	CFA franc	62,656	176.00					62,656	176.00
South Africa	Rand	260.7	237.00					260.7	237.00
Tanzania	Tanzania shilling	1,992.8	212.00					1,992.8	212.00
Kenya	Kenya shilling	836.05	75.00					836.05	75.00
Tunisia	Dinar	93.75	150.00					93.75	150.00
United States	Dollar				1,243.00				1,243.00
Senator Thomas F. Eagleton:									
Morocco	Dirham	465	75.00					465	75.00
Ivory Coast	CFA franc	62,656	176.00					62,656	176.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), CODEL HATFIELD, FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FOR THE PERIOD OCT. 19 TO NOV. 4, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
South Africa	Rand	260.7	237.00					260.7	237.00
Tanzania	Tanzania shilling	1,992.8	212.00					1,992.8	212.00
Kenya	Kenya shilling	836.05	75.00					836.05	75.00
Italy	Lire	381,060	261.00					381,060	261.00
Tunisia	Dinar	93.75	150.00					93.75	150.00
Portugal	Escudo	13,329.5	150.00					13,329.5	150.00
Gerald Frank:									
Morocco	Dirham	465	75.00					465	75.00
Ivory Coast	CFA franc	62,656	176.00					62,656	176.00
South Africa	Rand	260.7	237.00					260.7	237.00
Tanzania	Tanzania shilling	1,992.8	212.00					1,992.8	212.00
Kenya	Kenya shilling	836.05	75.00					836.05	75.00
Tunisia	Dinar	93.75	150.00					93.75	150.00
Italy	Lire	381,060	261.00					381,060	261.00
Portugal	Escudo	13,329.5	150.00					13,329.5	150.00
Jan Novins:									
Morocco	Dirham	465	75.00					465	75.00
Ivory Coast	CFA franc	62,656	176.00					62,656	176.00
South Africa	Rand	260.7	237.00					260.7	237.00
Tanzania	Tanzania shilling	1,992.8	212.00					1,992.8	212.00
Kenya	Kenya shilling	836.05	75.00					836.05	75.00
Tunisia	Dinar	93.75	150.00					93.75	150.00
Italy	Lire	381,060	261.00					381,060	261.00
Portugal	Escudo	13,329.5	150.00					13,329.5	150.00
Carol Waterman:									
Portugal	Escudo	8,800	100.00					8,800	100.00
Ivory Coast	CFA franc	38,500	110.00					38,500	110.00
South Africa	Rand	195	177.25					195	177.25
Tanzania	Tanzania shilling	1,189	125.54					1,189	125.54
Kenya	Kenya shilling	696	62.48					696	62.48
Tunisia	Dinar	39.61	63.38					39.61	63.38
Morocco	Dirham	465	75.00					465	75.00
Italy	Lire	343,300	228.40					343,300	228.40
Delegation expenses: [1]									
Portugal						1,437.93			1,437.93
Ivory Coast						2,124.79			2,124.79
South Africa						3,345.47			3,345.47
Tanzania						3,132.32			3,132.32
Tunisia						1,775.45			1,775.45
Morocco						3,576.94			3,576.94
Italy						1,970.03			1,970.03
Zimbabwe						690.93			690.93
Kenya						989.60			989.60
Total			7,286.05		1,243.00		19,043.46		27,572.51

[1] Delegation expenses include direct payments and reimbursements to State Department and Defense Department under authority of Sec. 502(B) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

MARK O. HATFIELD,
Chairman, Codel Hatfield, Dec. 29, 1982.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR THE PERIOD JULY 1 TO SEPT. 30, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Owen Ambur:									
United Kingdom	Pound	172.82	300.00					172.82	300.00
France	Franc	1,822	261.00					1,822	261.00
The Netherlands	Guilder	234.93	86.00					234.93	86.00
Germany	Deutsche mark	214.02	87.00					214.02	87.00
Belgium	Belgian franc	3,718	79.00					3,718	79.00
George F. Murphy, Jr.:									
Germany	Deutsche mark	1,102.50	450.00					1,102.50	450.00
The Netherlands	Guilder	434.60	164.00					434.60	164.00
United States	Dollar				845.00				845.00
Total			1,427.00		845.00				2,272.00

HOWARD H. BAKER, Jr.,
Majority Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR THE PERIOD OCT. 1 TO DEC. 31, 1982

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sam Ballenger:									
Iraq	Iraq dinar	57.600	186.00					57.660	186.00
Kuwait	Kuwait dinar	91.525	314.00					91.525	314.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FOR THE PERIOD OCT. 1 TO DEC. 31, 1982—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Lebanon	Lebanese pound	1,296	320.00					1,296	320.00
Tunisia	Tunisia dinar	94,500	150.00					94,500	150.00
Jordan	Jordanian dinar	121.460	336.00					121.460	336.00
Syria	Syrian pound	1,076.40	276.00					1,076.40	276.00
Israel	United States dollar		270.00						270.00
United States	Dollar				1,402.00				1,402.00
Cranwell Montgomery:									
Kuwait	Kuwait dinar	91.525	314.00					91.525	314.00
Lebanon	Lebanese pound	1,296	320.00					1,296	320.00
Tunisia	Tunisia dinar	94,500	150.00					94,500	150.00
Jordan	Jordanian dinar	121.460	336.00					121.460	336.00
Israel	United States dollar		270.00						270.00
Syria	Syrian pound	1,076.40	276.00					1,076.40	276.00
Iraq	Iraq dinar	57.660	186.00					57.660	186.00
United States	Dollar				1,402.00				1,402.00
Senator Mack Mattingly:									
Switzerland	Swiss franc	1,423.35	648.00					1,423.35	648.00
Total			4,352.00		2,804.00				7,156.00

HOWARD H. BAKER, Jr.,
Majority Leader.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ARMSTRONG:

S. 747. A bill to prohibit any person from exporting from the United States any currency directly or indirectly to any person in Vietnam; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DIXON (for himself, Mr. STEVENS and Mr. LONG):

S. 748. A bill to amend the Internal Revenue Code of 1954 to limit the application of the stock voting rights passthrough to certain employee stock ownership plans, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. HEINZ):

S. 749. A bill to improve worker training under the Trade Act of 1974, and for other purposes; to the Committee on Finance.

By Mr. STEVENS:

S. 750. A bill to implement an exclusive economic zone adjacent to the territorial sea of the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN:

S. 751. A bill entitled the "Federal Regulation Reduction Act of 1983"; to the Committee on Governmental Affairs.

By Mr. ARMSTRONG:

S. 752. A bill to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HEFLIN:

S. 753. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses for legal services; to the Committee on Finance.

S. 754. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income subsistence payments to certain law enforcement officers; to the Committee on Finance.

S. 755. A bill to amend the Internal Revenue Code of 1954 to make permanent the exclusion for certain service performed in fishing boats from coverage from unemployment compensation tax; to the Committee on Finance.

By Mr. CHAFEE:

S. 756. A bill to extend permanent duty-free treatment to warp knitting machines; to the Committee on Finance.

By Mr. CHAFEE (for himself and Mr. RANDOLPH):

S. 757. A bill to amend the Solid Waste Disposal Act to authorize funds for fiscal years 1983, 1984, 1985, 1986, and 1987, and for other purposes; to the Committee on Environment and Public Works.

By Mr. TOWER:

S. 758. A bill for the relief of Hildegard Mercedes Schlubach Ercklentz, Enno W. Ercklentz, Jr., Hildegard Ercklentz Mahoney, and Alexander T. Ercklentz, all citizens of the United States; to the Committee on the Judiciary.

By Mr. MITCHELL (for himself, Mr. PACKWOOD, Mr. TSONGAS, Mr. COHEN, and Mr. KENNEDY):

S. 759. A bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. KENNEDY and Mr. TSONGAS):

S. 760. A bill to impose a moratorium on offshore oil and gas leasing, certain licensing and permitting, and approval of certain plans, with respect to geographical areas located in the Pacific Ocean off the coastline of the State of California, and in the Atlantic Ocean off the State of Massachusetts; to the Committee on Energy and Natural Resources.

By Mr. GARN (by request):

S. 761. A bill to amend Title V of the Housing Act of 1949 to establish a rural housing block grant and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE (by request):

S. 762. A bill to consolidate major programs of fiscal assistance to local governments, to reduce the prescriptiveness of the requirements applicable to the expenditure of those funds, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs and the Committee on Finance, jointly, by unanimous consent.

By Mr. HATCH (for himself, Mr. DOLE, and Mr. GARN) (by request):

S. 763. A bill to consolidate assistance to the States for programs relating to health, social, educational, and community services; to the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. WARNER (for himself, Mr. PRESSLER, Mr. INOUYE, Mr. SASSER, Mr. KASTEN, Mr. GOLDWATER, Mr. FORD, Mr. DECONCINI, Mr. MATSUNAGA, Mr. EXON, Mr. BURDICK, and Mr. MELCHER):

S. 764. A bill to assure the continued protection of the traveling public in the marketing of air transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. HAWKINS:

S. 765. A bill to amend the Consolidated Farm and Rural Development Act to reauthorize loans made, insured, or guaranteed under such act for the 1984 through 1986 fiscal years, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RANDOLPH:

S. 766. A bill to provide for an accelerated study of the causes and effects of acidic deposition during a 5-year period, to provide for the limitation of increases in sulfur dioxide emissions during that period, and to provide for grants for mitigation at sites where there are harmful effects on ecosystems resulting from high acidity; to the Committee on Environment and Public Works.

By Mr. STAFFORD (for himself and Mr. CHAFEE) (by request):

S. 767. A bill to authorize a devolution of governmental responsibilities from the Federal Government to the States for certain Federal-aid highway programs upon the election of the State, provide the revenues necessary to finance those responsibilities, reduce the intrusiveness of Federal policy in the decisionmaking of the States, and for

other purposes; to the Committee on Environment and Public Works and the Committee on Finance, jointly, by unanimous consent (to the Committee on Finance for consideration of section 103 only).

By Mr. STAFFORD (for himself, Mr. CHAFEE, Mr. MITCHELL, Mr. BENTSEN, Mr. DURENBERGER, Mr. MOYNIHAN, Mr. BAUCUS, Mr. HUMPHREY, Mr. DOMENICI, and Mr. SIMPSON):

S. 768. A bill to amend the Clean Air Act; to the Committee on Environment and Public Works.

By Mr. STAFFORD (for himself, Mr. HART, Mr. DURENBERGER and Mr. HUMPHREY):

S. 769. A bill to amend the Clean Air Act; to the Committee on Environment and Public Works.

By Mrs. HAWKINS (for herself, Mr. STAFFORD, Mr. JEPSEN, Mr. MATTINGLY, Mr. BURDICK, Mr. HEINZ, Mr. SYMMS, Mr. INOUYE, Mr. KASTEN, Mr. GORTON, Mr. HOLLINGS, Mr. COCHRAN, Mr. CHILES, Mr. STEVENS, Mr. SPECTER, Mr. RANDOLPH, Mr. ABDNOR, Mr. DOLE, Mr. BOREN, Mr. D'AMATO, Mr. DOMENICI, Mr. ROTH, Mr. HUDDLESTON, Mr. DIXON, Mr. LUGAR, Mr. HEFLIN, Mr. KENNEDY, Mr. DECONCINI, Mr. NICKLES and Mr. DURENBERGER):

S.J. Res. 58. Joint resolution to authorize and request the President to designate May 25, 1983, as "Missing Children Day"; to the Committee on the Judiciary.

By Mr. HEFLIN:

S.J. Res. 59. Joint resolution to authorize and request the President to designate February 27, 1986, as "Hugo LaFayette Black Day"; to the Committee on the Judiciary.

By Mr. EAST:

S.J. Res. 60. Joint resolution to authorize and request the President to designate the year of 1984 as a "Year of National Observance of the 400th Anniversary of the Founding of the First English Settlement in the New World on Roanoke Island, N.C."; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER (for himself and Mr. BYRD):

S. Res. 86. Resolution to direct the Senate Legal Counsel to represent the Senate parties in *Thomas Paul* v. *the Executive Branch of the Union Known as the United States of America, et. al.*, Civil Action No. 83-C-224; considered and agreed to.

S. Res. 87. Resolution to direct the Senate Legal Counsel to represent the permanent Subcommittee on Investigations in an application for a writ of habeas corpus ad testificandum; considered and agreed to.

By Mr. MATSUNAGA (for himself and Mr. PELL):

S. Con. Res. 16. Concurrent resolution expressing the sense of the Congress that the President should initiate talks with the Government of the Soviet Union, and with other governments interested in space activities, to explore the opportunities for cooperative East-West ventures in space, as an alternative to an arms race in space; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ARMSTRONG:

S. 747. A bill to prohibit any person from exporting from the United States any currency directly or indirectly to any person in Vietnam; to the Committee on Banking, Housing, and Urban Affairs.

VIETNAMESE CURRENCY LEGISLATION

● Mr. ARMSTRONG. Mr. President, I am introducing today a bill to put a halt to the shameful exploitation of Vietnamese emigres by the Communist government in Hanoi, and to deprive that hateful regime of what appears to be a principal source of its foreign exchange.

Nearly a decade after its conquest of the south, the Hanoi regime remains mobilized for war, conducting extensive and brutal military operations in Laos and Cambodia. The continued preference of Le Duan and his associates for guns over bread—to say nothing of butter—coupled with the customary inefficiencies of the Communist economic system, have reduced the Vietnamese economy to a shambles. The economy is being described, bitterly, as a "gift package" economy by Vietnamese emigres, who estimate that 80 percent of the residents of Saigon live off gift packages sent by relatives who have escaped to the West.

Since Vietnam now exports little but military force, and because most Western economic assistance to Vietnam was cut off after its brutal invasion of Cambodia, the gift packages from emigres have become perhaps the principal source of foreign exchange for the Hanoi regime. Some 250 tons of merchandise worth about $16 million enter Vietnam each month. The World Bank estimates that gift packages supply about 75 percent of the medicines available in Vietnam, and is the principal source of spare parts for American-built equipment as well.

When the gift packages became a multimillion-dollar source of scarce consumer goods and medicines, the Hanoi regime concocted a scheme to siphon millions from it, at the expense of Vietnamese emigres and their suffering relatives still in Vietnam.

The Communist government established a gift and money transfer outfit called IMEX (for import-export), with headquarters in Saigon and major branches in Montreal and Paris. Subsidiary offices—including two in suburban Washington—are located throughout North America, Europe, and the free nations of Asia.

Under the IMEX system, emigres would be discouraged—by import taxes ranging from 400 to 1,000 percent—from sending actual goods to their relatives in Vietnam. Instead, the emigres would be required to pay cash for a variety of gift packages at prices ranging in value from $50 to more than $1,000. The Vietnamese Government would then supply the goods in the package from locally available materials in Vietnam or from Western goods imported from Hong Kong or Singapore. The relatives would then pick up the packages at IMEX offices in Saigon. The cost to the emigres of "sending" these gift packages would include the cost of air freight, even though no goods were shipped by air, and the retail price of the consumer goods in the package, even those these would be purchased at wholesale in Singapore or Hong Kong. The money from these phantom costs goes into the severely depleted treasury of the Communist government.

Vietnamese emigres hate to patronize the IMEX stores because they know they are being ripped off, and they know that foreign exchange obtained by the program bolsters the regime that forced them to flee and which is oppressing their countrymen. But they do so anyway, because the alternative is to let their relatives starve.

Representatives of Vietnamese emigre organizations from around the world, representing each of the major religious sects in Vietnam and spanning the spectrum of political opinion from former officials of the South Vietnamese Government and armed forces to former officials of the National Liberation Front, met in Washington to form a coalition for a free Vietnam. The first goal of the coalition is to put an end to the IMEX ripoff of the emigres and their relatives in Vietnam. It is at their request that I am introducing this legislation to prohibit any person from exporting currency from the United States, directly or indirectly, to any person in Vietnam.

The practical effect of enactment of this bill would be to put the IMEX racket out of business. The families of emigres would not suffer, because goods could still be shipped to Vietnam. But the Hanoi Government could no longer run its shakedown racket, pocket the proceeds from phantom airfreight charges, or from charging retail prices for goods bought at wholesale.

Enactment of this bill not only would assist the emigres and their relatives in Vietnam, but it also would deal a solid blow at the Vietnamese Government, by depriving it of a major source of desperately needed foreign exchange. I urge all my colleagues to support it.●

By Mr. DIXON (for himself, Mr. STEVENS, and Mr. LONG):

S. 748. A bill to amend the Internal Revenue Code of 1954 to limit the application of the stock voting rights passthrough to certain employee stock

ownership plans, and for other purposes; to the Committee on Finance.

ESOP PASSTHROUGH VOTING

Mr. DIXON. Mr. President, I am pleased to introduce, along with my distinguished colleagues from Louisiana and Alaska, Senators LONG and STEVENS, a bill to help remove obstacles to the formation of employee stock ownership plans (ESOP's) by closely held corporations, with minimal, if any, cost to the U.S. Treasury.

An ESOP is a tax-qualified method of providing employees with beneficial ownership of stock in their company without requiring a cash outlay on their part. Before 1978, the Tax Code recognized two types of ESOP's: First, the "leveraged ESOP," which could hold any form of employee security and did not require passthrough of voting rights, and second, the "Tax Reduction Act" ESOP, which was eligible for an additional 1-percent investment tax credit and which was required to hold only voting stock and to pass through voting rights to employees who participated in the plan. In 1978, Congress consolidated these two types of plans and imposed the voting passthrough and voting stock requirements on leveraged ESOP's as well as those eligible for the tax credit. Recognizing that such requirements might be "unduly burdensome" for closely held companies, Congress then limited the voting passthrough and voting stock requirements for these smaller businesses to "major" corporate issues such as mergers and amendments to the articles of incorporation.

But, although the 1978 law has not caused difficulties for publicly traded companies, it has created severe problems for many closely held and family businesses that want to share ownership with their employees. The voting passthrough and voting rights requirements can, in cases where there is high employee turnover, cause such a broad dispersal of stock among former employees that a small or family business may become publicly owned against the will of those who formed it.

The voting rights requirement may cause additional special problems for closely held companies, as the example of a small publishing company in my home State of Illinois will illustrate. This company has outstanding voting and nonvoting stock. Its corporate treasury contains shares of nonvoting stock which would be available for the formation of an ESOP but for the voting rights requirement in current law. However, this company is unable to issue any new voting stock, either for ESOP formation or for other purposes, because of an agreement made at the insistence of some of its creditors. Thus, the company is effectively prevented from forming a tax-qualified ESOP because current law conflicts with the company's need to satisfy its lenders' demands.

Closely held companies such as this one often can be made subject to restrictions against the issuance of new voting stock. Such stipulations may frequently be made by lenders who want to be satisfied that control of the corporation will remain in the hands of those who control it at the time the agreement to extend credit is made. Alternatively, the corporation may wish to obtain additional financing through the issuance of voting stock to limited numbers of new stockholders. These new stockholders, in order to be assured that their share of control of the company will not be diluted, may condition their purchase of stock on an agreement that the company issue no new voting stock thereafter. In either situation, the company, in order to obtain needed financing through debt or through new stock issues, must respond to the demands of lenders or prospective stockholders. Obviously, in such cases the corporation is effectively prevented from forming tax-qualified ESOP's by the need for an infusion of capital. In a period of high interest rates, such a situation imposes especially severe burdens on closely held businesses.

In essence, Mr. President, the voting passthrough and voting stock requirements applicable to ESOP's under current law prevent many small business owners from offering their employees a share in the growth of their company. Not surprisingly, business groups indicate a sharp decline of interest in ESOP's among closely held companies since these requirements were imposed in 1978. The express intent of Congress "unduly burdensome" requirements for closely held companies has, in practice, been frustrated.

In 1981, the Senate attempted at least a partial remedy of this situation. By a vote of 94 to 3, we adopted an amendment offered by Senator STEVENS which would have repealed the voting passthrough requirement for closely held companies. Unfortunately, this amendment was dropped in conference with the House.

Mr. President, the bill we are today introducing makes no changes in ESOP requirements as they apply to publicly traded companies. For closely held companies, however, it provides necessary relief from requirements that have worked, in effect, to thwart Congress express intent to encourage the formation of ESOP's.

It repeals the current voting passthrough requirement as it applies to closely held companies and permits the use of nonvoting stock in a leveraged ESOP or a tax credit ESOP, under certain special circumstances.

There is nothing intrinsically wrong with stock that lacks voting power, so long as that lack of voting power is reflected in the valuation of the stock. In determining what types of assets an ESOP or any tax-qualified plan ought to have, the important consideration is not so much what the attributes of those assets are as what the price paid for assets with a given set of attributes is. Nonvoting stock is worth less than similar stock which has voting power; so long as this difference is recognized at the time the company takes its tax deduction for making contributions to the plan, and so long as the value is communicated properly to the plan participants, there is no reason why a plan ought not to be able to acquire such stock.

Moreover, as I stated earlier, there are many cases in which such nonvoting stock is the only stock available for acquisition by the ESOP. In these cases, the current requirements effectively prevent employees from enjoying the economic benefits of stock ownership at no cost to themselves. As is the case with the voting passthrough requirement, the congressional effort in 1978 to make the ESOP too perfect has only succeeded in denying ESOP benefits to workers who would otherwise have received them.

The bill is designed to prevent manipulation and abuse by requiring that nonvoting stock must have been issued and outstanding for at least 24 months before it can be acquired by the ESOP. In other words, an arms-length purchaser must have thought that the stock was a valuable asset to own for at least 24 months before the ESOP will be able to own it. This requirement, coupled with the extensive requirements relating to fair valuation of the Internal Revenue Code and ERISA, should provide more than adequate protection for all employees of companies with ESOP's.

Mr. President, before I conclude, I would like to make a brief comment regarding our distinguished colleague from Louisiana, Senator LONG. It was in large measure due to his hard work and leadership that the ESOP concept was born. His continued interest and his insightful suggestions contributed substantially to the shaping of the bill we are now proposing.

Mr. President, I believe this is a reasonable measure, and one that is necessary if the promise of ESOP's is to become a reality, rather than an illusion to the employees of small businesses. Passage of this bill will make the formation of ESOP's by closely held companies more likely, enabling employees of small businesses to share in the future growth and prosperity of their companies. I urge its quick enactment.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 748

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Employee Stock Ownership Plan Expansion Act".

SEC. 2. CLOSELY-HELD COMPANIES—SPECIAL ESOP REQUIREMENTS.

(a) IN GENERAL.—Subsection (a) of section 401 of the Internal Revenue Code of 1954 (relating to qualified pension, profit sharing and stock bonus plans) is amended by striking out paragraph (22) and redesignating paragraphs (23) and (24) as paragraphs (22) and (23), respectively.

(b) Section 409A(1) of the Internal Revenue Code of 1954 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) NONVOTING COMMON STOCK MAY BE ACQUIRED IN CERTAIN CASES.—Nonvoting common stock shall be treated as employer securities if an employer has a class of nonvoting common stock outstanding and the specific shares that the plan acquires have been issued and outstanding for at least 24 months.".

(c) EFFECTIVE DATES.—The amendment made by subsection (a) shall apply to acquisitions of securities after December 31, 1982.

By Mr. MOYNIHAN (for himself and Mr. HEINZ):

S. 749. A bill to improve worker training under the Trade Act of 1974, and for other purposes; to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE

● Mr. MOYNIHAN. Mr. President, I rise today to introduce, for myself and my distinguished colleague Senator HEINZ, legislation reforming and reauthorizing the trade adjustment assistance (TAA) program. Our bill is similar to one introduced in the House by Congressman PEASE of Ohio.

Trade adjustment assistance represents a commitment made to the American worker two decades ago at the time of the Kennedy round of multilateral trade negotiations. We recognized then that while a policy of open trade is essential to a healthy domestic economy, important segments of the work force are adversely affected by import competition. Trade adjustment assistance is for these workers. It helps them pay the bills while they are unemployed and it enables them to receive training for new jobs in different sectors of the economy.

I regret that this administration has shown little interest in trade adjustment assistance and in fact has succeeded in altering the program so as to lessen its effectiveness. TAA will expire September 30 unless reauthorized. I hope the administration will work with us to insure that the unemployed are not denied the invaluable aid provided by trade adjustment assistance.

Let me briefly explain what our bill does. It reauthorizes TAA through 1989. The program will be funded by revenues collected through customs duties. Thus those workers who have lost their jobs because of imports will be compensated not from general revenues but from duties collected on those imports.

Our bill will make retraining an entitlement. Currently the retraining element of TAA, which should be its most important aspect, is subject to the vagaries of the appropriations process. As a result we have never spent more than $25 million in 1 year on retraining. Making this service an entitlement will give any certified worker the opportunity to learn a new skill and find gainful employment.

The bill also changes the work test from "suitable work" to a "comparable standard." This insures that workers receiving TAA are not forced to accept temporary, low-paying jobs but rather are given the chance to seek longer term, better paying positions.

Finally, our bill reauthorizes the trade adjustment assistance program for firms. I understand Senator HEINZ is drafting detailed reauthorization legislation and I expect to join him in its introduction.

Mr. President, the measure we are proposing reaffirms the commitment we made to working men and women 20 years ago. The premise upon which trade adjustment assistance was based—that some will suffer from an open trade policy and that they should be compensated—is as valid today as in 1962. We cannot renege on our commitment. We must not let TAA die.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WORKER TRAINING.

(a) Section 236 of the Trade Act of 1974 (49 U.S.C. 2296) is amended—

(1) by striking out "may approve" in the first sentence of subsection (a)(1) and inserting in lieu thereof "shall approve";

(2) by adding at the end of subsection (a)(1) the following new sentence: "For purposes of applying subparagraph (C), a reasonable expectation of employment does not require that employment opportunities for a worker be available, or offered, immediately upon his completing training under this section."; and

(3) by adding at the end thereof the following new subsection:

"(d) The Secretary shall pay to any worker who—

"(1) begins approved training under this section after the date of the enactment of this subsection; and

"(2) is not eligible for trade readjustment allowances during any or all of the period of such training;

A supplemental assistance benefit of $15 for each day during which the worker participates in such training but for which he is not eligible for such allowances.".

SEC. 2. JOB SEARCH AND RELOCATION ALLOWANCES.

(a) Section 237(a)(1) of the Trade Act of 1974 (19 U.S.C. 2297(a)(1)) is amended by striking out "$600" and inserting in lieu thereof "$800".

(b) Section 238(d)(2) of the Trade Act of 1974 (19 U.S.C. 2298(d)(2)) is amended by striking out "$600" and inserting in lieu thereof "$800".

SEC. 3. TRUST FUND AND AUTHORIZATION OF APPROPRIATIONS.

(The text of section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended to read as follows:

"(a) There is hereby established on the books of the Treasury of the United States a trust fund to be known as the 'Adjustment Assistance Trust Fund' (hereinafter referred to in this section as the 'Trust Fund'). The Trust Fund shall consist of such amounts as may be deposited in it pursuant to the authorization contained in subsection (b) of this section. Amounts in the Trust Fund may be used only to carry out the provisions of this part. The Secretary of the Treasury shall be the trustee of the Trust Fund and shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding fiscal year.

"(b) There are hereby authorized to be appropriated to the Trust Fund, out of amounts in the general fund of the Treasury attributable to the collection of customs duties not otherwise appropriated, for each fiscal year ending after October 1, 1981, such sums as may be necessary to carry out the provisions of this part.".

SEC. 4. DEFINITION OF SUITABLE EMPLOYMENT.

(a) Section 202(a)(3)(C) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) by striking out "(C) For purposes" and inserting in lieu thereof "(C)(i) Except as provided in clause (ii), for purposes"; and

(2) by adding at the end thereof the following new clause: "(ii) For purposes of this paragraph, the term 'suitable work' means, with respect to any worker who would be eligible for a trade readjustment allowance under the Trade Act of 1974 but for the fact that he is eligible for extended compensation under this Act, work of a substantially equal or higher skill level than the worker's past adversely affected employment (as determined for purposes of such Act), and wages for such work at not less than 80 percent of the individual's average weekly wage for his most recent base period.".

(b) Section 231(a)(4) of the Trade Act of 1974 (19 U.S.C. 2291(a)(4)) is amended by striking out "202(a)(3)" and inserting in lieu thereof "202(a)(3)(ii)".

SEC. 5. OFFICE OF TRADE ADJUSTMENT ASSISTANCE.

(a)(1) Subchapter C of chapter 2 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 250A. ASSISTANT SECRETARY FOR TRADE ADJUSTMENT ASSISTANCE.

"There is established in the Department of Labor the Office of Trade Adjustment Assistance. The Office shall be headed by the Assistant Secretary of Labor for Trade Adjustment Assistance, who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall carry out this chapter through the Assistant Secretary of Labor for Trade Adjustment Assistance.".

(2) The table of contents in the first section of such Act is amended by inserting after the item relating to section 250 the following new item:

"Sec. 250A. Assistant Secretary for Trade Adjustment Assistance.".

(b) Section 5315 of title 5, United States Code, is amended by striking out "(5)" in the item relating to the Assistant Secretaries of Labor and inserting in lieu thereof "(6)".

(c)(1) The Office of Trade Adjustment Assistance in the Employment and Training Administration of the Department of Labor is transferred to the Office of Trade Adjustment Assistance established by section 250A of the Trade Act of 1974 (as added by subsection (a) of this section).

(2) The position of Director of the Office of Trade Adjustment Assistance is terminated.

SEC. 6. EXTENSION.

Section 285 of the Trade Act of 1974 is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1989".

SEC. 7. EFFECTIVE DATES.

(a) The amendments made by sections 1 and 2 shall apply with respect to determinations regarding training and applications for allowances under sections 236, 237, and 238 of such Act that are made or filed after September 30, 1982.

(b) The amendments made by sections 3, 5, and 6 shall take effect on the date of the enactment of this Act.

(c) The amendments made by section 4 shall take effect with respect to weeks of unemployment beginning on or after the date of the enactment of this Act.●

By Mr. STEVENS:

S. 750. A bill to implement an exclusive economic zone adjacent to the territorial sea of the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EXCLUSIVE ECONOMIC ZONE IMPLEMENTATION ACT

Mr. STEVENS. Mr. President, I have addressed the Senate several times to commend the President's decision not to sign the Law of the Sea Treaty. Many Senators share my concern that we must not agree to participate in a permanent cartelization of our ocean resources.

I am offering a bill today with my good friend Congressman BREAUX of Louisiana, who has introduced the same measure in the House.

Mr. President, this is truly the decade of the oceans. Vast potential lies in the living and nonliving resources just off our shores. This legislation will complete the job that we began in the Magnuson Fisheries Conservation and Management Act of 1976 and the Deep Seabed Hard Mineral Resources Act of 1980, by extending plenary U.S. jurisdiction over the 200-mile zone.

In brief, the bill establishes an exclusive economic zone which runs 197 miles seaward from the territorial sea. Within this zone, the United States will assert sovereign rights for the purpose of exploring, exploiting, conserving and managing all natural resources, both living and nonliving. The bill specifically asserts that the fisheries resources of this Nation are to be used to the benefit of the U.S. fishing industry.

This bill seeks to implement, through legislation, the goals and declarations which the President has stated today in his proclamation of an exclusive economic zone.

In addition, I have added a section to this bill which mandates the elimination of foreign fishing within our exclusive economic zone. I feel strongly that we must reassert our intention to fully develop and control the fishery resources within our waters. Foreign participation in our development has proceeded, but at a much reduced pace from our needs. I hope to work with the Senate in formulating changes in our fishery policy which will maximize the interests and needs of the U.S. fishing industry.

Such action will also substantially benefit the consumers in this country, who now mainly purchase foreign, higher-priced products while our own fishery products are being caught and processed by foreign vessels. Bringing these products to the U.S. consumer will greatly broaden their options and price savings.

Mr. President, I feel that this legislation will take the step that is now long overdue. We can now strengthen the status of our adjoining oceans resources and facilitate their orderly development.

Mr. President, I ask that a statement by the President, a proclamation issued by the President, on this subject, and the bill appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE PRESIDENT

The United States has long been a leader in developing customary and conventional law of the sea. Our objectives have consistently been to provide a legal order that will, among other things, facilitate peaceful, international uses of the oceans and provide for equitable and effective management and conservation of marine resources. The United States also recognizes that all nations have an interest in these issues.

Last July I announced that the United States will not sign the United Nations Law of the Sea Convention that was opened for signature on December 10. We have taken this step because several major porblems in the Convention's deep seabed mining provisions are contrary to the interests and principles of industrialized nations and would not help attain the aspirations of developing countries.

The United States does not stand alone in those concerns. Some important allies and friends have not signed the Convention. Even some signatory States have raised concerns about these problems.

However, the Convention also contains provisions with respect to traditional uses of the oceans which generally confirm existing maritime law and practice and fairly balance the interests of all States.

Today I am announcing three decisions to promote and protect the oceans interests of the United States in a manner consistent with those fair and balanced results in the Convention and international law.

First, the United States is prepared to accept and act in accordance with the balance of interests relating to traditional uses of the oceans—such as navigation and overflight. In this respect, the United States will recognize the rights of other States in the waters off their coasts, as reflected in the Convention, so long as the rights and freedoms of the United States and others under international law are recognized by such coastal States.

Second, the United States will exercise and assert its navigation and overflight rights and freedoms on a worldwide basis in a manner that is consistent with the balance of interests reflected in the Convention. The United States will not, however, acquiesce in unilateral acts of other States designed to restrict the rights and freedoms of the international community in navigation and overflight and other related high seas uses.

Third, I am proclaiming today an Exclusive Economic Zone in which the United States will exercise sovereign rights in living and non-living resources within 200 nautical miles of its coast. This will provide United States jurisdiction for mineral resources out to 200 nautical miles that are not on the continental shelf. Recently discovered deposits there could be an important future source of strategic minerals.

Within this Zone all nations will continue to enjoy the high seas rights and freedoms that are not resource-related, including the freedoms of navigation and overflight. My Proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to United States jurisdiction. The United States will continue efforts to achieve international agreements for the effective management of these species. The Proclamation also reinforces this government's policy of promoting the United States fishing industry.

While international law provides for a right of jurisdiction over marine scientific research within such a zone, the Proclamation does not assert this right. I have elected not to do so because of the United States interest in encouraging marine scientific research and avoiding any unnecessary burdens. The United States will nevertheless recognize the right of other coastal States to exercise jurisdiction over marine scientific research within 200 nautical miles of their coasts, if that jurisdiction is exercised reasonably in a manner consistent with international law.

The Exclusive Economic Zone established today will also enable the United States to take limited additional steps to protect the marine environment. In this connection, the United States will continue to work through the International Maritime Organization and other appropriate international organizations to develop uniform international measures for the protection of the marine environment while imposing no unreasonable burdens on commercial shipping.

The policy decisions I am announcing today will not affect the application of existing United States law concerning the high seas or existing authorities of any United States government agency.

In addition to the above policy steps, the United States will continue to work with other countries to develop a regime, free of unnecessary political and economic restraints, for mining deep seabed minerals beyond national jurisdiction. Deep seabed mining remains a lawful exercise of the freedom of the high seas open to all nations. The United States will continue to allow its firms to explore for and, when the market permits, exploit these resources.

The Administration looks forward to working with the Congress on legislation to implement these new policies.

EXCLUSIVE ECONOMIC ZONE OF THE UNITED STATES OF AMERICA

By the President of the United States of America

A PROCLAMATION

Whereas the Government of the United States of America desires to facilitate the wise development and use of the oceans consistent with international law;

Whereas international law recognizes that, in a zone beyond its territory and adjacent to its territorial sea, known as the Exclusive Economic Zone, a coastal State may assert certain sovereign rights over natural resources and related jurisdicition; and

Whereas the establishment of an Exclusive Economic Zone by the United States will advance the development of ocean resources and promote the protection of the marine environment, while not affecting other lawful uses of the zone, including the freedoms of navigation and overflight, by other States;

Now, therefore, I Ronald Reagan, by the authority vested in me as President by the Constitution and laws of the United States of America, do hereby proclaim the sovereign rights and jurisdiction of the United States of America and confirm also the rights and freedoms of all States within an Exclusive Economic Zone, as described herein.

The Exclusive Economic Zone of the United States is a zone contiguous to the territorial sea, including zones contiguous to the territorial sea of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands (to the extent consistent with the Covenant and the United Nations Trusteeship Agreement), and United States overseas territories and possessions. The Exclusive Economic Zone extends to a distance 200 nautical miles from the baseline from which the breadth of the territorial sea is measured. In cases where the maritime boundary with a neighboring State remains to be determined, the boundary of the Exclusive Economic Zone shall be determined by the United States and other State concerned in accordance with equitable principles.

Within the Exclusive Economic Zone, the United States has, to the extent permitted by international law, (a) sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources, both living and non-living, of the seabed and subsoil and the superjacent waters and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds; and (b) jurisdiction with regard to the establishment and use of artificial islands, and installations and structures having economic purposes, and the protection and preservation of the marine environment.

This Proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to United States jurisdiction and require international agreements for effective management.

The United States will exercise these sovereign rights and jurisdiction in accordance with the rules of international law.

Without prejudice to the sovereign rights and jurisdiction of the United States, the Exclusive Economic Zone remains an area beyond the territory and territorial sea of the United States in which all States enjoy the high seas freedoms of navigation, overflight, the laying of submarine cables and pipelines, and other internationally lawful uses of the sea.

In witness whereof, I have hereunto set my hand this tenth day of March, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

S. 750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Exclusive Economic Zone Implementation Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) it is in the national interest to promote and facilitate the full and responsible development and use of ocean resources;

(2) recent international practice and codification efforts widely recognized as reflective of customary international law encompass certain State rights over the natural resources, both living and nonliving, of the ocean and its floor out to two hundred nautical miles from the baselines from which territorial seas are measured;

(3) Such rights over such natural resources should be exercised in a manner that preserves the high seas rights and freedoms of other States;

(4) recent efforts to codify international law with respect to a wide range of ocean activities, both within and beyond zones of natural resource jurisdiction, have concluded and have not adequately addressed all of the objectives and interests of maritime and coastal States;

(5) the United States has previously enacted interim laws related to the conservation, management, development and use of the natural resources of the ocean and its floor with a view to the successful conclusion of such recent codification efforts; and

(6) the Presidential Proclamation of March 1983, with an accompanying oceans policy statement, asserted certain rights and jurisdiction of the United States, and confirmed the rights and freedoms of all States, within such zones; and

(7) the Congress should enact requisite legislation to implement the establishment of the exclusive economic zone.

(b) PURPOSES.—It is therefore declared to be the purposes of the Congress in this Act—

(1) to implement an exclusive economic zone which will clarify the rights and jurisdiction of the United States and the rights and freedoms of other States within such zone;

(2) to set forth the policy of the United States regarding the development and use of the natural resources of the oceans and its floor beyond such zone; and

(3) to conform previously enacted interim law with such rights, jurisdiction, and policy.

TITLE I—ESTABLISHMENT AND IMPLEMENTATION OF THE EXCLUSIVE ECONOMIC ZONE

SEC. 101. ESTABLISHMENT OF ZONE.

(a) IN GENERAL.—There is established a zone contiguous to the territorial sea of the United States to be known as the exclusive economic zone. The inner boundary of the exclusive economic zone is a line coterminus with the seaward boundary of each of the states, and, subject to subsection (b), the outer boundary of such zone is a line drawn in such a manner that each point on it is 200 nautical miles from the baseline from which the territorial sea is measured. For purposes of this subsection, the term "state" means each of the several States; the Commonwealth of Puerto Rico; the United States Virgin Islands, American Samoa, Guam, or any other territory or possession of the United States; the Commonwealth of the Northern Marianas; and the Trust Territory of the Pacific Islands.

(b) BOUNDARY ADJUSTMENTS.—The Secretary of State may initiate and conduct negotiations with any adjacent or opposite coastal State for purposes of establishing, in accordance with equitable principles, the outer boundary of the exclusive economic zone in relation to that coastal State.

SEC. 102. UNITED STATES RIGHTS AND JURISDICTION WITHIN THE EXCLUSIVE ECONOMIC ZONE.

Within the exclusive economic zone, the United States asserts, and will maintain—

(1) sovereign rights for the purpsoe of exploring, exploiting, conserving, and managing the living resources (other than highly migratory species of fish) and the nonliving resources of the seabed and subsoil and superjacent waters;

(2) sovereign rights for the purpose of carrying out economic exploration and exploitation not covered under paragraph (1), including, but not limited to, the production of energy from the water, currents, and winds; and

(3) jurisdiction with regard to—

(A) the establishment and use of artificial islands,

(B) other installations and structures having economic purposes, and

(C) the protection and preservation of the marine environment.

As used in this section, the term "highly migratory species of fish" means species of tuna which, in the course of their life cycle, spawn and migrate over great distances in ocean waters.

SEC. 103. ASSERTION OF SOVEREIGN RIGHTS AND JURISDICTION SUBJECT TO FREEDOMS OF THE HIGH SEAS.

The United States recognizes, and shall maintain the sovereign rigths and jurisdiction asserted by it under section 102 in accordance with the rules of international law, specifically the recognized freedoms of the high seas, including, but not limited to, those pertaining to navigation, overflight, marine scientific research, and the laying and maintenance of submarine cables and pipelines.

SEC. 104. DISCLAIMER.

Nothing in this Act is, nor shall be deemed to be, a basis for any royalty, fee, tax, or other assessment of revenue, for fishing by U.S.-flag vessels for living marine resources over which the United States exercises sovereign rights.

SEC. 105. MARINE SCIENTIFIC RESEARCH.

(a) DEFINITION.—As used in this section, the term "marine scientific research area", with respect to any coastal State means—

(1) an area the inner boundary of which is the base line from which the territorial sea of the coastal State is measured and the outer boundary of which in a line drawn in such a manner that each point on it is 200 nautical miles from the inner boundary; and

(2) the continental shelf of the coastal State.

(b) REQUESTS BY UNITED STATES SCIENTISTS TO ENGAGE IN RESEARCH IN FOREIGN MARINE RESEARCH AREAS.—Notwithstanding that the conduct of marine scientific research is recognized by the United States as a freedom of the high seas, the Secretary of State shall submit promptly to the appropriate officials of a coastal State, if that coastal State exercises jurisdiction over marine scientific research in a reasonable manner that is not inconsistent with international law, each request by United States scientists for permission to conduct marine scientific research in the marine scientific research area of that State.

(c) NEGOTIATIONS.—The Secretary of State shall initiate negotiations with coastal States for the purpose of obtaining bilateral and multilateral agreements that will facilitate the conduct of marine scientific research in the marine research area of such States. It shall be a negotiating objective to enter into agreements that will permit United States scientists to obtain, in a timely manner, authorization from the other coastal States to conduct such research with a minimum of fiscal and procedural restraints.

(2) In carrying out this subsection, the Secretary shall give priority to seeking agreements with those coastal States with marine scientific research areas in which United States scientists have expressed the greatest interest in conducting marine scientific research.

SEC. 106. REPORT OF LAWS AFFECTED BY ESTABLISHMENT OF EXCLUSIVE ECONOMIC ZONE.

(a) REPORT BY AGENCIES TO THE PRESIDENT.—The head of each Federal department, agency, or instrumentality that is responsible for implementing any law or program that is administered within, or with respect to, the exclusive economic zone shall submit a report to the President listing all such laws and programs, together with such suggested amendments as may be required to bring such laws and programs into conformity with the establishment of such zone. The report shall be submitted to the President not later than 12 months after the date of enactment of this Act.

(b) SUBMISSION OF COMPREHENSIVE REPORT TO CONGRESS.—Not later than 18 months after the date of enactment of this Act, the President shall compile the reports submitted under subsection (a) and submit to the Congress a single report thereon together with any additional recommendations of the President for changes, with respect to existing laws and programs, that are required by the enactment of this title.

TITLE II—EXPLORATION FOR, AND EXPLOITATION OF, THE MINERAL RESOURCES OF THE EXCLUSIVE ECONOMIC ZONE, OUTER CONTINENTAL SHELF, AND DEEP SEABED

SEC. 201. AMENDMENTS RELATING TO THE OUTER CONTINENTAL SHELF.

(a) DEFINITION OF OUTER CONTINENTAL SHELF AND FOOT OF THE CONTINENTAL SLOPE.—Section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) is amended—

(1) by amending subsection (a) to read as follows:

"(a) The term 'Outer Continental Shelf' means—

"(1) all submerged lands lying seaward and outside of the area of lands beneath navigable waters (as defined in section 2(a) of the Submerged Lands Act (43 U.S.C. 1301(a)) and extending to a boundary within the zone the inner boundary of which is the foot of the continental slope and the outer boundary of which is a line drawn in such a manner that each point on it is 60 nautical miles from the inner boundary; and

"(2) submerged lands, the boundaries of which shall be established, in accordance with equitable principles, by the United States and the other coastal State concerned, under the Gulf of Mexico and the Bering Sea that are partially enclosed—

"(A) by submerged lands described in paragraph (1); and

"(B) by submerged lands of the other coastal State that are treated under the laws of that State in a manner equivalent to that accorded by the United States to the submerged lands described in paragraph (1).''; and

(2) by adding at the end thereof the following new subsection:

"(b) The term 'foot of the continental slope' means the lowest point in the most seaward major course of downward inclination in the generally descending profile of the continental slope, beyond which the gradient either flattens very gently to merge eventually with the abyssal plain, or reverses to form the other side of an oceanic trench.''.

SEC. 202. AMENDMENTS RELATING TO THE DEEP SEABED.

(a) CHANGE IN TITLE OF ACT.—(1) Section 1 of the Deep Seabed Hard Mineral Resources Act (30 U.S.C. 1401 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Deep Seabed Mineral Resources Act'.''.

(2) Any reference to the Deep Seabed Hard Mineral Resources Act shall be deemed to refer to the Deep Seabed Mineral Resources Act.

(b) AMENDMENTS TO THE DEEP SEABED MINERAL RESOURCES ACT.—The Deep Seabed Mineral Resources Act is amended as follows:

(1) The Act is amended by striking out "hard mineral resource" each place it appears and inserting in lieu thereof "mineral resource", by striking out "hard mineral resources" each place it appears and inserting in lieu thereof "mineral resources", and by striking out "hard minerals" each place it appears and inserting in lieu thereof "minerals".

(2) Paragraph (4) of section 2(a) is amended to read as follows:

"(4) there is an alternate source of supply, which is significant in relation to national needs, of certain minerals existing on or under the deep seabed;''.

(3) Section 2(a) is amended by striking out paragraphs (7), (8), (9), (10), (15), and (16), and by renumbering paragraphs (11), (12), (13), and (14) (and all references thereto) as paragraphs (7), (8), (9), and (10), respectively.

(4) Paragraph (9) of section 2(a) (as renumbered by paragraph (3) of this subsection) is amended by striking out "pending a Law of the Sea Treaty, and".

(5) Paragraph (10) of section 2(a) (as renumbered by paragraph (3) of this section) is amended to read as follows:

"(10) pending an agreement among States on an orderly and environmentally sound program for the recovery of the mineral resources of the deep seabed, the protection of the marine environment from the potential effects of exploration or recovery of such mineral resources depends upon the enactment of suitable national legislation.''.

(6) Paragraph (1) of section 2(b) is amended to read as follows:

"(1) to encourage the successful conclusion of an international agreement that will assure the development of the mineral resources of the deep seabed for the benefit of mankind and that will assure, among other things, nondiscriminatory access to such resources for all nations;''.

(7) Section 2(b) is amended by striking out paragraphs (2) and (3) and by renumbering paragraphs (4) and (5) (and all references thereto) as paragraphs (2) and (3), respectively.

(8) Paragraph (1) of section 3(b) is amended to read as follows:

"(1) The Secretary of State is encouraged to negotiate comprehensive international agreements which, among other things, provide assured and nondiscriminatory access to the mineral resources of the deep seabed for all nations, assure the development of such mineral resources for the benefit of mankind, and provide for the establishment of requirements for the protection of the quality of the marine environment.''.

(9) Paragraph (2) of section 3(b) is amended by striking out "a Treaty" and inserting in lieu thereof "an agreement".

(10) Section 4(2) is amended to read as follows:

"(2) 'Continental Shelf' has the same meaning that is given to such term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a));''.

(11) Section 4(4) is amended to read as follows:

"(4) 'deep seabed' means the seabed, and the subsoil thereof lying seaward of and outside—

"(A) the Continental Shelf of any nation; and

"(B) any area of national resource jurisdiction of any foreign nation, if such area extends beyond the Continental Shelf of such nation and such jurisdiction is recognized by the United States;''.

(12) Section 4(6) is amended to read as follows:

"(6) 'mineral resource' includes oil, gas, sulphur, geopressured-geothermal and associated resources, and all other minerals which are authorized by an Act of Congress to be produced from 'public lands' as defined in section 103 of the Federal Land Policy and Management Act of 1976;''.

(13) Section 4(7) is amended by striking out "concluded through negotiations at the Third United Nations Conference on the Law of the Sea," and by striking out "an international" and inserting in lieu thereof "a".

(14) Section 102(c)(1) is amended by striking out subparagraph (D).

(15) Section 118(a)(1) is amended by inserting "generally" after "manner".

(16) Section 118(a)(2) is amended to read as follows:

"(2) recognizes licenses and permits issued under this title to the extent that such nation, under its laws, prohibits any person from engaging in exploration or commercial recovery which conflicts with that authorized under any such license or permit;''.

(17) Section 310 is amended by striking out "September 30, 1984" and inserting in lieu thereof "September 30, 1987".

(c) AMENDMENTS TO TAX AND TRUST FUND PROVISIONS.—(1) Section 401 of the Deep Seabed Hard Mineral Removal Tax Act of 1979 is amended to read as follows:

"SEC. 401. SHORT TITLE.

"This title may be cited as the 'Deep Seabed Mineral Removal Tax Act of 1979'.".

(2) Any reference to the Deep Seabed Hard Mineral Removal Tax Act of 1979 shall be deemed to refer to the Deep Seabed Hard Mineral Removal Tax Act of 1979.

(3) Subsection (b) of section 4496 of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) MINERAL RESOURCE.—For purposes of this subchapter, the term 'mineral resource' includes oil, gas, sulphur, geopressured-geothermal and associated resurces, and all other minerals which are authorized by an Act of Congress to be produced from 'public lands' as defined in section 103 of the Federal Land Policy and Management Act of 1976.".

(4) Section 4496(d) of the Internal Revenue Code of 1954 is amended to read as follows:

"(d) CONTINENTAL SHELF.—For purposes of this subchapter, the term 'Continental Shelf' has the same meaning that is given to such term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).".

(5) Section 4497(b) of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) COMMERCIAL RECOVERABILITY.—The Secretary may by regulation prescribe for each metal or mineral quantities or percentage below which the metal or mineral shall be treated as not commercially recoverable.".

(6) Section 4498 of the Internal Revenue Code of 1954 is repealed.

(7) Subchapter F of chapter 36 of the Internal Revenue Code of 1954 is amended by striking out "hard mineral resource" each place it appears and inserting in lieu thereof "mineral resource" and by striking out "Hard" in the table of subchapters for such subchapter.

(8) The table of subchapters for subchapter F of chapter 36 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 4498.

(9) Section 403 of the Deep Seabed Hard Mineral Removal Tax Act of 1979 is amended by striking out subsections (d), (e), and (f) and inserting in lieu thereof the following:

"(d) EXPENDITURES FROM TRUST FUND.—Amounts in the Trust Fund shall be available, as provided by appropriations Acts, for any purpose authorized by section 109 or 114 of this Act. Nothing in this subsection shall be deemed to authorize any program or other activity not otherwise authorized by law.".

SEC. 203. MEMORANDUM OF UNDERSTANDING.

Not later than one year after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Commerce shall issue a memorandum of understanding setting forth the manner in which activities on the outer Continental Shelf (as defined in the Outer Continental Shelf Lands Act) and the deep seabed (as defined in the Deep Seabed Mineral Resources Act) will be regulated in those cases in which the logical mining unit for which and application is made for a license or permit under title I of the Deep Seabed Mineral Resources Act is located both on the outer Continental Shelf and on the deep seabed.

TITLE III—FISHERY CONSERVATION AND MANAGEMENT

SEC. 301. AMENDMENTS RELATING TO FISHERY CONSERVATION AND MANAGEMENT.

The Act entitled "An Act to provide for the conservation and management of the fisheries, and for other purposes", approved April 13, 1976 (16 U.S.C. 1801 et seq.), herein called "The Management Act," is amended as follows:

(1) Section 2(D)(1) is amended by striking out subparagraph (A) and inserting in lieu thereof the following: "(A) an exclusive economic zone within which the United States maintains exclusive rights over all fish, except highly migratory species, and".

(2) Section 2(c) is amended by striking out paragraph (1), by redesignating paragraphs (2), (3), (4), and (5) as paragraphs (1), (2), (3), and (4), respectively, and by amending paragraph (4) (as so redesignated) to read as follows:

"(4) to support and encourage active efforts by the United States to negotiate widely accepted international agreements that provide for effective conservation and management of fishery resources, including highly migratory species.".

(3) Section 3(3) is amended to read as follows:

"(3) The term 'Continental Shelf' has the same meaning that is given to such term in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).".

(4) Section 3 is amended by striking out paragraph (8); by redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectively; and by inserting immediately after paragraph (5) the following new paragraph:

"(6) The term 'exclusive economic zone' means the exclusive economic zone established by section 101 of the Exclusive Economic Zone Implementation Act.".

(5) Section 101, and the entry relating to that section in the table of contents, are repealed.

(6) Section 102 is amended to read as follows:

"SEC. 102. UNITED STATES SOVERIGN RIGHTS TO FISH AND FISHERY MANAGEMENT AUTHORITY.

"(a) IN THE EXCLUSIVE ECONOMIC ZONE.—Except as provided in section 103, the United States shall exercise sovereign rights and exclusive fishery management authority, in the manner provided for in this Act, over all fish, and all Continental Shelf fishery resouces, within the exclusive economic zone.

"(b) BEYOND THE EXCLUSIVE ECONOMIC ZONE.—The United States shall exercise exclusive fishery managmeent authority, in the manner provided for in this Act, over the following:

"(1) All anadromous species throughout the migratory range of each such species beyond the exclusive economic zone; except that such management authority shall not extend to such species during the time they are found within any foreign nation's territorial sea or exclusive economic zone (or the equivalent), to the extent that such sea or zone is recognized by the United States.

"(2) All Continental Shelf fishery resources beyond the exclusive economic zone.".

(7) Section 103 is amended to read as follows:

"SEC. 103. EXCLUSION FOR HIGHLY MIGRATORY SPECIES.

"The sovereign rights and exclusive fishery management authority asserted by the United States under section 102 over the fish shall not include, nor be construed to extend to, highly migratory species of fish.".

(8) Section 201(d)(4) is amended by striking out "shall allocate" and insert in lieu thereof "may allocate".

(9) Section 202(d) is amended by inserting ", in accordance with equitable principles," immediately after "establish".

(10) The Act (including the table of contents) is further amended by striking out "fishery conservation zone" each place it appears therein and inserting in lieu thereof "exclusive economic zone".

(11) Section 201 (h) and (i) is renumbered as (i) and (j) and a new section (h) is added:

"(h) Unless the Secretary of Commerce demonstrates that a deviation in harvest levels will benefit the United States fishing industry, no foreign fishing allocation shall be permitted in any fishery within the exclusive economic zone except that—

"(1) during the 1984 harvesting season, an amount equal to 85 percent of the total allowable level of foreign fishing determined under such section 201 for the 1983 harvesting season (hereinafter referred to as the '1983 TALFF") for such fishery;

"(2) during the 1985 harvesting season, an amount equal to 70 percent of the 1983 TALFF for such fishery'

"(3) during the 1986 harvesting season, an amount equal to 45 percent of the 1983 TALFF for such fishery;

"(4) during the 1987 harvesting season, an amount equal to 20 percent of the 1983 TALFF for such fishery; and

"(5) no foreign fishing shall be permitted in the exclusive economic zone after the close of the 1987 harvesting season.".

By Mr. BENTSEN:

S. 751. A bill entitled the Federal Regulation Reduction Act of 1983; to the Committee on Governmental Affairs.

FEDERAL REGULATION REDUCTION ACT OF 1983

● Mr. BENTSEN. Mr. President, I am introducing legislation today to place farmers, small business, and ranchers in a priority position to receive relief from Federal regulations. We have seen good progress over the past several years in the reduction of many types of burdens which Federal regulations impose on the private sector. Yet, the pace has stil been far too dilatory for my taste.

Congress enacted two bills in 1980 which are benchmarks in efforts to reverse the historic tide toward more and more Government redtape on the private sector. The first bill, the Paperwork Reduction Act, provided the executive branch with the means to slash through the web of paperwork and data solicitation surrounding private enterprise.

The second bill, the Regulatory Flexibility Act, established the principal that Federal rules and regulations for small business must be less complex than ones for larger firms. In effect, Congress decided to two-tier Federal efforts to reduce the burden of its rules and redtape on the private sector. This principal is a sound one: Small business has fewer cash re-

serves, smaller profit margins, and less ability than larger firms to pass regulatory costs on to its customers. As a result, they and other like-situated sectors of our economy should not be forced to deal with the mass of forms and redtape which tie up platoons if not brigades of attorneys and accountants in our larger corporations. Small business, farmers, and ranchers cannot afford to hire those specialists required to completely comply with Government regulations, and the Federal Government should acknowledge that economic reality. To not do so would be to single out the small entrepreneur for unwarranted economic discrimination by a government and society built and maintained for generations by small entrepreneurs.

EXPLANATION OF LEGISLATION

We do not want to discriminate against small entrepreneurs, and my legislation is intended to prevent that. The 1980 law, the Regulatory Flexibility Act, focused on reducing the complexity of Federal rules and regulations for small business. My bill, the Federal Regulation Reduction Act goes further. It specifically requires two things.

First, it requires the President to estimate the cost of all major rules and paperwork requirements which are imposed by any Federal agency on farmers, ranchers, or small business. He is required to collect that data annually and provide it in a report to Congress no later than January 31 of each year.

After all the years of rhetoric and smoke on the issue of regulatory burden, we still have no precise estimate of the impact of Federal regulation on our private sector, not to mention important sectors such as agriculture or small business.

In fact, the first comprehensive estimate of the impact of Federal rules and regulations was presented to me by Prof. Murray Weidenbaum before a hearing I chaired in 1979 of the Joint Economic Committee. He projected a regulatory burden then of $100 billion. Professor Weidenbaum has come and gone as the Chairman of the President's Council of Economic Advisers. But his old estimate is still the most quoted one we have, as clouded as it is by time and imprecision.

It is my intent for this bill to remove that veil, to let Congress know for the first time at least precisely what regulatory burden is borne by farmers, small businesses, and ranchers.

Second, my bill requires Federal agencies to slash the burden on small businesses, farmers, and ranchers of their major rules and of paperwork requirements by 25 percent over the next 2 fiscal years. As I said back in 1981 when introducing similar legislation, this provision expands a provision of the Paperwork Reduction Act which mandates a similar slash in the burden of Federal paperwork alone by the end of fiscal year 1983.

My 25-percent burden reduction is a mandate for Federal agencies to get off their duffs and start the hard work of meeting regulatory objectives more efficiently. It will light a fire under their feet. They will have a clear and simple target and timetable for reducing regulations bedeviling farmers, ranchers, and small business.

My act sets forth a major challenge to Federal agencies. It is a challenge, however, which they must confront. And it is a challenge which I believe the Office of Management and Budget and the President will welcome, as well. It will put the full force of the law in their hands in dealing with the Federal tangle of redtape.

Congress spent substantial time and effort during 1981 and 1982 crafting an omnibus regulatory reform bill. The bill is intended to put in place a comprehensive Federal regulatory evaluation, review, and reduction system which we have long needed. Differing versions were considered in the Senate and House. And especially diligent work was done on this side by Senators LAXALT, ROTH, LEAHY, EAGLETON, and DURENBERGER. My Federal Regulation Reduction Act is consistent with both the Senate and House versions of that legislation. And I encourage my colleagues to support my bill designed to supplement that legislation again this year.

I ask unanimous consent, Mr. President, for my bill, the Federal Regulation Reduction Act, to be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Regulation Reduction Act of 1983".

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Regulation Reduction Act".

SEC. 2. DEFINITIONS.

(A) For purposes of this Act—

(1) "agency" shall have the same meaning provided by section 551(1) of title 5, United States Code;

(2) "major rule"—

(A)(i) means a rule or a group of closely related rules that the agency, or the President, reasonably determines is likely to have an annual effect on the economy of $100,000,000 or more in direct or indirect enforcement and compliance costs;

(ii) but does not mean—

(a) a rule of particular applicability that approves or prescribes for the future rates, wages, prices, services, or allowances therefore, corporate, or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing, or a rule that involves the internal revenue laws of the United States; or

(b) a rule that authorizes the introduction into commerce or recognizes the marketable status of a product or service that, pursuant to statute, could not lawfully be introduced into commerce or marketed in the absence of the rule; and

(B) means a rule or a group of closely related rules that is otherwise designated a major rule by the agency proposing the rule, or is so designated by the President, on the ground that the proposed rule is likely to result in—

(i) a substantial increase in costs or prices for wage earners, consumers, individual industries, nonprofit organization, Federal, State, or local government agencies, or geographic regions;

(ii) significant adverse effects on competition, employment, investment, productivity, innovation, the environment, public health or safety, or the ability of enterprises whose principal places of business are in the United States to compete in domestic or expert markets;

(3) "benefit" or "benefits" means the reasonably identifiable significant benefits and beneficial effects, including social and economic benefits and effects, expected to result directly or indirectly from implementation of a rule or an alternative to a rule;

(4) "compliance cost" means the reasonably identifiable significant costs and adverse effects, including social and economic costs and effects, expected to result directly or indirectly from implementation of a major rule or an alternative to a major rule;

(5) "small business" means a small business concern as defined by the Administrator of the Small Business Administration under section 2 of the Small Business Act (72 Stat. 384, as amended; 15 U.S.C. 632);

(6) "collection of data" means the obtaining or soliciting of facts or opinions by an agency through the use of written report forms, application forms, schedules, questionnaires, reporting or recordkeeping requirements, or other similar methods, calling for either—

(A) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States; or

(B) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes;

(7) "Independent regulatory agency" means the Board of Governors of the Federal Reserve System, the Civil Aeronautics Board, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Mine Enforcement Safety and Health Review Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, the Securities and Exchange Commission, and any other similar agency designated by statute as a Federal independent regulatory agency or commission.

SEC. 3. REDUCTION IN BURDEN OF REGULATION.

(A) By October 1, 1984, the head of each agency and independent regulatory agency shall reduce by 25 percent the compliance cost which existed on October 1, 1981, on small business, farms, and ranches of major

rules and collection of data of that agency or independent regulatory agency.

(B) The President shall transmit to Congress by October 1, 1983, and October 1, 1984, a report on the progress made by each agency during the preceding fiscal year in carrying out subsection (A).

SEC. 4. REGULATORY BURDEN ANNUAL REPORT.

(A) Not later than January 31 of each year, the President shall transmit to Congress a report. The report shall include an estimate of the benefits and compliance cost on small business, farms, and ranches of major rules and collection of data—

(1) issued or in effect during the preceding calendar year; and

(2) which will be in effect during the current calendar year;

(B) The report issued pursuant to subsection (A) shall include benefit and compliance cost estimates for each agency and for each independent regulatory agency.●

By Mr. ARMSTRONG:

S. 752. A bill to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and for other purposes; to the Committee on Energy and Natural Resources.

COLORADO RIVER CLEANUP

● Mr. ARMSTRONG. Mr. President, today I am introducing a bill to launch an ambitious but effective and essential cleanup of the Colorado River; 17 million people from Denver to San Diego depend on its waters, which irrigate 1.5 million acres of rich farmland, provide clean hydroelectric power, offer a diversity of recreational opportunities, and furnish our homes and factories with one of life's essentials. The Colorado is one of the country's best managed and most relied upon rivers.

And yet, this magnificent river is being slowly poisoned by salt, a common element naturally occurring in many western soils. Colorado River salinity has two major causes: salt loading, which comes from contact with these western soils and salty mineral springs, and salt concentrating, which is caused by natural evaporation and the increasing consumptive use of the river as the seven Western States it traverses continue to develop.

To put this problem in perspective, consider that the river has only 50 parts of salt per million parts of water (ppm) at its headwaters high in Colorado's Rocky Mountains. But by the time it reaches Imperial Dam near our border with Mexico, that level has increased over 1,600 percent to more than 800 ppm. That level is well above the 500 ppm maximum recommended under Environmental Protection Agency's drinking water standards. Historically, salinity trends steeply upward; from 1941 to 1981, it increased an average of 3.9 ppm every year, as measured at Imperial Dam.

The Bureau of Reclamation has quantified the economic damage caused by salinity to irrigation agriculture and the water systems of municipal and industrial users. Currently, this price tag is near $100 million annually and is expected to be more than twice that amount—in constant dollars—by the year 2000, unless tough salt pollution control measures are not taken now.

In addition to these readily calculated economic damages, there are serious environmental losses, damage to some of this country's most important fish and wildlife habitats and an increasingly serious threat to public health. The situation is clearly bad enough already, but the Bureau of Reclamation estimates that the salinity level of the river will climb more than 50 percent by the turn of the century to 1,200 ppm—more than double the maximum recommended by EPA.

This is obviously a serious Western problem, but it is also a serious national issue. Salinity is the southwestern equivalent of the Northeast's acid rain. Both pose dangerous water quality threats to a large portion of the country and both need to be placed high on the national problem-solving agenda. Moreover, both have significant repercussions in our good relations with our two continental neighbors. Just as acid rain creates continuing friction with Canada, so Colorado River salinity remains an issue between this country and Mexico. By the time the Colorado crosses into Mexico, it is one of the most saline rivers in the world. We have a treaty obligation with that country which strictly limits salinity levels and we are under constant pressure to reduce those levels further. This legislation will send a clear message to our important neighbor to the south that we value our special relationship with them and are determined to improve it further.

The bill I am introducing today has four principal objectives. First, it authorizes six new salinity control units, to be constructed by the Department of the Interior within the funding ceiling established by the Salinity Control Act of 1974. Four of these are ordinary off-farm control measures designed to reduce contact between saline soils and the waters of the Colorado, typically by lining irrigation canals and laterals or enclosing them in pipe. Another unit involves, for the first time, Bureau of Land Management land; the last of the six new off-farm units gives the Department of the Interior flexible authority to demonstrate new technologies for disposing beneficially of this waste saline water.

Second, this legislation authorizes five new on-farm control units and implements a more effective salinity program to be administered by the Department of Agriculture. This program will be entirely voluntary in nature and will be pursued cooperatively with private landowners. An on-farm unit typically consists of installing automated irrigating systems to improve water management and reduce the washing of more salt into the river.

Third, the bill provides for cost-sharing arrangements, so that the Federal Government will be reimbursed by water users for all but the benefits from salinity reduction.

Fourth, provision is made for the replacement of incidental wildlife or other environmental values that may be impaired due to construction of these salinity units.

Mr. President, this measure is unanimously supported by the seven Colorado Basin States of Wyoming, Colorado, New Mexico, Utah, Nevada, Arizona, and California. I commend it to my colleagues for their consideration. I hope many of them will be able to join in supporting this critically important, environmentally sound and demonstrably cost-effective effort to clean up and rehabilitate one of America's most relied upon and spectacular rivers.

Mr. President, I ask that the bill and a section-by-section analysis follow.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 752

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Colorado River Basin Salinity Control Act (43 U.S.C. 1571 et seq.) is amended—

(1) at the end of section 201(a) (43 U.S.C. 1591(a)), by adding the following new sentence: "Actions under this title shall not be governed by the principles, standards, and procedures for planning water and related land resources promulgated pursuant to Water Resources Planning Act (42 U.S.C. 1962 et seq.).";

(2) at the end of section 201(b) (15 U.S.C. 1591(b)), by adding the following new sentence: "In determining the relative priority of implementing additional units or new self-contained portions of units authorized by section 202, the Secretary shall give preference to those additional units or new self-contained portions of units which reduce salinity of the Colorado River at the least cost per unit of salinity reduction.";

(3) before the beginning of the first sentence of section 202 (43 U.S.C. 1592), by inserting "(a)";

(4) in the second sentence of paragraph (2) of section 202(a) (43 U.S.C. 1592(a)(2)), by inserting "replacing canals and laterals with pipe, implementing other measures to reduce salt contributions from the Grand Valley to the Colorado River," after "canals and laterals,";

(5) in paragraph (2) of section 202(a) (43 U.S.C. 1592(a)(2)), by striking out the fourth, fifth, and sixth sentences;

(6) in section 202(a) (43 U.S.C. 1592(a)), by adding at the end thereof the following new paragraphs:

"(5) Stage I of the Lower Gunnison Basin unit, Colorado, consisting of measures and all necessary, appurtenant, and associated works to reduce seepage from canals and laterals in the Uncompahgre Valley, essentially as described in the status report dated July 1981.

"(6) The McElmo Creek unit, Colorado, consisting of measures and all necessary, appurtenant, and associated works to reduce seepage from canals and laterals in the Montezuma Valley, essentially as described in the status report dated July 1981.

"(7) Stage I of the Uinta Basin unit, Utah, consisting of measures and all necessary, appurtenant, and associated works to reduce seepage from canals and laterals in the Uinta Basin, essentially as described in the status report dated July 1981.

"(8) The Palo Verde Irrigation District unit, California, consisting of measures and all necessary, appurtenant, and associated works to reduce seepage from canals and laterals in the Palo Verde Valley, essentially as described in the status report dated July 1981.

"(9) Saline water use and disposal opportunities unit, consisting of measures and all necessary, appurtenant, and associated works to demonstrate saline water use technology and to beneficially use and dispose of saline and brackish waters of the Colorado River Basin in joint ventures with current and future industrial water users, using the concepts generally described in the Secretary's special report of September 1981 entitled 'Saline Water Use and Disposal Opportunities'.

"(10) Sinbad Valley unit, Colorado, including all necessary and appurtenant works, to minimize to the extent practicable salt contributions to the Colorado River from lands administered by the Bureau of Land Management in Sinbad Valley, essentially as described in the 1978 through 1979 Bureau of Land Management salinity status report dated February 1980.";

"(7) at the end of section 202(a) (43 U.S.C. 1592(a)), as amended by paragraph (6), by adding the following new subsection:

"(b) In implementing the units authorized to be constructed pursuant to subsection (a), the Secretary shall carry out the following directions:

"(1) Prior to initiating construction of works pursuant to this subsection and subsection (a), and where the Secretary determines that implementing a unit or portion thereof in joint venture with non-Federal entities is in the best interest of the United States, the Secretary shall enter into contracts or agreements with legally qualified participating entities, as defined in the Reclamation Project Act of 1939 (43 U.S.C. 485 et seq.), and with industrial water users, as provided for in subsection (a)(9). Such contracts or agreements shall define the responsibilities of the various participants for financing, construction, operation, and maintenance of facilities constructed under the authority of this subsection and subsection (a) to the end that the maximum reduction of salinity of the Colorado River will be achieved. Such cost as the United States shall incur pursuant to such contracts or agreements shall represent an equitable apportionment of the total cost of the facilities among the various participants based upon benefits received. Such contracts or agreements are to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(2) The Secretary may not assume, under the authority of this title, long-term operation and maintenance obligations for facilities constructed or measures undertaken to replace incidental wildlife values and canal and lateral systems constructed pursuant to this title, except that the Secretary is authorized to provide continuing technical assistance to assure the effective operation and maintenance of such measures and systems.

"(3) In areas where canal and lateral improvement salinity control measures are authorized pursuant to subsection (a), the Secretary is also authorized under this title to improve additional portions of interconnected canal and lateral systems where the cost of such additional facilities will be repaid in a manner satisfactory to the Secretary. In determining that such additional measures should be undertaken, the Secretary shall utilize the procedures that govern justification of projects undertaken pursuant to the Small Reclamation Projects Act of 1956 (43 U.S.C. 422a et seq.). In establishing repayment responsibilities, the Secretary shall give recognition to any incidental salinity benefit that would accrue from such measures, related costs to be assigned to salinity control purposes and allocated and repaid as provided in section 205 of this title, except that in the case of facilities serving Indian lands, any repayment of costs pursuant to this title shall be subject to the Leavitt Act (25 U.S.C. 386a).

"(4) If the Advisory Council established pursuant to section 204(a) of this title requests, and the Governor of the State where the measures are to be implemented concurs, any salinity control unit or discrete portion thereof authorized by section 202 of this title may include measures to replace incidental wildlife values foregone as a result of constructing that unit or discrete portion thereof except that—

"(A) such measures shall not significantly diminish the salinity improvement to be achieved by the unit;

"(B) use of water for such measures shall be in accordance with State water law;

"(C) to the extent practicable, the measures undertaken shall minimize the use of water; and

"(D) the cost of such measures shall be only a minor part of the total cost of each salinity control unit or separable portion thereof.

"(5) As reports are completed describing final implementation plans for units 5 through 10 or portions of these units authorized by section 202(a), prior to expenditure of funds for related construction activities, the Secretary shall submit such reports to the appropriate committees of the Congress and to the Governors of the Colorado River Basin States in the manner provided for revision of projects pursuant to section 208(a) of this title.";

(8) at the end of section 202(b) (43 U.S.C. 1592(b)), as added by paragraph (7), by adding the following new subsection:

"(c)(1) The Secretary of Agriculture is authorized and directed to establish as described in this subsection a voluntary cooperative program with private landowners to improve on-farm water management and reduce watershed erosion on non-Federal lands and on lands under the control of the Department of Agriculture for the purpose of assisting in meeting the objectives of this title.

"(2) In carrying out such program, the Secretary of Agriculture shall—

"(A) identify salt-source areas and determine the salt load resulting from irrigation and watershed management practices;

"(B) develop, in consultation with the public and affected governmental interests, plans for implementing measures that will reduce the salt load of the Colorado River by improving on-farm irrigation water management including improvement of related laterals and by improving watershed erosion management practices, such measures to include replacement of incidental wildlife values in the manner described in subsection (b)(4);

"(C) provide technical and cost-sharing assistance for the voluntary implementation of plans through contracts and agreements with individuals or groups of owners and operators of farms, ranches, and other lands as well as with local governmental and nongovernmental entities such as irrigation districts and canal companies, except that a portion of the costs of implementing such plans shall be shared by the participants on the basis of benefits received and other appropriate factors, as determined by the Secretary of Agriculture, and except that such contracts and agreements shall provide for continuing operation and maintenance of measures installed under this subsection;

"(D) provide continuing technical assistance for irrigation water management as well as monitoring and evaluation of changes in salt contributions to the Colorado River to determine program effectiveness; and

"(E) carry out related research, demonstration, and education activities.

"(3) The measures to be implemented in any particular salt source area shall be described in reports issued by the Secretary of Agriculture. Copies of the reports are to be submitted to—

"(A) committees of the Congress having jurisdiction over programs of the Department of Agriculture;

"(B) members of the Advisory Council established by section 204(a) of this title; and

"(C) the Governor of any State where measures are to be implemented.

No funds for implementation of proposed measures undertaken pursuant to this subsection may be expended until the expiration of sixty days after submission of the report of the Secretary of Agriculture, and not then if such report is disapproved by the receiving committees of the Congress, the involved Governor, or the Advisory Council. Measures included in any report shall be programed for completion within ten years unless a longer period is concurred in by the Advisory Council.

"(4) The Secretary of Agriculture shall use existing agencies, as well as the Commodity Credit Corporation, to carry out the provisions of this title. There are authorized to be appropriated and expended, based on April 1981 prices, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction cost involved therein, to carry out the provisions of this subsection for the fiscal year 1984, $21,500,000; for the fiscal year 1985, $28,600,000; for the fiscal year 1986, $31,700,000; for the fiscal year 1987, $35,000,000; for the fiscal year 1988, $35,000,000; for the fiscal year 1989, $29,000,000; and such additional sums as may be necessary except that such sums as have been or shall be appropriated shall remain available until expended.

"(5) The Secretary of Agriculture may not assume continuing operation and maintenance obligations for permanent salinity control measures constructed on non-Federal lands pursuant to this title.";

(9) in section 203(b) (43 U.S.C. 1593(b))—

(A) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(B) by adding at the end thereof the following new paragraph:

"(3) to develop a comprehensive program for minimizing salt contributions to the Colorado River from lands administered by the Bureau of Land Management and submit a report which describes the program and recommended implementation actions to the Congress and to the members of the Advisory Council established by section 204(a) of this title by July 1, 1985.";

(10) in section 205(a) (43 U.S.C. 1595(a)), by inserting "(herein defined to exclude costs borne by non-Federal entities pursuant to paragraphs (1), (2), and (3) of section 202(b) and pursuant to section 202(c)(1)(C)) of the on-farm programs, measures and" after "total costs";

(11) in section 205(a)(3) (43 U.S.C. 1595(a)(3)), by inserting "or the estimated life of the facility, whichever is less," after "fifty-year period";

(12) in section 208, by striking the first sentence;

(13) in the second sentence of paragraph (b) of section 208 (43 U.S.C. 1598(b)), by striking out "section 202" and inserting in lieu thereof "sections 202(a) and 202(b)"; and

(14) after the second sentence of subsection (b) of section 208 (43 U.S.C. 1598(b)), by inserting the following new sentence: "The funds authorized to be appropriated by this section may be used for construction of any or all of the works or portions thereof and for other purposes authorized in subsections (a) and (b) of section 202 of this title.".

SEC. 2. The amendments made by this Act shall take effect on October 1, 1983.

ANALYSIS OF MODIFICATIONS TO PUBLIC LAW 93-320

To authorize certain additional measures to assure accomplishment of the objectives of Title II of the Colorado River Basin Salinity Control Act and for other purposes.

SECTION 1

(a) Revised to make salinity control activities consistent with other actions undertaken pursuant to the Federal Water Pollution Control Act, as amended.

(b) Defines cost-effectiveness as the primary criterion for determining order of new implementation of salinity control projects.

SECTION 2

(a) Changes subsection numbers.

(b) Provides authority for use of the most effective salinity control measures in the Grand Valley.

(c) The deleted language is replaced by Section 202(c) which establishes specific authority for onfarm programs.

(d) Identifies the six additional units authorized by the bill.

(e) Adds Section 202(b), which expands the Secretary's authority with respect to all previously and newly authorized units included in Section 202(a) as follows:

(1) Defines the Secretary's authority and responsibilities for contracting with non-Federal authorities.

(2) Precludes long-term operation and maintenance of canal and lateral systems and measures undertaken to replace lost incidental wildlife areas.

(3) Provides for improving interconnecting water delivery canals and laterals when such facilities may not be determined by the Secretary to be cost-effective salinity control measures. Measures that are not a part of the salinity control program would utilize the justification procedure of the Small Reclamation Project Acts of 1956; i.e., the water users willingness and ability to pay the assigned costs.

(4) Allows the protection of incidental wildlife values with the concurrence of the seven State Advisory Council, the governor of the affected State, and the Secretary of the Interior.

(5) Provides Congressional oversight through a 60-day review period by committees on all final implementation plans for authorized units 5 through 10.

SECTION 3

Based on the experience gained to date in connection with implementation of onfarm programs, the need for Department of Agriculture authority specifically tailored to the objectives of the salinity control program has become apparent. This section provides for implementation of such a program, which takes full advantage of Agriculture's agencies' capabilities in this cost-effective area while eliminating salinity control program impediments now being experienced in the areas of cost-share limitations, contracting authorities, selection of practices, and program assistance. Inclusion of Department of Agriculture programs in Section 202 also puts these programs under the same repayment criteria as Department of the Interior programs.

SECTION 4

Provides for the development of a comprehensive program for salinity control on lands administered by the Bureau of Land Management, subject to review by the Advisory Council and the Congress.

SECTION 5

(a) Clarifies that funds derived from local participating entities that benefit directly through program implementation, including funds from cost-sharing contracts and/or other reimbursable funds contributed by participating entities, shall not be considered as a part of the authorized program ceiling and such costs shall neither be allocated to the salinity control program nor subject to repayment pursuant to the provisions of Section 205.

(b) Reflects, for the purpose of determining repayment, that some program facilities, i.e., portions of the Department of Agriculture onfarm facilities, may have a useful life shorter than 50 years.

(c) Limits the appropriation ceiling stated in Section 208 to programs under the jurisdiction of the Secretary of the Interior.

(d) Provides the Secretary of the Interior latitude and flexibility to apply authorized appropriations to those units which best meet the salinity control program's goals and objectives. When read in context with Section 1.(b) of this Act, the Secretary is directed to apply the authorized appropriations to those measures which are most cost-effective.●

By Mr. HEFLIN:

S. 753. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses for legal services; to the Committee on Finance.

TAX DEDUCTION FOR LEGAL EXPENSES

Mr. HEFLIN. Mr. President, I am reintroducing legislation today to provide a tax deduction for legal expenses.

In the last several years, as inflation has impacted on everything from food to shelter, I have become increasingly aware that the American middle-class taxpayer, some 140 million strong, does not have effective access to legal help. I believe that the major reason why so many people fail to make use of an attorney is the cost of legal assistance. Many of those frightened off by the perceived high cost of legal help often will turn to other sources of aid to avoid the costs. Some resort to legal aid bureaus only to find that they do not qualify for assistance. Other sources are consumer complaint units of the State's attorney's office or the attorney general's office. These usually have limited jurisdiction to resolve legal problems which are outside the scope of criminal prosecution. Sometimes they resort to self-help efforts, which often turn out to be more costly in the long run, as in the case of a contract or will which is later litigated with disastrous results.

From the observation of the great numbers of persons who seek legal advice and assistance for noncriminal problems, it can be seen that people want—and need—expert help in resolving legal difficulties. They are, however, often neither able nor willing to pay the high costs of retaining counsel. Clearly, there is a tremendous need for competent counsel that the middle class can afford. While we cannot reduce the legal fees directly, we can and should take steps to soften the impact on the average middle-class taxpayer.

One approach is through group insurance programs, similar to medical group insurance. In the case of United Transportation Union against State Bar Association of Michigan, the Supreme Court of the United States gave its approval to such plans stating:

> The common thread running through our decisions in NAACP v. Button, Trainmen, and United Mine Workers is that collective activity to obtain meaningful access to the courts is a fundamental right within the protection of the first amendment. However, the right would be a hollow promise if courts could deny associations of workers or others the means of enabling their members to meet the costs of legal representation.

These decisions furnished the catalyst that spurred the development of the group legal services movement. As a result, several such plans have been established across the country. However, these plans are still in their infancy, and a major problem is the underutilization of services by plan members.

Mr. President, in my judgment, the legal profession, and the Congress face the responsibility of finding a more workable means to make lawyers more affordable to the citizens of the United States.

Mr. President, I would like to draw to the attention of my colleagues, an article titled "Aid for the Middle Class: Deduction of Legal Expenses" by Robert Sklodowski and Douglas Rothe which appeared in the April issue of Case & Comment. I believe, Mr. President, that this article gives

an excellent argument for the case of tax deductions for legal services.

As suggested by Sklodowski and Rothe, one solution that would begin to resolve this growing problem is the bill that I am offering today, a bill that would amend the Internal Revenue Code to provide a deduction for legal expenses. Businesses can already deduct most of their legal expenses, the poor are often provided free aid, and the wealthy can afford the help regardless of the cost. Thus the tax deduction would be of great benefit to the average American taxpayer, who collectively of course, foot the large part of the country's tax bill. This deduction is modeled after the medical expense deduction now found in section 213 of the Tax Code.

There are two significant advantages this proposal has over any other plan. First, Mr. President it makes lawyers more affordable to the average taxpayers and second, it can be implemented immediately.

The proposal will help the middle class because it will make legal service less costly to those who itemize deductions. For example, the deduction would provide sizable tax relief for those who experience catastrophic legal expenses, and the relief would be meaningful even for those whose expenses were not in the catastrophe range. Another advantage of this deduction is that a direct correlation would exist between the use of legal services by the taxpayer and the deduction to be taken.

Put simply, the more the taxpayer uses an attorney, the greater would be his deduction. Unlike a group type plan, the taxpayer only pays for what he receives. This deduction could be, if it were deemed necessary, tailored to provide greater benefits for the income group or groups that are most in need of aid. For example, the child-care deduction sets a maximum income level above which a deduction is not allowed. This device could be used with my bill and I would expect the committee to examine the possibility.

Since the tax structure is generally progressive, the deduction limitation can be calculated to provide benefits to those who are not eligible for legal aid, yet who are not sufficiently well off to be able to retain counsel as a matter of course. Still another advantage is the fact that the cost of adopting an amendment to the Internal Revenue Code would be minimal in comparison to the service programs.

For example, in 1980 alone the Legal Services Corporation granted a $1.5 million for 19 small demonstration projects to test the effectiveness of various legal service type programs. Even assuming resulting economies of scale, once programs become operational, clearly the startup costs of these programs will be enormous. The total budget for Legal Services Corporation for fiscal year 1981 exceeds $300 million. In contrast, the loss of revenue to the Federal Government in terms of taxpayers using this deduction should be de minimus.

Another problem with the group type or prepaid legal insurance programs is that they will require the creation of a bureaucratic structure to implement them. Legislatures will have to enact statutes, regulatory agencies will have to be created or expanded, regulations have to be promulgated, and most certainly, numerous hearings will have to carry out these functions. Further, there may be numerous court challenges to any such programs. The bureaucratic mechanism, the Internal Revenue Service, is already in place. Once this deduction is adopted it will mesh into the tax structure along with other provisions of the code.

For these reasons, the adoption of an amendment to the code will not face the difficult problems that will certainly accompany the implemenation of group or prepaid type programs. This deduction cannot make lawyers affordable to all who desire legal help, but the proposal has two extremely significant advantages over other plans. The deduction can be adopted quickly and it would provide assistance to a segment of the middle class who want to retain or who must retain the services of an attorney.

Mr. President, the use of this tax deduction should provide tax relief to those with costly legal expenses and, at the same time, encourage those who have not used an attorney previously to obtain legal help.

Mr. President, the Congress of the United States cannot afford the luxury of waiting a decade or more for the implementation of group or prepaid legal plans. We must work for the adoption of a plan that will make lawyers more affordable to the average American taxpayer now.

I urge my colleagues to give this matter the attention it deserves, and move it forward into law most expediently.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 223 as section 224 and by adding after section 222 the following 7 new sections:

"SEC. 223. LEGAL SERVICES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction an amount, not compensated by insurance or otherwise, equal to the amount by which the amount of the expenses paid during the taxable year (reduced by any amount deductible under paragraph (2) for legal services incurred by the taxpayer, his spouse and dependents (as defined in section 152) exceeds 3 percent of the taxpayer's adjusted gross income.

"(b) DEFINITION OF LEGAL SERVICES.—For purposes of this section, the term 'legal services' has the same meaning as such term is used in section 120.".

(b) The table of sections for such part is amended by striking out the item relating to section 223 and inserting in lieu thereof the following new items:

"223. Legal services.

"224. Cross references.".

SEC. 2 The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1982.

By Mr. HEFLIN:

S. 754. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income subsistence payments to certain law enforcement officers; to the Committee on Finance.

SUBSISTENCE PAYMENTS TO CERTAIN LAW ENFORCEMENT OFFICERS

Mr. HEFLIN. Mr. President, I am reintroducing today legislation which would allow State troopers, and other State law enforcement officers, to exclude from gross income subsistence allowances paid to them by the State.

For many years now, in Alabama, our State troopers and other State law enforcement officers have been given a subsistence allowance provided by statute of $5 per day. This cash allowance, which is generally used for meals, is not viewed by the State as compensation. It is considered a reimbursement for work-related expenses which are vital to the performance of the troopers' duties.

Section 119 of the Internal Revenue Code, which was enacted in 1954, excludes from an employee's gross income the value of employer-furnished meals if they are provided for the employer's convenience, on its business premises, and for substantially noncompensatory reasons. For several years, this provision was interpreted to include subsistence allowances paid to State troopers.

In 1972, the Internal Revenue Service ruled that subsistence allowances provided to State troopers do not fall within this statute and, therefore, may not be excluded from gross income for taxable purposes. The U.S. Tax Court reviewed the Service's decision and, with six members dissenting, also held against the troopers. While the Tax Court conceded that the meal allowances were furnished because it was more convenient to provide a meal allowance than to provide meals for the troopers, the court interpreted section 119 as excluding from tax meals received in kind, and not meal allowances. The case was then taken before the U.S. Court of Appeals for the Third Circuit. The appeals court

agreed with the troopers' contention that such meal allowances are not taxable income. However, the Supreme Court, in Commissioner against Kowalski, reversed the appeals court ruling and declared that meal allowances paid to State troopers are taxable income and do not fall within section 119 of the code.

The Internal Revenue Service applied the Kowalski decision retroactively and held State troopers liable for taxes on their meal allowances back through 1971. The retroactive enforcement of that decision would have resulted in severe financial hardships for State troopers had it not been for the efforts of the late Senator Jim Allen of Alabama. Senator Allen sought to alleviate this financial burden, which would have proved disastrous to most troopers, by introducing legislation to exclude from taxable income the statutory subsistence allowance paid to State law enforcement officers. Through his efforts, legislation was passed amending section 119 of the Internal Revenue Code stating that Kowalski could not be applied retroactively by the Internal Revenue Service. However, the provisions of Senator Allen's bill which dealt with the prospective application of Kowalski were not adopted.

Mr. President, I do not believe it was the intent of Congress to exclude subsistence allowances to State troopers from section 119. The purpose behind this section is to allow an employer to provide meals to employees for substantially noncompensatory employment-related reasons. The regulations for this section state that a noncompensatory purpose exists where employees must be present to deal with emergencies during work hours. It is unfair and unjust to exclude a State trooper's subsistence allowance from the benefits of this important provision of the Tax Code simply because meals are not provided on official premises and are in the form of an allowance.

Alabama, and many other States, instituted the cash allowance system in order to permit troopers to remain on call in their assigned patrol areas during their break. Often, the troopers' law enforcement duties carry them far from home. Since these officers are assigned on a countywide basis, many cannot return to their offices or homes for meals because of their responsibilities. An officer cannot call for relief at mealtime if his duties demand his presence. In fact, it is not uncommon for a trooper to order a meal and then be called away for an emergency before the meal is even set before him. He must remain at accident scenes, at scenes of disorder, at traffic congestion, at crime scenes, often eating a sandwich as he runs to an emergency call.

There can be little question that our State troopers perform one of the most difficult and demanding jobs imaginable. Our citizens' safety and well-being depend on their swift action in enforcing the law. State troopers take their meals only when and where the time allows because of the nature of their jobs. In essence, these officers must serve their State's needs before they can serve their own. I see no reason why this allowance for meals should not be excluded from their taxable income.

The bill I am introducing today would simply amend section 119 to specifically provide that subsistence allowances to State troopers are not taxable. I feel strongly that there is every need for this legislation, which will aid the State law enforcement officers of our Nation. Let me stress that this bill will benefit not only the State troopers in Alabama, but also those law enforcement officers of every State who receive subsistence allowances.

In conclusion, Mr. President, I urge the support of my colleagues for this legislation, and ask for its timely consideration.

Thank you, Mr. President.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 119 of the Internal Revenue Code of 1954 (relating to special rules with respect to meals and lodging furnished for the convenience of the employer) is amended by adding at the end thereof the following new paragraph:

"(4) SUBSISTENCE PAYMENTS TO CERTAIN LAW ENFORCEMENT OFFICERS.—

"(A) IN GENERAL.—There shall be excluded from the gross income of a law enforcement officer an amount equal to the amount paid to such officer by his employer for meals if such payment is—

"(i) required or authorized by the laws governing the employment of such officer, or

"(ii) required by a contract negotiated in accordance with such laws.

"(B) $5 PER DAY LIMITATION.—The amount excludable from gross income under subparagraph (A) shall not exceed $5 per day.

"(C) LAW ENFORCEMENT OFFICER.—The term 'law enforcement officer' means an individual who—

"(i) is an elected or appointed, full-time employee of a State, a political subdivision of a State, or a territory or possession of the United States,

"(ii) has the power of arrest, and

"(iii) is required by the terms of his employment to investigate, apprehend, or detain individuals suspected or convicted of criminal offenses.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

By Mr. HEFLIN:

S. 755. A bill to amend the Internal Revenue Code of 1954 to make permanent the exclusion for certain service performed on fishing boats from coverage from unemployment compensation tax; to the Committee on Finance.

SHRIMPING INDUSTRY

Mr. HEFLIN. Mr. President, I am reintroducing legislation today which will make permanent a provision in the Internal Revenue Code which corrects an inequity with respect to the shrimping industry.

As you know, Mr. President, under the Tax Reform Act of 1976, criteria were established under which certain crewmen would not be considered employees of the operator or owner of a fishing boat. The Internal Revenue Service has in effect declared shrimping boat crews to be self-employed if the crewman does not receive any cash remuneration and if the crewman receives a share of the catch or a share of the proceeds from the sale of the catch and if the amount of the crew share depends on the amount of the boat's catch. A fourth standard provides that the operating crew of the boat is normally made up of fewer than 10 individuals. These criteria were made applicable for the purpose of withholding Federal tax and Federal Insurance Contributions Act tax and consequently exempt the employer—in this case the boatowner or operator.

The inconsistency which I have pointed out appears in the Internal Revenue Code as it pertains to the Federal Unemployment Tax Act. Although this tax is applicable to employers only still under this act fishermen employers are exempt from the payment of Federal contributions for unemployment purposes only if the services performed are related to catching halibut or salmon for commercial purposes or the services are performed on a vessel of more than 10 net tons.

Shrimp boat owners and operators find themselves paying unemployment taxes on those who under another law are classified as self-employed. Though these are different taxes, there is no reason for inconsistency in exemptions. If a person is considered self-employed under the criteria of one, there is no reason why an employer should be required to pay unemployment tax on that self-employed individual. Exclusion from coverage under FICA should be extended to mean an exclusion from coverage under FUTA in this instance. Either a man is self-employed or he is not. It is inconsistent to declare a man self-employed under one act and claim that the same man is an employee under another act.

The legislation I have introduced today would simply amend section 3306(c) of the code by using the same criteria to determine self-employment of the crewman for unemployment tax purposes as is used to determine self-employment of the crewman under the Tax Reform Act of 1976. Specifically: First, the crewman does not receive any cash remuneration; second, the crewman receives a share of the boat's catch of fish or a share of the proceeds from the sale of the catch; third, the amount of the crewman's share depends on the amount of the boat's catch; and fourth, the operating crew of the boat is normally made up of fewer than 10 individuals. For the past 2 years, Congress has recognized the need to correct this inequity by approving legislation identical to the bill I am introducing today. Unfortunately, the prior legislation only amended the code termporarily and will expire at the end of 1983. My bill would simply make this change permanent.

Mr. President, this legislation would exclude these boat owners and operators from the excessive burden of paying unemployment tax on those crewmen defined as being self-employed under the Tax Reform Act of 1976 and bring some consistency to the enforcement of and compliance with these two laws. Employers need some relief from excessive Government intervention and regulations. Enactment of my proposal would be tax reform in its finest sense. Tax consistency and equity and fairness would be a welcome reform and a welcome relief.

Thank you, Mr. President.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 922 of the Economic Recovery Tax Act of 1981 (as amended by section 203 of the Miscellaneous Revenue Act of 1982) is amended by striking out ", and before January 1, 1983".

By Mr. CHAFEE:

S. 756. A bill to extend permanent duty-free treatment to warp knitting machines; to the Committee on Finance.

DUTY-FREE TREATMENT TO WARP KNITTING MACHINES

● Mr. CHAFEE. Mr. President, today I am introducing legislation to permanently remove the column I rate of duty on imported warp knitting machinery.

This legislation is the logical extension of a temporary duty suspension on these machines which was approved by Congress and signed into law by the President as part of Public Law 96-609 on December 28, 1980. The suspension of the duty on warp knitting machinery provided by this law is scheduled to expire on June 30, 1983.

There are no domestic manufacturers of warp knit machinery. Continuation of the duties, therefore, would not protect U.S. industry. But it would unnecessarily increase the cost of textile manufacturing equipment and ultimately the cost of textile goods.

If American industry is to succeed—domestically and abroad—it must be able to produce high quality products that are competitively priced. The efficient production of textile products can be promoted substantially by eliminating this unnecessary tax.

Mr. President, where no purpose is served by retaining this tax, and industry and jobs can be helped by its elimination, there is no question in my mind what we must do. I urge my colleagues to join me in support of this bill.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart E of part 4 of schedule 6 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out item 670.20 and inserting in lieu thereof the following:

"670.20	Warp knitting machines	Free		40% ad val.
670.21	Other	5.9% ad val.	4.7% ad val.	40% ad val."

(b) Item 912.14 of the Appendix to such Schedules is repealed.

(c) The rate of duty in column numbered 1 for item 670.21 (as added by subsection (a)) shall be subject to all staged rate reductions for item 670.20 that were proclaimed by the President before the date of the enactment of this Act.

SEC. 2. The amendments made by subsections (a) and (b) of the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, after June 30, 1983.●

By Mr. CHAFEE (for himself and Mr. RANDOLPH):

S. 757. A bill to amend the Solid Waste Disposal Act to authorize funds for fiscal years 1983, 1984, 1985, 1986, and 1987, and for other purposes; to the Committee on Environment and Public Works.

SOLID WASTE DISPOSAL ACT AMENDMENTS OF 1983

● Mr. CHAFEE. Mr. President, today I am introducing legislation to strengthen the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 (RCRA). Last year the Committee on Environment and Public Works had to postpone until this year completing action on these amendments. We are anxious to take action on RCRA quickly to put in place the strengthening provisions contained in this year's bill.

I am keenly interested in strengthening the national hazardous waste management program. The emotion raised by the mere mention of hazardous waste has escalated our concern to the point that hazardous waste is one of the most critical environmental problems of this decade. I fear we are only just beginning to discover the magnitude and extent of the problems which improper disposal of hazardous wastes have caused. Only through proper disposal in the future can we avoid continuing and exacerbating the hazardous waste dilemma.

And it is a dilemma—as an industrial, technical society, we manufacture products through processes which produce byproducts and wastes which may pose a threat to public health and the environment. Unless we safely handle or dispose of these waste products we threaten the society which supports the sales and use of the primary products. Our choice is to stop manufacture or to control the disposal of these wastes in a manner that is protective of both public health and the environment. As a society we have chosen the latter. This is where RCRA comes in—a strong, aggressive program on the management of hazardous waste from generation to disposal.

Recognizing the growing problem of hazardous waste in this country, in 1976 the Congress enacted RCRA. RCRA provides for the establishment of national programs for the regulation of hazardous wastes from generation through transportation, storage or treatment, to disposal. Intended to follow hazardous waste from cradle to grave, RCRA provides the framework for a comprehensive regulatory program for management of hazardous waste which is protective of human health and the environment. Adding to this initiative, the Congress in 1980 enacted the Comprehensive Environmental Response, Compensation and Liability Act—or Superfund—to address the environmental problems posed by uncontrolled hazardous waste sites and spills of hazardous materials.

Progress in implementing the hazardous waste management program has been slower than the Congress intended. Although parts of the regulatory program have been in place for some time, EPA promulgated the last of the core RCRA regulations last year and implementation of the entire program can now proceed in earnest. Implementation of the components of the regulatory program has brought to light a number of areas where the act did not provide sufficient guidance, where the regulatory approach has gaps in coverage, or where loopholes have been discovered. The purpose of

the bill I am introducing today is to address these issues.

The Solid Waste Disposal Act Amendments of 1983 strengthen the act by providing a much stronger, more comprehensive regulatory framework for EPA, by giving greater incentives to the Agency to move aggressively to implement full coverage of this act and move toward a better prioritization of hazardous waste management strategies.

In developing these amendments to RCRA, we have received comments and guidance from a wide variety of individuals, representing Federal and State government; the environmental community, the public; hazardous waste generators, transporters, and disposers. The bill represents the best of the information we have received. During April, I plan to hold hearings on this bill so that we can further refine the bill and move it to full committee for consideration. As I have said previously, it is my hope, and that of Chairman STAFFORD, that we can report this bill from the committee expeditiously.

The administration is considering transmitting to the Congress a bill to strengthen RCRA. I cannot comment on this bill yet, but the Subcommittee on Environmental Pollution will consider it when we hold hearings.

The Solid Waste Disposal Act Amendments of 1983 authorize funding for the current year and for fiscal year 1984–87 for carrying out the provisions of the act. Historically, RCRA has been authorized for 2 years at a time because it was a new program and Congress sought to scrutinize it frequently to assure that implementation complied with intent. In an effort to provide stability and continuity, I have included a 4-year authorization. This will also give the States a source of continued funding at higher levels as they begin to take over the most complex and difficult components of the RCRA program. I will briefly describe the major provisions of the bill.

Because the most controversial issue in the RCRA amendments last year related to small quantity generators, I want to discuss in detail the provisions relating to those generators. We have revised last year's provision and developed a phased program to bring generators of hazardous wastes in quantities of less than 1,000 kilograms per month into the RCRA regulatory program for the first time.

SMALL QUANTITY GENERATORS

EPA regulations now exempt generators who produce hazardous wastes in quantities less than 1,000 kilograms per month. The exemption was originally established so that EPA could devote its efforts to regulation of larger generators which produce the majority of hazardous waste in this country. Since EPA now has the full regulatory program in place for large generators, regulation of the small quantity generators should be a priority issue with the Agency.

To insure that the Agency gives the small quantity generator issue adequate attention, the bill sets up a phased program to start regulation of these generators immediately. Within 6 months of enactment, these generators will have to properly containerize and identify their wastes which are hazardous and notify haulers and receiving facilities that such wastes are hazardous. Between enactment and the time that regulations are promulgated, wastes from small quantity generators can go to a hazardous waste facility or to a sanitary landfill which meets EPA criteria and guidance for such landfills.

Also during this time, EPA must revise the criteria for sanitary landfills to reflect the potential for receipt of hazardous waste. We believe that upgrading the requirements for sanitary landfills is necessary to provide better protection of public health and environment because such landfills will continue to receive some amounts of hazardous wastes in household goods which are not regulated under RCRA.

The bill requires EPA, working with the States, to conduct a detailed study to characterize the small quantity generator segment of the hazardous waste management system. At present, there is limited up-to-date information available on who the small quantity generators are, what wastes they generate, how they currently dispose of wastes and what the extent and magnitudes of their disposal capacity needs are. The study will include the following information:

Number and type of generators; quantity and characteristics of hazardous wastes generated; current waste management practices of such generators; current State requirements for small quantity generators; cost of modifying current practices for disposal; impacts of modification on national treatment and disposal capacity; and whether all hazardous waste generated in quantities less than 1,000 kilograms per month should go to a hazardous waste facility.

Within 3 years of enactment, EPA must promulgate final regulations for small quantity generators as necessary to protect public health and environment. Because we recognize that small quantity generators are usually small businesses, the provision stipulates that the regulation may vary from requirements for large generators as long as the requirements provide adequate protection of public health and the environment.

The bill does not establish a numerical cutoff level below which RCRA regulations are not required. We believe that regulation should be based on the nature and characteristics of the wastes not necessarily a quantity cutoff alone. Our goal is to assure that the regulations result in adequate protection of public health and the environment.

One of the requirements of the EPA study is an evaluation of whether all hazardous wastes should be required to go to a facility permitted to receive hazardous wastes. Because there is inadequate disposal capacity available now, there may be limited instances where higher priority should go to disposal of acute hazardous wastes or those which present the greatest potential for harm to public health or the environment, rather than to some low hazard wastes which can be safely managed in limited quantities in a nonpermitted facility. Therefore, the bill specifies that the regulations may provide that certain wastes from small quantity generators may go to an upgraded sanitary landfill if protection of public health and the environment can be assured. This is not a preferred option not our intent for the disposal of small quantity generator wastes, but we believe that the possibility should not be precluded when circumstances warrant its consideration.

The combined effect of all the elements of the small quantity generator provision is to push these generators toward permitted hazardous waste facilities even before the regulations are in place. This is a positive approach which will have immediate effect on the management and disposal of hazardous waste from small quantity generators.

LAND DISPOSAL

Because land disposal or landfilling of hazardous waste is among the least desirable of disposal or treatment options, we believe it is necessary to provide incentives for movement to consideration of other more preferable methods of treatment and disposal. The bill provides for the prohibition of land disposal of specific hazardous wastes if such practices are not protective of public health and the environment. Candidates for prohibition include wastes that are highly mobile, persistent, toxic and tend to bioaccumulate. The prohibition will promote development of alternative treatment, recovery, or disposal options for such substances which are technically feasible.

The bill also establishes requirements for existing landfills and surface impoundments and directs EPA to establish regulations to minimize disposal of liquids in landfills.

LISTING AND DELISTING OF HAZARDOUS WASTES

The RCRA regulations provide two mechanisms for determining whether a waste is hazardous: A set of characteristics of hazardous waste and a list of specific hazardous wastes. A waste must be managed to meet RCRA requirements if it exhibits any of the characteristics or if it is listed.

Since the initial identification of the characteristics and listing of specific wastes, EPA has not expanded the set of characteristics nor added to the list of hazardous wastes. Even dioxin has not been added to the list.

The bill requires EPA to identify additional characteristics of hazardous wastes, makes decisions on additional wastes to be listed and determine whether presence of certain levels of a particular substance in hazardous waste may cause wastes to be hazardous per se. In addition, dioxin must be listed as a hazardous waste within 6 months of enactment.

The bill also strengthens the current delisting process by giving EPA the authority to grant or deny a delisting petition based not only on the original constituent for which the waste was listed, but also on any additional hazardous constituents or other relevant factors. This will correct a deficiency in the current regulations which do not allow the Agency to reject a delisting petition if the petitioner's waste contains hazardous constituents in addition to those for which it was originally listed.

BURNING AND BLENDING OF HAZARDOUS WASTES

Hazardous wastes burned for the purpose of recovering usable energy or materials are exempted from many RCRA requirements. Because the blending of hazardous wastes with fuel and burning of such fuel may present a threat to public health, we believe that such practices should be subject to some level of RCRA standards. The bill requires that EPA regulate the uncontrolled burning of hazardous wastes and the blending and marketing of adulterated fuels—including requirements for notification and fuel labeling, and development of new regulations or standards for burning and blending of hazardous wastes in fuel.

The bill contains other provisions which relate to mandatory inspections, biennial reports, attorneys' fees, judicial review, and clarifying and technical amendments.

One issue which has been raised with regard to amending RCRA which is not addressed in the introduced bill is ground water. The Committee on Environment and Public Works has asked the Office of Technology Assessment to complete a comprehensive study on ground water to determine the state of knowledge, assess what data gaps exist and recommend additional action which may be necessary to adequately undertake meaningful efforts on the ground water problem in this country. Our members are very interested in a positive, constructive program to address ground water, but we are uncertain of the most appropriate way to proceed. I am sure that the committee will hold oversight hearings on this critical issue this year.

I look forward to working with my colleagues on the Solid Waste Disposal Act Amendments of 1983 with the hope that we can move quickly to complete action to strengthen the hazardous waste management program.●

● Mr. RANDOLPH. Mr. President, I am a principal sponsor of the Solid Waste Disposal Act Amendments of 1983. This bill represents a continuation of efforts last year by the Committee on Environment and Public Works to modify and reauthorize the act. Under the active leadership of Senator JOHN CHAFEE, subcommittee chairman, and Senator GEORGE MITCHELL, ranking minority member, our Subcommittee on Environmental Pollution conducted hearings. Issues were thoroughly reviewed to facilitate the development of realistic answers to certain questions. Members worked diligently to complete work on several amendments before adjournment. Certain provisions proved troublesome and required further attention. This measure represents results of additional study of issues raised before the subcommittee.

I have concerned myself for well over a decade with legislation to effect the sound management of solid and hazardous wastes. I was privileged to author the 1970 Resource Recovery Act, the 1976 Solid Waste Disposal Act inaugurating the hazardous waste control program and the 1980 amendments to that act. New control technology and heightened public awareness and acceptance of conservation practices are encouraging. Many problems remain, particularly with current hazardous waste disposal practices. We are repeatedly confronted with dramatic incidents associated with the improper disposition of hazardous substances. A strong legislative mandate and rigorous enforcement are necessary to end practices which ultimately threaten public health and degrade the environment.

I express consternation regarding recent events within the Environmental Protection Agency. The Office of Solid Waste and Emergency Response was without an appointed Assistant Administrator for more than a year into the current administration. Only last March was this important position finally filled. That person has been discharged, and the office is again without permanent, responsible leadership.

This office has the responsiblity for implementing two critical environmental statutes, the Solid Waste Disposal Act and the Comprehensive Environmental Response, Compensation and Liability Act or Superfund. I have expressed concern about the Agency's interpretation of these laws and the methods to implement them. I recognize the value of continuity and consensus in establishing and administering programs of this magnitude. I regret the obvious confusion that surrounds these two programs in the absence of clear signals and leadership. The statutory mandates and the effectiveness of the programs will be best served by a timely resolution of conflicts associated with them. I earnestly hope there will be no loss of momentum in these urgently needed programs.

Our amendments include 10 revisions to the Solid Waste Disposal Act and mandatory authorizations. It appears necessary to make certain midcourse corrections to meet objectives of the act. Several of the amendments further clarify congressional intent on implementation of existing provisions of the law. The amendments to subtitle C, the hazardous waste management provisions, are in this category. To assure the Agency properly implements subtitle C, additional statutory directives are provided.

A key issue and obstacle to completion of committee work on amendments last year revolved around the development of controls applicable to small quantity hazardous waste generators. Current law requires the Administrator to promulgate regulations applicable to generators of hazardous waste "as may be necessry to protect human health and the environment." The law mandates requirements on the use of proper containers for hazardous wastes; accurate labeling of the containers; maintenance or records documenting the types and amounts of wastes generated; use of a manifest system to assure proper disposition of the wastes; and the provisions of information on the characteristics of these wastes to transporters and handlers. The law does not authorize distinctions between "large and small generators," or otherwise recognize the quantity of hazardous wastes generated by any one source as a criterion for regulations. In promulgating the regulations under section 3002, the Environmental Protection Agency virtually exempted generators of hazardous waste in quantities of less than 1,000 kilograms per month from the requirements in the statute. This exemption has been under litigation.

The provisions of last year's subcommittee-approved bill intended to close out this exemption provoked frank discussion on how best to accomplish this purpose. After meetings late last year with committee staff, a group of representatives of the small quantity generator community and the solid waste management industry began efforts to develop a set of requirements for handling small quantities of hazardous wastes which both interests could support.

The "small quantity generator" amendment in this bill reflects to a great degree the results of this dedicated effort. It is an attempt to meet environmentally sound and necessary objectives in a workable way.

Our amendment is composed of two main parts. The first provides that beginning 6 months after enactment, each generator of less than 1,000 kilograms of hazardous wastes per calendar month would be responsible for meeting several requirements when the waste is transported from the site where it was generated. These requirements include the use of appropriate containers to assure safe transport and the provision of notice to the transporter identifying the generator, the amount of material being transported, and the identity of the hazardous waste. The transporter is required to provide notice containing this information to the treatment, storage, or disposal facility on delivery. These wastes must be delivered to facilities which meet at least the specified requirements for sanitary landfills under subtitle D, or to facilities with permits under subtitle C.

The second part of the amendment requires detailed study by the Environmental Protection Agency in cooperation with the States to develop an accurate analysis of the number and type of generators producing hazardous wastes in amounts less than 1,000 kilograms per month. The study would be submitted to the Congress within 2 years of enactment of the amendment. The Agency would promulgate additional regulations applicable to "small quantity" generators based on the results of this study. These could extend requirements to wastes which exhibit "extraction procedure" toxicity or additional hazardous characteristics. They may limit disposal of some types or quantities of wastes to subtitle C-permitted facilities.

In addition to many States which have threshold regulatory levels below 1,000 kilograms per month, some States have initiated work complementing and contributing to the study required by this amendment.

The West Virginia Department of Natural Resources completed a hazardous waste survey last summer which yielded a detailed analysis of hazardous waste generation and management statewide. This study revealed more than 8.3 million tons of hazardous waste was generated in the State in 1981. The Environmental Protection Agency's estimate for the previous year was 881,000 tons. The discrepancy between the two figures arises from review of actual data as opposed to projections derived from limited sampling. The West Virginia survey describes the sources, location, varieties, and quantities of hazardous waste generated and their handling and management. I recommend this survey as a model to other States in developing similar inventories.

A second amendment is designed to phase out land disposal of hazardous wastes posing a clear threat to human health and the environment. It establishes an orderly procedure for the Administrator to follow in identifying wastes which cannot be safely disposed of in landfills or other land disposal methods. When a hazardous waste has been designated, land disposal by the specified method is prohibited. This proposal represents a major step toward preventing future contamination incidents resulting from inadequate landfills, surface impoundments, and land farming practices. It provides an additional incentive to develop alternative treatment and disposal technology. This provision is intended to prevent the creation of future Superfund sites.

This legislation contains the provisions of S. 346, introduced by Senators DODD and CHAFEE and myself. These amendments will assure that more hazardous wastes are properly brought into the subtitle C control program. For several years I have urged the Agency to establish additional characteristics for identifying hazardous wastes and to list more wastes. These amendments set a schedule for accomplishing these needed tasks.

Finally, I comment on a clarifying amendment to provisions which promote the development of State and regional solid waste management plans. One of the primary objectives of the subtitle D program is to encourage State and local government support for resource recovery activities. Federal assistance is possible when a solid waste management plan reflects a thorough consideration and analysis of resource recovery possibilities. This amendment affirms the law's intent in emphasizing the benefits associated with the recycling and recovery of suitable materials. It requires that the growth and development of materials recovery facilities is recognized in the development of solid waste management plans.

The Committee on Environment and Public Works will give prompt attention to these proposed amendments. I welcome comments and suggestions from concerned Senators.●

By Mr. CRANSTON (for himself, Mr. KENNEDY, and Mr. TSONGAS):

S. 760. A bill to impose a moratorium on offshore oil and gas leasing, certain licensing and permitting, and approval of certain plans, with respect to geographic areas located in the Pacific Ocean off the coastline of the State of California, and in the Atlantic Ocean off the coast of Massachusetts; to the Committee on Energy and Natural Resources.

OUTER CONTINENTAL SHELF MORATORIUM LEGISLATION

Mr. CRANSTON. Mr. President, today, along with my distinguished colleagues from Massachusetts, Senator TED KENNEDY and Senator PAUL TSONGAS, I am introducing legislation which would protect certain economically and environmentally vulnerable areas off the coasts of California and Massachusetts from the risks of oil and gas drilling. Our bill would impose a moratorium on oil and gas leasing in these very special, carefully selected areas. In the case of the California coastline, these areas will be preserved at least until the year 2000. A similar bill is being introduced in the House by Representatives PANETTA and STUDDS.

The areas we propose to protect, Mr. President, have the lowest estimated energy resources on the entire Outer Continental Shelf.

California and Massachusetts—on opposite shores of our great Nation—face vast oceans. The long coasts of both States have significantly shaped their histories and their economies, and have played a vital role in the lives of their people. Tourism and fishing are major industries that depend on healthy beaches and shores. These are fragile environments that could be disastrously damaged by a single major oil spill or slowly destroyed by the drilling muds and trappings that accompany oil and gas drilling—unsightly rigs and ugly platforms—and the polluted air and water that come with drilling activities.

The special link between these areas so geographically distant from each other is that each is vitally important to the citizens of their States and indeed to all the citizens of the entire United States.

The beauties of Cape Cod or the Mendocino headlands are enjoyed not only by local residents but by vacationing Americans from all parts of the country, and indeed, the world. And the shrimp from Monterey Bay, the dungeness crab from Eureka, as well as the lobster from the submarine canyons off Massachusetts are savored by lovers of seafood everywhere.

This bill addresses not only the declared wishes of our two States to protect our shores, but also priorities established by Congress for the development of our offshore energy resources. Congress required in the Outer Continental Shelf Lands Act a careful balance between the economic and environmental risks and the resource recovery benefits of offshore development. Leasing and developing these environmentally precious, low-energy areas in California and Massachusetts would clearly violate this congressional mandate.

Mr. President, in California, the State with the full support of county and local governments and the people who live in these areas, as well as the millions of tourists who come to enjoy their spectacular beauty, has chosen to use portions of its coastal zone for purposes that would be denigrated by

and inconsistent with oil and gas drilling.

Unfortunately, Secretary of the Interior James Watt has not responded to the clearly expressed wishes of Californians. He has instead offered for exploration, leasing, and eventual exploitation almost the entire California coastline.

In his revised 5-year plan of last July, Secretary Watt proposed leasing to oil companies far more areas than can even be adequately evaluated for their fossil fuel potential, let alone developed. By glutting the market he will reduce the return to taxpayers from oil company leasing of these tracts. The billion acres proposed to be offered in Watt's new plan would cover 20 times the acreage of all previous offerings from 1954 to June 1982.

California has shown its willingness to support OCS oil and gas development in those areas where the resource potential is plentiful and the benefits derived from drilling outweigh the economic and environmental risks. I, too, have consistently supported leasing tracts on the Outer Continental Shelf off parts of California where substantial oil and gas can be obtained without destroying other highly valuable national resources—air quality, important fishing, crabbing and tourist industries, marine wildlife, and beautiful beaches and coastal scenery. And I have repeatedly supported appropriate steps to accelerate environmentally sensible energy development on other federally controlled lands.

For example, in the last northern California OCS lease sale, I supported leasing tracts in the southern Santa Maria basin where the U.S. Geological Survey estimates 80 percent of the entire sale's recoverable oil and gas resources are located. This area includes the recent large discoveries of Point Arguello. Here the environmental risks are minimal.

Mr. President, the bill we are introducing today would prohibit oil and gas drilling only in fragile and sensitive coastal areas for periods varying from 7 to 17 years. Whatever energy resources these undersea lands now hold—and USGS believes such resources to be minimal—would stay in place.

A new generation would then—after the moratorium ends—be free to choose between energy leasing and other uses now incompatible with oil and gas leasing.

Our bill would protect a northern California coastal area from the southern edge of San Luis Obispo County, beginning north of the area in which leases already have been granted, northward to the Oregon border.

It would preserve all four northern geological basins, and the scenic panoramic points at Mendocino headlands, the Point Reyes National Seashore, Bodega Bay, the Golden Gate National Seashore, the Farallone Islands, Santa Cruz beach, Monterey Bay, Big Sur, San Simeon, and Morro Bay.

This covers the same area as did the AuCoin amendment to the 1982 Interior Appropriations Act and about the same area protected by the 1983 Interior Appropriations Act.

I want to stress that no significant quantity of oil and gas lies in these areas. But one oil spill, one tanker accident, one blowout, could devastate any of these places, and severely damage the marine life, and the local industries dependent upon it.

The presence of drilling rigs and oil tanker traffic in some of these areas would be unsightly and dangerous. Secretary Andrus excluded portions of these areas from Federal leasing activities and Congress has twice confirmed the wisdom of prohibiting leasing there.

Southern California, too, has areas where oil and gas leasing does not make sense.

It, too, has local governments which have fought seemingly endless battles to protect sensitive areas from Federal intrusion, using precious financial resources desperately needed for other purposes. Yet they have been required to fight these same battles again and again and enlist the aid of the Federal courts against a Secretary of the Interior heedless of Federal law.

Our legislation includes several such areas in southern California.

The first is an area of near-shore tracts stretching across the mouth of Santa Monica Bay.

The second is a 12-mile buffer zone of near-shore tracts along the coastal beaches of Orange County and San Diego.

These areas were in the legislation I proposed last year. This bill adds—at the urgent request of the residents of Santa Barbara—three additional sanctuaries in the Santa Barbara Channel previously protected from oil and gas leasing by Executive order.

One such protected area, the Santa Barbara ecological preserve and its accompanying buffer zone was established during the Nixon administration by then Interior Secretary Walter Hickel, shortly after the 1969 blowout in the Santa Barbara Channel. This 18-mile ecological preserve extends parallel to the coast from Carpinteria to Goleta seaward of the State's 3-mile wide sanctuary. The bill would keep free of oil a 14-mile buffer zone extending several miles beyond the preserve.

In addition, I would give statutory protection to the Channel Islands National Marine Sanctuary—a zone 6 nautical miles wide around the four northern Channel Islands, and around Santa Barbara Island to the south.

In creating the 1,000-square-mile Channel Islands sanctuary in 1980, President Carter said the area "has low hydrocarbon potential and therefore this designation will not be detrimental to our efforts to meet energy needs." The waters within the boundary are critical foraging areas for the diverse marine mammal, bird, and fish populations which inhabit the islands.

The Santa Barbara Channel is the core of a major biogeographic transition zone—one of a handful in the world—where two continental ecosystems meet. Nutrients which are prolific in and around the channel provide food for close to 300 species of fish, helping produce a harvest of more than one-half billion pounds of fish annually.

In addition, the channel contains 18 rare or endangered animal species, 6 rare plants, 31 different marine mammals including 14 different kinds of whales—an amazing diversity.

It is easy to imagine what one serious oilspill could do to this unique national treasure.

Mr. President, local, county, and State governments and concerned citizens are united against oil and gas leasing in these areas.

Like similarly concerned citizens in the north, they have spent vital resources, precious funds, and effort opposing repeated attempts to lease these areas year after year.

It is time for this unwarranted pressure to go away and for the uncertainty to cease.

This legislation is totally consistent with a rational, national energy policy, and even supports an aggressive offshore oil and gas leasing policy where it makes sense.

We need such a policy. I support it. But it must be consistent with State and Federal law and provide environmental protection for the inhabitants of these shorelines who often depend on seaside resources for their livelihood.

There are many sensible alternatives to offshore drilling to relieve our dependence on imported oil: accelerated geothermal leasing in appropriate areas, development of clean, renewable energy sources, increased conservation, and research, development, and commercialization leading to new energy sources. Fortunately, while this administration abandoned support for most of these alternatives, the Congress has not, and continues to fund these important energy initiatives.

I support the orderly development of our Outer Continental Shelf resources, but not drilling everywhere, heedless of the environmental destruction that could take place, to find every last drop of oil and gas. In each instance, we must weigh the economical and environmental costs of development. This legislation resolves for now that balance in favor of preservation of select areas.

I urge its early adoption.

● Mr. KENNEDY. Mr. President, today along with my colleague from Massachusetts, Senator PAUL TSONGAS, and my colleague from California, Senator ALAN CRANSTON, I am introducing legislation to place a moratorium on oil and gas leasing in a limited area off the Massachusetts coast and off the coast of California. Congressman GERRY STUDDS, of Massachusetts and Congressman LEON PANETTA, of California today are introducing companion legislation in the House of Representatives.

We take this action cognizant that some years ago Congress established a process for leasing offshore areas for oil and gas exploration. That process was designed to balance the Nation's interests in oil and gas development against the Nation's interests in protecting the environment, our natural resources, and the industries and jobs that depend on those resources.

Today, that process has broken down. When we enacted the Outer Continental Shelf Lands Act amendments in 1978, we did not—indeed we could not—anticipate that James Watt would someday become the Secretary of the Interior.

But today James Watt holds that position, and as the chief Government official responsible for offshore oil and gas leasing, he has shaped a policy that effectively disregards Congress mandate to balance the vital economic and environmental interests.

Senator CRANSTON has eloquently described the application of this legislation the priceless coast and offshore areas of California. As he indicates, it does not make any sense to take risks with areas like the Mendocino headlands, Bodega Bay, Santa Cruz Beach, and others. We will do all that we can to make sure that these areas are protected for future generations.

In Massachusetts and New England we have studied the potential effects of offshore oil and gas activity for a number of years. And in recent years, no area of the country has experienced greater energy needs than New England. No State has been hit harder by the enormous price increases in oil and gas since 1973. We understand in real terms what additional oil and gas close to our shores could mean.

But in seeking new energy at a reasonable price, we have not lost sight of the fact that in some instances, the risks inherent in energy exploration are too great. That is why, along with the Commonwealth of Massachusetts and environmental groups, I have opposed Secretary Watt's plan to incorporate certain areas in upcoming lease sale 52. Despite the fact that these groups have conclusively demonstrated the grave risks involved in drilling in these areas, Secretary Watt has insisted on proceeding.

Our principal goal in introducing this legislation is to prevent Secretary Watt from taking such risks in the future. We achieve this by placing a moratorium on leasing in those areas where we believe there is conclusive evidence that the consequences of a blowout, a mishap, or a spill could well be disastrous.

This legislation removes from leasing until the year 2000 the following areas:

Shallow areas within the 60-meter isobath on Georges Bank; tracts within a 50-mile buffer area of the Massachusetts coast; canyon areas where lobster spawning is prevalent; and the Great South Channel, which serves as one of the prime fishing grounds in the North Atlantic.

The bill also removes the area within the 200-meter isobath from leasing until the year 1990.

Drilling in each of these areas carries grave risks, with serious environment and economic consequences.

The shallow areas of Georges Bank are principal spawning grounds for flounder, haddock, cod, and several other species. The canyons are a central spawning area for lobsters. And the Great South Channel is a prime fishing area for scallops and groundfish. Together, these areas form much of the foundation for the New England fishery—an industry which last year exceeded $1.5 billion in value. The 50-mile buffer zone would protect the tourist industry of Cape Cod and the Massachusetts coast—a $1.25 billion industry in the last year alone.

These areas support vital industries, sustaining communities like New Bedford, Cape Cod, Gloucester, and many thousands of jobs. And each year, these resources renew their contribution to our economy.

By contrast, any oil and gas that might be discovered will provide only a one-time benefit. And according to the U.S. Geological Survey (USGS), that benefit may well be minimal. Over the last few years, the USGS has sharply reduced its estimates for oil and gas in the lease sale 52 area. Presently, USGS estimates that there exists a mere 9-day supply of oil and gas in this area. It is senseless to risk the future of vast natural resources and vital and sizable industries simply to secure a few days supply of oil and gas.

I do not oppose all oil and gas activity in the North Atlantic. I have supported this activity in the past, and I will do so in the future. But I will also continue to call for a measure of commonsense and balance in our approach to offshore drilling. Where evidence suggests that vast natural resources will be threatened by oil and gas exploration, we should refrain from drilling. And where safeguards exist that would reduce the risks inherent in oil and gas drilling, they must be used.

The legislation we are introducing today is not antioffshore drilling. This bill removes only 35 percent of the North Atlantic from future lease sales. We support an aggressive program to secure additional oil and gas resources offshore. But it must be consistent with the needs and concerns of coastal States and existing industries.

We have worked closely with the Massachusetts State officials and others in determining the areas covered in our bill. They reflect a reasoned judgment as to where drilling makes sense and where it does not.

The Secretary of Interior is obligated to make this judgment—but he has abdicated that responsibility. As Members of Congress, we must now act where Secretary Watt will not—to protect the public interest in a balanced energy policy that preserves vital resources of priceless value for future generations of Americans.

I urge my colleagues to give this legislation their full support.●

NEW FEDERALISM LEGISLATION, S. 761, S. 762, S. 763, S. 767

Mr. BAKER. Mr. President, at this point I would like to allow for the introduction of President Reagan's New Federalism legislative package by Senators DOLE, GARN, HATCH, and STAFFORD, and I submit for inclusion at the appropriate place in the RECORD the President's letter of transmittal which accompanies this innovative proposal. I commend the administration for this thoughtful and thought-provoking approach to perfecting the relationship between governments at the local, State, and National levels, and I trust that this body will apply to the package the same high degree of consideration which it most assuredly deserves.

There being no objection, the letter of transmittal was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

I am transmitting to the Congress today four pieces of legislation: the State Fiscal Assistance Block Grant Act; the Local Fiscal Assistance Block Grant Act of 1983; the Federalism Block Grant Highway Act of 1983; and the Rural Housing Block Grant Act.

These four proposals represent a continuation and expansion of the efforts of my Administration to return authority, responsibility and revenue resources to State and local governments.

In my January 25, 1983 State of the Union message, I indicated that I would be sending to the Congress shortly a comprehensive federalism proposal that will continue our efforts to restore to State and local governments their roles as dynamic laboratories of change in a creative society. We have now completed our work on this effort and it is embodied in these four proposed bills.

Therefore, I am requesting today that these bills be referred to the appropriate committees and I urge their early enactment.

THE NEED FOR CHANGE

In a 1957 speech to the National Governors' Conference, President Eisenhower sounded the first words of caution about the trend toward increased central government control. He said:

"Our governmental system, so carefully checked, so delicately balanced, with power fettered and people free, has survived longer than any other attempt to conduct group affairs by the authority of the group itself. Yet, a distinguished American scholar has only recently counseled us that in the measurable future, if present trends continue, the states are sure to degenerate into powerless satellites of the national government in Washington."

That this forecast does not suffer from lack of supporting evidence, all of us know full well. The irony of the whole thing is accentuated as we recall that the national government was itself not the parent, but the creature of the states acting together. Yet today it is often made to appear that the creature, Frankenstein-like, is determined to destroy the creator.

Had he known how prophetic his statement was, his rhetoric undoubtedly would have been far stronger. During the two decades following the Eisenhower Administration, the Federal government increasingly encroached on state and local prerogatives. Narrow and restrictive Federal grant-in-aid programs grew from under 50 to over 500, pervading such obviously local concerns as rat control and sewer extensions. The dollar amount usurped from State and local treasuries to finance these programs ballooned from $7 billion in 1960 to $95 billion in 1981. With increased Federal dollars came suffocating Federal control. Lost was the efficiency and accountability of local spending priorities.

A generation of governors, state legislators, mayors and county officials began to echo President Eisenhower's sentiments throughout the 1960's and 1970's. They came to realize that the mushrooming Federal programs reflected the fact that Presidents and Congresses failed to trust State and local officials as their partners in our Federal system.

The Federal government had too much control, many felt. Programs lacked flexibility. Regulations were restrictive. Federal mandates were depleting State and local treasuries. Expenditures were being made for programs that were not really needed in particular localities. In short, State and local officials believed that they were more capable of making more prudent decisions to run their own jurisdictions than Federal bureaucrats. They stated calling for a reordering of priorities and a sorting out of responsibilities among the various levels of government.

INITIATIVES IN 1981-82

During the past two years, hundreds of decisions and proposals have been made by my Administration in an effort to restore balance to our Federal system.

For example, throughout the economic recovery program, which I proposed in 1981, there was the underlying theme of federalism. The spending reductions were a reordering of priorities so that the national budget would address truly national needs. The tax cuts addressed the problem created by the Federal government usurping revenue sources which otherwise would have been available to state and local governments and to individuals. And the regulatory relief effort was directed in large part to removing the regulatory manacles which bind State and local governments.

In a more direct assault on Federal usurpation, we proposed the consolidation of scores of narrow and restrictive categorical grant-in-aid programs into seven broad block grants. The package which was ultimately passed by the Congress, and which I signed, consolidated 57 programs into nine block grants. It is estimated that these block grants resulted in a reduction of 5.4 million manhours (83%) in FY '82 for State and local officials and 5.9 million manhours (91%) in subsequent years from the level required to administer the predecessor categorical programs.

This block grant effort continued in 1982, with enactment of the Job Training Partnership Act and the Urban Mass Transportation Block Grant.

Many other initiatives were taken on the federalism front.

Of the 119 regulatory reviews targeted by the Task Force on Regulatory Relief, 35 were directed to State and local governments.

For the first time in many years, the Executive branch actively participated in the Advisory Commission on Intergovernmental Relations (ACIR).

I created a Federalism Advisory Committee chaired by Senator Paul Laxalt (R-Nevada). The work of that committee has now been completed and its suggestions have been incorporated into the package which I am today sending to the Congress.

At the White House, we have pursued an active outreach effort with State and local officials. Personally, I have met with more than 1,000 such officials in the White House during 1981 and 1982.

Finally, early in 1982, I proposed the outline of a major Federalism Initiative. I stated at the time that my package was just a conceptual framework and that I wanted to work out the details following extensive consultation with State and local officials. The process which followed was unprecedented, and I want to thank the many State and local officials who assisted me in the development of the legislation. The package which I am sending to the Congress today reflects the input which we received from State and local officials throughout 1982 and early 1983.

THE 1983 FEDERALISM INITIATIVE

These legislative proposals would consolidate 34 programs into four mega-block grants. The Administration's budget request for these programs for FY '84 is approximately $21 billion.

The following programs would be consolidated into the four mega-block grants.

STATE BLOCK GRANT

Rehabilitation Services.
Vocational Education.
Adult Education.
State Education Block Grant (ECIA, Chapter 2).
WIN.
Low-Income Home Energy Assistance.
Social Services Block Grant.
Community Services Block Grant.
ADAMHA Block Grant.
MCH Services Block Grant.
Rural Water and Waste Disposal Grants (FmHA).
Water and Sewer Facility Loans (FmHA).
Community Facility Loans (FmHA).
CDBG—Non-Entitlement Portion.
Grants for the Construction of Municipal Waste Water Treatment Works (EPA).
Child Welfare Services.
Child Welfare Training.
Adoption Assistance.
Foster Care.
Prevention Health and Health Services Block Grant.
Child Abuse State Grants.
Runaway Youth.

FEDERAL-LOCAL BLOCK GRANT

General Revenue Sharing.
CDBG—Entitlement Portion.

TRANSPORTATION BLOCK GRANT

Urban System.
Secondary System.
Non-Primary Bridges.
Highway Safety (FHWA 402 Grants).
Hazard Elimination.
Rail-Highway Crossing.

RURAL HOUSING BLOCK GRANT

Rural Housing Insurance Fund.
Very Low-Income Repair Grants.
Mutual and Self-Help Grants.
Rental Assistance Program.

This is a five-year program. It would guarantee funding for the programs turned back at the level enacted for FY '84. This funding level would remain in effect through FY '88.

This will provide a stable and certain funding source for State and local governments. It is not a vehicle for budgetary savings.

During this five-year period we will carefully monitor the block grants and determine whether it would be feasible to return revenue sources, such as Federal excise taxes or a percentage of the Federal income tax, to State and local governments along with the programs in the block grants. I will appoint a presidential commission to review this issue and to provide recommendations to me.

The proposals have been drafted to avoid dislocations on State and local governments. For example:

For the Federal-State and Federal-Local block grants, beginning on October 1, 1983, a recipient could take 20 percent of the money from the program and spend it anywhere else within the block. This percentage would increase to 40%, 60%, 80%, and finally 100% in each of the succeeding four fiscal years. Thus, in fiscal year 1988, a recipient would be able to spend 100 percent of the dollars in each block for any of the purposes within the block.

In the Federal-State block grant, for programs where Federal dollars go to the States but are passed through to some degree by the State and local units of government, each State would be required to pass through the percentage that was available to localities in fiscal years 1981, 1982 and 1983 in that program.

States would be required to have meaningful consultations with local officials prior to final decisions on the distribution of these pass-through funds.

For three Farmer's Home Administration (FmHA) programs—rural water and sewer grants, water and sewer loans, and community facility loans—100% of these FmHA program funds will be passed through State governments directly to rural communities of less than 10,000 in population. In addition, at least 70% of the "small cities" funds of the Community Development Block Grant program will be apportioned to communities of less than 20,000 in population.

Implicit in the Federal-local block grant is the assumption that revenue sharing would be reauthorized for 5 years at the current funding level of $4.6 billion annually.

Allocations to States for each program included in the State block grant, would be based on the historical program shares (FY '81-'83), or on the basis of formula allocations.

Funding for the Federal-State block grant would come from three Federal excise taxes on alcohol, tobacco, and telephones. The transportation block grant would be funded by part of the Federal gasoline tax.

The swap of federalization of Medicaid for State assumption of AFDC and Food Stamps, which was included in my January, 1982 framework has been dropped from the package. Reform of these three programs will be considered on a separate track.

Many of the more controversial programs in the original package (such as child nutrition, handicapped education, urban development action grants and others) have been dropped from the initiative.

The block grants include vastly reduced Federal strings and regulations. I strongly urge Congress to provide the flexibility in the programs that State and local officials need and deserve.

I request that Congress give these legislative proposals its immediate attention. With the help of the Congress, we can make government work more effectively for all Americans.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1983.*

By Mr. GARN (by request):

S. 761. A bill to amend title V of the Housing Act of 1949 to establish a rural housing block grant and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

RURAL HOUSING BLOCK GRANT ACT

Mr. GARN. Mr. President, I join with my colleagues today in placing the administration's New Federalism proposal before the Senate by introducing by request the rural housing block grant. It is interesting to note that in some ways, this bill is similar to legislation reported by the Senate Banking Committee last year. Our committee, while not adopting the term "federalism" or any other moniker, has worked hard to strengthen the working relationship between the Federal, State, and local governments in commonly meeting housing and community development objectives. The block grant funding mechanism in which States play a key administrative and substantive role, has been a cornerstone of our proposals. Last year's rural housing block grant proposal was controversial for a number of reasons, not the least of which is that a strong constituency has built up around the existing rural housing programs despite their growing inability to reach the truly poor and ill housed in our rural areas. The Banking Committee will closely examine the administration's proposal. Senator MATTINGLY, chairman of the Rural Housing Subcommittee has announced his intention to hold hearings on March 23 on rural housing authorizations.

Mr. President, I ask that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Housing Block Grant Act."

SEC. 2. A new section 531 is added to Title V of the Housing Act of 1949 as follows:

"SEC. 531. BLOCK GRANTS

"(a)(1) The Secretary may make grants to any State, including the Commonwealth of Puerto Rico, which shall be used to provide assistance in rural areas for the benefit of persons of low income for the acquisition, construction, improvement, alteration, repair of, or conversion of structures for dwellings and rental housing, to refinance indebtedness which was incurred for such purposes, and to provide for temporary housing costs. Such assistance by the State may be in the form of grants and/or low interest loans.

"(2) From the amounts available in each fiscal year, the Secretary will allocate funds to the various States based on the following factors, with each factor having equal weight, according to the latest decennial census of the United States: (A) State's percentage of the national number of occupied substandard housing units in rural areas; (3) State's percentage of the national rural population; (C) State's percentage of the national number of rural households with income not in excess of 50 percent of the State median income.

"(3) Each State shall use at least 80 percent of the funds it receives each year pursuant to this section to assist persons with total income of up to 50 percent of the State or national median income, whichever is greater, and shall use the remaining funds it receives each year to assist persons with total income of up to 80 percent of the State median income. Median income shall be based on a family of four according to the latest Bureau of Census data.

"(4) Federal outlay of funds under this section will be made in accordance with the provisions of Sec. 203 of the Intergovernmental Cooperation Act (42 USC 4213) and at a rate generally consistent with the historical spending rates for the antecedent activities incorporated into the block grant authorized by this section. The rate of outlay may be modified upon approval of the Secretary.

"(5) Funds may be reallocated by the Secretary among the other States if a State returns funds or declines to participate in any fiscal year.

"(6) During fiscal year 1984, a State may elect to participate at the beginning of any quarter by so advising the Secretary at least 30 days in advance of the beginning of the quarter. Thereafter, the State may elect to participate by so advising the Secretary at least 30 days in advance of the beginning of the fiscal year.

"(7)(i) If the Secretary determines that a State has failed substantially to comply with any provision of this section, the Secretary shall, after giving reasonable notice and opportunity for a hearing, notify the State that, if it fails to take corrective action within sixty days from the date of receipt of the notification, the Secretary will take one or both of the following actions—

(A) withhold further block-grant payments to the State until the Secretary is satisfied that appropriate corrective action has been taken and that the State will comply with the provisions of this section, or

(B) require the State to repay all or a portion of the payments not spent in accordance with the provisions of this section. The Secretary may permit the State to offset such amounts against block-grant payments it would otherwise have received in the future under this section.

"(ii) A hearing under this section shall be conducted in accordance with the Administrative Procedure Act.

"(8) The provisions of sections 506 and 509(c) of this title shall not be applicable to activities carried out under this section.

"(b)(1) Each participating State shall prepare a report annually on intended use of block grant funds to be received by the State, including (A) a statement of goals and objectives, (B) information on the types of activities to be supported, geographic areas to be served, and categories or characteristics of individuals to be served, and (C) the criteria and method established for distribution of the funds. Beginning in fiscal year 1985, the report shall include a description of how the State has met the goals, objectives, and needs in the use of funds for the previous fiscal year as identified in the report prepared pursuant to this subsection for that previous fiscal year.

"(2) The report prepared by a State pursuant to subsection (b)(1) shall be made public within the State on a timely basis and in such manner as to facililtate comments from interested local governments and persons.

"(3) Each State shall conduct financial and compliance audits of any block grant funds which the State receives under this section. Such audit shall be made public within the State on a timely basis. The audit shall be conducted at least every two years by an entity independent of any agency administering activities under this section. The audit shall be conducted in accordance with the standards established by the Comptroller General of the United States."

"(4) Prior to receipt of funds under this section, the State shall provide to the Secretary, in a form it chooses, written assurance that:

(i) it has developed the intended use report as required by subsection (b)(1);

(ii) it provided for public input as required by subsection (b)(2);

(iii) it will limit the use of funds to the activities, services and eligible recipients and beneficiaries as authorized by this section;

(iv) it will comply with the non-discrimination provisions of subsection (c); and

(v) it has consulted with local governments on all major policy and program decisions related to the use of these funds.

"(c)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under the title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities that receive Federal financial assistance under this section are considered to be programs and activities receiving Federal financial assistance.

"(2) No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity that

receives Federal financial assistance under this section; provided, however, that this subsection shall not be read as prohibiting any conduct or activities permitted under title IX of the Education Amendments of 1972.

"(3) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under this section, has failed to comply with a provision of law referred to in subsection (c)(1), with subsection (c)(2), or with an applicable regulation (including one prescribed to carry out subsection (c)(2)), the Secretary shall notify the chief executive officer of the State and shall request the securing of compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(i) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted.

"(ii) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

"(iii) take such other action as may be provided by law.

"(4) When a matter is referred to the Attorney General pursuant to subsection (3)(i), or whenever there is reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (c)(1) or in violation of subsection (c)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"(d) There is authorized to be appropriated for each of the fiscal years 1984, 1985, 1986, 1987 and 1988 not to exceed $850,000,000 each year for financial assistance pursuant to this section."

SEC. 3. Section 513 of such Act is amended by striking out the present language and inserting in lieu thereof the following:

"(a) For the fiscal year 1984, the Secretary may, as approved in appropriation Acts, insure loans under the authorities provided in this title in an aggregate principal amount not to exceed $299,000,000; except that—

"(1) not more than $280,000,000 shall be made available for loans insured under section 502 on behalf of borrowers receiving assistance pursuant to subparagraph (B) of section 521(a)(1);

"(2) not more than $3,000,000 may be made available for loans insured under section 514; and

"(3) not more than $16,000,000 may be made available for loans insured under section 515 on behalf of borrowers receiving assistance pursuant to subparagraph (B) of section 521(a)(1).

"(b) For the fiscal year 1984 there are authorized to be appropriated—

"(1) not to exceed $1,000,000 for direct loans pursuant to section 504;

"(2) not to exceed $4,393,000 for financial assistance pursuant to section 516;

"(3) such sums as may be necessary to meet interest payments on notes or other obligations issued by the Secretary under section 511; and

"(4) such sums as may be required by the Secretary to administer the provisions of sections 203(b), 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937."

SEC. 4. Section 515(b)(5) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

SEC. 5. Section 517(a)(1) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

SEC. 6. Section 517(k) of such Act is amended by striking out the present language and inserting in lieu thereof:

"(k) Any transactions pertaining to Certificates of Beneficial Ownership issued under this Title shall be treated in accordance with generally accepted budget and accounting practices for participation certificates for purposes of the Budget and Accounting Act of 1921, as amended.

SEC. 7. Section 521(a)(2)(A) of such Act is amended by striking "25" and inserting in lieu thereof "30".

SEC. 8. Section 521(a)(2)(D) of such Act is amended by striking out the present language and inserting in lieu thereof the following:

"(D) For fiscal year 1984, the Secretary, to the extent approved in appropriation Acts, may enter into rental assistance contracts aggregating not more than $62,000,000 in carrying out subparagraph (A)."

SEC. 9. (1) Section 523(b)(1) of such Act is amended by striking out the present language and inserting in lieu thereof the following:

"(b)(1) to make grants to, or contract with, public or private nonprofit corporations, agencies, institutions, Indian tribes, and other associations approved by him, for developing, conducting, administering, or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and their families in carrying out mutual or self-help housing efforts; and

(2) Section 523(b)(2) of such Act is amended by striking out "; and" and inserting in lieu thereof a period.

(3) Section 523(b)(3) of such Act is deleted.

SEC. 10. The assets and liabilities of the Self-Help Housing Land Development Fund created by section 523 of such Act are transferred to the Rural Housing Insurance Fund created by section 517 of such Act. The Self-Help Housing Land Development Fund is abolished.

DRAFT BILL TO AMEND TITLE V OF THE HOUSING ACT OF 1949 TO ESTABLISH A RURAL HOUSING BLOCK GRANT PROGRAM AND FOR OTHER PURPOSES

SECTION-BY-SECTION ANALYSIS

Sec. 1 designates the bill as the "Rural Housing Block Grant Act."

Sec. 2 adds to Title V a new Section 531 providing for Block Grants and containing the following subsections and parts:

Block grants authorized

Subsec. (a)(1) of new Sec. 531 authorizes the Secretary of Agriculture to make grants to any State, including Puerto Rico, for use in rural areas to assist persons of low income to acquire, construct, improve, alter, repair or convert structures for dwellings and rental housing. Authority is also provided to use the funds to refinance indebtedness incurred for such housing purposes and to provide for temporary housing costs. Assistance may be in the form of grants, low-interest loans, or both.

Basis for block grant allocations

Subsec. (a)(2) provides that from amounts available for the block grant each fiscal year, the Secretary will allocate funds to states based on the following factors, each having equal weight: the state's percentage of the (A) nation's occupied substandard housing units in rural areas; (B) national rural population; and (C) national number of rural households with income not exceeding 50 percent of the state median income.

Beneficiary populations specified

Subsec. (a)(3) stipulates that a state shall use at least 80 percent of its annual allocation to assist persons with not more than 50 percent of the state or national median income, whichever is greater. The remainder of a state allocation may be used to assist persons with up to 80 percent of state median income.

Federal outlay of funds

Subsec. (a)(4) provides that Federal outlays for the block grant will be made in accordance with section 203 of the Intergovernmental Cooperation Act and at a rate generally consistent with the historical spending rate for the antecedent activities incorporated into the block grant. The rate of outlay could be modified upon approval of the Secretary of Agriculture.

Reallocating funds

Subsec. (a)(5) provides that funds allocated to a state that declines to participate in the Block Grant program and funds returned by a state may be reallocated among other states.

State entry into program

Subsec. (a)(6) provides that during fiscal year 1984, states may enter the program at the beginning of any quarter, with 30 days' prior notice to the Secretary. In subsequent years, states may enter at the start of a fiscal year, on 30 days' advance notice. States which do not provide such notice will not receive assistance under the block grant for that fiscal year nor, will they receive assistance under the former Federal loan and grant programs.

Recovering misused funds

Subsec. (a)(7) provides for an administrative process for obtaining compliance with the requirements of the block grant program. The Secretary of Agriculture would give the state notice of substantial non-compliance and provide an opportunity for a hearing. In order to obtain compliance the Secretary may withhold further block grant funds or require repayment of misspent funds, which could be offset against future block grant funds.

Conforming amendment

Subsec. (a)(8) is a conforming amendment which exempts states receiving block grants from enforcement of technical, supervision, servicing and administrative standards imposed on the Department of Agriculture in administering housing loans and grants made directly to individuals and organizations by FmHA. Construction defects assistance would not be applicable.

Annual State reports

Subsec. (b)(1) requires a participating state to report annually on intended use of block grant funds. Specifics of the report are to include (a) goals and objectives, (b) activities to be supported, geographic areas to be served, and characteristics or categories of individuals to be served, and (c) criteria and methods for distributing funds. In fiscal year 1985 and thereafter, the annual report also must describe how the state has met its previous year's goals, objectives and needs as stated in the preceeding year's report.

Subsec. (b)(2) requires that annual state report shall be made public within the state

at a time and in such manner as to facilitate comments from individuals and local governments.

Auditing requirements

Subsec. (b)(3) requires that each state conduct and make public, at least biennially, financial and compliance audits of its use of block grant funds. Audits shall be conducted by an entity independent of administering agencies and comply with standards established by the Comptroller General of the United States.

State assurances

Subsec. (b)(4) requires that prior to receipt of funds, a state shall provide written assurance to the Secretary that it has developed the intended use report and provided for local government and public input, that it will use funds only as authorized, will comply with the non-discrimination provisions, and has consulted with local governments on the use of these funds.

Nondiscrimination provisions

Subsec. (c)(1) asserts that programs and activities within a state that receive Federal financial assistance under this section will be subject to provisions of the Age Discrimination Act of 1975 (prohibiting discrimination on the basis of age), the Rehabilitation Act of 1973 (prohibiting discrimination on the basis of handicap), Title IX of the Education Amendments of 1972 (prohibiting discrimination on the basis of sex), and Title VI of the Civil Rights Act of 1964 (prohibiting discrimination on the basis of race, color or national origin).

Subsec. (c)(2) specifies that no person shall be excluded from participation in, or benefits of, any program or activity that receive Federal financial assistance under the block grant on the ground of sex, provided, however, that the subsection shall not be read as prohibiting any conduct or activities permitted under title IX of the Education Amendments of 1972.

Subsec. (c)(3) provides that when the Secretary finds a violaton of the nondiscrimination requirements, the Secretary shall request compliance of the chief executive officer of the state or other entity where the violation occurred. If compliance is not secured within a reasonable period, not to exceed 60 days, the Secretary may refer the matter to the U.S. Attorney General for appropriate civil action, or invoke specified provisions of law, or take such other action as may be provided by law.

Subsec. (c)(4) authorizes the Attorney General to bring civil action in a U.S. district court for injunctive or other appropriate relief from a violation of law prohibiting discrimination.

Block grant funding authority

Subsec. (d) authorizes appropriation of $850,000,000 for block grants in each of the fiscal years 1984, 1985, 1986, 1987 and 1988.

Continuing FmHA loans and grants

Sec. 3 of the bill would amend Section 513 of the Housing Act of 1949 to authorize appropriations for the continuation, in fiscal year 1984, of certain existing loan and grant programs administered by the Farmers Home Administration, at the following maximum levels:

$229,000,000 for insured loans, of which $280,000,000 may be for Section 502 single-family housing loans, $3,000,000 for farm labor housing loans, and $16,000,000 for Section 515 rental and cooperative housing loans;

$1,000,000 for direct housing repair loans to very-low-income persons under Section 504 of the Act;

$4,393,000 for farm labor housing grants;

Such sums as may be necessary to meet interest payments on obligations issued by the Secretary to secure funds for the Rural Housing Insurance Fund (revolving fund), and to administer rural housing services under delegations from the Department of Housing and Urban Development pursuant to specific provisions of law for single-family and multi-family housing mortgage insurance and rental assistance.

Secs. 4 and 5 of the bill extend until September 30, 1984, authorizations for FmHA-administered rural housing programs now scheduled to expire on May 20, 1983.

Certificates of benefical ownership

Sec. 6 provides that transactions in FmHA Certificates of Beneficial Ownership (CBO's) will be treated as debt transactions. CBO's represent FmHA-insured housing mortgage notes taken from borrowers. They are sold to and redeemed from the Federal Financing Bank in maintaining the Rural Housing Insurance Fund. Under present provision of law, these sales are treated as sales of assets.

Subsidized rental tenant contribution

Sec. 7 would increase from 25 to 30 the percentage of personal income contributed to rental payments by a low-income tenant whose rent is supplemented by Rental Assistance payments. This change parallels a change in the comparable program administered by the Department of Housing and Urban Development.

Rental assistance authorization

Sec. 8 would authorize, subject to appropriation action, a maximum of $62,000,000 in FmHA Rental Assistance contracting in fiscal year 1984.

Self-help technical and supervisory assistance

Sec. 9(1) would eliminate the Secretary's authority to make loans but continue authority to make grants to, or contract with, public and private nonprofit entities to provide techncial and supervisory assistance to help low-income people carry out mutual or self-help housing projects.

Terminating self-help homesite loans

Sec. 9(2) would abolish the Act's existing authorization of a special loan program for developing self-help housing homesites.

Sec. 10 would abolish the separate FmHA-administered Self-Help Housing Land Development Fund and transfer its assets and liabilities to the Rural Housing Insurance Fund.

By Mr. DOLE (by request):

S. 762. A bill to consolidate major programs of fiscal assistance to local governments, to reduce the prescriptiveness of the requirements applicable to the expenditure of those funds, and for other purposes; by unanimous consent, referred jointly to the Committee on Finance and the Committee on Banking, Housing, and Urban Affairs.

LOCAL FISCAL ASSISTANCE BLOCK GRANT ACT OF 1983

Mr. DOLE. Mr. President, today I am introducing on behalf of the Reagan administration, the Local Fiscal Assistance Consolidation Act of 1983. This legislation is one of a package of four bills transmitted by the President as part of his effort to return major program responsibilities to States and localities, along the lines he first indicated in his state of the Union address of January 1982. Clearly developing this legislation has been a difficult process. But whatever happens from this point on, the thorough dialog and debate that has been generated on issues of federalism is all to the good. I hope that this bill, which the Finance Committee will consider in connection with the extension of the general revenue sharing program, will play an important role in that debate.

FINANCE COMMITTEE CONCERN

Issues of federalism are of paramount interest to the Finance Committee, because so many of the programs that are our responsibility involve shared policy or administrative duties on the part of the Federal Government and State and local governments. Some of the most obvious examples are unemployment compensation, AFDC, medicaid, and revenue sharing. In addition, there is a strong history of support of the Finance Committee for the block grant concept: For giving recipient governments the maximum flexibility, consistent with established national goals, in carrying out Federally-funded program responsibilities. I know that Senator LONG and I have had a longstanding interest in welfare reform that gives the States more flexibility; and the administration will agree that this committee has been receptive to block grant proposals the President has made in the past. So clearly there are grounds to believe that we can work successfully with the President in advancing the cause of returning decisionmaking to the State and local level in cases where local decisions can better reflect local needs and concerns.

The Local Fiscal Assistance Consolidation Act of 1983 suggests substantive action to clarify relations among the different units of government in our Federal system. This, and the other three new block grants proposed by the administration, are a good place to start, because their design shows considerable imagination and a realistic sense of what can be achieved. Many Members of the Senate may have some reservations on the inclusion of one or another program in these blocks—particularly in the State block grant, which combines a number of popular programs. The legislation I am introducing today combines general revenue sharing with part of the community development block grant, which may cause some concern for those who like CDBG as a separate program.

EXAMINATION HAS BEGUN

Mr. President, on Friday, March 4, the Finance Committee held an initial

hearing to review the administration's federalism initiative in toto. Budget Director David Stockman testified to the importance of moving ahead with these new block grants but of keeping our sights on realistic goals. That is the only way to make real progress toward rationalizing the system of Federal aid and I applaud the President for proposing legislation that has a chance of success, and does not just reiterate a theory of how our various levels of government ought to interact.

REVENUE SHARING

Mr. President, the question of the future of general revenue sharing, which is proposed to be consolidated with the entitlement portion of the community development block grant under this bill, is important to many in the Senate and is a key question this year for local officials. Some of us have expressed an interest in seeing revenue sharing boosted in some way, either by an acceleration of payments into this year or by some permanent change in the program. It has occurred to some of us that, if we are interested in stimulus and job creation, we ought to give some thought to revenue sharing, which is one of the most efficient programs in terms of administrative overhead. I would hope that the administration might give us some additional suggestions on how this might be done consistent with dealing with the deficit: Perhaps by shifting funds or consolidating funds scheduled to go to other grant programs. Since that is the basic thrust of the administration's federalism initiative as I see it, I assume there is opportunity for a meaningful debate here. Perhaps revenue sharing ought to be the centerpiece of the federalism proposal to a greater extent than the President has suggested.

With the introduction of this legislation today, I hope we will begin a serious effort to reform Federal grants-in-aid. By making Government more efficient, we also make it more responsive. That is a goal we can all agree on.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Local Fiscal Assistance Block Grant Act of 1983."

SEC. 2. Title 31 of the United States Code is amended by adding at the end of Subtitle V the following new Chapter 82:

CHAPTER 82—LOCAL FISCAL ASSISTANCE CONSOLIDATION

Sec.

8201. Findings and Statement of 8208.Purpose.
8202. Definitions.
8203. Local Fiscal Assistance Trust Fund.
8204. Local Designation Option.
8205. Entitlements to Block Grant Payments.
8206. Federal Administering Departments.
8207. Block Grant Payments.
8208. Appropriations.
8209. Use of Block Grant Funds.
8210. Report on Intended and Actual Uses.
8211. Assurance.
8212. Public Participation.
8213. Nondiscrimination.
8214. Audits and Fiscal Procedures.
8215. Penalty for Failure to Comply.
8216. Amendment of Budget Act.
8217. Applicability of Grant Program Statutes.
8218. Regulations.

SEC. 8201. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) The reordering of responsibilities between the Federal government and the States essential to restore the vitality of federalism in the United States would be facilitated by a secure and predictable flow of Federal aid to local governments.

(2) Unrestricted fiscal assistance promotes efficiency, does not distort local priorities, and does not stimulate growth of the public sector.

(3) A secure and predictable flow of unrestricted Federal aid to local governments would facilitate the efforts of State governments to assume responsibilities being devolved from the Federal government without immediate pressure for increased payments of aid to localities.

(4) The allocations of Federal aid by the Revenue Sharing and Community Development Block Grant programs yield an overall distribution of payments among local governments that effectively matches payment levels and local fiscal capacities.

(5) In order to provide this secure and predictable flow of Federal aid, it is appropriate that—

(A) the fiscal-assistance payments to localities be entitlements;

(B) the allocation of payments among local governments provide a good match between payment levels and the fiscal capacities of those governments; and

(C) other than requirements to ensure accountability and to protect the civil rights of individuals, the aid be provided with the minimum restrictions consistent with the general objectives of this chapter.

(b) STATEMENT OF PURPOSE.—It is the purpose of this chapter to consolidate into a single program of assistance to local governments the following programs:

(1) Revenue Sharing (31 U.S.C. 6701 et seq.), and

(2) Community Development Block Grant—Entitlement Portion (42 U.S.C. 5306(b)).

SEC. 8202. DEFINITIONS.

For purposes of this chapter—

(a) "Block-grant payment" means a payment under this chapter for a program designated by a local government.

(b) "Chief executive officer" means the elected or otherwise legally designated official who has the primary executive responsibility for the conduct of an eligible government's affairs.

(c) "Federal administering department" means the executive department of the United States Government responsible for implementation of a local-assistance program.

(d) "Fiscal year" means Federal fiscal year.

(e) "Local government" means a unit of general local government—such as a county, city, or township, (including an equivalent political subdivision having different designations in various States, such as "town")—as determined by the Secretary of Commerce for general statistical purposes. The term also means the recognized governing body of an Indian tribe or Alaskan native village that performs substantial governmental functions, and the District of Columbia.

(f) "Outlays" means expenditures of funds under budget authority provided by law for a fiscal year for which such authority has not expired.

(g) "Secretary" means the Secretary of the Treasury.

(h) The meaning of "urban county" is as defined in 42 U.S.C. 5302(a)(6).

SEC. 8203. LOCAL FISCAL ASSISTANCE TRUST FUND.

(a) IN GENERAL.—There is established on the books of the Treasury of the United States a trust fund to be known as the "Local Fiscal Assistance Trust Fund" (referred to in this chapter as the "Local Fund"). The Local Fund consists of amounts appropriated to it as provided in section 8208.

(b) RESTRICTIONS ON USE OF PAYMENTS.—The amounts in the Local Fund shall be used only for payments to local governments and transfers to Federal administering departments, as provided for in this chapter. Except as otherwise provided in section 8208, the amounts shall remain available without fiscal year limitation.

(c) DUTIES OF THE SECRETARY WITH RESPECT TO TRUST FUND.—The Secretary shall be the trustee of the Local Fund and shall report to the Congress, not later than March 1 of each year, on the operation and status of the Local Fund during the preceding fiscal year.

SEC. 8204. LOCAL DESIGNATION OPTION.

(a) IN GENERAL.—No later than thirty days after the date of enactment of this chapter, with respect to the fiscal year beginning October 1 of 1983, and not less than ninety days prior to the start of each of the fiscal years beginning October 1 of 1984, 1985, 1986, and 1987, the chief executive officer of each local government eligible to receive payments under the Community Development Block Grant Program—Entitlement Portion and Revenue Sharing (other than an Indian tribe or Alaskan native village) shall notify the Secretary in writing of that government's decision whether it wishes to designate one or both of the programs.

(b) EFFECT OF DESIGNATING.—A decision by a local government to designate a program shall entitle that government to receive a block-grant payment in accordance with section 8207 for the fiscal year for which the designation is elected and for each succeeding fiscal year for which block-grant payments are authorized by this chapter. Notwithstanding any other provision of law, the local government shall not, for that or any succeeding fiscal year, be entitled to receive assistance under the program.

(c) EFFECT OF NOT DESIGNATING.—In the absence of notification to the Secretary that a local government has designated a program, that government shall be entitled to receive payments in accordance with the statute and regulations applicable to the program.

(d) IRREVOCABILITY.—A local government may not reverse a decision to designate a program.

(e) URBAN COUNTIES.—Prior to making the notification indicated in subsection (a), the county government of an urban county shall consult with other local governments participating in the urban county under the Community Development Block Grant—Entitlement Portion.

(f) APPLICATION OF STATE AND LOCAL LAW.—The decision by a local government on designation of the Community Development Block Grant Program—Entitlement Portion and Revenue Sharing shall be made in accordance with State and local laws and procedures applicable to the expenditure of the local government's own revenues.

SEC. 8205. ENTITLEMENT TO BLOCK-GRANT PAYMENTS.

A local government that designates a program in accordance with section 8204 shall be entitled to receive, for each fiscal year to which that designation applies, a block-grant payment equal to the amount to which it would otherwise have been entitled pursuant to the statute and regulations under which the program is administered.

SEC. 8206. FEDERAL ADMINISTERING DEPARTMENTS.

(a) ALLOCATION OF CDBG FUNDS.—The Secretary of the Department of Housing and Urban Development shall inform the Secretary of the amount allocable under the Community Development Block Grant—Entitlement Portion to each local government in the applicable fiscal year. These amounts shall be calculated in accordance with the statutes and regulations pursuant to which the program is administered. For purposes of 42 U.S.C. 5306(b), the "allocation for all metropolitan areas" for the Community Development Block Grant—Entitlement Portion shall be deemed to be $2,379,650,000.

(b) ALLOCATION OF REVENUE SHARING FUNDS.—For purposes of 31 U.S.C. 6707(a), the "amount authorized" for Revenue Sharing shall be deemed to be $4,566,700,000.

(c) TRANSFERS TO FEDERAL ADMINISTERING DEPARTMENTS.—The Secretary shall transfer to each Federal administering department from the Local Fund such amounts as may be necessary for payments to local governments not designating the program administered by the department. The Federal administering department shall have the authority to obligate such funds in accordance with the statutes and regulations pursuant to which such program is administered.

SEC. 8207. BLOCK-GRANT PAYMENTS.

(a) IN GENERAL.—Except as provided in subsection (b), the Secretary shall make a block-grant payment from the Local Fund to each local government in the amount to which it is entitled for the fiscal year in quarterly installments not later than the fifth day after the close of each quarter.

(b) COMMUNITY DEVELOPMENT BLOCK GRANT.—The portion of the block-grant entitlement of a local government that shall be paid to that government in a fiscal year with respect to the Community Development Block Grant—Entitlement Portion shall reasonably reflect the historical outlay pattern of budget authority paid to local governments for that program, as determined by the Secretary of Housing and Urban Development and reported to the Secretary.

(c) URBAN COUNTY.—In the case of an urban county designating the Community Development Block Grant—Entitlement Portion, the block-grant payment of the urban county attributable to that program shall be made to the county government for use in behalf of the units of local government participating in the urban county.

(d) ALLOCATION ADJUSTMENTS.—The Secretary is authorized to make such adjustments in block-grant payments as may be necessary to compensate for overpayments and underpayments resulting from the use of estimates of amounts allocable to a local government.

(e) LOAN GUARANTEE PROTECTION.—Upon notification by the Secretary of Housing and Urban Development, the Secretary shall transfer to the Department of Housing and Urban Development funds otherwise payable to a local government as block-grant payments, in accordance with subsection (a), attributable to the Community Block Grant—Entitlement Portion in an amount equal to the principal and interest due during the applicable fiscal year on notes or other obligations guaranteed under 42 U.S.C. 5308 and (2) pursuant to 42 U.S.C. 5312(a), the principal of and accrued interest on any temporary loan made in connection with urban renewal projects under title I of the Housing Act of 1949.

SEC. 8208. APPROPRIATIONS.

(a) IN GENERAL.—For each of the fiscal years beginning October 1 of 1983, 1984, 1985, 1986, and 1987, there is appropriated to the Local Fund, from the amounts in the general fund of the Treasury not otherwise appropriated, $6,946,350,000 for making the payments and transfers provided by this chapter.

(b) DEPOSIT IN LOCAL FUND OF AMOUNTS APPROPRIATED.—Amounts appropriated under this section for any fiscal year shall be deposited in the Local Fund on the first day of such year or the day after the effective date of this chapter, whichever is later.

(c) EXPIRATION OF AUTHORITY TO DISBURSE FUNDS.—The authority of the Department of Housing and Urban Development and of the Secretary to obligate the amounts appropriated to the Local Fund shall expire on September 30 of 1990.

(d) AUTHORIZATION OF APPROPRIATION FOR ADMINISTATION.—There are authorized to be appropriated such sums as may be necessary for the administration of this chapter.

(e) TRANSFERS TO THE REVENUE SHARING TRUST FUND.—Amounts transferred under section 8206 to the State and Local Fiscal Assistance Trust Fund established by the State and Local Fiscal Assistance Act of 1972, as amended (31 U.S.C. 6701 et seq.), for payments to local governments not designating the Revenue Sharing Program shall be deemed to be appropriations to such Trust Fund.

SEC. 8209. USE OF BLOCK-GRANT FUNDS.

(a) IN GENERAL.—A local government shall appropriate block-grant payments only for the general purposes, as specified in subsection (c), of the programs it has designated with respect to that fiscal year. Block-grant payments may also be appropriated for administrative activities related to the efficient disbursement of those payments, including auditing, the training of personnel, the planning and evaluation of the programs for which those amounts are expended, and the purchase of technical assistance in developing, implementing, and administering those programs. A local government shall provide for the expenditure of block-grant payments in accordance with the laws and procedures applicable to the expenditure of general revenues from the government's own sources.

(b) ALLOCATION OF BLOCK-GRANT PAYMENTS AMONG PROGRAM PURPOSES.—A local government designating a program for a fiscal year shall appropriate, for the general purposes of such program, such block-grant payments as it receives in that fiscal year attributable to that program not less than—

(1) 80 percent of the amount, for the fiscal year beginning October 1 of 1983;

(2) 60 percent of the amount, for the fiscal year beginning October 1 of 1984;

(3) 40 percent of the amount, for the fiscal year beginning October 1 of 1985; and

(4) 20 percent of the amount, for the fiscal year beginning October 1 of 1986.

(c) GENERAL PURPOSES OF PROGRAMS.—The general purposes of the programs that may be designated are—

(1) REVENUE SHARING.—Revenue Sharing payments may be appropriated for any purpose that is legal under applicable State and local law.

(2) COMMUNITY DEVELOPMENT BLOCK GRANT.—The objective of the Community Development Block Grant—Entitlement Portion is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, the purpose of this program is the support of community-development activities that are directed toward the following specific objectives—

(A) the elimination of slums and blight and the prevention of blighting influences and the deterioration of property and neighborhood and community facilities of importance to the welfare of the community, principally persons of low and moderate income;

(B) the elimination of conditions that are detrimental to health, safety, and public welfare through code enforcement, demolition, interim rehabilitation assistance, and related activities;

(C) the conservation and expansion of the nation's housing stock in order to provide a decent home and a suitable living environment for all persons, but principally those of low and moderate income;

(D) the expansion and improvement of the quantity and quality of community services, principally for persons of low and moderate income, which are essential for sound community development and for the development of viable urban communities;

(E) a more rational utilization of land and other natural resources and the better arrangement of residential, commercial, industrial, recreational, and other needed activity centers;

(F) the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods to attract persons of higher income.

(G) the restoration and preservation of properties of special value for historic, architectural, or esthetic reasons;

(H) the alleviation of physical and economic distress through the stimulation of private investment and community revitalization in areas with population out-migration or a stagnating or declining tax base; and

(I) the conservation of the nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply.

SEC. 8210. REPORT ON INTENDED AND ACTUAL USES.

(a) IN GENERAL.—In order to be eligible to receive block-grant payments for a fiscal year, a local government shall prepare a report on its proposals for appropriation of those payments during that fiscal year.

(b) CONTENTS OF INITIAL REPORT.—A local government's report for the first year that it is entitled to receive block-grant payments shall include—

(1) a statement of goals and objectives;

(2) information on the types of activities to be supported, geographic areas to be served, and categories or characteristics of individuals to be served; and

(3) a description of how expenditures financed by block-grant payments will be targeted on the basis of need to achieve the purposes of the designated programs.

(c) CONTENTS OF SUBSEQUENT REPORTS.—A local government's report for each fiscal year subsequent to the first year that it is entitled to receive block-grant payments shall include, in addition to the information specified in subsection (b), a description of the actual appropriations of the block-grant payments during the preceding fiscal year and the progress of the local government in meeting the goals, objectives, and needs identified in the report prepared for the immediately preceding fiscal year.

(d) PUBLICATION.—The report prepared by a local government pursuant to this section, and any changes in that report, shall be made public within the community served by the government on a timely basis and in a manner that facilitates comments from interested parties.

SEC. 8211. ASSURANCE.

(a) IN GENERAL.—In order to qualify for a block-grant payment for a fiscal year, a local government shall establish to the satisfaction of the Secretary, by making the assurance set forth in subsection (b), that it will comply with the requirements of this chapter with respect to that payment.

(b) ASSURANCE BY LOCAL GOVERNMENTS.—The chief executive officer of each local government shall assure that the government will—

(1) establish a special fund into which the block-grant payment will be deposited;

(2) expend the block-grant payment in accordance with the requirements of section 8209;

(3) appropriate and expend amounts in its special fund (including interest) during a reasonable period;

(4) appropriate and expend the block-grant payment received in accordance with the laws and procedures applicable to the expenditure of its own general revenues;

(5) provide for public participation in the decision-making process on appropriations of the block-grant payment, in accordance with the provisions of section 8212;

(6) comply with the requirements of section 8213;

(7) if the local government has designated the Community Development Block Grant—Entitlement Portion, it shall conduct and administer such grant in conformity with title VIII of the Civil Rights Act of 1968;

(8) establish fiscal procedures, provide for audits of its financial statements and compliance with this chapter, and provide for public inspection of such audit reports in accordance with section 8214; and

(9) provide to the Secretary and the Comptroller General, upon reasonable notice, access to and the right to inspect such books, documents, papers, and records as the Secretary reasonably requires for the purpose of determining compliance with this chapter.

(c) DUTIES OF COMPTROLLER GENERAL.—The Comptroller General of the United States shall periodically evaluate the expenditure by local governments of block-grant payments in order to ensure that the expenditures are consistent with the provisions of this chapter and to determine the effectiveness with which the purposes of this chapter are being accomplished.

SEC. 8212. PUBLIC PARTICIPATION.

In order to qualify for a block-grant payment for a fiscal year, a local government shall provide a reasonable opportunity for public participation and input in the decision-making process on the expenditure of that payment.

SEC. 8213. NONDISCRIMINATION.

(a)(1) APPLICATION OF CURRENT LAW.—For the purposes of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, and on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities financed, in whole or in part, by block-grant payments are deemed programs and activities receiving Federal financial assistance.

(2) ADDITIONAL PROHIBITION AGAINST SEX DISCRIMINATION.—No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity financed, in whole or in part, by block-grant payments; provided, however, that this subsection shall not be read as prohibiting any conduct or activities permitted under title IX of the Education Amendments of 1972.

(b) ENFORCEMENT.—Whenever the Secretary finds that a local government has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the local government and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

(3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that a local government is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

SEC. 8214. AUDITS AND FISCAL PROCEDURES.

Each local government that receives a block-grant payment shall have an independent audit of its financial statements in conformance with the provisions of 31 U.S.C. 6723. All references to "this chapter" in 31 U.S.C. 6723 shall be construed, for purposes of this section, as references to this chapter.

SEC. 8215. PENALTY FOR FAILURE TO COMPLY.

(a) IN GENERAL.—If the Secretary determines that a local government has failed substantially to comply with any provision of this chapter, the Secretary shall, after giving reasonable notice and opportunity for a hearing, notify the government that, if it fails to take corrective action within sixty days from the date of receipt of the notification, the Secretary will take one or both of the following actions—

(1) withhold further block-grant payments to the local government, until the Secretary is satisfied that appropriate corrective action has been taken and that the government will comply with the provisions of this chapter; or

(2) require the government to repay all or a portion of the payments not spent in accordance with the provisions of this chapter. The Secretary may permit the government to offset such amounts against block-grant payments it would otherwise have received in the future under this chapter.

(b) ADMINISTRATIVE PROCEDURE ACT.—A hearing under this section shall be conducted in accordance with the Administrative Procedure Act.

(c) DETERMINATIONS BY SECRETARY OF HOUSING AND URBAN DEVELOPMENT.—Determinations relating to compliance with section 8209(c)(2) shall be the responsibility of the Secretary of the Department of Housing and Urban Development, and all such determinations shall be accepted by the Secretary as determinations pursuant to subsection (a).

SEC. 8216. AMENDMENT OF BUDGET ACT.

Title 2 U.S.C. 651(d)(2), The Congressional Budget Control and Impoundment Act, is amended as follows—

(1) by inserting "Local Fiscal Assistance Block Grant Act of 1983" after "1972," and

(2) by striking "that Act" and inserting in lieu thereof "those Acts."

SEC. 8217. APPLICABILITY OF GRANT PROGRAM STATUTES.

Block-grant payments attributable to Revenue Sharing shall be subject only to Federal civil laws that are applicable to payments under 31 U.S.C. 6701 et seq.

SEC. 8218. REGULATIONS.

The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this chapter.

By Mr. HATCH (for himself, Mr. DOLE, and Mr. GARN) (by request):

S. 763. A bill to consolidate assistance to the States for programs relating to health, social, educational, and community services; by unanimous consent, referred jointly to the Committee on Labor and Human Resources, the Committee on Finance, and the Committee on Banking, Housing, and Urban Affairs.

STATE FISCAL ASSISTANCE BLOCK GRANT ACT

Mr. HATCH. Mr. President, I am pleased to join with Senator DOLE and Senator GARN in sponsoring by request President Reagan's State fiscal assistance block grant. This bill is in many ways the keystone in the President's legislative arch, the set of four major

block grant proposals which evolved from the President's original, New Federalism Initiatives.

The New Federalism is a plan to give to the States administrative authority over those Federal programs that must be tailored to local needs and circumstances. The New Federalism is designed to give Americans a more direct say in operating the programs that serve their communities. This initiative will reduce administrative costs by diminishing the Federal administrative layer that has become in many cases a redundant bureaucracy. This initiative promotes program flexibility so that needed projects do not become Gullivers tied down in a web of redtape. Most important of all, the New Federalism will reduce the alienation of private citizens whose voices cannot be heard because their resources are too small to impress a grandiose and remote Federal Establishment. Authority over community affairs should be brought home so that private citizens can hop on a bus to the seat of power and be heard.

If America is to remain a democracy as envisioned by our Founding Fathers, we must strive to keep our Government to a scale where the common man can share in debate and decision. American citizens should not have to bind themselves into groups to hire professional surrogates to lobby the staffs of Congressmen and Senators who themselves have no time to befriend these citizens and learn their concerns. When the matters in question can be decided by locally elected officials whom individual citizens can reach easily and personally; citizens in a democracy should not be figures in a poll. They should not be faceless components of class or interest. They should have faces and voices, and for this reason, democracy works best among neighbors and within communities.

We wonder why voter turnouts are so low. Perhaps, it is because so many voters feel that they cannot have much say in a federal system that is so vast and perplexing. The perception of impotence yields indifference and a diminished sense of personal responsibility. "Let Washington do it" becomes a prevailing attitude, and democracy suffers.

A dearth of will or good intentions is not our problem. Most Members of Congress try to represent the American people faithfully and completely. In a given year, we listen to hundreds of constituents, and study thousands of disparate issues. We enjoy hours of congressional hearings.

Despite this mountain of work, only a limited number of our constituents can be witnesses at congressional hearings. This is what the late and great, Arthur Krock meant when he wrote, "The consent of the Governed, and other Democratic conceits."

Yet, the Federal Government has a proper role in which the voices of our people must be most clearly heard. It must insure the defense of the Nation. It must regulate interstate commerce. It must conduct foreign affairs. It is particularly adept at championing universal rights, and setting universal standards as long as these standards require little in the way of local adaptation. The Federal Government should support research and demonstration projects whose fruits can be locally accepted and adapted.

The Federal Government falters when it seeks to puppeteer services that should be adapted to individual needs and individual circumstances. When the issue is the care of the grandparent, shelter for an indigent family, or the proper relationship between a clinic and a hospital, the Federal Establishment becomes deaf and blind, because it cannot know the details. The circumstances are too variable to be comprehensible to a national government.

Even if the Congress could compute every permutation of local circumstance, we could never design a program to deal with them. By its very nature, Federal power is a wooly mammoth. Any effort to make this behemoth responsive to local conditions and needs requires an avalanche of stupifying paperwork. It means such an array of Federal chutes and ladders that administrative costs soar, confusion reigns, and unintended consequences become tomorrow's bad dreams.

The State fiscal assistance block grant is elegant in its simplicity. It repeals no existing program. It imposes nothing upon the States. It offers an alternative. If a State wants to design and direct any of the health, social or educational programs that are included in the bill, the State can elect to do so. If for any reason a State feels that it is unprepared to assume responsibility for a program, this program will continue in this State under preexisting laws and regulations and under Federal direction. In either case there is no reduction in funding over the 4-year authorization of the block grant. When a program is assumed by a State, the State receives the money that would have come to the State under the preexisting law. Local governments are protected by a requirement that the States pass through to local governments the same portion of program funds that they are receiving now.

Seventeen programs are included in this legislation. Although seven of these programs are smaller block grants that were included in the Omnibus Reconciliation Act of 1981, this new bill represents a substantial reduction in complexity and replaces a much larger legislative tome and an even larger codex of Federal regulations.

Presumably, some people will take such a change to be a repudiation of all that the original programs have meant for the public welfare. They would be wrong. The original programs have changed the landscape. Special constituencies and networks of providers have sprung up. In response to Federal programs, State and local governments have become more sophisticated administrators of social and health programs. The children have grown, and the parent should acknowledge this reality. The Federal Government spurred a development, but no good purpose is served by perpetual Federal control of local service programs.

The democratically elected governments of the States should be free to decide whether they are prepared to assume jurisdiction over their own affairs from the Federal bureaucracy. This legislation gives the States this right, and I see no reason to oppose it except from fear that the States will act irresponsibly. Such a sentiment would be unseemly for the Congress since we in the Congress and they in the statehouses are only elected representatives. In any event, there is every indication that the States have acted responsibly with the block grants that were passed in 1981.

President Reagan's State fiscal assistance block grant is a thoughtful proposal. I support it, and I urge my colleagues to support it.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Fiscal Assistance Block Grant Act".

FINDINGS AND STATEMENT OF PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds—

(1) The proliferation of Federal programs during the last two decades has caused Federal decisions to displace State and local decisions with respect to the provision of many health, social, educational, and community services. In consequence, the States have been induced to adopt spending patterns that often do not reflect the needs of their residents and are therefore wasteful and inefficient.

(2) In order to eliminate this wastefulness and inefficiency, it is essential to return to the States the power to make these decisions.

(3) Through previously enacted block grants, the Congress has adopted a policy to return this area of decisionmaking to the States. Return of the programs in those block grants was only a first step, and many excessively prescriptive Federal programs still remain.

(4) Therefore, to further this policy, these remaining Federal programs and the previously enacted block grants must be consolidated into a single block grant to the States.

(b) PURPOSE.—It is the purpose of this Act to consolidate into a single program of assistance to States the following health, social, educational, and community services programs:

Preventive Health and Health Services Block Grant, title XIX, part A, Public Health Service Act, 42 U.S.C. 300w et seq.;

Alcohol and Drug Abuse and Mental Health Services Block Grant, title XIX, part B, Public Health Service Act, 42 U.S.C. 300x et seq.;

Child Welfare Services, title IV, part B, Social Security Act, 42 U.S.C. 620 et seq., exclusive of research (but inclusive of training or demonstration) projects under section 426, 42 U.S.C. 626.

Work Incentive Program, title IV, part C, Social Security Act, 42 U.S.C. 620 et seq.;

Foster Care and Adoption Assistance, title IV, part E, Social Security Act, 42 U.S.C. 670 et seq.;

Maternal and Child Health Services Block Grant, title V, Social Security Act, 42 U.S.C. 701 et seq.;

Block Grants to States for Social Services, title XX, Social Security Act, 42 U.S.C. 1397 et seq.;

State grants under the Child Abuse Prevention and Treatment Act, exclusive of section 4(b) (Demonstration Grants and Projects), 42 U.S.C. 5103(b);

Runaway Youth Act (title III of the Juvenile Justice and Delinquency Prevention Act of 1974) 42 U.S.C. 5701 et seq., exclusive of the program of grants for the provision of a national communications system, 42 U.S.C. 5711(a) (penultimate sentence);

Community Services Block Grant Act, title VI, part B, Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. 9901 et seq.;

Low-Income Home Energy Assistance Act of 1981, title XXVI, Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. 8621 et seq.;

Education Consolidation and Improvement Act of 1981, ch. 2 (Consolidation of Federal Programs for Elementary and Secondary Education), 20 U.S.C. 3801 et seq., exclusive of section 583, 20 U.S.C. 3851;

Adult Education Act, 20 U.S.C. 1201 et seq., exclusive of sections 309A, 310, 311, and 314, 20 U.S.C. 1207a, 1208a, 1209, and 1211a;

Vocational Education Act of 1963, sections 101 through 150 (exclusive of section 103 as it relates to Indians), and section 195, 20 U.S.C. 2301 through 2380 (exclusive of § 2303 as it relates to Indians), and 2461;

Rehabilitation Act of 1973, exclusive of sections 130, 200 through 204, 313, and 400 through 405, 29 U.S.C. 701 et seq., exclusive of 750, 760 through 762a, 777c, and 780 through 785;

Smith Hughes Act of 1917, sections 1 through 18, 20 U.S.C. 11 through 28;

Housing and Community Development Act of 1974, with respect to uses for which amounts are provided under section 106(d), 42 U.S.C. 5306(d).; and

Consolidated Farm and Rural Development Act, sections 306(a)(1) (only with respect to water and waste disposal facilities and community facilities) and 306(a)(2), 7 U.S.C. 1926(a)(1) and 1926(a)(2).

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "State" means one of the several States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico.

(2) The term "Secretary" means the Secretary of the Treasury.

(3) The term "formula grant program" means a program identified in section 2(b) of this Act the governing statute of which—

(A) allocates appropriations among participating States, or their political subdivisions, in a manner that does not depend upon the exercise of discretion by an officer or agency of the Federal government, or

(B) in accordance with a statutory formula, provides for the reimbursement, in whole or in part, of expenditures of a participating State for program purposes.

(4) The term "fund" means the State Fiscal Assistance Block Grant Fund established by section 4 of this Act.

(5) The term "Indian tribe" means any Indian tribe, band, group, or nation, including Alaska Indians, Aleuts, or Eskimos, or any Alaskan Native village or regional or village corporation as defined in or established under the Alaska Native Claims Settlement Act, 43 U.S.C. 1601 et seq., which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act, 25 U.S.C. 450 et seq. or under chapter 67 of title 31, United States Code (pertaining to revenue sharing), or an organized group of Indians that reside in a State the laws of which recognize that group as an Indian tribe.

STATE FISCAL ASSISTANCE BLOCK GRANT FUND

SEC. 4. (a) ESTABLISHMENT OF FUND.—There is established on the books of the Treasury of the United States a fund to be known as the "State Fiscal Assistance Block Grant Fund". There shall be deposited in the fund the amounts appropriated for fiscal year 1984 for the programs identified by section 2(b) of this Act, and there shall be deposited an equivalent amount for each of the fiscal years 1985 through 1988, to be financed for each such fiscal year by the taxes imposed by subchapter A of chapter 51, subchapter A of chapter 52, and subchapter B of chapter 33, of the Internal Revenue Code of 1954. Amounts in the fund shall be available for the purposes of this Act to the extent of the amount of appropriations for fiscal year 1984 deposited in the fund, and, for fiscal years 1985 through 1988, as provided in appropriations acts.

(b) AMENDMENT OF PROGRAM STATUTE TO LIMIT APPROPRIATIONS AND ENTITLEMENTS.—The pertinent portion of each statute governing a program identified by section 2(b) of this Act is deemed to contain the following provision of law, which shall apply to it:

Notwithstanding any provision of law otherwise applicable to this program, no provision (except a provision that makes specific reference to section 4(b) of the State Fiscal Assistance Block Grant Act) shall be construed to authorize the appropriation of an amount for financial assistance to any of the 50 States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, or any other entity (except a territory of the United States other than the Commonwealth of Puerto Rico, or an Indian tribe), that exceeds, for a fiscal year beginning before fiscal year 1989, the amount appropriated for that purpose for fiscal year 1984. If such an entity would be entitled, for fiscal year 1984, to financial assistance under this program, the entitlement of all such entities entitled to assistance shall be proportionately reduced so as not to exceed the amount appropriated for this program for that fiscal year. For fiscal year 1985, and for each of the immediately succeeding three fiscal years, subject to the availability of appropriations therefore, such entitlement of each such entity shall be equal, for each such fiscal year, to the amount to which that entity became entitled for fiscal year 1984, and shall be payable only from the State Fiscal Assistance Block Grants Fund.

(c) LIMITATION ON FINANCIAL ASSISTANCE UNDER THIS ACT.—The amount of financial assistance provided under this Act to any State for fiscal year 1985 and for each of the immediately succeeding three fiscal years, with respect to any program identified in section 2(b), shall (in the case of a formula grant program) equal or (in the case of any other program) not exceed, the amount of such financial assistance provided to that State for fiscal year 1984.

(d) AVAILABILITY FOR FEDERAL PROGRAMS.—Upon the termination of the period in which a notice may be filed under section 5 for any fiscal year, the Secretary shall transfer the amounts in the fund that are available for that fiscal year, and not required for assistance pursuant to notices filed, to the accounts to which the fiscal year 1984 appropriations were made. Such amounts shall thereupon become available for the purposes for which they were originally intended.

ELECTION OF STATE TO PARTICIPATE

SEC. 5. (a) NOTICE TO THE SECRETARY.—

(1) FILING.—A State shall become entitled, for fiscal year 1984 or any of the immediately succeeding four fiscal years, to financial assistance under this Act, by filing with the Secretary, within 30 days after the date of enactment of this Act with respect to fiscal year 1984, or not less than 90 days prior to the beginning of that fiscal year with respect to each of the immediately succeeding four fiscal years, a notice that designates one or more of the programs identified by section 2(b) of this Act.

(2) AMENDMENT.—A State may amend a notice previously filed to designate additional programs identified by section 2(b) of this Act. Such amendment shall comply with the requirements prescribed for the filing of notices under this subsection.

(3) IRREVOCABILITY.—A State may not revoke a notice, or amendment of a notice, filed under this subsection, or withdraw the designation of a program contained in any such notice or amendment.

(b) EFFECT OF NOTICE.—

(1) CONTINUING APPLICATION.—A notice, or amendment of a notice, that is filed under subsection (a) of this section is effective for the fiscal year with respect to which it is filed and for each immediately succeeding fiscal year that begins prior to fiscal year 1989. For each such fiscal year the filing State shall not be eligible for assistance under any program designated in that notice.

(2) CONFORMING AMENDMENT TO PROGRAM STATUTE.—The pertinent portion of each statute governing a program identified by section 2(b) of this Act is deemed to contain the following provision of law:

A State that has designated this program by a notice filed under section 5 of the State Fiscal Assistance Block Grant Act shall not be eligible for assistance under this program for the fiscal year to which that designation applies, or for any immediately succeeding fiscal year that begins prior to fiscal year 1989.

ELIGIBILITY OF PARTICIPATING STATES

SEC. 6. (a) FORMULA GRANT PROGRAMS.—If a State designates a formula grant program by a notice under section 5 of this Act, the State shall (subject to sections 9 and 10 of

this Act) become eligible under this Act, for each fiscal year to which that designation applies, to an amount equal to the amount that it was or would otherwise be awarded under that program for fiscal year 1984 (as limited by sections 4(b) and 4(c), or otherwise reduced, by this Act).

(b) OTHER GRANT PROGRAMS.—(1) If a State so designates a program that is not a formula grant program, the State shall (subject to sections 9 and 10 of this Act) become eligible, for each such fiscal year, to an amount that is determined by multiplying the amount appropriated for that program for fiscal year 1984 (as limited by sections 4(b) and 4(c), or otherwise reduced, by this Act) by a ratio—

(A) the numerator of which is the average annual amount to which the State was awarded under that program for fiscal years 1981, 1982, and 1983, and

(B) the denominator of which is the average annual amount to which all of the States was awarded under that program for fiscal years 1981, 1982, and 1983.

(2)(A) SPECIAL RULE FOR WATER, WASTE DISPOSAL, AND COMMUNITY FACILITY LOANS.—Paragraph (1) of this subsection shall apply with respect to grants under section 306(a)(2) of the Consolidated Farm and Rural Development Act, 7 U.S.C. 1926(a)(2). With respect to loans under section 306(a)(1) of that program, 7 U.S.C. 1926(a)(1), a State shall be entitled to receive under this Act, for the fiscal year to which its designation of the Consolidated Farm and Rural Development Act applies, 57 percent of an amount that is equal to the amount of new obligational authority available under the program for fiscal year 1984 multiplied by the ratio of the average annual amount to which that State became entitled under section 306(a)(1) for fiscal years 1981, 1982, and 1983, to the average annual amounts to which all of the States became so entitled for those fiscal years. Such amount to be payable to the fund from the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act.

(B) CONFORMING AMENDMENT TO PROGRAM STATUTE.—Section 309A of the Consolidated Farm and Rural Development Act, 7 U.S.C. 1929a, is amended in subsection (g) by redesignating paragraph (8) as paragraph (9) and adding, immediately after paragraph (7), the following new paragraph:

"(8) to make payments to the State Fiscal Assistance Block Grant Fund in compliance with section 6(b)(2) of the State Fiscal Assistance Block Grant Act;".

(c) MIXED PROGRAMS.—If a program identified in section 2(b) of this Act contains within it, as subprograms, both a formula grant program and a program that is not a formula grant program, each such subprogram shall be treated as a separate program for purposes of the preceding subsections.

(d) ENTITIES WITHIN THE STATE.—For the purposes of determining, under the preceding subsections of this section, the amounts to which a State shall, or had previously, become entitled under any program, there are included amounts that a Federal agency awarded, or would have available to award, to (1) any political subdivision of that State, or (2) or any other public or private entity, except an Indian tribe.

PAYMENTS TO STATES

SEC. 7. (a) RATE OF PAYMENT.—In order to ensure compliance with section 203 of the Intergovernmental Cooperation Act of 1968, 42 U.S.C. 4213, the amount made available to a State under the preceding subsection shall be paid to the State at such rate as the Secretary by regulation shall prescribe.

(b) OVERPAYMENTS AND UNDERPAYMENTS.—The Secretary may reduce or increase the payment to any State under this Act for a fiscal year as may be appropriate to reflect an overpayment or underpayment under this Act for any prior fiscal year.

USE OF FUNDS

SEC. 8. (a) USE OF AMOUNTS FOR GENERAL PURPOSES OF PREDECESSOR PROGRAMS.—Except as otherwise provided by this section, a State may use amounts made available to it for a fiscal year by this Act only for (1) the same general purposes as are served by the programs identified by section 2(b) of this Act, and (2) administrative activities related to the efficient disbursement of those amounts, including the auditing of accounts, the training of State personnel, the planning and evaluation of programs for which those amounts are available, and the purchase of technical assistance in developing, implementing, and administering those programs.

(b) ALLOCATION OF BLOCK GRANT AMOUNTS AMONG PROGRAM PURPOSES.—In the case of a State that has filed a notice under section 5 of this Act that designates any such program for a fiscal year, the State shall use for the purposes of that program (as described in the preceding subsection), from the amount made available to it by this Act for that fiscal year with respect to that program, not less than—

(1) 80 percent of that amount, if that fiscal year is 1984,

(2) 60 percent of that amount, if that fiscal year is 1985,

(3) 40 percent of that amount, if that fiscal year is 1986, and

(4) 20 percent of that amount, if that fiscal year is 1987.

(c) AMOUNTS PAYABLE TO LOCAL GOVERNMENT.—For each fiscal year for which a program is designated in a notice filed by a State, the State shall provide to units of general local government and Indian tribes within that State an amount that bears the same proportion to the amount available to that State for that fiscal year under this Act with respect to that program, as the sum of the amounts that that State made available to such entities for fiscal years 1981, 1982, and 1983 bore to the sum of the amounts that State was awarded under that program for these fiscal years.

(d) AMOUNTS PAYABLE TO RURAL AREAS.—

(1) WATER, WASTE DISPOSAL, AND COMMUNITY FACILITY PROGRAMS.—For each fiscal year for which a program under the Consolidated Farm and Rural Development Act is designated in a notice filed by a State under section 5 of this Act, the State shall, for that fiscal year, provide to rural areas (exclusive of an area that includes a city or town having a population in excess of 10 thousand inhabitants) all of the amounts payable to the State under this Act for that fiscal year with respect to that program, for use exclusively for the purposes of that program.

(2) SMALL CITIES PROGRAM.—For each fiscal year for which a program under the Housing and Community Development Act of 1974 is designated in a notice filed by a State under section 5 of this Act, the State shall, for that fiscal year, provide to cities of 20 thousand or fewer in population that are not central cities of a metropolitan statistical area (as defined by the Office of Management and Budget), or to counties that apply on their behalf, the same proportion of funds as the average proportion provided to such cities and counties for fiscal years 1980 and 1981 under section 106(d) of that Act, except that the Secretary may revise any such proportion to reflect changes in the number or population of such cities relative to the number or population of all eligible cities and counties.

(e) ESTIMATES BY THE SECRETARY.—The Secretary shall inform each State of his estimate of how amounts provided to that State are to be divided in order that the State may comply with subsections (b), (c), and (d) of this section. The Secretary's estimate shall be conclusive, for purpose of determining compliance with the assurance of the State required by section 10 of this Act, unless the State demonstrates to the Secretary, under such procedures as he may by regulation prescribe, that the estimate is unsupported by substantial evidence. Amounts established by such estimate as payable by that State to other entities under those subsections shall be paid on a timely basis.

DESCRIPTION OF INTENDED EXPENDITURES

SEC. 9. (a) REPORT.—To become entitled to assistance under this Act for a fiscal year, a State must first prepare a report on the proposed use, during that fiscal year, of funds to be received under this Act, which report shall include—

(1) a statement of goals and objectives,

(2) information on the types of activities to be supported, geographic areas to be served, and categories or characteristics of individuals to be served, and

(3) the criteria and methods established for the distribution of the funds, including details on how the distribution of funds will be targeted to achieve the purposes of the programs identified in section 2(b) of this Act and will comply with section 8 of this Act.

Each report prepared for a fiscal year beginning after fiscal year 1984 shall include a description of how the State has met the goals, objectives, and needs in the use of funds for the previous fiscal year as identified in the report prepared under this subsection for the immediately preceding fiscal year.

(b) PUBLICATION.—The report prepared by a State under the preceding subsection, and any changes in that report, shall be made public within the State on a timely basis and in such manner as to facilities comments from interested local governments and other persons.

(c) LIMITATION ON PAYMENT.—No amount shall be made available to a State under this Act for a fiscal year until the State has solicited views of the public on the use and distribution of such amounts proposed by the State as set forth in the report prepared under subsection (a) of this section for that fiscal year.

ASSURANCE

SEC. 10. To become entitled to financial assistance under this Act for a fiscal year, a State must first submit to the Secretary an assurance that the State—

(1) has complied with the requirements of section 9 of this Act, and will expend amounts received under this Act in accordance with the report prepared under that section;

(2) will comply with the requirements of section 8, section 11, and section 14 of this Act,

(3) will, for the purpose of evaluating and reviewing the use of assistance received

under this Act, provide the Secretary and the Comptroller General with access to any books, accounts, records, correspondence, or other documents that are related to such financial assistance and that are in the control of that State, its political subdivisions, or any grantees of that State or its political subdivisions, and

(4) has consulted with representative officials of units of general local government within the State concerning major policy and program choices on the use of amounts to be provided under this Act.

POST-EXPENDITURE REPORTS, FISCAL CONTROLS, AND AUDITS

SEC. 11. (a) POST-EXPENDITURE REPORT.—A State shall prepare and make public an annual report on activities assisted under this Act. Each such report shall—

(1) describe the purposes for which amounts received under this Act were expended;

(2) contain sufficient information to enable compliance with the assurance provided under section 10 to be ascertained.

(b) FISCAL CONTROLS.—A State shall establish fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of an accounting for amounts paid to the State under this Act.

(c) AUDITS.—A State shall, at least biennially, audit its expenditures from amounts made available under this Act. Such audits shall be conducted by an entity independent of any agency administering a program assisted under this Act and in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. Within 30 days following the date each audit is completed, the State shall publish the audit. The State shall transmit a copy of that audit to the Secretary.

REPAYMENT OF ERRONEOUS EXPENDITURES

SEC. 12. A State shall repay (and the Secretary may offset against any amounts payable to the State under this Act or any program identified in section 2(b) of this Act) any amounts paid to the Secretary under this Act and found by the Secretary, after adequate notice and opportunity for a hearing within the State, not to have been expended in accordance with the requirements of this Act.

ACTION OF SECRETARY UPON STATE NONCOMPLIANCE

SEC. 13. If the Secretary, after reasonable notice and an opportunity for a hearing to the State, finds that the State has failed to comply with any requirement under this Act, he shall notify the State that some or all further payments, as the Secretary may find appropriate, will not be made to the State under this Act until he is satisfied that there will no longer be any such failure to comply, and until he is so satisfied he shall make no such further payments to the State.

NONDISCRIMINATION

SEC. 14. (a)(1) APPLICATION OF CURRENT LAW.—For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities that receive Federal financial assistance under this Act are deemed programs and activities receiving Federal financial assistance.

(2) ADDITIONAL PROHIBITION AGAINST SEX DISCRIMINATION.—No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity assisted in whole or in part under this Act: *Provided*, That this paragraph shall not be construed to prohibit any conduct or activities permitted under title IX of the Education Amendments of 1972.

(b) ENFORCEMENT.—Whenever the Secretary finds that a State, or an entity that has received a payment from a State under this Act, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the executive officer fails or refuses to secure compliance, the Secretary may—

(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

(3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

FEDERAL ADMINISTRATION

SEC. 15. (a) Federal agencies shall reduce or conclude their administrative activities, as may be appropriate, with respect to the programs identified in section 2(b) of this Act. Necessary expenses related to action under this section, and for the administration of this Act, shall be charged to appropriations available to the agency for its salaries and expenses, rather than to appropriations for such identified programs or this Act.

(b) Determinations relating to compliance with sections 8(a)(1) and (2) of this Act shall be made by the department responsible for the administration of the program involved, and all such determinations shall be accepted by the Secretary as final.

STATE FISCAL ASSISTANCE BLOCK GRANT ACT: SECTIONAL SUMMARY

SHORT TITLE

SECTION 1. The Act may be cited as the "State Fiscal Assistance Block Grant Act".

FINDING AND STATEMENT OF PURPOSE

SEC. 2. The Congress recognizes that over the last two decades Federal programs have caused Federal decisions to displace State and local decisions with respect to the provision of many health, social, educational, and community services. This displacement has induced waste and inefficiency. Accordingly, the Congress intends to continue to return decision-making to the States by enacting further legislation to consolidate Federal health, social, educational, and community services programs into block grants. The following programs are consolidated:

Preventive Health and Health Services Block Grant;

Alcohol and Drug Abuse and Mental Health Services Block Grant;

Child Welfare Services (exclusive of research);

Work Incentive Program;

Foster Care and Adoption Assistance;

Maternal and Child Health Services Block Grant;

Block Grants to States for Social Services;

State grants under the Child Abuse Prevention and Treatment Act;

Runaway Youth Act (exclusive of the national "hot-line");

Community Services Block Grant Act;

Low-Income Home Energy Assistance Act of 1981;

Education Consolidation and Improvement Act of 1981 (with respect to the consolidation of elementary and secondary education programs);

Adult Education Act;

Vocational Education Act of 1963 (exclusive of certain national activities);

Rehabilitation Act of 1973 (exclusive of certain national activities);

Smith Hughes Act of 1917;

Housing and Community Development Act of 1974 (with respect to the small cities program); and

Consolidated Farm and Rural Development Act (with respect to programs for water and waste disposal facilities and community facilities).

DEFINITIONS

SEC. 3. Defines—

"State" to include the District of Columbia and Puerto Rico;

"Secretary" to mean the Secretary of the Treasury;

"Formula grant program" to mean, in substance, a program that allocates appropriations among States or their political subdivisions in accordance with a statutory direction that does not require the exercise of administrative discretion;

"Fund" to mean the State Fiscal Assistance Block Grant Fund established by section 4; and

"Indian tribe" to mean, in substance, a federally or State recognized Indian tribe, including Alaska Indians, Aleuts, or Eskimos, and Alaskan Native villages.

STATE FISCAL ASSISTANCE BLOCK GRANT FUND

SEC. 4(a). Establishment of fund. Subsection (a) of section 4 establishes a "State Fiscal Assistance Block Grant Fund", into which will be deposited, for fiscal year 1984, the amounts appropriated for each of the programs consolidated by the SFABG Act. For each of the fiscal years 1985 through 1988, an equal amount will be deposited into the fund. These appropriated amounts will be financed from taxes on alcohol, tobacco, and communications. The fund will be the exclusive source of financing for the SFABG Act and the programs that the Act consolidates (whether or not a State, as explained below, elects to participate in the Act with respect to any of those programs).

SEC. 4(b). Amendment of program statute to limit appropriations and entitlements. Subsection (b) of section 4 has the effect of amending each of the statutes governing the individual programs consolidated in the Act to place a ceiling, based on the FY 1984 appropriation for that program, on the amount authorized to be appropriated for each of these programs by the statutes that established them. For fiscal years 1985 through 1988 the provision would also establish a State's annual entitlement under

any formula grant program covered by the SFABG Act (whether or not a State has elected to participate in that program through that Act) as its share of the FY 1984 appropriation, subject to the availability of appropriations for those fiscal years. The provision would also extinguish any entitlement that might otherwise arise under a program in excess of this ceiling.

SEC. 4(c). Limitation on financial assistance under this Act. Section 4(c) limits amounts available under SFABG Act to the ceilings previously described.

SEC. 4(d). Availability for Federal programs. Section 4(d) makes amounts in the fund available for the operation of the programs for which those amounts were appropriated, insofar as those programs are conducted with respect to a State that has not designated them for consolidation under the SFABG Act.

ELECTION OF STATE TO PARTICIPATE

SEC. 5(a). Notice to the Secretary. Section 5(a) entitles a State to participate in the SFABG Act if it notifies the Secretary not less than 30 days prior to the beginning of the fiscal year with respect to FY 1984, or not less than 90 days prior to the beginning of each subsequent fiscal year (before FY 1989), and designates (for the year to which the notice applies) one or more of the programs (identified in section 2(b)) to be funded under the Act. Filing of a notice is irrevocable with respect to the programs designated, i.e., a State may not withdraw the designation of a program that it has once designated. Nevertheless, a State may amend a notice filed for a fiscal year, in order to designate additional programs for some subsequent fiscal year.

SEC. 5(b). Effect of notice. Designation of a program in a State notice is effective for the fiscal year of the notice and each successive fiscal year of the SFABG Act.

ELIGIBILITY OF PARTICIPATING STATES

SEC. 6(a). Formula grant programs. If a State designates a formula grant program in its notice under the SFABG Act, it becomes eligible, for the pertinent fiscal years, to receive the financial assistance that it would have received under that program had the program not been designated, but to receive that assistance under the SFABG Act.

SEC. 6(b). Other grant programs. If a State designates a project grant program, it receives, for each pertinent fiscal year, an amount that is determined by multiplying the amount appropriated for the program for FY 1984 by a fraction whose numerator is the average annual amount that the State was awarded under the program for fiscal years 1981 through 1983, and those denominator is the average annual amount that all States were awarded under the program during those three fiscal years.

The section contains a special rule for water, waste disposal, and community facility loans under the Consolidated Farm and Rural Development Act. A State designating that Act becomes entitled, with respect to the loan portion of the program, to an amount equal to 57 percent of the loan program's FY 1984 obligational authority multiplied by the ratio of (1) the average annual amount to which the State became entitled under the program for fiscal years 1981 through 1983, to (2) the average annual amounts to which all States became entitled under the program during that period.

SEC. 6(c). Mixed programs. If a designated program contains project and formula grant subprograms, the amount of a State's entitlement will be calculated under the Act as though each of those subprograms were a separate program.

SEC. 6(d). Entities within the State. The amounts to which a State is entitled under the Act are determined by taking into account amounts paid, by the designated programs, to political subdivisions or other entities within the State.

PAYMENTS TO STATES

SEC. 7. Payments to States under the SFABG Act shall be made in accordance with the Secretary's regulations (consistent with the objectives of section 203 of the Intergovernmental Cooperation Act (pertaining to providing federal financial assistance to a State roughly contemporaneously with a State's need to expend such assistance)). The Secretary may reduce or increase the payment to any State under the Act to take into account previous overpayments or underpayments under the Act.

USE OF FUNDS

SEC. 8(a). Use of amounts for general purposes of predecessor programs. A State may use amounts received under the Act for any of the purposes of the programs that the SFABG Act consolidates, and related administrative activities, even though the State has not designated one or more of those programs. A State is limited in this regard, however, by section 8(b), described below.

SEC. 8(b). Allocation of block grant amounts among program purposes. For fiscal years 1984, 1985, 1986, and 1987, a State must use, respectively, 80, 60, 40, and 20 percent of the amounts received under the SFABG Act with respect to a given program for the purposes of that program. The remaining amounts may be used for the purposes of any of the other programs, whether or not designated by the State for inclusion within the Act.

SEC. 8(c). Amounts payable to local government. Section 8(c) requires each State to pass through to units of general local government and Indian tribes, from SFABG amounts received for a fiscal year, the same proportion as the State maintained with respect to those entities during the fiscal year 1981-1983 base period.

SEC. 8(d). Amounts payable to rural areas. A State that designates the Consolidated Farm and Rural Development Act program must expend all of the funds received with respect to that program in rural areas (exclusive of an area that includes a city or town having a population in excess of 10 thousand inhabitants), and exclusively for the purposes of the designated program.

A State that designates the Housing and Community Development Act of 1974 must, for each fiscal year to which the designation applies, provide to cities and counties with 20 thousand or fewer population the same proporation of funds as the average proportion that it provided to such cities and counties for fiscal years 1980 and 1981. It is estimated that adherence to this requirement by participating States will result, nationwide, in the expenditure in rural areas of not less than 70 percent of the amounts available under that program for each fiscal year.

SEC. 8(e). Estimates by the Secretary. The Secretary is required to inform each State of how it must divide amounts provided to it under the SFABG Act in order to comply with section 8.

DESCRIPTION OF INTENDED EXPENDITURES

SEC. 9. Requires a State, to become entitled to financial assistance under the SFABG Act, to prepare, publish, and solicit public comment on, a pre-expenditure report describing how the State will use its SFABG funds.

ASSURANCE

SEC. 10. Requires a State, to become entitled to financial assistance under the SFABG Act, to submit four assurances to the Secretary: that (1) it has prepared and will abide by its pre-expenditure report, (2) it will use funds as the Act requires, (3) it will provide the Secretary and the Comptroller General with access to records relevant to that assistance, and (4) it has consulted with local governmental officials on major policy and program choices on the use of block grant funds.

POSTEXPENDITURE REPORTS, FISCAL CONTROLS, AND AUDITS

SEC. 11. Requires a State to prepare and publish an annual report on activities assisted under the SFABG Act, to establish necessary fiscal control and fund accounting procedures to assure proper disbursal of, and accounting for, funds received under the Act, and to conduct, at least biennially, an independent audit of its expenditures under the Act, and to publish the audit within 30 days of its completion.

REPAYMENT OF ERRONEOUS EXPENDITURES

SEC. 12. Requires the State to repay amounts erroneously expended under the SFABG Act and authorizes the Secretary, after notice and hearing, to offset such amounts against future payments under the Act.

ACTION OF SECRETARY UPON STATE NONCOMPLIANCE

SEC. 13. Authorizes the Secretary, after notice and hearing, to withhold SFABG Act funds from a State that has failed to comply with the Act's requirements, until he is satisfied that the State will, in future, comply.

NONDISCRIMINATION

SEC. 14. Existing prohibitions under general law with respect to race, color, national origin, age, handicap, and sex apply to the SFABG Act. In addition, the section strengthens the prohibition against discrimination on the basis of sex in the use of SFABG Act funds. If the Secretary believes that a State, or an entity that has received such funds from a State, has violated any of these prohibitions, he must first give the State 60 days to remedy that violation before invoking Federal enforcement.

FEDERAL ADMINISTRATION

SEC. 15. Provides necessary authority for a Federal agency to close out or reduce its activities with respect to a program that has been consolidated, should this become necessary as a result of the consolidation. Necessary expenses for the administration of the SFABG Act (including such close-out or reduction of consolidated programs) would be charged to appropriations available to the agency for its salaries and expenses.

The section also provides that determinations relating to compliance with provisions of the SFABG Act relating to the uses of funds under the Act shall be made by the department responsible for the administration of the program involved, and that the Secretary shall accept all such determinations as final.

By Mr. WARNER (for himself, Mr. PRESSLER, Mr. INOUYE, Mr.

SASSER, Mr. KASTEN, Mr. GOLDWATER, Mr. FORD, Mr. DECONCINI, Mr. MATSUNAGA, Mr. EXON, Mr. BURDICK, and Mr. MELCHER):

S. 764. A bill to assure the continued protection of the traveling public in the marketing of air transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIR TRAVELERS SECURITY ACT OF 1983

Mr. WARNER. Mr. President, today, I am introducing along with Senators PRESSLER, INOUYE, SASSER, and others, the Air Travelers Security Act of 1983, a bill to assure the continued protection of the traveling public in the marketing of air transportation, and for other purposes.

For those concerned about protecting the traveling public's consumer rights and promoting tourism as an industry employing 4.6 million Americans, this is a vital piece of legislation.

The purpose of this bill is to permit the airline industry to retain intercarrier agreements designed to provide the industry with an efficient, shared distribution system of retail agents. This system is of enormous benefit to the industry and the traveling public. The agreements which make this system possible provide a centralized process for accreditation and appointment of travel agents that is extraordinarily efficient.

Because all travel agents must meet a specific set of professional qualifications, related to experience and financial integrity and which are acceptable to the airlines, the airline parties to the agreements are enabled to accept each others agents with a minimum of expense. The airlines also are able to recognize and honor the tickets issued by such agents, facilitating the provision of interline transportation throughout the United States and the world.

The integrated nationwide network of travel agents that is produced by the agreements has evolved, with the continuing oversight and approval of the Civil Aeronautics Board (CAB), over a period of 40 years.

This system has served the airlines and the public very well.

The number of travel agent locations has grown steadily and rapidly to the point where there are now more than 21,000 agency locations throughout the United States. The agency industry has experienced substantial entry by new competitors and great diversity in the marketing approaches taken by individual agents. Agency failures occur at an extremely low rate, providing the public with greater security in dealing with the airlines through their agents and providing the airlines with a stable distribution network that now accounts for more than half of all airline sales.

The agency system created by the agreements has promoted competition in many important ways and in particular has contributed to the ability of the airline industry to make the transition to a less regulated environment as contemplated by the Airline Deregulation Act of 1978.

In an increasingly confusing, often chaotic market, the fully representative industy travel agent is a source of complete and objective information for consumers without parallel in other industries. The industry agent has likewise made it possible for airlines to enter new markets with maximum efficiency by providing new entrants with a preexisting network of agents that already represent the new carrier.

The CAB recently completed a lengthy investigation of the airlines marketing agreements for both domestic and international sales. An administrative law judge, who presided over the trial of the case, recommended that the key feature of the agreements be retained. The judge heard the testimony through 90 hearing days and personally studied all of the evidence and briefs objectively.

The judge held that the provisions requiring all agents to be accredited under the agreed-to standards was essential to the efficient maintenance of an integrated air transport network, especially one which would continue to provide interline transportation, a very important public benefit.

The judge also found that the accreditation system should apply only to persons acting as agents on behalf of the airlines, to permit possible entry into the retail ticketing business by firms interested in a nonagent or traditional retailer relationship with the airlines.

Finally, the judge concluded that the agreements must continue to receive antitrust immunity, as they have for the past four decades, in order to continue operating. This immunity protects the airlines from civil and criminal attack with respect to the agreements that the Government has administratively approved as in the public interest.

The airline parties to the agreements, the travel agency industry, and one firm that appeared to seek entry as a ticketing retailer accepted the judge's approach as reasonable and balanced. It sustained the vital elements of the agency network while allowing new opportunities for innovation.

The CAB itself, by a divided vote, overturned the recommendations of the administrative law judge. The board concluded that the provisions requiring all agents to be accredited should terminate immediately in cases where two or more airlines agreed to allow interline sales by unaccredited agents across the lines.

The board also disapproved, as of January 1, 1985, the standards designed to limit accreditation to persons interested primarily in engaging in public business as agents for promotion and sale of airlines services, as distinct from customers interested primarily in dealing for their own account and using agency accreditation as a device to obtain discounts from prices that airlines would otherwise charge.

The board stripped all of the carrier marketing agreements of all antitrust immunity as of January 1, 1985.

The basis for the board's objection to the judge's recommendations are entirely theoretical. The board saw the central issue as one of deregulation versus regulation. It had earlier concluded that the conferral of antitrust immunity was essentially inconsistent with deregulation, even though the Airline Deregulation Act continued the authority of the Board to grant such immunity. The Board's desire to strip the immunity from the agreements led it to eliminate provisions that it believed, for the same theoretical reasons, were not sustainable without it, regardless of the public transportation benefits that those provisions secured.

The Board also interpreted the agreements-review section of the Federal Aviation Act (section 412) in a way that placed an impossible burden on proponents of the agreements. This is clearly revealed in the following passage from the Board's opinion:

> The dominance of travel agents in ticketing airline services is not in itself objectionable. If this market position were achieved or persists solely because of the efficiencies of the existing distribution system vis-a-vis other options for purchasing tickets, there would be little basis for challenge under antitrust standards. However, with the exclusivity provisions in place we cannot find that this is the result of the normal operation of market forces but must instead presume that present industry-wide agreements are dictating marketing structure.

Under this rationale, as long as the mandatory accreditation rules were a reality, as they have been for decades, agreement supporters could never prove that agreements were beneficial.

This is neither the approach nor the result that the Congress intended when the agreement-review and antitrust immunity sections of the act were amended in 1978 and 1979. The Board's recognized enthusiasm for completing the deregulation process must be measured and overseen by the Congress when matters affecting the basic structure of the industry are involved.

This is especially important where the board itself is facing near-term extinction and will thus not be available to deal with long-term consequences of its decision.

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Conversely, the deadlines established by the board's decision effectively foreclose any successor agency from reviewing the board's action in a timely manner.

The Congress will soon address the complex, long-term decisions related to sunset of the board, while the airline industry continues to be battered by recession and other economic problems. This is not the time to risk disruption of the marketing system and the tremendous public benefits that it has produced.

The bill I am introducing today restores the well-reasoned and fact-based result proposed by the administrative law judge. It adds two new sections to the Federal Aviation Act. The first establishes congressional policy with respect to the airline marketing agreements. It recognizes the important contribution they make to the traveling public and to efficiency and competition in the airline industry.

The second section directs the CAB to vacate its order and to substitute the order recommended by the administrative law judge.

Among the groups which have endorsed this legislation are a wide range of industry and consumer groups including the American Society of Travel Agents, Inc., the Association of Retail Travel Agents, the Air Travel Association, the American Automobile Association, Sheraton Hotels, Norwegian Caribbean Lines, the National Tour Association, and the Senate Commerce Committee Travel and Tourism Industry Advisory Council.

This bill is being sponsored in the House of Representatives by Congressman GLENN ANDERSON, and by the cochairmen of the U.S. Congressional Travel and Tourism Caucus, as well as some 15 additional cosponsors.

Mr. President, I am grateful for the support this legislation has received from my colleagues in the Senate, and I would urge all Senators who are in the least concerned about the rights and security of the American traveling public to join in support of this bill.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Federal Aviation Act of 1958 (49 U.S.C. 1301 seq.) is amended by adding the following new sections at the end of Title IV thereof:

SEC. 420. CONGRESSIONAL DECLARATION OF POLICY.

The Congress hereby finds and declares—

That the maintenance of competency, honesty and efficiency in the marketing and sale of passenger air transportation is an important feature of the national integrated air transportation system which must be encouraged and preserved for the benefit of the traveling public.

That mutual acceptance by air carriers and foreign air carriers of persons engaged as sales agents in the marketing and sale of passenger air transportation is necessary to maintain a nationwide network of qualified sales agents and requires cooperation among such carriers.

That the national interest in air travel, consumer welfare, tourism promotion, professionalism and financial stability in the marketing and sale of passenger air transportation requires continuation of carrier cooperative working arrangements as to assure that such goals are met.

That it is in the public interest that carrier cooperative working arrangements for the marketing of passenger air transportation be subject to continuing administrative oversight with respect to compliance with the antitrust laws.

SEC. 421. The Board is directed to vacate Order 82-12-85, adopted December 16, 1982, and to adopt as its final decision in Docket 36595 the Recommended Order accompanying the Initial Decision of the Administrative Law Judge therein, dated June 1, 1982.

● Mr. PRESSLER. Mr. President, I would like to urge my Senate colleagues to join me in support of this important legislation. This bill is extremely important to our air transportation system and the American consumer.

I am sponsoring this legislation today because I feel it is absolutely essential that our Nation's traveling public continue to receive the most efficiently planned, least expensive air transportation available. I believe the present system of accredited travel agents does that job better than any alternative system available to us at this time.

I am very concerned about the possible adverse effects that the recent CAB decision will have on that system. At a time when airline deregulation has caused such great havoc in air travel, the traveling public has to rely more heavily than ever on professionally trained and accredited travel agents. Opening up this airline ticket sales to nonprofessional retailers at this time would make an already bad situation much worse. I am going to fight to prevent that from happening by pushing hard for passage of this vitally important legislation. I will strongly urge my colleagues in Congress to do the same.

The legislation we are introducing still retains the competitive market elements that we all agree should be the basis for any industry, but it also includes assurances of quality service at the lowest possible fares that the traveling consumer has the right to expect.

This bill simply vacates the CAB order and adopts the decision of an administrative law judge (ALJ) who spent 3 years of his life studying and analyzing the arguments and facts presented by all parties involved.

His decision provides for free entry into the retail ticketing business by those firms or individuals interested in nonagent or traditional retailer relationships with the airlines.

The ALJ's decision also provided for the Government agency that will have jurisdiction over the airlines agreements to have the power to review at any time, the antitrust immunity provisions contained in this vital legislation.

While containing these safeguards, this bill will help retain the kind of excellent low-cost service that professionally trained travel agents so ably provide us today. Coming from a State like South Dakota, where airlines deregulation has been especially harmful, I am keenly aware of how important a role our able South Dakota travel agents play in returning some sanity to a very confusing system.

So once again, Mr. President, I would urge my Senate colleagues to join me in support of this important legislation. If we are to be fair to the American consumer, this legislation is not just good sense—it is a necessity.●

● Mr. SASSER. Mr. President, I rise today to cosponsor S. 764, the Air Travelers Security Act of 1983. I commend my distinguished colleagues, Senator WARNER, Senator INOUYE, Senator FORD, Senator PRESSLER, and others for the introduction of S. 764, and I urge early Senate action on this most important measure.

Mr. President, our airline ticketing system is the best in the world. The more than 21,000 travel agencies located throughout the country provide the American traveler with excellent service. Yet this ticketing system is being jeopardized by a recent decision of the Civil Aeronautics Board that would have the effect of voiding current airline marketing agreements for both domestic and international ticket sales.

The CAB has taken this unfortunate action despite the findings of Administrative Law Judge Ronnie A. Yoder who recommended that travel agents should continue to be accredited in the current fashion even while there could be some new innovative opportunities for ticket marketing. The travel agency industry and the other parties to CAB marketing investigation presided over by Judge Yoder accepted his findings as balanced and equitable. Yet, despite this, the Civil Aeronautics Board (CAB) vacated this administrative judgment and, in effect, has subjected the current airline ticketing system to attack and perhaps eventual destruction.

I am concerned by this CAB action. It places the livelihood of all travel agents in jeopardy, and it raises the possibility that the quality of our airline ticketing system will decline dramatically.

I have already witnessed major declines in the volume and quality of air service to my own State of Tennessee

since the advent of airline deregulation. The number of flights serving many major centers in Tennessee has dropped and airline ticket prices have increased dramatically in several cases.

I do not wish to see our current airline ticketing system jeopardized by the recent CAB decision, a decision by an agency that will soon cease to exist and not be able to evaluate the consequences of their unfortunate decision.

Our travel industry is a strong and vibrant part of our economy. And our Nation's more than 125,000 travel agents have done an excellent job in providing quality service to the domestic and foreign traveler. The passage of S. 764 will continue to insure high-quality travel services for the American traveler. I urge quick enactment of S. 764.●

By Mrs. HAWKINS:

S. 765. A bill to amend the Consolidated Farm and Rural Development Act to reauthorize loans made, insured, or guaranteed under such act for the 1984 through 1986 fiscal years, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARMERS HOME ADMINISTRATION

● Mrs. HAWKINS. Mr. President, today, I am introducing legislation reauthorizing most of the programs managed by the Farmers Home Administration. This bill was approved unanimously by the Senate Agriculture Committee but was never brought to the floor for a vote. I believe we should build on last year's work by making this legislation the starting point in the continued debate over the appropriate Federal response to difficult credit conditions facing some low-income farmers today.

While this legislation reflects the testimony received by representatives of farm organizations, agriculture lenders, rural communities, and the administration when they appeared in 1982 before the Subcommittee on Agricultural Credit and Rural Electrification, I have scheduled new hearings on this and related legislation for March 23, 1983. It may well be that refinements, despite the unanimous vote, can be made in last year's bill since credit conditions and actual program experience have changed over the last year.

Mr. President, I ask unanimous consent that a copy of my bill, and a section-by-section summary, be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 765

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consolidated Farm and Rural Development Act Amendments of 1983".

WATER AND WASTE DISPOSAL FACILITY LOANS

SEC. 2. Section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)), is amended—

(1) by striking out "and" after "1 per centum;";

(2) by striking out "the poverty line prescribed by the Office of Management and Budget as adjusted under section 624 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971d)" and inserting in lieu thereof "80 per centum of the statewide nonmetropolitan median family income"; and

(3) by inserting before the period at the end thereof the following: "; and not in excess of 7 per centum per annum on loans for such facilities which do not qualify for the 5 per centum per annum interest rate and which are for the upgrading of existing facilities or construction of new facilities as required to meet applicable health or sanitary standards in areas where the median family income of the persons to be served by the facility is between 80 per centum and 100 per centum (both figures inclusive) of the statewide nonmetropolitan median family income".

BUSINESS AND INDUSTRY LOANS

SEC. 3. (a)(1) Paragraph (5) of section 310B (d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 (d)(5)) is amended to read as follows:

"(5) No loan commitment may be issued under this section, section 304, or section 312 unless the applicant has invested, or is committed to invest, as equity an amount of not less than 20 per centum in the business or industrial enterprise for which purpose the loan is to be made."; and

(2) Section 310B (d) of such Act is further amended by adding at the end thereof the following new paragraph:

"(7)(A) In making, insuring, or guaranteeing loans under this section, the Secretary shall accord highest priority to applications in connection with business or industrial enterprises that are to be located in areas of economic distress.

"(B) For purposes of subparagraph (A), an area is an area of economic distress if—

"(i) the median family income for families living in the area is below the poverty line prescribed by the Office of Management and Budget; or

"(ii) at least 70 per centum of the households living in the area have incomes below 80 per centum of the statewide nonmetropolitan median family income; or

"(iii) the average rate of unemployment in such area for the most recent twenty-four-month period for which data is available was at least 150 per centum of the average national rate of unemployment for such period.".

(b) Section 344 of such Act (7 U.S.C. 1992) is amended—

(1) by striking out "10 per centum" in the first sentence and inserting in lieu thereof "20 per centum"; and

(2) by striking out "90 per centum" in the second sentence and inserting in lieu thereof "80 per centum".

LOW-INCOME FARM OWNERSHIP LOANS

SEC. 4. Section 310D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934) is amended by adding at the end thereof the following new subsection:

"(c)(1) Upon the disposition of property acquired with asistance received by a borrower under this section, the Secretary shall recapture all or a portion of such assistance.

"(2) Notwithstanding any other provision of law, any assistance provided to a borrower under this section whenever rendered shall constitute a debt secured by the secruty instrument given by the borrower to the Secretary to the extent that the Secretary may recapture such assistance.".

REVIEW OF BORROWERS' STATUS

SEC. 5. Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by adding at the end thereof the following new subsection:

"(c) In any case in which an applicant has received loans under this subtitle in each of the five calendar years preceding the year in which he has made application for a new or additional loan under this subtitle, the Secretary shall, before approving any such loan, review the financial status of the applicant, including—

"(1) any record of improvement in the applicant's financial condition; and

"(2) the likelihood that providing additional credit under this subtitle will enable the applicant to obtain sufficient credit from private commercial sources in subsequent years.".

AUTHORITY TO REQUIRE THE PURCHASE OF CROP INSURANCE

SEC. 6. (a) Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) If crop insurance is available to an applicant for a loan made or insured under this subtitle, the Secretary may require, as a condition of eligibility for such loan, that the applicant obtain such insurance on crops which has been planted or are to be planted and which will provide substantial security for the loan.".

(b) Section 324 of such Act (7 U.S.C. 1964) is amended by adding at the end thereof the following new subsection:

"(f) If crop insurance is available to an applicant for a loan made or insured under this subtitle, the Secretary may require, as a condition of eligibility for such loan, that the applicant obtain such insurance on crops which has been planted or are to be planted and which will provide substantial security for the loan.".

OIL AND GAS LEASING PROCEEDS

SEC. 7. (a) The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by inserting after section 333 (7 U.S.C. 1993) the following new section:

"SEC. 333A. The Secretary shall permit a borrower of an ownership, operating, or emergency loan under this title to use proceeds from the leasing of oil or gas rights, or both, or other mineral rights, on real property securing the loan, to make prospective payments on the loan.".

(b) Section 204 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. 1946 note) is amended by adding at the end thereof the following new subsection:

"(e) The Secretary shall permit a borrower of a loan under this title to use proceeds from the leasing of oil or gas rights, or both, or other mineral rights, on the real property securing the loan, to make prospective payments on the loan.".

AUTHORIZATION OF INSURED AND GUARANTEED LOAN AMOUNTS

SEC. 8. (a) Subsection (b) of section 346 of the Consolidated Farm and Rural Develop-

ment Act (7 U.S.C. 1994(b)) is amended to read as follows:

"(b)(1)(A) To the extent provided in advance in appropriation Acts, loans for each of the fiscal years 1984, 1985, and 1986 are authorized to be insured, or made to be sold and insured, or guaranteed under the Agricultural Credit Insurance Fund as follows:

"(i) real estate loans, $818,000,000, including—

"(I) $775,000,000 for farm ownership loans of which $700,000,000 may be for insured loans and $75,000,00 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; and

"(II) $31,000,000 for water development, use, and conservation loans of which $25,000,000 may be for insured loans and $6,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories;

"(ii) operating loans, $1,600,000,000, of which $1,547,000,000 may be for insured loans and $53,000,000 may be for guaranteed loans with authority to transfer 25 per centum of such amounts between categories; and

"(iii) emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters.

"(B) For purposes of subparagraph (A), not less than 15 per centum of the insured loans authorized for farm ownership purposes and not less than 15 per centum of the insured loans authorized for farm operating purposes shall be for low-income, limited-resource borrowers.

"(2) To the extent provided in advance in appropriation Acts, loans for each of the fiscal years 1984, 1985, and 1986 are authorized to be insured, or made to be sold and insured, or guaranteed under the Rural Development Insurance Fund as follows:

"(A) insured water and waste disposal loans, $300,000,000;

"(B) insured community facility loans, $130,000,000; and

"(C) guaranteed industrial development loans, $400,000,000.".

(b) Subsection (d) of section 346 of such Act is repealed.

DEPARTMENT OF AGRICULTURE STUDIES

SEC. 9. (a)(1) The Secretary of Agriculture shall conduct a study of the practicality and methods of assisting and encouraging borrowers of Farmers Home Administration farm loans to improve their knowledge and use of various marketing techniques.

(2) No later than one hundred and twenty days after the date of enactment of this Act, the Secretary shall submit a report on the results of the study and the Secretary's recommendations for implementing a program consistent with the findings of the study to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

(b)(1) The Secretary of Agriculture shall conduct a study of the practicality and cost-effectiveness of providing individual on-site water and waste treatment systems in rural areas rather than central or community systems.

(2) No later than one hundred and twenty days after the date of enactment of this Act, the Secretary shall submit a report on the results of the study to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

(c)(1) The Secretary of Agriculture shall conduct a study of the potential impact of the use of variable interest rates for loans made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.). In carrying out such study, the Secretary shall consider the appropriate index or indices to be used in determining the variations in such interest rates so as to provide the loans at nonsubsidized rates.

(2) No later than one hundred and twenty days after the date of enactment of this Act, the Secretary shall submit a report on the results of the study to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry.

EFFECTIVE DATES

SEC. 10. (a) Except as provided in subsection (b), the amendments made by this Act shall become effective on October 1, 1983.

(b) Sections 7 and 9 of this Act shall become effective on the date of enactment of this Act.

Summary

(Purpose: To amend Consolidated Farm and Rural Development Act and reauthorize programs as follows:)

Section 1. Cites Act as "Consolidated Farm and Rural Development Act Amendments of 1983".

Sec. 2. (1) Changes standard of eligibility for 5 percent water and waste facility loans, effective October 1, 1983, so that 5 percent interest rate would be applicable to loans for facilities required to meet health or sanitary standards in areas where median family income of persons to be served by facility is below 80 percent of Statewide nonmetropolitan median family income and (2) establishes an intermediate rate of interest at not more than 7 percent per annum for water and waste facility loans in areas that do not qualify for 5 percent interest rate but where median family income of persons to be serviced by facility is between 80 and 100 percent of Statewide nonmetropolitan median family income.

Sec. 3. To tighten loan requirements under business and industry loan program, effective October 1, 1983, by (a) raising level of equity investment that applicant must have in a private business enterprise to be financed with loans guaranteed by FmHA to 20 percent from 10 percent, (b) requiring Secretary, in making loans for business and industrial enterprises, to give highest priority to applications to finance enterprises that will be located in areas of economic distress, with area of economic distress defined as area where (i) median family income for families living in area is below poverty line prescribed by OMB, (ii) at least 70 percent of households have incomes below 80 percent of nonmetropolitan median family income in State, or (iii) average rate of unemployment for most recent 24-month period for which data are available was at least 150 percent of average national rate of unemployment for same period, and (c) decreasing maximum level of Federal loan guarantee to 80 percent from 90 percent, and amending provision that directs Secretary not make a loan unless determines that no other lender is willing to make loan and assume 10 percent of any loss on loan, by raising to 20 percent level of loss that Secretary must determine no other lender will assume in connection with making loan.

Sec. 4. Require Secretary, effective October 1, 1983, to provide for recapture, from borrowers who receive low-income farm ownership loans, of all or a portion of assistance provided under section 310D when borrower disposes of property acquired with loan funds at a profit.

Sec. 5. To require Secretary, effective October 1, 1983, to review financial status of any applicant prior to approving any operating loan if applicant has received FmHA operating loans during each of previous 5 consecutive calendar years, with Secretary to consider, among other relevant factors (a) any record of improvement in applicant's financial condition, and (b) likelihood that extension of additional FmHA credit in form of operating loans will enable applicant to obtain sufficient credit from private commercial sources in future years.

Sec. 6. Effective October 1, 1983, authorizes Secretary to require, as a condition for making operating and emergency loans, that borrowers obtain crop insurance from any source, where available, on any crops growing or to be grown that will be used as substantial security for such loans.

Sec. 7. Directs Secretary to permit FmHA farm ownership, farm operating, and emergency loan borrowers to use proceeds from leasing of any mineral rights, including but not limited to oil and gas rights, with respect to land being used as security for loans, to make current loan payments.

Sec. 8. (1) Authorizes insured and guaranteed loans for each of FY's 1984, 1985, and 1986 as follows: Under Agricultural Credit Insurance Fund, (a) real estate loans in amount of $818 million, including (i) $775 million for farm ownership loans ($700 million for insured loans and $75 million for guaranteed loans with authority to transfer 25 percent of these amounts between categories) and $31 million for water development, use and conservation loans ($25 million for insured loans and $6 million for guaranteed loans with authority to transfer 25 percent of these amounts between categories), and (ii) $31 million for water development, use and conservation loans ($25 million for insured loans and $6 million for guaranteed loans with authority to transfer 25 percent of these amounts between categories), (b) operating loans in amount of $1.6 billion ($1.547 billion for insured loans and $53 million for guaranteed loans with authority to transfer 25 percent of these amounts between categories), (c) emergency loans (insured and guaranteed) in such amounts as are necessary to meet needs resulting from natural disasters; under Rural Development Insurance Fund, (a) insured water and waste disposal loans in amount of $300 million, (b) insured community facility loans in amount of $130 million, and (c) guaranteed industrial development loans in amount of $400 million; and (2) requires that not less than 15 percent of insured loans authorized for farm ownership and farm operating purposes must be for low-income, limited-resource applicants.

Sec. 9. Directs Secretary of Agriculture to conduct three studies, and to report results to Senate and House Agriculture Committees within 120 days after enactment of bill, as follows: (1) A marketing study, which would investigate practicality of, and methods for, assisting and encouraging FmHA borrowers to improve their knowledge and use of marketing techniques such as futures markets, agricultural options trading, and forward contracting; (2) cost-effective study of on-site water treatment, which would be used to determine cost-effectiveness of providing individual on-site water and waste treatment systems in rural areas; and (3) variable interest rate study, which would evaluate potential use of variable interest rates for FmHA loans.●

By Mr. RANDOLPH:

S. 766. A bill to provide for an accelerated study of the causes and effects of acidic deposition during a 5-year period, to provide for the limitation of increases in sulfur dioxide emissions during that period, and to provide for grants for mitigation at sites where there are harmful effects on ecosystems resulting from high acidity; to the Committee on Environment and Public Works.

ACID RAIN

● Mr. RANDOLPH. Mr. President, last November the Committee on Environment and Public Works reported legislation making extensive revisions in the Clean Air Act. That measure was the result of nearly 2 years' work by the committee and constituted a thorough examination of this basic environmental statute and its implementation.

This work was carried out under the able and energetic leadership of our chairman, Senator STAFFORD. He deserves the commendation of Members of the Senate and the American people for the fair and balanced way he directed committee activities in carrying out a complex and sometimes controversial task.

At that time, I voted with 14 other committee members to report the bill. I did so because I felt that generally it was good legislation, addressing several issues in which experience dictated the need for modifications. Several features were included in the bill under my sponsorship, and I actively supported other proposals to improve the ability of the Clean Air Act to continue working toward the objectives established for it several years ago.

I was concerned, however, and continue to be concerned about provisions in the 1982 bill establishing a program for the control of acid rain. This was the only entirely new issue addressed in the bill and it elicited perhaps the most extensive debate that took place among our membership. The acid rain section of last year's bill was a compromise and represented a modification of more stringent proposals that were placed before the committee. The compromise provision included several suggestions of mine, and I am greatly appreciative of their acceptance by the committee.

Mr. President, I continue to believe, however, that the acid rain control program reported by the committee reaches conclusions and sets activities in motion that we may find to be unwarranted in only a few years' time. I acknowledge the likelihood of a serious problem resulting from large quantities of sulfur emissions in the atmosphere. I believe we should take initial steps toward developing a control program, but I feel that it would be unwise in the extreme to commit ourselves to a costly and irreversible course before some of the scientific gaps are filled and before a broader consensus is achieved on the causes of acid rain and how it might best be controlled.

For these reasons, I regret that I am unable to join in the cosponsorship of a new bill amending the Clean Air Act which is being introduced by Senator STAFFORD. I commend him for bringing this important subject to the Senate once again, and I reassert my support for virtually every aspect of last year's committee bill with the exception of the acid rain program.

To provide an alternative and what I believe to be a more realistic approach to this problem, I am introducing the Acidic Deposition Study and Sulfur Emission Limitation Act of 1983. This measure is similar to legislation (S. 2959) which I proposed last September.

This bill is intended to correct the differences of other approaches and to provide the assurances which are required to avoid widespread disruptions in coal production and consumption. Such a program cannot be permitted to result in the elimination of jobs in the coal industry where there is already widespread unemployment. The situation in the mining industry in West Virginia alone already is desperate. The unemployment rate for the State is more than 16 percent, the highest in the Nation, with the level in some coal-producing counties topping 30 percent. There are genuine concerns that the imposition of a stringent acid rain control program at this time would result in further unemployment because of shifting of fuel sources and a further reduction in the burning of coal.

I believe the controls should not be imposed until an informed Congress in the mideighties, possessing all the research and studies called for by my bill, affirmatively decides to go ahead with an acid rain control program.

At the time our committee completed work on its bill last August, I indicated that I would continue to examine the large amount of evidence that had been presented to the committee on the causes, effects, and methods of controlling acid rain. The legislation I offer today is the outcome of this effort.

This bill would require the following:

Direct the Administrator of the Environmental Protection Agency—EPA—in his capacity as chairman of the acid precipitation task force established by the Energy Security Act of 1980, within a 5-year period, to study the relative contributions from sources of sulfur dioxide and nitrogen oxides to acid rain, an acid control program's effect on future economic growth, employment, and cost to consumers. In addition, the task force is required to determine if acid rain endangers public health, and if an acid rain program is necessary to protect countries contiguous to the United States. No activity establishing a regulatory framework for an acid rain control program would be initiated during this 5-year research period.

During the study period the Administrator of EPA is required to leave allowable sulfur dioxide emissions from existing major stationary sources at current levels in all States except for a few specific cases such as conversions from oil or gas to coal.

The Administrator of EPA during the 5-year study period may make grants to States for mitigation of harmful effects at existing aquatic ecosystem sites where high acidity has been documented.

My bill is intended to require that the Congress examine the study's findings and take a positive action to implement any control program that may be determined necessary as a result of those findings.●

By Mr. STAFFORD (for himself and Mr. CHAFEE) (by request):

S. 767. A bill to authorize a devolution of governmental responsibilities from the Federal Government to the States for certain Federal-aid highway programs upon the election of the State, provide the revenues necessary to finance those responsibilities, reduce the intrusiveness of Federal policy in the decisionmaking of the States, and for other purposes; by unanimous consent, referred jointly to the Committee on Environment and Public Works and the Committee on Finance for the consideration of section 103 only.

FEDERALISM BLOCK GRANT HIGHWAY ACT OF 1983

Mr. STAFFORD. Mr. President, today Senator CHAFEE and I are introducing, by request, the administration's Federalism Block Grant Highway Act of 1983. This bill is one part of a comprehensive four-part federalism legislative proposal by the President. With this initiative, the President intends to consolidate 34 separate Federal programs into four block grants which he believes will give State and lcoal governments more flexibility in meeting their domestic needs.

The Federalism Block Grant Highway Act of 1983 would consolidate six highway programs: The urban system program, the secondary system program, the repair and replacement of nonprimary bridges, the FHWA 402 highway safety grants, hazard elimination, and rail-highway crossings. Together these programs are authorized at approximately $2 billion annually and will be financed by a portion of the revenues from the Federal gas tax and other highway user fees.

The proposed block grant program for highways would be put in place for a period of 5 years. At anytime during

that 5-year period, States would have the opportunity to choose whether or not they wanted to participate under the block grant program or continue under the existing categorical program.

The Committee on Environment and Public Works will give this proposal full and careful consideration. It is important to continue to look for ways to make the Federal-aid highway program more efficient. At the same time, I believe we have to make certain that each State will have sufficient resources to provide for a national system of highways.

Title II of the Block Grant Highway Act of 1983 deals not with the highway program but with funds for the construction of treatment works under the Federal Water Pollution Control Act, over which the Committee on Environment and Public Works has jurisdiction.

This title provides for the consolidation of the construction grants program with 21 health, social services, education, and community development programs that are combined under the administration's proposed State Fiscal Assistance Block Grant Act.

During 1981 the Environment and Public Works Committee worked closely with the administration and made several significant changes to improve the operation of the construction grants program. The committee will, of course, carefully examine the President's proposal, but I believe there should be strong evidence of the benefits to be gained from further changes before the operation of a program of the size and complexity of this one is altered once again.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 767

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federalism Block Grant Highway Act of 1983."

SEC. 101. FINDINGS.

The Congress finds that—

(a) The benefits of certain Federal highway programs accrue predominantly to the residents of each State in which the funds are spent.

(b) The existing structure of such programs unnecessarily restricts State authority to establish priorities, respond to unique local circumstances, and implement the most efficient solutions to problems.

(c) Federal-aid highway programs which can be efficiently handled at the State level are the Federal-aid urban system program, 23 U.S.C. 103; the Federal-aid secondary system program, 23 U.S.C. 103; the portion of the Federal-aid bridge replacement and rehabilitation program which provides funds for bridges other than those on the Federal-aid primary system and bridges eligible for discretionary bridge funds, 23 U.S.C. 144, as modified by section 105(f) of this Act; the portion of the highway safety program administered by the Federal Highway Administration, 23 U.S.C. 402; the hazard elimination program, 23 U.S.C. 152; and the rail-highway crossings program, 23 U.S.C. 130.

(d) In order to provide an orderly transition to full State responsibility for these programs, it is appropriate that—

(1) During a transition period the States have the choice of receiving the funds for the programs identified by subsection (c) of this section under the existing programs or under a block grant;

(2) a Federalism Account be established in the Highway Trust Fund, into which will be transferred from the Highway Trust Fund, such amounts as may be required for block grants pursuant to section 103 of this Act;

(3) the funds transferred into the Federalism Account be distributed among the States in accordance with the formulas in current statutes;

(4) the States be able to use block grant payments for programs authorized under Chapter 1, title 23, United States Code;

(5) the States that elect block grant payments be required to pass through to large urbanized areas in accordance with established formulas that portion of a State's payment that the urbanized areas would have received under the current programs.

SEC. 102. ELECTION OF STATE TO PARTICIPATE.

(a) NOTICE TO THE SECRETARY.—

(1) FILING.—A State shall become entitled, as of fiscal year 1984 or any of the immediately succeeding 4 fiscal years, to block grants under this Act, by filing with the Secretary, within 30 days after the date of enactment of this Act with respect to fiscal year 1984, or not less than 90 days prior to the beginning of that fiscal year with respect to each of the immediately succeeding 4 fiscal years, a notice, that it elects to receive a block grant under section 104 of this Act in lieu of apportionments under the programs identified in section 101(c) of this Act.

(2) IRREVOCABILITY.—A State may not revoke a notice filed under this subsection.

(b) EFFECT OF NOTICE.—

(1) CONTINUING APPLICATION.—A notice that is filed under subsection (a) of this section is effective for the fiscal year with respect to which it is filed and for each immediately succeeding fiscal year that begins prior to fiscal year 1989. For each such fiscal year the filing State shall not be eligible for assistance, other than that authorized by this Act, under the programs identified in section 101(c) of this Act.

(2) CONFORMING AMENDMENT TO PROGRAM STATUTE.—The pertinent portion of each statute governing a program identified by section 101(c) is deemed to contain the following provision of law: A State that has elected a block grant in lieu of apportionments under this program by a notice filed under section 102 of the Federalism Block Grant Highway Act of 1983 shall not be eligible for assistance under this program for the fiscal year to which that election applies, or for any immediately succeeding fiscal year that begins prior to fiscal year 1989.

SEC. 103. THE FEDERALISM ACCOUNT.

Section 9503 of the Internal Revenue Code of 1954 (relating to the Highway Trust Fund) is amended by adding at the end thereof the following new subsection:

"(f) ESTABLISHMENT OF FEDERALISM ACCOUNT.—

"(1) IN GENERAL.—There is established in the Highway Trust Fund, a separate account to be known as the 'Federalism Account' consisting of such amounts as may be transferred to the 'Federalism Account' as provided in this subsection.

"(2) TRANSFER TO FEDERALISM ACCOUNT.—The Secretary shall transfer to the 'Federalism Account' such amounts as may be required to make payments for block grants under section 104 of the Federalism Block Grant Highway Act of 1983 from the amounts appropriated to the Highway Trust Fund under subsection (b).

"(3) EXPENDITURES FROM ACCOUNT.—Amounts in the 'Federalism Account' shall be available for making payments to eligible States in accordance with section 104 of the Federalism Block Grant Highway Act of 1983.

"(4) INTEREST.—Interest on obligations held in the 'Federalism Account' shall be credited to and be a part of the Highway Trust Fund other than the 'Federalism Account' and the Mass Transit Account.".

SEC. 104. HIGHWAY BLOCK GRANT.

(a)(1) When a State makes an election under section 102 of this Act, the State shall become entitled for each fiscal year to which that election applies, to an amount equal to the amount to which it would otherwise have been apportioned under the programs identified in section 101(c) of this Act.

(2) On the first day of each fiscal year the Secretary shall apportion to each of the participating States an amount equal to the amount to which it would otherwise have been apportioned under the programs identified in section 101(c) of this Act. A State that has elected to receive a block grant shall be paid an amount not to exceed 20 per centum of the apportionments it would have received under the programs identified in section 101(c) of this Act in the fiscal year for which such apportionments would have been made, an amount not to exceed 60 per centum of such apportionments in the next succeeding fiscal year and the balance of such apportionments in the next succeeding fiscal year. Payments shall be made in accordance with the provision of section 203 of the Intergovernmental Cooperation Act (42 U.S.C. 4213).

(b) Payments of funds to a State in lieu of urban system funds that are attributable to urbanized areas of 200,000 population or more shall be made available by the State for expenditure in such urbanized areas in accordance with a fair and equitable formula developed by the State. Such formula shall provide for fair and equitable treatment of incorporated municipalities of 200,000 or more population. Whenever such a formula has not been developed and approved for a State, the funds which are attributable to urbanized areas having a population of 200,000 or more shall be allocated among such urbanized areas within such State in the ratio that the population within each such urbanized area bears to the population of all such urbanized areas, or parts thereof within such State. In the expenditure of funds allocated under the preceding sentence, fair and equitable treatment shall be accorded incorporated municipalities of 200,000 or more population. Funds allocated to an urbanized area under the provisions of this section may, upon approval of the Governor and upon approval of the appropriate local officials of the area be transferred to the allocation of another

such area in the State or to the State for use in any urban area.

(c) Each State and local government that receives a payment under this section shall expend that payment for projects permitted by Chapter 1 of title 23, United States Code.

(d) Each State shall provide written assurance that the State government—

(1) will make payments to local governments as required by this section;

(2) will expend the funds (including interest) made available under this section in accordance with the requirements of this section and during a reasonable period;

(3) will appropriate and expend the payments received in accordance with the laws and procedures applicable to the expenditure of its own revenues;

(4) will provide for public participation in the intended use report required under subsection (e);

(5) will comply with the requirements of subsection (g);

(6) will establish fiscal procedures, provide for audits of its financial statements and compliance with this section, and provide for public inspection of such audit reports;

(7) will provide to the Secretary and the Comptroller General, upon reasonable notice, access to and the right to inspect such books, documents, papers, and records as the Secretary or the Comptroller General reasonably require to review compliance and operations under this section; and

(8) will consult with local governments on all major policy decisions and program choices on the use of block grant funds.

(e) Each States desiring to receive a payment under this section shall prepare, in such form as the State finds appropriate, a report of the intended use of the payments provided under this section. The State shall promptly reflect any substantial changes in its intended use of funds in such revisions to the report as may be necessary. Such intended use report shall contain a description of (1) the goals and objectives of the program it will conduct with the payments under this section, (2) the activities it will support to attain those goals and objectives, (3) the geographic area or areas of the State in which such activities will be carried out, and (4) the criteria for and administrative methods of disbursing funds received under this title. The State shall make the report available for public inspection within the State. Copies shall also be provided, upon request, to any interested public agency.

(f) Each State shall, at least biennially, conduct a financial and compliance audit of its expenditures from payments received under this section. Such State audits shall be conducted by an entity independent of any agency administering activities or services carried out under this title and, to the extent practicable, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. The State shall make copies of the audit required by this subsection available for public inspection within the State. Copies shall also be provided, upon request, to any interested public agency.

(g)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1973, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under the title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities that receive Federal financial assistance under this section are deemed to be programs and activities receiving Federal financial assistance.

(2) No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity that receives Federal financial assistance under this section; provided, however, that this section shall not be read as prohibiting any conduct or activities permitted under title IX of the Education Amendments of 1972.

(3) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under this section, has failed to comply with the provision of law referred to in subsection (g)(1) of this section, with subsection (g)(2) of this section, or with an applicable regulation (including one prescribed to carry out subsection (g)(2)), the Secretary shall notify the chief executive officer of the State and shall request that officer to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

(C) take such other action as may be provided by law.

(4) When a matter is referred to the Attorney General pursuant to subsection (g)(3)(A) of this section, or whenever the Attorney General has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (g)(1) or in violation of subsection (g)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

(h) Each State shall prepare reports on its activities under this section. Reports shall be in such form, contain such information, and be of such frequency (but not less often than every year) as the State finds necessary to provide an accurate description of those activities to secure a record of the purposes for which funds were spent, and to determine the extent to which funds were spent consistently with the report required by subsection (e) of this section. The State shall make the reports required by this section available for public inspection within the State. Copies shall also be provided, upon request, to any interested public agency.

(i) If the Secretary determines that a State or local government has failed to comply substantially with any provision of this section, the Secretary shall notify the State that, if it fails to take corrective action within 60 days from the date of receipt of the notification, the Secretary will withhold further payments (or direct the State to withhold further payments to the local government) for the remainder of the fiscal year and for any subsequent fiscal year until the Secretary is satisfied that appropriate corrective action has been taken; or require the State (or direct the State to require a local government) to repay all or a portion of the payments not spent in accordance with the provisions of this section. Payments repaid shall be transferred into the Highway Trust Fund other than the "Federalism Account" and the "Mass Transit Account."

(j) Terms used in this Act and not otherwise defined have the same meaning as if they were used in title 23, United States Code.

SEC. 105. CONFORMING AMENDMENTS.

(a) The authorizations in section 202(3) of the Highway Safety Act of 1978 for carrying out section 402 of title 23, United States Code (relating to highway safety programs) by the Federal Highway Administration are amended by striking "and September 30, 1986." and inserting in lieu thereof "September 30, 1986, September 30, 1987, and September 30, 1988."

(b) The authorizations in section 105(a)(1) of the Highway Improvement Act of 1982 for the Federal-aid secondary system are amended by striking "and September 30, 1986" and inserting in lieu thereof "September 30, 1986, September 30, 1987, and September 30, 1988."

(c) The authorizations in section 105(a)(2) of the Highway Improvement Act of 1982 for the Federal-aid urban system are amended by striking "and September 30, 1986" and inserting in lieu thereof "September 30, 1986, September 30, 1987, and September 30, 1988."

(d) The authorizations in section 202(2) of the Highway Improvement Act of 1982 for projects for elimination of hazards are amended by striking "and September 30, 1986" and inserting in lieu thereof "September 30, 1986, September 30, 1987, and September 30, 1988."

(e) The authorizations in section 203(b) of the Highway Safety Act of 1973 for railhighway crossings projects are amended by striking "and September 30, 1986." and inserting in lieu thereof "September 30, 1986, September 30, 1987, and September 30, 1988."

(f) Section 202(1) of the Highway Safety Act of 1982 is amended as follows:

"(1) For bridge replacement and rehabilitation under section 144 of title 23, United States Code, out of the Highway Trust Fund, for primary bridges and bridges eligible for bridge discretionary funds $1,140,000,000 for the fiscal year ending September 30, 1984, $1,240,000,000 for the fiscal year ending September 30, 1985, and $1,540,000,000 for the fiscal year ending September 30, 1986, and for other bridges $510,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, and September 30, 1988, provided that set asides for the bridges discretionary fund shall be from the authorizations for primary bridges and bridges eligible for bridge discretionary funds.".

(g) Section 104(a) of the Highway Improvement Act of 1982 is amended by striking (1) "12,750,000,000" and inserting in lieu thereof "12,600,000,000 less amounts made available to States under the Highway Block Grant"; (2) "13,550,000,000" and inserting in lieu thereof "13,450,000,000 less amounts made available to States under the Highway Block Grant"; and (3) "14,450,000,000" and inserting in lieu thereof "13,850,000,000 less amounts made available to States under the Highway Block Grant".

(h) Notwithstanding any other provision of law, if any State, in any fiscal year accepts a Highway Block Grant as authorized by Section 104 of this Act, any obligation limitation enacted for Federal-aid Highways for such fiscal year, including the limitation

for such State, shall be adjusted downward to reflect such State's acceptance.

SEC. 106. EFFECTIVE DATE.

The effective date of this title shall be the date of enactment or October 1, 1983, whichever is earlier.

TITLE II—STATE FISCAL ASSISTANCE BLOCK GRANT COMPONENT

GRANTS FOR CONSTRUCTION OF TREATMENT WORKS

SEC. 201. Title II of the Federal Water Pollution Control Act, relating to grants for the construction of treatment works (33 U.S.C. 1281 et seq.), shall be consolidated in the State Fiscal Assistance Block Grant Act as if it were a consolidated program under that Act.

EFFECTIVE DATE

SEC. 202. The provisions of section 201 shall take effect on the date of enactment of the State Fiscal Assistance Block Grant Act.

By Mr. STAFFORD (for himself, Mr. CHAFEE, Mr. MITCHELL, Mr. BENTSEN, Mr. DURENBERGER, Mr. MOYNIHAN, Mr. BAUCUS, Mr. HUMPHREY, Mr. DOMENICI, and Mr. SIMPSON):

S. 768. A bill to amend the Clean Air Act; to the Committee on Environment and Public Works.

By Mr. STAFFORD (for himself, Mr. HART, Mr. DURENBERGER, and Mr. HUMPHREY):

S. 769. A bill to amend the Clean Air Act; to the Committee on Environment and Public Works.

CLEAN AIR ACT AMENDMENTS AND ACID DEPOSITION AND SULPHUR LOADINGS REDUCTION ACT

Mr. STAFFORD. Mr. President, I am introducing today for myself and for nine of my colleagues on the Environment and Public Works Committee, the Clean Air Act Amendments of 1983.

This bill is identical, with the exception of its title, to the Clean Air Act Amendments of 1982, which was reported favorably by the committee on November 15, 1982, as S. 3041.

That legislation was the culmination of 2 years of painstaking review of the Clean Air Act and its implementation. The two major conclusions reached by the committee are summarized in the committee's report, as follows:

1. Except with respect to the issue of interstate pollution, the Act provides a sound legal framework for dealing with air pollution problems in the nation. As with any complex law, as more experience is gained in its implementation, modifications to improve its operation and clarify Congressional intent are desirable.

2. Additional provisions are needed if the Act is to provide adequate means to address problems arising from air pollution that originates in one State and adversely affects health or welfare in another State.

The report that accompanied S. 3041, Report No. 97-666, describes in detail the provisions of the bill that is being introduced today.

In general, the bill makes modifications that will streamline the operation of the act; extends deadlines for attaining clean air standards for those areas that have not been able to meet the standards despite implementing approved pollution control measures; gives more authority and flexibility to the States in conducting their air pollution control programs, and requires reductions in emissions of sulfur dioxide, which is the major precursor of acid deposition.

S. 3041 was the product of extensive deliberations and negotiations during the 97th Congress among the 16 members of the Environment and Public Works Committee.

I daresay no provision is exactly what any individual member would have drafted if he had set out to satisfy only his own views.

Balances were sought and compromises were struck.

The committee vote in favor of S. 3041 was 15 to 1.

As I stated in my individual views in the report that accompanied S. 3041, the provisions that deal with interstate transport and acid precursor reduction, in particular, represent major compromises from what I believe ought to be required.

But, in the interest of producing responsible and timely legislation, members of the committee gave ground in matters of importance and concern to them. I was no exception to that exercise.

I and the nine cosponsors of this bill believe that, on balance, it still represents a responsible combination of amendments to the Clean Air Act.

It is my hope that a broad-based consensus within the committee will once again form around the provisions on this bill, so that we will be able to use it as the best markup vehicle available to us.

Obviously a big majority of the members of the committee agree, for they are cosponsors of the bill.

If this, indeed, happens and if a spirit of accommodation and reason again mark the committee's work on the Clean Air Act this year, then I believe the full Senate will have the chance to act in a timely fashion to pass those needed modifications to what is an important, and basically sound, law.

But, if pressure to reopen major provisions is successful, we are in for another long and difficult time. We reached our agreements in the last Congress only after 60 days of hearings and markups.

I know of no one who looks forward to a repeat performance of that exercise.

However, I know that there will once again be strong pressure from polluting industries to seek changes in this bill and also to seek weakening amendments to the Clean Air Act.

Those kinds of industry efforts in the last Congress contributed to the length and to the pain of our efforts then. These same industries now seek to undo the agreement we reached last year.

If these polluting industries persist in their efforts, and particularly if they gain support for those efforts, the most likely result will be to prevent any significant action on the Clean Air Act for another year, or two, or three.

Clearly events of recent weeks have demonstrated that the American people are in no mood to have their environmental laws weakened or ignored. And, clearly the American people are prepared to convert their sentiments in this regard into political action.

But, it is not only the polluting industries who threaten progress on the clean air front.

Environmental forces who last year expressed their support and enthusiastic approval for the results contained in S. 3041 now make it clear they also want to undo that accomplishment.

The National Clean Air Coalition and many of its affiliate State organizations are insisting that we reopen the bidding and the negotiations. These environmental forces, of course, feel the current political climate presents them with the opportunity to win strengthened environmental laws and enforcement.

It pains me to disagree with so many of my friends in the environmental community. And, I must also warn them that their new tactics could place the Clean Air Act in greater jeopardy than before. The forces who seek to weaken the Clean Air Act have suffered a setback in recent weeks, but those forces are powerful, well financed, and determined. Those who seek to weaken the Clean Air Act will remain a formidable force.

I do not know what the administration position on the Clean Air Act will be in this Congress. In the last Congress, the administration opposed this bill because it wanted to weaken the Clean Air Act, and this bill does not do that.

I can only hope that the administration will drop its opposition to this bill and that it will also drop its efforts to weaken the Clean Air Act. A continuation of those policies can only further erode public confidence in the administration's environmental posture.

This bill is a good bill. It may be the very best bill that it is possible to get this Congress to approve; 15 of the 16 members of the Committee on Environment and Public Works thought so last year. And 10 members of the committee think so again this year—and I hope to be able to convince the other 6 members before we are through.

I intend to do all that I can to preserve the balance struck in S. 3041 and to bring before the Senate this year

the Clean Air Act Amendments of 1983.

We all participate in a political arena, however, and politics is the art of the possible.

Reality forces me to recognize that some of the committee members who voted for S. 3041 a year ago are not among those who have agreed to cosponsor the legislation this year.

The reasons for the absence of some of the supporters of a year ago can best be explained by each of them, but clearly the provision that would mandate, for the first time, controls on acid rain is one of the reasons.

I must point out, however, that the acid-rain-control provision contained in S. 3041 and in the package of amendments I introduce today are far less than I feel are required.

However, during the long series of compromises that produced a consensus bill in the committee last year, I also compromised on the acid-rain-control provision. I agreed to a provision that mandates a reduction of only 8 million tons of sulfur dioxide emissions in a 31-State region over a prolonged period of time.

My personal wish would be to achieve bigger and faster reductions of the sulfur dioxide emissions.

So, in view of the changing circumstances regarding last year's committee consensus, I am today also introducing a bill that would seek to provide bigger and faster reductions of the pollutant that causes acid rain.

This bill would mandate a 12-million-ton reduction and would provide some earlier relief from the pollutant than did S. 3041. The committee may wish to explore a variety of ways of achieving bigger and faster reductions of sulfur-dioxide emissions, as well.

Acid rain is a danger not only to my State of Vermont and to neighboring States in New England and to Canada, but to the entire Nation. As Americans learn more about this form of pollution, I am confident they will ask us to act to protect them against its effects.

This separate bill dealing with control of acid rain will provide the Committee on Environment and Public Works with added reason for participating in this learning process.

It remains my intention, and my hope, to reestablish the near-unanimous committee support for S. 3041. But, as others properly reserve their right to reevaluate their positions in the light of changing circumstances, so this Senator feels free to reserve his right and responsibility to reevaluate his position on so important an issue.

Mr. President, I ask unanimous consent that the text of each bill be printed in the RECORD at this point:

S. 768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Clean Air Act Amendments of 1983".

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TITLE I—AMENDMENTS RELATING PRIMARILY TO STATIONARY SOURCES

INDIAN TRIBES

SEC. 101. (a) Section 105(c) of the Clean Air Act is amended—

(1) by inserting in the third sentence thereof "(other than agencies designated by Indian tribes under the provisions of section 302(b)(5)" after "agencies"; and

(2) by inserting at the end thereof the following new sentence: "No requirement like that in the previous sentence shall apply to the level of grants to be awarded to agencies designated by Indian tribes under the provisions of section 302(b)(5).".

(b) Section 302(b) of the Clean Air Act is amended—

(1) by striking out "or" at the end of paragraph (3);

(2) by striking out the period at the end thereof and inserting in lieu thereof "; or"; and

(3) by inserting at the end thereof a new paragraph as follows:

"(5) for the purposes of receiving grants under section 105, a single agency designated for such purposes within an Indian reservation by the tribal governing body of a federally recognized Indian tribe.".

INFORMATION FOR TECHNOLOGY REQUIREMENTS

SEC. 102. Section 108 of the Clean Air Act is amended by adding at the end thereof the following new subsection:

"(g) The Administrator shall publish and distribute to State agencies administering the permit programs required by section 110(a)(2)(D), and make available to other interested persons, guidance documents to assist such agencies in implementing the requirements of parts C and D regarding best available control technology and the requirements of part D regarding reasonably available control technology. Such guidance documents shall be published within one year after the date of the enactment of the Clean Air Act Amendments of 1982 and shall be updated at least every year thereafter. Such documents shall describe the determinations of best available control technology and reasonably available control technology which have been made by the Administrator (under section 110(c)) and by State air pollution control agencies. In describing such determinations, the Administrator shall distinguish among different sizes, types, and categories of sources, and shall take care to describe such determinations made with respect to major emitting facilities of the sizes, types, and classes subject to the requirements of sections 169(3)(B), and 171(3) (B) and (C) in sufficient detail to enable States to make the determinations required by those sections.".

SECONDARY AMBIENT AIR QUALITY STANDARDS

SEC. 103. Section 109(b)(2) of the Clean Air Act is amended by striking "any" before "known or anticipated adverse effects".

IMPLEMENTATION PLAN REVISIONS

SEC. 104. Section 110(a)(3) of the Clean Air Act is amended to read as follows:

"(3)(A) Except as provided in subparagraph (E) of this paragraph, any revision of an implementation plan or portion thereof shall be deemed approved under this subsection one hundred and twenty days after such revision is submitted to the Administrator, unless prior to such date the Administrator disapproves such revision for failure to comply with the requirements of paragraph (2) of this subsection.

"(B)(i) Any revision of an implementation plan or portion thereof shall not be considered to have been submitted until the State has provided reasonable notice and opportunity for public hearings. The Administrator shall promptly publish a notice of receipt of such submittal and announce a sixty-day period for public comment on such revision.

"(ii) The Administrator shall participate in the public hearings conducted by the State on any proposed revision of an implementation plan or portion thereof to the extent appropriate and may, in the discretion of the Administrator and with the consent of the State, jointly conduct such hearings with the State.

"(C) The Administrator may once extend the period within which to disapprove any revision under subparagraph (A) for a period not to exceed sixty days, if, after the close of the public comment period, the State submits additional information relating to compliance with the requirements of paragraph (2) of this subsection. The Ad-

ministrator shall promptly publish notice of any such extension.

"(D) The Administrator shall promptly notify the State in writing of any disapproval under subparagraph (A) and shall publish a notice of such disapproval, specifying a reasonable period of time for the State to submit a further revision which complies with the requirements of paragraph (2) of this subsection, when further revision is required.

"(E)(i) If any person files comments with the Administrator during the public comment period required under subparagraph (B)(i) objecting to the approval of any revision of an implementation plan or portion of such revision, and, in the case of any revision submitted after the enactment of the Clean Air Act Amendments of 1982, demonstrates that such person filed comments on the same grounds with the State during State proceedings on such revision, such revision shall not be deemed approved under this subsection until the Administrator determines not to disapprove such revision based on a review of matters raised in such comments. The Administrator shall make such a determination or disapprove such revision for failure to comply with the requirements of paragraph (2) of this subsection within one hundred and twenty days of the close of such public comment period.

"(ii) A State, or a political subdivision thereof responsible for preparing or enforcing implementation plans or revisions thereof, filing comments based on paragraph (2)(E) of this section, shall not be required to make the demonstration that such State or political subdivision filed comments with the State during State proceedings.

"(F) Any revision of an implementation plan or portion thereof in compliance with subparagraph (B)(i) submitted prior to the date of enactment of the Clean Air Act Amendments of 1982 shall be deemed to have been submitted for the purposes of this paragraph as of the date of enactment of the Clean Air Act Amendments of 1982.

"(G) Neither the State, in the case of a plan (or portion thereof) approved under this subsection, nor the Administrator, in the case of a plan (or portion thereof) promulgated under subsection (c), shall be required to revise an applicable implementation plan because one or more exemptions under section 118 (relating to Federal facilities), enforcement orders under section 113(d), suspensions under section 110 (f) or (g) (relating to temporary energy or economic authority), orders under section 119 (relating to primary nonferrous smelters), or extensions of compliance in decrees entered under 113(e) (relating to iron- or steel-producing operations) have been granted, if such plan would have met the requirements of this section if no such exemptions, orders, extensions, or variances had been granted.".

NEW SOURCE PERMITS AND OPERATING PERMITS

SEC. 105. (a) Section 110(a)(2)(B) of the Clean Air Act is amended by inserting after "such limitations," the phrase "or (for implementation plans or revisions thereof other than initial implementation plans or comprehensive revisions required (i) by establishment or revision of a national ambient air quality standard or (ii) as a condition of an extension under part D) a program to establish or modify emission limitations and schedules and timetables for compliance for particular sources in accordance with paragraph (4)(D) of this subsection,".

(b) Section 110(a)(2)(D)(ii) of the Clean Air Act is amended by striking "the location of new sources to which a standard of performance will apply" and inserting in lieu thereof "new sources subject to the requirements of section 111".

(c) Section 110(a)(4) of the Clean Air Act is amended to read as follows:

"(4)(A) No major stationary source, major emitting facility, or source subject to section 111 may be constructed unless a permit has been issued for such source or facility in accordance with this subparagraph and the applicable requirements of section 111, part C, or part D. Any such permit shall be issued only after adequate public notice and opportunity for public hearing, and on the condition that such source or facility—

"(i) will not cause or contribute to levels of any air pollutant which prevent the attainment or maintenance of any national ambient air quality standard;

"(ii) will not cause or contribute to levels of any pollutant in excess of a maximum allowable increase or maximum allowable concentration, in the case of a facility subject to part C;

"(iii) complies with the requirements of section 173, in the case of a source subject to part D; and

"(iv) achieves the degree of emission limitation which is the best available control technology pursuant to section 165(a)(4) or 173(a)(2), or for a source not subject to that requirement, complies with the applicable standard of performance under section 111.

"(B) For the purpose of subparagraph (A) of this paragraph and parts C and D, the terms 'constructed' and 'construction' include the modification (as defined in section 111(a)(4)) of any existing source or facility which increases the emissions, or the potential to emit, of such source or facility by one hundred tons or more per year of any air pollutant.

"(C)(i) In the case of any major emitting facility which is in compliance with the requirement for the best available control technology under subparagraph (A)(iv) of this paragraph, for which a permit under this section is issued after the date of enactment of the Clean Air Act Amendments of 1982, the Administrator may not require, nor require any State to require, such facility to comply with an emission limitation or standard more stringent than those contained in a permit for such facility for a period of ten years after the date of issuance of such permit. This subparagraph shall not apply to an emission limitation or standard which (I) applies to an air pollutant (including fine particulate matter) not previously regulated under sections 109 and 110, or (II) is required pursuant to section 112 or 303.

"(ii) With respect to a proposed major emitting facility during the period from the date on which the application for a permit under this subsection has been deemed complete until final action on such application, the Administrator may not require, nor require any State to require, such facility to comply with any administrative or procedural requirements for the issuance of such permit or for the calculation of emissions which are adopted or modified after the date on which such application has been deemed complete.

"(D) A State may adopt a program for establishing or modifying emission limitations (other than those established for a new source by a State pursuant to section 111(c), section 112, or parts C or D) and schedules and timetables for compliance for all or any class of sources in such State, through operating permits, general source-specific regulations, or other means. Any such program shall provide—

"(i) methods for establishing, for particular sources, emission limitations that assure that ambient air quality standards are attained within the time required and maintained thereafter;

"(ii) that each emission limitation and schedule for compliance for a particular source is established after public notice and opportunity for public hearing;

"(iii) that each emission limitation requires reasonably available control technology when required under part D;

"(iv) that a copy of each newly established emission limitation or modification of an emission limitation which involves a potential net increase in emissions of one hundred tons or more per year for a particular source or a class of sources or action delaying compliance with an emission limitation for a particular source or class of sources which would reduce emissions by one hundred tons or more per year, be submitted before taking effect to the Administrator.

"(E) The Administrator shall promptly publish notice of submittal of an emission limitation or schedule of compliance under subparagraph (D)(iv) and provide a thirty-day period for public comment on such submittal. No emission limitation or schedule for compliance required to be submitted to the Administrator under subparagraph (D)(iv) of this paragraph shall take effect—

"(i) if the Administrator within sixty days of receipt of such submittal objects in writing to the emission limitation or schedule for compliance as being inconsistent with the requirements of this subsection and this Act;

"(ii) if any person files comments with the Administrator during the public comment period required by the preceding sentence and demonstrates that such person filed comments on the same grounds with the State during State proceedings, until the Administrator determines not to object to the emission limitation or schedule for compliance; or

"(iii) if such emission limitation or schedule for compliance is not submitted in accordance with subparagraph (D)(iv) of this paragraph.

Whenever the Administrator objects under clause (i), the Administrator shall proceed under subsection (c)(1) of this section if required by the provisions of such subsection.

"(F) For the purposes of sections 113, 114, 120, 126, and 304 of this Act, any emission limitation or schedule or timetable for compliance established under a State program adopted under subparagraph (D) of this paragraph shall be deemed a provision or requirement of an applicable implementation plan.".

HAZARDOUS AIR POLLUTANTS

SEC. 106. (a) Section 122 of the Clean Air Act is amended by adding the following new subsection:

"(d)(1)(A) Not later than sixty days after the date of enactment of the Clean Air Act Amendments of 1982, the Administrator shall identify at least 20 substances or materials for which the Administrator intends to make a decision within two years after such date of enactment on whether to include such substances or materials on the list of hazardous air pollutants established under section 112(b)(1)(A). The Administrator shall include in such identification—

"(i) each substance or material for which the Environmental Protection Agency is projected to have completed a health assess-

ment within two years after such date of enactment, and

"(ii) each other substance or material under evaluation by the Agency for inclusion on such list of hazardous air pollutants for which the Agency possesses positive data from one or more tests indicating carcinogenicity in humans or other mammals.

"(B) Not later than one year after the date of enactment of the Clean Air Act Amendments of 1982, the Administrator shall identify at least 20 substances or materials in addition to those identified in subparagraph (A) for which the Administrator intends to make a decision within five years after such date of enactment on whether to include such substances or materials on the list of hazardous air pollutants established under section 112(b)(1)(A).

"(C) In selecting the substances or materials to be identified under subparagraphs (A) and (B), the Administrator shall first consider the substances or materials which the Agency has been evaluating for inclusion on the list of hazardous air pollutants established under section 112(b)(1)(A) and to which reference is made on page 561 of part 3 of the hearings of the United States Senate Committee on Environment and Public Works, June 5, 9, 11, and 22, 1981.

"(2) The National Toxicology Program, through its Director, shall make such recommendations to the Administrator as may be appropriate for substances or materials which should be identified under paragraph (1) (A) or (B). In addition, the National Toxicology Program, through its Director, shall continue to make recommendations to the Administrator on substances or materials which may be appropriate for inclusion on the list of hazardous air pollutants established under section 112(b)(1)(A).

"(3) At the time substances or materials are identified under paragraph (1)(B), the Administrator shall also identify what research, study, or evaluation, if any, is necessary for each substance or material to supply information in addition to that already in the possession of the Agency to allow the Administrator to make the determination required by paragraph (4). In cooperation with the National Toxicology Program, the Administrator shall—

"(A) establish a schedule for initiating and completing such research, study, or evaluation, enforceable under section 304(a)(2);

"(B) identify the agency which will undertake such research, study, or evaluation; and

"(C) identify the source and amount of funding which will be made available for such research, study, or evaluation, if funding under section 104(b) or section 111 of Public Law 96-510 is not provided because emissions of such substance or material are not reasonably related to entities contributing to the fund established by title II of such Act.

"(4) Within two years after the date of enactment of the Clean Air Act Amendments of 1982 for any substance or material identified under paragraph (1)(A) or within five years after such date of enactment for any substance or material identified under paragraph (1)(B) (including in each case each substance or material recommended under the first sentence of paragraph (2)), based on the information available to the Administrator, the Administrator shall publish a determination that:

"(A) the substance or material is a hazardous air pollutant as defined in section 112(a)(1), or

"(B) the Administrator does not find that the substance or material is a hazardous air pollutant as defined in section 112(a)(1).

Such determination shall be made after opportunity for the submittal of information from interested parties. The Administrator shall establish a docket for each substance identified under paragraph (1) (A) or (B) in a manner comparable to that provided in section 307(d) (2), (3), (4) and (5). Such determination shall be published together with a statement of the basis for such determination and an identification of the information available to the Administrator.

"(5)(A) If the Administrator fails to make the determination required by paragraph (4) for any substance or material identified under paragraph (1) (A) or (B) within the time provided in paragraph (4), such substance or material shall, by operation of law, be included in the list of hazardous air pollutants established under section 112(b)(1)(A). Such substance or material may be removed from such list if the Administrator within one hundred and eighty days of such inclusion and upon petition by an interested party makes the determination provided in paragraph (4)(B). Each substance or material for which the Administrator makes the determination provided in paragraph (4)(A) shall, by operation of law, be included in the list of hazardous air pollutants established under section 112(b)(1)(A).

"(B) The identification of a substance or material under paragraph (1) shall not be deemed a presumption that such substance or material is a hazardous air pollutant. The inclusion of a substance or material on the list of hazardous air pollutants by operation of the first sentence of subparagraph (A) shall not be deemed a presumption that such substance or material is a hazardous air pollutant except for the purposes of section 112.

"(6) In including any substance or material on the list of hazardous air pollutants established under section 112(b)(1)(A) (including any substance or material included on such list by operation of paragraph (5)(A)), the Administrator shall specify the chemical form or forms of such substance or material which, in the judgment of the Administrator, are determined to be hazardous air pollutants as defined in section 112(a)(1).".

(b) Section 112(b)(1)(A) of the Clean Air Act is amended by striking out "for which he intends to establish an emission standard under this section" and inserting in lieu thereof "and identifies the categories of sources which emit each such pollutant in significant amounts".

(c) Section 112(b)(1)(B) of the Clean Air Act is amended by—

(1) inserting "(i)" after "(B)";

(2) striking "180 days" in the second sentence and inserting in lieu thereof "one year";

(3) striking the last sentence thereof; and

(4) adding the following new clause:

"(ii) The Administrator shall establish each emission standard at the level which requires the greatest degree of emission reduction of such pollutant achievable through the application of the best system of continuous emission reduction which the Administrator determines is available for the class or category of source (taking into account the cost of achieving such reduction and any nonair quality health or environmental impacts). The Administrator shall determine whether such emission standard is adequate to protect the public health with an adequate margin of safety and establish such emission standard at a more stringent level than required by the previous sentence if the Administrator determines such more stringent standard is necessary to protect the public health from such hazardous air pollutant with an adequate margin of safety. An emission standard established under this clause shall be at least as stringent as the most stringent emission limitation shown by an adequate operating history to have been achieved in practice by a source of the same class or category.".

(d) Section 112(b) of the Clean Air Act is amended by adding the following new paragraph at the end thereof:

"(3) The Administrator may distinguish among classes, types, sizes, and periods of remaining useful life for sources within a category of sources for purposes of establishing standards under this subsection.".

(e) Section 112(c)(1)(B) of the Clean Air Act is amended by striking all after "in violation of such standard" and inserting in lieu thereof "after such date as the Administrator shall establish for each class or category of existing source, which shall provide for compliance as expeditiously as practicable, but in no event later than two years after the effective date of such standard.".

(f) The amendments made by subsection (c) of this section shall not affect any emission standards promulgated under section 112 of the Clean Air Act prior to the enactment of the Clean Air Act Amendments of 1982.

PRIMARY NONFERROUS SMELTER ORDERS

SEC. 107. Section 119 of the Clean Air Act is amended—

(1) in subsection (a)(2) by inserting at the end thereof a new subparagraph as follows:

"(D) Notwithstanding any other provision of this section, no primary nonferrous smelter for which a State or other entity with properly delegated authority to administer relevant parts of an applicable implementation plan has issued, on or before December 31, 1981, a variance from, and enforcement order to meet, an emission limitation or standard for sulfur oxides contained in an applicable implementation plan shall be eligible for an order under this section which would be in effect after December 31, 1987, unless such enforcement order has been first extended or vacated. Nothing in this section shall be construed as creating a presumption as to whether such enforcement order should be extended or vacated.";

(2) by amending subsection (b)(2) to read as follows—

"(2) the requirement of the applicable implementation plan with respect to which the order is issued is an emission limitation or standard for sulfur oxides which, either alone or together with de minimis use of supplementary controls as provided in subsection (g), is necessary and intended to be sufficient to enable attainment and maintenance of national primary and secondary ambient air quality standards for sulfur oxides; and";

(3) in subsection (c)(1) by adding a new sentence at the end thereof to read as follows: "An order which will be in effect after January 1, 1988, shall be conditioned upon maintaining full operation of whatever continuous emission reduction technology has been installed on such smelter as of January 1, 1988.";

(4) by amending subsection (c)(2) by striking "1983" and inserting in lieu thereof "1988" and striking "1988" and inserting in lieu thereof "1993";

(5) by redesignating subsection (e) as subsection (e)(1); by striking in the first sentence thereof "under this section applies" and inserting in lieu thereof "to January 1, 1988, applies"; and by adding a new paragraph (2) as follows—

"(2) At any time during which an order applies from January 1, 1988, to January 1, 1993, the Administrator may on his own motion or on a petition showing good cause, enter upon a public hearing respecting the availability of technology, the continuing eligibility of a smelter receiving an order, or circumstances surrounding the issuance of an order. Any order under this section shall be terminated within a reasonable period of time if the Administrator determines on the record, after notice and public hearing, that the conditions upon which the order was based no longer exist. The Administrator may require in the course of any hearing, where necessary, that clearly relevant financial data be provided to the hearing examiner who may disclose it under appropriate protective order."; and

(6) by adding the following new subsection at the end thereof—

"(g)(1) Notwithstanding the provisions of section 123(a)(2), in establishing emission limitations for sulfur oxides for primary nonferrous smelters, the effect of the de minimis use of supplementary controls (up to five percent of any calendar year) may be taken into account.

"(2) Nothing in paragraph (1) shall be construed to allow any primary nonferrous smelter to maintain a level of continuous control of sulfur oxides emissions that is less than that which presently exists at such smelter.

"(3) The Administrator shall conduct a study and report to the Congress not later than five years after the date of enactment of this subsection on the adequacy, reliability, and enforceability of the use by nonferrous smelters of de minimis supplementary controls in meeting the requirements of this Act.".

NONCOMPLIANCE PENALTIES

SEC. 108. (a) Section 120(d)(2)(B) of the Clean Air Act is amended by inserting after "such requirement," the following: "or for the purpose of achieving interim reductions of emissions of the pollutant subject to such requirement by a method approved by the Administrator (or the State, as appropriate) and not inconsistent with the achievement of such requirement,".

(b) The last sentence of section 120(d)(2) of the Clean Air Act is amended by striking out "cost of construction" and inserting in lieu thereof "costs under subparagraph (B)".

OZONE PROTECTION

SEC. 109. (a) Section 152 of the Clean Air Act is amended by striking the period at the end thereof and inserting "; and" in lieu thereof, and by adding the following new paragraph:

"(3) the term 'chlorofluorocarbon' means any of the halocarbon compounds commonly known as CFC-11, CFC-12, CFC-113, CFC-114, CFC-115, and CFC-22, as well as any other simple saturated compounds of carbon, chlorine, fluorine, and optionally hydrogen containing not more than four carbon atoms.".

(b) Section 153 of the Clean Air Act is amended by—

(1) inserting after subsection (b) the following:

"(c) The Administrator shall give priority in the studies and research authorized by subsections (a) and (b) to increasing actual measurements of stratospheric ozone and to improving methods of identifying potential trends in actual ozone measurements. The Administrator shall give priority in the studies and research authorized by the remaining sections or subsections of this part to identifying, predicting, and quantifying the effects of stratosphere changes on human health, biological and crop productivity and mortality, and ecosystem (including aquatic ecosystems) alterations.";

(2) redesignating subsections (c) and (d) as (d) and (e), respectively;

(3) inserting after subsection (e) the following:

"(f) The Administrator shall undertake to contract annually with the National Academy of Sciences to—

"(1) continue the review and research efforts heretofore conducted by the Academy pursuant to subsection (e);

"(2) determine if changes in the concentration of ozone in the stratosphere have occurred or are occurring and, if so, the extent, nature, and causes of any such changes;

"(3) investigate whether there are probable or possible effects on health and welfare from any such changes; and

"(4) report all findings as well as any uncertainties associated with such findings.

"(g) The National Academy of Sciences, in consultation with the National Aeronautics and Space Administration and the Administrator of the National Oceanic and Atmospheric Administration, shall, not later than two years after the date of enactment of the Clean Air Act Amendments of 1982 and annually thereafter report to the Administrator and the Congress all findings concerning actual or potential alteration of the concentration of ozone in the stratosphere and the causes of such alteration, and the implications and uncertainties associated with such findings. Copies of such reports shall be made available to the public."; and

(4) redesignating subsections (e), (f), and (g) as (h), (i), and (j), respectively.

(c) Section 154 of the Clean Air Act is amended by adding a new subsection as follows:

"(g) The research and monitoring programs provided for in this section shall be continued and expanded, with particular emphasis given to determining whether changes in the concentration of ozone in the stratosphere have occurred or are occurring and, if so, the extent, nature, causes, and effects of any such changes and any uncertainties associated therewith.".

(d) Section 156 of the Clean Air Act is amended by inserting "(a)" after "SEC. 156." and by adding the following new subsection:

"(b) The President shall, no later than two years after the date of enactment of the Clean Air Act Amendments of 1982 and annually thereafter, report to the Congress on the status of actions undertaken to reach an international agreement or agreements pursuant to subsection (a). The reports shall include information as to the nature, extent, and implications of any threat to the concentration of ozone in the stratosphere and the appropriate regulatory action proposed or taken by such countries pursuant to such an agreement or agreements to provide protection against the depletion of ozone in the stratosphere. Copies of such reports shall be made available to the public.".

(e) Section 157 of the Clean Air Act is amended by—

(1) striking subsection (a);

(2) striking "(b)" and inserting "(a)";

(3) adding a new subsection as follows:

"(b) In proposing any regulation of chlorofluorocarbons pursuant to this section, the Administrator shall first determine chlorofluorocarbons are contributing to depletion of the stratospheric ozone which is occurring, or is likely to occur, at a rate that may reasonably be anticipated to endanger the public health or welfare, or first report that an agreement relating to chlorofluorocarbons has been entered into pursuant to section 156"; and

(4) inserting after the second sentence of subsection (a) the following: "In promulgating such regulations, the Administrator shall take into account any unresolved scientific questions and the availability of suitable alternative products. The Administrator shall specifically consider the health implications of chlorofluorocarbon chemical substitutes and implications of ozone depletion for the public health and welfare.".

PREVENTION OF SIGNIFICANT DETERIORATION

SEC. 110. (a) Section 160(1) of the Clean Air Act is amended—

(1) by striking out "any"; and

(2) by striking out "effect" and inserting in lieu thereof "effects".

(b) Section 163 of the Clean Air Act is amended—

(1) in subsection (a), by striking out "section 165(d)(2)(C)(iv)" and inserting in lieu thereof "section 165(d)(2)(C)(vi)";

(2) in subsection (b)(2), by inserting "(A)" after "(2)";

(3) by adding at the end of subsection (b)(2) the following new subparagraph:

"(B) In demonstrating compliance with the twenty-four hour or three-hour maximum allowable increases established by this paragraph, the owner or operator of a major emitting facility must demonstrate only that such facility will not cause such maximum allowable increases to be exceeded during more than one such period per year. Compliance with the three-hour maximum allowable increase established by this paragraph shall not be required for areas within the State of Alaska."; and

(4) by striking out subsection (b)(3) in its entirety and renumbering the subsequent paragraph accordingly.

(c) Section 164 of the Clean Air Act is amended—

(1) in subsection (a) by striking out "(c)" and inserting in lieu thereof "(d)";

(2) in subsection (a) by striking out the third and fourth sentences;

(3) by striking out subsection (b) in its entirety, inserting in lieu thereof new subsections (b) and (c) as follows and redesignating all subsequent subsections accordingly:

"(b)(1) Not later than eighteen months after the date of enactment of the Clean Air Act Amendments of 1982, each State shall submit to the Administrator an area classification plan. Such plan shall include the following—

"(A) a list of all areas in such State classified as class I, which shall include all areas within such State referred to in section 162(a) and all other areas determined by the State to warrant such classification;

"(B) a list of all areas in such State classified as class II, which shall include all areas within such State referred to in subsection (a) which are not identified as class I under subparagraph (A) and all other areas determined by the State to warrant such classification; and

"(C) identification of all areas within such State to which this part applies and which are not listed in subparagraphs (A) or (B).

Such areas shall not be subject to the maximum allowable increases specified under sections 163 and 165(d)(2).

"(2) For any areas identified under subparagraph (C) of the preceding subsection, the plan shall include the following—

"(A) a comprehensive assessment of air quality;

"(B) long-term (at least twenty years) air quality goals and a procedure for periodic review of such goals;

"(C) projections of emissions growth which would be consistent with the attainment of the goals established pursuant to subparagraph (B);

"(D) a requirement that all proposed major emitting facilities which will emit or have the potential to emit five hundred tons or more per year of particulate matter or one thousand tons or more per year of any air pollutant be subject to review and be determined to be consistent with the attainment of the goals established pursuant to subparagraph (B) prior to the issuance of a permit under section 165; and

"(E) any other requirements which the State deems necessary to attain the goals established pursuant to subparagraph (B).

"(3) Any plan submitted under this subsection, or any revision of such a plan, shall be considered a revision of the applicable State implementation plan and subject to the requirements of section 110(a)(3).

"(4) Until the plan required under this subsection to be submitted by a State is either approved or deemed approved pursuant to section 110(a)(3), all areas within such State which are class II areas immediately prior to the date of enactment of the Clean Air Act Amendments of 1982 shall continue to be subject to the maximum allowable increases prescribed for class II areas.

"(c) Prior to the submittal of such plan, notice shall be afforded, and public hearings shall be conducted in at least three different locations in the State. Prior to such hearings, the proposed classification plan shall be available for inspection. Affected local officials and Federal Land Managers shall be notified and provided with the opportunity to comment."; and

(4) in subsection (d) (as redesignated above) by striking out "(e)" and inserting in lieu thereof "(f)".

(d) Section 165 of the Clean Air Act is amended—

(1) in subsection (a)(3) by striking out "area to which this part applies more than one time per year" and inserting in lieu thereof "class I or class II area, except as provided in section 163(a)";

(2) in subsection (a)(6) by inserting "and" following "facility;";

(3) in subsection (a)(7) by striking out "source; and" and inserting in lieu thereof "facility.";

(4) by striking out subsection (a)(8);

(5) in subsection (c) by inserting before the period at the end thereof the following: ", in the case of a facility which will emit or have the potential to emit five hundred tons or more per year of particulate matter or one thousand tons or more per year of any other pollutant subject to regulation under this Act, or not later than six months after such date, in the case of a facility which will emit or have the potential to emit less than five hundred tons per year of particulate matter and less than one thousand tons per year of every other pollutant subject to regulation under this Act. Within two months after the filing of such a permit application, the person filing such permit shall be notified whether the permit application is complete, and, if not, what additional information is required to complete the application";

(6) in subsection (d)(1) by striking out "received by such State" and all that follows and inserting in lieu thereof "which—

"(A) will emit, or have the potential to emit, five hundred tons or more per year of particulate matter or one thousand tons or more per year of any other air pollutant; or

"(B) will emit, or have the potential to emit, pollutants affecting (as determined under regulations promulgated by the Administrator) air quality in any class I area, and provide notice to the Administrator of the final action taken on such permit.";

(7) in subsection (d)(2)(B)—

(A) by inserting "to identify and" after "responsibility" the second time it appears;

(B) by inserting "within such area" after "visibility"; and

(C) by striking out all after "area" and inserting the following: "to file a notice, and supporting information, to the permitting authority in any case in which emissions from a proposed major emitting facility may cause or contribute to an adverse impact on the air quality-related values (including visibility) of such area, and to conduct monitoring of the air quality of such area and gather such other information (including information on the effects of air pollution on the air quality-related values of such areas) as is necessary to—

"(i) assist in determining baseline concentrations in such areas, and

"(ii) otherwise carry out the Federal Land Manager's responsibilities with respect to the air quality-related values of such area.";

(8) in subsections (d)(2)(C)(ii) and (d)(2)(D)(i) by inserting "within such area" after "visibility" each time it appears;

(9) by inserting after subsection (d)(2)(C)(ii) the following:

"(iii) In any case in which the Federal Land Manager files with a State a notice alleging that emissions from a proposed major emitting facility may cause or contribute to a significant impairment of visibility within an integral vista (as defined in section 169A(h)(8)) a permit may be issued for the facility only if the public hearing provided for in section 165(a)(2) includes an opportunity for the Federal Land Manager and other interested persons to appear and comment on any impact of the facility on the integral vista and if the State determines that—

"(I) the facility would not cause a significant impairment of visibility within the integral vista, or

"(II) the issuance of the permit would be in the public interest, notwithstanding any significant impairment of visibility within the integral vista.

"(iv) In any case in which the Administrator is the permitting authority under this part, the Federal Land Manager shall provide the Governor with a copy of any notice filed with the Administrator under clause (iii), and, in making a determination under subclause (iii)(II), the Administrator shall follow any recommendation of the Governor to the extent that such recommendation is consistent with other requirements of this Act.";

(10) by redesignating clauses (iii) and (iv) as clauses (v) and (vi), respectively;

(11) in subsection (d)(2)(C)(vi) (as redesignated above) by striking out "(iii)" and inserting in lieu thereof "(v)";

(12) in subsection (d)(2)(D)(i) by striking out "(iii)" and inserting in lieu thereof "(v)";

(13) in subsection (e)(2)—

(A) by striking out "Effective one year after the date of enactment of this part" and inserting in lieu thereof "If deemed necessary or appropriate by the State"; and

(B) by striking out the second sentence thereof.

(e) Section 169 of the Clean Air Act is amended—

(1) in paragraph (2)(C) by striking out "section 111(a)" and inserting in lieu thereof "section 110(a)(4)(B)";

(2) in paragraph (3)—

(A) by inserting "(A)" after "(3)";

(B) by inserting at the end thereof the following new subparagraphs:

"(B) Before determining under section 165(a)(4) the best available control technology to be achieved by a proposed major emitting facility which will emit or have the potential to emit five hundred tons or more per year of particulate matter or one thousand tons or more per year of any other pollutant subject to regulation under this Act, the permitting authority shall review the emission limitations with respect to such pollutant achieved in practice by or required under this Act (by a permit issued before the application for the permit for the proposed facility is complete) for major emitting facilities of the same size, type, and class (as determined by the State in accordance with any applicable regulations promulgated by the Administrator), and shall identify the most stringent of such emission limitations. The permitting authority shall first consider the most stringent emission limitation identified under the preceding sentence in determining the best available control technology to be achieved by a major emitting facility referred to in the preceding sentence.

"(C) If the permitting authority requires an emission limitation for the proposed facility which is less stringent than the emission limitation identified under subparagraph (B), the permitting authority shall provide information to the public regarding such decision.

"(D) For the purposes of subparagraph (B), the permitting authority shall be required to review emission limitations, and to identify the most stringent emission limitation achieved by, or required under, a permit issued for major emitting facilities only if—

"(i) the facilities are located within the State (or, if the Administrator is the permitting authority, within the administrative region of the Environmental Protection Agency) in which the proposed facility will be located;

"(ii) the emission limitation is described in a guidance document published and distributed to the permiting authority in accordance with section 108(g); or

"(iii) the permitting authority has received actual notice of the emission limitation by a comment submitted to the permitting authority during the consideration of the permit for the proposed facility or through any other means."; and

(3) in paragraph (4)—

(A) by striking out "at the time of the first application for a permit in an area subject to this part" and inserting in lieu thereof "in any area subject to this part at the time of the first application for a permit under this part for a major emitting facility which affected or will affect such levels (or, in an area redesignated as class I after the date of enactment of the Clean Air Act Amendments of 1982, at the time of the

first such application following the date of redesignation)";

(B) by inserting ", on data submitted by a Federal Land Manager," after "agency";

(C) by inserting "(or, with respect to an area redesignated as class I after the date of enactment of the Clean Air Act Amendments of 1982, prior to the date of redesignation)" after "January 6, 1975" the first place it appears; and

(D) by inserting "(or, with respect to an area redesignated as class I after the date of enactment of the Clean Air Act Amendments of 1982, after the date of redesignation)" after "January 6, 1975" the second place it appears.

FUGITIVE DUST

SEC. 111. Section 163 of the Clean Air Act is amended—

(a) in subsection (c)(1)(C) by inserting "(i)" after "matter" and by inserting after "activities" the following: ", or (ii) attributable to emissions composed of soil which is uncontaminated by pollutants resulting from industrial activity, including emissions of such uncontaminated soil from roads, wind erosion of exposed soil surfaces and soil storage piles, and other activities in which soil is either removed, stored, transported, or redistributed, and"; and

(b) in subsection (c) by adding at the end thereof the following new paragraph:

"(4) In any State in which the Administrator is the permitting authority for this part, the Administrator may, and upon petition by the Governor shall, provide notice, conduct a public hearing, and, with the concurrence of the Governor, may issue orders or promulgate rules under paragraph (1).".

VISIBILITY

SEC. 112. (a) Section 169A of the Clean Air Act is amended—

(1) in subsection (a)(1) by inserting "significant" after "existing,";

(2) in subsection (b)(2)(A) by inserting "significant" after "any" the second time it appears;

(3) by inserting after subsection (c) a new subsection (d) as follows:

"(d)(1) This section shall not be construed to require, and the Administrator may not take any action under this section to require, any existing source to procure, install, or operate any retrofit technology to prevent or remedy impairment of visibility within an integral vista unless the Administrator has provided notice to the Governor of the State in which the source is located of the proposed action and the Governor does not, within a reasonable time as specified by the Administrator, notify the Administrator that the Governor has determined that, notwithstanding any such impairment, it would not be in the public interest to take such action.

"(2) Paragraph (1) shall not affect the requirements of this section to the extent they apply to impairment of visibility within the boundaries of a mandatory class I Federal area.";

(4) by redesignating subsections (d) through (g) as subsections (e) through (h) respectively; and

(5) in subsection (h) (as redesignated above)—

(a) by striking out "and" at the end of paragraph (6);

(b) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(c) by inserting at the end thereof a new paragraph (8) reading—

"(8) the term 'integral vista' means any of the integral vistas included in appendix 1 of the notice by the Department of the Interior published in the Federal Register of January 15, 1981, at pages 3646 through 3657.".

(b) Section 307(d)(9) of the Clean Air Act is amended by inserting after "applies," the following: "or of any determination by a State or a Governor under section 165(d)(2)(C)(iii) or 169A(d) that an action is or is not in the public interest,".

INTERNATIONAL POLLUTION

SEC. 113. (a) The first sentence of section 171(2) of the Clean Air Act is amended by inserting before the period a comma and the following: "discounting emissions from an immediately adjacent area in a foreign country for which the Administrator has not made the determination provided under section 115(c)".

(b) It is the sense of the Congress that the President, acting through the Secretary of State in consultation with the Administrator, shall undertake negotiations with any foreign country from which emissions would cause an area in the United States to be a nonattainment area (as defined in section 171(2) of the Clean Air Act), except for the operation of subsection (a) of this section, with the purpose of having such foreign country give the United States essentially the same rights given other countries under section 115 of the Clean Air Act.

TECHNOLOGY REQUIREMENTS FOR NONATTAINMENT AREAS

SEC. 114. (a) Section 171(3) of the Clean Air Act is amended to read as follows:

"(3)(A) The term 'best available control technology' means an emission limitation based on the maximum degree of reduction of each pollutant subject to regulation under this Act emitted from or which results from any major stationary source, which the permitting authority, on a case-by-case basis, taking into account energy, environmental and economic impacts and other costs, determines is achievable for such source through application of production processes and available methods, systems, and techniques, including fuel cleaning or treatment or innovative fuel combustion techniques for control of each such pollutant. In no event shall application of 'best available control technology' result in emissions of any pollutants which will exceed the emissions allowed by any applicable standard established pursuant to section 111 or 112.

"(B) Before determining under section 173 the best available control technology to be achieved by a proposed major stationary source which will emit or have the potential to emit five hundred tons or more per year of particulate matter or one thousand tons or more per year of any other pollutant subject to regulation under this Act, the permitting authority shall review the emission limitations with respect to such pollutant achieved in practice by or required under this Act by a permit issued before the application for the permit for the proposed facility is complete for major stationary sources of the same size, type, and class (as determined by the State in accordance with any applicable regulations promulgated by the Administrator), and shall identify the most stringent of such emission limitations. The permitting authority shall first consider the most stringent emission limitation identified under the preceding sentence in determining the best available control technology to be achieved by a major stationary source referred to in the preceding sentence.

"(C) For any major stationary source emitting a pollutant (or precursor of such pollutant) for which the area in which such source will be located is nonattainment, the permitting authority shall establish an emission limitation for such pollutant which is at least as stringent as the more stringent of the following:

"(i) the most stringent emission limitation shown by an adequate operating history to have been achieved in practice by a major stationary source of the same size, type, and class (as determined by the State in accordance with any applicable regulations promulgated by the Administrator) within the same Federal administrative region; or

"(ii) unless the permitting authority determines in accordance with subparagraph (A) that such emission limitation is not achievable for the proposed source, the most stringent emission limitation included in a permit issued pursuant to this Act for a major stationary source of the same size, type, and class (as determined by the State in accordance with any applicable regulations promulgated by the Administrator) within the same Federal administrative region before the application for the permit for the proposed source is complete.

"(D) If the permitting authority requires an emission limitation for the proposed source which is less stringent than the emission limitation identified under subparagraph (B) or (C)(ii), the permitting authority shall provide information to the public regarding such decision.

"(E) For the purposes of subparagraphs (B) and (C), the permitting authority shall be required to review emission limitations and to identify the most stringent emission limitation achieved by, or required under, a permit issued for major stationary sources only if—

"(i) the sources are located within the State (or, if the Administrator is the permitting authority, within the administrative region of the Environmental Protection Agency) in which the proposed source will be located;

"(ii) the emission limitation is described in a guidance document published and distributed to the permitting authority in accordance with section 108(g); or

"(iii) the permitting authority has received actual notice of the emission limitation by a comment submitted to the permitting authority during the consideration of the permit for the proposed source or through any other means.".

(b) Section 173(a)(2) of the Clean Air Act (as redesignated by this Act) is amended to read as follows:

"(2) the proposed source is subject to the best available control technology;".

NONATTAINMENT DEFINITIONS

SEC. 115. Section 171 of the Clean Air Act is amended by adding the following new paragraphs:

"(5) The term 'major stationary source' includes each discrete operation, unit or other activity which produces or may produce emissions of one hundred tons or more per year of a pollutant or a precursor of a pollutant for which the area in which such source is or will be located is a nonattainment area.

"(6) The term 'vehicle emission control inspection and maintenance program' means a program to reduce in-use emissions from motor vehicles in an urbanized area referred to in section 172(b)(12) which—

"(A)(i) requires emissions testing and necessary adjustment, repair, or maintenance of motor vehicles regularly operating in such area, and

"(ii) is at least as effective in reducing such emissions as the programs fully approved by the Administrator under the Clean Air Act Amendments of 1977, or

"(B) in the case of an area which is subject to section 172(b)(12)(B) but is not subject to section 172(b)(12)(A) and in which motor vehicles emit less than one-third of the total hydrocarbon emissions emitted by all sources in the area (according to the emissions inventory approved by the Administrator as meeting the requirements of section 172(b)(4) for the plan revision required under the Clean Air Act Amendments of 1977 to be submitted to the Administrator before July 1, 1982)—

"(i) requires emissions testing or the direct inspection of motor vehicle emissions control systems or components for each light duty motor vehicle of each model year covered by such program regularly operating in such area at least annually and necessary adjustment, repair, or replacement, and

"(ii) is sufficient, when considered together with the other measures in the implementation plan, to provide for attainment of the national primary ambient air quality standard for photochemical oxidants as expeditiously as practicable but not later than the applicable date established under section 172(a)(2).".

CONSTRUCTION IN NONATTAINMENT AREAS

SEC. 116. Section 110(a)(2)(I) of the Clean Air Act is amended to read as follows:

"(I) it provides that in any nonattainment area (as defined in section 171(2)) to which such plan should apply, no major stationary source shall be constructed or modified if the emissions from such source will cause or contribute to concentrations of any pollutant for which a national ambient air quality standard is exceeded in such area, if—

"(i) the date established for attainment of the primary national ambient air quality standard established under section 172(a) is past and such area remains nonattainment,

"(ii) the Administrator finds the State has not submitted a plan which meets the requirements of section 172(b)(3), (4), and (12) and section 173(a)(1), or

"(iii) the State or a local government with responsibility to implement a portion of the plan is not implementing each requirement of a plan adopted or promulgated in accordance with section 172,

unless the amount of emissions from such source will be offset by reductions in the emissions of such pollutant in such area in accordance with the requirements of section 173(a)(1)(A) and the amount of such emission reductions is twice as great as the amount of emissions from such source;".

NONATTAINMENT PLAN PROVISIONS

SEC. 117. (a) Section 172(a) of the Clean Air Act is amended—

(1) in subsection (a)(1) by inserting "(A)" after "(1)" and by adding the following new subparagraph:

"(B) In any nonattainment area for sulfur dioxide, particulate matter, or nitrogen dioxide for which the State demonstrates to the satisfaction of the Administrator that attainment of such national primary ambient air quality standard is not possible prior to December 31, 1982, despite the implementation of an approved or promulgated implementation plan containing all reasonably available control measures, the date for attainment of such standard under this subsection shall be not later than December 31, 1985. Such extension shall be on the condition that—

"(i) the State certifies to the Administrator prior to December 31, 1982, that attainment of such standard is not possible prior to December 31, 1982, despite implementation of all reasonably available control measures, and submits to the Administrator an accompanying explanation of the reasons therefor,

"(ii) the State agrees in writing not to modify so as to make less stringent or to delay any emission limitation or other requirement affecting emissions of the approved or promulgated implementation plan; and

"(iii) the State submits prior to December 31, 1984, a revised implementation plan complying with this section and providing for attainment of such standard not later than December 31, 1985.

Failure to submit a revised implementation plan in accordance with clause (iii) or action which in the judgment of the Administrator constitutes a failure to carry out the agreement required by clause (ii) shall immediately terminate any extension under this subparagraph."; and

(2) in subsection (a)(2) by—

(A) inserting "(A)" after "(2)" and adding the following new sentence: "An extension may be made for a State under the provisions of this subparagraph, notwithstanding a failure to submit such demonstration before January 1, 1979, as required under section 129(c) of the Clean Air Act Amendments of 1977, if the State otherwise meets the requirements of this paragraph and adopts and submits to the Administrator before December 31, 1984, a revised plan which meets the requirements of section 172 (b) and (c). Such extension shall be on the condition that—

"(i) the State certifies to the Administrator prior to December 31, 1982, that attainment of such standard is not possible prior to December 31, 1982, despite implementation of all reasonably available control measures, and submits to the Administrator an accompanying explanation of the reasons therefor;

"(ii) the State agrees in writing not to modify so as to make less stringent or to delay any emission limitation or other requirement affecting emissions of the approved or promulgated implementation plan; and

"(iii) the State submits prior to December 31, 1984, a revised implementation plan complying with this section and providing for attainment of such standard not later than December 31, 1987.

Failure to submit a revised implementation plan in accordance with clause (iii) or action which in the judgment of the Administrator constitutes a failure to carry out the agreement required by clause (ii) shall immediately terminate any extension under the preceding two sentences."; and

(B) by adding the following new subparagraphs:

"(B) In the case of a nonattainment area for photochemical oxidants in which the second highest daily maximum one-hour average concentration of such pollutant for 1979 or 1980 exceeded the national primary ambient air quality standard by 100 per centum or more or a nonattainment area for carbon monoxide in which the second highest nonoverlapping eight-hour average concentration of such pollutant for 1979 or 1980 exceeded the national primary ambient air quality standard by 100 per centum or more, and for which the Administrator determines upon the request of the State that attainment of such national primary ambient air quality standard is not possible prior to December 31, 1987, despite the implementation of all reasonably available control measures including—

"(i) the adoption of reasonably available control technology satisfactory to the Administrator by every class of source in the area prior to December 31, 1987;

"(ii) the existence of a program satisfying the requirements of section 173(a)(1); and

"(iii) the operation of a vehicle emission control inspection and maintenance program as of the date of such request of the State,

such State is authorized to establish an alternative date for attainment of such national primary ambient air quality standard. Such alternative date shall provide for attainment as expeditiously as practicable, but not later than five years after the date established under subparagraph (A) of this paragraph. Within two years after the determination of the Administrator under this subparagraph, but not later than December 31, 1986, the State shall adopt and submit to the Administrator a revised implementation plan complying with this section and providing for attainment of such standard not later than the date established under the preceding sentence.

"(C) In the case of a nonattainment area for photochemical oxidants for which the Administrator determines, upon the request of the State during 1986 or later, that attainment of such national primary ambient air quality standard is not possible prior to December 31, 1987, despite the implementation of all reasonably available control measures including—

"(i) the adoption of reasonably available control technology satisfactory to the Administrator by every class of source in the area prior to December 31, 1987;

"(ii) the existence of a program satisfying the requirements of section 173(a)(1); and

"(iii) the operation of a vehicle emission control inspection and maintenance program as of the date of such request of the State,

such State is authorized to submit a revised implementation plan establishing an alternative date for attainment of such national primary ambient air quality standard. Such alternative date shall provide for attainment as expeditiously as practicable, but not later than three years after the date established under subparagraph (A) of this paragraph.".

(b) Section 172(b) of the Clean Air Act is amended—

(1) in subsection (b)(11)—

(A) by striking out the dash following "(a)" and inserting in lieu thereof a comma;

(B) by striking out "(A)"; and

(C) by striking out all that follows "modification;"; and

(2) by adding at the end of subsection (b) the following new paragraphs:

"(12) in the case of a plan for an area which includes all or part of an urbanized area (as defined by the Director of the Bureau of the Census) with a population of two hundred thousand or more persons according to the 1980 census and for which a demonstration has been made under subsection (a)(2)—

"(A) for carbon monoxide, or

"(B) for photochemical oxidants, if the third highest daily maximum one-hour average concentration of such pollutant during the two-year period of 1979 and 1980 exceeded the national primary ambient air quality standard by 50 per centum or more,

provide for operation of a vehicle emission control inspection and maintenance program as expeditiously as practicable, but in the case of an area for which such demonstration is made after the date of enactment of the Clean Air Act Amendments of 1982 not later than January 1, 1985; and

"(13) in the case of a plan for an area for which a demonstration under paragraph (a)(2) is made after the date of enactment of the Clean Air Act Amendments of 1982, include reasonably available measures to assure continuous compliance with the requirements of permits issued under this Act for major stationary sources in such area emitting a pollutant for which such area is nonattainment (or a precursor of such pollutant).".

(c) Section 172(c) of the Clean Air Act is amended to read as follows:

"(c)(1) In the case of a State plan revision required to be submitted by reason of a demonstration under section (a)(2)(A), effective on the date such plan revision is required to be submitted such plan shall contain enforceable measures to assure attainment of the applicable standard not later than December 31, 1987.

"(2) In the case of a State plan revision required to be submitted by reason of a demonstration under subsection (a)(2) (B) or (C), effective on the date such plan revision is required to be submitted such plan shall contain enforceable measures to assure attainment of the applicable standard not later than the date established under subsection (a)(2) (B) or (C).".

(d) Section 172 of the Clean Air Act is further amended by adding at the end thereof the following new subsections:

"(d) No emission limitation or schedule of compliance for a stationary source may be relaxed or delayed in any area which receives an extension of the date for attainment of a national primary ambient air quality standard provided under subsection (a)(1)(B) or (a)(2) of this section.

"(e) A plan provision establishes the allowance permitted for a pollutant for which an area is nonattainment (or a precursor of such pollutant) from new or modified major stationary sources under subsection (b)(5) if—

"(1) the State has an approved emissions inventory for such pollutant and area meeting the requirements of subsection (b)(4), and the allowable emissions of such pollutant from proposed new or modified major stationary sources in any calendar year, in combination with all other increases in emissions of such pollutant (not offset by any reductions in emissions at such source or other sources) in such nonattainment area in the same calendar year, do not exceed one per centum of the total annual emissions of such pollutant as recorded in the approved emissions inventory;

"(2) the State conducts a review prior to construction or modification and requires the best available control technology for every new or modified source which would emit, or have the potential to emit, fifty tons or more per year of such pollutant (not offset by any reductions in emissions at such source or other sources); and

"(3) the plan, taken as a whole, meets the requirements of subsection (b), including the requirement that the plan demonstrate reasonable further progress (as defined in section 171).".

PERMIT REQUIREMENTS FOR NONATTAINMENT AREAS

SEC. 118. Section 173 of the Clean Air Act is amended—

(1) by inserting "(a)" after "SEC. 173.";

(2) in subsection (a)(1)(A) by inserting "(including nonindustrial sources, inanimate natural sources, and mobile sources)" after "region";

(3) by inserting "and under other requirements of this Act" after "plan" the first time it appears; and

(4) by inserting at the end thereof the following new subsection:

"(b) Any emission reductions required as a precondition of the issuance of a permit under subsection (a)(1)(A) may include emission reductions achieved by a State or local government and paid for by the owner or operator of the proposed new or modified source. For the purpose of the preceding sentence, the permit program required by section 172(b)(6) may include an emission reduction program providing for the emission reductions necessary to comply with the requirements of subsection (a)(1)(A) and for the determination of the amount of any fees to be paid by the owners or operators of proposed new or modified sources to the State or local government for such emission reductions.".

LIMITATIONS ON CERTAIN FEDERAL ASSISTANCE

SEC. 119. Section 176 (a) and (b) of the Clean Air Act is amended to read as follows:

"SEC. 176. (a) To such extent or in such categories as the Administrator determines to be appropriate, the Administrator shall withhold any grants authorized under this Act or the approval of any project, and the Secretary of Transportation, upon the request of the Administrator, shall not approve any projects or award any grants under title 23, United States Code, other than for Interstate highway construction with funds apportioned under section 104(b)(5)(A) of such title, safety, mass transit, landscaping, noise attenuation barriers, or transportation projects related to air quality improvement or maintenance, in any nonattainment area—

"(1) where the Administrator finds that the Governor has not submitted a plan which includes each of the elements required by section 172 within the time required for submission of such plan, or

"(2) in which the State or a responsible local government is not implementing any requirement of a plan adopted or promulgated in accordance with section 172.

"(b) The Secretary of Transportation shall not approve any projects or award any grants under title 23, United States Code, other than for Interstate highway construction with funds apportioned under section 104(b)(5)(A) of such title, safety, mass transit, landscaping, noise attenuation barriers, or transportation improvement projects related to air quality improvement or maintenance, in any nonattainment area—

"(1) where the Administrator finds that the Governor has not submitted a plan meeting the requirements of section 172(b)(12) within the time required for submission of such plan, or

"(2) in which the State or a responsible local government is not implementing any requirement of a plan required by section 172(b)(12).".

INTERSTATE TRANSPORT AND ACID PRECURSOR REDUCTION

SEC. 120. Title I of the Clean Air Act is amended by adding the following new part:

"PART E—INTERSTATE TRANSPORT AND ACID PRECURSOR REDUCTION

"FINDINGS AND PURPOSES

"SEC. 180. (a) The Congress finds that:

"(1) the long-range transport of pollutants and their transformation products is an interstate and international problem;

"(2) current levels of emissions of air pollutants from existing sources as well as increased emissions from new and existing sources threaten public health and welfare and the environment in States and countries other than those in which emitted;

"(3) reduction of total regional atmospheric loading of pollutants such as sulfur oxides and nitrogen oxides will enhance protection of public health and welfare and the environment;

"(4) more effective regulation of the interstate transport of air pollutants is needed in order to protect the health and welfare of the citizens of downwind States and the economic growth opportunities of downwind States; and

"(5) in particular,

"(A) the deposition of acid compounds from the atmosphere is causing and contributing to widespread long-term ecosystem degradation;

"(B) the principal source of the acid compounds in the atmosphere, and their precursors, is the combustion of fossil fuels;

"(C) the problem of acid deposition is of national and international significance and cannot be addressed adequately without Federal intervention;

"(D) control strategies and technology for precursors to acid deposition exist now that are economically feasible; and

"(E) current and future generations of Americans will be more adversely affected by delayed action, so that efforts to remedy the problem should commence now.

"(b) The purposes of this part are to:

"(1) protect public health and welfare and the environment from any actual or potential adverse effect caused by ambient concentrations or deposition of air pollutants, including the products of atmospheric transformation of pollutants; and

"(2) preserve the rights and responsibilities of States to protect the public health and welfare and the environment of their citizens from air pollution originating in other States.

"ESTABLISHMENT OF REGION

"SEC. 181. There is hereby established a long-range transport corridor, hereafter referred to as the "acid deposition impact region," consisting of the States of Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

"RESEARCH AND SPECIAL STUDIES

"SEC. 182. (a) The Administrator shall conduct a study of air pollution problems associated with the long-range transport of pollutants in the portions of the continental United States not included in section 181. Not later than two years after the enactment of this section, the Administrator shall report to the Congress the results of such study.

"(b)(1) The Acid Precipitation Task Force established under title VII of the Energy Security Act (Public Law 96-294) shall submit to the Committee on Environment and Public Works of the United States Senate and the Committee on Energy and Commerce of the United States House of

Representatives, two comprehensive reports, one by December 31, 1985, and one by December 31, 1987, which shall present the findings of the research conducted under section 704(b) of such Act, including recommendations, based upon existing scientific knowledge, for reducing acid deposition and its effects.

"(2) In addition to any other funds authorized to be appropriated for the Acid Precipitation Task Force for the purposes of carrying out the activities required by section 704 of title VII of the Energy Security Act, there are authorized to be appropriated $10,000,000 in each of the fiscal years 1983, 1984, 1985, 1986, and 1987.

"(c)(1) The Task Force established by title VII of the Energy Security Act shall also conduct and support research on advanced flue-gas cleaning and precombustion fuel treatment technologies and inherently low-emission combustion processes (including atmospheric and pressurized fluidized bed combustion).

"(2) There are authorized to be appropriated to a member of such Task Force for fiscal years 1984 through 1988 $50,000,000 for the purposes of funding a joint project among the Tennessee Valley Authority and such others as may be appropriate, including a research institute representing the electric utility industry and individual electric utilities, for the planning, design, construction, operation, and testing of a demonstration facility for the generation of electricity using an atmospheric fluidized bed combustion process. The provision of such funding shall be contingent on non-Federal participants assuming at least 75 per centum of the costs of such joint project.

"(d)(1) Not later than six months after enactment of this section there shall be established an Acid Precipitation Scientific Review Board with not more than 15 members who shall be appointed by the National Academy of Sciences.

"(2) The Board shall examine and consider all available information regarding the causes, extent and potential environmental impacts of acid deposition, including a review of all the activities being performed by the Acid Precipitation Task Force under section 704(b) of the Energy Security Act.

"(3) The Board shall submit to the Committee on Environment and Public Works of the United States Senate and the Committee on Energy and Commerce of the United States House of Representatives at least two comprehensive reports, one not later than June 30, 1986, and one not later than June 30, 1988, on the results of its examination undertaken in accordance with paragraph (2), including a review of the report(s) submitted to the Committees of Congress by the Task Force as required by subsection (b)(1) of this section, together with the Board's own recommendations for reducing acid deposition and its effects.

"(4) There are authorized to be appropriated $1,000,000 for each of fiscal years 1983 through 1988, for the purposes of carrying out the activities required by this subsection.

"(e)(1) Promptly after the date established by section 186, the Administrator shall submit to the Committee on Environment and Public Works of the United States Senate and the Committee on Energy and Commerce of the United States House of Representatives a report describing the emission limitation and other enforceable measures adopted by the States and approved by the Administrator under section 185(b) or in effect under section 186, for all States in the acid deposition impact region established by section 181.

"(2) The Office of Technology Assessment shall analyze the environmental benefits to be gained through the implementation of the control requirements described by the Administrator in accordance with paragraph (1) of this subsection, the costs of implementing such control requirements, and any potential effects on coal production or markets of implementing such control requirements, on both an aggregate regional and a State-by-State basis. The Office of Technology Assessment shall report its findings to the Committee on Environment and Public Works of the United States Senate and the Committee on Energy and Commerce of the United States House of Representatives no later than six months after the submission of the report required in paragraph (1).

"(f) Upon receipt of the reports required by subsections (b)(1), (d), (e)(1), and (e)(2), the Committee on Environment and Public Works of the United States Senate and the Committee on Energy and Commerce of the United States House of Representatives shall conduct hearings on the matters contained in such reports and take such other action as each such committee deems appropriate.

"(g) The Administrator shall develop an inventory of sources of oxides of nitrogen in the acid deposition impact region established by section 181 and in each State thereof. Not later than four years after enactment of this part the Administrator shall report to the Committee on Environment and Public Works of the United States Senate and the Committee on Energy and Commerce of the United States House of Representatives on (1) the inventory of sources of oxides of nitrogen developed under this subsection, (2) control technology and methods for new and existing sources for oxides of nitrogen, and (3) any recommendations for requirements to reduce existing emissions or control new emissions of oxides of nitrogen to reduce acid deposition.

"(h) The Administrator and the Secretary of the Treasury shall jointly conduct a study of the potential for a system of fees on the generation of electrical energy in the acid deposition impact region established by section 181, to be used to finance the reductions in emissions required by this part, including the equitable distribution of the funds resulting from such fees. A report of such study shall be submitted to the Congress not later than six months after submittal of the report required by subsection (e)(1) of this section.

"(i)(1) The Administrator is authorized to conduct or make grants to any State or interstate agency for the purposes of conducting the development, refinement and practical demonstration of new, improved, or innovative methods of neutralizing or restoring the buffering capacity of acid altered bodies of water that no longer can support game fish species; and methods of removing from bodies of water toxic metals or other toxic substances mobilized by acid deposition, and to include in such grants such amounts as necessary for the purpose of reports, plans and specifications in connection therewith.

"(2) Grants under this subsection shall not be made for any project in an amount exceeding 75 per centum of the costs thereof as determined by the Administrator.

"(3) Grants under this subsection shall not be made for any project that involves bodies of water that did not contain game fish as established by State law prior to 1970.

"(4) For the purposes of this subsection there are hereby authorized to be appropriated $5,000,000 for each of the fiscal years 1983, 1984, and 1985.

"ACID PRECURSOR CONTROLS

"SEC. 183. (a) There shall be achieved a reduction in annual emissions of sulfur dioxide in the acid deposition impact region established under section 181 of this Act of 8,000,000 tons from the total actual annual level of such emissions between January 1, 1980, and December 31, 1980. Such reduction shall be achieved pursuant to a phased reduction and completed no later than January 1, 1995.

"(b)(1) Emissions of sulfur dioxide from major stationary sources which did not begin operation before January 1, 1981, or which have increased emissions since January 1, 1981 (to the extent of such increase), calculated on an annual basis, shall be added to the amount of sulfur dioxide which the State in which such sources are located is required to reduce not later than January 1, 1995, under section 184 or 185(a).

"(2)(A) Such emissions shall not be so added in any State which during 1980 had no major stationary source which was a utility boiler which had an actual annual average emission rate greater than 1.2 pounds of sulfur dioxide per million British thermal units of heat input.

"(B) Increases in emissions of sulfur dioxide from utility boilers which are coal capable as defined under section 301(a) of the Fuel Use Act and which convert to the use of coal as a primary fuel shall be so added only to the extent such emissions from a particular source exceed 1.5 pounds of sulfur dioxide per million British thermal units of heat input on an annual average.

"(c) Other than as provided in subsection (b)(2)(B), no major stationary source in such region which began operation before January 1, 1981, shall increase its actual rate of emissions of sulfur dioxide over that experienced by such source during calendar year 1980, unless there has been identified for such source a simultaneous net reduction in emissions of sulfur dioxide at one or more points in such region—

"(1) in excess of the emissions which potentially would result from the proposed increase in emission rate, and

"(2) not otherwise required by a State implementation plan under section 110 of this Act or under section 184, 185, or 186 of this part.

This subsection shall not apply to increases in actual rates of emissions of sulfur dioxide from sources in any State in which for each major stationary source of sulfur dioxide which was a utility boiler the emission limitation in effect under an applicable implementation plan at the time of such increases is less than or equal to 1.2 pounds of sulfur dioxide per million British thermal units of heat input on an annual average.

"(d) No major stationary source of sulfur dioxide shall commence operation after January 1, 1995, in such region unless there has been identified for such source a simultaneous net reduction in emissions of sulfur dioxide at one or more points in such region—

"(1) in excess of the emissions which potentially would result from the proposed new source, and

"(2) not otherwise required by a State implementation plan under section 110 of this

Act or under section 184, 185, or 186 of this part.

This subsection shall not apply to any major stationary source which adopts the best available control technology, as defined in section 169(3) or 171(3) as appropriate for the location of the proposed new source, and which attains at least the most stringent emission limitation shown by an adequate operating history to have been achieved in practice by a major stationary source of the same size, type, and class within the region established under section 181 of this Act.

"(e) No major stationary source of oxides of nitrogen in such region which began operation before January 1, 1981, shall increase its actual rate of emissions of oxides of nitrogen as measured in pounds of oxides of nitrogen per million British thermal units of heat input over the greater of that experienced by such source during calendar year 1980, or during the thirty-day period (excluding days on which such source did not operate) immediately preceeding the date of enactment of this subsection, unless there has been identified for such source a simultaneous net reduction in emissions of oxides of nitrogen at one or more points in such region—

"(1) in excess of the emissions which potentially would result from the proposed increase in emission rate, and

"(2) not otherwise required by a State implementation plan under section 110 of this Act.

The preceding sentence shall not apply to emissions of oxides of nitrogen from utility boilers which are coal capable as defined under section 301(a) of the Fuel Use Act and which convert to the use of coal as a primary fuel.

"REGIONAL SULFUR DIOXIDE REDUCTION ALLOCATION

"SEC. 184. (a) The Governors of all of the thirty-one States within the acid deposition impact region shall enter into negotiations to establish sulfur dioxide emission reduction requirements for each State within the region sufficient to achieve the total reduction required under section 183(a).

"(b) An agreement to allocate sulfur dioxide emission reductions entered into under this section shall be binding and enforceable under sections 113 and 304 of this Act on each State within the acid deposition impact region, but only upon notification to the Administrator by the Governors of 75 per centum of the States in the acid deposition impact region, within eighteen months after enactment of this part, that such agreement has been reached.

"STATE SULFUR DIOXIDE REDUCTION REQUIREMENTS

"SEC. 185. (a)(1) If the Governors fail to reach agreement within eighteen months after the enactment of this part for the allocation of sulfur dioxide reduction under section 184 sufficient to achieve the requirements of section 183(a), each State shall be required to achieve within its borders a reduction in annual sulfur dioxide emissions equal to that fraction of 8,000,000 tons which is the ratio of all the actual utility emissions in such State in excess of 1.5 pounds of sulfur dioxide per million British thermal units of heat input averaged over the period January 1, 1980, to December 31, 1980, to the total in all States in the region of all the actual utility emissions in excess of 1.5 pounds of sulfur dioxide per million British thermal units of heat input averaged over such period.

"(2) The Governors of any two or more States within the region may by agreement reallot among agreeing States the reductions required under subsection (a)(1) provided that the total reductions equal the total required under subsection (a)(1).

"(b)(1) Not later than forty-two months after the enactment of this part, each State shall adopt enforceable measures to achieve the reduction in sulfur dioxide emissions required by section 184 or subsection (a) of this section, including emission limitations and schedules for compliance for sources within such State and other means of emission reduction in accordance with section 187 of this Act. The Governor of such State shall submit such measures to the Administrator for review in accordance with paragraph (2) of this subsection and section 110(a)(3), and to the Governors of all other States in the acid deposition impact region for comment.

"(2) Review and approval of measures submitted under this subsection shall be as provided in section 110(a)(3). The Administrator shall approve such measures submitted under paragraph (1) of this subsection if, taking into consideration the comments of Governors of other States in such region, the Administrator finds that such measures—

"(A) contain enforceable requirements for continuous emission reduction,

"(B) contain requirements for monitoring by the source and enforcement agencies to assure that the emission limitations are being met, and

"(C) are adequate to achieve the reduction in sulfur dioxide emissions for such State required pursuant to section 184 or subsection (a) of this section within the time specified in section 183(a) of this Act.

"(3) Each emission limitation, schedule for compliance or other measure adopted and approved under this subsection shall be deemed a requirement of the State implementation plan approved or promulgated for such State under section 110 of this Act.

"(4) In the case of any major stationary source in a State listed in section 181, which is not by December 31, 1985, in full compliance with the applicable implementation plan for sulfur dioxide in effect on January 1, 1981, the owner or operator of such source shall be subject to:

"(A) the emission limitation established by section 186 for all facilities in such State owned or operated by such owner or operator, and

"(B) a noncompliance penalty established under section 120 for each such source or facility, including each electric generating facility, for the period from the original date for compliance under the applicable implementation plan until actual compliance with the emission limitation established under this paragraph.

"(5)(A) The enforceable measures adopted under this subsection shall include schedules for compliance which specify actions to be performed leading toward final compliance and increments of progress to be achieved by dates in advance of the dates by which the State requires each particular source to comply with the emission limitation necessary to attain the reduction for such State under section 184 or 185(a). The State in adopting such measures and the Administrator in reviewing such measures shall be encouraged to stage or phase such compliance dates so that to the extent practicable significant emission reduction under this part is achieved prior to January 1, 1995.

"(B) Each major stationary source which proposes to comply with an emission limitation established under this subsection or section 186 by any means other than an innovative system of continuous emission reduction or the replacement of existing facilities with new facilities of substantially lower emissions shall comply with such emission limitation not later than January 1, 1993.

"MAJOR STATIONARY SOURCE SULFUR DIOXIDE REDUCTION REQUIREMENTS

"SEC. 186. In any State in the acid deposition impact region established by section 181 of the Act which has not in accordance with section 185(b)(1) of this Act adopted measures to achieve the reduction required by section 184(a) or section 185(a) of this Act within forty-two months after enactment of this part, or which has not had such measures approved by the Administrator under section 185(b)(2) of this Act within six months after the submission of such measures, the owner or operator of each fossil-fuel-burning electric generating facility which is a major stationary source which is not subject to section 111(a) shall comply with an emission limitation or limitations for all such facilities owned or operated by the same entity in such region equivalent to an average among such facilities of 1.2 pounds of sulfur dioxide per million British thermal units of heat input on a thirty-day average. The owner or operator of each such facility shall submit to the Administrator a plan and schedule of compliance for achieving such emission limitation or equivalent emission reduction in accordance with section 187 of this Act, not later than four years after the enactment of this part or six months after the date on which such owner or operator becomes subject to such emission limitation, whichever is later. The Administrator shall approve such plan and schedule for compliance if it—

"(A) contains enforceable requirements for continuous emission reduction;

"(B) contains requirements for monitoring by the source and enforcement agencies to assure that the emission limitations are being met; and

"(C) will achieve the emission reduction required by this section at the earliest practicable date, but no later than January 1, 1995.

Failure of such owner or operator to submit such approvable plan and schedule within the time provided in this section, failure to comply with the plan and schedule of compliance, and failure to achieve the emission reduction required by this section at the earliest practicable date, but no later than January 1, 1995, shall be violations of emission limitations for the purposes of sections 113, 120, and 304 of this Act.

"ENFORCEABLE EMISSION REDUCTION PROGRAMS

"SEC. 187. (a) For the purposes of maintaining the limitation on emissions required by section 183(c) of this Act or attaining emission reductions required by section 183(a), 184, 185, or 186 of this Act, the following methods or programs for net emission reduction may be used, in addition to enforceable continuous emission reduction measures, by a State or the owner or operator of a source, if emission limitations under such methods or programs are enforceable by the Federal Government, States other than those in which the emissions occur, and citizens under section 304 of this Act:

"(1) least emissions dispatch to meet electric generating demand at existing generating capacity;

"(2) retirement of major stationary sources at an earlier date than provided in schedules on file with the Federal Energy Regulatory Commission, the Internal Revenue Service, or State utility regulatory agencies;

"(3) investments in energy conservation where reductions in emissions can be identified with such investments;

"(4) trading of emission reduction requirements and actual reductions on a State or regional basis, for which States and the Administrator are authorized to establish emission reduction banks or brokerage institutions to facilitate such trading; and

"(5) precombustion cleaning of fuels.".

INTERSTATE POLLUTION

SEC. 121. (a) Section 110(a)(2)(E) of the Clean Air Act is amended—

(1) by inserting "or sources" after "source";

(2) by striking "prevent" and inserting in lieu thereof "interfere with"; and

(3) by inserting after "visibility," the following: "or (III) contribute to atmospheric loadings of pollutants or their transformation products which may reasonably be anticipated to cause or contribute to an adverse effect on public health or welfare or the environment in any other State or foreign country,".

(b) Section 123 of the Clean Air Act is amended as follows:

(1) in the second sentence of subsection (c), by striking "immediate vicinity" and inserting in lieu thereof "impact area";

(2) in the fourth sentence of subsection (c), by striking all that language preceding "prohibit" and inserting in lieu thereof "The Administrator may";

(3) adding a new subsection (d) as follows:

"(d) The Administrator shall within one year of enactment complete a review of the emission limits for all existing major sources which have come into existence since 1970 or which have raised the stack height since 1970, in order to determine whether emission limits for such sources are inappropriately based upon modeling credit for stack height above good engineering practice. If emission limits are determined to be inappropriately based, the Administrator shall require the State, within six months, to correct the emission limit to conform with requirements of this section. It shall be the burden of the operator of each such source to demonstrate the correct stack height credit to be used in determining proper emission limits.".

(c) Section 126 of the Clean Air Act is amended as follows:

(1) by adding a new subsection as follows:

"(d) Emission of an air pollutant which, by itself or in combination, reaction, or transformation, adversely affects the public health or welfare of another State, is in violation of this section.".

(2) in subparagraph (B) of subsection (a)(1), by striking "in excess of the national ambient air quality standards";

(3) in subsection (b)—

(A) in the first sentence, following "major source", by inserting "or group of sources";

(B) by striking "110(a)(2)(E)(i)" and inserting in lieu thereof "110(a)(2)(E) or this section";

(4) in subsection (c)—

(A) in the first sentence, following the words "violation of", inserting "this section and";

(B) striking "110(a)(2)(E)(i)" wherever it appears and inserting in lieu thereof "110(a)(2)(E) or this section";

(C) in paragraph (2) insert before the period the phrase, "or to continue operation in violation of subsection (d) more than two years after the date of such finding without the installation of reasonably available control technology".

(d) Section 302(h) of the Clean Air Act is amended by inserting "precipitation," following "effects on" the second time it appears and by inserting before the period a comma and "whether caused by transformation, conversion, or combination with other air pollutants."

(e) Section 304(a)(1) of the Clean Air Act is amended by inserting—

(i) inserting a comma after "Act";

(ii) striking "or"; and

(iii) inserting at the end thereof the following: "or (C) section 126,".

TITLE II—AMENDMENTS RELATING PRIMARILY TO MOBILE SOURCES

HEAVY DUTY VEHICLE EMISSIONS

SEC. 201. (a) Section 202(a)(3)(A) of the Clean Air Act is amended—

(1) in clause (ii) by inserting ", in the case of oxides of nitrogen," after "Unless" and after "unless";

(2) in clause (ii) by striking out "1983" and inserting in lieu thereof "1984";

(3) in clause (iii) by striking out in the last sentence all after "Such standards shall" and inserting in lieu thereof "be effective beginning four model years after the model year in which such standards are promulgated and shall apply for a period of at least four model years. The Administrator is authorized to make appropriate arrangements with the National Academy of Sciences to review the technological feasibility of any proposed standard for particulate matter."; and

(4) by adding at the end thereof the following new clause:

"(vi) In promulgating or revising any standard or determining eligibility of any standard for revision under this paragraph the Administrator shall take into account for each such pollutant the effect of attaining the proposed standard on attaining an existing or proposed standard for each other pollutant. In establishing emission standards under subsection (a) for heavy duty vehicles or engines, in revising such a standard under subparagraph (B), or in changing such a standard under subparagraph (E), the Administrator is authorized to prescribe standards for emissions of oxides of nitrogen and particulate matter for diesel-powered motor vehicles and motor vehicle engines which take effect in the same model year.".

(b) Section 202(a)(3)(B) of the Clean Air Act is amended—

(1) by striking out in the first sentence "During" and all that follows through "thereafter, the" and inserting in lieu thereof "The";

(2) by striking out in the first sentence "subparagraph (A)(ii)" and inserting in lieu thereof "subparagraph (A)(ii)(II)";

(3) by striking out "three" each place it appears and inserting in lieu thereof in each instance "four"; and

(4) by striking out in the third sentence "production of" and inserting in lieu thereof "production during".

(c) Section 202(a)(3)(E) of the Clean Air Act is amended—

(1) in clause (i) by inserting after the first sentence the following new sentence: "The Administrator shall consider studies available from the Health Effects Institute."; and

(2) in clause (ii)—

(A) by striking out in the first sentence "study and" and inserting in lieu thereof "study or";

(B) by striking out "(ii)" in the first sentence thereof; and

(C) by inserting before the period at the end of the first sentence the following: "applicable to any pollutant other than hydrocarbons and carbon monoxide".

(d) Section 202(e)(2) of the Clean Air Act (as redesignated by section 203(1) of this Act) is amended to read as follows:

"(2) in the case of any other motor vehicle or motor vehicle engine (other than motorcycles or motorcycle engines) be a period of use which is the greater of—

"(A) one-half of—

"(i) the average time or use between first use and engine retirement or rebuild; or

"(ii) any other measure of actual life, as determined by the Administrator for the affected class or category; or

"(B) the duration or mileage of the published commercial warranty; and".

LIGHT DUTY VEHICLE EMISSIONS

SEC. 202. Section 202(b) of the Clean Air Act is amended—

(1) in paragraph (1)(B)—

(A) by inserting in the second sentence "gasoline-powered" after "from" the first time it appears;

(B) by inserting in the second sentence ", and from diesel-powered light duty vehicles and engines manufactured during the model years 1981 and 1982 and during the model years 1985 and thereafter," after "thereafter";

(C) by inserting after the second sentence a new sentence to read as follows: "The regulations under subsection (a) applicable to emissions of oxides of nitrogen from diesel-powered light duty vehicles and engines manufacturered during model years 1983 and 1984 shall contain standards which provide that such emissions from such vehicles and engines may not exceed 1.5 grams per vehicle mile."; and

(D) by striking "preceeding sentence" in the third sentence and inserting in lieu thereof "first sentence of this subparagraph";

(2) in paragraph (1) by adding the following new subparagraph:

"(D) Unless waived as provided in paragraph (8), the regulations under subsection (a) applicable to emissions of particulate matter from light duty vehicles and engines manufactured during model year 1986 and thereafter shall contain low altitude standards which provide that such emissions from such vehicles and engines may not exceed 0.2 gram per vehicle mile of particulate matter.";

(3) in paragraph (6)(B) by striking out in the first sentence thereof "four" and inserting in lieu thereof "two"; and

(4) by adding at the end thereof the following new paragraph:

"(8)(A) Upon the petition of any manufacturer, the Administrator, after notice and opportunity for public hearing, may waive the standard required under subparagraph (D) of paragraph (1) to not exceed 0.6 gram per vehicle mile of particulate matter for any class or category of light duty vehicles or engines manufactured by such manufacturer during the two model year period beginning with model year 1986. Such waiver may be granted only if the Administrator determines—

"(i) that such waiver would not endanger public health; and

"(ii) the applicant has established that effective control technology, processes, operating methods, or other alternatives are not available or have not been available with respect to the class or category of light duty vehicles or engines in question for a sufficient period of time to achieve compliance prior to the effective date of such standards, taking into consideration costs and fuel economy.

"(B) Upon the petition of any manufacturer, the Administrator, after notice and opportunity for public hearing, may waive the standard required under paragraph (1)(B) to not to exceed 1.5 grams per vehicle mile of oxides of nitrogen for any class or category of diesel-powered light duty vehicles or engines manufactured by such manufacturer during the two model year period beginning with model year 1986, if such waiver is necessary to, and will in fact, avoid granting a waiver with respect to particulate matter under subparagraph (A) of this paragraph.".

LIGHT DUTY TRUCK EMISSIONS

SEC. 203. Section 202 of the Clean Air Act is amended—

(1) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively;

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) The regulations under subsection (a) applying to model year 1983 light duty trucks shall contain low altitude standards providing that emissions from such vehicles may not exceed 1.7 grams per vehicle mile of hydrocarbons and 18 grams per vehicle mile of carbon monoxide. The regulations under subsection (a) applying to model year 1984 and later light duty trucks shall contain low altitude standards providing that emissions from such vehicles may not exceed 0.8 gram per vehicle mile of hydrocarbons and 10 grams per vehicle mile of carbon monoxide. The regulations under subsection (a) applying to model years 1983 and 1984 light duty trucks shall contain low altitude standards providing that emissions from such vehicles may not exceed 2.3 grams per vehicle mile of oxides of nitrogen. The regulations under subsection (a) applying to model year 1985 and later light duty trucks which have gross vehicle weights of 6,000 pounds or less shall contain low altitude standards providing that emissions from such vehicles may not exceed 1.2 grams per vehicle mile of oxides of nitrogen. The regulations under subsection (a) applying to model year 1985 and later light duty trucks which have gross vehicle weights exceeding 6,000 pounds shall contain low altitude standards providing that emissions from such vehicles may not exceed 1.7 grams per vehicle mile of oxides of nitrogen.

"(2)(A) Unless waived as provided in subparagraph (B), the regulations under subsection (a) applicable to emissions of particulate matter from light duty trucks and engines manufactured during model year 1986 and thereafter shall contain low altitude standards which provide that such emissions from such vehicles and engines may not exceed 0.26 gram per vehicle mile of particulate matter.

"(B) Upon the petition of any manufacturer, the Administrator, after notice and opportunity for public hearing, may waive the standard required under subparagraph (A) to not to exceed 0.6 gram per vehicle mile of particulate matter for any class or category of light duty trucks or engines manufactured by such manufacturer during the two model year period beginning with model year 1986. Such waiver may be granted only if the Administrator determines that—

"(i) such waiver would not endanger public health; and

"(ii) the applicant has established that effective control technology, processes, operating methods, or other alternatives are not available or have not been available with respect to the class or category of light duty truck or engine in question for a sufficient period of time to achieve compliance prior to the effective date of such standards, taking into consideration costs and fuel economy.

"(C) Upon the petition of any manufacturer, the Administrator, after notice and opportunity for public hearing, may waive the standard for oxides of nitrogen required under paragraph (1) of this subsection to not to exceed 1.7 grams per vehicle mile of oxides of nitrogen for any class or category of diesel-powered light duty trucks or engines which have gross vehicle weights of 6,000 pounds or less, or not to exceed 2.3 grams per vehicle mile of oxides of nitrogen for any class or category of diesel-powered light duty trucks or engines which have gross vehicle weights exceeding 6,000 pounds, manufactured by such manufacturer during the two-model-year period beginning with model year 1986, if such waiver is necessary to, and will in fact, avoid granting a waiver with respect to particulate matter under subparagraph (B) of this paragraph."; and

(3) by striking out "light-duty" each place it appears and inserting in lieu thereof in each instance "light duty".

HIGH ALTITUDE MOTOR VEHICLE EMISSIONS

SEC. 204. (a) Section 202 of the Clean Air Act is further amended by inserting "low altitude" before "standards" each place it appears in subsections (b)(1)(A) and (b)(1)(B).

(b) Section 202 (g) of the Clean Air Act, as redesignated by section 203 of this Act, is amended to read as follows:

"(g)(1) In establishing, under subsection (a), emission standards for model year 1984 and later light duty vehicles and light duty trucks, the Administrator shall establish—

"(A) low altitude emission standards which shall establish levels of emissions which may not be exceeded under low altitude conditions; and

"(B) high altitude emission standards which shall establish levels of emissions which may not be exceeded under high altitude conditions.

"(2) The high altitude standards described in paragraph (1)(B) applying to—

"(A) exhaust emissions of oxides of nitrogen from such vehicles manufactured in model year 1984 and later; and

"(B) exhaust emissions of carbon monoxide from such light duty vehicles manufactured in model year 1984 and later and from such light duty trucks manufactured in model year 1985 and later,

shall be equal in numerical value to the low altitude standards applying to emissions of such pollutants from such vehicles.

"(3) Except as provided in paragraph (2), the high altitude standards described in paragraph (1)(B) applying to every pollutant for which the Administrator has established low altitude emission standards shall require at least a percentage of reduction in the emissions of such pollutant (compared to the emissions under high altitude conditions from such vehicles manufactured in the model year preceding the model year for which an emission standard was first in effect for such pollutant, or, in the case of exhaust emissions of hydrocarbons from light duty vehicles, in model year 1970) equal to the percentage of reduction in the emissions from such vehicles required by such low altitude standards (compared to the emissions under low altitude conditions from such vehicles manufactured in the model year preceding the model year for which an emission standard was first in effect for such pollutant, or, in the case of exhaust emissions of hydrocarbons from light duty vehicles, in model year 1970). In no event shall such high altitude standards establish a standard numerically more stringent than a corresponding low altitude standard.".

(c) Section 206 of the Clean Air Act is amended—

(1) in subsection (a)(1) by inserting "under low altitude conditions (except as otherwise provided in subsection (f)(1))" after "conforms"; and

(2) by amending subsection (f) to read as follows:

"(f)(1) The Administrator may issue a certificate of conformity under subsection (a) for light duty vehicles or light duty trucks manufactured in model year 1984 or later only if—

"(A) the vehicles comply under low altitude conditions with the applicable low altitude emission standards, and are capable by design, or by adjustments or modifications which have been approved by the Administrator under paragraph (3)(B), of complying under high altitude conditions with the applicable high altitude emission standards;

"(B) the vehicles comply under low altitude conditions with the applicable low altitude emission standards, and are subject to an exemption granted under paragraph (4); or

"(C) the vehicles comply under high altitude conditions with the applicable high altitude emission standards and the manufacturer demonstrates to the satisfaction of the Administrator that virtually all such vehicles are intended for principal use at elevations of at least 4,000 feet above sea level.

"(2) The Administrator shall determine the durability under high altitude conditions of the emission control performance of vehicles using data from tests conducted under low altitude conditions on the same or similar vehicles, unless the Administrator determines that it is necessary or appropriate to conduct separate tests under high altitude conditions.

"(3) In the case of vehicles which require adjustments or modifications to meet the requirements of paragraph (1)(A)—

"(A) the manufacturer shall describe such adjustments or modifications (and the readjustments and remodifications referred in subparagraph (B)(ii)) in the application for a certificate of conformity;

"(B) the Administrator shall approve such descriptions if the Administrator determines that—

"(i) the adjustments or modifications are sufficient to enable such vehicles to meet the requirements of paragraph (1)(A);

"(ii) the readjustments or remodifications are in accordance with section 215(b)(3); and

"(iii) the adjustments or modifications, and readjustments or remodifications, can be performed by the manufacturer's authorized dealers;

"(C) the descriptions referred to in subparagraph (B) may provide for adjustments or modifications, including changes in gear ratios, to ensure adequate performance

under high altitude conditions, and, in the case of readjustments or remodifications, under low altitude conditions;

"(D) the certificate of conformity issued for such vehicles shall not be in effect, and shall state that it shall not be in effect, with respect to an individual vehicle intended for principal use in a designated high altitude area if the manufacturer has failed to make all reasonable efforts (as defined by regulations which shall be promulgated by the Administrator before model year 1984) to ensure that such vehicle has been adjusted or modified in accordance with such description prior to the sale or delivery to the ultimate purchaser; and

"(E) at the time such adjustments or modifications (or readjustments or remodifications) are performed on an individual vehicle, the vehicle shall be affixed with a device specified by the Administrator indicating the vehicle has been so adjusted or modified (or readjusted or remodified).

"(4)(A) Upon application of a manufacturer, the Administrator shall exempt any motor vehicles, for a period of one model year, from the high altitude requirements of paragraph (1)(A) if—

"(i) the Administrator has approved high altitude performance adjustment instructions for such vehicles under section 215, and

"(ii) the number of such vehicles intended for principal use in designated high altitude areas represents not more than 15 percent of the manufacturer's anticipated combined sales in that model year of light duty vehicles and light duty trucks intended for principal use in designated high altitude areas.

"(B) A certificate of conformity issued for vehicles subject to an exemption granted under subparagraph (A) shall not be in effect, and shall state that it shall not be in effect, with respect to an individual vehicle intended for principal use in a designated high altitude area if the manufacturer has failed to make all reasonable efforts (as defined by regulations which shall be promulgated by the Administrator before model year 1984) to ensure that such vehicle has been adjusted or modified before sale or delivery to the ultimate purchaser in accordance with the instructions referred to in subparagraph (A)(i).

"(C) At the end of any model year in which a manufacturer is granted exemptions under subparagraph (A), the manufacturer shall inform the Administrator of the manufacturer's actual combined sales of light duty vehicles and light duty trucks intended for principal use in designated high altitude areas and of such vehicles subject to such exemptions. If the number of vehicles subject to such exemptions exceeded 15 per centum of such actual combined sales then the Administrator shall determine the amount of such excess and shall, for the next succeeding model year in which it is practicable to do so, reduce by such amount the maximum number of such exemptions the manufacturer otherwise could be granted under subparagraph (A). Any manufacturer whose number of vehicles subject to such exemptions exceeds 15 per centum of such actual combined sales for three successive model years shall not be granted any such exemptions for the next model year for which such manufacturer has not previously been granted such exemptions.

"(D) At the end of any model year in which a manufacturer manufactures vehicles issued a certificate of conformity under paragraph (1)(C), the manufacturer shall inform the Administrator of the actual sales of such vehicles intended for principal use at elevations of at least 4,000 feet above sea level, and of any such vehicles intended for principal use at elevations less than 4,000 feet above sea level.".

(d) Section 207(h)(1) of the Clean Air Act is amended—

(1) by striking out "light-duty";

(2) by inserting ", in the case of the sale of a new light duty vehicle," after "including"; and

(3) by adding at the end thereof the following new sentence: "In the case of a model year 1984 or later light duty vehicle or light duty truck intended for principal use in a designated high altitude area, the certificate furnished by the dealer shall certify that any adjustments or modifications required by section 206(f)(3)(D) or section 206(f)(4)(B) have been performed.".

(e) Section 215 of the Clean Air Act is amended—

(1) in subsection (a)(1)—

(A) by inserting a dash following the word "with" the third time it appears;

(B) by designating the remainder of the sentence as subparagraph (A);

(C) by striking out the period at the end of the sentence and inserting in lieu thereof "; or"; and

(D) by adding at the end thereof the following new subparagraph:

"(B) the adjustments and modifications and readjustments and remodifications referred to in section 206(f).";

(2) in subsection (a)(2)—

(A) by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1)(A)";

(B) by inserting "overall" after "insure";

(C) by striking out "with respect to each standard under section 202"; and

(D) by adding at the end thereof the following new sentence: "Such instructions may also include adjustments or modifications, including changes in gear ratios, to assure adequate performance under high altitude conditions."; and

(3) by amending subsection (d) to read as follows:

"(d) Manufacturers shall make available the instructions referred to in subsection (a)(1)(A) and the descriptions referred to in subsection (a)(1)(B) to their authorized dealers, and upon request to service and repair establishments, in high altitude areas.".

(f) Section 313 of the Clean Air Act is amended by inserting "(a)" after "SEC. 313." and by adding at the end thereof the following new subsection:

"(b)(1) Upon the request of any national association of dealers, the membership of which includes a majority of the dealers selling light duty vehicles and light duty trucks in the United States, the Administrator shall compile data relating to the availability and distribution to such dealers located in designated high altitude areas of models of new light duty vehicles or light duty trucks manufactured by any manufacturer in any model year.

"(2) In compiling such data, the Administrator may—

"(A) utilize information submitted to him by the national association, any dealer, or any affected manufacturer; and

"(B) reasonably require any manufacturer specified in the request filed pursuant to paragraph (1) to submit to the Administrator the data set forth in paragraph (3), so long as such data does not obtain or publish information which would identify shipments to individual dealers.

"(3) Not later than six months after the date on which a request is made under subsection (a), the Administrator shall submit to the Congress and publish in the Federal Register a report setting forth the data compiled under this subsection. For each model year subject to such request the report shall, with respect to any affected manufacturer, include—

"(A) a list of each new light duty vehicle or light duty truck model subject to an exemption under section 206(f)(4); and

"(B) a statement of the number of new light duty vehicles and light duty trucks of each model specified in the request sold to motor vehicle dealers located in designated high altitude areas and the total number of each such model sold by such manufacturer elsewhere throughout the United States.

"(4) If requested as provided for in paragraph (1), the data compiled, submitted, and reported to the Congress under this subsection shall also include any reasonably available data on the costs of complying with the high altitude emission standards required by section 202(g) and any effect of those costs on sales of vehicles subject to such standards. If necessary to allow adequate time to gather such data, the Administrator may postpone by six months the requirement of paragraph (3) for submitting to the Congress and publishing in the Federal Register the portion of such report required by the first sentence of this paragraph.

"(5) For purposes of this subsection, the term 'model' includes each engine and transmission combination within a vehicle line. All other terms used in this subsection shall have the same meaning as in part A of title II.".

SULFUR EMISSIONS

SEC. 205. Section 202 of the Clean Air Act is amended by adding at the end thereof the following new subsection:

"(h) At such time as diesel-powered vehicles constitute 10 percent of the total annual sales of light duty vehicles and light duty trucks, the Administrator shall promulgate regulations prohibiting the sale of diesel fuel for use in motor vehicles with a sulfur content of more than 0.05 percent by weight or such lesser limit as the Administrator determines is necessary to protect the public health or welfare. Such regulations shall take effect no more than 48 months after January 1 of the first calendar year in which diesel-powered vehicles constitute 10 percent of the total annual sales of all light duty vehicles and light duty trucks.".

IMPORTED VEHICLES

SEC. 206. (a) Section 203(b)(2) of the Clean Air Act is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking all in the first sentence following "refused admission into the United States," and inserting in lieu thereof the following: "except in the following circumstances—

"(i) in the case of a vehicle or engine which is one of a class of vehicles or engines for which an application for a certificate of conformity under section 206 is pending before the Administrator, the Secretary of the Treasury and the Administrator may, by joint regulation, provide for deferring final determination as to admission and authorizing the delivery of such a motor vehicle or engine offered for import to the owner or consignee thereof upon such terms and conditions (including the furnishing of a bond) as may appear to them appropriate to assure that any such motor vehicle or engine is in conformity with the standards, requirements and limitations applicable to it under this part; or

"(ii) where the new motor vehicle or new motor vehicle engine offered for importation or imported by an individual is five model years old or older."; and

(3) by redesignating the second sentence as subparagraph (B).

(b) Section 206(a)(1) of the Clean Air Act is amended by inserting in the third sentence after "three hundred" the phrase "(other than a person who is a manufacturer solely due to the importation of motor vehicles or motor vehicle engines)".

VEHICLE IMPORTS INTO TERRITORIES

SEC. 207. Section 203(b)(2) of the Clean Air Act is amended by adding a new subparagraph at the end thereof as follows:

"(C) For purposes of this paragraph, the importation of a vehicle for commercial or public transportation use, which would otherwise be unavailable, into and solely for use within a Territory of the United States which the Administrator, upon application of the Governor of such Territory, finds is not a nonattainment area (as defined in section 171(2)) and which imports fewer than 500 vehicles per year, shall not be considered importation into the United States.".

LEAD IN GASOLINE

SEC. 208. Section 211(g)(2) of the Clean Air Act is amended by adding at the end thereof the following: "No regulation of the Administrator under this section controlling lead additives in gasoline shall allow the average lead content per gallon of leaded gasoline to exceed in future quarters the average lead content per gallon of leaded gasoline that was achieved during the quarter ending June 30, 1982. Nor shall the regulations of the Administrator under this section regulating the lead content of gasoline (40 C.F.R. 80) in effect on July 1, 1982, be amended to allow any increase in the average lead content per gallon of gasoline.".

DEFINITIONS

SEC. 209. (a) Section 216 of the Clean Air Act is amended by inserting "(a)" after "SEC. 216." and by adding at the end thereof the following:

"(7) The terms 'heavy duty vehicle' and 'heavy duty vehicle and engine' mean any motor vehicle (including the engine thereof) which has—

"(A) a gross vehicle weight (as determined under regulations promulgated by the Administrator) of more than 8,500 pounds,

"(B) a vehicle curb weight (as determined under regulations promulgated by the Administrator) of more than 6,000 pounds, or

"(C) a basic vehicle frontal area of more than 45 square feet.

"(8) The terms 'light duty truck' and 'light duty truck and engine' mean any motor vehicle (including the engine thereof) with a gross vehicle weight (as determined under regulations promulgated by the Administrator) of 8,500 pounds or less and a curb weight of 6,000 pounds or less (as determined under regulations promulgated by the Administrator) and which—

"(A) is designed primarily for purposes of transportation of property or is a derivation of such a vehicle,

"(B) is designed primarily for transportation of persons and has a capacity of more than 12 persons, or

"(C) has special features enabling off-street or off-highway operation and use.

"(9) The terms 'light duty vehicle' and 'light duty vehicle and engine' mean a motor vehicle (including the engine thereof) designed primarily for transportation of persons which has a capacity of 12 persons or less.

"(10) The terms 'designated high altitude area' and 'designated high altitude areas' mean all counties identified in the regulations in effect on December 31, 1981, regarding high altitude emission standards (40 C.F.R. 86.082.30(a)(15)) which are in a State in which one or more of such counties was in whole or in part during the calendar year 1981 a nonattainment area (as defined in section 172 (2)) for carbon monoxide or photochemical oxidants.

"(11) The term 'high altitude conditions' means an elevation of approximately 5,300 feet above sea level, or a barometric pressure corresponding to such elevation.

"(12) The term 'low altitude conditions' has the meaning given to such term in regulations in effect on December 31, 1981 (40 C.F.R. 86.082-2), unless the Administrator by regulation promulgates another definition for such term.

"(b) Notwithstanding the definitions of 'heavy duty vehicle' and 'light duty truck' in subsection (a), the Administrator, after notice and opportunity for a hearing, may define as a heavy duty vehicle instead of as a light duty truck any motor vehicle with a gross vehicle weight (as determined under regulations promulgated by the Administrator) exceeding 6,000 pounds, but not exceeding 8,500 pounds, which the Administrator determines is designed primarily for commercial (including agricultural) use, and not for uses performed by light duty trucks. Any vehicles defined under the preceding sentence as heavy duty vehicles shall be subject to the high altitude provisions of sections 202(g), 206(f), 207(h)(1), 215, and 313(b). The high altitude emission standards established under section 202(g) for such vehicles shall be established under the provisions of such section applying to light duty trucks, except that with respect to such vehicles the references in that section to light duty truck emission standards shall be considered to be references to heavy duty vehicle emission standards.".

(b) Section 202(b)(3) of the Clean Air Act is amended—

(1) by striking out subparagraphs (B) and (C) thereof;

(2) by striking out "(i)"; and

(3) by striking out "(ii)" and inserting in lieu thereof "(B)".

TITLE III—OTHER AMENDMENTS AND PROVISIONS

JUDICIAL REVIEW

SEC. 301. (a) Section 307(b)(1) of the Clean Air Act is amended to read as follows:

"(b)(1) A petition for review of any final action of the Administrator under this Act which is locally or regionally applicable may be filed only in the United States Court of Appeals for an appropriate circuit. A petition for review of any final action of the Administrator under this Act which is nationally applicable may be filed in the United States Court of Appeals for the District of Columbia or in any United States Court of Appeals for a circuit in which the petitioner resides or transacts business.

"(2)(A) If petitions for review of the same agency action have been filed in two or more courts of appeals and the Administrator has received written notice of the filing of the first such petition more than thirty days before receiving written notice of the filing of the second petition, then the record shall be filed in that court in which the first petition was filed. If petitions for review of the same agency action have been filed in two or more courts of appeals and the Administrator has received written notice of the filing of one or more petitions within thirty days or less after receiving written notice of the filing of the first petition, then the Administrator shall promptly advise in writing the Administrative Office of the United States Courts that petitions have been filed in two or more courts of appeals, and shall identify each court for which he has written notice that such petitions have been filed within thirty days or less of receiving written notice of the filing of the first such petition. Pursuant to a system of random selection devised for this purpose, the Administrative Office thereupon shall select the court in which the record shall be filed from among those identified by the Administrator. Upon notification of such selection, the Administrator shall promptly file the record in such court. For the purpose of review of agency action which has previously been remanded to the Administrator, the record shall be filed in the court of appeals which remanded such action.

"(B) Where petitions have been filed in two or more courts of appeals with respect to the same agency action and the record has been filed in one of such courts pursuant to paragraph (1), the other courts in which such petitions have been filed shall promptly transfer such petitions to the court of appeals in which the record has been filed. Pending selection of a court pursuant to subsection (1), any court in which a petition has been filed may postpone the effective date of the agency action until fifteen days after the Administrative Office has selected the court in which the record shall be filed.

"(C) Any court in which a petition with respect to any agency action has been filed, including any court selected pursuant to paragraph (2)(A), may transfer such petition to any other court of appeals for the convenience of the parties or otherwise in the interest of justice.

"(3) Any petition for review under this subsection shall be filed within one hundred and twenty days from the date notice of such promulgation, approval, or action appears in the Federal Register, except that if such petition is based solely on grounds arising after such one hundred and twentieth day, then any petition for review under this subsection shall be filed within sixty days after such grounds arise.".

(b) Paragraph (2) of section 307(b) of the Clean Air Act is redesignated as paragraph (4).

AWARD OF FEES

SEC. 302. (a) Section 304(d) of the Clean Air Act is amended by inserting "prevailing or substantially prevailing" before "party" in the first sentence thereof.

(b) Section 307(f) of the Clean Air Act is amended by inserting "to a prevailing or substantially prevailing party" before "whenever".

APPROPRIATIONS

SEC. 303. Section 326 of the Clean Air Act is amended by adding at the end thereof a new subsection as follows:

"(c) There are authorized to be appropriated to carry out the provisions of this Act other than section 182(b)(2), (c), (d), and (i) and other research, development, and demonstration activities, $177,000,000 for fiscal year 1983 and $200,000,000 for each of the four fiscal years beginning thereafter.".

WOOD SMOKE STUDY

SEC. 304. (a) The Administrator of the Environmental Protection Agency shall conduct a study of the effects of wood combustion on ambient air quality, and in particu-

lar of emissions of carbon monoxide and particulate matter. Such study shall include a review of existing information on the nature, quantity, and effects of emissions associated with wood combustion. The Administrator shall also undertake such physical, chemical, atmospheric, biomedical, or other research and monitoring as may be necessary to identify any direct or indirect effects of such emissions on public health or welfare.

(b) The Administrator shall undertake research on methods to accurately measure emissions from wood stoves, fireplaces, and other such wood combustion devices, for the purpose of developing a uniform method of measuring such emissions. Such research shall include testing of various models and designs of wood stoves and other such devices for emissions rates. The Administrator may make recommendations on the design and proper operation of wood stoves and other such devices to reduce their emission rates.

(c) The Administrator shall submit to the Congress a report on the study and research required by this section not later than December 31, 1984, together with a report of any regulatory action taken or proposed and any recommendations for legislation. The Administrator shall consider any appropriate use of sections 109, 110, 111, 112, 126, or 303 of the Clean Air Act to control emissions associated with wood combustion.

(d) The studies and research conducted under this section may be undertaken with such cooperation and assistance from universities, private industries, local and State governments as may be available. Each department, agency, and instrumentality of the United States having the capability to do so is authorized and directed to provide assistance to the Administrator in carrying out the requirements of this section, including (notwithstanding any other provision of law) any services which such department, agency, or instrumentality may have the capability to render or obtain by contract with third parties.

(e) For the purposes of this section, the term "wood combustion" means the burning of wood, wood by-products, or wood wastes to produce heat, and is limited to the use of wood for residential, commercial, or institutional applications with a heat input of less than 5,000,000 British thermal units per hour.

INDOOR AIR QUALITY STUDY

SEC. 305. (a) The Administrator of the Environmental Protection Agency shall carry out a research program on indoor air quality. Such program shall be designed to gather data and information on all aspects of indoor air quality in order to contribute to the understanding of health problems associated with the existence of air pollutants in the indoor environment, and to coordinate Federal, State, local, and private research, development, and demonstration efforts relating to the improvement of indoor air quality.

(b) The Administrator may establish such committees, comprised of individuals representing Federal agencies concerned with various aspects of indoor air quality, and such advisory groups, comprised of individuals representing the scientific community, industry, and public interest organizations, as may be necessary to assist in carrying out the research program required by this section. The Administrator shall also consult and coordinate with State and local officials and other interested parties.

(c) The research program required by subsection (a) shall include, but not be limited to—

(1) research, development, and demonstration concerning the identification, characterization, and monitoring of indoor air pollution sources and levels (including research, development, and demonstration relating to the measurement of various pollutant concentrations and their strengths and sources, to high-risk building types, and to instruments for indoor air quality data collection);

(2) research relating to the effects of indoor air pollution on human health;

(3) research, development, and demonstration relating to control technologies to prevent or abate indoor air pollution (including the development, evaluation, and testing of individual and generic control devices and systems); and

(4) the dissemination of information to assure the public availability of the findings of the Administrator pursuant to the research, development, and demonstration activities under this section.

(d)(1) Not later than one year after the date of the enactment of this Act, the Administrator shall submit to Congress a plan for the implementation of the research program required by subsection (a).

(2) Not later than 36 months after such date of enactment, the Administrator shall submit a progress report, including an assessment of future research needs.

(3) Not later than 54 months after such date of enactment, the Administrator shall submit to Congress a final report setting forth the results of the program, assessing the state of knowledge concerning the risks to human health associated with indoor air pollution, assessing the need for further research, and making such recommendations as may be appropriate.

(4) The progress report and the final report submitted under this subsection shall be submitted to the National Academy of Sciences within a reasonable period before the dates required for submittal to Congress and, when submitted to Congress, such reports shall contain any comments provided by the National Academy of Sciences.

(e) Nothing in this section shall be construed to authorize the Administrator to carry out any regulatory program or activity. Nothing in this section shall be construed to limit the authority of the Administrator or of any other agency or instrumentality of the United States under any other authority of law.

(f) The sum of $4,000,000 is authorized to be appropriated for each of the fiscal years 1983 and 1984 to carry out this section.

COLD WEATHER CARBON MONOXIDE EMISSIONS STUDY

SEC. 306. (a) The Administrator shall conduct a study of the feasibility and benefits of requiring motor vehicle design modifications or engine adjustments, or both, for the purpose of reducing emissions of carbon monoxide under cold weather conditions, while maintaining or improving the performance characteristics and fuel economy of such vehicles.

(b) The Administrator shall report to the Congress the findings and recommendations of the study conducted under subsection (a) not later than two years after the date of enactment of this section.

S. 769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Acid Deposition and Sulfur Loadings Reduction Act".

SEC. 2. Title I of the Clean Air Act is amended by adding the following new part:

"PART E—ACID DEPOSITION AND SULFUR EMISSIONS REDUCTION

"FINDINGS AND PURPOSES

"SEC. 180. (a) The Congress finds that:

"(1) the long-range transport of pollutants and their transformation products is an interstate and international problem;

"(2) current levels of emissions of air pollutants from existing sources as well as increased emissions from new existing sources threaten public health and welfare and the environment in States and countries other than those in which emitted;

"(3) reduction of total regional atmospheric loading of pollutants such as sulfur oxides and nitrogen oxides will enhance protection of public health and welfare and the environment;

"(4) more effective regulation of the interstate transport of air pollutants is needed in order to protect the health and welfare of the citizens of downwind States and the economic growth opportunities of downwind States; and

"(5) in particular,

"(A) the deposition of acid compounds from the atmosphere is causing and contributing to widespread long-term ecosystem degradation;

"(B) the principal source of the acid compounds in the atmosphere, and their precursors, is the combustion of fossil fuels;

"(C) the problem of acid deposition is of national and international significance and cannot be addressed adequately without Federal intervention;

"(D) control strategies and technology for precursors to acid deposition exist now that are economically feasible; and

"(E) current and future generations of Americans will be more adversely affected by delayed action, so that efforts to remedy the problem should commence now.

"(b) The purposes of this part are to:

"(1) protect public health and welfare and the environment from any actual or potential adverse effect caused by ambient concentrations or deposition of air pollutants, including the products of atmospheric transformation of pollutants; and

"(2) preserve the rights and responsibilities of States to protect the public health and welfare and the environment of their citizens from air pollution originating in other States.

"ESTABLISHMENT OF REGION

"SEC. 181. (a) There is hereby established a long-range transport corridor, hereafter referred to as the "acid deposition impact region," consisting of the States of Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia.

"(b) The Administrator shall conduct a study of air pollution problems associated with long-range transport of pollutants in the portions of the continental United States not included in (a) of this section. Not later than two years after the enactment of this section, the Administrator

shall report to the Congress the results of such study.

"ACID PRECURSOR CONTROLS

"SEC. 182. (a) Emissions of sulfur dioxide and of oxides of nitrogen from stationary sources in the acid deposition impact region established under section 181(a) of this Act shall not be allowed to increase over the total actual emissions of each pollutant in such region as of January 1, 1981. No major stationary source in operation in such region before January 1, 1981, or which began operation in such region after January 1, 1981, shall increase its actual rate of emissions of sulfur dioxide or oxides of nitrogen over that experienced by such source during the calendar year 1980, unless there has been identified for such source in accordance with section 185 of this Act a simultaneous net reduction in emissions of such pollutant at one or more points in such region in excess of the proposed increase in emission rate, and not otherwise required by a State implementation plan under section 110 of this Act or under section 183 or 184 of this part.

"(b) There shall be achieved a reduction in annual emissions of sulfur dioxide in the acid deposition impact region established under section 181(a) of this Act of 12,000,000 tons from the total actual annual level of such emissions between January 1, 1980, and December 31, 1980. Such reduction shall be achieved pursuant to a phased reduction and completed no later than January 1, 1998.

"STATE SULFUR DIOXIDE REDUCTION REQUIREMENTS

"SEC. 183. (a)(1) Each State shall be required to achieve within its borders a reduction in annual sulfur dioxide emissions equal to that fraction of 12,000,000 tons which is the ratio of all the actual utility emissions in such State in excess of 1.2 pounds of sulfur dioxide per million British thermal units to the total in all States in the region of all the actual utility emissions in excess of 1.2 pounds of sulfur dioxide per million British thermal units.

"(2) The Governors of any two or more States within the region may by agreement reallot among agreeing States the reductions required under (a)(1) provided that the total reductions equal the total required under (a)(1).

"(b)(1) Not later than two years after the enactment of this part, each State shall adopt enforceable measures to achieve the reduction in sulfur dioxide emissions required by subsection (a) of this section, including emission limitations and schedules for compliance for sources within such State and other means of emission reduction in accordance with section 185 of this Act. The Governor of such State shall submit such measures to the Administrator for review in accordance with paragraph (2) of this subsection, and to the Governors of all other States in the acid deposition impact region for comment.

"(2) The Administrator shall approve within six months such measures submitted under paragraph (1) of this subseciton if, taking into consideration the comments of Governors of other States in such region, the Administrator finds that such measures (A) contain enforceable requirements for continuous emission reduction, (B) contain requirements for monitoring by the source and enforcement agencies to assure that the emission limitations are being met, and (C) are adequate to achieve the reduction in sulfur dioxide emissions for such State required by this section within the time specified in section 182(b) of this Act.

"(3) Not later than January 1, 1987, each major stationary source subject to an emission limitation established under this subsection shall notify the Governor of the State in which it is located of its intended method of compliance. The Governor shall submit such notifications to the Administrator.

"(4) Each emission limitation, schedule for compliance or other measure adopted and approved under this subsection shall be deemed a requirement of the State implementation plan approved or promulgated for such State under section 110 of this Act.

"(c)(1) Not later than January 1, 1989, each major stationary source which pursuant to subsection (b)(3) of this section or section 184 states that it will comply with an emission limitation established under subsection (b) of this section or section 184 through the use of fuel substitution shall be in compliance with such emission limitation.

"(2)(A) Not later than January 1, 1989, each major stationary source which pursuant to subsection (b)(3) or section 184 states that it will comply with an emission limitation established under subsection (b) of this section or section 184 through the installation of a technological system of continuous emission reduction or the replacement of existing facilities with new facilities with substantially lower emissions, shall enter into binding contractual commitments to acquire, install, or construct such system or facilities.

"(B) An emissions reduction equal in amount to at least five-sixths of that required by subsection (a)(1) of each State shall be achieved by each such State no later than January 1, 1993.

"(C) Not later than January 1, 1998, each major stationary source subject to this paragraph shall be in compliance with an emission limitation established under subsection (b) of this section or section 184.

"MAJOR STATIONARY SOURCE SULFUR DIOXIDE REDUCTION REQUIREMENTS

"SEC. 184. In any State in the acid deposition impact region established by section 181(a) of the Act which has not in accordance with section 183(b)(1) of this Act adopted measures to achieve the reduction required by section 183(a) of this Act within two years after enactment, or which has not had such measures approved by the Administrator under section 183(b)(2) of this Act within two years and four months after enactment of this Act, the owner or operator of each fossil-fuel-burning electric generating facility which is a major stationary source which is not subject to section 111(a) and which emitted at an annual rate equal to or greater than 1.2 pounds of sulfur dioxide per million British thermal units during 1980 shall comply with an emission limitation or limitations for all such facilities owned or operated by the same entity equivalent to an average among such facilities of 1.2 pounds of sulfur per million British thermal units on a thirty-day average. The owner or operator of each such facility shall submit to the Administrator a plan and schedule of compliance for achieving such emission limitation or equivalent emission reduction in accordance with section 185 of this Act, not later than three years after the enactment of this part. The Administrator shall approve such plan and schedule for compliance if it (A) contains enforceable requirements for continuous emission reduction, (B) contains requirements for monitoring by the source and enforcement agencies to assure that the emission limitations are being met, and (C) will achieve the emission reduction required by this section at the earliest practicable date, but not later than the deadlines established under section 183. Failure of such owner or operator to submit such approvable plan and schedule within three years after enactment of this part, failure to comply with the plan and schedule of compliance, and failure to achieve the emission reduction required by this section at the earliest practicable date, but no later than the deadlines established under section 183 shall be violations of emission limitations for the purposes of sections 113, 120, and 304 of this Act.

"ENFORCEABLE EMISSION REDUCTION PROGRAMS

"SEC. 185. (a) For the purposes of maintaining the limitation on emissions required by section 182(a) of this Act or attaining emission reductions required by section 182(b), 183, or 184 of this Act, the following methods or programs for net emission reduction may be used, in addition to enforceable continuous emission reduction measures, by a State or the owner or operator of a source, if emission limitations under such methods or programs are enforceable by the Federal Government, States other than those in which the emissions occur, and citizens under section 304 of this Act:

"(1) least emissions dispatch to meet electric generating demand at existing generating capacity;

"(2) retirement of major stationary sources at an earlier date than provided in schedules on file with the Federal Energy Regulatory Commission, the Internal Revenue Service, or State utility regulatory agencies;

"(3) investments in energy conservation where reductions in emissions can be identified with such investments;

"(4) trading of emission reduction requirements and actual reductions on a State or regional basis, for which States and the Administrator are authorized to establish emission reduction banks or brokerage institutions to facilitate such trading; and

"(5) precombustion cleaning of fuels.

"(b) Not later than January 1, 2000, each major stationary source located in any State in the region established by section 181(a) shall be subject to an emissions limit at least as stringent as that of section 171(3)(A).

"(c) A State or the owner or operator of a source required to achieve emission reductions under section 182, 183, or 184 of this Act may substitute reduction in emissions of oxides of nitrogen for required reductions in emissions of sulfur dioxide, at a rate of two units by weight of oxides of nitrogen for each unit of sulfur dioxide.".

● Mr. BENTSEN. Mr. President, today, the Clean Air Act Amendments of 1983 are being introduced. This legislation was reported by the Committee on Environment and Public Works late in the 97th Congress. Like all legislation it is a compromise document. It is the product of almost 2 years of arduous negotiation among committee members. I supported committee action on this bill last year. I have participated in the development of many of its provisions. I am cosponsoring it for the purpose of its introduction today.

I believe that the Congress needs to act on this legislation as quickly as

possible. Attainment deadlines in the 1977 law have passed and the Environmental Protection Agency is now in the process of determining the status of various areas and the potential requirements for sanctions against various areas. Clearly, many areas will not meet these deadlines—a conclusion the National Commission on Air Quality stated in 1981. This bill would address these realities and save the Nation unnecessary anxiety.

I would suggest to my colleagues on the Committee on Environment and Public Works that we recognize that we have spent as much time on this legislation as we can effectively spend in committee. There are clearly issues—such as acid rain—where the membership of the committee does not include several Senators who have shown a strong interest in these issues. Therefore, regardless of how much additional effort is spent by committee members, these issues will still be addressed by the full Senate. As a committee our task should be to move this bill as expeditiously as possible to full Senate consideration.

Mr. President, there are several issues in this bill that I have worked particularly hard to include. Perhaps the most important issues in this list are those associated with the nonattainment sections of the act. Clearly, the committee recognized that attainment of deadlines adopted in 1977 was not feasible and has made adjustments in these dates. But, there are several other elements of the nonattainment provisions that are modified as well. The controversial and confusing requirements for inspection/maintenance programs are more clearly defined. The question of funding sanctions has been altered to give the EPA greater flexibility in determining the magnitude of sanctions. Even the construction ban that exists under current law has been modified to become a construction sanction. The technology requirement of "lowest achievable emissions rate" has been changed to a "best available control technology" requirement that is closer to the BACT requirement in other portions of the bill. The bill highlights an alternative approach to the controversial "emissions offsets" requirement of current law. And, it addresses the problems of nonattainment caused by foreign emissions.

The bill provides needed regulatory guidance with respect to potential controls on chlorofluorocarbons as part of the ozone protection portion of the act.

It adds needed flexibility on the regulation of heavy-duty diesel truck emissions controls to recognize the distinctions between gasoline powered engines and diesel powered engines.

Mr. President, the bill addresses many other issues where I was not so intensely involved. In these cases, like the ones I have described above, it attempts to alter current law where problems have been identified. While some will argue that the changes in this bill are too little, others will argue they are too much. This bill represents a compromise among the members of the Committee on Environment and Public Works. In some cases the committee membership is well suited to make compromises, in others it is not. Certainly, there are issues which must be further addressed by the full Senate.

One of these is acid rain. I supported the committee changes to the original acid rain proposals. Acid rain is an issue that I believe we must begin to address in an intense manner. But, I am well aware that the issue can not be resolved by committee actions. Some of the greatest burdens of the bill's acid rain provisions fall on States that are not represented on the committee. Clearly, these members must be included in any realistic resolution of the issue.

Another issue that needs further deliberation is the regulation of hazardous substances. Unfortunately, this issue is one that is frequently considered under pressures of tremendous emotional reactions—fear of "hazardous substances" on the one hand and fear of "regulatory overkill" on the other. The real issue should be to seek an effective way to expeditiously evaluate whether a substance is a hazardous air pollutant and, if it is, to require the appropriate level of control. One of the major dilemmas under current law is that, once a substance is listed as hazardous, the regulatory requirements become open ended and can require standards to eliminate emissions. As a result of this concern, EPA has listed substances as hazardous only when exhaustive scientific evidence to support such a listing has been obtained. Much of the dilemma associated with listing a hazardous substance could be resolved by defining a technology requirement to eliminate the uncertainty of current law. This bill goes a long way toward eliminating this problem. It is my view that the question of defining a technology requirement is the pivotal issue to resolve to facilitate listing of hazardous substances. It is the second question that the bill addresses that will be a greater point of debate. At issue is whether and in what manner EPA should be required to make decisions on whether to list a specified number of substances in a time certain. The bill, as introduced, requires the Agency to make decisions on 20 substances in 2 years. If no decision is made the substance will be automatically listed. This procedure raises several complicated balances—what pressure is needed on the Agency, what scientific evidence will be available, and what decisions can reasonably be made on this evidence in the emotion charged issue of hazardous substances. I am not convinced that this bill draws the proper balance in this portion of the bill. I intend to continue to consider other options.

On balance, I believe that the committee's most pressing task is to avoid further delay on this legislation. I would suggest early markup on the bill.●

● Mr. DOMENICI. Mr. President, I join with Chairman STAFFORD and other distinguished members of the Environment and Public Works Committee in introducing legislation to reauthorized the Clean Air Act.

The legislation we are introducing today is virtually identical to the bill which our committee reported to the full Senate in the last Congress. That bill was the product of extensive analysis by the committee—27 hearings and 33 markups. All members of the committee were vocal participants in the process.

There were major differences of opinion among our members about how we should address many of the issues in the act. Consequently, this legislation is the product of compromise on both sides.

It is, therefore, a fair assessment to say that none of our committee members, this Senator included, are entirely satisfied with this bill. That is to be expected when dealing with such a complex and highly controversial issue. However, all members have spent a tremendous amount of time, and the bill we are introducing today deserves to be moved out of the Environment and Public Works Committee to the full Senate for consideration. I would expect the debate on the floor to be extensive. However, such an important issue as the Clean Air Act deserves careful scrutiny by this body, and I intend to follow the debate closely.

Mr. President, I urge my colleagues on the Environoment and Public Works Committee to discharge this bill as quickly as possible so that the full Senate can begin consideration on this vital legislation. The committee has done all that it can on this legislation, and it is now time to bring it before the full Senate for debate.●

● Mr. MITCHELL. Mr. President, I am pleased to cosponsor the Clean Air Amendments of 1983 which are being introduced today by the Senator from Vermont (Mr. STAFFORD). The bill is identical to the amendments reported to the Senate last year by the Committee on Environment and Public Works. It was the product of 2 years of hard work by the committee, and in particular our chairman.

The committee bill represents a consensus of 15 members, who spent many months examining complex technical and scientific issues relating

to the implementation of the Clean Air Act. One of the most important provisions in the committee bill relates to the control of acid rain. The committee adopted by a vote of 15 to 1 a modified version of my original acid rain bill which I introduced in October 1981. While I believed then, and continue to believe that a reduction of 10 million tons of sulfur dioxide is necessary to deal with the acid rain problem, the committee modification will provide the magnitude of reduction necessary to protect our resources at risk.

I believe that our committee provision, which puts in place a strategy to reduce sulfur emissions by 8 million tons, also addresses issues raised throughout the extensive debate by various Members of this body and by affected interests.

I reiterate that the committee bill was the product of consensus. As one Member who spent many months developing the bill, particularly the acid rain provision, I recognize that the bill is not a perfect product. I suspect that this sentiment is shared by the other Members.

But it is a good product. It represents continued progress toward clean air, while addressing the implementation problems encountered since the 1977 amendments were enacted. It also incorporates the views of 15 Members who raised their individual concerns, which were numerous and varied. As such, the legislation produced by the Environment Committee accomplishes what some believed to be impossible.

I will continue to support this bill to the extent that it remains a consensus document, recognizing that it represents a middle course. However, I also remain committed to the enactment of a strong acid rain control strategy. If it is the will of the committee that we reconsider any of the issues addressed in the committee bill, I remain ready to once again propose my original acid rain legislation, now S. 145, for the committee's consideration.●

● Mr. HUMPHREY. Mr. President, I am today joining Senator STAFFORD and eight of my other colleagues on the Environment and Public Works Committee as a cosponsor of the Clean Air Act Amendments of 1983. As Chairman STAFFORD has noted, the provisions of the bill are identical to those reported by the committee last year by a vote of 15 to 1.

I am cosponsoring this bill recognizing that it is the product of extensive deliberations and numerous compromises by members of the committee. While I do not expect the committee to undertake the same extensive and comprehensive review process this year that preceded last year's reported bill, as a new member of the committee I shall want to review carefully the various provisions to see if I believe improvements can be made. In general, this bill represents, in my mind, an absolute bottom line on a number of important issues.

In particular, I feel strongly that the provisions of the bill requiring reductions of 8 million tons in emissions of sulfur dioxide do not go far enough to insure sufficient reductions in the acid that is being deposited in sensitive regions such as many areas in my State of New Hampshire. For this reason, I am also today joining with Senator STAFFORD as cosponsor of The Acid Deposition and Sulfur Loadings Reduction Act. This bill calls for a 12-million ton reduction in SO_2—equivalent to a 50-percent reduction—and is the first piece of legislation to be introduced in the U.S. Senate that recognizes the true extent of the damage done by acid rain, and the need to take strong and active measures against acid rain.

We in New Hampshire recognize, and are concerned about, the tremendous damage being done to the environment by acid deposition. The cumulative effect on our lakes and streams of the highly acidic precipitation that has been observed over the past several years is disturbing and cannot be disregarded. Throughout this week, in town meetings in over 190 New Hampshire communities, the citizens of New Hampshire are voting on a warrant article calling on the United States to reduce sulfur dioxide emissions by at least 50 percent and to negotiate an agreement with Canada to work toward a similar reduction. I have fully supported this warrant article and the actions it calls for, and I am pleased to report that so far 124 towns have voted overwhelmingly in favor of this warrant article. By next week, I hope to be able to report to the Senate the final tallies on the Acid Rain Town Warrant Article.

I believe that a 12-million ton decrease—including interim controls—in sulfur dioxide emissions in the Eastern United States—the reduction called for in the Acid Deposition and Sulfur Loadings Reduction Act—is the reduction that the best scientific evidence suggests must be achieved to protect the environment in New England and the Eastern half of the country. I would like to see such a decrease incorporated in the bill the Environment and Public Works Committee reports to the Senate this year.

The Acid Rain Town Warrant Article in New Hampshire highlights and illustrates the concern of the people of New England with this issue. Acid rain is not, however, just a New England problem, nor even a problem limited to the States east of the Mississippi River. A growing body of evidence suggests that many of the Western States as well are suffering from the effects of acid rain. Acid rain is a national problem, and it will ultimately require a firm national response.

Many other air pollution issues must be dealt with more firmly on the national level. Hence, while I am cosponsoring the Clean Air Act Amendments of 1983 because I believe it offers us a solid point from which to begin deliberations, I also wish to reiterate that this bill represents a bottom line in a number of vital areas, including acid rain.

During the weeks ahead I shall work with other committee members to safeguard the environmental gains made in this bill, and to propose further amendments where necessary, in order to insure that the Clean Air Act will protect and improve our air quality in as effective a manner as possible.●

ACID RAIN CONTROL

Mr. HART. Mr. President, I am pleased to join Senator STAFFORD as the prime cosponsor of S. 769, legislation to eliminate acid rain in the Eastern United States.

Our legislation, which is substantially stricter than any previous proposal, would reduce by more than half the emissions of sulfur dioxide in the 31 States east of and bordering the Mississippi River—a region that produces 80 percent of the Nation's emissions of sulfur dioxide, the pollutant primarily responsible for acid rain.

Acid rain is a frightening new version of the old adage that what goes up must come down. In this case what comes down is far worse than what went up—worse in its effects on lakes, streams, forests, crops, and building. Emissions of sulfur dioxide are carried great distances in the upper atmosphere, and, through chemical processes not yet fully understood, are transformed into sulfuric acid, which is washed out of the air by rainfall. Because of this process, rain throughout the eastern half of the country is far more acidic than normal. Rainfall in the Adirondacks averages 10 times normal acidity levels. Researchers measured one storm in New Hampshire at 500 times normal acidity.

No other environmental problem is as widespread or as potentially destructive as acid rain. Rainfall now brings death, not life. Acid rain has killed all the fish in hundreds of lakes in the Northeastern United States and in eastern Canada. If current levels of acidity persist, fish will be eliminated from tens of thousands of other lakes. And the threat is not limited to certain regions of the country. Throughout the eastern half of the country one of every six lakes, and one of every five streams, has already been damaged by acid rain. Nor is the threat limited to effects on lakes and streams. Acid rain also causes billions of dollars in damage to forests, crops, and buildings each year. One estimate puts the total cost of acid rain at more than $5 billion per year.

The only way to keep acid rain from coming down is to keep sulfur dioxide from going up. Our legislation would require States in the acid rain control region to reduce the annual level of emissions by 12 million tons—from the current level of 22.5 million tons per year to a level of 10.5 million tons in 1993. This would be a 50-percent-greater reduction than would have been required under the legislation approved last year by the Committee on Environment and Public Works.

We are proposing stronger legislation because there is growing scientific evidence that the 12-million-ton reduction is necessary to fully safeguard our Nation's lakes, streams, forests, crops, and buildings.

Achieving this degree of emissions reduction will not be easy, nor will it be inexpensive. But it can be done. Emissions could be controlled to the level required by our legislation, with existing pollution control technology, at a substantially lower cost than the Nation is now paying for the damage caused by acid rain. We can, indeed, we must, require these controls. Acid rain is a national tragedy, and eliminating it is a national imperative.

By Mrs. HAWKINS (for herself, Mr. STAFFORD, Mr. JEPSEN, Mr. MATTINGLY, Mr. BURDICK, Mr. HEINZ, Mr. SYMMS, Mr. INOUYE, Mr. KASTEN, Mr. GORTON, Mr. HOLLINGS, Mr. COCHRAN, Mr. CHILES, Mr. STEVENS, Mr. SPECTER, Mr. RANDOLPH, Mr. ABDNOR, Mr. DOLE, Mr. BOREN, Mr. HOLLINGS, Mr. D'AMATO, Mr. DOMENICI, Mr. ROTH, Mr. HUDDLESTON, Mr. DIXON, Mr. LUGAR, Mr. HEFLIN, Mr. KENNEDY, Mr. DECONCINI, Mr. NICKLES, and Mr. DURENBERGER):

S.J. Res. 58. A joint resolution to authorize and request the President to designate May 25, 1983, as "Missing Children Day"; to the Committee on the Judiciary.

MISSING CHILDREN DAY

● Mrs. HAWKINS. Mr. President, today I am introducing a joint resolution declaring it to be the sense of the Senate that the President issue a proclamation designating May 25, 1983, as Missing Children Day. My colleague in the House of Representatives, Congressman PAUL SIMON of Illinois, is introducing a similar joint resolution.

The date of May 25 is of particular significance in the cause of missing children. On that day in 1979, 6-year-old Etan Patz disappeared on his way to his school in New York City. Unfortunately, Etan has never been found. His case, however, sparked one of the most important Senate investigations of this past Congress. During our investigation into the problem of missing children, we discovered the true parameters of the missing children tragedy in this country, and we set about trying to resolve the terrible situation.

Etan is but one example of the hundreds of thousands of children who disappear from their homes each year. In the past 2 years we have worked with parents, law-enforcement agencies, and concerned citizen advocate groups all over the country to increase public awareness of the problem of missing children. Mr. President, I feel that we are making significant progress to date. On October 12, 1982, President Reagan signed into law the Missing Children Act, which provides for national clearinghouses of information on missing children and the unidentified dead. This was a tremendous step forward.

In February of this year, in response to our own Senate investigation, FBI Director William Webster issued a most impressive clarification and reconsideration of FBI national policy in the investigation of the disappearances of children. I have commended Director Webster on many occasions for the FBI's foresight and commitment in their move to establish a firm investigative policy on this issue.

During the course of our own investigation into this difficult problem, Etan's parents, Stan and Julie Patz; John and Revé Walsh of Hollywood, Fla., whose own son was a victim of this national tragedy; Kristin Brown and Gloria Yerkovich of Child Find, Inc., a nonprofit citizen advocate group that has become a clearinghouse for information on missing children; Sgt. Dick Ruffino of the Bergen County, N.J., Sheriff's Office, whom President Reagan called the premier law-enforcement agent in this country dealing with missing children; as well as many other agencies, law-enforcement groups, and citizens around the country.

We have also worked to heighten the priority of the missing children problem in law-enforcement agencies. I clearly remember the words of Julie Patz in testimony before the Subcommittee on Investigations and Oversight of the Senate Labor and Human Resources Committee. She said:

> When the police have gone, the burden falls back on the parents. Usually they are emotionally distraught, financially limited, untrained in search methods, and totally lacking any official leverage necessary in obtaining information. The task in conducting a national search is beyond the abilities of grieving parents.

The Missing Children Act helps to correct this dilemma.

Mr. President, the purpose of this resolution is to increase public understanding and awareness of this national tragedy. It is now painfully evident to all of us that the missing children problem is more pervasive than we thought—whether that child be a runaway, a throwaway, a victim of a parental kidnaping, or abducted by a stranger. Last year the Senate demonstrated the foresight to declare May 25 Missing Children Day. The events of that day were a huge success. Officials of some 20 States joined us in declaring May 25 Missing Children Day. Public programs, seminars, and media attention helped transmit our message around the country. Most important, an outcome of the publicity was that several children whose pictures had been posted were safely returned to their homes. These efforts must continue in 1983.

I urge all my colleagues to support the principles and purposes of this joint resolution to convince our Nation that we must not forget our missing children and their grieving families.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution ordered to be printed in the RECORD, as follows:

S.J. RES. 58

Whereas on May 25, 1979, six-year-old Etan Patz disappeared from his home in New York City and is still missing;

Whereas over one million eight hundred thousand children disappear from home annually;

Whereas children who are missing from home and are not living in a family environment are frequently the victims of sexual and physical exploitation;

Whereas an estimated 60 percent of missing children are sexually abused while away from home;

Whereas the search for missing children is frequently a low priority investigation in many law enforcement agencies;

Whereas efforts between Federal and local law enforcement agencies in child abduction cases are usually uncoordinated, haphazard, and ineffective; and

Whereas the problem of the missing child has been plagued by misinformation and there is a need to increase public understanding and awareness of this problem: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating May 25, 1983, as "Missing Children Day", and calling upon all government agencies and the people of the United States to observe the day with appropriate ceremonies, programs, and activities.

By Mr. HEFLIN:

S.J. Res. 59. A joint resolution to authorize and request the President to designate February 27, 1986, as "Hugo LeFayette Black Day"; to the Committee on the Judiciary.

HUGO LAFAYETTE BLACK DAY

Mr. HEFLIN. Mr. President, Justice Hugo LaFayette Black has long been regarded as one of the true giants in the history of the U.S. Supreme Court. February 27, 1986 marks the 100th anniversary of the birth of this great Alabamian and American. It seems fitting that this date be declared "Hugo LaFayette Black Day."

Born in Clay County, Ala., Justice Black graduated with honors from the University of Alabama Law School. As a practicing lawyer, prosecuting attorney, and police court judge in Birmingham, Ala., Justice Black distinguished himself as an able and effective advocate.

As Senator from the State of Alabama, he sponsored far-reaching legislation, including the first minimum wage bill. Justice Black was President Franklin D. Roosevelt's first nominee to the Supreme Court in 1937. His long and productive tenure at the Court spanned six Presidents and five Chief Justices.

Justice Black stood firm and unwavering in protecting and defending our cherished constitutional rights. He believed that the purpose of the law is to better the lot of humanity.

Justice Black was known for his graciousness, his sympathy for the underdog, and his contagious sense of humor. He believed in the value of a hard day's work and set an example for others. His work was his life, and he pursued a career of dedicated public service until he retired at age 85.

Justice Black was as great patriot and jurist. As Chief Justice Burger stated, "He loved this Court as an institution, and contributed mightily to its work, to its strength, and to its future. He revered the Constitution; . . . But above all he believed in the people".

Mr. President, in recognition of Justice Black's invaluable contributions to American jurisprudence, I urge my colleagues to support this resolution requesting the President to designate February 27, 1986 as "Hugo LaFayette Black Day." I ask that the full text of the resolution following this statement be printed in the RECORD.

Additionally, it is my hope that the Senate will recommend to the Citizens Stamp Advisory Committee that a commemorative stamp be issued to honor this great American. No less a tribute is appropriate in recognition of Justice Black's lifetime of dedicated public service.

Thank you Mr. President.

Mr. President, I ask that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 59

Whereas Hugo LaFayette Black's reverence for the Constitution of the United States and the freedoms it guarantees led him to a career of dedicated public service in the State of Alabama, the United States Senate, and the United States Supreme Court, spanning over fifty years;

Whereas Hugo LaFayette Black's courageous leadership, devotion to wisdom and scholarship, and dedication to the cause of justice brought meaning to the concept of democracy and has had a far-reaching influence on the development of American jurisprudence;

Whereas Hugo LaFayette Black stood firm and unwaivering in protecting and defending our cherished constitutional rights and freedoms, and contributed greatly to the strength and vitality of our Nation;

Whereas future generations will continue to benefit from Hugo LaFayette Black's devotion to the common good and sense of compassion for all;

Whereas February 27, 1986, is the one hundredth anniversity of the birth of Hugo LaFayette Black; and

Whereas it is fitting and proper to honor Hugo LaFayette Black as a defender of freedom, a patriot; and a dedicated public servant: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating February 27, 1986, as "Hugo LaFayette Black Day", and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

By Mr. EAST:

S.J. Res. 60. Joint resolution to authorize and request the President to designate the year of 1984 as a "Year of National Observance of the 400th Anniversary of the Founding of the First English Settlement in the New World on Roanoke Island, N.C."; to the Committee on the Judiciary.

ROANOKE ISLAND—FIRST ENGLISH COLONY IN THE NEW WORLD

Mr. EAST. Mr. President, 1984 marks the 400th anniversary of the founding of the first English colony in the New World on Roanoke Island, N.C. Today, I am introducing a joint resolution to declare 1984 a year of national observance of this historic event.

We in North Carolina are proud of our heritage. We are especially proud of the fact that the heroic struggle for political freedom and the ideals upon which our institutions are founded was begun by our forefathers on the shores of our State. America's 400th Anniversary Committee, which is based in Raleigh, N.C., has already begun a statewide program to implement the celebration of the quadricentennial.

I am introducing this resolution in order to commemorate this event on a national level. I hope to recall to all Americans of this generation the trials and triumphs which became the hallmark of our early settlements, so as to rekindle love of country and devotion to its principles which originated within those first English colonies in the New World.

ADDITIONAL COSPONSORS

S. 212

At the request of Mr. PRESSLER, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 212, a bill to authorize funds for the U.S. Travel and Tourism Administration.

S. 222

At the request of Mr. KASTEN, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 222, a bill to repeal the withholding of tax from interest and dividends and to require statements to be filed by the taxpayer with respect to interest, dividends, and patronage dividends.

S. 248

At the request of Mr. DOMENICI, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 248, a bill to provide merit scholarships for students who are preparing to become elementary and secondary school teachers in mathematics and science, to provide experienced teacher awards to teachers of mathematics and science, to provide a block grant for the improvement of mathematics and science education in elementary and secondary schools of the States, and to establish State commissions on excellence in mathematics and science, and for other purposes.

S. 425

At the request of Mr. DENTON, the names of the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. MCCLURE), the Senator from Idaho (Mr. SYMMS), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 425, a bill to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.

S. 467

At the request of Mr. JEPSEN, the names of the Senator from Oklahoma (Mr. NICKLES), the Senator from Missouri (Mr. DANFORTH), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 467, a bill to establish U.S. governmental policy with regard to respect for human life.

S. 480

At the request of Mr. PRESSLER, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 480, a bill relating to the transfer of civil land remote sensing space satellite systems and meteorological satellite systems to the private sector.

SENATE JOINT RESOLUTION 31

At the request of Mr. THURMOND, the names of the Senator from Arizona (Mr. GOLDWATER), the Senator from Georgia (Mr. NUNN), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. INOUYE), and the Senator from Texas (Mr. TOWER) were added as cosponsors of Senate Joint Resolution 31, a joint resolution to au-

thorize and request the President to designate April 23, 1983, as "Army Reserve Day."

SENATE JOINT RESOLUTION 35

At the request of Mr. HUDDLESTON, the names of the Senator from Arizona (Mr. DECONCINI), the Senator from Montana (Mr. MELCHER), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of Senate Joint Resolution 35, a joint resolution designating the week beginning March 20, 1983, as "National Mental Health Counselors Week."

SENATE JOINT RESOLUTION 43

At the request of Mr. DOMENICI, the names of the Senator from Georgia (Mr. NUNN), the Senator from Oregon (Mr. HATFIELD), the Senator from Maine (Mr. COHEN), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Joint Resolution 43, a joint resolution to declare Baltic Freedom Day.

SENATE JOINT RESOLUTION 57

At the request of Mr. CHILES, the names of the Senator from Louisiana (Mr. LONG), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 57, a joint resolution to designate the week of April 3, 1983, through April 9, 1983, as "National Drug Abuse Education Week."

SENATE RESOLUTION 57

At the request of Mr. COHEN, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from West Virginia (Mr. BYRD), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. COCHRAN), the Senator from Missouri (Mr. DANFORTH), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Washington (Mr. GORTON), the Senator from Colorado (Mr. HART), the Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. HEINZ), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. JEPSEN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wisconsin (Mr. KASTEN), the Senator from Georgia (Mr. MATTINGLY), the Senator from New York (Mr. MOYNIHAN), the Senator from Oklahoma (Mr. NICKLES), the Senator from Oregon (Mr. PACKWOOD), the Senator from Illinois (Mr. PERCY), the Senator from Indiana (Mr. QUAYLE), the Senator from Delaware (Mr. ROTH), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Wyoming (Mr. SIMPSON), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Resolution 57, a resolution expressing the sense of the Senate that the Government of the United States and the Government of the Union of Soviet Socialist Republics should adhere to the principle of a mutual guaranteed build-down of nuclear forces.

SENATE RESOLUTION 77

At the request of Mr. D'AMATO, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of Senate Resolution 77, a resolution disapproving deferral D83-59 relating to Urban Mass Transportation Administration.

AMENDMENT NO. 497

At the request of Mr. KASTEN, the names of the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Arizona (Mr. DECONCINI), the Senator from New York (Mr. D'AMATO), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of amendment No. 497 proposed to H.R. 1718, a bill making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not makework but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

SENATE CONCURRENT RESOLUTION 16—RELATING TO COOPERATIVE EAST-WEST VENTURES IN SPACE

Mr. MATSUNAGA (for himself and Mr. PELL) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 16

Whereas the United States and the Soviet Union are on a course leading toward an arms race in space which is in the interest of no one;

Whereas the prospect of an arms race in space between the United States and the Soviet Union has aroused worldwide concern expressed publicly by the governments of many countries, including most of the allies of the United States, such as Australia, Canada, France, the Federal Republic of Germany, India, Japan, and the United Kingdom of Great Britain;

Whereas an arms race in space would open the door to a range of new weapons systems that would seriously threaten global stability, undermine the prospects for successful arms control agreements, and create pressures for new defense expenditures unprecedented in scope even for these times;

Whereas the 1972-75 Apollo-Soyuz project involving the United States and the Soviet Union and culminating with a joint docking in space was a significant success, thus proving the practicability of a joint space effort;

Whereas, shortly after the completion of the Apollo-Soyuz project, and intended as a follow-on to it, the United States and the Soviet Union signed a formal agreement to examine the feasibility of a Shuttle-Salyut Program and an International Space Platform Program, but that initiative was allowed to lapse;

Whereas the United States signed a five-year space cooperation agreement with the Soviet Union in 1972, renewed it in 1977, then chose not to renew it in 1982, despite numerous scientific benefits accruing to the United States as a result of joint activities initiated under that agreement;

Whereas the opportunities offered by space for prodigious achievements in virtually every field of human endeavor, leading ultimately to the colonization of space in the cause of advancing human civilization, would probably be lost irretrievably were space to be made into yet another East-West battleground; and

Whereas allowing space to become an arena of conflict without first exerting every effort to make it into an arena of cooperation would amount to an abdication of governmental responsibility that would never be forgotten: Now, therefore, be it

Resolved, That it is the sense of the Congress that the President should—

(1) renew the 1972-1977 agreement between the United States and the Soviet Union on space cooperation for peaceful purposes;

(2) initiate talks with the Government of the Soviet Union, and with other governments interested in space activities, to explore the opportunities for cooperative East-West ventures in space as an alternative to an arms race in space, including such ventures as joint space medicine and space biology activities; joint missions to the Moon, Venus, Mars, Jupiter and Saturn; other activities in the field of planetary science; manned space exploration; a weapons-free international space station; and

(3) submit to the Congress at the earliest possible date, but not later than December 1, 1983, a report detailing the steps taken in carrying out paragraphs (1) and (2).

Mr. MATSUNAGA. Mr. President, I am today introducing, with the distinguished senior Senator from Rhode Island, Mr. PELL, Mr. President, a concurrent resolution, designed to encourage cooperative East-West ventures in space as an alternative to a space arms race. The resolution calls upon the President of the United States to renew the space cooperation agreement with the Soviet Union that has brought a decade of benefits to American science and technology before it was allowed to lapse in 1982. It also invites the President to initiate discussions with the Soviet Union and with other nations interested in space activities in order to explore the opportunities for a wide range of cooperative ventures in space, including space medicine and space biology activities; joint missions to the Moon, Venus, Mars, and other activities in the field of planetary science; manned space exploration; a weapons-free international space station.

Mr. President, I want to emphasize at the outset that the 5-year space cooperation agreement with the Soviet Union that was first negotiated by President Nixon in 1972, then renewed by President Carter in 1977, was allowed to lapse by the United States in 1982 in response to Soviet activities in Poland and Afghanistan as well as

human rights violations against Soviet scientists, such as Andrei Sakharov. The point is, the decisive, motivating factor was not technology transfer. Indeed, Mr. President, in studying that aspect of the issue, I consulted many of the most distinguished space scientists in the Nation, with special attention paid to those who had engaged in joint activities with the Soviets. Without exception they offered the opinion that, from a technical and scientific point of view, renewal of the space cooperation agreement with the Soviets is very much in our own national interest. While national security concerns must be taken into account on this as on every foreign policy issue, our best scientists agree that there is plenty of room for joint activity in space with the Soviets without giving away the store, that in many instances science and technology transfer would in fact flow in our direction. Mr. President, I ask unanimous consent that the full text of the letters which I received from these experts be included in the RECORD, following my statement.

Mr. President, space cooperation agreements bear comparison to arms control agreements. They involve very tough negotiating on both sides. The Soviets come in trying to take all they can get. Our space science negotiators, many of whom have at least as much experience negotiating with the Soviets as our arms control negotiators, and who have shown themselves to be as toughminded as they come, refuse to budge until the Soviets adjust to reality. And the result so far—or at least until the space cooperation agreement was allowed to lapse—has been very much in the interest of the United States.

But if they are comparable to arms control negotiations, space cooperation agreements also open the way to activities that reach beyond the arms control negotiations process and contribute in unique ways toward reducing East-West tensions. The uniqueness is in implementation. In the case of arms control agreements, implementation is by and large a compartmentalized process that often creates as many suspicions as its resolves. But in the case of cooperation agreements, implementation consists of jointly conducted activities that are of intense significance in and of themselves.

As an example, permit me to cite a dramatic achievement of the 1972 United States-Soviet space cooperation agreement—the Apollo-Soyuz mission of 1975. The day after President Nixon and Premier Kosygin signed that agreement, they signed a strategic arms pact. The two documents bore an instructive difference.

Whereas the strategic arms agreement called for open-ended discussion in gilded conference rooms, the Apollo-Soyuz project that emerged out of the 1972 United States-Soviet space agreement involved a no-nonsense design and construction timetable targeted toward a specific objective—a joint docking in space in 1975.

That tangible objective locked both sides into a train of technical imperatives which, in turn, influenced the basic character of their relations.

For instance, initial American requests for information ran up against compulsive Soviet secretiveness. Had they been negotiating over language and analyzing force strengths on the basis of contested definitions, the effort surely would have ended in stalemate. But they had spacecraft to design and build, communications systems to integrate, astronauts to train, joint docking systems, joint tracking systems, joint life-support systems.

As the timeable ticked off, the Soviets opened up to an unprecedented extent. Scientists and technicians from both nations became wholly absorbed in the project, integrating distinctly different operational styles under the pressure of a shared deadline and a shared professional commitment to make the project work.

Thus, in mid-1973, an American delegation was admitted to the previously top secret Soviet mission control center—again, for the technically required purpose of coordinating communications and tracking. Looking out across the consoles, world maps, wall clocks, they saw, typed on the giant center screen: "Welcome American Colleagues."

The following year, American astronauts lived and trained at the Soviet space center outside Moscow, Soviet cosmonauts trained in Houston, and American public affairs officials successfully convinced the Russians to go on live TV coverage for the event. All were firsts.

Before the project concluded on July 17, 1975, with a successful docking in space, the Soviets and Americans had negotiated and signed 133 working documents, an unprecedented achievement.

Now, Mr. President, that brings us to a distinction of absolutely primary significance. It is often said, with some degree of accuracy, that Appollo-Soyuz was an expensive public relations exercise that made little or no contribution to the advancement of scientific understanding. But that can be also said for our nuclear deterrent, established and maintained at a cost of hundreds of billions of dollars. The sole purpose of the nuclear deterrent is to induce the Soviets to behave the way we would like them to behave. It constitutes the purest and most expensive public relations program ever launched. It has no significance other than as a way of relating to the Soviets. Yet we maintain and constantly refine this scientifically meaningless, cosmically expensive, and potentially cataclysmic public relations program because it has a moderating effect on Soviet behavior. That alone makes the program worthwhile, even necessary. And it is in that absolutely fundamental context, Mr. President, that cooperative projects such as Apollo-Soyuz deserve to be judged. To the extent that they alter Soviet behavior in ways deemed favorable to our mutual interests, while reducing the chances for nuclear conflagration—to that extent, projects such as Apollo-Soyuz serve our national interest every bit as much as our nuclear deterrent and deserve every bit as much priority, for they surely hold quite a bit more promise, to put it mildly. In that context, and taking account of the present state of United States-Soviet relationships, projects such as Apollo-Soyuz open a path to a new way of interrelating between the two superpowers—one which carrys a unique potential for inspiring entire populations.

I am suggesting, Mr. President, that cooperation has shown itself to be an effective tool for altering behavior; that cooperation with the Soviets in space has a provenly effective record in that context whose real potential has not been realized due to a lack of continuity in its pursuit; that cooperation in space is therefore a meaningful complement to arms control and the nuclear deterrent for achieving national security objectives. Under the technical imperatives generated by projects such as Apollo-Soyuz, the Soviets set a number of precedents for openness, information exchange and verification, problems which have bedevilled our arms control negotiators for a generation. They did not do it willingly. They were virtually forced into it by pressures inherent to cooperative activity. The result was not a revolution in behavior, but it was an extremely promising beginning. In a history of the project, Neil Hutchinson, the U.S. Flight Director for Apollo-Soyuz, summed up what was probably the project's most important contribution and what also turned out to be its greatest frustration for those involved:

"I wish there was another one of these flights," he said. "We've gone to all this trouble to learn how to work with these people. . . . I could run another Apollo-Soyuz with a heck of a lot less fuss than it took to get this one going."

The flaw in Apollo-Soyuz was that we did not build upon its accomplishments with the same tenacity that we have applied to our arms buildup and toward the same purpose; namely, the avoidance of nuclear war. The process requires toughmindedness, caution, and patience, but it promises commensurate rewards. To borrow from the vocabulary of deterrence, I believe our national security would be admirably

served if this Nation, as a matter of policy, developed a triad consisting of nuclear deterrence, arms control negotiations, and cooperation in space. They are complementary and mutually reinforcing, as other nations already have recognized. The French, for instance, who favor the strongest possible military posture vis-a-vis the Soviets, and who are in fact the most outspoken European supporters of the administration's zero-option nuclear missile plan, if not the only supporters, also have the most active space cooperation program with the Soviet Union of any Western nation.

Why, then, do we seem to find it so difficult to perceive cooperation with the Soviets as a worthwhile national security objective, if it promises to alter Soviet behavior, improve relations, reduce the risks of nuclear war? Is it because our ideologies are perceived as irreconcilible? Mr. President, on that same basis, the world is full of religions that are doctrinally irreconcilible, yet coexist and interact with continuing fruitfulness—most recently in their increasingly unified opposition to a process which they perceive as leading the world toward a nuclear Armageddon.

Mr. President, a few weeks ago, the distinguished author, Herman Wouk, published a syndicated article entitled "Must Wars Occur?" Which I am sure was read by millions of Americans. In that article, Mr. Wouk referred to what he called our incredibly frightening and dangerous closed loop of insanity with the Soviet Union; and he wondered aloud at how this potentially world-annihilating condition could have evolved within the span of a single lifetime. I wonder about that too. Ideology is not the ground of being. Antagonism between the United States and the Soviet Union is not genetic. The challenge is not to freeze it in time but to transcend an overruling climate of mistrust which governs the attitudes of the antagonists, creating that closed loop of insanity, blocking any constructive evolution in United States-Soviet relations, rendering the problem insoluble by negotiation alone. With moving poetry and insight, Mr. Wouk evoked that theme in a letter he wrote to me after being informed of the resolution I was contemplating, a letter which might as well have been addressed to all the Members of this body, or to all Americans:

DEAR SENATOR MATSUNAGA:

He wrote:

We joined forces with the Russians in the Second World War to eliminate the Axis menace to civilized life on earth. We achieved that aim without resolving our ideological differences or even discussing them. The menace confronting us was enough to make us cooperate. Now we and the Soviet peoples are confronted with a menace to our survival more grave than Hitler's Axis. The menace is ourselves; our worser selves, frozen in suspicion, mistrust, and ideological antagonisms. Space offers us a fleeting chance to get away from the earthbound framework of confrontation and mistrust and join forces again. The Soviet Union is a great nation, however profoundly we disagree with its ideology and its leadership. We Americans, confident in our strength and our free way of life, can hold out our hand to the Soviets for cooperation in space, as a start toward saving our children from the deadly peril created by our mutual old fears, reflected in the arms control deadlock. Your initiative in the matter of East-West cooperation is thoughtful, cautious, and promising. I support your Resolution and hope that the Senate will endorse it.

Sincerely,

HERMAN WOUK.

As Mr. Wouk is historically correct in reminding us that we once cooperated with the Soviets on a massive scale and with world-shaking success "without resolving our ideological differences or even discussing them," so he is psychologically correct in reminding us that the greatest menace today comes from an icy climate of suspicion and mistrust that places all of us at the mercy of our worser selves. I ask my Senate colleagues to imagine what relations in this body would be like if Republicans and Democrats worked out of separate self-contained enclaves and met only over a negotiating table at irregular intervals. It's obvious: Our differences would be exaggerated by an order of magnitude. Comparatively speaking, for the United States and the Soviet Union, we can speak of several orders of magnitude. It is a problem that cannot be alleviated by placing greater blame on one side or the other. If suspicion and mistrust are a Soviet disease, finding institutional expression in totalitarianism and repression, then we should be wary most of all of its contagion. And we should remind ourselves that the vaccine as well as the cure for that deadly disease happens to be a natural and extremely potent byproduct of democratic society, decongealing cooperative activity, pursued with caution, with toughmindedness, with sagacity, with prudence, yes; but still, pursued.

And that's where space comes in. One of the letters supporting my resolution came from former astronaut Donald "Deke" Slayton, who participated in the Apollo-Soyuz project. To the compulsive charge that the Soviets stole secrets from us during Apollo-Soyuz—a charge unanimously denied by those Americans involved in the project—Mr. Slayton responded with the usual negative, but he also added this caveat:

In my opinion,

He wrote:

the major thing the Soviets could have learned, to their everlasting benefit, is how to conduct major technical programs efficiently through the use of free lateral and vertical communication among all participants. This would also have been to our major benefit because it is called democracy. Unfortunately, they have not opted to purloin these lessons yet, but we should not give up hope.

We hear about technology transfer. Well, Apollo-Soyuz proved to be an exercise in democracy transfer. Now I hope democracy transfer will not be banned as a threat to our national security, because, as Mr. Slayton testifies eloquently and with authority, the best way to democratize the Soviet Union, and probably the only way, is to actually involve the Soviets in the democratic process, as we did during Apollo-Soyuz. Without question, the values and workability of East-West cooperation in space already has been proven. The challenge today is to set it in sustained motion, as a matter of national policy stubbornly pursued, building up from a solid foundation. It is perhaps neither necessary nor desirable to begin with another dramatic Apollo-Soyuz. United States and Soviet planetary science objectives contain many opportunities for convergence that at once promise sound scientific achievement and point toward further collaboration across a discretely expanding front. But it is important always to keep in mind that our ultimate objective is to attain the unifying purposefulness and hope that offers the only same way for human civilization to address the universe. Mr. President, the cold war does not need a new dimension. Allowing space to become an arena of conflict without first exerting every effort to make it into an arena of cooperation would constitute an abdication of the responsibilities of our office that would never be forgotten. I therefore call upon my colleagues to join with me in supporting this modest beginning for a grand design. Mr. President, I ask unanimous consent that the letters of endorsement mentioned earlier in my statement be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 28, 1983.

Hon. SPARK M. MATSUNAGA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATSUNAGA: We joined forces with the Russians in the Second World War to eliminate the Axis menace to civilized life on earth. We achieved that aim without resolving our ideological differences or even discussing them. The menace confronting us was enough to make us cooperate.

Now we and the Soviet peoples are confronted with a menace to our survival more grave than Hitler's Axis. The menace is ourselves; our worser selves, frozen in suspicion, mistrust, and ideological antagonisms. Space offers us a fleeting chance to get away from the earthbound framework of confrontation and mistrust and join forces again. The Soviet Union is a great nation, however profoundly we disagree with its ideology and its leadership. We Americans,

confident in our strength and our free way of life, can hold out our hand to the Soviets for cooperation in space, as a start toward saving our children from the deadly peril created by our mutual old fears, reflected in the arms control deadlock.

Your initiative in the matter of East-West cooperation is thoughtful, cautious, and promising. I support your Resolution and hope that the Senate will endorse it.

Sincerely,

HERMAN WOUK.

NATIONAL RESEARCH COUNCIL,
Washington, D.C., February 25, 1983.

Hon. SPARK MATSUNAGA,
109 Hart Building, Washington, D.C.

DEAR SENATOR MATSUNAGA: As a scientist who has participated in the Apollo-Soyuz mission and has been involved directly in scientific exchanges with the USSR relating to the exploration of the planet Venus I wish to express my enthusiastic support for the bill you are introducing on cooperation in space. Science flourishes best when it is conducted in an atmosphere of free and open exchange of data, analysis and criticism. In the case of the planetary exploration program our experience in the past is that planetary science as a whole benefitted greatly from the period of open exchange and cooperation with our colleagues in the USSR. Data obtained by their Venera probes were made available at a very early stage to us. We were able to compare their results with ours, and analyze areas of agreement and disagreement thereby resolving many questions that otherwise would have been left in dispute or even unanswered. Design of future experiments was greatly facilitated. For example, radar altimetry data obtained by our Pioneer Venus Orbiter was used to determine the proper landing sites for the probes Veneras 13 and 14 and the future probes Veneras 15 and 16. The data they obtained were thereby rendered much more meaningful to the great benefit of us as well as them. Failure to cooperate in this way means a great loss for science.

Furthermore, and this judgment extends to cooperation with other nations as well as the USSR, some planetary projects such as sample return missions to asteroids or Comet Sample Return, are extremely expensive and probably beyond the means of any one nation, even the United States, under the economic constraints imposed today. By pooling resources the world can undertake such missions rich in scientific potential that otherwise would have to be postponed long into the next century.

For all these good reasons, I welcome the step you are taking and urge the Congress and the President to expedite enactment of the legislation you propose.

YOURS SINCERELY,
Thomas M. Donahue,
Professor of Atmospheric Science,
University of Michigan,

THE UNIVERSITY OF IOWA
Iowa City, Iowa, February 22, 1983.

Hon. SPARK M. MATSUNAGA,
U.S. Senate, 109 Senate Hart Building, Washington, D.C.

DEAR SENATOR MATSUNAGA: It is a pleasure to learn of your initiative in urging the establishment of a fresh program of collaboration between the United States and the Soviet Union in the peaceful uses of outer space. Such a program will, I agree, counteract the current tendency to militarize outer space and may thereby contribute significantly to international arms control.

Even within the prevailing chill in our diplomatic relations with the Soviet Union, a significant level of scientific collaboration continues. But as an experienced practitioner in space research I consider that your purposes can be effectively served only if the collaboration is of a joint operational nature on a roughly equal footing. I use the term operational to include the design and construction of flight equipment; launching and in-flight operations; and the acquisition and analysis of data. Thus I mean to distinguish operations from the much more modest level of collaboration that is represented by the post-facto exchange of data from essentially independent undertakings.

Further, any agreed joint mission or missions must have substantive objectives of undisputed scientific or technological importance and not be principally in the nature of a demonstration, as was the case with the Apollo-Soyuz mission in 1975. It is, of course, obvious that missions involving humans within the spacecraft attract greater public interest than do those consisting of remotely controlled equipment, but the latter have, in my opinion, a much deeper and more durable significance and offer the opportunity for continuing collaboration, at reasonable cost, for many years. A specific example is a joint U.S.-U.S.S.R. mission to the planet Saturn comprising an orbiter and an entry probe. Both U.S. and the U.S.S.R. have much to offer in the field of plantary exploration but the U.S. is unable to proceed with such a mission at present because of lack of funding.

Sincerely yours,

J. A. VAN ALLEN,
Professor of Physics
and Head of Department.

CALIFORNIA INSTITUTE
OF TECHNOLOGY,
Pasadena, Calif., February 23, 1983.

Senator SPARK MATSUNAGA,
Senate Hart Building, Washington, D.C.

DEAR SENATOR MATSUNAGA: For some time I have been concerned about the relationship between the United States and other nations in areas involving the civil space program. The significance of this program as a part of foreign policy of our Nation as an instrument of national policy has not been adequately recognized in recent years. I believe that we must concern ourselves in providing some pacific and mutually satisfactory means of exchange with both the Soviet Union and the Western nations. We have truncated our bilateral relations with the Soviet Union in this area and left our relations with the European community and the Japanese either in limbo or in jeopardy.

Some of my views were expressed in a science policy speech which I recently made in Washington (at the George Washington University, Graduate Porgram in Science, Technology, and Public Policy) entitled "Setting Scientific Priorities: It Can Be Done". A copy of this is enclosed for your reference and use.

I have had the privilege of hearing your proposal with regard to restarting some sound and ongoing relations with the USSR in this area. If this action is carried forward in a positive manner with regular and ongoing progress, it may indeed provide a real key to defusing the dangerous circumstances that exist. Making any progress will depend on some mutual goodwill and an ongoing activity that is considered mutually beneficial. If the technical and scientific objectives are sound, then this could serve as a forum to ease tensions and would distinguish both parties. We must of course be careful to recognize the immediate and long-term U.S. strategic interests; however, we must not convert the space area into an arena for weapons of mass destruction if that can be avoided.

I congratulate you for seeking some means of normalizing U.S.-Soviet relations in some limited areas as a start.

Very truly yours,

G. J. WASSERBURG,
John D. MacArthur Professor
of Geology and Geophysics.

CORNELL UNIVERSITY, CENTER FOR RADIOPHYSICS AND SPACE RESEARCH,
Ithaca, N.Y., February 28, 1983.

Hon. SPARK M. MATSUNAGA,
Senate Hart Building,
Washington, D.C.

DEAR SENATOR MATSUNAGA: The last 20 years have seen the opening of a new chapter in human history, the successful exploration by manned and (principally) unmanned space vehicles of 40 new worlds, including all the planets known to the ancients. If we are not so foolish as to destroy ourselves, further generations will recognize our time as an epochal turning point for our species and for life on Earth.

These expeditions have been carried out by the United States and the Soviet Union. Scientific data have been freely exchanged after the missions were completed. In some cases, such as the Apollo/Soyuz docking, joint missions were carried out cooperatively.

Space technology now permits extraordinary new missions, including roving vehicles on the surface of Mars, landings on asteroids that pass close to Earth, and entry vehicles into the organic clouds of Titan. Both for economic reasons, and because these are properly explorations performed for the entire human species, there is much to be said for making such expeditions international—involving not just the United States and the Soviet Union, but also the European Space Agency, Japan, and other emerging spacefaring nations.

The militarization of space, the extension of terrestrial rivalries into the vast expanse of space, is antithetical to peaceful exploration of space. In addition, it threatens economically vital satellite assets and politically stabilizing reconnaissance satellites. Nuclear weapons are already banned from the space environment by treaty. All conventional weapons, on both manned and unmanned space vehicles, should likewise be prohibited, in the joint interest of the United States and the Soviet Union and in the interest of the human species.

With every good wish.

Cordially,

CARL SAGAN.

WASHINGTON UNIVERSITY, DEPARTMENT OF EARTH AND PLANETARY SCIENCES,
St. Louis, February 22, 1983.

Senator SPARK MATSUNAGA,
Senate Hart Building,
Washington, D.C.

DEAR SENATOR MATSUNAGA: This letter is meant to strongly support your continuing efforts to establish cooperative scientific endeavors in space on an international basis. There are a number of missions that could be accomplished with international cooperation that one nation might not be able to

afford. For instance, several NASA and NAS panels have suggested that an unmanned sample return mission to Mars would be the next logical step in the exploration of that planet. The Soviets already have demonstrated a capability to use rovers and unmanned sample return vehicles in exploring the lunar surface (Soviet Lunakhod and Luna missions). Perhaps a joint US-USSR mission to collect samples from the Martian surface might be a logical starting place for a significant international endeavor. Such a mission is presently far above the present budgetary constraints placed on NASA.

Cordially,

RAYMOND E. ARVIDSON,
Associate Professor.

FRANKLIN VILLAGE, MICH.

Senator SPARK MATSUNAGA,
Senate Hart Building,
Washington, D.C.

DEAR SENATOR: I should like to express my support of your initiative calling for the President to explore the possibilities of reviving space cooperation with the Soviet Union.

As the long-time Assistant Administrator of NASA for International Affairs with lead responsibility for the extensive programs of cooperation with other space powers which were conducted in the 1960's and 1970's, I know of the very substantial scientific, economic and political benefits which may be derived for this country through prudent, well-balanced joint efforts in space.

In the case of the Soviet Union, such programs must be carefully selected and structured and commitments to them must be developed through proper phasing so that continuity is linked to demonstrated performance. With such precautions, and given the full support of the heads of government, cooperative space projects can be successful and broadly rewarding.

I hope that the administration will find it possible to move forward on the basis of the resolution you propose.

Sincerely,

ARNOLD W. FRUTKIN.

BELL LABORATORIES,
Murray Hill, N.J., February 28, 1983.

Senator S. MATSUNAGA,
Senate Hart Building,
Washington, D.C.

DEAR SENATOR MATSUNAGA: My personal expertise in space science research involves studies of the plasmas in space: in the Earth's and other planet's magnetospheres and in the interplanetary medium. I am presently the Chairman of the Space Science Board's Committee on Solar and Space Physics; this Committee, through the Board, advises NASA on its research activities in solar and space plasma physics research (often called solar-terrestrial research).

From my personal research experiences, in collaborations with Japanese and European scientists, and from the work of my Committee, I personally believe that there is considerable national scientific benefit to be gained from properly formatted international cooperative science activities. The Soviet Union has a strong space plasma physics science program, in both observation and in theory. Much of this work involves studies of the Earth's magnetosphere. I believe that scientific benefits in space plasma physics research could result to the U.S. through a carefully worked-out collaborative program with the Soviet Union. Thus, I endorse your presence initiative to request the Administration to investigate ways in which cooperative space science ventures between the two nations might be pursued.

Sincerely,

L. J. LANZEROTTI.

THE UNIVERSITY OF ARIZONA,
Tucson, Ariz., February 25, 1983.

Senator SPARK MATSUNAGA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MATSUNAGA: I am writing to encourage and to lend my support to your efforts to restore U.S. initiative in seeking greater international cooperation in peaceful civilian space activities, including space science and applications. For some years I have been involved in efforts to advance cooperative space science programs between the United States and other nations—especially with the Western European nations and with the Soviet Union—and I have seen the benefits that could accrue to our country through such cooperation.

It is apparent that investigation of the solar system—man's newly extended environment—is an activity of great interest to many countries. The reasons for this interest are manifold. Among these reasons is the desire to expand our scientific understanding of the sun and planets, and thereby to expand our grasp of the terrestrial phenomena which govern Earth; important new insights and understanding about Earth have come from our studies of other planets. Moreover, scientific investigation of the solar system provides the opportunity to find answers to many of the important questions about the origin and evolution of our world which have occupied people throughout history. Looking ahead, it appears that the space environment will offer increasingly more in the way of economic and other benefits; scientific investigation of the solar system today offers our best approach to uncovering and assessing potential benefits for tomorrow.

The United States is not alone in its ability to carry out solar system investigations. Other nations have developed similar interests as well as similar and complementary technical capabilities. Our ability to exploit these capabilities and interests for our own benefit and for the broader benefit of mankind would be enhanced greatly by coordination of our activities and by the pooling of selected resources in solar system science. In my view, space activities are likely to remain a mix. Some elements, which serve purely nationalistic objectives, are unlikely to be conducive to international collaboration in the foreseeable future. Other elements lend themselves very well to an international approach.

During the past decade, attempts were made to initiate substantive collaboration with the Soviet Union in scientific exploration of the planets. These efforts were taken under the aegis of the joint U.S.-Soviet agreements signed by President Nixon in 1972 and later renewed in 1977. Because of a number of not surprising difficulties, progress was particularly slow. However, having served as a member of the U.S. National Aeronautics and Space Administration delegation to the last of these talks, it was my distinct impression that important progress was being made and that we were on the verge of being able to strike modest, but still substantial, agreements to cooperate in further exploration of the planet Venus. In the middle of this important progress last year the Administration let these bilateral agreements lapse, thus terminating the discussions.

At the present time discussions are being carried out under the auspices of the U.S. National Academy of Sciences (along with NASA) and the European Science Foundation (along with the European Space Agency) to lay plans for a program of joint planetary exploration. If properly implemented, this could be an important adjunct to the independent planetary programs of the two sides. I happen to be chairman of the U.S. delegation in these discussions and thus have a general perspective on the problems involved. A clearly stated commitment, on the part of the United States, to international cooperation would not solve all of the problems; but it would contribute in a major way by providing a foundation for agreements and for long-range plans.

I would be happy to discuss these matters further with you. If I can be of any help in your efforts, please do not hesitate to call upon me.

With best wishes,

Sincerely,

EUGENE H. LEVY,
Associate Professor of Planetary Sciences.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Pasadena Calif., February 23, 1983.

Hon. SPARK MATSUNAGA,
Washington, D.C.

DEAR SENATOR MATSUNAGA: I am writing in support of the renewal of cooperation between the United States and the Soviet Union in the exploration of the solar system. The Space Science Board and its Committee on Planetary and Lunar Exploration has consistently urged that an active, open working relationship be established which would allow the full range of cooperative activities, including scientific discussions and identification of scientific goals of mutual interest, concurrent commitment to and coordination of planetary missions addressing these goals, and the timely exchange of information throughout the missions.

Substantial progress had been made toward establishing such a working relationship, only to have been interrupted by events of the last few years and the subsequent lapse of the cooperative agreement between the governments of the United States and the Soviet Union. Since the objectives and desirability of such a working relationship remain, it is important that the cooperative agreement be renewed.

Very truly yours,

EDWARD C. STONE,
Professor of Physics.

UNIVERSITY OF HAWAII AT MANOA,
Honolulu, Hawaii, March 2, 1983.

Senator SPARK MATSUNAGA,
Washington, D.C.

DEAR SENATOR MATSUNAGA: As a planetary scientist committed to the peaceful exploration of the solar system, I am pleased to support the bill you are introducing encouraging international cooperation in space. For a number of years I have had the opportunity to see the advantages of such cooperation: as NASA Acting Deputy Associate Administrator for Space Science, as a member of the U.S. Delegation to the joint U.S./USSR discussions on planetary exploration (before their termination last year), and currently as Chairman of the Solar System Exploration Committee of the NASA Advisory Council.

In the past, three areas of cooperation in space science with the USSR have been par-

ticularly fruitful. The first and most prominent has been in manned space flight: not only the Apollo-Soyuz mission, but equally important the continuing exchange of data with the Soviets on the human response to long-duration space flight. Because of the dominance during recent years of the USSR in long-duration flight, this exchange has been of particular benefit to U.S. science, providing us data that would otherwise be impossible to obtain. Second is the related close cooperation between U.S. and Soviet scientists in other areas of life science research in space, which has included the flight of U.S. experiments in Soviet satellites. The third area is in planetary exploration, where U.S. and Soviet scientists have worked together closely in the analysis of data on the Moon and Venus. These cooperative planetary efforts have included exchange of lunar samples (providing us access to three sites not visited by Apollo) and use of U.S. radar data to locate Venus landing sites for the Soviet Venera landers. Although these cooperative programs have not always been easy to achieve, I believe all who have been involved believe the efforts to have been worthwhile, and to have provided significant returns to both U.S. and Soviet science.

At present there is a strong interest in the U.S. planetary science community in increased international cooperation. Given the costs of planetary missions, it is clear that scientists of all nations should work together to avoid unnecessary duplication of effort and to share their results. Our ties with other space-faring nations have recently increased, particularly with Europe and Japan. I hope that the international climate will permit a similar increase in consultation and cooperation with the USSR and other Socialist countries, and I believe such joint efforts would be of clear benefit to U.S. science.

Sincerely,

DAVID MORRISON,
Professor of Astronomy.

SPACE SERVICES INC., OF AMERICA,
Houston, Tex., Feb. 26, 1983.

Senator SPARK MATSUNAGA,
Senate Hart Building,
Washington, D.C.

DEAR SENATOR MATSUNAGA: I am happy to have the opportunity to support your bill regarding international co-operation in the exploration and exploitation of Space. Having had the rare priviledge of flying on this country's only joint space mission (Apollo-Soyuz) in 1975, I feel somewhat qualified to comment on the merits of such joint ventures.

The original intent of that flight was to further efforts at detente between the USSR and the USA by a demonstration of constructive co-operation between our countries in an arena recognized by the citizens of both countries as peaceful, prestigious, and beneficial. Those objectives were accomplished very successfully in 1975 and I believe are worth continuing to pursue in 1983 and beyond. It requires little astuteness in the science of human behavior to recognize that people who are communicating freely with each other and working diligently towards common objectives rarely indulge in activities which would prove catastrophic to the accomplishment of those objectives.

Two common criticisms of the Apollo-Soyuz Test Project are that we still have a high degree of tension between the USA and the USSR in spite of it and that we gave away valuable space technology in the process. There is no argument with the contention that current relationships leave much to be desired, but I propose they would be even more difficult without the friendly interfaces and good will built in accomplishing Apollo-Soyuz. It may be worth noting that the five cosmonauts chosen to be recognized at Chairman Brezhnev's funeral were personal friends of ours and I would therefore assume we still have some potential of favorable inputs at the higher levels of the Soviet government.

The proposition that we gave away technology does not recognize the openness with which NASA conducts it's business. Everything done has been in the public domain and is available internationally to any interested party. Conversely, the USSR program had been conducted under a heavy veil of secrecy and for the first time were open to public scrutiny. In my opinion, the major thing the Soviets could have learned, to their everlasting benefit, is how to conduct major technical programs efficiently through use of free lateral and vertical communications among all participants. This would also have been to our major benefit because it is called "democracy". Unfortunately, they have not opted to purloin these lessons yet, but we should not give up hope.

Regarding future activities, both the USA and USSR are recognizing the merits of international space ventures by including participants from their respective spheres of influence in their national space program. The next step to truly international space ventures should not be that difficult. A couple of obvious possibilities are:

1. Coupling our demonstrated leadership in reuseable, economic launch and re-entry vehicles with the USSR's long duration, large space station objectives.

2. Initiating a dialogue on pooling international resources for interplanetary exploration and exploitation. What better way to unify the globe than to get everyone working towards a constructive, common goal?

Thank you for the opportunity to comment on your bill and best wishes for your success in accomplishing it's objectives.

DONALD K. SLAYTON,
President.

THE UNIVERSITY OF TEXAS AT AUSTIN, THE GENERAL LIBRARIES,
Austin, Tex., February 25, 1983.

Hon. SPARK MATSUNAGA,
Senate of the United States.

MY DEAR SENATOR: I have read with interest of your desire to enact legislation which would encourage the United States to enter into negotiations with the Soviet Union with an aim of reaching an understanding about the potential military use of outer space.

Obviously our two great powers already have the capacity to launch offensive and defensive weapons from low-earth orbit and will one day not far distant have the ability to launch nuclear weapons, too. These are logical steps in the exploration and utilization of space, and their potential for destruction is overwhelming.

Inevitably, each power must explore and refine this potential, and this can be done intellectually and in laboratories without even venturing into space. Testing in space would merely be the next step. The awesomeness of the problem confronts us right now.

Just as we have successfully outlawed the use of poison gas through one world war and several near-world wars, I believe that through joint discussion we can do the same for space-launched nuclear weaponry. Indeed, if the United States and the Soviet Union were to devise a compact whereby together they explored and developed these capacities and use them for peaceful objectives, dangers would be avoided and the world would become a safer place.

I urge you to pursue your objectives I urge you to keep our alternatives before the public. And I long for the day when this tremendous resource is used peacefully for all mankind.

JAMES A. MICHENER.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY JOBS APPROPRIATION ACT, 1983

AMENDMENT NO. 497

(Ordered to be printed.)

Mr. KASTEN (for himself, Mr. HELMS, Mr. BOREN, Mr. HEFLIN, Mr. MATTINGLY, Mr. RANDOLPH, Mr. EAST, Mr. GLENN, Mr. FORD, Mr. NUNN, Mr. DENTON, Mr. NICKLES, Mr. BAUCUS, Mr. HOLLINGS, and Mr. MURKOWSKI) proposed an amendment to the bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and to add to the national wealth, resulting in not makework but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

AMENDMENTS NOS. 498 AND 499

(Ordered to be printed and to lie on the table.)

Mr. MATTINGLY submitted two amendments intended to be proposed by him to the bill S. 1718, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water to consider S. 287, to establish the Harry S. Truman National Historic Site in the State of Missouri, and for other purposes; S. 345, to establish a national historic park at Africatown, U.S.A. (Prichard and Mobile), Ala.; S. 542, to amend the act of July 15, 1968 (82 Stat. 356), Public Law 90-401 to include units of the national forest system within the provisions of the act and for other purposes; S. 565, to require the Secretary of the Interior to enter into an agreement with the State of North Carolina with respect to the repair and maintenance of a certain highway of such State located within Cape Hatteras National Seashore Recreation Area; S. 680, Gladys Noon Spellman Parkway; H.R. 1213, Public Lands and National Parks Act

of 1983. The hearing will be held on Thursday, April 7, beginning at 10 a.m., in room SD-366, of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the record should write to the Subcommittee on Public Lands and Reserved Water, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Tony Bevinetto of the subcommittee staff at 224-5161.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the hearing scheduled before the Subcommittee on Energy and Mineral Resources regarding the strategic petroleum reserve for Thursday, March 17, has been canceled and will be rescheduled at a later date.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, the Senate Select Committee on Indian Affairs will hold an oversight hearing on the disbursement of funds by the Bureau of Indian Affairs to do a study of the irrigable acres on the Blackfeet Reservation in Montana on Tuesday, April 12, 1983, at 9:30 a.m., Senate Dirksen 628. For further information, contact Maria Mendoza of the committee staff at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON PATENTS, COPYRIGHTS, AND TRADEMARKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Copyrights, and Trademarks, of the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, March 10, at 2 p.m., to hold an oversight hearing of the Copyright Office.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, March 10, at 2 p.m., to receive testimony from the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, March 14, at 10 a.m., to hold a hearing on S. 267, a bill to facilitate the national distribution and utilization of coal.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, March 15, 1983, to act on the following bills:

S. 443, Bankruptcy Court Reorganization Act of 1983;

S. 445, Omnibus Bankruptcy Improvements Act of 1983;

S. 54, Bankruptcy Courts Reform Act of 1983;

S. 333, Consumer Bankruptcy Improvements Act of 1983;

S. 549, Shopping Center Tenant Bankruptcy Protections Improvements Act of 1983;

S. 492, To amend the Bankruptcy Act regarding executory contracts, and for other purposes; or 10 any other bankruptcy court reform measures that may be placed on the agenda.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TIMES IS RIGHT ON TRUTH IN TAXING

● Mr. DOLE. Mr. President, ever since tax indexing was passed in 1981 as part of the Economic Recovery Tax Act, it has been the focus of some controversy. This year the debate has heated up even more as Congress looks for ways to reduce the outyear budget deficits that otherwise might impede full economic recovery. But the tax indexing issue is much, much more than a question of whether we should have a higher level of revenues to reduce the deficit. A few days ago Senator BILL ARMSTRONG and I, along with 26 of our colleagues, circulated a letter to all Members of the Senate urging that tax indexing not be delayed or repealed in the effort to cut the deficit. We still believe that indexing is vitally important to our economy and to our political system.

GROWING SUPPORT

We are picking up more support for preserving tax indexing as public awareness of the real issue grows. I expect that trend to continue, because everyone who really understands the tax indexing issue knows which side is right. The latest advocate to join the fight—or rather to reaffirm support for indexing which they expressed back in 1981—is the New York Times. In the lead editorial in today's Times, titled "Truth in Taxing," that renowned newspaper points out that:

Indexing is worth having for honesty's sake alone. If the Government needs more money, let it raise taxes openly and permit the citizenry to judge.

That, indeed, is the core of the argument in favor of tax indexing. It is the issue that I, along with President Reagan and many others, have urged my colleagues to focus on, and I applaud the Times for their perceptiveness in getting to the heart of the question.

OTHER POINTS

Mr. President, the Times editorial makes other points in favor of tax indexing which I strongly endorse, including the fact that indexing helps low and moderate income taxpayers. So that my colleagues may have the benefit of the wisdom of the New York Times on this issue, I am asking that today's lead editorial be printed in the RECORD in full following my remarks. As more leaders of public opinion join the fight in favor of tax indexing, the vital significance of this tax reform will become clear to everyone. This is really a fight for basic fairness to the taxpayer, and I hope others will address the issue as forthrightly as the New York Times.

The editorial follows:

TRUTH IN TAXING

What a difference two years make. An incidental feature of the big tax reduction in 1981 now looms as the biggest tax issue of 1983. The issue is indexing, one of the fairest pieces of tax law in many a year. There is heavy pressure to repeal indexing before it even takes effect. President Reagan deserves support as he digs in to preserve it.

Indexing means that starting in 1985 tax brackets will be annually adjusted to offset inflation. If the Consumer Price Index rises by, say, 5 percent in 1984, tax brackets would be moved up 5 percent in 1985. For example, the 18 percent bracket, which will apply to incomes between $16,000 and $20,200, would rise to a range of $16,800 to $21,210. At the same time each personal exemption would go up 5 percent, to $1,050.

Think of it as a taxpaying couple with $20,000 in taxable income. Then you get a 5 percent raise, to $21,000, which offsets inflation. Under the present system, that puts you in a higher tax bracket, where the last $800 is taxed not at 18 percent but at the next higher bracket rate of 22 percent. This "bracket creep" creates a hidden tax increase. Year after year, Presidents and Congresses have thus been piggybacking on inflation to increase the proportion of income taxed—raising taxes without ever voting to raise them. Indexing will end the deception.

Congress did not fully realize what it was doing when it added indexing to the 1981 bill by a separate vote. The idea had been around for years, a little complicated but sensible. Now, however, many legislators realize that good old "bracket creep" was the politician's dream twice over: a tax increase that no one had to vote for, to finance popular new spending and even an occasional and popular tax reduction.

Mr. Reagan, too, shrugged when the proposal was first advanced. Today he defends indexing as he would the keys to the Treasury. If indexing is repealed and tax collections swell again, he says, there'll be no discipline on spending.

Indexing's effect on revenues will be smaller now that the inflation rate has been cut in half. Even so, tidy sums are at stake.

Assuming no great change in the inflation rate, it will cost the Government—or, if you prefer, save the taxpayers—$17 billion in fiscal 1986, $30 billion in 1987, $44 billion in 1988, and still more thereafter. These are tempting sums when Congress is under pressure to find agreeable ways to reduce future deficits.

Indexing is worth having for honesty's sake alone. If the Government needs more money, let it raise taxes openly and permit the citizenry to judge. But there are other good reasons for it.

First, the problem of those future deficits: they would decline faster, of course, without indexing, but its repeal or delay would signal that Congress is more interested in a cheap fix than in facing up to long-term tax and budget issues. Second, indexing favors low-income taxpayers—a point apparently lost on liberals who want repeal. The lower tax brackets are narrower than the upper ones, so a small increase in income pushes you up the ladder faster at the low end.

The Government clearly will need more revenue in coming years. The easy but dishonest way is to let "bracket creep" take over again. The honest but difficult way is for elected politicians to weigh all special interests against the interests of the public at large and then to stand up and be counted.●

CAPITAL ASSISTANCE REVENUE SHARING AND ECONOMIC RECOVERY

● Mr. SASSER. Mr. President, Robert J. Samuelson, a respected economic writer and a regular contributor to the National Journal, concluded in his most recent column (National Journal, March 5, 1983) that the Reagan economic program, the accompanying Reagan recession, and the hoped-for economic recovery presumably underway leaves us with a mixed bag of results: "The American economy is undergoing basic readjustments. Inflationary expectations are declining. Businesses have eliminated inefficient operations. But the lingering high unemployment is staggering."

I am not going to contend here the first three points in Mr. Samuelson's analysis, except to note that they leave room for conjecture. I do want to bring my colleagues' attention to the last point, however, because it deserves special attention.

"Lingering high unemployment is staggering." "Staggering" is not a word to use lightly, not when it intimates that 1 in 10 American households will continue to suffer from the trauma of unemployment, and certainly not when the Congress is involved in a debate over ways to forge effective jobs-creation legislation.

It is in this context that I wish to direct attention once again to S. 676, the Capital Assistance Revenue Sharing Act of 1983, which I introduced last week.

None of the jobs-creation legislation before the Congress will do what S. 676 is capable of doing.

First, it will establish a quick-start jobs program, one that will create a minimum of 250,000 jobs in the next year, by allowing State and local governments, with Federal assistance, to undertake capital budget projects which they have deferred or deleted, and to start to work on them. In many instances involving proposed capital improvement projects, State and local governments have all the design work finished and bid specifications completed. All that remains is to put the project to bid or to award a contract.

Under S. 676, $3 billion would go annually to State and local governments under a simplified revenue sharing formula. I should emphasize here that this funding is in addition to the current general revenue sharing program, the extension of which I support. One-third of the funds would go to State governments and the remaining two-thirds would go to local governments. Another $500 million fund would be awarded on a project-by-project basis to assist those local governments not eligible for funds under the bill's allocation formulae.

Second among the unique features of S. 676 is that everyone in this Chamber has a clear idea of just how much his or her State would or will receive under the proposal. I have supplied every Senator with a computer printout of the amounts each State and the eligible local governments in that State are slated to receive. Armed with such information, State and local governments can begin now to make some projection as to how they might use their funding.

The Capital Assistance Revenue Sharing Act of 1983 touches on something else Mr. Samuelson pointed out in his analysis, something alluded to by others who observe the fiscal condition of State and local governments: the contraction of the job market created by reduction in State and local government spending. Strapped with limited tax bases and declining fiscal aid from the Federal, State, and local governments have, in the past 2 years, reduced their employment levels for the first time in over three decades.

Mr. President, the economic portrait of America outlined by Mr. Samuelson begs for the kind of jobs-creating Federal activity that S. 676 would launch. I urge my colleagues to give their prompt and favorable consideration to the proposal, and I would also ask that Mr. Samuelson's article be printed in the RECORD at this point.

The article follows:

THE REAGAN RECOVERY

(By Robert J. Samuelson)

During the recession, E. I. duPont de Nemours & Co. overhauled its $3 billion plastics business. It cut the work force about 10 per cent, closed down old operations and improved chemical processing in others. The result: enhanced efficiency.

Ponder the DuPont story as you wonder about the economic recovery. The evidence that it has arrived is compelling. Housing starts jumped 36 per cent in January, durable goods orders rose 4.5 percent and "real" (after inflation) earnings increased 1.6 percent. Now, forecasts about the recovery's strength and length are flying fast and furiously.

You should take them with a boulder of salt. Over the past three years, forecasters have achieved the accuracy of Chinese fortune cookies. Nothing suggests quick improvement. What you should examine are the underlying trends that will shape the recovery—and their political implications.

The DuPont story is relevant, for it is not an isolated incident. Suffering from squeezed profits—or huge losses—many firms have moved dramatically to streamline operations. Now, rising demand will improve productivity and profits significantly, but employment only modestly.

Nor is that all. The U.S. share is diminishing in the larger world economy. In the recovery, higher demand will increase imports and the overseas employment of multinational firms, which locate production where costs are lowest. Finally, state and local governments, a main source of past employment growth, are now struggling to cut payrolls.

All this suggests that recovery is a relative term. Just as the slump didn't affect most Americans, recovery's onset won't provide instant relief for many of the victims. Inflation may be lower than is commonly forecast, but unemployment could be worse. Austerity's after-shocks linger.

The political implications of this are tantalizingly ambiguous. From the outset, the Administration has assumed that high inflation bothered more people than high unemployment. Therefore, squelching inflation, even at the cost of rising unemployment, would pay rich political dividends.

This implicit calculus was obscured by the Administration's initial—and wholly unrealistic—assumptions of declining unemployment and inflation. (Unemployment was to drop below 6 percent in 1985.) The strategy suffered further because the steeper-than-expected rise in joblessness robbed the Administration of a crucial asset: the popular perception that it controls the economy—rather than the other way around.

High joblessness is now an unavoidable Republican liability in 1984. To reduce unemployment, the economy needs to grow faster than its underlying long-term potential. At that rate of growth, it absorbs only the normal increase in the labor force. How much faster does it have to grow? In the 1960s, economist Arthur M. Okun crudely estimated that an extra percentage point of growth reduces unemployment by 0.3 percentage points. Maybe that now stands at 0.4.

The economy's long-term growth potential is reckoned at about 3 percent; with low factory use and high unemployment, growth is widely projected at slightly more than 4 percent for the next few years. Okun's arithmetic, therefore, implies a civilian unemployment rate (10.4 percent in January) easily above 9 percent in 1984. But even this may be too optimistic.

At DuPont and countless other firms, operations were reorganized to reduce overhead. Because profits declined sharply in the recession (down 30 percent without adjusting for inflation), firms aren't eager to employ new workers. A recent survey of 600 major companies by the consulting firm of William M. Mercer Inc. found that 45 percent expected their work forces to remain unchanged in 1983, 21 percent planned increases and 26 percent expected cuts averaging 5 percent.

Less noticed is what's happening in state and local governments, which generated one of every five new jobs from 1950-80. Schools, colleges, social services and police forces all expanded. Now these governments are retrenching. In 1981 and 1982, their employment dropped for the first time since 1951.

The decline reflects more than sliding school-age populations. John Shannon of the Advisory Commission on Intergovernmental Relations attributes the shift to the "three Rs"; recession, tax revolt and reduced federal aid. Since 1978, per capita federal aid (adjusted for inflation) has dropped nearly 25 percent. By all accounts, the state-local squeeze is still tightening.

The converse of all this may be lower inflation. Chase Econometrics Inc. and Data Resources Inc., two of the best-known forecasters, predict price increases of roughly 4.5 percent in 1983, rising toward 6 percent by 1985. These follow the normal pattern of rising wages and prices during a recovery.

But the projections may understate the recession's continuing ripple effects. Dropping oil prices are but one symptom. The forecasts, for example, predict only modest productivity gains. Likewise, they assume that inflation's slowdown won't inspire much of a futher drop in wage increases.

No one can really predict the recovery's length or strength. The longest postwar recovery lasted nearly nine years, from 1961-69. The shortest fizzled out in less than a year in mid-1981. Huge uncertainties—oil, international debt, massive government deficits—frustrate prophecy.

They also limit government. The lesson of the past two decades is that well-intentioned policies often have unintended effects on consumers and businesses. Even a quick drop in interest rates, assuming the Federal Reserve could achieve it, isn't likely to stimulate a spending boom by cautious consumers or businesses laden with excess capacity.

The Reagan recovery reflects the Reagan recession and the preceding massive inflation. The American economy is undergoing basic readjustments. Inflationary expectations are declining. Businesses have eliminated inefficient operations. But the lingering high unemployment is staggering.

The only certainty is that the recovery, assuming it lasts, will dominate the nation's politics for the next two years. Is it evidence of difficult decisions that now promise lasting benefits—or of ghastly mistakes? Only the electorate can ultimately render the verdict on Ronald Reagan's political gamble.●

DOE LEGAL OPINION ON SPR

● Mr. JACKSON. Mr. President, yesterday I received from the Secretary of Energy, Donald Hodel, a copy of the opinion of the General Counsel of the DOE; dated March 8, 1983, concerning the minimum required fill rate for the strategic petroleum reserve in fiscal year 1983. I requested this opinion of Secretary Hodel on December 1, 1982, at his confirmation hearing.

I bring this legal opinion to the attention of my colleagues for two reasons. First, it concludes that the legally required SPR fill rate in fiscal year 1983 is not the administration's planned fill rate for the SPR of approximately 220,000 barrels per day, but rather the opinion states that:

The mimimum required fill rate for the SPR in fiscal year 1983 is the highest practicable rate which can be achieved utilizing all available appropriations, * * * even if the resulting fiscal year 1983 rate exceeds 220,000 barrels per day (b/d).

Secretary Hodel has testified that DOE has sufficient funds available in fiscal year 1983—ignoring the funds necessary for advance purchase of Pemex oil and interim storage cost—to fill at 350,000 barrels per day in fiscal year 1983.

In a letter of March 8, 1983, Secretary Hodel told Frederick Khedouri, Associate Director, OMB, that a fill rate of 255,000 barrels per day in fiscal year 1983, taking into account all available appropriations, interim storage costs and advance Pemex purchases, would be feasible.

Second, this DOE legal opinion is significant because OMB does not agree with DOE's legal interpretation, yet Secretary Hodel submitted DOE's legal analysis anyway, and apparently will seek to implement the law as interpreted by DOE. We do not have the benefit of OMB's differing legal interpretation, but we do know that DOE and OMB spent considerable time negotiating over this matter, and we understand that OMB's interpretation would support the administration's anticipated fill rate of approximately 220,000 barrels per day.

I want to commend the Secretary of Energy for his candor and courage in seeking to carry out the laws of the United States objectively. At a time when some public figures receive much attention for their lack of integrity, it is important to focus public attention on a public figure who demonstrates high integrity. I ask that the DOE memorandum, and the two letters from Secretary Hodel to Mr. Khedouri and to me, all dated March 8, 1983, be printed in the RECORD.

The material follows:

THE SECRETARY OF ENERGY,
Washington, D.C., March 8, 1983.

Hon. HENRY M. JACKSON,
Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: Pursuant to your request, I enclose a copy of the opinion of the General Counsel of the Department of Energy, dated today, concerning the minimum required fill rate for the Strategic Petroleum Reserve (SPR) in FY 1983, assuming the availability of funds from the FY 1983 appropriations or continuing resolution plus carryover funds from FY 1982. I am informed that Counsel to the Director of the Office of Management and Budget has had extensive discussions with DOE General Counsel on this subject, but that they have not been able to agree upon the proper interpretation of applicable law and legislative history.

The opinion of the DOE General Counsel raises the issue of whether a SPR fill at the "highest practicable rate" necessarily requires complete utilization of all "available" appropriations, including carryovers from 1982, so as to maximize the rate of fill in FY 1983. That issue is quite important because it presently appears highly likely that world oil prices will continue to decline, perhaps substantially, during the next several months. As a consequence, current oil purchases substantially in excess of an annual average fill rate of 220,000 barrels per day needlessly could increase the cost of the SPR. I have raised this complex matter in a letter to Mr. Frederick N. Khedouri and enclose a copy thereof for your information.

I should like to discuss this matter with you later this week, if your schedule permits. My staff has been instructed to contact yours to set up an appropriate meeting.

Sincerely yours,

DONALD PAUL HODEL.

THE SECRETARY OF ENERGY,
Washington, D.C., March 8, 1983.

Mr. FREDERICK N. KHEDOURI,
Associate Director for Natural Resources, Energy and Science, Office of Management and Budget, Washington, D.C.

DEAR MR. KHEDOURI: Enclosed is a copy of the opinion of the General Counsel of the Department of Energy, dated today, which was requested by me as a result of questions from Senator Jackson concerning the minimum required fill rate for the Strategic Petroleum Reserve (SPR) in FY 1983, assuming the availability of funds from the FY 1983 appropriation or continuing resolution plus carryover funds from FY 1982. In the opinion of the General Counsel, "the minimum required fill rate for the SPR in fiscal year 1983 is the highest practicable rate which can be achieved utilizing all available appropriations, * * * even if the resulting fiscal year 1983 rate exceeds 220,000 barrels per day (b/d)."

I am informed that the Counsel and the Deputy General Counsel to the Director of the Office of Management and Budget have had extensive discussions with the DOE General Counsel on this subject, but that they have not been able to agree upon the proper interpretation of applicable law and legislative history. Although the opinion of the DOE General Counsel acknowledges that, in certain respects, there is ambiguity in the Energy Emergency Preparedness Act (EEPA), his above-quoted conclusion is clear: in his opinion, the statutory references to a minimum fill rate of 220,000 barrels per day, even when coupled with the President's statutory finding that it is not in the national interest to fill at the rate of 300,000 barrels per day, will not permit the Department to fill at the 220,000 barrels per day rate in FY 1983 if a higher practicable rate can be achieved by utilization of available appropriations, including carryover funds from FY 1982. Notwithstanding such merit as there may be to the contrary conclusion of the Counsel to the Director, I am obliged to forward the opinion of the DOE General Counsel to Senator Jackson and to the Chairman and Ranking Member of the Senate Committee on Energy and Natural Resources.

I also am mindful of the portions of the subject opinion which state that it is "open to the President to make a reasonable judgment as to what the 'highest practicable' fill rate is," that "the President properly may take into account any programmatic requirements which are not compatible with maximizing SPR fill in a given fiscal year," and that in some circumstances compliance with the objectives of Section 160(b) of the Energy Policy and Conservation Act (which include the "minimization of the cost of the Reserve") "may be inconsistent with filling the SPR at a rate that would exhaust avail-

able appropriations by the end of the fiscal year."

In these circumstances, my understanding of the opinion of the DOE General Counsel is that the Administration is required to make a conscientious effort to utilize all "available" appropriations, including carryovers from FY 1982, so as to maximize the rate of fill in FY 1983, while, at the same time, not disregarding the other statutory and programmatic requirements of the SPR which bear upon determining the "highest practicable" fill rate.

The opinion of the DOE General Counsel indicates it would be appropriate to use some of such available funds for advance purchases of oil in FY 1983 to cover six months of deliveries in FY 1984. At current oil price estimates of the Administration, it appears that, after taking into account such advance purchases and the cost of interim storage, appropriations available to the Department would permit an average fill rate in FY 1983 of approximately 255,000 barrels per day. At the same time, it appears highly likely that world oil prices will continue to decline, perhaps substantially, during the next several months. To my way of thinking, "practicability"—however one wishes to define the term—should be read in a manner which does not compel current oil purchases at prices which needlessly increase the cost of the SPR.

The circumstances well may warrant deferral, but, if feasible, I would like to avoid resolution of the complex issues involved in this matter by that means. It is my intention, therefore, promptly to initiate appropriate discussion of this matter with the Congress. If agreement as to a permissible course of Departmental action under applicable law cannot be reached, I shall advise you promptly.

Sincerely yours,

DONALD PAUL HODEL.

DEPARTMENT OF ENERGY,
Washington, D.C., March 8, 1983.

Memorandum for the Secretary.

From: General Counsel.

Subject: Minimum required rate for fill of the strategic petroleum reserve (SPR).

You requested our opinion in response to the following two questions from Senator Jackson, both of which are based on the assumption that in fiscal year 1983 "there are sufficient funds available from fiscal year 1983 appropriations or a continuing resolution plus the carryovers from fiscal year 1982 (over $2 billion) such that the Department of Energy (DOE) could afford an average fill rate in excess of 220,000 b/d in fiscal year 1983":

"1. Doesn't Sec. 160(c)(1)(D) of EPCA, as amended by EEPA, require an SPR fill rate at the highest practicable rate achievable, subject to the availability of appropriated funds, notwithstanding the President's finding transmitted on December 1, 1982?"

"2. Is the minimum required fill rate necessarily 220,000 b/d in that situation?"

In our opinion, the minimum required fill rate for the SPR in fiscal year 1983 is the highest practicable rate which can be achieved utilizing all available appropriations, after allowing for a carry-forward into fiscal year 1984 of funds to sustain purchases for the first six months of fiscal year 1984, even if the resulting fiscal year 1983 rate exceeds 220,000 barrels per day (b/d). Therefore, we believe the first question should be answered positively and the second negatively.

There issues involve the complex interplay of three statutory provisions: § 160(c)(1) of the Energy Policy and Conservation Act (EPCA), Pub. L. 94-163, 42 U.S.C. § 6234(c)(1), which recently was added by the Energy Emergency Preparedness Act (EEPA), Pub. L. 97-229; § 167(b) of the EPCA, 42 U.S.C. § 6247(b), which was added by the Omnibus Budget Reconciliation Act, Pub. L. 97-35; and the SPR petroleum appropriation contained in the Department of the Interior and Related Agencies Appropriations Act for fiscal year 1983, Pub. L. 97-394. The key provision, EPCA § 160(c)(1), is flawed ambiguous, and consequently subject to differing interpretations. We offer what we believe is the most plausible interpretation of the intent of the Congress.

In the discussion which follows we first set out the essential historical background of the fill requirements for the SPR and the legislative history of the minimum fill provisions imposed by the EEPA, and then provide our analysis of the issues raised by Senator Jackson's questions.

HISTORICAL BACKGROUND

In § 154(c)(1) of the EPCA, 42 U.S.C. § 6234(c)(1), enacted in December 1975, the Congress adopted a schedule for fill of the SPR which was to be included in the SPR Plan and to be followed "to the maximum extent possible and except to the extent that any change in the storage schedule is justified pursuant to subsection (e)(6). . . ." Subsection (e)(6) provides that the SPR Plan is to contain, "a justification for any changes, with respect to volumes or dates, proposed in the storage schedule. . . ." The schedule set out in § 154(c)(1) is expressed in terms of the periods of time within which the Government is to store amounts of crude oil equal to specified percentages of the crude oil imported during a base period, which was the three consecutive months during the 24 months preceding enactment of the EPCA in which average monthly imports were the highest.

The Federal Energy Administration, a predecessor agency to DOE, calculated that § 154(c)(1) required fill to be accomplished on the following schedule:

Date:	*Million barrels (MMB)*
June 22, 1977	50
Dec. 22, 1978	150
Dec. 22, 1980	325
Dec. 22, 1982	500

Because the initial 1977 target had proved impossible to meet, the original SPR Plan transmitted to Congress in February 1977 by the Carter Administration dropped that requirement; the other three statutorily derived fill targets were incorporated into the Plan without change.

In Amendment No. 1 to the SPR Plan, submitted to the Congress in May 1977, the Carter Administration accelerated the SPR Plan's fill schedule as follows:

Date:	*MMB*
June 22, 1978	250
Dec. 22, 1980	500

And in Amendment No. 2, transmitted to the Congress one year later, the Carter Administration further amended the SPR Plan to provide for storage by the end of 1985 of the full one billion barrels of crude oil authorized by the EPCA; the amendment detailed plans for the storage of 750 MMB of this billion, and said that with respect to the last 250 MMB, decisions had not yet been made about the type of storage facilities to be used or the extent of industry involvement (*i.e.*, whether to mandate industry storage).

The fill schedule contained in the SPR Plan has not been further amended. Of course, the § 154(c)(1) schedule does not impose any specific fill requirement by fiscal or calendar year.

In June 1980 the Congress enacted the Energy Security Act, Pub. L. 96-294, which added to § 160 of the EPCA a new subsection (c) directing the President to assure that SPR fill was increased to an average rate of at least 100,000 b/d in each fiscal year commencing with fiscal year 1981; it further added a new subsection (d) effectively compelling a shut-in of Naval Petroleum Reserve No. 1 at Elk Hills, California, if this fill rate was not achieved.

In December of 1981 the Congress added to the 1981 Department of the Interior and Related Agencies Appropriations Act, Pub. L. 96-514, a requirement that the President "seek to" undertake SPR fill activities "at a level sufficient to assure" that crude storage is increased at an average annual rate of at least 300,000 b/d "or a sustained average annual daily rate of fill which would fully utilize appropriated funds."

Congress reenacted essentially the same 300,000 b/d "seek to" requirement in August 1981 in the Omnibus Budget Reconciliation Act, as an amendment to EPCA § 160(c), but omitting the reference to a sustained average "which would fully utilize appropriated funds." The 300,000 b/d "seek to" requirement was made applicable until 750 MMB were in storage.

The Omnibus Budget Reconciliation Act also created the EPCA's § 167 off-budget account for SPR oil purchases. Section 167(b) of the EPCA provides:

(b) Amounts in the [DPR Petroleum] Account may be obligated by the Secretary of Energy for the acquisition, transportation, and injection of petroleum products into the Strategic Petroleum Reserve, and the drawdown and delivery of petroleum products form the Reserve—

(1) in the case of fiscal year 1982, in an aggregate amount, not to exceed $3,900,000,000, as may be provided in advance in appropriation Acts;

(2) in the case of any fiscal year after fiscal year 1982, subject to section 660 of the Department of Energy Organization Act,[1] in such aggregate amounts as may be appropriated in advance in appropriation Acts; and

(3) in the case of any fiscal year, notwithstanding section 660 of the Department of Energy Organization Act, in an aggregate amount equal to the aggregate amount of the receipts to the United States from the sale of petroleum products in any drawdown and distribution of the Strategic Petroleum Reserve under section 161.

Funds available to the Secretary of Defense for obligation under this subsection may remain available without fiscal year limitation.

On August 3, 1982, the EEPA was enacted. Among other things it superseded the Budget Reconciliation Act's 300,000 b/d "seek to" requirement by a new fill mandate. This was set forth as an amendment of § 160(c) of the EPCA reading as follows:

(c)(1)(A) The President shall immediately undertake, and thereafter continue, petroleum products acquisition, transportation, and injection activities, to the extent funds are available pursuant to section 167 (b)(2)

[1] Section 660 of the Department of Energy Organization Act provides that "[A]ppropriations to carry out the provisions of this Act shall be subject to annual authorization."

and (b)(3), at a level sufficient to assure that the petroleum products in the Strategic Petroleum Reserve will be increased at an average annual rate of at least the minimum required fill rate until the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 500,000,000 barrels.

(B) Subject to subparagraph (C), the minimum required fill rate shall be 300,000 barrels per day for purposes of subparagraph (A), unless there is in effect a finding by the President in his discretion for good cause that compliance with such rate would not be in the national interest. Any finding by the President under this subparagraph takes effect on the date such finding is transmitted to the Congress and ceases to have effect at the end of the fiscal year in which such finding was made. Any such finding transmitted to the Congress shall include a statement of the facts upon which the finding is based. Any such finding shall not be subject to judicial review.

(C) The minimum required fill rate shall be 220,000 barrels per day for purposes of subparagraph (A) during the period in which any finding by the President under subparagraph (B) is in effect.

(D)(i) If funds are available in any given fiscal year after fiscal year 1982 to achieve an average annual fill rate higher than the minimum required fill rate in effect under subparagraph (C), the minimum required fill rate shall be the highest practicable fill rate achievable, subject to the availability of appropriated funds.

(ii) The Impoundment Control Act of 1974 (31 U.S.C. 1400 and following) shall apply to funds made available under section 167 (b) and (e).

(2) After the Strategic Petroleum Reserve reaches a level of 500,000,000 barrels, the President shall immediately seek to undertake, and thereafter continue, petroleum products acquisition, transportation, and injection activities at a level sufficient to assure that the petroleum products in the Strategic Petroleum Reserve will be increased at an average annual rate of at least 300,000 barrels per day until the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 750,000,000 barrels.

LEGISLATIVE HISTORY OF THE EEPA

The bill reported by the Senate Committee on Energy and Natural Resources and passed by the Senate, S. 2332, would have amended EPCA § 160(c) to direct the President, subject to the availability of funding "pursuant to section 167(b)(2)" of the EPCA, to increase SPR fill at an average annual rate of at least 300,000 b/d until 500 MMB was in storage. Section 167(b)(2), quoted above, limits the obligation of funds from the off-budget SPR Petroleum Account "in the case of any fiscal year after fiscal year 1982" to "such aggregate amounts as may be appropriated in advance in appropriations acts." The "pursuant to section 167(b)(2)" language had not appeared in the bill considered by the Committee or in any proposed amendment thereto; it first appeared with publication of S. Rep. 97-393. In the floor debate, Committee Chairman McClure described the 300,000 b/d mandate simply as being "subject to available appropriations", without noting that the bill referred specifically only to appropriations available pursuant to § 167(b)(2).[2]

The bill reported by the House Committee on Energy and Commerce, H.R. 6337, in its proposed amendment to EPCA § 160(c), required an average annual fill rate of at least 200,000 b/d (and a rate of 300,000 b/d when the President considered this "fiscally prudent"), until storage reached the 500 MMB level. No reference was made to available appropriations. The Committee Report took note of the fact that previous "seek to" language has not had the effect desired by Congress; the new "fiscally prudent" language was characterized as an attempt to set a "specific standard" as opposed to the former "general terms"; the "seek to" requirement was reaffirmed "as a goal", and as the "expressed goal and resolve of Congress that DOE achieve" the 300,000 b/d rate. H.R. Rep. 97-585 at 6-7. During House passage Subcommittee Chairman Sharp, floor leader for the bill, stated that the bill continues the requirement that the Administration "seek to" fill at 300,000 b/d. 128 *Cong. Rec.* 14954 (June 23, 1982).

The bill reported by the conferees, which was enacted into law, is substantially different from both the Senate and House bills. The Conference Report advised as follows with respect to the fill rate:

Section 4(a) amends section 160(c)(1) of EPCA to require the President to fill the SPR at an average annual rate of at least the minimum required fill rate until 500 million barrels are in storage. The minimum required fill rate will be determined in one of three ways.

Subparagraph (B) establishes the minimum required fill rate of 300,000 barrels per day. Under this subparagraph, the President may make a finding that compliance with the 300,000 barrel per day rate would not be in the national interest for good cause. For instance, the President may find that:

(i) compliance with such rate significantly impairs the ability of the United States to respond to a severe energy supply interruption;

(ii) compliance significantly impairs the ability of the United States to meet its obligations under the international energy program; or

(iii) compliance is inappropriate due to economic conditions affecting the general welfare.

If he makes such a finding and transmits it to Congress, accompanied by a statement of the facts upon which the finding is based, the minimum required fill rate shall be 220,000 barrels per day, as required by subparagraph (C).

Subparagrah (D) establishes the minimum required fill rate that would be in effet where funds are available in any given fiscal year after fiscal year 1982 to achieve an average annual fill rate higher than the minimum required fill rate in effect under subparagraph (C). In such cases, the minimum required fill rate shall be the highest practicable fill rate achievable subject to the availability of appropriated funds.

Appropriation Acts will necessarily govern the availability of funds. The purpose of subparagraph (D) is to express the policy that the President shall fill the SPR at the highest practicable fill rate achievable subject to the availability of funds. (H.R. Rep. 97-663 at 12).

During House floor action on the Conference Report, Chairman Sharp described the bill as requiring that, after a Presidential finding not to fill at the 300,000 b/d level, the SPR be filled at a rate of at least 220,000 b/d "unless funds available through the appropriations process make it practicable to achieve a higher fill rate." 128 *Cong. Rec.* 18674 (July 30, 1982).

The statement of Chairman McClure, inserted into the record by Senator Warner, said that after the Presidential finding, "the minimum required fill rate would be either 220,000 barrels per day, or, if funds are available to achieve a higher rate, the highest practicable fill rate achievable with available funds." Senator McClure's statement later reiterated this (as did Senator Warner in his own statement), adding, "Thus, appropriations acts will necessarily govern the availability of funds." 128 *Cong. Rec.* 18746, 18750, 18751 (July 30, 1982).

Senator Jackson, ranking Minority Member of the Senate Energy and Natural Resources Committee, had a somewhat more particularized understanding of what the bill's fill provisions meant. Referring to what he described as a new § 160(c)(1)(D)(i) requirement to fill at the highest practicable rate "given available funds", he said: The intent of the Congress on this point cannot be overemphasized. The use of the terms "If funds are available . . ." and "subject to the availability of appropriated funds" are intended in this provision to refer to any funds available to the SPR after fiscal year 1982, including fiscal year 1982 carryovers. This provision is the mechanism by which the Congress requires the President to spend any funds that are available to him in a given fiscal year to fill the SPR at the highest practicable average rate in that fiscal year.

* * * * *

The mandate to fill at a minimum of 300,000 (or 220,000) barrels per day as the case may be, and the mandate to fill at the highest practicable fill rate are intended to be regarded as program objectives for the strategic petroleum reserve program. The intention is that if the President has available the necessary funds to achieve a mandated fill rate, then he must comply with that mandate or seek and obtain a deferral or rescission of the available funds under section 1012 or 1013 of the Impoundment Control Act. The only exception is if the President obtains suspension of the mandates through section 160(e) of EPCA.[3]

* * * * *

The Presidential finding that reduces the mandated minimum fill rate from 300,000 barrels per day to 220,000 barrels per day is subordinate to the requirement to fill at the highest practicable rate. Even though the President makes such a finding, he is still required to fill at the highest practicable rate. This is not a contradiction because there is another provision in section 160(e) of EPCA in existing law which enables the President to seek a suspension of the requirements in section 160(c) including the requirement to fill the SPR at the highest

[2] Because § 167(b)(2) refers only to fiscal years after fiscal year 1982, as distinguished from §167(b)(1), which refers only to fiscal year 1982, it may be argued that by this distinction the Congress intended that fill rates after fiscal year 1982 be calculated only on the basis of appropriations made for fiscal year 1983 and succeeding years, without regard for unexpended balances or advance-funded deliveries carried over from fiscal year 1982. We explain below why we believe this would not be a valid reading of § 160(c).

[3] This suspension provision applies if the President has found that compliance impairs U.S. ability to respond to a severe energy supply interruption or to meet U.S. obligations under the Agreement on an International Energy Program.

practicable rate. In that case, the Congress must enact a two-House resolution approving the suspension of the requirement. If the President is not willing to afford Congress the opportunity for its review and disapproval, then the requirement to fill at the highest practicable rate remains.

Another important point to note is the meaning of the term "practicable" in section 160(a)(1)(D)(i). The intention here is that the term "practicable" means what we normally think that word means—feasible.

Therefore, the SPR must be filled in a given fiscal year at the highest feasible rate averaged over that fiscal year given available funds from whatever source. (128 *Cong. Rec.* at 18754).

PRESIDENTIAL FINDING

On December 1, 1982, the President, pursuant to EPCA § 160(c)(1)(B) as amended by EEPA § 4(a), transmitted to the Congress his finding that it would not be in the national interest to fill the SPR at the rate of 300,000 b/d during fiscal year 1983.

DISCUSSION OF ISSUES

Section 160(c)(1)(D) of the EPCA, as amended by the EEPA, provides that if available appropriations permit achievement of an average annual SPR fill rate higher than 220,000 b/d, the minimum required fill rate for that fiscal year shall be the highest practicable rate which can be achieved, utilizing those funds. In determining whether an average annual fill rate in excess of 220,000 b/d is achievable in fiscal year 1983, the basic question is what funds are "available" for this purpose. More precisely, did the Congress intend that in fiscal year 1983 only funds appropriated for that year were to be "available" for calculating the fill rate? Or did it intend that funds or funding authority carried over from fiscal year 1982 were to be included in the calculation? If so, what funds or funding authority carried over from fiscal year 1982 are to be included—only funds unobligated by DOE at the end of fiscal year 1982? Or, in addition, funds obligated by DOE by transfer to the SPR procurement in the Department of Defense but not yet placed in purchase contracts by the end of fiscal year 1982? Or, in addition, funds paid in advance in fiscal year 1982 for oil to be delivered in fiscal year 1983?

For the reasons to be set forth, it is our opinion that the Congress intended to be included in the calculation of the achievable fill rate in fiscal year 1983 all the funding authority that can practicably result in delivery of oil to the SPR in fiscal year 1983, except for funds to buy oil for delivery in the first six months of fiscal year 1984 at the lowest required rate (220,000 b/d).

In answering the question what funds are "available" for determining the fill rate in fiscal year 1983, we must look first to the words of the statute. Section 160(c)(1)(D) is one of four subparagraphs, the first of which, §160(c)(1)(A), authorizes and directs the President to fill the SPR "at an average annual rate of at least the minimum required fill rate" until 500,000 barrels of oil are stored in the SPR.[4] The subsequent three subparagraphs each define the "minimum required fill rate" under different circumstances. Subparagraph (B) says it is 300,000 b/d "for purposes of subparagraph (A)" in the absence of a Presidential finding that such a rate would not be in the national interests. Subparagraph (C) says it is 220,000 b/d "for purposes of subparagraph (A)" during any period such a Presidential finding is in effect. Subparagraph (D) says it is the "highest practicable fill rate achievable" if funds are available in any fiscal year after fiscal year 1982 to achieve a rate higher than 220,000 b/d.

However, subparagraph (D) does not contain the words "for purposes of subparagraph (A)" as subparagraphs (B) and (C) do, and we must ask whether by this omission the Congress intended a different interpretation to be given to (D) than to (B) or (C), for purposes of identifying what funds are available for determining the fill rate. That interpretation would be that the availability of funds under subparagraph (D) is not subject to whatever limitation on availability is imposed by subparagraphs (B) or (C) but rather is governed only by the more general limitation, stated in (D), of being "subject to the availability of appropriated funds." Subparagraph (A), which imposes the requirement to fill the SPR at the minimum required fill rate, does so only "to the extent funds are available pursuant to section 167 (b)(2) and (b)(3)." As indicated above, § 167(b)(2), in authorizing the off-budget SPR account, authorizes the Secretary of Energy to obligate funds for filling the SPR "in the case of any fiscal year after fiscal year 1982 . . . in such aggregate amounts as may be appropriated in advance in appropriations Acts." [5]

The use of the plural—"appropriations Acts"—at least strongly suggests that the Congress did not intend that in 1983 only the funds appropriated in the appropriations Act (singular) for fiscal year 1983 were to be available for calculating the fill rate for that year. Rather, it at least strongly suggests that as in fiscal years later than 1983, funds appropriated in advance in prior years' appropriations Acts, *e.g.*, that for fiscal year 1982, were also to be available for this purpose. This view is supported by the fact that Congress made all funds under § 167, including the $3.9 billion in the case of fiscal year 1982, available for obligation "without fiscal year limitation."

Thus, we believe that either way § 160(c)(1)(D) is read—whether it is subject to funds available under § 167(b)(2) or whether it is subject only to funds made available under any appropriation for this purpose—the result in practical terms is the same: in fiscal year 1983, the fill rate calculation is to include funds available from prior years' appropriations Acts, i.e., specifically the appropriations Act for fiscal year 1982.

The legislative history of EEPA's amendment of EPCA's § 160(c) clearly indicates that the amendment was a compromise between a 200,000 b/d House of Representatives fill rate requirement and a 300,000 b/d Senate requirement and further that the actual fill rate was to be determined in the appropriations process. The Chairman of the relevant authorizing Committees of the House and Senate (quoted above at page 7) both emphasized, in explaining the Conference Report, that as stated in the Conference Report itself, "Appropriations Acts will necessarily govern the availability of funds." H.R. Rep. No. 97-663, 97th Cong. 2d Sess. 12 (1982). We find that in the appropriations process, both Houses of Congress acted on the assumption that funds available from fiscal year 1982 would be used in calculating the fill rate in fiscal year 1983, as well as funds appropriated just for that year. This is significant, for it reflects a contemporaneous construction of the statute by the same Congress—and many of the same Senators in particular—that enacted it.

The Department of the Interior and Related Agencies Appropriations Act for fiscal year 1983 provides:

The aggregate amount that may be obligated under section 167 of the Energy Policy and Conservation Act (Public Law 94-163), as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), for the acquisition and transportation of petroleum, and for other necessary expenses is $2,074,060,000, in addition to authority provided for fiscal year 1982, to remain available until expended. (Emphasis added)

This language was proposed by the Administration and was adopted without change by both Houses of Congress. The phrase "in addition to authority provided for fiscal year 1982" was not inadvertent. Indeed, it was essential. If it had not been inserted, the amount that could be obligated under the remaining language would have been limited to $2,074,060,000. Any funds remaining unobligated from 1982 would thereby have become unavailable for obligation after 1982, even though they were originally appropriated to remain available until expended.

In reporting H.R. 7356, which became the fiscal year 1983 Interior Department appropriations act, the House Appropriations Committee indicated its belief that "a fill rate of at least 220,000 barrels per day is possible within the budget request because of lower than expected oil prices." H.R. Rep. 97-942 at 106. Clearly, there was no expectation that this could be accomplished exclusively with fiscal year 1983 appropriations, without using funds carried over from 1982.[6] And the Senate contemplated a fill rate entailing even greater reliance upon carry-over funding in 1983. In its Explanatory Statement of Recommendations (made in lieu of a report), the Senate Appropriations Committee noted that the SPR petroleum funds appropriated by H.R. 7356, when combined with funds carried over from fiscal year 1982, "would enable the President to achieve a rate of fill for the SPR in fiscal year 1983 that is significantly higher than 220,000 barrels per day"; it opined that the EEPA "establishes this 'achievable' fill rate as the required minimum fill rate." The Committee further stated that:

In light of questions of national defense as well as the currently soft oil market and the requirements of section 160(c)(1)(D) of the Energy Policy and Conservation Act, the Committee cannot be satisfied to maintain the minimum fill of 220,000 barrels per day. Accordingly, the Department is directed to take the steps necessary to purchase additional petroleum in order to take advantage of favorable market conditions and to provide interim storage facilities, if necessary, for such additional purchases. (128 *Cong. Rec.* 29597, 29620 (December 9, 1982))

[4] As of March 7, 1983, 307,700,000 barrels have been stored in the SPR.

[5] Section 167(b)(3) provides authority for restoring the SPR after a drawdown and is irrelevant to this discussion.

[6] In fact, the appropriation for fiscal year 1983, $2,074,060,000, would not permit this fill rate, together with a continuation of it for six months in fiscal year 1983, as contemplated by the House Appropriations Committee, unless carryover funds from fiscal year 1982 were considered available for the calculation of the fill rate.

Nowhere in the appropriations process does one find even a hint that the SPR's fiscal year 1983 minimum required fill rate should be calculated in disregard of ongoing deliveries and actual cumulative funding levels, on the basis of some artificial formula.

The next question is precisely what funds from fiscal year 1982 are available for the calculation. At the end of fiscal year 1982 $2,403,000,000 of oil acquisition funds were uncosted, consisting of $307,000,000 unobligated by DOE and $2,096,000,000, which had been obligated either by transfer to the Department's SPR purchasing agent, the Defense Fuel Supply Center (DFSC), but not yet committed to contracts for delivery of oil or directly to oil supply contracts, such as DOE agreements with PEMEX, for oil to be delivered in fiscal year 1983. In our opinion, all these funds are "available" for making the fill rate calculation. Obviously, the fill rate of 220,000 b/d is calculated taking into account deliveries made in fiscal year 1983 even if funded in advance in fiscal year 1982. There is equally no reason to exclude funds remaining to be committed to contracts for delivery in fiscal year 1983, even though technically they are obligated by the Department of Energy when transferred to DFSC.[7] To consider only fiscal year funds remaining unobligated at the Department of Energy as available for the calculation of fill rate would be to create an artificial calculation, divorced from all reality, and nowhere hinted at in the legislative history.

Congress enacted the EEPA with knowledge that oil was being contracted for in one fiscal year for delivery in the next, and that all unexpended fiscal year 1982 appropriations would be carried over to fiscal year 1983; it assumed that those unexpended appropriations would be used. Congress passed the Interior Appropriations Act with the additional knowledge that much oil to be delivered in fiscal year 1983 had been paid for in 1982. By its appropriation the Congress reaffirmed its intention that the previously enacted appropriations be available for use in fiscal year 1983. The pledge of SPR funds to DFSC, while legally sufficient for their obligation, is merely an understanding between two government agencies, one step removed from the actual procurement and storage of oil. Congress was, of course, concerned about the procurement and storage of oil when it passed the EEPA and the Interior appropriations act.

To treat funds obligated by DOE to DFSC as though they were unavailable to achieve the Congressional intent of maximizing the SPR's fill rate simply would exalt form (the niceties of the law governing obligation of funds between two agencies within the Executive branch) over substance (the Congressionally imposed requirement that appropriations be used to purchase and store oil). There is absolutely nothing in the legislative history of either law which lends any support to so artificial and unrealistic a calculation.

We believe that under the law, the minimum required fill rate for the SPR in fiscal year 1983 is the highest rate, up to a ceiling of 300,000 b/d, which it is practicable to achieve utilizing all available obligated or unobligated appropriations that can result in deliveries during 1983, but allowing, as we shall see, for purchases for delivery during the first six months of fiscal year 1984. This total amount will vary, of course, as oil prices fluctuate.

It remains to consider, however, what is or is not "practicable", within the sense of the law. The EPCA's § 160(c)(1)(D)(i) requirement for SPR fill at "the highest practicable fill rate achievable" was adopted by the EEPA conferees, who provided little guidance as to its meaning. The statute therefore leaves it open to the President to make a reasonable judgment as to what the "highest practicable" fill rate is. In doing so he is not limited to considering how much oil DOE could "afford", as Senator Jackson's questions seem to assume. Had Congress intended this restriction, it could have imposed the fill requirement more straightforwardly without conditioning the fill rate upon its being "practicable" and "achievable." These modifiers suggest that Herculean and desperate measures to fill the SPR at any cost are not necessary, and that other programmatic requirements need not be ignored. The achievability of any theoretical "highest" fill rate must be considered in light of the facts that the new storage requirement was first established, for fiscal year 1983, three months after this fiscal year began, and that it may entail a substantial facilities and oil procurement effort.

Moreover, the President properly may take into account any programmatic requirements which are not compatible with maximizing SPR fill in a given fiscal year. These may include the accepted need to enter the ensuing fiscal year with sufficient remaining appropriations to fund SPR purchases for six months, as well as making short-term adjustments in the pace of oil acquisition so as to take advantage of crude oil market trends. Prior to the enactment of the EEPA the SPR program had established a practice of carrying forward into the following year funds for six months of oil procurement, to assure the continuity of leach/fill operations, fund long-term oil purchase contracts, and serve programmatic planning objectives. The Congress enacted the EEPA with knowledge of this practice.

In reporting H.R. 7356, which was enacted as the fiscal year 1983 Department of the Interior and Related Agencies Appropriations Act, the House Appropriations Committee indicated its belief that "a fill rate of at least 220,000 barrels per day is possible within the budget request because of lower than expected oil prices", and stated that at this rate:

At the end of fiscal year 1983, there would be undelivered orders of 39,000,000 barrels, nearly enough to cover delivery for the first six months of fiscal year 1984. Because of the lead time required, the *managers of the program believe it is important to have six months of fill on order.* H.R. Rep. 97-942 at 106) (Emphasis added).

Although the Senate favored a higher 1983 fill rate than did the House, the Senate never explicitly challenged the SPR program's practice of advance funding for six months of purchases, utilizing no-year appropriations. Like the House, the Senate accepted the President's budget proposal, which was premised upon a carry-forward into 1984 of funding for six months of oil purchases.

Indeed, this is a well established practice, serving valid programmatic objectives, of which Congress was aware when it enacted the EEPA. Yet neither the EEPA nor the 1983 Interior appropriations act altered the nature of the available funds or the advance funding practice. It is well established that when the Congress, having specific knowledge of an administrative interpretation by the department charged with responsibility for administering a statute, appropriates funds for the activities under that statute, it confirms the departments, construction of the statute and ratifies its actions. *See Brooks* v. *Dewar,* 313 U.S. 354, 360-61 (1941); *Isbrandtsen-Moller Co.* v. *United States,* 300 U.S. 139, 146-47 (1937); 2A Sands, *Sutherland on Statutory Construction* § 49.10 (4th ed. 1973). *See also Udall* v. *Tallman,* 380 U.S. 1, 17-18 (1965); *Air Line Stewards, Etc. Ass'n* v. *Northwest Airlines, Inc.,* 267 F.2d 170, 174 (8th Cir. 1959).

Concluding that a six month carry-forward of appropriations in fiscal year 1984 is authorized, it is necessary to determine what rate of fill during the first six months of 1984 should be assumed for this purpose. The President's proposed budget is for a fill rate of 145,000 b/d. However, this reduced rate is subject to Congressional approval, and in the interim one must look for guidance to the provisions of EPCA § 160(c)(1), as amended by the EEPA. Under § 160(c)(1)(B), the minimum required fill rate during 1984 is to be 300,000 b/d, unless there is in effect a Presidential finding for good cause that compliance with such rate would not be in the national interest. A comparable finding was made for fiscal year 1983, and the President's budget for 1984 gives every reason to expect that this finding will be made again next year. If it is made, § 160(c)(1)(C) provides that the minimum required fill rate shall be 220,000 b/d. Therefore, until the Congress has acted favorably upon the President's budget request for 1984 SPR oil fill, it seems reasonable to assume a 220,000 b/d fill rate for fiscal year 1984, when reserving appropriated funds to be carried forward into that year.

Additional justification for carrying forward fiscal 1983 funds for obligation or for deliveries in fiscal year 1984 may be found in EPCA § 160(b), which provides:

The Secretary shall, to the greatest extent practicable, acquire petroleum products for the Reserve . . . in a manner consonant with the following objectives:

(1) minimization of the cost of the Reserve;

(2) orderly development of the Naval Petroleum Reserves to the extent authorized by law;

(3) minimization of the Nation's vulnerability to a severe energy supply interruption;

(4) minimization of the impact of such acquisition upon supply levels and market forces; and

(5) encouragement of competition in the petroleum industry.

Note that this provision is currently effective, whereas the Energy Security Act in 1980 had imposed its 100,000 b/d minimum fill requirement "notwithstanding subsection (b)." It is conceivable that in some circumstances compliance with the § 160(b) objectives may be inconsistent with filling the SPR at a rate that would exhaust available appropriations by the end of the fiscal year.

Moreover, we do not believe § 160 reasonably can be construed as mandating, under any circumstances, a fill rate in excess of 300,000 b/d. The § 160(c)(1)(D)(i) requirement for SPR fill at the "highest practicable" rate only comes into play if a "minimum required fill rate" of 220,000 b/d under

[7] This was acknowledged by the Comptroller General in ruling that funds so "obligated" do not lapse at the end of a fiscal year during a time when SPR appropriations were limited to one year. Comptroller General Letter Decision (B-193005), "Obligation of Funds for Purchase of Oil for Strategic Petroleum Reserve" (October 2, 1978).

§ 160(c)(1) has become applicable because of a Presidential finding, under § 160(c)(B), that a fill rate of 300,000 b/d "would not be in the national interest." Under those circumstances, it would be anomalous if the effect was not only to nullify the President's finding, but also to impose a requirement of an even greater fill rate. Had this been the intent of Congress, it easily could have so specified.

On the other hand, the "highest practicable" mandate clearly does require a good faith effort to use the available appropriations to maximize the SPR's average fiscal year 1983 fill rate, so long as this increased fill is reconcilable with the SPR's other programmatic and statutory requirements; of course, if oil prices change significantly during the course of a fiscal year the fill mandate may change accordingly. But absent a deferral or a rescission, it would not be appropriate to defer SPR fill solely in order to reduce the obligation or outlay of available appropriations in the current fiscal year.

Likewise, limitations in unfilled permanent storage capacity provide no justification for failing to utilize available appropriations in the current year. In the EEPA, the Congress amended the EPCA to make clear that an absence of permanent storage capacity is not a valid basis upon which the SPR's fill rate can be determined. As amended by the EEPA, the EPCA makes petroleum stored in "interim" facilities a part of the SPR (§ 159(b)(2), 42 U.S.C. § 6239(h)(2)); eliminates any requirement for amending the SPR Plan to identify the interim facilities or for preparing an environmental impact statement before storing oil there (§ 159(h) (1), (3), 42 U.S.C. § 6239(h) (1), (3)); makes the SPR program's basic statutory authorities available with respect to interim storage activities (§ 159(f)(5), 42 U.S.C. § 6239(f)); and allows funds to be obligated from the SPR's off-budget account to pay for interim storage expenses (§ 157(e), 42 U.S.C. § 6247(e)).

Our conclusion, that the "maximum practicable" mandate of EPCA § 160(c)(1)(D)(i) is not constrained at the 220,000 b/d level, is supported not only by the language of the statute, but also by the history of the SPR fill schedule and of the EEPA's enactment. The SPR remains behind the fill schedule established in the SPR Plan, and a reading of the legislative history of the EEPA as a whole demonstrates a clear intent that SPR oil fill be accelerated. The EEPA does not direct the President to rush pell-mell into facilities and oil acquisition in disregard of other programmatic or statutory requirements or of prudent standards of care but, subject to assuring a continuity of program funding into the next fiscal year, it does compel a conscientious effort to utilize all available appropriations (including advance-funded deliveries) so as to maximize the rate of fill in the current fiscal year.

R. TENNEY JOHNSON.●

THE HOLOCAUST MUSEUM

● Mr. JACKSON. Mr. President, today's Washington Post prints a perceptive column by George Will on the significance of the Holocaust Museum, which will be located here in Washington, D.C., bordering the Mall.

This column catches and expresses the fundamental intent of the Holocaust Memorial Council in sponsoring the museum. As a member of the council, I am grateful to George Will for his penetrating interpretation, and I want to be sure it is available to all my colleagues.

I ask that the column be printed at this point in the RECORD.

The column referred to follows:

[From the Washington Post, Mar. 10, 1983]

HOLOCAUST MUSEUM: ANTIDOTE FOR INNOCENCE

(By George F. Will)

Americans have a habit—often considered a virtue, which it often is—of looking on the bright side of life. But occasionally it is salutary to look at the dark side. In a few years, Americans will be able to do this in Washington, adjacent to the Mall, in two old buildings the government has allocated for a Holocaust museum.

This decision to locate a grim, disturbing display amidst the Mall's patriotic and celebratory symbols may cause controversy. But the decision is wise.

The Mall, one of the world's magnificent urban spaces, is a shrine to which Americans come as pilgrims. Its openness is an analogue of our society; its vistas open receptive minds to the symmetry and temperateness of our political arrangements.

The Mall has no single motif. It is surrounded by museums and monuments, art galleries and government offices. The latest addition to the Mall, the Vietnam Veterans Memorial, is designed to remind visitors of some sobering experiences and stern values. It occupies prime public land because the government decided that it is in the public interest for the public to contemplate these experiences and values.

Government performs many such pedagogic functions, from providing public schools to organizing patriotic observances designed to arouse civic sentiments. The government created the Holocaust Memorial Council, which will raise private funds for the museum. The council already has done much to add the annual Days of Remembrance (in mid-April), the anniversary of the liberation of the camps, to our liturgy of civic religion.

But some persons will ask: what has the the Holocaust to do with this nation? That is a fair question. The answer is that no other nation has broader, graver reponsibilities in the world, so no other nation more needs citizens trained to look life in the face.

Leave aside the scandal of this nation and its allies—the fact that they did not act on the knowledge that the Holocaust was occurring. They refused, for example, to bomb the rail lines and crematoria at Auschwitz when 10,000 people were dying there daily. Never mind. The museum should be an institution of understanding, not accusation.

The theme of the the Holocaust memorial in Jerusalem is: remember. But remembrance without understanding is betrayal. It occurs when people try to democratize the Holocaust, making it something general, symbolic, abstract and other than a Jewish catastrophe.

Yes, before the killing of Jews became systematic, the killing of the mentally retarded was systematic in Germany. Yes, the Nazis killed gypsies and others. Yes, Mao and Stalin were much more prolific killers than Hitler. Yes, between 1975 and 1980 the Khmer Rouge did to Cambodia what the Black Death did to Europe in the 14th century.

But we falsify and trivialize the Holocaust when we bend it to our convenience, making it a symbol—of general beastliness, or whatever. It was not a symbol; it was a fact. The flight into such generalities is a flinching from this fact: the Holocaust was directed murderously against particular victims—Jews. Their tragedy cannot be appropriated by others as a useful metaphor.

However, a general good for the nation can flow from an unblinking understanding of it.

The two shattering events of modern politics were the First World War and the Holocaust. The war shattered governments and empires, and patterns of civility, clearing the ground for primitivism. The Holocaust—the eruption of primitivism in the heart of our civilization—overturned the idea that there are limits on evil.

What is life when lived beyond a sense of limits? You could tell from the smoke the sort of persons consumed in the crematoria. Newcomers to Auschwitz, who still had some fat on their bones, made black smoke. Persons who had been there for awhile made white smoke. There: that is an emblematic fact of 20th century politics.

The Holocaust was the bureaucratization, almost the domestication, of the most volatile passion, hatred. The memory of the Holocaust is the black sun into which we cannot bear to stare. But we should stare, because this mentally soft republic is threatened by the inability of its citizens to comprehend how radically the untamed world—from the brutalized elite in the Kremlin to the pandemic savagery of El Salvador—differs from their mild experiences and assumptions.

The Holocaust museum, located at the epicenter of our collective life, can be a mind-opening reminder of the furies beyond our shores. The museum is needed because nothing in nature is more remarkable, or dangerous, than the recuperative power of innocence in a liberal society.●

NICARAGUANS CONTINUE THEIR FIGHT FOR FREEDOM

● Mr. HELMS. Mr. President, on February 23 the Misurasata organization—the group of Miskito, Sumu, and Rama Indian tribes—has informed the Nicaraguan Democratic Force (FDN)—the opposition party of the Sandinistas—that the armed struggle will continue against the Sandinistas throughout the country. In other words, Mr. President, they were serving formal notice that their resistance to Marxism in Nicaragua will continue.

Mr. President, this is a virtual declaration of war, in response to the war being waged against them by the Sandinista government in the form of forced separation of children from parents, forced marches to relocation camps, and a scorched Earth policy involving the elimination of dozens of villages throughout the Indian zone.

The Misurasata, made up of approximately 15,000 Indians and itself associated with the FEN, declared as follows:

"We have no other choice or alternative but to take up weapons because our demands to let us live in peace and in accordance with our customs and traditions were not heard." In order to undertake their struggle against the Marxist-Leninist

regime, the Misurasata Indians have formed a war staff.

In its official statement, the Misurasata organization indicated that the Sandinista government is trying to exterminate the Nicaraguan Indians because they have refused to give up their customs of community life and submit themselves to Communist colonization. The Indians have repeatedly told the Managua Government that they will not be cannon fodder in the Communist experience of the Sandinista commanders. Furthermore, the commanders of the staff of Misurasata said that it has all the resources to undertake an armed struggle against the Sandinista regime.

Mr. President, I find it noteworthy that, contrary to popular belief in this country, the Sandinista government clearly does not engage the support of the Nicaraguan people. It is time that the people of Nicaragua had a voice in the affairs of that nation.

The Nicaraguan Democratic Force on January 13 made a wide publicized announcement of its peace initiative and, even though a reasonable period of time was included, it has gone unanswered by the Nicaraguan Government. The peace initiative demanded that the Government carry out the objectives and respect the principles of the Nicaraguan revolution, as they were originally stated by that same regime.

Mr. President, the Nicaraguan people ask only for freedom. The original commitments of the junta have been broken or never fulfilled; instead the opposite course has been taken toward a totalitarian, Marxist-Leninist dictatorship. The many requests, even demands, made by the Nicaraguan democrats have received no answer from the Sandinista government. Nor has the large majority of the American states given serious consideration to the many civic and patriotic demands that were made in accord with the resolutions and bylaws of the Organization of American States.

The authentic national army, or the FDN, is a group of Nicaraguan patriots—freedom fighters—from all political parties and democratic groups. The struggle is difficult, but the people are willing to make the necessary sacrifices. They ask only that the American people not abandon the Nicaraguan people who once fought for their liberty, are fighting now, and will continue to fight against any kind of despotism and tyranny.

Mr. President, I merely want to bring to the attention of my colleagues the fact that the people of Nicaragua are not supporting the Sandinista regime in that country. They are fighting for freedom, and their efforts will certainly be wholeheartedly supported by this Senator, and I trust by the rest of the American people.●

● Mr. MURKOWSKI. Mr. President, Members of the Senate have heard the Senators from the great State of Alaska often speak in this Chamber about the unique character and needs of our State. I would like to carry on in that tradition today by describing one aspect of the unique relationship that exists between the people of Alaska and the Federal Government.

When Alaska became a territory in 1867, its 375 million acres of land together with its people were placed under the protective care of the U.S. Department of the Interior. The Secretary of the Interior was charged with the management of Alaska's natural resources and of Alaska's residents. No other individual played a more instrumental role in the State's affairs than the Secretary. Even when Alaska joined the Union in 1959, his importance did not diminish. The Alaska Native Claims Settlement Act of 1971 and the Alaska National Interest Lands Conservation Act of 1980 gave the Secretary of the Interior further jurisdiction over the affairs of my State.

I mention these historic pieces of legislation and their effects to my distinguished colleagues, several of whom played a major part in their enactment, in order to underscore how imperative it is to Alaskans that the Secretary of the Interior be one who possesses the qualities of leadership, integrity, and commitment to Alaska. Secretary Watt is such a man.

Mr. President, James Watt as Secretary of the Interior has been the subject of intense public scrutiny, debate, and media attention.

Why has all this attention been lavished upon him? Because he is a man of conviction and of commitment. Where the State of Alaska is concerned, he has always been a man of vision, honesty, and integrity.

On March 12, Secretary Watt, on behalf of the Reagan administration, met with the Governor of Alaska, Jay Hammond, and the Alaska congressional delegation to discuss the issues that have involved the State of Alaska and the Federal Government since 1959. The purpose of the meeting was to lay the groundwork for the fulfillment of promises made in the Alaska Statehood Act and the Alaska Native Claims Settlement Act, and reaffirmed in the Alaska National Interest Lands Conservation Act. That day was highly productive. It saw the resolution of many problems that had faced the Department and the State, and has become known in the State as "Alaska Day."

Two years have passed since that meeting with Secretary Watt, which heralded a new association between Alaska and the Federal Government. A recently published document describes the Department of the Interior's commitments and accomplishments during this period. It is appropriately entitled "Promises Made . . . Promises Kept." Under the direction of James Watt, Alaska has seen promises kept and commitments that were made to Alaska by the Department and the Congress fulfilled.

The territory of Alaska became a State in 1959. The Alaska Statehood Act, passed by Congress and signed into law by President Eisenhower, was a contract between the people of Alaska and the Federal Government. The act directed the State to select 104 million acres of land to be used as an economic base and resource for the people of Alaska. Under the act, the State was given 25 years in which to complete the selection process. However, in the 1960's one of Secretary Watt's predecessors instituted a freeze on the selections, and the State was unable to complete the process.

Mr. President, in all the 22 years since statehood, only 60 million acres of the State's total entitlement had been transferred. Then, in March 1981, Secretary Watt announced that land conveyances would be the Department of the Interior's highest priority in Alaska. Since his announcement, Mr. Watt has pursued his policy so diligently that, including the 10 to 12 million acres of land scheduled to be transferred to the State in 1983, the Department in less than 3 years will have conveyed an amount of land equal to that conveyed under all the preceding Secretaries.

The Alaska Native Claims Settlement Act, passed by Congress in 1971, established another contract, this time between the Federal Government and the Native peoples of Alaska. Part of the settlement directed the transfer of 44 million acres of Federal lands to the 12 regional corporations and the village corporations created by the act. By the end of 1983, Secretary Watt will have facilitated the transfer of over 16 million acres to the Alaskan Native people. Again, this is more land than was transferred under any other Secretary of the Interior. Secretary Watt has made a commitment to continue this policy and to fulfill the promises made to the people of Alaska.

Mr. Watt has also been a significant force in decreasing our dangerous dependence on foreign sources of oil and developing domestic, especially Alaskan, resources. His insistence on a policy that would increase our knowledge of America's natural resources, knowledge which as decisionmakers Congress must have, has helped to reduce America's dependence on foreign oil from 40 percent of our total consumption to 18 percent as of January 1983. He has taken affirmative action to encourage the exploration of our Outer Continental Shelf for oil and gas potential. It is here that

Alaska, with its 34,000 miles of coastline—which is about 74 percent of our total Outer Continental Shelf—with its estimated 11 billion barrels of discovered oil and 35 trillion cubic feet of natural gas, clearly has the greatest potential for insuring a domestic supply of needed resources. Recognizing this, Secretary Watt had demonstrated his eagerness to work with the State of Alaska in setting a realistic development timetable as well as establishing adequate safeguards to protect both the environment and Alaska's unique lifestyles. Surely this is something of which Alaska, the Nation, and Secretary Watt may feel justly proud.

Mr. President, Secretary James Watt is a man of commitment and of conviction. Such an individual is bound to be controversial. But this Senator would like to say to my colleagues: James Watt has been a friend to the State of Alaska. He has carried out the mandate given him by Congress for the fulfillment of promises made to the people of Alaska. He has attempted to provide Congress and the Nation with a better understanding of our natural resources. He has performed with enthusiasm his duly as Secretary of the Interior to promote the development of secure domestic energy sources. The people of Alaska trust Jim Watt, and will work with him to develop their great resources.

Secretary Watt should be honored for serving this administration well, and for implementing in good faith the laws for which he is responsible. I would like to thank him for his positive leadership of the Department of the Interior.

Thank you, Mr. President.●

WOMEN'S HISTORY WEEK

● Mr. KENNEDY. Mr. President, for far too long, our history books and classrooms have ignored the special accomplisments of women—accomplishments that have served to enrich and strengthen our Nation's heritage.

I am therefore pleased to join with Americans across the country in celebrating Women's History Week. During these few days, we set aside time to pause and reflect on the enormous contributions women have made throughout the years.

In the Commonwealth of Massachusetts, one can count scores of notable women whose achievements have been "overlooked and undervalued":

Abigail Smith Adams, who urged her husband, President John Adams, to "remember the ladies" in the new Constitution;

Elizabeth Cabot Cary Agassiz, the first president of Radcliffe College;

Louisa May Alcott, a respected author, who published over 250 books and short stories during here lifetime;

Susan B. Anthony, who fought for civil rights, temperance, and her greatest cause—women's suffrage;

Emily Dickinson, one of the finest poets of the 19th century;

Mary Baker Eddy, the founder of Christian Science;

Harriet Hosmer, the first female sculptor to gain a worldwide reputation;

Harriot K. Hunt, the first woman to practice medicine in the Nation;

Mary Lyon, founder of Mount Holyoke College, the first college in the country for women only, and

Lucy Stone, a leading suffragette, and founder of the Woman's Journal.

And there are countless other Massachusetts women—women whose names we may not recognize and who did not seek recognition—who have played equally significant roles in shaping our State's history and our Nation's history.

Right now, women are making history every day, in every field of endeavor. So, during this week, we not only pay tribute to those women who have been critical to developing our past, but also to women all across this land who are critical to our future.●

WESTBROOK COLLEGE HONORS EDMUND MUSKIE

● Mr. MITCHELL. Mr. President, I want to share with my colleagues an honor that Westbrook College in Portland, Maine, has bestowed on my predecessor, Senator Edmund Muskie.

The college will inaugurate this year a new program which will provide full tuition grants to students selected to participate in the Edmund S. Muskie International Student Scholarship program.

In choosing to honor Senator Muskie by naming this new program for him, Westbrook College is paying a deserved tribute to one of Maine's most respected public servants and one of the Senate's most distinguished former Members.

The president of Westbrook, Thomas B. Courtice, said it best when he wrote:

> Senator Muskie's characteristic concern for making the ethically right decision and his willingness to undertake bold initiatives in the public interest have brought honor to him and our state. In naming the scholarship program for him, we are honoring the career of a fine man. His public life and his devoted work, particularly during his distinguished tenure as Secretary of State for President Carter, have served to develop great understanding and empathy between Americans and other peoples of the world.

The worldwide recession, worsening trade conflicts, the danger of nuclear weapons proliferation, and the tensions between ourselves and the Soviet Union today all reflect a tense and complex international scene which poses challenges to continued peace, economic cooperation and economic growth, not only for Nation, but for the rest of the world.

In such a climate, increased communications between the people of all nations are a vital contribution to overcoming the misunderstanding which often underly the problems plaguing the international community.

I am pleased that Westbrook College in Maine is doing its part to increase the opportunities for Americans to have contacts with people from other nations through this scholarship program. I am also pleased that it will give to those scholarship students an opportunity to learn to know, firsthand, the people of the State of Maine. Through such personal contacts, barriers of misunderstanding and ignorance can be breached; respect for differing traditions can be strengthened, and an understanding of the basic values of our society can be broadened.

It is particularly fitting that this initiative be named for Senator Muskie, whose career exemplified the values of tolerance, principle, and understanding.●

THE MAVERICK MISSILE

● Mr. GOLDWATER. Mr. President, as my colleagues are aware, I recently wrote to the chairman of the board of the Columbia Broadcasting System to express my disappointment in a recent "60 Minutes" news program segment on the Maverick missile.

Since that time, I have mentioned this subject several times on the floor of the Senate. Recently, I obtained a copy of a memorandum for the Under Secretary of Defense for Research and Engineering which provided a rebuttal to the CBS segment on the Maverick missile. I ask that this brief memorandum be printed in the RECORD in its entirety following my remarks.

Mr. President, I have consistently and frequently said that we should not be overcharged on our defense contracts, that we should seek weapons which demonstrate the maximum effectivity and that we should seek to make the best possible use of the taxpayers' dollars. I am willing to make that commitment once more. However, I am unwilling to sit still while the network news media either distorts the facts concerning our major weapons systems or fails to present both sides of the picture. I urge my colleagues to read the memorandum which follows these remarks, as I believe it spells out very thoroughly and accurately a proper reply to the CBS allegations concerning the Maverick missile program.

The material follows:

OFFICE OF THE
UNDER SECRETARY OF DEFENSE,
Washington, D.C., February 15, 1983.

Subject: Rebuttal to News Brief of the Maverick Missile on CBS's "60 Minutes" of 13 February 1983.

The news story began with a short history of the Maverick with comments on the poor performance of the Electro Optical (Television) seeker in the European environment. The daytime, clear weather limitation of the EO tracker was highlighted as a need for a day/night, limited adverse weather seeker for which the Imaging Infrared (IIR) was developed. A strong implication was made that Hughes Aircraft Company was unfairly profiting by developing the IIR system to replace an unsuitable Maverick which they also developed. No mention was made of the Maverick family commonality achieved through the modular seeker concept and/or the large Government investment in engineering knowledge and plant equipment at Hughes.

The main theme of the program centered around the deficiencies or limitations evidenced by the IIR Maverick in development and Initial Operation Test and Evaluation (IOT&E). Also at issue was whether the Service that develops a system could be expected to objectively test and evaluate that same system. Deficiencies as alleged on "60 Minutes" are summarized below with an appropriate response.

a. Concern: The IIR Maverick is overly complex and expensive and the 30mm GAU-8 gun using armor piercing, incendiary projectiles is a suitable alternative.

Response: The GAU-8 is an excellent weapon and fills an important role in the weapons mix required to kill armor. It is, however, a daytime only weapon and suited for softer targets as well as tanks. Because of the fire and forget, day/night, adverse weather capabilities of the IIR Maverick, complexity is required. The greater standoff range of the Maverick requires an intricate seeker. Maverick and GAU-8 complement each other but have different missions.

b. Concern: IIR Maverick was not tested under battlefield conditions. Test pilots trained over the range they used for flight testing; and even then, they needed unique visual cues to find the target even though the range area was small.

Response: It is a fact of life that range area available for low level flight and live firings is limited for safety reasons. However, attacking aircraft were vectored in from long ranges, high altitudes and various orientations making the overall test scenario as realistic as possible. Pilots were given coordinate and navigational information that would normally be available under combat conditions. Test data are available that demonstrates the ability of the IIR Maverick to find and destroy targets at night. Tests were successfully conducted by the Air Force with the missile in smoke and haze at Ft. Riley and under minimum flight weather conditions at Ft. Drum.

Finding a target and evaluating a weapon system under combat environment is not a unique IIR Maverick problem. It should be noted that although the GAU-8 test shown was said to be operational, the tanks were immobile, on a desert floor without cover or camouflage and no smoke or countermeasures were used. The four A-10's did an excellent job but spent four minutes in the attack making multiple runs. With a high air defense environment it is doubtful the planes could have survived defensive fire for this length of time.

c. Concern: Seeker breaklocks can be caused by fires, gunfire and other intentional and unintentional countermeasures (CM).

Response: It is true that countermeasures could be effective against the Maverick; however, their practical deployment is questionable. Intentional CM requires the armor to sense it has been fired upon and then employ CMs. This must occur in an extremely short period of time. This is also true of gun fire during the missile time of flight. The narrow window in time to sense the Maverick attack and employ CMs is not currently practical for combat. IIR Maverick has also been successfully tested under simulated battlefield conditions of burning hulks and other battlefield debris. Critics, however, are quick to point out that setting fires provide visual and terminal cues to pilots and aids target acquisition.

d. Concern: The Maverick missile system doesn't allow the pilot to distinguish a friendly armored unit from an enemy tank.

Response: The Maverick is not intended to be used in gun barrel to gun barrel tank duels and was never designed to distinguish friend from enemy. A forward air controller of similar intelligence will identify armor position and all armor in that area will be assumed hostile. In other words, the targets are prelocated and identified for the air strike.

e. Concern: Maverick supporters in the Pentagon imposed conditions on being interviewed that were unacceptable to the networks.

Response: The statement by 60 Minutes concerning interviews of Pentagon officials was essentially correct and was imposed by the Assistant Secretary of Defense for Public Affairs, Mr. Henry Catto. The intent of these conditions were to tell the complete story and not have statements by Pentagon officials edited by the networks.

In summary, the networks rehashed GAO comments from the last audit report (OSD Case #5980). It is felt the report was adequately answered and new issues have not been raised by the still on-going audit follow-up. Senator Pryor would like to develop an independent test and evaluation team to rid the conflict of interest he perceives that now exists. The Senator feels that the developing contractors and Services are also doing the evaluation for a production decision. Therefore, the incentive is to always test under the best conditions.

KENNETH R. HINMAN,
Director (Air Warfare).●

ECONOMIC DEVELOPMENT ADMINISTRATION

● Mr. HOLLINGS. Mr. President, on February 1, President Reagan transmitted a deferral of $181,900,000 of the $198,900,000 available in fiscal 1983 for economic development assistance programs of the Economic Development Administration. This is completely contrary to the agreements reached during the enactment of the first concurrent budget resolution for fiscal 1983 whereby the administration indicated it would abide by the assumptions used in developing the final form of the resolution. Funding for EDA was assumed in the resolution and the administration's action betrayed those agreements.

The administration proposed deferral of the EDA funds in hopes of transferring them to the Small Business Administration to meet the huge demands by banks for payoffs of defaulted guaranteed business loans. This unprecedented rate of business failures is obviously a product of the administration's inadequate economic program. Long before the election, SBA had notified the White House that the banks were calling the guarantees as the small businesses became delinquent on their payments. The administration put its head in the sand until the elections were over.

On February 3 I introduced Senate Resolution 49 to disapprove the deferral.

Mr. President, all told, we have 52 Senators sponsoring Senate Resolution 49 of which 15 are Republicans, so this is a bipartisan response to a misguided move by the administration. I am grateful for those who have joined me on Senate Resolution 49, and their leadership in this endeavor is most appreciated by those struggling to maintain the economies of areas devastated by the national economic situation.

The Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies appropriations, on which I serve as ranking minority member, almost unanimously endorsed Senate Resolution 49 to the full Committee on Appropriations. Our distinguished chairman, the senior Senator from Nevada (Mr. LAXALT), opposed Senate Resolution 49, but my good friend is a fair man and expeditiously moved the resolution along. We appreciate his cooperation and will continue working on him to persuade him of the value of this proven program. Earlier this week the Committee on Appropriations favorably reported the resolution so that we are now at this moment.

Mr. President, the Reagan administration is wrong in its efforts to terminate the EDA. Earlier today the Secretary of Commerce testified before the State, Justice, and Commerce Subcommittee and repeated his views opposing EDA. As I have said before, the Secretary of Commerce has the power to be a virtual czar over economic development. It is beyond me why he is reluctant to use it, particularly as we view the present effort to formulate a jobs bill. There are projects ready for financing. The Assistant Secretary of Commerce for Economic Development authorized the processing of $31,483,041 in projects on December 17, 1982. Only one of those projects have been approved. Given the administration's opposition to the program, the authorized projects have to be good ones. With the passage of Senate Resolution 49, EDA can get back to work getting the country back to work.●

CBS VERSUS THE M-1 TANK

● Mr. GOLDWATER. Mr. President, we continue to hear criticism from the news media, in a seemingly unending campaign, against certain systems in the defense budget. I do not mind for 1 minute a valid criticism of any item which is being funded for our Nation's defense. Unfortunately, and all too often, the criticisms which are directed overlook the facts.

An article appeared in today's Washington Times by Mr. Dan Cragg, entitled "CBS vs. the M-1 Tank." This article points out the several fallacies in a CBS Saturday Evening News program which criticized the M-1 Abrams tank. Mr. Cragg has answered those criticisms very well, and I ask that this article be included in the RECORD. I strongly encourage my colleagues to read this article.

The article follows:

CBS VS. THE M-1 TANK

(By Dan Cragg)

"The Army's been putting a lot of money into developing a new battle tank. But as we hear from Pentagon correspondent Bill Lynch tonight, what the Army is getting for its money may be a non-battle tank," Bob Schieffer told millions of Americans Feb. 19 on the CBS Saturday Evening News.

This is simply not true and the Schieffer/Lynch story about our "non-battle" tank is the worst case of non-news since CBS tried to smear the reputation and character of retired Gen. William C. Westmoreland a year ago.

The tank in question is, of course, the Army's much-maligned new main battle tank, the M-1 program has been going since 1972 and production now is funded for 60 tanks a month. The Army wants 7,058 of them by May 1990, at a cost of $1.84 million each in fiscal year 1983 dollars, not including research and development costs.

The total cost of the program now is estimated at $19.5 billion, including $1.1 billion in R&D, and accounting for inflation. In fiscal year 1984 the Army wants to spend $1.7 billion to procure an additional 72 of the new tanks. The M-1 is designed to survive anything the Russians can throw at it, but it has no armor at all against the barbs launched by our own media sharpshooters. If abuse of First Amendment rights were a punishable offense instead of just offensive CBS would sure be found guilty for what it did last month.

Why did CBS jump on the M-1? Most of the allegations Schieffer and Lynch made during the program have been refuted time and again by the tank's proponents.

Possibly the answer lies in the fact that CBS sees no farther than its ratings. What it did in this case was nothing less than a shameful ploy to improve those sacred viewer ratings at the expense of the truth.

The twist this time is a secret report CBS obtained from someone at the Army's Training and Doctrine Command (TRADOC, pronounced "traydock" in the Army's alphabet-soup lingo) at Fort Monroe, Va. Reporter Lynch announced that the report recommended to the Pentagon that the Army stockpile $3 billion in spare parts for the tank, the minimum TRADOC planners estimated would be required to see the tank through the first 60 days of war. "However, the Army is budgeting only $390 million for the M-1 stocks through 1988, just 13 percent of what its own planners say is the minimum required," Lynch intoned from Fort Hood, Texas.

The only truth in this statement is that the Fort Monroe planners did recommend a $3 billion stockpile of spare parts. But what CBS failed to mention is that the Army is actually budgeting $427 million in parts through fiscal year 1988, and if you add to this the $1.1 billion in parts already on hand, then the actual stockpile amounts to 50 percent of what the logisticians recommended, not a measly 13 percent as claimed by CBS.

CBS also failed to mention that the TRADOC report, just like the M-1, also has its "bugs." While acknowledging that the Fort Monroe logisticians did a good job on the study, Pentagon experts point out that the findings are based in part on outdated and erroneous data.

The performance statistics on the M-1 are available to anyone who wants to ask the Defense Department for them, and you don't even have to say "please." And the men who use the tanks are more than willing to talk about them, to anyone who will listen. "It's the tank we want to go to war with the Russians with," an unidentified soldier told Lynch. The American taxpayer should remember that judgment.

Instead of checking the facts, Lynch implied that the tank is less efficient than the soldiers themselves say it is, and then he left his viewers with the false impression that the whole M-1 program has been rammed down Congress' throat anyway. "Congress may not like it, but the program is just too far along to do much about it," is how Lynch concluded his report.

What can the American public do to protect itself from reporting like this?

To repeat, for those who may not have heard it yet, the M-1 Abrams tank is the most survivable machine of its type in the world, "superior to any of the Warsaw Pact's tank," The Economist of London concluded.

This is not to deny that the tank has its problems. It does, as did the M-60 tank before it. No weapons system, from spearheads to nuclear warheads, function to specifications when it first rolls off the production line. But the Army is working hard to solve the M-1 problems and the public interest is not served when newsmen use illegally obtained and, especially, imperfectly understood data to torpedo a vital defense program.

If the M-1 tank will keep its crew alive in battle—and all the available evidence thus far indicates that it will—then it is cheap at even the current price.●

DEFERRAL OF ECONOMIC DEVELOPMENT ADMINISTRATION FUNDS OVERRIDDEN

● Mr. SASSER. Mr. President, I want to take a moment to note, with some satisfaction, today's action by the House in disapproving the deferral of $181,900,000 in Economic Development Administration funding.

This deferral is part of the administration's misguided attempt to eliminate economic development programs in this country. The President's proposed budget, in fact, calls for abolishing the Economic Development Administration. This is an idea which is pennywise and pound foolish.

Economic development funds create permanent, private sector jobs—the very type of job the administration says it favors. This money is used for construction that means jobs for a community—expansion of water and sewer lines, factory renovation, improvement of schools and other public buildings. These and similar projects create an infrastructure which allows a community to attract new industry.

For instance, in my State of Tennessee two projects have been approved for application—they will be funded out of the money in this deferral. One, in Nashville, would allow the city to improve industrial water, sewer, and rail lines. Another, in Loudon, would allow construction of a water treatment plant. These projects are ready to go. And their completion will permit these communities to attract new industries and provide permanent private sector jobs.

There are other areas in Tennessee which can benefit from this $181,900,000 as well. Van Buren County and Byrdstown both have companies waiting to relocate in those areas. The industrial renovation funds they are applying for will bring new, permanent jobs into those communities. Jamestown and Hartville have similar opportunities.

Since 1966, EDA has funded over 35 projects in Tennessee, resulting in benefits to the State of more than $207 million. Some 60,000 jobs have been created, basically in service and light manufacturing industries.

These are benefits that have directly built up the economy of Tennessee. For our workers, it has meant the difference between unemployment and a steady job. For established businesses, it has meant the ability to take advantage of opportunities which otherwise would have been lost. For marginal businesses, it has often been the difference between success and failure.

The Appalachian Regional Commission functions in tandem with EDA, with its roadbuilding and other economic and public service projects in Appalachian counties. It has invested more than $108 million in Tennessee. That has triggered State and local investment of more than $368 million. These funds assisted in development and completion of a network of roads costing more than $313 million in Appalachian counties. It has made possible development and construction of vocational education facilities, industrial sites, airports, waste treatment plants, water and sewer facilities, and other needed public facilities.

I support the continuation of these two programs, especially during this time of economic stress.

Economic data in recent years has shown a disturbing decline in produc-

tivity. While many reasons can be offered for this problem, one of the most important is the increasing age of our industrial base which often lacks the capital or incentive for modernization. The result is a less competitive America on the world scene and a further decline in our economic health. There are many causes for these problems, and there is no magic solution. But an effective Economic Development Administration and Appalachian Regional Commission can be helpful in reversing this trend.

While the House has had the pleasure of voting first to overturn this shortsighted action by the administration, mention should be made of the strong leadership shown by Senator HOLLINGS on this issue. As the Senate prime sponsor of the resolution of disapproval he provided significant momentum to the effort by persuading a majority of the Senate to join him as cosponsor. I am proud to have been an original cosponsor of Senate Resolution 49.

I urge my colleagues to follow up this disapproval by extending the Economic Development Administration and the Appalachian Regional Commission.●

YANKEE INTERN PROGRAM

● Mr. RUDMAN. Mr. President, in January of this year, Yankee Publishing, Inc., of Dublin, N.H., the publisher of the Old Farmer's Almanac and Yankee magazine, joined the partnership with the National Trust for Historic Preservation, a private, nonprofit organization dedicated to the protection and continued use of America's historical and architectural heritage, to create a unique job program for college students. The Yankee intern progam will be based in the National Trust's regional office in Boston, Mass., and will provide jobs for approximately 100 students from New England colleges each year. The work involved will be chosen by the National Trust and will result in much needed preservation work on historical projects in the six State New England region.

The uniqueness of the Yankee intern program lies in its funding. Yankee subscribers, 65 percent of whom reside outside the New England area, have voluntarily agreed to a 25 cent assessment on their subscription renewal to provide sufficient funds to administer the program and provide each intern with a $1,500 stipend. An additional $1,000 stipend for each intern will come from the local sponsoring organization on whose project work is done. The partnership is unique in its approach to the two problems of youth unemployment and historic preservation. Michael L. Ainslie, president of the National Trust, observed that:

If all the regional magazines of this country cared about their region as Yankee obviously cares about New England, then we could find the funds to do much of our work by spreading the cost over a multitude of subscriptions. Yankee is truly leading the way toward a new concept in fund raising.

Rob Trowbridge, Yankee's publisher, was more "down east" in his discussion of the program:

It shows that in 1983 even a quarter buys something very valuable.

In closing, Mr. President, I want to take this opportunity to thank Yankee Publishing, Inc., Yankee's unselfish readers, the National Trust for Historic Preservation, and especially Rob Trowbridge and Mike Ainslie for their leadership in the area of historic preservation and job creation. I urge my colleagues to examine this fine program and the work of the National Trust for Historic Preservation in their own regions. Partnerships such as this between different components of the public and private sector can work to preserve America's valuable heritage and provide our country's youth with much needed employment opportunities.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD a notification which has been received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 10, 1983.
In reply refer to: I-00531/83ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-19, concerning the Department of the Army's proposed Letter of Offer to Canada for defense articles and services estimated to cost $26 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

PHILIP C. CAST,
Director.

TRANSMITTAL No. 83-19

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Canada.

(ii) Total estimated value:

	Millions
Major defense equipment[1]	$24
Other	2
Total	26

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Twenty-six 155mm M109A2 SP Howitzers with support equipment, concurrent spare parts, and a quality assurance team.

(iv) Military Department: Army (YPL).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: Mar. 10, 1983.

POLICY JUSTIFICATION

CANADA—155MM M109A2 SP HOWITZER

The Government of Canada has requested the purchase of 26 155mm M109A2 SP Howitzers with support equipment, concurrent spare parts, and a quality assurance team at an estimated cost of $26 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Canada; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

This howitzer acquisition will enhance the military capability of the ground component of the Canadian Armed Forces by providing additional firepower to the Canadian Mobile Command. U.S. security interests will be served in that these howitzers will contribute to the defense of North America, specifically through contingency reinforcement of the Canadian Forces Northern Region (HQ Yellowknife, Northwest Territory). These howitzers will provide additional weapons in the NATO joint training area and will increase the Canadian Armed Forces stock level. Also, this howitzer purchase will increase Canada's contribution to its 4th Mechanized Brigade Group of the Canadian Force Europe, which is responsible for fulfilling Canada's commitment to NATO's Central Region.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Bowen-McLaughlin-York Company of York, Pennsylvania.

Implementation of this sale will require the assignment of four additional U.S. Government personnel to Canada for two weeks.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENS. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL

RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. David Sullivan of the staff of Senator STEVE SYMMS, to participate in a program sponsored by a foreign educational organization, the Chinese Culture University, in Taipei, Taiwan (Republic of China) from January 7-16, 1983.

The committee has determined that participation by Mr. Sullivan in the program in Taiwan, at the expense of the Chinese Culture University, to discuss international relations and defense with students and faculty at the university, is in the interest of the Senate and the United States.●

ORDER FOR RECORD TO REMAIN OPEN UNTIL 6 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that, notwithstanding the recess of the Senate prior to the hour of 6 p.m., if that is the case, the RECORD remain open until 6 p.m. for the purpose of introduction of bills, resolutions, petitions, memorials, and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I yield the floor.

RECESS UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. The acting majority leader is recognized.

Mr. GARN. Mr. President, I know of no further business to be conducted today. Under the previous order, I move that we recess until 10 a.m. tomorrow.

The motion was agreed to; and, at 5:32 p.m., the Senate recessed until tomorrow, Friday, March 11, 1983, at 10 a.m.

EXTENSIONS OF REMARKS

THE PEOPLE'S PARADISE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. FIELDS. Mr. Speaker, some form of socialism/communism is dominant in many nations and every continent. The idea of socialism is especially attractive to intellectuals who are able to maintain a comfortable distance from actual Socialist practices.

Though socialism is a god that fails continuously, and causes more human suffering and tragedy than any idea or practice in history, there are those who stubbornly cling to its high-minded idealism. They religously close up their eyes to the reality that the Socialist promise of instant utopia brings only the tyranny of a real dystopia.

It is for them that the following glimpse of reality is provided.

[From the Washington Inquirer, Oct. 8, 1982]

NICARAGUA EXPORTS DRUGS, TERRORISM

A senior intelligence analyst for the Defense Intelligence Agency has disclosed that drug smugglers were used by the Sandinistas and that Nicaragua has a special-forces type training base for cadre used in such operations as the blowing of El Salvador's strategic Golden Bridge last Oct. 15 and the airbase sapper attack that crippled El Salvador's air power.

Kathleen Hayden, senior DIA Latin America analyst, told the Association of Former Intelligence Officers that Cuba had used "established drug smugglers to supply first the Sandinistas prior to the overthrow of Somoza and most recently to buy arms for the M-19s" in Columbia. The DIA analyst added, "Cuba provided funds used by a drug dealer recently to buy arms in another country for the M-19s."

Hayden said this funneling of arms to the violent left would continue. She said the Soviets were using Central America and the Caribbean as a test case. "If these efforts here in Central America are successful the revolutionary groups can be expected to spread. However, if the momentum turns and they're contained, the movements will go underground again, as they have for years, and lie latent for the next opportunity."

On Nicaragua, Hayden said that the government had set up a base to give training in unconventional warfare. The camp has mock revetments for planes or helicopters, and sappers are trained in using explosives on these mock ups. Highly sophisticated demolitions training is given at the Nicaragua base, Hayden said.

Overall, she said, support for insurgents has become more sophisticated than it was in the early Seventies. She said now the violent left uses mainly western arms to disguise their connections with the Soviet bloc. She said that in addition to Honduras western arms traceable to those left behind by American units in Vietnam have also been found in Guatemala.

The intelligence analyst stressed that increasingly in the last year insurgents have expanded their operations to include sabotaging economic targets in Peru, Argentina, Chile, Honduras, Costa Rica, Colombia as well as in El Salvador. This creates a two-pronged attack, when coupled with the usual hit-and-run tactics and helps to string out and exhaust the military. Sabotage also undermines the economy, helping to breed frustration and discontent in the populace.

The DIA analyst said Cuba advises, coordinates, trains, and finances many clandestine organizations, trains, and finances many clandestine organizations employing violence. "These include our 'old friends' Columbia M-19s, Uruguancy's Tupermarcos, the Montoneros from Argentina and finally the MIRs from Chile."

Hayden shared the platform with two other panelists.

Jeremiah O'Leary, veteran Washington reporter and former assistant to Judge William P. Clark now head of the National Security Council, said inexplicably the wholly Marxist state of Nicaragua had been given double the sugar quota of Honduras by the U.S.

O'Leary also said the battle seemed to be improving slightly in El Salvador and Guatemala. He said American trained troops in El Salvador were doing well and recommended more for Honduras and elsewhere.

Nester Sanchez, deputy assistant secretary of defense for InterAmerican Affairs, said only 2 percent of the U.S.'s worldwide security assistance goes to Latin America. He too spoke of the success of the three American trained battalions in El Salvador and said a fourth was needed.●

DUTY SUSPENSION ON FLECAINIDE ACETATE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. FRENZEL. Mr. Speaker, today I have introduced a bill which would suspend for a 2-year period the duty on imported flecainide acetate, which is a new drug used to treat disorders of heart rhythm.

Flecainide acetate is mostly manufactured in the United States, but the process and equipment to complete the manufacturing process are not currently available in the United States. Passage of this bill would permit a company in my State to develop the necessary facilities in the United States to complete all of the manufacturing processes. Suspension of the duty would provide the company some capital formation to help fund the substantial investment that would be necessary here.

Because more jobs could be created by new manufacturing capability and because there would seem to be no domestic concern which can presently complete the manufacturing process, I believe this bill to be noncontroversial and worthy of the support of my colleagues.●

RANGEL CRITICIZES OMB REVISIONS IMPACTING ON FUNDING OF NONPROFIT ORGANIZATIONS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. RANGEL. Mr. Speaker, I rise today to oppose strongly the revisions proposed by the Office of Management and Budget (OMB) in Circular A-122 regarding cost principles for nonprofit organizations.

The goal of the revision, preventing the Federal Government from subsidizing certain forms of political speech, is certainly laudable. In a free society, the Government should not be in the position of promoting one political view at the expense of another. However, the means that OMB would employ to accomplish this end are both arbitrary and overly sweeping. The end result would be to cripple seriously the ability of the political process to correct unforeseen problems in new or ongoing programs; to intimidate certain citizens from publicizing issues important to framing decisions, and to deny judges and regulators information crucial to making well-informed decisions.

One of the aims of the proposed revisions is to prohibit nonprofits receiving Federal money from contacting the granting agency or enacting legislature and attempting to influence governmental decisions. OMB fails to realize that not only is there a legitimate place in Government for feedback from those administering the program, but that such feedback is also absolutely essential in ironing out the legislative and administrative bugs of the system.

We know well that not all laws and programs are perfect when they are made. Experience has shown us that the greatest insights and the most valuable suggestions for program improvements are often those volun-

teered by those who have done the hands-on work—in this case the nonprofits.

It is simply too cumbersome to ask the Government to contact in writing, as OMB would require, everyone who might have a suggestion to improve a program. Indeed, it is somewhat mind boggling to think that OMB means to forbid a member of a nonprofit organization from using his initiative to contact his elected representative and suggest ways in which the program could save money. Under OMB's proposed regulations, one would have to remain silent until the legislator asked for his opinion in writing, an unlikely occurrence at best.

A policy like this is analogous to a company prohibiting those who work on its assembly line from suggesting ways of increasing productivity. It just does not make sense.

The regulations would also prohibit nonprofits which accept Federal money from attempting to influence the outcome of political decisions through publicity. This is so broad a prohibition that I cannot help but think that it would never stand a court test. It is also an extremely imprudent policy which threatens to gag nonprofits from publicizing important public issues.

It is easy to imagine a situation around election time where a nonprofit would hold back a study on an explosive political issue for fear of being punished under the terms of this regulation for attempting to influence the outcome of any election. Surely a regulation is no good which would have this effect.

Finally, the regulation would prohibit nonprofits from joining in litigation in which they have no standing to sue or defend on their own behalf. Banning organizations from taking part in the judicial process denies courts additional information that may be crucial in reaching just decisions.

To summarize, the regulations, as proposed, will have a tremendous detrimental effect by cutting off or severely stymieing feedback from the operations of programs mandated by Congress. Further, the prohibitions on publicity will work to stifle contributions to the pool of information necessary to make informed decisions in a democracy. Finally, the regulations would block the proper flow of information and arguments to the courts, thus possibly impairing their ability to reach the best and fairest decisions.

I agree that the Government should not be subsidizing any political points of view at the expense of others. But these regulations go far beyond that objective. I believe they would hinder the role of Government in its execution of its duties and, through the threat of official sanctions, restrain our citizens from publicizing important issues.●

NATIONAL EDUCATION FOR BUSINESS WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, today I am introducing the joint resolution to authorize and request that April 10-16, 1983, be designated as "National Education for Business Week." For the past 4 years, National Education for Business Week has been observed during the second week in April by 14 national organizations, their members, and students. These organizations observe this special week to focus national attention on the important role business education plays in futhering and sustaining a healthy economy within the free enterprise system.

While traditional institutions of higher education play a very important role in educating our citizenry, the role played by private non-profit and for profit proprietary institutions is equally important. Proprietary institutions not only educate a significant part of the postsecondary student population, pay taxes to Federal, State, and local governments, but they also train people for new high-technology jobs and in skill areas that lead to immediate employment.

My colleague, TOM COLEMAN, ranking Republican member of the Subcommittee of Postsecondary Education, joins me in sponsoring the resolution. I hope that all of my colleagues in the House who are concerned about the relationship between education and business will join me in urging the President to proclaim April 10-16 as National Education for Business Week.

H.J. RES. —

Joint resolution to authorize and request the President to designate the week of April 10, 1983, through April 16, 1983, as "National Education for Business Week"

Whereas business educators play a vital role in supporting government, business, and the commercial life of the United States of America;

Whereas men and women in marketing, merchandising, and data processing occupations contribute to efficient business life, are essential in keeping our Nation's businesses running smoothly, and thus contribute to the continued prosperity of the United States;

Whereas the Nation's educators provide the training ground for the continually changing office technology and are depended upon to teach new skills and emphasize positive work values; and

Whereas it is fitting that the contributions of business educators to the well-being of business and governmental life of America be recognized, encouraged, and honored: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of April 10, 1983, through April 16, 1983, as "National Education for Business Week", and calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.●

MR. ARTHUR LEVITT, JR.—CHAIRMAN OF THE AMERICAN STOCK EXCHANGE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mrs. SNOWE. Mr. Speaker, the weekly interview program "Face the Nation" had as its guest this past Sunday, Mr. Arthur Levitt, Jr., chairman of the American Stock Exchange. Mr. Levitt warned of the dangers of large long-term deficits, and urged Congress to make every effort to reduce the present budget imbalances. Mr. Levitt noted that our present recovery could turn into a recession unless the projected future deficits are reduced and in turn bring about the confidence that will produce lower interest rates. I would like to share the transcript of Mr. Levitt's interview with my colleagues.

FACE THE NATION—SUNDAY, MARCH 6, 1983

Announcer. From CBS News, Washington, a spontaneous and unrehearsed news interview on "Face the Nation," with Arthur Levitt, Jr., Chairman of the American Stock Exchange, and Chairman of the American Business Conference, which is composed of the chief executive officers of mid-sized companies. Mr. Levitt will be questioned by CBS News Business Correspondent Ray Brady; by Jonathan Fuerbringer, Economic Reporter for the New York Times; and by the Moderator, CBS News George Herman.

Mr. HERMAN. Mr. Levitt, as President of the American Stock Exchange, which represents smaller and rather entrepreneurial business firms, the firms most likely to hire people as the economy expands, can you tell us how those companies feel about the current recovery? Do they think it is going to be brief and aborted by high interest rates, or do they agree with the administration, this is going to be one of the longest expansions ever?

Mr. LEVITT. As I travel around the country, I sense a mood on the part of those company CEO's, that we're really beginning to get out of this recession; that a recovery is beginning that could provide more jobs, and a level of expansion and lower interest rates and lower levels of inflation, than they had ever before expected. They are fearful, of course, that the other side of that coin could be if these budget deficits continue to escalate, 1984 could bring some very serious results.

Mr. HERMAN. Mr. Levitt, you say that your companies that are represented on the American Stock Exchange tend to be worried about the future budget deficits. Could you come up with some kind of a level or trigger point at which these worries would tend to diminish? Does the budget have to be balanced? Does the deficit have to be of a certain size?

Mr. LEVITT. I don't think so. I think the question more is, what is the approach of

government going to be towards these deficits? Are we going to have the kind of adversarial relationships with labor, business and government carping at one another, and creating the kind of runaway budget deficits which suggest to our company CEO's that the budget is totally out of hand?

I think what is really critically important is that those deficits begin to move in the right direction. If we see deficits as are projected this year, $180 to $200 billion, and next year, $300 billion, and the following year even higher, I think that sends a very clear message. I think interest rates will go a good deal higher then, an I think what started out to be a—the beginning of a recovery could very well turn back into a recession that is even deeper than the one we have come out of. But if the trend is in the right direction and those deficits are beginning to narrow, I don't think it matters particularly whether we reach total balance. I think that is an unrealistic goal to set for ourselves.

Mr. FUERBRINGER. Mr. Levitt, does the President's budget, as proposed, is that going in the right direction of getting you that right trend that you want, or does he need some—does Congress need to make some major changes in his proposal to get the deficits moving in that right direction?

Mr. LEVITT. I think it's a good beginning. I think the emphasis is in the right direction. I think it is terribly important, and I think the President certainly emphasizes that we do not call for additional taxes at the early part of recovery. I think that would be a very serious mistake, and the American Business Conference, at its meeting that takes place in Washington this week, is going to reassert that fact. I think that there are signals which can be perceived by the business community. For instance, with respect to the actions of the Social Security Commission.

Now, this week Congressman Jake Pickle is going to recommend a proposal which says that the eligibility for social security be extended from 65 years of age to 67, gradually, after the year 2000. What that will do essentially is to pay for the social security system, to put it on a pay as you go basis. I think that would be viewed very affirmatively by the business community, even though it didn't impact this year's budget deficit.

Mr. BRADY. You are against any raising of taxes right now, but you are also for an oil tax. Wouldn't that slow up a lot of the economy if you put on an imported oil tax?

Mr. LEVITT. Let me tell you about my feeling with respect to a tax on imported oil. I feel, first of all, that there should be no tax increases because the business community last year endured, willingly endured, and we endorsed it as a matter of fact at the American Business Conference, a $100 billion tax increase. But with respect to an oil import tax, it is my feeling that the most important consideration in terms of that action be conservation. There is no national economic priority that I regard to be more important than conservation of energy. The President evidently recognized this in terms of requesting stand-by authority to impose such a tax in the event that deficits proliferated.

I think that the question of national security, I think the issue of involving ourselves in an industry which is so controlled by a cartel with pricing that is somewhat artificial, makes that a different kind of consideration.

Mr. BRADY. But don't you think that some of that tax might be a red flag to the cartel, whom we have to stay friendly with whether we like them or not?

Mr. LEVITT. I don't buy that argument. I don't think that national economic policy should be based on anything except the American national economic best interest, and I think those who argue in favor of placating one segment of world opinion or another are misguided in this respect.

Mr. FUERBRINGER. Mr. Levitt, you said that a positive signal for the business community is action that Congress might take on Social Security. What about the President's proposal on defense spending? Is that a negative signal to the business community?

Mr. LEVITT. I think that the business community by and large feel that defense expenditures have got to be examined very carefully and pared. In the case of the American Business Conference, where we have nearly 14 of our 87 members who are in the defense business, either actually producing defense equipment or in related businesses, unanimously, every one of our companies unanimously recommended to the administration that they do whatever they can to curtail the increase, the rise in the level of defense spending.

So I think that at any time when you see $1.6 trillon being spent over a three-year period, the business community and the country as a whole feels that there are economy inefficiencies there. But I would like to point out that it's not just the administration; it's the Congress that has to be responsible in this regard. The Congressman which has an army base in his district, while speaking out very enthusiastically about cutting back the defense budget, will say "Don't close down that base," which may be the appropriate thing to do.

The Congress and the administration have got to adjust the level of defense, the increase in defense spending.

Mr. HERMAN. Mr. Levitt, let me take you back to the recovery. It seems as though we're being flooded with optimism these days, the indicators, the leading economic indicators have had their highest jumps since 1950; the President is talking optimism all over the place. Is all of this February, March optimism deceptive? Are people riding for a fall, saying that things are wonderful when we still may have some tumbles ahead of us?

Mr. LEVITT. Well, having operated in the securities markets for a good number of years, you always tend to try to anticipate the unexpected. I don't think that the optimism in this case is misplaced at this point in time. I think up until very recently various government leaders and economists have predicted a very slow rate of growth this year. I have felt for some time that they were under-estimating what our gross national product would be this year.

Mr. HERMAN. And now?

Mr. LEVITT. I believe that by the end of this year, for the total year, we may see a GNP somewhere in the neighborhood of four percent, and maybe the final quarter's increase over last year's final quarter could be in excess of five percent.

Mr. HERMAN. Well, as the economy grows at this rate, when are your people going to start hiring more workers, and will they be hiring them faster than they flock onto the market so that the unemployment actually goes down?

Mr. LEVITT. I think they already are, and I anticipate that by the end of this year we're going to see an unemployment rate that dips below the double digit level.

I think another factor is at work here, that few people have given emphasis to and, that is, what has happened with this stock market increase? What has that done? I think it tends to make people feel a little bit richer than they were the day before. Even companies, seeing their shares selling at higher prices, tend to feel that their fortunes are a little bit better, and perhaps they can build that plant, perhaps they can put more money into research and development than they had planned on doing. That means more jobs. I think there is nothing more critical, in terms of the economy, than job creation.

Mr. HERMAN. You said just below double digits, when we are now at about 10.4 percent, that doesn't sound like any deep drop in unemployment this year.

Mr. LEVITT. Well, again, I think it is moving in the right direction. I don't think that this nation can long sustain a level of unemployment that we are enduring at this present time. I think that to have any kind of national economic policy that pertains to the country as a whole, you've got to think seriously about the enormous level of unemployment, and the level of pain that is being felt in different segments of the economy and different regions of the country.

Mr. FUERBRINGER. Mr. Levitt, are interest rates low enough for this kind of recovery, or should the Federal Reserve move by easing its policy to force interest rates down even lower?

Mr. LEVITT. I don't think interest rates are low enough yet to fuel the kind of economy that I think that we should have. I think they are moving in that direction. I don't think that the Federal Reserve really can do what a lot of people expect them to do. I don't think any government agency can do that. I don't think the Congress can do that, or the administration can do it, except inferentially. By that I mean, interest rates, in my judgment, are a function of the attitude of 30 million investors all over the country, whether they have the conviction that this government, that this administration is operating on the basis of a sound, rational, predictable and focused economic policy. The Federal Reserve Board can help that by easing or restricting monetary policy, but they can only help it. If they were to open the well immediately and just say that money expansion would be double what it has been for the past number of months, I think that would have the tendency to force interest rates up again.

Mr. FUERBRINGER. But how much lower does the prime rate, which is now 10.5 percent, have to go to get the kind of moderate recovery that you're talking about?

Mr. LEVITT. I think we'll get that moderate recovery with the prime at its present level, but I think other factors enter into that. I think that we can see a recovery that would really have bite and could be sustained if we see the prime continuing to move lower, and I expect that we very well will see that. We're operating at a level of capacity that is under 70 percent today, so that there is some room that we have today that we don't usually have before we fear an onset of inflation again, which is a major fear that could disrupt this recovery.

Mr. HERMAN. But aren't consumer rates more important to the economy than the prime rate?

Mr. LEVITT. I think that they are both terribly important to the economy. I think that what is equally important is that this nation is the only nation in the free industrialized world that creates incentives to spend and disincentives to save. When you borrow to build a house or spend money at a

hotel, or whatever it may be, however worthy that might be, you get a tax deduction for that. When you put your money in a savings bank, the return on that savings is taxed, and that kind of distortion, I think, goes to the issue of can we induce the kind of saving that is necessary to fuel the recovery.

Mr. HERMAN. Which side of the balance would you work on?

Mr. LEVITT. I think you've got to work on both sides. I think we've got to seriously consider the disincentives to save and the incentives to spend in this country, and there are a number of proposals that I have in that regard.

Mr. BRADY. Back on the stock market, Mr. Levitt, it's gone straight up, and even as we see that many parts of the economy haven't come back yet, are you worried that the stock market may be getting well ahead of any economic recovery?

Mr. LEVITT. Some how or other the stock market always seems to be the sort of balance wheel which moves forward and moves backward, but over a period of time tends to reach a level of equilibrium that I think is in the best interest of the American investor, and I think what is critical is that the obsession with the immediate investment environment doesn't become so gloomy on the one hand, or so optimistic on the other hand, that the level of prices fails out of this equilibrium. I don't think we are there at this point.

Mr. BRADY. But we've got new issues pouring out, we've got stocks going to the sky, I mean, some of those PE's.

Mr. LEVITT. Not to the sky. We are still at a lower level in terms of price earnings, ratios. The level of new issues is a very healthy sign in terms of capital formation and job creation, and I think those signs are all moving us in the right direction.

Mr. BRADY. Well, I got kind of lost. Unlike Ray, I don't follow this. Are you saying that the level of, I guess you call it, equilibrium is going to be higher than it is now?

Mr. LEVITT. Well, if the recovery continues, I think it certainly will be. If the government shows an ability to reduce the level of deficit spending and work together in a consensus environment, I think that speaks very well for the prospects of the interest rates, the market and the economy as a whole.

Mr. BRADY. Well, I don't know if it is fair to ask the President of the American Stock Exchange, but how much longer do you think stocks are going to rise, in a ballpark area?

Mr. LEVITT. Well, all I could say to you is if—as we trend into the latter half of this year, if we see that there is an unlikely adversarial scenario in Washington which leads us to believe that budget deficits will continue to escalate, I think the market will reflect that in the same way that it reflects now the expectation of the continuation of lowered inflationary expectations.

Mr. BRADY. The latter half of this year?

Mr. LEVITT. Yes.

Mr. FUERBRINGER. Do you mean that the recovery will be aborted if Congress and the administration haven't agreed on the budget by the end of this year?

Mr. LEVITT. I think if we see budget deficits continuing to escalate with no abatement, I think that the market may very well anticipate that and reflect that toward the latter part of this year.

Mr. FUERBRINGER. What kind of tax increases will you support to help bring down the deficit?

Mr. LEVITT. I think it will be a serious mistake to consider any tax increases at this time. I think we're dealing with a budget and an economy which is dynamic and not static, and it is changing almost day by day. If, over a period of time, we see that the recovery hasn't fueled a lowering of the level of budget deficit, I think at that point in time, some time down the road, perhaps next year, perhaps the following year, you can consider different kinds of taxes that might be imposed at that point in time.

Mr. FUERBRINGER. Would you support the President's idea of raising about $120 or $130 billion of new taxes over three years, starting in 1985?

Mr. LEVITT. I am uneasy about any kind of formula which determines a level of taxation which is based upon an economy that we really don't know what it will call for at that point in time. I think that's too rigid; that's too pattern, and I think it's a mistake. I think we have to be sufficiently flexible, that we can take into consideration changes in the economy or changes in international affairs that may bear upon that.

Mr. FUERBRINGER. Well, how will the business community have any confidence that these deficits are going to decline over time if we don't both pass spending reductions now and future tax increases now, and put them into law to prove to the business community that those deficits are declining?

Mr. LEVITT. I don't think the people, I don't think the business community seriously considers actions which are predicated upon economic conditions two, three, four years down the road. I think we have to be sufficiently flexible to adjust to those actions according to the economy as it exists at that point in time.

Mr. HERMAN. Well, let's look backwards for just a second. Has Reaganomics and the Reagan economic policies been good for your companies? I look at the level of bankruptcies and I kind of wonder.

Mr. LEVITT. Well, the one contribution that I think that the American Business Conference and the American Stock Exchange companies would applaud the most in terms of this administration is their ability to turn around inflationary expectations. That was the greatest concern and the greatest fear of the business community, and I suspect the population as a whole, at the time this administration came into being.

Mr. HERMAN. That's partly the White House and, I presume, partly Chairman Paul Volcker at the Federal Reserve Board?

Mr. LEVITT. Yes. I think Paul Volcker has had a good deal to do with that.

Mr. HERMAN. Would you like to see him reelected, renominated to the same post?

Mr. LEVITT. You know, I was at a meeting about three months ago with Senator Dole and 12 heads of major companies in America. Senator Dole turned to them toward the end of the meeting and he said, "What one action could the administration do to restore the confidence of the business community in the ability of the administration to help the economy?"

Unanimously, this group, representing companies all over the country, of various sizes, said "Reappoint Paul Volcker right now."

I can say to you that that's a decision for the administration to make, but I would say to you also that it is fair to say that the business community is very supportive of the actions of Mr. Volcker and his sense of even-handedness and fair mindedness in his approach to monetary policy.

Mr. BRADY. What will it take then to get the business community to really reinvesting, modernizing plants and so on? They keep saying, "Well, we were worried about inflation," and now inflation is down. They worried about deficits, but they are still not really making plans to modernize.

Mr. LEVITT. I think the most important thing is a sense of consistency, their feeling that government is going to follow through on a very direct, specific program. They may not agree with all of it, but it is something that they can predicate their plans on.

Now, in New York State, for instance, some years ago—only five years ago the state removed a very onerous tax that was placed upon the consumer. It was called a Stock Transfer Tax. It was paid by people who bought and sold securities. That caused an enormous increase in the volume of securities business done in the state.

Now they are talking about reimposing it. That's not just a danger to the Securities industry. That's relatively mild, but that message to the business community in New York State is that the state is no longer hospitable to businesses that are growing, that no good deed, in effect, will go unpunished.

It is that kind of inconsistency that I think is a shock to the business community.

Mr. BRADY. Well, then, what message do you need from Washington? I mean, certainly they are consistent in fighting inflation.

Mr. LEVITT. I think the message that we need from Washington is, reduce those deficits. Cut back on defense—on the growth of defense expenditures. Try to create the incentives to saving that have to be created today to give us the measure of capital that is needed for this expansion, and try to operate in an environment of consensus, such as we had in this recent Social Security Commission. That may be a remarkable landmark effort, where people with such different views came together on a program that none of them agreed to totally.

Mr. HERMAN. But, Mr. Levitt, how do we know that the capital and the savings are going to be used for this purpose? How do we know it isn't just going to be put into another merger battle, another big take over, with billions borrowed from banks so that one giant company can buy another giant company, not turning out one additional product?

Mr. LEVITT. One of the beauties of our American system is that I think we have a sense of responsibility in that regard, and the best business people I know are prepared to take postures that may go against the grain of the business community. We see that all the time. We see it in environmental issues; we see it in terms of issues of taxation. Our own American Business Conference last year said, "We've got to absorb a business tax, and we can't go back on the tax relief to individuals. We've got to pay that tax ourselves."

I think that this business community is available to do that again.

Mr. HERMAN. Well, I'm not sure I understand. I'm talking about if we encourage savings, how do we know that business just won't use it in this seemingly unprofitable business of buying each other rather than making new factories, making new products, hiring new workers?

Mr. LEVITT. Because I think the fiber of entrepreneurship in this country is so great that business people, particularly the kinds of growing companies that I deal with every day are concerned with doing more business,

developing more product, creating more jobs. They are not interested in—particularly in taking over other companies or investing for the highest possible rate. They are interested in developing product, building business, creating jobs.

Mr. BRADY. But more and more businessmen are calling for protectionism, to kind of put a wall around us, so that they don't have to compete or bring out new products.

Mr. LEVITT. They are scared and they are shortsighted. I think the problems that we face in terms of international trade are serious problems, but the most farsighted business people I know feel that protectionism is an invitation to disaster, is an invitation to higher prices and a burden upon the consumer. The best people I know in the business community vigorously oppose protectionist actions.

Mr. FUERBRINGER. Well, are those big mergers then bad for the economy? Is that what you're saying?

Mr. LEVITT. I'm saying that the perception of some of those giant mergers, in terms of the national economy, have not been constructive. They have been handled with a measure of insensitivity to the public well being, and I think that's destructive, because so much of this is a question of how people view the business community.

Mr. BRADY. I want to tie up a loose——

Mr. FUERBRINGER. Well, I just want to ask one quick question about a campaign by another large lobby group, the banking industry, to repeal the withholding on dividends and interest that is supposed to go into effect in July. I want to know if you support that repeal, and whether you think their campaign has been fair and balanced, or whether it has been distorted, as the President has charged?

Mr. LEVITT. Their campaign has certainly been enthusiastic. My own feeling about it is, again, we're going back to disincentives to saving. I feel that the withholding tax was a mistake because, in effect, what it is saying is, a contract made between a bank and a depositor is no longer valid, that the bank is going to pay a little bit less interest because of the withholding tax.

Mr. FUERBRINGER. Has their campaign been fair? Has it been a responsible campaign, or do you oppose that kind of campaign?

Mr. LEVITT. I don't know enough about the details of that campaign. All I know is that I think the measure is counterproductive and creates the kind of excessive government regulation that I think is not in the best interest of the country.

Mr. HERMAN. Well, on that note, thank you very much, Mr. Levitt, for being our guest on "Face the Nation."●

PEANUT DAY IN WASHINGTON

HON. CHARLES HATCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HATCHER. Mr. Speaker, the month of March has been designated National Peanut Month. The Georgia Peanut Commodity Commission, Congressman THOMAS, and I would like to recognize the peanut by hosting a "Peanut Day in Washington," on March 9, 1983.

It took a Civil War, the circus, and baseball to spark a national appetite for peanuts. They have been grown as a cash crop since 1915, largely due to the efforts of George Washington Carver and the boll weevil. Since that time, peanuts have occupied a place of permanent importance in Georgia's economy and as a highly nutritious food.

Georgia leads the Nation in the production of peanuts with approximately 500,000 planted acres. Over 16,000 Georgia farmers produce more than 1.5 billion pounds of peanuts, averaging 3,000 pounds per acre during a normal year. On 35 percent of the total U.S. acreage Georgia accounted for 43 percent of the Nation's peanut production. Peanuts are grown commercially in 80 of Georgia's 159 counties with the average farm size of 29 acres accounting for over 24 percent of the State's crop income. There are 50,000 persons directly employed in the production of peanuts and over $400 million in gross receipts are paid to Georgia peanut producers each year.

Georgia peanut exports have increased over twofold since 1973 when Georgia peanut growers began international market development activities. During 1982, the Georgia Peanut Commission through the National Peanut Council conducted 15 programs in seven countries. And, today, more than 3 out of every 10 rows of Georgia peanuts are exported, worth over $120 million. Each grower dollar spent on export promotion generates $2 from USDA's Foreign Agricultural Service and $10 from companies in other countries. Each dollar invested by Georgia peanut growers, therefore, generates a return of nearly $1,000 in international peanut sales.

We hope you will join us in celebrating Peanut Day in Washington.●

SOVIET WATCH

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. FIELDS. Mr. Speaker, in 1935 the noted historian, Will Durant, wrote:

For barbarism is always around civilization, amid it and beneath it, ready to engulf it . . . Barbarism is like the jungle; it never admits its defeat; it waits patiently for centuries to recover the territory it has lost.

In all the history chronicled in Durant's monumental, 11-volume work, The Story of Civilization, in no place or time has this statement been more true than in the history of the Soviet Union and its client states.

As E. J. Dillion observed in 1930:

Sovietism is no mere philosophy content to assert itself or even endoctrinate others by convincing, persuading, or cajoling them . . . (it is) first of all a relentless destroyer of the roots of past culture, religious, social, pedagogical, and also of those champions of that culture who remain true to it, refusing to be converted and live.

So it is that the leadership of the Soviet Union, from Lenin to Andropov, have been men of unrestrained brutality who have progressively, patiently, driven back the boundaries of civilization, both Western and Eastern, with a relentless sword of blood and horror, allowing the jungle of barbarism to reclaim the Earth, masked by mendacity, propaganda, and the kindly face of socialism.

The following material is presented as another evidence.

[From the Washington Times, Dec. 29, 1982]

THE CHEKA AND HOW IT GREW AND GREW AND GREW

(By Christopher Harmon)

Because Lenin believed that "The courts must not ban terror, but must formulate the motives underlying it [and] legalize it as a principle," he created the Soviet secret police sixty-five years ago this month, on Dec. 20, 1917. Once called the Cheka, and now known as the KGB, the organization has had many names throughout its history. It has known only one purpose, however: to act as the "sword and shield" of the Communist Party of the USSR.

The Cheka, or "All-Russian Extraordinary Commission for Combating Counter-Revolution, Speculation, and Sabotage," began as an investigative agency charged to search out deviant communists. It was swiftly transformed into a secret police force with innumerable duties and few discernible restraints. Feliks Dzerzhinsky, the agency's first director, laid down his policy: "We stand for organized terror," he declared. Under his direction, the first 200,000 "official" executions occurred; hundreds of thousands of other Russians disappeared into the first Soviet Gulag Archipelagoes, where uprisings cost 300,000 more lives.

Already by March 1921, Petrograd sailors (the naval forces which had helped instigate the revolution four years earlier) issued a manifesto declaring communism to have "brought the workers, instead of freedom, an ever-present fear of being dragged into the torture chambers of the Cheka, which exceeds by many times in its horrors the gendarmerie administration of the czarist regime." And yet the Leninist-Dzerzhinsky regime was to appear almost mild by contrast with that of Stalin and Beria which succeeded it.

Dzerzhinsky Square, two blocks from the Kremlin, is the site of KGB headquarters. The building is not marked; everyone knows what it is. There is a new statue of Dzerzhinsky, raised by Khrushchev, who, if he closed some of Stalin's concentration camps and executed Stalin's chief of secret police, Beria, nonetheless pledged to "strengthen in every way revolutionary vigilance and the organ of state security." He renamed the agency the "Committee for State Security," of KGS, but still called its personnel "our Chekists." He brought the reorganized KGB more within the control of the party, and gave it more funding as well as new, international dimensions.

The Brezhnev legacy was one of explosive growth. And it was under Brezhnev's eye that Yuri Andropov and his lieutenants made their steady advance into positions of government and party power. [No KGB

chief since Stalin's Beria had even been a Politburo member; Andropov became one in 1973. The next year he received the Order of Lenin for his "direct and active part in working out and implementing the home and foreign policies of our party and the Soviet state." Since 1977, KGB personnel have been winning the highest kinds of government and party positions and honors. The KGB chief of the Azerbaijan sector, Geydar Aliyev, had not even been part of the Politburo; suddenly he is First Deputy Premier, the possible successor to Premier Tikhonov.] The promotion of KGB head Andropov to general secretary of the Communist Party [upon Brezhnev's death] was, of course, without any precedent in Soviet history.

The new KGB chief is a 64 year-old Ukranian, Vitaly Fedorchuk. He commands perhaps 90,000 staff officers, some 200,000-300,000 specially armed border troops, and tens of thousands of other paid informants and agents. If he has a budget, it is virtually unlimited. And government, party, and army organizations provide logistical and other support free.

The "Chief Directorates" conduct foreign operations, border control, and routine and special operations against the Soviet population, foreigners and tourists. The KGB works closely with, and oversees, the GRU, or military intelligence service of the Red Army General Staff. KGB officers staff the armed forces at every echelon down to the company level. They wear military uniforms, but report through their own chain of command, and can disobey military orders. KGB subdivisions and special departments protect all party members and their families, maintain the ruling elite's communications, oversee finance and probe economic crimes, monitor and control domestic sentiment, maintain archives and special technical laboratories, and, in entities like the Serbsky Institute for Forensic Psychiatry in Moscow, pioneer the use of medicine for malevolent political purposes. The "Fifth Chief Directorate," formed in 1970, combats expressions of religious and nationalist feeling, political dissidence, and intellectual and artistic independence. There are special departments in some field offices for "Jewish Affairs."

During the last few years, this national and international apparatus has crushed a nascent Soviet peace movement with arrests and psychiatric treatment, while funnelling large sums into the same kind of movements in the West, and spending millions on "peace" front organizations based in Moscow, Sophia, and Prague. It has arrested the last of the founders of "Smot," a free trade union movement in the USSR, while leading and paying for union strikes in Portugal, New Zealand, and Costa Rica. It has brought to hell the last members of the "Helsinki Watch" committee on human rights, even as it built up a new gulag for 100,000 political prisoners, many of them women, for construction of the new pipeline. It regularly dispatches KGB and GRU "scientists" to pose at, and politicize, international scientific conventions; yet at least two legitimate Soviet scientists were kidnapped by the KGB from an Austrian UN agency when their loyalties became suspect.

Other recent operations include firing upon a Ukrainian crowd protesting poor food and health conditions in factories, kidnapping an Afghan ambassador to Czechoslovakia off the streets of Prague, the use of Aeroflot and other personnel to influence ETA terrorists in Spain and southern France, the theft of thousands of classified military documents from our NATO allies and from the Government Accounting Agency in Washington, D.C., and giving guerrilla training, directly or through the PLO, to "neo-Nazi" terrorists from Western European countries.

But the most masterful of the KGB's operations has been its careful construction of the intelligence and "active measures" networks in its satellite countries. In wartime, Stalin's secret police cooperated with the Gestapo to identify and liquidate the most democratic of the resistance leaders in Poland and Czechoslovakia. Since the war, Eastern Europeans have been taken to special Soviet intelligence schools, where each national group is kept separate from the others, and all are studied, tested, and sometimes co-opted by the Soviet "uncles." By dominating each satellite's intelligence apparatus as it dominates their governments, Moscow has added a parallel network to its own, allowing more intense activities within the bloc and expanded international operations. The East German service, for example, is directed by Misha Wolf, an Andropov protege. [East Germany maintains between 8 and 10 thousand agents in Western Germany, helps the KGB handle the Palestinian guerrillas, including Fatah's internal security unit, and polices the police in Ethiopia, Angola and Mozambique.]

Czech intelligence agents, serving Cuba at Castro's request between 1959 and 1961, helped to prepare Cuba for the eventual and complete surrender of its own DGI service to the KGB's control. Czechoslovakia has been a refuge for Italian terrorists since the 1940s, and Karlovy Vary and other training centers routinely serve the Red Brigades. Secret service operations against Czech emigres on French soil earned a formal protest from Francois Mitterrand this January. Even the supposedly "maverick" and "independent" Romanians were recently discovered to be conducting widespread KGB espionage operations from their embassy in Washington, D.C.

The KGB must be taken seriously. Recently England's Royal Academy voted to retain as one of its own Anthony Blunt, a confessed and convicted Soviet spy. Deriding those who sought Blunt's explusion from the academy, historian A.J.P. Taylor said: "It was just like McCarthy in America all over again."

He was wrong. The KGB is a potent organization threatening in a deadly way not only people under Soviet rule but Westerners as well. it is not McCarthyism to take action against those who aid it.

Lenin believed that "the scientific concept of dictatorship means neither more nor less than unlimited power resting directly on force." Until such time as the USSR is ruled by popular consent, it will continue to be ruled by force and by fear. These are the only means of persuasion "our Chekists" have ever known.●

INTERNMENT OF JAPANESE AMERICANS WAS A TERRIBLE INJUSTICE

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BURTON of California. Mr. Speaker, the report recently issued by the Commission on Wartime Relocation and Internment of Civilians represents a long overdue condemnation of the terrible injustice carried out against Japanese-Americans by the U.S. Government.

The report, "Personal Justice Denied," recounts the evacuation and internment of over 120,000 American citizens and resident aliens. After studying the issue for 1½ years, during which time it held 20 days of hearings and heard testimony from over 750 witnesses, the Commission concluded that the internment policy could not be justified on military or security grounds. It found that the mass exclusion and detention of Japanese-Americans flowed from racial prejudice, war hysteria, and a failure of political leadership.

As the report says:

The exclusion, removal and detention inflicted tremendous human cost. There was the obvious cost of homes and businesses sold or abandoned under circumstances of great distress, as well as injury to careers and professional advancement. But, most important, there was the loss of liberty and the personal stigma of suspected disloyalty for thousands of people who knew themselves to be devoted to their country's cause and to its ideals but whose repeated protestations of loyalty were discounted—only to be demonstrated beyond any doubt by the record of Nisei soldiers, who returned from the battlefields of Europe as the most decorated and distinguished combat unit of World War II, and by the thousands of other Nisei who served against the enemy in the Pacific, mostly in military intelligence. The wounds of the exclusion and detention have healed in some respects, but the scars of that experience remain, painfully real in the minds of those who lived through the suffering and deprivation of the camps.

The personal injustice of excluding, removing and detaining loyal American citizens is manifest. Such events are extraordinary and unique in American history. For every citizen and for American public life, they pose haunting questions about our country and its past.

Having long criticized the repressive and reprehensible internment policy, I believe the Commission has performed a highly significant service in documenting this injustice. The Commission's work shines a spotlight on a disgraceful chapter in American history. The notion that people in our country could be rounded up and held against their will simply on the basis of their ethnic heritage stands in fundamental contradiction to the democratic ideals upon which our form of government is based.

I hope this report will be widely read in our country so that we can all understand the dreadful consequences which result when we abandon our basic constitutional guarantees. By reminding us of the unconscionable policy that victimized innocent people four decades ago, the report should serve to renew and reinforce our com-

mitment to the preservation of individual liberty and freedom.●

THE 98TH CONGRESS AND FEDERAL EMPLOYEES

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HUBBARD. Mr. Speaker, I have received a thought-provoking letter from my friend and constituent, James F. Cooper, of my hometown, Mayfield, Ky., with regard to pending legislation and proposals that will affect his employment as a Federal worker. Jim Cooper, for 10 years the manager of the social security office in Mayfield, believes that Congress and the administration have a commitment to him and other Federal employees. I believe his comments about the wage freeze, Federal retirement system, benefit computations, and other matters are timely and worthy of our consideration. As the House begins its consideration of the Social Security Amendments Act of 1983, H.R. 1900, I want to share my constituent's views. His letter follows:

FEBRUARY 9, 1983.

DEAR REPRESENTATIVE HUBBARD: I am a Federal employee with nearly 21 years of service-10 years of which has been spent as the manager of the Social Security Office in Mayfield, Ky. I want to make the following comments concerning proposals that affect my employment.

1. Wage Freeze—I know we have a huge Federal budget and as a concerned citizen I don't mind my salary being frozen. What I do mind is that while my salary and spending power is frozen at October, 1982 rates my grocer, natural gas company, electric power co., and telephone company continue to raise their prices and get a much larger share of my net spendable income. Is it possible for Congress to make more effort to halt these "Public Utility" price increases? It appears to me that decontrol lines some other pockets other than us simple wage earners that can only live from payday to payday.

2. Retirement System—Twenty-one years ago I made the choice to begin a career with the Federal Government for several reasons. One reason I chose this field was a promise or "contract", if you will, that if I could hang in there for thirty-four years that I could retire on a decent pension at the age of 55. I really don't feel it is fair for my employer to renege on this promise. After seven geographical moves and putting my wife and children through a lot of uproot and hassel, it seems the rules are now changing midstream.

I also dislike the idea of changing the way the benefit will be computed. Again, we talking about an employer that wants to change the rules midstream. Instead of changing the rules, why don't we enforce the rules we now have. Let's get tougher on those persons drawing Civil Service disability pensions that are no more disabled than you and I. Make it tougher with new rules much like those under Social Security.

3. Other Comments—It appears to me that the Federal Government needs good, qualified workers to carry out the mandates of Congress and the President. Why are we constantly under attack and put in such a vunerable position? I urge you, as my elected representative, to please vote against President Reagan's proposals on pay and retirement.

Sincerely yours,

JAMES F. COOPER,
Mayfield, Ky.●

BILL DIMMERLING FROM SCHUYLKILL COUNTY, PA.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. YATRON. Mr. Speaker, this month marks the retirement of Mr. William G. Dimmerling, whose life reflects his dedication to his community and to excellence. Bill Dimmerling was one of the first cable television operators in our Nation. He began as a salesman in the early 1950's when television was new and he had been serving as a Schuylkill County detective. Bill achieved a management position at Kingston Cable Division in Kingston, N.Y., in 1961. He worked there until 1964 when he returned to Schuylkill County, Pa., to head Trans Video Corp., which joined the Warner Cable Co. in 1972. The firm was renamed in 1980 to Warner-Annex. Mr. Dimmerling was elected president of the Pennsylvania Cable Association in 1972, and received innumerable honors in his field of endeavor.

In addition to being a cable television pioneer, Bill Dimmerling has been active in numerous charitable and civic causes. These activities include particpation with Muscular Dystrophy, Super Sunday in Minersville Memorial and Veterans' Day celebrations, Greater Pottsville Winter Carnival, the American Heart Association, and the Senior Charity Bowl. Bill has also long been associated with the Pottsville Elks Lodge, American Legion, Catholic War Veterans, AMVETS, Pottsville Club, and the Pottsville Lions.

Bill volunteered to serve in our Armed Forces in 1942 and he was a member of the 101st Airborne Division. He was awarded the Silver Star Medal for bravery. He was discharged as a captain but was later recalled and promoted to major during the Korean conflict. Before World War II, Bill worked for the Pennsylvania Power & Light Co. and was also a program director and sportscaster for WPAM radio.

In addition to these outstanding achievements, Bill Dimmerling was an outstanding athlete. He is a member of the Pottsville Area High School and Schuylkill County halls of fame. He is a member of the St. Clair Old Timers Baseball Club and is an active golfer. In 1950 he coached the Pottsville Packers, then a part of the Eastern Professional Baseball League.

It is indeed an honor and a privilege to bring William Dimmerling's accomplishments to the attention of my colleagues in the U.S. Congress. Bill is an indispensable member of the Schuylkill County community where his ceaseless efforts to provide help to others will certainly continue. He is irreplaceable, his life a testament to what can be accomplished. Bill will continue to remain as a consultant to the Warner-Annex Cable Communications Co. for the remainder of this year. I am honored to know a man of his stature and I offer my sincere wishes for success in all his future endeavors. He serves as a shining example of what it means to be an American.●

ANN ARBOR, MICH., ALL-AMERICA CITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. PURSELL. Mr. Speaker, on Thursday, March 10, 1983, President Reagan will present an All-America City Award to Ann Arbor, Mich. The city also won this prestigeous award in 1967.

Ann Arbor is a diverse and stimulating city, justly deserving recognition as one of the outstanding communities of our Nation.

The city is one of eight award recipients, chosen from 600 applicants and 100 official entries in the 34th annual competition.

I want to commend Mayor Louis Belcher and City Councilman Gerald Jernigan, chairman of the All-America Cities Committee, for their leadership; committee members Wendy Raeder, Marlene Hurst, Vivian Green, Michael Tucker, and Brian Connelly; Martin Overhiser, Ann Arbor Planning Director; and Larry Friedman, of the Ann Arbor Community Development Department.

The committee members and city officials did an excellent job in preparing Ann Arbor's presentation. But the real significance is not the presentation, but the substance behind it.

Very few cities in our Nation enjoy the kind of citizen involvement in community affairs which is evident in Ann Arbor. The citizens of Ann Arbor can be justly proud of this award, as I am proud to represent Ann Arbor and its people in Congress.

The organization which sponsors the awards, the Citizens Forum on Self-Government, National Municipal League, said the following:

"The successful programs were the result of involvement by and cooperation—sometimes following initial oppo-

sition—among different sectors of the community, including young people, business people, teachers, neighborhood residents, public officials . . ."

Ann Arbor was honored for:

"Establishment of the Michigan Technology Council through university, business, and city cooperation to foster diversified industrial development; creation of a community Energy Advisory Board to foster conservation and develop a framework for managing local energy resources; and preservation of the Michigan Theater, a key cultural landmark."

A considerable factor in encouraging citizen involvement in community affairs and achieving the city's goals is the local newspaper, the Ann Arbor News. The newspaper has demonstrated leadership on the Michigan Theater and other important community issues.

The following editorial appeared in the Ann Arbor News on March 1, 1983:

[From the Ann Arbor (Mich.) News, Mar. 1, 1983]

ALL-AMERICA: AN HONOR AND A REMINDER

Next week, in a ceremony at the White House, Ann Arbor will officially become an All-America city for the second time.

We're pleased about that, naturally.

For one thing, All-America designation elevates Ann Arbor to something more than just host city to a world-reknowned university. Some people don't distinguish between the city and the U-M.

The relationship between town and gown has been a good one through the years and of course, those ties should continue to be strong. In that connection, one of the accomplishments on which the city's winning entry was based was a cooperative effort involving the city and the U-M, along with other principals, in establishing the Michigan Technology Council.

So while the destinies of the U-M and the city of Ann Arbor are forever intertwined, we're also glad when a distinction is drawn and the larger entity gets some well-deserved recognition.

There's more than enough praise to go around and it isn't as though one party has a lock on the honors. So U-M, you're entitled to take a bow, too. (Just don't bend over too far.)

But it's the city being honored for, in addition to the Michigan Technology Council, the creation of a citizens Energy Advisory Board to promote conservation measures and the preservation of the Michigan Theatre from the threat of urban removal.

Successful citizen involvement wasn't limited to those areas. Ann Arbor could just as easily have been cited for her comprehensive Park, Recreation and Open Space Plan or the utilization of the old fire station as a new Hands-On Museum for children.

In this town, citizens don't have to be goaded to get involved; they do so voluntarily and enthusiastically.

Vitality and sparkle and surprise don't just happen in a city's life; they are the by-product of creative energies, worthy enterprise and dedicated people who won't settle for something second-rate. These are what make a city great, not the loftiness of its towers or the variety of its cuisine.

Ann Arbor is a repeater at this All-America city award. We think that says something about stewardship and how well we are executing our role as curators of tomorrow.

An All-America city award also serves to remind that our streets aren't paved with gold and our precincts don't flow with milk and honey. Problems intrude, serious ones. They are visible in Ann Arbor, in the form of people queueing in food lines and sheltering wherever there's a convenient roof.

Still, Ann Arbor has come by its latest honor fairly and energetically. As we said, there's enough praise to go around. That's something to keep in mind during the next few weeks of council/mayoral electioneering.

The National Civic Review offered this analysis of the award in the February issue:

Ann Arbor, often referred to as the research center of the Midwest, is the home of the University of Michigan and of volunteers who, along with city officials, devised a plan to develop and strengthen the high technology base, preserve an historic theater, and prepare a city-wide energy plan.

From a meeting of business leaders, University of Michigan staff members and city officials, now ways were explored to revitalize and redirect Ann Arbor's economy. The Michigan Technology Council was created and incorporated to achieve four major goals: (1) support existing high technology firms; (2) help local companies work together more effectively; (3) use University of Michigan resources to the fullest; and (4) attract new high technology businesses to the area. Some of the methods used were forums, seminars and a high tech fair. Council programs have led to the creation of new jobs, attraction of new businesses, the state's first robotics research center, and a plan for a stable employment base.

In 1978, the Michigan Theater, which first opened in 1928, was scheduled for demolition. Through the efforts of a newly formed Michigan Community Theater Foundation and other volunteer groups, the city council was able to purchase the theater through the sale of revenue bonds. This saved the building, but it was evident that much more money would be needed for restoration and maintenance. Volunteers got the message across to the community through newspaper editorials, special articles and a three-day phone-a-thon. Despite Ann Arbor's high unemployment, the citizens voted to increase taxes to restore the building to its former elegance and thus protect part of their heritage, and to develop a film and stage program.

In the spring of 1980, the mayor appointed a 23-member Energy Steering Committee supported by eight task force volunteers from various segments of the community. As a result of their efforts, in June 1981, the Ann Arbor Energy Plan was adopted and a permanent 13-member Mayor's Energy Advisory Board was appointed to oversee implementation. The projects included expansion of facilities to reduce energy consumption, passage of a ballot proposal allowing the city to consider reactivation of four city-owned dams for electrical generation.

I commend the people of Ann Arbor for earning the well-deserved All-America City recognition for their community.●

SHELTER FOR THE HOMELESS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. McKINNEY. Mr. Speaker, amidst the suffering of the current recession it is heartening for me to relate to my colleagues an example from my district where altruistic, hard-working citizens have joined together to help those less fortunate. The emergency housing shelter of the community of St. Luke in Stamford, Conn., last month received an award from the Department of Housing and Urban Development's national recognition program for community development partnerships. St. Luke's was one of only six projects selected in the eastern region for its demonstration of how public and private funds can be utilized creatively for the public good.

It may seem surprising that the city with the lowest unemployment rate in the Nation, Stamford, Conn., has a need for a shelter for the homeless, but in fact the city has a serious housing problem. Housing costs are among the highest in the country; the vacancy rate is effectively zero percent. Local hotels and motels already house hundreds who have nowhere else to go. In addition, St. Luke's sits in the distressed south end of Stamford, where much of the city's 18 percent minority population live in predominantly old and substandard housing.

Using $87,650 in community development block grant funding over a 3-year period, the community of St. Luke renovated the vacant, decaying rectory of their church into an emergency housing shelter that has since grown to be much more than that. In fact, the shelter now runs a food cooperative, a surplus cheese program, a clothing exchange program, educational programs on drug and alcohol abuse, after-school programs for children, a summer camp, a workfare program for welfare recipients, counseling services for the community, and a massive emergency dormitory in a renovated auditorium.

No Federal funds were used beyond the CDBG grant. Substantial assistance came from the church and business community in Stamford and nearby Darien. Mostly, however, the St. Luke's community shelter was created by the innovation and hard work of some 22 volunteer laypeople and clergy, most notably Rev. Douglas Theuner, rector of St. John's Episcopal Church in Stamford, and Carole Hoffman, Stamford's Red Cross disaster director, founders of the project. It has grown into a self-sustaining organization utilizing approximately 25,000 volunteer hours per year. Volunteers perform such tasks as driving vans to

the Bronx at 3:30 a.m. for wholesale food for the cooperative, distributing Christmas gifts and food, staffing the crisis center, maintaining the center, and feeding and clothing its visitors.

As the St. Luke's community has grown under the directorship of Franklin P. Marzullo, it has extended even further into the community. The food cooperative, now handling $50,000 worth of merchandise, has spun off three additional co-ops. The cheese program has distributed 1 ton of surplus cheese. The clothing exchange receives approximately $40 a week and additional income from the "dollar day" sales. Area residents—young, old, and minority—are developing capabilities in managing the food co-op, maintaining the shelter, and running the community outreach programs.

There are several lessons to be learned from this success story. One is the importance of continuing a strong community development block grant program which targets seed money to distressed cities or "pockets of poverty" such as Stamford's south end. Another is the need for the private sector to become involved in their communities. Finally, we see once again the spirit of voluntarism, the timeless lesson that tireless and caring individuals can make a significant difference in improving the lives of those in need.●

SANTA ANA "ALL AMERICAN CITY" HONORS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. PATTERSON. Mr. Speaker, today my distinguished colleague, Representative ROBERT BADHAM and I are pleased to recognize the Santa Ana delegates, who with the assistance of many involved citizens of the Golden City, have earned the National Municipal League's "All American City" award. They are here in Washington to be honored at a special White House ceremony. We were pleased to honor them at a reception in the U.S. Capitol today.

Under the leadership of Mayor Gordon Bricken, Mr. Skip Stephenson of the Segerstrom Co., and Mr. Sam Romero, president of the Santa Ana Neighborhood Organization, which was recognized in the January 6, 1983, CONGRESSIONAL RECORD, and Mr. A. J. Wilson, Santa Ana has become a member of a very select group. It is 1 of only 8 cities, chosen from more than 600 initial applicants, to be awarded the "All American City" seal for citizen involvement in community problem solving. We would also like to recognize Mr. Zika Djokovich, Mr. Robert Newcomb, and Ms. Kieng Sok Lim, who were instrumental in earning this honor but were unable to be present in Washington today.

These business and civic leaders represent many sectors of the community that participated in the award-winning programs, including Santa Ana's youth, businesses, teachers, neighborhoods, ethnic groups, seniors, and public officials. We commend them all for making the Golden City a better place to live.

We are fully aware of the diligence and concern required by this delegation and the active community they represent in combating the problems of crime, a decaying inner-city, and assimilation of new ethnic groups. However, through a community action program, the quality of life has been improved for thousands of Santa Ana families. The award-winning, crime-stopping, minority activism, and inner-city revitalization programs have earned Santa Ana recognition as a healthy community. The Golden City has shown the Nation that diverse problems are indeed solvable through cooperation and care.

Mr. Speaker, please join my colleague and me in cheering the city of Santa Ana and its fine "All American City" delegates: Mayor Gordon Bricken, Mr. Skip Stephenson, and Mr. Sam Romero, for their unselfish work on behalf of the community. Together, they have created model citizen participation programs which all cities would be well served to emulate. We can happily report that the spirit and genius of our democratic principles are alive, well, and at work in Santa Ana.●

PERSONAL EXPLANATION

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. NEAL. Mr. Speaker, I was not present for House proceedings on Tuesday, March 8, 1983. I am recovering from back surgery and am under doctors orders to remain at home. Had I been present on the House floor, I would have cast my votes in the following manner:

Yes. H.R. 1296, Payment-in-Kind Tax Treatment Act of 1983.

Yes. H.R. 1213, Public Lands and National Parks Act.

Yes. H.R. 174, Gladys Noon Spellman Parkway.●

INDIANA VFW VOICE OF DEMOCRACY SCHOLARSHIP WINNER

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HILLIS. Mr. Speaker, the Veterans of Foreign Wars and its Ladies Auxiliary, each year, conduct a voice of democracy forensics contest. This year, more than 250,000 secondary school students participated, competing for the five national scholarships that are awarded the winners. Indiana's winner was Gary P. Simmers, Jr., of Burnettsville, a junior at Twin Lakes High School in White County. So often, we hear or read negative news items about our young people. But I think you will agree, Gary's address gives us the other side of the picture and renews our optimism in America's next generation. I urge my colleagues to read his remarks below.

GARY P. SIMMERS, JR., VOICE OF DEMOCRACY WINNER

For as long as I can remember, men, in referring to the opposite sex, have used the analogy of "Women, you can't live with them, and you can't live without them." In many ways, this analogy applies to the labor of love that parents undergo in rearing their children. They know, at times, that children can cause more trouble than they are worth, but still they know that these same children are indeed America's strength for tomorrow—but how are the youth of this country its greatest strength? The youth of this country are its greatest strength for three basic reasons: The youth of this country are resourceful; they believe in American principles; and they are an expensive investment in the future of this country.

First of all, the youth of this country are resourceful. They make contributions to this country every year. In Warwick, Rhode Island, a group of students involved in the "Channel One" Program (these are students who were considered to be drug and alcohol abusers) converted a weed-infested downtown lot into an attractice mini-park, and also created an eleven mile nature walk in a run-down forest area. High school students in Altoona, Pennsylvania, involved in the same program, built a modern recreation facility in a mobile home area that had been plagued by vandalism. Also, in San Bernardino, California, with still more students involved in the same program, they rebuilt an unused, rundown swimming pool and are now operating it for the community. Directors of the "Channel One" Program were surprised at how easily motivated these so-called "Problem Children" were. Still yet another example of a resourceful youth would be 13 year old Carson Levit of Marin County, California. At 13 years old, Carson invested his savings from his paper route, which totaled about $1,000, in the stock market, and now Carson makes on the average about $21,000 a year. So it is easy to see that the resourcefulness of the youth of this country is definitely a strength, and that, with proper motivation, this strength can be capitalized upon even more.

Not only are the youth of this country resourceful, but they also believe in basic American principles. At the Young Ameri-

cans for Freedom Convention in Washington, D.C., over five thousand youths were in attendance to voice their belief in American principles. The whole focus of the convention was to impress the persons at the convention that American principles and basic American beliefs were important and necessary. Some of the persons who spoke at this convention were: Secretary of Labor Ray Donovan; "Right-to-Life" Activist Dr. Mildred Jefferson; Congressman John Leboutillier; and Conservative Majority Leader Paul Dietrich. All of these figures took time out from their busy schedules to speak at this convention, a convention full of kids. So, basic American principles are important, and the importance of these principles are being demonstrated to America's youth by the many important figures who were willing to speak to the youth of this country to make certain that basic ideas were not lost over the generations.

This desire to transfer ideals from one generation to another is the basic force behind the funds expended for education. Every year the American public provides literally billions of dollars to the youth of this country so that the basic American principles can be transferred to the next generation. The youth, as recipients of this free education and scholarships to institutes of higher learning, are the investment in the future strength of America. They are this country's only hope for the future, and by that token, they are indeed America's strength.

So, what this all leads to is proper motivation of our youth. Examples of the contributions youth can make to this country have been shown—making recreational centers, renovating swimming pools, and investing in the stock market are all examples of the resourcefulness of American youth. The youth of this country believe in basic American principles, and the leaders of this nation are taking the time to make sure that these ideals are not lost in the generations. But also the American public is investing in these young people because they are this country's only hope for the future.

So, maybe parents can't live with young people, but one thing is for sure this nation cannot survive without youth, for today's youth are tomorrow's leaders. Therefore, it is safe to say that, indeed, youth is America's strength.●

LOUISIANA WORLD EXPOSITION COMMEMORATIVE COIN ACT

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. LIVINGSTON. Mr. Speaker, today I have introduced the Louisiana World Exposition Commemorative Coin Act and am joined in sponsorship of this bill by five of my colleagues from Louisiana (BOGGS, BREAUX, HUCKABY, MOORE, and TAUZIN). This bill authorizes the minting and sale to the public of the U.S. legal tender commemorative coins to support the Louisiana World Exposition, to be held May to November 1984, in New Orleans, La.

This legislation has a twofold purpose. It will provide congressional recognition of the importance of the Louisiana World Exposition, and it will provide needed funds to the exposition, at no expense to the Federal Government.

The 1984 Louisiana World Exposition will be an exciting international event. Its dramatic setting on the Mississippi River provides the backdrop for its theme—The World of Rivers—Fresh Water as a Source of Life. The exposition will celebrate the utility as well as the beauty of the great rivers of our world and will focus on the imperative need to manage and conserve our limited fresh water resources.

The exposition's timely theme supports the U.N. General Assembly's declaration of the 1980's as the "International Drinking Water Supply and Sanitation Decade."

This international focus of the exposition has attracted exhibitors from all over the world and will be a forum for international seminars on innovative pollution control and water conservation techniques.

In addition to commemorating the exposition, this bill will also provide funds to the exposition through the sale of the collector coins.

The legislation authorizes the Secretary of the Treasury to mint and issue $1 silver coins designed with appropriate emblems. The coins shall be minted and distributed as the need demands, but no more than 1 million coins are authorized.

The coins will be sold to the public by the Secretary at a price which includes the face value of the coins, the cost of minting and distributing them, plus a $10 surcharge. Before the surcharge amount is given to the exposition, the Treasury will be reimbursed all its costs and expenses. The legislation specifically authorizes the Secretary to take all necessary actions to insure that the issuance of the coins results in no net cost to the Federal Government.

The bill also specifies that any unused funding provided by the coin sales to the Louisiana World Exposition be returned to the general fund of the Treasury by June 1985.

This legislation adopts the same basic approach taken in the Olympic Coin Act of 1982, which passed the House on May 20, 1982. This is a bill which deserves similar positive action.●

NFL ALUMNI HONORS BOB HOPE, PRESIDENT FORD, AND THE TOP PLAYERS IN PRO FOOTBALL TODAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. KEMP. Mr. Speaker, in its 15-year history, the National Football League Alumni, with over 7,000 members and chapters in 24 NFL cities, had become one of our Nation's fastest growing public service organizations, dedicated to, in their words, "putting a little of ourselves (the former players) back into the game, and doing it where it will do the most good, with the kids."

On Saturday, January 29, 1983, the Los Angeles Chapter of the NFL Alumni hosted the NFL Alumni Player of the Year Awards, and the first presentation of the Old Hero Awards. It was a great pleasure for my wife Joanne and I, along with our son Jeff, of the Los Angeles Rams, and his fiance, Stacy Parker, to attend the dinner with so many friends, and "comrades in arms" in the football wars of past years.

At the dinner, a great Michigan center and former President Gerald Ford, and the legendary Bob Hope, were presented the Old Hero Award as "public figures whose lives and careers have exemplified the higher values the Alumni teaches, sportsmanship, scholarship and citizenship." There could not have been two better choices.

Player of the Year Awards were given to outstanding current NFL players for their individual efforts combined with team play in each of their fields of play. Receiving awards were, tight end Kellen Winslow of the San Diego Chargers; Lawrence Taylor, linebacker for the New York Giants; kicker Mark Moseley of the Super Bowl Champion Washington Redskins; Hank Bauer of the San Diego Chargers special teams; San Diego's wide receiver Wes Chandler; Anthony Munoz, offensive lineman for the Cincinnati Bengals; defensive lineman Randy White of the Dallas Cowboys; Everson Walls, defensive back for the Cowboys; kick returner for the Denver Broncos, Rick Upchurch; Dan Foust, quarterback for San Diego; and running back Marcus Allen, of the Los Angeles Raiders. All superb football players and, superb young men as well.

It was indeed a spectacular evening thanks to Vic Maitland, the executive director of the NFL Alumni, and Dick Daugherty, Jim Hardy, and Maury Nipp of the Los Angeles Alumni. My good friend, Tom Harmon, did double duty as program chairman for the evening, and as one of the masters of ceremonies along with hall of famer Merlin Olsen, and the "voice of the Packers," Ray Scott. Entertainment was provided by Les Brown and His Band of Renown, along with Jeff Severson, singer Mike Reid and "comedian" Rosey Grier.

But, I think everyone at the dinner including alumni president "Bullet Bill" Dudley will agree that Vic Maitland's speech was one of the highlights of the gathering.

The NFL Alumni has taken as its motto: "Caring for Kids." Vic's speech told us all how, this year, the NFL Alumni wants to get the whole Nation involved in—Caring for Kids—during their second annual "Youth of America Week," September 4-10, 1983.

I am about to introduce a resolution in the House to have the first week of September proclaimed "Youth of America Week."

I would like to commend Vic Maitland's speech to my colleagues, and ask for congressional support of the NFL Alumni, and this resolution to proclaiming September 4-10, 1983, "Youth of America Week."

V. I. MAITLAND, EXECUTIVE DIRECTOR, NFL ALUMNI, REMARKS AT THE 1983 PLAYER OF THE YEAR AWARDS PROGRAM, CENTURY PLAZA HOTEL, LOS ANGELES, JANUARY 29, 1983

Mr. President, ladies and gentlemen, honored guests and fellow Alumni, just 15 years ago, in 1967, Alex Wojciechowicz and 27 other old pros founded the NFL Alumni. Within ten years, we were organized as a public service organization dedicated to the primary purpose of "putting a little of ourselves back into the game, and doing it where it will do the most good, with the kids".

In the five short years since, we have grown into the largest association of former professionals in sports, with more than seven thousand members and Chapters in 24 NFL cities. We spend our time and lend our names to charitable and educational activities that will benefit kids.

We host the NFL Alumni Charity Golf Classic series of tournaments, and a Super Bowl of Golf for our national championship. This year we raised nearly a million dollars for our "adopted" youth charities across the country.

We host clinics on the fundamentals of football for youth-league kids, and more important, we hold seminars for adults on the coaching and parenting of young athletes.

Tonight, we host a dinner and program to support a charity that strikes right to the heart of that concept—a program designed to improve parenting and encourage scholarship among young athletes and their families in the inner city. Nobody knows better than the Alumni how excellence in sports, coupled with education, can become a young athlete's ticket out—and up. With your help, this program will succeed and spread, and could become one of the most important movements in youth sports.

But the most important thing we do in the NFL Alumni is to organize one week every year during which Alumni members in the 24 NFL cities and citizens who believe in our goals spend one entire week saluting and working for American youth—kids who want to play football, crippled kids who can't, sick kids who can benefit from well men's work, and kids in trouble who may only need a role model to show them there *is* a way out—and up—through sports.

We introduced the idea in 1982, during the first week of the regular pro football season. Old pros and fans rallied all over the country to the first Youth of America Week.

We told them to do anything they thought would help the kids in their cities, and they did, in 24 cities. In New York, Tucker Frederickson and Bobby Duhon, two great old pros, took over an entire theater and recruited the cast, and took two thousand handicapped kids to see something they'd never had a chance to see before—a special performance of the musical *Annie*. The troupers in the cast—and some of the old pros in the audience—wept at their gratitude at certain calls. And after it was over, the New York Chapter went out to corporations and said "how about supporting this?", and they got the money they needed in two days.

Another Chapter didn't have much money, but a lot of enthusiasm, so they scrounged the materials and equipment and spent the week putting a new roof on an old orphanage.

Alumni Chapters took groups of kids to ball games, picnics, field days, amusement parks and practices, and when the kids couldn't come to them, they went to the kids in hospitals, homes, orphanages and rehabilitation centers.

Everywhere they went, and everything they did, football fans—people—rallied and helped, because this is for real. This is something we really want to do for kids everywhere.

And we have never been so proud as we were when we read in the next issue of *Pro Football Weekly*, "You have seen more than enough in previous issues about drug scandals, lawsuits, violence and other issues surrounding the NFL these days . . . lets talk about something pleasant for a change. Like the work the NFL Alumni are doing for charity and, more specifically, for the youth of America."

Again this year, during the first week of the regular pro season, we will observe the second Youth of America Week. They have a Kids Day in Japan, the festival they call Shobo-no-Sekku. They honor their youth, but we have no such festival. We have Mother's Day and Father's Day, but no Kids' Day. Well, why not have a day for kids? Why not have a whole week?

We do now, and we call it Youth of America Week. It starts September 4th, 1983, with the first games of the season. All over the United States, you'll see Alumni standing up and saying, 'hey, kid, you've got a friend'.

We're going to continue putting a little of ourselves back into the game, and doing it where it will do the most good, with the kids.

And we hope you'll join us and help us, because it's our kids, and your kids, and all the kids, and the kids are the future for all of us.

Thank you.●

NATURAL GAS PRICES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 9, 1983, into the CONGRESSIONAL RECORD:

NATURAL GAS PRICES

Natural gas consumers are upset. There is an excess supply of gas and demand is down, yet prices nationwide have risen an average of 25 percent this winter, on top of a 420 percent rise over the past nine years. In Indiana, they have gone up 45 percent to 55 percent this winter alone. Using less does not reduce bills, shopping for the best price is usually not possible, and switching to another fuel is expensive. Consumer want to know why prices are rising so fast and what help is available.

Natural gas is regulated at both the federal and state levels. In Indiana, rates for gas are approved by the Public Service Commission, a three-member board selected by the Governor. The opinion is growing among Hoosiers that the Commission has not adequately protected consumers, and a number of bills reforming the commission are pending in the General Assembly. They would increase the number of commissioners and make them electable. While reform is certainly called for, all our troubles with natural gas cannot be blamed on a single state commission.

The underlying problem is that the price of natural gas is not determined by supply and demand, but by past circumstances and contracts. The gas market has tended to be monopolistic because of the limited ways of moving gas from wellhead to consumer. Federal regulation of interstate pipelines began in 1938, and regulation of prices producers charge for gas sold interstate commenced in 1954. From then on, the price of interstate gas (but not intrastate gas) was kept down through price controls, which eventually led to shortage in non-producing states and surpluses in producing states. The imbalance became most serious during the winter of 1976-1977. Schools and factories were forced to close, and even some homeowners were threatened with loss of supply.

In response to the shortfalls, Congress passed the Natural gas Policy Act of 1978 (NGPA). The NGPA treated interstate gas and intrastate gas the same in order to prevent shortages in nonproducing states. It also set in motion the gradual decontrol of prices in order to boost exploration and production. Under the NGPA, the prices of various kinds of recently discovered "new" gas are allowed to rise slowly and will be decontrolled by January of 1985. "Old" gas—that found before 1977—is controlled indefinitely. The NGPA does not dictate prices. It sets ceilings below which contracts are made.

The NGPA has achieved some of its basic aims. Shortages in the interstate market have vanished, and the rapid depletion of our reserves has been halted. Another goal of the NGPA was to moderate the rise in gas prices, but prices for residential users have risen faster than expected. The problem is that five years ago, when the major actions causing today's price increases took place, it was mistakenly believed that demand for gas would be strong and supply short, which would drive prices up. Instead, the demand for gas fell off sharply, and new reserves were found. The poor forecast had several bad effects on prices.

First, under the "incremental pricing" provision of the NGPA, industrial users were to pay for the major share of new, higher-priced natural gas. However, this provision was never fully implemented, and industrial use of gas dropped off in any case. Residential users have had to pay for a larger share of the new gas.

Second, the primary concern of pipelines five years ago was an adquate supply of natural gas to head off shortages. Pipelines were willing to sign long-term, high-priced contracts because old gas held below market price would cushion the effect of purchases of new gas at higher prices. Another costly problem was occasioned by "take-or-pay" contract provisions, under which pipelines were to pay for large amounts of new gas even if they did not need it. This provision

has kept them from taking advantage of lower prices.

Third, a similar problem arose with contracts for foreign supplies. To ensure an adequate supply, pipelines and the federal government negotiated inflexible contracts with Canada, Mexico, and Algeria for a large amount of natural gas at high prices. This foreign gas is still being bought as our lower-priced gas stays unused.

Fourth, pipelines have been allowed to pass on to distributors automatically any higher costs in purchases of natural gas. Most states (including Indiana) have a similar mechanism allowing distributors to pass increases on to consumers. There are few incentives to lower prices since consumers will pick up added costs.

So what can be done? Many argue that the NGPA should be scrapped, and their suggested replacements range from immediate decontrol to complete recontrol. However, such major overhauls will be difficult. Proponents of immediate decontrol must counter estimates that such a step could increase prices an additional 80 percent this year. Proponents of complete recontrol must deal with memories of severe shortages caused mainly by controls. Both sides face the difficult task of forging a consensus on an issue which involves several powerful special interest groups. The NGPA was arrived at only after major concessions following a 25-year impasse, and there is little indication that all sides can agree soon on a wide-ranging rewrite. Also, congress, after its recent experience, will not want to adopt another "major solution" that may have unintended effects.

We should debate major proposals to dismantle the NGPA, but we should not let such long-term questions divert us from many short-term actions which can have a positive impact on natural gas prices now. An example would be renegotiation of Canadian contracts, which caused one-third of the price rise Hoosiers felt this year. Also, we should, among other things, overturn unreasonable take-or-pay contracts, make price pass-throughs less automatic, re-examine limits on industrial use of natural gas, and put pressure on regulators to help prevent rapid price increases. In Indiana, we should restructure the Public Service Commission. Many of these steps have to be taken no matter what the outcome of the debate on the NGPA, so it is only reasonable to take them soon.●

BILL TO ESTABLISH INDEPENDENT COMMISSION TO EXAMINE SUPERFUND

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BROYHILL. Mr. Speaker, today I am introducing a bill which would establish a national commission to examine the statutory, administrative, and managerial deficiencies of the EPA's hazardous waste cleanup program, more commonly known as Superfund. Based on its findings, the commission is to make recommendations to the Congress to improve the Superfund's effectiveness.

I am introducing this measure because I believe that too much of the EPA debate up to this point has been political. I see a need to refocus the debate to the more important substantive issues involved in the EPA controversy. Instead of focusing on past practices and events at EPA surrounding the Superfund program, this bill is prospective in nature and charges the commission to examine the legislative, administrative, and managerial weaknesses of the Superfund Act and its implementation and to make recommendations for change where necessary.

This bill creates a truly bipartisan, congressionally appointed commission comprised of 11 members. Five members would be appointed by the majority leader of the Senate, five by the Speaker of the House of Representatives. Four of these ten commissioners would be Members of the House and Senate, two from each body. These 10 would choose an 11th commissioner.

The commission is to report it's recommendations back to Congress within 6 months, with the opportunity for a 3-month extension. An appropriation of $750,000 is provided to the commission for its work. To allow the commission to begin its work immediately, this appropriation is to be borrowed from the superfund trust fund with a provision for immediate reimbursement to the fund once the money is obtained through the normal appropriation process.

Mr. Speaker, the American people are demanding that the superfund program be examined so that Congress and the administration can make well-informed decisions. This bill would establish a mechanism to provide the kinds of answers the American people want and the Congress needs. I intend to push for its expeditious passage.●

DESALINIZATION RESEARCH

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SKEEN. Mr. Speaker, the Department of the Interior has approved a cooperative agreement with the city of Roswell, N. Mex., to operate for 1 year a water desalinization research plant east of the city. The Department of the Interior has operated the plant since 1962, researching brine water purification and investigating the operational cost and benefits of various desalting processes and products.

Because funding to continue this activity was not included in last year's budget, the Department had requested proposals from private or public entities interested in taking over the Roswell facility, as well as a similar one in Wrightsville Beach, N.C. Because of the desire of these municipalities to absorb and expand the functions of the two plants, Congressman Rose and I have introduced legislation to transfer actual ownership to Roswell and Wrightsville Beach.

The importance of desalting research cannot be questioned. Water is a scarce and vital resource in the Western United States. The future of that section of our Nation hinges on how this resource is conserved and developed. And I am quite pleased to be part of an effort in which a function of the Federal Government is being assumed by local and State government as well as the private sector.●

MEMBERS OF THE HOUSE SUPPORT MENTAL HEALTH COUNSELORS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WALGREN. Mr. Speaker, I am pleased today to reintroduce House Resolution 102, my bill to designate the week of March 20, 1983 as "National Mental Health Counselors Week" with the support of 106 my colleagues in the House.

The thousands of mental health counselors across the country assist individuals in dealing with various personal and adjustment problems. As part of the health care team, mental health counselors provide direct services to individuals in a variety of public and private settings.

Because the mental health counselor has become a valuable member of the mental health care delivery team, providing nearly half of all direct counseling services, I feel it important to recognize the contribution of mental health counselors.

I hope other Members will join us in cosponsoring this bill. The cosponsors follow:

Mr. Addabbo, Mr. Akaka, Mr. Barnes, Mr. Bates, Mr. Bennett, Mr. Berman, Mr. Bevill, Mr. Bonior, Mr. Borski, Mrs. Bouquard, Mrs. Boxer, Mr. Breaux, Mr. Britt, Mr. Brooks, Mr. Broyhill, Mr. Carr, Mr. Chappell, Mr. Collins, Mr. Daub, Mr. Dickinson, and Mr. Dixon.

Mr. Downey, Mr. Dowdy, Mr. Duncan, Mr. Dwyer, Mr. Dymally, Mr. Dyson, Mr. Edgar, Mr. Edwards, Mr. Erdreich, Mr. Fauntroy, Mr. Fazio, Mr. Foley, Mr. Ford of Tennessee, Mr. Florio, Mr. Flippo, Mr. Franklin, Mr. Frenzel, Mr. Gekas, Mr. Gradison, and Mr. Guarini.

Mrs. Hall of Indiana, Mr. Hall of Texas, Mr. Hefner, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Hutto, Mr. Jacobs, Mr. Lagomarsino, Mr. Lehman, Mr. Leland, Mr. Lent, Mr. Levine of California, Mr. McCain, Mr. McCloskey, Mr. McGrath, Mr. McNulty, Mr. Madigan, and Mr. Martinez.

Mr. Mazzoli, Ms. Mikulski, Mr. Moakley, Mr. Murphy, Mr. Natcher, Mr. Neal, Mr. Nichols, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. O'Brien, Mr. Owens, Mr. Perkins,

Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Ratchford, Mr. Ritter, Mr. Roe, Mr. Scheuer, and Mr. Sharp.

Mr. Shelby, Mr. Simon, Mr. Skeen, Mr. Skelton, Mr. Smith of Florida, Mr. Snyder, Mr. Solarz, Mr. Stokes, Mr. Sunia, Mr. Tallon, Mr. Torricelli, Mr. Traxler, Mr. Vander Jagt, Mr. Vandergriff, Mr. Vento, Mr. Washington, Mr. Waxman, Mr. Weiss, Mr. Williams of Ohio, Mr. Wirth, Mr. Wyden, Mr. Yatron, and Mr. Young of Florida.●

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. MADIGAN. Mr. Speaker, it is no secret that America's farmers are struggling to keep their heads above water. A sluggish economy, sagging exports, and large surpluses of agricultural commodities have combined to keep farm prices at less than profitable levels.

Secretary of Agriculture Block and the administration are moving on a number of fronts to help improve the economic lot of our farmers. Round-the-clock efforts are being made to expand existing foreign markets and develop new ones. Negotiations with our European trading partners are continuing in an effort to insure that participants in the world marketplace compete fairly. At home the administration is making every effort to work with farmers who are having serious economic problems. Finally, the administration is implementing a payment-in-kind program to help reduce agricultural surpluses and buoy farm prices.

Basically, the PIK program encourages farmers to dedicate a portion of their productive acreage to conservation uses during the 1983 growing season by providing them with a "payment-in-kind"—an established quantity of the commodity normally grown on the property. These payments in kind, taken from existing surpluses, will be made available to farmers during the normal harvest time of the crops involved.

Under current law, a farmer would be taxed on the value of the payment in kind in the year the commodity was made available to him even though the farmer had not yet sold and received cash for the commodity. In contrast, a farmer not participating in the PIK program would not be taxed on the value of crops grown until the crop was sold. It is clear from this very simple explanation that most farmers would choose not to participate if they were forced to pay taxes before selling the payment in kind or in the alternative, selling the commodity immediately for whatever price they could get. H.R. 1296 will allow farmers to treat their payment in kind as income in the year that they sell it. In addition, it provides that farmers participating in the program will not be penalized under Federal estate tax law.

I want to thank the chairman of the Ways and Means Committee and the subcommittee chairman, Mr. STARK, and the other members of the Ways and Means Committee for their prompt consideration of this matter. I know the committee is extremely busy with other very important and time-sensitive matters.●

NUCLEAR ARMS FREEZE: THE TIME IS NOW

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BEDELL. Mr. Speaker, as you know, yesterday, in an overwhelming vote (27-9), the House Foreign Affairs Committee adopted a resolution calling for a "mutual and verifiable freeze and reductions in nuclear weapons" by the United States and the Soviet Union. As an original cosponsor of this effort, I would like to commend Chairman ZABLOCKI and other members of the House Foreign Affairs Committee for their prompt attention to this vitally important national security matter, as well as to urge my colleagues to support this measure when it reaches the House floor next week.

Although this proposal is nonbinding in nature, I believe its imminent approval by the full House of Representatives will demonstrate clearly to the American people and, indeed, the peoples of the world, the sincerity of our Nation's commitment to ending the nuclear arms race before this arms race ends civilization. Moreover, formal adoption of this measure by the full House will once again reestablish American preeminence in the area of nuclear arms control, strengthen the Atlantic alliance and better the prospects for greater world peace and security.

In this regard, I am sure we all recognize and appreciate the leadership provided by our distinguished colleague from Massachusetts, Congressman EDWARD MARKEY, in both promoting this concept and working for its final approval. His tireless efforts in offering us an opportunity away from the abyss of nuclear catastrophe are heartening and worthy of our attention.

For this reason, I would like to bring to my colleagues attention an insightful editorial regarding the implementation of a freeze that Congressman MARKEY wrote in the February 12, 1983, issue of the Philadelphia Inquirer. As Congressman MARKEY so eloquently points out, the freeze is real, can be implemented now, and, is wholly verifiable through a full gamut of U.S. national technical means currently employed to measure Soviet compliance with other previously negotiated arms control agreements. All that is required now is the political will.

NUCLEAR ARMS FREEZE: THE TIME IS NOW

(By Rep. Edward J. Markey)

Can the freeze be for real?

The nuclear weapons freeze movement in this country certainly is for real. But can we move beyond this public statement and actually have a freeze on the nuclear arms race followed by major reductions?

With the nuclear weapons freeze resolution soon to come up in the U.S. House of Representatives for a second vote (it lost on Aug. 5, 1982, by just two votes) and with its chance of passage much better this time (the Nov. 2 election put more freeze supporters in the House), that's a fair question to ask.

The freeze, like any arms control proposal, poses two important questions: Do we want a freeze now? And, if we do, can we implement it?

The first question can be answered in short order. Of course we want a freeze. In fact, now is the best time to freeze.

For one, public enthusiasm for such an arms control agreement is at an all-time high and this is extremely important. If any arms control enthusiast doubts the value of having the public behind an agreement, remember the lonely days of SALT II.

For another, the superpowers have never been more at nuclear parity than they are now. Under any nuclear war-fighting scenario, both sides have the capacity to reduce the other to rubble and limited war-fighting strategies notwithstanding, military experts agree that any nuclear war scenario most likely will end with all the silos emptied and both sides in rubble. That's what parity is all about. That's why the superpowers can stop today, confident that their deterrence will be maintained.

Both sides are nevertheless improving the nuclear war-fighting capabilities of their nuclear arms, that has resulted in unthinkable weapons of mass destruction having a more thinkable military utility in times of crisis or confrontation.

What's more, miniaturization is producing smaller nuclear weapons, such as ground- and sea-launched cruise missiles, that are more easily hidden and thus more difficult to count. Deploying these weapons will complicate verification, making future arms control agreements even more difficult to conclude:

So not only is now the best time to freeze, it may be our last.

Can we implement a freeze? Of course we can. The question we should be asking now is not "Can we freeze?" but "What is the best way to freeze?"

The freeze resolution before Congress calls for a mutual and verifiable freeze on the production, testing and deployment of nuclear warheads, missiles and other delivery systems, followed by major reductions in both sides' arsenals.

Verification is a major factor in implementing this resolution. Critics claim it's the major hangup.

But an examination of (1) the weapons to be covered by a freeze, (2) the verification capabilities the United States has in place or could easily put in place, and (3) the level

of monitoring confidence needed to detect militarily significant violations of a treaty, reveals that verifying a freeze does not pose the technological hurdles critics claim.

Already the United States has the national technical means of verification (spy satelites, listening posts and radar) which have been established as a result of the SALT negotiations and which can verify the testing and deployment of strategic nuclear missiles and other delivery systems, such as bombers.

The United States can also verify Soviet deployment and testing of intermediate-range missiles and delivery systems. The Reagan administration demonstrated this capability—inadvertently, no doubt—by publicizing every time the Soviets put an SS-20 into place.

Tactical nuclear missiles and delivery vehicles, because they often can be used in conventional roles, are not as easy to verify as strategic and theater systems. But verification of tactical weapons is certainly feasible.

The United States, for example, monitors closely all Soviet land and sea forces; intelligence officials know which forces actually have nuclear missions because of the special training and equipment those forces require.

As for nuclear warheads, their deployment on strategic systems is being verified largely through SALT-establishead verification of the delivery vehicles that carry them. And through seismological monitoring systems already in place or agreed to by both sides in the nearly concluded Comprehensive Test Ban Treaty negotiations, the United States could confidently detect Soviet testing of nuclear warheads.

The production of strategic missiles, bombers and submarines is easy to monitor simply because the systems are too large to hide from our satelites.

That leaves production of nuclear warheads. While the warheads may be easy to hide, a significant quantity of the fissionable material put in them isn't.

Production of weapons-grade nuclear material is a complex process requiring a number of large and highly visible facilities, such as enrichment plants and plutonium production reactors.

The Soviets could probably get away with producing a few bombs undetected but that would add little to their current stockpile of about 25,000 warheads.

For the clandestine warhead production to pose any significant military threat to the United States, the Soviets would need to produce thousands more bombs—and that production would eventually stick out like a sore thumb.

Yes, there are other details to flesh out in implementing a freeze. For example, which of many worthy negotiating strategies should be pursued in achieving a freeze?

Should we, as some arms control analysts have suggested, look for a quick agreement on what can easily be frozen—such as testing and deployment of missiles and bombers—then use this as a confidence-building measure to negotiate a more comprehensive freeze and reductions?

Should we pursue a quick freeze by shrinking SALT limits we already have on strategic systems and by closing SALT's loopholes, then negotiate a more comprehensive agreement?

Or, should we attempt to reach immediately an informal, across-the-board freeze with the Soviet Union on deploying new nuclear weapons a sort of negotiator's pause—so those aspects of the arms race that pose the most immediate danger can be held in check while a freeze and reductions treaty is hammered out?

There are a number of options.

My point is that in implementing a freeze, the opportunites for reaching an agreement far outweigh the technical problems.

Remember, there were those who once thought that freezing the testing of warheads above ground and freezing the deployment of anti-ballistic missiles were nice ideas but too difficult to achieve. The public, however, protested and demonstrated and demanded that we have those treaties, so the Limited Test Ban and ABM treaties were concluded.

Today the public is protesting and demonstrating and demanding a freeze on the nuclear arms race. Let's not squander this opportunity by getting hung up on technicalities that turn out to be merely excuses for not freezing.

The only missing ingredient for achieving a freeze now is political will.●

AMERICAN BEAUTY ROSE? DON'T BET ON IT!

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GAYDOS. Mr. Speaker, while our Government continues to grope for a sound international trade policy, our domestic industries continue to take it on the chin from foreign competitors seeking to ride out the worldwide economic storm by unloading their products and unemployment problems on American shores.

We have seen American mills and factories close. We have seen businesses go under. We have seen unemployment hit figures unheard of since the Great Depression. We have seen a record number of protests against unfair trade practices filed by domestic producers with the U.S. International Trade Commission.

Within the past few weeks, as a member of the House steel caucus and chairman of its executive committee, I have listened to testimony from representatives in the aerospace, metalworking, agriculture, and broadcasting industries about the impact of trade issues on their respective fields.

The evidence continues to mount that domestic manufacturers and producers are the unwitting and unwilling victims of a haphazard national trade policy. Yet, the present administration persists in turning a deaf ear to the rising chorus of complaints.

Now, I understand even the domestic fresh-cut rose industry is feeling the effects of this blight.

Mr. Speaker, I do not mean to sound depreciating or facetious in my remarks. I am quite serious about what is happening in that industry. The floral pattern is the same as that used against our domestic heavy industries. Dumped or subsidized imports are permitted to undersell domestic producers, drive them out of the market, force the layoff of workers, and ultimately eliminate the competition.

According to what I have been told, the number of imported roses has risen dramatically since the early 1970's. As with steel and other products, the majority of the imports are sent by growers who are heavily subsidized by their governments. In some instances, as high as 18 percent.

In a 2-year period, 1980 through 1981, rose imports grew 57 percent. Last year, foreign roses captured 18 percent of the domestic market, doubling in volume and percentage its share within 2 years. The impact was predictable. Domestic growers declined in number and we have been warned that unless something is done to stem the wave of imports, many others will be forced out of the market.

And, as with steel and other industries, domestic rose growers have found the Federal Government a thorn in their efforts to seek relief from unfair trade practices.

The industry has been repeatedly unsuccessful in petitioning the ITC for more equitable tariffs on imported roses. The Commerce Department did issue a preliminary determination against the Colombian Government for subsidizing its flower exports but, instead of imposing countervailing duties, the Department signed a suspension agreement and, in effect, negated its preliminary determination.

Mr. Speaker, we must develop and enforce a strong trade policy if our Nation's industries, including the rose growers, are to survive.

It is not wise, I know, to be in such a hurry that you forget to take time to smell the flowers. That's good advice in most instances. But, in this case, haste is essential in establishing a sound trade policy or we may not have any flowers left to smell, domestically grown, that is.

The next rose you sniff might be an American Beauty—but would you bet the house on it?●

UNEXPURGATED EPA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mrs. SCHROEDER. Mr. Speaker, today, Representative JAMES H. SCHEUER and I wrote to President Ronald Reagan about evidence recently brought to our attention about a coverup of wrongdoing at EPA.

I would like to share that correspondence with my colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1983.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is an April 20, 1982, memorandum to EPA Administrator Anne M. Burford (Gorsuch) from then EPA Inspector General Matthew W. Novick, subject "Briefing Paper—James W. Sanderson."

To place the April 20, 1982, memorandum in context, the EPA Inspector General submitted his draft Report of Investigation (file number 1-82-017) on the James W. Sanderson Conflict of Interest Investigation to the Department of Justice for a prosecutive opinion on April 14, 1982. The Inspector General submitted the same report to several House and Senate committees and subcommittees on or about April 26, 1982. On April 21, 1982, the Inspector General had hand-carried to White House Counsel Fred F. Fielding *an expurgated version* of his April 20, 1982, memorandum to the Administrator (see enclosure).

Mr. Sanderson was serving as a special assistant to the EPA Administrator in April 1982 and continued to serve until June 3, 1982, when he withdrew his name from consideration for presidential nomination as Assistant Administrator of EPA and apparently resigned his special assistant position voluntarily.

Our concerns are five:

First, the memorandum indicates that the Adminstrator was provided with analysis and conslusions of an investigation of her special assistant that were apparently not shared with the White House, the Department of Justice, or Congress.

Second, contrary to assurances given to congressional investigators and EPA employees, the Administrator was provided with the names of EPOA employees who gave damaging statements about her special assistant along with a synopsis of their statements.

Third, there is no evidence that the Administrator took any action on her special assistant's activities, in spite of the evidence provided to her on April 20, 1982. Indeed, he remained in his position until he voluntarily withdrew in June, and continued, even after his resignation, to enjoy access to top EPA officials, including the Administrator and the General Counsel.

Fourth, the Inspector General declined to depose the Administrator as part of the investigation of her special assistant, but had no hesitation about confidentially briefing her about the contents of the investigation. There is some indication—"As you are aware" (second paragraph)—that the Administrator had received previous briefings on the investigation of her special assistant.

Fifth, EPA officials advised Congress and the White House that the investigation of the Administrator's special assistant was being actively pursued with the Department of Justice (see, for example, the Inspector General's June 29, 1982, letter to White House Counsel Fred F. Fielding). These statements are contradicted by the Inspector General's prediction to the Administrator in the memorandum that the "Justice Department will decline prosecution."

The April 20, 1982, memorandum was not made available to us until this week. It raises serious new questions about the EPA Administrator's involvement in the conflict of interest investigation of her special assistant, and about the independence of the agency's Inspector General.

The Inspector General advised the Administrator, via this memorandum, which was apparently also the basis for a confidential briefing that same date, that "there are numerous areas of interest in the evidence gathered that could prove troublesome or embarrassing to the Agency should someone choose to make them an issue."

It is not clear if that "someone" is the Congress, the Department of Justice, or the public.

He cites ten incidents, which range from strong evidence of conflict of interest to clear illegalities. These ten incidents *were expurgated* in the April 21, 1982, EPA letter to the White House Counsel.

The Inspector General further advised the Administrator that her special assistant had, at a minimum, created the appearance of conflict of interest in his "comingling his private business with his public employment."

Finally, he advised the Administrator that in his opinion "the Justice Department will decline prosecution." This prediction *was also expurgated* in the April 21, 1982, EPA letter to the White House Counsel.

This appears to be an opportunity for you to make good on your February 16, 1983, pledge to avoid any cover up of wrong-doing at EPA. There is a widespread public lack of confidence in the commitment of this administration, and EPA in particular, to enforce our country's environmental protection laws.

Sincerely,

PATRICIA SCHROEDER,
Chairwoman, Civil Service Subcommittee, Committee on Post Office and Civil Service.

JAMES H. SCHEUER,
Chairman, Subcommittee on Natural Resources, Agriculture Research and Environment, Committee on Science and Technology.

Enclosures: As stated.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 20, 1982.

MEMORANDUM

Subject: Briefing paper—James W. Sanderson.
To: Anne M. Gorsuch, Administrator.
From: Matthew N. Novick.

Enclosed you will find an advance copy of our Investigative Report concerning allegations of conflict of interest involving James W. Sanderson.

It should be noted that, as required, this report was formally submitted to the Justice Department on April 14, 1982 for a prosecutive opinion. Bob Andary, attorney, Public Integrity Section, (Telephone 724-7061) is handling the case and promised to have an opinion by May 7, 1982. This report should not be considered complete until we have Mr. Andary's opinion.

As you are aware, this investigation was based upon a series of six letters received from Patricia Schroeder, Congresswoman. As this investigation was well under way before all the letters were received, the report only covers the allegations contained in the first four letters.

In her last two letters, Congresswoman Schroeder raises an issue unrelated to the thrust of our present investigation. This issue related to a court case known as *Denver* v. *Andrus* in which EPA is responsible for insuring that the Denver Water Board complies with the provisions of the settlement. It is alleged that Sanderson, acting as a private attorney, representing the Denver Water Department, attended a meeting with the Corps of Engineers for the purpose of discussing provisions of the settlement. The question here seems to be "was this a matter that was pending before EPA or was EPA merely a party to the settlement?" These allegations were transmitted by the Congresswoman to the Justice Department and are presently being evaluated by Mr. Andary and the FBI for investigation. We will keep you apprised of the outcome.

Because this report was intended for presentation to the Justice Department it contains no conclusions or opinions; nor does it directly address itself to the question of appearance of conflict of interest although the evidence gathered could be used to make that determination. Executive Order No. 11222 and 40 CFR 3 states that a special government employee "must refrain from any use of his public office which is motivated by, or gives the appearance of being motivated by the desire for private gain." While it appears that Mr. Sanderson took pains to "wall himself off" from his law clients while acting as an EPA employee, it was not always evident to others that he was not commingling his private business with his public employment. Because of his caution in not violating the letter of the law, I feel that as far as the issues addressed in this report are concerned, there has been no violation of Federal criminal statutes (USC Title 18) as alleged. I believe the Justice Department will decline prosecution.

In addition, there are numerous areas of interest in the evidence gathered that could prove troublesome or embarrassing to the Agency should someone choose to make them an issue. The following areas are identified for your convenience:

1. Sanderson's attorney, Paul Cooper, acknowledges that it is possible that Sanderson used his EPA staff to schedule meetings with clients and may have used a government car for personal business. However, he asserts that this is a common practice that goes with Sanderson's rank.

2. The investigation shows that in Sanderson's case timekeeping procedures were virtually nonexistent. He did not provide anyone at EPA with an accurate report of his time. His time cards were automatically submitted. On five occasions he was paid for days he did not work.

3. Personnel procedures were not followed. At the conclusion of his first period of employment on July 25, 1981, Sanderson's termination was not processed. Later, on October 4, 1981, when he returned to EPA his termination papers for the first period were processed.

4. When Sanderson returned to EPA his SF-61, appointment affidavit was dated October 13, 1981, and given to Sanderson. He was not sworn in as required, nor did he sign the affidavit on the date indicated.

5. There exists an unresolvable conflict in testimony between Steven Durham on one hand, and David Standley, James Thompson, and Gene Lucero on the other. All three men said Durham told them that his decision not to approve the Colorado water standards and stream classifications was out of his hands as he was following instructions from Headquarters. Durham denies having said this.

6. Thompson said Durham's change of mind regarding approval of the Colorado water standards coincided with a telephone call Durham received from Sanderson. Both Durham and Sanderson denied the allegation that Sanderson directed Durham to withhold approval of the standards.

7. Durham's change in position regarding approval of the Colorado water standards coincides with a conversation Thompson had with William Pederson, attorney, EPA Office of General Counsel. Pederson told Thompson that he received a call from Sanderson as a private attorney inquiring about the options a Regional Administrator would have in regard to the Colorado water quality standards. The options that Pederson gave Sanderson were the same options that Durham said he had after the alleged call from Sanderson.

8. In Pederson's testimony he relates how he and Perry and Thompson all agreed that they had no concern about a possible conflict of interest on the part of Sanderson because the State had withdrawn its submission of the standards. This was a faulty premise as the State had not withdrawn its submission.

9. Sanderson acted as a conduit for Colorado State Senate President, Fred Anderson, to obtain legal advice from EPA's Office of General Counsel on proposed law S.B. 10. Frank Traylor, Director of the Colorado Department of Public Health, testified that Sanderson saw him in May as a private attorney representing Coors and tried to influence him regarding S.B. 10.

10. Finally, the investigation shows that although it is legally permissable, Sanderson frequently did work for clients on days he was employed at EPA. He claimed that on these days he worked 10 to 14 hours. He also claimed that he worked over 24 days of two hours or more at EPA without compensation. This claim could be viewed as an attempt to avoid the additional legal restrictions imposed after 60 days' employment. After 60 days' employment, an employee has a conflict of interest if he represents a client who had a matter pending before EPA. If he worked less than 60 days he must have been involved personally and substantially in the matter as an EPA employee in order to be in violation. Also, after 60 days a financial disclosure statement is required.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 20, 1982.

Mr. FRED F. FIELDING,
Counsel to the President,
The White House, Washington, D.C.

DEAR MR. FIELDING: Enclosed you will find an advance copy of our Investigative Report concerning allegations of conflict of interest involving James W. Sanderson.

It should be noted that, as required, this report was formally submitted to the Justice Department on April 14, 1982 for a prosecutive opinion. Bob Andary, attorney, Public Integrity Section (Telephone 724-7061), is handling the case and promised to have an opinion by May 7, 1982. This report should not be considered complete until we have Mr. Andary's opinion.

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Sincerely yours,

MATTHEW N. NOVICK.●

WITHHOLDING: "COMPUTER NIGHTMARE"

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. D'AMOURS. Mr. Speaker, I would like to share with my colleagues in excellent article from today's Wall Street Journal on the technical problems created by interest and dividend withholding. It is clear from this article that implementing withholding will be very expensive.

It should not be surprising to Members that last week the Treasury acted to exempt itself from the burden of withholding on the bulk of its securities for an additional 6 months. Even though the Treasury exempted itself for 6 months businesses will have to start withholding on dividends on July 1, and banks will have to start withholding on certificates of deposit on July 1. Banks will also have to have computer programs in place July 1, in order to do the calculations that will be required to withhold on savings accounts and other types of accounts that will still be required at the end of the year.

The article follows:

[From the Wall Street Journal, Mar. 9, 1983]

BANKS GRAPPLE WITH SOFTWARE IN WITHHOLDING

(By Virginia Inman)

When the government decided to withhold tax money from interest income, it created a computer nightmare for banks.

Beginning July 1, banks must keep 10% of the interest they pay customers and send the money to the Internal Revenue Service. For people in bank computer departments and in software and data-processing companies serving financial institutions, the deadline is uncomfortably close.

"We're already working day and night against that July 1 deadline," says Chris Jensen, president of Jack Henry & Associates, a Monett, Mo., software company with 180 banks as customers. Taking advantage of the low demand for computer time at night, the company's development director has been working a 12-hour shift, from 1 p.m. to 1 a.m., to get the system ready.

The IRS issued preliminary withholding regulations in September, but a spokesman says final rules won't be ready for a couple of weeks. Banks still have unanswered questions, especially about how to handle certain kinds of trusts. Regulations have already changed somewhat, and banks fear further alterations.

SOME HAVE MOVED SLOWLY

Even without changes, the job requires computer departments to do in nine months what some say ideally should take two years. Some banks have moved slowly, hoping Congress would repeal the act, which became law last August. The law affects all interest-bearing instruments—savings and NOW accounts, certificates of deposit, and bonds. Dividends also are liable to withholding. Usually banks use different software packages, often written at different times by different people, to handle different instruments. To comply with the new law, computer programmers must modify numerous software systems.

"It's just one huge, huge job, and it's going to require all my resources from now to June," says John Brewington, corporate executive officer for operations at Virginia National Bankshares Inc., Norfolk. The project uses the equivalent of 15 to 20 full-time employees, but all 200 programmers and systems analysts have contributed at least some time. Mr. Brewington estimates that altering the bank's software will cost about $2 million, "not a little bit of change for this institution," which has assets of $3.9 billion.

POSTPONING OTHER PROJECTS

Putting time and money into designing withholding systems means postponing work on other projects. Max Hopper, executive vice president for retail information and processing services at Bank of America, says delays in product development will cost the bank at least $8 million in lost profit, $3 million more than the bank will spend to change its software system.

John Williams, chairman of Computer Services Inc., a Paducah, Ky., bank-serving company, says designing withholding software has delayed the release of a new individual retirement account processing system and microcomputer applications, as well as improved electronic funds transfer and automatic teller-machine offerings. Though he admits companies like his will profit from the law, Mr. Williams says, "there are just far more valuable things to be done."

Software suppliers usually have maintenance agreements that require them to keep customers' systems up-to-date as regulations change.

Systematics Inc., a Little Rock, Ark., software company, must change six major software systems, excluding those for trusts, and install the changes in 41 data systems. Eight full-time programmers have been working for three or four months on the project, which will cost the company "well

over $1 million," says Walter M. Smiley, chief executive. About two weeks ago, when several governors suggested withholding by states, Systematics programmers redesigned their work to accommodate state withholding.

SEEKING EXTENSIONS

Some people are calmer than others. Fran Sperling, assistant vice president in product management at Security Pacific National Bank in Los Angeles, says the bank's withholding system for deposit instruments is 95% complete. Advised that chances of repeal were low, the bank started planning software changes in late September. "We're feeling pretty comfortable where we stand right now," says Mr. Sperling.

The bank's trust department isn't quite as happy. "We're holding off on going to customers as long as we think we can, because until we see the final regs, we aren't exactly sure what to tell them," says David L. Blanchfield, senior vice president for the financial management group. If final trust regulations differ much from proposed rules, creating software could become a problem.

William E. Campbell, head of software development for Chemical Bank, says he doesn't think all the bank's software, particularly for its securities systems and corporate trusts, will be ready by July 1. Like other banks and software companies, Chemical will have to ask for an extension in some areas. How receptive to such requests the government will be is unclear.●

WHAT'S NEXT? THE KITCHEN SINK?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GAYDOS. Mr. Speaker, I used to think America was importing everything from abroad except the kitchen sink. Alas, I find we may soon be doing that too—if we are not already.

According to an article I read in a recent issue of the Sunday-Review, published in Greensburg, Pa., Americans can expect a wave of imported pots, pans, tableware, and small electric appliances in the near future.

The catalyst for this new surge, the article indicates, was a display held by 47 Italian housewares manufacturers at the Italian Trade Center in New York. More than 10,000 American retailers viewed the products, many of which had never been seen in the United States before.

Why a show in New York when similar fairs are held regularly in Milan and heavily attended by American shoppers? Dr. Giorgio Corrias, the Italian trade commissioner in New York, explained why in the news article.

Dr. Corrias is reported as saying the American market has become very important to Italian manufacturers. In 1981, the article states, one-fifth of all imported coffeemakers, electric food processors, slicers, choppers, and grinders came from Italy. The figure was 31 percent for similar nonelectric food preparation utensils, according to the report.

Poor economic conditions in Western Europe were said to have forced manufacturers there to look elsewhere for a market where they could sell their products and keep their employees and plants in operation.

"We looked at your market figures and that persuaded us to come to the United States," the article quotes Giovanni Colombo. Mr. Colombo is identified as being with a firm that makes pots, pans, and pressure cookers and was showing in New York for the first time.

Mr. Speaker, if we already are importing food processors, pasta makers, woks, electric rice cookers, coffeemakers, and other kitchen utensils and tools, can sinks be far behind?●

THE COMING CRISIS IN FEDERAL RETIREMENT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GINGRICH. Mr. Speaker, I recommend these two documents to all my colleagues who are concerned about the future of the civil service retirement system.

[From OPM News, Feb. 22, 1983]

REFORMS SEEK SELF-SUPPORTING, COST-CONTROLLED PENSIONS, SOCIAL SECURITY TO COVER NEW FEDERAL EMPLOYEES

MIAMI, FLA.—Reforms aimed at controlling escalating federal pension system costs, restoring the system's financial health and original purpose, and making the system fairer to the taxpaying public were discussed here today by Donald J. Devine, Director of the U.S. Office of Personnel Management (OPM).

"Few Americans realize that the true debt of the Civil Service Retirement System (CSRS) now totals one half trillion dollars ($500 billion). On a per person basis, the unfunded liability of CSRS is much greater than that of the Social Security system. While Social Security outlays grew 1,209 percent between 1960 and 1981, CSRS outlays grew 1,891 percent. More critically, while Federal employee contributions have increased 427 percent, government contributions have grown 2,351 percent. Clearly, CSRS needs reform even more than does the Social Security system," said Devine.

"The $20.8 billion annual contribution by the Federal Government (which does not include $9 billion in interest paid on government securities) makes CSRS the fourth largest Federal entitlement program. Most federal employees believe that their retirement system is funded entirely by the seven percent salary contributions they make and the matching amount contributed by their employing agencies. But it's just not true.

"In actual fact, OPM, through payments drawn directly from the U.S. Treasury, adds another 26 percent of payroll just to fund current benefit payments and meet legal requirements. Even with this heavy commitment of general revenue, the unfunded liability of the system is huge and growing. During 1980 and 1981 alone, the unfunded liability of CSRS grew by nearly 24 per cent. There is growing concern that American taxpayers will be unwilling to continue supporting such a large level of expenditure through a system that desperately needs these reforms," Devine continued.

Noting that CSRS benefits are quite generous in comparison to private sector pension practices, Devine pointed out that "federal employees can retire with full benefits at age 55 with 30 years of service, whereas most private sector employees can not do so until age 65. In fact, half of all federal employees retire before age 60, compared with only 7 percent who do so in the private sector.

"While federal employees receive full benefits (56 percent of their pretax salary) when they retire at age 55, with 30 years of service, private sector employees receive the equivalent of a 75 percent income reduction at age 55. Put another way, a federal employee will receive about double the amount in total pensions paid over a lifetime in comparison with a private sector individual who retired at age 55."

Unlike most private sector pension plans, CSRS benefits are fully indexed to the Consumer Price Index (CPI). Most private sector retirees receive indexed Social Security benefits, but their private sector add-on pensions rarely are indexed. "Only 42 percent of all private sector retirees have an add-on pension plan in addition to their Social Security benefits, only three percent have guaranteed indexing built into their private pensions and benefits for the remainder are increased, on the average, at rates of three percent per year of less," Devine said.

"The generous cost of living raises which result have created a situation in which a federal employee who retired in 1972 at the same time as a typical private sector friend, and received the same initial retirement pay, is today receiving at least 25 percent more in monthly benefits than his friend," Devine continued.

Typical private sector employers pay a 5.4 percent retirement contribution for Social Security, as well as an additional 11 percent of salary for add-on staff plans for those companies which provide such plans. The Federal Government pays 7 percent from agency payrolls and the additional 26 percent through the U.S. Treasury. The total 33 percent government contribution represents nearly twice the typical private sector payment.

"Even if one adds in the long term (40 years) employer's share of the Social Security unfunded liability for the private sector, the employer share still represents only 31 percent of payroll. Allocating the equivalent unfunded CSRS liability over 40 years would require the Federal Government to pay an incredible 85 percent of payroll in employer retirement costs, which is far, far more than any private sector employer would pay," Devine said.

"At one time, more generous retirement benefits for Federal employees could be justified on the basis that federal employees were underpaid compared to the private sector. However, several public and private studies now indicate strongly that federal employees no longer trail the private sector in pay. We are very concerned that the more than two-thirds of Americans surveyed in polls who believe that federal employees are over-paid in salary and benefits, like retirement, will turn against the system

unless reforms are made. No retirement system can survive in the long run in the face of such substantial public disenchantment. These reforms are designed to head off that kind of rebellion among the taxpayers," Devine continued.

The retirement system reforms described today were developed at OPM, and were included in the President's Fiscal 1984 Federal budget. One proposal would raise the age of retirement with full benefits to 65 with 30 years of service. Retirement at age 55 would remain an option for federal employees but those choosing to do so would be charged an actuarial reduction for early retirement. Due to the gradual phase-in of the proposed reforms, employees eligible for retirement at enactment would not be affected by the changes.

Adjustments for those below age 55 are also phased-in to account for past contributions to the retirement system. The actuarial reduction for early retirement for each year below age 55 with 30 years of service would be one-half of one percent per year. For an individual who is 54 at the time of enactment, for example, there would be a 5 percent reduction for retirement at age 55. Once the proposed reforms are fully implemented, persons retiring at age 55 would receive 50 percent of full retirement income. A person retiring at age 60 would receive 75 percent of full retirement income.

Two important benefits are expected to result from the proposed reforms. Federal employees would be encouraged to work longer, thus providing the public with the added benefit of accumulated experience in the civil service, and the CSRS would receive additional revenue and incur reduced outlays.

Among other proposed changes are provisions designed to insure that, in future years, CSRS will be fully supported by equal contributions from employees and the Federal Government. Employee contributions are presently seven percent of payroll and would rise to nine percent in Fiscal Year 1984 and 11 percent in Fiscal Year 1985. As a result of this change, true actuarial value of retirement benefits would be set at a level of 22 percent of payroll, fully supported by employee and agency contributions. Benefits paid by CSRS would remain competitive with private sector pension plans.

Other proposed changes freeze the cost of living allowance for retirees in Fiscal Year 1984 and return CSRS benefit calculations to an average of the "high five" years of an employee's earnings history, rather than the present high three years. This change would be implemented in three years. All off-budget federal agencies would also be required to meet the full costs of funding the system.

A separate staff plan is being developed by OPM for new federal employees who would be covered under the Social Security system, as an add-on benefit system. Putting new Federal workers under Social Security was proposed by the President's Commission on Social Security, and has been endorsed by the Administration. The combined cost of the new Social Security-plus-staff plan would equal that of the modified CSRS retirement plan, and benefits would be comparable.

"The net effect of these reform proposals," Devine concluded, "will be to put the Civil Service Retirement System on a sound financial foundation, ensuring that it will continue to provide benefits to retired federal employees and their dependents. These reforms are in the interest of the federal employee who depends upon CSRS and the taxpayers who must pay for the system and its benefits."

[From the Washington Post, Feb. 4, 1983]

THAT PROPAGANDA ABOUT FEDERAL PENSIONS

(By Sylvester J. Schieber)

Several of the organizations that represent federal civilian and postal workers have begun a full-scale attack on the proposal to cover new federal workers under Social Security. In each instance, the presentation distorts the actual facts pertinent to the consideration of this proposal made by the National Commission on Social Security Reform.

The attack is being staged through a series of newspaper and radio advertisements. In addition, a set of statistical analyses that purport to show the cost of the proposal are being distributed around Capital Hill. Finally, op-ed pieces by union leaders have appeared in the newspapers (for example, Kenneth Blaylock's piece in The Post on Jan. 27). These presentations make three basic points.

First, without new contributions the Civil Service Retirement System (CSRS) would go bankrupt, and taxpayers would have to shoulder the burden. The implication is that employee contributions ensure the solvency of the CSRS—dry up the contributions and benefits cannot be paid.

The fact is that if employee contributions were the only source of income to CSRS the fund would be depleted by 1987 or 1988 at the latest. Even if the system operated in the fashion that many federal workers believe (i.e., employee contributions plus a matching agency contribution plus trust fund interest) the fund would be depleted sometime between 1993 and 1995. The fact of the matter is that the current CSRS is primarily dependent on taxpayer support on whatever basis the cost of the system is considered.

There are those who argue that taxpayer support is now required because of past imprudence: massive liabilities (i.e., benefit promises) were accumulated but never funded. The National Federation of Federal Employees argues that "the unfunded deficit originated because the federal government failed to pay its share into the fund from 1920 to 1956." This perception ignores the recent unprecedented growth of these unfunded obligations.

Of the roughly $500 billion in unfunded benefit promises on the CSRS books at the end of fiscal year 1981, nearly one-quarter (23.8 percent) arose during 1980 and 1981. Not only is the current CSRS largely dependent on taxpayer support to meet current benefit payments; it continues to accumulate added liabilites for future generations of taxpayers as well.

The second point opponents of expanded Social Security coverage argue is that covering new federal workers will mean higher future budget costs for federal retirement. The annual budget cost of federal retirement equals the total benefits paid minus employee contributions. The Senate Governmental Affairs Committee recently released an analysis that shows that covering new federal workers under Social Security and providing them with supplemental pension protection could actually reduce the budgetary burden of federal retirement.

The savings of such a program depend on the level of benefits provided by the combined elements of the system and the level of total contributions required of those who would participate in it. It is unlikely that the relative level of retirement benefits going to future federal workers will be any higher than now. Further, it can be easily demonstrated that the future net contributions of federal workers to Social Security would be roughly equivalent to their current contributions to CSRS.

The third point opponents of Social Security coverage of federal workers argue is that such a policy would ultimately raise Social Security costs. There has never been a set of cost estimates by any of the responsible parties that shows the net cost of Social Security rising as a result of covering federal workers. Wishing that the numbers showed such a cost increase, or merely saying it, does not make it so. In actuality, the estimates by the Social Security actuaries have consistently shown significant short- and long-term savings for other payroll taxpayers if federal workers are covered under Social Security.

Federal workers have borne the brunt of some reprehensible political rhetoric in recent years. They now feel they are being singled out to bear an unjust share of a budget-balancing exercise.

One of the reasons they are being singled out on the pension side is that they stand alone in many regards. They do not participate in Social Security, although three-fourths ultimately get benefits. They receive better cost-of-living allowances than most retirees. Finally, they are perceived to retire earlier than most workers. Whether it is right or wrong, there is a broad perception that CSRS provides much more generous protection to federal workers than is available to taxpayers who bear most of the CSRS cost.

This perception has led to proposals in the 1984 budget that would raise the CSRS contribution from 7 percent to 11 percent of salary by 1985, an increase of 57 percent. Workers reaching retirement eligibility at age 55 after 1984 would only get half the benefits now provided by CSRS and would have to work until age 65 to get full benefits. By comparison, the national commission recommendations on raising Social Security taxes would only increase program revenues by about 4 percent between 1983 and 1989. Their recommendations for delaying the 1983 COLA and taxing benefits amounts to about 4 percent of projected cash benefits over the period.

If federal workers were participating in Social Security, they would be subject to the same changes that were being discussed for the rest of society for their basic retirement program costs and benefits. If they had a supplemental retirement program that compared with those provided by other large employers, they could get much greater public sympathy and support against arbitrary changes in their own retirement programs.

Even with carefully worded statements and supporting analyses, federal workers and retirees have a difficult case to make to the general public. Attempting to confuse the Social Security policy discussion or to destroy the compromise package through partial or misleading analyses of federal pension costs will not help their cause, their credibility, or their standing with the public.●

TRIBUTE TO A DEDICATED LEADER WILLIAM B. HOPKINS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. LENT. Mr. Speaker, I rise to bring to the attention of my colleagues a signal honor being accorded to a distinguished resident of Long Island, N.Y. I refer to William B. Hopkins, of Dix Hills, N.Y., an outstanding business and civic leader, known throughout Long Island for his selfless efforts on behalf of his community.

In the world of business, Bill Hopkins has distinguished himself as president of Roosevelt Raceway, and in a number of offices in the Long Island Association of Commerce & Industry.

However, Bill is not the type of man to confine his activities to the world of business. His interests and activities in community affairs have been numerous and outstanding. But nowhere has he given of his time and energy more unstintingly than as an advocate for and leader of the Long Island Committee for Soviet Jewry, to support and assist the thousands of Soviet Jews seeking the freedom to practice their religion in the country of their choice.

As a Member of Congress who has worked closely with the Long Island Committee for Soviet Jewry to challenge the oppression and persecution to which the courageous Soviet Jews are being subjected, I am well acquainted with Bill Hopkins' outstanding efforts in this vital human rights cause. I know of his personal dedication and devotion to the work of the committee. I know of his strong leadership in organizing support for the committee and for the many-faceted efforts it undertakes on behalf of Soviet Jews seeking freedom.

I am particularly pleased, therefore, to inform my colleagues that my good friend Bill Hopkins is being awarded a signal honor by the Long Island committee at its annual Freedom Dinner to be held this coming Sunday, March 13, 1983. In recognition of his selfless efforts in support of the human rights cause, the Long Island Committee for Soviet Jewry is honoring him with the 1983 Freedom Award.

Certainly, no one has done more to deserve this honor than Bill Hopkins. I know that my colleagues in the House of Representatives join me in offering our congratulations and commendation to Bill Hopkins for his outstanding leadership in efforts to gain freedom for persecuted Soviet Jews, and to offer our best wishes for his future work in support of the cause of Soviet Jewry.●

THE EMERGENCY COMMODITY DISTRIBUTION ACT OF 1983

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BIAGGI. Mr. Speaker, on February 17, I introduced the Emergency Commodity Distribution Act of 1983 along with my colleagues CARL PERKINS, WILLIAM FORD, and GEORGE MILLER of the House Education and Labor Committee. I believe that H.R. 1535 represents a humane and well-thought out response to the pressing need before us to distribute surplus USDA commodities to the hungry, the needy, and the elderly of this Nation.

The Emergency Commodity Distribution Act of 1983 requires the Secretary of Agriculture to distribute warehoused commodities to eligible organizations which assist the needy as well as existing child and elderly feeding programs. Right now, the Secretary of Agriculture is sitting on hundreds of millions of pounds of these foodstuffs—including dairy, wheat, and honey. Despite the pleas of Congress and organizations involved in donating food to the hungry, the Secretary has chosen to ignore our requests to expand the current cheese giveaway program to other useable food items.

The House Education and Labor Committee, where I am the senior New York member, has conducted two hearings on the commodity distribution issue and our response to the testimony presented before us was H.R. 1513, which represents a refinement of similar legislation I introduced earlier this year, H.R. 1162. This bill, H.R. 1513, sets up no new bureaucracy but instead, uses existing transportation, storage, and distribution routes to get out the food to the people.

I commend our colleagues on the Appropriations Committee who included $50 million in the jobs bill, H.R. 1718, and passed by the House last week, for the distribution of emergency food and shelter. These funds would be appropriated by a national board, comprised of representatives of volunteer organizations. While I am supportive of providing funds to such organizations at the local level, I do not believe that this legislation will address the total commodity problem—that being insuring that the Secretary, in fact, does expand the list of available surplus commodities to those who can use them, and does, in fact, distribute them without charge or credit to States.

For the benefit of my colleagues, I am inserting into the RECORD a copy of H.R. 1513 as well as an analysis of its provisions. I commend the work of all our colleagues in the House that are seeking to address this commodity issue and urge that H.R. 1513, the Emergency Commodity Distribution Act of 1983, be given serious consideration as a supplemental program to our efforts to get the food to those who need it—the people.

H.R. 1513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Commodity Distribution Act of 1983".

SEC. 2. Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended by inserting at the end thereof the following new subsection:

"(g)(1) In addition to stocks of the Commodity Credit Corporation provided under subsection (a) and notwithstanding any other provision of law, the secretary shall make available to eligible recipient agencies any commodities owned by the Commodity Credit Corporation and not distributed or obligated under contract within 60 days after the date of enactment of the Emergency Commodity Distribution Act of 1983. Eligible recipient agencies shall be: (A) programs and projects authorized under this act, the Child Nutrition Act of 1966, and title III of the Older Americans Act of 1965, an (B) public and private nonprofit services institutions, disaster relief organizations, and other entities that relieve situations of emergency through the provision of food to low-income and unemployed persons.

"(2) The Secretary shall provide the commodities made available pursuant to paragraph (1) in forms suitable for home or institutional use, and in such quantities as may be requested and used without waste by the State agency for distribution to eligible recipient agencies. Such commodities shall be made available by the Secretary without charge or credit to any eligible recipient agency.

"(3)(A) The Secretary shall use funds available under the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to provide cash assistance to State agencies in an amount equal to 5 cents for each pound of commodities made available under paragraph (1) for expenses incurred in such commodities. To the extent possible in using such cash assistance, State agencies shall make available funds to eligible recipient agencies for transportation and handling costs associated with obtaining and distributing other non-federal commodities or food items donated for use by eligible recipient agencies (including commodities subject to flow-to-market restrictions authorized by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601)). State agencies shall ensure that cash assistance provided does not exceed the actual costs of transportation, storage, processing, and distribution of commodites made available under paragraph (1) in addition to the actual costs of transportation and handling of such other commodities and food items as may be obtained pursuant to this paragraph.

"(B) No State may charge the eligible recipient agency for any expenses or costs related to the transportation, storage, processing, or distribution of commodities made available under this subsection.

"(4)(A) The Secretary may provide commodities directly to any eligible recipient agency and shall do so when State agencies are not permitted by law to make distribution to certain categories of eligible recipient agencies. The Secretary shall also provide for the transportation, storage, process-

ing, and distribution of any commodities under this subparagraph.

"(B) In order to maximize the use of commodities made available under this subsection, the Secretary and State agencies, to the maximum extent possible, shall enter into inventory agreements with private companies through which such commodities are reprocessed into end products for use by eligible recipient agencies.

"(5) Within 90 days after the date of enactment of the Emergency Commodity Distribution Act of 1983, the Secretary shall publish an announcement of the commodities and the quantities of such commodities which are likely to be made available under this subsection.".

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C.

SUMMARY DESCRIPTION OF H.R. 1513

TITLE AND AUTHORIZATION

Amends section 14 of the National School Lunch Act (NSLA) to add a new subsection (g), entitled the "Emergency Commodity Distribution Act of 1983." (Section 14 of NSLA is authorized through FY 1984).

COMMODITIES AVAILABLE

Requires that in addition to the Commodity Credit Corporation (CCC) stocks provided to meet mandatory support levels for child and elderly nutrition programs, the Secretary make available to these and other specified programs, any commodities owned by the CCC and not distributed or obligated under contract within 60 days after enactment.

ELIGIBLE AGENCIES

Agencies eligible for bonus commodities are the programs authorized under the National School Lunch Act, the Child Nutrition Act of 1966, title III of the Older Americans Act of 1965, and public and private nonprofit service institutions, disaster relief organizations and other entities that relieve emergency situations through provision of food to low-income and unemployed persons.

FEDERAL REQUIREMENTS AND LIMITATIONS

In providing commodities to recipient agencies, the Secretary is to make them available in quantities requested to the extent that they can be used without waste and in forms suitable for home or institutional use. Commodities provided to State agencies for distribution to the recipient agencies, are to be made available by the Secretary without charge or credit to the recipient agencies.

ADMINISTRATIVE FUNDS

Provides cash assistance to State agencies for the transportation, storage, processing and distribution of commodities to eligible agencies in an amount equal to 5 cents for each pound of commodities made available. Funding for this purpose is derived from section 32 of the Act of August 24, 1935. In using cash assistance provided under this bill, States are to provide funds to recipient agencies, to the extent possible, for costs associated with obtaining and distributing other non-Federal commodities or food items that are donated to them. Such items would include commodities that are donated by farmers which cannot be sold due to "flow-to-market" restrictions authorized under the Agricultural Marketing Agreement Act, and food items donated by local food stores or suppliers.

STATE LIMITATIONS

Provides that in receiving administrative funds, States be required to ensure that the amount provided does not exceed actual costs associated with transportation, storage, processing and distribution of the Federal commodities, and the costs associated with handling and distribution of non-Federal commodities or food items. Additionally, States are not permitted to charge eligible recipient agencies for any expenses related to the transportation, storage, processing or distribution of commodities they receive under this bill.

DIRECT FEDERAL DISTRIBUTION

Permits the Secretary to distribute commodities directly to eligible recipient agencies, and requires that the Secretary do so when State agencies are not so permitted by law.

PRIVATE INVENTORY AGREEMENTS

Requires the Secretary and States, to the maximum extent possible, to enter into inventory agreements with private companies for the further processing of commodities into end products.

PUBLISHED ANNOUNCEMENT

Requires that within 90 days after enactment, the Secretary publish an announcement of the types and quantities of commodities that are likely to be made available.

H.R. 1296, THE PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BILIRAKIS. Mr. Speaker, on March 8, 1983, I was absent from the House because of official business. Had I been here I would have voted for passage of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983. This legislation will resolve the tax issues raised under the program and should assist in maximizing farmer participation in the PIK program. I believe this program is a step in the right direction toward this administration's goal of reducing crop surpluses and restoring profitability to the agriculture industry.●

ARKANSAS VFW VOICE OF DEMOCRACY WINNER—VIRGINIA CASTLEBERRY

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to bring to the attention of my colleagues one of this Nation's most honored and patriotic traditions, the "Voice of Democracy" program sponsored by the Veterans of Foreign Wars and its ladies auxiliary.

The program began 35 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. Sponsorship was provided by the National Association of Broadcasters, the Electronic Industries Association, and the State Associations of Broadcasters. Starting in 1958-59, the program was conducted in cooperation with the Veterans of Foreign Wars.

Since the VFW began sole sponsorship in 1961-62, student participation has tripled and school participation has doubled. This year more than one-quarter million of our best and most creative students from more than 8,000 schools submitted their ideas on the theme "Youth—America's Strength." Over 4,400 VFW posts and 3,600 auxiliaries sponsored the program and more than 2,400 radio and television stations cooperated. With such a broad and talented field participating, I am especially proud of Miss Virginia Castleberry, the State winner from Eureka Springs, Carroll County, Ark. At 16, Virginia is a consistent honor roll student, has received numerous athletic awards, been the president of her sophomore class, secretary of her junior class, and a member of many other school scholastic and social organizations. With all her school obligations, Virginia still finds time to pursue tennis, basketball, swimming, as well as reading and writing.

Virginia's family, her parents, Jamie and Ken Castleberry, and sister, Marty, share in the pride and excitement of this high honor.

Mr. Speaker, I would like to offer for the record Virginia Castleberry's winning entry in the VFW "Voice of Democracy" scholarship program. We can all take pride in her enthusiasm, confidence and, in her words, "* * * and optimisim that cannot easily be diminished":

I am America's youth. Listen to me! I am creativity. I am confidence. I am strength. I am your son. I am your daughter. I am you grandchild. I am a younger and less experienced you. I have plans and dreams and goals and you have made them possible.

I speak to you with a strong voice from all across this country—from the rolling wheat fields of mid-America and from the ghettos of our cities. I speak from the black coal mines of Appalachia and from the white sands of the southern coast. I speak from mountains and valleys, from townhouses and tenements. Mine is a voice that wants to be heard. So, listen to me!

I speak with a creative energy that you have instilled in me, and that you have nourished. It is the "A-Ha" in me. It allows me to look at old problems with fresh perspective. It lets me take the best from what has been, combine it with what will be and formulate new ideas. The Constitution of this country, drafted by men whose average age was 29, was just one example of this creative response.

A creative approach to solving problems is an essential capacity. Technology alone demands that my generation be able to adapt to new information and discovery. Every intellectual leap that our country takes re-

sults in an increase in the number of problems to be solved. Creativity is part of my heritage and the future of our nation depends upon by ability to use it well.

I speak with confidence and courage. I believe in me. I am not afraid of the future—on the contrary, I am eager to face the challenge. You have encouraged me to move forward, and have given me the tools that make me secure. I attend computer camps in the summer, work with the handicapped and study long hours. I learn practical trades. I work out in gymnasiums so I can set new records. I dance and sing and work and play with an intensity that only I can possess.

My confidence gives me "grit"—an optimism that cannot easily be diminished. No one can make me feel inferior without my consent. My nation has established its superiority with over 200 years of hard work and determination. I have inherited a tradition of moral, industrial and technological leadership and military strength and courage. My confidence will ensure the continuation of this tradition.

I speak with strength. My energy is boundless. I am young and powerful I have the strength to push myself just a little bit further and a little bit longer. I know that I must have limitations, but I rejoice in moving beyond them.

My body is strong and my will is strong and I am constantly learning the importance of moral and spiritual strength, as I establish new priorities and values.

I take my strength from the encouragement that you give to me and from the disciplines that you have imposed upon me. You have instilled in me a sense of humor that allows me to laugh at myself without feeling like a failure.

I am America's youth and I am free. This freedom, that you have passed to me is more precious than life itself. I thrive on it. It is the essence of my being. It gives my vocie wings and carries it to all who will listen. My freedom enables me to develop the creative energy that is so essential in today's world. It gives me the courage to face tomorrow with confidence and enthusiasm. It gives me the strength to move forward always remembering the values and traditions you have given me.

I will not fail you, for I cannot fail myself.●

SUNDAY ELECTIONS DO MAKE A DIFFERENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BIAGGI. Mr. Speaker, this past Sunday 89.1 percent of eligible West German voters turned out in that country's national elections. This figure is in sharp contrast to our own dismal 53.95 percent voter turnout in the 1980 U.S. Presidential election.

In fact, in all European countries where national elections are held on Sundays, a nonworkday, voter participation is significantly higher than our own. For example, Sweden, Austria, West Germany, Italy, and France all held their most recent elections on Sunday and voter turnout was between 86 and 90 percent.

Meanwhile, voter turnout in the United States has declined in every presidental election since 1960, when 62.8 percent of the voting age population turned out. The 53.95 percent turnout figure for 1980 was the lowest for a U.S Presidental election in 32 years.

In non-Presidential election years, the figures are far worse, with only 40.3 percent of the voting age population participating in the 1982 elections.

Simply put, our current election process is failing us miserably. The time has come for us to learn from the European example and vote on Sundays.

Under a bill I have authored (H.R. 84), all Federal general elections would be held on Sunday, and all polling places across the country would open and close at the same time—12 to 9 p.m. e.s.t.—during Presidential elections. These changes would apply for a 6-year experimental period beginning with the 1984 Presidential election.

The bill includes a same time voting provision because of the problems associated with early election night projections by the media. In the 1980 election, one major network projected a Reagan victory at 8:15 p.m. e.s.t., some 3 hours before west coast polling places were scheduled to close. The result was a 6 to 11-percent decline in overall voter turnout, according to a 1981 study by the University of Michigan, which was funded in part by ABC News.

It should be noted that both CBS, Inc., and ABC, Inc., have endorsed the same time Sunday voting proposal. In fact, Leonard H. Goldenson, chairman of the board of American Broadcasting Companies, Inc., recently wrote in the New York Times that "Congress should mandate a uniform poll closing time across the Nation. While Congress is at it, election day should be moved to Sunday from the traditional Tuesday—it is easier for most people to get to the polls on Sunday, and the highest voter turnouts are regularly reported by democracies that do their balloting on Sunday."

At this time, Mr. Speaker, I wish to insert the full text of Mr. Goldenson's article, which discusses a number of other election reforms he feels should be made:

[From the New York Times, Mar. 3, 1983]

ATTUNING VOTING TO THE TV AGE

(By Leonard H. Goldenson)

Voting is the quintessential act of a democracy. The United States is history's most successful experiment in democracy. Why is it, then, that so few Americans vote?

Among modern democracies, virtually none regularly sends a smaller proportion of its electorate to the polls. Scarcely half turned out in the 1980 Presidential election; less than a third took part in the Presidential primaries. Last November, with Government economic policies on every tongue, only 35 percent helped select the new Congress.

We have somehow become a nation rich in information yet poor in political passion. We have turned the ideal of majority rule into the fact of minority rule.

The reason cannot be society's barriers to voting. We've spent most of this century tearing them down. The franchise has been extended to women and minorities. To exercise that franchise, a voter need not pay a poll tax, pass a literacy test, speak English, own land or even live in one place for very long.

Rather, a principal problem appears to be that the nation's political system and its system of communications are out of sync. Politics is enormously dependent on the machinery of information, but that machinery is now space-age technology while many political practices still derive from an otherwise forgotten horse-and-buggy era.

Take the primary election season. It begins fully nine months before the general election. That time span made sense when speeches had to be delivered in person by candidates who traveled by train; without all that time, how could they even have set foot in each state of the Union?

But now a single broadcast message will bring a candidate's thoughts to more people than he'd reach in a year of whistle-stopping. In light of today's electronic communication, the primary season is too long, too expensive, too physically exhausting for the candidates and too distracting from the ongoing process of government. Moreover, it's far from clear that there is any corresponding benefit to the voter. Congress should shorten the primary season.

Broadcast messages, or any other messages prepared by the candidates, are only part of the information a voter should receive, of course. Thorough news coverage is another part. But there's a third part that's too often missing—debate. Debate has been central to democracy as long as that form of government has existed, and for good reason. Debate subjects candidates to public scrutiny in the most political of circumstances: Proposing goals, priorities and solutions to problems and defending them against opposing views.

Why then, are broadcast debates not a feature of every Presidential campaign? Because the "equal time" provisions of the Communications Act state that if two candidates debate on television, all legally qualified candidates must be afforded the same opportunity. This approach sounds equitable in theory; in practice, the profusion of minor but "qualified" candidates makes such debates very difficult to arrange.

The equal-time provisions should be permanently suspended for Presidential and Vice Presidential debates, as they were temporarily for the 1960 Kennedy-Nixon debates. The Federal Communications Commission has previously proposed this, and commercial broadcasters would certainly make free air time available for the major party candidates. But Congressional action is needed—and needed now.

Failure to take modern communications into account underlies the haphazard state-by-state closing of the polls. When votes were counted by hand and the tallies certified by mail, it made little difference what time the polls opened or closed. Now votes are counted and reported electronically and instantly. Results in the East may now affect turnout in the West and thus the outcome of an election.

Congress should mandate a uniform poll closing time across the nation. While Congress is at it, Election Day should be moved to Sunday from the traditional Tuesday—it's easier for most people to get to the polls on Sunday, and the highest voter turnouts are regularly reported by democracies that do their balloting on Sunday.

A digression: The youngest citizens are the ones least likely to vote. They are strangers to the political process, and often are not convinced that their participation matters. Our high schools teach driver education to their older students. They should teach voter education as well.

In a democracy, voter turnout matters. And information is the primary means of voter motivation. In large ways and in small ones, it is time for Congress to bring our traditional political process into step with the modern electronic age, so the best and fullest information gets to the voters, and so that the voters get to the polls.●

THE UNEMPLOYED NEED HEALTH INSURANCE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WALGREN. Mr. Speaker, a front page story in yesterday's New York Times details the damage being done to the health of people who, having lost their medical insurance along with their jobs, are not getting the medical care they need.

I have introduced legislation, H.R. 1823, which would provide unemployed workers and their families with up to 18 months of health care. As this article shows, the crisis is getting worse and worse every day.

The article follows:

[From the New York Times, Mar. 7, 1983]

LOST MEDICAL CARE FOR JOBLESS: COST MAY BE HEALTH OR LIVES

(By Iver Peterson)

DETROIT, March 6.—Of all the pain and problems the recession has produced, none may be as severe or long-lasting as the damage done to the health of people who, having lost their medical insurance along with their jobs, are not getting medical care they need.

"This tragic byproduct of unemployment may, in the not so long run, cost the nation as much in damaged and lost lives as the unemployment itself," Douglas A. Fraser, president of the United Automobile Workers, said last month. Although no one has determined the exact extent of the problem, which is difficult to measure, experts in the field across the country point to troubling developments that include the following:

Eleven million people lost their health insurance in 1982 alone, the Congressional Budget Office reports, with most retaining too many assets to qualify for help under welfare programs. The Health Security Action Council, a labor-backed group, estimates that at least 25 million people now lack health insurance because of unemployment.

In Michigan, with the highest unemployment rate in the country, the infant death rate rose 3 percent from 1980 to 1981, to 13.2 deaths per 1,000 live births from 12.8 in 1980. In the same period the national rate declined by 6.4 percent, to 11.6 per 1,000. Experts say loss of health insurance and of proper prenatal and maternity care is one of the factors in the rise in Michigan.

At Cook County Hospital in Chicago, admissions for tuberculosis have jumped from 300 to 600 cases in a year, and hospital officials attribute the increase to the financial inability of tubercular patients to obtain antibiotics. "We're sitting on a time bomb here," said Ron Wise, Cook's director of community relations, noting that the hospital is not equipped to isolate patients with such a contagious disease.

Referrals of uninsured patients from private hosptials to public hospitals, called "dumping," have increased and have worsened the deficit problems at municipal institutions. Such transfers to Cook County Hospital rose to 125 a month this year from 100 a month in early 1982; Detroit General, also a public hospital, reports a 30 percent increase in such referrals in the same 12 months.

SOME TOO PROUD TO ASK

To many doctors, the most distressing sign of the problem is the least visible. It is the people who, too poor to pay and too proud to ask for charity, are neglecting medical care until a crisis forces them to an emergency room.

In Atlanta, a 50-year old man, who recently lost his medical insurance when he was laid off, refused out of pride to accept the free hypertension pills offered through a clinic. A few days later he suffered a stroke and was admitted to Grady Memorial Hospital as a charity patient.

"We found a man who had cancer in his intestines and never went to a doctor, who had been trying to treat himself by dosing himself with corn starch and sleeping pills and hoping it would get better," said Nancy Dubyak, the head of the Butler County Coalition for the Unemployed in Pennsylvania. "We finally got him help, but I don't know what happened to him."

John Danielson, president of the Detroit Hospital Center, said: "I hate to think how many women are walking around out there with undiagnosed breast cancers who are waiting for their husbands to find a job and some insurance before they'll come in to us, or how many others are not taking their hypertension medication because they can't afford it and don't know where to get some. They are all part of a medical bill that will come due someday."

The damage from such neglect usually shows up in the emergency rooms of hospitals, as a crisis forces a sick person to visit.

EMERGENCY VISITS INCREASE

Bellevue Hospital in Manhattan, for instance, has had an 8 percent increase in emergency room visits by adults in the last four or five months. The number of people who cannot pay also rose.

"We seem to be seeing sicker patients, and they're staying in our emergency room longer," said Terry Kraft, assistant emergency room administrator at Bellevue.

"They neglect their problems and come in sicker," echoed Dr. Corey Slovis, emergency room chief at Grady Memorial in Atlanta. "They keep hoping the problem will go away, or not get worse." At Grady, the number of emergency patients admitted for a hospital stay, an index of medical seriousness, rose 15 percent in the last year.

But some conditions refuse to be put off, such as the third pregnancy of Debra Lanphear, a carpenter's wife who lives just outside Flint, Mich. Her husband, Clarence, lost his job and family health insurance because of the housing slump just before the birth 15 months ago of a daughter, Roseanne. They were then handed a hospital bill for $2,600 and a continuing lesson in the life of the debtor.

GET USED TO THE PHONE CALLS

"After a while you get used to the phone calls," said Mr. Lanphear, a 26-year-old father of three. "They say well, we haven't received anything from you since October, and you say you'll try to send them something if you can find a way to earn it, and they say, well, they'll have to turn it over to a collection agency next week. But what can they do? They can't garnishee your wages if you ain't got any work."

Employers usually pay for all or a substantial part of their employees' health insurance. Under most plans, benefits end within a month after a layoff. The laid-off worker may then switch from the former group plan to an individual plan, but the cost is invariably higher and the benefits usually more limited.

"The high cost of private coverage to individuals and the limited availability of public coverage such as Medicaid make it difficult for those without group policies to obtain protection against high medical care expenses," Alice Rivlin, director of the Congressional Budget Office, testified before Congress.

Hospitals report that the decline in health coverage has brought evidence of an increase in self-treatment, a revival of folk nostrums and an increase in particular of women delivering babies by themselves or with the help of an unlicensed midwife.

'WALK-IN' DELIVERIES RISE

A Michigan Department of Public Health study released last month noted a threefold increase in the number of "walk-in" deliveries by women who had had no prenatal care, including women in labor accompanied by midwives who could not handle complications that arose.

Those using lay midwives "are usually white women with high school educations and often some college education whose husbands have been laid off," the study said.

Moreover, the Michigan department said recently, inadequate care of infants attributed to high unemployment has manifested itself in the increase in state's infant death rate from 1980 to 1981, after a decade of steady decline.

"There is a human emergency in Michigan," the state's Department of Health said in opening a report on the effect of unemployment on the health of mothers and children. "The economic downturn underlies the current picture seen in Michigan of poverty, hunger, lack of access of health care and high infant mortality."

The infant death rate also increased in nine states besides Michigan.

The increase emerged as a political issue last month when David A. Stockman, director of the Office of Management and Budget, defended the Reagan Administration's social policies by pointing to the overall decline in the rate nationally.

His comments have drawn fire here, however. "Our whole point is that the Government can't just look at the people who are doing well," said Jeffrey R. Taylor, chief of the division of maternal and infant care in the Michigan health department. "They have to look at the people who are in trouble, too."

Mr. Taylor pointed to an area of downtown Detroit where 33 out of 1,000 babies die before they are 28 days old. This rate, he said, is "the same level reported for Honduras, the poorest country in Central America."

These babies die for many different reasons, including the youth and inexperience of many of their mothers, poverty, ignorance or simple indifference, that are not all the result of a loss of health insurance.

CHARITY TREATMENT A SHOCK

And for people who look for it, medical help is available, although the charity ward comes as a shock to people who are used to the first-class treatment afforded by an insurance card.

"If you've got that dire need and you've got to have it, you go for it," said Darrell Taylor, who lost his job at the General Motors Hydramatic plant in Ypsilanti, Mich., 18 months ago, and his union-sponsored Blue Cross-Blue Shield coverage eight months later.

"I had to sell my boat and get my car appraised and show I didn't have nothing left, but I got on welfare and Medicare," he said. "I hated to do it, it's killing my pride, but when your kids get sick, you do what you have to do."

For many people, losing medical insurance has also brought a new and bitter slant on their once warm relations with the family doctor. "He doesn't have time for us now that we can't pay," said Mr. Taylor, the unemployed G.M. worker. "I thought doctors became doctors to treat ill people, but I guess that went out the window when they started getting their hands on the big bucks."

At a charity clinic in Los Angeles, Sunset Community Clinic, the calls for appointments have risen from 100 a day a year ago to 350 a day now. Virginia Halstead, an administrator there, recounts complaints about doctors.

"People tell us, 'I've been going to my private doctor for 10 years and he won't take me anymore,' " she said.●

HONORING THE ROTARY CLUB OF WEST COVINA, CALIF.

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. TORRES. Mr. Speaker, I would like to take this opportunity to call to your attention the work of an organization in West Covina, Calif., that is celebrating its 30th anniversary on March 12, 1983.

The Rotary Club of West Covina received its charter on March 5, 1953, from Delmar Gray, then governor of district 532. Through the dedication of Fred Lavelle, of the Covina Rotary, their sponsoring chapter, the West Covina Rotary Club was born in the spirit of the Rotary motto, "service above self."

Although the West Covina Rotary Club is one of many chapters worldwide, they have distinguished themselves in their efforts to provide humanitarian service, encourage high ethical standards in all vocations, and to help promote goodwill and peace throughout the world.

West Covina is fortunate to have among its many service organizations the rotary club which for the past 30 years has dedicated itself to the betterment of the city. The West Covina Rotary Club awards scholarships to students attending high school in West Covina. They sponsor a youth bowling league, as well as West Covina Little League baseball teams. Every year they give Thanksgiving food baskets to the needy, and during Easter the rotary club sponsors an egg hunt for the children of West Covina. For senior citizens, they coordinate a vial of life program, designed to help seniors in times of emergencies.

In addition to conducting their own charity drives, the rotary club assists other organizations such as the West Covina Police Department and the Queen of the Valley Hospital. Among their recent activities is providing 21,000 polio vaccinations to children in the Phillipines through their "think million" project.

The West Covina Rotary Club is not only worthy of notice, but they should be commended in their activities to make their city a better place in which to live.

Mr. Speaker, I ask my colleagues to join me today in thanking President Lewis Starble, Vice President Bernard Bregman, Secretary Dean Raftery, Treasurer Robert Marcus, Past President Woodrow Scott and Directors Edward Hernandez, Jr., Robert Winsel, Robert Levy, John Chandler, Deon Carrico and Jacques Brodeur for a job well done.●

FOREIGN LANGUAGE WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, President Reagan has once again followed the tradition established by his predecessors and designated this as Foreign Language Week. I welcome his pronouncement, and I urge him and my colleagues in the House to join with me in support of a Federal initiative to rejuvenate the disgraceful state of language education in the United States.

In November 1979 the President's Commission on Foreign Language and International Studies said it was "profoundly alarmed at the serious deterioration it had found in this country's language and research capacity." Because of the language link to diplomacy, intelligence and business, the Commission concluded: "Nothing less is at stake than the Nation's security."

The former Deputy Director of the Central Intelligence Agency, Admiral Bobby R. Inman, in testimony given in 1981 said: "The foreign language capability of our country is poor and is getting worse." He called this failure "a major hazard to our national security" and concluded, "Decisive action should be taken on the Federal level to insure improvement in foreign language training in the United States."

I welcome the President's words of support for foreign language education. I would also welcome his support for my foreign language assistance legislation, which I will introduce this week or next week.

The text of the Reagan announcement follows:

THE WHITE HOUSE,
Washington, D.C.

NATIONAL FOREIGN LANGUAGE WEEK

Once again, I take great pleasure in commending the observance of National Foreign Language Week. I am proud to join in this program which underscores the importance of foreign language study both to our educational system and to our cultural enrichment.

We cannot afford to be complacent about our position in the world community. Both our economy and our national security depend upon American competitiveness. We must be effective—not only in the development of high technology and telecommunications but also in our ability to communicate in our own language as well as the languages of other nations.

The study of foreign language is vitally important to the basic education of American youth and adults. I urge parents and community and business leaders alike to join educators in encouraging our youth to begin the study of a foreign language at an early age and to continue the study of this language until a significant level of proficiency has been achieved.

All who join in the celebration of National Foreign Language Week have my best wishes for a most successful and productive program, both this week and throughout the year.

RONALD REAGAN.●

LEGISLATION TO IMPROVE BUDGET PROCESS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. MINETA. Mr. Speaker, today I am introducing legislation which improves and strengthens the budget process.

As chairman of the House Budget Committee Task Force on the Budget Process for 4 years, I conducted several oversight hearings on the Budget Act, and the bill I am introducing today is a compilation of changes to the Budget Act which experience has shown are needed to improve the budget process.

The legislation I am introducing today is very similar to legislation which I introduced in the 97th Congress.

Since its inception in 1975, the budget process has been faced with a series of challenges, but none of these challenges were as difficult as those presented in the past 2 years. In February 1981, President Reagan proposed a broad economic initiative which included massive cutbacks in taxes and Federal spending.

The administration unexpectedly used the budget process to achieve not only these economic goals but also to implement a series of philosophical changes. Despite this misuse, the somewhat battered congressional budget process did manage to survive the trials of the past 2 years, and I am going to work to make sure that it continues to survive.

This country faces unprecedented large budget deficits for the next several years, and Congress will be forced to make extraordinarily difficult budget choices. If used correctly, the budget process can assist us in making these difficult choices and in producing a suitable Federal budget.

In my view, the budget process does work. Congress has adhered to the basic outline of the Budget Act and has used its inherent flexibility to adopt new procedures to deal with emerging problems. The objectives behind enactment of the Budget Act were quite diverse, and criticisms of the act have resulted because the different expectations of Members and interest groups have not been met. Self-discipline is always uncomfortable. Ordering priorities is difficult, and saying "no" is unpopular. But the alternative of uncontrolled Federal spending is vastly worse. The budget process is necessary. This country cannot afford to return to the practice of uncontrollable Federal spending.

I believe that Congress has made remarkable progress in the way it acts on the Federal budget. The budget process is now an accepted part of the congressional legislative process. By most assessments, the budget process has been very successful.

Before the adoption of the Budget and Impoundment Control Act of 1974, Congress was ill-equipped to take an overall look at the economic environment. The only budget was the President's budget and it served as a basis for all fiscal policy discussion and for some legislative action.

Under the Budget Act, Congress has a set of procedures which provide order, guidance, and information in assessing the relative merits of Federal spending with the overall needs of the economy. To this end, the budget process has basically proven to be a procedural and informational success. It is now, however, being tested as a fiscal policy tool, and there is some dissatisfaction that Congress is not exerting effective budgetary control. Many of those dissatisfied with the budget process have claimed that adopting a constitutional amendment to balance the budget will resolve our fiscal problems. I believe that to achieve fiscal and budgetary control Congress needs a strong and enforceable budget process, not a politically inspired constitutional amendment that has no enforcement mechanisms and no provisions for economic stability.

The budget process is still evolving as a fiscal policy tool, and after 8 years of experience with the budget process, the time is right for examining it and for considering ways in which it might be strengthened and improved. Congress should incorporate changes that experience has shown are needed to improve the process, and steps should be taken to expand the coverage of the Budget Act.

Congress has avoided amending the Budget Act for fear of opening up Pandora's box. The fear is that opening up the act for amendments would allow Members who have been unhappy with the budget process to damage or even dismantle the Budget Act.

The budget process has been flexible enough to meet the increasing demands placed upon it. Many changes to the budget process have been tried on a trial basis through provisions of section 301(b)(2) of the Budget Act. This provision allows in a first budget resolution "any other procedure which is considered appropriate to carry out the purposes of the act." However, given the current balance budget craze, I fear that if the Budget Act is not amended carefully in order to strengthen and improve the budget process, we may see the Budget Act ignored and possibly replaced with a toothless balanced budget constitutional amendment.

After years of review and study of the budget process through my work as chairman of the Budget Process Task Force, and more importantly, after 6 years of experience with the budget process as a member of the Budget Committee, I have several recommendations for improving and expanding the Budget Act. The legislation which I am introducing today includes the following provisions:

Binding first budget resolution: Make the budget aggregates of the first budget resolution binding and eliminate the need for a second budget resolution unless significant change occurs in the economic outlook or unforeseen needs arise for legislative action.

Reconciliation in the first resolution: If reconciliation is needed, it should be used in the first budget resolution to allow committees sufficient time to achieve legislative savings. In addition, procedures for using reconciliation need to be established.

Appropriations process reform: On September 15, the Appropriations Committees begin to work on a comprehensive appropriations bill which contains the following: First, the appropriations bills reported by the committees but not enacted by the Congress; second, the appropriations bills not reported by the Appropriations Committees; and third, the appropriations bills which are held at the desk because they exceed their committee, section 302(b), allocations.

Credit budget: One of the most important steps Congress can take to improve the Budget Act would be to make the credit budget a required part of the budget process.

Off-budget agencies: To improve the coverage of the Budget Act, all off-budget agencies should be made a part of the unified budget.

Binding multiyear budget totals: Expand Congress planning horizon by making the outyear targets in the budget resolution binding.

Capital budget: To allocate scarce funds for our Nation's infrastructure in the most efficient way possible, Congress needs a capital budget providing information on the condition of existing infrastructure and estimates of future infrastructure needs.

Entitlement control: Congress may want to consider directing the Joint Economic Committee to review and make recommendations for controlling the growth of entitlement programs.

Impoundment control: Certain technical changes to the Impoundment Control Act are necessary to clarify the intent of the act. In addition, impoundment control should be extended to direct loans and loan guarantees.

With careful review and revision, the budget process can be not only a successful procedural and informational tool, but also a successful fiscal policy tool. Utilizing the experience gained in the past 8 years under the Budget Act, Congress should now take actions to improve and strengthen the budget process. I hope that my bill will serve as a vehicle for discussion as Congress begins to consider changes to the Budget Act.●

STEVEN FREEMAN'S OBSERVATIONS ON A TRIP TO THE U.S.S.R.

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an article by Steven Freeman, director of special projects for the Greater New York Conference on Soviet Jewry. Mr. Freeman traveled to the U.S.S.R. in October 1982, met with many Soviet Jews who have been denied permission to emigrate, and shares this experience in his article.

Mr. Freeman's essay reflects the quiet distress of Jews in the Soviet Union, but it also shows the deep hope that these gallant people maintain that one day they will be permitted to live in accordance with their traditions. It is vital that our Government do everything in its power on behalf of Soviet Jews. That is why I have introduced House Resolution 67, calling on the Soviet Government to release Anatoly Shcharansky and allow him to emigrate; and urging the President and Secretary of State to raise Shcharansky's treatment at every suitable opportunity and in the strongest of terms with Soviet officials.

Steve Freeman notes in his article:

I left (the U.S.S.R.) knowing that I would not quickly forget the people I had met and the stories they had told me. They had become more than names on files or subjects of articles; they were thinking, caring, feeling human beings, struggling under an awesome burden and counting on me and my country to recognize the justice of their cause. I promised myself to take their words to heart, because we are the ones who hold the key to their future in our hands.

I commend this important article to the attention of my colleagues, and congratulate Steve Freeman for an excellent report on his trip to the Soviet Union.

SOME OBSERVATIONS ON A TRIP TO THE SOVIET UNION—FEBRUARY 1983

(By Steven M. Freeman)

Last October, I had the opportunity to spend a week in Leningrad and Moscow, visiting with some of the Soviet Jewish refuseniks who have been seeking permission to emigrate for many years. I traveled as a tourist, with a group of friends, but although I saw impressive landmarks and magnificent museums, it was the Soviet Jews I met who made the most lasting impression on me. Letters, biographical sketches, newspaper articles and other documents cannot possible convey the true measure of their courage in the face of unrelenting pressure.

My first stop was Leningrad, a beautiful city of canals and islands a short flight away from Helsinki, Finland. In Leningrad, I was able to make contact with several members of the younger generation of Jewish activists, and spent one memorable afternoon talking with five of them, a few short hours after the KGB had paid their neighborhood a visit. These five Jews, Yakov, Abram, Mikhail, Simon, and Grigory, symbolized for me what the struggle to keep Judaism alive in the USSR is all about.

Of the five, I met Yakov first. Bearded, with dark hair, dark eyes, and a powerful sense of determination and dedication to his faith, Yakov probably spoke the best English of the five. Together with Grigory, he impressed me as a leader, an intense young man who knows how to get things done. Grigory, also bearded and dark-eyed, was the most charismatic member of the group, with a sparkle in his eyes and the kind of a smile which can light up a room. The others present let Yakov and Grigory lead the discussion, becoming animated when the subject reflected their personal experiences.

The topics we discussed included the difficulty of living "in refusal," unemployed in a "worker's state" with no source of income. they also told me of their tremendous thirst for Jewish educational materials, their concern for their friends, including some who were present or former Prisoners of Conscience, and the vital importance of the lifeline to the West which my friends and I represented. Material gifts mattered less to them than our friendship and our concern, and our assurances that their friends abroad would not forget about them.

As I left the apartment and began walking down the street, I reflected on a personal story Abram had told me. somehow it encapsulated much of what I had learned.

In October 1980, two years earlier, Abram, the senior citizen of this group, had actually received permission to emigrate. However, at the time, his sister was on her deathbed, and he felt he could not leave her alone. When she died, shortly thereafter, he sought permission again only to be refused. I was particularly moved by Abram's "quiet desperation"—although he was clearly fond of the beautiful surroundings of Leningrad, he felt a strong identification with the Jewish people, and a tremendous desire to live his last years in Israel. The arbitrary Soviet action in his case was sadly typical of the cruel indifference they have shown to thousands of Soviet Jews seeking to join relatives living outside the USSR.

From Leningrad, I flew to Moscow, where I had the opportunity to tour the Kremlin, Red Square, and other symbols of the Soviet State. The sense of power conveyed by the Soviet capital was awesome, but it also struck me as a bleak, gray, oppressive city, a place which knew little joy. Once again, the warmest, most animated people I met were the Soviet Jews. Somehow, in spite of the measures of harassment and intimidation constantly being directed against them, they managed not only to survive, but to survive with a sense of purpose intact. Some of those I met were leaders, others were not, but they all identified with the Jewish people and yearned desperately to be free to practice their religion and study history and their culture.

In the first Jewish home I visited in Moscow, I met Esther and Lev, a mother and son who greeted me with great warmth and affection. Lev, an active member of the Moscow Jewish community, has been repeatedly refused permission to join his wife who lives in Israel, and he and his mother both became very wistful when one of my friends began talking about his last trip to the Jewish State. With tears in their eyes, they asked us to communicate with Lev's wife once we left the USSR. We agreed to do so, although there are really no words to convey the depth of love and emotion they shared with us.

The next family I visited was a family unaccustomed to Western guests. Living in a small, cramped apartment, on the outskirts of the city, they invited me to sit in their kitchen, around a small kitchen table, and I communicated with them mostly in Russian. Although my Russian was far from fluent, they seemed to hang on every word, tears filling their eyes when I told them about Western efforts on behalf of Soviet Jews. They were also extremely interested in hearing about recent developments in Israel; one of them told me that she had a sister living in Israel whom she hadn't seen in fifty years. This was not a family of activists, although they were refuseniks and identified themselves as Jews. One of them even told me that she has spent a whole day at the Moscow Synagogue trying to obtain matzah the previous Passover. When she finally succeeded, she proceeded to send some of her ration to a Jewish friend in another Soviet city who was unable to get any at all.

On my next-to-last day in Moscow, I visited two of the leaders of the city's Jewish community. In contrast to my previous meetings with Jews in the Soviet capital, these activists were familiar with the broad picture and fairly well informed about the outside world. Walking outside to escape any hidden microphones, I asked one of them, Pavel, about some of the Prisoners of Conscience. He told me about the especially serious plight of two of them, Anatoly Shcharansky and Aleksandr Paritsky. We also spoke about Feliks Kochubievsky, who had recently been arrested in Novosibirsk, and he was extremely concerned about Kochubievsky's physical condition, noting that he has a history of serious kidney problems. Pavel, his brother-in-law Vladimir, my friends and I then paused at a quiet street corner, and began speaking about the crisis in emigration, the general situation, and future strategy. Both Pavel and Vladimir were deeply worried about the future of Judaism in the Soviet Union, and their words had a profound impact on me.

The culmination of my week in the USSR was a visit to the Moscow Synagogue on Saturday night, October 9, the Jewish holiday of Simchat Torah. When we arrived at the Synagogue, the only functioning synagogue in a city of 300,000 Jews, we were greeted by an incredible scene. A crowd estimated at 10,000 mobbed the synagogue and the street in front of it; clearly the Soviet Jews felt some sense of safety in numbers, and this was one holiday when, for one reason or another, they wanted to be there.

For me, this experience was both exhilarating and depressing: exhilarating to see the turnout, and depressing to realize the lack of understanding on most of the faces—of all the generations—and the hunger etched in their eyes when they tried to join in some of the songs and prayers without knowing the words. Some may have been there for social reasons, some just because they wanted to be seen there, and others were undoubtedly plainclothed KGB, but the sea of faces was something to behold.

I left the Soviet Union two days later, after another series of museum tours and two more meeting with refusenik families. I left knowing that I would not quickly forget the people I had met and the stories they had told me. They had become more than names on files or subject of articles; they were thinking, caring, feeling human beings, struggling under an awesome burden and counting on me and my country to recognize the justice of their cause. I promised myself to take their words to heart, because we are the ones who hold the key to their future in our hands.●

AMERICANS OF INDIAN DESCENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, Much of America's strength and wisdom is the result of our diversity. We include among our population representatives of every nation on Earth, and each of

these groups has made major contributions to our national culture and our national economy. The accomplishments of many American ethnic groups have been rightfully acknowledged, but other deserving groups have received scant attention. Today, I would like to recognize an important group of Americans who have given much to our country—Americans of Indian descent.

Indian Americans are a diverse group who include Hindus, Moslems, and Sikhs, and individuals from the wide range of linguistic and racial backgrounds found on the Indian subcontinent. The earliest wave of Indian immigration to the United States came here in the early 20th century. They were primarily agricultural workers who participated in the tremendous expansion of farm productivity in California. For many years, Indians were unfairly excluded from entry into this country on racial grounds. Since immigration law reform in 1965, over 100,000 Indians have come to the United States.

Many Indian Americans are highly skilled professionals in such fields as medicine, engineering, science, and education. Others are skilled and hard-working entrepreneurs who have taken advantage of our opportunities for individual initiative.

As well as playing an important role in our economy, Indian Americans have brought with them a rich heritage, which has added to our cultural and intellectual pluralism. They have made distinctive contributions in science, music, literature, and philosophy. A number of individuals have been honored for their achievements. Har Gobind Khorana, an Indian-American chemist, shared the Nobel Prize for Medicine. Gobind Behari Lal was awarded the Pulitzer Prize. Dalip Singh Saund served as a Member of Congress from the State of California for three terms.

In short, the United States has reaped tremendous benefits from Indian Americans. Accordingly, it is appropriate that we commend them by enacting this resolution.●

RECKLESS WATCHDOGS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. CRANE. Mr. Speaker, Members of Congress have been targets of many irresponsible charges that contributions from political action committees, or PAC's, have swayed the vote of Members on issues directly concerning PAC contributors.

I do not accept PAC contributions. However, as long as there is full disclosure of the amount and source of funds it seems to me there should be no objection to any Senator or Member of Congress accepting financial assistance in this day of very costly political campaigns and unjustifiable restrictions on personal contributions.

Public Citizen's Congress Watch, a group founded by self-proclaimed consumer advocate Ralph Nader, presented a recent example of an unwarranted and unfounded attempt to show a direct relationship between campaign contributions from special interests PAC's and what Congress Watch deems anti-consumer votes.

But, this time, one member of the media investigated the charge as it applied to members of the Illinois congressional delegation in the House. Robert Estill, congressional correspondent for Copley News Service, dug into the allegation.

Estill is to be commended for his efforts to seek all of the facts. In his report, which was carried in the Elgin, Ill., Daily Courier News February 21, 1983, he noted that the tactics of Congress Watch are, at best, questionable. Estill goes on:

Congressional critics and reformers do a disservice to themselves and their causes when they lay on the tar with a broad brush, substitute innuendo for evidence, and buttress their argument with misleading statistics.

Estill also points out that the Congress Watch study, based on 20 House votes, included votes that have no direct bearing on PAC's or consumers, such as the nuclear freeze question and congressional tax breaks.

Mr. Speaker, I ask permission to insert Mr. Estill's story in the CONGRESSIONAL RECORD, and I recommend that each Member read this report on how misleading Citizen's Watch was in its so-called study of PAC contributions.

[From the Daily News Courier, Feb. 21, 1983]

BEWARE: RECKLESS WATCHDOG

(By Robert Estill)

WASHINGTON.—Caught up in its zeal to nip influence-buying, a congressional watchdog is biting indiscriminately. The case in point is a new study by Public Citizen's Congress Watch, a group founded by consumer advocate Ralph Nader, that invariably draws considerable news media attention with its congressional ratings.

Its latest study attempts to show a direct relationship between campaign contributions from special interest group "political action committees" (PACs) and what Congress Watch deems anti-consumer votes.

Congress Watch's concern about the rapid growth of PACs, their impact on campaigns and influence on legislation is commendable, well-founded, and shared even by some PAC beneficiaries.

But its tactics in this instance are, at best, questionable. Congressional critics and reformers do a disservice to themselves and their causes when they lay on the tar with a broad brush, substitute innuendo for evidence, and buttress their arguments with misleading statistics.

The news release trumpeting the study carries the headline "Public Citizen Report Links PAC Money With Anti-Consumer Votes." The release goes on the state that "75 lawmakers took more than $100,000 from PACs and voted against the consumer at least 80 percent of the time in 1982," that many of the issues "pitted consumers against heavily contributing PACs," and that "the cash sloshing over Congress continues to degrade the democratic process."

The clear implication is that consumers are sold out by lawmakers who get big money from PACs.

Rep. Philip Crane, R-Mount Prospect, calls such implications "smear tactics" and defies Congress Watch to cite specific lawmakers that have been bribed—a gauntlet the folks at Congress Watch will not touch with a 10-foot press release.

Crane is not contending that all of his colleagues are such noble souls that they do not at least lend an ear when donors speak, but he resents the insinuation Congress is on the auction block.

"What they are doing is pernicious because it creates an impression that they cannot prove, but it settles into the public consciousness," Crane said.

Crane's comments cannot be dismissed as sour grapes from a PAC beneficiary who scores poorly in the Congress Watch rating. Although he gets only a 10 percent score in the group's rating, Crane does not accept a nickel from PACs in his congressional campaigns. By the Congress Watch criteria, Crane should either have a ton of PAC money or a high pro-consumer score.

And Crane is by no means a solitary exception. There is no evidence to indicate that the Illinois lawmakers are more immune or susceptible to PAC money than their counterparts in other states. But analysis of Congress Watch's numbers on Illinois delegation PAC contributions and so-called consumer votes produces abundant contradictions of Congress Watch's implied hypothesis that big money and anti-consumer votes are cause-and-effect.

Rep. Sidney Yates, D-Chicago, who had the highest pro-consumer rating in the Illinois delegation, took only $15,000 less in PAC contributions than Rep. Dan Crane, R-Danville, who had the lowest consumer rating. Yates took $60,000 in PAC funds for his 1982 campaign and had a 90 percent score in the Congress Watch ratings. Dan Crane took $75,000 from PACs and scored 5 percent in the consumer rating.

Five Illinois Republicans each took $100,000 or more from PACs and got low consumer scores. But three Illinois Democrats also each took more than $100,000 from PACs and got high consumer scores.

There is often more beneath the surface than the simple citing of numbers would indicate. The pertinent question—and more difficult to determine than Congress Watch's simplistic approach would suggest—is whether a specific PAC contribution influenced a lawmaker's vote.

House Minority Leader Bob Michel, R-Peoria, caught in the closest campaign in his career, took $470,000 from PACs—more than any other House member—and scored a 10 percent on the consumer rating, according to Congress Watch.

He took campaign contributions from medical groups and lost points with Congress Watch because he supported a position taken by the doctors that the Federal Trade Commission should no longer be al-

lowed to prosecute doctors and other professionals for price-fixing and other offenses. But that is the same position Michel took previously when he was shunning medical PAC contributions because of the appearance of a conflict-of-interest, according to Michel aide Mike Johnson.

A further look at the Congress Watch figures on Illinois lawmakers shows that the split is more along party or philosophical lines than on the amount of PAC money received. On the average, Illinois lawmakers each got nearly $96,000 from PACs in 1982 and had a consumer score of 42 percent. There were 11 scores above that average—all 10 Democrats and one Republican, Rep. Lynn Martin of Rockford. The 13 scores below that average were all by Republicans.

Philip Crane contends the party-line splits occur not because the GOP is anti-consumer but are determined by the defining of what is a consumer vote. He said groups like Congress Watch favor government intervention in the marketplace, while Republicans generally disdain government regulation as a cost ultimately to be paid by consumers.

Looking beyond the Illinois delegation, the Congress Watch study is seriously flawed in two other major respects.

In its attempt to show the anti-consumer impact of PAC money, Congress Watch lumps together all PAC contributions, including those by PACs supporting the same positions taken by Congress Watch.

The study, based on 20 House votes, also includes votes that have no direct bearing on PACs or consumers, such as the nuclear freeze question and congressional tax breaks.

Nancy Drabble, a Congress Watch spokesperson, said the total PAC dollars and some of the votes were included because they were of interest to their local chapters. She conceded that some of the issues are not directly consumer-related but were included because they are issues in which Congress Watch is concerned.

Drabble rejects Crane's contention that Congress Watch is a disciple of government intervention and said it was among the supporters of airline and trucking industry deregulation.

She said the Congress Watch study is "fair to the extent that there is a correlation between getting a lot of money and how they did on consumer votes." She adds that 75 percent of the lawmakers who got $100,000 or more in PAC contributions scored 60 percent or less on its consumer rating.

But she hastens to add that she "would not condemn somebody solely on the basis of PAC money" because other factors are involved.

That point was not made in the Congress Watch news release, nor even implied. Fair play—even for such a maligned body as Congress—requires that it be made.

Just as surely as all that glitters is not gold, all that is green is not necessarily tarnished.●

COMMEND BOSTON UNIVERSITY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SOLOMON. Mr. Speaker, as you know, this Congress passed a law last summer requiring all eligible students to register for the draft before they receive Federal aid. This law, which has since become known as the "Solomon amendment" because of my sponsorship, was approved by a 303–95 vote here in the House and by a voice vote in the Senate.

My purpose in introducing this legislation was to make sure that all registration-age young men were made aware of the registration requirement. I did not want them to assume they did not really have to register as their peers and professors were telling them and then end up in court with a criminal record for the rest of their lives.

What I hoped to accomplish has come to pass. When I introduced the bill there were more than 900,000 eligible young men who had not registered. Since then half a million have fulfilled their obligations and signed up. That is half a million young men who will not be subject to criminal prosecution.

I am disappointed to learn that some colleges and universities plan to defy the law of the land and provide assistance to those students who lose Federal aid when they refuse to register. To me this is nothing more than aiding and abetting in the commission of a crime and it certainly does the student no good to have his college subsidize his defiance of the law.

At least one university president has resisted the temptation to pander to students who would break the law whenever they felt like it. Boston University President John Silber has stood up courageously and forthrightly and said the law is the law and Boston University intends to obey it. I commend President Silber for his patriotic reaction. I happen to know that since Mr. Silber became president of Boston University several years ago, the university's reputation has improved considerably. With a man like John Silber leading the way, that is no surprise.●

STREAMLINE PROCEDURES FOR MILITARY BASE CLOSING

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SMITH of Oregon. Mr. Speaker, I am introducing legislation today to streamline the study and notification procedures contained in 10 U.S.C. 2687 on closing military bases or realigning military activities. The modifications that I am proposing should eliminate the years of unnecessary delay that are associated with effecting a closure or realinement while retaining adequate safeguards for: First, notifying Congress; second, consulting with local governments, and third, accomplishing appropriate studies on proposals likely to have a significant socioeconomic impact prior to making final decisions.

Let me review for a moment the need for this legislation. Years of unnecessary delay have resulted from the onerous and in many instances, unnecessary study and notification procedures that pertain to closure or realinement actions; 10 U.S.C. 2687 has been effectively used by local interests to delay and reverse national security decisions purely for the purpose of saving civil service jobs in their town or State.

In the 1984 budget proposal, the administration is proposing the sale of excess or surplus properties as a means of generating revenues. In addition, the President has established a Property Review Board for improving the management of Federal real property with primary emphasis in the disposal of excess or surplus Federal properties. (Reference: Executive Order 12346, March 1, 1982.) Revenues of $9 billion are estimated for the period 1983–85. If we are to realize those revenues during the timeframe specified, changes will need to be made to 10 U.S.C., 2687. I am focusing on DOD properties since that agency controls the majority of high value, surplus properties in Federal ownership. This is an initiative that can reduce DOD operating and maintenance costs as well as generate significant revenue to reduce the Federal deficit.

BACKGROUND

Prior to 1977, a relatively routine and unencumbered process was used to declare DOD facilities excess to military needs. In 1977, revised procedures were passed creating a number of new legislative requirements in reaction to DOD's decisions to close a number of major installations and to realine numerous activities. Of the 19 major installations announced for closure in 1977, only 5 were able to surmount the legislative roadblocks. The existing legislative roadblocks reflect the intent of a few Members of Congress to delay any action on the realinements or closures for political rather than national security. Consequently, national security decisions are being thwarted by local political interests which are counterproductive to providing a strong national defense in a fiscally responsible manner. The study requirements and legal challenges involved have added years of unnecessary delay to the disposal process.

Title 10, United States Code, section 2687 applies to any DOD facility with as few as 300 civilians, worldwide. Political interest resulted in the criteria being drawn to encompass just about every action rather than focusing on those likely to result in a significant impact. Accordingly, the Secretary of Defense is prohibited from taking any action involving a reduction by more than 1,000 or by more than 50 percent, in the number of civilian personnel authorized at the installation. A proposal

affecting as few as 150 civilian personnel in a major metropolitan area could trigger the study requirements. Only if the President certifies to Congress that such action is necessary for reasons of national security or military emergency can the study requirements be waived.

Do we have to wait until the Nation is at war before the Secretary of Defense can adjust the base structure to manage our forces efficiently? Before the Secretary of Defense can make a tentative decision to close or realine, he must:

First, notify Congress that the installation or facility is a candidate for closure or realinement;

Second, issue a public notice of his intent to initiate a study on closure or realinement;

Third, prepare a study on the fiscal, economic, budgetary, strategic, and operational consequences of the proposed actions;

Fourth, evaluate the environmental consequences pursuant to the National Environmental Policy Act.

Only after those steps are completed, can a tentative decision be made. The Secretary must wait an additional 60 days before he can make a final decision. Even after a final decision is made, and assuming there is no court challenge, actual closure is still a number of years away.

Past experience indicates that it may take an additional 1 to 3 years to effect transition of the mission and transfer of the facilities to GSA for disposal. By this time, officials may have changed political office or lost their desire to pursue this onerous task.

PROPOSAL

To correct these abuses and to allow the Secretary to get on with the business at hand, I am proposing several modifications to 10 U.S.C. 2687; specifically:

Modify the criteria to limit extensive study and consultation to those proposals which could likely cause significant adverse socioeconomic impacts on the local or regional economy.

Simplify the study and the reporting requirements.

Reaffirm the requirements of NEPA compliance but grant a limited exemption of the provisions of NEPA concerning judicial review of Federal decisions to close, realine, transfer, exchange, or reuse military facilities or installations.

I believe there are sound fiscal, policy, and national security reasons for these changes.

MODIFICATION OF STUDY CRITERIA

It is intended that the Secretary of Defense will notify Congress of any proposal to realine missions or close any facilities. However, formal reports will only be required on actions that are likely to have a significant socioeconomic impact on the region affected. To affect that, I am proposing a change that will modify the threshold criteria for determining whether studies are mandatory.

Title 10, United States Code, section 2687 uses the number of civilian personnel impacted as the sole criterion for triggering the study and notification requirements. The criterion selected is entirely inappropriate. The issue of primary concern to local communities is the economic impact. Closures which have an inconsequential impact on the economy have been delayed for years purely because of the unnecessary study requirements embodied in 10 U.S.C. 2687. In retrospect, many costly and unnecessary studies assessing this impact have been done, directing scarce resources to unproductive uses. The cost of individual studies has ranged from $10,000 to $600,000.

We need to give the Secretary of Defense the flexibility to operate the Defense Establishment more efficiently with as little overhead as possible.

I am proposing that we change the triggering criteria to eliminate the studying of inconsequential actions—that is, those likely to have a minimal impact on the local economy. The triggering criteria will be changed to a measure of the unemployment rate in the economic region rather than using the number of civilian DOD employees affected.

This will serve as a screening mechanism to eliminate wasteful, costly, and unnecessary socioeconomic studies. To that end, I am proposing that we use a 1-percent change in the unemployment rate as the preliminary screening criterion for deciding whether or not a proposal requires more detailed study. This factor was selected after considering various criteria and after considerable discussion with experts in the field. Numerous socioeconomic studies were reviewed concerning mission realinement or closure. That review indicated that a 1-percent change in the region's unemployment rate has minimal economic impacts on the regional economy in the vast majority of cases.

The change in unemployment rate would be computed in the following manner: Percent change in the region's unemployment rate (ΔE) equals the number of anticipated civilians that would be unemployed in the region as a result of the military action (UE) divided by the regions total civilian work force, ΣWF, using the most recent data; ie:

$$E = UE/\Sigma WF$$

If the percent change is 1 percent or more, the studies as required by law, must first be completed and submitted to Congress before any final decision is made. Of course, the Secretary will have discretion to consider other socioeconomic factors and initiate formal studies for actions that would change the unemployment rate by less than 1 percent. It is intended that he would do so only in borderline cases where there are extenuating circumstances.

This approach reduces bias and permits calculation using readily available data collected by the Bureau of Labor Statistics. The approach is regionally sensitive as opposed to the current criteria which are arbitrary. The Secretary will be responsible for defining the economic region of influence. In doing so, he should take into consideration such factors as population density, commuting patterns and other special circumstances concerning the area.

SIMPLIFY AND STREAMLINE THE STUDY AND PROCEDURAL REQUIREMENTS

The extensive study requirements contained in 10 U.S.C. 2687 is duplicative and confusing. Not only is a detailed justification required but also—statements on the fiscal, local, economic, budgetary, environmental, strategic, and operational consequences. Section 2687(b)(2) reaffirms that the Secretary of Defense is required to comply with the requirements of NEPA. In addition to preparing the necessary environmental assessment or impact statement, the Secretary is also to include an environmental analysis in the detailed justification that is to be submitted to Congress (reference section 2687(b)(3)). This is unnecessary duplication.

I am proposing we modify this section to eliminate the redundancy and to focus on the key factors to assure that the decisions are not arbitrary and capricious.

In calling for a detailed justification, there is a tendency on the part of the executive branch to provide voluminous material that obscures the essential facts.

A concise statement of findings on the socioeconomic impacts with a succinct justification for taking the proposed action relative to the economic, strategic and operational aspects will better enable the public and the Congress to review and maintain oversight of the proposed action. Existing requirements place a burdensome hurdle on the Secretary's ability to move with timely deliberation in implementing realinement or closure, hampering his effectiveness in completing those actions.

Title 10, United States Code, section 2687(c) provides for the President to exempt certain actions. To do so, however, the President must certify to the Congress that such closure or realinement must be implemented for reasons of national security or a military emergency. Since the certification process for instituting this exemption falls principally on the Secretary of Defense, the President may decide that it is appropriate to delegate this authority to the Secretary.

PRECLUDING JUDICIAL REVIEW OF DECISIONS UNDER NEPA

The disposal of surplus property has met tremendous barriers in many cases because employees and local communities have brought suit against DOD on the grounds of insufficient socioeconomic analysis in the environmental impact statements. Any delay in the implementation of decisions to close facilities or realine activities comes as a welcome reprieve to those who might be relocated or lose their jobs. Inappropriate legal challenges have added years of delay and excessive cost to the disposal process.

DOD has made considerable effort to comply with the National Environmental Policy Act (NEPA) and has done so as the record shows. The courts have ruled consistently in DOD's favor. Generally, the real reason for the challenges have been socioeconomic concerns of the local community rather than environmental impacts. The appeals court has ruled that socioeconomic impacts in and of themselves do not necessitate the need for an EIS under NEPA. This has always been DOD's position. In *Breckenridge* v. *Rumsfeld*, 537 F. 2d 864 (1976), the appeals court specifically stated:

> We hold the District Court was in error in undertaking to transform NEPA from a law designed to protect and enhance the natural resources of the nation into a statute prohibiting the discharge and transfer of personnel at an army installation, and that it was not the intention of Congress for NEPA to be used for purposes of promoting full employment or to prevent the discharge or transfer of federal personnel. . . . *NEPA is not a national employment act. Environmental goals and policies were never intended to reach social problems such as those presented here.*

Current law requires the Department of Defense to comply with NEPA which is appropriate and good public policy. It provides for better Federal decisions and is a reasonable expectation.

However, to prevent continuing inappropriate use of this law as a means of delaying decisions to save Federal jobs, we should provide a limited exemption in that such decisions to close, realine, transfer, exchange, or reuse military facilities are not subject to judicial review under NEPA. All such actions regarding base closure or realinement will need to be environmentally assessed and formal EIS's prepared and processed in accordance with NEPA regulations when it is determined that the proposal is a major Federal action significantly affecting the quality of the human environment. The Secretary is required to have prepared the necessary draft and final EIS's, and to seek and consider public views pursuant to the Council on Environmental Quality Regulations. This limited exemption would be for NEPA review only and not apply to any other substantive environmental law such as the Endangered Species Act or the Historic Preservation Acts.

SUCCESSFUL COMMUNITY ADAPTABILITY

The experience of communities affected by earlier base realinements clearly indicates that communities can successfully adjust to such actions. Over 123,000 new jobs have replaced the loss of 87,000 former DOD or contractor jobs. This is based on a DOD survey of 97 communities conducted in November 1981.

During the 20-year period since May 1961, economic adjustment assistance has been provided to over 280 communities throughout the Nation affected by major cutbacks, contract terminations, major base expansions and military base closures. Numerous success stories exist of how these facilities have been quickly converted to productive local use which has generated new jobs, industry, tax revenue, and educational opportunities.

NOTIFICATION PROCESS

A final change enacted by H.R. 2037 would amend 10 U.S.C., 2687(b), (4) that presently reads:

> A period of sixty days expires following the date on which the justification referred to in clause (3) has been submitted to such committees.

H.R. 2037 would speed the notification process by changing the idle time in which the proposal lays dormant from 60 to 30 days. This would make it consistent with the time frames established for NEPA review.

CONCLUSION

The administration has presented Congress with the bold management initiatives needed to pursue the disposal and sale of surplus Federal property. Creative and worthwhile administrative changes have been made to stop the transfer of surplus Federal facilities—except for those destined for use as jails—to other Federal agencies or State and local governments. All buyers will be required to pay full market price. Congress must take this opportunity to remove the unnecessary legislative barriers that bar the President and the Secretary of Defense from taking the swift action necessary to manage our base structure efficiently. Moreover, we need to shelter national security decisions from local self-serving political interests.

H.R. 2037 will accomplish those tasks.●

AMERICA NEEDS A CITIZEN CONGRESS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. CORCORAN. Mr. Speaker, I believe we are all aware of the fact that until just after the Civil War, the job of a Congressman was not regarded as a long-term career occupation. Tradition until that time had been to retire after two terms. The idea was to have a citizen Congress, not professional politicians running this country.

Mr. Speaker, there has been some turnover in Congress during the last several years. However, it has not been complete, as you well know. I think we need a top-to-bottom infusion of new blood and new ideas in Congress on a periodic basis. A truly representative democracy needs a Congress consisting of people who have worked in the real world and can bring that personal experience to bear on the fundamental policymaking role of Congress.

Therefore, I introduced today a bill to limit the number of terms Members of Congress may serve. This legislation would restrict Members of the House to five terms—10 years—and Members of the Senate to two terms—12 years. The text of the bill follows my statement.

Mr. Speaker, I urge my colleagues to support this needed constitutional reform.

H.J. RES. 189

> Joint resolution proposing an amendment to the Constitution of the United States providing that no person may be elected to the House of Representatives more than five times, and providing that no person may be elected to the Senate more than twice

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. No person may be elected to the House of Representatives more than five times.

"SEC. 2. No person may be elected to the Senate of the United States more than twice.

"SEC. 3. Any person currently serving a term which would be proscribed by Sections 1 or 2 after ratification of this article shall be allowed to complete their current term."●

THE DIVORCED SPOUSES SOCIAL SECURITY EQUITY ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WEISS. Mr. Speaker, today I am introducing legislation which will correct a serious inequity affecting divorced women in the social security system. The Divorced Spouses Social Security Equity Act will enable divorced spouses to receive benefits at

age 62 even if the insured former spouse has not retired. This proposal is included within H.R. 1900, the Social Security Act Amendments of 1983.

This bill would not only help insure equal justice under one of our most important social institutions, but also would relieve the financial hardships of divorced women. Furthermore, it would place little financial burden on the ailing social security system. In fact, it would cost merely 0.01 percent of taxable payroll.

This legislation will eliminate the requirement that the dependent's former spouse must be 62 years or older and must have applied for and be entitled to social security benefits in order for her to receive benefits. Here are examples: A 60-year-old husband and a 62-year-old wife divorce after 30 years of marriage. Under the present law, she would not be eligible for benefits until her former spouse reached the age of 62. In another case, both spouses are 65 years old. The former husband decides against retirement. The former dependent wife may not apply for retirement benefits under the present law.

This requirement is based on the assumption of a lifelong marriage, in which the principal wage earner's income is available to the entire household. Considering today's high divorce rate, it makes far more sense for women to receive their benefits when they become eligible, rather than having to arbitrarily wait until their former spouses apply for benefits. Under present law, women may wait years without receiving any benefits.

These rules are based on an obsolete view of the American family structure. The social security system was created in 1935 when the average family consisted of a husband as sole wage earner and a wife as dependent spouse, homemaker, and mother. At that time, only one out of every seven marriages ended in divorce, while present statistics show that about 50 percent of all marriages will end in divorce.

Divorce causes severe economic hardships for women who have been financially dependent on their husbands. The wealthy divorcee receiving large alimony payments simply does not exist in reality. In fact, only 4 percent of all divorced women receive alimony.

Additionally, only one-quarter of divorced mothers receive child support from fathers. As a result, the majority of divorced women are the sole support for their families. Older, divorced women are the most impoverished group in our society today. An astonishing 85 percent of all people living at or below the poverty line are single women over 65 years of age, according to the Census Bureau. The numbers of older women living in poverty are increasing faster than any other group of people in this country. For more than 60 percent of women over 65 years of age, social security is the only source of income.

A system so vital to the well-being of older Americans must not favor certain groups over others. Dependent spouses have earned the right to social security benefits. Women have contributed to the social security system, either as workers in their own right, or by taking care of the home and children, enabling their husbands to provide the economic support for the family.

One of the great strengths of the social security system has been its capacity to adapt to changing social and economic conditions. The system must now be flexible to provide greater economic independence to millions of divorced women who have spent their lifetimes contibuting to social security.

This year, Congress is undertaking major overhaul of the social security system. It is vital that the Divorced Spouses Social Security Equity Act be incorporated with other changes that will bring the social security system into the modern age.

I urge prompt consideration and approval of the Divorced Spouse's Social Security Equity Act.

H.R. 2044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Benefits For Certain Divorced Spouses of Fully Insured Individuals Not Yet Actually Entitled to Benefits

"(x)(1) The divorced spouse of an individual who is not entitled to old-age or disability insurance benefits but who is a fully insured individual (as defined in section 214) or would be a fully insured individual (as so defined) had he or she attained age 62 and filed application for such benefits, if such divorced spouse meets—

"(A) the criteria set forth (with respect to divorced wives) in paragraphs (1) and (4) of section 216(d), and

"(B) the criteria specified in subparagraphs (B), (C), and (D) of subsection (b)(1) in the case of a divorced wife or the comparable criteria in the case of a divorced husband,

shall upon filing application therefor be entitled to a spouse's insurance benefit under subsection (b) or (c) (as may be appropriate) for each month, as though the insured individual were entitled to old-age or disability insurance benefits, beginning with the first month in which such divorced spouse becomes so entitled to such spouse's insurance benefits and ending with the month preceding the first month in which—

"(i) one of the terminating events specified in subparagraphs (E) through (K) of subsection (b)(1) occurs in the case of a divorced wife or a comparable terminating event occurs in the case of a divorced husband, or

"(ii) such individual is no longer a fully insured individual or (if he or she is under age 62) would no longer be a fully insured individual upon attaining age 62 and filing application for old-age insurance benefits.

"(2) Except as otherwise specifically provided in this subsection, all of the provisions and requirements of this title dealing with eligibility for benefits, computation of benefit amounts, and interrelationships between benefits shall apply with respect to any spouse's benefits which are payable by reason of this subsection in the same manner and to the same extent as they apply (without regard to this subsection) with respect to wife's insurance benefits under subsection (b) or husband's insurance benefits under subsection (c) (as may be appropriate).".

(b)(1) Section 202(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) For provisions relating to payment of wife's insurance benefits in certain additional cases involving divorced wives, see subsection (x).".

(2) Section 202(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) For provisions relating to payment of husband's insurance benefits in certain additional cases involving divorced husbands, see subsection (x).".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after such month.●

CHARLES A. RUSSELL CELEBRATES 86TH BIRTHDAY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. EDWARDS of California. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the 86th birthday of a valued community leader and a dear friend.

Charles A. Russell was born on March 17, 1897, in New York City. He moved to Irvington, Calif., with his grandmother in 1909. Almost a lifelong resident of the Fremont area, Charlie attended the then Irvington Grammar School and Washington Union High School.

Charlie's only time away from Fremont was during a brief tour of service in the Army during World War I. Upon returning to the Bay area, Charlie was an integral part of the project that created Boulder Dam. Upon completion of that work, Charlie began a career as a homebuilder. Included in these endeavors was his establishment of the then Eastside Improvement Club, one of the first homeowners groups in the area.

Charlie Russell is perhaps best known for his keen interest in politics. Charlie was a founder of the city of Fremont, and his face has been seen in nearly every political activity since that time. He has contributed to the

city government by serving on the Planning Commission, Historical Architectural Review Board and on the Human Relations Commission. Currently Charlie is keeping busy lending his service to the Senior Citizens Commission and the Alameda County Commission on Aging.

Charlie Russell is the kind of friend and constituent that all of us can appreciate—a genial, thoughtful man, involved in the issues of the time. He continues to serve his community, and these last 86 years are just a taste of what we can continue to expect from Mr. Charles A. Russell.●

EL SALVADOR'S 9 to 5 WAR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Ms. KAPTUR. Mr. Speaker, I am greatly disturbed by the Reagan administration plan to send the Salvadoran Government $110 million military aid. Not only am I opposed to further military aid for a country which consistently violates human rights, but I am also worried about the form in which the funds may be appropriated.

The Reagan administration appears to be leaning in favor of asking Congress to provide these funds in the form of a supplemental appropriation. I fear, however, that if this course generates an intensive debate in Congress which is not favorable to the administration plan, Mr. Reagan may seek refuge under the President's "emergency" authority. Just yesterday, before the administration nearly doubled its request from $60 to $110 million, it was planning to evade congressional review by providing the $60 million of aid through the special authority in section 506(a) of the Foreign Assistance Act. The Reagan administration has had a tendency to circumvent Congress through the use of emergency authority. We must insure that the nature and extent of the U.S. commitment in El Salvador is fully debated by Congress and determined by the normal authorizations and appropriations process.

Under section 506(a), the President can provide military aid to foreign countries without authorization by Congress, if he declares that "an unforeseen emergency exists" which would necessitate immediate action that cannot be met by any other legal means. The emergency power is referred to as the Defense Department "drawdown" provision, because the aid must be drawn from Pentagon supplies. The amount of military assistance provided under 506(a) is not to exceed $75 million for fiscal year 1983.

The history of the special authority reflects the degree and nature of Presidential flexibility which Congress concluded was justified under special circumstances. During the period between 1976 and 1979, Congress virtually presented the use of the emergency authorities because of congressional concern over the war in Southeast Asia, and the use of the special authority to continue the bombing of Cambodia. Since the restrictions were eased during the 96th Congress, 97 percent of the funds from 506(a) have gone to El Salvador, and two-thirds of the military aid provided to El Salvador in fiscal years 1981 and 1982 was acquired from this emergency fund. The "drawdown" has been used five times since the easing of the restrictions: Thailand, $1.1 million; Liberia, $1 million; El Salvador, $5 million; El Salvador, $25 million, El Salvador, $55 million. The use of the special authority for El Salvador has deviated from past usage in both frequency and amount of funding. It is obvious that Congress must not allow President Reagan to once again avoid the normal legislative process if the congressional debate over increased military assistance is hostile to the administration's plan.

If President Reagan believes that military assistance is necessary for El Salvador, he should come to the Congress and explain why it is necessary. The decisions involved in this instance—an expanded military conflict and greater U.S. involvement in El Salvador—are critical and must be debated and decided in Congress. I hope that my colleagues will join with me in this process.

As the debate begins, I recommend to you an editorial which appeared in the March 9 New York Times.

EL SALVADOR'S 9 TO 5 WAR

Not lies but Huck Finn's word, "stretchers," best describes the Reagan Administration's tales about the imminent collapse of "our" side in El Salvador's civil war. There was the one about the possibility that the Salvadoran Army would run out of bullets in 30 days. Or the State Department's forecast that Nicaragua's 40,000-strong army might invade El Salvador, presumably without being noticed as it crossed Honduras.

The official analysis goes on in that apocalyptic, simplistic way. Why are the guerrillas doing better? Because they get Soviet arms. What factors can turn the tide of battle? More American aid and advisers (or "trainers," according to the revised standard version).

Congress, distracted and uncertain of the truth even if it disbelieves these tales, may again give President Reagan what he wants—and now he's asking $110 million for military assistance. No one wants to be blamed for "losing" El Salvador, and when a case is joined in such black-and-red terms, waverers tilt to the President. But let the Administration beware: all its claims will be hostage to the real world of El Salvador.

The claim of an ammunition shortage has already been detonated. Whatever else the Salvadoran Army may lack, it's not bullets. Nor do its officers confirm any seismic shift in the military balance. Though the insurgents took a provincial town for three days, this war is still a stalemate.

If the guerrillas have seized the initiative, a very different explanation for their success is offered from the scene. The Times' Drew Middleton reports that Soviet and Cuban military aid is not a key factor in the insurgent campaign. He finds no such easy parallel with Vietnam. What raises Vietnam memories is the inadequate motivation and leadership of "our" troops. While the guerrillas fight around the clock, it's a 9-to-5 war for Salvadoran officers. And most of the casualties have been civilians.

Americans have been on this slope before and know too well what lies at the bottom: desperate appeals for greater United States involvement. For that there is no significant support in Congress or among the American people, much as all wish to keep El Salvador from yet a new kind of tyranny. Wise policy would fit available resources to an attainable goal.

Whatever weapons may be needed, they cannot replace motivation and a plausible political strategy. For that the Administration now suggests another election, in December. But who will run it, and who will assure the safety of an opposition whose leaders have been slaughtered? That can't simply be left to the government of the day, not without justifying another leftist boycott and strengthening the extreme right.

There is a better way, urged again by Pope John Paul II. He calls for a "dialogue" between Government and opposition—a word that is acceptable to insurgents, and apparently also to some Reagan aides. "Dialogue" can, of course, mean anything. What it should mean is serious talks, then an internationally monitored campaign. Power sharing of some kind could yet resolve what violence cannot.●

A BILL TO IMPROVE ACCESS TO CHILD AND DEPENDENT CARE

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mrs. KENNELLY. Mr. Speaker, I am pleased to join with my colleagues, Representatives BARBER CONABLE and BARBARA MIKULSKI, in introducing legislation that will improve access to child and dependent care.

There are few job issues more important than dependent care to single working parents and to families where both husband and wife work. Parents who once allowed their children to go home to an empty house after school, now are increasingly reluctant to leave their children unsupervised. The friendly neighbor who used to keep an eye out for the kids is more than likely working outside the home herself. In March 1982, two-thirds of the mothers of school-age children were in the labor force or looking for jobs. Rather than returning to an empty house, children are returning to an empty neighborhood.

At the same time, mothers in increasing numbers are returning to their jobs before their children enter

school, sometimes out of choice, often out of necessity. Over the last decade, this has been the segment of the population that has had the greatest increase in labor force participation. Even more significantly, between 1975 and 1982 there was a 68 percent increase in the number of women working with children under the age of 3 years old. This has meant a corresponding increase in demand for infant care, usually more expensive and harder to find than other child care facilities.

The private sector has gradually come to recognize the importance of dependent care, and many companies have made sincere efforts to fill this need of their employees. In Hartford, Conn., for instance, five of our largest insurance companies and banks have formed a consortium in order to provide information and referral services and seminars on child care.

The 1981 tax bill facilitated access to dependent care in several ways: primarily by replacing the flat rate tax credit for dependent care with a sliding scale favoring those with the lowest income, thus increasing the limit on eligible expenditures to $2,400 for one dependent and $4,800 for two or more. Despite this progress, there is still a need to provide better tax treatment both for dependent care expenses of providers and for employers' contributions to help establish and operate facilities.

The measures I am cosponsoring today, which later will be incorporated into the Women's Economic Equity Act, will do three things. One will raise the credit sliding scale to 50 percent of expenses for those earning $10,000 or less, helping providers with the lowest incomes who face average annual preschool child care bills of $2,900 and average infant care costs of $3,900 in Connecticut.

This bill will also clarify the definition of child care facilities in the Tax Code in order that nonprofit afterschool and infant care centers will qualify for tax exempt 501(c)(3) status. It is intended that this will give added incentives for corporations to assist a variety of dependent care centers throughout the community. In my district, where commuters come to the central business hub from over 30 different surrounding towns, having a lot of options is an absolute necessity. Finally, I am cosponsoring legislation that will provide seed money for public and nonprofit information and referral services. Not only will these centers help all who care for dependents find the facility that fits their needs, they should also help the Federal Government identify the needs that typically are unmet.●

MEDICAL FACILITY DEPENDENT CARE ACT OF 1983

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, we are facing a serious shortage of nurses in this country, a shortage which is impairing our ability to provide quality health care. Nurses provide much of our routine hospital care, and they are needed on a 24-hour, 7 days a week basis. They are the source of much of the continuity and compassion in our health care system.

According to the American Hospital Association, 88 percent of American hospitals are unable to fill all of their full-time R.N. positions. A 1980 survey by the Bureau of Labor Statistics estimated that 85,000 new nurses would be needed each year through 1990.

The shortage in nursing is not simply a matter of bringing more people into the profession. While there are 1.6 million registered nurses who are currently licensed to practice, only 51.4 percent of them actually work full time. Some trained nurses work only part time; many others, not at all.

Many of these part-time or inactive nurses are staying at home and caring for young children. Half of the total R.N. population have children under the age of 17 in their households, and 24 percent have children under the age of 5. Research has shown that nurses tend to drop out of the work force to care for their children, and reenter once their children reach school age.

I am sure that a large number of nurses would prefer to stay at home with their children. However, many of them might be willing to work at their profession if it were feasible for them to do so, particularly those with limited income.

One inducement that an increasing number of hospitals have used to encourage nurses to remain in or return to the work force is the provision of child care. In 1968, there were 98 hospitals in the United States with child care facilities. There are now over 300, 60 of which have been established in the last 2 years. Hospitals which have established centers have experienced lower absenteeism, higher morale, and improved recruitment and retention of nurses and other personnel. Frequently, hospitals go on to expand centers once these results are observed.

The 300 child care centers which now exist are serving only 4 percent of hospitals nationally. Facilities operated by hospitals have the advantage of taking into account the special needs of their staffs, by operating on a 24-hour basis, or by providing for the care of other dependents, such as the elderly. The provision of child and dependent care has been supported by nursing organizations and by the American Hospital Association.

The bill I am introducing today, the Medical Facility Care Act of 1983, is a limited step toward meeting this need. It would provide funds to medical care facilities to help them establish dependent care programs. The legislation would not provide operating expenses, but only startup funds. Facilities themselves ought to be able to provide whatever subsequent operating subsidies are needed.

This bill would also authorize grants to establish information and referral networks for dependent care, so that facilities which do not have sufficient demand for their own programs can assist their employees in obtaining appropriate dependent care.

We do not have adequate child care or dependent care in this country. We also are experiencing a serious shortage of nurses. The legislation I am introducing today addresses these problems in a modest and cost-effective way. A companion bill has been introduced by Senator PAULA HAWKINS, and we hope to obtain bipartisan support. I urge my colleagues to study this bill, and am confident that they will endorse our proposal.●

GEKAS LAUDS SUNBURY "VOICE OF DEMOCRACY" WINNER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GEKAS. Mr. Speaker, for 35 years the Veterans of Foreign Wars of the United States has conducted an annual Voice of Democracy scholarship program for secondary school students. Each contestant delivers a speech on a specific theme chosen by the VFW, and the results are judged at local, State, and national levels. Six national scholarships are awarded to the winners, who use the funds to attend the school of his or her choice. For this year's contest, more than 250,000 students participated. In all, more than 8,000 schools took part in the program; over 4,400 VFW posts and 3,600 auxiliaries sponsored the program, and more than 2,400 radio and TV stations cooperated. The VFW is to be highly commended for organizing and sponsoring this contest, which involves so many American students in a worthwhile endeavor.

I am very pleased to report that this year's first-place winner of the Voice of Democracy scholarship is a constituent of mine. Melissa A. Houghton, of 527 South River Avenue in Sunbury, Pa., delivered a wonderful speech on the theme of "Youth—America's Strength." I insert in the CONGRES-

SIONAL RECORD the speech of Ms. Houghton, who has made everyone in the 17th Congressional District of Pennsylvania very proud.

YOUTH—AMERICA'S STRENGTH

(By Melissa A. Houghton)

Today was Mr. Smith's day off. After working all week, he thought that he could just sit down and relax with his favorite paper all day. No sooner did Mr. Smith get settled until his son, Johnny, came in to the room and begged his father to play. Even though Mr. Smith really didn't want to play, he just couldn't say no. So he got an idea—on the front page of the paper, there was a picture of the United States. Mr. Smith ripped the picture up into tiny pieces, gave them to Johnny, and told him that if he could put the picture back together, his father would play with him. Expecting to get at least another hour of relaxation, Mr. Smith no sooner got settled again until Johnny walked back into the room. He had the picture with him, and much to his father's astonishment, it was together correctly. When his father asked him how he did it, Johnny simply replied, "on the back of the map was a picture of a little boy, and I thought that if I put the little boy together right, America would be right."

American youth . . . strong willed, well educated—tomorrow's leaders. True as this may be, I'm sure you've all heard it too many times before. But did you ever ask yourself if all those statements are really true? Probably not! But being one of America's youth, I did. And obviously so did Johnny. Perhaps he is right. Perhaps if the youth of America are strong enough and intelligent enough and patient enough, then America itself will hold these qualities also.

But we still didn't answer the question—do the youth hold these qualities? In very many cases—no! In nine out of ten kids, the potential is there, but there is just no allowance for development.

All too many times, when Johnny or Mary want to play or perhaps even just talk with their parents, they are turned away and told to wait until later or go ask big brother or sister. We have all had this done to us, and probably even done it ourselves. But what about the child who had a terrific idea that might have helped someone, or wanted to try a new innovative game. The idea will go unheard and the game unplayed. So many times slow or backward children, labeled such by society, are really quite intelligent and skillful but simply haven't been given the chance to express themselves. The youth of today must be given a change to speak their minds, and once they do, they must be listened to, not just shrugged off as some childish mind, trying to make his way through an adult world.

On the other hand this misconception of an "Adult World" is much less than true! Each day, more and more of our everyday living is being geared towards the youth. Our television programs are being made to catch the young people's interest, the songs on the radio are what the young people want to hear, and youth are constantly being included in community activities where they were less than welcome before. There obviously must be a reason for this. And that reason has to be that the youth are the ones who are getting things done. They are beginning to have influence in today's society and therefore have to have a better understanding of what is going on.

Just think what it would be like without any young people at all. Where would we be today if everyone from ages one to 21 was suddenly just not here? Where would we be without the "flappers" of the 20's who taught us how to have fun even in bad times. And how much would have been lost if we wouldn't have experienced the exploration of the 50's or the liberation of the 60's. We owe a great deal to the young mechanical geniuses of the 70's and 80's. All their ideas and many of their dreams which are still upheld today would have been lost.

So when we ask ourselves if the youth of today is America's strength, we must realize that the answer is—yes! Even if a person may not live up to society's expectations on the outside, deep down in, there just may be a very talented person waiting to be given a chance.

You see, Johnny really was right, the youth are America's strength, the foundation of a better future. Let's give them a chance to prove it, to become strong and to develop their skills. Given the opportunity, the strength of today's youth, will become the strength of America!●

PROTECTING THE WORKERS' RIGHTS TO POLITICAL EXPRESSION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GILMAN. Mr. Speaker, it may come as a surprise to many of my colleagues, as we begin our work in the 98th Congress, that some of those who worked for or against us in the recent election, or who may have contributed funds to help us gain election, or who have written to us at our offices, did so because they were coerced into doing so, and that no Federal laws protect Americans from such coercion.

In my view, political decisions should be solely matters of individual choice. Yet there are no effective laws to prevent employers, labor unions, or employment agencies from discriminating against individuals because, for example, they choose to write, or to refrain from writing, to their elected representatives, or because they choose to make, or to decline to make, a campaign contribution.

I am today reintroducing legislation to amend the Civil Rights Act of 1964 to prohibit employment discrimination based on "political preference," defined in the bill to include such manifestations of that preference as writing, or declining to write, to an elected legislative representative, or making, or declining to make, a contribution of anything of value, including services, to a political campaign or political action committee. Exceptions to the Civil Rights Act for bona fide occupational requirements will enable employers to require their employees whose work assignments to lobby for or against legislation, for example, to carry out those assignments notwithstanding the enactment of this bill.

In my view, Mr. Speaker, the passage of this legislation is necessary not only to protect the first amendment rights of workers, but also to protect the legislative process from undue economic influence. We should take the step of passing this bill so that we can have some assurance that the communications we receive from the public represent the genuine beliefs and desires of those who write us, and not the views of persons or organizations who temporarily exercise economic power over them.

I urge my colleagues to review the provisions of the legislation I am introducing today, H.R. 2015, and to join in this effort by becoming cosponsors of the legislation. I ask that a copy of the bill be printed in the RECORD at this point, together with an analysis of protections against political coercion prepared by the Library of Congress and a copy of an article from the March 10, 1980, edition of Business Week, entitled "Browbeating employees into lobbyists."

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C., June 24, 1980.

To: Hon. BENJAMIN A. GILMAN
(Attention Hillel Weinberg).
From: American Law Division.
Subject: Protecting employees' right of political expression.

At common law, an employee could be dismissed for any reason, with or without cause, at the whim of his or her employer. Now, however, the Federal Equal Employment Opportunities Act prohibits employment discrimination on account of an individual's "race, color, religion, sex, or national origin" (42 U.S.C. § 2000e-2). Age discrimination in employment is prohibited by 29 U.S.C. § 623(a). The majority of States have adopted legislation along these same lines.[1] The Labor Management Relations Act (29 U.S.C. §§ 141 et seq.) provides certain protections to those engaged in union activities, and many union contracts provide additional protection (union related and/or general) to covered employees.

However, there are still some gaps in coverage. For example, there appears to be nothing in Federal or State law[2] to prohibit an employer from forcing an employee to write, or refrain from writing, a letter to a Member of Congress expressing his or her views on a pending issue or piece of legislation. An employee refusing to take such an action could thus be dismissed or otherwise disciplined as a result. Such employees have First Amendment rights of free speech and political association, but asserting them can be expensive and time consuming.

[1] The Government Division of the Congressional Research Service is presently conducting a telephone survey of 250 less-than-statewide entities to determine what, if any, affirmative action rights are covered by their enactment (municipal codes and ordinances, etc.). Other than through that procedure, these are not readily available for research purposes.

[2] Standard reference works, the SCORPIO computer citation file, the Chamber of Commerce of the United States, and the National Council of State Governments were consulted on this point, without finding any such enactments.

All States prohibit election coercion or intimidation, and 34 (all except Alaska, Georgia, Hawaii, Illinois, Iowa, Louisiana, Maine, New Hampshire, New Mexico, North Dakota, Oklahoma, South Carolina, Texas, Vermont, Virginia, and Washington) specifically prohibit election coercion by an employer.[3] However, contacting a Member of Congress, or refusing to do so, does not strictly speaking come within the realm of an election. (Although it may tangentially, no cases were found where such an interpretation of any of the above statutes was offered).

Although arguments can be offered in support of employees' rights in these areas, these rights would be greatly strengthened through a statutory enactment specifically providing for such protection. Adverse actions and lawsuits might still be required in some instances (for example, to determine if exercising the protected right has in fact led to disciplinary action), but the basic right of employees to be free from harassment because of such action would be settled.

We hope this information will be helpful.

RITA ANN REIMER,
Legislative Attorney.

[From Business Week, Mar. 10, 1980]

BROWBEATING EMPLOYEES INTO LOBBYISTS

A truism of political life is that mail moves politicians. But how does a legislator respond to 500 preprinted postcards from the employees of XYZ Corp. or to 200 letters written on company stationery?

The question is far from academic to the growing number of corporations that use their employees as political lobbyists. In industries ranging from oil to aerospace, workers have been urged—and sometimes marshaled into boardrooms, offices, and cafeterias—to write to their elected representatives, recommending action that the company wants. One Senator, Carl Levin (D-Mich.), estimates that up to 10 percent of his mail is identifiably from employees writing in their companies' interest.

INTRUSION

Predictably, the practice has inspired employee grumbling that "managed" letter-writing is not part of their jobs, complaints from civil libertarians that it invades the writers' privacy, and attempts by political theorists, in and out of Congress, to curb the trend. Professor David W. Ewing, of the Harvard Business School, who dubs the workplace "the black hole in American rights," calls for a movement to give employees the constitutional guarantees they have as citizens. Noting that some 50 major companies (including IBM, Citibank, and Bank of America) have issued guidelines protecting employees from coercion or intrusion upon their privacy, Professor Alan F. Westin, A political scientist at Columbia University, says: "Management must see that the choice lies between making the effort themselves and government regulation."

In Congress, Representative Frank Thompson, Jr. (D-N.J.) has introduced a bill to give the National Labor Relations Board jurisdiction over supervisory employees—admittedly only a first step toward their protection against political arm-twisting. Supervisory employees would still have to form unions and file grievances under NLRB-protected union contracts providing for arbitration, or possibly win an NLRB hearing by approaching the board as a unit to protest such action as a mass firing for refusing to write letters. Moreover, a similar bill introduced by Thompson in the 1974-75 session died in committee.

But the Thompson bill—and other bills on employee rights currently being considered by potential sponsors—may have better luck this time, in part because Congress has become aware of the quantum increase in its company-inspired mail. There is no question, says a congressional aide, that more companies "have realized that their employees represent electoral power."

Operating on that realization, Fluor Corp., of Irvine, Calif., urged its 20,000 employees to write to their congressman in support of arms sales to Saudi Arabia in 1978. Fluor holds multimillion-dollar contracts to design and construct oil refineries and other projects in Saudi Arabia. Rockwell International Corp., of Pittsburgh, provided preprinted postcards to its headquarters employees so that they could petition Congress in support of the B-1 bomber in 1977. Rockwell was the primary bidder for production of the B-1, a program whose lowest estimate was $10 billion. For most of the last year, the major oil companies have used company newsletters, pep talks over plant intercoms, and fliers posted on department bulletin boards to persuade employees to send lawmakers the message that proposed taxes on "windfall profits" would unjustly hurt the companies.

LABOR'S EFFORTS

Unions, too, have pitched in on occasion. Last year the Federation of Grain Millers urged its 3,000 members in Battle Creek, Mich., to write letters objecting to an antimonopoly suit brought against the cereal industry by the Federal Trade Commission. More recently, the United Auto Workers organized a campaign to support a bid by Chrysler Corp. for federal loan guarantees. Senator Levin reports that he received some 7,000 letters clearly stemming from that campaign.

While corporations that sponsor letter-writing campaigns stress that participation is voluntary, even voluntary action must be motivated. When 22 specialty steel companies, backed by the United Steelworkers, joined in a push for continuation of the specialty steel import quotas last year, an industry brochure hammered home the warning, "Your job is at stake!" Says Hubert W. Delano, assistant vice-president of Cyclops Corp., a Pittsburgh-based diversified steelmaker: "Our people realized what the import-restraint program meant to them. The plant here in Pittsburgh had a 40 percent unemployment rate a couple of years ago."

THE JOB THREAT

Sometimes, however, the threat to a worker's job becomes more personal. A worker in Cyclops' Specialty Steel Div. felt that his job was at stake when he balked at joining in the second of the division's two letter-writing sessions. A technician in a nonunion job, the employee had dutifully appeared in the company board room as requested in 1978 and had written a letter supporting quotas. When asked to make a return appearance last summer, he refused. "I lost my cool," he says. "I didn't agree with the company's position which I thought was very self-serving." Instead, he offered to write a letter at home and mail it privately.

The result, he says, was a visit from his supervisor, who told him that everyone had to write a letter on the premises. "He said, 'Go up and write something. Nobody's ever refused to do it.' " the employee says.

At that point the technician turned to his local chapter of the American Civil Liberties Union, only to be told that the company was within its rights in using him as a lobbyist. The Constitution protects an American from political pressures by the government but is silent on the subject of employer pressures, the ACLU said.

Specific laws restrain companies from acting freely in specific areas—for instance, the Equal Employment Opportunity Act and the Occupational Safety and Health Act—but in areas that are left uncovered by law, "the power of a large corporation over the worker is fairly unlimited," confirms Ira Glasser, the ACLU's executive director. This is particularly true if he does not belong to a union, Glasser says.

PROTECTION

Almost all union contracts specify that firings must be for just cause and provide grievance procedures culminating in arbitration; an arbitrator is unlikely to find that refusing to write to a congressman is just cause for dismissal. And if the union, sympathetic to the company, drags its feet on processing the grievance, the member can sue it under the Landrum-Griffin Act for failing to represent him. But in the absence of union or legislative protection, Glasser says, employees must weigh the economic consequences of refusing to act on the company's behalf. These economic considerations are "more effective political inhibitors than even the fear of arrest," he says.

In the Cyclops case, the technician finally wrote the letter. The experience left him shaken. "I felt my constitutional right to privacy had been violated," he says. "I wanted to refuse, but I didn't because I am the main support of my family."

Cyclops' Delano denies that the specialty steel campaign was coercive. "We were certainly very anxious that our employees write, so a strong effort was made," he says. But Delano stresses that nobody was forced.

EFFICACY

Company-inspired mail campaigns have met with varying degrees of success. The specialty steel campaign apparently persuaded Congress but not the President, who vetoed the bill. In general, says Representative William S. Moorhead (D-Pa.), a 22-year congressional veteran, he is most persuaded by "the one letter that analyzes and presents a problem logically," and he discounts postcards and petitions. Moorhead quotes the late Senator Sam Rayburn to the effect that "a letter written with a stub pencil on a scrap of paper counts for more than a fancy letterhead because it probably comes from someone who has never written to his congressman before."

In any case, says Moorhead, "I am not elected to tote up letters and find out how many people in my district are for or against an issue. People back home rely on me to study the question and vote accordingly."

Other congressman, often with less secure political bases, feel that even coordinated letter-writing has some value. When weekend vehicle gas restrictions were proposed last year, first-term Representative Howard E. Wolpe (D-Mich.) received two dozen identical letters on company stationery from employees of a small supplier of brass fittings for recreational vehicles. The letters noted that restricted gas sales would hurt the makers of snowmobiles and other recre-

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[3] See "Senate Election Law Guidebook 1980," S. Doc. 96-45 (1980), pp. 304-305.

ational vehicles, ultimately producing layoffs in the supplier company.

THE PERSONAL TOUCH

James D. Margolis, Wolpe's executive assistant, believes that even this obviously orchestrated effort was effective because "it clued us into the ramifications of those restrictions." Even so, Margolis says that Wolpe prefers the personal touch. "I'd say he gives two points for sending anything, but 10 for a personal letter," he says.

Company-inspired employee lobbying can also generate undesirable side effects. When Fluor Chairman J. Robert Fluor wrote to employees and shareholders in 1978 to ask them to petition legislators in support of the sale of military jets to both Saudi Arabia and Israel, he drew widespread criticism, especially from the Jewish community.

"We took a lot of heat on that," says Thomas C. Ellick, vice-president of corporate relations, who supervises such activities. Fluor seldom uses grass-roots lobbying, Ellick says, but "we felt strongly about the bill and saw that it was in trouble," so Fluor made a conscious decision to try to use the political clout of its 20,000 employees. The effort, however, involved "no coercion and no attempt to follow up on who wrote letters and who didn't," Ellick says.

THE SOFT SELL

That kind of company attempt to inspire employee lobbying violates no one's privacy "if it is truly voluntary, with no threat of sanctions," says Columbia's Westin. Moreover, says William R. Maloni, a former aide to Representative Moorhead, "better efforts at internal corporate communications would produce better results than blackjack letter-writing sessions" because they would generate more spontaneous letters.

In fact, Illinois State Senator Dawn Clark Netsch insists that she can identify the effects of a company newsletter in the letters she receives. She finds such obviously voluntary expressions of concern more persuasive than "200 organized letters," she says.

H.R. 2015

A bill to amend title VII of the Civil Rights Act of 1964 to prohibit employment discrimination on the basis of political preference

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Civil Rights Act of 1964 (42 U.S.C. 2000e) is amended by adding at the end thereof the following:

"(l)(1) The term 'political preference', as used with respect to an individual, means a political preference of such individual, as expressed—

"(A) by making, or declining to make, a contribution of anything of value (including services) for the benefit of any candidate, political party, or political committee, or

"(B) by attempting, or declining to attempt, to influence—

"(i) the passage or defeat of any legislation, or

"(ii) the outcome of any referendum, initiative, or recall proceeding of a State or of a political subdivision of a State,

other than through an act prohibited by law.

"(2) For the purposes of paragraph (1)—

"(A) the term 'candidate' shall have the meaning given such term by section 601(b) of title 18, United States Code;

"(B) the term 'political committee' shall have the meaning given such term by section 301(4) of the Federal Election Campaign Act of 1971; and

"(C) the term 'legislation' means any bill, resolution, amendment, nomination, or other matter pending or proposed in, or which may otherwise be the subject of action by, either House of Congress, or a legislative body of a State or of a political subdivision of a State.".

SEC. 2. (a) Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e and following) is amended—

(1) by inserting "political preference," after "sex," each place it appears in sections 703(a), 703(b), 703(c), 703(d), 703(e), 703(h), 704(b), and 706(g);

(2) by inserting ", political preference," after "religion, sex" in section 703(h); and

(3) by inserting in section 703(j)—

(A) "political preference," after "sex," the first place it appears;

(B) "(or the total number or percentage of persons having any particular political preference)" after "national origin" the second place it appears; and

(C) "(or the total number or percentage of persons having such a political preference)" after "national origin" the third place it appears.

(b) The section heading for section 703 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2) is amended by inserting "Political Preference," after "Sex,".

SEC. 3. The amendments made by this Act shall apply with respect to employment practices occurring after the 180th day following the date of the enactment of this Act.●

ADDITIONAL STATEMENT ON SUPPLEMENTAL APPROPRIATIONS RESOLUTION

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. WYLIE. Mr. Speaker, because of the time limitations on the debate of H.R. 1718, the urgent supplemental appropriations bill the House passed last Thursday, I did not have sufficient time to address other items in the legislation which I find troublesome. There is one small provision in H.R. 1718 under the Banking Committee's jurisdiction which disturbs me.

I find once again that the Appropriations Committee's original bill included what can only be described as ambiguous and confusing statements about the proper course of monetary policy. Rule X of the House rules plainly states that the Banking Committee has jurisdiction over monetary policy; nothing in the House rules suggests that the Appropriations Committee has jurisdiction in this area at all. To include such language in the urgent supplemental only makes a mockery of the House rules and the legislative process in general. If we would have had the opportunity to consider this supplemental under an open rule, I would have been the first to strike this language if only for purely procedural reasons. Since this language was contained in the committee's original bill, unfortunately a point of order did not lie against it.

My colleagues will recall that we went through this same exercise last year when the Appropriations Committee included a directive to the Federal Reserve in the fiscal year 1983 continuing resolution. I went to the well last December as I do today to question such monetary policy instructions. Section 104 states that the Federal Reserve:

Should continue such actions as are necessary to achieve and maintain a level of interest rates low enough to generate significant economic growth and thereby reduce the current intolerable level of unemployment. * * *

Such language sounds quite virtuous on the surface: Who can be against high interest rates and who is in favor of unemployment? Yet, I have learned from my long years of service on the Banking Committee that the Federal Reserve does not have a magic button it can push to lower interest rates. We witnessed this last year when market rates failed to decline after the Federal Reserve's most recent lowering of its discount rate.

This language also is mischievous in that it fails to mention the ultimate reason for so many of our problems today: Inflation. Fortunately, when similar language passed the House last year, the other body had the good sense to point out the Federal Reserve's contribution to lower inflation and to state affirmatively that in the pursuit of both increased growth and reduced unemployment the Federal Reserve have "due regard for controlling inflation so as not to have an opposite effect of driving interest rates upward. * * *"

Section 104 is vague enough to permit any observer to believe congressional intent is that the Federal Reserve continue its legislative mandate to promote stable prices. But that language is also dangerous if it implies to Wall Street and Main Street alike that we are retreating from the congressional prescription in last year's continuing resolution to persevere in the fight against inflation. At best, section 104 is counterproductive if the financial markets perceive this as a mandate to the Federal Reserve to follow an inflationary monetary policy.

The fear of future inflation—which can only keep interest rates unnecessarily high—in large measure is driven by the concern over looming budget deficits. This is precisely the reason we must be conscious about the need to reduce the deficits in future years. If recent history has taught us anything, it has demonstrated to my satisfaction that an overly expansive monetary policy, for the reasons I have cited, is the wrong road to travel in pursuit of

full employment and economic growth.

Mr. Speaker, let me state for the record that this provision was not included in the motion to recommit offered by my good friend from Massachusetts, the ranking Republican Member of the Appropriations Committee, Mr. CONTE. There are good reasons not to have this extraneous provision in the urgent supplemental, and this in part explains why I voted for the motion to recommit. I hope that the other body will delete section 104, or at least modify it to state explicitly that which is implied anyway: the continuing need for our Nation's monetary authority to pay close attention to inflationary trends and continue in its efforts to promote price stability. Finally, let me close by affirming that our best—and for most of this country's jobless the only—solution to productive job creation is to do everything within our means to promote genuine recovery and stable economic growth.●

CITIZENS AGAINST NUCLEAR WAR SUPPORT THE FREEZE AND REDUCTIONS RESOLUTION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. MARKEY. Mr. Speaker, I would like to commend to my colleagues testimony by Mr. Terry Herdon, president of Citizens Against Nuclear War (CAN), in support of the bilateral nuclear freeze and reductions resolution (H.J. Res. 13). It was given before the House Foreign Affairs Committee on February 17. CAN is a coalition of 42 national membership organizations, among them a number of unions, associations, and churches. Their endorsement of the freeze and reductions resolution should be seen in the context of the overwhelming majority of the American people who are in favor of an agreement halting the nuclear arms race. I recommend this excellent testimony to my colleagues.

The testimony and the list of groups supporting a nuclear freeze follow:

TESTIMONY OF TERRY HERNDON, PRESIDENT OF CITIZENS AGAINST NUCLEAR WAR (CAN)

Mr. Chairman and Members of the Committee, the past two years have witnessed an uncommon focus of public attention on arms policies, the nuclear arms race, and the security strategies of the United States. Popular literature, scholarly literature, political debate, and the mass media have all contributed to an unprecedented awareness and sensitivity within the electorate of our country.

It is in this context of awareness that public opinion polls find 64% support for a verifiable, comprehensive, bilateral freeze on nuclear weapons. It is in this context of awareness that 60% of those voting in statewide referenda voted in support of the "Freeze." It is in the context of awareness that more than 300 communities have voted support for the "Freeze" and more than 100 national organizations have endorsed it. It is in this context of awareness that the esteemed leaders of 42 prominent, national organizations formed Citizens Against Nuclear War.

The depth and breadth of the contemporary public debate and basic respect for the idea of self-government must lead one to conclude that we, the people, have a right to express ourselves regarding government policy in this area; and that, at this time, we express ourselves with a relatively sound knowledge of our alternative choices. The more the people learn about the rapid evolution of nuclear weapons technology, the more we fear the uncontrollable nature of the arms race.

The more we learn about the awesome destructive power of current arsenals, the less sanguine we are about survivability, civil defense, or any possibility of even pyrrhic victory. The more we consider the destabilizing quality of the next generation of weapons (MX, Trident II, Pershings, Cruise missiles, etc.), the less secure we are with the traditional notions of deterrence, balance of terror, and mutually assured destruction. The more we ponder the awesome economic burdens the arms race imposes upon us, our children, and the other peoples of the world, the more fervently, we cry, "Why?" and seek leaders who will deliver us.

If this is a "government of the people, by the people, and for the people," then we must be heard. We wish for our government to lead the world into a more sane living environment; we want our government to provide initiative toward a verifiable, comprehensive, bilateral freeze on the production, testing, and deployment of nuclear weapons. Inasmuch as our President has spurned this plea, we come to the Congress, the most direct representatives of the people, and ask that you express our view. We ask that you, Mr. Chairman and members of the Committee, report out a resolution for an immediate, verifiable and bilateral nuclear weapons freeze. We ask that you pursue a simple, swift, and sure end to the nuclear arms race.

The members of CAN are not peace and disarmament organizations. We are organizations of American citizens who have come together with quite different primary purposes.

We are as diverse as the NEA, the United Food and Commercial Workers Union, the Wilderness Society, the National Black Caucus of State Legislators, the YWCA, the American Jewish Congress, and the Japanese-American Citizens League. These organizations and 35 more are now together because their leaders and most of their members believe that—

The citizens of a democracy have a responsibility for foreign policy;

The U.S. must urgently seek international agreements to reduce the risk of war;

The existing arsenals and the nuclear arms race cannot provide effective security and indeed threaten the survival of civilization;

U.S. policy should not be based on an effort to win or survive a nuclear war; and

Civil defense cannot provide a "safety net" against nuclear war.

We support a verifiable bilateral freeze on the production, testing, and deployment of all nuclear weapons.

Our member organizations involve more than 20 million American citizens. Many of them have appended their own letters to this testimony. I come on their behalf and say to you that the thoughts that I express today spring from millions of American hearts.

We have not been duped, manipulated, or misled. We sincerely want the world freed of the nuclear arms race. We want a nuclear freeze which is followed by rapid reductions in the present arsenals.

We come with the desperate hope that Thoreau spoke the truth when he said: "Let every man make known what kind of government would command his respect, and that will be one step toward obtaining it."

Mr. Chairman and Members of the Committee, we are grateful for your attention to our plea.

MEMBERS OF CITIZENS AGAINST NUCLEAR WAR

Amalgamated Clothing and Textile Workers Union: Murray H. Finley.

American Association of University Women: Mary Purcell.

American Coalition of Citizens with Disabilities, Inc.: Phyllis Rubenfeld.

American Federation of State, County and Municipal Employees: Gerald W. McEntee.

American Jewish Congress: Henry Siegman.

American Medical Student Association: Patrick S. Romano.

American Public Health Association: Dr. William H. McBeath.

Americans for Democratic Action: Leon Shull.

Coalition of Black Trade Unionists: William Lucy.

Congress of Italian-American Organizations, Inc.: Mary C. Sansone.

Delta Sigma Theta Sorority: Mona H. Bailey.

Environmental Action: Elizabeth Davenport.

Friends Committee on National Legislation: Edward F. Snyder.

Friends of the Earth: Rafe Pomerance.

Greenpeace USA: Jon Hinck.

International Association of Machinists and Aerospace Workers: William W. Winpisinger.

International Chemical Workers Union: Frank D. Martino.

Japanese-American Citizens League: Ron Wakabayashi.

League of United Latin American Citizens (LULAC): Arnoldo Torres.

National Association of Social Workers: Dr. Mary Ann Quaranta.

National Black Caucus of State Legislators: Clarence Mitchell III.

National Council for the Social Studies: Dr. Carole L. Hahn.

National Council of Negro Women: Dorothy Height.

National Council of Senior Citizens: William R. Hutton.

National Education Association: Terry Herndon.

The Newspaper Guild: Charles A. Perlik, Jr.

Nuclear Information & Resource Service: Janet Lowenthal.

Older Women's League: Tish Sommers.

Organization of Pan Asian American Women, Inc.: Wendy Lim.

Presbyterian Health, Education and Welfare Association: Rodney T. Martin.

Reformed Church in America: Rev. Dr. Arie R. Brouwer.

The Ripon Society: Jayne A. Hart.

Rural American Women: Carolyn Kazdin.

Southern Christian Leadership Conference: Rev. Dr. Joseph E. Lowery.

Union of American Hebrew Congregations: Rabbi Alexander Schindler.

Unitarian Universalist Association: Dr. Eugene Pickett.

United Electrical, Radio and Machine Workers of America: James Kane.

United Farm Workers of America: Cesar E. Chavez.

United Food and Commercial Workers International Union: William H. Wynn.

United Presbyterian Church USA: William P. Thompson.

United States Student Association: Janice Fine.

The Wilderness Society: William Turnage.

Women for Racial & Economic Equality: Cheryl Craig.

Young Women's Christian Association: Roshan Billimoria.●

PRESIDENT MAGANA'S RESPONSE TO PROPOSAL FOR CEASE-FIRE IN EL SALVADOR

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. BARNES. Mr. Speaker, on February 25, 80 Members of the House joined me in sending a letter to President Alvaro Magana of El Salvador and Dr. Guillermo Ungo of the Democratic Revolutionary Front urging both sides to begin an indefinite ceasefire on the occasion of the Pope's visit. I have received a reply from President Magana, which I wish to include in the RECORD for the information of the cosigners of the letter and the public. I also include the text of our letter.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 25, 1983.

His Excellency
ALVARO ALFREDO MAGANA BORJO,
President, Republic of El Salvador, National Palace, San Salvador, El Salvador.

DEAR MR. PRESIDENT: It has been reported in the United States press that Msgr. Arturo Rivera y Damas, Acting Archbishop of San Salvador, has called upon both Government and guerrilla forces to observe a truce in observance of the visit of His Holiness John Paul II in early March.

We strongly endorse this proposal and urge the forces on both sides to observe such a truce. Furthermore, we urge the forces of both sides to observe the truce indefinitely, in order to give initiatives for a political settlement of the conflict an opportunity to surface and to take effect.

The people of El Salvador want peace, and they believe that the visit of His Holiness can help bring peace. It is our strong hope that this constructive initiative of Msgr. Rivera y Damas could lead to a break in the unhappy cycle of violence that has afflicted your country and could open up avenues for a peaceful resolution of the conflict.

Sincerely,

Michael D. Barnes, Gerry E. Studds, David E. Bonior, Joe Moakley, Edolphus Towns, Edward F. Feighan, Richard L. Ottinger, Douglas Applegate, Baltasar Corrada, Barney Frank, Fernand J. St Germain, Hal Daub, Frank Harrison, Ted Weiss, Les AuCoin, Bill Green, Walter E. Fauntroy, Jim Bates, Mike Lowry, Henry B. Gonzalez, Robert T. Matsui, Norman E. D'Amours, Thomas J. Downey, Ronald V. Dellums, Harold E. Ford, James F. McNulty, Jr., Gus Yatron, Frank Horton, Jim Leach, Mel Levine, William D. Ford, James L. Oberstar, George Miller, Fortney H. Stark, James H. Scheuer, Bruce F. Vento, Robert A. Roe, Stephen J. Solarz, Edward J. Markey, Ron Wyden, Doug Walgren, Bob Edgar, Robert J. Mrazek, Sidney R. Yates, Barbara B. Kennelly, John J. LaFalce, Vic Fazio, William J. Hughes, Marcy Kaptur, Lawrence J. Smith, George W. Crockett, Jr., Don Edwards, John F. Seiberling, Barbara Boxer, Robert A. Borski, Norman Y. Mineta, Lynn Martin, Parren J. Mitchell, Sam Gejdenson, Peter H. Kostmayer, James Weaver, Ike Andrews, Barbara Mikulski, Robert G. Torricelli, Dale E. Kildee, Dennis E. Eckart, Thomas A. Luken, Larry Winn, Jr., Mary Rose Oakar, Bill Frenzel, Jim Moody, Lane Evans, Claudine Schneider, Robert Garcia, Patricia Schroeder, Mervyn M. Dymally, Howard Wolpe, Olympia J. Snowe, Dan Glickman, Martin Frost, Tom Bliley.

[Telegram]

WASHINGTON, D.C., *March 7, 1983.*

Congressman MIKE BARNES,
Capitol,
Washington, D.C.

On the authority of President Alvaro Magana I'm pleased to submit following translation of his reply to your letter 2/25/83. I would appreciate your conveying copy of this reply to your colleagues who joined in endorsing a cessation of hostilities proposed by archbishop Rivera Y. Damas.

"GENTLEMEN: I have honor of writing you in response to your letter dated 2/25/83 in which you recommend supporting the proposal of the Archbishop of San Salvador Msgr. Rivera Y Damas, relative to a halt to violence during the ceremonies of the visit of his holiness John Paul II to El Salvador. A cessation which would be indefinitely prolonged. In this respect I am pleased to say that my government has always held that a solution to the problem of violence ought to be essentially political and democratic. For this reason, we have categorically rejected a military solution, imposed and supported from abroad, because it would be contrary to our peoples' peaceful and democratic values. Our people need peace, and hope that the visit of his holiness John Paul II will spark ideas to remove us from the spiral of entrenched violence that has destroyed our country, thus solving our problems peacefully and democratically.

"I should mention that the political commission established by my government, unanimously reaffirmed its unwavering intention to maintain peace, as well as its firm determination to establish respect for different ideologies in order to achieve a pluralistic, democratic and equitable society that will guarantee respect for human rights, in turn, promoting social progress. It will be indispensable in achieving peace that groups opposed to genuine democracy, of whatever ideaology, abandon their radicalism and their irrational strategy of violence, destruction and revenge, so that peace can be achieved and enjoyed by all sectors and forces without discrimination.

"Thus, I am pleased to announce that on that day, so that peace may prevail, my government will not initiate activities that lead to armed encounters or violent situations. At the same time, we call upon armed groups to abandon their policy and join in the democratic process so as to move forward on the road to peace.

"I appreciate your interest in peace in El Salvador, and I assure you of my intention to give it my highest consideration. Signed, President Alvaro Magana, Republic of El Salvador." End text.

Ambassador ERNESTO RIVAS-BALLONT,
Embassy of El Salvador, Washington, D.C.●

A TRIBUTE TO CROSS COUNTY FEDERAL SAVINGS & LOAN ASSOCIATION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. ADDABBO. Mr. Speaker, it is with great pleasure that I note that Cross County Federal Savings & Loan Association of New York City has for the fourth consecutive time been named to a distinguished list of high performance associations.

Cross County, which is located in Middle Village with branches in Maspeth, Brooklyn, and Manhattan, was rated No. 10 out of 800 associations across the country in the $50 to $100 million asset category. In the State of New York Cross County was rated tops in earnings.

Congratulations are in order for chairman of the board, Michael Cousin, and president, Ira Bailey, who is celebrating his 25th year with Cross County during which time assets rose from $25 to $65 million.

In addition, the American Broadcasting Corp. has just completed a prime time televised story in which Cross County was cited as an example of how a well managed savings and loan association can be successful when most S&L's around the country are experiencing serious financial problems.

I am delighted to add my voice to those throughout Brooklyn and Queens who are providing congratulations to Cross County for these important achievements and I wish them and their many employees the best of luck in their future endeavors.●

CALL TO CONSCIENCE FOR ALEXANDER PEVZNER

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. BARNES. Mr. Speaker, the call to conscience vigil in Congress, on behalf of the many Soviet Jews who need our help, continues in the 98th Congress with the strong support of many Members of the House. In the face of the drastic decline in the num-

bers of Jewish people permitted to emigrate from the Soviet Union, our collective efforts become all the more important for those who still cannot escape Soviet oppression.

I raise a personal protest to the Soviet Government on behalf of Alexander Pevzner. I do it now as I have done it again and again in the past. Last December, 65 Members of the House joined with me in an appeal to the Soviet Government to give Alexander Pevzner permission to leave the Soviet Union with his family so that he can come to the United States to join his father, his mother, and his sister, who were permitted to leave the Soviet Union over 3 years ago. At that time, Alexander Pevzner expected that he and his family would soon follow. They are still waiting.

We have not yet heard one word from Soviet officials about Alexander Pevzner, but they will continue to hear from me until he is reunited with his family here in the United States.

All of us, in participating in the congressional call to conscience vigil, have taken on a personal responsibility to see our way through to success for at least one individual. Alexander Pevzner, who has applied to emigrate six times since his first application in March 1979, and who every time has been denied, must hear each time the lame excuse offered by Soviet officials to justify their denial of his fundamental human rights. But neither he, nor I, will give up.

Alexander Pevzner has great courage, as do many thousands in the Soviet Union who have dared to ask for what they, as human beings, deserve. Many of these people are unknown to us and many of them fight this very difficult and painful battle alone. They have a dream of living in a free society and we are working hard to make sure that will be possible.

When I spend time with my own family, I often think of Alexander and his family and the vital importance of our work here, of our continued strong protests as Members of Congress, speaking up for those who are powerless to change their tragic situation. I have written and personally met with Soviet officials on Alexander's behalf and I will continue to do that, and more, because I think we need to take advantage of every single opportunity we have to raise the issue of human rights with the Soviet Government.

My hope today is for the freedom of Alexander Pevzner.●

ONLY THE BEGINNING

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. TRAXLER. Mr. Speaker, I would like to take this opportunity to explain to my colleagues and constituents my vote yesterday against the Social Security Reform Act of 1983. One of the primary reasons that I could not support the social security reform package was that I did not support the Pickle amendment to raise the retirement age from 65 to 67 years old. This is breaking the social contract that the U.S. Government has with the American worker. Once this action has been taken it will be much easier in the future to raise the age again.

We have abandoned the historic principle of permitting people to leave the work force with full benefits at age 65. This commitment has insured retirement benefits at a specified age for more than four decades.

This will create a great hardship on those older workers who are unable to find work due to poor health or forced retirement. They will be forced on to social security without the full retirement benefits. When you take away the option for older workers to retire, there will be less opportunities for the younger worker.

I regret that the bill was brought up on the House of Representatives floor under a closed rule which would not allow us to amend other portions of the bill that I had problems with including those provisions affecting Federal workers and the self-employed. Although the social security reform package did contact several excellent points, I could not support increasing the social security retirement age.●

INTRODUCTION OF THE GEOTHERMAL STEAM ACT OF 1983

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. MARRIOTT. Mr. Speaker, today I am introducting a bill to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001) to expedite exploration and development of geothermal resources, to be cited as the Geothermal Steam Act of 1983.

I recommend that the bill be referred to the approporiate committee for consideration, and that it be enacted as legislation vital to the economic security and well-being of the Nation.

This bill contains numerous amendments to the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) intended to expedite exploration and development of our Nation's vast geothermal energy resources.

Certainly the most important of these amendments is that in section 8, increasing the maximum acreage a single lessee can hold in any one State from 20,480 to 51,200 acres, and authorizing the Secretary, in his discretion, to increase the limitation to 115,200 acres in 1985. Experience in geothermal development has shown that, at a minimum, 10,000 to 15,000 acres of land are needed for meaningful exploration of geothermal resources at any one site. The current limitation on ownership, therefore, restricts lessees to only one or two prospects per State and prevents them from reaping full benefit of economies of scale, and of new techniques they may invest in, both of which can, in many cases, mean the difference between an unprofitable investment and a commercial success. This amendment, to section 7 of the act, will remove this economic impediment which has discouraged companies from participating in geothermal development, and which has slowed the growth of a geothermal industry in the United States. This amendment will also exclude acreage in commercial production from the acreage limitation, providing an additional positive incentive for lessees to quickly explore their leases and bring them into production.

Another very important amendment in this bill is the redefinition of known geothermal resource area (KGRA) which is contained in section 4. The new definition removes the economic test of competitive interest in a tract as an indicator of the geologic presence of geothermal potential in an area. The amendment substitutes a more proper requirement that, for classification as a KGRA, there must be sufficient physical evidence of the geothermal resources in an area to engender a professional belief that the prospects for generating electricity in commercial quantities warrant substantial expenditures. This more narrow definition of known geothermal resource areas will allow hard geologic evidence, rather than economic speculation, to guide KGRA classifications.

In addition to these two, most important amendments, the bill makes several other changes in the provisions of the Geothermal Steam Act of 1970. Section 3 extends the Secretary's leasing authority. Currently, only those Federal lands under his control, and those under the control of the U.S. Forest Service, are leasable. This amendment will permit geothermal development on additional Federal lands. Section 15(c) exclusions, however, are still maintained.

Section 5 provides for automatic declassification of known geothermal resource area lands where there are no competitive bids. This amendment recognizes the fact that continued competitive classification of such lands needlessly withholds them from leasing. Section 5 also provides protection for those filing lease applications, and

for those who have invested in discoveries on adjacent lands.

Section 6 retains the royalty structure already in section 5(a) of the act for electrical generation, but reduces the minimum royalty by 5 percent for nonelectric users. This reduction in the royalty rate serves as an incentive for nonelectric users to employ geothermal resources in their operations. It recognizes that such operations may not be as profitable as electrical generation.

Section 7 redefines production or utilization of geothermal steam in commercial quantities to include not only completion of a producing or producible well in conjunction with a sale of the energy from the resource to an existing or planned facility, but also a commitment for utilization by the developer himself. It also allows the Secretary to extend lease terms for up to 15 years when construction has been delayed by administrative delays or by the marginal economics of such a facility or facilities.

Section 9 extends the periods of review and adjustment of lease terms and conditions provided in section 8(a) of the act from 10 to 20 years. This extension will give lessees additional economic and operating security for their leaseholds.

Section 10 amends section 15(b) of the act to make that section consistent with the amendments made by section 3, which extends coverage of this act to additional Federal lands. It transfers responsibility to determine lease terms and conditions on such lands to the Secretary, in consultation with the Federal department or agency with jurisdiction over lands. For acquired lands, however, it requires the Secretary to obtain the consent of the head of the other department or agency involved prior to leasing.

Section 11—protection of national parks—amends section 15 of the act to add a new subsection (f) intended to provide additional protection to nationally significant thermal features found in national parks from damage caused by geothermal exploration or development outside the boundaries of a park. It requires the Secretary to list within 180 days of enactment, nationally significant thermal features found in national parks, and to describe zones outside park boundaries on Federal lands within which the Secretary determines that development of geothermal resources may affect such features. Unlike statutorily mandated buffer zones around parks, this provision would allow the Secretary discretion in utilizing the best hydrological and geological data available to customize the zone to the particular feature which may be affected. Since acquifers can differ widely in size, shape, and depth, arbitrarily designated buffer zones may or may not be suitable to protect a particular feature.

The fact that the Secretary has described a zone of concern outside a national park boundary, does not necessarily mean geothermal exploration and development will be prohibited. Under subsection (f)(2), the Secretary may permit such exploration and development if he determines, upon review of the best geological, hydrological, and other relevent evidence, that there is no significant likelihood of adverse effect to the thermal feature. Further, where leasing is permitted in such zones, the Secretary may impose conditions and stipulations to insure the protection of thermal features.

Section 12 creates three new subsections in section 23 of the act. The first new subsection permits noncommercial free uses of geothermal resources where it is found to be in the public interest. Generation of electricity in any amount is excluded from this provision. The second new subsection provides for use by Federal agencies of the geothermal resources within lands under those agencies' jurisdictions. Generation of electricity, however, is not prohibited for Federal agencies. Both of these subsections will encourage incidental uses of domestically produced geothermal energy, thereby freeing demand for hydrocarbon or imported energy sources in many cases. The third new subsection provides the Secretary with authority to issue a free use permit to anyone who assumes the Federal interest in any geothermal energy research and development facility, pilot plant, or demonstration facility utilizing geothermal resources from lands subject to the provisions of this act. This subsection will allow the private sector to continue geothermal research and development projects begun with Federal assistance.

Section 13 contains a series of technical changes to section 2(c), and to other sections throughout the act, to expand the presently narrow definition of geothermal resources to include geopressurized water, magma, and hot rock formations.

I strongly believe that this proposal is vital to our national security and well-being. Presently, this Nation is overly dependent upon foreign sources of energy, and upon fuels which occur naturally in limited supply. Wherever it is possible to substitute energy resources which are not subject to external supply interruption, we have responsiblity to do so as expeditiously as possible. Geothermal resources are an essentially unlimited domestic energy resource. This bill will remove significant impediments to the development of these geothermal resources, impediments which now shackle the growth of a strong geothermal industry.

Geothermal resources, by their very nature, impose high risks upon developers, and require large scale resource bases. To insure the commercial success of geothermal projects, this bill will provide industry, for the first time, with the opportunity to acquire lands of sufficient size to justify the large investments required. It also provides a realistic and scientific basis for determining which lands are less prone to risk, and, hence, which lands should be leased competitively. Likewise, it provides the vitally needed flexibility to offer truly speculative lands at low cost to applicants where circumstances justify such offers.

This bill goes further, providing incentives for expanded use of this domestic energy resource. The geographic extent of lands open to geothermal exploration and development will be expanded to additional suitable Federal acreage, while at the same time protecting the unique geothermal features in our national parks. The range of uses for geothermal energy also will be expanded by revising the requirements for production in commercial quantities, by authorizing the Secretary to permit incidental use of geothermal energy by holders or administrators of lands where less sizable resources occur, and by providing, through free use permits, an incentive for the private sector to continue the geothermal research and development efforts begun by the Federal Government. Finally, this bill provides some much-needed economic security to operators by lengthening lease review periods, and moderating royalties for nonelectric uses.

The benefits of this bill to our Nation are clear, and I am hopeful it will receive expeditious and favorable action.●

RECOGNITION OF THE VIETNAM VETERANS FOUNDATION

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. RITTER. Mr. Speaker, this week Congress is considering many pieces of legislation that affect the lives of all Americans. One piece of legislation, House Resolution 73, resolves that the House of Representatives disapprove the proposed deferral of $143 million for the Small Business Administration loan and investment fund.

These moneys are direct loan funds previously appropriated by Congress for energy-related loans, minorities, the handicapped, and Vietnam veterans loans. The deferral was proposed pursuant to section 1013 of the Impoundment Control Act of 1974.

My fellow colleagues, there is quite a story surrounding this one simple resolution. This impoundment resolution disapproving the proposed action spe-

cifically allocates $25 million in direct loans for Vietnam veterans. The resolution was passed by the House Appropriations Committee on March 3, 1983. A favorable vote today by the full House will bring a tough 4-year struggle to a successful conclusion. And it will be a victory for our Vietnam veterans.

I am hopeful that Congress will vote in favor of making this money available.

While we consider this piece of legislation, I would also like to give deserved recognition to an organization and its leaders who are largely responsible for this event. That group is the Vietnam Veterans Foundation.

The VVF was incorporated as a national nonprofit advocacy organization here in Washington, D.C., in February 1979. Since its inception, the VVF has been a major force dedicating all its efforts to small business issues and economic development programs as they affect all disabled veterans and veterans of the Vietnam era.

It can be said that the VVF has been totally engrossed in seeking full implementation of veterans programs in the Small Business Administration. The foundation, led by Thomas J. Wincek, chairman, and Robert A. Sniffen, executive vice chairman has lobbied the Hall of Congress for over 4 years to accomplish their objectives. They recognized that veterans have long been neglected in many Government programs responsible for development of the small business sector of the Nation.

Tom Wincek is a Vietnam veteran with a dozen years of experience in all issues affecting his peers including 7 years as director of veterans programs at the University of Minnesota and past national president of the National Association of Veteran Program Administrators. Bob Sniffen, not a Vietnam veteran, has spent over 14 years working on the issues affecting this group. He has held such former positions as national legislative and service director of AMVETS and special assistant to Deputy Assistant Secretary of Labor for Veterans Employment.

These two citizens backed by many supporters have accomplished great deeds on behalf of Vietnam veterans by their courageous and undaunted leadership. In my eyes, they and their excellent organization have brought about the impossible dream on behalf of their constituency.

They accurately made the case that veterans were entitled to "special consideration" as provided for by Congress under Public Law 93-237 of the Small Business Act of 1975 as amended. The intent of Congress was clear to this group and they set out to implement this law. The VVF soon brought to the attention of the Congress the cold hard facts that next to nothing had been done to implement the provisions of Public Law 93-237 from 1975 to the creation of the foundation's business efforts in early 1979.

SBA officials quickly responded that there simply was no constituency for business needs among the disabled and Vietnam veterans. To counter this claim, VVF in cooperation with national media asked those Vietnam veterans who were already in business for themselves or who would like to own a small business, to contact the Vietnam Veterans Foundation.

The results were overwhelming. Thousands of these disabled and Vietnam veterans pointed out that they were indeed a valid constituency. These veterans outlined their needs for loans, loan packaging, management and technical assistance, and their desires to market their products and service and inquiries as to exporting opportunities.

These letters and SBA's refusal to recognize the special needs of this group led the VVF to request congressional hearings early on in the 97th Congress. After some six hearings before congressional Committees on Oversight, Small Business and Veterans' Affairs, it was clear that most, if not all of the purported programs were ineffective or existed only on paper.

It was the VVF's testimony at these hearings that convinced Congress that only strong legislative action by our body would ever rectify the long neglect and existence by SBA of the business needs of our latest veterans.

The serious and candid testimony of the VVF provided Congress with an effective framework of recommendations and solutions that would enable veterans to better participate in the Nation's free enterprise system. Congress took action and sponsored legislation to take this responsibility away from the SBA. The House Veterans' Affairs Committee introduced legislation that eventually became Public Law 97-72 and was signed by the President on November 3, 1981. The new law created a direct loan program in the VA and created a revolving fund with $25 million.

The President signed the law without appropriations and directed SBA to review its veterans programs to avoid any possible duplication of effort. In response, SBA created a task force on special consideration for veterans. The VA delayed for over 8 months in writing regulations. Many Members in Congress joined together with the VVF to bring about action to uphold both the intents of Public Law 93-237 and the new law Public Law 97-72 by insuring funding.

In one of the more unique procedural and almost unheard of compromise efforts of the Congress, it was agreed that the SBA, not VA would be charged to implement the law and would be provided $25 million to do so. To accomplish that commitment, this money and an additional $3 million for outreach services were provided as part of the concurrent resolution passed by Congress on December 20, 1982, and signed into public law by President Reagan the next day.

So, I am sure each Member will see the significance of a positive vote on the resolution. Yet there would be no vote, nor any funding nor any legislation without the efforts of this fine and determined organization I have referred to: The Vietnam Veterans Foundation.

In honoring the foundation, we honor all Vietnam veterans who seek the American dream of owning one's own business.

Listed below are just a few of VVF's achievements in reference to small business issues:

Sponsored the first Vietnam Small Business Fair, National Coliseum, Washington, D.C., May 1979.

Member of, and group responsible for inclusion of veterans on the White House Conference for Small Business, January 1980.

Conducted first Vietnam Veterans Small Business Week, August 1980, Ithaca, N.Y.

Assisted the 97th Congress in initiating six congressional review hearings on the issue of Small Business Administration performance.

Assisted in the passage of Public Law 97-72 the Veterans Health Care, Training and Small Business Loan Act of 1981.

Responsible for inclusion of Vietnam veterans on SBA PASS system (procurement automated selection system) which now has some 7,000 Vietnam veteran-owned businesses listed.

Responsible for convincing Congress to include $28 million to fund Public Law 97-72 and Public Law 93-237.

Conducted the 1981 Vietnam veteran tribute series:

Texas Rangers Baseball Team, Dallas-Fort Worth, Tex., Memorial Day, 1981.

Sports Car Club of America Race, Summit Point, W. Va., June 7, 1981.

Washington Diplomats Soccer Team, R. F. K. Stadium, Washington, D.C., Independence Day, 1981.

Produced "The Vietnam Experience" art exhibition, New York City, November 11 to December 6, 1981.

Assisted in the creation of the Maryland Vietnam Veterans Business Resource Council.

Current member of the SBA Task Force on Special Consideration for Veterans.

Conducted the Minneapolis Veterans Special Business Training Seminars, January 19-20, 1983.

Please join with me in thanking these outstanding individuals and their fine accomplishments. I wanted to make their achievements known to

you and the public. I believe the Vietnan Veterans Foundation will continue its commitments to priority programs for Vietnam veterans as one of our best national resources in the world of small business.●

CONGRESSIONAL WORKSHOP ON CAPITAL BUDGETING

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. CLINGER. Mr. Speaker, as chairman of the House Wednesday Group, I will host a congressional workshop on capital budgeting to discuss the importance of planning our public works investments more effectively on April 18.

Experts on the issue from both Government and the private sector, as well as Members of Congress with a legislative interest in the issue, will be encouraged to attend.

To lend perspective to the importance of capital budgeting as a planning tool, I request that an editorial by David J. Mahoney, entitled "Beyond the Free Market"—New York Times, February 7—and a response to the editorial by the Wednesday Group, be reprinted in the RECORD.

[From the New York Times, Feb. 7, 1983]

BEYOND THE FREE MARKET

(By David J. Mahoney)

The State of the Union Message, the Federal budget and President Reagan's Economic Report purport to be an annual updating of the nation's goals and plans for meeting them. But they offer neither a credible assessment of the country's prospects for prosperity nor an adequate blueprint for improving America.

As a businessman competing in international markets, I believe America can no longer pretend that a wholly unregulated, free market economy exists in the world. We must coordinate our domestic and international economic policies and plan for the future if we are to compete effectively in the world marketplace. Planning is the watchword of nations competing with us, and it must become a part of our public processes as well.

Recently we have seen a number of examples of the Government's inability to address national problems in a carefully planned manner. The gasoline tax bill was a hastily drawn response to a problem everyone has known about for years—the deterioration of our roads, bridges and transportation systems. Quick expedients might be avoided if the country could better assess its long-term needs. Most major American companies operate on the basis of such an assessment, and so should Washington.

The Government should create an agency to study domestic and international trends and to help policy makers discern the probable economic effects of public policies.

A broad-based, permanent Federal economic planning agency has not existed in America since the end of World War II, when the Office of War Mobilization and Reconversion guided demobilization. The problem is not an absolute absence of Government planning: Countless plans emerge piecemeal from departments, agencies and commissions dealing with transportation, land use, employment, water and countless other subjects. But these plans are too narrowly cast and are not routinely factored into the decision-making process.

We no longer can afford to rely solely on the great strengths of our unplanned domestic economy. International trends dictate otherwise. Better planning must address issues such as rising debt-service obligations, commodity cartels and agreements, technology transfer, balance-of-payments pressures, international monetary fluctuations, and protectionism. France, Japan and other free world countries have planning ministries helping their industries take advantage of emerging trends. We ignore their example at our peril.

The United States needs to ask tough questions about whether present investment strategies are serving the national interest. The Government has an obligation to plan coordinated programs supportive of both mature and emerging American industries; but inevitably hard choices will have to be made.

Our economy is encumbered with an ad hoc industrial policy lacking rhyme or reason. Why does the Government spend five times more on research and development for commercial fisheries than for steel, and provide nearly $500 million in annual tax concessions for the timber industry but none for semiconductors? Why should the Government continue subsidizing industries such as housing that are sheltered from international trade, industries such as footwear that depend on low-wage labor, and industries such as shipbuilding that have no advantage over foreign competitors?

More often than not, the Government undertakes such policies with little concern for their effects on the economy. Although the Government is drowning in information, the data are simply not comprehensive enough and not available in a form that allows accurate analysis of the impact of public policies on economic efficiency and industrial competitiveness.

I may be swimming against the tide by advocating creation of a new agency, but the Government exists to carry out responsibilities that no sector of our society can fulfill alone. What I have in mind is a National Planning Agency whose members would be confirmed by the Senate and consist of representatives from business, labor and academia, in addition to Government. By helping eliminate the guesswork that now goes into policy decisions, the agency would make us less prone to self-deception and less often surprised by world events.

Careful analysis of world market trends and the sources of competitive advantage would not restrict the choices available to the elected officials who are ultimately our Government's planners; rather, it would expand their options.

America faces a potentially disastrous economic and social tidal wave in the form of a projected $200 billion Federal deficit, 10.8 percent unemployment, $130 billion in potentially risky private bank loans to developing and Eastern bloc countries and an anticipated record $75 billion foreign trade deficit. The threat these problems pose makes it clear that if America fails to plan for the future, we will be at the mercy of those who do.

[From the New York Times, Feb. 18, 1983]

TO TAKE THE GUESSING OUT OF U.S. PUBLIC WORKS

To the Editor:

We agree with David J. Mahoney's analysis ("Beyond the Free Market," Op-Ed Feb. 7) that Federal economic policies lack "an adequate blueprint for improving America." In fact, nowhere is this problem more evident than in the area of Federal public works spending.

As incredible as it may seem, the Federal Government allocates billions of dollars for public-works investments each year without an inventory of the nation's public facilities.

Specifically, we have no assessment of the condition of our public facilities, no list of investment priorities, no estimate of future investment requirements and virtually no oversight of public-works expenditures. In short, the Federal Government lacks some very fundamental planning tools.

One modest reform which could be adopted now is Federal capital budgeting. This is a small step when compared with Mr. Mahoney's suggested National Planning Agency, but its importance should not be underestimated. Capital budgeting is used by virtually all major corporations and most states to make thoughtful, rational and well-planned decisions concerning future capital investments.

This proposal calls for the creation of a new budget document which would identify and separate, within the unified budget, expenditures that represent investments in public capital, such as roads, highways, dams and water systems, and those that represent current operating outlays, such as salaries and interest payments. It would also mandate an inventory and assessment of such Federal public facilities.

Capital budgeting, if adopted, would for the first time permit the Federal Government to establish explicit priorities and public capital-investment plans. This approach would go beyond the simplistic and inefficient solution of pouring more money into new programs and would help to insure that the Federal Government gets the most from the public-works dollars it spends.

Mr. Mahoney is correct to imply that solutions to our most pressing and monumental problems are possible if we strike at the heart of government decision-making. Capital budgeting is no cure-all for our ailing infrastructure, but in an era of limited resources it is a reform whose time has come.

STEVEN HOFMAN.
MATTHEW COOK.

WASHINGTON, *Feb. 9, 1983.*

[The writers are, respectively, executive director and research associate of the House Wednesday Group, a Congressional caucus consisting of 27 Republican House members.]●

A TRIBUTE TO THE BALTIC STATES FIGHT FOR INDEPENDENCE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. COURTER. Mr. Speaker, I would like to join my colleagues and the Estonian, Lithuanian, and Latvian-American communities in commemo-

rating the 65th anniversary of Independence Day in the Baltic States. It is my wish that one day these three countries will again be free from the dominance of Soviet Communist oppression.

After World War I the Baltic States emerged as free nations from a long history of Russian and German rule. However, the Soviet Union seized the Governments of Estonia, Lithuania, and Latvia and has retained Communist control for the past 43 years.

The United States endorses efforts to bring the issue of self-determination before the Helsinki accords meetings and the U.N. Subcommittee on Decolonization. I would like to quote a Voice of America editorial supporting the proposal.

* * * bringing their colonial status before the United Nations would emphasize that time has not legitimized the Soviet claims to Estonia, Latvia and Lithuania. It would also remind the Kremlin leaders that the outside world is aware of their treatment of the Baltic populations—and of the harrassment and imprisonment of the Baltic patriots who even today continue to defy the imperial Soviet state.

The Baltic States heritage of heroism, bravery, and dedication to the right of freedom will continue to be source of inspriation for all of the oppressed people of the world. Thank you.●

CONGRESS SHOULD ACT TO ADDRESS THE NATURAL GAS CRISIS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which I believe must be an element of any meaningful natural gas policy reform which the Congress may enact.

It is essential that the Congress act, and act expeditiously, to address the natural gas crisis confronting our Nation. Virtually no one, including residential and industrial consumers, producers, and pipelines, is pleased with the current natural gas regulatory structure. Many in fact are demanding that the current policy be revised, and most others have recognized that reform is necessary.

Consumers, in particular, are insistent that the Congress act to grant relief from current high prices. The depth of their feelings on this issue is particularly understandable, Mr. Speaker, in view of the fact that despite consumers' best efforts to conserve, such as installing insulation and storm windows, or simply lowering the thermostat, they have watched their heating costs continue to soar. As a reward for drastically reducing consumption, they have been forced to accept skyrocketing prices.

The simple apprehension with which many once viewed the onset of winter has been replaced instead by a gripping fear—the dread of knowing that certain high fuel bills will force a choice between staying warm or doing with less of life's other basics.

The frustration, anger, and despair which settles in on consumers as they absorb these astronomical increases in the face of decreased consumption, a reported glut of natural gas, and a supposed end to our national energy dilemma requires that the Congress take the steps necessary to correct the current market distortions.

I am pleased to note that included in the major natural gas policy reform proposals which have been advanced are provisions allowing for the renegotiation or rescission of current producer/pipeline contracts, as well as a limitation on the amount and type of costs which may be passed through to consumers. I believe that these proposals go to the heart of the current price problem, and I readily support them.

However, I believe that if we are to bring about a sustained period of moderate natural gas prices, then we must assure that there is full competition in the natural gas marketplace. In my opinion, this desired degree of market freedom cannot exist unless we provide consumers with full access to all available natural gas supplies.

The intent of the legislation I am introducing today is to provide consumers—through their local distribution companies—as well as industrial users, with the tools necessary to assure this access.

My proposal would require both interstate and intrastate pipelines to carry natural gas at the request of a producer or purchaser of natural gas, unless a pipeline could demonstrate to the satisfaction of the Federal Energy Regulatory Commission that: First, the pipeline has no available capacity to carry the gas; second, carriage of the gas would place an undue burden on the pipeline; third, construction of new facilities by the pipeline would be required to carry the gas; or fourth, carriage of the gas would impair the ability of the pipeline to provide adequate service to its existing customers.

In addition, the measure would provide for compensating pipelines at the rate of $0.05 per milion Btu's plus the cost of transportation for complying with a request to move gas.

Mr. Speaker, this legislation is similar to the proposals offered by the adminstration and others, except that my bill would make clear that intrastate pipelines are also subject to an order to move gas at the request of producers or consumers. Moreover, the legislation would clearly place a burden on the pipelines to move the gas or document, to the satisfaction of FERC, why they cannot comply with the order.

As I stated, Mr. Speaker, I strongly believe that this concept must be a part of any meaningful effort to resolve the current natural gas dilemma. I hope that my colleagues will recognize the merits of this proposal, and I urge their support.

The text of the bill follows:

H.R. —

A bill to amend the Natural Gas Policy Act of 1978 to require interstate and intrastate pipelines to transport natural gas on behalf of producers and purchasers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Natural Gas Policy Act of 1978 is amended by adding at the end thereof the following new section:

"SEC. 316. CONTRACT CARRIER AUTHORIZATION.

"(a) IN GENERAL.—Upon application by a producer of natural gas or by a purchaser of natural gas from a producer, an interstate pipeline or intrastate pipeline shall carry the natural gas described in such application unless the Commission finds, pursuant to a request by such pipeline, that—

"(1) such pipeline has no available capacity to carry such gas, or

"(2) carriage of such gas would place an undue burden on such pipeline, or

"(3) construction of new facilities by such pipeline would be required to carry such gas, or

"(4) carriage of such gas would impair the ability of such pipeline to render adequate service to its existing customers.

"(b) FINDINGS MADE BY RULE OR ORDER.—The Commission shall make all findings under subsection (a) by rule or order.

"(c) CONSIDERATION.—The consideration for any transportation provided by any pipeline under this section shall be $0.05 per million Btu's plus the cost of such transportation, as established by the Commission, unless the Commission has established, by rule, a different rate as just compensation for such transportation. No amount of such consideration shall be required to be credited and flowed back to the customers of such pipeline.".

(b) The table of contents of such Act is amended by inserting after the item relating to section 315 the following new item:

"Sec. 316. Contract carrier authorization.".

(c) The amendments made by this section shall apply to applications made after the date of the enactment of this Act for the carriage of natural gas after such date.●

GULF AVENUE ELEMENTARY—AN OUTSTANDING SCHOOL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. ANDERSON. Mr. Speaker, I am delighted at a time such as this, when our public schools are increasingly becoming the scapegoat of many politicians and educators alike for the educational deficiencies of some of our Nation's young people, to draw the attention of our colleagues to the accom-

plishments of Gulf Avenue Elementary School in Wilmington, Calif.

Gulf Avenue Elementary recently was visited, at random, by a Los Angeles Unified School District School Compliance Review Team to assess the academic quality of the school's curricula, as well as the progress and achievements of its pupils.

Upon completion of the 2-day evaluation, Gulf Avenue Elementary was informed by the compliance review team that the school ranks as a paradigm of educational excellence. What has earned Gulf Avenue its superior rating is the result of a cumulative effort by parents, faculty members, and students.

Gulf Avenue parents demonstrate their deep concern for the academic progress of their children by playing an active role in assuring that a quality instructional program is developed and then maintained. The principal and instructors are very well organized. They provide clear educational goals for their students that encourage each to aspire to his or her educational potentials; and Gulf Avenue students are aspiring.

I am confident that Gulf Avenue Elementary graduates will continue to excel as students. They are a fine example of the quality of academic programing that is provided by our Nation's system of public schools.

My wife, Lee, joins me in sending all of the parents, faculty, and students associated with Gulf Avenue Elementary School our warmest wishes for success in their future endeavors.●

TRINITY REFORMED CHURCH CELEBRATES ITS 75TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. GUARINI. Mr. Speaker, on March 20, 1983, a grand and glorious house of God located in West New York, N.J., will celebrate its diamond jubilee. Trinity Reformed Church has long stood like a beacon providing services to thousands of individuals who have been residents of Hudson County.

On February 25, 1983, the following article appeared on the front page of the Jersey Journal, written by its fine North Hudson Editor Haig Anlian:

[From the Jersey Journal Feb. 25, 1983]

Landmark church plans to celebrate its 75 years. Trinity Reformed Church in West New York, one of the area's leading Protestant congregations, will launch its 75th anniversary celebration on March 20.

The pastor, the Rev. Theodore Muller, and Herbert Trenz, chairman of the anniversary committee, and other church officials are finalizing the schedule of activities to mark its founding on that March date back in 1908, just 10 years after the town itself was incorporated.

The stately church in the center of town is one of the town's landmarks. Once it had one of the largest memberships among Protestant churches in the area. While membership has declined in recent years, primarily due to a changing population, Trinity with its many dedicated members had continued to serve the community.

Thirty years ago, church officials said, the membership of 800 was one of the largest among Protestant churches. Membership is said to be less than half that now.

In the mid-1970's Trinity Church membership increased with a merger with First Presbyterian Church, an early victim of the population shift in the community. The influx of Cuban refugees had much to do with the change.

It was the influx of an earlier wave of immigrants from Germany that led to the eventual founding of Trinity. Trinity's history really dates to even before the town was incorporated. Seeking an "reaffirmation of faith" after the Civil War, Jacob Gunset Sr. purchased a building at the corner of what is now Sixty-first and Adams Streets to be used for the new Zion Evangelical Church in 1871. As immigrants from other European countries came to the area, the ratio of the German-speaking population decreased. An English-language Sunday School was formed in 1898 by Dr. Isaac Gowen, then pastor of Grove Reformed Church in North Bergen, which was regarded as the denomination's senior church in the area. Dr. Abram Hopper took charge of Zion's chapel in 1903, and within a year had so stimulated activity that a larger edifice was needed to accommodate the growth of church membership. The present Trinity site at Palisade Avenue and 60th Street was selected in April 1907.

The leaders of Trinity Reformed Church indeed have provided the leadership and advice so important to the generations they serve. It was a haven for the newcomers to this Nation and has served the many families meeting the challenges of life. Trinity Reformed Church has helped develop the character of its people providing faith and hope and preparing them for the opportunities that life provided. It has shared their grief and their struggles.

This church has helped develop lasting friendships and most important an intense spirit of brotherhood urging all to "walk joyfully over this Earth answering to that of God and every man."

While we are making this observation, we must relate the great inspiration that Pope John Paul II is providing at this very moment in his tour of Central America, touching millions of people expressing Victor Hugo's words: "The word which God has written on the brow of every man is Hope," telling us tomorrow will be better by awakening the courage in every man and woman.

This church has indeed shown its patriotism on many occasions. As part of the 75th anniversary ceremony they have requested a flag which has been flown over the Capitol here in Washington, which I am most pleased to provide.

This church has given an opportunity for deep and meaningful friendships, proving the words of Robert Louis Stevenson:

We are all travellers in the wilderness of this world, and the best that we find in our travels is an honest friend.

I am sure that my colleagues here in the House of Representatives want to join me in this diamond jubilee celebration. All in the community of west New York agree that it will be most difficult to add more luster to such a polished gem as Trinity Reformed Church, which is best described in this short poem entitled, "The Church":

"Beautiful is the large church,
With stately arch and steeple;
Neighborly is the small church,
With groups of friendly people;

"Reverent is the old church,
With centuries of grace;
And a wooden church or a stone church
Can hold an altar place.

"And whether it be a rich church
Or a poor church anywhere,
Truly it is a great church
If God is worshiped there."●

THE SOVIETS AND ANGOLA

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. FIELDS. Mr. Speaker, today I am inserting an article which describes several interesting and relevant facts about the Soviet Union's political and economic relationship with Angola.

The article highlights the Soviet exploitation of Angola, one of its client states. Written by Gunter Krabbe, the article is a free translation of the original version which appeared in the authoritative West German newspaper, Frankfurter Allgemeine Zeitung, on October 26, 1982.

I commend my colleagues' attention to this piece which provides us with additional insight on Soviet political and economic exploitation of Angola.

FRATERNAL AID AMONGST COMRADES: WHY THE ANGOLANS DO NOT FISH IN RUSSIAN WATERS

(By Günter Krabbe)

The comrades in the socialist People's Republic of Angola have now begun to realise what the implications of fraternal aid from the Soviet Union are—by way of fish. As recently as 1974, the last year under Portugese Colonial rule, 315,904 tons of fish were brought into the port of Mocamedes. The cold waters of the South Atlantic Benguela current transform the sea off the South West African and Angolan coastline into one of the richest fishing grounds in the world. Until Angola's independence in 1974, when Cuban soldiers, acting on Soviet orders, brought to power the communist MPLA government in Luanda, fish was one of the staple foods of the local population, being very cheap—even more so than bread.

Today, fish has become an extravagant delicacy, if it is to be found at all. When indeed it is, it is imported from the Soviet Union.

How did this come about? Through the decrease of the number of fish being brought to shore. Mocamedes, now named Namibe, received a mere 21,498 tons during the last fiscal year—that is only 6.8 percent of the 1973 figure (according to the party mouthpiece "Jornal de Angola"). Why? Because, since 1973, the Soviet Union has enjoyed unrestricted fishing rights in Angolan waters and has selfishly exploited these. Why? Because not only did the Soviet Union send the Cuban troops to Angola, it also supplied their weapons. The Cubans did not come to Angola free of charge. Angola has to pay them in cash in Havana: every soldier receives 200 dollars per month. Angola earns this money through its natural oil resources, its only source of currency. In addition, also the Soviet weapons are not free of charge.

Angola has to pay for them in fish. And only those catches reported to the Angolans by the Russians are considered payment. A great number of catches are probably never reported to the Angolans—there is no control whatsoever. It would of course be false to claim that this is a one-sided agreement with the Angolans on the losing side and the Soviets cashing in. Although it is true that Soviet fishing vessels are under no restriction off the coast of Angola, the Angolans, in turn, receive something from the Soviet Union. Angolan fishermen are permitted to fish in both Angolan and Soviet waters: without restriction. It is therefore a mutually agreeable arrangement. But, in spite of this the comrades in Luanda are dissatisfied—why else did they publish the relevant article in "Jornal de Angola"? Because Angola does not have a fishing fleet and is therefore not in a position to take advantage of the fishing rights in Soviet waters offered to it.●

LAW OF THE SEA

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. LEACH of Iowa. Mr. Speaker, while the attention of Congress is focused this week on the nuclear freeze issue, another less publicized foreign policy development is taking place which may have an extraordinarily profound effect on the national security interests of the United States in the century ahead.

Even if we achieve substantial progress in arms control in the next several decades, the probability remains that a number of countries, including our own, will continue for the foreseeable future to possess arsenals of war of civilization-threatening proportion.

For that reason, the United States must yield to the urgent imperative to establish and broaden a regime of international law which makes armed conflict less likely to occur, and thereby diminish the temptation to use weapons of mass destruction to resolve international disputes.

Nowhere is this imperative as compelling as in the case of the Law of the Sea Treaty which seeks to outline the rule of law over two-thirds of the Earth's surface.

Tragically, the administration has not only rejected the treaty itself, but is issuing today a unilateral proclamation establishing a 200-mile Exclusive Economic Zone for the United States. It is difficult to understand why the administration is acting in such haste to assert the U.S. claim when the Law of the Sea Treaty has not yet come into force. To all the world, it can only appear that the United States has decided to pick and choose which rights and obligations embodied in the treaty it will enjoy and which it will shun.

This U.S. declaration can only be described as provocative, inviting anarchy rather than a new international discipline. Unilateral proclamations invite and legitimize counterclaims by other States, thereby potentially jeopardizing the very global security interests of the United States the administration's action today is intended to protect.

Mr. Speaker, what is ultimately at stake in the Law of the Sea issue is whether a civilization whose creation required the establishment domestically of the rule of law, can now insure its survival by ignoring the authority of international law.●

LEGAL SERVICES INCENTIVES ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. GARCIA. Mr. Speaker, today along with 13 of my colleagues I am introducing the Legal Service Incentives Act, a bill to supplement the funding of the Legal Services Corporation. Let me state from the start that this is not another Government funding measure, but a mechanism for providing incentives to make contributions to supplement the Legal Services Corporation.

Let me explain how my bill would work. In several States there exists something called interest on lawyers trust accounts. This voluntary mechanism allows lawyers acting collectively through bar associations to take steps to generate interest on otherwise unproductive client funds and to use the interest to fund law related public interest activities. The principle is simple. Client funds in the lawyer's possession that are nominal in amount or are to be held for a short period of time are pooled in NOW accounts. The interest generated by the NOW account is allocated to law related public interest activities through a not-for-profit corporation. I would point out that this program in Canada has generated $34 million for legal aid to people in need of legal services.

Unfortunately, the program has become so successful that the money generated has been used too often for activities other than direct legal services to indigent people, such things as law school scholarships, legal law libraries, and so forth.

My bill would provide an incentive to keep these funds for direct legal services to the poor by placing a tax on the money that is not used directly to provide legal services to indigents. While this legislation would not prohibit interest on lawyers trust accounts funds from being used for other purposes, it would encourage the use for which the funds were originally established. With this mechanism, we can provide the much needed money to assist the faultering Legal Service Corporation without additional increases in the Federal deficit. I urge my colleagues to cosponsor this measure.

SINGLE MOTHERS STAND ON THE BRINK

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. SIKORSKI. Mr. Speaker, I am inserting this recent editorial that appeared in the Minneapolis Star & Tribune into the CONGRESSIONAL RECORD to call attention to the crucially pressing problem of unemployment among single mothers.

The editorial very clearly points out the impact of unemployment on single mothers in this country and the need to address their plight.

SINGLE MOTHERS STAND ON THE BRINK

Janet Norwood, commissioner of the U.S. Bureau of Labor Statistics, recently was asked why the current period of high unemployment—longest and highest since World War II—has caused so little civil disorder. Because for many, she speculated, unemployment no longer is linked to immediate poverty. But, Norwood added, for an emerging group of disadvantaged Americans—single mothers—that link remains direct and threatening.

Norwood did not dismiss the stress that accompanies unemployment, or the financial burden it carries, especially when joblessness stretches to a year and beyond. But she did suggest that most Americans today can better cope with unemployment than could those who lost jobs during the Great Depression or even during the 1950s and 1960s.

A story last Sunday in the Tribune's Marketplace section illustrates Norwood's point. Ralph Leciejewski of Aurora, Minn., lost his welding job at Erie Mining Co. last July. He may be called back in April, after nine months without a paycheck. Leciejewski has worries, but not about food for his family table. Three relatively recent developments

have softened unemployment's impact on the Leciejewski family: high wages, which allowed savings; unemployment compensation, which made up much of the lost income; and a working spouse, whose income continued.

But single mothers, who Norwood says number nearly 10 million, are not so fortunate. Not only do they lack back-up income, they struggle under a load of other disadvantages. On average, single mothers earn significantly less than other workers. In 1981, 34.5 percent of families maintained by women were classified improverished, compared to 6.8 percent of husband-wife families. Average income for female-headed families stood at $11,000, less than half the $25,000 average for hushand-wife families.

A disproportionate number of the women who maintain familes are black; many have little education and few skills. And single mothers are more likely to lose their jobs. When they do, their fall into poverty is often precipitous. In January, the unemployment rate for women who maintain families was 13.2 percent, compared to 7.1 percent for married men and 7.8 percent for married women.

Single women parents didn't suddenly become vulnerable, but their plight is beginning to capture attention because their ranks are growing. True, they are not the only ones with problems; black and youth unemployment also are alarmingly, chronically high. But high unemployment for blacks and young people has connections to the plight of single mothers: Many of the mothers are young and black themselves, and all have children who must be clothed, fed and educated. Left to poverty, many of these mothers will raise their children to the same marginal lives of few skills, little education and little hope. If the country lets that happen, the cycle will go on.●

VERMONT'S VOICE OF DEMOCRACY WINNER

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. JEFFORDS. Mr. Speaker, for the benefit of my House and Senate colleagues, today I am reprinting in the RECORD the text of the winning speech from the State of Vermont in the Veterans of Foreign Wars' Voice of Democracy contest.

This fine speech was composed by Paul Howard Spaulding, of Chester, and was chosen from a number of high-quality works by students all over Vermont. On behalf of the people of Vermont, I want to say how proud I am of Paul and extend him our best wishes for a successful future.

1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM VERMONT WINNER, PAUL SPAULDING, CHESTER, VT.

Driving through the mountains of California, the redwood trees are awe inspiring. Their foreboding size and power attract wonder from everyone who sees them. When the redwood sapling first springs through the soil, it is fragile and delicate, much like a child. As that redwood tree grows, it becomes stronger and more powerful, just as a child becomes strong and wise.

The youth of America has its support in the roots of their past. These roots draw strength from the Declaration of Independence which insures the freedom to grow, to stand firm, and to stand tall. This freedom has been nurtured throughout two-hundred years of growth with the addition of the Bill of Rights, and amendments to the Constitution that include the 19th Amendment, giving women the right to vote, and the 26th Amendment that gave any person over eighteen years of age the right to cast their ballot.

The mighty redwood is protected by thick, strong bark which keeps the tree safe from violent rains and hail, bitter winter snows, and thundererous summer showers. Youth is the bark that protects America. Youthful American men of the past and young American men of the present have given their lifes' work to improve and reinforce our country's protection. They each increase the knowledge of our youth, making America what it is.

To survive, a tree must have a sturdy, healthy trunk to support its massive weight. To uphold this great country, American youth forms this support, the trunk of the tree. The youth of America today are strong, able to support this great country, because of the leadership, responsibility, and knowledge gained through their education. Knowledge not only of America, but of the entire world.

The level of today's education is as high as the branches of the redwood which reach, seemingly, into infinity. This high level allows youth an insight into a great number of concerns that affect the world today and will affect the world of tomorrow.

Because of today's education, the number of careers that youth have the opportunity to enter into are as numerous as the leaves on the redwood tree. Many commit their lives to the rugged life of a farmer, growing the food that feeds much of the world. Others, enter private enterprise where thrift, good decision making, and quick thinking lead to the high standard of living that we have in this country. Some enter the professional world as craftsmen and handymen. These youth repair and keep America intact. A few, through long periods of schooling, become specialists, doctors and lawyers. Many go into what is called the hardest of all jobs, teaching. They give their lives to spreading knowledge to youth, as it was once given to them. The young men and women of yesterday are passing their knowledge to the youth of today, increasing the strength of America.

Today's youth strives for freedom, justice, and greatness as the branches of the redwood reach for the rays of the ever powerful sun. The roots have been laid, the foundation set, and now, youth continues to lead and guide America toward the sun. American youth acts as the core of the tree that provides life giving sap, which nourishes the redwood allowing it to grow and thrive. The ideas and beliefs of America's youth are the sap which flows through the veins of our country, pumping it full of energy and creativity. American youth nourishes this great country of ours, proving that the strength of America, rests with its youth.●

THE 20TH ANNIVERSARY OF THE CALIFORNIA POOL FOR THE HANDICAPPED

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. ANDERSON. Mr. Speaker, I wish to share with you and our colleagues the story of a woman stricken with polio. She is Evelyn Dempsey DePont-Evans. Evelyn was once a swimmer of international acclaim; yet for almost 10 years her laps in the pool were but memories of a distant past.

Remarkably, those remembrances of her glorious past became Evelyn's vision for the future. Courageously, she raised herself from out of the bed to which she was believed condemned. Although for considerable years reliant upon crutches or a cane, Evelyn's fortitude, and her determination to again know her first love—swimming—enabled her to overcome the debilitating effects of her handicap. It also instilled within her an indelible desire to help others overcome their handicaps.

Twenty years ago this April, Evelyn founded the California Pool for the Handicapped, Inc. A nonprofit organization, their goal has been maintaining a swimming facility that will accommodate all those handicapped persons proximate to Long Beach who, as Evelyn did, want to free themselves from their handicap.

For many years, however, the only pool readily welcoming these people was located in Evelyn's own backyard. Like pools you and I know, her own pool was not designed especially for their needs. Nor was her backyard pool large enough for all who wished to swim there. And so, in 1968 the California Pool for the Handicapped, Inc. opened its doors at 6801 Long Beach Boulevard. Last year more than 2,500 handicapped persons—adults as well as children—were able to take advantage of this very special and meaningful program.

The California Pool for the Handicapped does much more than merely provide an opportunity for handicapped persons to wet their feet in a pool. Participants spend hours, for most the only true recreational time they ever experience, swimming for the purpose of rehabilitating basic motor responses that those of us who are not handicapped take for granted. There are several cases involving children who have been completely rehabilitated directly as a result of their swimming program under Evelyn's guidance. Pervasive in and around the pool, too, is a true spirit of camaraderie, which adds immeasurable encouragement to these swimmers who spend

most of their time in a world away from the pool.

Very few of us are aware of the difficulties experienced by the handicapped, unless some member of our family is or becomes handicapped. Thus very few of us are actively involved as supporters of programs expressly benefiting the handicapped. The California Pool for the Handicapped is not a recipient of Federal or State support. The continuation of their program is predicated upon the generosity of people like you and me. Fortunately, private support has existed up until now for this organization; however, in these difficult times it has become ever more difficult to count on the patronage of past supporter, and the continued sustenance of this organization may, I fear, be jeopardized.

As the California Pool for the Handicapped, Inc. approaches the 20th anniversary of its inception, my wife, Lee, and I wish Evelyn Dempsey du-Pont-Evans continued success in the future. We sincerely hope that private support for her organization will not wane.●

ILLINOIS' VOICE OF DEMOCRACY WINNER

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. RUSSO. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy contest. The program began 35 years ago with the endorsement of the U.S. Office of Education and National Association of Secondary School Principals. This year more than 250,000 students participated in the contest writing speeches to this year's theme, "Youth—America's Strength," with the five top winners awarded national scholarships. The Veterans of Foreign Wars brings the winner from each State to Washington, D.C., for the final judging. I am deeply proud to announce this year's Illinois winner is from the Third Congressional District, 17-year-old Raymond M. Lesieski of Burbank, Ill.

Raymond exemplifies the best in American youth. He demonstrates versatility, curiosity, commitment, and patriotism—vital characteristics our youth will need to secure our future economic and social well-being and which do indeed serve as the source of America's strength. His thirst for learning provides an extraordinary example for all youth who wish to develop their full potential. I respectfully request that the full text of his creative and insightful speech be included as part of the CONGRESSIONAL RECORD.

1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM ILLINOIS WINNER, RAYMOND J. LESNIEWSKI, BURBANK, ILL.

As the sun rises slowly in the distance, its light shines gently upon the face of a huge mountain. From around the bend a determined locomotive presses on down the track. All of America is on that train and we, the youth of this nation, are in the first car. A refreshing breeze blows against our faces as we travel confidently through the countryside. The morning sky is now a bright blue and there is not the slightest hint of bad weather. Then . . .

A pinpoint of gray appears in the distance. Not much at first. Only sharp eyes can detect it. But after only a short while the gray has rolled in on top of us unknowingly and becomes monstrous thunderclouds of mixed emotions. These clouds empty their rain upon us carrying drops of hate, mistrust, war, and death. It is at this point where we, the youth of America, begin our slow ascent up the steep incline of life. Though we must struggle exhaustively against these torrential outbursts, we will succeed; but the path that we must take will not be an easy one, for we will have to stop at three very important stations before completing our journey.

By now it is early afternoon as the train stops at the first station. A disembodied voice calls out to us. "First car, this is your stop." As we step onto the platform we see a huge sign looming over us. Education—it reads. During the past few years America has advanced in technology significantly and the youth must be ready to meet this challenge. We must keep pace by developing our skills through serious study, guidance from responsible adults, and experience. Only then will the youth have been educated to the fullest extent possible to conquer this problem.

"All aboard!" The rain falls harder now, trying to slow down the locomotive.

"Second stop!" yells the voice. We have entered the mysterious station of Government. This is a very confusing concept but it plays a vital role in the determination of America's strength. Many of today's youthful generation have ideas about government which are clouded by their parents' beliefs and opinions. We must learn to think clearly and for ourselves—study our political system through every type of information available to us. We observe our government in action daily and slowly become involved in the political process through discussing, questioning, challenging, and eventually, voting.

It is now early evening and the storm is doing its best to stop us. Swirling winds lash at us with images of drugs, alcohol, and vandalism; but we keep our eyes pinned to the next station, defense.

The last station is almost as important as the first one, for without defense America would be reduced to the likeness of an abused child. We would be forced by other countries to obey their every demand. But there is no chance of this happening for America knows how to defend her legacy. At the present time our army is becoming stronger by the minute. More and more young men and women have voluntarily joined the Armed Forces. For the past three years the service has been able to meet or exceed their recruiting goals. The Army is also working to develop a feeling of togetherness among soldiers by keeping them in one permanent outfit, giving them a chance to become a "close-knit" unit. America will continue to negotiate with other world powers from a base of strength.

"Last chance to get on board!"

As the train pulls out of the final station the thick, gray clouds dissipate and we push ahead full speed into the shimmering twilight of the evening. We know that we will win. We know that we, the youth, will make a stronger America!●

PORTUGAL TAKES STRONG POSITION IN SUPPORT OF SELF-DETERMINATION FOR EAST TIMOR

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. HALL of Ohio. Mr. Speaker, on February 16, 1983, the U.N. Human Rights Commission approved a measure asserting that the people of East Timor, a former Portuguese colony that was invaded by Indonesia in 1975 and forcibly annexed, "must be enabled freely to determine their own future." The Commission's vote has the effect of placing the status of East Timor firmly on the U.N. human rights agenda.

In the last Congress, 45 of my colleagues joined with me to cosponsor House Concurrent Resolution 321, a resolution expressing the sense of Congress about East Timor. One of the four points of this legislation was that:

the President should take all appropriate measures to encourage the Government of Indonesia to agree to negotiations through which Indonesian troops will be withdrawn from East Timor and the people of East Timor will be permitted to freely exercise their internationally recognized right of self-determination.

On September 14, 1982, the House Foreign Affairs Committee's Subcommittee on Asian and Pacific Affairs held a hearing on recent developments in East Timor. I had the honor of testifying before the subcommittee and discussing House Concurrent Resolution 321.

During the course of that hearing, State Department reiterated opposition to efforts calling for self-determination for East Timor. The official State Department position is to recognize the incorporation of East Timor into Indonesia. I believe this policy gives credence to a type of common law theory of territorial integration: The passage of time makes things legal.

Under international law, Indonesia had no right to annex East Timor. Like the Baltic States under Russian rule, East Timor has become a captive nation under Indonesian rule.

At the subcommittee hearing last September, questions were raised about international support for self-determination for East Timor. The

February vote of the U.N. Human Rights Commission, coupled with the adoption of the East Timor resolution by the U.N. General Assembly last November, underscore international concern about developments in East Timor and support for renewed initiatives on the political status of the territory.

The country of Portugal has been spearheading the effort to affirm East Timor's right to self-determination. Prior to the vote by the U.N. Human Rights Commission, Portugal circulated a strong memorandum in support of self-determination for East Timor.

In the memorandum, Portugal reiterated that it has no claim on the territory of East Timor and that its sole objective is "that a decolonization process be implemented according to the rules of international law."

Portugal's position on East Timor is based on two basic principles of the United Nations Charter: the condemnation of all foreign military intervention and the right of peoples to self-determination.

The Portuguese Government stated in the memorandum or aide-memoire:

The denial of the legitimate right of self-determination to the people of East Timor constitutes a clear violation of that people's fundamental rights with grave consequences for the territory. World public opinion, the mass media, and the international organizations, notably Amnesty International, have on several occasions denounced the situation in East Timor where Indonesia persists in exerting various political, social, cultural and religious pressures through forced displacement of populations, preventing family reunions, mainly in Australia and Portugal, and in keeping on the island of Atauro more than 4,000 prisoners whose future liberation has only now been announced. All these restrictions and violations obviously prevent the people of East Timor from exercising their own civic, political, economical, social and cultural rights.

The Government of Portugal deserves to be both commended and supported for its international work on the East Timor question. My colleagues should be aware that the issue of self-determination for East Timor is very much alive, despite efforts by State Department to declare it dead.

The memorandum circulated by Portugal should make it clear to my colleagues that some of our friends and allies are continuing to press for diplomatic initiatives on the status of East Timor. For the benefit of my colleagues, the full text of the Portuguese aide-memoire follows:

AIDE-MEMOIRE

The 39th session of the Commission on Human Rights is to consider the draft Resolution on the question of East Timor which the Sub-Commission on the Prevention of Discrimination and Protection of Minorities adopted at its 35th session (resolution 1982/20 of the Sub-Commission). The Sub-Commission recommends that the Commission adopt a draft Resolution entitled "East Timor question" (draft VII—see page 6 of document E/CN.4/1983/4-E/CN.4/sub.2/1982/43). According to the anotated agenda of the 39th session the Commission shall consider the draft resolution under item 9 of the agenda (the right of peoples to self-determination).

2. Portugal's position on East Timor is well known and it is determined by the following elements:

(a) the total absence of any claim on the territory of East Timor. Portugal's sole objective is that a decolonization process be implemented according to the rules of international law.

(b) Portugal's attitude is and will always be based on the full acceptance and absolute respect of any real act of self-determination taking place in East Timor, provided it is recognized by the U.N.

(c) Portugal's policy is founded in the full acceptance of all Resolutions of the Security Council and of the General Assembly on East Timor, namely Security Council Resolutions 384 (1975) and 389 (1976) as well as General Assembly Resolutions 3485(XXX), 31/53 (1976), 32/34 (1977), 33/39 (1978), 34/40 (1979), 35/27 (1980), 36/50 (1981) and 37/30 (1982);

(d) Portugal's attitude is also guided by a deep concern over the predominant conditions in that territory. Well-known circumstances have prevented Portugal from respecting the provisions of article 73, paragraph (c) of the United Nations Charter on the transmissions of information to the U.N. regarding non-autonomous territories.

(e) the present circumstances prevent the Portuguese authorities from having full access to direct or totally impartial sources. On the other hand, in many cases the indications from U.N. documents (for instance document A/AC. 109/715) are not reassuring.

(f) as Portugal stressed once again during the debate in the 4th Commission at the last session of the General Assembly in November 1982, an adequate solution can only be found within a legal and political framework which takes into consideration the real aims of the population of East Timor and which at the same time is acceptable to the United Nations.

(g) as was underlined in the "communiques" of Portugal's Council of Ministers dated 12th September 1980 and 15th October 1981, the Portuguese position is characterised by a firm intention to support all initiatives aimed at solving this problem in addition to the ones Portugal has undertaken itself, Portugal "being prepared to undertake all possible diplomatic efforts in order to find a solution concerning either the humanitarian aspects of the problem or the implementation of the principle of self determination".

(h) Portugal's position concerning the question of East Timor rests on two basic principles of the United Nations Charter: the condemnation of all foreign military intervention and the right of peoples to self-determination.

3. It is Portugal's strong conviction that a peaceful and negotiated solution to the East Timor question requires the mutual and positive co-operation of all parties concerned. This necessary spirit of entente derives from the respect of the principles of the Charter and from the acceptance of the Resolutions and Decisions already taken. The request for an intervention by the Secretary General of the United Nations underlined in the last Resolution adopted by the General Assembly (37/30) which Portugal co-sponsored, shows that Portugal is fully prepared to take part in this dialogue. Moreover, the Sub-Commission Resolution 1982/20 notes "with appreciation the recent diplomatic efforts of the Government of Portugal and, in particular the communique of the Council of Ministers, issued on 12th September 1980, in which Portugal pledged itself, as the administering Power, to undertake broad initiatives with a view to ensuring the full and speedy decolonization of East Timor".

4. Portugal, like the Sub-Commission, deplores the fact that the gravity of the situation of the people of East Timor is not being given sufficent attention by a large part of the international community. Like the Sub-Commission, Portugal is deeply concerned at all the suffering inflicted on the people of East Timor by the failure to respect their right to self-determination. Again like the Sub-Commission, Portugal reaffirms the inalienable right of the people of East Timor to self-determination. In agreement with paragraph 2 of the Sub-Commission's draft Resolution, Portugal maintains that "the people of East Timor must be enabled freely to determine their own future on the basis of the relevant General Assembly Resolutions and the relevant United Nations human rights instruments".

5. The human rights violations in East Timor have been not just recognized but even underlined *inter alia* by the U.N. Secretariat (for instance, document A/AC.109/715), by private organizations like Amnesty International (see report 1982 pages 241 to 248) and by the State Department of the United States of America (see "Country reports on human rights practices for 1981—report submitted to the Committee on foreign affairs U.S. House of Representatives and the Committee on foreign relations U.S. Senate by the Department of State", pages 592 to 602).

The members of the Sub-Commission acting in their own individual capacity have also examined the East Timor question, thus stressing the acute importance of human rights violations. The gravity of this problem led a group of human rights experts—free and independent of their Governments—to take their own stand on the question of East Timor and to draw it to the attention of the Commission of Human Rights.

6. As stressed in several General Assembly Resolutions, the fact that the Commission on Human Rights considers the question of East Timor in no way implies an interference with matters within the domestic jurisdiction of Indonesia. In fact, under international law and more specifically under article 73 of the United Nations Charter, East Timor is a dependent territory.

7. The fact that the Commission on Human Rights is analyzing the situation in East Timor in no way signifies a duplication of concern on the part of the International community since, as in so many other situations of violation of human rights its specific importance fully justifies that this matter be analyzed outside the General Assembly by the body of the United Nations in charge of human rights to which the exercise of self-determination is fundamental. In this sense it is only logical that the Commission on Human Rights, as the body dealing with East Timor should adopt a Resolution already mentioned in the General Assembly Resolution 37/30.

8. Through groundless and libellous accusations regarding Portugal's actions and intentions on East Timor, Indonesia is trying to hide the fact that Portugal has no territorial claim over East Timor. Moreover In-

donesia is in fact trying to hide the real situation in that territory, forgetting that the Portuguese position, duly based on international law is followed by the United Nations whose General Assembly has each and every year since 1975 unquestionably condemned the invasion by Indonesia and has reaffirmed the right of the people of East Timor to self-determination. The unchanged position of the United Nations clearly demonstrates the inadmissibility of Indonesia's statements claiming that East Timor is part of its territory and that the draft Resolution to be considered by the Commission constitutes an interference in its domestic affairs. The unquestionable position taken by the United Nations since 1975 renders meaningless the Indonesian position on the inadmissibility of discussing the East Timor question in multilateral fora.

9. Portugal cannot accept Indonesia's new and restrictive interpretation which on the one hand recognizes the competence of the Commission to deal with human rights and on the other hand denies the ability of the same Commission to deal with the question of East Timor. In fact, Portugal has always maintained, either at the General Assembly or at the Commission while a member, that the right to self-determination is clearly comprised in the main international instruments related to human rights, namely the U.N. Charter, the Universal Declaration and the International Convenants, in addition to the Resolutions which deal with the matter in a specific and exclusively political spirit.

It is unquestionable for the United Nations and for the International Community that the right to self-determination is a fundamental right without which peoples can hardly exercise effectively their other rights and fundamental freedoms. That is why the right of peoples to self-determination has always been one of the most important items on the Agenda of the Commission on Human Rights which also deals for instance with Middle East and Namibia questions.

10. The denial of the legitimate right of self-determination to the people of East Timor constitutes a clear violation of that people's fundamental rights with grave consequences for the territory. World public opinion, the mass media, and the international organizations, notably Amnesty International, have on several occasions denounced the situation in East Timor where Indonesia persists in exerting various political, social, cultural and religious pressures through forced displacement of populations, preventing family reunions, mainly in Australia and in Portugal, and in keeping on the island of Atauro more than 4,000 prisoners whose future liberation has only now been announced.

All these restrictions and violations obviously prevent the people of East Timor from exercising their own civic, political, economical, social and cultural rights.

11. For all these reasons, and always having in mind the fate of the people of East Timor in the present and in the future, it is Portugal's desire that the Commission on Human Rights adopts the draft resolution recommended by the Sub-Commission. Portugal and its people are gravely concerned by all the suffering endured by the people of East Timor as a result of the nonrespect of their right to self-determination. Portugal expresses once again its willingness at all times to explore, with flexibility, possible and realistic ways that might overcome the present situation, but Portugal is firmly convinced that the international community cannot ignore the grave violations of human rights in East Timor.

GENEVA, *February 1, 1983.*●

ALLEVIATING THE DEBT CRISIS: ALTERNATIVE VIEWS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. KEMP. Mr. Speaker, in the next few months, the House will be considering ways of alleviating the current crisis in the international monetary system. Various alternatives, including an increase in the permanent size of the International Monetary Fund, will be considered.

In very thoughtful testimony before the House Budget Committee's Task Force on International Finance and Trade, Prof. Paul Craig Roberts presented several alternatives which we might consider. I believe that his testimony will assist Members in placing the international debt situation in its proper perspective and, to that end, I ask that Professor Roberts' testimony be reprinted in the RECORD.

STATEMENT BY PAUL CRAIG ROBERTS

(William E. Simon, Professor of Political Economy, Center for Strategic and International Studies, Georgetown University)

Mr. Chairman, distinguished members of the House Budget Committee's Task Force on International Finance and Trade, I am pleased to give you my views on U.S. participation in the eighth quota increase of the International Monetary Fund and the expanded facilities of the General Agreement to Borrow.

An atmosphere of crisis is being used to urge U.S. participation in yet another expansion of funding for the IMF and the scope of its activities. Policymakers have stressed in testimony before Congress (for example, Paul Volcker, House Banking Committee, February 2, 1983) the pressures on the international financial system and the implicit risks should foreign governments slide into default on their loans to our banks. Federal Reserve chairman Paul Volcker recently called the crisis "a threat to the recovery, the jobs, and the prosperity of our own country, a threat essentially without parallel in the postwar period."

As a result of this kind of rhetoric, a seriously mistaken attitude is forming that a quota increase to finance an IMF-led bailout of debtor nations and their creditors is all benefit and no cost. In my testimony today, I would like to bring out the following points:

(1) the IMF's rapid growth in recent years did not prevent the current crisis, and its further growth does not preclude a future crisis,

(2) the alternative to an IMF bailout is not default, but a partial write down of some of the loans,

(3) if a bailout is nevertheless deemed desirable, there are alternatives to conducting it through the IMF, and

(4) there are real costs to the U.S. economy, to U.S. diplomatic and financial influence and, perhaps, even to our national sovereignty of participating in the IMF bailout.

THE RAPID GROWTH OF THE IMF

Normally, an IMF loan is supposed to be a bridge loan to provide balance-of-payments financing for countries whose imports temporarily exceed their exports. More recently, however, the IMF has taken an expanded view of balance-of-payments problems and has made investment loans to countries for "structural adjustment." These loans are supposed to allow countries to increase their exports by investing in ports and industrial projects and to reduce imports by investing in domestic energy projects. Money, of course, is fungible, and a $5.5 billion "structural adjustment" loan to India in 1981 was followed by large Indian arms purchases from France.

The IMF's ability to add "structural adjustment" loans to its product line reflects the rapid growth of its funding and statutory lending obligations. In 1978, IMF quotas increased 50 percent from 40 billion to 60 billion special drawing rights (SDRs). The same year the maximum credit lines of member countries almost doubled, increasing from 2.5 to 4.5 times their quotas.

The result was a jump in IMF statutory lending obligations from 100 billion to 270 billion SDRs. This, in turn, led to a demand for additional IMF funding to meet the needs implied by the larger lending obligations. If the approximately 50 percent quota increase takes place in 1984 as planned, the statutory lending obligations of the IMF will expand to about 400 billions SDRs or about $440 billion at the current exchange rate of 1 SDR=$1.10, and the IMF will have enlarged its scope of activity as a world central bank charged with maintaining the liquidity of the international financial system.

Despite the IMF's rapid growth—or perhaps because of it—numerous debtor countries including some oil exporters cannot today repay principal and interest on their loans. One of the reasons is that in recent years debtor countries' loans have been growing faster than their export earnings. The willingness of banks to lend so much may reflect a feeling of security provided by the IMF's presence. For example, on February 2, 1983, Paul Volcker told the House Banking Committee that the availability of IMF funds "provides a base for attracting commercial bank and other financing."

Further growth in the IMF in order to finance a bailout does not preclude a worsening of the crisis. The crisis exists because debtor nations already have too much debt and because our banks have too much exposure. For example, our nine largest banks have lent 222 percent of their total capital to the non-oil-producing developing countries. The same banks have 112.5 percent of their capital exposed in just three countries—Argentina, Brazil and Mexico.

The IMF bailout packages require additional lending by the same private banks that are already over-exposed. For example, the terms of the IMF's bailout of Mexico require Mexico's creditors to increase their exposure by $5 billion. Administration spokesmen such as Secretary of State George Shultz have described the policy as bailing our banks in rather than out, and he has described it as "our objective" to get the banks in deeper.

It is the wrong objective. The result is to load up debtor countries with more debt and to worsen the exposure of the private banks that are already at risk. It is not for certain that this is a solution. It could be throwing good money after bad and result in a wors-

ening of the crisis. The main achievement of the bailout might be to pass a sinking ship on to someone else's watch.

ALTERNATIVE TO A BAILOUT

The alternative to a bailout, which increases the debt of the borrowers and the exposure of the lenders, is for the banks to write down whatever fraction of the loans it takes to make the remainder good. In other words, the alternative is to reduce the debt burden on debtors to levels that can be serviced. It would require the banks to sacrifice some part of the earnings that were anticipated from the loans, and bank dividends, stock prices and bonuses to management would fall, but the banks wouldn't.

The banks should be aided in this write down by being allowed a larger tax-deductible loan loss reserve. Currently banks are only allowed a reserve of 1.0 percent of their loans, and this year the IRS in a short-sighted grab for revenues is reducing the tax allowable reserve to 0.6 percent. George Champion, the former chairman of Chase Manhatten Bank, believes that the allowable loan loss reserve should be at least 3 percent and, in the current circumstances, 5 percent. There is no doubt in my mind that he is right. If the banks currently had reserves of 3 to 5 percent of their loans, there would not be a crisis.[1]

MANAGING THE BAILOUT WITHOUT THE IMF

If, for some political or other reason, a bailout is deemed necessary, there is no obvious reason for conducting it through the IMF. Since most of the IMF's resources are provided by the United States and its allies, there are no financial reasons to prevent the Western alliance from organizing the bailout itself and extracting political and strategic benefits on a quid pro quo basis. If the problem of foreign borrowers is only one of cash flow, as is claimed, a self-liquidating revolving fund could be set up to tide over the debtor countries. When the crisis is over, the participating countries could withdraw their funds for their own use because they would not be permanently transferred to the IMF.

It might be argued that the bailout should be conducted through the IMF because its staff has the expertise to help manage them to health. Unfortunately, the typical austerity that the IMF imposes on a troubled borrower—measures designed to force a reduction in imports and an expansion of exports in order to build foreign exchange reserves—cannot be conducted in the aggregate. One or a few countries could improve their ability to service their loans through such policies. However, currently there is a large number of borrowers in difficulty, and it is not possible for all of them to simultaneously increase their exports and reduce their imports. Most likely, if the bailout proceeds through the IMF, one casualty will be the vaunted IMF "conditionality."

COSTS TO THE UNITED STATES OF THE IMF QUOTA INCREASE

Advocates of the bailout claim that the quota increase is an asset swap between the IMF and the U.S. Treasury with no economic or financial cost to the United States. This claim is incorrect. From an accounting point of view, an IMF subscription is a swap of assets, though one few prudent men would make. Once Congress passes an (off-budget) appropriation, the Treasury issues the IMF a letter of credit in dollars equal to 75 percent of the subscription. The remaining 25 percent is paid in dollars, other hard currencies or SDRs from Treasury holdings. In exchange the Treasury receives a claim on the IMF.

Although treated as an asset swap, there is an economic cost to the United States. The Treasury gives up liquid assets having immediate command over real resources for illiquid or dormant reserve assets denominated in SDRs. The Treasury cannot withdraw large amounts of SDRs and spend them, and it could not borrow from the IMF in amounts anywhere near the size of its quota. Therefore, the U.S. asset position in the IMF is substantially inferior to Treasury's cash balances or swap lines with foreign central banks.

As the IMF draws on its line of credit, the Treasury has to cover it by borrowing in the financial markets. (With the present debt problems of debtor countries, the line of credit is likely to be drawn down rapidly to finance the bailouts.) A quota increase is equivalent to a larger deficit, because the United States has to finance it by borrowing in the credit market. The total impact on the credit market is greater than the $8.4 billion quota subscription and GAB contribution, because the IMF bailout packages require addtional lending by U.S. banks, thus reducing their ability to purchase U.S. Government and corporate bonds.

The borrowing necessary to finance the IMF quota increase and GAB contribution offsets dollar for dollar any reductions in Treasury borrowings achieved by cutbacks in defense or domestic programs or by raising U.S. taxes. It is a straight resource transfer from U.S. purposes to IMF purposes and as such is equivalent to a higher tax on American incomes.

In testimony before the Joint Economic Committee on January 27, Federal Reserve chairman Paul Volcker warned that there is not enough credit to go around and that unless federal borrowing is reduced, higher U.S. interest rates will work against the economic recovery. Clearly, in Mr. Volcker's mind the cost to the United States of a larger IMF quota is either higher interest rates and a weaker recovery or higher taxes or reduced defense and social spending. These costs are being discounted by the same U.S. policymakers who are responding to the federal deficit by trying to force President Reagan to abandon his supply-side tax policy and to cut his defense program.

A quota increase would also reduce the interest income stream on Treasury assets, because interest payments on IMF reserve holdings amount to only 85 percent of the weighted average of market interest rates of the SDR component currencies.

Some people claim that an IMF quota increase helps our economy because it gives foreigners money with which to buy our products. This argument stands in total contradiction to IMF conditionality which requires debtor countries to reduce their imports. Furthermore, if the argument were true—it is not—instead of increasing the quota 50 percent, we should double it or increase it tenfold or a hundred times.

In addition to the economic costs there are other costs. At best the bailouts of the foreign countries are a form of foreign aid; at worse they are international transfer payments from "rich" nations to "poor" nations, from North to South, from the West to the Third World. By handling the bailouts through the IMF we are allowing a third party to disburse our money for us, thereby enfeebling our diplomacy. Passing foreign aid through an international bureaucracy reduces the control and influence of the donor countries. The ultimate result is to divorces foreign aid from the policy interests of the United States and the NATO alliance. There is no obvious reason why the United States should use its scarce resources to increase the power of the IMF, a supranational organization that we do not control.

Prior to the sudden emergence of the default crisis, the U.S. Treasury and President Reagan were resisting the Third World's pressures for a large increase in IMF quotas, which implies that, the crisis aside, there are good reasons to resist further rapid growth of the IMF. And there are. By responding to demands for money we legitimize the chorus of voices that holds the United States responsible for Third World poverty, world recession and the inability of developing countries to repay their loans. A country cannot continually respond to aggressive demands with concessions without losing its sovereignty. The IMF, which under Bretton Woods dealt with temporary balance of payments problems, seems to increasingly function as a mechanism through which the West makes transfer payments to the Third World. The IMF quota subscriptions are a de facto tax on the American people. Perhaps in the past the tax was better disguised, but today it is clear enough. At a time when the United States is forced to cut back on its own domestic transfer payments, the Congress is expected to pass an $8.4 billion off-budget appropriation for the IMF.

The evolution of the IMF into an institution that makes permanent resource transfers from the West to the Third World is perhaps implicit in the structural organization of the IMF, which allows the United States and its allies a voting share that is considerably smaller than their contributions in real resources.

In principle each member country's voting share and credit line is proportionate to its stated quota, which purportedly reflects the member's relative weight in the world economy. However, in practice the United States has contributed about twice as much in real resources as it has voting weight in the IMF. The disparity results from the fact that only 25 percent of each member's quota is required to be paid in convertible currencies and SDRs acceptable as means of payment in international settlements. The remaining 75 percent can be paid in members' own currencies. The result is that only those countries whose currencies are convertible contribute in terms of command over real resources 100 percent of their quotas; the others contribute only 25 percent. The hard currency nations of the United States, Western Europe, and Japan contribute the bulk of the IMF's resources, but their voting share and power are diluted by the voting share alloted to the countries with "unuseable currencies" that account for about 50 percent of the IMF's total stated quotas.

Consider, for example, the eighth quota increase under current consideration. Leaving aside the General Agreement to Borrow, the U.S. quota increase is about $6 billion, which is about 37.5 percent of the approximately $16 billion in useable currencies that will accrue to the IMF from the quota increase. However, based on the official quota the U.S. voting share is only about 20 per-

[1] Alternatively, a system can be designed that sets aside loan loss reserves tied not to all loans but to those foreign loans that have not been repaid on time, with set-asides compulsory and rising in proportion to amounts rescheduled.

cent—clearly, taxation without equal representation. Indeed, the situation is worse than I have described, because by means of an SDR allocation the IMF can create and distribute new SDRs—thus printing the useable currency to cover the 25-percent requirement.

My testimony should not be misinterpreted as being anti-IMF, anti-big banks, or anti-Third World. But I am opposed to institutions and governments being stampeeded by thoughtless fears along paths that might not be prudent. The foreign loans were made in the exception that rising commodity prices, fueled by world inflation, would provide the export earnings to make them good. When the Federal Reserve deviated from the adminstration's monetary policy in 1981 and precipitated a recession, the expectations upon which the loans were based turned out to be wrong. Now banks, governments and the Federal Reserve itself are running for short-run cover without giving sufficient thought to the longer run implications of the bailout.

The deeper our banks, the State Department, the Treasury and the Federal Reserve get involved in trying to prop up old loans with new ones, the greater the stake they acquire in the resurgence of world inflation. Repidly rising oil and commodity prices would provide the Third World with growing revenues to service a depreciating debt—and the American consumer could be left holding the bag in a big way.

It wasn't that long ago that the United States stood astride the world like a colossus. Our financial and diplomatic power was respected, and countries sought to be in our good graces. We even managed to conduct our diplomacy through our own institutions. But today, after subordinating our interest to international organizations, the United States risks standing before the world as "Uncle Sap." We ante up to quiet foreigners while the President's tax cuts and defense buildup fall under the budgetary knife.

The world has serious problems that require U.S. leadership, but the United States cannot lead as long as it acquiesces to demands. We must resist strongly the notion that foreign debtors have our banks over a barrel or they will take advantage fo the situation to extract ever more American resources through the IMF.

TABLE 1.—CLAIMS ON NONOIL DEVELOPING COUNTRIES: COUNTRY EXPOSURE LENDING SURVEY DATA FOR 9 LARGEST BANKS

[In billions of dollars]

	Claims on nonoil developing countries	Reporting banks' total assets	Reporting banks' total capital	Claims on nonoil developing countries as a percent of—	
				Total assets	Total capital
1977:					
December	30.0	372.5	18.4	8.1	163
1978:					
June	31.0	390.2	19.0	8.0	164
December	33.4	422.5	20.0	7.9	176
1979:					
June	35.0	449.8	21.1	7.8	166
December	39.9	486.1	21.9	8.2	182
1980:					
June	41.9	508.4	23.0	8.2	182
December	47.9	531.0	24.0	9.0	199
1981:					
June	51.6	553.7	25.0	9.3	206
December	57.6	564.6	26.1	10.2	220
1982:					
June	60.3	566.3	27.1	10.6	222

Source: Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Feb. 2, 1983.

TABLE 2.—CLAIMS ON SELECTED DEVELOPING COUNTRIES FOR 9 LARGE U.S. BANKS

Date	Argentina	Brazil	Mexico	Total, 3 countries
	Claims (billions of dollars)			
1977	1.8	7.7	6.1	15.6
1978:				
June	1.9	8.0	5.9	15.8
December	1.8	8.5	6.1	16.4
1979:				
June	2.1	8.8	5.8	16.7
December	2.9	8.8	6.5	18.2
1980:				
June	3.3	9.1	7.3	19.7
December	4.2	9.4	9.1	22.7
1981:				
June	4.6	9.7	10.2	24.5
December	5.2	10.6	11.6	27.4
1982:				
June	5.3	11.8	13.4	30.5
	Claims (as percent of capital)			
1977:				
December	9.8	41.8	33.2	84.8
1978:				
June	10.0	42.1	31.1	83.2
December	9.0	42.5	30.5	82.0
1979:				
June	10.0	41.7	27.5	79.1
December	13.2	40.2	29.7	83.1
1980:				
June	14.3	39.6	31.7	85.7
December	17.5	39.2	37.9	94.6
1981:				
June	18.4	38.8	40.8	98.0
December	19.9	40.6	44.4	105.0
1982:				
June	19.6	43.5	49.4	112.5

Source: Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Feb. 2, 1983.●

SOCIAL SECURITY VOTE

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. STANGELAND. Mr. Speaker, when the House approved by a 282-to-148 vote the plan to raise $165 billion for social security, they were hurting almost everyone in the Seventh District of Minnesota.

Instead of approving a way to revitalize the ailing program, Congress prescribed a bigger dose of the same medicine that has weakened social security for decades. This is a Band-Aid bill, that raises taxes and reduces benefits and delays decisions and costs that will be passed on to our children.

We all agree that social security must be preserved, but this bill does not do the job. Look at the people who will be hurt by the proposals.

Senior citizens will lose between $1,100 and $1,800 because of delayed COLA benefits. This cut will fall most heavily on the 4 million retirees who live at or below the poverty line.

Those senior citizens who invested for their retirement will also have their social security benefits taxed away. This is a "means test," providing full benefits only for those senior citizens who are not still working or who did not invest; it will be easy for future Congressmen to lower those benefits. Furthermore, young people will now be discouraged from saving for their retirements.

Farmers and small business owners will now pay double the payroll taxes that every other American worker is paying.

All workers will have 7 years of tax increases moved forward.

Young people will find it harder to get jobs because of higher payroll taxes on themselves and their prospective employers.

Most families will now pay more for social security taxes than income taxes.

Taxpayers will pay hundreds of billions of dollars for tax credits, for direct Treasury transfers to social security, for bailing out the civil service retirement system, and for other items that do not even have a price tag yet.

Our children will be paying for decades because Congress failed to act now in a reasonable fashion.

All these sacrifices might have been worth it if social security had been guaranteed. But this plan is merely a temporary fix, putting off the day of political reckoning for another few years.

When you get right down to it, this plan hurts everyone that social security is supposed to help. That is not my idea of a rescue plan. It has more of a rubberstamp approval of a political deal.

For 2 years, you have heard me say that any social security reform would have to pass three basic tests. First, the basic benefits of retirees must be maintained. Second, the long-term solvency of the system must be guaranteed. Finally, payroll taxes on both workers and employers must not be raised to levels which impair our economy.

This plan flunked all three tests, so I voted against it.

This may have been our last chance to make reasonable changes in social security. But instead of facing squarely the problems of social security, the Congress passed a bill that allowed Washington to avoid the politically sensitive issue of caring for our senior citizens, our economy, and our future.●

SENATE—*Friday, March 11, 1983*

(Legislative day of Monday, March 7, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our opening prayer this morning will be delivered by the Reverend Richard C. Halverson, Jr., son of the Senate Chaplain.

PRAYER

The Reverend Richard C. Halverson, Jr., Arlington, Va., offered the following prayer:

Sovereign God, whose ascendancy rules the affairs of state as well as the matters of the church, we pray for the rise of a common vision on the horizon of this 98th Congress.

May it emerge, we pray, with such clarity and brilliance that all the diverging points of view, opposing forces and differing interests that must work together here, be caught up in its light to provide for this country a united leadership as well as competent management.

Lord, Your word declares that everyone who serves in high places is ordained to carry out Your plans. Make these plans good for us and cause us to be subject to them that much needed rays of truth, justice, righteousness, and mercy dawn anew from here upon the people of our land.

This we pray in the name of Jesus Christ, whose greatness exceeds the containment of any political, social or religious body and whose exaltation in time will draw all men to Himself. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the two leaders are recognized under the standing order, there is an order for the Senate to have a period for the transaction of routine morning business. It will perhaps be a brief period, because at 10:30 a.m., according to the order previously entered, the Senate will resume consideration of H.R. 1718; and pending at that time, I believe, will be the Kasten perfecting amendment to the Abdnor amendment.

Mr. President, Senators should be aware that there may be votes early today. Senators should be aware that there may be votes late today.

It is urgently important that we finish this bill today. We have other important matters to dispose of, and I continue to hope that we can do other business before the March 25 recess. On our must list of legislation are the jobs bill and the social security package.

Mr. President, I will have a further report on this matter as we proceed during the course of the day. I will try to have an announcement to make at 12 o'clock noon as to whether we will be in late and whether there is a possibility of a Saturday session. I will confer with the minority leader before any such announcement is made.

Mr. President, I have no further need for my time, and I yield the remainder of my time to the control of the minority leader.

Mr. BYRD. I thank the distinguished majority leader.

Mr. President, I join the majority leader in urging that the Senate complete action on this bill today.

I was just informed this morning that unemployment in West Virginia was 20.4 percent in January, 3 percentage points up from the previous month.

Mr. BAKER. Mr. President, will the Senator yield to me on that point?

Mr. BYRD. I yield.

Mr. BAKER. Mr. President, notwithstanding that there is a strong economic recovery in the wind, there is still a big problem with unemployment throughout the country; we owe the responsibility to cushion the impact of that unemployment, and we simply must not lay down that duty in the Senate. We have to pass the unemployment part of this package, and we have to pass the package in order to do it.

Mr. BYRD. I thoroughly agree with the majority leader in this.

I hope that the distinguished Senator who has offered the amendment anent withholding taxes on interest and dividends will find another vehicle for that amendment. I support the amendment. As a matter of fact, I have offered such legislation. I voted against withholding taxes on interest and dividends. I am a hundred percent in support of his amendment. But there are always other vehicles, and I urgently and prayerfully hope that he would be willing to call down his amendment to this bill and let us get on with action on the jobs bill. There will be another day when he can offer that amendment and when I would support it. Although he is not on the floor at this time, I will be glad to say this to him personally.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BAKER. I commend the Senator, and I thank him for his remarks.

I, too, urge Senator KASTEN to withdraw this amendment. As the minority leader points out, there are always other vehicles, and indeed there will be other vehicles. I have made a commitment to the Senator from Wisconsin that I will do nothing to try to prevent him from attaching that amendment to another vehicle.

In all candor, he has asked me if I will promise him a particular vehicle at a particular time, but I cannot do that. However, I promise him that I will see that he has his opportunity and that the leadership makes no effort to stand in his way to do that.

I feel that our responsibility is so grave with respect to unemployment benefits and this jobs bill that we simply should not put that legislation on this supplemental appropriations bill.

Mr. BYRD. Mr. President, I have confidence in the majority leader's persuasive powers. I hope he will be successful in finding a way out of this dilemma, and if I can help him find a way, I want to do it.

I say again for the record that I support Mr. KASTEN's amendment. I have received more than 40,000 pieces of mail, most of it generated, of course, through an organized effort that had its roots right here in Washington. I have talked with those gentlemen, had them visit my office, had them go to each desk in my office and see the mail that was there.

I do not know why they generated that kind of mail against Senators like myself. I voted against this provision in the tax bill, I offered an amendment to repeal it, and I am against it now.

In looking through this mass of mail, it is difficult to find very urgent letters on other matters, other cases—veterans' cases, social security cases—difficult to find such other mail. I have been told that the massive outpouring of mail on this issue has severely glutted the post office in the Senate, and Senators are getting a lot of our other mail late.

Mr. BAKER. The Senator is absolutely correct. The Senate Post Office

is inundated. I do not know how far behind they are, but they are days and perhaps weeks behind in sorting and delivering important mail. I have no quarrel with anybody writing a Member of the Senate of the United States. They have a fundamental right to do so. But there are two things about this that bother me.

The first is that it is an indiscriminate mailing, as the Senator points out. He supports their position, and he receives the same amount of mail I do, and I oppose it. The second thing is that the mails are a marvelous thing, but you can overuse the opportunity to try to persuade Congress. I suggest that if you do it on every issue, including those issues that are not of such grave importance to the national welfare that they deserve that effort, you diminish the importance of such a mail campaign; and I believe that has been done in this instance.

Mr. BYRD. It becomes counterproductive.

Mr. BAKER. It does, indeed.

Mr. BYRD. It can backfire.

So I close by saying again that the majority leader is absolutely right in his admonitions to all of us, and I stand with him in hoping that we can put the other matter aside temporarily. It is just a matter of time, and then it can be argued again on its merits, and those who are for it and against it can have their say.

This jobs bill has to pass. If we do not pass it today, I believe the majority leader said we will be here tomorrow.

Mr. BAKER. Yes, I did, indeed.

Mr. BYRD. I do not want to be here tomorrow, but I am going to be here if circumstances require it.

But yesterday was largely a wasted day because of this argument. I do not criticize the Senator who has offered the amendment. He is trying to take advantage of an opportunity to get it hooked onto a bill soon and one that will fly, but it certainly is holding up and delaying legislation that we have to pass.

I have no doubt as to the outcome of a vote on Mr. KASTEN's amendment if and when it comes to a vote if it is untied to this particular amendment.

Mr. BAKER. Mr. President if the Senator will yield, I thank him most generously for his remarks. I have no desire to deprive the Senator from Wisconsin or the Senate of the opportunity to speak its judgment on this issue. But I urgently request that we not do it on this bill and perhaps even deprive us of the opportunity to pass this measure.

I thank the Senator from West Virginia for his remarks.

Mr. BYRD. I thank the majority leader.

Mr. President, I yield back the time.

THE SENATORS FROM NORTH CAROLINA: JESSE HELMS AND JOHN EAST

Mr. BAKER. Mr. President, I have always had an appreciation for the special talents and legislative skills of the distinguished Senator from North Carolina, Senator HELMS. He has always cooperated with me in fair play, and has always told me of his plans in advance. I have a high regard for him personally and politically, and it is against that background that I bring to my colleague's attention an article that appeared in the Wall Street Journal.

The article, written by Vermont Royster, is a colorful profile of Senator HELMS; a brief journey through an amazing political career. I ask unanimous consent, Mr. President, that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 16, 1983]

THINKING THINGS OVER THAT EXASPERATING MAN

(By Vermont Royster)

Jesse Helms, no doubt about it, is an exasperating fellow.

In the past fortnight he annoyed Gov. Jim Hunt of North Carolina by inviting him to a television debate on current political issues. The governor, whom everyone expects to challenge Sen. Helms for the Senate in 1984, declined.

A few days before that the senator irritated President Reagan and House Speaker O'Neill, simultaneously, not an everyday occurrence. He did that by taking a dim view of the so-called "compromise" for remedying the woes of the Social Security system and by advancing a proposal of his own.

And just before Christmas he upset almost the entire Senate by objecting to the hike in the gasoline tax. This was vexing enough because the Senate had already reached a consensus on its adoption. What truly infuriated many senators was that Mr. Helms took to the floor for a filibuster which threatened to delay the senators' holiday. This forced the Senate to vote for cloture, cutting off the debate, which is not something that body likes to do.

A number of senators were so vexed that they publicly castigated the gentleman from North Carolina, some in language not to be quoted in family newspapers, and threatened to retaliate by voting against the tobacco support program, a measure important to any congressman from the Tarheel State.

But these are only the latest examples of Mr. Helms' Irritation Quotient. In fact, he's been roiling North Carolina liberals, and especially Democratic ones, long before he arrived in the Senate.

He started this as far back as 1948 when he was news and program director of a Raleigh television station and was also its nightly editorial voice. As such he flayed away at nearly every "liberal" shibboleth, especially those emanating from Democrats in Washington. He acquired a wide audience, some from sympathizers with his political views, some professedly for his entertainment value.

This TV exposure provided the springboard that elected him to the Senate in 1972, the first such Republican since Reconstruction days. Because this was the year of the Democratic disaster from the McGovern presidential campaign (which saw North Carolina also elect a Republican governor), Mr. Helms was put down as a temporary aberration. But to the general surprise he was reelected easily in 1978.

Since then Mr. Helms has been provoking Democrats on a national scale; he's the one Republican senator above all the Democrats that would like to knock off in 1984 and they're counting on Gov. Hunt, a popular moderate, to do it.

The man at the center of all this is, in person, a soft-spoken, folksy, personable fellow about as unflamboyant as you'd expect from the president of a local Rotary Club, which he was. He's not only civic minded but civic in action, having been a trustee of two colleges, board member of a children's camp and a cerebral palsy hospital. He lives quietly in Raleigh, when away from Washington, surrounded by his wife of 40 years, three children and a growing number of grandchildren. In fact, any local theater group might well typecast him as Caspar Milquetoast.

Except when he steps on the political stage. There he's a man of strong opinions, no timidity in expressing them, and with a determination to make them felt in national politics. Indeed, it's that unyielding determination that's made him such a controversial figure, for there are many others of like conservative views who are hardly noticed.

Behind that determination is an organizing skill that would do credit to any business conglomerate operator. Indeed, the Congressional Club, which he launched first for his 1978 reelection campaign, has metamorphosed into a unique political conglomerate, the best known and possibly the largest political fund-raiser on the national scene. Offshoots from it include the American Family Institute and the Institute on Money and Inflation, each with its special area of attention on public issues. Altogether they add up to what's been called "the Helms Network," which gives liberal Democrats—and sometimes Reagan Republicans—near apoplexy.

All this is making the prospective Helms-Hunt Senate race a focus of national attention among politicians and political writers. Of late Democrats have begun to feel hopeful; Gov. Hunt is popular, also has a well-oiled organization, and Sen. Helms continues his infuriating ways. They think this time, at last, Mr. Helms can be bested.

But that's no certainty. Sen. Helms does indeed sometimes waste his strength by spreading it to thin; his power in the Senate has diminished. On the other hand, some of his recent stands may turn out to be shrewdly attuned to voter opinion.

His opposition to the gas tax, for example, cost him support in the Senate, which passed it handily. Many voters, however, don't like it, as the recent truckers' strike demonstrates. A year from now Mr. Helms could profit from any dissatisfaction with the proclivity for raising taxes.

So likewise with the senator's dissent on the compromise Social Security "fix," which puts most of its reliance on raising Social Security taxes. As the proposed increases begin to bite into workers' pay envelopes, the bipartisan Reagan-O'Neill compromise may lose some of its allure. It wouldn't be the first time that hurrahs in Washington led to lamentations among the populace.

Be that as it may, Jesse Helms has some other strengths. He's not short of campaign funds. He's a tough competitor. He has many loyal followers among rural, churchgoing Tarheels. He's a rarity among politicians, one who never leaves anyone in doubt where he stands, and if this sometimes enrages his foes it also earns even from them a grudging admiration. Anyway, Jimmy the Greek won't yet give you odds against this exasperating fellow.

Mr. BAKER. Mr. President, I have another article which I would also like to bring to my colleague's attention, written by our colleague from Colorado, Senator ARMSTRONG. I wish to state publicly that I agree with the points raised in this article. Indeed, I have stated on this floor many times that I am protective of every Senator's procedural rights, and that although Senators HELMS and EAST proved to be tough adversaries during the gas tax fight as pointed out by Senator ARMSTRONG, they both remain distinguished Senators and good friends.

I ask unanimous consent Mr. President that the article by Senator ARMSTRONG be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charlotte Observer, Mar. 8, 1983]

HELMS AND EAST: MEN OF PRINCIPLE

(By Senator William L. Armstrong, Republican of Colorado)

In the aftermath of passage of the gas-tax legislation, there has been a concerted effort to portray Sen. Jesse Helms and Sen. John East (North Carolina's two Republican senators) and others who objected to the bill as having somehow taken a strange, unusual or extreme position on this issue. Nothing could be further from the truth.

On the final vote, no less than 39 senators opposed this bill.

While I have never thought that the validity of an argument is finally determined by the margin of the final vote, this relatively narrow margin of victory for a bill backed by the president and many legislative leaders of both parties shows at least one thing conclusively: Whether you agree with them or not, Jesse Helms and John East took the same position as many other senators of both parties, from every region of the country.

There remains, however, the allegation that somehow the parliamentary tactics which they employed were unsuitable or contrary to the traditions of the senate. What nonsense!

Many of the various senators who complained of their tactics had engaged in precisely the same sort of delaying actions on behalf of causes they believed in—for or against school busing, abortion, environmental issues and many others.

I did not personally take part in the filibuster. As a matter of fact I voted against Sens. Helms and East each time the cloture vote was presented. But I reminded my colleagues who were so free in their criticism of Jesse and John that every senator worth his salt will find himself in the same position they were in sooner or later.

And all the crocodile tears from those who were politically motivated to embarrass these two great men cannot change the reality: Sometimes men of principle have to make a stand even when it is unpopular or inconvenient.

We owe a debt of gratitude to North Carolina's two senators for their willingness to stand up and be counted on an issue about which they felt strongly.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. WALLOP). Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 10:30 a.m. during which Senators may speak for up to 1 minute apiece.

Is there further morning business?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SIMPSON). Without objection, it is so ordered.

A NEW MEMORIAL ON THE MALL

Mr. PROXMIRE. Mr. President, the U.S. Government recently allocated two vacant buildings to be put to use by the U.S. Holocaust Memorial Council. These buildings, which stand just 400 yards from the Washington Monument and which are adjacent to the national Mall, will house an extraordinary museum. When completed, a new memorial will be present in our Nation's Capital and will be dedicated to the memory of the victims of the Holocaust.

More than a collection of mementos and artifacts, the Holocaust museum is intended to be something different from other museums. Through private funding and Government support, the Holocaust museum will preserve for future generations the tragic episodes of one of history's darkest periods; a time when an entire ethnic group was marked for extermination by the Nazi regime under Adolf Hitler. The preliminary plans for the museum call for uncommon exhibitions which will touch the consciences of those who walk through it. In the words of Elie Wiesel, the Chairman of the U.S. Holocaust Memorial Council, "Our hope is to create a living museum, not stones, but experiences, memorials, ideas, to keep the past alive."

The notion of a "living museum" is an unconventional one, but the Holocaust museum will be unusual for another reason as well. Its large scale, its prominent position next to the Mall, and its official status conferred by its congressional mandate represent an extraordinary commitment on the part of the United States to recognize one of the greatest atrocities mankind has known. Interior Secretary James Watt has said that the memorial:

Must be much more than a memorial to the dead. It must be a reminder to the living of the horrors which can be inflicted when tyrannical powers are allowed to gain the military, economic and strategic advantage to do as they will without fear of retributions.

Mr. President, the Holocaust museum will indeed be a special extraordinary place. But we should not forget that while the U.S. Government is willing to establish a memorial to an infamous case of genocide, it has been unwilling to ratify an international treaty that would make such acts of genocide punishable, international crimes. I find this incongruity startling. How can we donate buildings to house a museum dedicated to the memory of genocide victims and at the same time continue to ignore a treaty which would outlaw the crime?

Mr. President, April 10 through 17 will mark the annual Days of Remembrance of the Holocaust. I urge the Senate to act now to give our advice and consent to the Genocide Convention and thereby make genocide a punishable, international crime. Such an action would be timely and would give real weight and authority to our commitment to those genocide victims who we have chosen to memorialize at a prominent spot in our Nation's Capital.

KENNAN ON WHY WE MUST PREVENT A NUCLEAR HOLOCAUST

Mr. PROXMIRE. Mr. President, in the conclusion of his remarkable book "The Nuclear Delusion" George Kennan reminds us of the immense responsibility we have to prevent a nuclear war with all its appalling destruction of human life, and indeed the possibility it could destroy all mankind. In our arguments over which superpower leads in the arms race, the advantages of the Soviets' greater megatonnage of nuclear destruction and its superior number of missiles compared to our greater number of warheads, the mobility and hence invulnerability of so much of our sea- and air-launched deterrent, we may lose sight of the basic consideration: The responsibility that this generation of Americans and Russians owe to all past generations and future generations of mankind: To find a way to preserve human life on this planet, to keep the peace, and to preserve freedom.

For that reason, Mr. President, I ask unanimous consent that a small part of the concluding argument by Mr. Kennan from his book be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

If we were to use these devices in warfare, or if they were to be detonated on any considerable scale by accident or misunderstanding, we might be not only putting an end to civilization as we now know it but also destroying the entire product of humanity's past efforts in the development of civilized life, that product of which we are the beneficiaries and without which our own lives would have no meaning: the cities, the art, the learning, the mastery of nature, the philosophy—what you will. And it would be not just the past of civilization that we were destroying; we would, by the same token, be denying to countless generations as yet unborn, denying to them in our unlimited pride and selfishness, the very privilege of leading a life on this earth, the privilege of which we ourselves have taken unquestioning and greedy advantage, as though it were something owed to us, something to be taken for granted, and something to be conceded or denied by us to those who might come after us—conceded or denied, as we, in our sovereign pleasure, might see fit.

How can anyone who recognizes the authority of Christ's teaching and example accept, even as a humble citizen, the slightest share of responsibility for doing this—and not just for doing it, but for even incurring the risk of doing it? This civilization we are talking about is not the property of our generation alone. We are not the proprietors of it; we are only the custodians. It is something infinitely greater and more important than we are. It is the whole; we are only a part. It is not our achievement; it is the achievement of others. We did not create it. We inherited it. It was bestowed upon us; and it was bestowed upon us with the implicit obligation to cherish it, to preserve it, to develop it, to pass it on—let us hope improved, but in any case intact—to the others who were supposed to come after us.

Mr. PROXMIRE. Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE REPEAL OF WITHHOLDING TAXES ON INTEREST AND DIVIDENDS

Mr. GOLDWATER. Mr. President, I would just like to make a few comments on the Kasten amendment, of which I am a cosponsor. I listened with a great deal of interest and some amusement yesterday to the dissertations of my good friend from Kansas relative to this and his constant referral to the great campaign being waged by the banks.

I would suggest to my friend from Kansas that he visit some of the retirement places we have in Arizona. We are either the second or third largest per capita retirement place in the United States. I have had no pressure from any banks and I am pretty close to my banks, in fact they are too darned close to me, but if he wants to find out where these letters are coming from all he has to do is to go to retirement communities where people have to live off of the dividends and interest they earn on their investments.

Now, the Senator may not realize it but taking 10 percent of the monthly income of a retired person today is a very hard thing for that person to put up with, and to further insinuate, as we heard all day yesterday, that these retired people do not pay taxes, to me is just a bunch of hogwash.

Now he repeatedly suggested that we do away with the withholding tax. Mr. President, I would like nothing better. I think this is one of the craziest things that ever happened in the United States. I think the first crazy thing we did was pass the income tax, but that has become an accepted fact now. But then, back in the days of Franklin Roosevelt, we adopted a suggestion by an economics professor, I believe from Columbia, that we withhold money from the income of people, and this started this country into the deficit spending we have been engaged in now for 40 years.

I can assure you, Mr. President, that if the Government of our country depended upon taxes that were not withheld from wages the foolish spending we are engaged in would stop in a hurry. Taxpayers today go through the year feeling, "Well, they are taking out of my wages and I won't have anything to worry about" and most of them do not but many, many members of our citizenry come up to April and they have to go to the banks and borrow and then they have to pay interest on that. So what we are doing really when we have the withholding tax is we are putting a tremendous burden on the American citizen, and if the Senator from Kansas wants to do away with the withholding tax I say, "Amen brother, and I will help you."

But I think we ought to realize that this deluge of mail we have had from people across this country, while, yes, it might have had some push by the banks and by the fact that they take full-page advertisements, which the Senator from Kansas seems to find rather unique, I would suggest that every organization in this country has resorted to the same thing, from the labor unions to chambers of commerce to individual businesses. In fact my old friend Jerry Falwell had a full page ad the other day, and I saw nothing particularly wrong with that, even though I did allude to him once in a rather derogatory way.

So, Mr. President, I am getting a little bit tired of listening to accusations from the Senator from Kansas that indicate that all of us who are supporting the repeal of this portion of the bill are being unduly influenced by the banks. He is upset, I think, unduly in this matter. I think he should realize that the American people have the right, it is their constitutional right, it is their right as citizens, to get in touch with their representatives in Congress whether they be in this body or in the House, and this is what the people are doing.

It is not the first time we have been deluged with mail. I remember the Bricker amendment when we had far more mail than we have received on this particular item. I have to remind my friend from Kansas that these are letters from American people who are very, very concerned about losing 10 percent of their income monthly. It is all right maybe to come up here year after year and pay their income taxes and have to stagger away with an unusually heavy load.

Mr. President, I hope my friend from Kansas will realize this is a demand from the American people. All right, the banks do not like it; they have a right not to like it. American industry, the American labor movement have repeatedly found themselves in disfavor with things we have done. In fact we ourselves find ourselves in disfavor with things we have done. I voted against this when it came up in the tax relief bill. I thought it was a bad piece of legislation then and I think it is a bad piece of legislation right now, and I do not worry about this threatening the works relief bill.

I say let us pass this thing within the next several hours and I do not think the President is going to veto this. He understands the American people. He understands the American people do not like this and they are merely telling us, "Get rid of it," and I do not know how we can make it any clearer than that.

If a way can be worked out that Senator KASTEN's amendment can be put on some other vehicle, I have no objection to that, but I want to see this tax measure repealed and the sooner the better because the mail is going to keep up and the pressure from our people back home will keep up.

Mr. President, I just wanted to talk about my feelings on this; I have, and I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk (Terence J. Rainey) proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT TIME FOR MORNING BUSINESS BE EXTENDED UNTIL 10:45

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended until 10:45 a.m. and that the order for the Senate to resume consideration of H.R. 1718 be extended accordingly.

Mr. JOHNSTON. Mr. President, reserving the right to object, and I do not intend to object, I wonder if the majority leader could tell us at what time he plans to make a certain motion.

Mr. BAKER. Mr. President, as soon as possible, but I really want to get all the players on deck. It looks like a few minutes might accommodate that. I think we will move along more rapidly by using these 15 minutes than we would if we went ahead at this point.

Mr. JOHNSTON. I am sure we will. That is why I do not intend to object. Does the Senator have any good hopes that we will know something by 11:30?

Mr. BAKER. Yes; I do.

Mr. JOHNSTON. I thank the majority leader. I do not object to his request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I ask unanimous consent that I may make a statement on the pending matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE REPEAL OF WITHHOLDING TAXES ON INTEREST AND DIVIDENDS

Mr. MELCHER. Mr. President, in the debate on the amendment yesterday concerning the withholding of income taxes on interest and dividends, it was repeatedly stated that the effort to have this amendment voted upon by the Senate was a tremendous lobby of the banking community.

Well, if that is the case, I am not motivated by that lobby. I am motivated by a bigger lobby than that, a more important lobby and one that too often is not heard on some of these tax matters, and that is the lobby of the taxpayers that would be affected by it.

The letters that we have been getting are typical of this particular one I am going to cite parts of, which came from a husband and wife in Sidney, Mont. They state:

If our income, including the interest we receive, is large enough, we will pay income tax on that interest after we receive it. If our income is small, we pay no tax on it, making the idea of compulsory withholding, superfluous and ridiculous. All the red tape involved in filling out exemption certificates for the small income recipients would only cause mixups, loopholes, and extra time and work for the institutions required to withhold that tax, when it is already being taken care of through our regular income tax laws.

We saved many years and sold our small farm, in order to bank enough money to supplement our small Social Security income of $311 per month, with interest income. As it is, our income will be very close to what is considered the poverty level, and if 10% of our interest income is withheld, it will mean a big difference in our lives.

This husband and wife in Sidney, Mont., hoped to be able to be taken care of by filing an exemption. It is true that by filing this form with the institution where they are paid interest income from investments or savings accounts, and if they first of all meet the conditions of this form, there will not be any withholding. But it is rather limited because if they are 65—and I judge the couple that wrote to me from Sidney are perhaps 65 or older—here is where they would fit if one spouse or both are 65 or older, filed a tax return last year, and their tax liability was $2,500 or less.

If their tax liability for the preceding year was $2,500 plus $1, they are not able to file the exemption form.

I daresay from the tone of their letter they are not capable of always determining what their income is going to be. They pretty well know what their social security income will be, but it is not taxable. They are probably incapable of estimating what the exact tax liability for any given year is going to be. Being exempt from this withholding tax provision depends upon what their income tax has been each preceding year; $2,501 is supposedly a pretty big tax bill. I agree it is pretty big to the average retiree. But perhaps then they will be taken care of with the exemption though there is uncertainty.

If a taxpayer does not file jointly but is 65 or older, and if the tax liability was $1,501 in the preceding year, then the taxpayer cannot file for an exemption. The taxpayer cannot file an exemption, so would have the withholding tax applied to the case of the taxpayer less than 65 with a tax liability for the preceding year of $601 more, the taxpayer is not eligible for the exemption.

Why are these people complaining? It is particularly the retirees who are complaining. They are outraged because they feel there is uncertainty connected with this, that they have been paying their taxes and there is no reason to think they have not been paying their taxes.

The Joint Committee on Taxation, which advises the Congress on these matters, says there has been 89 percent compliance. That figure was cited often yesterday as the reason for withholding. But you have to examine what the Joint Committee on Taxation is telling us. They are telling us that the 89-percent compliance is not in terms of the number of taxpayers but it is 89 percent they estimate in terms of dollars. So they are estimating that there is 11 percent of the dollars that should be taxed which are not taxed and, therefore, the tax is not collected. They go on to state that the reason for their estimate of that figure is because of underreporting of total income from interest and dividends by individual taxpayers.

Remember, that is 11 percent of the dollars, not individuals. That goes back to the point of why are these people outraged. They know they are paying their taxes. They are outraged at the further IRS intrusion by the withholding tax provisions on interest or dividends.

Mr. President, the question is whether this new game of withholding is really going to get at those taxpayers who are underreporting, underreporting their income which should be taxed, income derived from interest or dividends.

May I point out that if any individual is cheating, as is indicated by the Joint Committee on Taxation, cheating and underreporting their income derived from interest and dividends, there is nothing about this withholding tax provision that is going to correct that; nothing, because in filing their 1040 forms they can disregard the 1099's which they are receiving now and underreport.

If the 89-percent combined estimate is correct, then it must be just a few people. But if a person is cheating on that, the withholding of 10 percent certainly is not going to correct that.

Why is there evidence that it is just a few individuals, a relatively small number of individuals who would fit into this 11 percent noncompliance of tax dollars, estimated by the Joint Committee on Taxation?

A study by the IRS referred to yesterday indicated that 97 point something percent in terms of taxpayers correctly reported interest income so these taxes from them were collected. Those individual taxpayers reporting were reporting correctly and accurately.

That gets us back to the point of the great body of people who are saying they are outraged by the IRS winning another coup. That is their interpretation of it, that the IRS has won another coup in the Tax Act of 1982 and they will be subject to this unnecessary withholding of their taxes on their interest income.

The study by Dr. Donald Puglisi, professor of finance at the Department of Business Administration of the University of Delaware, is a very interesting study. It is a study prepared in March 1983. The study indicates that in revenue for the Treasury for fiscal 1984, because of improvements in reporting, there will be $400 million gained, because of the speedup there will be $3 billion gained, and because of better compliance there will be a total of $5.7 billion gained for the Treasury in the coming fiscal year.

Mr. President, the study bases its analysis on these figures from the Secretary of the Treasury. Then it goes on to look at the various parts of the revenue breakdown.

Dr. Puglisi states that it is vital that the gains in revenue in this area which have been lumped into the estimated revenue gains from withholding have nothing actually to do with withholding and will still be thereafter if this amendment to repeal withholding is accepted. These gains come from improved reporting requirements in portions of the 1982 bill unrelated to withholding.

Much of the Treasury's hopes for accelerated receipts must be based on the belief that taxpayers, most of whom are already subject to overwithholding, will generally ignore their right to offset even further withholding. It is most likely that those taxpayers who do not take advantage of offset provisions in the law will be the most unsophisticated group of taxpayers least able to afford the additional tax burden.

Mr. President, this goes to the point made yesterday and repeated today by Senator GOLDWATER, that if people are going to have their taxes withheld on the basis of savings, they are going to readjust their estimates on what they really owe and make it up that way.

(During the foregoing remarks of Mr. MELCHER, the following occurred:)

The PRESIDING OFFICER. The period for morning business has expired.

Mr. BAKER. If the minority leader will yield to me, Mr. President, I ask unanimous consent that the time for morning business be extended for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The additional period for morning business has expired.

EMERGENCY JOBS APPROPRIATIONS, 1983

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the pending business, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

AMENDMENT NO. 497

The PRESIDING OFFICER. The pending question is the amendment (No. 497) of the Senator from Wisconsin (Mr. KASTEN) to the amendment (No. 493) of the Senator from South Dakota (Mr. ABDNOR) as amended by the amendment of the Senator from Oregon (Mr. HATFIELD).

The majority leader is recognized.

Mr. BAKER. Mr. President, it is my intention shortly before 11 a.m., a minute or so before 11 a.m., to make a point of order in respect of the Kasten amendment. I shall not do that at this time, but Senators should be on notice that there will perhaps be a rollcall vote at about 11 a.m.

Therefore, at this moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, I shall continue with the analysis by Dr. Puglisi by stating some of his opinions on this matter.

When we talk about the speedup by withholding taxes, of collecting some of the taxes owned on interest and dividend receipts earlier than would be collected without withholding, in estimating these figures, Dr. Puglisi believes that the Treasury Department does not take adequate account of the offset which individuals may and will make in their wage and salary withholding and, more especially, in their quarterly estimated tax payments.

So much of that will be readjusted as individual taxpayers make adjusted estimates of how much withholding should be taken out of their salaries or wages or how much taxes are due based on their quarterly reports and their quarterly tax payments, there is every reason to believe the early collection of the tax will be for the most part be offset and disapproved as a net gain.

It is noted in his analysis that the ability of the IRS to identify tax noncompliance through document matching and enforcing tax laws against noncompliers is a very valid point. I certainly agree, and I think that is where the emphasis should be.

I might add that those taxpayers who have more of the withholding tax than they owe, the cost of IRS sending it back to them is a net cost to the Treasury.

Dr. Puglisi also notes that the costs incurred in the private sector to fulfill the withholding requirements are rather vast and they have to be taken into consideration when you put this extra burden, extra cost, on the institutions that will have to do it.

I repeat what I earlier said yesterday, that those costs are going to be borne by the customers of those institutions. Those institutions are not going to eat those costs; they are going to pass them on. So everybody who deals with the various savings and loans or credit unions or banks or other institutions that issue dividends or interest is going to have to pay those costs.

Third, there is not any estimate, and it has not been taken into account, and Dr. Puglisi notes it very thoroughly, that there are costs by the Government to meet the withholding provisions. What Dr. Puglisi believes about this is that over the course of the next 5 fiscal years, there will be a net loss, a net revenue loss to the Treasury of something close to $2 billion. That only deals with the withholding feature of this provision of the 1982 tax bill.

Mr. President, on a net of cost-and-other-items basis, if this study is correct, the impact of withholding on interest and dividend income over the 1983-88 fiscal year period is to reduce Treasury revenue by $1.78 billion. Surely, that can be corrected, should be corrected, and what it really means is let us zero in on those people who are underrreporting, who are not paying the total amount of tax dollars that are due.

This withholding law, which would involve so many millions of different Americans, is not the way to do it and it should be properly addressed at this time by, first of all, repealing this provision and, second, coming up with a better means of gaining the revenue that is necessary.

Mr. President, I yield the floor.

Mr. HELMS. Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I very much doubt that the debate this morning is going to change one vote. I say with all due respect to the Senate and the Senators that I sense the old heave-ho is about to occur.

I would like to see this bill sent back to the committee with instructions to strip from it all of the legislation that is so abundant in it. I am sure the point of order is going to be made that the pending amendment is legislation on an appropriations bill; but fairness, it seems to me, would dictate that the

entire bill be sent back to the committee with instructions to strip all legislation from it. Let us not go halfway or 1 percent of the way. Let us go all the way; otherwise, we shall have the spectacle of some matter being defeated because it is legislation and other matter, also legislation, being approved.

For example, the Senate adopted an amendment, I think the day before yesterday, if I recall, by the distinguished Senator from New Jersey, which clearly was legislation on an appropriations bill. But that did not matter; that was fine. Boys will be boys and all that. But this Senator has watched this kind of operation from time to time, and I do not approve of it.

Mr. President, I want to place in the RECORD a letter regarding withholding of interest and dividends that I received from a distinguished former Member of this body, Sam Ervin. In part, he said in his letter to me:

In addition, the existing law requires every person to pay one fourth of his estimated taxes on this income every quarter, and this would impose upon the taxpayers additional recordkeeping obligations totally unnecessary in any sound system of taxation. He would not only have to keep a record of the 10 percent which is withheld on each disbursement for each period for which it is withheld, but in addition he would have to keep a record quarterly on the withheld taxes in order to compute his quarterly estimated taxes he pays.

I cannot see any reason for imposing such an unnecessary burden on taxpayers in view of the fact that the companies paying the dividends or interest furnish the IRS a statement of the amount paid every year, and the IRS is able to distinguish between honest taxpayers and those who are derelict in their duties. Surely the sins of the guilty ought not to be visited on the innocent and lawabiding taxpayers of this country.

Mr. President, I ask unanimous consent that the entire letter from Senator Ervin be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SAM J. ERVIN, Jr.,
Morganton, N.C., February 3, 1983.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR JESSE: It is hard enough on the ordinary American Taxpayer who receives a small amount of dividend and interest income to pay the confiscatory taxes imposed upon such income without being subjected to the ten percent withholding provision imposed upon such income beginning July 1, 1983.

I have talked to a number of bankers and officials of savings and loan associations, and they inform me that this provision will double their bookkeeping expenses and is likely to compel them to reduce the amount of dividends and interest which they would have to pay in the absence of this additional recordkeeping requirement.

In addition, the existing law requires every person to pay one fourth of his estimated taxes on this income every quarter, and this would impose upon the taxpayers additional recordkeeping obligations totally unnecessary in any sound system of taxation. He would not only have to keep a record of the ten percent which is withheld on each disbursement for each period for which it is withheld, but in addition he would have to keep a record quarterly on the withheld taxes in order to compute his quarterly estimated taxes he pays.

I cannot see any reason for imposing such an unnecessary burden on taxpayers in view of the fact that the companies paying the dividends or interest furnish the IRS a statement of the amount paid every year, and the IRS is able to distinguish between honest taxpayers and those who are derelict in their duties. Surely the sins of the guilty ought not to be visited on the innocent and lawabiding taxpayers of this country.

I urge you to lead a movement to repeal this outrageous provision before it takes effect on July 1, 1983.

Sincerely yours,

SAM J. ERVIN, Jr.,
Former U.S. Senator.

REGULAR ORDER CALLED FOR

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, if I can have the attention of the Senate, it is time that we get on with the matter at hand.

Mr. President, I call for regular order.

The PRESIDING OFFICER. The regular order is the excepted committee amendment which the clerk will report.

The legislative clerk read as follows:

On page 45, line 2, down through page 47, line 20, insert new language.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRESSLER). The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Michigan is recognized.

UP AMENDMENT NO. 36

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for himself and others, proposes an unprinted amendment numbered 36.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, strike out all beginning with "$250,000,000" on line 3 through "fund" on line 14 and insert in lieu thereof "$1,500,000,000".

On page 14, lines 20 and 21, strike out "$250,000,000 shall be available until September 30, 1984," and insert in lieu thereof "$750,000,000 shall be available".

On page 18, between lines 10 and 11, insert the following:

TO AID LOCAL ECONOMIC DEVELOPMENT TO OFFSET PRESENT BUSINESS AND PLANT CLOSURES

Toward the objective of restoring the prior level of Federal support for economic development purposes throughout a wide geographic area as provided for by the Public Works and Economic Development Act of 1965, as amended, and Public Law 91-304, and such laws that were in effect immediately before September 30, 1982, an additional amount of $100,000,000 is appropriated for "Economic development assistance programs", Economic Development Administration.

On page 33, line 23, strike out "$100,000,000 and insert in lieu thereof "$200,000,000".

On page 34, line 4, before the period insert the following: ": *Provided further*, That priority funding shall be given with the additional appropriations provided under this heading for work with organizations providing emergency food and shelter to unemployed workers".

On page 34, line 13, strike out "$19,500,000" and insert in lieu thereof "$78,000,000".

On page 34, line 17, strike out "$5,500,000" and insert in lieu thereof "$22,000,000".

On page 35, line 7, strike out "$30,000,000" and insert in lieu thereof "$100,200,000".

On page 35, line 24, strike out "$30,000,000" and insert in lieu thereof "$150,000,000".

On page 36, between lines 18 and 19, insert the following:

INCREASING ASSISTANCE FOR PUBLIC HOSPITALS AND EMERGENCY ROOM SERVICES

(Preventive Health Services)

For an additional amount for allotments to States under part A of title XIX of the Public Health Service Act, $100,000,000, to be allotted among the States on the basis of the number of unemployed individuals in each of the States: *Provided*, That funds provided herein may only be used to provide financial assistance to public hospitals and to provide financial assistance to community hospitals to compensate for some portion of free emergency room services: *Provided further*, That funds provided herein may only be used to provide services to persons unable to pay for them: *Provided further*, That no grant shall be made to a hospital unless the hospital offers assurances that it will use such amounts in addition to rather than in lieu of existing Federal, State, or local funds currently available for these purposes.

On page 44, line 7, strike out "local level" and insert in lieu thereof "State and local levels".

On page 44, between lines 10 and 11, insert the following new paragraphs:

If the Secretary of Agriculture cannot fully meet all requests made for commodities under this heading, the Secretary shall prorate the commodities among States in an equitable manner. Within thirty days after the date of enactment of this Act, the Secretary shall establish a mechanism to prorate commodities among States in accordance with the preceding sentence.

The Secretary of Agriculture shall arrange and pay for the transportation of commodities under this heading to such receiving and storage points as are designated by States pursuant to this paragraph. A

State may designate two receiving and storage points for commodities under this heading within the State and one additional receiving and storage point for each multiple of 1,000,000 persons residing within the State or each multiple of 150,000 square mile areas contained within the State, whichever is larger.

A State is eligible to receive commodities under this heading only if the Governor of the State establishes an emergency food and shelter office under this Act which is responsible for the receipt, storage, and distribution of the commodities and the State—

(1) establishes eligibility criteria for the receipt of the commodities by a recipient agency;

(2) grants a recipient agency which has been denied the right to receive the commodities the right to appeal administratively such denial;

(3) within thirty days after the date of the enactment of this Act, determines the recipient agencies that existed on the date of the enactment of this Act which meet the eligibility criteria established under clause (2);

(4) establishes a process to determine periodically the needs of eligible recipient agencies for the commodities and to provide the commodities to the agencies as soon as practicable after the commodities are received by the State;

(5) establishes a system to receive and store the commodities (at a number of locations not in excess of the maximum number permitted under the preceding paragraph) and to distribute the commodities to eligible recipient agencies in accordance with the needs of the agencies;

(6) establishes a system to prorate equitably among eligible recipient agencies the commodities if the State cannot fully meet all requests made for the commodities by the agencies;

(7) recruits eligible recipient agencies to provide food assistance under this heading to needy persons in an area if the State determines that needy persons within the area are not adequately served by existing eligible recipient agencies;

(8) takes all reasonable steps to assure that areas of the State receive the commodities in amounts which are roughly proportional to the distribution of needy persons within the State, including the use of State agencies to make available the commodities if an insufficient number of eligible recipient agencies exist in the area;

(9)(A) maintains accurate records on the amount of the commodities—

(i) requested by eligible recipient agencies from the State;

(ii) requested by the State from the Secretary of Agriculture;

(iii) delivered by the Secretary to the State; and

(iv) delivered by the State to eligible recipient agencies; and

(B) makes the records available to the Secretary of Agriculture upon request; and

(10) establishes eligibility criteria for use by eligible recipient agencies to provide food assistance under this heading to needy persons which assure that such assistance is provided to needy persons but not to persons who are not clearly in substantial need of such assistance.

If a Governor of a State does not within thirty days after the date of the enactment of this Act indicate to the Secretary of Agriculture that the State is willing and able to meet the eligibility requirements prescribed in the preceding paragraph, the Secretary shall within sixty days after the date of the enactment of this Act designate one or more recipient agencies within the State to perform the functions of the State under this heading.

On page 47, line 20, before the period insert the following: "except as provided in section 303 relating to state emergency food and shelter offices and advisory councils".

On page 52, line 8, strike out "Notwithstanding" and insert in lieu thereof "Subject to title IV of this Act, but notwithstanding".

On page 55, line 7, strike out "and which" and insert in lieu thereof the following: "of which $138,050,000 shall be available for permanent positions associated with the cost of administration, and of which the remainder".

At the end of the bill insert the following:

TITLE III—EMERGENCY FOOD AND SHELTER ASSISTANCE

FOOD DISTRIBUTION AND EMERGENCY SHELTERS

SEC. 301. (a) There is hereby appropriated $50,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program. Notwithstanding any other provision of this Act or any other law, such amount shall be made available under the terms and conditions of subsection (b);

(b)(1) The Director of the Federal Emergency Managment Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localitites. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

(2) Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

(3) The Director of the Federal Emergency Management Agency shall award a grant for $50,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations or, at the choice of the local boards, State or local governmental entities or community action agencies.

(4) Eligible private voluntary organizations should be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

(5) Participation in the program should be based upon a recipient organization's or agency's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

(6) Total administrative costs shall not exceed two per centum of the total appropriation.

(7) As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

TEMPORARY EMERGENCY SHELTER DEMONSTRATION PROGRAM

SEC. 302. (a) The Secretary of Housing and Urban Development (hereafter in this section referred to as the "Secretary") shall, to the extent provided in subsection (e), carry out a demonstration program for the purpose of assisting communities or nonprofit organizations in providing shelter for individuals who are subject to life-threatening situations because of their lack of housing.

(b) The demonstration program referred to in subsection (a) shall provide that—

(1) the Secretary shall make grants to communities or nonprofit organizations for the purpose described in subsection (a);

(2) any nonprofit organization may apply for such assistance only on the basis of an application approved by the community in which the project involved is, or is to be, located;

(3) such grants shall be made on a competitive basis, taking into consideration—

(A) the extent of need for emergency housing in the area where the project involved is, or is to be, located;

(B) in the case of any nonprofit organization, the extent of the need for funding by such organization;

(C) the extent of non-Federal assistance to be provided with respect to the project involved, including inkind contributions by volunteers;

(D) in the case of any nonprofit organization, the demonstrated capacity of such organization to establish and maintain the project involved; and

(E) any other terms and conditions prescribed by the Secretary to carry out the project involved in an effective, expeditious, and efficient manner;

(4) such grants may be used for the purpose of rehabilitating existing structures in order to provide basic shelter, maintaining structures providing such shelter, and paying for utilities of such structures, and for other purposes (other than salaries and administrative expenses) prescribed by the Secretary consistent with the purpose of this section; and

(5) in the case of any structure that is rehabilitated with assistance under this section, such structure shall be used for emergency housing for at least three years, or at least ten years in any case in which the rehabilitation involved is substantial.

(c) The Secretary shall issue regulations with respect to the demonstration program established in subsection (a) not later than ninety days after the date of enactment of this Act. Such regulations shall contain—

(1) an allocation formula for communities, based on a measurement of the unmet need for shelter in the community relative to the nationwide unmet need for shelter, except that if such data are not available, the allocation formula must distribute the available appropriations to all communities with demonstrated need, allocating the funds on the basis of the incidence of unemployment and other objective measurements of distress such as the incidence of runaway youths and of chronically mentally ill persons released from institutions within the past five years; and

(2) a requirement that each community provide funding received under this section to private nonprofit organizations for the purposes of the program, unless the community determines there is no suitable private nonprofit agency that can undertake this mission, in which case the community may designate a local governmental agency as the recipient.

(d) The Secretary shall submit to the Congress (1) not later than June 1, 1983, an interim report concerning the demonstration program established by this section; and (2) not later than February 1, 1984, a final report concerning such program.

(e) There are authorized to be appropriated and there are appropriated $50,000,000 to carry out the provisions of this section.

ESTABLISHMENT AND OPERATION OF STATE EMERGENCY FOOD AND SHELTER OFFICES AND ADVISORY COUNCILS

SEC. 303. (a) From amounts appropriated under the heading food distribution and emergency shelters and allotted pursuant to the second paragraph under that heading each State may use not to exceed 20 percent of its allotment under such paragraph to establish and operate State emergency food and shelter offices and advisory councils in accordance with the provisions of this section.

(b)(1) Each State which desires to use the portion of its allotment available under this section shall establish and operate a State emergency food and shelter office which may be an office established in the Office of the Governor of the State or may be an existing State office designated by the Governor or a new office established by the Governor. Each State emergency food and shelter office shall—

(A) develop a State plan for determining the level and location of need in the State for available surplus commodities and arranging for and assuring the distribution of those commodities in accord with the specified needs;

(B) arrange for the operation of an information and referral service concerning the availability of emergency food and shelter in the State, including a referral hot line;

(C) carry out an outreach program designed to provide individuals in the State potentially in need of emergency food or shelter with information concerning its availability;

(D) assure that no fraudulent use is made in the State of any commodities or funding provided under this Act, and assure that individuals committing fraud with respect to such use will be prosecuted by the State; and

(E) prepare and submit to the Secretary a report providing such minimal statistics and other information concerning the State's emergency food and shelter needs and programs as are necessary for the Congress to ascertain accurately the dimensions and character of the needs the program is designed to meet, and the adequacy of efforts to address such needs.

(2) Each State may, if the Governor determines that it will contribute to carrying out the purposes of this title, establish a statewide advisory council on emergency food and shelter. The Governor may use funds from the portion of its allotment available under this section to pay administrative expenses associated with the operation of any statewide advisory council on emergency food and shelter if—

(A) the members of the council serve without compensation or per diem expenses paid from Federal funds; and

(B) the functions of the council include—

(i) advising on the magnitude and location of need for emergency food and shelter assistance and on the adequacy and efficiency, and ways to improve the adequacy and efficiency, of efforts undertaken under terms of this legislation or any other public or private auspices to meet those needs;

(ii) assisting in collection of current information for use by the State's information and referral service, and

(iii) facilitating the exchange of important information among the public and private providers of emergency food and shelter services in the State (in order to balance demand for services with the capabilities and capacity of individual service providers); and

(C) the council is composed primarily of representatives of public agencies at the State and local level and private nonprofit organizations actively engaged in providing emergency food and shelter services within the State.

(c) Each State desiring to use the portion of its allotment available under this section shall submit an application to the Secretary at such time and containing or accompanied by such information as the Secretary may reasonably require.

(d) For the purpose of this section—

(1) the term "Governor" means the chief executive of the State; and

(2) the term "State" means each of the several States and the District of Columbia.

TITLE IV—LABOR-INTENSIVE COMMUNITY PUBLIC WORKS

SHORT TITLE

SEC. 401. This title may be cited as the "Labor Intensive Community Public Works Act of 1983".

PROGRAM AUTHORIZATION

SEC. 402. Title I of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"LABOR-INTENSIVE COMMUNITY PUBLIC WORKS

"SEC. 122. (a) During the 12-month period beginning on the date of enactment of this section, the Secretary is authorized to make grants in accordance with the allocation formula contained in section 101 (a) (1) of the Act entitled "An Act making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help 1983, and for other purposes" (but without regard to section 101 (c) of such Act) for allocations among the States and as provided in subsection (b) of this section for allocations within the States for activities described in section 105—

"(1) which are identified in applications submitted under this section;

"(2) which the Secretary determines, on the basis of information provided by the applicant, are labor intensive activities; and

"(3) which are carried out in a manner consistent with the primary objective of this title as stated in section 101(c).

"(b)(1) The funds allocated to a State under section 101(a)(1) shall be allocated directly to entitlement areas so that each such area may, subject to submission (d), receive an amount which bears the same ratio to the total amount allocated to that State under this section as the ratio which the amount allocated for that area under section 106 for fiscal year 1982 bore to the total amount allocated in and to that State under section 106 during such year. In the event that an entitlement area does not apply or does not qualify for a grant, the amount of that area's grant shall be added to the amount available for allocation for other entitlement areas in the same State.

"(2) The amount remaining from a State's allocation after the application of paragraph (1) shall, subject to subsection (d), be available for allocation for use in that State. Any funds for which the State does not apply or qualify shall be reallocated under paragraph (1).

"(c) Not later than ten days after the date of enactment of this section, the Secretary shall prescribe regulations for the implementation of this section and announce the availability of funds under this section. Such regulations shall—

"(1) specify the information required to be submitted in an application under this section;

"(2) require such an application to specify the particular eligible activities proposed and the degree of labor intensity involved in the proposed activities;

"(3) require the applicant to demonstrate, through assurances, or otherwise that—

"(A) not less than 80 percent of the funds provided under this section which are expended for wages and benefits will be used for wages and benefits for workers who were unemployed at least fifteen of the twenty-six weeks immediately preceding the date of referral by the United States Employment Service as provided by subparagraph (B), who are no longer eligible for unemployment insurance benefits, and who were unemployed immediately prior to their participation in the program under this section;

"(B) all workers employed under the program assisted by this section have been referred by the appropriate office of United States Employment Service as being currently unemployed;

"(C) it has made a special effort to employ women and minorities in the program assisted under this section;

"(D) no worker will be eligible to be employed under this section if such worker has, within six months prior to the determination, voluntarily terminated, without good cause, his or her last previous full-time employment at a wage rate equal to or exceeding the Federal minimum wage as prescribed under section 6(a)(1) of the Fair Labor Standards Act of 1938;

"(E) no worker will be eligible to be employed under this section during any period when a member of that worker's immediate family is employed under this section;

"(F) workers employed under the program under this section shall be paid not less than the highest of (i) the minimum wage under the Fair Labor Standards Act of 1938, (ii) the minimum wage under the applicable State or local minimum wage law, or (iii) the prevailing rates of pay for workers in similar positions with the same employer;

"(G) the share of wages and benefits paid to any participant out of Federal funds provided under this section will not be greater than the hourly equivalent of $12,000 per year;

"(H) not less than 75 percent of the recipient's funds provided under this section shall be used only to provide employee wages and benefits; and

"(I) no currently employed worker shall be displaced by any worker employed with funds under this section, including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits;

"(4) include provisions for the waiver of subsections (a), (b), and (c) of section 104 or

any other provision of this title which the Secretary identifies in such regulations with respect to the program authorized under this section, except that—

"(A) in no case may section 109 or section 110 be waived;

"(B) the Secretary shall require the provision of satisfactory assurances of conformity with subsections (b)(2) and (b)(3) of section 104 in all cases; and

"(C) the proposed recipient must give public notice of the location and nature of activities to be carried out with assistance under this section.

"(5) prohibit the employment of workers in the program under this section on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

"(6) require that funds provided under this section only be used for activities which are in addition to those which would otherwise be available in the area in the absence of such funds;

"(7) provide that only eligible individuals residing in the area of an eligible recipient may be served by employment activities funded under this section; and

"(8) provide that assistance may not be used in a manner which impairs existing contracts for services or collective bargaining agreements.

"(d) To receive assistance under this section, a State or unit of local government must submit an application not later than 30 days after the date the Secretary prescribes regulations and announces the availability of funds under this section. The Secretary shall approve an application unless he finds that it fails to meet any requirement of this section or that the recipient will not be able to commence the proposed activities within 60 days after the date of approval of the application. An application or supplemental statement shall be deemed to be approved unless specifically disapproved by the Secretary within 15 days after receipt. Upon approval or expiration of the 15-day period referred to in the preceding sentence, funds shall be made available promptly. Within 15 days following any disapproval, the State or unit of local government may reapply. A reapplication shall be deemed to be approved unless specifically disapproved within 10 days after it is filed. Any funds which become available as a result of a disapproval or failure to apply or reapply shall be reallocated as provided in subsection (b) not later than 10 days after the disapproval or filing deadline.

"(e) Funds appropriated to carry out this section may be expended by a recipient only to cover the cost of activities described in section 105 which are carried out during the one-year period beginning on the date of receipt by the recipient of its allocation or approval of the recipient's application, whichever is later. The Secretary shall require a financial settlement of each grant under this section as soon as is practicable after the close of such one-year period. All funds appropriated under this section but not expended prior to the expiration of eighteen months after the date of enactment of this section shall be covered into the Treasury.

"(f)(1) The Secretary shall exercise, with respect to grants under this section, the authority conferred by section 104(d) with respect to grants under section 106, including the authority to recapture or deduct funds from future grants under section 106.

"(2) The Secretary shall conduct continuing reviews to determine recipients' compliance with the requirements of this section.

"(3) Not later than 30 days after the date of financial settlement under subsection (e), each recipient of funds under this section shall provide the Secretary with such information as he shall require in order to assess compliance with the provisions of this section. The Secretary shall transmit quarterly reports to the Congress during the life of the program under this section, and not later than September 1, 1984, the Secretary shall transmit a final report to the Congress on such program. Each report shall describe the program under this section, including a description of the number, type, and location of jobs created, and the characteristics of workers employed.

"(g) No funds may be provided under this section for activities or services which are not in the nature of those performed by the private sector.".

TITLE V—REPORT BY NATIONAL COMMISSION ON EMPLOYMENT POLICY

REPORT

SEC. 501. Not later than 18 months after the date of enactment of this Act, the National Commission on Employment Policy shall transmit to the Congress a report on the effects of the programs and the additional authority provided by this Act on reducing unemployment in the United States.

Mr. LEVIN. Mr. President, this amendment is introduced on behalf of Senator BYRD, Senator BINGAMAN, Senator CRANSTON, Senator DIXON, Senator DODD, Senator MATSUNAGA, Senator METZENBAUM, Senator PELL, Senator PRYOR, Senator RANDOLPH, Senator SARBANES, Senator KENNEDY, Senator BUMPERS, and myself.

Our amendment adds $1.6 billion to the committee bill.

Now, since the committee bill cut $1 billion from the House bill, most of our add-on is really an add-back. In other words, the Senate jobs bill, if amended by this amendment, would be closer to the House bill than is the Appropriation Committee bill.

The overall figures are as follows: The House bill provides for $4.9 billion. The Senate Appropriations Committee bill calls for the spending of $3.6 billion. Our amendment adds $1.6 billion, approximately, to the committee bill. Whatever we do, Mr. President, will not be adequate compared to the problems which we face in this country in terms of joblessness, and in terms of the need for emergency food, shelter, and health care assistance.

Whatever we do will not be enough. There will still be about 11 million unemployed people and millions of people without adequate food, shelter, or medical care. There will still be immense and needless suffering. But this fact of life should not immobilize us. Rather it must make us realize that we have to be willing to go an extra mile toward compassion. We should give the benefit of the doubt to the person on the street who needs a job but cannot find it. We should give the benefit of the doubt to the mother who seeks medical attention for her child but cannot pay for it. We should give the benefit of the doubt to the homeless and the hungry who search for sustenance and shelter but look in vain for it.

That is why we have introduced this amendment to the committee bill, and again I emphasize that the committee bill is $1 billion less than the House bill, and the House bill was an overly modest effort, in my opinion, to address the problems of hunger and unemployment and lack of shelter in this country.

This amendment will give jobs to an additional 280,000 people and it will provide food, shelter, and medical care which recognizes the severity of the current recession.

The package is basically divided into three parts: job creation, emergency food and shelter assistance, and emergency health assistance. It is the product of discussions which I have had with my colleagues who serve with me on a task force on emergency human needs, which I chair, and here are some of the details of this package: first, job creation. The package would add $1 billion to the committee bill in funds for the community development block grant program, which the committee itself thought was useful and useful enough as an antirecession tool to provide for a supplemental appropriation of $540 million, and loan commitments of another billion dollars against future years' community development block grants.

The PRESIDING OFFICER. Will the Senator withhold? The amendment offered by the Senator contains an amendment amending an amendment already agreed to and is not in order.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. LEVIN. Mr. President, I ask unanimous consent that that portion of my amendment that is out of order be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. I thank the Chair and my colleagues.

Mr President, this bill will give jobs to an additional 280,000 people. It will provide food, shelter, and medical care which recognizes some of the severity of the current recession.

As I indicated, this package is divided into three parts. The first part is job creation. The package will add a billion dollars to the committee bill.

This package would add a billion dollars to the committee bill for the community development block grant program. Again, the Appropriations Com-

mittee thought this program was useful enough so that it did provide $540 million and it also provided some loan commitments against future years' community development block grants of an additional billion dollars. But those are only loans and any community which accepted that would be expected to repay those loans out of future years' community development block grant.

The community development block grant program provides funds to urban and rural jurisdictions at the county and municipal levels. The eligible activities include housing rehabilitation, street repair, public health and safety, meals for the elderly, repair of water and sewer systems, and day care, among other programs.

The funding for this program was $3.7 billion in fiscal year 1980, $3.4 billion in fiscal year 1982 and fiscal year 1983. Although the unemployment rate dropped slightly in January, the fact that it was unchanged in February suggests that recovery may come haltingly slow. There are still 11.5 million people unemployed, which is about 2 million more than last year at this time. States such as my own are still well into double-digit unemployment, and will be for some time to come. So there is a need to do something to accelerate the rate at which people are put to work and we must do something to stimulate the economy. There also has to be something done to give some hope to people who have exhausted their unemployment benefits, cannot find a job and are on the doorstep of dispair. If we can do this, and at the same time provide cities and communities with the money to perform useful work and services, then it is incumbent upon us to put a significant amount of money behind the effort.

I may note at this time, Mr. President, that this amendment includes an anti-make-work provision. I am sure the President will be very happy to sign a bill with this kind of a provision. This anti-make-work provision specifies that no funds in this act shall be made available for activities or services which are not in the nature of those performed by the private sector.

Let me repeat that because I hope that this message clearly gets to the President whether this amendment is adopted or not. I would hope we would adopt this language on this bill because we have heard very much from this President about makework. This anti-make-work provision specifies that no funds in this act shall be made available for activities or services which are not in the nature of those performed by the private sector.

The President, of course, says he is against the makework jobs, as everybody is. He is a strong supporter of the private sector. The President, I am sure, believes that the private sector does not generally engage in anything as wasteful as makework employment. Therefore, if we limit the jobs which can be funded under this amendment or the bill to the activities and services which are in the nature of those performed by the private sector, then I think even the President would agree that this amendment would not fund any wasteful. makework jobs.

It is estimated that this element of the amendment would employ 150,000 people over and above the number employed by the committee bill. Furthermore, it would concentrate this assistance on the long-term unemployed who have exhausted their unemployment benefits.

The package would also add $75 million to the $25 million approved by the committee for senior citizen employment, as part of the Older Americans Act. The current senior community service employment program makes grants to national contractors, such as the National Retired Teachers Association and the Farmers Union, or State agencies on aging to subsidize part-time jobs for low-income persons aged 55 and over. Jobs which can be funded under this program include those for day care aides, conservation workers, legal aides, nutrition and home health care aides, and librarians.

In 1981, $277 million was provided for this program, and this funding level remained the same for fiscal year 1982. For fiscal year 1983, the program is funded for $282 million. This is a program with a proven track record for efficient and productive job creation. The additional $75 million which this amendment proposes would employ 15,000 people. While it is true that this only makes a dent in the estimated 800,000 older Americans who are out of work, it makes more of a dent than the 5,000 jobs which the committee proposes to create.

The package would also add $100 million to the $100 million already included in the committee bill for summer youth employment. This program provides youth employment for disadvantaged young people at minimum wage jobs during the summer months.

In fiscal year 1982 this program was funded at $679 million, and in fiscal year 1983 at $729 million. Given the current teenage unemployment rate of 22.2 percent, and unemployment among teenage blacks being approximately twice that amount, whatever additional money is put into this program is needed. The additional $100 million which this amendment proposes will generate 100,000 summer jobs. The danger here lies not in doing too much, but rather in doing too little, and in doing it too late. The amendment also provides that priority for this additional funding be given for work with organizations providing emergency food and shelter to the unemployed.

The final element of the jobs portion of the amendment would restore half of the money which was approved by the House but cut by the Senate Appropriations Committee for the Economic Development Administration. The additional funding would create jobs and stimulate local economic development. Projects covered by this additional money could include industrial park development, water and sewer development and improvement projects, central business district improvements, hydroelectric dam construction, and rehabilitation of inner-city housing for residential use.

Funding for this program was cut from $476 million in fiscal year 1981 to $34 million for fiscal year 1983. Therefore, what this amendment is proposing to do would still leave EDA funded at a level of about one-third of its 1981 funding even though the unemployment rate is substantially higher now. It is estimated that restoring $100 million of EDA funding would create about 16,000 jobs.

In total, then, the jobs portion of this amendment would provide jobs for 280,000 people on top of whatever jobs the Senate Appropriations Committees bill will create. While it is not everything, it is a realistic start in the right direction.

Mr. President, if there is one point I would like to make about this amendment, it is that this amendment would restore some of the money which the Appropriations Committee cut. The Appropriations Committee bill is significantly less than what the White House said it would accept. In the middle of a recession, we have a bill coming to this floor, with a President who has taken a view as strict as he has of what we should do in the area of jobs, and this Appropriations Committee bill is significantly less than what the White House said it would accept. We have a bill on the floor of $3.6 billion. The House bill is $4.9 billion, and we know the White House would accept that. The White House has specifically said it would accept in the range of $4.4 billion. Yet the Appropriations Committee has given us a bill significantly less than what the White House has said it would accept and a bill which is $1.3 billion less than the House of Representatives.

I cannot even conceive of our doing that little in the middle of a recession, going below what the White House said was acceptable. I find that to be unbelievable, incredible, in the middle of this recession, that the Senate of the United States would not even reach the level which the White House said was acceptable.

Mr. President, the second major part of this package is emergency food and shelter assistance. This part of the

package has three components. First, it calls for $50 million being made available to private voluntary organizations for emergency food and shelter programs for the needy. The purpose of this provision is to supplement the voluntary agencies' resources which are already strained by the unprecedented demands.

The President has often praised the spirit of voluntarism, and this amendment is designed to ensure that this admirable spirit is not frustrated by a lack of funding.

The $50 million contained in this amendment would be in addition to the $50 million which the committee has proposed be made available to the States for food and shelter assistance. It is the same amount of money as the legislation approved back in December but was dropped in conference between the House and the Senate.

We have only to look at the headlines to understand that there is a great need for assistance to the voluntary efforts taking place in this country.

I have visited the Capuchin Soup Kitchen in Detroit, and in that one kitchen there are twice as many meals being served as there were just a few years ago. The men, women, and children who stand in that line in that kitchen every day, twice a day, are frequently so ashamed of their predicament that they cannot even look up and greet somebody who represents them.

In the New York Times of January 2, 1983, it was reported that the number of people appearing at church-operated emergency food centers nationally had increased from 40 percent at some facilities to 600 percent at others during 1982. The Chicago Food Depository serves 375 local charities but has another 200 charities on the waiting list. We have charities that want to distribute food to hungry people who are on the waiting list to get that food.

Mr. President, the second element of emergency food and shelter assistance provides $50 million to communities and nonprofit organizations to rehabilitate existing structures in order to provide shelter for individuals who are subject to life-threatening situations because of their lack of housing.

The administration has indicated that it will allow Federal buildings to be used under certain conditions, but it is not clear at this point whether the physical condition or geographical distribution of these buildings will be adequate. So there is a need for independent action.

The third and final portion of the package, after jobs creation and emergency food and shelter assistance, is emergency health care. This involves funding for three current programs. The amendment would add $120 million to the $30 million which the committee has proposed for maternal and child health care. The package also would add $70 million to the $30 million which the committee has provided for community health centers. The amendment would add $100 million for aid to public and community hospitals which have to pay for services provided to indigents who come in through their doors.

The amendment would add $120 million to the $30 million which the committee has proposed for maternal and child health care. This program provides funds to the States to support a comprehensive program of health services for high risk children and their mothers intended to reduce infant mortality and the incidence of preventable diseases among children. The current funding level is $373 million. If money had been kept at the 1980 current services level adjusted for inflation, the funding for fiscal year 1983 would be $571 million. These cuts have had a detrimental effect on health care at a time when the demand for services is growing. For example:

Forty-seven States reported cutbacks in the title V maternal and child health block grant program through restrictions in eligibility and/or services; 44 States have made these cuts by reducing prenatal and delivery services for pregnant women, and primary and preventative health care for infants, children, and women of childbearing age; 27 States have achieved savings by cutting services for handicapped children. Of the States reporting major changes in maternal and child health eligibility or services, all reported substantial and related cuts in their medicaid programs affecting mothers and children. Even in the three States reporting no major changes in block grant services, there were substantial reductions in medicaid without any complementary expansion in other areas.

In Michigan, the maternal and child health care program has been reduced by $6.7 million over the past 16 months. In the large maternity and infant care project in Detroit and Wayne County, three major health centers have been closed, affecting almost 11,000 children.

In West Virginia, there has been a 24-percent decrease in the number of children served by the crippled children's program over the past year, due to staff reductions caused by financial cutbacks.

In South Carolina, one county in the State reported that the demand for well-child checkups was so great that a baby's first appointment cannot be made until 3 months following birth. Consequently, these infants are not receiving care early enough, and identification of conditions requiring medical attention is delayed.

The second component of the health care part of the package would add $70 million to the $30 million which the committee appropriated by the Committee for Community Health Services. This program provides funds to support a nationwide network of primary care clinics designed to provide essential health services to the disadvantaged. The rise in unemployment has increased the number of individuals without access to health care due to the loss of their health insurance coverage. The funding level for fiscal year 1983 was 9 percent below the level prior to the time the administration took office. As a result of these cuts 725,000 people, 290,000 of whom were children, lost health services as a result of funding cuts affecting 239 community health centers.

The final component of this part of the package would provide $100 million for aid to public and community hospitals for emergency room services for the indigent. The committee did not provide any additional funding for this program.

This program is part of the preventive health services block grant. The amendment would provide assistance to compensate hospitals for some portion of free emergency room services. It could only be used to provide services to persons unable to pay for them. Also, in order to get the funds the hospitals would have to provide assurances that the assistance be used in addition to rather than in place of local, State, or Federal funds. The preventive health services block grant has not kept pace with inflation. At the same time that inflation for health services increased 11.1 percent in fiscal year 1983 (CBO estimate), the funding level increased less than 6 percent. Also, in February of 1982, there were 9.5 million people unemployed. Now, there are almost 11.5 million unemployed. Finally, there are 11 million people who lost their health insurance benefits (workers and dependents) due to the recession in 1982 (CBO estimate). All of this means that there has been a huge increase in the potential demand for emergency room services by people who cannot afford it, in the face of funding levels which do not keep even with inflation. And what has been the effect?

On January 16, an unemployed Michigan man was convicted of falsifying documents in order to get health care for bleeding ulcers. In February, an Alabama hospital announced that it was closing its emergency room on weekends to stem the flood of requests for free health care that was threatening to bankrupt the institution. At Cook County Hospital in Chicago, admissions for tuberculosis have jumped from 300 to 600 a year, and hospital officials attribute the increase to the

financial inability of tubercular patients to obtain antibiotics.

We must do what we reasonably can to improve this package of jobs creation and emergency food, shelter, and health care assistance. This amendment is modest, oh so modest. Overall, it would increase the cost of the Appropriations Committee bill by about $1.6 billion. While the cost of this further action is not insignificant, it pales in comparison to the suffering which the millions of victims of the recession are continuing to endure.

It does indeed add to the committee bill but I would remind my colleagues that the committee bill is $1.3 billion less than the House bill. So we are not doing anything in violence to what the White House has said it would accept or what the House of Representatives has already enacted.

Mr. President, I ask unanimous consent that a table entitled "Recommendations of The Task Force on Emergency Human Needs" be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS OF THE TASK FORCE ON EMERGENCY HUMAN NEEDS—COMPARISON TO THE HOUSE AND SENATE COMMITTEE JOBS BILLS

[In billions of dollars]

	House bill	Senate committee bill	Task force additions to committee bill
Part I: Job creation/stimulus			
1. Community development block grants (CDBG)	1.250	0.540	1.000
2 Senior citizens employment (Older Americans Act), for over age 55	.025	.025	.075
3. Summer youth employment	.100	.100	.100
4. Economic development administration	.200	0	.100
Total task force adds			1.275
Part II: Emergency food and shelter			
1. Food distribution and shelter through private charities (modified Pryor bill, S. 451)	.050	0	.050
2. Funds to cities for shelter acquisition and preparation (modified Dodd bill, S. 403)	0	0	.050
3. Additional directives to States on the expenditure of funds to coordinate availability of food and shelter			
Total task force adds			.100
Part III: Emergency health care			
1. Maternal and child health	.110	.030	.120
2. Community health centers	.078	.030	.070
3. Aid for public and community hospitals to pay for services provided to the indigent	.052	0	.100
Total task force adds			.290
Task force package grand total add-on			1.665
House bill total			4.898
Senate committee bill total			3.663
Total of task force package plus Senate committee total			5.328

Mr. PELL. Mr. President, will the Senator yield?

Mr. LEVIN. I yield.

Mr. PELL. Mr. President, I commend the Senator from Michigan for the leadership and the hard work he has shown in this emergency jobs bill and the particular needs that have arisen in his part of the country, which are the same in my part of the country. The Northeast has been suffering particularly badly and needs help.

The fact that our proposal is larger than the one on the table is not something of which to be ashamed. Rather, it is something of which we should be proud, because I think this is the greatest domestic problem we in the United States face today—the question of joblessness, the question of lack of hope on the part of those who have lost their jobs, and those who are equally nervous because they are afraid they will lose their jobs. That number is legion.

For all these reasons, I am glad to be a member of the task force of the Senator from Michigan and to be a cosponsor of the proposed legislation.

Mr. LEVIN. I thank my friend from Rhode Island. I deeply appreciate his comments.

I yield to the Senator from Ohio.

Mr. METZENBAUM. I thank the distinguished Senator from Michigan who certainly has provided yeoman leadership in connection with the economic problems facing our country. As the chairman of our Democratic task force on human needs, on which I serve, he has indeed recognized in this amendment the problems that are faced by so many millions of Americans who are trying to keep body and soul together and are having such an unbelievably difficult time in doing so.

In all fairness, the jobs package that we have on the floor is a step in the right direction, and I think in order to make that step much more meaningful, the Levin amendment, of which I am a cosponsor, would provide some additional impetus. But let us not kid ourselves. Even this amendment added to the jobs package is not enough because the problems that are facing Americans who want to work, who need a job, who want to be a part of the mainstream of the American economy, cannot and will not be solved by the jobs bill on the floor, by the House bill as it was passed, by this bill with the Levin amendment. So no matter how much we do, we will not be doing enough because the problems created by this administration have been so unbelievably difficult and have put so many millions of Americans out of work.

The programs of this administration have failed to provide that element of fairness and equity that is so important to our Government but so often our Government forgets about that responsibility and concerns itself more with the special interest groups of this country.

It is an interesting thing that on the very same morning that I spoke to the Finance Committee about the inequities in our tax laws that make it possible for the great banks of this country to be paying a minimum, minuscule tax rate of 2.7 percent and foregoing the obligation to pay a fair share of their taxes, as is also true with respect to so many other special interest economic groups in our country, we here are fighting about whether or not we will provide an additional almost minuscule amount of money in order to deal with the problems in getting more people back to work.

I do not want to underestimate the value of the Levin amendment which would indeed put back to work 280,000 people.

It directs funds to programs that will provide special assistance for those persons who are without food, without shelter, and without adequate medical care in an emergency situation.

I mentioned that I spoke today about the tax inequities that exist in our laws and the billions of dollars that should be coming into our Treasury in order to pay for these much-needed programs. But let me point out to my colleagues how unfair this administration continues to be. Yesterday, the Budget Committee took up the issue having to do with the President of the United States proposing to increase funds in one segment of the budget.

What was that segment? Was it to do something for women and infant children? Did it have something to do with senior citizens? Did it provide more jobs for the unemployed? Did it have something to do with restoring our economy?

Oh, no. It was the President's special interest in increasing by 21 percent the dollars available for western water projects.

What kind of equity is that, what kind of fairness? Additional billions. I do not underestimate or wish to demean the importance of the Western water projects. But how can you equate Western water projects with people starving, people freezing to death, people unable to keep their house and home together?

Every part of the country is experiencing high levels of unemployment, as we learned during the debate on targeting yesterday. But those of us from the Northeast and Midwest States face a special problem. We are from the region that has the largest number of unemployed. Most of our States are among the largest in population in the country, and within those States, we have the highest levels of unemployment. As my colleague from Illinois (Mr. DIXON) pointed out yesterday, some of our States have a greater number of unemployed people than the entire population of other States. My own State of Ohio has an unemployment rate of 14 percent—more than 1 million people are out of work.

I say to anyone in the Senate, and I say particularly to the President of the United States, if you can find 21 percent of increased dollars for water projects, then you can find the dollars to take care of the unemployed in Ohio and Michigan and so many other places in this country. An unemployed worker, whether in a small State or a large State, hurts and needs the attention of the Government far more, I say, than increased dollars for water projects and far more than special tax breaks for banks and timber companies and oil companies and all of the other groups that get a special exemption.

Nobody is talking about increasing taxes across the board. What we are talking about is closing tax loopholes. If we closed the tax loopholes, we would be able to do something about the problems of unemployment in this country and the problems of providing shelter for those who do not have the dollars to provide that shelter themselves and do not have the dollars to pay the increased costs of their natural gas bills for heating their homes, and the fuel oil.

The fact is, Mr. President, we have a sense of inequity in this country, but the inequity also becomes a sense of iniquity as well.

Mr. President, I would like to take some of my colleagues on a tour of cities in the Northeast and Midwest that have experienced this long-term unemployment. I would like to take them on a tour of Cleveland, where new soup lines have opened, or Youngstown, where the local churches are talking about a food crisis, or Toledo, or Lorain, or Akron, or Dayton, or a number of our largest cities which suffer tremendous anguish due to the recession. The fact is that those cities are not facing a mere recession, they are facing a depression. And while we can talk about the economic recovery, I can assure you that it is not yet being felt in those cities. They are in desperate shape and they need help now.

The Levin amendment recognizes the dire problems faced in those depressed cities, wherever they are located in the country. It directs special funds for the human needs. It adds $120 million for maternal and child health care, a program to protect pregnant women and young children in the critical first years of growth. It provides additional funds to the community health centers who are faced with increasing caseloads of the new poor, because their regular medical coverage has been exhausted. It adds another $100 million for the indigent.

It is a measure of the heartlessness of the Reagan administration that many of those hospitals that serve the very poor have been forced by Federal budget cuts to reduce service. People need help, but they are being turned away.

This bill provides funding in a number of other areas that have to do with the human service needs of this country. I say to my colleagues in the Senate, those of you who talk about balancing the budget, come on over to the Budget Committee and let your voice be heard against more funding for water projects in the West; let it be heard in support of closing the tax loopholes which make it possible for people to make $1.4 billion and pay how much in taxes? Not 1 cent, but to get a refund of over $100 million.

Mr. President, the Levin amendment is a fair amendment. It attempts to provide some element of equity, some element of decency in the situation that our Nation faces. I do not expect the Levin amendment to pass because there is something about the fact that we have to balance the budget and still we want to increase water projects 21 percent or refuse to close the tax loopholes for so many major corporations in America, who have been smart enough to hire the highest priced lobbyists around these Halls.

I urge my colleagues to adopt the Levin amendment. It is a step in the right direction, a major step in the right direction. It is not enough, but it is certainly far better than the jobs bill that we presently have on the floor of the Senate. That in no way demeans the efforts of those who have worked to pass the original measure. But let us not have too little too late. The Levin amendment would help us ameliorate that situation.

I yield back the floor to my colleague from Michigan. I appreciate his permitting me to be heard.

(Mr. RUDMAN assumed the chair).

Mr. LEVIN. I thank my friend from Ohio.

I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, first of all, I want to commend the Senator from Michigan for the leadership that he has provided on this issue and for his tireless efforts in behalf of the 12 million unemployed men and women in this country.

Mr. President, 12 million unemployed Americans have waited far too long for the bill that we are considering today. I am pleased to finally see a bipartisan proposal before this body that addresses our Nation's No. 1 problem—the double-digit unemployment that we have faced for over a year and a half.

Many of us have worked long and hard to enact an immediate jobs program to put people back to work. As early as May of last year, when unemployment had risen to 9.4 percent, Senator METZENBAUM and I offered an amendment to the first budget resolution that would have created 250,000 jobs for the long-term unemployed. Only 14 of my colleagues in the Senate voted for that program, all Members of this side of the aisle.

In September, we again offered a jobs bill. That time 37 of my colleagues came forward and voted for jobs, including five courageous Republican Members. In December, we tried again, and 44 Members, including one lone Republican Member, said yes to jobs.

Each time we offered a jobs program we were met with the argument that we must "hold the course" and "wait for the recovery" that was just around the corner.

Almost a year later, the administration has now admitted that unemployment will remain above 10 percent through this year and into 1984. Two million more workers have joined the ranks of the jobless since the first vote on jobs and the human suffering that this has caused is now well documented. Reports of families who are desperately in need of shelter, food, clothing, and medical care as a result of this recession are in the newspapers each day.

The administration has at long last recognized the need for a jobs program, but unfortunately, the program they proposed was inadequate in several key respects.

First and most important, it was simply not an emergency program—it was too slow starting to help the unemployed now, at the very time when they need the help the most. Second, not enough workers would be helped. Third, the program was not targeted to the regions of the country with the highest unemployment. Fourth, there was no requirement that unemployed workers be hired in the jobs that the legislation would create. Fifth, the proposal did not address the needs of unemployed women, youth, and older workers, since the majority of the jobs were in construction. Finally, it did not provide adequate help to the thousands who are in need of emergency food, shelter, and health care.

That is why 10 of my colleagues and I introduced the Emergency Jobs, Training and Family Assistance Act just 3 weeks ago. That bill provided $7.3 billion for jobs and training to over 1 million unemployed Americans and emergency food and shelter to hundreds of thousands more. That bill, along with Senator QUAYLE's proposal, were the subject of extensive hearings in the Human Resources Committee.

I am pleased that my colleagues in the House and in the Senate Appropriations Committee incorporated a number of the principles in my bill in the proposal now before the Senate. More funds will go to States with high

unemployment, more jobs will go to the long-term unemployed, and more jobs will be created in day care centers and in home weatherization.

These changes make the bill we are considering a significant improvement over the President's proposal. But unfortunately, they do not go far enough. That is why I am supporting the Levin amendment.

The Levin proposal will put thousands of unemployed Americans to work in programs under the community development block grant program. It will mean more jobs for young people and more jobs for senior citizens. It will provide additional health care services for those in greatest need—indigent mothers and children and those who must rely on community health centers and public hospitals because they lost their medical insurance when they lost their jobs. And finally, it will provide critically needed resources to States and private charities to feed, house, and clothe the homeless and hungry.

I am sure this amendment will be opposed by those who claim we cannot afford to spend any more than is in the committee's bill. I would point out to my colleagues that there are 11½ million people out of work. Even if the Levin amendment is accepted, there will still be jobs for just 600,000 of those men and women. In past recessions that were much less severe, both Republicans and Democrats responded with jobs programs that put well over 1 million unemployed back to work.

We all know that the only real answer to unemployment is economic recovery. Even if that recovery is underway, as many are now predicting, it will still be months and possibly years before we get unemployment back to acceptable levels.

Until that time we must offer help and assistance to the victims of this disastrous economic program. I urge my colleagues to support the Levin amendment.

I thank my colleague for yielding time and I hope that his amendment will be accepted.

Mr. LEVIN. Mr. President, I yield to my friend from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, I rise as a cosponsor of this amendment, which is the result of considerable time spent by the Senate task force on emergency human needs, which was chaired by my good friend from Michigan, Senator LEVIN.

This package is comprised of three parts, dealing with real and pressing needs of the unemployed in our Nation.

The first part adds additional funds for the community development block grant program, for title V of the Older Americans Act, summer youth employment and the Economic Development Administration. These programs will provide jobs to those in need, and will add funds to those included in the bill we are now considering, as reported by the Appropriations Committee. It will add a total of $1.275 billion to the bill, which will have a direct influence on the number of jobs that will be created.

The second part of our amendment adds funds for emergency food and shelter. It would provide $50 million for food distribution and shelter through private charities. This is the identical amount in the House passed version of this bill, and certainly an addition which will relieve the enormous suffering and sacrifice that is being made by the 12 million people in this country who are out of work, and their families. We are also proposing an additional $50 million for cities to acquire and prepare additional facilities for emergency shelters.

We are not seeing vagrants in the soup kitchens of America, Mr. President, we are seeing people who have worked their whole lives and are now without means to support themselves. We are not seeing irresponsible people who are homeless coming to our Nation's shelters but people who have lost their homes because they have been out of work and cannot pay rent or mortgages. This is humane, responsible, vital assistance. In many instances, these programs are all that comes between the dispossessed and their starvation.

The third part of our amendment deals with emergency health care for the unemployed. It would add $120 million for the maternal and child health program. The House has included $110 million in its bill. The Senate bill currently contains $30 million. It would also provide $70 million for community health centers and $100 million for preventive health services. As you know, health care is a critical need for those who have lost their jobs and their health insurance. The result of this is that hospitals all over the country are serving more indigent patients than ever before. Some have closed their emergency rooms on weekends to keep from going bankrupt. The people being served cannot qualify for medicaid, due to the increased eligibility requirements for that program. Therefore, the burden falls to those facilities that will serve these people, and it is enormous.

I believe that this package is responsible. We are not adding make-work jobs. We are taking care of the millions of people in this country whose basic needs must be met. We have a critical responsibility. We cannot shirk our duty.

I commend Senator LEVIN for his leadership in chairing our task force. In all fairness, I have to say that we wanted to do more, but we have limited our additions to what we believe are the most urgently needed.

Our people in this country are pleading with us to put them to work. They do not want to be idle. They want to be productive, to take care of their families and lead useful lives. This amendment would improve the bill in significant ways.

During this lengthy recession, we have seen some truly outstanding acts of personal generosity and sacrifice, people who have helped their neighbors to survive.

Many employers have offered assistance to those workers they were forced to lay off; labor unions have organized major food drives and emergency fund drives to help their fellow citizens get by. Now, Mr. President, it is our turn.

I hope my colleagues on both sides of the aisle will give this amendment their serious consideration. It is time for all of us to join together in offering our help to those who are counting on us.

Mr. LEVIN. Mr. President, at this time I yield the floor, and I reserve the remainder of my time.

Mr. GARN. Mr. President, I yield myself such time as is necessary.

First of all, let me make some general comments about the bill, not specifically on this amendment.

I cannot support this bill when it reaches whatever final conclusion, with whatever amendments, because I think it is a typical example of a political exercise that will have very little impact on the current recession or unemployment.

When I first came to the Senate in January of 1975, the first big issue I was faced with, as a member of the Senate Banking Committee, was an emergency housing bill, and the primary housing recession was in 1973 and 1974. If we were going to have an emergency housing bill, 1973 would have been the time to pass it. By the time any real housing production occurred from that, we were in 1976 and 1977. We were in a prosperous time, when recession was long gone.

That is one example of every emergency bill with which I have been involved. If there was justification for one, Congress was always too late. We have always primed the pump after the fact. I think we are doing that again. So what we will do with this measure before it has any real impact is that we will be stimulating inflation again, a year or two down the road.

Then, at the same time, we are going to cut the defense budget. If you have a threat and it is necessry to defend your country, a fringe benefit is the creation of some jobs, as a result. So if we eliminate $10 billion in defense, for example, we eliminate 350,000 jobs. We might create short term emergen-

cy jobs that will probably take effect sometime after the recession is over.

In general, I am against the concept, and the historical proof is there over and over again, of our priming the pump after the problem has gone away. In good conscience, I cannot support this type of effort.

With respect to this particular amendment, which adds approximately $1.6 billion to the bill, we are doing that at a time of $200 billion deficits. Even if you are a Keynesian economist who talks about priming the pump, if $200 billion of deficit and borrowing is not a stimulant, I do not know how we can stimulate the economy by public means.

I do not intend to take the time to go through this amendment, to rebut individual points or oppose those who have spoken in favor of it, but I certainly do have some objections to the procedure.

I recognize that often in this body we legislate on appropriations bills. I have been guilty of voting for legislation on appropriations bills in the years I have been here, but usually it has been some small thing; hearings were not necessary.

However, in this case, just on the emergency shelter program, there are 2½ pages of authorizing legislation. Why have the Senate Banking, Housing, and Urban Affairs Committee? Why hold hearings? Why have a staff of housing experts, majority and minority staffs, members hired for that purpose, to have a bill sent to the committee of jurisdiction, call in experts to testify for and against, consider the implications of an action, make recommendations, and send it to the floor for debate?

But even if this is a good idea, and I certainly do not question the motives of my good friend from Michigan, there are 2½ pages of legislation on an appropriations bill setting up a new demonstration program, without any knowledge whatever beforehand of the staff of the Senate Banking, Housing, and Urban Affairs Committee, no consideration, no debate, no analysis of the impact. A lot of the problems we have today in many of the housing programs were started just in this manner. They were ill conceived to begin with with good intent, but ill considered, and they never seemed to go away.

So if for no other reason I would oppose this particular amendment even if I agreed with some of the provisions, which I do not disagree with all of them. This is massive legislation on an appropriations bill without having gone to the committees of jurisdiction for proper consideration, unless we call this hour on the floor a proper hearing. I simply cannot, even if I were in favor of this particular program, be in favor of handling it this way in a very short period of time on the floor of the Senate without going through the committee process.

That is why we have committees in the Senate. If we are going to continue to legislate in this manner, then maybe we could just do away with committees and we will do all of our business here on the floor.

So, for several reasons, I simply must oppose this particular amendment and for the general reason I stated before oppose the whole concept of rushing in on an emergency basis to do something that will take effect after the fact and not do the intended solving of the problems or have the intended results of putting people to work in a very short period of time.

Mr. President, I yield the floor at this time.

Mr. STENNIS. Mr. President, will the Senator who has control of time yield me 5 minutes at least?

Mr. GARN. I am happy to yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I am among those who said early that we certainly could not ignore the unemployment situation and that we would have to do something about it. I thought the chief mistake, though, that we would make in the beginning would be to try to create a new concept of jobs and have a system here throughout the Nation of creating new jobs and trying to have training to go with it even and spend a lot of money on it. It just has not worked that way in the past.

But as to this concept here, this bill is, as far as it goes, very carefully prepared. It goes to the fundamental concept that we will put some money—generally there is a fair agreement on how much—in the processes where programs and work are already in progress and jobs can be put in motion and carried forward within a matter of weeks, and by and large a lot of the money provided here follows that course.

I think that is a sound course, and I wish I thought that this is enough money, though, but I do not claim that this is enough money to meet this situation. But it is a very good-sized dose now of a beginning to make some trial runs to see, after all, just how will this matter work in picking up some of these existing projects that can be put forward. We now have a figure here that is more or less agreed on by the House of Representatives. Also I understand the amount we have here approximates the amount more or less as agreed on by the President. The amount as has been agreed on here by our committee and the total of this jobs part of the bill that I am talking about is about $3.7 billion.

As I said, that is not enough money to do a whole lot, but there has not been an ascertainment made, there has not been a comprehensive hearing held, there has been no calculation by the administration nor enough by the legislative branch to make any kind of a sound judgment in a nebulous field of this kind for a program that will put us on through.

This thing is not going to go away, but this is, as I emphasize, the first step. It is the time of year here to be making adjustments on some supplemental bills, and I am very glad to see a bill in form that a great majority of us I think will vote for that does some effective planning. It does make some effective steps foward in projects and programs that are already in motion. It will pick up projects that are adding to the community payroll now and enlarge them some, and a tremendous amount of good can be done and will be.

There is no one entitled to more credit than the Senator from Michigan, the hard worker that he is, the discerning man that he is, earnest and considerate of this problem that exists in his State and other States also.

I would trust his judgment a long way, but I believe at this stage the first necessary step for us to take is along the lines that I have indicated of the bill rather than adding amounts that are relatively large.

As pointed out to me, in one of the $1 billion add-ons only $25 million I believe it is estimated to be the amount of money that will be spent in that program during the first year, which I think proves conclusively that this is really not what we are looking for after all.

I do not think we need to fool ourselves. The passage of this bill is a committal to look further, to plan further, and to get further into the facts and develop the actual need because any economy that has undergone the strain and the change and everything else that ours has here in the last few years is going to need that.

I think it is going to be one of the major matters that we have to contend with at best. It is making these adjustments and this change, and we should not lose any time. We should proceed now. But to try to put more money into a temporary plan of a different nature and a different kind than projects and activities that are already on the move I think at this time would be grave error, and I wish to see the smaller bill here pass with strong support and move into action so we can quickly get the benefit of just what may be the outcome.

We have the inclusion here of money under our committee's bill to provide for job opportunities and in services, humanitarian work, and so forth, that will give us a start in meeting some of unemployment problems.

So I am very proud. I am really proud of what we have done here in this bill. I contributed very little, but I

believe it should be passed forthwith and for this occasion and for this time at the amount that is before us in the committee bill.

I yield the floor.

Mr. RANDOLPH. Mr. President, I am gratified to be a cosponsor of the Levin amendment to the Jobs bill, H.R. 1718. I have worked closely with my colleagues on the Democratic Task Force on Emergency Human Needs under the leadership of the distinguished Senator from Michigan (Mr. LEVIN) and I believe we have developed a good package to add to the Senate reported bill.

It is my deep conviction that we must address the emergency needs facing so many of our citizens with compassion and a sense of urgency that this crisis requires. First, I must tell you, I support the committee bill as reported. It includes necessary appropriations for a great deal of programs which will be helpful to my State of West Virginia, as well to other States and their citizens. The targeting formula in the bill addresses the problems of the unemployed in each State, and the long term unemployed in each State in tiers 1 and 2, respectively. The bill, of course, includes essential funding for the unemployment trust fund, so that unemployment compensation funds will be available to the States for payments to jobless workers. There are some additions or changes to the committee bill that may be required. Overall, the committee bill is responsive, but it is incomplete; the committee bill needs the addition of the funding in our task force's amendment.

My State of West Virginia suffers the highest rate of unemployment in the Nation, at 20.4 percent. The people in West Virginia are strong people, they are hard working people, and they are reasonable people. They expect, and I expect, this Congress to address itself to human concerns. The people of West Virginia have a right to compassionate economic decisions by their Government. Each citizen has the inalienable right to expect that his basic human needs will be cared for. We must insist that Federal spending be people oriented and that human resource development and nurturing be the priority motivation for public policy.

Mr. President, over the past 2 years, the severe budget cuts in human services—particularly food, shelter/housing and health care—combined with unprecedented high rates of unemployment which translates literally into 12 million human beings out of work and unable to provide for themselves and their families has caused an unconscionable widening of the gap between the haves and the have nots in this country. We cannot allow the gap to get any bigger, or these people are literally going to die from starvation, exposure to the elements for lack of warm clothing and shelter, or from illnesses not treated by health care providers for a lack of health insurance.

In a land of plenty, there is unemployment, hunger, homelessness, and death from neglect.

Our task force's amendment is not adequate to meet the emergency need for jobs or assistance. Let no one think that the magnitude of human suffering in our country can be assuaged with these sums. We must offer more relief to unemployed people and their families. However, it is essential that the funding we are proposing in this bill be available as soon as possible. Our amendment includes additional moneys for community development block grants, older American employment, summer youth employment and the Economic Development Administration.

The human emergency needs portion of our amendment includes food distribution, shelter and health care for the Nation's poor—new and old. Two years ago there was a great debate in the Congress about how to identify the truly needy. We wondered who the truly needy were. We no longer have to wonder. We know who they are, and where they are. We have seen their faces. But have we heard their cries and, having heard, will we demand justice and give them their due as human beings? Will we come to the aid of our companions in a common society? Or will we remain passive while they are continually at risk? Will we adopt this amendment, or defeat it and add to our national disgrace?

This year, 1983, is a year of profound national reckoning. We must not continue to pit the young against the old; the new poor against the old poor; middle-class against working class; homeless against the handicapped; we must fill children's cavities with as much caring and concern as we fill potholes in streets. We must not pit the Sun Belt against decaying cities, or rural areas against urban.

If any of my colleagues have problems recognizing the need for this amendment, I ask them to take a moment to put themselves in the place of these desperate citizens. Imagine your children or grandchildren being hungry or injured, and that you can neither furnish food nor a doctor's care. Imagine losing your job and having no income, not being able to pay the rent or mortgage. Imagine all of those things happening to you, and you live in a State where welfare does not cover families when unemployment benefits have run out. Imagine taking your wife, who is pregnant, and your other young children and standing for hours in a soup line—you who have worked all your life with pride and dignity. Imagine sleeping with your wife and children in a shelter with strangers, and being kicked out in the cold dark of predawn hours and having to find warmth once again in a public building or a bus station or anywhere—provided the town's police officers do not drive you out again because it is against the law to loiter in public places.

Imagine all those things, and then vote for this amendment.

And if you are thinking to vote against it, because everyone has heard that the economy has begun to recover—I ask you to recognize that a recovery strong enough to render this amendment unnecessary will take several years—whereas it takes an infant but days to die of starvation, an adult a little longer. An elderly homeless person will die more quickly exposed to the cold winter temperatures than most other people, but all would die from such exposure before the economy recovers rapidly enough to prevent it.

If your imagination has not yet led you to support this amendment for aid to suffering masses, then think about the statistics which show that 2.5 million more children are living in poverty than 2 years ago—a rate as high as it was in 1965 when the war on poverty was begun. Infant mortality rates are on the rise again. Incidences and severity of child abuse and abandonment are growing.

We can help. We must. I urge my colleagues to adopt this task force amendment that provides job creation stimulus and initiative for all unemployed; gives more opportunities for employment of senior citizens, and summer jobs for youths. It provides for food distribution and shelter channeled through charitable organizations, for shelter acquisition and preparation, and increased funding for maternal and child health and community health centers that will assure emergency health care for the unemployed. And we must not quibble over the cost—we cannot spend mere pennies to serve nearly 12 million desperate people. We must have the courage of our conviction that we are assuring basic human and civil rights to which we all claim title, when we seek to reduce suffering, deprivation, and human misery caused by the long recession.

Mr. HATFIELD. Mr. President, I am ready to yield back the remainder of time we have on our side.

Mr. President, I suggest the absence of a quorum equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Will the distinguished Senator yield me some time?

Mr. LEVIN. I would be happy to yield to the distinguished Senator from West Virginia.

Mr. BYRD. Mr. President, I very much regret the necessity for the Senate to consider legislation today to put the unemployed to work and provide for emergency human needs. I regret it because it is the result of a national tragedy. I have had the misfortune of watching my own State of West Virginia reel under the effects of this recession as small business after small business has had to fold, as steel mills have had to cut off workers, as coal mines have had to shut down, as unemployment compensation benefits have terminated, and as people have lost their automobiles, have lost their homes, and in some instances have experienced marital problems and other deep-seated emotional disturbance.

The unemployment rate in West Virginia today is 20.4 percent. Yesterday I was on the floor talking about the unemployment rate in West Virginia being 17.8 percent. This morning I am informed that it was announced yesterday that it was 20.4 percent in January. That is the highest State unemployment rate since the U.S. Bureau of Labor Statistics began keeping records for all States on a uniform basis in 1976. The most recent time that the national unemployment rate exceeded 20.4 percent in West Virginia was in 1934, 49 years ago, when the national rate was 21.7, at the very height of the Great Depression.

So, speaking as a Senator from West Virginia, my State is in a depression, and I say to my friends in both parties and to my friends in the House of Representatives and to the President, this cannot, simply cannot, go on. The U.S. Government has a responsibility under the Constitution, and the Congress particularly under article I, to provide for the general welfare of the Nation, and I think that phrase is used in the Preamble to the Constitution. But in any event, the U.S. Government must minimize the human suffering that has resulted from this dark episode in our Nation's modern history. We must put our people who are desperate for work, back to work.

My people do not ask for cheese and butter. They do not want welfare. They do not want food stamps. They want to work.

I believe that it would be useful at this point to review briefly the history of efforts made by my colleagues on this side of the aisle to provide meaningful, timely aid to those whose lives have been so harshly buffeted by economic forces beyond their control.

Last September, the House passed legislation that would have provided approximately $1 billion to employ jobless workers. The Senate rejected that legislation when it was offered by Senate Democrats. In December, Senate Democrats offered a carefully constructed amendment to the Surface Transportation Act that would have provided $5.3 billion for a range of job-creation programs and additional unemployment insurance to be paid for by phasing out for high income individuals and families the third year of the Reagan-Kemp-Roth tax cut that has provided a windfall to the wealthy. The Senate rejected that amendment by a close, party line vote. Beginning early in 1982, Democrats took the lead in seeking additional unemployment benefits for those who have lost their jobs, and achieved success with the institution of a Federal supplemental benefits program in August and the addition of extra weeks of benefits in December.

This chronology demonstrates irrefutably that, throughout the course of the current recession which began in July of 1981, Democrats have been at the frontlines attempting to aid those who have been its victims, and to return order to the economic chaos.

Sadly, our efforts have been resisted at every turn by the Reagan administration. Time after time the President has threatened to veto any job-creation legislation passed by the Congress. Even now that Republican leaders in both Houses have joined Democratic leaders in saying that such legislation must be passed, the President still is rattling the veto saber. When both Houses succeeded just before Christmas last year in passing a very modest job-stimulation package as a part of the continuing resolution, conferees removed it from the bill when the President threatened to veto the bill if that language remained.

The democratically controlled House of Representatives has now sent us a jobs bill. The House leadership acknowledged readily that the bill alone was not sufficient to care properly for all of the need that has resulted from this recession, and this, in the view of my colleagues over on the House side, is only the first of several phases of legislation to confront the problems of the economy and the dislocation those problems have created.

But the House bill, even though its principal advocates acknowledge that is was insufficient to address the problems to which it was directed, was reduced in size by the Senate Appropriations Committee. At the beginning of this session of the Congress I appointed, under the auspices of the Democratic conference, a task force on emergency human needs. Its mission was to examine carefully the level and location of joblessness and human distress resulting from the Reagan recession and to recommend legislation to put people back to work and to ameliorate suffering. I appointed the very capable and very distinguished Senator from Michigan, Mr. LEVIN, as the chairman of that working group, and its members included Senators BINGAMAN, BUMPERS, CRANSTON, DIXON, DODD, MATSUNAGA, METZENBAUM, PELL, PRYOR, RANDOLPH, and SARBANES. Senator LEVIN and his task force members took their responsibility with the greatest of seriousness. They labored diligently over the past several weeks, and they merit the highest commendation for their work.

The task force has determined that the Congress must do more than is done by the bill before us, to put more people to work in productive, useful jobs, and to provide a greater level of assistance to those who are unable to obtain food, shelter, and medical care, and it is a privilege to associate myself with their conclusions. Not only is it a privilege, it is a necessity, based on the unemployment statistics I have just read to this body, and I am sure that anyone of my colleagues might readily imagine the torment which he would experience if his State had had an unemployment rate in January of 20.4 percent.

It is not easy to sleep at night when one represents a State that is in such dire circumstances. Mine is not just a rural State; it is a heavily industrialized State. We produce steel, we produce coal, ferroalloys, glass, chemicals; one of the largest chemical complexes in the Western Hemisphere is located in and around the State capital of West Virginia, in the Kanawha Valley, and those industries have been made anemic, by the unfair trade practices of other countries, and as a result of many other reasons and causes. So it is not just a privilege to associate myself, it is also a matter of necessity, with the conclusions reached by Mr. LEVIN and his working group.

The package of additions to the Senate committee bill is an extremely modest package. It totals $1.66 billion. After this amount is added to the cost of the Senate committee's recommendation as it has been modified on the floor to date—$3.66 billion—the total cost of the bill would be $5.32 billion.

The amendment will provide funds to employ over 265,000 persons and make available humanitarian assistance to tens of thousands more.

Now, Mr. President, I ask this body, I ask each of my colleagues on both sides of the aisle, how can we do less to confront the distress that we see in many areas of this country, particularly while imagining the distress in a State that has the unemployment rate that my State has and other States also have almost equal?

The amendment proposes to add $1 billion for additional jobs through the

community development block grant. The President has said he will never accept make-work jobs. I am opposed to make-work jobs.

I am pleased to advise the President that there is not a single make-work job in this amendment. Every job it provides is for work that needs to be done in our cities, towns, counties, and rural areas. The CDBG program would focus on hiring the long-term unemployed, 150,000 of whom could be put to work with the additional funding. Funding also is included to provide 100,000 additional jobs for our young people this summer, and 15,000 additional jobs for elderly citizens age 55 and above.

The amendment includes $50 million to assist private charitable organizations to provide food and shelter to those who have lost their homes and have no money—no money, no income—to buy food. These remarkable voluntary organizations have invested unbelievable energy, time, and funds in trying to help the helpless. We must come to their aid, now that many have exhausted all financial resources available to them.

The amendment also includes $290 million beyond the level provided by the Committee for Emergency Health Care, particularly to pregnant women, infants, and young children, who are unable to obtain medical care.

Every item in the amendment is badly needed. Nothing is excessive. There are no frills in this amendment. There is no pork. We often hear this talk about the pork. I would like any Senator who has not accepted some pork for his State at one time or another to hold up his hand. I not only accept it, I have worked for it, because it is not "pork" when we build a reservoir to protect the lives and properties of thousands of people downstream who have suffered incalculable damage time after time as a result of the floods that have been visited upon our State. But even if it must be called pork by some, there is no pork in this amendment.

There is nothing here but compassion and real, tangible help—for unemployed individuals and their families and help for our Nation that is struggling to get back on its feet. I urge my colleagues to carefully consider this amendment. It should receive overwhelming support. I am not under illusions that it will, but I know that it is a necessity that ought to be overwhelmingly supported. It is legislation in response to a necessity.

Again, I want to thank Senator LEVIN and his task force for the effort, the labor, the time that they have spent in developing this amendment, and for the service that the task force has done for the unemployed and the distressed people in this Nation who are looking to Congress for assistance in returning to self-sufficiency. I urge the adoption of the amendment.

I thank the Senator for yielding.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Will the Senator yield me 4 minutes?

Mr. LEVIN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Michigan has 3 minutes and 35 seconds remaining.

Mr. LEVIN. I yield 3 minutes to the Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in very strong support of this amendment which I have joined the distinguished Senator from Michigan in offering. I want to commend Senator LEVIN for the very able and effective leadership he provided as chairman of the Democratic task force on emergency human needs. As a member of the task force I know personally of his skill and dedication.

I think the package that has been developed, which provides funds for job creation, emergency food and shelter, and emergency health care, deserves the overwhelming support of this body.

I also want to commend the minority leader for his strong leadership establishing the task force and urging action with respect to the very critical unemployment problem. The preserving human needs of our citizens develop a hysterical perspective about the unemployment rate. We are now in our sixth consecutive month of an unemployment rate over 10 percent, that is, unemployment in double-digit figures.

Mr. President, it was not very long ago that the unemployment rate was down around 6 percent. In fact, throughout 1978 and 1979—in other words over that 24-month period, 1978 and 1979—the unemployment rate ranged between 5.6 and 6.4 percent. There is no month in that period when it went above 6.4 or below 5.6 percent.

In 1980, it started moving up and reached a high of 7.8 percent in July 1980—an unemployment level last reached in December 1976—and then began to move down, reaching 7.2 percent a year later in July 1981.

Since July 1981, the unemployment rate has moved steadily upward; upward throughout the balance of 1981 and throughout all of 1982, reaching a peak of 10.8 percent in the month of December. For the first 2 months of this year the civilian unemployment rate has been 10.4 percent. This double-digit unemployment is by far the worst unemployment we have experienced in this country since before World War II. In fact, anything above 9 percent would be the worst unemployment experienced in this country since before World War II, so we are facing an unprecedented problem in this generation.

The amendment before us does not fully respond to the magnitude of that problem. Unfortunately we are confronted with President Reagan's veto threat. It is however an effort to do something to respond more effectively to the problems of job creation, emergency food and shelter, and emergency health care than the committee bill. And in each of these areas the programs can be implemented immediately. This is an opportunity for the Senate to respond to pressing human needs and to start putting our people back to work, an overriding priority for public policy. I strongly urge the Members of the Seante to support this amendment.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Mr. HATFIELD. Does the Senator wish me to yield another minute or two?

Mr. LEVIN. That would be unnecessary, but I do appreciate the offer.

Mr. HATFIELD. Mr. President, I yield myself whatever time is required.

Mr. President, I certainly can empathize with the purposes of this amendment. This amendment incorporates many programs which are very worthy and certainly not ones that I would have any problems in supporting and providing additional funding.

But, Mr. President, let me indicate that in this amendment we are really violating some very important legislative principles, not that we have not on occasion in the past. I am not standing here indicating that we have never done this. But I just want to say that I think that this bill can become burdened with so many extraneous matters and irregularities that the bill can fall under its own weight of irregularities and wrong procedures.

There are at least two programs in this bill which exceed the authorized level. We are always, in the appropriations process, being accused by the authorizing committees of trying to usurp some of their authority and responsibility and, consequently, we try strenuously to refrain from doing so.

There are two parts of this amendment which provide funds for programs not even authorized. These are new programs: Preventive health and emergency health shelter demonstration.

We have legislated on appropriations measures before. I am not suggesting this is something new. But it is something that I believe very definitely we should try to restrict, refrain, and restrain ourselves from doing.

I suppose neither of these arguments is as important as the third one. That is that I cannot support this

amendment on the basis that the Senate of the United States must reach some kind of consensus on this whole bill. We then have to go to the House of Representatives to get a conference report. But then after the Congress has worked its will, we have to send it downtown to the President of the United States, who has a very significant role in the legislative process.

Notwithstanding whether we agree or disagree, the point is the President has a constitutional role and the President has clearly indicated that this bill will reach unacceptable levels and with a $1.7 billion added on in this amendment, I can assure the Senate from my own conversations with the President on this matter of a jobs bill, it will have reached unacceptable levels.

It does us precious little good to go through the procedures and processes of adopting a piece of legislation if we cannot get the President's signature to it. I am not indicating that we do not have another role to play. That is, we can handle a veto by overriding it.

I have engaged in activities on this floor in both cases, where I have led the battles to support or sustain a veto and also I have led a battle to override the veto of President Reagan and other Presidents before him. I shall probably continue to do so.

But I do feel that we have put together in the committee, and what we expect to bring out of conference, a very defensible bill, one that carefully analyzes the terms of authorized levels and authorized programs. If we adopt this amendment, we will be putting the entire jobs bill into jeopardy.

I want a jobs bill. I think a majority of this body wants a jobs bill. I think we have to recognize the role of the President in obtaining a jobs bill.

Mr. President, again I want to thank the Senator from Michigan and his cohorts who have supported this amendment because I think they have contributed much to our debate. I think they are helping to bring public focus on the importance of getting a jobs bill.

I know that when we adopted a $1.2 billion jobs bill in the lameduck session, that was much too much too much even then for the President and the leadership on my side of the aisle. As the Senator from Michigan remembers, the leadership offered an amendment to excise the entire modest $1.2 billion jobs bill and with a coalition of Democrats and Republicans we were able to keep the jobs bill in the Senate version. It went to conference where we lost the battle.

So I do not feel an adversarial relationship with the Senator in this matter at all. It is only at what level can we expect to get a jobs bill. I only submit to the efforts of the Senator from Michigan that I believe from my information, from my analysis, that we will not get a jobs bill if we adopt this amendment. I suppose I can end up by saying I would rather have a half-loaf than no loaf.

Mr. LEVIN. If the Senator will yield, is it not correct that the White House has agreed to accept a jobs bill significantly above the committee figure?

Mr. HATFIELD. I am sorry, I did not hear the Senator.

Mr. LEVIN. To follow on the line of reasoning of my friend from Oregon, is it not accurate to say that the White House would accept a jobs bill in the area of $4.5 billion?

Mr. HATFIELD. Let me clarify the situation by saying that $4.4 billion is the upper range. We are talking about a range in the area of acceptability. Also, we are talking about new moneys and reprogramed or accelerated moneys, and so forth. So we are talking about a range up to $4.4 billion.

As I understand the Senator's amendment, we would go to $5.3 billion under the Senator's proposal. That is, $5.3 billion above the $4.4 billion puts it in the realm of nonacceptability by the White House, as I have received the communication from the White House.

Mr. LEVIN. I think that $3.6 billion is significantly less than the $4.4 billion which the White House said it would accept and far below what the House of Representatives adopted at $4.9 billion.

Mr. HATFIELD. The Senator is correct. One of the reasons that we put it at that level is to provide room for negotiations at the conference level and for the traditional expectation that we would probably have to accept a few amendments on the floor that would bring that level up from $3.6 billion into a realm where between that level and $4.9 billion of the House we would end up at $4.4 billion.

Mr. LEVIN. I hope that such amendments will be offered so that that can be accomplished.

Mr. HATFIELD. Mr. President, I am ready to yield back my time.

The PRESIDING OFFICER (Mr. DENTON). Time has been yielded back. The question is on agreeing to the amendment.

Mr. LEVIN. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BOREN after having voted in the negative. Mr. President, on this vote I have a pair with the Senator from California (Mr. CRANSTON). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Idaho (Mr. SYMMS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. BYRD. I announced that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 34, nays 53, as follows:

[Rollcall Vote No. 16 Leg.]

YEAS—34

Baucus	Glenn	Mitchell
Biden	Huddleston	Moynihan
Bingaman	Inouye	Pell
Bradley	Jackson	Pryor
Bumpers	Kennedy	Randolph
Burdick	Lautenberg	Riegle
Byrd	Leahy	Sarbanes
Chiles	Levin	Sasser
Dixon	Long	Specter
Dodd	Mathias	Tsongas
Eagleton	Melcher	
Ford	Metzenbaum	

NAYS—53

Abdnor	Hatch	Packwood
Andrews	Hatfield	Percy
Baker	Hawkins	Pressler
Boschwitz	Hecht	Proxmire
Chafee	Heflin	Quayle
Cochran	Heinz	Roth
Cohen	Helms	Rudman
D'Amato	Humphrey	Simpson
Danforth	Jepsen	Stafford
DeConcini	Kassebaum	Stennis
Denton	Kasten	Stevens
Domenici	Laxalt	Thurmond
East	Lugar	Trible
Exon	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	Murkowski	Wilson
Gorton	Nickles	Zorinsky
Grassley	Nunn	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Boren, against

NOT VOTING—12

Armstrong	Durenberger	Matsunaga
Bentsen	Hart	Symms
Cranston	Hollings	Tower
Dole	Johnston	Weicker

So Mr. LEVIN's amendment (UP No. 36) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. I have prepared amendments which would resolve a bureaucratic nightmare that I have been trying to unsnarl for several years.

Either of these amendments would waive a requirement of the Department of Health and Human Services that the Wayne County government repay with interest a 1974 grant to help prevent juvenile delinquency. HHS charges that the county failed to meet a technical requirement of the grant, even though it is clear that the goals of the contract were in fact achieved. The county subcontracted with a group called Action House to conduct work-training projects in neighborhood improvement, using young men and women referred by another juvenile center in the project area. However, that center's opening date was delayed and it was unable to refer clients, so Action House proceeded to draw directly from the same target neighborhood using referrals from parents, neighborhood churches and the police. HHS has insisted that this change from the contract agreement required a formal amendment to the contract.

While acknowledging the procedural error, the county and I have argued strenuously but unsuccessfully that HHS should waive the severe penalty for this technical error—repayment of the contract amount plus interest totalling $142,623.04—because the program was deemed successful and juveniles in Wayne County were well served by it. The only avenue left seems to be legislative relief.

Mr. HATFIELD. I am sympathetic to the problem as the Senator from Michigan has described it, but I would be reluctant to establish a precedent that might appear to be overruling complicated audit findings on an appropriations bill.

Can the Senator from Michigan pursue this matter with the new Secretary of Health and Human Services? I would hope she could examine existing discretion if possible and appropriate before legislative solutions are considered.

Mr. LEVIN. I would be glad to undertake such a mission and report the results back to the committee.

Mr. McCLURE. Mr. President, I ask unanimous consent that I may proceed for 5 minutes with regard to a matter that is not on the list.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

REVITALIZING THE ECONOMY OF THE PACIFIC NORTHWEST

Mr. McCLURE. Mr. President, on Monday, during the Appropriations Committee markup on H.R. 1718, I offered an amendment to revitalize the economy of the Pacific Northwest by clarifying authorities available to the Bonneville Power Administration. The region has been particularly hard hit by the effects of the recession, suffering an enormous loss of jobs in the timber, transportation, construction, and basic industrial sectors of the economy. The region and its economy are heavily dependent on electric energy and, therefore, respond dramatically to changes in rates for such power. The Bonneville Power Administration is the principal marketer of power for the Northwest and as such can influence substantially its economy. Currently, BPA has a surplus of power which, if made available to industrial and agricultural users in the region at a reasonable rate, could stimulate economic activity and create a positive investment climate.

My amendment would have clarified BPA's authorities in their ratemaking process to accomplish this end. However, I withdrew the amendment because of concerns raised by some members of the Northwest delegation and interested parties within the region. After subsequent discussions with my colleagues, we have concluded that a legislative solution is not necessary at this time because we now believe that administrative action will be taken by the Secretary and BPA under the authority of existing law almost immediately to provide remedy to the present situation. The Senate delegation has, however, agreed to send a letter to the Secretary of Energy, Don Hodel, urging him to direct the Administrator of BPA to take both short- and long-term action to revitalize economic conditions in the region. The delegation particularly emphasized the use of ratemaking authorities to encourage sales of surplus power within the region to stimulate industrial and agricultural production.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to Mr. Hodel, dated March 9, 1983.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 9, 1983.

Hon. DONALD P. HODEL,
The Secretary of Energy,
Washington, D.C.

DEAR SECRETARY HODEL: As you are aware, the Pacific Northwest is a region particularly affected by the recession. While the Congress is currently considering measures which may help alleviate some of these impacts on a national basis, we believe that you are in a unique position, working through the Bonneville Power Administration, to take actions that will stimulate the economy of the Northwest without expenditure of Federal funds.

We therefore urge you to direct the Administrator of BPA to take such actions, in both the short and longer terms, which are available and appropriate to stabilize and revitalize economic conditions in the region. In particular, rate making authorities should be utilized to encourage the sale of surplus power within the region to enhance industrial and agricultural production.

Sincerely,

MARK O. HATFIELD,
BOB PACKWOOD,
SLADE GORTON,
JAMES A. MCCLURE,
HENRY M. JACKSON,
STEVEN D. SYMMS,
U.S. Senators.

Mr. McCLURE. Mr. President, I am particularly concerned with the current plight of the direct service industries such as the aluminum companies, which are a vital part of the region's basic industrial base. The Administrator should use his authorities, in the short term to make available surplus power at a low rate to DSI's. More importantly, he should provide, either within the next ratemaking proposal, or by other means a provision making surplus power available to the DSI's, as well as other industrial and agricultural users through the normal distribution mechanisms, at a rate and for a duration of time which provides incentive for increased loads.

It is essential that a long-term climate be created which will provide the assurance to industry that large capital investments made in the near term are business decisions. The Administrator should also insure that the rates he sets do not result in one company having a distinct competitive advantage over another within the same industry. Of course, any overall rate proposal and availability of power remains subject to the preference provisions of existing law.

I also continue to be concerned with the evolving situation regarding the timely completion of the Washington Public Power supply systems net-billed projects WPPSS Nos. 1, 2, and 3, and the ability to conveniently finance these projects through bond issues. Originally, I had considered offering an amendment which would have given greater confidence to bondholders and the financial markets in their security of their investments.

Again, because of concerns that were raised, I did not offer this amendment. However, I continue to be concerned that unless the impediments to conventional financing can be removed or that a viable alternative financing scheme can be effectuated, that the progress on construction of WPPSS No. 2 and No. 3 may be affected. The importance of these two plants, as well as WPPSS No. 1, to meet the projected power needs of the region have been clearly demonstrated. Any adverse alteration in the current construction schedules will result in significant job losses in an area which has already been particularly hard hit and in the end will result in increased costs to the ratepayers of the region.

I am sure that my colleagues from the Northwest share this concern, and will join me in watching carefully the events over the next few weeks and months with an eye toward reassessing the need for legislation on both the WPPSS net-billed projects and the proposed rate structure which I referred to earlier.

Mr. President, I yield to the junior Senator from Washington (Mr. GORTON).

Mr. GORTON. Mr. President, I should like to add to the statement of the Senator from Idaho only that he has worked in this matter in the interests of the entire Pacific Northwest.

I have agreed with him and worked with him on the course of action in the drafting and revision of the amendment and the letter which succeeds it. I thank him for the help in a process which is of great importance to the State of Washington and the entire Pacific Northwest.

Mr. McCLURE. I thank the Senator from Washington for his comments. We worked very closely with the senior Senator from Washington (Mr. JACKSON), who also concurs in this action and joined in signing the letter.

Mr. HATFIELD. Mr. President, I am pleased to join my colleagues from the Northwest in directing the Bonneville Power Administration to take every action within existing administrative authority to stabilize and revitalize the region's economy.

As my colleague pointed out, the Pacific Northwest is suffering from severe unemployment. The forest products industry is at an all-time low, down some 40,000 direct jobs since 1979. The transportation equipment industry and agricultural production are lagging. Frankly, basic industry in the region is hurting.

Another industry which is ailing and on the critical list is the aluminum production sector. Our region is the Nation's primary aluminum producer, with fully one-third of the total capacity in the country. The aluminum industry presently is down to nearly 50 percent of normal production. About 40,000 of the region's 13,000 aluminum plant workers have been laid off and the situation could become worse. Many of these workers live and work in the State of Oregon.

I am extremely concerned about this situation. Due to the important impact energy rates have on the viability of our basic industries, particularly the aluminum industry, we must take every action to minimize power rate increases especially in the near term.

As a result of our appropriations hearings and discussions with energy officials, in my view, Bonneville has the authority in its ratemaking process to stimulate the economy and create a more positive investment climate. As Senator McCLURE observes, there is a surplus of power in the region which could be offered to the DSI's to restart idle industry. This could result in increased power revenues to BPA and ultimately in reduced power rates for all customers. As the Senator notes, there was concern expressed in the region over any BPA amendment on the jobs bill. It was unclear to some what impact the language would have on the complex provisions of the recently passed Northwest Energy Act. Without going into detail on that matter, let me say, that in our judgment, Bonneville has the authority to assist industry in the region and should proceed to do so. If problems occur, and we do not expect it, then legislative action may be necessary in either the authorizing or appropriations process.

I compliment my colleague for bringing this critical problem to the members of the Senate today. His leadership and support, as chairman of the Energy and Natural Resources Committee, is vital to the success of our efforts to revitalize the economy of the Pacific Northwest.

I share my colleague's concern over the myriad problems created as an outgrowth of the WPPSS debacle.

His preliminary proposal, as I understant it, would have in effect "walled off" the net-billed nuclear plants 1, 2, and 3 from the terminated plants 4 and 5. I concur with efforts to protect the Federal interest in the net-billed projects.

One of the impediments to conventional financing of the net-billed plants is the possibility that the flow of funds from BPA through the supply system (WPPSS) to the bondholders could be interrupted. Although there is no clear or present danger of commingling funds from BPA with those of the terminated plants, we must guard against this type of unintended payment of funds to WPPSS 4 and 5. As Senators know, the Federal Government has no financial obligation whatsoever in these two terminated plants, and the Federal Government should have none in the future.

In regard to the net-billed projects, the BPA should make sound business decisions that are necessary to protect the ratepayers of the region. This may, and in fact already does, include deferral and adjustments to the construction schedules on WPPSS 1 and WPPSS 3.

No action should be considered which would adversely affect the economic recovery of the region. I am determined to minimize the adverse consequences of our regional energy problems, which in large measure are a result of the nuclear power-WPPSS mess.

I assure my colleague that I will continue to monitor this situation closely and hope that the Senator from Idaho will continue to provide leadership in this area.

AMENDMENT NO. 489

(Purpose: To amend the Railroad Unemployment Insurance Act to provide supplemental unemployment benefits to certain employees with less than 10 years of service)

Mr. FORD. Mr. President, I call up amendment No. 489.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Kentucky (Mr. FORD) proposes an amendment numbered 489.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following new section:

RAILROAD UNEMPLOYMENT BENEFITS

SEC. . (a) The Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.) is amended by adding at the end thereof the following new section:

"SUPPLEMENTAL BENEFITS

"SEC. 17. (a) An employee as defined in section 1(d) of this Act shall be entitled to supplemental unemployment benefits in accordance with the provisions of this section for each day of unemployment in excess of four during any registration period in such employee's period of eligibility if such employee—

"(1) has less than ten years of service as defined in section 1(f) of the Railroad Retirement Act of 1974, did not voluntarily retire, and did not voluntarily leave work without good cause;

"(2) has with respect to the benefit year beginning July 1, 1982, exhausted all rights to unemployment benefits under this Act other than supplemental unemployment benefits payable by reason of this section;

"(3) has no rights to unemployment benefits under any State unemployment compensation law or any other Federal law; and

"(4) is not receiving unemployment compensation with respect to such day under the unemployment compensation law of Canada.

"(b) For purposes of this section, an employee shall be deemed to have exhausted his rights to unemployment benefits under this Act when no unemployment benefits (other than supplemental unemployment benefits payable by reason of this section) can be paid to the employee because he has received the maximum unemployment benefits available to him under this Act, other than this section.

"(c) The amount of supplemental unemployment benefits payable to an employee under this section for any day of unemployment shall be equal to the amount that would be payable to him for such day under section 2(a) of this Act if he were entitled to receive benefits under such section.

"(d) The maximum number of days of unemployment for which supplemental unemployment benefits may be paid to an employee by reason of this section shall be fifty.

"(e) No supplemental unemployment benefits shall be payable by reason of this section for any day before March 10, 1983, or for any day in any registration period beginning after June 30, 1983.

"(f) For purposes of this section the term 'period of eligibility' means with respect to any employee, the period beginning with the first day of unemployment following the later of (i) the day on which he exhausted his rights to unemployment benefits (as determined under subsection (b)) in the benefit year beginning July 1, 1982, or (ii) January 31, 1983, and shall consist of five consecutive registration periods, except that

no supplemental benefits under this section shall be payable for any day of unemployment in any registraion period beginning after June 30, 1983.

"(g) The terms and conditions of this Act that apply to claims for unemployment benefits and the payment or recovery thereof shall apply to claims for supplemental unemployment benefits and payment thereof, except where inconsistent with the provisions of this section.

"(h)(1) There are authorized to be appropriated from the general fund in the Treasury to the railroad unemployment insurance account in the Unemployment Trust Fund, without fiscal year limitation, such sums as may be necessary to pay supplemental unemployment benefits payable by reason of this section. Such amounts shall not be required to be repaid.

"(2) There are authorized to be appropriated from the general fund in the Treasury to the railroad unemployment insurance administration account in the Unemployment Trust Fund, without fiscal year limitation, such sums as may be necessary to meet the costs of administering the program of supplemental unemployment benefits established by this section. Such amounts shall not be required to be repaid.".

(b) In addition to any amounts otherwise appropriated in this Act or any other Act, there are appropriated for the Railroad Retirement Board, $125,000,000 for transfer into the railroad unemployment insurance account in the Unemployment Trust Fund in accordance with section 17(h)(1) of the Railroad Retirement Insurance Act, and $750,000 for transfer into the railroad unemployment insurance administration account in the Unemployment Trust Fund in accordance with section 17(h)(2) of such Act.

Mr. FORD. Mr. President, I ask unanimous consent that the names of Senators ZORINSKY, DURENBERGER, and BYRD be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, today I am offering an amendment on behalf of myself and Senators DIXON, HEINZ, HATCH, HUDDLESTON, SPECTER, METZENBAUM, PERCY, SARBANES, D'AMATO, BURDICK, RIEGLE, GLENN, BIDEN, ROTH, LEVIN, MELCHER, RANDOLPH, EXON, MOYNIHAN, EAGLETON, ZORINSKY, DURENBERGER, and BYRD. This amendment enjoys strong bipartisan support.

Our amendment amends the Railroad Unemployment Insurance Act to make unemployed railroad workers with less than 10 years of service eligible for 10 weeks of Federal supplemental unemployment benefits. Like the Federal supplemental compensation program for workers in the general economy, these benefits would be financed with general revenues. No benefits would be payable after June 30, 1983. The Railroad Retirement Board estimates that 110,000 unemployed workers would receive benefits under this program totaling $125 million. Our amendment is essentially the same as the amendment Senators DIXON and HEINZ and I offered to the continuing resolution last December.

There are currently an estimated 70,000 unemployed railroad workers with less than 10 years of service who have exhausted their entitlement to all unemployment benefits. These unemployed workers are currently ineligible for any benefits beyond the 26 weeks of basic unemployment compensation. Moreover, these workers are no longer entitled to any extended benefits. Congress inadvertently eliminated the 13-week extended benefit program for these workers in the Omnibus Budget Reconciliation Act of 1981.

Congress has recognized the urgent needs of unemployed workers in the general economy by twice providing Federal supplemental compensation to those workers who have exhausted their benefits. Railroad workers with less than 10 years of service have no less urgent needs. And in fact, it can be argued that these unemployed railroad workers have even greater needs than those workers in the general economy because they currently are eligible for only 26 weeks of basic benefits. Unemployed workers in the general economy are entitled to 26 weeks of basic benefits, plus 13 weeks of extended benefits; and on top of that a maximum of 10 weeks of the Federal supplemental benefits, plus a maximum extension of 6 weeks of additional Federal supplemental benefits. And Congress is currently exploring the possibility of extending the supplemental benefits again. On the other hand, railroad workers with less than 10 years of service are entitled to only 26 weeks of basic benefits—less than one-half the number of weeks available to unemployed workers in the general economy.

Mr. President, it will probably be argued that Congress—and I can hear it now—has no precedent to federally fund benefits for railroad workers, that these workers have fought hard to remain separate from any Federal/State unemployment system and so should not receive benefits from any Federal supplemental compensation program. Mr. President, I firmly reject this argument as irresponsible and inhumane.

Our amendment is not a Federal bailout of the railroad unemployment insurance system. It is not a replacement of the extended benefits program which Congress inadvertently repealed. It is an extension of the philosophy and concern Congress expressed in the Federal supplemental compensation program—that during times of national economic recession and prolonged unemployment, the Government has a humanitarian responsibility to provide assistance to its people. This is the purpose of the bill we are debating today, and the purpose of our amendment—to recognize the urgent needs of workers who, through no fault of their own, are unemployed and have exhausted all benefits, and have no hope of returning to work soon.

To penalize these railroad workers simply because their system could not anticipate the long periods of recession and unemployment is cruel and irresponsible. Regardless of what their system could have done, or should have done, here we are with unemployed workers and their families looking to Congress for equal treatment and humanitarian assistance. It is our duty and responsibility to assist them. And if the Senate does not act to provide this additional assistance, we will be saying to these workers that their needs are not as urgent as others in the economy, that their families must suffer because we in the Senate feel no responsibility to assist them. I do not believe this is the message the Senate wants to send to these unemployed railroad workers.

Mr. President, our amendment is a bi-partisan amendment. It is cosponsored by Senator HATCH, chairman of the Labor and Human Resources Committee, which has jurisdiction over this issue, and other distinguished Members from both sides of the aisle. I urge my colleagues not to abandon these unemployed railroad workers and their families, but to recognize that their needs are no less great than others we have already provided for. I urge the adoption of the amendment and ask unanimous consent that a table be include in the RECORD following my remarks showing the State-by-State breakdown of the estimated numbers of these unemployed railroad workers with less than 10 years of service.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

State-by-State breakdown: Number of railroad workers with less than 10 years of service who have exhausted all railroad unemployment benefits

Alabama	900
Alaska	100
Arizona	900
Arkansas	1,000
California	3,300
Colorado	1,200
Connecticut	100
Delaware	200
District of Columbia	100
Florida	800
Georgia	1,200
Hawaii	(1)
Idaho	400
Illinois	5,900
Indiana	2,500
Iowa	1,900
Kansas	1,600
Kentucky	2,400
Louisiana	900
Maine	600
Maryland	1,000
Massachusetts	300
Michigan	2,800
Minnesota	2,100
Mississippi	700
Missouri	2,000
Montana	1,000

Nebraska	2,000
Nevada	200
New Hampshire	(1)
New Jersey	400
New Mexico	800
New York	2,100
North Carolina	700
North Dakota	500
Ohio	5,900
Oklahoma	400
Oregon	900
Pennsylvania	6,400
Rhode Island	(1)
South Carolina	600
South Dakoa	300
Tennessee	1,100
Texas	3,800
Utah	600
Vermont	100
Virginia	1,600
Washington	1,300
West Virginia	1,800
Wisconsin	2,100
Wyoming	500

[1] Fewer than 50

Source: Railroad Retirement Board, December 1982.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. FORD. How much time does the Senator desire?

Mr. HEINZ. Two minutes.

Mr. FORD. I yield 2 minutes to the distinguished Senator from Pennsylvania.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania for 2 minutes.

Mr. HEINZ. Mr. President, I rise in full support of the amendment of my good friend, and distinguished colleague from Kentucky, Senator FORD. It is similar to an amendment that we sponsored at the close of the 97th Congress which failed by a very narrow margin.

In short, the amendment would provide an additional 10 weeks of unemployment compensation to unemployed railroad workers with less than 10 years of seniority. Right now, these workers only receive 26 weeks of benefits. The program will run through June 30 of this year, and will cost the Federal Government $125 million.

Because of an inadvertent change in the unemployment laws in 1981, these workers could no longer receive the 13 weeks of extended benefits that they received in the past during times of high unemployment. In effect, by eliminating the national trigger for the Federal-State unemployment compensation program, we cut off all hope for these workers to receive extra help during times of high unemployment.

Mr. President, railroad workers and steelworkers are facing the same types of problems with unemployment. I cannot accept inequitable treatment of these workers just because they are covered by another unemployment compensation system.

Frankly, my railroad workers from Altoona, Scranton, and Pittsburgh—the 6,400 who would receive benefits from this bill—cannot understand why the Congress refuses to provide them with the type of compassionate relief available to workers in other industries. I am sure that the 100,000 railroad workers who would receive help from this amendment find the situation just as incomprehensible.

I urge my colleagues to restore equity and fairness to our treatment of the unemployed.

Mr. President, I compliment the Senator from Kentucky on an eloquent statement of the predicament and of the facts with respect to our unemployed railroad workers, of those with less than 10 years service, in particular.

There is absolutely no justification as we extend the Federal supplemental benefits program for in some cases 12 weeks to keep out of that kind of humanitarian safety net a very large needy group of people who through no fault of their own have been cut loose and are in danger of falling through the net.

I hope my colleagues listened very carefully to what my friend from Kentucky has said.

If we can extend, as we intend to, the Federal supplemental benefits program for all the other workers in this country, we can afford to do it for these railroad workers as well.

Thank you, Mr. President.

Mr. FORD. I thank my distinguished colleague from Pennsylvania.

● Mr. METZENBAUM. Mr. President, I am pleased to cosponsor this amendment offered by my colleague from Kentucky, Mr. FORD. This amendment would help 5,900 railroad workers in Ohio with less than 10 years of service who have exhausted all railroad unemployment benefits. It would provide benefits for a total of 110,000 workers. I urge my colleagues to support this effort.

We have made this effort in the past, but so far we have been unsuccessful. Just last December, during the lameduck session, a similar amendment introduced by Senator FORD lost by only 1 vote with the count 47 to 46. The situation remains the same. Railroad workers in this country have been discriminated against. We should act to give them some of the same unemployment assistance we are giving to other workers in the country.

Railroad workers are a special case, because their regular unemployment benefits are provided by the Railroad Unemployment Insurance Act, not through the regular State unemployment compensation programs. In 1981, Congress unintentionally deprived rail workers of 13 weeks of extended benefits by removing the national trigger in the Omnibus Reconciliation Act. This amendment would partially correct that problem by giving unemployed railroad workers with less than 10 years service 10 weeks of Federal supplemental benefits.

In the debate last December, opponents to this measure argued that since the railroad employees are covered by a separate program, they should not be given benefits under the supplemental program. Opponents argued that additional funds come from that railroad unemployment trust fund. But that fund is already in debt—as are many State unemployment trust funds. It is not likely that the fund can be further extended. So the problem remains of how best to assist the railroad workers.

Frankly, I do not understand the reluctance of the Finance Committee to accept this provision. It is a reasonable amount of money for a limited number of workers. It corrects an inequity in the unemployment benefits system. This is a fair amendment. I congratulate my colleague, Mr. FORD, for introducing it again. I urge my colleagues to support it.●

● Mr. DIXON. Mr. President, last December 18, Senator FORD and I offered a similar amendment which was defeated by only 1 vote. This effort is a responsible way of dealing with an inadvertent result of changes in the 1982 omnibus reconciliation bill. That change, intended to limit payments of extended benefits and save money, abolished the national trigger, by which railroad employees qualified for extended benefits. Without that national trigger, railworkers with less than 10 years seniority have no way to qualify for more than 26 weeks of benefits.

This is unfair, because as we all know, other workers can receive up to 55 weeks of unemployment benefits through the various unemployment insurance programs available in current law.

These workers are no less troubled by their joblessness. They have families to support, homes to pay for, heat to pay for, food to put on their tables.

If enacted, our amendment would provide for 10 weeks of Federal supplemental compensation from March 10, 1983, through June 30, 1983, which is the end of the railroad system's benefit year. It would pay benefits to approximately 110,000 people at a cost of $125 million.

We have the assurance from the chairman of the Committee on Labor and Human Resources, Senator HATCH, who is a cosponsor of this amendment, that his committee will address the permanent solvency issue of the railroad unemployment insurance system in the near future. Should this occur, the eligibility for these proposed benefits would automatically terminate, resulting in an even lower cost for this humanitarian aid.

I urge my colleagues to support our amendment, and right a wrong that was done inadvertently last year.●

Mr. FORD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

RAILROAD EMPLOYEES EXTENDED BENEFITS

Mr. SARBANES. Mr. President, I am very pleased to join with my colleagues in offering this important amendment to provide supplemental unemployment benefits to unemployed railroad workers with less than 10 years of service. Currently, these workers are entitled to only the basic 26 weeks of unemployment benefits; their eligibility for additional benefits, which was linked to the national trigger for extended unemployment insurance benefits, was eliminated with the repeal of this national mechanism by Congress in the Omnibus Budget Reconciliation Act of 1981. Our amendment would remedy this situation by providing 10 weeks of Federal supplemental unemployment benefits, funded by general revenues, to railroad employees with less than 10 years of service who have exhausted all other unemployment benefits.

Fairness and equity require that Congress take prompt action to correct this situation which has imposed great hardship on railroad workers and their families, hard-working individuals on whom we depend to keep our valuable national rail system operating. Many other unemployed workers will shortly be eligible for up to 65 weeks of total unemployment benefits. The demands on unemployed railroad workers—food bills and mortgages, doctor's bills and school tuition, are no less pressing. In addition, the unemployment rate for the rail industry is even higher than the national figure, which remains at the devastating level of 10.4 percent. More and more railroad workers are also exhausting their regular 26 weeks of benefits as a result of the continued recession, with little hope of returning to work in the near future.

Mr. President, I have cosponsored and strongly supported legislation on this matter both during the current Congress and in the 97th Congress. Congress has already taken action on several occasions to address the needs of the long-term unemployed during the current economic crisis and extended unemployment benefits as it has been necessary. However, many thousands of railroad workers remain ineligible for similar benefits through no fault of their own. These men and women have contributed so much to our national strength throughout their working careers, and I urge my colleagues to join me in supporting this amendment to assist these workers during their time of economic need.

Mr. RANDOLPH. Mr. President, it is a pleasure to be a cosponsor of Senator FORD'S amendment to provide unemployed railroad workers with less than 10 years of service supplemental unemployment benefits. The amendment is identical to S. 97, which I am also cosponsoring.

In my State, we suffer the highest unemployment rate in the Nation, 20.4 percent. That statistic represents individual people. I believe we must provide for the needs of unemployed workers and their families. We are attempting to address emergency jobs and humanitarian needs in this bill.

Our amendment addresses an issue of equity for unemployed railroad workers with less than 10 years of service. These workers have no less a need for supplemental unemployment compensation than do others who have been unemployed for more than 26 weeks. The Congress unintentionally eliminated eligibility for extended benefits for these workers in the 1981 Reconciliation Act by repealing the national trigger. Our amendment would correct that problem.

Railroad workers in West Virginia number more than 7,000 and unfortunately, there have been substantial numbers laid off, many of them for an extended period of time. Rail employment is closely related to coal employment in West Virginia, as in other coal-producing States, and our skilled workers in these and other industries, such as steel and glass, are unemployed. With the adoption of this amendment, in West Virginia approximately 1,800 unemployed railroad workers with less than 10 years of service, would be eligible for the urgently needed supplemental unemployment benefits. These workers have exhausted their regular benefits and are suffering financial crises, just as other long-term unemployed persons are suffering. The long-term unemployed rail workers are no different from workers in other industries and they should not be treated differently. Our amendment will correct the inequity under current law.

I urge my colleagues to support this amendment, it is necessary and it is compassionate.

Mr. DOLE. Mr. President, I rise in opposition to the Ford amendment. This amendment would make unemployed railroad workers with less than 10 years of seniority eligible for an additional 10 weeks of unemployment benefits. The benefits and the administrative costs would be financed out of general revenues. The cost is estimated at $125 million, plus $750,000 for administration. The program would be in effect until June 30, 1983.

As my colleagues on the Labor Committee know, since that is the Senate committee with jurisdiction over railroad workers and their programs, railroad unemployment insurance (RRUI) has always been treated separately from the rest of the unemployment insurance program by the Congress and the executive branch.

The Federal railroad unemployment insurance system became effective January 1, 1939, under legislation worked out jointly between the railroads and the railroad unions, with the assistance of the Chairman of the Railroad Retirement Board. Since all States had covered railroad workers, the act provided for the transfer to an unemployment insurance account in the Federal unemployment trust fund of contributions made by the railroads.

This railroad workers unemployment system is administered by the Railroad Retirement Board which is composed of representatives from railroad labor, railroad management, and the public. Railroad employers pay contributions on a different wage base than that used by other employers and also contribute at different rates than the average of all nonrailroad employers. There is no experience rating in the railroad UI system.

Unemployed railroad workers are paid UI benefits on a daily basis, receiving checks twice a week. The duration of the benefits depends on the individual's seniority.

Financing for the RRUI benefits is always provided entirely from within the railroad industry. Basically, railroad labor and management reach agreement on what the RRUI program should be, and subsequent Federal legislation reflects the agreement.

It is important to emphasize that railroad unemployment insurance is completely separate from the Federal/State unemployment insurance program:

RRUI has separate legislation, financing, rules for qualification, benefit duration, benefit amount, administration, and operation.

Railroad unions have long supported this individual nature for the program. Railroad unions opposed the administration's proposal to put railroad workers under the Federal/State UI and to abolish the separate RRUI system as part of the 1982 railroad retirement reforms.

Even though the gentleman from Kentucky has proposed that the Railroad Retirement Board in Chicago administer the benefits in the same manner as they pay present RRUI benefits, there is still a large administrative burden and a substantial cost to the Federal taxpayer.

As I understand the railroad unemployment insurance system, the only unemployed railroad workers who are not currently eligible for benefits beyond 26 weeks are those with less than 10 years seniority. Unemployed railroad workers may receive up to 1 full year of benefits if they have more than 15 years of seniority.

Workers with 10 years or less service lost eligibility to benefits beyond 26 weeks because of the repeal of the national trigger for the extended benefits (EB) program. The Railroad Re-

tirement Board in Chicago interpreted that repeal to apply also to the "on" indicator of RRUI benefits beyond 26 weeks.

If the Senator wishes to restore eligibility to railroad workers for a longer benefit duration, a more appropriate way would be, as he has admitted, to amend the railroad unemployment insurance law to provide a trigger for extended benefits for that program.

Finally, I would remind my colleagues that financing has never been provided for benefits for railroad workers. The railroads have a separate system which they have carefully guarded over the years. This is not the time to change that precedent.

Mr. NICKLES. Mr. President, it is with some reluctance and a little regret that I rise in opposition to the amendment of my good friend from Kentucky.

I realize quite clearly that he is very sincere in this amendment. I rise in opposition to it for several reasons which I shall try and outline to my colleagues, and I hope that they will join us in our efforts to defeat this amendment.

Mr. President, the amendment by my good friend, the Senator from Kentucky, was well stated by him. It would extend the unemployment compensation benefits to unemployed railroad workers for an additional 10 weeks.

My reasons for opposing this extension are several. First, the railroad industry, both rail labor and management, have decided on their own to never participate in State-Federal unemployment compensation systems. They have never contributed. They have never paid taxes to the Federal unemployment compensation system. They have never paid taxes into the State unemployment compensation system. And this was by their own design.

The administration in the last 2 years has requested that they integrate or move into the Federal-State system and actually it would be to the benefit of the unemployed railroad workers to do so. Actually, we find that they would receive greater unemployment benefits in 42 States if they elected to go under the Federal-State system, but they have decided not to. They have bargained collectively in good faith, and decided they wanted to maintain their own rail unemployment system, and which is somewhat unique.

So as a result, their system, which they have set up, provides for different eligibility requirements and different payment requirements than any of the other Federal or State systems. That was on their election.

Now we find some unemployed workers. This is certainly regrettable because unemployment is a sensitive matter and no one likes to see anyone unemployed or to see anyone's unemployment compensation benefits run out. But now this industry is looking to the Federal Government to put in $125 million to carry them over for this period of time. I would just like to bring to my colleagues' attention that never in the 40-year history that we have had under the rail unemployment system has the Federal Government ever contributed a dime. Again this is the choice of rail labor and management and the fact that they elected not to participate in the Federal or State unemployment system.

So I urge my colleagues to reject this amendment.

I also want to inform my colleagues of the fact that we are moving forward on this issue through the legislative process. We have hearings scheduled on April 19 before the Labor Committee where we will review the proposals that are now before Congress from both rail management and labor. We will also be reviewing, as required by law, the administration proposal which incidentally again would bring this industry under the State and Federal unemployment system. I might add they are the only industry which does not participate in the State-Federal UI system.

So I would just hope that our colleagues would not change this system, which has been determined by collective bargaining, by having the taxpayers provide this benefit of $125 million of unemployment compensation benefits for which there will never be, or at least under the present system there will not be, any corresponding contributions made by their employer or by the employees into that system.

I might also add that, under the system that the rail and management employees have set up, they contribute substantially less than most other employers in the majority of States to fund their unemployment compensation benefits. That may be the reason why their compensation programs are in trouble.

It is true that the unemployment fund for railroad workers is in trouble, as well as the retirement fund, but we plan to address that, and we hope to make some changes to put them on a sound, solvent basis.

But I do not think a piecemeal bailout by the Treasury is the answer. I believe it would complicate rather than enhance the solution in the long run for railroad unemployment compensation programs problems and railroad retirement systems problems.

I do not know if there are additional Senators who wish to speak, but at the appropriate time, Mr. President, I wish to make a point of order that this is legislation on an appropriations bill.

Mr. FORD. Mr. President, how much time do I have?

The PRESIDING OFFICER. Nine minutes, fifteen seconds remain.

Mr. FORD. I thank the Chair.

We are arguing a little bit here philosophy, and that philosophy is if you made a mistake you sink or swim in it.

The accusation has been made here that collective bargaining brought this trouble on. I think the distinguished Senator from Oklahoma is absolutely erroneous because collective bargaining did not plan for unemployment, collective bargaining did not plan for the recession. He claims this is a piecemeal bailout. I do not understand that. I do not understand his reasoning because we are giving all other employees in our industrial complex Federal supplemental compensation.

We inadvertently eliminated the trigger for these people. They lost 13 weeks. Now we are saying to them: "Just because Congress made a mistake, we inadvertently eliminated the trigger you lost 13 weeks, that is tough." But we do not say that to the others. We give them 26, we give them 13, we give them 10 more out of Federal supplemental funds, we give them 10 more and we say "No" to these 70,000 unemployed. Yet you are going to make points of order, anything to make these people suffer, 70,000 unemployed families suffer, and it is not right and I do not believe my colleagues will want to vote against this amendment.

I believe they want to be helpful. I think that is the attitude that prevails in the Senate Chamber now. We are trying to find ways to take the burden of our economic situation off the shoulders of those who can least afford it.

So I would say to you, Mr. President, and to our colleagues that this is the right thing to do. It is wrong to say "no" to them and "yes" to others. It is absolutely wrong to say "no" to these and "yes" to others.

Mr. President, I understand that the motion is going to be made but I would like a point of information, if I may. I thought in the unanimous-consent agreement that was arrived at the night before last that I was entitled to an up-or-down vote on my amendment.

The PRESIDING OFFICER. A motion to table was precluded but points of order were not.

Mr. FORD. So in the unanimous-consent agreement then that I was entitled to an up-or-down vote on my amendment that points of order were not included in that unanimous-consent agreement.

The PRESIDING OFFICER. In fact time was actually specified in the case of a point of order being raised.

Mr. FORD. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time.

Neither side is yielding time, time will henceforth be counted against both sides.

Mr. FORD. Mr. President, since no one appears to be interested in speaking and to expedite the proceedings of the Senate I yield back the remainder of my time.

Mr. NICKLES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Nine minutes, twenty-five seconds.

Mr. NICKLES. Mr. President, I wish to enter into the RECORD a statement by the administration opposing the amendment of my good friend, Senator FORD.

The statement follows:

EXECUTIVE OFFICE, OF THE PRESIDENT.
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 10, 1983.

Hon. DON NICKLES,
Chairman, Labor Subcommittee, Committee on Labor and Human Resources, U.S. Senate.

DEAR DON: The Administration strongly opposes S. 97, a bill "To amend the Railroad Unemployment Insurance Act to provide supplemental unemployment benefits to certain employees with less than 10 years of service." We understand that this provision will be offered as an amendment to the Supplemental Appropriations bill.

As you know, I testified on March 1 before the House Energy and Commerce Committee on the financial crises facing both railroad unemployment insurance and railroad retirement. The Administration has proposed comprehensive restructuring of the railroad unemployment insurance system, merging the separate rail unemployment insurance system with the regular Federal/State unemployment insurance systems. Under this approach, rail employees would be eligible for extended unemployment insurance benefits on the same basis as all other workers. In addition, rail workers in at least 42 States would be eligible for higher weekly benefit amounts under the regular Federal/State UI programs than under the separate rail UI system.

We anticipate working together with you and your Committee on this comprehensive rail UI restructuring proposal as well as the reform of the financially ailing rail industry pension system. I look forward to the hearing which you have scheduled on April 19 on railroad retirement and railroad UI. Any changes made to conform rail UI more closely to regular Federal/State UI should be made on a systematic, not piecemeal, basis. The rail UI system remains separate and unique at the request of the rail sector, which sought to be the only industrial sector exempt from the regular Federal/State UI program. Rail UI should *not* be permitted to pick and choose only those features of the regular Federal/State UI system that happen to prove attractive to rail UI at a point in time.

The enclosed sheet summarizes the Administration's opposition to S. 97.

In sum, we oppose increasing general fund expenditures by $125 million in fiscal year 1983. The costs of this measure are to be borne entirely by the general Treasury, rather than by the railroad unemployment insurance fund.

Sincerely,

DAVID A. STOCKMAN,
Director.

Enclosure.

RAILROAD UNEMPLOYMENT INSURANCE—NO FSC

Railroad Unemployment Insurance (RRUI) is a separate, distinct system from the rest of the Federal-State UI system.

RRUI is operated and financed completely separately from other UI. It is that way because organized labor and the railroads wanted it that way and convinced Congress to enact separate legislation to do so.

RRUI is designed by railway labor/management and is financed entirely within the industry.

RRUI is considerably more liberal in some ways than regular UI. (e.g., RRUI pays for single days of unemployment, and requires no "waiting week".)

Federal funds should not be used to pay extra benefits to claimants under a UI system with different operation and rules that was created separately at the behest of the railroad industry.

In the 1974–75 recession the Congress and the Administration recognized the separate nature of RRUI and none of the extra UI benefits enacted for that recession (payable 1975–1978) were extended to RRUI.

If any changes are to be made to make RRUI more like regular UI, the entire RRUI system should be changed, rather than permitted to pick and choose and adopt only those features of the regular UI system that happen to prove attractive to RRUI at a point in time.

Mr. President, I have circulated a copy of this letter in addition to a letter signed by myself and also Senator DOLE, chairman of the Finance Committee, which shares jurisdiction over their unemployment system.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 11, 1983.

DEAR COLLEAGUE: We urge you to vote against the Ford amendment to HR 1718. This amendment which is new legislation on an appropriations bill, would provide supplemental unemployment benefits from the general treasury to railroad workers.

In the entire 40-plus years of the railroad unemployment benefit system, the General Treausry has *never* paid for any railroad unemployment benefits—extended or regular benefits. Those benefits have always been paid for by the Railroad Unemployment Trust Fund.

Rail management pays into that Trust Fund; they do not contribute any funds to the Treasury or State programs. The rail industry and unions have freely *elected* to maintain their own separate system and to not participate in the Federal-State UI system. Now when the Federal-State UI system looks more attractive, RRUI wants partially in. In far enough to receive federal funding of $125 million, but far enough out to not contribute to the Federal-State UI system or meet its eligibility qualifications. With the Ford amendment, we are allowing RRUI to be funded by the Treasury while continuing to independently operate.

We are sympathetic to the needs of these unemployed railworkers. The Labor and Human Resources committee plans to address the serious problems with the RRUI systems in its April 19 legislative hearings. The House Energy and Commerce Committee has already reported out a bill dealing with RRUI benefits. On this Supplemental, let's not change a forty year system, but allow those changes to proceed through the normal legislative process.

Please read the attached letter from Mr. Stockman, indicating not only the Administrations' opposition to this amendment, but also their willingness to work with Congress in a comprehensive and responsible manner on this issue.

Sincerely,

BOB DOLE.
DON NICKLES.

Mr. NICKLES. We believe adoption of this amendment would be a mistake, and I hope that our colleagues will support us in that effort.

Mr. President, at this time——

Mr. FORD. Mr. President, will the Senator yield for a question since I yielded back my time?

Mr. NICKLES. I would be happy to yield.

Mr. FORD. Is the Senator aware this amendment triggers whenever any other legislation is passed on help for unemployed workers, that that would trigger this amendment to expire and that none of these workers beyond June 30, 1983, would receive any kind of payment at all beyond that point?

Mr. NICKLES. I appreciate the Senator's comments and I would agree with his statement.

Mr. FORD. So then what you just read from that letter if you proceed on that path in your committee and others develop legislation and it is passed that would trigger this amendment and it would fall and, therfore, it would cease to exist?

Mr. NICKLES. The Senator is correct.

Mr. FORD. I have no further questions. It seems to me under those circumstances the Senator ought to support me and go ahead with this legislation and we could help people rather than hurt them.

Mr. NICKLES. Mr. President, at this time I make a point of order that this is legislation on an appropriation bill and ask for the yeas and nays.

Mr. FORD. Mr. President, I raise the question of germaneness.

The PRESIDING OFFICER. Under rule XVI the question germaneness having been raised and there being House legislative language to which the amendment could be germane, the Chair submits to the Senate the question: Is the amendment relevant or germane to the subject matter of the House-passed bill?

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Idaho (Mr. SYMMS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

The PRESIDING OFFICER (Mr. QUAYLE). Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 70, nays 18, as follows:

[Rollcall Vote No. 17 Leg.]

YEAS—70

Abdnor	Ford	Moynihan
Andrews	Glenn	Nunn
Baucus	Grassley	Pell
Biden	Hatch	Percy
Bingaman	Hawkins	Pressler
Boren	Heflin	Proxmire
Boschwitz	Heinz	Pryor
Bradley	Huddleston	Quayle
Bumpers	Inouye	Randolph
Burdick	Jackson	Riegle
Byrd	Jepsen	Roth
Chafee	Kassebaum	Sarbanes
Chiles	Kasten	Sasser
Cochran	Kennedy	Simpson
Cohen	Lautenberg	Specter
D'Amato	Leahy	Stafford
Danforth	Levin	Stennis
DeConcini	Long	Stevens
Denton	Mathias	Trible
Dixon	Mattingly	Tsongas
Dodd	McClure	Warner
Domenici	Melcher	Zorinsky
Eagleton	Metzenbaum	
Exon	Mitchell	

NAYS—18

Baker	Hatfield	Murkowski
Dole	Hecht	Nickles
East	Helms	Packwood
Garn	Humphrey	Thurmond
Goldwater	Laxalt	Wallop
Gorton	Lugar	Wilson

NOT VOTING—12

Armstrong	Hart	Rudman
Bentsen	Hollings	Symms
Cranston	Johnston	Tower
Durenberger	Matsunaga	Weicker

The PRESIDING OFFICER. On this vote, the yeas are 70, with 18 nays. The amendment is germane. The point of order falls.

UP AMENDMENT NO. 37

(Purpose: To amend the Railroad Unemployment Insurance Act to provide for the restoration of extended unemployment benefits to certain employees)

Mr. NICKLES. Mr. President, I send a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Oklahoma (Mr. NICKLES) proposes an unprinted amendment numbered 37.

Mr. NICKLES. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT TO THE AMENDMENT OFFERED BY MR. FORD

On page 2 line 1 strike "supplemental" and insert in lieu therefore "extended".

On page 2 line 3 strike "supplemental" and insert in lieu thereof "extended".

On page 2 line 14 strike "supplemental" and insert in lieu thereof "extended".

On page 3 line 1 strike "supplemental" and insert in lieu thereof "extended".

On page 3 line 5 strike "supplemental" and insert in lieu thereof "extended".

On page 3 line 11 strike "supplemental" and insert in lieu thereof "extended".

On page 3 line 12 strike "fifty" and insert in lieu thereof "sixty-five."

On page 3 strike lines 13 through 16.

On page 3 line 24 strike "supplemental" and insert in lieu thereof "extended".

On page 4 line 5 strike "supplemental" and insert in lieu thereof "extended".

Beginning on page 4 line 8, strike through p. 5, line 4, and insert in lieu thereof "The extended unemployment benefits payable by reason of this section shall be paid out of the account established by Section 10 of the Railroad Unemployment Insurance Act, as amended."

Mr. FORD. A point of information, Mr. President.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. FORD. How much time is allocated to this amendment?

The PRESIDING OFFICER. On this amendment, there are 10 minutes equally divided, 5 minutes per side.

Mr. FORD. So, within 10 minutes, there should be another vote?

The PRESIDING OFFICER. If the yeas and nays are ordered, that is correct.

Mr. NICKLES. Mr. President, I advise my colleagues there will be another vote and I expect it will be within the next 10 minutes.

Mr. President, the purpose of this amendment is to enable Senator FORD to accomplish what he is trying to do. This amendment will allow unemployed railroad workers caught in this recession to receive not up to 10 but up to 13 weeks, not of supplemental benefits paid 100 percent by the Federal Government, but 13 weeks of extended benefits. Under this amendment, 100 percent of these benefits will have to be repaid by the industry.

Why that is so vitally important is the fact that this industry, rail and management, have elected never to participate in Federal or State unemployment systems. So, to give them a $125 million bailout from the Federal Government, from the U.S. Treasury, from the taxpayers, to supplement the system that they have underfunded I think would be ridiculous.

The whole purpose of this amendment is to say, yes, you can have the additional weeks, but it will come, as it has come for the last 40 years, from the railroad unemployment insurance system, from the insurance system they elected to be in, the system into which they contribute.

I urge my colleagues let us not undo past history by a little band-aid infusion of money. Let us not now revise the system on this supplemental. We are working to get these systems into better shape, both the unemployment and the railroad retirement systems, but let us not be doing it by having the Federal Government come in to underwrite what the railroads have really asked for and set up. I hope my colleagues will agree to this and not increase the cost of this so-called jobs bill by another $125 million.

Mr. FORD. Mr. President, I understand what the Senator is trying to do. I think we all understand what he is trying to do. But I do not believe that he is going to derail the thinking of the Senate as it relates to the support of this amendment. We just voted, 70 to 18, and I think that indicates the support for this amendment as it is, without amendment.

The point I want to make is, as all the State unemployment trust funds, the railroad unemployment fund is broke. We have no other course than the one we have used and the one we are using now for the States is the Federal supplemental compensation program. That is, using the general funds.

Let me just say this: They have borrowed everything they can borrow. They are at the point of saying on October 1 that they will have to reduce their pensions by 40 percent if this amendment by the distinguished Senator from Oklahoma is adopted. What he is saying is making them suffer more than the worker in the regular industrial complex. It is not right. It is not right now, it will not be right tomorrow, it was not right yesterday.

If we are going to give Federal supplemental pay without any request or any reservation to pay it back to the Federal Government and say no to the railroad unemployed but yes to everyone else, then we are discriminating against the railroad unemployed.

These are just the people with less than 10 years of service. They are unemployed. Economic conditions have brought it on. They cannot help it any more than the other unemployed can help it. They want to go to work. They want the economy to turn around. Yet we find that we do not want to do it in this amendment by the Senator from Oklahoma, but we shall do it for everybody else.

Mr. President, I think it is wrong. I believe my colleagues think it is wrong. Therefore, I ask my colleagues to vote against this amendment. I understand if this amendment is defeated, there will be a voice vote on my amendment itself; therefore, there will be one more vote as relates to this amendment.

I reserve the remainder of my time.

Mr. NICKLES. Mr. President, I thank my distinguished colleague.

Very simply put, the situation is this: My amendment would have the railroad unemployment insurance fund pay for the benefits. Under Senator FORD's amendment, the additional payment would be made by the U.S. Treasury. We have not done that in 40 years. I think it would be a mistake now. I hope we will not do it. I think the Federal Government is broke, too, so I do not know where this $125 million will come from.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. FORD. Did the Senator yield back his time?

Mr. NICKLES. I am happy to yield back my time if the Senator from Kentucky will.

Mr. FORD. I am happy to do that. I am prepared to vote. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Oklahoma. The clerk will call the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Idaho (Mr. SYMMS), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Hawaii (Mr. MATSUNAGA), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 30, nays 60—as follows:

[Rollcall Vote No. 18 Leg.]

YEAS—30

Abdnor	Grassley	McClure
Baker	Hatch	Nickles
Chafee	Hatfield	Packwood
Denton	Hecht	Quayle
Dole	Helms	Rudman
Domenici	Humphrey	Simpson
East	Jepsen	Thurmond
Garn	Kassebaum	Tower
Goldwater	Laxalt	Wallop
Gorton	Lugar	Wilson

NAYS—60

Andrews	Ford	Murkowski
Baucus	Glenn	Nunn
Biden	Hawkins	Pell
Bingaman	Heflin	Percy
Boren	Heinz	Pressler
Boschwitz	Huddleston	Proxmire
Bradley	Inouye	Pryor
Bumpers	Jackson	Randolph
Burdick	Kasten	Riegle
Byrd	Kennedy	Roth
Chiles	Lautenberg	Sarbanes
Cochran	Leahy	Sasser
Cohen	Levin	Specter
D'Amato	Long	Stafford
Danforth	Mathias	Stennis
DeConcini	Mattingly	Stevens
Dixon	Melcher	Trible
Dodd	Metzenbaum	Tsongas
Eagleton	Mitchell	Warner
Exon	Moynihan	Zorinsky

NOT VOTING—10

Armstrong	Hart	Symms
Bentsen	Hollings	Weicker
Cranston	Johnston	
Durenberger	Matsunaga	

So the amendment (UP No. 37) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HEINZ. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the Ford amendment.

The amendment (No. 489) was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Those in the well will please cease conversation or retire from the Chamber. Senators and staff in the rear of the Chamber will please cease conversation.

Mr. BAKER. Mr. President, in a moment, I intend to propound a request to add at least one other amendment to the list of amendments on which there are time agreements.

However, I should say, before we go on, that we are decimated by absentees and those who are about to become absentees.

We have important issues that are yet to be determined by the Senate, including many amendments that are on this list that have not been agreed to. It seems unwise to me to address those issues with a substantial part of the Senate necessarily absent from the Chamber.

In a few moments, I intend to ask the Senate to provide for a time for the transaction of routine morning business and to go over until Monday.

I regret to do that, Mr. President, because we have a great deal of work yet to do.

But I found over the years that the best way to accomplish that purpose is to do it at a pace that the Senate is willing to undertake, and we simply cannot force that issue beyond a certain point.

I have previously put the Senate on notice that we would be in late tonight, and I have a feeling that if we were in late tonight it might be a very lonely session or that we might be in tomorrow.

I hope the Senate will agree that the better part of discretion is to go over from this moment until Monday.

I discussed this with the minority leader. I believe he understands the predicament we find ourselves in.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business to extend not past 3:30 p.m. in which Senators may speak for not more than 3 minutes each.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. TSONGAS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Massachusetts reserves the right to object.

Mr. TSONGAS. Will the leader inform us as to what time constraint would apply on Monday for those who canceled out yesterday and who have things on for Monday? We would appreciate some guidance as to how long Monday night the majority leader intends to go.

Mr. BAKER. Mr. President, I hope I do not sound repetitious, because I believe now this is the third day that I said that it is absolutely urgent that we pass this bill, but it is my full intention on Monday to stay until we finish and that will be very late on Monday perhaps depending on the progress we have made. Shortly I shall put a request that we convene Monday at 11 a.m. and go back on the bill at 11:30 a.m.

The PRESIDING OFFICER. The majority leader has put a unanimous-consent request before the Senate.

Is there objection to the request of the Senator from Tennessee?

Mr. JEPSEN. Mr. President, reserving the right to object, I shall not object.

The PRESIDING OFFICER. The Senator from Iowa reserves the right to object.

Mr. JEPSEN. Mr. President, this is one Senator who believes that we should stay here to do the business that we have a responsibility to do.

We are on a bill that has a deadline built into it that adversely affects a large number of States around this Nation. The deadline is this Tuesday.

There are lots of amendments, and we know on the basis of the legislative process and the time it takes to debate these amendments in an open and free fashion, it is going to take many hours.

Many of us changed plans to be here on Friday, and Saturday, whatever time it takes.

I just want to make the record known that I for one would be willing to stay here and work tonight, all day tomorrow, and tomorrow night, whatever time it takes because there are going to be some serious repercussions around this country if this bill is not passed by Tuesday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday next.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. CHAFEE. Mr. President, could I propound a question of the majority leader?

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. What time would the majority leader predict that we would be on the bill itself and we have votes? We have made some arrangements that others have mentioned. Would he start immediately on the bill after morning business is concluded?

Mr. BAKER. Mr. President, that is sort of a matter that is flexible. I am willing to consult with the Senator from Rhode Island, the minority leader, and others on that subject. But what I had in mind is to come in at 11 a.m. and have time for the transaction of routine morning business and be on the bill, say, at 12 noon and that it would be about 1 p.m. before we had the first vote.

Mr. BRADLEY. Mr. President, could the majority leader give us assurance there would not be a vote prior to, say, 1;30 p.m.?

Mr. BAKER. How about 1:15 p.m.?

Mr. BYRD. Mr. President, there could be a rollcall vote on directing the Sergeant at Arms to request the attendance of absent Senators or some such. I think the majority leader is not in a position to do that.

Mr. BAKER. I thank the minority leader. That is correct.

Mr. President, I will do this.

Could I inquire of the Senator from Rhode Island if he has the time in mind that he must meet on Monday.

Mr. CHAFEE. Yes; I would be here at 2:30 p.m. and ready to vote at 2:30 p.m., unless we made very drastic changes.

Mr. BAKER. I hope we do not have to wait that long. Mr. President, my apologies to my friend from Rhode Island, but we really have gone very slowly on this matter and we are running up against a deadline of major consequence.

Let me change my request in that respect.

ORDER FOR RECESS UNTIL 12 NOON ON MONDAY AND RESUMPTION OF CONSIDERATION OF H.R. 1718 AT 1 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that on Monday next, we convene at 12 noon, and that at 1 p.m., the Senate resume consideration of the pending measure and that no rollcall votes occur if they are ordered prior to that time, prior to 1:30 p.m.

Maybe the Senator from Rhode Island can accommodate that.

Mr. President, that is with the single exception of rollcall votes to instruct the Sergeant at Arms to compel the attendance of absent Senators or other procedural votes of that type as they may be required.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. BRADLEY. Mr. President, reserving the right to object, procedural votes are described as votes only to suggest the absence of a quorum and that?

Mr. Baker. Yes, Mr. President, in that respect.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. BYRD. Mr. President, suppose the majority leader wishes to move to recess for 30 minutes or adjourn for 30 minutes and someone demanded the yeas and nays or someone moved to table the motion, then he is in a helpless situation.

Mr. BAKER. Those things would be covered, I trust the Chair would agree with me, in the general category of procedural votes as distinguished from votes on the pending business itself, such things as votes to compel the attendance of absent Senators, to adjourn or recess, and other matters of that sort.

Mr. BYRD. Or a tabling motion.

Mr. BAKER. Tabling motions in respect to those things.

Mr. BRADLEY. A tabling motion in respect to those procedural motions, not a tabling motion with respect to any pending amendment or appeal of the ruling of the Chair or anything of that nature?

Mr. BAKER. Really, I hope the Senator would not——

Mr. BYRD. The majority leader cannot agree to those things. There are those of us who have an interest in this bill and its passage. My State has an unemployment percentage of 20.4 percent. I think the majority leader has indicated that we are pretty safe until 1 p.m. I will help the Senator.

Mr. BAKER. It is my hope that the Senator from New Jersey will be reassured that I am trying to help.

Mr. BRADLEY. I am reassured.

Mr. BAKER. I cannot tighten it down that tight. The minority leader is correct. If we are going to do that, I am going to withdraw the request.

Mr. BRADLEY. I withdraw my objection and put my full faith in the majority leader.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Without objection, it is so ordered.

ORDER EXTENDING THE TIME FOR THE PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I have a request for time for the transaction of routine morning business today and I shall ask unanimous consent that it may be extended slightly.

I ask unanimous consent that that order be modified to provide that it extend not past the hour of 4 p.m. under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON MONDAY

Mr. BAKER. Mr. President, on Monday next, the Senate will turn to the consideration of the pending business at which time the next amendment, according to the list I have, will be the Heinz amendment dealing with revenue sharing.

I inquire of the Chair if that is correct?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BAKER. I thank the Chair.

Mr. President, there is a further list of amendments that extends for a fair amount and that includes several amendments. I am told that there is a request for a Moynihan-Chafee amendment with a time limitation of 20 minutes to be equally divided.

Mr. CHAFEE. No; 40 minutes.

Mr. BAKER. Forty minutes to be equally divided.

If the minority leader has no objection, I wish to put that request at this time.

TIME LIMITATION REQUEST

Mr. BAKER. Mr. President, I ask unanimous consent that there be added as another amendment, after the Mattingly amendment, a Moynihan-Chafee amendment of 40 minutes to be equally divided under the same terms and conditions; and that there be 20 minutes on second-degree amendments, or substitute amendments, or appeals, or points of order if they are submitted to the Senate.

Mr. MOYNIHAN. No tabling motion.

Mr. BAKER. Provided further that no tabling motion would be in order.

Mr. BYRD. Mr. President, reserving the right to object, and I shall not object, I will say this, that on bills of this kind, in the future we are going to have much tighter time agreements than we entered into, in this particular instance to protect against the situation that confronts us today, whereby a point of order is made, and the Chair rules in favor of that point of order, and by majority vote the Senate proceeds to overrule the Chair, which means cloture by majority vote under a strict time agreement. We have seen that develop in this situtation. I am talking about the Kasten amendment right now, which amounts to cloture or worse than cloture because time on amendments in the second degree is limited to one-third of the time that is allowed on the amendment in the first degree. That is worse than cloture.

We come in here with an amendment that is not germane. A point of order is made against it. The Chair rules that it is not germane. The Senate, by a simple majority, votes to overrule the Chair. That is cloture by majority vote. It is worse than cloture. Under cloture, there are 100 hours after cloture is voted. Under this time agreement, the time on a second-degree amendment may be 10 minutes or whatever, and we enter into an agreement without specifying the nature of amendments to amendments. We require that they be germane, but when the Chair rules that such a point of order will lie, the Senate overrules the Chair by majority vote and renders the unanimous-consent agreement void as to germaneness.

I do not find fault with the majority leader, but I have learned a little over these many years. It took me a long time to learn.

Mr. BAKER. Mr. President, will the minority leader yield to me?

Mr. BYRD. I yield.

Mr. BAKER. Mr. President, this is perhaps not the time to speak at length on this subject, but I have been in the Senate now for almost 17 years, and I have never seen an effort made to overturn the terms of a unanimous-consent agreement, and the situation that the minority leader describes is absolutely right. What the Senate would do if it were to overturn the provisions of that unanimous-consent agreement would be to provide for cloture by a majority vote, and I do not believe the Senate of the United States wants to do that.

Mr. BYRD. I do not think the Senate intended to enter into that kind of time agreement.

Mr. BAKER. The time agreement is one we have entered into countless times over the years, that is to provide a time limitation and provide that second-degree amendments must be germane to the subject matter of the first-degree amendments must be germane to the subject matter of the first-degree amendment. Not only could the germaneness question be appealed and the Senate could overturn that germaneness provision by a majority vote, but I suppose you could overturn the time limitation by an appeal from the provisions as well.

Mr. BYRD. You could. All you need is a majority vote.

Mr. BAKER. All you need is a majority vote and, Mr. President, that is playing with fire. Regardless of the merits of any controversy we deal with, if the Senate decides to do away with the provisions for solid and sound unanimous-consent agreements that treat every Senator fairly, what you are going to get is no unanimous-consent agreements, and this place will be a jungle.

We cannot run the Senate that way, Mr. President. It was not done that way when the minority leader was majority leader, and I do not propose gladly to see it done while I am majority leader. This is far beyond any issue we are dealing with no matter how important it is, and I trust the Senate will consider what they are about if they begin tinkering with some unanimous-consent agreements that are entered into in this Chamber to provide for orderly disposition of the work of this body.

Mr. THURMOND. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. THURMOND. We have an amendment——

Mr. BAKER. We are in morning business now.

Mr. RANDOLPH. Mr. President, the Senate is not in order.

Mr. BAKER. Senator HATFIELD is not here.

Mr. BRADLEY. Will the majority leader yield for one more question? Is it the understanding of the majority leader that at 1 p.m. on Monday when we come in the pending matter will be the Heinz amendment?

Mr. BAKER. Yes.

Mr. KASTEN. I would like to say to the majority and minority leaders, I am very hopeful we do not end up in the situation where we find ourselves overturning a unanimous-consent request, but I also would like to say to the majority and minority leaders we find ourselves in a situation in which we have the majority of the U.S. Senate now seeking a vote on a particular issue and those of us who are on our side of the issue are anxious and willing to vote this issue on social security if you would prefer, to vote this issue as a separate matter if you would prefer, to vote this issue as part of the jobs bill if you prefer, to vote this issue as part of one of these amendments if you prefer. I also go further to say we on this side of the issue are willing to vote on this between now and any time until March 25 when we go out.

I would much prefer that we did this on a germane bill, that we did not overturn a unanimous-consent request but so far there has been limited cooperation and it has been frustrating in an effort to get a vote. Therefore, we will be starting to have to use the rules of the Senate. I agree with you. I hope we do not end up going down this path we have started out on because there is a better and an easier way.

Mr. BAKER. Mr. President, this is not the time to join issue with my friend and colleague from Wisconsin, but I am appalled at the thought that if a majority of the Senate is in favor of a particular position that it means the minority of the Senate has no right and no protection under the rules. If that is so, then we have given up something very dear and precious in the Senate, and I do not believe that is what the Senator means.

Mr. President, I have no further need for time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am advised that other Senators—

The PRESIDING OFFICER. There is still pending a request on the Moynihan-Chafee amendment.

Mr. BAKER. Very well, Mr. President, let me withdraw that request and I will put a series of requests in that same respect.

UNANIMOUS-CONSENT AGREEMENT—H.R. 1718

Mr. President, there are now five additional amendments that have been agreed to to be added to the list of amendments on which there are time limitations, and before I put the request, Mr. President, I wish to include in that request the usual language in the others that no tabling motion will be in order, that the second-degree amendment or substitute amendment or perfecting amendment or substitute amendment or perfecting amendment must be germane to the subject matter of the first-degree amendment, and that the time for second-degree amendments or points of order, if they are submitted to the Senate, shall be limited to one-third of the time allocated to the first-degree amendments but in no case less than 5 minutes.

Mr. BYRD. Will the Senator add motions and appeals?

Mr. BAKER. Yes, Mr. President, I add motions and appeals.

Mr. BYRD. I ask if the majority leader would also add a provision that should the Chair rule on a question of germaneness, it would require two-thirds of the Senate or three-fourths to overrule the Chair.

Mr. BAKER. I would be tempted but I believe I will not put that request at this time.

Mr. President, within the framework of those limitations, and I hope the Parliamentarian is listening to me as I do this, I first ask 60 minutes equally divided on a Moynihan-Chafee amendment.

Next 5 minutes equally divided on a Thurmond amendment which I understand will be accepted.

Mr. BYRD. Will the majority leader identify it?

Mr. BAKER. Yes. Could the Senator from South Carolina—it is a military construction amendment.

Mr. THURMOND. I might say the distinguished Senator from Georgia (Mr. MATTINGLY) who is chairman of the Military Construction Subcommittee on Appropriations and I as chairman of the Military Construction Subcommittee on Armed Services have agreed and Senator HATFIELD has agreed to it and it should not take over 2 or 3 minutes.

Mr. BAKER. Next, Mr. President, two Specter amendments, one dealing with targeting and one dealing with unemployment benefits 10 minutes equally divided on each.

Mr. BYRD. How much time?

Mr. BAKER. Ten minutes. One on targeting and one on unemployment benefits.

Next, a Quayle amendment dealing with accelerated spending and savings 30 minutes equally divided.

Finally, Mr. President, a Bradley amendment dealing with the restoration of funds for urban parks 30 minutes equally divided.

Mr. BYRD. Mr. President, reserving the right to object, will the distinguished majority leader add that there be no further amendments at some point?

Mr. BAKER. Yes; I will do that on Monday. We have got to do that, in my opinion, or they will tend to proliferate but since the chairman of the committee is not here at this moment I do not wish to do so.

Mr. President, I know of no other requests and no other amendments that are cleared for inclusion in this list, and I now yield the floor.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, before the Chair puts the request, I add a Mattingly amendment dealing with Davis-Bacon on military construction contracts of 10 minutes equally divided.

Mr. BYRD. Mr. President, the majority leader may wish to get consent on his first request before offering the second.

Mr. BAKER. Very well, I withdraw that portion of the request for the time being.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I reput the request under the same terms and conditions for a Mattingly amendment dealing with Davis-Bacon on military construction contracts, 10 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is objection, Mr. President, on the part of several Senators.

The PRESIDING OFFICER. The objection of the minority leader is heard.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 10 United States Code 9355(a), appoints the following Senators to the Board of Visitors of the U.S. Air Force Academy: the Senator from Alaska (Mr. STEVENS), from the Committee on Appropriations; the Senator from Kentucky (Mr. HUDDLESTON), from the Committee on Appropriations; the Senator from Arizona (Mr. GOLDWATER), from the Committee on Armed Services, and the Senator from Nebraska (Mr. EXON) at large.

Mr. HELMS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. The Senator from North Carolina was not able to hear whether there was an objection to the majority leader's unanimous-consent request relating to the Mattingly amendment.

The PRESIDING OFFICER. There was an objection.

Mr. HELMS. Mr. President, I believe I have the floor. I would say to the majority leader that if agreements are going to be denied, I ask him to cooperate with the Senator from North Carolina in not shutting off amendments unless we are consulted about them.

Mr. BAKER. Mr. President, I try always to cooperate with the Senator from North Carolina. I assure him I will notify him before asking for such agreements.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOLUNTARY SCHOOL PRAYER ACT OF 1983

Mr. HELMS. Mr. President, I send a bill to the desk and ask for its immediate consideration.

Mr. BAKER. Mr. President, does the Senator ask for its immediate consideration or for first reading.

Mr. HELMS. Mr. President, I ask for first reading.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 784) to restore the right of voluntary prayer in public schools and to promote the separation of powers.

Mr. HELMS. I ask for its immediate consideration, Mr. President.

Mr. BAKER. Mr. President, what is the status of the bill.

The PRESIDING OFFICER. The Senator from North Carolina has asked for immediate consideration. Does he want it read for a second time?

Mr. HELMS. Yes.

Mr. BAKER. Mr. President, I object to further proceedings on the bill.

The PRESIDING OFFICER. The objection is heard.

The text of the bill follows:

S. 784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary School Prayer Act of 1983".

SEC. 2. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end of thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provisions of sections 1253, 1254, and 1257 of this Chapter, the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, practice, or any part thereof, or arising out of any act interpreting, applying, enforcing, or effecting any State statute, ordinance, rule, regulation, or practice, which relates to voluntary prayer, Bible reading, or religious meetings in public schools or public buildings.

"(b) As used herein, 'voluntary' means an activity in which a student is not required to participate by school authorities.".

(b) The section analysis of chapter 81 of title 28 is amended by adding at the end therof the following new item:

"1259. Appellate jurisdiction; limitations."

SEC. 3. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of chapter 85 of title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on Jurisdiction.".

SEC. 4. The amendments made by this Act shall take effect on the date of enactment, except that such amendments shall not apply to any case which, on such date of enactment, was pending in any court of the United States.

Mr. BAKER. Mr. President, let me say first that I did not know the Senator was going to offer a prayer-in-school bill today. It is my responsibility, as leader, to object to its further consideration at this time. I think the Senator from North Carolina knows, however, that I have supported his position on this matter since the first day I came to the Senate. I wish to make it clear that my objection is procedural and not substantive.

Mr. HELMS. Mr. President, if the Senator will yield, that is absolutely correct. The Senator acted in accordance with the customary procedure.

Mr. BYRD. Will the majority leader yield?

Mr. BAKER. Yes.

Mr. BYRD. Mr. President, I may say for the record also that had the majority leader not objected, I would have had to do the same on the part of my colleagues, so he does not stand alone.

Mr. BAKER. I thank the Senator.

Mr. HELMS. Mr. President, just so the record will be entirely clear, I checked with both the majority leader and the minority leader. My only purpose was to place this legislation on the calendar which will occur in due course.

Mr. BAKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are a number of wrap-up items that I have in my life.

ORDER FOR THE RECOGNITION OF SENATOR HART ON MONDAY, MARCH 14, 1983

Mr. BAKER. Mr. President, I ask unanimous consent that on Monday, March 14, after the recognition of the two leaders under the standing order, the distinguished Senator from Colorado (Mr. HART) be recognized on a special order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I believe the actions I am about to request have been cleared with the minority leader. Let me state several requests for his consideration.

PERMISSION FOR COMMITTEES TO FILE REPORTS UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that committees have until 5 p.m. today to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL BUSINESS ACCESS TO FEDERAL PROCUREMENT INFORMATION

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 272.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendments to the bill (S. 272) entitled "An Act to improve small business access to Federal procurement information", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. MITCHELL, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LAFALCE, Mr. WYDEN, Mr. ECKART, Mr. SAVAGE, Mr. LUKEN, Mr. MCDADE, Mr. CONTE, Mr. BROOMFIELD, and Mr. WILLIAMS of Ohio be the managers of the conference on the part of the House.

Mr. BAKER. Mr. President, I move that the Senate disagree to the House amendments and agree to the House request for a conference and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Messrs. WEICKER, BOSCHWITZ, PRESSLER, NUNN, and LEVIN, conferees on the part of the Senate.

SMALL BUSINESS ADMINISTRATION PILOT PROGRAMS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 273.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 273) entitled "An Act to amend section 8(a)(1) of the Small Busniess Act", do pass with the following amendments:

Strike out all after the enacting clause and insert: *That notwithstanding the provisions of section 8(a) of the Small Business Act, the programs authorized by subparagraph (B) of section 8(a)(1) of such Act and by paragraph (2) of section 8(a) of such Act shall be continued through fiscal year 1985. This Act shall effect October 12, 1983.*

Amend the title so as to read: "An Act to extend through fiscal year 1985 SBA pilot programs under section 8 of the Small Business Act.".

Mr. BAKER. Mr. President, I move that the Senate disagree to the House amendments and request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Messrs. WEICKER, BOSCHWITZ, PRESSLER, NUNN, and LEVIN conferees on the part of the Senate.

SEQUENTIAL REFERRAL OF S. 695

Mr. BAKER. Mr. President, I now ask unanimous consent that once the Committee on Foreign Relations reports S. 695, a bill to increase the U.S. contribution to the International Monetary Fund, it then be referred to the Committee on Banking, Housing, and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, could I inquire of the minority leader if there are items on today's Executive Calendar that he is prepared to consider?

Mr. BYRD. Mr. President, this side has cleared all nominations on pages 2 and 3.

Mr. BAKER. I thank the minority leader.

Mr. President, let me begin with Calendar Order No. 44, which is the second item on page 2.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering nominations on page 2 of today's executive calendar, beginning with order No. 44, message No. 80, under the heading "Ambassador," Darrell M. Trent, of California, continuing through Department of Agriculture on page 2, and including page 3, nominations placed on the Secretary's Desk in the Foreign Service.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The clerk will state the nominations.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominees be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

AMBASSADOR

Darrell M. Trent, of California, for the rank of Ambassador.

DEPARTMENT OF AGRICULTURE

John J. Franke, Jr., of Kansas, to be an Assistant Secretary of Agriculture.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service nominations beginning Eugene S. Staples, and ending Ruth S. Taylor, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 22, 1983.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominees were considered and confirmed en bloc.

Mr. BYRD. Mr. President, with great reluctance, I move to lay the motion just made by the very distinguished majority leader on the table.

Mr. BAKER. Mr. President, I appreciate the minority leader's concern.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there are now 20 minutes left for the transaction of routine morning business. I am prepared to ask the Senate to go out as soon as I am advised that Senators have no further need for the time. It is understood that the Senator from Alabama perhaps wished to speak. There may be others.

I yield the floor, Mr. President.

EQUALITY OF RIGHTS RESOLUTION

Mr. BYRD. Mr. President, I have received the text of a concurrent resolution adopted by the Legislature of the State of West Virginia requesting that the Congress of the United States adopt a resolution proposing an amendment to the Constitution of the United States guaranteeing that equality of rights under the law not be denied by the United States or any State on account of sex. It is brief.

I ask unanimous consent that the full text of this concurrent resolution be printed in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION No. 21

Memorializing the Congress of the United States to adopt a Joint Resolution again proposing an amendment to the Constitution of the United States providing that equality of rights under the law shall not be denied or abridged by the United States, or by any state, on the basis of gender.

Whereas, The State of West Virginia has long recognized the principle that equality of rights under the law shall not be denied or abridged on account of sex; and

Whereas, In recognition of this basic tenet, West Virginia was historically and remains at the forefront of efforts to adopt an ratify an "Equal Rights Amendment" to the United States Constitution; and

Whereas, West Virginia has by law prohibited gender-based discrimination; and

Whereas, The Congress of the United States has the authority, and indeed the responsibility, to ensure that the law of the land clearly prohibits gender-based discrimination and ensures equality of rights under the law; therefore, be it

Resolved by the Legislature of West Virginia: That the Congress of the United States is hereby requested to adopt a Joint Resolution proposing an amendment to the Constitution of the United States that guarantees that equality of rights under the law shall not be denied or abridged by the United States, or by any state, on account of sex; and, be it

Resolved further, That the Clerk of the Senate of West Virginia forward copies of this resolution to each member of the West Virginia congressional delegation.

SYNTHETIC FUELS RESOLUTION

Mr. BYRD. Mr. President, I ask unanimous consent that the text of a resolution passed by the Legislature of the State of West Virginia urging the U.S. Congress to fund and reactivate the synthetic fuels program be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION No. 20

Whereas, West Virginia's economy was damaged by the cutback of the Synthetic Fuels Programs in Morgantown, West Virginia; and

Whereas, A reactivation of the programs would provide a boost to West Virginia's sagging economy and provide employment for many of our citizens; and

Whereas, Such a reactivation would cut down on the United States' dependency on foreign oil and would assist in ensuring a high level of national defenses; therefore, be it

Resolved by the Legislature of West Virginia; That the United States Congress and the President are hereby urged to fund and reactivate the Synthetic Fuels Programs; and, be it

Resolved further, That the Clerk is hereby directed to forward a copy of this resolution to the President of the United States, to Senators Byrd and Randolph and to members of West Virginia's Congressional Delegation.

Mr. BYRD. Mr. President, I say to the majority leader that is all I have.

Mr. BAKER. I thank the minority leader.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARGINAL RATE MADNESS AS SOCIAL SECURITY REFORM

Mr. LONG. Mr. President, in seeking to act on the very important Social Security Act which will soon be before the Senate, Senators must take great care to see that we do not find ourselves guilty of ill-considered legislation. There appeared in today's Wall Street Journal on the editorial page a very thoughtful article by Paul Craig Roberts, well-known to many Members of the Senate, entitled "Marginal Rate Madness as Social Security Reform."

I think that anybody who reads Mr. Roberts' views on this subject will find that, already, the committee has fallen into an error that will require thoughtful consideration of the Senate. There are other such provisions in the bill that require change and much more thorough consideration than the committee has found time to give it.

I hope that, rather than act rashly and unwisely, the committee—at least the Senate—would prefer simply to delete some of the provisions from the bill that will cause all sorts of difficulties and problems unless they can be corrected in such a fashion that they reflect better judgment than will be the case if we rush to judgment too rapidly.

I ask unanimous consent that this article to which I made reference be printed in the RECORD, hopefully under morning business.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal]

MARGINAL-RATE MADNESS AS SOCIAL SECURITY REFORM

(By Paul Craig Roberts)

Haste makes waste, and in the case of the House Ways and Means Committee's markup of the bill taxing Social Security benefits, it makes disaster. As a result of the bipartisan Social Security tax package that is sailing through Congress, middle income retirees are about to experience enormous increases in the marginal tax rates on their private pension and investment income, ranging from 50 percent to 77 percent. Social Security recipients who are still working and have "earned income" in excess of the Social Security earnings limitation will face marginal tax rates in excess of 100 percent.

For example, a retired individual with $26,000 in private retirement income will jump from a 30 percent marginal tax rate to a 45 percent rate. A retired couple with a private retirement income of $28,000 will be pushed from a 28 percent to a 50 percent marginal tax rate.

These enormous increases in marginal tax rates on middle-income retirees result from the way the Ways and Means Committee decided to go about taxing Social Security benefits. The formula for computing the tax on benefits is complicated and will add another page to the complexity of the tax code. Indeed, it is so complicated that ap-

parently neither the administration nor the Congress knows what it is doing.

The perversity of the formula results from phasing-in the taxation of Social Security benefits. Take the case of the single retiree currently in the 30 percent bracket. Since his private income is above the allowable threshold, his Social Security income is subject to tax. For every dollar in private income above the threshold, he has to pay tax on 50 cents of Social Security income until he is paying tax on one-half his Social Security benefits.

In other words, above the threshold every dollar of private income must be reported for tax purposes as $1.50. That raises the tax rate on his additional dollar of private income from 30 cents to 45 cents ($1.00 × .30 + $0.50 × .30). This continues until one-half of the benefits are taxed, at which time the effective marginal tax rate drops back down.

This approach to the taxation of Social Security benefits makes no sense at all—especially in the context of President Reagan's policies designed to lower marginal tax rates and to increase incentives to save and invest. Once people planning their retirement realize that the penalty for providing a private retirement income in excess of the threshold is to be hit with 50 percent to 77 percent increases in marginal tax rates, their saving rate is going to drop. The result will be to make people more dependent on Social Security, thereby worsening the long-run problem.

The horror story worsens when you consider the interaction of the taxation of benefits with the existing limitation on earned income, which costs retirees 50 cents in reduced Social Security benefits for every additional dollar earned by continuing to participate in the work force. In this case, due to the loss of benefits retirees will experience marginal tax rates on additional earned income in excess of 90 percent. If payroll and state income taxes on additional earned income are taken into account, the marginal tax rates can exceed 100 percent. One has to ask what happened to the Reagan administration that was going to improve incentives for people to work?

What we have here is a form of age discrimination that perhaps manages to avoid technically violating the anti-discrimination laws, but is nonetheless vicious in violating the spirit of the law. The entire thrust of the Social Security package that is about to become law is to deny the aged any incentive whatsoever for being independent of the government.

This kind of disgraceful legislation is the result of haste. If you are wondering where are the Ways and Means Committee staff and the Treasury's Office of Tax Policy, the answer is that they are looking the other way. The legislation is so bad that staff is hesitant to raise questions for fear that it will be blamed for derailing the bipartisan compromise.

The rush is on to pass the bill before anyone looks at it, because the politicians need to tell the folks back home that they have "solved" the Social Security crisis. The truth is that the bill will worsen the long-run problem by covering it up for a few more years at the cost of incentives to work and save.

The legislation also reflects the static thinking that continues to harm tax policy. The staff that drafted the bill decided to "fix" Social Security at the expense of people who currently have above-average incomes with no thought about how this approach would affect people's planning for the future.

Hasty runs at Social Security are nothing new. In 1972 another Congress not knowing what it was doing managed to double-index the benefits. No one got around to fixing it until 1977, and the added strain on the system in the meantime helped to bring about the current crisis. And the current haste will bring on a future crisis.

Ironically, the taxation of benefits won't bring in the expected revenues. Instead, it will create a stampede of middle income retirees into tax-free municipal bonds in order to escape crossing the threshold into the land of gigantic tax increases.

Maybe someone will wake up the Senate Finance Committee and the deliberative upper house can fix the bill before it becomes law. If politicians are going to turn Social Security into a means-tested welfare system by taxing the benefits of people who managed to put away something on their own, let the politicians at least tax the benefits in a rational manner. If they think about it, they will realize that they don't really want to place a retired couple with a $36,000 income in the same marginal tax bracket with a working couple earning $175,000.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington.

WOMEN'S HISTORY WEEK

Mr. GORTON. Mr. President, it is in many ways encouraging that the Congress has chosen to designate this week as Women's History Week. For too long the contributions and achievements of women in our Nation's history have gone unrecognized. At the same time, however, I am disappointed that women have historically been denied the opportunity to play a more active role in the leadership of this country in the fields of politics, law, medicine, and many other occupations. It is only because of this regrettable treatment that it does not seem odd to talk about Women's History Week. Would it not, on the other hand, strike us as strange to celebrate Men's History Week?

Mr. President, I suggest that in addition to honoring the efforts of the many women who have contributed so much to our proud past, we take time to reflect on how much we have lost by denying ourselves the full industry and talents of half of our population for so long. Let us hope that we correct that mistake and that in the future our Nation will gain strength through our commitment to guarantee all citizens equal opportunity to pursue any occupation or profession their talents allow.

Washington State has long been in the forefront of the equal rights movement, the effort to secure for women the right to vote and many other battles to allow women the full opportunity to participate in all sectors of our society. The reason for this is twofold. First, Washingtonians have always understood the inherent justice of such causes. Second, they have always understood how much richer the State would be if it took advantage of the talents of all of its citizens. The history of Washington State is thus replete with women who have made great contributions to the State and to the Nation in all fields of endeavor. I will not single our particular individuals for note here today. To do so might suggest that the list of women from Washington who have contributed to our Nation's history is sufficiently short to allow for such a selection. It is not. Rather, I salute all of the women of Washington State, past and present. Their contributions to all of us are too great to be measured.

SECRETARY WEINBERGER'S REPORT ON SOVIET MILITARY POWER

Mr. KENNEDY. Mr. President, in the midst of congressional debate on the U.S. defense budget, Secretary of Defense Weinberger released on March 9 a 107-page publication on the Armed Forces of the Soviet Union.

Secretary Weinberger's exercise in excessive rhetoric and exaggeration, timed to coincide with the defense budget and nuclear freeze votes, is classic scare-mongering. His misleading assessment of relative Soviet and American strength is designed to frighten the country and the Congress into wasting billions of dollars on needless new weapons and nuclear arms that will not add to our national security. His report is conveniently selective: With studied alarm, he cites the fact that the Soviets are developing an air-launched cruise missile; he does not mention that this country already has 192. Secretary Weinberger says he worries that the "erosion" of the perception of American power and capability will weaken this Nation. But the kind of comments the Defense Secretary has made actually contribute to such an erosion. By denigrating American military strength, President Reagan and Secretary Weinberger are unwittingly helping to undermine our national security.

But the administration is clearly less concerned with strengthening national security than with satisfying the plea of the Reverend Jerry Falwell and other right-wing extremists who want a new report to fight the nuclear freeze and justify nuclear escalation. We now see the convenient and selective declassifying of information for the sake of a momentary impact on public opinion—information intended

to worry us more and inform us less. This is the latest episode in an old and dubious game, played so often during the Vietnam war, which tells us that the President always knows best.

Clearly, the President and the Secretary of Defense have failed to argue effectively against the nuclear freeze; so now they seek to dominate the dialog and silence other voices by loudly shouting their own false alarms. In doing so, they ignore the new revision of CIA estimates of Soviet military strength, a revision which indicates that past assessments were exaggerated. They ignore as well the statement of one of their own top analysts yesterday that the Soviet Union has no strategic superiority over the United States. Indeed, Secretary Weinberger's attempt this morning to explain away that statement is transparently absurd.

The reality remains today that we maintain overall nuclear equivalence with the Soviet Union. We have deployed over 9,000 strategic nuclear warheads; the Soviets have deployed about 8,000. Even if the Soviets were to launch a first strike against us, we would have a minimum of 3,500 warheads which would inflict unacceptable retaliation against the Soviet Union.

Ironically, Mr. Weinberger has argued unintentionally in favor of a bilateral freeze. His alarms focus on the proposition that the trends of the Soviet buildup will work against the United States. In fact, the new generation of nuclear weapons that the Soviets have begun developing—seven of the eight nuclear initiatives that Mr. Weinberger claims have been taken since late 1981—would be halted by a nuclear freeze. His report amounts to a case for the freeze—for stopping any threatening trends now—and preserving the existing balance of forces.

I believe in a national defense second to none. But we cannot afford a defense policy based on a continuing infatuation with nuclear annihilation. We have a strategic force that can deter any attack. We need to strengthen the readiness and improve the reliability of our conventional forces. We need to defend freedom and seek peace at the same time, instead of calling on ministers of the Gospel, as the President did yesterday, to preach in favor of the nuclear arms race.

THE SOVIET MILITARY IN SPACE

Mr. PRESSLER. Mr. President, on Wednesday, the Secretary of Defense released the second edition of "Soviet Military Power." Among the most notable differences between this second edition and its predecessor is the increased attention given to Soviet space systems. In the first edition, released in September 1981, a single paragraph is devoted to the Soviet antisatellite weapons program as part of a chapter on Soviet strategic forces. The second edition has an entire chapter devoted to the Soviet program in space. This is a welcome addition to this volume and I would urge that Senators read the Secretary of Defense's report.

The Soviet Union is involved in space in a very big way. While in previous speeches I have focused on U.S. space programs, and I will continue to elaborate on U.S. space weapons developments in future talks, today my focus lies with Moscow's efforts in space. That effort is enormous in comparison to the space programs of any other nation, including the United States. Unfortunately, the public has been denied sufficient information to fully judge the magnitude of this effort. A great deal of information on the Soviet space effort is hidden behind the cloak of secrecy. My remarks today rely on information that has been made available by this Government or has been published in the press and other media.

As I have said, the Soviet space program is vast in proportions. For the past 10 years, the Soviets have launched no less than 75 space systems each and every year. This launch rate is on the rise. In 1981, Moscow deployed a record total of 124 payloads. For the first 6 months of 1982, the total stood at 79 launches, as compared to 64 launches in the first 6 months of 1981. Though the total for 1983 is not yet available, it appears that the Soviets have almost certainly set a new launch record in 1982. How does the United States stand in comparison? The answer is that in 1981 the United States launched a total of 18 satellites whereas the Soviets launched 15 satellites in June 1982, alone.

This high launch rate is paralleled by a huge capability to lift satellites and other systems into space. According to the Secretary of Defense, the annual space payload weight for the Soviet Union is 10 times as great as the U.S. weight. The current 660,000 pound deployment rate will increase dramatically in the course of this decade as the Soviets move to deploy newer and larger boosters. Included in the new array of Soviet systems will be reusable systems which some believe are modeled after the U.S. Space Shuttle. The following chart compares the payload potential of the largest current and future generation United States and Soviet space system launch vehicles.

United States and Soviet space launch vehicles

Launch vehicle	*Payload in kilograms*
United States:	
Current Shuttle launcher	29,500
Solid rocket booster system [1]	[2] 45,450
Soviet Union:	
D-1 launcher for Salyut	22,500
Medium-lift launcher [1]	[2] 13,000
Heavy launcher [1]	[2] 60,000
Super heavy launcher [1]	[2] 130–150,000

[1] Under development.
[2] Estimated weight.

These current and development models of the Soviet launch vehicles are only a small part of the Soviet Union's space launch potential. In addition to the Salyut launcher series, the Soviets currently have in their inventory a host of other launch systems. The most notable is the F series of launchers which are derivatives of the SS-9 ICBM. The SS-9 Scarp missile is the launch vehicle for the Soviet killer satellite. It is also the testing platform for the Soviet fractional orbital bombardment system (FOBS).

The Soviets have shown an interest in the FOBS concept since Khrushchev's premiership. FOBS represents an alternative to either bomber or traditional ballistic missile concepts for delivering nuclear weapons. Under FOBS the nuclear device would be placed in a satellite trajectory in space, with the trajectory interrupted, through the firing of onboard rockets, to force reentry onto Earth-based targets, before the completion of a single resolution. If fired south in a Polar orbit, FOBS holds out the distinct advantage of avoiding detection by early warning radar, which is pointed toward the north. While the Soviets are reported to have conducted tests of FOBS, there are few indications that they have or intend to deploy a FOBS weapon in the near future.

Most of the Soviet Union's space efforts are concentrated at three key facilities in the U.S.S.R.: Tyuratam, Plesetsk, and Kapustin Yar. The Secretary of Defense noted that each of these facilities is defended by an air defense network which includes interceptor aircraft and ground-to-air missiles. Tyuratam is currently undergoing expansion to allow it to handle the future generation of super heavy space boosters. According to published reports, Tyuratam and Plesetsk are involved in the Soviet antisatellite (ASAT) testing program.

On any given day, 70 to 110 Soviet satellites are in orbit and functioning. There are still many others that have ended their useful life but remain in orbit. The Soviet space program is designed with the military in mind. Sixty-nine percent of Soviet satellites are totally dedicated to the military; another 16 percent have dual military-civilian use. Of these, the majority are dedicated to reconnaissance activities.

A major reason for the high rate of reconnaissance launches is the relatively short life span of such systems. While this is a problem for both the United States and the Soviet Union, Soviet reconnaissance satellities seem to be the less durable. However, the Soviets seem to be catching up in this department and a new generation of long-duration satellites is now being launched.

Moscow uses satellites for a myriad of functions, including navigation, communications, command and control functions, worldwide electronic intelligence collection, and early warning of strategic attack and meteorology. Of the current capabilities, the Pentagon seems most troubled by the Salyut manned spacecraft program which some fear marks a prelude to a permanently manned space battle station; the new generation of ocean surveillance satellites which could pinpoint U.S. naval forces for attack in wartime; and the Soviet killer satellite.

Salyut 1 was launched in 1971. Since then a total of seven Salyut systems have been placed in orbit. Between September 1971 and May 1981, the Soviets flew a total of 33 manned space missions—both Salyut and Soyuz missions. All told, 59 cosmonauts were involved in this decade of effort, including nine non-Soviets. The Soviets have set several records in the manned space area. Cosmonauts have remained in the Salyut for up to 6 months at a time on three occasions and remained in space for a total of 211 days on one occasion. Included in the Salyut program have been efforts to assemble space stations by combining boosters from several space launches. In this connection, the Soviets have ferried cosmonauts as frequently as six times per year up to Salyut, where up to five cosmonauts have been in residence at a time.

The new generation of ocean surveillance satellites are of particular concern to the U.S. Navy. According to one article by Donald Hafner of Boston College, the Soviets are now "capable of scanning the oceans with radar and detecting the echoes reflected from ships on the surface." Professor Hafner continues by writing that the Pentagon in part supports U.S. ASAT development "in order to initiate attacks on a relatively small number of Soviet satellites that pose a danger to U.S. forces. Of particular concern are the Soviet radar and electronic surveillance satellites that can scan the oceans for U.S. naval forces and provide targeting information for, say, long-range cruise missiles."

It is in this surveillance program that the Soviets have had the most noticeable problems from both a technical and political standpoint. Both Cosmos 954, which crashed in Canada in September 1977, and Cosmos 1402, which broke up over the oceans between January and February of this year, were surveillance satellites of this type. Both employed nuclear reactors as a power source and both failed to be boosted into a higher orbit at the end of their useful life, as was planned. According to some reports, the Soviet ocean surveillance satellites were deployed over the South Atlantic during the British-Argentine Falkland Islands war.

The most threatening of Moscow's current capabilities is the Soviet killer satellite. In 1964, the Soviet strategic defense forces were assigned the mission of "destroying the enemy's cosmic means of fighting." Testing of the Soviet ASAT began in 1968. Since that time the Soviets are reported to have repeatedly tested this system, and improved variants, over 20 times with mixed results. The Soviet ASAT launch vehicle is the SL-11 launcher—the space launch variant of the SS-9 Scarp booster. The satellite attack scenario calls for the orbiting interceptor to maneuver close to its target and then explode, destroying its target with shrapnel or pellets. A recent New York Times Magazine article claims that:

> For several years, the Russians have also been working on fast setup and fueling for the launch rockets on their killer satellites, polishing their techniques to the point where they can get a rocket in position . . . ready to launch in only 90 minutes. This quick reaction system permits an attack on an enemy satellite without a lengthy pursuit in orbit.

The author goes on to claim that the Soviets have developed this technique to the point of enabling the interceptor to attack on a direct ascent; that is, without having to orbit.

In a related vein, some claim that the Soviet Union can employ its Galosh ABM system, which rings Moscow, as an ASAT weapon. The Galosh uses a nuclear warhead which requires far less accuracy in targeting a satellite. The major disadvantage of such an ASAT is that it could well destroy nearby Soviet satellites.

The most recent test of the Soviet SL-11 ASAT seems particularly ominous. That test was part of a massive display of Soviet military power, involving the test firing of two SS-11's an SS-20, two ICBM targets which were intercepted by an ABM, and the launch of a submarine launched ballistic missile from an operational submarine. Some have interpreted this Soviet test effort as an attempt to play out one scenario for waging nuclear war. In this scenario, ASAT's would have a key role in destroying U.S. retaliatory capabilities by disrupting U.S. command, control, and damage assessment capabilities in space.

Finally, we should take a look at the future of exotic beam weapons, an area in which the Soviets are investing heavily—some say three to five times as much as the United States. One path that the Soviets are following is that of high-energy lasers. These should be either ground-based or space-based. Space, however, is the ideal environment for these weapons which are hard pressed to overcome the effects of Earth's atmosphere. The Soviets are believed to be 5 or more years ahead of the United States in developing these weapons. Projections on the deployment date for an operational system vary from as early as 1985, according to published sources, to the late eighties or the early nineties, according to the Pentagon. Defense Secretary Weinberger stated that:

> An operational system capable of attacking other satellites within a few thousands kilometers range could be established in the early 1990's. Space-based ABM systems could be tested in the 1990's, but probably would not be operational until the turn of the century.

Particle beams, which have less of a problem in dealing with atmosphere conditions, are also under development in the Soviet Union, according to several publications. One author claims that particle beam tests are currently being conducted at a facility in Kazakhstan, in Soviet Central Asia.

Mr. President, as is evident from these space activities, the Soviet Union's space efforts pose a serious threat to United States security interests. Soviet space weapons that are currently in operation or are moving toward the testing and deployment phase are a threat to United States space systems and could undermine strategic stability. According to one published estimate, the Soviet space budget stands today at $18 billion per annum. It is in our interest to halt and to reverse this high level of investment in space-based and space-directed warfare. As I have repeatedly asserted on previous occasions, I do not believe that the solution to this threat is a military response in the form of U.S. space weaponry. We would serve our interests much better through a return to arms control talks through which we would seek to ban weapons from space. If we are to act, we must do so now, before current space weapons programs on both sides develop a momentum of their own and before deployments make verification difficult, if not impossible. Mr. President, I ask that Senate Resolution 43 be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 43

Whereas the United States depend upon satellites for preserving the peace through command and control of United States forces worldwide and through early warning of strategic attack, among other functions;

Whereas satellites are vital for verification of arms control agreements;

Whereas the safety of such important missions including those performed by the

Space Shuttle would be compromised by the threat posed by killer satellites;

Whereas a space arms race would undermine strategic stability;

Whereas a military space race would add to the uncertainties faced by military planners and thereby complicate the task of designing an effective military force structure;

Whereas an arms race in space would be a drain on the American taxpayer and would undermine our ability to correct current deficiencies in our military posture;

Whereas the United States and other nations rely increasingly on space-based systems for weather forecasting, communications, natural resource exploration and other important commercial activities;

Whereas the maximum utilization of space technology for commerce and science is assured only under peaceful conditions;

Whereas the unregulated deployment of hazardous space systems, even if intended for nonweapons purposes, poses a serious danger to human life; and

Whereas the present pace of military space developments will soon reduce the prospects of avoiding the weaponization of outer space: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(a) the President should immediately prepare a proposal and invite the Soviet Union to negotiate a verifiable ban on the development, testing, production, and deployment of antisatellite weapons as a first step toward prohibiting all space-based and space-directed weaponry;

(b) these negotiations should also seek to restrict to the extent consistent with United States national interest the deployment of hazardous objects and materials, such as nuclear materials in outer space; and

(c) in pursuing agreement with the Union of Soviet Socialist Republics on antisatellite weapons, the President should agree to no provision that would in any manner restrict the development and operation of the Space Shuttle or impede legitimate activities permitted under the SALT I ABM Treaty.

THE NOMINATION OF HELENE VON DAMM

● Mr. PRESSLER. Mr. President, I was very pleased to learn that the President has decided to nominate Helene Von Damm to be the U.S. Ambassador to Austria. Although that nomination has not yet been formally submitted to the Senate, I look forward to her confirmation hearing before the Foreign Relations Committee and feel certain that she will ably demonstrate her excellent qualifications for advancing United States-Austrian relations.

Helene Von Damm knows President Reagan as well as, if not better than, anyone in this administration. Her association with the President goes back many years. As his personal assistant since his tenure as Governor of California and as his personnel assistant in the White House, she has proven herself to be a faithful servant of the President. His total confidence in Mrs. Von Damm was demonstrated by the President's decision to appoint her Director of the Office of Presidential Personnel. In this position, Mrs. Von Damm was responsible for selecting the key people who would serve the President and carry out his policies. The President's great satisfaction with Mrs. Von Damm's performance lies behind his decision to appoint her as his representative in Vienna.

The American people, the U.S. Senate, and the Austrian Government have every reason to be pleased by this appointment. Helene Von Damm is uniquely qualified for this appointment. She was born in Austria and speaks the German language. There are few people who could bring as strong an understanding of the Austrian people and their culture to this job.

An Ambassador's task requires accuracy in reporting the views of the President to the host government and in reporting the policies and feelings of the host government back to the President. All too often, precious time is lost in on-the-job training by our key diplomatic personnel. Mrs. Von Damm has the sensitivity to Austrian interests and to the President's concerns to commence her work from a running start.

Mr. President, Mrs. Von Damm has the President's ear, she knows Austria, and she can deal with the government in Vienna in its own language. I applaud the President's decision on this important post and look toward expeditious action by the Senate in confirming the nominee.●

NATIONAL ALZHEIMER'S AWARENESS MONTH

Mr. PRESSLER. Mr. President, I am very pleased to join with my colleague from Missouri in sponsoring this resolution declaring November of this year to be "National Alzheimer's Awareness Month." We worked together in the effort to designate an "Alzheimer's Awareness Week." As the numbers of those affected by this disease grows, so does it become increasingly important for the public to increase its awareness about Alzheimer's disease.

During the closing days of the 97th Congress, I offered an amendment which would have required the National Institute on Aging to spend no less than $6.5 million on Alzheimer's research during this fiscal year. I consider that amount the bare minimum that we should spend in order to find treatment or a cure for a disease that costs the Federal Government billions of dollars each year. Most of the 1½ million Americans who now have Alzheimer's disease will spend some time in a nursing home. The cost of care in these facilities is high, and it depletes one's savings very quickly. As a result, a large portion of this country's nursing home residents eventually are forced to turn to the medicaid program for financial assistance. This program is financed with taxpayers' dollars, and its expenditures are increasing each year. I consider awareness about the tragic effects of this disease to be absolutely necessary to the effort to conquer Alzheimer's disease.

Again, I commend my colleague for introducing this measure, and I want him to know that he has my full support.

THE PRESIDENT'S PROPOSAL TO DEREGULATE NATURAL GAS

Mr. EAGLETON. Mr. President, last week the Reagan administration unveiled its proposal for the complete decontrol of natural gas prices. From what I can tell, response to the proposal in Congress from both sides decontrol-recontrol fense has been somewhat muted. I assume that many colleagues are withholding comments until they have had time to review some thoughtful analyses of the so-called Hodel proposal.

I rise today to offer to my colleagues what I believe to be such an examination. A detailed critique of the Hodel bill was referred to me by the president of the Northwest Energy Co.—a large interstate natural gas concern—and was developed by the company's Washington counsel, Mr. Rush Moody. Mr. Moody is a former member of the Federal Power Commission and an experienced natural gas attorney.

This analysis gives the Hodel bill a well deserved, double-barrel blast. It concludes that:

> The Hodel proposal guarantees higher prices, unreliable service and an administrative breakdown. There are only illusions of consumer protection in the Hodel proposal. In reality, the proposal, if adopted, grants to natural gas producers sole and absolute control over the natural gas industry.

I would enthusiastically endorse this conclusion and add that the real beneficiaries of the decontrol of old low-cost gas that its envisioned in the Hodel bill would be the corporate energy giants who own the bulk of the old gas.

The administration's decontrol initiative is wrapped in a veil of "consumer protection" language that cannot disguise the fact that it is not in the best interests of gas consumers, distributors, or pipelines.

I recommend the analysis that is to follow to my colleagues in the Senate and the House of Representatives and hope that others will join me in opposing the Hodel gas decontrol bill.

Mr. President, I ask unanimous consent that the analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

PRELIMINARY ANALYSIS OF SECRETARY HODEL'S LEGISLATIVE INITIATIVE TO DECONTROL NATURAL GAS

(By Rush Moody, Jr.)

Secretary of Energy Hodel has proposed an eighteen point legislative program which

is the basis for natural gas decontrol legislation sponsored by the Administration in the current session of Congress.

SUMMARY

1. The Hodel proposal is touted as a balanced, comprehensive solution to all natural gas problems, which is appropriately protective of the gas consumer. Analysis indicates that this is not accurate; the effects of the Hodel proposal will be strongly anti-consumer. Enactment of this decontrol initiative will not only cause natural gas prices to rise, but will result in natural gas producer market control in 1985. This conclusion is based upon these facts:

a. Under the Hodel plan, on January 1, 1985, every natural gas producer may lawfully abrogate every existing old gas sales contract, and thereupon shut in all gas wells covered by those contracts and withhold from consumers the natural gas supplies upon which they depend. Secretary Hodel thus recommends a law which lets the gas producing companies unilaterally abandon their existing gas sales, and then control the flow of natural gas free of old contract or regulatory constraints. After January 1, 1985, natural gas prices will be set by gas producers, for the producers will dominate the market.

b. There are no safeguards built into the Hodel plan which can possibly balance the market control gas producers would acquire on January 1, 1985. The features claimed to be consumer protective—"capping" natural gas prices until 1/1/86, and restricting interstate pipeline automatic flowthrough to consumers of purchased gas cost increases above the rate of inflation until 1/1/86—turn out to be window-dressing. Neither provides protection against the January 1, 1985 contract abrogation scheme explicit in the Hodel proposal.

2. The Hodel plan does not address effectively the two problems responsible for today's natural gas price crisis: statutory and contract automatic price escalations, and take-or-pay contracts.

DISCUSSION

The summary conclusions will be discussed separately.

1. Higher prices will result

It is a proven fact that absent Congressional intervention, natural gas prices will continue to escalate, even while surplus deliverability exists, as a result of upward price rigidities built into existing laws and contracts.

The Hodel proposal, contrary to its supporting rhetoric, does not provide a mechanism to break the price spiral, and will instead compound the natural gas price crisis by forcing prices upward when prices are already too high. Upward price pressure is built-in in three separate respects:

All wellhead price controls end 1/1/86, but non-price federal regulation (which governs gas producer service obligations) terminates on 1/1/85. On that same date, 1/1/85, all contractual limits on wellhead prices in old gas contracts can be abrogated—at the gas producer's option. "Old" gas, at present about 35% of the gas moving in interstate commerce, and which is owned in major part by the major oil companies, thus will either be price upward when producers abrogate the contracts applying to this gas and re-sell this old gas at higher prices, or the gas will be subject to withdrawal from the market by a producer's unilateral decision, until such time as the producer procures a price acceptable to him.

Between enactment and 12/31/85, "area rate" clauses in existing contracts can trigger price increases for the gas sold thereunder up to the level of new contract prices agreed to anywhere in the country.

Between enactment and 1/1/86, natural gas price escalations written into the NGPA and existing contracts, and the cost of presently deregulated natural gas, will continue to drive consumer prices upward. These pressures are not restrained by the Hodel plan unless gas producers and gas buyers set new contract prices at levels low enough to interrupt the operation of escalator and deregulated gas clauses.

2. Reliable service is threatened

As grave as the price consequences of the Hodel plan are, the impact of the proposal on reliable and adequate natural gas service is of equal concern.

There can be only one result of the Hodel proposal that (a) on January 1, 1985 any unmodified natural gas contract may be abrogated, and (b) on that date all gas will be decontrolled from the non-price regulations of the Natural Gas Act and the Natural Gas Policy Act. On January 1, 1985 all natural gas producers in the United States having old gas contracts which they do not choose to honor are free to shut in their gas wells and withdraw, unilaterally, from all service obligations. Gas producers would then be free to redirect their natural gas to any purchaser offering better terms than the existing purchaser, or continue withholding gas from market until their terms of sale are met.

Against this legislative structure, no one can guarantee that the flow of natural gas in the United States to the millions of consumers dependent upon it will continue without interruption, in volumes sufficient to meet essential needs of homes and businesses. As of January 1, 1985 there would be no means by which any gas producer could be compelled to honor his old contracts, nor compelled to fulfill the supply function upon which the public utility service of natural gas transmission and distribution has been constructed. No one would be authorized or empowered to diminish gas producer domination of the gas economy. Natural gas formerly subject to old contracts would move if and when the gas producer chose, and only upon terms and conditions dictated by the producer.

The Hodel contract abrogation proposal will have dramatic adverse consequences for financial institutions as well as for pipelines, distributors, and consumers. If the Congress grants to the producers absolute power on January 1, 1985 to decide which old contracts will be honored and which will be dishonored, the billions of dollars in outstanding pipeline debt must surely be in jeopardy when gas supplies are withdrawn from the market. There is no mechanism in the Hodel proposal for protection of the legitimate interests of lenders who provided the funds to build the pipeline and distribution network in this country. If the failure of the Penn Square Bank caused ripples in financial circles, then surely the enactment of the Hodel proposal will cause tidal waves.

Granting to gas producers a right of abrogation of all existing contracts on January 1, 1985 is wholly incompatible with the nature of the natural gas business as a public utility. An entire economy has been developed on the fundamental premise that natural gas consumers are entitled to reliable and adequate service at the lowest reasonable cost. Pipelines, distributors, and consumers have entered into long term contracts and commitments in reliance on this structure. If gas supplies can be suddenly and unilaterally withdrawn from the system, the system will fail.

The Hodel proposal—for whatever reason—fails to recognize that that natural gas business is the public's business.

3. Consumer protection is not provided

Knowing that certain parts of the Hodel plan will push natural gas prices upward, and threaten reliability of service, are there other parts of the proposal which guarded against these results?

As to reliability consequences—the grant of the power to the producer to withdraw and withhold old gas supplies—the Hodel plan is totally silent. The consumer has no protection; he must depend upon the gas producer not to exercise the lawful powers which he acquires under the Hodel proposal.

As to price consequences, the Hodel plan provides partial, but inadequate, consumer protection through

a. Pipeline purchase review by FERC;

b. Utilization of a price "cap" which is supposed to limit escalations and deregulated gas costs; and

c. Provisions for freedom in re-negotiation of old contracts.

Singly, and in combination, the "consumer protection" given by these three features is only illusory.

a. A Partial Review of Pipeline Purchases Through 1/1/86 Will Not Protect Consumers

The feature of the Hodel proposal designated by its advocates as explicit protection of consumer interests is a plan whereby, through December 31, 1985, an interstate pipeline may not immediately pass-through purchased gas costs above its last pre-enactment level plus inflation; for this time interval, any additional costs would have to be specifically approved by the FERC after a public proceeding.

The promise of consumer protection is a sham. First, the Hodel proposal operates only on interstate pipelines. Those gas consumers served through intrastate pipelines have no protection. Second, the FERC review promised by the Hodel proposal ends on December 31, 1985—at the end of Federal price controls. In 1986 and thereafter, when decontrol is fully effective, the Hodel proposal makes no provision for regulatory review at all, even as to the interstate pipelines. And third, the Hodel plan may serve to delay, but certainly not to deny, increased natural gas rates.

It is clear that the Hodel plan cannot legally be implemented to deny recovery by interstate pipelines of necessary costs, prudently incurred from date of enactment through 12/31/85. In recognition of this, The Hodel proposal does not purport to outlaw rate increases, but only envisions that interstate pipelines will, from enactment to 1/1/86, pay for the purchase of natural gas, and then stand at risk as to whether they recover the dollars actually spent.

While there may be surface appeal in constructing some device to hold interstate pipelines accountable for the prices which they pay, surely there can be no appeal to the Hodel approach when one recalls that an interstate pipeline's purchased gas costs can be expected to increase between now and January 1, 1986 for four separate reasons, only one of which is even remotely within the pipeline's control. Future increases in purchased gas costs will occur:

Under the Hodel Bill, if new contract gas prices carry the price "cap" upward. In this connection it should be borne in mind that the purchasing pipeline whose rates are under review may not have contributed to this price increase because it did not purchase new gas at higher prices;

If the pipeline honors existing contracts which require rate increases consistent with the statutory escalations written into the NGPA;

If the pipeline experiences a normal decline in the production rates of old, low cost gas;

If the pipeline whose rates are under review has paid higher prices itself under contracts or renegotiated contracts.

Those increases in purchased gas costs which are beyond the control of the pipeline whose rates are under review, and those increases which, although within the pipeline's control, are prudently incurred, must surely, in logic and in law, be permitted after the FERC public hearing process has run its course. And at this point it becomes apparent that consumers will find their gas rates increased, not only to cover legitimate purchased gas cost increases, but also to compensate the pipeline for the working capital which it will have tied up when it made legitimate purchases. Thus the FERC review mechanism proposed by Secretary Hodel will cost the consumer more in the long run. It will delay rate increases, but it will make them larger when they ultimately occur.

Entirely aside from the fact that the FERC review proposal will not protect against rate increases, that proposal should be rejected. First, the Hodel proposal is inequitable. It says, in effect, that if a pipeline and a producer agree to an improvident contract, the gas producer gets to keep the benefit of the improvident bargain by retaining the money that it has received, and the pipeline must stand the entire loss associated with an after-the-payment review by the FERC. This will result, in the case of a contract judged to be unwise, an unjust enrichment of gas producers, and harsh, if not impossible, financial burdens for the interstate pipelines.

Second, the review proposal will produce side-effects not apparent on its face. The Hodel proposal will re-create the dual market which proved so destructive of national interests during the 1970's. Since the Hodel proposal operates only on interstate pipelines, intrastate pipeline buyers, and the industrial buyers who are urged into the gas market by Secretary Hodel will have clear competitive advantages in contracting for new gas supplies. These buyers, who will be free of federal price review strictures, can be expected to become the dominant buyers of new gas supplies during the period in which the Hodel review procedures would be operative.

It must be recalled that the principal impetus for passage of the Natural Gas Policy Act in 1978 was the imperative necessity for eliminating the dual market, and the advantages of the intrastate market in pre-empting new sources of supply. To reintroduce the dual market makes no sense and can only produce profoundly adverse consequences for the natural gas consumers through most of the United States who are dependent upon the interstate pipelines for reliable and adequate supplies of natural gas.

b. The Price "Cap" Mechanism Cannot Be Depended Upon to Function as a Price Restraint

Implicit consumer protection is claimed for the Hodel price "cap". The premise underlying the Hodel proposal is that new and renegotiated contracts for the sale of natural gas will reflect lower prices than have prevailed in the past. Utilizing this premise, new and renegotiated contract prices are to provide a "cap" which would be superimposed on existing contract prices, both as to base price and escalations embodied in the contracts.

If the fundamental premise of the Hodel proposal cannot be sustained—that is if new contract prices used to determine the "cap" move upward instead of downward—then clearly the proposal will not result in lower or restrained prices, either for new and renegotiated contracts, or with respect to existing contracts.

To demonstrate that the buyer-seller bargaining process will produce lower prices, the proponents of the Hodel proposal must show that:

Alternate fuel prices will continue to trend downward;

All gas buyers and sellers will, through the private negotiation process, react to lower alternate fuel prices with lower gas prices; and

The process of private negotiation between buyer and seller can be relied upon to be protective of consumer interests.

This burden cannot be discharged. As to the first issue, alternate fuel prices will move upward, or downward, in synchronization with OPEC's strength, or weakness. Building U.S. natural gas pricing policy on the assumption of OPEC weakness may be short-sighted.

If we assume OPEC weakness, however, and declining oil prices, still it is necessary to the working of the Hodel proposal that all buyers and sellers behave in a manner consistent with the downward price movement of alternative fuels. The Hodel price "cap" is built upon the volume-weighted average of the price for natural gas in all contracts.

It is patently unrealistic to suggest that all natural gas buyers, will contract on the basis of heating content alone. The Hodel proposal embodies the concept that users of natural gas should embark upon direct gas buying programs in the field, with the interstate pipelines to provide carriage of the gas so contracted for. The most probable buyers under this scheme will be those large industrial concerns which use natural gas as a feedstock for petrochemicals or fertilizer, and those large industrial concerns which use natural gas in a process application necessary to their manufacturing operations. These buyers do not value natural gas on the basis of heat content, but as a raw material essential to their manufacturing operation. The price which feedstock or process users will be willing to pay is not a function of the price of crude oil or petroleum products, since neither of these will easily substitute for natural gas. Since there can be no assurance that new contracts between buyers such as these and gas producers will reflect the price requirements of the home, small business, or small industrial enterprise dependent upon natural gas, there can be no assurance that the Hodel price "cap" will function as intended.

Utilizing a price "cap" determined by prices paid by gas buyers who utilize natural gas for specific, non-heating purposes, is difficult to defend. Equally indefensible is a "cap" which fails to recognize differences in transportation and distribution costs. A purchaser whose market is close to a source of supply can offer a higher price than a purchaser whose market is far removed. But, under the Hodel proposal, the higher price impacts the purchased gas costs of all pipelines.

If, for example, one interstate pipeline does to need to purchase new supplies of natural gas, and has brought its market into balance on the basis of its own contracts and renegotiation efforts, that pipeline, and the consumers dependent upon it, will nonetheless have price increases visited upon it under the Hodel proposal if buyers and sellers unrelated to that pipeline system reach high contract prices through their own private bargaining. While the higher price may be fully reflective of the respective needs of buyer and seller, why should the higher price in that instance produce higher prices all across the country?

Our third concern with the price "cap" approach should be whether private negotiations can be depended upon to protect the gas consumer. History would indicate cause for concern. We are all too familiar with contracts for natural gas at prices up to and exceeding $10/MMBtu. What is it that has changed that now gives the Administration such confidence that gas buyers and gas sellers will give to the gas consumer the same degree of protection of his interest as the private parties give to the protection of their own interests?

But the Hodel proposal suffers more than the simple defect of naivete in its reliance on private negotiations to protect the public interest. The proposal builds in an incentive for gas producers to force all natural gas prices upward by entering into contracts among themselves at higher prices than should otherwise prevail. One must bear in mind that the major natural gas producers are also major natural gas consumers in their refinery and petrochemical operations. The Hodel proposal will encourage Producer A with a supply of gas close to the refinery of Producer B to enter into a new contract embodying prices which will—through operation of the Hodel "cap"—produce greater revenues to both Producer A and Producer B on the gas sales of each. This does not suggest that Producer A and Producer B need to be motivated by bad faith, for their contractual arrangements might logically reflect a higher contract price than could be offered by a pipeline purchaser of the gas because of avoidance of transportation and distribution costs. The fact remains that the Hodel proposal carries within its own structure the potential that the price "cap" will become a device to carry natural gas prices in an upward spiral.

c. Contract Negotiation and Renegotiation Cannot Be Depended Upon To Lower or Restrain Natural Gas Prices

One must conclude from the outline of the Hodel proposal that the Secretary of Energy assumes that old gas prices will be renegotiated upward now and January 1, 1986, in tandem with downward negotiation of prices under high cost contracts, so that on balance the consumer will end up with a market clearing price for all gas in advance of January 1, 1986 and a stable and reliable supply base committed to the renegotiated contracts. But what if the Secretary's expectations are not realized?

The answer, unfortunately is that on January 1, 1985 there will be a massive price shock as gas producers secure high prices

for their old gas; and/or that producers will exercise their newly-granted market power to bring the natural gas consumers to their knees.

If the assumption of the Hodel proposal—that renegotiation will occur and soften the impact of decontrol of old gas—is incorrect, then the Hodel scheme is hopelessly flawed.

Let us examine, then, whether the potential for renegotiation is real, or only a product of wishful thinking. Successful negotiations require a community of interest between buyer and seller, and roughly equal bargaining strength. If either element is lacking in the natural gas market today, then risking the consumer's well-being on the hope of successful negotiations is foolhardy.

The Hodel proposal precludes equal bargaining power by its grant to the producers of the right to abrogate all old gas contracts on 1/1/85. All producer incentives to agree to substantive renegotiation prior to January 1, 1985, are removed when the producer is told that he has only to wait until that date and then will be free to walk away from all existing service obligations, shut in his old gas production if the price is not right, and await the inevitable shortage conditions which will result.

The only hope for renegotiating high prices downward which the Hodel plan holds out is the hope that producers and pipelines will agree to negotiate low-price contracts upward. For the consumer, there is no hope.

The premise of renegotiation of both high and low price contracts simultaneously is workable only in those rate instances where a pipeline purchaser has contracts with the same producer for roughly equal volumes of both high and low cost supplies. This is not the demonstrated case on any pipeline system in the United States.

Unless there is a balance of low and high price gas contracts between the same parties on the same system, then the purchasing pipelines are placed in a situation where they will be able to obtain renegotiation upward of the low price contracts (since this would clearly be in the sellers' interest), but are powerless to engage in meaningful negotiations for downward price movement of the high cost contracts. In these contracts what is it that the purchaser can offer as a quid pro quo for a price reduction?

With respect to low price gas contracts, why should a seller engage in substantive negotiations in 1983 or 1984 if he knows that his gas will be completely decontrolled in January of 1985? His interests are better served by waiting for decontrol. If however, the seller is willing to renegotiate upward, the interstate pipelines may not safely agree to higher prices—even though it desperately wants to do so to avoid producer abrogation of the contract on 1/1/85. If the pipeline agrees to pay more, it will be at risk for the increase under the Hodel plan for denial of automatic passthrough of increased costs.

Parenthetically, one should note the hearing record constructed by Chairman Philip Sharp of the Subcommittee on Fossil and Synthetic Fuels, United States House of Representatives Committee on Energy and Commerce in January and February of 1983. The record there developed demonstrates conclusively that although natural gas buyers and sellers have been under strong pressures to renegotiate high cost, high take-or-pay contracts since last fall, no meaningful renegotiation has taken place. With the Hodel promise of decontrol on January 1, 1985, any possible incentive for the producer to engage in meaningful renegotiations has been removed; and with the Hodel threat of denied cost recovery, the pipelines' incentive to renegotiate is destroyed. The prospects for constructive renegotiation—remote as they have proved to be—will become nonexistent if the Hodel plan is adopted.

4. The Hodel proposal is impossible to administer

It is ironic that an Administration purportedly dedicated to getting the government off the back of the people should advance, with apparent seriousness, the Hodel proposal. Let us suppose for a moment that the Hodel proposal is found by Congress to be free of controversy and appropriate for quick enactment so that the Hodel Bill becomes law in mid-1983. At that point, what will be required of the federal government?

There are 35 major interstate natural gas transmission companies presently operating in the United States. Each of these companies historically has filed purchased gas adjustments semi-annually, and, on average, general rate increases annually. The FERC would, under the Hodel proposal, be required to add to this case load a new species of rate proceeding: one wherein adjudication of each filing reflecting increases in the average cost of purchased gas is attempted. Examination of each pipeline purchase to determine if the pipeline is entitled to reimbursement of costs already incurred must take place.

Even if the FERC can withstand this burden without becoming hopelessly ensnarled in fashioning procedures for, and hearing and deciding a new type of rate case, one can nevertheless predict with near total certainty administrative breakdown in 1985.

Beginning on January 1, 1985, as producers are permitted to abrogate all then existing old contracts, the Commission must be prepared to deal with curtailment cases on those pipelines from which the producers are withholding gas supplies, while simultaneously attempting to deal with the transportation and rate matters envisioned by the Hodel proposals as gas sellers shop their supplies to new buyers.

The Hodel proposal reflects no appreciation of the difficulties of implementing massive shifts in gas supplies away from the usage patterns eatablished under existing contracts. In those instances where a producer dishonors his existing contract on January 1, 1985 (because he has been given by Congress the right of abrogation) and enters into a sales agreement with a different purchaser, it is ingenuous to say that requiring the old purchaser to transport the gas solves the delivery problem. Moving natural gas from its point of production to its point of consumption normally requires a coordination of facilities and operations among many pipelines and distribution companies. It would be rare indeed if a shift in purchasers could be implemented only through the facilities of the prior purchasing pipeline. But certainly, in early January, 1985 when the large petrochemicals or refineries which have made direct sales contracts with producers demand that the gas be delivered to them and it becomes the job of the FERC to meet these demands, it will be instantly apparent that Congress has created a structure impossible of administration.

5. The Hodel plan is not responsive to current problems

The Hodel proposal does not respond to the immediate crisis already confronting the natural gas consumer. The current crisis is one of price. Natural gas prices have escalated, and continue to escalate in a time of falling demand and excess deliverability. Natural gas is presently priced beyond the reach of many residential consumers, and below the cost of alternate fuels to the industrial user of natural gas. The present crisis is one compounded of statutory price escalations built into the NGPA, and wellhead contracts which are not responsive to changing market conditions because of excessive take-or-pay obligations.

The Hodel proposal addresses these root causes of the present crisis only superficially. Escalator clauses would be limited only until 1/1/86, and during this short time frame, the limitation would be effective only if new natural gas contract prices are lower, on average, than existing escalator clauses would dictate. Thus the Hodel proposal will allow all contract escalators to become fully effective again in January of 1986, without regard to consumer impact at that time. Prior to January 1986 Secretary Hodel would permit the escalators to operate up to the level set by gas buyers and sellers as they agree to new contract prices. There is a total absence of consumer protection in this scheme.

With regard to take-or-pay, the Hodel proposals provide that take-or-pay obligations can be limited to 70 percent of deliverability, at the purchasing pipeline's option prior to 1/1/86, but if a purchaser takes advantage of this option, then the gas producer is free to sell that portion of his gas not taken at a decontrolled price to another purchaser. Consumer interests are grossly subverted under this scheme. A 70 percent level affords no meaningful protection against high-cost, high take-or-pay contracts since market conditions, and the price requirements of consumers, presently require reductions in takes far below the 70 percent level, and this situation will prevail for the foreseeable future. And, if a pipeline attempts to protect its customers by invoking the meager relief offered by the 70 percent option, the pipeline thereby exposes its customers to the penalty effect of the producer's withdrawal of reserves dedicated to the contract and marketing of those reserves elsewhere.

In summary, the Hodel proposals will exacerbate, not solve, the existing price crisis. Neither price escalation nor take-or-pay problems have been solved.

CONCLUSIONS

The Hodel proposal does not meet the existing problems of price escalation and take-or-pay contracts. The Hodel proposal guarantees higher prices, unreliable service, and an administrative breakdown.

There are only illusions of consumer protection in the Hodel proposal. In reality, the proposal, if adopted, grants to natural gas producers sole and absolute control over the natural gas industry.

The Hodel proposal permits contract abrogation by gas producers of all existing natural gas contracts on January 1, 1985 and thus plants the seeds for economic collapse of natural gas pipelines, distribution companies, and the financial institutions which have advanced funds to them.

The Hodel proposal cannot be fairly characterized as merely ill-advised; it will, if enacted, make it impossible for the gas con-

sumer to receive reliable and adequate service at the lowest reasonable cost.

OPPOSITION TO MILITARY ASSISTANCE INCREASES FOR EL SALVADOR

Mr. MITCHELL. Mr. President, this week, the President and the Secretary of State have sent a message to Congress. It is that the administration will accelerate U.S. military assistance to El Salvador whether or not the Congress agrees to the increase.

I am opposed to an increase in military assistance to El Salvador. I am disappointed with the administration's approach to this important foreign policy issue. While the President undoubtedly has access to funds with which he can increase American military involvement in that troubled nation, he should reconsider exercising that option.

The problems in El Salvador are difficult ones and no one in our Government has a monopoly on good ideas concerning the direction of U.S. policy. The President, in seeking to avoid a constructive congressional debate on military aid, is guaranteeing that the debate on, and analysis of, his proposal will not be in the appropriate House and Senate committees, but exclusively in the media.

I am hopeful that the administration will change its procedure and will seek to implement its policies in the customary way. The people we represent deserve to know where we stand on the subject of further military assistance to El Salvador.

In 1981, the United States provided $35.5 million in military aid to El Salvador. This figure climbed to $82 million in 1982. In 1983, the administration plans to spend over $100 million, and I understand a similar amount is programed for 1984. In addition, President Reagan is proposing that the number of American advisers be increased. Furthermore, the Defense Department has suggested that these Americans accompany Salvadoran troops on combat missions.

I oppose both the U.S. provision of military assistance and the presence of U.S. military advisers. I do so because I believe the problems in El Salvador are fundamentally political and will not be solved militarily. I also oppose military aid to the El Salvador Government because it continues to abuse the rights of the Salvadoran people.

The policy the administration is presently pursuing—of arming the Government forces, certifying that their human rights record is "satisfactory," and exposing American personnel to the danger of direct involvement in combat—is wrong. By increasing military assistance while downgrading the importance of human rights reform, the President has encouraged the El Salvadoran Government to pursue a military victory and discouraged it from trying to negotiate a settlement.

Last year, I joined with Senators DODD and TSONGAS in support of a resolution which states that it would be the policy of the U.S. Government:

* * * to encourage all parties to the conflict to begin unconditional negotiations for the purpose of achieving a ceasefire arrangement under international supervision, and to pursue these negotiations for the purpose of reaching an overall political settlement to the conflict * * *.

In addition, I also joined last year with Senator BYRD in introducing a measure which would require congressional consent before a President could commit U.S. combat forces to El Salvador. Under existing law, the President without consulting with Congress, could send forces to El Salvador providing he notified Congress within 48 hours of his action, and his reasons for it. The administration's record on El Salvador, in my judgment, warrants the change in statute which Senator BYRD has proposed.

U.S. policy toward El Salvador will have to be more than simply funneling additional military manpower and personnel into the country in support of the government's forces. Without a strategy to achieve discussions between the disparate groups now engaged in conflict, without a greater effort to bolster the nation's moderates, our Government will continue to hinder, rather than enhance, the search for peace in El Salvador.

Since the United States began its escalation of assistance to the Salvadoran Government, over 35,000 Salvadorans have been killed and more than half a million Salvadorans have become refugees. Clearly, now is the time to reexamine U.S. policy. It is not the time to commit our country to a course of action already proven to be wrong.

PROCEDURAL RULES FOR THE SELECT COMMITTEE ON ETHICS

Mr. STEVENS. Mr. President, in accordance with the requirement to publish the rules of each Senate committee in the RECORD each year, I submit the procedural rules of the select committee and ask unanimous consent that they be printed in the RECORD.

There being no objection, the procedural rules are ordered to be printed in the RECORD, as follows:

RULES OF THE SELECT COMMITTEE ON ETHICS

(Adopted February 23, 1978)

PART I:—ORGANIC AUTHORITY

Subpart A—S. Res. 338 as amended

Resolved, That (a) there is hereby established a permanent select committee of the Senate to be known as the Select Committee on Ethics [1] (referred to hereinafter as the "Select Committee") consisting of six Members of the Senate, of whom three shall be selected from members of the majority party and three shall be selected from members of the minority party. Members thereof shall be appointed by the Senate in accordance with the provisions of Paragraph 1 of Rule XXIV of the standing rules of the Senate at the beginning of each Congress.[1] For purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member or chairman of the Select Committee shall not be taken into account.

(b) Vacancies in the membership of the Select Committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments thereto are made.

(c)(1) A majority of the Members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquiries, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three Members shall constitute a quorum for the transaction of routine business of the Select Committee not covered by the first paragraph of this subparagraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one Member of the quorum is a Member of the Majority Party and one Member of the quorum is a Member of the Minority Party. During the transaction of routine business any Member of the Select Committee constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the Members of the Select Committee are present.

(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.[2]

"(d)(1) [3] A member of the Select Committee shall be ineligible to participate in any initial review or investigation relating to his own conduct, the conduct of any officer or employee he supervises, or the conduct of any employee of any officer he supervises, or relating to any complaint filed by him, and the determinations and recommendations of the Select Committee with respect thereto. For purposes of this subparagraph, a Member of the Select Committee and an officer of the Senate shall be deemed to supervise any officer or employee consistent with the provision of paragraph 12 of rule XXXVII of the Standing Rules of the Senate.

"(2) A Member of the Select Committee may, at his discretion, disqualify himself from participating in any initial review or investigation pending before the Select Committee and the determinations and recommendations of the Select Committee with respect thereto. Notice of such disqualification shall be given in writing to the President of the Senate.

"(3) Whenever any member of the Select Committee is ineligible under paragraph (1) to participate in any initial review or investigation or disqualifies himself under paragraph (2) from participating in any initial

[1] Changed by Section 102 of S. Res. 4 (February 4, 1977).
[2] Changed by S. Res. 78 (February 24, 1981).
[3] Added by S. Res. 110 (April 2, 1977).

review or investigation, another Member of the Senate shall, subject to the provisions of subsection (d), be appointed to serve as a member of the Select Committee solely for purposes of such initial review or investigation and the determinations and recommendations of the Select Committee with respect thereto. Any Member of the Senate appointed for such purposes shall be of the same party as the Member who is ineligible or disqualifies himself."

SEC. 2. (a) It shall be the duty of the Select Committee to—

(1) receive complaints and investigate allegations of improper conduct which may reflect upon the Senate, violations of law, violations of the Senate Code of Official Conduct [4] and violations of rules and regulations of the Senate, relating to the conduct of individuals in the performance of their duties as Member of the Senate, or as officers or employees of the Senate, and to make appropriate findings of fact and conclusions with respect thereto;

(2) recommend to the Senate by report or resolution by a majority vote of the full committee disciplinary action (including, but not limited to, in the case of a Member: censure, expulsion, or recommendation to the appropriate party conference regarding such Member's seniority or positions of responsibility; and, in the case of an officer or employee: suspension or dismissal)" [5] to be taken with respect to such violations which the Select Committee shall determine, after according to the individuals concerned due notice and opportunity for hearing, to have occurred;

(3) recommend to the Senate, by report or resolution, such additional rules or regulations as the Select Committee shall determine to be necessary or desirable to insure proper standards of conduct by Members of the Senate, and by officers or employees of the Senate, in the performance of their duties and the discharge of their responsibilities; and

(4) report violations by a majority vote of the full committee of any law to the proper Federal and State authorities.

"(b)(1) Each sworn complaint filed with the Select Committee shall be in writing, shall be in such form as the Select Committee may prescribe by regulation, and shall be under oath.

"(2) For purposes of this section, 'sworn complaint' means a statement of facts within the personal knowledge of the complainant alleging a violation of law, the Senate Code of Official Conduct, or any other rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate.

"(3) Any person who knowingly and willfully swears falsely to a sworn complaint does so under penalty of perjury, and the Select Committee may refer any such case to the Attorney General for prosecution.

"(4) For the purposes of this section, 'investigation' is a proceeding undertaken by the Select Committee after a finding, on the basis of an initial review, that there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(c)(1) No investigation of conduct of a Member or officer of the Senate, and no report, resolution, or recommendation relating thereto, may be made unless approved by the affirmative recorded vote of not less than four members of the Select Committee.

"(2) No other resolution, report, recommendation, interpretative ruling, or advisory opinion may be made without an affirmative vote of a majority of the members of the Select Committee voting.

"(d)(1) When the Select Committee receives a sworn complaint against a Member or officer of the Senate, it shall promptly conduct an initial review of that complaint. The initial review shall be of duration and scope necessary to determine whether there is substantial credible evidence which provides substantial cause for the Select Committee to conclude that a violation within the jurisdiction of the Select Committee has occurred.

"(2) If as a result of an initial review under paragraph (1), the Select Committee determines by a recorded vote that there is not such substantial credible evidence, the Select Committee shall report such determination to the complainant and to the party charged together with an explanation of the basis of such determination.

"(3) If as a result of an initial review under paragraph (1), the Select Committee determines that a violation is inadvertent, technical or otherwise of a *de minimus* nature, the Select Committee may attempt to correct or prevent such a violation by informal methods.

"(4) If as a result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence but that the violation, if proven is neither of a *de minimus* nature nor sufficiently serious to justify any of the penalties expressly referred to in subsection (a)(2), the Select Committee may propose a remedy it deems appropriate. If the matter is thereby resolved, a summary of the Select Committee's conclusions and the remedy proposed shall be filed as a public record with the Secretary of the Senate and a notice of such filing shall be printed in the Congressional Record.

"(5) If as the result of an initial review under paragraph (1), the Select Committee determines that there is such substantial credible evidence, the Select Committee shall promptly conduct an investigation if (A) the violation, if proven, would be sufficiently serious, in the judgment of the Select Committee, to warrant imposition of one or more of the penalties expressly referred to in subsection (a)(2), or (B) the violation, if proven, is less serious, but was not resolved pursuant to paragraph (4) above. Upon the conclusion of such investigation, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(6) Upon the conclusion of any other investigation respecting the conduct of a Member or officer undertaken by the Select Committee, the Select Committee shall report to the Senate, as soon as practicable, the results of such investigation together with its recommendations (if any) pursuant to subsection (a)(2).

"(e) When the Select Committee receives a sworn complaint against an employee of the Senate, it shall consider the complaint according to procedures it deems appropriate. If the Select Committee determines that the complaint is without substantial merit, it shall notify the complainant and the accused of its determination, together with an explanation of the basis of such determination.

"(f) The Select Committee may, in its discretion, employ hearing examiners to hear testimony and make findings of fact and/or recommendations to the Select Committee concerning the disposition of complaints.

"(g) Notwithstanding any other provision of this section, no initial review or investigation shall be made of any alleged violation of any law, the Senate Code of Official Conduct, rule, or regulation which was not in effect at the time the alleged violation occurred. No provisions of the Senate Code of Official Conduct shall apply to or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code. The Select Committee may conduct an initial review or investigation of any alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Select Committee.

"(h) The Select Committee shall adopt written rules setting forth procedures to be used in conducting investigations of complaints." [6]

(i) [7] The Select Committee from time to time shall transmit to the Senate its recommendation as to any legislative measures which it may consider to be necessary for the effective discharge of its duties.

SEC. 3. (a) The Select Committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; (7) employ and fix the compensation of *a staff director, a counsel, an assistant counsel, one or more investigators, one or more hearing examiners,* [8] and such technical, clerical, and other assistants and consultants as it deems advisable; and (8) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, by contract as independent contractors or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation which may be paid to a regular employee of the Select Committee.[9]

(b)(1) [10] The Select Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the executive branch of the Government) whenever the Select Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, which, in the determination of the

[4] Added by Section 201 of S. Res. 110 (April 2, 1977).

[5] Added by Section 205 of S. Res. 110 (April 2, 1977).

[6] Added by Section 202 of S. Res. 110 (April 2, 1977).

[7] Changed by Section 202 of S. Res. 110 (April 2, 1977).

[8] Added by Section 204 of S. Res. 110 (April 2, 1977).

[9] Added by S. Res. 230 (July 25, 1977).

[10] Added by Section 204 of S. Res. 110 (April 2, 1977).

Select Committee is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee.

"(2) Any investigation conducted under section 2 shall be conducted by outside counsel as authorized in paragraph (1), unless the Select Committee determines not to use outside counsel."; and

"(c)[11] With the prior consent of the department or agency concerned, the Select Committee may (1) utilize the services, information and facilities of any such department or agency of the Government," and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable.

With the consent of any other committee of the Senate, or any subcommittee thereof, the Select Committee may utilize the facilities and the services of the staff of such other committee or subcommitte whenever the chairman of the Select Committee determines that such action is necessary and appropriate.

"(d) Subpoenas may be issued (1) by the Select Committee or (2) by the chairman and vice chairman, acting jointly. Any such subpoena shall be signed by the chairman or the vice chairman and may be served by any person designated by such chairman or vice chairman. The chairman of the Select Committee or any member thereof may administer oaths to witnesses."[12]

"(e)(1)[13] The Select Committee shall prescribe and publish such regulations as it feels are necessary to implement the Senate Code of Official Conduct.

"(2) The Select Committee is authorized to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulations of the Senate within its jurisdiction.

"(3) The Select Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(4) The Select Committee may in its discretion render an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

"(5) Notwithstanding any provision of the Senate Code of Official Conduct or any rule or regulation of the Senate, any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of paragraphs (3) and (4) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

"(6) Any advisory opinion rendered by the Select Committee under paragraphs (3) and (4) may be relied upon by (A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered: *Provided, however,* That the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and, (B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(7) Any advisory opinion issued in response to a request under paragraph (3) or (4) shall be printed in the Congressional Record with appropriate deletions to assure the privacy of the individual concerned. The Select Committee shall, to the extent practicable, before rendering an advisory opinion, provide any interested party with an opportunity to transmit written comments to the Select Committee with respect to the request for such advisory opinion. The advisory opinions issued by the Select Committee shall be compiled, indexed, reproduced, and made available on a periodic basis.

"(8) A brief description of a waiver granted under paragraph 2(c) of rule XXXIV or paragraph 1 of rule XXXV of the Standing Rules of the Senate shall be made available upon request in the Select Committee office with appropriate deletions to assure the privacy of the individual concerned."

SEC. 4. The expenses of the Select Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Select Committee.

SEC. 5. As used in this resolution, the term "officer or employee of the Senate" means—

(1) an elected officer of the Senate who is not a Member of the Senate;

(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) the Legislative Counsel of the Senate or any employee of his office;

(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) a member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) and employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate.

Subpart B—Public Law 93-191—Franked Mail, Provisions Relating to the Select Committee

SEC. 6. (a) The Select Committee on Standards and Conduct of the Senate shall provide guidance, assistance, advice and counsel, through advisory opinions or consultations, in connection with the mailing or contemplated mailing of franked mail under section 3210, 3211, 3212, 3218(2) or 3218, and in connection with the operation of section 3215, of title 39, United States Code, upon the request of any Member of the Senate or Member-elect, surviving spouse of any of the foregoing, or other Senate official, entitled to send mail as franked mail under any of those sections. The select committee shall prescribe regulations governing the proper use of the franking privilege under those sections by such persons.

(b) Any complaint filed by any person with the select committee that a violation of any section of title 39, United States Code, referred to in subsection (a) of this section is about to occur or has occurred within the immediately preceding period of 1 year, by any person referred to in such subsection (a), shall contain pertinent factual material and shall conform to regulations prescribed by the select committee. The select committee, if it determines there is reasonable justification for the complaint, shall conduct an investigation of the matter, including an investigation of reports and statements filed by that complainant with respect to the matter which is the subject of the complaint. The committee shall afford to the person who is the subject of the complaint due notice and, if it determines that there is substantial reason to believe that such violation has occurred or is about to occur, opportunity for all parties to participate in a hearing before the select committee. The select committee shall issue a written decision on each complaint under this subsection not later than thirty days after such a complaint has been filed or, if a hearing is held, not later than thirty days after the conclusion of such hearing. Such decision shall be based on written findings of fact in the case by the select committee. If the select committee finds, in its written decision, that a violation has occurred or is about to occur, the committee may take such action and enforcement as it considers appropriate in accordance with applicable rules, precedents, and standing orders of the Senate, and such other standards as may be prescribed by such committee.

(c) Notwithstanding any other provision of law, no court or administrative body in the United States or in any territory thereof shall have jurisdiction to entertain any civil action of any character concerning or related to a violation of the franking laws or an abuse of the franking privilege by any person listed under subsection (a) of this section as entitled to send mail as franked mail, until a complaint has rendered a decision under subsection (b) of this section.

(d) The select committee shall prescribe regulations for the holding of investigations and hearings, the conduct of proceedings, and the rendering of decisions under this subsection providing for equitable procedures and the protection of individual, public, and Government interests. The regulations shall, insofar as practicable, contain the substance of the administrative procedure provisions of sections 551-559 and 701-706, of title 5 United States Code. These regulations shall govern matters under this subsection subject to judicial review thereof.

(e) The select committee shall keep a complete record of all its actions, including a record of the votes on any question on which a record vote is demanded. All records, data and files of the select committee shall be the property of the Senate and shall be kept in the offices of the select committee or such other places as the committee may direct.

Subpart C—Standing Orders of the Senate Regarding Unauthorized Disclosure of Intelligence Information, S. Res. 400, 94th Congress, Provisions Relating to the Select Committee

SEC. 8. * * *

(c)(1) No information in the possession of the select committee relating to the lawful intelligence activities of any department or

[11] Changed by Section 204 of S. Res. 110 (April 2, 1977).

[12] Section added by S. Res. 312 (Nov. 1, 1977).

[13] Section added by Section 206 of S. Res. 110 (April 2, 1977).

agency of the United States which has been classified under established security procedures and which the select committee, pursuant to subsection (a) or (b) of this section, has determined should not be disclosed, shall be made available to any person by a Member, officer, or employee of the Senate except in a closed session of the Senate or as provided in paragraph (2).

(2) The select committee may, under such regulations as the committee shall prescribe to protect the confidentiality of such information, make any information described in paragraph (1) available to any other committee or any other Member of the Senate. Whenever the select committee makes such information available, the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the Senate received such information. No Member of the Senate who, and no committee which, receives any information under this subsection, shall disclose such information except in a closed session of the Senate.

(d) It shall be the duty of the Select Committee on Standards and Conduct to investigate any unauthorized disclosure of intelligence information by a Member, officer or employee of the Senate in violation of subsection (c) and to report to the Senate concerning any allegation which it finds to be substantiated.

(e) Upon the request of any person who is subject to any such investigation, the Select Committee on Standards and Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation together with its findings. If, at the conclusion of its investigation, the Select Committee on Standards and Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the Senate, it shall report its findings to the Senate and recommend appropriate action such as censure, removal from committee membership, or expulsion from the Senate, in the case of a Member, or removal from office or employment or punishment for contempt, in the case of an officer or employee.

Subpart D—Public Law 95-105, Section 515, Relating to Receipt and Disposition of Foreign Gifts and Decorations Received by Members, Officers and Employees of the Senate or Their Spouses or Dependents, Provisions Relating to the Select Committee on Ethics

SEC. 515. (a)(1) Section 7342 of title 5, United States Code, is amended to read as follows:

§ 7342. Receipt and disposition of foreign gifts and decorations.

"(a) For the purposes of this section—

* * * * *

"(6) 'employing agency' means—

"(A) the Committee on Standards of Official Conduct of the House of Representatives, for Members and employees of the House of Representatives, except that those responsibilities specified in subsections (c)(2)(A), (e), and (g)(2)(B) shall be carried out by the Clerk of the House;

"(B) the Select Committee on Ethics of the Senate, for Senators and employees of the Senate;

"(C) the Administrative Office of the United States Courts, for judges and judicial branch employees; and

"(D) the department, agency office, or other entity in which an employee is employed, for other legislative branch employees and for all executive branch employees.

"(b) An employee may not—

"(1) request or otherwise encourage the tender of a gift or decoration; or

"(2) accept a gift or decoration, other than in accordance with the provisions of subsections (c) and (d).

"(c)(1) The Congress consents to—

"(A) the accepting and retaining by an employee of a gift of minimal value tendered and received as a souvenir or mark of courtesy; and

"(B) the accepting by an employee of a gift of more than minimal value when such gift is in the nature of an educational scholarship or medical treatment or when it appears that to refuse the gift would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States, except that—

"(i) a tangible gift of more than minimal value is deemed to have been accepted on behalf of the United States and, upon acceptance, shall become the property of the United States; and

"(ii) an employee may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and permitted by the employing agency and any regulations which may be prescribed by the employing agency.

"(2) Within 60 days after accepting a tangible gift of more than minimal value (other than a gift described in paragraph (1)(B)(ii), an employee shall—

"(A) deposit the gift for disposal with his or her employing agency; or

"(B) subject to the approval of the employing agency, deposit the gift with that agency for official use. Within 30 days after terminating the official use of a gift under subparagraph (B), the employing agency shall forward the gift to the Administrator of General Services in accordance with subsection (e).

"(3) When an employee deposits a gift of more than minimal value for disposal or for official use pursuant to paragraph (2), or within 30 days after accepting travel or travel expenses as provided in paragraph (1)(B)(ii) unless such travel or travel expenses are accepted in accordance with specific instructions of his or her employing agency, the employee shall file a statement with his or her employing agency or its delegate containing the information prescribed in subsection (f) for that gift.

"(d) The Congress consents to the accepting, retaining, and wearing by an employee of a decoration tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance, subject to the approval of the employing agency of such employee. Without this approval, the decoration is deemed to have been accepted on behalf of the United States, shall become the property of the United States, and shall be deposited by the employee, within sixty days of acceptance, with the employing agency for official use or forwarding to the Administrator of General Services for disposal in accordance with subsection (e).

"(e) Gifts and decorations that have been deposited with an employing agency for disposal shall be (1) returned to the donor, or (2) forwarded to the Administrator of General Services for transfer, donation, or other disposal in accordance with the provisions of the Federal Property and Administrative Services Act of 1949. However, no gift or decoration that has been deposited for disposal may be sold without the approval of the Secretary of State, upon a determination that the sale will not adversely affect the foreign relations of the United States. Gifts and decorations may be sold by negotiated sale.

"(f)(1) Not later than January 31 of each year, each employing agency or its delegate shall compile a listing of all statements filed during the preceding year by the employees of that agency pursuant to subsection (c)(3) and shall transmit such listing to the Secretary of State who shall publish a comprehensive listing of all such statements in the Federal Register.

"(2) Such listings shall include for each tangible gift reported—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance;

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift;

"(D) the date of acceptance of the gift;

"(E) the estimated value in the United States of the gift at the time of acceptance; and

"(F) disposition or current location of the gift.

"(3) Such listings shall include for each gift of travel or travel expenses—

"(A) the name and position of the employee;

"(B) a brief description of the gift and the circumstances justifying acceptance; and

"(C) the identity, if known, of the foreign government and the name and position of the individual who presented the gift.

"(4) In transmitting such listing for the Central Intelligence Agency, the Director of Central Intelligence may delete the information described in subparagraphs (A) and (C) of paragraphs (2) and (3) if the Director certifies in writing to the Secretary of State that the publication of such information could adversely affect United States intelligence sources.

"(g)(1) Each employing agency shall prescribe such regulations as may be necessary to carry out the purpose of this section. For all employing agencies in the executive branch, such regulations shall be prescribed pursuant to guidance provided by the Secretary of State. These regulations shall be implemented by each employing agency for its employees.

"(2) Each employing agency shall—

"(A) report to the Attorney General cases in which there is reason to believe that an employee has violated this section;

"(B) establish a procedure for obtaining an appraisal, when necessary, of the value of gifts; and

"(C) take any other actions necessary to carry out the purpose of this section.

"(h) The Attorney General may bring a civil action in any district court of the United States against any employee who knowingly solicits or accepts a gift from a foreign government not consented to by this section or who fails to deposit or report such gift as required by this section. The court in which such action is brought may assess a penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus $5,000.

"(i) The President shall direct all Chiefs of a United States Diplomatic Mission to inform their host governments that it is a general policy of the United States Government to prohibit United States Government

employees from receiving gifts or decorations of more than minimal value.

"(j) Nothing in this section shall be construed to derogate any regulation prescribed by any employing agency which provides for more stringent limitations on the receipt of gifts and decorations by its employees.

"(k) The provisions of this section do not apply to grants and other forms of assistance to which section 108A of the Mutual Educational and Cultural Exchange Act of 1961 applies."

(2) The amendment made by paragraph (1) of this subsection shall take effect on January 1, 1978.

RULE 1. GENERAL PROCEDURES

(a) Officers: The Committee shall select a Chairman and a Vice Chairman from among its members. In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) Procedural Rules: The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, 88th Congress, as amended, as well as other resolutions and laws. Supplementary Procedural Rules are stated herein and are hereinafter referred to as the Rules. The Rules shall be published in the Congressional Record not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) Meetings:

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman if at least forty-eight hours notice is furnished to all members. If all members agree, a special meeting may be held on less than forty-eight hours notice.

(3)(A) If any member of the Committee desires that a special meeting of the Committee be called, the member may file in the office of the Committee a written request to the Chairman or Vice Chairman for that special meeting.

(B) Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until forty-eight hours after the meeting may not occur until forty-eight hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) Quorum:

(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquires, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first subparagraph of this paragraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one member of the quorum is a Member of the Majority Party and one member of the quorum is a Member of the Minority party. During the transaction of routine business any member of the Select Committee, constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the members of the Select Committee are present.

(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(e) Order of Business: Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject to reversal by a vote by a majority of the Committee.

(f) Hearings Announcements: The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record. If the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) Open and Closed Committee Meetings: Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 5 (b) to (d) of Rule XXVI of the Standing Rules of the Senate. Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specified period or purpose.

(h) Record of Testimony and Committee Action: An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session, shall be made available to any witness if he so requests. (See Rule 6 on Procedures for Conducting Hearings.)

(i) Secrecy of Executive Testimony and Action and of Complaint Proceedings:

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a sworn complaint shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under Senate Resolution 338, 88th Congress, as amended, or unless otherwise permitted under these Rules. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) Release of Reports to Public: No information pertaining to, or copies of any Committee report, study, or other document which purports to express the view, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group whether governmental or private, without the authorization of the Committee. Whenever the Chairman or Vice Chairman is authorized to make any determination, then the determination may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) Ineligibility or Disqualification of Members and Staff:

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) The member's own conduct;

(B) The conduct of any employee or officer that the member supervises, as defined in paragraph 11 of Rule XXXVII of the Standing Rules of the Senate;

(C) The conduct of any employee or any officer that the member supervises; or

(D) A complaint, sworn or unsworn, that was filed by a member, or by any employee or officer that the member supervises.

(2) If any Committee proceeding appears to relate to a member of the Committee in a manner described in subparagraph (1) of this paragraph, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman concludes from the report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman, and if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continues to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session. Any contested questions concerning a member's eligibility shall be decided by a majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member may also disqualify himself from participating in a Committee proceeding in other circumstances not listed in subparagraph (k)(1).

(4) The President of the Senate shall be given written notice of the ineligiblity or disqualification of any member from any initial review, investigation or other proceeding requiring the appointment of another member in accordance with subparagraph (k)(5).

(5) Whenever a member of the Committee is ineligible to participate in or disqualifies himself from participating in any initial review, investigation, or other substantial Committee proceeding, another Member of the Senate who is of the same party shall be appointed by the Senate in accordance with the provisions of paragraph 1 of Rule XXIV of the Standing Rules of the Senate of the Senate, to serve as member of the Committee solely for the purposes of that proceeding.

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that the staff director or outside counsel determines relates specifically to any of the following.

(A) the staff member's own conduct;

(B) The conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member. At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) Recorded Votes: Any member may require a recorded vote on any matter.

(m) Proxies; Recording Votes of Absent Members:

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of an initial review or an investigation, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In any such case an absent member's vote may be announced solely for purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than matters listed in paragraph (m)(1) above, the Committee may order that the record be held open for the vote of absentees or recorded proxy votes if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested of the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice Chairman to be recorded.

(4) Proxies shall not be considered for the purpose of establishing a quorum.

(n) Approval of Blind Trusts and Foreign Travel Requests Between Sessions and During Extended Recesses:

During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond fourteen days, the Chairman and Vice Chairman, or their designees, acting jointly, are authorized to approve or disapprove blind trusts under the provision of Rule XXXIV, and to approve or disapprove foreign travel requests which require immediate resolution.

(o) Committee Use of Services or Employees of Other Agencies and Departments:

With the prior consent of the department or agency involved, the Committee may (1) utilize the services, information, or facilities of any such department or agency of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

RULE 2: PROCEDURES FOR SWORN COMPLAINTS

(a) Sworn Complaints: Any person may file a sworn complaint with the Committee, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of any individual in the performance of his or her duty as a Member, officer, or employee of the Senate, or has engaged in improper conduct which may reflect upon the Senate.

(b) Form and Content of Complaints: A complaint filed under paragraph (a) shall be in writing and under oath, and shall set forth in simple, concise and direct statements:

(1) The name and legal address of the party filing the complaint (hereinafter, the complainant);

(2) The name and position or title of each Member, officer, or employee of the Senate who is specifically alleged to have engaged in the improper conduct or committed the violation (hereinafter, the respondent);

(3) The nature of the alleged improper conduct or violation, including if possible, the specific provision of the Senate Code of Official Conduct or other law, rule, or regulation alleged to have been violated.

(4)(A) A statement of the facts within the personal knowledge of the complainant that are alleged to constitute the improper conduct or violation.

(B) The term "personal knowledge" is not intended to and does not limit the complainant's statement to situations that he or she personally witnessed or to activities in which the complainant was a participant.

(C) Where allegations in the sworn complaint are made upon the information and belief of the complainant, the complaint shall so state, and shall set forth the basis for such information and belief.

(5) The complainant must swear that all of the information contained in the complaint either (a) is true, or (b) was obtained under circumstances such that the complainant has sufficient personal knowledge of the source of the information reasonably to believe that it is true. The complainant may so swear either by oath or by solemn affirmation before a notary public or other authorized official.

(6) All documents in the possession of the complainant relevant to or in support of his or her allegations may be appended to the complaint.

(c) Processing of Sworn Complaints:

(1) When the Committee receives a sworn complaint against a Member, officer or employee of the Senate, it shall determine by majority vote whether the complaint is in substantial compliance with paragraph (b) of this rule.

(2) If it is determined by the Committee that a sworn complaint does not substantially comply with the requirements of paragraph (b), the complaint shall be returned promptly to the complainant, with a statement explaining how the complaint fails to comply and a copy of the rules for filing sworn complaints. The complainant may resubmit the complaint in the proper form. If the complaint is not revised so that it substantially complies with the stated requirements, the Committee may in its discretion process the complaint in accordance with Rule 3.

(3) A sworn complaint against any Member, officer, or employee of the Senate that is determined by the Committee to be in substantial compliance shall be transmitted to the respondent within five days of that determination. The transmittal notice shall include the date upon which the complaint was received, a statement that the complaint conforms to the applicable rules, a statement that the Committee will immediately begin an initial review of the complaint, and a statement inviting the respondent to provide any information relevant to the complaint to the Committee. A copy of the Rules of the Committee shall be supplied with the notice.

RULE 3: PROCEDURES ON RECEIPT OF ALLEGATIONS OTHER THAN A SWORN COMPLAINT; PRELIMINARY INQUIRY

(a) Unsworn Allegations or Information: Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, any credible information available to him or her that indicates that any named or unnamed Member, officer or employee of the Senate may have—

(1) violated the Senate Code of Official Conduct;

(2) violated a law;

(3) violated any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate; or

(4) engaged in improper conduct which may reflect upon the Senate. Such allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) Sources of Unsworn Allegations or Information: The information to be reported to the Committee under paragraph (a), may be obtained from a variety of sources, including but not limited to the following:

(1) sworn complaints that do not satisfy all of the requirements of Rule 2;

(2) anonymous or informal complaints, whether or not satisfying the requirements of Rule 2;

(3) information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings;

(4) information reported by the news media; or

(5) information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) Preliminary Inquiry:

(1) When information is presented to the Committee pursuant to paragraph (a), it shall immediately be transmitted to the Chairman and the Vice Chairman, for one of the following actions.

(A) The Chairman and Vice Chairman, acting jointly, may conduct or may direct the Committee staff to conduct, a preliminary inquiry.

(B) The Chairman and Vice Chairman, acting jointly, may present the allegations or information received directly to the Committee for it to determine whether an initial review should be undertaken. (See paragraph (d).)

(2) A preliminary inquiry may include any inquiries or interviews that the Chairman and the Vice Chairman deem necessary or appropriate. In particular, the preliminary inquiry may seek independent credible evi-

dence that tends to corroborate the information received and may also include discussions or correspondence with the complainant, if any, and the respondent, if any.

(3) At the conclusion of a preliminary inquiry, the Chairman and Vice Chairman shall receive a full report of its findings. The Chairman and Vice Chairman, acting jointly, shall then determine what further action, if any, is appropriate in the particular case, including any of the following:

(A) No further action is appropriate, because the alleged improper conduct or violation is clearly not within the jurisdiction of the Committee;

(B) No further action is appropriate, because there is no reason to believe that the alleged improper conduct or violation may have occurred; or

(C) The unsworn allegations or information, and a report on the preliminary inquiry, should be referred to the Committee, to determine whether an initial review should be undertaken. (See paragraph (d).)

(4) If the Chairman and Vice Chairman are unable to agree on a determination at the conclusion of a preliminary inquiry, then they shall refer the allegations or information to the Committee, with a report on the preliminary inquiry, for the Committee to determine whether an initial review should be undertaken. (See paragraph (d).)

(5) A preliminary inquiry shall be completed within sixty days after the unsworn allegations or information were received by the Chairman and Vice Chairman. The sixty day period may be extended for a specified period by the Chairman and Vice Chairman, acting jointly. A preliminary inquiry is completed when the Chairman and the Vice Chairman have made the determination required by subparagraphs (3) and (4) of this paragraph.

(d) Determination Whether to Conduct an Initial Review: When information or allegations are presented to the Committee by the Chairman and the Vice Chairman, the Committee shall determine whether an initial review should be undertaken.

(1) An initial review shall be undertaken when—

(A) there is reason to believe on the basis of the information before the Committee that the possible improper conduct or violation may be within the jurisdiction of the Committee; and

(B) there is reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred.

(2) The determination whether to undertake an initial review shall be made by recorded vote within thirty days following the Committee's receipt of the unsworn allegations or information from the Chairman or Vice Chairman, or at the first meeting of the Committee thereafter if none occurs within thirty days, unless this time is extended for a specified period by the Committee.

(3) The Committee may determine that an initial review is not warranted because (a) there is no reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred, or (b) the improper conduct or violation, even if proven, is not within the jurisdiction of the Committee.

(A) If the Committee determines that an initial review is not warranted, it shall promptly notify the complainant, if any, and any known respondent.

(B) If there is a complainant, he or she may also be invited to submit additional information, and notified of the procedures for filing a sworn complaint. If the complainant later provides additional information, not in the form of a sworn complaint, it shall be handled as a new allegation in accordance with the procedures of Rule 3. If he or she submits a sworn complaint, it shall be handled in accordance with Rule 2.

(4)(A) The Committee may determine that there is reason to believe on the basis of the information before it that the improper conduct or violation may have occurred and may be within the jurisdiction of the Committee, and that an initial review must therefore be conducted.

(B) If the Committee determines that an initial review will be conducted, it shall promptly notify the complainant, if any, and the respondent, if any.

(C) The notice required under subparagraph (B) shall include a general statement of the information or allegations before the Committee, and a statement that the Committee will immediately begin an initial review of the complaint. A copy of the Rules of the Committee shall be supplied with the notice.

(5) If a member of the Committee believes that the preliminary inquiry has provided sufficient information for the Committee to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, the member may move that the Committee dispense with the initial review and move directly to the determinations described in Rule 4(f). The Committee may adopt such a motion by majority vote of the full Committee.

RULE 4: PROCEDURES FOR CONDUCTING AN INITIAL REVIEW

(a) Basis for Initial Review: The Committee shall promptly commence an initial review whenever it has received either (1) a sworn complaint that the Committee has determined is in substantial compliance with the requirements of Rule 2, or (2) unsworn allegations or information that have caused the Committee to determine in accordance with Rule 3 that an initial review must be conducted.

(b) Scope of Initial Review:

(1) The initial review shall be of such duration and scope as may be necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(2) The initial review may include any inquiries or interviews that the Committee deems appropriate to obtain the evidence upon which to make the determination required by subparagraph (1), including the taking of sworn statements and the use of subpoenas.

(c) Opportunity for Response: An initial review may include an opportunity for any known respondent or his designated representative, to present either a written or oral statement, or to respond orally to questions from the Committee. Such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(d) Status Reports: The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee. The reports shall be confidential.

(e) Final Report: When the initial review is completed, the staff or outside counsel shall make a confidential report to the Committee on findings and recommendations.

(f) Committee Action: As soon as practicable following submission of the report on the initial review, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence. In this case, the Committee shall report its determination to the complainant, if any, and to the respondent, together with an explanation of the basis for the determination. The explanation may be as detailed as the Committee desires, but it is not required to include a complete discussion of the evidence collected in the initial review.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a de minimis nature. In this case, the Committee may attempt to correct or to prevent such violation by informal methods. The Committee's final determination in this matter shall be reported to the complainant, if any, and to the respondent, if any.

(3) The Committee may determine that there is such substantial credible evidence, but that the alleged violation, if proven, although not of a de minimis nature, would not be sufficiently serious to justify the severe disciplinary actions specified in Senate Resolution 338, 88th Congress, as amended (i.e., for a Member, censure, expulsion, or recommendation to the appropriate party conference regarding the Member's seniority or positions of responsibility; or for an officer or employee, suspension or dismissal). In this case, the Committee, by the recorded affirmative vote of at least four members, may propose a remedy that it deems appropriate. If the respondent agrees to the proposed remedy, a summary of the Committee's conclusions and the remedy proposed and agreed to shall be filed as a public record with the Secretary of the Senate and a notice of the filing shall be printed in the Congressional Record.

(4) The Committee may determine, by recorded affirmative vote of at least four members, that there is such substantial credible evidence, and also either:

(A) that the violation, if proved, would be sufficiently serious to warrant imposition of one of the severe disciplinary actions listed in paragraph (3); or

(B) that the violation, if proven, is less serious, but was not resolved pursuant to the procedure in paragraph (3). In either case, the Committee shall order that an investigation promptly be conducted in accordance with Rule 5.

RULE 5: PROCEDURES FOR CONDUCTING AN INVESTIGATION

(a) Definition of Investigation: An "investigation" is a proceeding undertaken by the Committee, by recorded affirmative vote of at least four members, after a finding on the basis of an initial review that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within its jurisdiction has occurred.

(b) Scope of Investigation: When the Committee decides to conduct an investigation, it shall be of such duration and scope as is necessary for the Committee to deter-

mine whether a violation within its jurisdiction has occurred. In the course of the investigation, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct inquires or interviews, take sworn statements, use compulsory process as described in Rule 7, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make this determination.

(c) Notice to Respondent: The Committee shall give written notice to any known respondent who is the subject of an investigation. The notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an investigation. The notice shall include a statement of the nature of the possible violation, and a description of the evidence indicating that a possible violation occurred. The Committee shall offer the respondent an opportunity to present a statement or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) Right to a Hearing: The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate.

(e) Progress Reports to Committee: The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the investigation. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) Report of Investigation:

(1) Upon completion of an investigation, including any hearings held pursuant to Rule 6, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the investigations and which may recommend disciplinary action, if appropriate. Findings of fact of the investigation shall be detailed in this report whether or not disciplinary action is recommended.

(2) The Committee shall consider the report of the staff or outside counsel promptly following its submission. The Committee shall prepare and submit a report to the Senate, including a recommendation to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. The report shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. No recommendation or resolution of the Committee concerning the investigation of a Member, officer or employee of the Senate may be approved except by the affirmative recorded vote of not less than four members of the Committee.

(3) Promptly after the conclusion of the investigation, the Committee's report and recommendation shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation shall be printed and made public, unless the Committee determines by majority vote that it should remain confidential.

RULE 6: PROCEDURES FOR HEARINGS

(a) Right to a Hearing: The Committee may hold a public or executive hearing in any inquiry, initial review, investigation, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 5(e).)

(b) Non-public Hearings: The Committee may at any time during a hearing determine in accordance with paragraph 5(b) of Rule XXVI of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) Adjudicatory Hearings: The Committee may, by majority vote, designate any public or executive hearing as an adjudicatory hearing; and, any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in paragraph (j) shall apply.

(d) Subpoena Power: The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 7.)

(e) Notice of Hearings: The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f).

(f) Presiding Officer: The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) Witnesses:

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may, by majority vote, rule that no member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness' scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least two working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

(h) Right to Testify: Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff member or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may—

(1) Request to appear personally before the Committee to testify in his or her own behalf; or

(2) File a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained.

Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) Conduct of Witnesses and Other Attendees: The Presiding Officer may punish any breaches of order and decorum by censure and exclusion from the hearings. The Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) Adjudicatory Hearing Procedures:

(1) Notice of Hearings: A copy of the public announcement of an adjudicatory hearing, required by paragraph (e), shall be furnished together with a copy of these Rules to all witnesses at the time that they are subpoenaed or otherwise summoned to testify.

(2) Preparation for Adjudicatory Hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any:

(i) a list of proposed witnesses to be called at the hearing;

(ii) copies of all documents expected to be introduced as exhibits at the hearing; and

(iii) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in divisions (i), (ii) and (iii) of subparagraph (A) to the Committee.

(C) At the discretion of the Committee, the information and documents to be exchanged under this paragraph shall be subject to an appropriate agreement limiting access and disclosure.

(D) If a respondent refuses to provide the information and documents to the Committee (see (A) and (B) of this subparagraph), or if a respondent or other individual violates an agreement limiting access and disclosure, the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) Swearing of Witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to Counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to Cross-Examine and Call Witnesses:

(A) In adjudicatory hearings, any respondent who is the subject of an investigation, and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subopenas for the appearance of witnesses or the production of documents on his or her behalf. An application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least one working day before a witness' scheduled appearance, a witness or a witness counsel may submit to the Committee written questions proposed to be asked of that witness. If the Committee determines that it is necessary, such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness' counsel may also submit additional sworn testimony for the record within twenty-four hours after the last day that the witness has testified. The insertion of such testimony in that days' record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of Evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of evidence shall not be applied strictly, but the Presiding Officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a majority vote of the Committee before the recess of that day's hearings.

(7) Supplementary Hearing Procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public.

(k) Transcripts:

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. Any member of the Committee, Committee staff member, outside counsel retained by the Committee, or witness may examine a copy of the transcript retained by the Committee of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman, acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony was given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, each transcript shall be printed as soon as is practicable after receipt of the corrected version. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The Committee shall furnish each witness, at no cost, one transcript copy of that witness' testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

RULE 7: SUBPOENAS

(a) Procedure: Subpoenas may be issued either—

(1) by majority vote of the Committee, or

(2) by the Chairman and Vice Chairman, acting jointly.

All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of the Rules of the Committee and a brief statement of the purpose of the initial review, investigation, or other proceeding.

(b) Subpoena Power: Pursuant to Federal law (2 U.S.C. 190(b)), the Committee is authorized to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate as it deems advisable. The Committee is similarly authorized to require by subpoena or otherwise the attendance of such witnesses or the production of such correspondence, books, papers, documents, or other articles as it deems advisable.

(c) Withdrawal of Subpoena: The Committee may, by majority vote, withdraw any subpoena issued by it or issued by the Chairman and Vice Chairman, acting jointly.

The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena issued by them.

RULE 8: VIOLATIONS OF LAW; PERJURY; LEGISLATIVE RECOMMENDATIONS; AND APPLICABLE RULES AND STANDARDS OF CONDUCT

(a) Violations of Law: Whenever the Committee determines by majority vote that there is reason to believe that a violation of law may have occurred, it shall report such possible violation to the proper state and federal authorities.

(b) Perjury: Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty of perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) Legislative Recommendations: The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, or employees of the Senate. The Committee may conduct such inquiries as it deems necessary to prepare such a report or resolution, including the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may make legislative recommendations as a result of its findings in an initial review, investigation, or other proceeding.

(d) Applicable Rules and Standards of Conduct:

(1) No initial review or investigation shall be made of an alleged violation of any law, rule, regulation, or provision of the Senate Code of Official Conduct which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to, or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may conduct an initial review or investigation of an alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Committee.

RULE 9: PROCEDURES FOR HANDLING COMMITTEE SENSITIVE AND CLASSIFIED MATERIALS

(a) Procedures for Handling Committee Sensitive Materials:

(1) Committee Sensitive information or material is information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or acquisition of such conduct; to any resulting preliminary inquiry, initial review, or investigation by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to other information or material designated by the staff director, or outside counsel designed by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be in writing and shall be given to each Committee staff member.

(b) Procedures for Handling Classified Materials:

(1) Classified information or material is information or material which is specifically designated as classified under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedures for handling such information shall be in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman, acting jointly, shall have access to classified information in the Committee's possession.

(c) Procedures for Handling Committee Sensitive and Classified Documents:

(1) Committee Sensitive and classified documents and materials shall be segregated in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for

use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession. The staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman, and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be taken by a member of the Committee staff to the office of a member of the Committee for his or her examination, but the Committee staff member shall remain with the Committee Sensitive or classified documents or materials at all times except as specifically authorized by the Chairman or Vice Chairman.

(3) Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than documents or materials which are matters of public record, shall request access in writing. The Committee shall decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(4) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in respose to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) Non-disclosure Policy and agreement:

(1) Except as provided in the last sentence of this paragraph, no member of the Select Committee on Ethics, its staff, or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part, or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics or its staff. Such information, documents, or material may be released to an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

RULE 10: BROADCASTING AND NEWS COVERAGE OF COMMITTEE PROCEEDINGS

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered in whole or in part, by television broadcast, radio broadcast, still photography, or by any other method of coverage, unless the Committee decides by majority vote that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography, or other methods is occurring. At the request of any such witness who does not wish to be subjected to radio, television, still photography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements:

(1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and staff, or with the orderly process of the meeting or hearing.

(2) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(3) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(4) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(5) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

RULE 11: PROCEDURES FOR ADVISORY OPINIONS

(a) When Advisory Opinions are Rendered:

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may issue an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) Form of Request: A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) Opportunity for Comment:

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion—

(A) which requires an interpretation on a significant question of first impression that will affect more than a few individuals; or

(B) when the Committee determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the Congressional Record, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within ten days.

(3) All relevant comments received on a timely basis will be considered.

(d) Issuance of an Advisory Opinion:

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. If (A) the Chairman and Vice Chairman cannot agree, or (B) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the Congressional Record after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw, or elaborate on any advisory opinion.

(e) Reliance on Advisory Opinions:

(1) Any advisory opinion issued by the Committee under Senate Resolution 338, 88th Congress, as amended, and the rules may be relied upon by—

(A) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered if the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of Senate Resolution 338, 88th Congress, as amended, and of the rules, and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

RULE 12: PROCEDURES FOR INTERPRETATIVE RULINGS

(a) Basis for Interpretative Rulings: Senate Resolution 338, 88th Congress, as amended, authorizes the Committee to issue interpretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings

clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) Request for Ruling: A request for such a ruling must be directed in writing to the Chairman or Vice Chairman of the Committee.

(c) Adoption of Ruling:

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretative ruling in response to any such request, unless—

(A) they cannot agree,

(B) it requires an interpretation of a significant question of first impression, or

(C) either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) shall be adopted by a majority of the members voting and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) Publication of Rulings: The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which the Committee determines may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw, or elaborate on interpretative rulings.

(e) reliance on Rulings: Whenever an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) Rulings by Committee Staff: The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

RULE 13: PROCEDURES FOR COMPLAINTS INVOLVING IMPROPER USE OF THE MAILING FRANK

(a) Authority to Receive Complaints: The Committee is directed by section 6(b) of Public Law 93-191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in paragraph (b).

(b) Disposition of Complaints:

(1) The Committee may dispose of any such complaint by requiring restitution of the cost of the mailing if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an initial review or investigation, must be summarized, together with the disposition, in a notice promptly transmitted for publication in the Congressional Record.

(3) If a complaint is disposed of by restitution, the complainant, if any shall be notified of the disposition in writing.

(c) Advisory Opinions and Interpretative Rulings: Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 11 and 12.

RULE 14: PROCEDURES FOR WAIVERS

(a) Authority for Waivers: The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Section 101(h) of the Ethics in Government Act of 1978, as amended, (Rule XXXIV) relating to the filing of financial disclosure reports by individuals who are expected to perform or who have performed the duties of their offices or positions for less than one hundred and thirty days in a calendar year;

(2) Section 102(a)(2)(D) of the Ethics in Government Act, as amended, (Rule XXXIV) relating to the reporting of gifts;

(3) Paragraph 1 of Rule XXXV relating to acceptance of gifts; or

(4) Paragraph 5 of Rule XLI relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) Requests for Waivers: A request for a waiver under paragraph (a) must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 11 of Rule XXXVII of the Standing Rules of the Senate) should be included with the waiver request.

(c) Ruling: The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision.

(d) Availability of Waiver Determinations: A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office. Waivers granted by the Committee pursuant to the Ethics in Government Act of 1978, as amended, may only be granted pursuant to a publicly available request as required by the Act.

RULE 15: DEFINITION OF "OFFICER OR EMPLOYEE"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President, if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLI(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a Member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLI(4) of the Standing Rules of the Senate.

RULE 16: COMMITTEE STAFF

(a) Committee Policy:

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public, without Committee approval, any Committee Sensitive or classified information, documents, or other material obtained during the course of his or her employment with the Committee.

(b) Appointment of Staff:

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including a staff recommended by a special counsel, for the purpose of a particular initial review, investigation, or other proceeding. Such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the Executive Branch of the Government) whenever the Committee determines that the retention of outside counsel if necessary or appropriate for any action regarding any complaint or allegation, initial review, investigation, or other proceeding, which in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any investigation undertaken after an initial review of a sworn complaint, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) Dismissal of Staff: A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) Staff Works for Committee as Whole: All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) Notice of Summons to Testify: Each member of the Committee staff shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

RULE 17: CHANGES IN SUPPLEMENTARY PROCEDURAL RULES

(a) Adoption of Changes in Supplementary Rules: The Rules of the Committee, other than rules established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended,

or suspended at any time, pursuant to a majority vote of the entire membership taken at a meeting called with due notice when prior written notice of the proposed change has been provided each member of the Committee.

(b) Publication: Any amendments adopted to the Rules of the Committee shall be published in the CONGRESSIONAL RECORD not later than thirty days after adoption.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting a sundry nomination which was referred to the Committee on the Judiciary.

(The nomination received today is printed at the end of the Senate proceedings.)

PROPOSED EMPLOYMENT LEGISLATION—MESSAGE FROM THE PRESIDENT—PM 27

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

Two years ago when I took office, the U.S. economy was suffering from back-to-back years of double digit inflation; interest rates exceeded 20 percent. The Economic Recovery Program which we put in place—slowing the rate of growth of Federal spending, reducing the Federal tax burden, eliminating unnecessary regulations, and supporting a stable and moderate growth in the money supply—has cleared the way for recovery and laid the foundation for a period of sustained, noninflationary economic growth. Unfortunately, every economy which has successfully made this transition has experienced a period of increased unemployment. Because the 1981-82 recession, closely following the 1980 recession, was longer and deeper than anyone in or out of government had predicted, it sent the unemployment rate to painfully high levels.

In January over 11 million American men and women who were seeking work could not find jobs. Nearly 60 percent of the unemployed had lost their previous jobs and were either looking for new ones or waiting for recall by their previous employers. Nearly 2 million of the unemployed were teenagers most of whom were looking for their first job or struggling with the difficult transition from school to work. Unemployment is particularly painful to the long-term unemployed. About 40 percent of those now out of work have been unemployed for more than 14 weeks and nearly one-fourth have been unemployed for 6 months or longer.

Reducing unemployment without reigniting the fires of inflation is the most significant domestic challenge we face. In designing policies to reduce unemployment, we must first have a clear understanding of its dimensions and its underlying causes.

There are two primary types of unemployment: cyclical unemployment and structural unemployment. Cyclical unemployment results from downturns in business conditions. As the general level of business activity declines, employers reduce their demand for workers, and unemployment increases; as the economy picks up, cyclical unemployment automatically goes down. Structural unemployment, on the other hand, is largely unaffected by swings in business conditions. It can result from the continuous change in a dynamic economy where some industries are declining while others are expanding; from a mismatch of skills needed for available jobs versus the skills in the available work force; from barriers to labor market entry; and from increases in the proportion of the population looking for work. Thus, structural unemployment will remain a problem even after the economy has fully recovered.

CYCLICAL UNEMPLOYMENT

The present period of economic stagnation began in January 1980 when the economy went into a brief recession. The recovery that followed later that year was anemic, especially in construction and in many of our basic manufacturing industries. By mid-1981, the short upturn in economic activity could not be maintained, and the economy entered the current recession.

In December 1979, before the present period of stagnation, 6.4 million people were unemployed. Today, 11.4 million Americans are out of work. The back-to-back recessions have caused most of the 5 million increase in unemployment since 1979.

A major part of our current unemployment problem is the result of economic stagnation. The single most effective long-term cure for much of our unemployment problem is to get the economy moving again. There is every reason to believe that we are now on the road to economic recovery. Construction activity, which has significantly contributed to past recoveries, has shown marked improvement in recent months. Industrial production is up for 2 months in succession. Automobile sales and new orders for manufacturing goods have also increased. Not least, the unemployment rate, normally a lagging indicator, has finally begun to moderate. The economic assumptions in my budget, which many have characterized as very cautious, project an increase of nearly 5 million additional jobs by the end of 1984. I am confident we can accomplish this without reigniting inflation.

STRUCTURAL UNEMPLOYMENT

Even after the economy has fully recovered, however, we will still face the challenge of structural unemployment. Government can play an important role in assisting three groups of structurally unemployed workers: the long-term unemployed, displaced workers, and youth.

We can help the long-term unemployed by providing needed financial assistance and offering new incentives to employers to hire and train them.

We can help our displaced workers obtain the training needed to make the transition from declining to growth industries.

And we can help our young people by removing impediments that prevent them from gaining the initial skills they need for a lifetime of productive work.

Only by moving forward on all these fronts can we successfully meet the challenge of structural unemployment. The Employment Act of 1983, which I am sending the Congress today, contains a balanced and comprehensive set of programs to help the long-term unemployed, displaced workers, and youth secure productive jobs in our economy.

ASSISTING THE LONG-TERM UNEMPLOYED

EXTENDING FEDERAL SUPPLEMENTAL COMPENSATION

Many of the long-term unemployed will continue to face economic hardship during the coming months. Last year I signed legislation to assist them during this difficult period. In my State of the Union Address, I said I would propose the extension and modification of the temporary Federal Supplemental Compensation (FSC) program, which is scheduled to terminate March 31, 1983.

The program I am proposing provides additional unemployment compensation until the end of the current fiscal year to aid those individuals who have exhausted their unemployment insurance benefits and who have demonstrated work force attachment and have lost their jobs through no fault of their own.

Our proposed extension will also eliminate the unnecessary complexity in the current program while continuing to provide the longest benefit durations in those States with the most severe unemployment problems.

This FSC program should help those who most deserve assistance. Our proposal will ensure this by changing the work force attachment requirement

and excluding voluntary job quitters. This approach is both fair and fiscally responsible.

INDUCING MORE EMPLOYMENT THROUGH JOB VOUCHERS

While unemployment compensation reduces the hardship of being out of work, it does not help the unemployed to find work. We must adopt programs that will help the long-term unemployed secure jobs by providing incentives for businesses to hire them. Therefore, I propose supplementing the extension of FSC with a new job voucher program to help the long-term unemployed obtain productive jobs. Under this new program, a worker eligible for FSC will be allowed to convert his or her unemployment benefits into vouchers that would entitle a new employer who hires the individual to receive a tax credit.

The job voucher program will have much broader coverage than existing employment tax credit programs, such as the targeted jobs tax credit. An employer will be able to use the voucher to offset State or Federal unemployment insurance taxes or Federal income tax liabilities. This new incentive to hire the long-term unemployed will extend to all private sector employers including nonprofit institutions. Of course, individual State unemployment trust funds will be reimbursed from Federal general revenues so as not to penalize the States. The employer hiring incentive would last for 1 year after March 31, 1983, 6 months beyond the termination date of FSC on October 1, 1983.

Extending FSC and establishing the job voucher program have the advantage that they can be enacted swiftly through Federal legislation. Unlike other elements of the unemployment insurance program, the States would not have to change their legislation. These proposals constitute a cost effective, fair, and efficient program to help those most in need and help them immediately.

ENTERPRISE ZONES TO INCREASE EMPLOYMENT IN DISTRESSED INNER CITIES AND RURAL TOWNS

I have also proposed the creation of enterprise zones in inner cities and in rural towns. Through Federal, State, and local tax and regulatory relief, and strong neighborhood and local participation, enterprise zones will offer a significant economic incentive to businesses, large and small, looking for opportunities to expand or revitalize their operations. Several provisions in the proposed legislation provide direct benefits and incentives to employers to hire, train, and promote disadvantaged workers, and the long-term unemployed. The increase in economic activity in these zones will offer new job opportunities for individuals and stimulate a revival in distressed local economies.

ASSISTING DISPLACED WORKERS

Displaced workers are a second group suffering structural unemployment. Our economy is currently undergoing extensive changes due to international developments, technological advances, and environmental needs. Many of these changes will help increase our productivity and improve our standard of living. But they also mean that many workers must face significant adjustments as some plants close and individual production lines are idled. While we as a nation must revitalize our industrial base to meet the economic challenges of the 1980s and beyond, we must also vigorously pursue labor market policies which insure that our experienced work force has the skills to match the needs of our expanding industries. Sustained economic growth and a rising standard of living can only be fully realized if our labor force receives the necessary training and if it is sufficiently mobile geographically and occupationally.

The Congressional Budget Office estimates that about 15 percent of those currently unemployed are displaced workers, defined as people who have lost their jobs from either declining industries or declining occupations. Of those from declining industries, nearly half are from automobiles, fabricated metals, primary metals, and wearing apparel; more than 60 percent reside in the northeast and midwest. Of those displaced from declining occupations, three-quarters are semi-skilled operatives and laborers.

Achieving enhanced employment security for our experienced work force is a shared responsibility. No single level of government or single segment of society has exclusive responsibility. All have significant roles.

Our proposals to the Congress.

—Constitute a meaningful assistance policy for displaced workers;

—Are consistent with the principle of shared responsibility; and

—Utilize existing government institutions and service delivery mechanisms.

THE JOB TRAINING PARTNERSHIP ACT

On October 13, 1982, I signed into law the Job Training Partnership Act (JTPA). Title III of the act provides for a State administered training and placement assistance program for displaced workers.

The JTPA establishes a partnership among business, labor, and elected officials at the State and local levels. Through this partnership, the private sector, in cooperation with elected officials, will play a decisive role in planning and implementing programs to assure that training is responsive to the job needs of business and industry.

I am requesting an appropriation for title III of the JTPA of $240 million for fiscal year 1984. This represents an almost ten-fold increase over fiscal year 1983 funding. When combined with non-Federal matching funds, this appropriation will support much needed training and placement assistance for 110,000 displaced workers.

USING UNEMPLOYMENT INSURANCE FOR REEMPLOYMENT ASSISTANCE

Since 1935, our unemployment insurance program has served the Nation well in providing temporary financial assistance for unemployed workers. But, while income maintenance helps cushion the financial strain of unemployment, it does not directly assist people in finding jobs. I believe we can modify the Unemployment Insurance (UI) system to improve the occupational and geographic mobility of permanently displaced workers without violating the integrity and insurance nature of the system.

Recognizing the unique Federal-State structure of the system and that many different adjustment assistance policies may prove effective, the bill I am sending to the Congress would amend the Federal Unemployment Tax Act to allow States the flexibility to use up to 2 percent of State unemployment insurance tax revenues to pay for training, job search, and relocation assistance.

These two reemployment assistance programs can help our displaced working men and women acquire the skills they need to adjust to the changes in a dynamic economy.

ASSISTING YOUTH

Young people are a third group suffering from structural unemployment. Unemployment among youth constitutes over 30 percent of our overall unemployment. The rate among the 16–21 age group is an unacceptable 23 percent, over twice the national average, and among minority youth, the unemployment rate of 44 percent represents the single most important social labor market problem.

The consequences of youth unemployment are different from those of adult unemployment. Among adults, unemployment is primarily a matter of financial loss and temporary economic hardship. Most of our nation's youth, on the other hand, live in families in which they are the second or third breadwinner. Unemployment among the majority of youth, therefore, does not usually create severe financial hardship. In 1981, the annual income of families with unemployed youth averaged almost $25,000.

Prolonged periods of unemployment among many youths, however, often lead to serious long-term consequences. First, sustained unemployment can tempt some to channel their energies and ambitions into antisocial or criminal activities. Second, long-term unemployment undermines a young person's potential for success. Recent studies show that those who have prolonged unemployment during

their formative years also have less stable employment and diminished earning capacity during their adult years.

Prolonged unemployment among youth is partially due to a lack of initial labor market skills. The problem of skill deficiencies is exacerbated by a lack of career-oriented job opportunities. To combat the problem of skill deficiencies, the Administration worked with Congress to enact the landmark Job Training Partnership Act (JTPA) of 1982. Under the Act, in FY 1984, $724 million in resources are targeted at economically disadvantaged youth in need of training. These resources will provide young people with a fresh chance to develop fully their potential for a productive career.

As a second step toward improving the job skills of our nation's youth, the Administration worked with Congress to extend the Targeted Jobs Tax Credit (TJTC) Program. As part of the extension, the program was modified to target resources more tightly on economically disadvantaged youth. The tax credits provided by the program will encourage employers to aid in the process of developing the skills of many of our young people.

Enactment of enterprise zone legislation would be a third step in this process of improving employment opportunities for youth, particularly disadvantaged youth in our inner cities and rural areas. However, the problem of youth unemployment is too large and too severe for the Federal government alone to provide the sole remedy. The private sector must also help open up career-oriented job opportunities.

One of the most important causes of the lack of career-oriented jobs in which young people can start their careers is the minimum wage. When many young people first enter the labor market their job skills are well below those of older, experienced workers. In a free market, unhampered by government restrictions, young people could compensate for their relative lack of experience and skills by offering to work for a lower wage. Then, as they gain experience on the job, their growing skills would make them more valuable to employers and they would progress up the pay scale. The minimum wage destroys this opportunity: young people are prevented from offering their services at less than a government mandated wage. Faced with the prospect of hiring an unskilled youth at a wage in excess of the current value of his labor, many firms not surprisingly turn young people away. Unable to get an initial job, many young workers never learn the job skills that are needed to earn more than the minimum wage.

Evidence of the effects of the minimum wage is abundant. For nearly a century and a half, this nation experienced no significant youth unemployment problem. Then, just after the turn of the century, state legislatures began enacting minimum wage laws. At first, these mandated wages were not far from market wages and there was little impact. In 1938, however, the Federal government imposed a Federal minimum wage applicable to firms engaged in interstate commerce. Initially this meant that the Federal minimum wage was largely confined to manufacturing. The Federal minimum wage contributed to declining youth employment in manufacturing. But other industries such as retail trade and the service sector still provided an outlet for the energies of youth who wished to work.

During the 1960s and 1970s the minimum wage was increased and its coverage was expanded. At the same time, the youth unemployment problem continued to worsen, especially among minorities.

YOUTH EMPLOYMENT OPPORTUNITY WAGE

To help those young people who want to work find jobs, I am proposing a youth employment opportunity wage for youngsters under the age of 22. This youth opportunity wage will be $2.50 per hour, 25 percent below the regular minimum wage of $3.35 per hour. Young people will not, of course, be forced to accept the lower wage, and many will receive more than $2.50 an hour. But all will have the opportunity to offer their services at $2.50 if lack of job skills or other factors make this appropriate.

I am not the first to propose a youth differential minimum wage; indeed, the government more than once has come close to implementing such a proposal. Each time it failed, however, due to concerns that adults would be displaced by younger workers. I am unconvinced by such arguments but I appreciate the concern behind them. Therefore, I am proposing that the youth employment opportunity wage only be effective during the summer—specifically from May 1 to September 30. This is the period when the greatest number of youth are in the labor market and, therefore, the period in which this proposal will generate the most employment opportunities. By restricting the youth opportunity wage to the summer months, the jobs of older workers will be protected. An employer will not wish to disrupt his or her work force by attempting to use youth during the summer and adults the rest of the year.

To ensure that existing jobs are protected, the Employment Act of 1983 prohibits displacement of current workers by those hired at the youth employment opportunity wage. It also protects the wages of youth employed at the current minimum wage by prohibiting employers from reducing their rate of pay. Thus it expands youth employment opportunities, but not at the expense of older workers.

Some may try to use this proposed legislation as an opportunity to raise the level of the Federal minimum wage above the current $3.35 per hour. I will vigorously oppose any such attempt. Raising the level of the minimum wage would cause many adult workers to lose their jobs. At a time of 10.4 percent unemployment, it would simply create further job loss and more unemployment.

SUMMARY

The Employment Act of 1983 is a balanced and realistic approach to addressing our economy's structural unemployment problem. It provides appropriate incentives for employers to hire the long-term unemployed. It provides needed financial assistance to men and women suffering from the hardship of prolonged joblessness, and provides Federal funds for a cooperative effort by industry, labor, and local officials in assisting displaced workers. It gives States the flexibility needed to further assist these workers, and supplements the major effort already underway to provide meaningful training to our disadvantaged youth by establishing a youth employment opportunity wage which will give all our youth a chance to get the work experience they need. Our enterprise zone legislation will stimulate new jobs in economically distressed areas. Together these proposals will provide the foundation for expanding job opportunities for our unemployed. I urge the Congress to enact this legislation promptly.

RONALD REAGAN.

THE WHITE HOUSE, *March 11, 1983.*

MESSAGES FROM THE HOUSE

At 10:30 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following resolutions:

H. Res. 73. A resolution disapproving the proposed deferral numbered D83-62;

H. Res. 74. A resolution disapproving the proposed deferral numbered D83-43;

H. Res. 75. A resolution disapproving the proposed deferral numbered D83-44;

H. Res. 76. A resolution disapproving the proposed deferral numbered D83-64;

H. Res. 77. A resolution disapproving the proposed deferral numbered D83-63;

H. Res. 80. A resolution disapproving the proposed deferral numbered D83-50; and

H. Res. 90. A resolution disapproving the proposed deferral numbered D83-36.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Small Business, with an amendment in the nature of a substitute:

S. 499. A bill to require the usage of tax-exempt financing in connection with the

Small Business Administration section 503 loan program (Rept. No. 98-22).

By Mr. DOLE, from the Committee on Finance, with an amendment in the nature of a substitute and an amendment to the title:

S. 1. A bill to implement the consensus recommendations of the National Commission on Social Security Reform (Rept. No. 98-23).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BUMPERS:

S. 770. A bill to amend the mineral leasing laws of the United States to provide for competitive oil and gas leasing at Fort Chaffee, Ark., and to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 771. A bill to revise and extend provisions of the Public Health Service Act relating to health promotion and disease prevention, to provide for the establishment of centers for research and demonstrations concerning health promotion and disease prevention, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself, Mr. KENNEDY, and Mr. PACKWOOD):

S. 772. A bill to promote public health by improving public awareness of the health consequences of smoking and to increase the effectiveness of Federal health officials in investigating and communication to the public necessary health information, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH:

S. 773. A bill to revise and extend programs relating to biomedical research, research training, and medical library assistance, to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself, Mr. THURMOND, and Mr. DECONCINI):

S. 774. A bill entitled the "Freedom of Information Reform Act; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. THURMOND, Mr. DOLE, and Mr. DENTON):

S. 775. A bill entitled the "Government Accountability Act of 1983"; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 776. A bill to amend the Internal Revenue Code to increase the amount that an artist may deduct when he contributes an artistic composition to charity; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. HEINZ, and Mr. KENNEDY):

S. 777. A bill to provide that the moratorium of fringe benefit taxation (P.L. 94-427) applies to the value on certain campus housing furnished by educational institutions to their employees; to the Committee on Finance.

By Mr. STAFFORD (by request):

S. 778. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BIDEN (for himself, Mr. THURMOND, Mr. DURENBERGER, Mr. GOLDWATER, Mr. HUDDLESTON, Mr. LEAHY, Mr. MOYNIHAN, and Mr. INOUYE):

S. 779. A bill entitled "The Intelligence Personnel Protection Act"; to the Committee on the Judiciary.

By Mr. SARBANES:

S. 780. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator of the Environmental Protection Agency to maintain a facility for the biological testing of pesticides under such act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STAFFORD (for himself, Mr. PELL, Mr. DURENBERGER, and Mr. HATFIELD):

S. 781. A bill to delay the effective date for the denial of Federal educational assistance to students who have failed to comply with registration requirements under Public Law 97-252 from July 1, 1983, to July 1, 1984; to the Committee on Labor and Human Resources.

By Mr. BOSCHWITZ:

S. 782. A bill for the relief of Bing Tao San; to the Committee on the Judiciary.

S. 783. A bill for the relief of Daniel Hon Ying NG; to the Committee on the Judiciary.

By Mr. HELMS:

S. 784. A bill to restore the right of voluntary prayer in public schools and to promote the separation of powers; read the first time.

S. 785. A bill to restore the right of voluntary prayer in public schools and to promote the separation of powers; to the Committee on the Judiciary.

By Mr. PRESSLER:

S. 786. A bill to amend title 38, United States Code, to establish a service-connection presumption for certain diseases caused by exposure to herbicides or other environmental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era; to the Committee on Veterans' Affairs.

By Mr. CHILES:

S. 787. A bill for the relief of certain Federal employees killed or injured in the collapse of a building; to the Committee on Governmental Affairs.

By Mr. QUAYLE (for himself, Mr. TSONGAS, and Mr. CHAFEE):

S. 788. A bill to amend the Agricultural Act of 1949 to reduce the loan rates for the 1983 through 1985 crops of sugarcane and sugar beets; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STEVENS:

S. 789. A bill to transfer to the Administrator of General Services all functions under the Federal Program Information Act; to the Committee on Governmental Affairs.

By Mr. COCHRAN (for himself, Mr. STEVENS, and Mr. WARNER):

S. 790. A bill to amend the Commodity Credit Corporation Charter Act and section 32 of the Act of August 24, 1935, to include fish and fish products within the meaning of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOSCHWITZ:

S. 791. A bill to amend the Internal Revenue Code of 1954 to delay for 5 years the implementation of withholding on interest and dividends to determine if compliance with respect to the payment of taxes on interest and dividends may be accomplished without a full-scale withholding system, and for other purposes; to the Committee on Finance.

By Mr. HEFLIN:

S. 792. A bill to amend title 28 of the United States Code regarding jurisdiction in bankruptcy proceedings, and for other purposes; to the Committee on the Judiciary.

S. 793. A bill for the relief of Elinor Dean Jones; to the Committee on the Judiciary.

S. 794. A bill for the relief of Edwina Carol Baxter; to the Committee on the Judiciary.

S. 795. A bill for the relief of Edwin L. McCulloch; to the Committee on the Judiciary.

S. 796. A bill for the relief of Bassam S. Belmany; to the Committee on the Judiciary.

S. 797. A bill for the relief of Mohammad Zaheer, his wife, Imbiaz Zaheer, and his sons, Eram Zaheer and Asim Zaheer; to the Committee on the Judiciary.

S. 798. A bill for the relief of Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer; to the Committee on the Judiciary.

S. 799. A bill for the relief of Henry Ford Harrison; to the Committee on the Judiciary.

By Mr. STEVENS (for himself, Mr. PACKWOOD, Mr. MURKOWSKI, and Mr. GORTON):

S. 800. A bill to establish an Ocean and Coastal Development Impact Assistance Fund and to require the Secretary of Commerce to provide to States national ocean and coastal development and assistance block grants from moneys in the fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SARBANES:

S. Res. 88. A resolution expressing the sense of the Senate opposing cuts in library programs; to the Committee on Labor and Human Resources.

By Mr. D'AMATO:

S. Con. Res. 17. A concurrent resolution to recognize Irish Peace, Freedom, and Unity Day; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS:

S. 770. A bill to amend the mineral leasing laws of the United States to provide for competitive oil and gas leasing at Fort Chaffee, Ark., and to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Energy and Natural Resources.

FORT CHAFFEE LEASING ACT OF 1983

● Mr. BUMPERS. Mr. President, the legislation I am introducing today has two provisions: First, it would require that Federal lands at Fort Chaffee, Ark., would be leased for oil and gas development only by competitive bidding; and second, it would make a technical change in legislation passed

last year concerning the distribution of revenues from leasing.

I have for years promoted legislation which would abolish nationwide the existing system which allows most onshore oil and gas leases to be issued noncompetitively for only a nominal annual rental fee, and I will continue to push for its adoption by the Senate. But my concern today is strictly parochial. This legislation would apply the competitive leasing requirement only to the 74,000 acres managed by the Department of Defense at Fort Chaffee, Ark.

Every Member of this body knows of my strong opposition to the existing system for leasing our Federal onshore oil and gas resources. Ninety-seven percent of the leases issued for development of these resources are given to either the first person that applies for them or to the lucky winner of a lottery for only a nominal annual rental fee of $1 per acre. Only 3 percent of the leases are issued by a competitive bidding procedure, such as is required for leasing of other Federal energy resources. Offshore oil and gas and federally owned coal may only be leased on a competitive basis. Yet the law governing onshore oil and gas still permits these resources to be given away to lottery winners, who then frequently operate a competitive market by reselling their leases to the highest private bidder. The lottery winners, and not the Government, receive the true value of the leases.

I first became aware of this anachronistic system in 1979 when the Department of the Interior issued leases for 33,000 acres at Fort Chaffee, Ark., to the Texas Oil & Gas Corp. The leases were given to Texas Oil & Gas for only $33,000—$1 per acre—because the Interior Department concluded that the acreage did not overlie a "known geologic structure." By law, only these known producing areas may be leased competitively. The Interior Department decided the land at Fort Chaffee was not a KGS even though numerous gas wells in the area had been producing for years. The oil and gas potential of this area was even more conclusively established when another 24,000 acres at Fort Chaffee, lying very near the first area, was determined to be a KGS, and was subsequently leased for a total bonus bid of $43 million in 1981.

The situation that occurred at Fort Chaffee dramatically illustrates the fallacy in relying on this subjective determination of potential oil and gas productivity. In testimony before the Senate Energy and Natural Resources Committee in 1980, one company testified that it would have paid at least $500 per acre for the leases that went to Texas Oil & Gas for only $1 per acre rental fee.

Clearly, there was no rationale for leasing this acreage noncompetitively, and even the U.S. Geological Survey has now admitted that it made a mistake in classifying the entire 24,000 acres as non-KGS.

Last September, the Geological Survey announced three sections of land comprising 1,900 acres at Fort Chaffee had been reclassified as KGS. These 1,900 acres are part of the 24,000 acre parcel that was leased noncompetitively in 1979 after the Geological Survey determined that it did not overlie a KGS. The reclassification was made because a new producing well had been drilled less than a mile away, not because the geology of the tracts had changed in the past 3 years.

The leases for 24,000 acres that include the reclassified 1,900 acres that are still being contested in court. But if the original leases are withdrawn, these 1,900 acres will be leased by competitive bid. The remaining acres would again be leased noncompetitively for $1 per acre.

Mr. President, the bill I am proposing would insure that this abritrary and ridiculous situation is at least corrected for the 74,000 acres at Fort Chaffee. The legislation would simply declare that the lands at Fort Chaffee may be leased only by a competitive procedure, as would be the case if the entire area was determined to be a KGS.

Clearly, the KGS determinations at Fort Chaffee are uncertain at best, and probably arbitrary. The number of producing wells in the area and the level of industry interest in nearby tracts strongly suggest that the entire area has high oil and gas potential. It undoubtedly suggests that industry is willing to pay more than a token fee for the rights to drill at Fort Chaffee. Obviously, the Federal Government, and the State of Arkansas, will not receive the revenues that could be generated from these leases unless action is taken to require that those leases be issued by competitive bidding.

I commend the Geological Survey for reclassifying the 1,900 acres at Fort Chaffee as suitable for competitive leasing. But I am convinced that the entire area should only be leased on a competitive basis, and that legislation is necessary to correct the inequitable and confusing situation that has existed there for so long.

Let me emphasize again that this legislation would apply to competitive leasing requirement only to the lands at Fort Chaffee, and would not require the Interior Department to develop any new regulations or procedures.

This legislation would also make a technical change in legislation passed by the 97th Congress. Public Law 97-94 provided that all receipts from bonuses, rentals, and royalties from leasing on military acquired lands would be shared equally with State governments. Through oversight, no provisions had been made to allow States to receive 50 percent of these revenues when the military acquired lands were opened to leasing in 1976. Public Law 97-94 passed both Houses of Congress unanimously, and simply provided that receipts from leasing on military acquired lands would be distributed in the same way as receipts from other Federal lands are distributed.

The effective date of this legislation was placed at January 1, 1981, to insure that all revenues from all leases issued on such lands would be fairly distributed. When Congress passed the law, the first leases issued on military acquired lands were assumed to be those leases issued at Fort Chaffee, Ark., in January 1981.

However, the leases that were originally issued noncompetitively for $1 per acre at Fort Chaffee in 1978, but subsequently revoked, may now be reinstated. Those leases are being contested in court, and it is possible that the Texas Oil & Gas Co. may be granted the leases. If the leases are reinstated, the State of Arkansas will not receive one penny of any rents or royalties that those leases may generate, because they would have been issued prior to the effective date of the legislation providing for distribution of those revenues. The bill I am introducing today will simply change the effective date of that legislation to January 1, 1978, in order that these leases will be covered by the legislation.

Mr. President, I hope that my colleagues will agree that this legislation is necessary to insure that the federally owned mineral resources at Fort Chaffee are developed in a responsible fashion, and that the State of Arkansas receives its fair share of any revenues that may be realized from that development. I urge the Energy and Natural Resources Committee to consider it early in this new session.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fort Chaffee Leasing Act of 1983".

SECTION 1. Notwithstanding any other provision of law, the Secretary of the Interior may issue leases under the authority of the Mineral Leasing Act of 1920 (30 U.S.C. 181, et seq.) only by competitive bidding for the lands in Arkansas comprising approximately 75,000 acres and generally depicted on a map entitled "Fort Chaffee" dated February 1, 1983.

SEC. 2. The Act of December 17, 1981 (Public Law 97-94, 95 Stat. 1205) is amended by striking section 2 and adding the following new section 2: "The amendment made by the first section of this Act shall take effect with respect to leases entered into after January 1, 1978."●

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 771. A bill to revise and extend provisions of the Public Health Service Act relating to health promotion and disease prevention, to provide for the establishment of centers for research and demonstrations concerning health promotion and disease prevention, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PROMOTION AND DISEASE PREVENTION AMENDMENTS OF 1983

Mr. HATCH. Mr. President, today I am pleased to introduce a new bill designed to focus a national research effort on preventive medicine and health promotion. From the outset of this administration, the importance of prevention has been frequently highlighted by the Secretary of HHS, citing the need to enhance our Federal health effort in preventing poor health and disease. As the cost of health care approaches 11 percent of our gross national product, much of it spent on treating acute and chronic illnesses which are entirely preventable, it is incumbent on us to improve the interest and skills of our health professionals in preventing disease. But even though the cost of health care is extraordinary in this country, too often we focus on only the economic loss, and forget the tolls taken in human suffering by ill health.

Today, we have the technology to accomplish a level of wellness previously unkown, and a public interest in health which was unimaginable even a decade ago. The legislation I propose will provide the Federal catalyst necessary to bring this technology and public interest together, and to significantly reduce the prevalance of illness, and at the same time enhance the well-being and productivity of all our citizens.

To accomplish this ambitious goal, I propose that the following be done:

First, reauthorization of the Office of Health Promotion within the Office of the Assistant Secretary of Health in the Department of Health and Human Services. In addition to its current activities, which this legislation streamlines and focuses on health promotion efforts, it will also administer the national youth sports program.

Second, establish at the National Institutes of Health a new position, entitled the Assistant Director for Prevention. A similar position now exists at the National Heart, Lung, and Blood Institute and has functioned well, facilitating exemplary research in preventive medicine and health promotion. This new position is intended to serve all of the national research institutes and other NIH entities by coordinating, integrating, and promoting efforts in disease prevention and health promotion research.

Third, provide authority for a new program to support establishment of Centers for Research and Demonstration of Health Promotion and Disease Prevention. This will require the Secretary of Health and Human Services to establish three such centers during the coming fiscal year, and five centers in each of the subsequent 2 years.

The primary mission of these centers is to conduct research in the prevention of illness and the promotion of good health, resulting in more cost-efficient and effective national health programs. Research conducted in these programs is intended to employ methods of epidemiology, risk assessement, behavioral science, and focus on the already defined priority health categories cited in "Healthy People," the 1979 Surgeon General's report on health promotion and disease prevention.

Fourth, an annual report will be required, providing for Congress information regarding all research activities conducted throughout HHS in preventive medicine and health promotion, including type and number of personnel involved.

These activities collectively can result in a significant improvement in our national effort in prevention. I am convinced that it is timely and in the best interest of our citizens to direct this modest amount of Federal funds for these purposes and that the benefits will far exceed our investment.

By Mr. HATCH (for himself, Mr. PACKWOOD, and Mr. KENNEDY):

S. 772. A bill to promote public health by improving public awareness of the health consequences of smoking and to increase the effectiveness of Federal health officials in investigating and communicating to the public necessary health information, and for other purposes; to the Committee on Labor and Human Resources.

SMOKING PREVENTION EDUCATION ACT OF 1983

Mr. HATCH. Mr. President, today I am pleased to join with Senator KENNEDY and Senator PACKWOOD in introducing the Smoking Prevention Education Act of 1983. This legislation represents a major national public education effort targeted at the No. 1 preventable cause of death—cigarette smoking. The evidence is overwhelming associating cigarette smoking with multiple diseases and premature death.

The 1982 Surgeon General's "Report on the Health Consequences of Smoking" focused on a single disease entity—cancer. Cigarette smoking was cited as the major single cause of cancer mortality in the United States, contributing to 30 percent of all cancer deaths. It was surprising for many of us to learn that cigarette smokers have a total cancer death rate two times greater than nonsmokers and that, in spite of the remarkable improvements in survival rates for some cancers, lung cancer is still the single largest contributor to the total cancer death rate.

In addition, smoking is associated with several other malignancies, including cancer of the throat and mouth, the esophagus, bladder and kidneys, and pancreas. Furthermore, cigarette smoking is linked to over one-third of all deaths from heart disease, and causes tremendous disability and death from chronic lung disease—emphysema and bronchitis.

Recent figures from the Office of Smoking and Health indicate that we as a nation spend between $12 and $13 billion annually in direct health costs for cigarette smoking related illnesses, and an additional $25 billion annually from lost productivity and disability related to cigarette smoking. But these figures only indicate great economic loss. They do not begin to tally the emotional costs of suffering from chronic disease and the sorrow of premature deaths which thousands of American families experience each year.

This bill will not prevent any of our citizens from choosing to use tobacco products. Nonetheless, it will enable them to make a more informed choice, and it is hoped that increasing numbers of our young people will choose never to smoke. This bill reauthorizes the Office of Smoking and Health in the Office of the Assistant Secretary of Health and Human Services. It establishes an Interagency Committee of Smoking and Health to coordinate all activities of the Federal Government which relate to smoking, and conduct research to develop new methods for informing the public about the effects of smoking.

Cigarette manufacturers will be required to use one of four different warning labels on each cigarette package, rotating their use to insure approximately equal distribution. These warning labels provide specific health information related to the consequences of smoking. The bill also requires that manufacturers of cigarettes provide for the Secretary of HHS a list of chemical additives used in the manufacture of cigarettes, facilitating research on the harmful effects of such chemicals.

I urge all my colleagues to join with us in this health education effort. There is no more single public health problem which merits our attention more than the health consequences of cigarette smoking. I ask unanimous consent that the text of the bill be printed in the RECORD at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 772

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Smoking Prevention Health and Education Act of 1983".

FINDINGS

SEC. 2. The Congress finds that—

(1) cigarette smoking is the largest preventable cause of illness and premature death in the United States, and is associated with the unnecessary deaths of over three hundred thousand Americans annually;

(2) smoking is the primary cause of lung cancer and emphysema in the United States, and is associated with other cancers;

(3) heart disease accounts for nearly one-half of the deaths in the United States, and one-third of the deaths attributable to heart disease are associated with smoking;

(4) the risks of miscarriage, stillbirths, premature births, and child weight deficiencies for pregnant women who smoke are higher than for pregnant women who do not smoke; and

(5) present Federal, State, and private initiatives have been insufficient in conveying to the American public the information contained in paragraphs (1) through (4) of this section and other information regarding smoking.

PURPOSE

SEC. 3. It is the purpose of this Act to promote public health by providing health information to the American public that will allow individuals to make informed decisions concerning smoking.

SMOKING RESEARCH, EDUCATION AND INFORMATION

SEC. 4. (a) Title XVII of the Public Health Service Act is amended by adding at the end thereof the following new section:

"SMOKING AND HEALTH

"SEC. 1711. (a) The Secretary shall establish and carry out a program to inform the public of the dangers to health from cigarette smoking. In carrying out such program, the Secretary shall—

"(1) coordinate all activities of the Department which relate to smoking and its effects on health, including research and demonstration projects and educational activities;

"(2) through the Interagency Committee on Smoking and Health established under subsection (b), coordinate the activities referred to in paragraph (1) of this subsection with all other activities of the Federal Government which relate to smoking and its effects on health;

"(3) through the Interagency Committee on Smoking and Health established under subsection (b), coordinate the activities of the Federal Government referred to in paragraphs (1) and (2) of this subsection with similar activities in the private sector;

"(4) conduct research and develop new methods for informing the public of the effects of smoking on health, either independently or in conjunction with the private sector, for use in a national effort;

"(5) collect, analyze, and disseminate information, studies, and other data related to smoking and its effects on health;

"(6) make available, through specific publications and bibliographic and reference materials, information on research efforts relating to smoking and its effects on health; and

"(7) undertake any other additional informational and research activities which the Secretary determines necessary and appropriate.

In carrying out the requirements of this subsection, the Secretary shall seek to develop methods of communication with Federal, State, and local entities, as well as with the private sector.

"(b)(1) To carry out the activities described in paragraphs (2) and (3) of subsection (a), there is established an Interagency Committee on Smoking and Health. The Committee shall be composed of representatives from appropriate institutes and agencies of the Department, which may include the National Heart, Lung, and Blood Institute, the National Cancer Institute, the National Institute of Child Health and Human Development, the Health Resources Services Administration, and the Center for Disease Control.

"(2) The Committee shall meet at least four times each year.

"(c) The Secretary shall transmit a report to Congress not later than January 1 of each year which shall contain—

"(1) current information on the effects of smoking on health;

"(2) an overview and assessment of Federal activities undertaken to inform the public of the effects of smoking on health;

"(3) information regarding the activities of the private sector with respect to the effects of smoking on health; and

"(4) such recommendations for legislation as the Secretary may consider appropriate.".

(b) Section 8 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1337) is amended by striking subsection (a) and by striking the subsection designation "(b)".

ADDITIVE INFORMATION

SEC. 5. Title XVII of the Public Health Service Act (as amended by section 4(a) of this Act) is further amended by adding at the end thereof the following new section:

"ADDITIVE INFORMATION REQUIRED

"SEC. 1712. (a)(1) It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United states any cigarettes unless such person has provided to the Secretary a complete list of each chemcial additive used in the manufacture of such cigarettes and the relative quantity of such additives.

"(2) The Secretary and any officer or employee of the Department shall not disclose to any person outside the Department any information received pursuant to paragraph (1).

"(3) For purposes of section 552(b)(4) of title 5, United States Code, and section 1905 of title 18, United States Code, any information received by the Secretary or any officer or employee of the Department pursuant to paragraph (1) shall be considered to be a trade secret.

"(b) Any person who violates the provisions of subsection (a)(1) of this section shall be guilty of a misdemeanor and shall, upon conviction thereof, be subject to a fine of not more than $10,000.

"(c) Upon application of the Attorney General of the United States, the district courts of the United States shall have jurisdiction, for cause shown, to prevent and restrain violations of subsection (a)(1) of this section.

"(d) At such times as the Secretary considers appropriate, but not less than annually, the Secretary shall transmit to the Congress a report which shall include a complete listing of chemical additives used in the manufacture of cigarettes based on the additive information required to be submitted under subsection (a)(1), a summary of research activities and research findings on the health risks associated with such additives, information pertaining to any such additive or additives which in the judgment of the Secretary pose an additional health risk to cigarette smokers, and any other information which the Secretary determines to be in the public interest, except that not information contained in any such report shall identify which individual additives are used in any specific brand of cigarettes or by any specific person who manufactures cigarettes, imports cigarettes, or packages cigarettes for sale or distribution within the United States.".

PUBLIC AWARENESS

"SEC. 6. Section 4 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333) is amended to read as follows:

PUBLIC AWARENESS STATEMENTS

"SEC. 4. (a)(1) It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United States any cigarettes, the package of which fails to bear one of the following statements:

"(A) 'WARNING: The surgeon General has Determined Cigarette Smoking Causes Lung Cancer and Emphysema, and Is a Major Cause of Heart Disease.';

"(B) 'WARNING: The surgeon General has Determined Cigarette Smoking by Pregnant Women May Result in Miscarriage, Premature Births, and Low Birth Weight Babies.';

"(C) 'SMOKERS: No Matter How Long You Have Smoked, Quitting Now Greatly Reduces the Risks to Your Health! For more information, write: Surgeon General, U.S. Public Health Service, Washington, D.C. 20201.'

"(D) 'TEENAGERS: Smoking is Addictive. Never Starting Means Never Having to Quit.'.

"(2) The labeling statements specified in paragraph (1) of this subsection shall be rotated on the packages of each brand of cigarettes in a manner that assures that each of such labeling statements appears a substantially similar number of times on each brand of cigarettes within the twelve-month period beginning on the effective date of this subsection and each succeeding twelve-month period.

"(3) Any labeling statement required under this subsection shall be located in a conspicuous place on every cigarette package and shall appear in conspicuous and legible type in contrast by typography, layout, or color with all other printed material on the package.

"(4) In accordance with the provisions of section 553 of title 5, United States Code, the Federal Trade Commission shall establish by rule a system to ensure that labeling statements required under this subsection are rotated in accordance with the provisions of paragraph (2) of this subsection, and that at any time each of the four labeling statements appears a substantially similar number of times on all cigarette packages.

"(b)(1) It shall be unlawful for any person to manufacture, import, or package for sale or distribution within the United States any cigarettes, the package of which fails to disclose the level of—

"(A) tar;

"(B) nicotine; and

"(C) carbon monoxide; contained in such cigarettes.".

SEPARABILITY

SEC. 7. If any provision of this Act or the amendments made by this Act or the application thereof to any person or circumstances is held invalid, the other provisions of this Act and the application of such provisions to other persons or circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 8. The provisions of this Act and the amendments made by this Act shall take effect on the date of enactment of this Act, except that the amendment made by section 5 of this Act shall take effect one year after the date of the enactment of this Act and the amendment made by section 6 of this Act shall take effect on January 1, April 1, July 1, or October 1, whichever first occurs, after the date which is one year after the date of the enactment of this Act.

Mr. PACKWOOD. Mr. President, I am pleased to join with my colleague, Senator HATCH, in introducing the Comprehensive Smoking Prevention Health and Education Act of 1983.

During the last Congress, on December 9, 1981, Senator HATCH and I introduced similar legislation, S. 1929. S. 1929 was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources. Two days of hearings were held during the spring of 1982, 1 day by each committee. Unfortunately, final action was not completed on this legislation.

Last year, in introducing S. 1929, I stated that the legislation was long overdue. One year later that statement is even more true.

Since 1964, when the first Surgeon General's report on smoking and health was issued, more and more scientific evidence has become available linking cigarette smoking with lung cancer, heart disease, emphysema, miscarriages, and cancers of the larynx, oral cavity, esophagus, bladder, and kidney.

Each year, in the United States, there are over 300,000 smoking-related deaths, and millions of others suffer some debilitative effects from smoking. Put in a different way, more than one out of every seven deaths in this country is smoking related. It has been estimated that a person smoking two or more packs per day decreases his life expectancy by more than 8 years, and a pack-a-day smoker by 6 years.

I am particularly concerned with the high risk presented to pregnant women and with smoking by America's youth. The Surgeon General's report on smoking and women highlighted the effects of smoking during pregnancy on the fetus and the newborn child, the development of lung cancer in women and the interaction between smoking and birth control pills. Smoking during pregnancy appears to increase significantly the risks of stillbirth, miscarriages, and premature delivery, and women who take birth control pills and smoke are more likely to suffer a heart attack or stroke than women who do not smoke.

In addition to the individual hardships suffered by smokers and their families, cigarette smoking is a major economic burden, not only on the health care system, but also on the national economy. Recently compiled data shows that health care costs due to smoking result in expenditures of over $13 billion annually and that lost productivity due to cirgarette smoking costs this country an estimated $23 billion annually. With over 54 million people smoking cigarettes in this country, and with the sale of cigarettes totaling over 30 billion packages with 1,000 packs of cigarettes sold every second of every day and night in the United States last year, it is clear that we continue to face a serious health hazard.

The legislation which Senator HATCH and I are introducing today is primarily educational. It is designed to obtain and provide the American public with more information about the health hazards of cigarette smoking, so that they may make an informed choice as to whether or not to smoke.

In 1981, the staff of the Federal Trade Commission issued a comprehensive report on cigarette smoking and advertising. The report noted that even if it could be assumed that every consumer is aware that smoking is hazardous, the evidence indicates that many consumers do not have enough information about the health risks of smoking in order to know how dangerous smoking is, that is, what is the nature and extent of the health risk of smoking. Over 30 percent of the public is unaware of the relationship between smoking and heart disease. Nearly 50 percent of all women do not know that smoking during pregnancy increases the risk of stillbirth and miscarriage. Approximately 30 percent of those polled do not know about the relationship between smoking, birth control pills, and the risk of heart attack.

Timothy Muris, President Reagan's Director of the FTC's Bureau of Consumer Protection, wrote in a letter of September 1, 1982, stating that:

> The evidence indicates a tendency for consumers to underestimate the overall health risks of smoking. Because businesses have no incentive to provide this information, there may be a role for government. For at least some consumers, the rational warnings are likely to lead to better estimates of the health costs of smoking. Given these facts and the fact that this legislation allows for sufficient flexibility in implementation, I endorse it.

The legislation we are introducing today is designed to fill the information gap.

First, it would require that the Secretary of the Department of Health and Human Services implement a national smoking education program, coordinating the activities of various Federal agencies and private health organizations with an interest in smoking and health.

This legislation would require that the Secretary make an annual report to the Congress on the status of smoking and health in the United States and include any necessary legislative recommendations.

Second, the legislation would require the disclosure of the chemical additives and the quantity of the chemical additives used in the manufacture of cigarettes.

Third, the legislation would change the present warning labels on cigarette packages. Cigarette packages would be required to carry one of four different labels that would be regularly rotated. The new labels would replace the present warning label that has been shown to be too broad to convey a useful and reliable message. The new labels would give more specific information about smoking-related diseases, such as lung cancer, emphysema, heart disease, and miscarriages.

I am pleased to note that this legislation has been endorsed by such organizations as the American Heart Association, the American Lung Association, the American Cancer Society, the American Academy of Pediatrics, the American College of Preventative Medicine, and the American Public Health Association. They were also endorsed by the National Conference on Smoking and Health. Other cosponsors of the conference also endorsing the legislation include the American Nurses Association, the American Hospital Association, the March of Dimes, the American Dental Association, the American College of Chest Physicians, and the American School of Health Association.

Mr. President, this legislation presents an excellent opportunity to develop a new partnership between Federal and private agencies to insure that the smoking message reaches the American people. By combining our energies into one concerted strategy, we stand a greater chance of reaching the most people with the scarce resources at our disposal. At stake is our Nation's health and well-being, and that is certainly more than worth the effort.

Last session's bill, S. 1929, was jointly referred to both the Labor and Commerce Committees by unanimous consent. The bill we are introducing today retains the labeling provisions of S. 1929, but drops the advertising provisions. The bill we introduce today amends various provisions of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333), which is clearly within the jurisdiction of the Commerce Committee. I am aware that, under rule XVII, a bill is referred to the committee which has jurisdiction over the subject matter which

predominates in the bill. My understanding is that those provisions which predominate in this legislation relate to the public health which, under rule XXV, is within the jurisdiction of the Labor and Human Resources Committee. Of course, this does not alter the fact that the Commerce Committee will continue to exercise jurisdiction over the Federal Cigarette Labeling and Advertising Act. I support a referral to the Labor Committee and hope that the committee will act expeditiously.

I urge my colleagues on both sides of the aisle to support this important legislation.

By Mr. HATCH:

S. 773. A bill to revise and extend programs relating to biomedical research, research training, and medical library assistance, to establish a National Institute of Arthritis and Musculoskeletal and Skin Diseases, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL INSTITUTES OF HEALTH

Mr. HATCH. Mr. President, today I am pleased to introduce the Biomedical Research, Training, and Medical Library Assistance Amendments of 1983. This bill reauthorizes the National Cancer Institute, the National Heart, Lung and Blood Institute, the National Library of Medicine Assistance Act and the National Research Service Awards program. The two institutes reauthorized are the largest of the 11 National Institutes of Health, and the only ones requiring periodic reauthorization of their legislative authority. The other nine institutes operate under the general authority of section 301 of the Public Health Service Act.

The National Institutes of Health unquestionably represent the premiere biomedical research organization in the world. The research accomplished by scientists funded by NIH, whether conducted at the Bethesda campus or research institutes and universities throughout the Nation, has resulted in a tremendous expansion of our knowledge of disease and health. This knowledge has fortunately been translated into improved health for people throughout the world. In the past few years there have been several remarkable advances, a rich harvest from research efforts cultivated by generous Federal support. Among these are significant reductions in mortality from cardiovascular disease, improved survival rates for most forms of cancer, and promise of improved diagnostic and treatment modalities for all disease processes. Perhaps the most dramatic example of our exciting new medical era is the successful implantation of an artificial heart into Dr. Barney Clark by surgeons in my home State of Utah. This historic event represents a milestone in the 20-year-old Federal artificial heart program and illustrates that long-term investments are necessary to reap major rewards.

The primary responsibility and obligation of our National Institutes of Health is to conduct basic biomedical research. I am convinced that this provides the foundation for all health-related research necessary for improved prevention, detection, treatment, and ultimately cure of disease. I am also convinced that Federal support for this effort is both appropriate and essential. Over the past three decades our National Government has invested heavily in basic research and our National Institutes of Health have flourished with this support.

The legislation I am introducing today will continue the Federal Government's support for biomedical research and its commitment to maintaining the excellence of our National Institutes of Health. I propose the authorization level be maintained at the significant increase appropriated in the continuing resolution for fiscal year 1983, and increased by 5 percent per year thereafter, slightly above the general level of inflation estimated by the Congressional Budget Office, in order to maintain the momentum of our current research effort. Although this level of funding applies only to the NCI and NHLBI, I recommend similar maintenance of effort for all of NIH, highlighting the importance my colleagues and I place on basic research. All levels of the Federal Government must be more prudent in their expenditures because of limited discretionary funds in the HHS budget. Yet, as we redefine the role of the Federal Government in health, basic science research stands out as meriting ongoing support because of the potential for improved health for all of our citizens, as well as cost benefits from diminishing the burden of expensive medical care.

Even though the Federal Government has become the primary financial supporter of biomedical research, the effectiveness of this effort is in jeopardy on several fronts. As the National Institutes of Health have grown and expanded their activities, multiple special interest groups have surfaced to vie for enhanced support for specific disease related research or exclusion of research activities deemed unnecessary or even unacceptable. These special interest groups represent not only patient advocates, all of whom have well-intentioned reasons for their lobbying efforts, but also health professional groups, both research scientists and clinicians, who are anxious to obtain a legislative mandate or directive which will bring their area of interest to national attention. It is difficult to fault arguments for more biomedical research in virtually every disease category. Both citizen and health professional advocates often bring heart rending and persuasive evidence to support their cause. Nonetheless, even with generous Federal support for basic research, there is insufficient money to conduct all the necessary research and hard decisions must be made regarding how we can spend these funds most appropriately and effectively.

I am firmly convinced that the research process works best and is most likely to be productive, when it is unfettered by multiple legislative mandates and constraints. The scientific mind is more likely to bring forth new information when given the freedom to follow whatever path the pursuit of knowledge may lead. I am certain that the more specific the demands Congress places on research scientists, the less likely they are to be successful in in their quest for truth. We have heard ample evidence that basic research in one discipline often results in dramatic advances in an apparently unrelated discipline, illustrating the sometimes surprising, beneficial results from basic scientific inquiry. Consequently, I am concerned that attempts by legislators, in response to well-intentioned special interest groups, may actually hamper instead of help the overall research effort. Therefore I have chosen to trust in the wisdom of our research scientists and administrators at the National Institutes of Health in determining how best we might spend our Federal funds on research. When they have the flexibility to direct relatively limited funds to the areas of most promising research we are likely to gain the most benefit from our investment.

In spite of, or perhaps because of, the remarkable accomplishments of the NIH, there are many critics who frequently and loudly voice concerns about our national biomedical research effort. Primary among these concerns are: Mismanagement of funds, fraudulent research, favoritism in funding well-established research scientists, resistance to fund research related to unusual or nontraditional therapies, and overemphasis on biomolecular research at the expense of preventive and bahavioral medical research. There is legitimate basis for many of the alleged problems. In fact, as we introduced legislation reauthorizing the National Cancer Institute and National Heart, Lung and Blood Institute in 1982 (S. 2311), we deemed it necessary to require an annual report concerning activities undertaken to improve the grant, contracting, accountability and peer review procedures and the NIH. This bill also required that the director of a specific research institute notify the advisory board of such institute of the status of any investigation concerning a recipient of a grant or contract from NIH. The legislation further required estab-

lishment of procedures for the appeal of determinations made with respect to applications for grants and cooperative agreements. Each of these efforts address some of the most frequently and strongly voiced concerns by critics of our National Institutes of Health.

I have confidence that such problems can be solved and that legislative solutions more specific than these should be strongly resisted. Consequently, this new bill makes few changes in existing law, but will require the above cited reports, insuring attention to problems in peer review, granting and contracting procedures.

As we conduct hearings related to this legislation and learn of further concerns, we will convey those worthy of action to officials in the administration and NIH with the full expectation of effective and efficient response. In my experience, the administrators and scientists at NIH have been consistently willing and capable of making changes to address the concerns conveyed by Congress. If and when they fail to respond to directives representing legitimate concerns from our citizens, then I will seek change in the statute authorizing their activities.

The only major change I am proposing from last year is establishment of a separate National Institute of Arthritis, Musculoskeletal and Skin Diseases. I held full Labor and Human Resources Committee hearings devoted to this issue in July of last year, and believe now is the time to focus a national effort to improve the prevention, diagnosis, treatment and, hopefully, find cures to these painful and debilitating diseases. This will not require major alterations in administration, nor significant expense because much of the expertise and personnel necessary for this new institute currently reside in the National Institute of Arthritis, Diabetes, Digestive and Kidney Diseases. I am aware that critics of this new institute cite the possibility of diminished research because of increased administrative costs, and fear this will open the way for proponents of several more new institutes. Although I am convinced the new institute I propose is necessary to focus on the most common and costly ailments afflicting our citizens, I believe further changes in the structure of NIH should not be made until a careful study can be completed regarding optimal administrative function.

Mr. President, I ask unanimous consent that a summary and a text of this bill be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE BIOMEDICAL RESEARCH, TRAINING AND MEDICAL LIBRARY ASSISTANCE AMENDMENTS OF 1983

(1) Reauthorizes the National Cancer Institute, the National Heart, Lung and Blood Institute, and the National Library of Medicine Assistance Act for three years, through FY 86.

(2) Amends the National Cancer Institute legislation by:

(a) Requiring cancer research and cancer control programs to include support for projects related to "continuing care of the cancer patient and the patient's family". This addresses the concern that an increasing number of cancer victims suffer tremendous psychological, economic and social problems related to their illness. Many of them seek unconventional treatments at great expense in the hope of finding a cure. More understanding is needed of how optimal care might be provided for cancer patients during prolonged phases of their illness and terminal stages. This is particularly true for elderly patients with lingering malignant illnesses. Also, more information is needed regarding psycho-social support for families, medical staffs, and patients.

(b) Cancer control programs are authorized to conduct "developmental research" in addition to current programs. This will facilitate identification, field testing, and evaluation of cancer control methods and techniques.

(3) Increase the ceiling of direct costs from $35,000 to $50,000 for grants which may be approved by the NCI and NHLBI without recommendation for approval by the National Advisory Board.

(4) Establish in statute a National Institute on Arthritis, Musculoskeletal, and Skin Diseases.

(5) Require an external study be conducted regarding the optimal administrative structure of the National Institutes of Health, and preclude any further legislative changes in the administrative structure of NIH prior to completion of this study and consideration by Congress.

(6) Technical amendments to eliminate references to the Surgeon General which have been obsolete since 1966.

(7) Repeal of payback requirements for the National Research Service Awards.

(8) Reauthorization of the National Research Service Awards for three years, through FY 86.

(9) Require an annual report regarding activities undertaken in the preceeding fiscal year to improve grant, contracting, accountability and peer review procedures of the NIH.

(10) Require directors of each institute to notify the advisory board of such institute of the status of any investigation concerning any recipient of a grant or contract of such research institute, unless such notification will jeopardize the investigation.

(11) Require the director of NIH to establish procedures for the appeal of determinations made with respect to application for grants and cooperative agreements in biomedical research.

S. 773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Biomedical Research, Training, and Medical Library Assistance Amendments of 1983".

REFERENCE

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—NATIONAL INSTITUTES OF HEALTH CANCER PROGRAMS

SEC. 101. (a)(1) Section 401(a)(1) is amended by inserting before the semicolon a comma and "and to the continuing care of the cancer patient and the family of the cancer patient".

(2) Section 401(b)(1) is amended by striking out "radium, from time to time and" and inserting in lieu thereof "radium".

(b) Section 403 is amended—

(1) by inserting "developmental research," after "demonstration," in the first sentence;

(2) by inserting "the continuing care of the cancer patient and the family of the cancer patient, including" before "rehabilitation" in the first sentence;

(3) by inserting a comma and "research," after "education" in paragraph (1); and

(4) by striking out "rehabilitation and counseling" in paragraph (1) and inserting in lieu thereof "rehabilitation, counseling, and continuing care".

(c)(1) Section 404(a)(1) is amended to read as follows:

"(1) collect, analyze, and disseminate information (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer) useful in the prevention, diagnosis, and treatment of cancer, including the maintenance and operation of the International Cancer Research Data Bank, which shall collect, catalog, store, and disseminate insofar as feasible the results of cancer research and treatment undertaken in any country for the use of any person involved in cancer research and treatment in any country;".

(2) Section 404(b) is amended—

(A) by inserting a comma and "in consultation with the Secretary," after "to appoint" in paragraph (3); and

(B) by inserting a comma and "in consultation with the Secretary," after "to award grants" in paragraph (9).

(d) Section 405(b) is amended by striking out "$35,000" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "$50,000".

(e) The last sentence of section 406(b) is amended—

(1) by striking out "three" each place it appears and inserting in lieu thereof "five"; and

(2) by inserting a comma and "in consultation with the National Cancer Advisory Board," before "for additional periods".

(f)(1) Section 410(a) is amended by striking out "and" after "1981;", and by inserting before the period a semicolon and "$902,315,000 for the fiscal year ending September 30, 1983; $947,430,750 for the fiscal year ending September 30, 1984; $994,802,288 for the fiscal year ending September 30, 1985; and $1,044,542,402 for the fiscal year ending September 30, 1986".

(2) Section 410(b) is amended by striking out "and" after "1981;", and by inserting before the period a semicolon and "$56,000,000 for the fiscal year ending September 30, 1983; $58,800,000 for the fiscal year ending September 30, 1984; $61,740,000 for the fiscal year ending September 30, 1985; and $64,827,000 for the fiscal year ending September 30, 1986".

HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES PROGRAMS

SEC. 102. (a) Section 413(a)(9) is amended by striking out "and hemclytic and hemophilic diseases" and inserting in lieu thereof "hemolytic diseases, such as sickle cell

anemia and Cooley's anemia, and hemophilic diseases".

(b) The last sentence of section 413(b)(2) is repealed.

(c) The fourth sentence of section 415(b) is amended by inserting a comma and "in consultation with the National Heart, Lung, and Blood Advisory Council," after "Director of the Institute".

(d) Section 419A(c) is amended by striking out "$35,000" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "$50,000".

(e)(1) Section 414(b) is amended by striking out "and" after "1981,", and by inserting before the period a comma and "$47,500,000 for the fiscal year ending September 30, 1983, $49,875,000 for the fiscal year ending September 30, 1984, $52,368,750 for the fiscal year ending September 30, 1985, and $54,987,188 for the fiscal year ending September 30, 1986".

(2) The first sentence of section 419B is amended by striking out "and" after "1981,", and by inserting before the period a comma and "$546,722,000 for the fiscal year ending September 30, 1983, $574,058,100 for the fiscal year ending September 30, 1984, $602,761,005 for the fiscal year ending September 30, 1985, and $632,899,055 for the fiscal year ending September 30, 1986".

DIABETES RESEARCH AND TRAINING CENTERS; DIABETES DATA GROUP AND CLEARINGHOUSE

SEC. 103. (a) Section 435(c)(2) is amended by striking out "and" after "1982;", and by inserting before the period a semicolon and "$2,000,000 for the fiscal year ending September 30, 1985; and $2,000,000 for the fiscal year ending September 30, 1986".

(b) Section 435(d) is amended by striking out "and" after "1982,", and by inserting before the period a comma and "$20,000,000 for the fiscal year ending September 30, 1984, $20,000,000 for the fiscal year ending September 30, 1985, and $20,000,000 for the fiscal year ending September 30, 1986".

ADVISORY BOARDS

SEC. 104. (a) Section 437(a) is amended by inserting "the National Kidney and Urologic Diseases Advisory Board," after "the National Diabetes Advisory Board,".

(b) The section heading for section 437 is amended to read to follows:

"DIABETES, ARTHRITIS, KIDNEY AND UROLOGIC DISEASES, AND DIGESTIVE DISEASES ADVISORY BOARDS"

(c) Section 437(k) is amended by striking out "and" after "1982;", and by inserting before the period a semicolon and "$300,000 for the fiscal year ending September 30, 1984; $300,000 for the fiscal year ending September 30, 1985; and $300,000 for the fiscal year ending September 30, 1986".

(d) Section 437(l) is amended by striking out "1983" and inserting in lieu thereof "1986".

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

SEC. 105. (a) Title IV is amended by adding at the end thereof the following new part:

"Part J—National Institute of Arthritis and Musculoskeletal and Skin Diseases

"ESTABLISHMENT OF INSTITUTE

SEC. 491. There is established in the Public Health Service a National Institute of Arthrities and Musculoskeletal and Skin Diseases (hereafter in this part referred to as the 'Institute'). The Institute shall be headed by a Director.

"PURPOSE OF THE INSTITUTE

SEC. 492. (a) The Purpose of the Institute is the conduct and support of research and training, the dissemination of health information, and related programs with respect to arthritis and musculoskeletal and skin diseases, including sport-related disorders.

"(b)(1) Within one hundred and eighty days after the effective date of this part, the Director of the Institute, with the advice of the National Arthritis and Musculoskeletal and Skin Diseases Advisory Council establish pursuant to section 495 (hereafter referred to in this part as the Advisory Council) shall prepare and transmit to the Director of the National Institutes of Health a plan for a national arthritis and musculoskeletal diseases program to expand, intensify, and coordinate the activities of the Institute respecting arthritis and musculoskeletal diseases. The program shall be coordinated with the other national research institutes of the National Institutes of Health to the extent that such institutes have responsibilities respecting arthritis and musculoskeletal diseases, and shall, at least, provide for—

"(A) investigation into the epidemiology, etiology, and prevention of all forms of arthritis and musculoskeletal diseases, including sports-related disorders, primarily through the support of basic research in such areas as immunology, genetics, biochemistry, microbiology, physiology, bioengineering, and any other scientific discipline which can contribute important knowledge to the treatment and understanding of arthritis and musculoskeletal diseases;

"(B) research into the development, trial, and evaluation of techniques, drugs, and devices used in the diagnosis, treatment, including medical rehabilitation and prevention of arthritis and musculoskeletal diseases;

"(C) research on the refinement, development, and evaluation of technological devices that will replace or be a substitute for damaged bone, muscle, and joints and other supporting structures; and

"(D) the establishment of mechanisms to monitor the causes of athletic injuries and identify ways of preventing such injuries on scholastic athletic fields.

"(2) The plan transmitted pursuant to paragraph (1) shall include such comments and recommendations as the Director of the Institute determines appropriate.

"(3) The Director of the Institute shall carry out the national arthritis and musculoskeletal diseases program in accordance with the plan prepared under paragraph (1). The Director of the Institute shall periodically review and revise such plan, shall transmit any revisions of such plan to the Director of the National Institutes of Health, and shall carry out the national arthritis and musculoskeletal diseases program in accordance with such revisions.

"(c) Within one hundred and eighty days after the effective date of this part, and annually thereafter, the Director of the Institute shall, with the advice of the Advisory Council, prepare and transmit to the Director of the National Institutes of Health a report which evaluates the skin diseases programs carried out by the national research institutes on the effective date of this part and which contains such comments and recommendations concerning such programs as the Director of the Institute determines appropriate.

"(d) The Director of the Institute shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 472) in the diagnosis, prevention, and treatment of arthritis and musculoskeletal and skin diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"INFORMATION CLEARINGHOUSE AND DATA SYSTEM

"SEC. 493. (a) The Director of the Institute shall establish the National Arthritis and Musculoskeletal and Skin Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with arthritis and musculoskeletal and skin diseases, including where possible, data involving general populations for the purpose of detection of individuals with a risk of developing arthritis and musculoskeletal and skin diseases. There are authorized to be appropriated to carry out this subsection $1,000,000 for the fiscal year ending September 30, 1984, $1,500,000 for the fiscal year ending September 30, 1985, and $1,800,000 for the fiscal year ending September 30, 1986.

"(b) The Director of the Institute shall establish the National Arthritis and Musculoskeletal and Skin Diseases Information Clearinghouse to facilitate and enhance, through the effective dissemination of information, knowledge and understanding of arthritis and musculoskeletal and skin diseases by health professionals, patients, and the public. There are authorized to be appropriated to carry out this subsection $1,000,000 for the fiscal year ending September 30, 1984, $1,500,000 for the fiscal year ending September 30, 1985, and $1,800,000 for the fiscal year ending September 30, 1986.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 494. (a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to arthritis, musculoskeletal diseases, and skin diseases, including sports-related disorders; and

"(2) coordinating the aspects of all Federal health programs and activities relating to arthritis, musculoskeletal diseases, and skin diseases in order to assure the adequacy and technical soundness of such programs and activities and in order to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

the Secretary shall establish an Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and a Skin Diseases Interagency Coordinating Committee (hereafter in this section individually referred to as a 'Committee').

"(b) Each Committee shall be composed of the Directors (or their designees) of each of the national research institutes and divisions involved in research regarding the diseases with respect to which the Committee is established, the chief medical director of the Veterans' Administration, (or the director's designee) a medical officer designated by the Department of Defense, and representatives of all other Federal departments and agencies (as determined by the Secretary) whose programs involve health functions or responsibilities relevant to arthritis and musculoskeletal diseases or skin diseases, as the case may be. Each Committee shall be chaired by the Director of the National Institutes of Health (or the Director's

designee). Each Committee shall meet at the call of the Chairman, but not less often than four times a year.

"(c) Not later than 120 days after the end of each fiscal year, each Committee shall prepare and transmit to the Secretary, the Director of the National Institutes of Health, the Director of the Institute, and the Advisory Council a report detailing the activities of the Committee in such fiscal year in carrying out paragraphs (1) and (2) of subsection (a).

"NATIONAL ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES ADVISORY COUNCIL

"SEC. 495. (a) The Secretary shall establish a National Arthritis and Musculoskeletal and Skin Diseases Advisory Council to advise, consult with, and make recommendations to the Secretary with respect to the activities of the Institute relating to arthritis and musculoskeletal and skin diseases.

"(b) The Advisory Council shall consist of the Secretary, who shall be chairman, the chief medical officer of the Veterans' Administration (or such officer's designee) and a medical officer designated by the Secretary of Defense, each of whom shall be ex officio members, and twelve members appointed by the Secretary without regard to the civil service laws. The twelve members appointed by the Secretary shall be leaders in the fields of basic sciences, medical sciences, education, or nursing, and individuals from the public who are knowledgeable with respect to arthritis and musculoskeletal and skin diseases. Six of the members appointed by the Secretary shall be selected from leading medical or scientific authorities who are outstanding in the study, diagnosis, or treatment of arthritis and musculoskeletal and skin diseases.

"(c)(1) Each member of the Advisory Council who is appointed by the Secretary shall be appointed for a term of four years, except that—

"(A) the term of office of the members first appointed shall expire, as determined by the Secretary at the time of appointment, three at the end of one year, three at the end of two years, three at the end of three years, and three at the end of four years; and

"(B) any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term.

"(2) None of the members appointed to the Advisory Council by the Secretary shall be eligible for reappointment unless a year has elapsed since the end of the prior term of such member on the Council.

"ARTHRITIS AND MUSCULOSKELETAL DISEASES DEMONSTRATION PROJECTS

"SEC. 496. (a) The Secretary may make grants to public and private nonprofit entities to establish and support projects for the development and demonstration of methods for screening, detection, and referral for treatment of arthritis and musculoskeletal diseases, and for the dissemination of information on such methods to the health and allied health professions. Activities under such projects shall be coordinated with Federal, State, local, and regional health agencies, centers assisted under section 497, and the data system established under subsection (c).

"(b) Projects supported under this section shall include—

"(1) programs which emphasize the development and demonstration of new and improved methods of screening and early detection, referral for treatment, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) programs which emphasize the development and demonstration of new and improved methods for patient referral from local hospitals and physicians to appropriate centers for early diagnosis and treatment;

"(3) programs which emphasize the development and demonstration of new and improved means of standardizing patient data and recordkeeping;

"(4) programs which emphasize the development and demonstration of new and improved methods of dissemination of knowledge about the programs, methods, and means referred to in paragraphs (1), (2), and (3) of this subsection to health and allied health professionals;

"(5) programs which emphasize the development and demonstration of new and improved methods for the dissemination to the general public of information—

"(A) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(B) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive treatment, and control methods for arthritis and unapproved and ineffective drugs and devices for arthritis and musculoskeletal diseases; and

"(6) projects for investigation into the epidemiology of all forms and aspects of arthritis and musculoskeletal diseases, including investigations into the social, environmental, behavioral, nutritional, and genetic determinants and influences involved in the epidemiology of arthritis and musculoskeletal diseases.

"(c) The Director shall provide for the standardization of patient data and recordkeeping for the collection, storage, analysis, retrieval, and dissemination of such data in cooperation with projects under this section and centers assisted under section 497, and other persons engaged in arthritis and musculoskeletal disease programs.

"(d) There are authorized to be appropriated to carry out this section $5,000,000 for the fiscal year ending September 30, 1984, and for each of the two succeeding fiscal years.

"MULTIPURPOSE ARTHRITIS AND MUSCULOSKELETAL DISEASES CENTERS

"SEC. 497. (a) The Director of the Institute shall, after consultation with the Advisory Council established pursuant to section 495, provide for the development, modernization, and operation (including staffing and other operating costs such as the costs of patient care required for research) of new and existing centers for arthritis and musculoskeletal diseases. For purposes of this section, the term 'modernization' means the alteration, remodeling, improvement, expansion, and repair of existing buildings and the provision of equipment for such buildings to the extent necessary to make them suitable for use as centers described in the preceding sentence.

"(b) Each center assisted under this section shall—

"(1)(A) use the facilities of a single institution or a consortium of cooperating institutions, and (B) meet such qualifications as may be prescribed by the Secretary; and

"(2) conduct—

"(A) basic and clincial research into the cause, diagnosis, early detection, prevention, control, and treatment of arthritis and musculoskeletal diseases and complications resulting from arthritis and musculoskeletal diseases, including research into implantable biomaterials and biomechancial and other orthopedic procedures;

"(B) training programs for physicians, scientists, and other health and allied health professionals;

"(C) information and continuing education programs for physicians and other health and allied health professionals who provide care for patients with arthritis and musculoskeletal diseases; and

"(D) programs for the dissemination to the general public of information—

"(i) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(ii) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive, treatment, and control methods and unapproved and ineffective drugs and devices.

A center may use funds provided under subsection (a) to provide stipends for health professionals enrolled in training programs described in paragraph (2)(B).

"(c) Each center assisted under this section may conduct programs to—

"(1) establish the effectiveness of new and improved methods of detection, referral, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) disseminate the results of research, screening, and other activities, and develop means of standardizing patient data and recordkeeping; and

"(3) develop community consultative services to facilitate the referral of patients to centers for treatment.

"(d) The Director of the Institute shall, insofar as practicable, provide for an equitable geographical distribution of centers assisted under this section. The Director shall give appropriate consideration to the need for centers especially suited to meeting the needs of children affected by arthritis and musculoskeletal diseases.

"(e) Support of a center under this section may be for a period of not to exceed five years. Such period may be extended by the Director of the Institute for one or more additional periods of not more than five years if the operations of such center have been reviewed by an appropriate scientific review group established by the Director and such scientific review group has recommended to the Director that support of such center under this section should be extended.

"(f) There are authorized to be appropriated to carry out this section $12,000,000 for the fiscal year ending September 30, 1984, $15,000,000 for the fiscal year ending September 30, 1985, and $18,000,000 for the fiscal year ending September 30, 1986.

"BIENNIAL REPORT

"SEC. 498. (a) The Director of the Institute shall prepare and transmit to the Secretary, for transmission by the Secretary to the President and the Congress, a biennial report containing a description of the Institute's activities under the plan developed pursuant to section 492(b), a description of the Institute's activities to carry out the recommendations contained in the two immediately preceding annual reports prepared pursuant to section 492(c), and an evaluation of the activities of the centers supported under section 497.

"(b) The first report under subsection (a) shall be transmitted by the Director to the Secretary not later than the first November

30 which occurs at least eighteen months after the date of the enactment of this section and shall relate to the two-fiscal-year period ending on the preceding September 30.".

(b)(1) Section 431(a) is amended by striking out "arthritis, rheumatism, and".

(2)(A) Section 434(a) is amended—

(i) by striking out "Arthritis, Rheumatism, and"; and

(ii) by striking out "Arthritis, Diabetes," each place it appears and inserting in lieu thereof "Diabetes".

(B) Section 434(b) is amended—

(i) by striking out "Arthritis, Diabetes," and inserting in lieu thereof "Diabetes"; and

(ii) by striking out "an Associate Director for Arthritis and Musculoskeletal and Skin Diseases,".

(C) Section 434(c) is amended—

(i) by striking out "a subcommittee on arthritis and musculoskeletal and skin diseases," in the first sentence; and

(ii) by striking out "arthritis, musculoskeletal and skin diseases," in the last sentence.

(D) Section 434(d) is amended—

(i) by striking out "the Associate Director for Arthritis and Musculoskeletal and Skin Diseases," in the matter preceding paragraph (1); and

(ii) by striking out "arthritis, musculoskeletal and skin diseases," in paragraph (1).

(E) Section 434(e) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(F) The section heading of section 434 is amended by striking out "ARTHRITIS, DIABETES," and inserting in lieu thereof "DIABETES".

(3) (A) Section 436(a) is amended—

(i) by striking out "arthritis, diabetes mellitus," in paragraph (1) and inserting in lieu thereof "diabetes mellitus";

(ii) by striking out "an Arthritis Interagency Coordinating Committee," in the matter following paragraph (2); and

(iii) by striking out the comma before "and a Digestive Diseases" in the matter following paragraph (2).

(B) Section 436(b) is amended by striking out "Arthritis, Diabetes," and inserting in lieu thereof "Diabetes".

(4)(A) Section 437(a) (as amended by section 104(a) of this Act) is further amended by striking out "the National Arthritis Advisory Board,".

(B) The first sentence of section 437(b)(2) is amended by striking out "Arthritis, Diabetes," each place it appears and inserting in lieu thereof "Diabetes".

(C) The last sentence of section 437(d) is amended by striking out "and the National Arthritis Advisory Board".

(D) Section 437(g) is amended by striking out "Arthritis, Diabetes," and inserting in lieu thereof "Diabetes".

(E) Section 437(h)(3) is amended by striking out "Arthritis, Diabetes," and inserting in lieu thereof "Diabetes".

(F) The section heading of section 437 (as amended by section 104(b) of this Act) is further amended by striking out "ARTHRITIS,".

(5) Sections 438 and 439 are repealed.

(6) Section 440 is amended by striking out "Arthritis, Diabetes," and inserting in lieu thereof "Diabetes".

(7) The second sentence of section 440A(a) is amended by striking out "Arthritis, Metabolism," and inserting in lieu thereof "Diabetes".

(8) The part heading for part D of title IV is amended by striking out "Arthritis, Diabetes," and inserting in lieu thereof "Diabetes".

(c)(1) There are transferred to the Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section) all functions of the Director of the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases (as in effect on the day before the effective date of this subsection) relating to arthritis and musculoskeletal and skin diseases.

(2) In order that the National Institute of Arthritis Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section) may carry out programs and activities relating to arthritis and musculoskeletal and skin diseases at levels which are equivalent to the levels of programs and activities carried out with respect to arthritis and musculoskeletal and skin diseases by the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases on the day before the effective date of this subsection, the Secretary shall transfer to the National Institute of Arthritis Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section) the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to or to be made available, in connection with the functions transferred by paragraph (1) of this subsection and the programs and activities relating to arthritis and musculoskeletal and skin diseases carried out by the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases on the day before the effective date of this subsection.

(3) The National Arthritis Advisory Board is terminated.

(d) The provisions of subsections (a), (b), and (c) of this section and the amendments and repeals made by such subsection shall take effect on October 1, 1983.

(e)(1)(A) The Secretary of Health and Human Services, through the Director of the National Institutes of Health, shall in accordance with paragraph (2) arrange for the conduct of a study concerning—

(i) the effectiveness of the organization and administrative structures of each of the national research institutes existing on the date of enactment of this Act and of the National Institute of Arthritis and Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section), including the effectiveness of the advisory councils, advisory boards, and interagency committees which carry out functions relating to each such institute;

(ii) the effectiveness of the combinations of disease research programs existing in each of the national research institutes on the date of enactment of this Act and in the National Institute of Arthritis and Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section); and

(iii) the standards which should be followed in establishing new national research institutes (other than the national research institutes existing on the date of enactment of this Act or the National Institute of Arthritis and Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section) or in realigning the combinations of disease research programs existing in each of the national research institutes on the date of enactment of this Act and in the National Institute of Arthritis and Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section).

(B) Within eighteen months after the date of enactment of this Act, the Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the study conducted under this paragraph and the results and conclusions of such study.

(2)(A) The Secretary of Health and Human Services shall request the National Academy of Sciences to conduct the study required by paragraph (1)(A) under an arrangement under which the actual expenses incurred by the Academy in conducting such study will be paid by the Secretary and the Academy will prepare the report required by paragraph (1)(B). If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with the Academy for the conduct of the study.

(B) If the National Academy of Sciences is unwilling to conduct the study required under paragraph (1)(A) under the type of arrangement described in subparagraph (A) of this paragraph, the Secretary shall enter into a similar arrangement with other appropriate nonprofit private entities.

(3) Prior to the expiration of a period beginning six months after the submission of the report required under paragraph (1)(B), and notwithstanding section 431(b)(2) of the Public Health Service Act, no national research institute shall be established in addition to the institutes established on the date of the enactment of this Act and the National Institute of Arthritis and Musculoskeletal and Skin Diseases established under section 491 of the Public Health Service Act (as added by subsection (a) of this section).

(f) The Secretary of Health and Human Services shall conduct an administrative review of the disease research programs within the National Institute of Diabetes and Digestive and Kidney Diseases to determine if any such program could be more effectively and efficiently managed by other national research institutes. The Secretary shall complete such review within sixty days after the date of enactment of this Act.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 106. (a) Section 422 is amended by striking out "Surgeon General" in the matter preceding clause (a) and inserting in lieu thereof "Secretary".

(b) Section 423(a) is amended by striking out "Surgeon General" and inserting in lieu thereof "Secretary".

(c) Section 424 is amended by striking out "Surgeon General" each place it appears and inserting in lieu thereof "Secretary".

(d)(1) Section 431(a) (as amended by section 105(b)(1) of this Act) is further amended by striking out "Surgeon General" and inserting in lieu thereof "Secretary".

(2) Section 431(b) is amended—

(A) by striking out "Surgeon General is authorized with the approval of the Secretary to" in the first sentence and inserting in lieu thereof "Secretary is authorized";

(B) by striking out "Surgeon General" before "determines that such action" in the first sentence and inserting in lieu thereof "Secretary"; and

(C) by striking out "Surgeon General" each place it appears in the second, third, and fourth sentences and inserting in lieu thereof "Secretary".

(e)(1) Section 432(a) is amended—

(A) by striking out "Surgeon General is also authorized with the approval of the Secretary" in the first sentence and inserting in lieu thereof "Secretary is authorized";

(B) by striking out "Surgeon General" before "on matters" in the first sentence and inserting in lieu thereof "Secretary";

(C) by striking out "Surgeon General," the first place it appears in the second sentence and inserting in lieu thereof "Secretary,";

(D) by striking out "Surgeon General with the approval of the" in the second sentence; and

(E) by striking out "Surgeon General" in the fourth sentence and inserting in lieu thereof "Secretary".

(2) Section 432(b) is amended by striking out "Surgeon General" each place it appears and inserting in lieu thereof "Secretary".

(f) Section 433(a) is amended by striking out "Surgeon General" and inserting in lieu thereof "Secretary".

(g) Section 441(a) is amended by striking out "Surgeon General is authorized, with the approval of the Secretary," and inserting in lieu thereof "Secretary is authorized".

(h) Section 442 is amended by striking out "Surgeon General is authorized, with the approval of the Secretary," and inserting in lieu thereof "Secretary is authorized".

(i)(1) Section 443(a) is amended—

(A) by striking out "Surgeon General is authorized, with the approval of the Secretary," in the first sentence and inserting in lieu thereof "Secretary is authorized"; and

(B) by striking out "Surgeon General" before "on matters" in the first sentence and inserting in lieu thereof "Secretary".

(2) Section 443(b) is amended by striking out "Surgeon General, with the approval of the Secretary," and inserting in lieu thereof "Secretary".

(3) Section 443(c) is amended—

(A) by striking out "Surgeon General may, with the approval of the Secretary," and inserting in lieu thereof "Secretary may"; and

(B) by striking out "Surgeon General may specify (with such approval)" and inserting in lieu thereof "Secretary may specify".

(j) Section 445 is amended by striking out "Surgeon General" and inserting in lieu thereof "Secretary".

(k) Section 463(b) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

TITLE II—OTHER PROGRAMS

NATIONAL RESEARCH SERVICE AWARDS

SEC. 201. (a) Subsection (c) of section 472 is repealed. Subsection (d) of such section is redesignated as subsection (c).

(b) The first sentence of subsection (c) of such section (as redesignated by subsection (a) of this section) is amended by striking out "and" after "1982," and by inserting before the period a comma and "$195,048,000 for the fiscal year ending September 30, 1984, $204,800,400 for the fiscal year ending September 30, 1985, and $215,040,420 for the fiscal year ending September 30, 1986".

NATIONAL LIBRARY OF MEDICINE; ASSISTANCE TO MEDICAL LIBRARIES

SEC. 202. (a) Section 383(b) is amended by striking out ", and the Secretary shall include in his annual report to the Congress a statement covering the recommendations made by the Board and the disposition thereof" in the first sentence.

(b) Section 390(c) is amended by striking out "and" after "1981,", and by inserting before the period a comma and " $9,763,000 for the fiscal year ending September 30, 1983, $10,500,000 for the fiscal year ending September 30, 1984, $11,025,000 for the fiscal year ending Setember 30, 1985, and $11,576,000 for the fiscal year ending September 30, 1986".

REPORTS; MISCELLANEOUS

SEC. 203. (a) Section 475 is amended by adding at the end thereof the following new subsection:

"(d) By January 1, 1984, and annually thereafter, the Secretary shall prepare and transmit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report concerning any activites undertaken in the preceding fiscal year to improve the grant, contracting, accountability, and peer review procedures of the National Institutes of Health, including the National Cancer Institute.".

(b) Title IV (as amended by section 105 (a) of this Act) is further amended by inserting after section 479 the following new section:

"INVESTIGATIONS

"SEC. 480. The Director of each national research institute in the National Institutes of Health shall notify the National Advisory Council for such research institute of the status of any investigation concerning any recipient of a grant or contract from such research institute, unless the office or unit of the national research institute or of the National Institutes of Health which is conducting the investigation advises the Director of such national research institute that disclosure to the Council under this section will jeopardize the investigation.".

(c) Within one year after the date of enactment of this Act, the Director of the National Institutes of Health shall establish procedures for the appeal of determinations made with respect to applications for grants and cooperative agreements for biomedical research under the Public Health Service Act.

By Mr. HATCH (for himself, Mr. THURMOND, and Mr. DECONCINI):

S. 774. A bill entitled the "Freedom of Information Reform Act"; to the Committee on the Judiciary.

FREEDOM OF INFORMATION REFORM ACT

Mr. HATCH. Mr. President, I am pleased to introduce the Freedom of Information Reform Act which was unanimously approved in the last Congress by a vote of 17 to 0 in the Judiciary Committee. This bill enjoys broad bipartisan support and reflects the accumulated wisdom of many diverse interests, including media representatives, public interest groups, the Reagan administration, members of the business community, and law enforcement agencies. The FOIA Reform Act has been widely hailed as a reasonable and worthwhile compromise by these diverse and often divergent interests because it achieves the dual goals we set when embarking upon improving the act. Namely, the bill eliminates many of the current problems of the act without weakening its effectiveness as a vaulable means of keeping the public informed about government activities. As the Washington Post accurately noted:

> It is quintessentially American to believe that the people control the government and that they have a right to know what the government is doing. The Judiciary Committee bill preserves that right. (Washington Post, May 25, 1982 page A16.)

Indeed, this right is preserved, and concomitantly the public is better served by the enhancements to the act which are included in this bill.

I would like to express my appreciation to Senators THURMOND and DECONCINI for their cosponsorship of this bill and their efforts on its behalf. The close and continuing cooperation of Senator LEAHY has been invaluable in our efforts to forge a consensus for reform, and I would especially like to thank him for his support and diligence in working toward a bipartisan solution to the problems of the FOIA.

Special note should also be taken of the important contibutions to the consideration of this bill made by members of the press. Their views were extremely helpful to the final resolutions of many of the difficult problems which we originally faced when our discussions on reform began.

It is also significant to note that the Subcommittee on the Constitution, which I chair, held more hearings to consider FOIA reform than has ever been held by any subcommittee on this subject. During the 1st session of the 97th Congress, from July 15, 1981, to December 9, 1981, the subcommittee held seven days of hearings on FOIA. Witnesses included representatives from the media, public interest groups, the Reagan administration, the business community, and law enforcement agencies. In addition, the subcommittee received a large number of written statements from other interested individuals and organizations that have become part of the permanent record of these hearings.

The bill, as approved by the Senate Judiciary Committee, is a 21-page bill that significantly reshapes the Nation's information policy. The bill deals with such diverse topics as protection of technical data—blueprints, repair manuals, and the like—important to our national security, protection of trade secrets and confidential business information in government files, protections against invasions of personal privacy, protection of law enforcement informants, investigations

and techniques, and various other procedural reforms, such as assessment of appropriate user fees.

I. LEGISLATIVE BACKGROUND OF THE FREEDOM OF INFORMATION ACT

Understanding the need for refinement of FOIA requires an awareness of its background. The act was enacted in 1966, but the roots of the open information concept, with important limitations, may be traced to the first amendment.

Because a representative democracy requires an informed citizenry and government confidentiality in some contexts, the first amendment was crafted to secure a climate of free information without creating a constitutional right to obtain information from the government. In the words of Justice Felix Frankfurter:

Without a free press there can be no free society. Freedom of the press, however, is not an end in itself but a means to the end of a free society. (*Pennekamp* v. *Florida*, 328 U.S. 331, 354 (1946).)

Justice Frankfurter understood that the first amendment was part of a larger and more complex constitutional scheme which contemplated some balancing of privacy, confidentiality, and openness to insure the overriding goal of a free and secure society. In the first Congress, as is still the case today, the primary issue concerning the first amendment was whether the amendment would give constitutional effect to common-law principles or embody libertarian concepts.

James Madison, who submitted the first draft of the amendment to the Congress, attempted to constitutionally codify his own expansive libertarian notions in the broadest possible language. Madison was persuaded that an absolute individual right to know was the only way to prevent the problems of censorship the colonials had endured under the rule of the Crown. Madison urged the First Congress to adopt language stating:

No State shall violate the equal rights of conscience or the freedom of the press. (*Annals of Congress 1789-1791*, vol. 1-441, 753-4.)

This was not adopted. Its failure was not, however, a vote for government censorship powers, but a recognition that traditional common-law rules prohibited prior restraint without the potential for precluding confidentiality when necessary to protect freedom, such as in "military operations and foreign negotiations" to use the examples of George Mason. (Jonathan Eliot, Ed., The debates in the several State conventions on the adoption of the Federal Constitution," Vol. 3, 170.)

The language of the first amendment, which was adopted, however, did not then or now comprise a constitutional freedom of information act. As former Justice Stewart has stated. Potter Stewart, "or of the press" (26 Hastings Law Journal 631, 636 (1975).) Instead, in the words of James Wilson:

What is meant by liberty of press is that there should be no antecedent restraint upon it; but every author is responsbile when he attacks the security or welfare of the government, or the safety, character, and propriety of the individual. James Wilson, Pennsylvania and the Constitution, at 308.

The first amendment clearly was a compromise between Madison's libertarian concept of expansive free conscience rights and the view of Alexander Hamilton that the first amendment was unnecessary.

What the Congress gave the Nation was a constitutional provision that prevented most censorship, but created no affirmative rights of individual citizens to compel the government to disclose information. While the amendment clearly prohibits Congress from enacting prior restraints on publication, it makes no guarantees about the government's duty to actively provide information. In fact the government may even exercise prior restraint of information the public already has in some circumstances, such as in the face of a clear and present danger. (249 U.S. 47 (1919).) The popular notion of a constitutional public right to know, in the words of Prof. David O'Brien, "Has no basis in the text or historical background of either the Constitution or the First Amendment." (David M. O'Brien, "The Public's Right to Know," at 166 (1981).)

Although the public does not possess an enforceable constitutional right of access to governmental information, the concept of an informed electorate was a vital interest of the new Republic which the First Congress intended to secure with the first amendment's proscription of prior governmental restraint of individual's communications. (Id. at 53.) The general interest in an informed citizenry has commanded more attention in public policy debates recently as Congress has moved to grant and expand statutory rights to gain access to governmental information in the absence of an enforceable constitutional right.

The first statutory attempt to clearly define the parameters of public access to government information came in section 3 of the Administrative Procedure Act of 1946 (APA). (Pub. L. 79-404, 3, 60 Stat. 238 (1947).) In addition to requiring Federal agencies to index their files and make information available to the public, the act also provided certain disclosure exemptions. Under section 3 administrative officials were permitted to withhold any information "requiring secrecy in the public interest." Information could be withheld when the person seeking the material was not "properly and directly concerned," where the information was "held confidential for good cause found," or "when the information sought was related to the internal management" of a government agency or department. (Pub. L. 79-404, 3, 60 Stat. 238 (1946).)

Despite section 3's intention to increase governmental disclosure, its vague terms often frustrated that purpose. An individual's request could be denied because the agency did not find him "directly concerned" with the matter. The section 3 exemptions were construed to the point of absurdity, allowing one agency to withhold George Washington's intelligence methods nearly two hundred years later. (Hearings on Freedom of Information and Secrecy in Government, Sen. Jud. Comm. 85th Cong., 2nd Sess. 548 (1958), cited in J. O'Reilly, Federal Information Disclosure, 2-7 (1981).) Another agency withheld several telephone directories because they fell into "the category of information relating to the 'internal management' of the agency." (H. Rep. No. 1497, 89th Cong., 2d Sess. 5 (1966).) Once an information request had been denied a requester had no means to appeal the decision because section 3 did not provide a remedy for unlawful withholding.

A. THE FREEDOM OF INFORMATION ACT OF 1966

As Congress became more aware of the limitations built into section 3, amendatory legislation was introduced. The debates on this legislation stressed the need to provide citizens with adequate information to be responsible voters. For instance, Congressman John Moss asserted:

[O]ur system of government is based on the participation of the governed * * * We must remove every barrier to information about—and understanding of—Government activities consistent with our security if the American public is to be adequately equipped to fulfill the ever more demanding role of responsible citizenship. (112 Cong. Rec. 13641 (1966).)

The purpose of the 1966 Freedom of Information Act, as stated by the Senate report, was to change the emphasis from withholding to disclosure while providing adequate protection for vital confidential government activities. (— Stat. — (1966) Current version of 5 U.S.C. 552 (1976).) This was accomplished by mandating disclosure and creating standards for withholding that could be easily understood and applied by the agencies and the courts.

With its exemptions Congress clearly recognized individual privacy rights and the need for some confidentiality in government. As noted above, Congressman Moss acknowledged the need to restrict disclosures that might endanger our society. The Senate report emphasized the same principle.

It is not an easy task to balance the opposing interests, but it is not an impossible one either. It is not necessary to conclude that to protect one of the interests, the other must of necessity, either be abrogated or

substantially subordinated. Success lies in providing a workable formula which encompasses, balances, and protects all interests, yet places emphasis on the fullest responsible disclosure. (S. Report 813.)

For the next 8 years, FOIA was often criticized. Even a Federal court called it poorly drafted. (*Washington Research Project Inc.* v. *Dept. of H.E.W.*, 366 F. Supp 929 (D.C.D.C. 1973).) Some critics went beyond legal analysis of the act to charge that it failed to provide the open access to government files that it had promised. An insightful observation of this aspect of FOIA's history, however, noted that these critics "seem to have [had] unreasonably high expectations. To satisfy such critics, the Act would have needed divine powers to reverse human nature and compel the silent to speak." (Clark, "Holding Government Accountable: The amended Freedom of Information Act", 84 Yale L.J. 741, 747–8 (1975).)

B. THE 1974 AMENDMENTS

After several years and in response to charges that FOIA had failed to keep it promises, Congress undertook to amend the act. The primary catalyst for this legislative reaction, however, was the Watergate incident. As the break-in was uncovered, skepticism about the executive branch swept through Congress, transforming the amendment of the 1966 act into an ethical issue.

In this emotionally charged atmosphere, the Senate bill to provide "open government" passed on a vote of 64 to 17, and by a vote of 349 to 2 in the House in October 1974. The veto was easily overridden in the House by a vote of 372 to 31 on November 20. In the Senate, however, the vote was very narrow (64 to 27)—exceeding the required two-thirds vote by 3.

Some of the inherent defects of the 1974 amendments were recognized by many Members of the Senate at the time of the override vote. Of greatest concern were the disclosure standard required by law enforcement agencies and the threats to personal privacy. As Senator Hruska stated:

[I]t is extremely difficult if not impossible to prove that information, if disclosed, would invade a person's privacy or would impair the [law enforcement] investigation. The magnitude of such a task and the standards of harm that are defined in the amendment create serious doubt as to whether such a provision is workable aside from questionable in its wisdom.

* * * * *

I cannot support the enrolled bill because it emphasizes the right to know to the detriment of the right of privacy and security and the interests of us all in a responsive government. 120 Cong. Rec. S. 36873 (1974).

To some degree, the specific issues of FOIA were clouded by the overriding issues and passions of the Watergate era. Some Senators, including Senator ROBERT DOLE, attempted to focus on the specific FOIA issues by proposing a substitute amendment implementing improvements suggested by President Ford. The substitute, which was summarily rejected, incorporated a standard of disclosure which would have precluded jeopardy to law enforcement agencies.

The overly optimistic cost estimate of the bill provides one apparent example of the hasty consideration given the amendments due to the distractions of the Watergate scandal. Although the 1974 amendments limited fee collections, expanded access to government documents, and enhanced the availability of court-awarded attorneys fees for FOIA lawsuits, the House reported that the bill woud cost only $50,000 to $100,000 per year. This low figure should have been suspect because, additionally, agencies were required to absorb the cost of most of the expensive part of responding to a FOIA request, the reviewing of records to determine whether any portion could or should be classified as exempt. While no one knows the exact cost of FOIA today, estimates begin at $57 million and rise from there. Responding to a single request made by a renegade CIA agent has cost taxpayers over $500,000. Had Congress taken the time necessary to completely and adequately assess the implications of amending FOIA, it may have recognized the inherent problem of costs and avoided the resultant economic imbalance.

President Ford realized the impracticality of the costs provisions, in his message to the House explaining his veto. He pointed out that the law enforcement agencies would be economically hampared because the agencies could not afford to hire the large number of highly trained personnel necessary to review requested confidential files and records. Today the FBI has hired over 300 people and spends nearly $12 million annually to comply with FOIA.

The Constitution Subcommittee hearings in the 97th Congress were the most extensive oversight of FOIA yet undertaken. A major complaint which dominated those seven hearings was that the confidentiality of informants and investigations is jeopardized by the threat of FOIA disclosure of sensitive information. The documentation of this complaint at the hearings served to confirm the findings which have been compiled on the deleterious effects of FOIA on law enforcement. In 1978 the Senate Judiciary Subcommittee on Criminal Law concluded that:

It can safely be said that none [of the sponsors of FOIA] foresaw the host of difficulties the legislation would create for the law enforcement community, nor did they foresee the utilization that would be made of the Act by organized crime and other criminal elements or the damage it would do to the personal security of individual citizens * * * Informants are rapidly becoming an extinct species because of fear that their identities will be revealed in response to a FOIA request.

In that same year the General Accounting Office released a study detailing 49 instances of potential informants refusing to cooperate with law enforcement authorities due to FOIA. In 1979, FBI Director Webster supplied documentation of over 100 instances of FOIA interference with law enforcement investigations or informants. In 1981, his list was expanded to 204 examples. In fact, no fewer than five different reports studying the impact of FOIA have concluded that the act has harmed the ability of law enforcement officers to enlist informants and carry out confidential investigations. Among these, the Attorney General's 1981 Task Force on Violent Crime found that FOIA should be amended because it is used by lawbreakers "to evade criminal investigation or to retaliate against informants." A 1982 Drug Enforcement Administration study documented that 14 percent of DEA's investigations were "aborted or significantly compromised" by "FOIA-related problems."

The Judiciary Committee hearings have indicated also that FOIA is being misused by businesses in an effort to obtain valuable trade secrets. The testimonies are replete with such examples of abuse by business concerns of the spirit and original purpose of FOIA. For example, Mr. Jack Pulley, an attorney with the Dow-Corning Corp., told us of an article entitled "Freedom of Information Act: Strategic Opportunities and Threats," in which the authors described how FOIA could be used to gain what they called "a differential competitive advantage."

Currently the standard of protection, "trade secrets and commercial or financial information obtained from a person privileged and confidential," presumes that all "confidential" information will be protected, but supplies no statutory definition for "confidential." Instead the Senate report specified that information "customarily not released to the public by the person from whom it was obtained" would be exempt. The House report extended protection to any information given the government in confidence "whether or not involving commerce or finance." Despite the breadth of protection intended by Congress, a Federal court unilaterally narrowed the exemption years later by requiring a submitter to demonstrate a "substantial competitive harm" in order to qualify for exemption. (*National Parks* v. *Morton*, 498 F. 2d 765 (D.C. Cir. 1974).) This broader test requires agencies and courts to guess about the economic impacts of disclosure and has led to numerous "reverse FOIA" lawsuits as submitters have attempted to protect

proprietary data against release to commercial requesters who believe that the act, under current standards, can be used to learn valuable information about competitors.

The current standard has also been held to offer no protection to nonprofit submitters, such as hospitals, universities and scientific researchers, because they cannot show economic injury if the product of their research is disclosed.

In addition, the extensive Constitution Subcommittee hearings in the 97th Congress revealed other aspects of FOIA in need of fine-tuning. As mentioned earlier, the expanding costs of the act to the taxpayer suggested that those who directly benefit by requesting information should readily accept the responsibility of paying the cost of producing the information. The government agencies' inability to comply with the act's short time limits recommended a more workable time schedule for complying with requests in the event of a backlog of requests or other "unusual circumstances." Revising the act's second exemption to provide adequate protection for law enforcement manuals and instructions to investigators, auditors, or negotiators, was another aspect of the testimony. Removing important limitations on the exemption designed to guarantee personal privacy also emerged as an important aspect of FOIA reform. New exemptions to protect "technical data" (predominantly national security information) that may not be lawfully exported without a license and to protect Secret Service records were featured as subjects worthy of the protection currently given geological data and sensitive information about regulation of financial institutions under current exemptions 8 and 9.

The hearings also noted the need to reconsider the factors governing current determinations of types of information that may be released because they are "reasonably segregable" from classified or exempt portions of a requested record. Clearly giving away too many pieces of a sensitive record might, in the hands of a sophisticated requester, defeat the protections intended by the classification or exemption. Another item discussed was the propriety of requests from certain classes of requesters, including aliens, imprisoned felons, or parties in litigation with the Government who have access to information via the alternative route of discovery under the Federal Rules of Civil Procedure. These matters each became an element of the bill approved by the Judiciary Committee unanimously last Congress.

FEES AND WAIVERS

CURRENT SITUATION

Existing law allows agencies to collect only the costs of searching for and duplicating requested records. These costs are only a fraction of the true costs of answering a FOIA request. The cost of reviewing documents, editing out exempt material, and other processing accounts for the bulk of the expense of FOIA. Fees currently may be waived or reduced when "furnishing the information can be considered as primarily benefiting the general public."

CURRENT POLICY IMPLICATIONS

Congressional reports in 1974 estimated that FOIA would only cost between $40,000 and $100,000 annually governmentwide. Instead, direct costs—not counting litigation expenses and other indirect costs—amounted to nearly $60 million in 1980. Moreover agencies collect only about 2 percent of the costs of the act in search and duplication fees. In one case, a single FOIA request for CIA documents cost the public nearly $500,000 to process. (*Agee* v. *CIA*, 517 F. Supp. 1335, 1342 N. 5.) In addition to the subsidy questions presented by current fee policies, the lack of a uniform fee schedule has made it difficult for a requester to predict the cost of particular documents.

BILL PROVISION

The bill would authorize the Office of Management and Budget to issue guidelines aimed at developing a uniform schedule of fees and processing procedures for all agencies. Under the bill, agencies could charge fees for "all costs reasonably and directly attributable to" search, duplication and other FOIA processing activities. No fee would be charged whenever the costs of routine fee collection and check processing would be likely to exceed the amount of the fee itself. Half of all fees collected would be retained by agencies to fund their FOIA operations. In addition, an agency could charge the fair market value for commercially valuable technological information generated or purchased by the Government at substantial cost.

Fee waivers for search and duplication charges would be authorized only when, as under existing law, an agency determines that it is in the public interest to furnish the information. New processing charges would be subject to waiver for various types of public interest groups, providing that the agency determines that the information is not requested for a commercial use.

TIME LIMITS: CURRENT SITUATION

Section (a)(6) of title 5, United States Code, requires an agency to make an initial determination within 10 days of receipt of a request whether to disclose the records. If the agency decides within that period to withhold the requested records, it must notify the requester of the reasons for the exemption within the same period. The requester may then choose to appeal the denial, in which case the agency has 20 working days to determine the appeal.

By notice to the requester, an agency may extend these time limits for an additional 10 days in three narrowly defined "unusual circumstances." If an agency fails to comply with any of these statutory deadlines, the requester is deemed to have exhausted his administrative remedies and may immediately file a suit in a district court to compel disclosure. Section 552(a)(6)(C) permits a court to grant extra time to an agency in "exceptional circumstances" where the agency can show it is also exercising "due diligence."

CURRENT POLICY IMPLICATIONS

The sheer volume and complexity of requests often make compliance with current time limits unrealistic. When pressed to hastily process requests, the agencies often perfunctorily deny requests or erroneously release information that should be exempt. Moreover, agencies with a substantial backlog simply cannot respond to important news media requests in a timely fashion.

BILL PROVISION

This section retains the 10-day time limit provision in existing law, but would allow agencies to take 30-working-day extensions in "unusual circumstances." The bill would broaden the definition of "unusual circumstances" to include new categories of such circumstances.

The bill contains new language providing that an agency shall not be considered to have violated the act's time limits unless and until a court rules on the matter.

DUPLICATIVE REQUESTS: CURRENT LAW AND POLICY IMPLICATIONS

Agencies are currently burdened with numerous requests for records consisting mainly of newspaper articles, magazine articles, and other records publicly available. Nonetheless, the act requires agencies to act as the world's largest library reference service. In other instances, the agencies receive multiple requests from the same party for the same information as the requester tries to update his information occasionally. The act now requires the agencies to send the same information time after time.

BILL PROVISION

The bill allows the agency to simply refer the requester to the date and source whereby he could get the information from a nearby library or public source.

MANUALS AND EXAMINATION MATERIALS: CURRENT SITUATION

Exemption 2 currently protects information "related solely to the internal personnel rules and practices of an agency." The scope of this protection has been confused by apparently conflicting views of this language in the House and Senate reports when FOIA was enacted. Although this language

arguably protects manuals and instructions to investigators, inspectors, auditors, and negotiators, the judicial attempts to reconcile the House and Senate reports often led to inconsistent results.

CURRENT POLICY IMPLICATIONS

Although most courts recognize the sensitivity of instructions to investigators, inspectors, auditors, or negotiators, particularly when disclosure of the instructions could frustrate their legitimate Government functions, occasionally a judicial decision would reach a contrary result. See *Hawkes* v. *Internal Revenue Service* (507 F.2d 481—IRS audit guidelines ordered disclosed).

In addition, FOIA apparently authorizes the disclosure of examination materials which are exempt under the Privacy Act. To protect the objectivity and fairness of testing, as well as to promote consistency between the two acts, they should not conflict in this manner.

BILL PROVISION

This provision will clarify congressional intent in conformance with the original House report on exemption 2 and the majority of court cases on this subject. Several cases have found protectible interests in records specifically mentioned under this provision. For instance, *Caplan* v. *BATF* (587 F.2d 544 (1978)) protected a law enforcement manual; *Ginsburg* v. *FEC* (591 F.2d 752 (1978)) protected audit review guidelines; *Cox* v. *Department of Justice* (576 F.2d 1302 (1978)) protected U.S. marshal's manual. This provision will reaffirm Congress original intent, as expressed in the House report of FOIA, to protect sensitive law enforcement manuals and auditing records which might enhance vulnerability of Government functions to criminal activity.

Under the bill's new exemption 2, manuals and instructions to investigators, inspectors, auditors, or negotiators would be exempt "to the extent that disclosure * * * could reasonably be expected to jeopardize" their activities. Comparable new protection would apply to examination material.

PERSONAL PRIVACY: CURRENT SITUATION

The current sixth exemption protects from disclosure "personal and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy."

CURRENT POLICY IMPLICATIONS

This exemption contains a threshold test that often frustrates the substantive content of the exemption. Thus, even if a record represents a "clearly unwarranted invasion of personal privacy," it does not qualify for protection unless the record is found in a personnel, medical, or similar file. Due to this formalistic file limitation, a court may permit disclosure of "clearly unwarranted invasions" of privacy simply because the invasion is found in the wrong kind of file. Congress intended to protect privacy not file labels.

BILL PROVISION

The new bill broadens protection of personal privacy by exempting any "record or information concerning individuals * * * the release of which could reasonably be expected to constitute a clearly unwarranted invasion of personal privacy." The bill also would provide express protection for mailing list data.

LAW ENFORCEMENT: CURRENT SITUATION

The current seventh exemption exempts investigatory records compiled for law enforcement purposes if those records also meet one of six further requirements (A-F). The six further criteria are intended to protect enforcement proceedings against disclosures to suspects, fair trials, personal privacy, identities of informants, investigative techniques, and the life and safety of law enforcement personnel.

CURRENT POLICY IMPLICATIONS

The current threshold language of the exemption means that records are only eligible for protection if they are investigatory records compiled for law enforcement purposes. This could mean that a record which jeopardizes one of the six requirements, such as "endanger the life * * * of law enforcement personnel," could be disclosed simply because it does not satisfy the formalistic test of being an investigatory record. This exalts form over substance.

The current language of (7)(A) requires an agency to show that disclosure of a record "interferes" with an enforcement proceeding. At the outset of an investigation, however, the agency often does not know which aspects of a record, if disclosed to the suspect, would interfere with the investigation. Thus the existing language could disclose to a suspect vital information about an ongoing investigation.

The current language of (7)(D) requires that a record conclusively "disclose the identity of an informant" before it qualifies for exemption. This ignores the commonsense principle that some information that does not in itself identify the informant can, in some circumstances known only to the suspect, result in such identification.

The threshold language about "investigatory" has meant that law enforcement manuals were not covered by the exemption for law enforcement techniques and procedures. The courts have also reached conflicting results about the protection to be afforded prosecutorial guidelines and other law enforcement techniques and procedures.

Finally, the language in (7)(F) has an obvious and absurd limitation. Under this language, records are only exempt if they endanger the life of a police officer, without giving similar protection to the life of any natural person.

Some kinds of investigations are particularly difficult to protect from abuse under FOIA. These are characteristically the kinds of investigations that involve organized crime, terrorism, and foreign counterintelligence. In these instances, the suspects often have the time, resources, and inclination to use FOIA to learn the identities of informants, the progress achieved by various investigations, and methods to avoid detection and prosecution. In short, these entities have in common a detached coordinating agent with the ability and motivation to circumvent the intent of the exemptions.

In hearings before the Constitution Subcommittee, FBI Director Webster documented 204 recent examples of FOIA substantially jeopardizing law enforcement.

BILL PROVISION

The amended exemption 7 would exempt from disclosure any information that could reasonably be expected to disclose a confidential source, including a State or local government agency or foreign government. This change would afford greater protection to information which should clearly be exempt from disclosure due to its serious implications for law enforcement investigations and the safety of confidential informants.

The present exemption only includes information that would disclose a confidential source. The rationale is to broaden the definition of confidential source to include State, local, and foreign governments.

ORGANIZED CRIME: CURRENT LAW

FOIA currently makes no provision for the extensive, damaging use made of the act by organized crime.

CURRENT POLICY IMPLICATIONS

There is much evidence of the existence of sophisticated networks of organized crime FOIA requesters. Under the current FOIA, there is a real danger which accompanies FOIA requests by organized criminal groups who have both the incentive and the resources to use the act systematically—to gather, analyze, and piece together segregated bits of information obtained from agency files. These "sophisticated criminals" can use the FOIA to determine whether an investigation is being conducted on him or his organization, whether there is an informant in his organization, and even who that informant might be. The release of records containing dates of documents, locations reporting investigations, the amount of material, and even the absence of information are all meaningful when com-

piled in the systematic manner employed by organized crime.

BILL PROVISION

This bill would exclude from disclosure all documents compiled in a lawful investigation of organized crime which are specifically designated by the Attorney General for purposes of this section. This exclusion would apply to documents that were first generated or acquired by such law enforcement authority within 8 years of the date of the request, except where the agency determines pursuant to regulations promulgated by the Attorney General that there is an overriding public interest in earlier disclosure or in a longer exclusion not to exceed 3 years.

Finally, the bill acknowledges that organized crime constitutes a special problem under FOIA. There is much evidence of the existence of sophisticated networks of organized crime FOIA requesters. For example, organized members in the Detroit area have been instructed to submit FOIA requests to the FBI in an effort to identify FBI informants. Through this concerted effort, the members and associates of this family have obtained over 12,000 pages of FBI documents.

The withholding of information on the basis of one of the enumerated exemptions can often be ineffective in avoiding the anticipated harms that would accompany disclosure because invoking the exemption itself becomes a piece of the mosaic. To invoke (b)(7)(D), for example, is to tell the requester, potentially a criminal seeking information in his illicit organization, exactly what he may want to know—that his organization has an internal informant.

In such a case, the Freedom of Information Act presents the potential for damage to sensitive FBI investigations, even though no release of substantive information is made. A requester with an awareness of the law's provisions, a familiarity with an agency's records systems, and whatever personal knowledge he brings to the situation, can gain insight into FBI operations regardless of his ability to procure a release of Bureau documents. For example, knowledge that a suspected informant's file has grown over a period of time is often enough to tip off the sophisticated criminal that the suspected informant has been talking to law enforcement officials too often.

Because of the mosaic problem with FOIA and the particular threat posed by organizations with historical continuity and an institutional memory and further because use of the exemptions themselves can become a "piece of the mosaic," simply broadening existing exemptions will not cure the problem of organized crime abuse of FOIA. Accordingly, the proposed bill would exclude from disclosure all documents compiled in a lawful investigation of organized crime which are specifically designated by the Attorney General for purposes of this section.

This exclusion would apply to documents that were first generated or acquired by such law enforcement authority within 5 years of the date of the request, except where the agency determines pursuant to regulations promulgated by the Attorney General that there is an overriding public interest in earlier disclosure or in a longer exclusion not to exceed 3 years. The bill would also allow an agency to use a "no records" response to mitigate the danger that information which is innocuous on its face could be ultimately harmful when considered in connection with the totality of information which the requester possesses.

ADDITIONAL EXEMPTIONS: CURRENT LAW

The existing statute does not adequately protect technical data the export of which is controlled under other statutes or Secret Service records connected with its protective functions.

CURRENT POLICY IMPLICATIONS

Although Congress has acted to limit export of critical technology that could be used contrary to U.S. interests, this policy can be frustrated by acquisition of the same data or blueprints under FOIA. Testimony from the Justice Department and the Department of Defense has made the committee aware that technical data in the form of blueprints, manuals, production and logistic information formulas, designs, drawings, and other research data in the possession of agencies may be subject to release under the Freedom of Information Act. Much of this data was either developed by the Government or more typically submitted to the Government in conjunction with research and development of procurement contracts.

An example of the type of problem not contemplated by Congress during formulation of the FOIA exemptions in 1966 is the request from a foreign national seeking 70 documents totaling more than 9,000 pages which deal with the internationally sensitive area of satellites and their use by military organizations. An expense of over $4,000 in U.S. taxes would be required by the Department of the Air Force, in addition to more than 1,000 mid-level management man-hours, on a nonreimbursable basis, just to prepare the material for review. Moreover, a substantial portion of this sensitive, defense information is technical material on the "Critical Military Technologies List" which is subject to Federal export laws.

As a result of revisions to FOIA at the end of 1974, the quality and quantity of informant cooperation with the Secret Service has diminished dramatically. Under the current FOIA, informants are increasingly reluctant to come forward because they are fearful their identities will be revealed, adversely affecting the Service's ability to perform their protective and criminal investigative missions.

Robert R. Burke, Assistant Director for Investigations at the Secret Service, testified before the Constitution Subcommittee that his agency had approximately 75 percent less informant information than it had before the revised FOIA took effect at the end of 1974. Mr. Stewart Knight, Director of the Service, testified in 1977 that he had recommended that President Jimmy Carter refrain from traveling to two cities within the United States because the Service did not have adequate information to guarantee his safety. Mr. Burke's 1981 testimony noted that conditions have deteriorated even further since Mr. Knight's statement.

BILL PROVISION

The bill adds a new exemption (b)(10) to the Freedom of Information Act to exempt from mandatory disclosure, technical data that may not be exported lawfully outside of the United States except in compliance with the Arms Export Control Act (22 U.S.C. 2751, et seq.) and the Export Administration Act of 1979 (50 U.S.C. App. 2404).

This new exemption would insure that Congress intent to control the dissemination of sensitive technology could not be frustrated by a Freedom of Information Act request for information regarding technology subject to export control under these statutes. It would make clear that agencies such as the Department of Defense have the authority to refuse to disclose such information in response to a Freedom of Information Act request when the information is subject to export restrictions. This change would help effect Congress desire to limit and control the dissemination of critical technology. In the same vein, however, exemption 10 does not address the issue of restricting the flow of research information to, from or within the scientific community or society in general. Moreover, the proposed exemption has nothing to do with technical information developed within the academic community. On the contrary, this exemption merely gives the Federal Government the discretion not to disclose pursuant to a FOIA request defense-related technical information which is in the possession of the Federal Government, usually pursuant to research and development of procurement contracts. The submitter of such technical data is not precluded from disseminating it to the scientific community or elsewhere.

The bill also adds an additional exemption (b)(11) to FOIA which insures

that the Secret Service will receive the cooperation and confidentiality necessary for its mission. As a result, the ability of the Secret Service to safeguard the President and other important individuals as well as informants who provide vital information, will not be compromised. The exemption specifically enables the Secret Service to better fulfill its functions in two ways. First, the Service ill not be compelled to disclose significant security information already on file. Second, the Secret Service's information gathering capacity will be enhanced by the message conveyed to potential informants that any sensitive information that they provide will be protected.

REASONABLY SEGREGABLE

CURRENT LAW

The 1974 amendments to FOIA added a requirement that any portions of requested record that are "reasonably segregable" from exempt portions should be supplied to the requester.

CURRENT POLICY IMPLICATIONS

Although the principle of reasonable segregability is laudable, it can in practice present problems in the fields of law enforcement and national security classifications. In those fields, a sophisticated requester may have the ability to piece together bits of information that seem harmless in isolation yet reveal exempt information when carefully analyzed.

BILL PROVISIONS

The bill clarifies the standard of "reasonable segregability" in the case of records containing material covered by exemptions one and seven allowing the agency to consider whether the disclosure of particular information would, in the context of other information available to the requester, cause the harm specified in exemptions one and seven.

PROPER REQUESTS

CURRENT LAW

Under current law, an agency is required to comply with a request for records made by any person, even if that person is not a U.S. person.

CURRENT POLICY IMPLICATIONS

Existing law allows foreign nationals and governments to make FOIA requests. It is not at all uncommon for one Japanese firm to file a FOIA request seeking information about another Japanese firm or even a U.S. firm with which it competes.

Another aspect of the any person provision that seems somewhat inconsistent with FOIA's goals of an informed citizenry is that the act is heavily used by imprisoned felons. Over 40 percent of all requests received by the Drug Enforcement Administration are from persons in prison; 11 percent of FBI's requests come from prisoners. In many cases, these requesters seek information that could undermine legitimate law enforcement.

Parties to a lawsuit have used FOIA to circumvent discovery rules. The Supreme Court has stated that "FOIA was not intended to function as a private discovery tool." *NLRB* v. *Robbins Tire*, 437 U.S. 214, 242 (1978). Using FOIA as a discovery device can be a technique to avoid triggering reciprocal discovery.

BILL PROVISIONS

The bill modified that aspect of the any person rule that permits aliens to use the U.S. FOIA statute. The Attorney General is granted authority to draft regulations to limit requests by imprisoned felons.

CONCLUSION

The basic purpose of FOIA, more openness in government through an informed citizenry (see *National Labor Relations Board* v. *Robbins Tire & Rubber Co.*, 437 U.S. 214, 242 (1918) is a very worthy and legitimate objective.

> Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power knowledge gives. A popular government without popular information or the means of acquiring it is but a prologue to a farce or a tragedy or perhaps both, Letter to W. T. Barry, Lieutenant Governor of Kentucky, August 4, 1822.

This inspiring quote, although written by Madison as an argument for public education, not access to government files, was invoked in 1974 when the 1966 act was substantially rewritten as an appropriate reminder that our national policy favors an open and free exchange of ideas. In fact, another enduring passage would serve well to remind us of the origins of our Nation's policy on freedom of information. That passage reads as follows:

> Congress shall make no law . . . abridging the Freedom of speech, or of the press. U.S. Constitution, First Amendment.

Besides the obvious virtues of an open government, the Freedom of Information Act (FOIA) is particularly valuable to a nation founded on individual freedom and government accountability. President Reagan has reinvigorated our awareness that the Federal Government must be held accountable for its activities. Otherwise, it could become master rather than servant of the people. In the context of this refreshing new attitude of the Reagan administration, I would like to share a favorite passage from American literature. Henry David Thoreau wrote:

> I went to the store the other day to buy a bolt for our front door, for, as I told the storekeeper, the governor was coming here. "Aye," said he, "and the Legislature too." "Then I will take two bolts," said. I. He said that there had been a steady demand for bolts and locks of late, for our protectors were coming. H. Thoreau, *Walden and Civil Disobedience*, (O. Thomas ed. 1966).

The Freedom of Information Act can often act like one of Thoreau's bolts; it can protect us from our protectors by giving us sound knowledge about how to comply with government regulations or how to challenge an arbitrary government decision.

Yet achieving an informed citizenry is a goal to be balanced with other vital societal aims. Indeed, society's interest in an open government can conflict with its interest in protecting personal privacy rights and with the overriding public need for preserving the confidentiality of national defense and criminal investigative matters, among other matters. Though tensions among these competing interests are characteristic of a democratic society, their resolution lies in providing a workable formula which encompasses, balances, and appropriately protects all interests, while placing emphasis on fully responsible disclosure. (See S. Rept. 813, 89th Congress, 1st session 3 (1965)).

Just as the Freedom of Information Act holds the government accountable to an informed electorate, FOIA itself must be held accountable. Since the enthusiastic rewrite of the act in 1974, it has at times frustrated rather than fulfilled its basic mission of insuring government efficiency and informing voters. FOIA has occasionally disrupted vital law enforcement activities and has been misused by businesses who had no intention of keeping abreast of government programs but found it a convenient tool for obtaining confidential information about a competitor.

This bill restores the balance between public access to government information and efficient execution of necessary functions. The compromises agreed to in an effort to accommodate the competing interests of open government and confidentiality represent a good-faith effort on all sides to mold a better FOIA. This bill achieves that goal and therefore furthers our deeply engrained notions of an informed citizenry and a responsible government.

By Mr. GRASSLEY (for himself, Mr. THURMOND, Mr. DOLE, and Mr. DENTON):

S. 775. A bill entitled the "Government Accountability Act of 1983"; to the Committee on the Judiciary.

GOVERNMENT ACCOUNTABILITY ACT OF 1983

● Mr GRASSLEY. Mr. President, I am once again introducing legislation together with the distinguished chairman of the Senate Judiciary Committee, Senator STROM THURMOND, Senator BOB DOLE, and Senator JEREMIAH DENTON, to deal equitably with the serious problem of the increasing number of lawsuits filed against Federal employees in their individual or personal capacities.

In the last Congress I introduced nearly indentical legislation to the bill that I am offering today. That bill, S. 1775, was referred to the Judiciary

Committee which in turn routed the bill to the subcommittee which I chaired, the Subcommittee on Agency Administration, presently the Subcommittee on Administrative Practice and Procedure. We held three hearings on the bill in the subcommittee and reported the bill to the full Judiciary Committee very close to the lameduck session of Congress. While time was not on our side in the 97th Congress, I intend in this Congress to quickly process this bill and send it to the full committee and Senate floor for consideration.

I had the honor of writing a chapter on the Federal Tort Claims Act for the Free Congress Research and Education Foundation's book, which will be available soon, entitled "Criminal Justice Reform." I believe that this chapter is a helpful analysis of the events that have led to the urgent need for the protections mandated by this legislation and ask that it be printed in the RECORD.

There being no objection, the chapter was ordered to be printed in the RECORD, as follows:

CRIMINAL JUSTICE REFORM

A thirty year veteran forest ranger in the Idaho Panhandle National Forest directs Forest Service employees to remove garbage, rusted bus hulls, and scrap metal from a mining site where it has festered for five years. Prior to implementing the cleanup plans, notice of the removal is provided to the former lessee mining company which delivers no response. The ranger is unaware of a pre-existing agreement that transfers the scrap metal to the plaintiff. Two years after the cleanup, there is a knock on the door and the ranger is greeted with a summons and complaint requesting $48,000 in compensatory damages and $100,000 in punitive damages for violation of the plaintiff's constitutional rights. Three years later, a jury finds against the ranger and awards $1,000 in compensatory damages plus $216.50 in court costs. The appeals process begins.[1]

Federal employees are being increasingly sued for decisions made during the course of a workday. From forest ranger to director of the National Cancer Institute, from meat inspector to cabinet officer, our entire federal workforce is potentially subject to personal liability suits for decisions that are made in carrying out federal missions. Since the Supreme Court's 1971 decision in the case of *Bivens* v. *Six Unknown Named Agents of the Federal Bureau of Narcotics*,[2] federal employees have been subject to personal liability, which translates to money damages, for what the Court termed "constitutional torts". The *Bivens* case arose from a compelling factual setting. Narcotics agents ransacked a citizen's apartment, arrested and manacled him in front of his wife and family, and ushered him to a federal courthouse where he was interrogated, booked, and subjected to a visual strip search. This internment was effectuated without probable cause for a search warrant.

Most constitutional torts arise in a much more mundane setting. While immediately following the *Bivens* decision these actions arose in the context of law enforcement, they increasingly have arisen in the realm of regulatory or personnel actions taken by federal employees.[3]

The Department of Justice estimates that there are at present over two thousand lawsuits pending against federal employees in their individual capacities for alleged violations of constitutional rights. That number is conservative as it relates to actual numbers of federal employees involved in pending litigation because multiple defendants are sued in nearly seventy-five percent of all cases[4] and some cases involve as many as thirty to forty-five defendants.[5] The Department further estimates that since 1971 there have been approximately ten thousand lawsuits lodged against federal employees. Of that total, only fifteen have resulted in judgments for plaintiffs.

As Chairman of the Senate Subcommittee on Agency Administration, I have conducted three hearings on legislation which I introduced in response to what I view as a terribly unfair and unproductive situation. While a federal employee embroiled in litigation undergoes untold anguish, it is the taxpayer who is the ultimate loser in this process; and a triple loser to boot. Taxpayer monies are spent defending employees for what often amount to harassment suits. Taxpayer monies are spent paying employees who are too intimidated by threats of litigation or ensuing litigation to effectively and innovatively carry out their designated functions. Taxpayer monies are spent in paying private attorneys fees resultant from the Department of Justice's policy of hiring outside private counsel where its own representation of a federal employee might produce a conflict of interest.

My legislation is fashioned to make the best use of taxpayer funds while at the same time insuring adequate compensation to a plaintiff whose constitutional rights have been violated. So often is the case, that even if a plaintiff wins a suit, the defendant is judgment proof. The government will be substituted as the exclusive defendant in all constitutional actions and generally the exclusive defendant in all tort suits in which the Attorney General certified that the employee was acting within the scope of his employment. Hence the Department of Justice will no longer have to excuse itself from suits and hire private counsel to avoid conflicts of interest. In addition the employee will no longer be deterred from carrying out his federal duties.

Testimony, both from federal employees who have been sued and from Assistant U.S. Attorneys who have defended federal employees, indicates that the numbers of sued employees are but a statistical guage of the anguish, fear, and betrayal that a federal employee experiences when he has been personally sued for actions taken to enforce the laws of the United States. Stress and anxiety are not easily allayed by even the most competent of U.S. Attorneys. As one employee in the throes of litigation put it:

"To say that this left a residual fear in my mind is to put it lightly. I was concerned. I was worried . . . I have mild angina and, by gosh, I found I wasn't having mild angina. I was having chest pains frequently at night. I would wake up with chest pains. I went to see my doctor and he said, 'Oh yes.' He said, 'that's the standard thing. You get a high anxiety level and you get chest pains from angina. I guess I'd better give you sleeping pills.' So for the first time in my life I was taking sleeping pills."[6]

An action that threatens an employee's personal and professional assets potentially affects the quality of his life, not to mention his mental health.

Under Department of Justice procedures, a federal employee is provided with representation in state criminal proceedings and in civil and congressional proceedings in which he is sued or subpoenaed in his individual capacity. Representation is not provided in connection with federal criminal proceedings. Upon receipt of an agency's notification of request for counsel, either the Civil Division, the Civil Rights Division, the Criminal Division, the Lands and Natural Resources Division or the Tax Division determines whether the employee was acting within the scope of his employment and whether providing representation is in the interest of the United States. The employee is informed from the outset of the action that in no event will the government pay any judgment rendered against the employee.[7] Likewise, a settlement prior to the adjudication of a claim is paid by the employee.

Where conflicts of interest are not apparent and private representation is unnecessary, representation is afforded to employee defendants by Assistant United States Attorneys. These attorneys are in the best position to observe the practical effects of the current system of liability. They have a firsthand view of the employee's reaction to his dilemma and are aware of what kind of time and hence what kind of money is spent in defending these suits. Testimony from two former and two present U.S. Attorneys point out that representation of a government employee is fraught with conflict of interest potential from the outset.[8] After all, a U.S. Attorney's first loyalty is to the United States; his obligation to the employee's interest must come second. As one United States Attorney put it:

"In many instances the Government may prefer to take the risk of losing a substantial judgment rather than disclosing confidential information that could justify the agents' action. An agent who pictures his life savings being wiped out, if a substantial judgment is awarded him, will be seriously disheartened, if he learns that the Government is refusing to release information which would provide him with a complete defense."[9]

Morale problems are likely to result from a situation in which an employee follows the directive of his employer, in this case the United States, and yet cannot be indemnified by that employer if his conduct is found to exceed constitutional bounds.

The Federal Tort Claims Act was enacted in 1946, largely due to Congressional discomfort with the doctrine of sovereign immunity. That doctrine is predicated on the common law theory that the king can do no wrong and therefore cannot be sued in his own courts.[10] The United States waived its immunity with respect to general liability for negligent tortious conduct on the part of governmental agents. Prior to the enactment of the Act, individuals seeking redress from the federal government for the commission of torts by its employees were forced to address their complaints to Congress, which had the power to enact a private relief bill for the individual. Congress enacted the Federal Tort Claims Act as a means of relieving itself from the burden of considering the merits of a plethora of individual tort claims.

With the advent of the Federal Tort Claims Act, the United States was liable for torts "in the same manner and to the same extent as a private individual under like circumstances."[11] Nevertheless, this general

[1] Footnotes at end of chapter.

waiver excludes claims "based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a federal agency or an employee of the Government, whether or not the discretion involved be abused."[12] While Congress has enacted several specific provisions that substitute the government for individual liability for a number of employee groups, the basic language of the Act gives the plaintiff an election to sue either the defendant employee or the government.

Since 1946, there has been no comprehensive review of the Federal Tort Claims Act. There has, however, been a series of Supreme Court decisions that have sanctioned suits filed at every level of government for alleged constitutional infringements. This line of cases, beginning with the Court's seminal decision in *Bivens v. Six Unknown Named Agents of the Federal Bureau of Narcotics*,[13] underlies the creation of a personal remedy against an individual—commonly known as a *Bivens* action.

In *Bivens*, the Court recognized individual employee liability for violation of a citizen's fourth amendment rights. Against the backdrop of the Attica prison unheaval in New York, the May Day arrests in Washington, and the Collinsville raids in Illinois, Congress legislated a partial response to the *Bivens* decision. Congress amended the Federal Tort Claims Act to allow a suit to be brought against the U.S. for acts of assault, battery, false arrest, malicious prosecution and other similar wrongs committed by federal investigative agents.

While this amendment did much to alleviate the impact of the *Bivens* decision on "investigative or law enforcement officers of the United States government," which was defined to mean "any officer of the United States who is empowered by law to execute searches, to seize evidence or to make arrests for violations of federal law," [14] it did nothing to lessen the impact of subsequent decisions on federal employees. For example, in the 1978 term the Court allowed a fifth amendment suit against a member of Congress [15] and in the 1979 term the Court extended the ambit of *Bivens* to an eighth amendment suit against prison officials.[16] So, while initially constitutional tort actions were lodged against law enforcement agents under the fourth amendment, the Court has expanded its recognition of constitutional torts beyond those for violation of the fourth amendment to violations of the fifth and eighth amendments. Lower courts have applied the *Bivens*-based cause of action to suits involving violations of the first, fifth, sixth, eighth, ninth, thirteenth, and fourteenth amendments.[17] This expansion has changed the character of suits that have been brought from those affecting law enforcement activities to those primarily directed at regulatory and personnel decisions.

A recurring theme throughout all the relevant Supreme Court decisions is that the Court is acting only in lieu of Congressional action. That action appears to be the best short term solution to a longstanding problem of employee liability.

Congress' failure to enact legislation to remedy the deficiencies of the *Bivens* decision has not been for want of trying. Indeed, as early as 1973, legislation was proposed that would make the United States exclusively liable for the constitutional and common law torts of its employees, but it was the enactment of the 1974 amendments to the Act that ultimately emerged as law.

In the 95th Congress, different versions of a bill were approved by Subcommittees of both chambers but were never reported out of the respective full Judiciary committees for floor action. In the 96th Congress, the legislation failed to progress out of either Judiciary Subcommittee.

The current legislative effort portends to be the most successful; a controversial aspect of former bills has been eliminated. In past bills, no consensus could be reached as to what form of administrative discipline should be applied to tortious employees.

Currently, there is a recognition that to attempt to legislate one mandatory disciplinary standard for every agency to follow is impracticable. Instead under the provisions of both the Senate and House bills, if a constitutional tort suit results in a judgment against the United States, or an award, compromise, or settlement paid by the United States, the Attorney General must forward the matter to the head of the department or agency which employed the individual for appropriate administrative or disciplinary action. Shedding the disciplinary proceeding from the bill in favor of utilizing an agency's own internal disciplinary mechanism has been a boost for both the bills' chances of passage; but a number of polemical issues still remain.

Traditionally the major proponent of this legislation has been the law enforcement community. Opposition to the concept has been principally voiced by the American Civil Liberties Union. While these two groups are closer to a compromise than ever before, there is still controversy over a provision allowing the United States to assert any defense available to the employee, which includes a qualified immunity known as the "good faith defense." The Department of Justice labels the defense as a crucial provision of the bill:

"It really goes to the merits of the plaintiff's claim by testing the action of an employee against the standard of reasonableness and good faith. We also think that taxpayers' funds, funds out of the U.S. Treasury, should not be paid out for actions taken in good faith. And when you bear in mind that any payment of a claim carries with it the threat, in effect, of a disciplinary action against the employee later, it would be self-defeating if you were going to make payments where the employee has acted in good faith because it seems clear that there should be no disciplinary proceedings under such circumstances.

"And certainly no employee wants to be found guilty, if you will, of unconstitutional acts and suffer the resulting stigma. So that, even where the United States and not the employee would be the defendant, our view is that employees would be discouraged from acting in uncertain areas where they might subject the Government to financial liability. We should not deter employees from acting in good conscience and in good faith and from being courageous, particularly in the law enforcement and other essential areas of Government activities." [18]

It is a defense worth preserving particularly in light of a recent Supreme Court decision. Past decisions of the Supreme Court have established the good faith defense as containing a subjective requirement of a good faith belief in the validity of one's actions as well as an objective requirement of reasonableness. "The official himself must be acting sincerely and with a belief that he is doing right," [19] and that belief must be reasonable. Whether reasonable good faith exists is a factual question that places the burden of proof on the government employee.

The Supreme Court's most recent formulation of the good faith defense in *Harlow et. al.* v. *Fitzgerald*,[20] alters the traditional two tiered test in favor of soley an objective qualified defense. The Court considered the scope of immunity available to senior aides and advisers of the President in civil tort actions based upon their official acts in *Harlow*. After considering past immunity decisions and noting the *Bivens* adage that "an action for damages may offer the only realistic avenue for vindication of constitutional guarantees" [21] the Court went on to state:

"It is this recognition that has required the denial of absolute immunity to most public officers. At the same time, however, it cannot be disputed seriously that claims frequently run against the innocent as well as the guilty—at a cost not only to the defendant officials, but to the society as a whole. These social costs include the expenses of litigation, the diversion of official energy from pressing public issues, and the deterrence of able citizens from acceptance of public office. finally, there is the danger that fear of being sued will 'dampen the ardor of all but the most resolute, or the most irresponsible (public officials), in the unflinching discharge of their duties.' "[22]

The Court concluded that the subjective test of the good faith defense "has proved incompatible with our admonition in *Butz* that insubstantial claims should not proceed to trial." [23] The Court found the intensive discovery that accompanies an inquiry into the subjective intent of a defendant to be burdensome to effective government.

The elimination of the subjective element of the good faith defense is a great boon to the insulation of the employee from time consuming discovery. Testimony from the American Civil Liberties Union concluded that individuals would spend as much time in court attempting to validate their good faith belief if the government was substituted as they would spend if they were being personally sued.[24] This decision mandates that the limits of the qualified immunity be defined in objective rather than subjective terms, thus bolstering the aim of allowing the public official to conscientiously perform his mission unburdened by litigation.

If the good faith defense is waived, we are faced with a strict liability situation in every case where even a technical infringement occurs. Every criminal defendant, even if convicted, who wins a motion to suppress evidence may receive automatic liquidated damages of at least $1,000 as provided by the legislation. Without access to the knowledge that the employee was acting with a good faith belief in the propriety of his action, it would be more difficult both for the Department of Justice and the Agency to discern real offenders because of the vast number of cases requiring automatic payment. Retention of the defense is a disincentive to the blank check theory of award and ensures that the plaintiff will receive a day in court to relate his version of the employee's conduct. Furthermore, the employee will, in turn, have an opportunity to defend his conduct in public. Finally, it must be noted that under the common law, the principal or employer sought to be held liable has always been able to raise the defenses of his agent.[25] The United States should be entitled to the same defenses as any employer.

Aside from opposition to incorporation of the good faith defense, a traditional objection to exclusive governmental liability is that it somehow disregards the elements of personal fault. It is felt that "the current

law creates a significant incentive for compliance with constitutional rights because individual federal employees have a substantial fear of having to pay judgments and attorneys fees in lawsuits against them". [26] Yet as Chief Justice Burger noted in his *Bivens* dissent with reference to the exclusionary rule's effect on law enforcement officers, there is no empirical evidence to support the claim that the rule actually deters illegal conduct of government employees.[27] The forest ranger mentioned at the outset of this discussion testified at a Senate hearing that the lawsuit had an effect on his ability to make independent decisions:

"The unsettled suit has been an omnious cloud over my personal and financial situation for over 8 years. Even worse than the possible financial damage, is the uneasy feeling I get each time that I make a decision.

"I have forced myself to cope with this situation so that I can carry on my duties and responsibilities as a Federal manager, but it has not been easy. Litigation of the type I have experienced cannot help but affect decisions by me and other Forest Service employees close to the case.

"In the case that I have just described, the plaintiff is still operating on the Red Ives Ranger District. Each year I am faced with several decisions regarding his business operations on the Forest.

"One of the greatest anxieties in my case was the uncertainty at various points of wondering if the Government would continue to pay for the counsel who represented me or whether I might be forced to retain a private attorney." [28]

Some employees are blissfully unaware of their liability for decisions made in the scope of their employment. Those who are aware of potential liability are more than likely not so much deterred from taking illegal action as they are deterred from the legitimate objectives of a career.

Spokesmen for federal employee unions are quick to note that the effect of an adverse judgment on an employee's reputation is very much of a strong deterrent to misconduct.[29] A full range of disciplinary actions are available to underscore an employee's guilt. An employee may be discharged, demoted in grade, debarred from all Federal employment for a period not to exceed five years, suspended, reprimanded, or assessed a civil penalty.[30]

In summary, a grant of personal immunity for federal employees is needed to remedy a system that, perhaps because of an increasingly litigious bent, hinders rather than encourages production from its federal workforce. It is in society's interest, our interest, to see that the day's labor for the honest and conscientious federal employee is unthreatened by vexatious lawsuits. Such lawsuits, in the final analysis affect the quality of our government and the quality of our lives.

REFERENCES

[1] Hearings on Amendments to the Federal Tort Claims Act before the Subcommittee on Agency Administration, 97th Cong., 1st Sess. (1981) (hereinafter Senate Hearings, part I) p. 48-51.
[2] 403 U.S. 388 (1971).
[3] Hearing on Amendments to the Federal Tort Claims Act before the Subcommittee on Agency Administration, 97th Cong., 2nd Sess. (1982) (hereinafter Senate Hearing, part II) p. 174.
[4] Senate Hearing, part II, p. 161.
[5] Senate Hearings, part I, p. 12.
[6] Id. at p. 110.
[7] DOJ Statements of Policy; Representation of Federal Officials and Employees, 47 Fed. Reg. 38, 8172 (1982) (to be codified in 28 C.F.R. § 50.15).
[8] Senate Hearings, part I, p. 56.
[9] Id.
[10] W. Holdsworth, History of English Law, 458-459 (5th ed. 1942).
[11] 28 U.S.C. § 2674 (1971).
[12] 28 U.S.C. § 2680 (a) (1970).
[13] 403 U.S. 388 (1971).
[14] 28 U.S.C. § 2680(h) (1976), as amended by Act of Mar. 16, 1974, Pub. L. No. 93-253, § 2, 88 Stat. 50 (1974).
[15] *Davis* v. Passman, 442 U.S. 228 (1979).
[16] *Carlson* v. *Green*, 446 U.S. 14 (1980).
[17] See, Lehmann, "Bivens and its Progeny: The Scope of a Constitutional Cause of Action for Torts Committed by Government Officials", 4 Hastings Const. L. Q. 531 (1977).
[18] Senate Hearings, part I, p. 9.
[19] *Wood* v. *Strickland*, 420 U.S. 308, 321 (1975).
[20] *Harlow et al.* v. *Fitzgerald*, 50 U.S.L.W. 4815 (June 24, 1982).
[21] Id. at 4819.
[22] Id. citing *Gregoire* v. *Biddle*, 177 F. 2d 579, 581 (CA2 1949), cert. denied, 339 U.S. 949 (1950).
[23] Id. at 4820.
[24] Senate Hearings, part I, p. 103.
[25] Contact with John Lodge Euler, Assistant Director of Torts Branch, Department of Justice, (August 12, 1982).
[26] Senate Hearings, part I, p. 103.
[27] 403 U.S. 388, 415 (1971).
[28] Senate Hearings, part I, p. 49.
[29] Id. at p. 123.
[30] 5 U.S.C. § 1207(b).●

Mr. THURMOND. Mr. President, it is with great enthusiasm that I join the distinguished chairman of the Subcommittee on Administrative Practice and Procedure, Senator CHARLES GRASSLEY, in introducing today the Government Accountability Act of 1983. This important legislation responds to the dual goals of deterring unconstitutional Government activity and restoring the morale of Government employees, particularly law enforcement officers.

A series of Supreme Court and lower court decisions, beginning with the case of Bivens against Six Unknown Named Agents of the Federal Bureau of Narcotics in 1971, has spurred a proliferation of suits against individual Federal Government employees based on allegations of unconstitutional conduct. While these suits initially were aimed at law enforcement officers, the courts have sanctioned cases against a wide range of employees, particularly those with regulatory and personnel responsibilities. Thus, we have witnessed suits against forest rangers, members of the Civil Service Commission and officials of the Community Services Administration.

While the goal of deterring disregard for constitutional rights on the part of Government employees is a commendable one, the current system has generated several problems. In addition, it is questionable whether the original goal is being effectively served. In testimony before the Committee on the Judiciary during the last Congress, representatives of the administration advised that over 2,000 suits were pending, many of which involved multiple defendants. A mere handful has resulted in money judgments for the plaintiffs. Despite the fact that these suits have been unsuccessful for the most part, they have taken a incredible toll upon the morale of our Federal Government employees. The threat of ruinous suits against them has a chilling effect on their performance. As Deputy Attorney General Schmults has stated, they encourage a "timid discharge of official duties." Furthermore, the costs of lawyers hired by the Government and the individual employees are unduly burdensome. The Department of Justice, as of last year, had spent over $3 million for private counsel for employees in cases of this nature. Finally, the current situation discourages the Government in its effort to recruit able servants.

The Government Accountability Act would make the United States the exclusive defendant in virtually all constitutional tort actions in which the Attorney General certifies that the employee was acting within the scope of his employment. This will serve not only to protect beleaguered Federal employees, but will benefit the Government and victims of constitutional abise as well. It will insure that arguments advanced in the course of litigation will not be inconsistent with the legal policies of the Government. The victim, after the long litigation process, will not find his judgment uncollectible, as it might be from an individual Government employee. The administration, nevertheless, predicts that the bill will not result in an increase in suits. In short, the Government Accountability Act serves the interests of the public, the Government and the individual public employee.

In recognition of the urgent need for legislation to address the low morale of Fedeal employees, the Government Accountability Act will be held at the full committee. I am hopeful that we will be able to process this bill promptly in order to lessen the chilling effect of constitutional tort claims on our able and devoted Government employees, particularly those in law enforcement. I look forward to working with the administration and the distinguished sponsor of this bill to accomplish our shared goal.

By Mr. MOYNIHAN:

S. 776. A bill to amend the Internal Revenue Code to increase the amount that an artist may deduct when he contributes an artistic composition to charity; to the Committee on Finance.

PEN AND INK ACT OF 1983

● Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to address one of the most unfair and unwise provisions of Federal tax law. I refer to the tax treatment under section 170 of the Internal Revenue Code of charitable contributions of artists.

Under current law, an art collector who donates a painting to a museum can deduct the painting's market value. But when an artist donates a painting, he can deduct only the cost

of the materials—the paint and the canvas. The same rule applies to a composer who donates a score, and to the writer who donates a manuscript, poem or other composition. In these cases, the artist can deduct only the value of his pen, ink, and paper. This has been the law since 1969.

It is unfair, because the artist has given the museum greater value than he is given credit for. It is unwise, because it leaves artists precious little incentive to donate their works to public collections. Daniel Boorstin, the Librarian of Congress, testified before the Finance Committee on October 22, 1979 that before this provision took effect, the Library received some 200,000 original manuscripts from writers each year. Since 1969, the Library has received only one major gift of self-created materials from a living author. Boorstin said:

The consequence of the reduced level of acquisitions will have a disastrous effect on scholarship, on the study and appreciation of American civilization.

Authors are now selling their works on the open market, dispersing them among numerous public collectors. Dr. Boorstin continued:

Thus, the material ceases to be available for research in public institutions. Even more alarming, these materials are usually stored where they suffer rapid deterioration and are subject to risks of fire, flood and theft. They are lost forever.

One response would be to permit artists to deduct the market value of their gifts. This is a simple answer, but it is far from the best remedy. Such was the law before 1969, when Congress amended it for good reason: it was being abused. Donald Lubick, Assistant Secretary in the Carter administration discussed the problem in Senate testimony 4 years ago.

Prior to the Tax Reform Act of 1969, a taxpayer, including an artist, who contributed appreciated property to charity was entitled to a charitable deduction based on fair market value even though the appreciation was never subject to tax. In many cases, this enabled an individual to obtain a benefit through a charitable contribution that would exceed the after-tax proceeds from a sale.

According to Mr. Lubick, artists in high tax brackets were betteroff giving away their works than selling them.

For example, assume an individual in a marginal tax bracket of 70 percent owns property worth $100 that has a negligible cost. If the property were sold, the individual would owe $70 in tax and would retain $30. If the property were given to charity, the charitable deduction would reduce the donor's taxes by $70.

The artist earned $70 if he gave away the painting, as against only $30 if he sold it.

Of course, this would not pose quite the problem it once did. The 1981 tax bill lowered the marginal tax rate to 50 percent, reducing the discrepancy. But there were many other problems, and a catalog of them can be found in Bittker and Stone, "Federal Income, Estate and Gift Taxation at pages 197 and 198. The point is that we should not just restore the pre-1969 law.

Then what is the answer? Let me phrase the question a little differently: What is the correct principle?

I propose that we permit the artist to claim a tax deduction for only what his donation costs him. When an artist in the 40-percent tax bracket donates a painting to a museum, he forfeits the opportunity to earn 60 percent of the market value. That is all he would be able to retain after taxes, were he instead to sell the painting. His deduction, therefore, should be 60 percent.

The cost to each artist is a function of his tax bracket. It is one minus the marginal tax rate. My bill has the tables, to which an artist would simply look to determine his "applicable rate."

Mr. President, this bill applies to contributions of "literary, musical or artistic compositions" to section 501(c)(3) organizations or to Government agencies. The artist must obtain a written statement from the donee declaring that the artwork has artistic significance and will be used by the donee in connection with its exempt function. For example, a university could use a donated sculpture for teaching purposes, but not to decorate the chancellor's office.

This legislation would not change the rules for politicians who donate their official papers. Politicians do not get tax deductions now, nor would they in the future.

The bill I am introducing today is a big improvement over existing law. It is worthy of enactment, and I urge my colleagues to support its speedy enactment.

I ask unanimous consent, Mr. President, that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pen and Ink Act of 1983."

SEC. 2. DEDUCTIONS FOR CONTRIBUTING CERTAIN LITERARY, MUSICAL OR ARTISTIC COMPOSITIONS.

Section 170(e) of the Internal Revenue Code (relating to certain contributions of ordinary income and capital gains property) is amended by adding at the end thereof the following new paragraph—

"(4) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL OR ARTISTIC COMPOSITIONS.—

"(A) QUALIFIED CONTRIBUTIONS.—For an individual who contributes a literary, musical or artistic composition created by his own efforts to an organization described in section 501(c)(3) (that is exempt from tax under section 501(a)) or to a governmental unit described in section 170(c)(1), the amount of charitable contribution taken into account under this section shall be a percentage of the fair market value of such composition determined according to the applicable table.

"(B) APPLICABLE TABLES.—For purposes of subparagraph (A), the applicable table for—

"(i) married individuals and surviving spouses described in section 1(a) is table 1,

"(ii) heads of households described in section 1(b) is table 2,

"(iii) unmarried individuals described in section 1(c) is table 3, and

"(iv) married individuals described in section 1(d) is table 4.

"Table 1

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $5,500	89
Over $5,500 but not over $7,600	87
Over $7,600 but not over $11,900	85
Over $11,900 but not over $16,000	83
Over $16,000 but not over $20,200	81
Over $20,200 but not over $24,600	77
Over $24,600 but not over $29,900	73
Over $29,900 but not over $35,200	70
Over $35,200 but not over $45,800	65
Over $45,800 but not over $60,000	60
Over $60,000 but not over $85,600	56
Over $85,600 but not over $109,400	52
Over $109,400	50

"Table 2

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $4,400	89
Over $4,400 but not over $6,500	87
Over $6,500 but not over $8,700	85
Over $8,700 but not over $11,800	82
Over $11,800 but not over $15,000	81
Over $15,000 but not over $18,200	79
Over $18,200 but not over $23,500	75
Over $23,500 but not over $28,800	71
Over $28,800 but not over $34,100	66
Over $34,100 but not over $44,700	63
Over $44,700 but not over $60,600	56
Over $60,600 but not over $81,800	52
Over $81,800	50

"Table 3

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $3,400	89
Over $3,400 but not over $4,440	87
Over $4,400 but not over $8,500	85
Over $8,500 but not over $10,800	83
Over $10,800 but not over $12,900	81
Over $12,900 but not over $15,000	79
Over $15,000 but not over $18,200	76
Over $18,200 but not over $23,500	72
Over $23,500 but not over $28,800	68
Over $28,800 but not over $34,100	64
Over $34,100 but not over $41,500	60
Over $41,500 but not over $55,300	55
Over $55,300	50

"Table 4

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $2,750	89
Over $2,750 but not over $3,800	87
Over $3,800 but not over $5,950	85
Over $5,950 but not over $8,000	83
Over $8,000 but not over $10,100	81
Over $10,100 but not over $12,300	77
Over $12,300 but not over $14,950	74
Over $14,950 but not over $17,600	70
Over $17,600 but not over $22,900	65
Over $22,900 but not over $30,000	60
Over $30,000 but not over $42,800	56

"If the adjusted gross income is:	The percentage is:
Over $42,800 but not over $54,700	52
Over $54,700	50

"(C) CERTIFICATION REQUIRED.—This paragraph shall not apply unless the individual receives from the donee a written statement that the donated composition represents material of artistic, musical or literary significance and that the use of such composition by the donee will be related to the purpose or function constituting the basis for its exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described in section 170(c)(2)(B)).

"(D) CERTAIN LETTERS, MEMORANDA, OR SIMILAR PROPERTY PREPARED BY GOVERNMENT OFFICIALS.—This paragraph shall not apply to a contribution by an individual of a letter, memorandum, or similar property that was written, prepared, or produced by or for the individual while he held an office under the Government of the United States or of any State or political subdivision thereof if the writing, preparation, or production of such property was related to the performance of the duties of such office.".

SEC. 3. EFFECTIVE DATE.

The amendment made by this Act shall apply to taxable years beginning after December 31, 1983.●

By Mr. MOYNIHAN (for himself, Mr. HEINZ, and Mr. KENNEDY):

S. 777. A bill to provide that the moratorium of fringe benefit taxation (Public Law 94-427) applies to the value on certain campus housing furnished by educational institutions to their employees; to the Committee on Finance.

TAXATION OF CERTAIN CAMPUS HOUSING

● Mr. MOYNIHAN. Mr. President, I rise today to correct an Internal Revenue Service ruling that threatens to impose an unjust burden on our colleges and universities. It is a matter of immediate concern to four New England colleges: Amherst, Wesleyan, Smith, and Wellesley. It is of interest and concern to other institutions as well, including several in my home State of New York.

The Senator from Massachusetts (Mr. KENNEDY) and the Senator from Pennsylvania (Mr. HEINZ), I am pleased to add, join me as cosponsors.

A little background: Wesleyan University in Middletown, Conn., owns a number of houses and apartment buildings just off its campus. They are rented at cost to faculty members. They are unfurnished. The university pays the utility bills and has the snow shoveled in the winter, but offers no other services. This rental program is designed to help keep the faculty members near campus, so that they may have more contact with students. The rent is set to enable the university to recover its costs. Wesleyan is not out to make a profit.

On December 8, 1981, the Internal Revenue Service issued a technical advice memorandum stating that the difference between the rent Wesleyan charges its faculty members and the market rent for comparable dwellings is income to those who live in the houses. Thus, according to this IRS memorandum, Wesleyan should withhold taxes based on that income. Wesleyan would also owe extra social security taxes. Moreover, the ruling is retroactive. Wesleyan has been ordered to pay up for the last 3 years. The IRS cannot reach farther back than 3 years because of the statute of limitations.

Amherst, Smith, and Wellesley are in the same position.

Six years earlier, in 1975, the IRS had issued a discussion draft of regulations it planned to publish on fringe benefits. This draft set off a furor. Members of Congress were deluged with mail from airline employees upset about the possiblity of paying taxes for their discounts on airline tickets, and from college professors who did not want to be taxed on tuition remissions that colleges offer children of university faculty. The IRS quickly withdrew the discussion draft.

In 1978, Congress imposed a moratorium on such fringe benefit regulations. The mortorium has been extended twice. The last time was in the 1981 tax bill. It expires at the end of 1983. According to the Joint Committee on Taxation.

> Although the [moratorium] relates only to the issuance of regulations, it is the intent of Congress that the [IRS] will not in any significant way alter, or deviate from the historical treatment of traditional fringe benefits through the issuance of revenue rulings or revenue procedures, etc.

But in 1981, the IRS insisted that this moratorium did not cover or affect its decision in the Wesleyan and other cases. According to the IRS, this decision did not change the historical treatment of faculty housing. The colleges say that is not so.

My bill makes one point, and clearly: The moratorium passed by Congress applies to housing on or near a campus that is supplied to the faculty members who occupy it. I do not ask the Senate to resolve the underlying controversy over whether the rental discounts are income. This fringe benefit ought to be settled at the same time as the other fringe benefit issues. My bill also requires that any decision on faculty housing be applied only prospectively.

This legislation is the same bill I introduced last Congress and offered as an amendment during the Senate Finance Committee's consideration of H.R. 7094. My colleagues on the Finance Committee unanimously agreed with my approach, and attached my bill as an amendment to H.R. 7094 on September 28, 1982. Unfortunately, the full Senate was not able to consider H.R. 7094 during the hectic closing days of the 97th Congress. I urge my colleagues to follow the example of the Finance Committee by supporting this bill in the 98th Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 777

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) IN GENERAL.—For taxable years or periods beginning before January 1, 1984, subtitles A and C of the Internal Revenue Code of 1954 shall be applied without regard to the value of qualified campus lodging furnished by, or on behalf of, any educational institution described in section 170(b)(1)(A)(ii) of such Code to any employee of such institution or to any spouse or dependent (within the meaning of section 152 of such Code) of such employee.

(b) QUALIFIED CAMPUS LODGING.—

(1) IN GENERAL.—For purposes of this section, the term "qualified campus lodging" means lodging—

(A) which is provided by an educational institution described in section 170(b)(1)(A)(ii),

(B) which is located on a campus of, or in the proximity of, such institution, and

(C) for which such institution receives a reasonable rent which is not less than the necessary direct costs paid or incurred by such institution in providing such lodging.

(2) REASONABLE RENT.—

(A) LESS THAN FAIR RENTAL VALUE.—A rent shall not be precluded from being treated as a reasonable rent solely by reason of the fact that such rent is less than the fair rental value of the lodging provided.

(B) FACTORS.—The determination of whether any rent is a reasonable rent shall take into account such factors as the necessary direct costs of such institution in furnishing the lodging, the value of the lodging to the employee to whom the lodging is furnished, and any educational purposes of the institution in furnishing such lodging.

(c) SPECIAL RULE WHERE RENT IS LESS THAN DIRECT COSTS.—In any case in which lodging would be treated as qualified campus lodging but for the fact that the rent received was less than the necessary direct costs described in subsection (b)(1)(C), only the excess of only the excess of—

(1) the amount of such necessary direct costs, over

(2) the rent received with respect to such lodging, shall be taken into account for purposes of subtitles A and C of the Internal Revenue Code of 1954 for taxable years or periods before January 1, 1984.●

By Mr. STAFFORD (by request):

S. 778. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

KENNEDY CENTER

● Mr. STAFFORD. Mr. President, section 10 of the Public Buildings Amendments of 1972 directed the Secretary

of the Interior, acting through the National Park Service, to provide maintenance, security, information, interpretation, janitorial, and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. The same provision authorized the appropriation of funds to support such services through June 1973. The Congress has periodically extended the authority of the 1972 amendments, and the current authorization of appropriations for this purpose lapses at the end of fiscal year 1983.

I am introducing, by request, a bill to authorize an appropriation for fiscal year 1984 of $4,342,000, in accordance with the President's 1984 budget submission to the Congress.

Mr. President, I ask that the letter transmitting this legislation from Assistant Secretary J. Robinson West be inserted at this point in the RECORD, along with the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., February 23, 1983.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill, "Authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes."

We recommend that the draft bill be introduced, referred to the appropriate committee for consideration, and enacted.

Under section 6(e) of the John F. Kennedy Center Act (20 U.S.C. 761), the Secretary of the Interior is required to provide all services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, including information, interpretation, maintenance, janitorial, and security services. However, the Congress has only authorized and appropriated funds to the National Park Service through September 30, 1983, for the nonperforming arts functions of the Kennedy Center.

The enclosed draft bill would amend the authorization in section 6(e) of the John F. Kennedy Center Act to authorize an appropriation of $4,342,000 for the fiscal year ending September 30, 1984. This would enable the National Park Service to continue to carry out its responsibilities for the nonperforming arts functions for the Kennedy Center through September 30, 1984, in accordance with the President's fiscal year 1984 budget submission to the Congress.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

J. ROBINSON WEST,
Assistant Secretary.

S. 778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(e) of the John F. Kennedy Center Act (20 U.S.C. 761) is amended by striking out the period in the last sentence and adding in lieu thereof", and not to exceed $4,342,000 for the fiscal year ending September 30, 1984.".●

By Mr. BIDEN (for himself, Mr. THURMOND, Mr. DURENBERGER, Mr. GOLDWATER, Mr. HUDDLESTON, Mr. LEAHY, Mr. LUGAR, Mr. MOYNIHAN, and Mr. INOUYE):

S. 779. A bill entitled the "Intelligence Personnel Protection Act"; to the Committee on the Judiciary.

INTELLIGENCE PERSONNEL PROTECTION ACT

● Mr. BIDEN. Mr. President, together with Senators THURMOND, DURENBERGER, GOLDWATER, HUDDLESTON, LEAHY, LUGAR, MOYNIHAN, and INOUYE, I am introducing a bill to provide Federal penalties for the murder or attempted murder of any officer or employee of any department or agency within the intelligence community.

This legislation was originally proposed by the CIA and has been endorsed by the Department of Justice for inclusion in intelligence authorization legislation as well as in separate legislation. Identical legislation passed both the Senate and the House in the 97th Congress in title III of H.R. 3963, the "Violent Crime and Drug Enforcement Improvements Act of 1982". Although H.R. 3963 failed to receive the President's approval, the President's statement on the legislation said, "I completely support some of the features of H.R. 3963, such as the Federal Intelligence Personnel Protection Act."

This legislation is essential to insure that intelligence personnel have the same type of protection against murderous assaults as is afforded by current law to many other employees of the Federal Government.

Senior intelligence officials frequently receive threats to their safety, and lower level employees have also been threatened by persons who learn of their intelligence affiliation. However, under present law, there is not an adequate basis for Federal criminal investigation or prosecution in cases where there is evidence that an assault will occur in the performance of the employee's official duties.

As Judiciary Committee representative on the Intelligence Committee, I pledge to work for prompt enactment of this legislation. I am optimistic that the essential protection it proposes will soon be available to our intelligence professionals.

I ask unanimous consent that the text of the bill and an analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 51 of title 18 of the United States Code, section 1114, is amended—

(a) by inserting "or attempts to kill" after "kills";

(b) by striking out "while engaged in the performance of his official duties or on account of the performance of his official duties" and inserting in lieu thereof "or any officer or employee of any department or agency within the Intelligence Community (as defined in section 3.4(f) of Executive Order 12333, December 8, 1981, or successor orders) not already covered under the terms of this section"; and

(c) by inserting before the period at the end thereof a comma and the following: "except that any such person who is found guilty of attempted murder shall be imprisoned for not more than twenty years".

ANALYSIS—INTELLIGENCE PERSONNEL PROTECTION

Under the amendment to title 18 that the bill makes, the assault, kidnaping, or killing of intelligence personnel becomes a federal crime, extending to such personnel the same protection already given by the federal criminal code to a host of other federal employees, ranging from federal judges to the employees of the Federal Home Loan Bank Board. The federal government has a compelling interest in assuring the physical safety of the intelligence officers and employees of the United States. Crimes of violence directed at intelligence personnel would fall within the scope of the federal criminal code only if the officer or employee attacked were engaged in the performance of official duties at the time of the attack, or if the attack was made on account of the performance of official duties by the officer or employee. Violent acts directed at U.S. intelligence personnel as private individuals without any connection to their official duties would continue to be a matter for state and local authorities. In this context it should be noted that the bill strikes the phrase "while engaged in the performance of his official duties or on account of the performance of his official duties" from section 1114 of title 18 as surplus language. The deletion is a technical amendment which has no substantive effect since section 1114 subsequently provides that it applies only to violent attacks on an enumerated employee "engaged in or on account of the performance of his official duties."

The bill also amends section 1114 of title 18 to define as an offense *attempting* to kill the federal personnel listed in that section, as well as *succeeding* in killing them. Under current federal law, if any of the federal personnel listed in section 1114 of title 18 is severely injured in a violent attack while performing his duties, but does not actually die from the attack, the attacker cannot be charged with any federal crime greater than assault under section 111 of title 18, which is punishable by three years imprisonment and/or a $5,000 fine, or ten years imprisonment and/or a $10,000 fine if the attacker used a deadly weapon. For a violent maiming of a federal officer or employee performing his duties, an assault charge would result in too light a punishment for the attacker in relationship to the gravity of his criminal conduct, but, unless the victim dies, no greater crime could be charged. The bill corrects this anomaly by providing attempted murder as an offense intermediate between assault and murder.●

By Mr. SARBANES:

S. 780. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator of the Environmental Protection Agency to maintain a facility for the biological testing of pesticides under such act; to the Committee on Agriculture, Nutrition, and Forestry.

BIOLOGICAL TESTING OF PESTICIDES

● Mr. SARBANES. Mr. President, I have today introduced legislation to require that the Environmental Protection Agency resume biological testing of pesticides. It might surprise some of my colleagues to discover that the EPA is no longer conducting its own tests on the biological effects of pesticides—defined under the law to include herbicides, insecticides, fungicides, rodenticides, and hospital disinfectants. The EPA last year ceased operations at the only federally owned laboratory in the country equipped and capable of conducting biological testing. Without such a facility the EPA is incapable of carrying out independent, objective tests to verify the data regarding safety and efficacy being supplied by manufacturers seeking to register new chemicals.

The decision to cease biological testing was brought to my attention last year by employees at the laboratory which was located in Maryland on the grounds of the Beltsville Agricultural Research Center. In responding to their concern I found that the decision to close the laboratory goes well beyond the impact on Maryland and has far reaching implications for the protection of our Nation's environment. There have, for instance, been strong expressions of support for continued testing from State environmental officials and university researchers through the country. Representatives of the chemical industry have also expressed concern at the loss of an independent facility to set standards and serve as final arbiter on the interpretation of ambiguous data. Most recently this problem was underscored by an article in the Baltimore Sun concerning the users and producers of hospital disinfectants. I ask that this article be reprinted immediately following my remarks.

In attempting to explain the rationale for eliminating biological testing, officials at EPA seem to indicate that they are willing to rely on the integrity of industry supplied data together with market forces to identify dangerous or ineffective products. I find it difficult to accept such blithe assurances in light of the problems we have witnessed with dioxin and other pesticide products. The fact is that the risks to public health, crops, and wildlife are so great that reasonable efforts must be made to insure that products are adequately tested and that test results are verified before a potentially dangerous chemical is made available on the market.

The legislation I am introducing today would require the EPA continue to maintain an in-house facility and that the facility be used to verify data supplied in connection with new pesticide registration applications. The bill would also require that EPA periodically test samples of products already on the market. The effect of this legislation would be to mandate the resumption of a very reasonable testing program that should never have been abandoned. In my view, such a program is essential in light of the responsibility we have for insuring the protection of our environment and the health of our people.

Mr. President, I ask that an article on this subject appear at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Mar. 6, 1983]

ADMINISTRATION HALTS EPA DISINFECTANT TESTS

(By Vernon A. Guidry, Jr.)

WASHINGTON.—The Reagan administration has put an end to an Environmental Protection Agency biological testing program that had been turning up high rates of failure in testing the effectiveness of disinfectants used by hospitals.

EPA has gone to other means of checking the disinfectants, but officials acknowledge their system is not completely in place, even though the agency began cutting back its inhouse testing program in 1981.

Critics maintain there is no substitute for the independence, expertise and experience of the EPA biological testing laboratory in Beltsville, where the difficult procedures involved in biological testing were carried out.

In defense of the action, EPA pesticides chief Dr. John A. Todhunter said last year that in the interest of efficiency, tests already conducted by manufacturers should not be repeated at Beltsville.

"In this instance, we must rely on the integrity of manuacturers and the laboratories which they employ to perform . . . tests and the interest of the user community in assuring efficacious products," he said.

Although the issue has been smoldering for more than a year, it has received little attention outside the industry, even among users. A spokeswoman for the American Hospital Association in Chicago said yesterday that the organization was not aware of high failure rates in disinfectants subjected to EPA testing.

That is beginning to change as EPA comes under scrutiny over allegations that it has gone too far to accommodate industry on a number of environmental and health issues. For instance, the March issue of a small trade publication, *Hospital Infection Control*, asks in its lead story. "Who guarantees that the disinfectants in your hospitals are efficacious?"

The answer the publication comes up with is, for the most of the nation, no one.

The EPA maintains that it is doing the job, but state officials, scientists and Senator Paul S. Sarbanes (D, Md.) challenge that assertion.

Mr. Sarbanes said at week's end that the decision to halt disinfectant tests as well as biological testing on the effects of other pesticides at Beltsville was "outrageous and raises serious questions about the EPA'a ability to comply with its responsibilities to the people for the protection of the environment."

The disinfectants in question are used to kill infection-causing bacteria in hospitals, nursing homes and other health-care facilities.

According to a former EPA employee and to an account in the trade press, as many as 50 percent of the hospital disinfectants tested at Beltsville failed to meet effectiveness standards.

Warren R. Bontoyan, chief of the EPA laboratories in Beltsville, says he does not recall the exact figure. "It was pretty high. Probably in the area of 30 to 40 percent."

James G. Touhey, director of benefits and field studies in EPA's pesticide office, says those tests have been "reviewed" and the failure rate is still lower.

"It would not be farfetched to say 25 percent have failed to pass the test standard," Mr. Touhey said. He cautioned that this was not 25 percent of the disinfectants on the market, but rather 25 percent of those for which suspicions of some sort were raised. He had no estimate of how large a share of the total market they comprised.

Even so, all involved acknowledge that the rate is high.

"Quite frankly, we've been examining this extensively in-house," Mr. Toughey said in an interview. "The level of failures . . . are—even as you lower them—significant, and we are looking at these problems."

Mr. Touhey said it was possible the Beltsville facility could be revived, but in the meantime, the EPA is sticking with a program of examining data required of industry on the products' effectiveness. It is considering an expansion of the existing laboratory audit program to check the performance of outside laboratories.

No one contacted on the matter said he knew of direct pressure from industry to cancel the Beltsville biological testing. Chemical testing still goes on there.

But several sources cited the Reagan administration's general posture at EPA to rely more on industry and market factors in place of government regulation and examination.

Mr. Bontoyan said he knew of no industry pressure. But he added that "I'm certain industry wasn't happy about what we were finding out here."

The industry trade association for some 50 to 60 disinfectant manufacturers is the Chemical Specialties Manfacturers Association in Washington, headed by Ralph Engel.

"Sure, there were some people unhappy about the results, but generally I've not heard anybody say to me that they prefer the Beltsville laboratory be closed," Mr. Engel said yesterday.

The trade association chief said he was unaware of any failure rates of even 25 percent, saying he had heard of percentages ranging from 7.6 percent to 12 percent in state laboratories. The EPA offers grants to states seeking to make their own tests. Florida, North Carolina and Virginia have done so.

Mr. Engel said the closing of Beltsville has contributed to another problem for the industry. Because of the difficulty of this kind of testing, the industry has seen the same batches of disinfectant win approval in one location and fail in another.

This issue has placed the industry and EPA at odds and prompted a major review

of testing procedures involving the agency, the industry, the states, outside laboratories and the Association of Official Analytical Chemists.

Mr. Touhey says the manufacturers say testing procedures are the problem now. "It is our position that that is not the case," he adds.

Once this issue is settled, he goes on, the EPA can take a look at its overall program, and perhaps extend its existing laboratory audit program to include checks on the accuracy of private labs that test disinfectant effectiveness. That is not being done now.

Word of the EPA's plans began circulating among concerned state agencies and academics in mid-1981 and brought the first wave of opposition. One opponent was longtime FDA and EPA consultant Frank B. Engley, a professor of microbiology at the University of Missouri.

He wrote to the EPA expressing "considerable disbelief and dismay" at the plans. The kind of tests involved, he wrote, can produce greatly differing results depending on the way they are conducted. "It's extremely important to have a governmental laboratory checking on the claims made by any and all companies," he wrote.

Such tests, he went on, have an impact on the "health of the 35 million people who go into hospitals each year and to unknown millions" in other health-care facilities.

In a telephone interview this week, Dr. Engley said his views had only been reinforced over time. He said the laboratory was the "only real check and balance we have on the efficacy of disinfectants for hospitals, nursing homes and other health care facilities."

To cut it out for economic reasons, he said, "is a hell of a way to save money."

Thomas T. Irvin, Georgia commissioner of agriculture under whose responsibility such testing falls, said yesterday that he still opposes the action.

He wrote to the EPA in the fall of 1981 that "there is absolutely no other facility available to the states which can act as a clearinghouse for biological methodology and provide to the states the biological support they must have if they are to undertake the routine assays of these health-related pesticides."

To cut out the Beltsville facility, he wrote, "would be tantamount to delegating [pesticide] use enforcement to the states and then 'pulling the rug out from under us.'"

Maurice B. Rowe, who was then Virginia's secretary of commerce and resources, wrote in the fall of 1981 that the EPA ought to reconsider the merits "of closing an existing and well-run facility versus 'gearing up' many state laboratories to do virtually the same job."

Senator Sarbanes said he "strongly opposed the administration's decision last year to cease operations at the laboratory. This unjustified action is consistent with the administrations's insensitivity to environmental concerns. The Beltsville facility was the only in-house laboratory equipped to test for the biological effects of new pesticides. It was also the only federal facility for checking the effectiveness of hospital disinfectants and fungicides."

The senator attempted last year to generate opposition to the move, but staff members believe his efforts to call attention to the substance of the issue were thwarted by a perception that it was merely a pork-barrel issue for a Maryland senator.

The biological laboratories had a budget in fiscal 1981 of about $600,000 and had about 20 employees.

The laboratory has not been officially closed. The buildings are still maintained but the microbiologists have been transferred to EPA headquarters to do the "desk reviews" of industry effectiveness reports and other duties.●

By Mr. STAFFORD (for himself, Mr. PELL, Mr. DURENBERGER, and Mr. HATFIELD):

S. 781. A bill to delay the effective date for the denial of Federal educational assistance to students who have failed to comply with registration requirements under Public Law 97-252 from July 1, 1983, to July 1, 1984; to the Committee on Labor and Human Resources

FEDERAL EDUCATION ASSISTANCE

● Mr. STAFFORD. Mr. President, today I am introducing with my colleagues, Senators PELL, DURENBERGER, and HATFIELD, a bill which would postpone the effective date of the Hayakawa-Solomon amendment to the Military Selective Service Act, the amendment which restricts Federal student aid for those who have not complied with selective service registration.

Mr. President, I do not quarrel with the general precept that those who have failed to comply with Federal law should not receive the benefits of Federal largesse. Nevertheless, there are serious problems with implementation of the Hayakawa-Solomon amendment which, if not corrected, will impede the smooth and timely delivery of Federal student aid to millions who have complied, or who are not required to comply, with this law. Therefore, Mr. President, I am introducing this bill, which would postpone implementation of the amendment for 1 year, from July 1, 1983, to July 1, 1984, and will help Congress, the administration, and the courts address these problems.

First, the law itself is inherently inequitable. Only those low- and middle-income students who need Federal student aid in order to participate in higher education will be affected. Wealthier male students, who can themselves afford to attend college without benefit of Federal assistance, although certainly subject to selective service registration, would not be subject to this method of enforcement.

Second, there are already substantial penalties—in the form of fines and possible jail terms—for nonregistration. It is the responsibility of the Justice Department to enforce the law, and it should do so as long as registration is the law. If the law were being properly enforced by the Justice Department there would be no need for this convoluted mechanism of enforcement through the Education Department and the schools.

Third, there is the problem of the administration exceeding in regulation congressional intent in the passage of the Hayakawa-Solomon amendment. In January, the Department of Education issued proposed rules to implement the amendment. These rules go far beyond congressional intent in providing for verification, by colleges and universities, of selective service registration for student aid applicants. A provision of the amendment states that verification may include a requirement that schools provide to the Department of Education a list of persons who have submitted statements of compliance. Indeed, the House sponsor of the amendment, Congressman SOLOMON, stated during debate that schools should and would be subject only to minimum verification requirements, and as a result, student aid could be delivered to those who had demonstrated that they had complied, in a timely manner and without administrative complication.

However, Mr. President, the Department of Education's proposed rules exceed this intent. Not only is a statement of compliance required, but students applying for aid must file with their school a registration letter from selective service, placing the verification burden on the school, rather than on the Government. This clearly is contrary to congressional intent, and places our institutions of higher education in the position of having to enforce the selective service laws. Our schools are the stewards of Federal student aid funds, not instrumentalities of the Federal Government. We should not require them to be so, especially when Congress never intended that our schools become an arm of Government in enforcing this law.

Fourth, the regulations are unworkable and will result in unnecessary disruption in the delivery of student aid for all students, not merely for those who have not complied with the law. In testimony before the House Subcommittee on Postsecondary Education, the Director of Selective Service, General Turnage, estimated that 95 percent of the young men in this country eligible for selective service had registered. He suggested that perhaps 45,000 men applying for Federal student aid, less than 1 percent of all aid recipients, would be affected by the amendment. However, since registration of all applicants would have to be verified, and the selective service would have to provide duplicate evidence of registration, I am concerned that this dependence on an untested system of recordkeeping by the Federal Government will result in yet another delay in the delivery of student aid for all students. These regulations would clearly penalize the 99 percent of aid recipients who have complied, or are not required to comply—virtually 4.5 million students—in order to "catch" the perhaps 1 percent who have not done so. Mr. President, that is a lot of babies to throw out with the bath water.

Therefore, Mr. President, I plan to recommend strongly to Secretary Bell that these regulations be modified to provide, in accordance with congressional intent, that students applying for Federal aid be required to submit to their institutions a statement of compliance with the selective service laws, which would be forwarded by the school to the Federal Government. This would place the Government back in the principal role of enforcing the law, and would remove the serious administrative and enforcement burden on our colleges.

However, Mr. President, even if these suggested changes were adopted as part of the final regulation, there is still another problem of timing. Because the process of congressional review of final regulations submitted by the Department of Education, under which Congress may adopt a two-House veto, provides for a 45-day review after submission of such a regulation, it is conceivable that this process may not be completed in time to meet the statutory implementation date of July 1 of this year. If Congress in fact decides to veto the final regulation, it is virtually certain that the law could not be implemented until after July 1. Our students, and their parents, must have the ability to plan, well in advance, the financing of their higher education. Not to postpone the implementation of the Hayakawa-Solomon amendment would surely delay the delivery of student aid, and preclude the ability of millions of parents and students to plan for schooling in the summer and fall of 1983.

Finally, Mr. President, this is an issue which may most properly be resolved in the courts. On Thursday, March 10, a Federal district court judge in Minnesota found the Hayakawa-Solomon amendment unconstitutional, and issued an injunction against its implementation. Postponement of the effective date would allow for full review of this question in our courts, and given this most recent development, appears to be the only prudent course of action.

I hope that my colleagues will support me in this matter.●

By Mr. HELMS:

S. 785. A bill to restore the right of voluntary prayer in public schools and to promote the separation of powers; to the Committee on the Judiciary.

VOLUNTARY SCHOOL PRAYER ACT OF 1983

Mr. HELMS. Mr. President, earlier this morning as we joined with the Chaplain of the Senate in prayer, as we do each day the Senate is in session, the thought occurred to me that while we in the Senate begin our day's work by asking God's blessing on our efforts, the Supreme Court has denied this right and privilege to millions of schoolchildren across this Nation.

Mr. President, one would think that if the legislators of this country are entitled to ask for divine blessing upon their work, then so are schoolchildren. However, the Court has ruled to the contrary and in so doing has overturned more than 200 years of American custom. Indeed, the Supreme Court has even ruled that schoolchildren may not read the prayer of the House or Senate Chaplain as printed in the CONGRESSIONAL RECORD as a beginning to their school day.

Mr. President, the interpretation of the first amendment used by the Supreme Court to strike down this practice of the American people distorted the intent and language of the amendment. The Justices of the Court held that a voluntary, nondenominational prayer constituted a violation of the "establishment of religion" clause of the first amendment. The Court's interpretation of the first amendment indicated not only an animosity toward the effect of religion in the public life of our Nation, but also a misunderstanding of its historical role.

On February 21, 1983, the Senate once again assembled to listen to George Washington's farewell address. Washington brought the unique experiences of his service as first President of the United States, as commander of the continental forces during the War of Independence and as president of the convention which wrote and presented the Constitution to the States for ratification. He rejected the narrow opinion that religion must be excluded from the public life of the Nation. In his final counsel to the Nation. Washington warned that:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.

Mr. President, Washington's view has indeed been the mainstream of the legal and social attitude of the American people and the drafters of the Constitution in regard to the religious rights preserved in the Bill of Rights. Prof. Edward Corwin, one of our most distinguished constitutional scholars, rejected any interpretation of the first amendment which would force upon Government institutions a formal agnosticism. Professor Corwin writes:

> The historical record shows beyond peradventure that the core idea of an "establishment of religion" comprises the idea of preference; and that any act of public authority favorable to religion in general cannot, without manifest falsification of history, be brought under the ban of that phrase.

THE SUPREME COURT DECISIONS

Almost two centuries after the drafting of the Constitution, the Supreme Court for the first time rules that prayer and Bible-reading in public schools encouraged by the State constitutes an establishment of religion in violation of the first amendment. At the time of these decisions, 26 States permitted Bible-reading in the public schools and 13 authorized the saying of the Lord's Prayer.

The first amendment provides that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof," In *Engel* v. *Vitale*, 370 U.S. 421 (1962), the Court prohibited a requirement of the New York State Board of Regents that each class begin the school day with the following prayer:

> Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.

In *Abington School District* v. *Schempp*, 374 U.S. 203 (1963), the Court struck down a Pennsylvania statute requiring the reading of at least 10 verses from the Holy Bible without comment and the saying of the Lord's Prayer at the beginning of each school day. In a companion case, the Court invalidated a Maryland requirement concerning the reading of a chapter of the Holy Bible and/or saying the Lord's Prayer.

In each case, the Court ruled that voluntary school programs including Bible-reading or prayer violate the establishment clause of the first amendment. In Engel, Justice Black wrote:

> The constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government (370 U.S. at 425)

In Schempp, Justice Clerk concluded that the Bible-reading programs:

> are religious exercises, required by the States in violation of the command of the First Amendment that the Government maintain strict neutrality, neither aiding nor opposing religion. (374 US. 203)

In both rulings the Court went beyond the language of the establishment clause to construct an interpretation of it which would overturn the longstanding State practices. In Engel, Justice Black asserted:

> Its first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion. . . The Establishment Clause thus stands as an expression of principle on the part of the Founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate. (370 U.S. 431-32)

Justice Clark argued in Schempp that the Court had previously "rejected unequivocally the contention that the Establishment Clause forbids only governmental preference of one religion over another." (374 U.S. 216) He maintained that the establishment clause must be considered together with the free exercise clause, and that

they impose on Government a "wholesome neutrality" toward reigion. In Justice Clark's view, the first amendment prohibits Government from any action favoring one religious sect over all others, or religion in general over nonreligion.

Justice Clark formulated a new standard by which to measure legislative action regarding the first amendment:

> The test may be stated as follows: what are the purpose and the primary effect of the enactment? If either is the advancement or inhibition of religion the enactment exceeds the scope of legislative powers as circumscribed by the Constitution. That is to say that to withstand the structures of the Establishment Clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion. (374 U.S. at 222)

The Court maintained that even though the prayer and Bible-reading activities were voluntary, this did not prevent them from violating the establishment clause. In Engel, the Court held that:

> The Establishment Clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion whether those laws operate directly to coerce nonobserving individuals or not. (370 U.S. 421)

COURT'S INTERPRETATION—SHEER INVENTION

Thus the Supreme Court reached a position which earlier the highest court of New York State had concluded "is so contrary to history as to be impossible of acceptance." Constitutional scholars also took issue with the Court's new interpretation. For example, Prof. Charles Rice of Notre Dame Law School found that the Court interpreted "the establishment clause in abstract and oversimplified terms, doing violence thereby to the history and informed logic of the first amendment" and Erwin Griswold, Dean of Harvard University Law School, viewed the Court's holding as "sheer invention."

The Court reached its holding in Engel and Schempp by way of a myopic and narrow view of the history of the Constitution. Only by a thorough distortion of the work of the authors of the Constitution is it possible to arrive at the sweeping condemnation of America's spiritual heritage presented in the Court's opinions.

Professor Rice, writing in the South Carolina Law Review, explains:

> It has been incorrectly asserted, by the Supreme Court and others, that the establishment clause ordained a government obstention from all matters of religion, a neutrality between those who believe in God and those who do not. An examination of the history of the Clause, however, will not sustain that analysis. Its end was neutrality, but only of a sort. It commanded impartiality on the part of government as among the various sects of theistic religions, that is, religions that profess a belief in God. But as between theistic religious and those nontheistic creeds that do not acknowledge God, the precept of neutrality under the establishment did not obtain. Government, under the establishment clause, could generate an affirmative atmosphere of hospitality toward theistic religion, so long as no substantial partiality was shown toward any particular theistic sect or combination of sects.

Justice Joseph Story, who served on the Supreme Court from 1811 to 1845 and who was a contemporary of the framers of the Constitution, maintained that at the time of the drafting of the first amendment:

> The general if not the universal sentiment in America was, that Christianity ought to receive encouragement from the state so far as was not incompatible with the private rights of conscience and the freedom of religious worship. An attempt to level all religions and to make it a matter of state policy to hold all in utter indifference, would have created universal disapprobation, if not universal indignation.

COURT IGNORED HISTORY

The first amendment provides that Congress shall make no law respecting an establishment of religion. Those assembled at the Constitutional Convention did not arbitrarily choose the phrase "an establishment of religion." There was much history behind the term. Not only did England and Scotland have an established church, but five of the States which later adopted the first amendment had established churches as well.

In the Engel and Schempp opinions, the Court ruled that the phrase "establishment of religion" really meant not just the creation of a national church, but any Government action dealing or touching religion. To cite Justice Clark's new test outlined in Schempp, the "primary effect" of any governmental act must not "advance religion."

Yet, it is just this view of what the first amendment should provide that the authors of the amendment specifically rejected. During the drafting of the first amendment it was originally proposed that the amendment should read: "Congress shall make no laws touching religion * * *." Needless to say, that language was rejected.

An elementary rule of statutory construction provides that when a legislative assembly rejects language which has a broad application and substitutes in lieu of it language with a specific, narrow application, that the legislative intent is to exclude the broad application. Had the proposal that Congress make no law "touching religion" been accepted, it woud undoubtedly have prevented Congress from doing much more than establishing a national religion. It applied to the States, it undoubtedly would have prohibited the type of prayer at issue in the Engel and Schempp cases. However, it is equally clear that this broad language was rejected and that Congress viewed the official encouragement of voluntary prayer, even on the national level, as not to be contrary to the first amendment's establishment provision.

On September 24, 1789, the first Congress passed a resolution requesting that the president "recommend to the people of the United States a day of public thanksgiving and prayer, to be observed by acknowledging, with grateful hearts, the many signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a constitution of government for their safety and happiness." Congress passed this resolution calling for a national day of prayer on the same day on which it adopted the first amendment to the Constitution. Nine days later President Washington issued the thanksgiving proclamation. Could any action more clearly indicate the intent of the authors of the first amendment regarding its establishment clause and Government-encouraged public prayer? The framers of the Bill of Rights clearly rejected the doctrine imposed upon the Nation in their name nearly 200 years later when the Supreme Court demanded that "in the relationship between man and religion, the state is firmly committed to a position of neutrality."

14TH AMENDMENT INCORPORATION

A threshold issue presented in the Engel and Schempp cases was whether the establishment clause of the first amendment could be applied to the action of State governments through the 14th amendment. The Court rejected an historical analysis of the meaning of the 14th amendment and relied on unsupported assertions. "First," wrote Justice Clark, "this Court has decisively settled (that the establishment clause) has been made wholly applicable to the States by the Fourteenth Amendment." For proof, he cited an opinion of Justice Roberts in Cantwell against Connecticut. The difficulty here is that the Cantwell case does not deal with the establishment clause and therefore does not settle anything at all. Thus the fundamental issue before the Court was disposed of by hypothesis.

Here again, an open historical inquiry would have led to a result far different than that of the Court's. The framers of the 14th amendment themselves did not intend, nor did they believe that the amendment would prohibit the States from encouraging prayer in public schools. How else can one understand the serious attempt by some in Congress only 7 years after the ratification of the amendment to amend the Constitution once again to prohibit the State establishment of religion. If the 14th amendment was intended to do this, why would those who had just adopted it propose to do it again?

The answer is that the 14th amendment did not apply the establishment clause of the first amendment to the States. Only a distortion of both amendments and their history permit such an application.

RECENT JAFFREE CASE IN ALABAMA

On January 14, 1983, a Federal district court judge in Alabama had the courage to set the historical record straight and rule straight forwardly that the earlier Supreme Court cases on prayer were simply wrong. In a scholarly opinion destined to go down in American legal history, Judge W. Brevard Hand ruled that the establishment clause of the first amendment was intended to do two things: First, to stop the Federal Government from establishing a national church similar to the established Church of England in Great Britain; and second, to leave the States free to regulate, as they saw fit, church-State relations within their own boundaries. With this correct understanding of the first amendment, Judge Hand held that the Federal Government—including the Federal courts—was never intended to have the power to decide whether there will or will not be prayer in the schools. That was a matter reserved exclusively to the States.

With this Alabama school prayer case, the Federal courts have the opportunity to clean up the mess they themselves have created. The case is now on appeal in the 11th circuit in Atlanta. It is my strong hope that both the 11th circuit and the Supreme Court will affirm Judge Hand's decision and allow the States once again the freedom to have prayer in the schools—the freedom the Constitution itself mandates.

The bill that I am introducing today will not affect the course of the Jaffree litigation. Although it does withdraw Federal Court jurisdiction over prayer cases, it contains a specific exception for cases pending at the date of enactment.

Mr. President, the holding of the Jaffree case is so important for a proper understanding of the establishment clause of the first amendment and so important for understanding the basis of my bill in taking the prayer issue out of the Federal courts that I will ask that it be printed in full at the conclusion of my remarks.

CONGRESS CAN RESTORE THE RIGHT TO SCHOOL PRAYER

Mr. President, the Congress need not yield to any Justice of the Supreme Court in its respect for the words of the first amendment or for the principles or history behind them. Neither must Congress yield its responsibility under the Constitution to insure that the freedoms protected by the first amendment are not undermined by actions of other institutions. There are few more pressing duties facing Congress than to restore the true spirit of the first amendment.

In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave the Congress the authority, by a simple majority of both Houses, to check the Supreme Court by means of regulation of its appellate jurisdiction. Section 2 of article III states in clear and unequivocal language that the appellate jurisdiction of the Court is subject to "such Exceptions, and under such Regulations as the Congress shall make."

Mr. President, the legislation I am introducing today states simply that the Federal courts shall not have jurisdiction over any cases relating to voluntary prayer, Bible reading, or religious meetings in public schools or public buildings. In addition to the term "voluntary prayer" which has been in similar bills of mine in the past, I have added "Bible reading" and "religious meetings" (the adjective "voluntary" applying to these terms as well). In both cases these terms have been added to leave no doubt that the whole issue of prayer and its corollaries has been withdrawn from the Federal courts. The recent opinion of the 5th circuit in the case of *Lubbock Civil Liberties Union* v. *Lubbock Independent School District*, 669 F.2d 1038 (1982) is only too eloquent testimony that the courts are now venturing far beyond prayer itself. The Lubbock court held that a policy of equal access to school facilities for voluntary religious meetings violated the first amendment.

Implicit in this bill I introduce today is the understanding that the American citizen will have recourse to a judicial settlement of his rights, but this settlement will be made in the State courts of this Nation and not in the Federal courts. This is where our religious freedoms were always safeguarded for 173 years until they were nationalized by the Supreme Court.

The limited and specific objective of this bill, then, is to restore to the American people the fundamental right of voluntary prayer in the public schools. I stress the word voluntary. No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the bill recognizes this important freedom.

Mr. President, I ask unanimous consent that the text of the Voluntary School Prayer Act of 1983 be printed in the RECORD at this point. I also ask unanimous consent that at the end of the text of the bill Judge Hand's opinion in the case of *Jaffree* v. *The Board of School Commissioners of Mobile County*, Civil Action No. 82-554-H in the U.S. District Court for the Southern District of Alabama, Southern Division, January 14, 1983, be printed in the RECORD (including footnotes).

There being no objection, the bill and opinion were ordered to be printed in the RECORD, as follows:

S. 785

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary School Prayer Act of 1983".

SEC. 2. (a) Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provisions of sections 1253, 1254, and 1257 of this chapter, the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorar, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, practice, or any part thereof, or arising out of any act interpreting, applying, enforcing, or effecting any State statute, ordinance, rule, regulation, or practice, which relates to voluntary prayer, Bible reading, or religious meetings in public schools or public buildings.

"(b) As used herein, 'voluntary' means an activity in which a student is not required to participate by school authorities.".

(b) The section analysis of chapter 81 of title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 3. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of chapter 85 of title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 4. The amendments made by this Act shall take effect on the date of enactment, except that such amendments shall not apply to any case which, on such date of enactment, was pending in any court of the United States.

[Civil action No. 82-0554-H in the U.S. District Court for the Southern District of Alabama, Southern Division]

MEMORANDUM OPINION

Ishmael Jaffree; Jamael Aakki Jaffree, Makeba Green, and Chioke Saleem Jaffree, infants, by and through their best of friend and father, Ishmael Jaffree, Plaintiffs,

vs.

The Board of School Commissioners of Mobile County; Dan C. Alexander, Dr. Norman Berger, Hiram Bosarge, Norman G. Cox, Ruth F. Drago, and Dr. Robert Gilliard, in their official capacities as members of the Board of School Commissioners of Mobile County; Dr. Abe L. Hammons, in his official capacity as Superintendent of the Board of Education of Mobile County; Annie Bell Phillips, individually and in her official capacity as principal of Morningside Elementary School; Julia Green, Individually and in her official capacity as a teacher at Morningside Elementary School; Betty Lee, individually and in her official capacity as principal of E. R. Dickson Elementary School; Charlene Boyd, individually and in

her official capacity as a teacher at E. R. Dickson Elementary School; Emma Reed, individually and in her official capacity as principal of Craighead Elementary School; Pixie Alexander, individually and in her official capacity as a teacher at Craighead Elementary School, Defendants.

PRECLUSION

(If in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way in which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.—Farewell Address by George Washington, reprinted in R. Berger, *Government by Judiciary* 299 (1977).)

Ishmael Jaffree, on behalf of his three (3) minor children, seeks declaratory and injunctive relief. In the original complaint Mr. Jaffree sought a declaration from the Court that certain prayer activities initiated by his children's public school teachers violated the establishment clause of the first amendment to the United States Constitution. He sought to have these prayer activities enjoined.

A trial was held on the merits on November 15-18, 1982. After hearing the testimony of witnesses, considering the exhibits, discovery, stipulations, pleadings, briefs, and legal arguments of the parties, the Court enters the following findings of fact and conclusions of law.

I. FINDINGS OF FACT

Ishmael Jaffree is a citizen of the United States, a resident of Mobile County, Alabama, and has three (3) minor children attending public schools in Mobile County, Alabama: Jamael Aakki Jaffree, Makeba Green and Chioke Saleem Jaffree.

Defendants Annie Bell Phillips (principal) and Julia Green (teacher) are employed at Morningside Elementary School, where Jamael Aakki Jaffree attended school during the 1981-82 school year. Defendants Betty Lee (principal) and Charlene Boyd (teacher) are employed at E.R. Dickson Elementary School where Chioke Saleem Jaffree attended during the 1981-82 school year. Defendants, Emma Reed (principal) and Pixie Alexander (teacher) are employed at Craighead Elementary School where Makeba Green attended school during the 1981-82 school year. Each of these defendants is sued individually and in their official capacity. Each of the schools is part of the system of public education in Mobile County, Alabama.

Dan Alexander, Dr. Norman Berger, Hiram Bosarge, Norman Cox, Ruth F. Drago and Dr. Robert Gilliard are members of the Board of School Commissioners of Mobile County, Alabama. As commissioners, each of these defendants collectively is charged by the laws of the State of Alabama with administering the system of public instruction for Mobile County, Alabama. These defendants are sued only in their official capacity.

Dr. Abe L. Hammons is the Superintendent of Education for Mobile County, Alabama. Defendant Hammons has direct supervisory responsibilities over all principals, teachers and other employees of the Mobile County Public School System. This defendant is sued only in his official capacity.

Defendant Boyd, as early as September 16, 1981, led her class at E. R. Dickson in singing the following phrase:

God is great, God is good,
Let us thank Him for our food,
Bow our heads we all are fed,
Give us Lord our daily bread.
Amen!

The recitation of this phrase continued on a daily basis throughout the 1981-82 school year.

Defendant Boyd was made aware on September 16, 1981 that the minor plaintiff, Chioke Jaffree, did not want to participate in the singing of the phrase referenced above or be exposed to any other type of religious observances. On March 5, 1982, during a parent-teacher conference, Ms. Boyd was told by Chioke's father that he did not want his son exposed to religious activity in his classroom and that, in Mr. Jaffree's opinion, the activity was unlawful. Again, on March 11, 1982, Ms. Boyd received a handwritten letter from Mr. Jaffree which again advised her that leading her class in chanting the referenced phrase was unlawful. This letter further advised Ms. Boyd that if the practice was not discontinued that he would take further administrative and judicial steps to see that it was.

Finally, Ms. Boyd was made aware of the contents of a letter drafted by Mr. Jaffree, dated May 10, 1982, which had been sent to Superintendent Hammons complaining about the prayer activity in Ms. Boyd's classroom. Notwithstanding Mr. Jaffree's protestations, the recitation of the prayer continued.

Defendant Lee learned on March 8, 1982, that Mr. Jaffree had complained about the prayer activities which were being conducted in defendant Boyd's classroom. Ms. Lee directly spoke with Mr. Jaffree on March 11, 1982, and learned from him that he was opposed to the prayer activities in Ms. Boyd's class and that he felt the same to be unconstitutional. On the same day, Ms. Lee called Mr. Larry Newton, Deputy Superintendent, who informed her that the prayer activity in Ms. Boyd's class could continue on a "strictly voluntary basis."

Defendant Pixie Alexander has led her class at Craighead in reciting the following phrase:

God is great, God is good,
Let us thank Him for our food.

Further, defendant Pixie Alexander had her class recite the following, which is known as the Lord's Prayer:

"Our Father, which art in heaven, hallowed be Thy name. Thy kingdom come. Thy will be done on earth as it is in heaven. Give us this day our daily bread and forgive us our debts as we forgive our debtors. And lead us not into temptation but deliver us from evil for thine is the kingdom and the power and the glory forever. Amen."

The recitation of these phrases continued on a daily basis throughout the 1981-82 school year.

Defendant Pixie Alexander learned on May 24, 1982, that Mr. Jaffree had complained, through a letter dated May 10, 1982, to defendant Hammons, about her leading her class in the above-referenced prayer activity. After Ms. Alexander learned of Mr. Jaffree's May 10, 1982 letter, she continued to lead her class in reciting the referenced phrases.

Ms. Green admitted that she frequently leads her class in singing the following song:

For health and strength and daily food,
We praise Thy name, Oh Lord.

This activity continued throughout the school year, despite the fact that Ms. Green had knowledge that plaintiff did not want his child exposed to the above-mentioned song. *See* defendant Green's response to plaintiffs' Interrogatories Nos. 21, 22, 50 and 51.

Upon learning of the plaintiffs' concern over prayer activity in their schools, defendants Reed and Phillips consulted with teachers involved, however, neither defendant advised or instructed the defendant teachers to discontinue the complained of activity.

Prior to the 1981-82 school year, defendants Reed, Phillips, Boyd, and to a lesser extent, Green, each knew the Board of School Commissioners of Mobile County had a policy regarding religious activity in public schools. However, not one of the teachers sought or received advice from the board or the superintendent prior to the plaintiffs' initial complaint regarding whether their classroom prayer activities were consistent with the policy.

The policy on religious instruction adopted by the Board of School Commissioners of Mobile County reads as follows:

"Religious Instruction

"Schools shall comply with all existing state and federal laws as these laws pertain to religious practices and the teaching of religion. This policy shall not be interpreted to prohibit teaching about the various religions of the world, the influence of the Judeo-Christian faith on our society, and the values and ideals of the American way of life."

School attendance is compulsory in the State of Alabama. Alabama Code § 16-28-3 (1975).

The complaint in this case was later amended to include allegations against Governor Fob James and various state officials. The claims against the state officials were severed, Fed. R. Civ. P. 21, and they are the subject of a separate order which the Court entered today.

This recitation of the findings of fact is not intended to be an all-inclusive statement of the facts as they were produced in this case. Because of the following opinion the Court is of the impression that the facts above-recited constitute a sufficient recitation for deciding this case. However, in the event there is a disagreement with the conclusions reached by this Court, the court does not desire to be precluded from a further recitation of appropriate fact as may be essential to further conclusions in the case. Examples of what the Court alludes to is the factual bases for consideration of the questions of freedom of speech, whether or not secular humanism is in fact a religion, and the propriety of the free exercise of religion.

II. CONCLUSIONS OF LAW

A. Subject-matter jurisdiction

This action is brought under 42 U.S.C. § 1983.[1] The complaint alleges that the subject-matter jurisdiction of the Court "is evoked pursuant to Title 28, Sections 1343(3) and (4), and sections 2201 and 2202 of the United States Code." *See* Complaint at 2 (filed May 28, 1982). Neither of the two

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In this typewritten opinion the Court has opted to place its footnotes at the conclusion of the opinion, but in so doing does not intend to depricate the significance thereof to the opinion rendered. The publisher may or will opt to place the footnotes at the conclusion of each page.

amended complaints add anything to this jurisdictional allegation.[2]

The complaint alleges that rights guaranteed to the plaintiffs under the first and fourteenth amendments have been violated.[3] The subject-matter jurisdiction of a federal court over a claim arising under 42 U.S.C. § 1983 rests upon 28 U.S.C. § 1343(3). While the complaint does not allege that subject-matter jurisdiction is vested in the court under the general, federal-question jurisdictional statute, 28 U.S.C. § 1331, certainly subject-matter jurisdiction is vested under that provision since a federal district court has "original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States," 28 U.S.C. § 1331, exclusive of the amount-in-controversy. Thus, the Court concludes that it has subject-matter jurisdiction over the claims alleged by the plaintiffs.[4]

B. School-prayer precedent

The United States Supreme Court has previously addressed itself in many cases to the practice of prayer and religious services in the public schools. As courts are wont to say, this court does not write upon a clean slate when it addresses the issue of school prayer.

Viewed historically, three decisions have lately provided general rules for school prayer. In *Engel* v. *Vitale*, 370 U.S. 421 (1962), *Abington* v. *Schempp*, 374 U.S. 203 (1963), and *Murray* v. *Curlett*, 374 U.S. 203 (1963), the Supreme Court established the basic considerations. As stated, the rule is that "[t]he First Amendment has erected a wall between church and state. That wall must be kept high and impregnable. We could not approve the slightest breach." *Everson* v. *Board of Education*, 330 U.S. 1, 18 (1947) (per Black, J.).

In *Engel* v. *Vitale* parents of public school students filed suit to compel the board of education to discontinue the use of an official prayer in the public schools. The prayer was asserted to be contrary to the beliefs, religions, or religious practices of the complaining parents and their children. In *Engel* the board of education, acting in its official capacity under state law, directed the principals to cause the following prayer to be said aloud by each class at the beginning of the day in each homeroom: "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country." 370 U.S. at 422. This prayer was adopted by the school board because it believed the prayer would help instill the proper moral and spiritual training needed by the students.

The parents argued that the school board violated the establishment clause of the first amendment when it directed that this prayer be recited in the public schools. The first amendment provides, in relevant part, that "Congress shall make no law respecting an establishment or religion, or prohibiting the free exercise thereof . . .." U.S. Const. amend. I. The Supreme Court found "that by using its public school system to encourage recitation of the Regent's prayer, the State of New York ha[d] adopted a practice wholly inconsistent with the Establishment Clause." *Id.* at 422. The Court found this prayer to be a religious activity. The prayer constituted "a solemn avowal of devine faith and supplication for the blessing of the Almighty. The nature of such prayer has always been religious . . ." *Id.* at 424-25. The Court noted that "[i]t [wa]s a matter of history that this very practice of establishing governmentally composed prayers for religious services was one of the reasons which caused many of our early colonists to leave England and seek religious freedom in America." *Id.* at 425. Therefore, according to the Court, the prayer "breached[d] the constitutional wall of separation between Church and State." *Id.*

Citing historical documents, the Court observed that "[b]y the time of the adoption of the Constitution, our history shows that there was a widespread awareness among many Americans of the danger of a union of Church and State. These people knew, some of them from bitter personal experience, that one of the greatest dangers to the freedom of the individual to worship in his own way lay in the Government's placing its official stamp of approval upon one particular kind of prayer or one particular form of religious services. . . . The First Amendment was added to the Constitution to stand as a guarantee that neither the power nor the prestige of the Federal Government would be used to control, support, or influence the kinds of prayer the American people can say—that the people's religions must not be subjected to the pressures of government or change each time a new political administration is elected to office. Under the Amendment's prohibition against governmental establishment of religion, *as reinforced by the prohibitions of the Fourteenth Amendment, government in this country, be it state or federal,* is without power to prescribe by law any particular form of prayer which is to be used as an official prayer in carrying on any program of governmentally sponsored religious activity." *Id.* at 429-30 (emphasis added).

The assertion by the Court that the establishment clause of the first amendment applied to the states was unaccompanied by any citation to authority. This conclusion was reached supposedly upon its examination of historical documents.

In dissent, Mr. Justice Stewart argued that the majority in *Engel* misinterpreted the first amendment. As Mr. Justice Stewart saw it, an official religion was not established by letting those who wanted to say a prayer say it. To the contrary, Mr. Justice Stewart thought "that to deny the wish of those school children to join in reciting this prayer is to deny them the opportunity of sharing in the spiritual heritage of our Nation." *Id.* at 445. As Mr. Justice Stewart saw the problem, our country is steeped in a history of religious tradition. That religious tradition is reflected in countless practices common in our institutions and governmental officials. For instance, the United States Supreme Court has always opened each day's session with the prayer "God save the United States and this Honorable Court." *Id.* at 446. Each President of the United States has, upon assuming office, swore an oath to God to properly execute his presidential duties. Our national anthem, "The Star-Spangled Banner," contains these verses:

Blest with the victory and peace, may the heav'n rescued land
Praise the Pow'r that hath made and preserved us a nation!
Then conquor we must, when our cause it is just,
And this be our motto "In God is our Trust."

Id. at 449. The Pledge of Allegiance to the Flag contains the words "one Nation *under God,* indivisible, with liberty and justice for all." *Id.* (emphasis in original). Congress added this in 1954. Mr. Justice Stewart believed that the Regent's prayer in New York had done no more than "to recognize and to follow the deeply enriched and highly cherished spiritual traditions of our Nation—traditions which came down to us from those who almost two hundred years ago avowed their 'firm Reliance on the Protection of divine Providence' when they proclaimed the freedom and independence of this brave new world." *Id.* at 450.

Following the decision by the Supreme Court in *Engel*, the Court decided *Abington* v. *Schempp* and *Murray* v. *Curlett*. In *Abington*, a state law in Pennsylvania required that [a]t least ten verses from the Holy Bible shall be read, without comment, at the opening of each public school on each school day. Any child shall be excused from such Bible reading, or attending such Bible reading, upon the written request of his parent or guardian." 374 U.S. 205. The Schempp family, husband and wife and two of their three children, brought suit to enjoin enforcement of this statute. The Schempps contended that their rights under the fourteenth amendment of the United States Constitution were being violated.

Each morning at the Abington Senior High School between 8:15 a.m. and 8:30 a.m., while students were attending their homerooms, selected students would read ten verses from the Holy Bible. These Bible readings were broadcast to each room in the school building. Following the Bible readings the Lord's Prayer was recited. As with the Bible readings, the Lord's Prayer was broadcast throughout the building. Following the Bible readings and the Lord's Prayer, a flag salute was performed. Participation in the opening exercises, as directed by the Pennsylvania statute, was voluntary.

No prefatory statement, no questions, no comments, and no explanations were made at or during the exercises. Students and parents were advised that any student could absent himself from the classroom or, should he elect to remain, not participate in the exercises.

In *Murray* v. *Curlett*, the Board of School Commissioners of Baltimore City adopted a rule which "provided for the holding of opening exercises in the schools of the city, consisting primarily of 'reading, without comment, of a chapter in the Holy Bible and/or the use of the Lord's Prayer.' " 374 U.S. 211. An athiest, Mrs. Madalyn Murray, objected to the Bible reading and the recitation of the Lord's Prayer. After receiving the objection the board specifically provided that the Bible reading and the use of the Lord's Prayer should be conducted without comment and that any child could be excused from participating in the opening exercises or from attending them upon the written request of his parent or guardian.

Because of the similarity of the issues in both the *Abington* case and the *Murray* case the Supreme Court consolidated both cases on appeal and decided them together. The Court recognized that "[i]t is true that religion has been closely identified with our history and government. . . . 'The history of man is inseparable from the history of religion. And . . . since the beginning of that history many people have devoutely believed that "More things are wrought by prayer than this world dreams of." ' " *Abington School District* v. *Schempp*, 374 U.S.. at 212-13 (quoting *Zorach* v. *Clauson*, 343 U.S. 306, 313 (1952)). Notwithstanding this recognition by the Court that the early history of this country, together with the history of man, was inseparable from religion the Court found the Bible reading and the

recitation of the Lord's Prayer to be an unconstitutional abridgement of the first amendment prohibition that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . . ." U.S. Const. amend, I.

The Court noted that the first amendment prohibited more than govenmental preference of one religion over another. Rather, the first amendment was intended " 'to create a complete and permanent separation of the spheres of religious activity in civil authority by comprehensively forbidding every form of public aid or support for religion.' " *Id.* at 217 (quoting *Everson* v. *Board of Education*, 330 U.S. 31-2 (1947)). The Court reviewed several of its precedents which touched on the establishment of religion, and concluded that " '[t]here cannot be the slightest doubt that the First Amendment reflects the philosophy that Church and State should be separated. And so far as interference with the "free exercise" of religion and an "establishment" of religion are concerned the separation must be complete and unequivocal. The First Amendment within the scope of its coverge permits no exception; the prohibition is absolute." *Id.* at 219-20 (quoting *Zorach* v. *Clauson*, 343 U.S. 306, 312 (1952)). The Court in *Abington* reasoned from its own precedent rather than independently reviewing the historical foundation of the first and the fourteenth amendments. The Court held that the Bible reading and the recitation of the Lord's Prayer in both cases were religious exercises. The "rights," *Id.* at 224, of the plaintiffs were being violated. The religious character of the Bible reading and the recitation of the Lord's Prayer were not mitigated by the fact that students were allowed to absent themselves from their homerooms upon request of their parents. "The breach of neutrality that is today a trickling stream may all too soon become a raging torrent. . . ." *Id.* at 225.

The principles enunciated in *Engel* v. *Vitale*, *Abington* v. *Schempp*, and *Murray* v. *Curlett* have been distilled to this. "To pass muster under the Establishment Clause, the governmental activity must, first, reflect a clearly secular governmental purpose; second, have a primary effect that neither advances nor inhibits religion; and third, avoid excessive government entanglement with religion. *Committee for Public Education & Religious Liberty* v. *Nyquist*, 413 U.S. 756, 773, 93 S. Ct. 2955, 2965, 37 L. Ed. 2d 948 (1973)." *Hall* v. *Board of School Commissioners*, 656 F. 2d 999, 1002 (5th Cir. 1981). "If a statute [or official administrative directive] violates *any* of these three principles, it must be struck down under the Establishment Clause." *Stone* v. *Graham*, 101 S. Ct. 192, 193 (1980) (holding that a Kentucky statute requiring posting of copy of Ten Commandments on walls of each public school classroom in state had preeminent purpose which was plainly religious in nature, and statute was thus violative of establishment clause and that avowed secular purpose was not sufficient to avoid conflict with first amendment; emphasis added).

Indeed, in this circuit, prayer in public schools is per se unconstitutional. "Prayer is an address of entreaty, supplication, praise, or thanksgiving directed to some sacred or divine spirit, being, or object. That it may contemplate some wholly secular objective cannot alter the inherently religious character of the exercise." *Karen B.* v. *Treen*, 653 F. 2d 897, 901 (5th Cir. 1981).

In sum, under present rulings the use of officially-authorized prayers or Bible readings for motivational purposes constitutes a direct violation of the establishment clause. Through a series of decisions, the courts have held that the establishment clause was designed to avoid any official sponsorship or approval of religious beliefs. Even though a practice may not be coercive, active support of a particular belief raises the danger, under the rationale of the Court, that state-approved religious views may be eventually established.

Although a given prayer or practice may not favor any one sect, the principle of neutrality in religious matters is violated under these decisions by any program which places tacit government approval upon religious views or practices. While the purpose of the program might the be neutral or secular, the effect of the program or practice is to give government aid in support of the advancement of religious beliefs. Thus the programs are held invalid without any consideration as to whether they excessively entangle the state in religious affairs.

In contrast, the Supreme Court has permitted the use of the Bible in a literature course where the literary aspects of the Bible are emphasized over its religious contents. *Abington School District* v. *Schempp*, 374 U.S. 203, 225 (1963). So long as the study does not amount to prayer or the advancement of religious beliefs, a teacher may discuss the literary aspects of the Bible in a secular course of study. Finally, the Supreme Court permits religious references in official ceremonies, including some school exercises, on the basis that these references are part of our secularized traditions and thus will not advance religion. *Engel* v. *Vitale*, 370 U.S. 421, 435 n.21 (1962).

In the face of this precedent the defendants argue that school prayers as they are employed are constitutional. The historical argument which they advance takes two tacks. First, the defendants urge that the first amendment to the U.S. Constitution was intended only to prohibit the *federal government* from establishing a *national* religion. Read in its proper historical context, the defendants contend that the first amendment has no application to the states. The intent of the drafters and adoptors of the first amendment was to prevent the establishment of a national church or religion, and to prevent any single religious sect or denomination from obtaining a preferred position under the auspices of the federal government.

The corollary of this historical intent, according to the defendants, was to allow the states the freedom to address the establishment of religions as an individual prerogative of each state. Stated differently, the election by a state to establish a religion within its boundaries was intended by the framers of the Constitution to be a power reserved to the several states.

Second, the defendants argue that whatever prohibitions were initially placed upon the federal government by the first amendment that those prohibitions were not incorporated against the states when the fourteenth amendment became law on July 19, 1968. The defendants have introduced the Court to a mass of historical documentation which all point to the intent of the Thirty-ninth Congress to narrowly restrict the scope of the fourteenth amendment. In particular, these historical documents, according to the defendants, clearly demonstrate that the first amendment was never intended to be incorporated through the fourteenth amendment to apply against the states. The Court shall examine each historical argument in turn.

In the alternative, the defendant-intervenors argue that if the first amendment does bar the states from establishing a religion then the Mobile County schools have established or are permitting secular humanism, *see infra* note 41 (discussion of secular humanism), to be advanced in the curriculum and, being a religion, it must be purged also. Such a purge, maintain the defendant-intervenors, is nigh impossible because such teachings have become so entwined in every phase of the curriculum that it is like a pervasive cancer. If this must continue, say the defendant-intervenors, the only tenable alternative is for the public schools to allow the alternative religious views to be presented so that the students might better make more meaningful choices.

C. First amendment as forbidding absolute separation [5]

" '[T]he real object of the [F]irst amendment was not to countenance, much less to advance Mohammedanism, or Judaism, or infidelity, by prostrating Christianity, but to exclude all rivalry among *Christian* sects and to prevent any *national* ecclesiastical establishment which would give to an hierarchy the exclusive patronage of the *national* government.' " [6] The establishment clause was intended to apply only to the federal government. Indeed when the Constitution was being framed in Philadelphia in 1787 many thought a bill of rights was unnecessary. It was recognized by all that the federal government was the government of enumerated rights. Rights not specifically delegated to the federal government were assumed by all to be reserved to the states. Anti-Federalists, however, insisted upon a Bill of Rights as additional protection against federal encroachment upon the rights of the states and individual liberties. Excerpted testimony of James McClellan at 5-6 (trial testimony).

The federalists, who were the proponents of the Constitution, acceded to the demand of the Anti-Federalists for a Bill of Rights since, in the opinion of all, nothing in the Bill of Rights changed the terms of the original understanding of the federal convention. It was thought by all that the Bill of Rights simply made express what was already understood by the convention: namely, the federal government was a government of limited authority and that authority did not include matters of civil liberty such as freedom of speech, freedom of the press, and freedom of religion. *Id.* at 8-13.

The prohibition in the first amendment against the establishment of religion gave the states, by implication, full authority to determine church-state relations within their respective jurisdictions. "Thus the establishment clause actually had a dual purpose: to guarantee to each *individual* that Congress would not impose a national religion, and to each *state* that it was free to define the meaning of religious establishment under its own state constitution and laws. The federal government, in other words, simply had no authority over the states respecting the matter of church-state relations." [7]

At the beginning of the Revolution established churches existed in nine of the colonies. Maryland, Virginia, North Carolina, South Carolina, and Georgia all shared Anglicanism as the established religion common to those colonies. *See* McClellan, *supra* note 6, at 300. Congregationalism was the established religion in Massachusetts, New Hampshire, and Connecticut. New York,

on the other hand, allowed for the establishment of Protestant religions.[8] Three basic paterns of church-state relations dominated in the late eighteenth century. In most of New England there was the quasi-establishment of a specific Protestant sect. Only in Rhode Island and Virginia were all religious sects disestablished. "But all of the states still retained the Christian religion as the foundation stone of their social, civil and political institutions. Not even Rhode Island and Virginia renounced Christianity, and both states continued to respect and ackowledge the Christian religion in their system of laws."[9]

At the time the Constitution was adopted ten of the fourteen states refused to prefer one Protestant sect over another. Nonetheless, these states placed Protestants in a preferred status over Catholics, Jews, and Dissenters.[10]

"The pattern of church-state relations in new states entering the Union after 1789 did not differ substantially from that in the original fourteen. By 1860—and the situation did not radically change for the next three quarters of a century—the quasi-establishment of a specific Protestant sect had everywhere been rejected; quasi-establishment of the Protestant religion was abandoned in most but not all of the states; and the quasi-establishment of the Christian religion still remained in some areas. A new pattern of church-state relations, the multiple or quasi-establishment of all religions in general, i.e., giving all religious sects a preferred status over disbelievers (the No Preference Doctrine) became widespread throughout most of the Union. Thus at the turn of the century, for example, no person who denied the existence of God could hold office in such states as Arkansas, Mississippi, Texas, North Carolina, or South Carolina."[11]

The first amendment in large part was a guarantee to the states which insured that the states would be able to continue whatever church-state relationship existed in 1791. Excerpted testimony of James McClellan at 13 (from trial).

D. Washington, Madison, Adams, and Jefferson

The drafters of the first amendment understood the first amendment to prohibit the federal government only from establishing a national religion. Anything short of the outright establishment of a national religion was not seen as violative of the first amendment. For example, the federal government was free to promote various Christian religions and expend monies in an effort to see that those religions flourished. This was not seen as violating the establishment clause. R. Cord. *Separation of Church and State* 15 (1982).

The intent of the framers of the first amendment can be understood by examining the legislative proposals offered contemporaneously with the debate and adoption of the first amendment. For instance, one of the earliest acts of the first House of Representatives was to elect a chaplain. James Madison was a member of the congressional committee who recommend the chaplain system. On May 1, 1789 the House elected as chaplain, the Reverend William Linn. $500.00 was appropriated from the federal treasury to pay his salary. Even though the first amendment did not become part of the Constitution until 1791, had James Madison believed in the absolute separation of Church and State as some historians have attributed to him, James Madision would certainly have objected on this principle alone to the election of a chaplain.[12] At the Constitutional Convention on June 28, 1787 Dr. Benjamin Franklin suggested that a morning prayer might speed progress during the debates. Franklin told the Convention and its President, George Washington, that he had lived a long time. The longer he lived the more persuaded he was "*that God Governs in the affairs of men.*"[13] Franklin "therefore beg[ged] leave to move—that henceforth prayers imploring the assistance of Heaven, and its blessings on our deliberations, be held in this Assembly every morning before we proceed to business, and that one or more of the clergy of this City be requested to officiate in that Service . . ."[14] Franklin's motion was not adopted for political reasons. Alexander Hamilton and others thought that the motion might have been proper at the beginning of the convention but that if the motion were adopted during the convention the public might believe that the convention was near failure. For this reason, which was wholly political, the issue was resolved by adjournment without any vote being taken.[15]

Presidential proclamations, endorsed by Congressman James Madison when Washington was President, dealing with Thanksgiving, fasting, and prayer are all important in understanding Madison's views on the proper role between church and state.[16] Congress proposed a joint resolution on September 24, 1789, which was intended to allow the people of the United States an opportunity to thank Almighty God for the many blessings which he had poured down upon them. The resolution requested that President George Washington recommend to the citizens of the United States a day of public thanksgiving and prayer. Congress intended that the people should thank Almighty God for affording them an opportunity to establish this country.[17] This proclamation was submitted to the President the very day after Congress had voted to recommend to the states the final text of what was to become the first amendment to the United States Constitution.[18] As President, Madison issued four prayer proclamations. Excerpted testimony of James McClellan at 19.

Thomas Jefferson is often cited along with James Madison as a person who was absolutely committed to the separation of church and state. The historical record, however, does not bear out this conclusion.

While Jefferson undoubtedly believed that the church and the state should be separate, his actions in public life demonstrate that he did not espouse the absolute separation evidenced in the modern decisions by the United States Supreme Court. For example, on October 31, 1803, President Jefferson proposed to the United States Senate a treaty with the Kaskaskia Indians which provided that federal money was to be used to support a Catholic priest and to build a church for the ministry of the Kaskaskia Indians. The treaty was ratified on December 23, 1803. As Professor Cord points out in his book,[19] President Jefferson could have avoided the explicit appropriation of funds to support a Catholic priest and a Catholic church by simply leaving a lump sum in the Kaskaskia treaty which could have been used for that purpose. However, President Jefferson was not at all reluctant—for ought that appears on the historical record—to specifically appropriate money for a Catholic mission.

Unlike Presidents Washington, Madison, and Adams, when Jefferson was President he broke with the tradition of issuing executive religious proclamations. In Jefferson's view the establishment clause and the federal division of power between the national government and the states foreclosed executive religious proclamations. While refusing to issue executive religious proclamations, President Jefferson recognized that "no power to prescribe any religious exercise, or to assume authority in religious discipline, has been delegated to the General Government. It must then rest with the States, as far as it can be in any human authority."[20] Thus, of the first four Presidents, all of whom were close to the adoption of the Federal Constitution and the first amendment, only President Jefferson did not issue executive religious proclamations, and only President Jefferson thought that executive religious proclamations were not constitutional.

But even President Jefferson signed into law bills which provided federal funds for the propagation of the gospel among the Indians.[21] Based upon this historical record Professor Cord concludes that Jefferson, even as President, did not interpret the establishment clause to require complete independence from religion in government.

In sum, while both Madison and Jefferson led the fight in Virginia for the separation of church and state, both believed that the first amendment only forbade the establishment of a state religion by the *national* government. "Jefferson was neither at the Constitutional Convention nor in the House of Representatives that framed the First Amendment. The two Presidents who were at the Convention, Washington and Madison, and the President who framed the initial draft of the First Amendment in the House of Representatives, James Madison, issued Thanksgiving Proclamations."[22] The Court agrees with the studied conclusions of Dr. Cord that "it should be clear that the traditional interpretation of Madison and Jefferson is historically faulty if not virtually unfounded . . ."[23]

One thing which becomes abundantly clear after reviewing the historical record is that the founding fathers of this country and the framers of what became the first amendment never intended the establishment clause to erect an absolute wall of separation between the federal government and religion. Through the chaplain system, the money appropriated for the education of Indians, and the Thanksgiving proclamations, the federal government participated in secular Christian activities. From the beginning of our country, the high an impregnable wall which Mr. Justice Black referred to in *Everson* v. *Board of Education*, 330 U.S. 1, 18 (1947), was not as high and impregnable as Justice Black's revisionary literary flourish would lead one to believe.

Yet, despite all of this historical evidence, only last month the Supreme Court wrote that the purpose of the first amendment is "twofold: to foreclose state interference with the practice of religious faiths, and to foreclose the establishment of a state religion familiar in other Eighteenth Century systems. Religion and government, each insulated from the other, could then coexist. *Jefferson's idea of a 'wall,' see Reynolds v. United States*, 98 U.S. (8 Otto), 145, 164 (1878), *quoting* Reply from Thomas Jefferson to an address by a committee of the Danbury Baptist Association (January 1, 1802), *reprinted in* 8 Works of Thomas Jefferson 113 (Washington ed. 1861), *was a useful figurative illustration* to emphasize the concept of separateness. Some limited

and incidental entanglement between church and state authority is inevitable in a complex modern society, *see, e.g., Lemon v. Kurtzman*, 403 U.S. 602, 614 (1971); *Walz v. Tax Commission*, 397 U.S. 664, 670 (1970), *but the concept of a 'wall' of separation is a signpost." Larkin* v. *Grendel's Den, Inc.*, 51 U.S.L.W. 4025, 4027 (U.S. Dec. 13, 1982) (No. 81-878) (emphasis added). Enough is enough. Figurative illustrations should not serve as a basis for deciding constitutional issues.

For this Court, Professor Robert Cord, *see supra* note 5, irrefutably establishes that Thomas Jefferson's address to the Danbury Baptist Association cannot be relied upon to support the conclusion that Jefferson believed in a *wall* between church and state. "By this phrase Jefferson could only have meant that the 'wall of separation' was erected 'between Church and State' in regard to possible federal action such as a law establishing a national religion or prohibiting the free exercise of worship." *Id.* at 115. Overall the conduct of Thomas Jefferson was consistent with the conclusion that he believed, like all the other drafters of the Constitution and the Bill of Rights, that the states were free to establish religions as they saw fit.[24]

E. First amendment as applied to the States

As has been seen up to this point the establishment clause, as ratified in 1791, was intended only to prohibit the federal government from establishing a national religion. The function of the establishment clause was two fold. First, it guaranteed to each individual that Congress would not impose a national religion. Second, the establishment clause guaranteed to each state that the states were free to define the meaning of religious establishment under their own constitutions and laws.

The historical record clearly establishes that when the fourteenth amendment was ratified in 1868 that its ratification did not incorporate the first amendment against the states. The debates in Congress at the time the fourteenth amendment was being drafted, the re-election speeches of the various members of Congress shortly after the passage by Congress of the fourteenth amendment, the contemporaneous newspaper stories reporting the effect and substance of the fourteenth amendment, and the legislative debates in the various state legislatures when they considered ratification of the fourteenth amendment indicate that the amendment was not intended to apply the establishment clause against the states because the fourteenth amendment was not intended to incorporate the federal Bill of Rights (the first eight amendments) against the states.

At the beginning the Court should acknowledge its indebtedness to professor Charles Fairman, then a professor of law in Political Science at Stanford University, for the scholarly article which he published in 1949.[25] Professor Fairman examined in detail the historical evidence which Mr. Justice Black relied upon in *Adamson* v. *California*, 332 U.S. 46, 47 (1947), where Mr. Justice Black concluded that the historical events that culminated in the adoption of the fourteenth amendment demonstrated persuasively that one of the chief objects of the fourteenth amendment was to make the Bill of Rights applicable to the states.[26]

1. Debates

The paramount consideration in defining the scope of any constitutional provision or legislative enactment is to ascertain the intent of the legislature. The intention of the legislature may be evidenced by statements of the leading proponents.[27] If statements of the leading proponents are found, those statements are to be regarded as good as if they were written into the enactment. "The intention of the lawmaker is the law." *Hawaii* v. *Mankichi*, 190 U.S. 197, 212 (1903).

"Looking back, what evidence [i]s there . . . to sustain the view that Section 1 was intended to incorporate Amendments I to VIII? [C]ongressman Bingham . . . did a good deal of talking about 'immortal bill of rights' and one spoke of 'cruel and unusual punishments.' Senator Howard, explaining the new privileges and immunities clause, said that it included the privileges and immunities of Article IV, Section 2—'whatever they may be'—and also "the personal rights guarantied [*sic*] and secured by the first eight amendments . . ." That is all. The rest of the evidence bore in the opposite direction, or was indifferent. Yet one reads in Justice Black's footnotes that, [*Adamson* v. *California*, 332 U.S. 46, 72 n.5 (1947)],

A comprehensive analysis of the historical origins of the Fourteenth Amendment, Flack, The Adoption of the Fourteenth Amendment (1908), 94, concludes that "Congress, the House and the Senate, had the following objects and motives in view for submitting the first section of the Fourteenth Amendment to the States for ratification:

"1. To make the Bill of Rights (the first eight Amendments) binding upon, or applicable to, the States.

"2. To give validity to the Civil Rights Bill.

"3. To declare who were citizens of the United States.

"We have been examining the same materials as did Flack, and have quoted far more extensively than he. How can he on that record reach the conclusion that Congress proposed by Section 1 to incorporate Amendments I to VIII?" Fairman, *Does the Fourteenth Amendment Incorporate the Bill of Rights*, 2 Stan. L. Rev. at 65-66 (1949). Professor Flack explained that the incorporation was based upon remarks of Congressman Bingham and Senator Howard at the time the Thirty-ninth Congress voted upon the fourteenth amendment. Only those two said anything which could be construed as suggesting the result reached by Justice Black and the modern Supreme Court decisions.

Throughout the debates in the House over the meaning of the fourteenth amendment Professor Fairman shows convincingly that Congressman Bingham had no clear concept of what exactly would be accomplished by the passage of the fourteenth amendment. The explanations offered by Congressman Bingham to his colleagues were inconsistent and contradictory.[28]

Together with Congressman Bingham's statements which suggested incorporation were remarks by Senator Howard. Senator Howard spoke with more preciseness than Congressman Bingham. Thus, his interpretation carries much greater weight than that of Congressman Bingham. Yet, because of the circumstances under which he spoke, his statements are subject to question when held out as representative of the majority viewpoint. By sheer chance Senator Howard acted as spokesman for the joint committee when explaining the purpose of the fourteenth amendment to the Senate. The joint committee had been chaired by Senator Fessenden. Chairman Fessenden became sick suddenly and Senator Howard thus became the spokesman for the Joint Committee. "Up to this point [Senator Howard's] participation in the debates on the Civil Rights Bill and the several aspects of the Amendment had been negligible. Poles removed from Chairman Fessenden, who 'abhorred' extreme radicals, Howard . . . was 'one of the most . . . reckless of the radicals,' who had 'served consistently in the vanguard of the extreme Negrophiles.' " Professor Rauol Berger notes with some sarcasm that it is odd that a radical such as Senator Howard should be taken as speaking authoritatively for a committee in which the conservatives outnumbered the radicals and where there was a strong difference of opinion between the radicals and the conservatives. R. Berger, *supra* note 26, at 147.[29]

On May 23, 1866, Senator Howard rose in the Senate, referred to the illness of Fessenden, and stated that he would "present 'the views and the motives which influenced the committee, so far as I understand [them].' After reading the privileges and immunities listed in *Corfield v. Coryell*, [6 Fed. Cas. 546, No. 3230 (C.C.E.D. Pa. 1823),] he said, 'to these privileges and immunities . . . should be added the personal rights guaranteed and secured by the first eight amendments.' That is the sum and substance of Howard's contribution to the 'incorporation' issue." [30]

Raoul Berger notes in his analysis of the incorporation question that the remark of Senator Howard was tucked away in the middle of a long speech, that Howard was a last minute substitution for the majority chairman, that Howard was in the minority on the committee, and that after Howard was through speaking Senator Poland stated that the fourteenth amendment secured nothing beyond what was intended in the original privileges and immunities clause of Article IV Section 2. R. Berger, *supra* note 26, 148-49. Senator Doolittle followed Senator Poland with some additional remarks which were designed to reassure those whose votes had already been won in favor of passage of the fourteenth amendment that indeed the amendment was limited to known objectives, which objectives were not intended to encompass the federal Bill of Rights.

The scholarly analysis of Professors Fairman and Berger persuasively show that Mr. Justice Black misread the congressional debate surrounding the passage of the fourteenth amendment when he concluded that Congress intended to incorporate the federal Bill of Rights against the states. *See infra* p. 42-44 (discussion of Blaine Amendment). So far the Congress was concerned, after the passage of the fourteenth amendment the states were free to establish one Christian religion over another in the exercise of their prerogative to control the establishment of religions.

2. Popular Understanding

An examination of popular sentiment across the country reveals that the nation as a whole did not understand the adoption of the fourteenth amendment to incorporate the federal Bill of Rights against the states. Inferentially, that is to say that the people understood that each state was free to continue to support one Christian religion over another as the people of that state saw fit to do. The leading constitutional scholar upon whom Justice Black relied in *Adamson* v. *California*.

"Mr. Flack[,] examined a considerable number of Northern newspapers and reported (an admission against the thesis he was

defending) the following observation: 'There does not seem to have been any statement at all as to whether the first eight Amendments were to be made applicable to the States or not . . .'

"Presumably this excluded the press reports of May 24 on Senator Howard's speech of the 23d: for the *New York Herald* and the *New York Times*, which Mr. Flack had before him, did quote in full the passage where it said that the personal rights guaranteed by the first eight amendments were among the 'privileges and immunities.'

"Other newspaper files have been examined in preparing the [article of Professor Fairman] and no instance has been found to vary what has been set out above." Fairman, *supra* note 25, at 68 (footnotes omitted).[31]

Charles Fairman quotes at length from the campaign speeches of five senators who, presumably, heard Senator Howard's speech of May 23, 1866. Not one of the senators mentioned anything about the Bill of Rights when commenting to the electorate about Section 1. Likewise, the five Republicans, including Congressman Bingham, never mentioned that the privileges and immunities clause would impose the federal Bill of Rights upon the states. Along with Professor Fairman, the Court takes the historical record to conclusively show that the general understanding of the nation at large, as illustrated by contemporaneous newspaper reports, demonstrates that the people of this country did not understand the fourteenth amendment to incorporate the establishment clause of the first amendment against the states.

3. Campaign Speeches

After the submission of the fourteenth amendment to the states on June 16, 1866 the members of the Thirty-ninth Congress began to busy themselves with the prospect of re-election in the fall. The statements which the members of Congress made during their campaign speeches are certainly relevant in ascertaining the intent of the Thirty-ninth Congress with regard to the scope and effect of the fourteenth amendment. All of these speeches were contemporaneous expressions of the intent of Congress. Professor Fairman provides many instances of speeches made on the campaign hustings. *See generally*, Fairman, *supra* note 25, at 68-78. None of the members of Congress indicated in their campaign speeches that the fourteenth amendment was intended to incorporate the federal Bill of Rights against the states. The general consensus with regard to the effect of the fourteenth amendment was that it covered the same ground as the Civil Rights Act of 1866. *Id.* at 72 (remarks of Senator Lyman Trumbull, the sponsor of the Civil Rights Bill).

4. State-Legislative Debates

The fourteenth amendment was submitted to the states for their ratification on June 16, 1866. By June, 1867, twelve legislatures had ratified the amendment. By July 28, 1868 the fourteenth amendment had been promulgated.

Professor Fairman combed the relevant legislative materials to see exactly what each state legislature thought the effect of the fourteenth amendment would be. Along with Fairman, the Court finds it important to note not only what was said but what was not said. Had the fourteenth amendment been understood to incorporate the federal Bill of Rights against the states in many instances states would have been required to make radical changes. For instance, it was frequent in many states for people to be prosecuted for felonies without an indictment from a grand jury. It was equally common for a jury of less than twelve people to sit in judgment in a felony prosecution. Some states failed to preserve the right to a jury trial and suits at common law where the amount in controversy exceeded $20.00.

The Court will not repeat Professor Fairman's analysis in each state. Only a few states need to be highlighted to convey the popular understanding of the effect of the fourteenth amendment upon the right of states to establish a religion. In New Hampshire, only five months after the promulgation of the fourteenth amendment—in December, 1868—the Supreme Court of New Hampshire had occasion to interpret a provision of the state constitution which provided that the legislature could "authorize towns, parishes, and religious societies 'to make adequate provision . . . for the support and maintenance of public Protestant teachers of piety, religion, and morality.'"[32] Moreover, Article VI of the Bill of Rights from the New Hampshire Constitution encouraged "the public worship of the diety. . . ." The question before the Supreme Court of New Hampshire was whether certain parishioners of the First Unitarian Society of Christians in Dover could fire the preacher. The preacher had begun using text from Emerson interchangably with text from the Bible. While Wardens of the church supported the preacher, certain pew owners were outraged. The pew owners sought an injunction restraining the preacher from occupying the meeting house. The trial court granted relief.

On appeal, in a 276-page report neither the opinion of the court nor the dissent made a single reference to the fourteenth amendment. Both opinions, however, had much to say about New Hampshire's policy in ecclesiastical matters. The opinion of the court referred to the first amendment and quoted Story's *Commentaries:*

"[T]he whole power over the subject of religion is left exclusively to the State governments, to be acted upon according to their own sense of justice and the State constitutions. . . .

"Probably at the time of the adoption of the constitution of the amendment to it now under consideration, the general if not the universal sentiment in America was, that Christianity ought to receive encouragement from the state, so far as not incompatible with the private rights of conscience and the freedom of religious worship." Fairman, *supra* note 25, 87 (citations omitted).

As Professor Fairman notes: "[I]n December 1868—five months after the promulgation of the Fourteenth Amendment—the New Hampshire court regarded the matter of an establishment of religion as being still 'left exclusively to the State governments.'" *Id.*

The historical record shows without equivocation that none of the states envisioned the fourteenth amendment as applying the federal Bill of Rights against them through the fourteenth amendment. It is sufficient for purposes of this case for the Court to recognize, and the Court does so recognize, that the fourteenth amendment did not incorporate the establishment clause of the first amendment against the states.[33]

5. Supreme Court Decisions

Decisions by the United States Supreme Court rendered contemporaneously with the ratification of the fourteenth amendment indicate that the Court did not perceive the fourteenth amendment to incorporate the federal Bill of Rights against the states. In *Twitcheel* v. *Pennsylvania*, 74 U.S. (7 Wall.) 321 (U.S. 1869), the Supreme Court held that the fifth and sixth amendments of the Constitution do not apply to the states. This holding was consistent with the earlier, well-known holding in *Barron* v. *Baltimore*, 32 U.S. (7 Peters) 243 (1833).

In *Barron* v. *Baltimore* the question presented to the court was whether the City of Baltimore was required to compensate Barron under the fifth amendment for the taking of his property for public purposes. When the City of Baltimore paved some streets, streams of water had been diverted in the vicinity of Barron's wharf. The water had deposited large amounts of sand around the wharf. The sand deposits made these waters too shall for ocean-going ships to load and unload cargo at the wharf. Chief Justice John Marshal held that Barron's claim raised no appropriate federal question because the fifth amendment was a constitutional limitation applied only against the federal government.[34]

Another decision of the United States Supreme Court, decided in 1870, recognized that the federal Bill of Rights did not control the states.[35] After much deliberation over the question whether jury findings made in state court were reviewable in federal court, the Supreme Court noted that it was "admitted" that the limitations of the seventh amendment[36] did not apply to the states.

7. Blaine Amendment

The discussion up to this point has focused upon the incorporation of the federal Bill of Rights generally through the fourteenth amendment. Events which postdated the adoption of the fourteenth amendment show that the lawmakers of the Thirty-ninth Congress did not intend that the establishment clause would become binding upon the states with the ratification of the fourteenth amendment. "'[A] conclusive argument against the incorporation theory, at least as respects the religious provisions of the First Amendment, is the "Blaine Amendment" proposed in 1875.'" McClellan, *Christianity and the Common Law*, in Joseph Story and the American Constitution 118, 154 (1971) (quoting O'Brien, *Justice Reed and the First Amendment*, 116 (n.d.)). At the behest of President Grant, James Blaine of Maine introduced a resolution in the Senate in 1885 which read: "No State shall make any law respecting an establishment of religion or prohibiting the free exercise thereof." *Id.* at 154. (emphasis in original). Importantly, the Congress which considered the Blaine Amendment included twenty-three members of the Thirty-ninth Congress, the Congress which passed the fourteenth amendment.

"Not one of the several Representatives and Senators who spoke on the proposal even suggested that its provisions were implicit in the amendment ratified just seven years earlier. Congressman Banks, a member of the Thirty-ninth Congress, observed: "If the Constitution is amended so as to secure the object embraced in the principle part of this proposed amendment, it prohibits the States from exercising a power they now exercise." Senator Frelinghuysen of New Jersey urged the passage of the "House article," which "prohibits the States for the first time, from the establishment of religion, from prohibiting its free exercise." Senator Stevenson, in opposing the pro-

posed amendment, referred to *Thomas Jefferson: 'Friend as he* [Jefferson] *was of religious freedom, he would never have consented that the States . . . should be degraded and that the Government of the United States, a government of limited authority, a mere agent of the States with prescribed powers, should undertake to take possession of their schools and of their religion.'* Remarks of Randolph, Christiancy, Kernan, Whyte, Bogy, Easton, and Morton give confirmation to the belief that none of the legislators in 1875 thought the Fourteenth Amendment incorporated the religious provisions of the First." *Id.* (quoting O'Brien, *Justice Reed and the First Amendment* 116-17 (emphasis added)).

The Blaine Amendment, which failed in passage, is stark testimony to the fact that the adoptors of the fourteenth amendment never intended to incorporate the establishment clause of the first amendment against the states, a fact which Black ignored. This was understood by nearly all involved with the Thirty-ninth Congress to be the effect of the fourteenth amendment.

G. Proper interpretative prospective

The interpretation of the Constitution can be approached from two vantages. First, the Court can attempt to ascertain the intent of the adoptors, and after ascertaining that attempt apply the Constitution as the adoptors intended it to be applied. Second, the Court can treat the Constitution as a living document, chameleon-like in its complexion, which changes to suit the needs of the times and the whims of the interpreters. In the opinion of this Court, the only proper approach is to interpret the Constitution as its drafters and adoptors intended. The Constitution is, after all, the supreme law of the land. It contains provisions for amending it; if the country as a whole decided that the present text of the Constitution no longer satisfied contemporary needs then the only constitutional course is to amend the Constitution by following its formal, mandated procedures. Amendment through judicial fiat is both unconstitutional and illegal. Amendment through judicial fiat breeds disrespect for the law, and it undermines the very basic notion that this country is governed by laws and not by men. *See generally* Breast, *The Misconceived Quest for the Original Understanding*, 60 B.U.L. Rev. 204 (1980) (discussing various approaches to constitutional interpretation).

Let us have faith in the rightness of our charter and the patience to persevere in adhering to its principles. If we do so then all will have input into change and not just a few.

H. Stare Decisis

What is a court to do when faced with a direct challenge to settled precedent? [37] In most types of cases "it is more important that the applicable rule of law be settled than that it be settled right." *Burnet* v. *Coronado Oil & Gas Co.*, 385 U.S. 393, 406 (1932) (Brandeis, J., dissenting). This general rule holds even where the court is persuaded that it has made a serious error of interpretation in cases involving a statute.[38] However, in cases involving the federal constitution, where correction through legislative action is practically impossible, a court should be willing to examine earlier precedent and to overrule it if the court is persuaded that the earlier precedent was wrongly decided. *Id.* at 407. "A judge looking at a constitutional decision may have compulsions to reverse past history and accept what was once written. But he remembers above all else that it is the Constitution which he swore to support and defend, not the gloss which his predecessors may have put on it." Douglas, *Stare Decisis*, 49 Colum. L. Rev. 735, 736 (1949).

Certainty in the law is important. Yet, a rigid adherence to stare decisis "would leave the resolution of every issue in constitutional law permanently at the mercy of the first Court to face the issue, without regard to the possibility that the relevant case was poorly prepared or that the judgment of the Court was simply ill-considered. The danger is particularly great where the court has moved too far in an activist direction; in such a situation, legislative correction of the error is liable to be virtually impossible." Maltz, *Commentary: Some Thoughts on the Death of Stare Decisis in Constitutional Law*, 1980 Wis. L. Rev. 476, 492 (1980).

"[T]he 'wall of separation between Church and State' that Mr. Jefferson built at the University [of Virginia] which he founded did not exclude religious education from the school. The difference between the generality of his statements on the separation of Church and State and the specificity of his conclusions on education are considerable. A rule of law should not be drawn from a figure of speech." *McCollum* v *Board of Education*, 333 U.S. 203, 247 (1948) (per Reed, J., dissenting).

"[T]he ultimate touchstone of constitutionality is the Constitution itself and not what we have said about it." *Graves* v. *O'Keefe*, 306 U.S. 466, 491-92 (1939) (Frankfurter, J., concurring). "By placing a premium on 'recent cases' rather than the language of the Constitution, the Court makes it dangerously simple for future Courts using the technique of interpretation to operate as a 'continuing Constitutional Convention,'" *Coleman* v. *Alabama*, 399 U.S. 1, 22-23 (1970) (Burger, C.J.). "Too much discussion of constitutional law is centered on the Court's decisions, with not enough regard for the text and history of the Constitution itself." R. Berger, *Government by Judiciary: The Transformation of the Fourteenth Amendment* 296 (1977).[39]

This Court's review of the relevant legislative history surrounding the adoption of both the first amendment and of the fourteenth amendment, together with the plain language of those amendments, leaves no doubt that those amendments were not intended to forbid religious prayers in the schools which the states and their political subdivisions mandate.

I. Summary

"Th[e] mountain of evidence has become so high, one may have lost sight of the few stones and pebbles that made up the theory that the Fourteenth Amendment incorporated Amendments I to VIII." Fairman, *supra* note 25, at 134. Suffice it to say that the few stones and pebbles provide precious little historical support for the view that the states were prohibited by the establishment clause of the first amendment from establishing a religion.[40]

More than any other provision of the Constitution, the interpretation by the United States Supreme Court of the establishment clause has been steeped in history. This Court's independent review of the relevant historical documents and its reading of the scholarly analysis convinces it that the United States Supreme Court has erred in its reading of history. Perhaps this opinion will be no more than a voice crying in the wilderness and this attempt to right that which this Court is persuaded is a misreading of history will come to nothing more than blowing in the hurricane, but be that as it may, this Court is persuaded as was Hamilton that "[e]very breach of the fundamental laws, though dictated by necessity impairs the sacred reverence which ought to be maintained in the breast of the rulers towards the constitution." R. Berger, *supra* note 26, at 299 (quoting Federalist No. 25 at 158).

Because the establishment clause of the first amendment to the United States Constitution does not prohibit the state from establishing a religion, the prayers offered by the teachers in this case are not unconstitutional. Therefore, the Court holds that the complaint fails to state a claim for which relief could be granted.

J. Conclusion

There are pebbles on the beach of history from which scholars and judges might attempt to support the conclusions that they are wont to reach. That is what Professors Flack, Crosskey and the more modern scholars have done in attempting to establish a beachhead, as did Justice Black, that there is a basis for their conclusions that Congress and the people intended to alter the direction of the country by incorporating the first eight amendments to the Constitution. However, in arriving at this conclusion, they, and each of them, have had to revise established principles of constitutional interpretation by the judiciary. Whether the judiciary, inadvertently, or eagerly, walked into this trap is not for discussion. The result is that the judiciary has, in fact, amended the Constitution to the consternation of the republic. As Washington pointed out in his Farewell Address, *see* p. i *supra*, this clearly is the avenue by which our government can, and ultimately will, be destroyed. We think we move in the right direction today, but in so doing we are denying to the people their right to express themselves. It is not what we, the judiciary want, it is what the people want translated into law pursuant to the plan established in the Constitution as the framers intended. This is the bedrock and genius of our republic. The mantle of office gives us no power to fix the moral direction that this nation will take. When we undertake such course we trample upon the law. In such instances the people have a right to complain. The Court loses its respect and our institution is brought low. This misdirection should be cured now before it is too late. We must give no future generation an excuse to use this same tactic to further their ends which they think proper under the then political climate as for instance as did Adolph Hitler when he used the court system to further his goals.

What is past is prologue. The framers of our Constitution fresh with recent history's teachings, knew full well the propriety of their decision to leave to the peoples of the several states the determination of matters religious. The wisdom of this decision becomes increasingly apparent as the courts wind their way through the maze they have created for themselves by amending the Constitution by judicial fiat to make the first amendment applicable to the states. Consistency no longer exists. Where you cannot recite the Lord's Prayer, you may sing his praises in God Bless America. Where you cannot post the Ten Commandments on the wall for those to read if they do choose, you can require the Pledge of Allegiance. Where you cannot acknowledge the authority of the Almighty in the Re-

gent's prayer, you can acknowledge the existence of the Almighty in singing the verses of America and Battle Hymn of the Republic. It is no wonder that the people perceive that justice is myoptic, obtuse, and janus-like.

If the appellate courts disagree with this Court in its examination of history and conclusion of constitutional interpretation thereof, then this Court will look again at the record in this case and reach conclusions which it is not now forced to reach.[41]

III. Order

It is therefore ordered that the complaint in this case be dismissed with prejudice. Costs are taxed against the plaintiffs. Fed. R. Civ. P. 54(d).

Done this 14th day of January, 1983.

W. B. HAND,
Chief Judge.

FOOTNOTES

[1] 42 U.S.C. § 1983 provides: "Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress."

[2] Initially, it should be noted that neither 28 U.S.C. §§ 2201 nor 2202 afford any subject-matter jurisdiction to a federal court as the complaint alleges. These sections provide only a remedy. "The operation of the Declaratory Judgment Act is procedural only. By passage of the Act, Congress enlarged the range of remedies available in the federal courts but it did not extend their subject-matter jurisdiction. Thus there must be an independent basis of jurisdiction, under statutes equally applicable to actions for coercive relief, before a federal court may entertain a declaratory judgment action." 10 C. Wright and A. Miller, *Federal Practice and Procedure § 2766, 841 (1983) (footnotes omitted).*

Likewise, 28 U.S.C. § 1343(4) does not afford subject-matter jurisdiction to a federal court over claims brought under 42 U.S.C. § 1983. Section 1343(4) affords subject-matter jurisdiction to the federal court only over those claims which are brought under "any Act of Congress providing for the protection of civil rights . . . ." "Standing alone, § 1983 clearly provides no protection for civil rights since . . . §1983 does not provide any substantive rights at all." Chapman v. Houston Welfare Rights Organization, 441 U.S. 600, 618 (1979).

[3] In fact, the complaint alleges that "[t]his cause of action arises under the First and Fourteenth Amendments to the United States Constitution. . . ." *See* Complaint at 2. This Court has previously explained that no implied cause of action exists under either the first or fourteenth amendments, at least when the first amendment is applied to persons acting under color of state law. The very purpose for enacting 42 U.S.C. § 1983 was to provide a remedy to vindicate the rights afforded by the federal Bill of Rights when persons acting under the color of state law violated those rights. It would be incongruous to imply a remedy where Congress has expressly afforded a remedy. *See* Strong v. Demopolis City Board of Education, 515 F. Supp. 730, 732 n.l (S.D. Ala. 1981) (per Hand, J.).

[4] "[T]he existence of a claim for relief under § 1983 is 'jurisdictional' for purposes for invoking 28 U.S.C. § 1343, even though the existence of a meritorious constitutional claim is not similarily required in order to invoke jurisdiction under 28 U.S.C. § 1331. *See* Bell v. Hood, 327 U.S. 678, 682 (1946); Mt. Healthy [City School District v. Doule, 429 U.S. 274, 278-79 (1977).]" Monell v. Department of School Services, 436 U.S. 658, 716 (1978).

[5] At the start the Court should acknowledge its indebtedness to several constitutional scholars. If this opinion will accomplish its intent, which is to take us back to our original historical roots, then much of the credit for the vision lies with Professor James McClellan and Professor Robert L. Cord. Their work and the historical sources cited in their work have proven invaluable to the Court in this opinion. *See* R. Cord, *Separation of Church and State: Historical Fact and Current Fiction* (1982); P. McGuigan & R. Rader, *A Blueprint for Judicial Reform* (eds. n.d.); J. McClellan, *Joseph Story and the American Constitution*, 118-159 (1971) (Christianity and the common law).

[6] McClellan, The *Making and the Unmaking of the Establishment Clause*, in *Blueprint for a Judicial Reform* 295 (P. McGuigan & R. Rader eds. n.d.) (quoting J. Story, III. *Commentaries on the Constitution* § 1871 (1833) (emphasis added)).

[7] *Id.*

[8] *Id.* at 300. Professor McClellan documents in great detail the political struggle which raged through the various colonies during the Revolution and afterwards to disestablish certain religions throughout the colonies. The establishment of one religion over another in the respective colonies was purely a political matter. The political strength of the various followers determined which religion was established. Like any other political decision, when the political strength of the minorities reached that of the majority, the state disestablished what had formerly been the majority religion. *See e.g., id.* at 301-308.

[9] *Id.* at 307.

[10] *Id.*

[11] *Id.* at 311. Professor McClellan cites numerous examples in which the states required adherence to a Christian religion. For instance, witnesses were considered competent to testify only if they affirmed a belief in the existence of a Christian God. *Id.*

[12] R. Cord, *supra* note 5, at 23.

[13] R. Cord, *supra* note 5, at 24 (quoting Debates in the Federal Convention of 1787 as reported by James Madison, *Documents Illustrative of the Formation of the Union of the American States* (Washington, D.C.: Government Printing Office, (1927) 295-96 (emphasis in original)).

[14] *Id.* at 24-25.

[15] *Id.*

[16] The views of James Madison are often cited by those who insist upon absolute separation between church and state. Madison was one of the drafters of the first amendment. An uncritical, cursory examination of some of Madison's writings would lead one to the conclusion that Madison favored absolute separation between church and state. However, to reach this conclusion is to misunderstand the views of Mr. Madison.

As Professor Cord explains in his book, Madison was concerned only that the federal government should not establish a national religion. Nondiscriminatory aid to religion and support for various Christian religions was not viewed by Madison as unlawful. *See* R. Cord, *supra* note 5, at 25-26 (examining drafts of the establishment clause submitted by Madison).

[17] Professor Cord explains in great detail the circumstances surrounding this presidential proclamation. *See* R. Cord, *supra* note 5, at 27-29.

[18] Professor Cord discusses in detail a document which Madison wrote late in his life known as the *Detached Memoranda.* Some historians have taken the *Detached Memoranda* as a blanket condemnation of religious proclamations issued by Presidents Jefferson, Madison, and Jackson. From this, some historians argue that James Madison believed that absolute separation was mandated by the establishment clause. The Supreme Court has relied upon the *Detached Memoranda* to justify its position of absolute separation in Abington School District v. *Schempp*, 374 U.S. 203, 225 (1963) ("[I]n the words of Madison, 'it is proper to take alarm at the first experiment on our liberties.' ").

Professor Cord suggests that the *Detached Memoranda* reflected nothing more than a shift in Madison's views as he grew older. The *Detached Memoranda* was written long after Madison had left office and long after the first amendment had been drafted. R. Cord, *supra* note 5, 29-36.

The explanation of Professor Cord that Madison is an old man, no longer in office, who regretted some of his past actions, is, to the Court, reasonable. Not all historical facts can easily be squared. Professor Cord emphasizes his point by analogizing to something which former President Nixon might write upon reflecting on his tenure as president. It would be odd, hypothesizes Professor Cord, if Mr. Nixon were to publish a book in his later years which concluded that taping conversations, without all parties being aware of the recording, is morally wrong and clearly a flagrant violation of the constitutional right to privacy. It would be nonsense, in the view of Professor Cord, for a Nixon biographer to conclude that Richard Nixon believed that the surreptitious tapings of conversations in the Oval Office were immoral and unconstitutional. R. Cord, *supra* note 5, at 36. Similarily, it is faulty to judge what Madison believed to be the scope of the establishment clause at the time he drafted the clause by looking to views expressed late in his life when there are numerous expressions of his intent contemporaneous with the period in which the establishment clause was drafted.

[19] R. Cord, *supra* note 5, at 37-39.

[20] R. Cord, *supra* note 5, at 40 (quoting Letter to a Presbyterian Clergyman (1808)).

[21] Professor Cord chronicles the federal support provided to the Moravian Brethren at Bethlehem in Pennsylvania. The function of the Brethren was to civilize the Indians and to promote Christianity. First passed on July 27, 1787, the resolution supporting the Brethren was supported by every President, including Thomas Jefferson. The legislation supporting the Brethren was sectarian in character. Professor Cord reads this history to conclude that had this sort of interaction between church and state been thought to be unconstitutional then certainly the early Congresses and presidents would not have authorized expenditure of federal money. R. Cord, *supra* note 5, at 39-46.

[22] R. Cord, *supra* note 5, at 47.

[23] *Id.*

[24] Since the states were historically free to establish a religion it follows that some irritation by non-believers or those in the religious minority was a necessary consequence of establishment. The complaint alleges that "[a]ll of the minor Plaintiffs are exposed to ostracism from their peer group class members if they do not participate in these daily devotional activities." Complaint at 5. The children "all have suffered and continue to suffer severe emotional distress from being forced to participate, via peer group pressure, in devotional observances orchestrated by the defendants." *Id.* at 7. This psychological pressure naturally flows anytime a state takes an official position on an issue. It does not make an establishment unconstitutional. For example, laissez-faire industrialists feel coerced when a state adopts tough environmental laws. Unemployed workers feel pressure from peer groups when the unemployed worker takes advantage of a state labor law which allows him to cross a union picket line to break a strike. Someone, somewhere feels coerced or pressured anytime the state takes a position. The Constitution, however, does not protect people from feeling uncomfortable. A member of a religious minority will have to develop a thicker skin if a state establishment offends him. Tender years are no exception.

[25] Fairman, *does the Fourteenth Amendment Incorporate the Bill of Rights?* 2 Stan. L. Rev. 5 (1949).

[26] Mr. Justice Black spent nearly twenty years mulling over the criticisms leveled by Professor Charles Fairman. Finally, he had this to say: "What I wrote [in Adamson v. California, 332 U.S. 46, 47 (1947),] in 1947 was the product of years of study and research. My appraisal of the legislative history [which surrounded the adoption of the fourteenth amendment and upon which Mr. Fairman relied so heavily] followed 10 years of legislative experience as a Senator of the United States, not a bad way, I suspect, to learn the value of what is said in legislative debates, committee discussions, committee reports, and various other steps taken in the course of passage of bills, resolutions, and proposed constitutional amendments. My Brother Harlan's objections to my *Adamson* dissent history, like that of most of the objectors, relies most heavily on a criticism written by Professor Charles Fairman and published in the Stanford Law Review. 2 Stan. L. Rev. 5 (1949). I have read and studied this article extensively, including the historical references, and am compelled to add that in my view it has completely failed to refute the inferences and arguments that I suggested in my *Adamson* dissent. Professor Fairman's "history" relied very heavily what was "not" said in the state legislatures that passed on the Fourteenth Amendment. Instead of relying on this kind of negative pregnant, my legislative experience has convinced me that it is far wiser to rely on what "was" said, and most importantly, said by the men who actually sponsored the Amendment in the Congress. I know from my years in the United States Senate that it is to men like Congressman Bingham, who steered the amendment through the House, and Senator Howard, who introduced it in the Senate, that members of Congress look when they seek the real meaning of what is being offered. And they vote for or against a bill based on what the sponsors of that bill and those

who oppose it tell them it means. The historical appendix to my "Adamson" dissent leave no doubt in my mind that both its sponsors and those who opposed it believed the Fourteenth Amendment made the first eight amendments of the Constitution (the Bill of Rights) applicable to the states." Duncan v. Louisiana, 391 U.S. 145, 165-66 (1968) (Black dissenting).

Charles Fairman "conclusively disproved Black's contention, at least, such as the weight of the opinion among distinterested observers." A. Bickel, *The Least Dangerous Branch* 102 (1962). Along with Alexander Bickel, Professor Raoul Berger agrees that Charles Fairman's analysis was right on the mark. R. Berger, *Government by Judiciary: The Transformation of the Fourteenth Amendment*, 137 n.11 (1977).

[27] For example, Professor Raoul Berger cites several cases which recite this common principle of construction. *See e.g.*, Wright v. Vinton Branch, 300 U.S. 440, 463 (1937); Wisconsin Railroad Commission v. C. B. & Q. RR. Co., 257 U.S. 563, 589 (1922). *See* R. Berger, *supra* note 26, at 136-37 & 137 n.13.

[28] Professor Fairman has quoted exhaustively from the Congressional Globe. The various speeches of Congressman Bingham made in support of the fourteenth amendment are quoted in detail. See Fairman, *Does the Fourteenth Amendment Incorporate the Bill of Rights?* 2 Stan. L. Rev. 5, 24-25 (1949).

The analysis of Professor Fairman is attacked vigorously by William Crosskey, then a professor of law at the University of Chicago Law School. Crosskey, *Charles Fairman, "Legislative History," and the Constitutional Limitations on State Authority* 22 U. Chi. L. Rev. 1 (1954). Crosskey quotes at length from the Bingham article and from the *Congressional Globe* in an effort to discredit the explanation offered the historical facts by Professor Bingham.

The debate between the two scholars was pitched. Much of Crosskey's analysis consisted of little more than *ad homineum* attacks on Professor Fairman. The attacks were answered in a reply article written by Professor Fairman. Fairman, *A Reply to Professor Crosskey*, 222 U. Chi. L. Rev. 144 (1954). After reading the original articles of both Fairman and Crosskey, the rebuttal of Fairman, and many other articles on the question, the Court is persuaded that the weight of the disinterested scholars supports the analysis of Professor Fairman. The work of Professor Crosskey impresses the Court as being designed to reach a result. Namely, Crosskey was interested in providing a constitutional basis to support the desegregation decision of the United States Supreme Court in Brown v. Board of Education, 347 U.S. 483 (1954). For instance, in an effort to explain a serious ambiguity in a Bingham speech, Professor Crosskey explains that the speech would make perfect sense if one assumes that Bingham had been reading directly from a text of the Constitution, that he had a copy of the document in his hand and that he was waving the copy while he spoke in Congress. "You're fudging, Professor Crosskey! You don't know that Bingham had been *reading* from the Constitution." Fairman, *A Reply to Professor Crosskey*, 22 U. Chi. L. Rev. 144, 152 (1949).

One scholar, Michael Kent Curtis, argues that Professor Raoul Berger has improperly analyzed the incorporation question by blindly following the lead of Charles Fairman and ignoring the work of William Crosskey. Curtis, *The Bill of Rights as a Limitation on State Authority: A Reply to Professor Berger*, 16 Wake Forest L. Rev. 45 (1980). No lesser a light than Henry M. Hart, Jr., then a professor of law at Harvard Law School, remarked that "[t]he Don Quixote of Chicago breaks far too many lances in his on-slaughts upon the windmills of constitutional history to permit detailed review of each adventure." Hart, Book Review, 67 Harv. L. Rev. 1456 (1954). While the comment was, strictly speaking, directed to a recently released book by Professor Crosskey, the thrust of the comment holds true for the scholarship of Professor Crosskey. Professor Henry Hart had little use for the typical analytical method employed by Professor Crosskey: slanderous, *ad homineum* attacks on those historical actors who supported views contrary to those which Professor Crosskey expected to find in a historical record. Professor Hart compared Professor Crosskey to Senator Joseph McCarthy from Wisconsin. *Id.* at 1475 ("In the true hit-an-run style popularized by the Senator from the adjacent state to the north, [Wisconsin being north of Illinois] Professor Crosskey, having made th[e] ugly charge [that James Madison deliberately, not inadvertently, falsified some of his notes in 1836 to suit his own purposes at that time], promises to consider in a later volume whether it is true.") Professor Hart is of the general opinion that the scholarship of Professor Crosskey amounted to little more than "a confident tone, nice printing, and an abundance of notes and appendices referring to obscure documents and esoteric word meanings." *Id.* at 1486.

[29] R. Berger, *supra* note 26, at 147 (footnotes omitted).

[30] R. Berger, *supra* note 147-48 (quoting *Congressional Globe 2764-65).*

[31] Crosskey, *Charles Fairman, "' Legislative History'" and the Constitutional Limitations on State Authority*, 22 U. Chi. L. Rev. 1 (1954). In particular, Professor Crosskey is critical of the newspaper examination conducted by Professor Fairman. By Crosskey's count, Fairman and Flack together examined ten newspapers. *Id.* at 100-101. Crosskey points out that there were nearly 5,000 newspapers in circulation in 1870. Thus, if Flack and Fairman examined only ten of these newspapers then, concludes Cresskey, the two ignored a substantial source of evidence in their inquiry. Certainly, at the least, according to Crosskey, neither Flack nor Fairman are entitled to make any conclusions about what the newspapers of the day reflected as the popular understanding of the effect of the fourteenth amendment.

The court has studied the Crosskey criticism of Professor Fairman and rejects it. The work of the two scholars serves as the cornerstone for both camps in the debate vel non whether the fourteenth amendment was intended to incorporate the federal Bill of Rights. *Compare* R. Berger, *supra* note 26, 134-156 (rejecting incorporation of the federal Bill of Rights) *With* Curtis, *The Bill of Rights as a Limitation on State Authority: A Reply to Professor Berger*, 16 Wake Forest L. Rev. 45 (1980) (following Crosskey).

[32] C. Fairman, *supra* note 25 at 86 (quoting N.H. Const. art. 6 (1793)).

[33] It is always difficult to wade through the mass of historical research which has been done on both sides of the issue. For instance, while the defendant-intervenors introduced Professor Robert L. Cord's book, *Separation of Church and State: Historical Fact and Current Fiction* in support of the historical record upon which they are relying, Professor Cord concludes, in part, that a) the fourteenth amendment did incorporate the establishment clause against the states, *id.* at 101, and b) the Lord's Prayer, being distinctly Christian in character, or any other prayer which is readily identified with one religion rather than another is impermissible under the establishment clause, *id.* at 162-65.

The Court rejects the conclusion of Professor Cord that the fourteenth amendment incorporated the establishment clause against the states. Professor Cord uncritically adopted the analysis of the United States Supreme Court in reaching his conclusion. In only a footnote does Professor Cord refer to the scholarship of Professor Charles Fairman; then only does Professor Cord note that there has been some "controversy" surrounding the incorporation issue.

Assuming arguendo that the establishment clause had been incorporated against the states than Professor Cord would be correct in his conclusion that any activity which is religiously indentifiable would be barred. *See infra* note 41 for the Court's discussion regarding secular humanism.

[34] In Barron v. City of Baltimore the Court noted: "But it is universally understood, it is a part of the history of the day, that the great revolution which established the Constitution of the United States was not effected without immense opposition. Serious fears were extensively entertained that those powers which the patriot statesmen who then watched over the interests of our country, deemed essential to union, and to the attainment of those invaluable objects for which union was sought, might be exercised in a manner dangerous to liberty. In almost every convention by which the Constitution was adopted, amendments to guard against the abuse of power were recommended. These amendments demanded security against the apprehended encroachments of the general government—not against those of the local governments.

"In compliance with a sentiment thus generally expressed, the quiet fears were thus extensively entertained, amendments were proposed by the required majority in congress, and adopted by the States. *These amendments contained no expression indicating an intention to apply them to the state governments.* This court cannot so apply them." Barron v. City of Baltimore, 32 U.S. (7 Pet.) 243, 250 (1883) (emphasis added).

[35] Justices of the Supreme Court of New York v. United States, 65 U.S. (9 Wall.) 274 (1870).

[36] In part the seventh amendment provides that "no fact tried by a jury, shall be otherwise reexamined in any Court of the United States, than according to the rules of the common law." U.S. Const. amend. VII.

[37] Abraham Lincoln once said, " 'Stand with anybody that stands *right*. Stand with him while he is right and *part* with him when he does wrong.' " Jaffa, *In Defense of Political Philosophy*, 34 National Review 36 (1982) (emphasis in original).

[38] While stare decisis has more force in cases which determine the meaning of statutes as opposed to interpretating the Constitution, the Supreme Court has frequently reversed itself where it thinks an earlier decision involving the construction of a statute is in error. In Monell v. Department of Social Services, 436 U.S. 658 (1978), the Supreme Court identified four factors which it considers when faced with the question whether to overrule a prior decision which involves a statue. The factors are: 1) whether the decisions in question misconstrued the meaning of the statue as revealed in its legislative history; 2) whether overruling the decisions would be inconsistent with more recent expressions of congressional intent; 3) whether the decisions in question constituted a departure from prior decisions; and 4) whether overruling these decisions would frustrate legislative reliance on their holdings. *Id.* at 695-701.

[39] Mr. Justice Stevens recently addressed the problem whether a court should follow authority which it believes to have been incorrectly decided. In a case which involved the construction of a statute parents of Negro school children sued under the Civil Rights Act of 1866 (now 42 U.S.C. § 1982) for alleged discriminatory admission to private schools, which discrimination was based solely upon race. Runyon v. McCrary, 427 U.S. 160 (1976). The statute upon which the suit was based, 42 U.S.C. § 1981, was passed prior to the adoption of the fourteenth amendment. It provides in part that "[a]ll persons within the jurisdiction of the United States shall have the same right in every State . . . to make and enforce contracts . . . as enjoyed by white citizens . . . ." In *Runyon* two children were denied admission to private schools in Virginia solely because they were Negro. The Supreme Court held that section 1981 prohibits private, commercially-operated, nonsectarian schools from denying admission to prospective students solely because of race. Mr. Justice Stevens concurred in the opinion of the Court, but his thoughts on stare decisis are noteworthy.

Mr. Justice Stevens felt compelled to join the opinion of the Court based upon a prior decision of the Court, Jones v. Alfred H. Mayer Co. 392 U.S. 409 (1968). However, the language of the Civil Rights Act of 1866 and its historical setting left "no doubt in [Mr. Justice Stevens'] mind that the construction of [42 U.S.C. § 1982] would have amazed the legislators who voted for it." Runyon v. McCrary, 427 U.S. at 189. Given a clean slate Mr. Justice Stevens would have allowed private, commercially-operated, nonsectarian schools the right to deny admission to prospective students solely because of race. He would have reached this result not because he thought that it was socially preferable to the result reached by the Supreme Court, but simply because the intent of Congress and the legislative history surrounding the adoption of 42 U.S.C. § 1981 mandated such a result.

Where Mr. Justice Stevens was unwilling to dissent from his bretheren in a case involving statutory construction, this Court feels a stronger tug from the Constitution which it has sworn to suport and to defend.

[40] Professor Fairman has summarized concisely in several pages all of the stones and pebbles which could conceivable be relied upon to support the conclusion that the fourteenth amendment intended to incorporate the federal Bill of Rights against the states. See Fairman, *supra* note 25, 134-35.

[41] One of the first of these considerations is whether the teachers and those students who desire to express the simple prayers have any rights to freedom of speech. Compare what the Court observed in the order which granted the preliminary injunction in the companion case, 82-0792-H, against the state on the first amendment right of students to pray at school. 544 F. Supp. at 732.33. The evidence in the case demonstrates that the

school board took no active part in any decision made by the teachers to utilize the simple prayer that they have. The school board nor any of the official body of the school administration encouraged or discouraged these teachers from exercising their own will in the matter. Nor does the evidence indicate that those students who opted for this type of exercise were coerced into participating or not participating.

In dealing with matters religious the exercise of first amendment rights are highly circumscribed. The same does not appear to be true in dealing with first amendment rights in expressing one's opinions in all other matters whether they be expressions of moral concern or immoral concern.

The second major area that this Court must concern itself with should this judgment be reversed is that raised by the evidence produced by the intervenors dealing with other religious teachings now conducted in the public schools to which no attention has apparently been directed and to which objection has been lodged by the intervenors.

There are many religious efforts abounding in this country. Those who came to these shores to establish this present nation were principally governed by the Christian ethic. Other religions followed as the population grew and the ethnic backgrounds were difused. By and large, however, the Christian ethic is the predominant ethic in this nation today unless it has been supplanted by secular humanism. Delos McKown, witness for the plaintiff, expressed himself as believing that secular humanism has been more predominant through the years than we have imagined and indeed was more akin to the beliefs of George Washington, Thomas Jefferson, Benjamin Franklin, and others of that era. Delos McKown also testified that secular humanism is not a religion, though he ultimately waffled on this point. The reason that this can be important to the decision of this Court is that case law deals generally with removing the teachings of the Christian ethic from the scholastic effort but totally ignores the teaching of the secular humanist ethic. It was pointed out in the testimony that the curriculum in the public schools of Mobile County is rife with efforts at teaching or encouraging secular humanism—all without opposition from any other ethic—to such an extent that it becomes a brainwashing effort. If this Court is compelled to purge "God is great, God is good, we thank Him for our daily food" from the classroom, then this Court must also purge from the classroom those things that serve to teach that salvation is through one's self rather than through a diety. Indeed, the Supreme Court in Abington School District v. Schempp, 374 U.S. 203, 225 (1963) (quoting Zorach v. Clauson, 343 U.S. 305, 314) (1952), noted that "the State may not establish a "religion of secularism" in the sense of affirmatively opposing or showing hostility to a religion, thus preferring those who believe in no religion over those who do believe."

That secular humanism is a religion within the definition of that term which the "high wall" must exclude is supported by the finding in Torcaso v. Watkins, 367 U.S. 488, 495 n.11 (1961), which recognized that secular humanism is a religion in the traditional sense of the word and also in the statement of the 276 intellectuals who advocate the doctrine of secular religion as delineated in the *Humanist Manifesto I and II.* (Defendant-intervenors exhibit #10).

Textbooks which were admitted into evidence demonstrated many examples in the way this theory of religion is advanced. The intervenors maintain that their children are being so taught and that this Court must preclude the Mobile County School Board from continuing to advance such a religion or in the alternative to allow instruction in the schools that would give a child an opportunity to compare the ethics of each religion so as to make their own credibility or value choices. To this extent, this Court is impressed that the advocacy of the intervenors on the point of necessity makes them parties plaintiff and to this extent they should be realigned as such inasmuch as both object to the teaching of certain religions.

This Court is confronted with these two additional problems that must be resolved if the appellate courts adhere to their present course of interpretating history as did Mr. Justice Black. Should this happen then this Court will hunker down to the task required by the appellate decisions. A blind adherence of Justice Black's absolutism will result in an engulfing flood of other cases addressed to the same point raised by intervenors. The Court will be called upon to determine whether each book or any statement therein advances secular humanism in a religious sense, a never-ending task. Already the involvment of this Court with determining state activities in such things as prison cases, occupies one-third of its docket. This Court can anticipate no less of a burgeoning docket brought about by this incursion into what is legitimately a state concern.

The founding fathers were far wiser than we. They were content to allow the peoples of the various states to handle these matters as they saw fit and were patient in permitting the procedure. They were not impatient to bring about a change because we think today that it is the proper course or to set about to justify by misinterpretation the original intent of the framers of the Constitution. We must remember that "He, who reigns within Himself, and rules passions, desires, and fears, is more a king" Milton, *Paradise Regained.* If we, who today rule, do not follow the teachings of history then surely the very weight of what we are about will bring down the house upon our head, and the public having rightly lost respect in the integrity of the institution, will ultimately bring about its change or even its demise.●

By Mr. PRESSLER:

S. 786. A bill to amend title 38, United States Code, to establish a service-connection presumption for certain diseases caused by exposure to herbicides or other environmental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era; to the Committee on Veterans' Affairs.

AGENT ORANGE

● Mr. PRESSLER. Mr. President, today I am introducing legislation which will provide assistance for Vietnam veterans who were exposed to agent orange. This bill names certain specific conditions which will be treated as service-connected illnesses. These conditions are problems which are clearly related to agent orange exposure. I served in the U.S. Army in Vietnam and have many friends who also served there. It is my firmest conviction that some conditions, such as the skin ailment called chloracne, result from exposure to herbicides as the type used in Vietnam.

This legislation would require the VA to treat veterans with chloracne and other conditions clearly caused by such exposure, unless the VA can prove beyond a doubt that such conditions resulted from another cause.

This bill also authorizes the administrator of the VA to add to the list of those conditions which will be treated with a presumption of service-connection. It is my expectation that studies now underway may well reveal that additional problems are related to agent orange exposure. When this happens, this legislation will make treatment automatic for medical problems discovered through the studies.

Mr. President, this legislation is long overdue. In previous sessions, I have introduced measures much like the one I am introducing today. I was gratified to notice that similar legislation was introduced in the House of Representatives this week with 112 cosponsors led by my colleague Congressman DASCHLE. It is my hope that this bill can be acted upon speedily and that the victims of agent orange exposure will finally be afforded the medical care they deserve.●

By Mr. QUAYLE (for himself Mr. TSONGAS, and Mr. CHAFEE):

S. 788. A bill to amend the Agricultural Act of 1949 to reduce the loan rates for the 1983 through 1985 corps of sugarcane and sugar beets; to the Committee on Agriculture, Nutrition, and Forestry.

SUGAR BILL

● Mr. QUAYLE. Mr. President, just 2 years ago the 97th Congress started to put together a comprehensive farm bill to stimulate the American farm economy without endangering the U.S. Treasury and U.S. taxpayers. Balancing such diverse interests is never an easy task, especially when they are dependent on a changing and somewhat volatile world economy. Now, in 1983 it is clear that the farm bill of 1981 has not achieved the major goals for which it was intended: Strong farm income, protection of the U.S. Treasury, balanced management of surplus stocks, and continued competitiveness in world markets.

Already we have been compelled to scale back the milk and tobacco programs in order to discourage excess production and bring production back into balance with worldwide consumption. We are faced now with the need to control production of wheat, feed grains, rice, cotton, honey and other commodities for which our price support programs will cost almost $19 billion this year alone.

Mr. President, at a time in which farm income has declined for several years, it is not easy for us in Congress to contemplate modifications in farm programs. Nonetheless, we must address these problems squarely; we must find ways to bring supply into balance with demand; we must have farmers producing for world markets and not for the U.S. Treasury; and we must bring U.S. farm prices into line with world market prices.

Mr. President, in this context of a need to rethink our basic farm programs, I believe we should reconsider one of the most glaring mistakes of the 1981 farm bill—the sugar program. While it is true that we have avoided direct Federal expenditures on the sugar program, the indirect costs have been—and will continue to be—enormous. The sugar program is costly not only to American consumers, but also to American exporters—including farmers. The highly protectionist sugar import quotas have drawn a wedge between the United States and many Latin American sugar exporting nations, while at the same time contributing to the escalation of the silent trade wars which are undercutting U.S. exporters from corn growers to aerospace manufacturers.

The question I would ask at this time, Mr. President, is why we should continue to burden American consumers and American exporters with a program that protects a very small number of sugar growers? Why should we protect high cost domestic sugar producers when our more competitive wheat and corn and soybean growers are seeing their hard earned foreign markets eroded by protectionist measures? Why should we continue to insulate the domestic sugar industry from world market realities when we are asking our corn, wheat, soybean, tobacco, cotton, rice, honey, and dairy producers to be fully competitive in world markets? Finally, why should we continue to raise the support price for sugar when prices for other commodities are moving in the opposite direction?

Mr. President, there are no easy answers to these questions, apart from an attempt of a few large corporate sugar empires to preserve their markets from the rigors of competition and efficiency that most businesses must—by necessity and by choice—face each and every day. I would suggest, however, that the price being paid by Americans to offer such a privilege to such a few is greatly out of proportion to its presumed benefits.

I have in previous years outlined the costs of the sugar program to the U.S. economy, so I will only give a brief review of some of the most important reasons for modifying this unneeded program. The most obvious and most direct effect of the domestic sugar program is that it raises the cost that all sugar users must pay for sugar and other sweeteners. Despite the self-serving claims of the sugar growers, incontrovertible economic data shows that fluctuations in the price of sugar are passed on to consumers by wholesalers and food processors who use large quantities of sugar. Each 1-cent increase in the price of raw sugar results in an increase in the wholesale price of refined sugar of $257 million, and in retail costs of almost $300 million.

Last year the world price of sugar hovered around 6 to 8 cents per pound, while the price in the United States was kept at about 21 cents to avoid Government purchases of domestic sugar. I will leave another time the question of whether or not the so-called market stabilization price is being kept higher than Congress intended when it set a 16.75 cent loan rate. In any case, the domestic price of sugar exceeded the world price by 13 to 15 cents per pound last year. Even if we admit that the world price may have rebounded by 2 or 3 cents per pound in the absence of U.S. import quotas, we still are left with increased consumer costs of over $3 billion because of this program. When we consider that there are less than 15,000 sugar growers in the United States, this is an extremely high price to pay for protecting a single high cost industry.

The second question that always must be raised when discussing the U.S. sugar program is its impact on overall trading policy. In the past year we have heard an increasing chorus of criticism of unfair trading practices, and the costs to U.S. farmers of such practices on the part of the EEC and others. The problem we face is that our own sugar program is an egregious affront to the free trade practices we are desperately trying to defend because they are in the best interests of U.S. farmers. The eminent agricultural economist Gale Johnson recently submitted testimony to the Senate Budget Committee which made the point that the United States is having a hard time convincing others of the value of free trade simply because we so often violate this principle ourselves. I would like to quote from a paper he submitted to the Budget Committee:

> And it is not possible to argue that the recent return to a sugar program dependent upon high price supports and import quotas is consistent with GATT principles for exceptions to the use of tariffs as the only acceptable instrument for limiting imports. The current program has no significant output control features and imports of sugar are being adversely affected by the high support prices for sugar and the encouragement these high prices give to the increased production and use of high fructose from corn.

In his recent trip to Brazil and other Latin American nations, President Reagan encountered tough questions about our sugar import quotas. While we cannot always accommodate the desires of our friends to take advantage of our markets, we must ask the question if the price of alienating our friends is justified by the benefits of protecting the domestic sugar interests.

There are many other difficult problems for our trading policy raised by the sugar program. Without exploring these in detail, I would simply like to emphasize that, from the perspective of the farm economy, I do not believe it is politically advisable or economically advantageous to endanger our huge agricultural export markets in Europe and Latin America simply to placate domestic sugar growers.

A third issue that was raised last year concerning the sugar program is that it is needed to protect the domestic corn refining industry and, indirectly, domestic corn growers. The allegation has been made that the EEC sugar program will, without high domestic support prices, seriously damage the American corn refining industry and help to lower the price of corn. In the State of Indiana we have over 58,000 farms on which corn is grown. These farmers have suffered declining prices throughout 1981 and 1982, and I for one Senator would not want to worsen their plight.

The real reason for decline in corn prices, however, is the fall in exports of corn and a general oversupply of corn in world markets. In contrast to the decline in exports of corn the domestic corn refining industry has enjoyed increased production in sales for the last 10 years. These increases have continued for the past 2 years. In these circumstances it seems unrealistic to me to attribute the problem of sluggish corn prices to the alleged problems of the corn refining industry. In fact, the corn refining industry has continued to grow at precisely the time that corn prices have fallen so precipitously. Indeed lower corn prices have helped to bolster the sales of corn-based sweeteners. The reality is that corn prices are largely determined by the world supply and demand balance, over which neither the EEC nor the U.S. sugar program has any control.

The more relevant question to ask is: can the domestic corn sweetener industry compete in world sweetener markets? The answer to this, especially since corn prices have been low, is an unqualified yes. The cost of producing corn sweeteners, which compete with refined sugar, will be 16 to 17 cents per pound for the 1983–84 season. On a comparative basis, the price of producing domestic raw sugar cane is 21 to 26 and beet sugar is 24 to 25 cents. World cane sugar production costs range from 11 to 21 cents per pound. When refining, tariff and transportation costs of at least 8 to 9 cents per pound are added into the equation, we can see that there is at least a 3 cent per pound price advantage for corn sweeteners over the world's cheapest refined sugar from Brazil or Africa, and more than a 10 cent per pound over high-cost domestic sugar.

The real problem, if it is a problem, for the corn refiners is not competition from cheap sugar, it is price competition from within the industry due to a temporary glut of refining capacity in the industry. The question we must ask ourselves is whether or not a goal of the sugar program should be defined so broadly as to protect corn refiners from themselves. I for one do not believe the proper role of government is to protect industry from fair competition. I am sure the domestic sugar industry, which in the long run cannot compete with corn refiners without some drastic cost-cutting, would also appreciate this line of reasoning.

One final point to raise concerning the corn refining industry is that, in their complaints about EEC sugar policy, they should, in my opinion, be aware of the possibility of stimulating

a similar attack by the EEC. The EEC, it appears, had made something of a choice to allow imports of American feed grains, while devoting its own attention to sugar and other products. If they did not grow sugar they might grow soybeans or corn, even though they could not compete with lower cost U.S. producers. Since we export most of our corn gluten feed to the EEC, it would be disastrous to the corn refining industry to lose this market.

The point I would make is one raised by Dr. Gale Johnson. He points out that our sugar and alcohol fuels programs constitute a form of subsidy to corn gluten feed production. As Dr. Johnson wrote:

One might ask if anyone in policy positions in the U.S. Department of Agriculture or in the White House or members of the relevant committees of Congress ever asked the question if the substantial indirect subsidies of such grain substitutes endanger the duty free status of this high quality feeding material. It is more than a little curious that we are satisfying two very small special interest groups, namely domestic sugar producers that number no more than 15,000 and only a handful of firms that produce high fructose sugar . . . Moreover, the benefit to corn farmers from the high fructose sugar subsidy and the export of less than 3 million tons of corn gluten feed to the European Community is very small.

The last point I would like to make is that the U.S. sugar program represents an economically inefficient, Government-imposed, redistribution of resources. The average cost of sugar production in the United States is well above the world average. Furthermore, the net benefits of the program to an industry with a relatively small net investment is exaggerated by any index of economic rationality.

If one considers that the net value of refining mills and specialized equipment in the domestic sugar industry is about $1.13 billion, we can see what the true economic costs of the sugar program really are. The incremental cost to consumers of the sugar program last year was roughly $3 billion, a figure which dwarfs the book value of the industry itself. Indeed, Gale Johnson has suggested that it would be a better use of resources simply to buy out the industry in return for eliminating sugar price supports.

We should also remember that the sugar industry is a cyclical one. Growers have traditionally reaped large profits on the up side of the cycle and used those profits to weather the down side. In 1979 and 1980, for instance, prices averaged about 7.8 cents above the variable cost of production in the United States. The U.S. growers thus were able to realize a net gain of some $1.8 billion in those years.

I mention this only to point out the potential for profit, given the relatively small specialized investment in sugar production. For years we have heard the woebegotten tale of desperate sugar growers trying to survive against the vagaries of world competition and commodity cycles. We should always keep in mind the true possibilities for profit, and as a corollary the costs of a Federal support program whose only real purpose is to help them ride out the down years of the sugar cycle.

Mr. President, today Senator TSONGAS, Senator CHAFEE, and I are proposing a modest reduction in the price support level for sugar. Our bill would reduce the support level by 3 cents per pound for the next 3 years.

We anticipate savings to the consumer of roughly $900 million per year from this reduction, for a total 3-year savings of $2.7 billion. Again I would call attention to the relation of such savings to the book value of the investment attributable to domestic sugar production.

Additionally, such a reduction would make it easier, eventually, to remove the import quota now in place to protect the domestic industry. We have to be frank in admitting that the quotas will not be removed unless world sugar prices rebound significantly. However, a reduction in our support price lowers the threshhold for elimination of the quotas by 4.5 cents per pound, since we can use the 50 percent ad valorum tax to support prices in place of quotas. Passage of our bill, then, would simply advance the day when we can remove the import quotas which wreak such havoc with our trading policy and our friendship with sugar-exporting nations.

So, Mr. President, in this time of trade tensions, economic difficulty, and reconsideration of basic farm programs, I urge my colleagues once again to examine the sugar program. I would argue that it is unfair when we are asking for moderation in other farm programs to exempt sugar, especially since the sugar program hinders our ability to promote the export of other farm products. Ultimately, Mr. President, there is no economic or political justification for continuing the high support levels for sugar, and I strongly recommend speedy consideration and passage of this bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 201(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(h)(2)) is amended by striking out "17.5 cents per pound for the 1983 crop, 17.75 cents per pound for the 1984 crop, and 18 cents per pound for the 1985 crop" and inserting in lieu thereof "14.5 cents per pound for the 1983 crop, 14.75 cents per pound for the 1984 crop, and 15 cents per pound for the 1985 crop".●

By Mr. STEVENS:

S. 789. A bill to transfer to the Administrator of General Services all functions under the Federal Program Information Act; to the Committee on Governmental Affairs.

TRANSFER OF FUNCTIONS UNDER THE FEDERAL PROGRAM INFORMATION ACT

Mr. STEVENS. Mr. President, today I am introducing a bill which would transfer from the Director of the Office of Management and Budget to the Administrator of the General Services Administration, his responsibilities under the Federal Program Information Act of 1977.

This act, authored by the distinguished senior Senator from Delaware, provides for the identification and dissemination of information about Federal domestic assistance program. The information collected under this act is made available to the public through a very useful publication known as the Federal Domestic Assistance Catalogue. This catalog is made available to State and local governments as well as the general public. I have found it to be of help in my office as I assist constituents and deal with budgetary matters.

Under the current act, the Director of the Office of Management and Budget is charged with collecting the information, compiling it in the catalog and distributing it. This bill transfers that role to the head of the General Services Administration that the Office of Management and Budget—while no longer formally involved—would continue to monitor the accuracy of the information included in the catalog. By transferring the catalog to GSA, the distribution of it should be improved because of GSA's wider presence nationally.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all functions vested in the Director of the Office of Management and Budget by the Federal Program Information Act, Public Law 95-220, 31 U.S.C. 6101 et seq., are transferred to the Administrator of General Services.

OTHER TRANSFERS

SEC. 2. The Director of the Office of Management and Budget shall transfer such personnel, property, records and unexpended balances of appropriations, and other funds employed, used, held, available or to

be made available in connection with the functions transferred, as he determines are necessary to carry out the purposes of Section 1.

SEC. 3. Section 6105 of title 31, United States Code, is amended to read as follows:

"Sec. 6105. Authorization of Appropriations

"There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act."

By Mr. COCHRAN (for himself, Mr. STEVENS, and Mr. WARNER):

S. 790. A bill to amend the Commodity Credit Corporation Charter Act and section 32 of the act of August 24, 1935, to include fish and fish products within the meaning of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

FISH PRODUCTS AS AGRICULTURAL COMMODITIES

● Mr. COCHRAN. Mr. President, I am today introducing legislation to amend the Commodity Credit Corporation Charter Act and section 32 of the act of August 24, 1935, to include fish and fish products within the meaning of agricultural commodities.

I am pleased that Senators STEVENS and WARNER are joining me as cosponsors.

The purpose of the Commodity Credit Corporation is to: First, support the prices of agricultural commodities through loans, purchases, payments, and other operations; second, make available materials and facilities required in connection with the production and marketing of agricultural commodities; third, procure agricultural commodities for sale to other Government agencies, foreign governments, and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements, fourth, remove and dispose of or aid in the removal or disposition of surplus agricultural commodities, fifth, increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities, sixth, export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities, and seventh, carry out such other operations as the Congress may specifically authorize or provide for.

The purposes of section 32 of the act of August 24, 1935, is to use 30 percent of the funds collected from customs duties to: First, encourage the exportation of agricultural commodities and products thereof by the payment of benefits in connection with the exportation thereof or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of that part of any agricultural commodity required for domestic consumption; second, encourage the domestic consumption of such commodities or products by diverting them, by the payment of benefits or indemnities or by other means, from the normal channels of trade and commerce or by increasing their utilization through benefits, indemnities, donations or by other means, among persons in low income groups as determined by the Secretary of Agriculture; and third, reestablish purchasing power by making payments in connection with the normal production of any agricultural commodity for domestic consumption.

The inclusion of fish and fish products under these programs is logical and long overdue.

The fishing industry and domestic fish production are important elements in our economy. After decades of relatively little growth there are now opportunities for large-scale expansion. Total domestic demand for fish and fish products has been increasing annually, and our competitive advantage has been enhanced by the establishment of Federal management and conservation activities, combined with the potential of fish farming.

As with any expanding industry, there are problems with developing new markets while keeping supply in line so the industry can stay in a sound financial condition.

The United States has registered a trade deficit in fishery products for over 35 years. Import to export ratios ranged from 2.1 to 13.7 since 1945 and were 3 to 1 in 1980. The trade balance for overall fishery products—both edible and industrial products—was $319 million in 1960 and $2.6 billion in 1980. Imported fishery products accounted for 10.5 percent of the U.S. balance-of-payments deficit in 1981.

The United States exports about $1 billion of fishery products each year. Currently the bulk of our exports is frozen whole fish which is destined for processing in the importing country. Almost all of the volume and value of this product goes to three areas: Japan, Canada, and the European Community. There are other vast and virtually untapped markets that can be developed by the industry with the help of market development programs offered by USDA. Based on the available fish, it is estimated that the quantity of product shipped to both developed and developing countries could double within a few years. My bill will provide a vehicle to allow the natural progress of the industry's development.

This bill is a beginning of much-needed Government awareness of the importance of fish as food. By allowing fish and fish products access to these programs, the door is opened to unite fisheries development with agricultural development. The cooperative effort that can be created by this legislation will be instrumental in launching our fisheries industry in its efforts to make up time lost in domestic and international markets.

I urge my colleagues to join me in this effort.●

By Mr. BOSCHWITZ:

S. 791. A bill to amend the Internal Revenue Code of 1954 to delay for 5 years the implementation of withholding on interest and dividends to determine if compliance with respect to the payment of taxes on interest and dividends may be accomplished without a full-scale withholding system, and for other purposes; to the Committee on Finance.

WITHHOLDING ON INTERESTS AND DIVIDENDS

● Mr. BOSCHWITZ. Mr. President, the controversy over the withholding of tax on interest and dividends has become so emotional and so intense that tempers are rising. Those who support withholding are digging in and fighting to keep it. Those who oppose withholding are fighting just as hard to repeal it. At this point, the Congress is at a stalemate, and I am not sure that anyone can win. But I do think that if we do not seek a reasonable alternative, everyone loses—especially the elderly, the small savers, and the vast majority of honest taxpaying citizens. They would lose because the honest taxpayers bear the burden of withholding that allows the Government to collect unpaid taxes from tax evaders.

Despite the controversy, no one disagrees that we need to catch tax evaders and increase the compliance level for declaring interest and dividends as income and collecting taxes on the income. The contention arises over how we do it. I believe the legislation I am introducing today presents a way to acceptably increase compliance to an acceptable level, so that withholding is unnecessary. Under my proposal, withholding will be repealed if compliance reaches an acceptable level.

As every Senator knows, the withholding provisions were enacted as part of the Tax Equity and Fiscal Responsibility Act (TEFRA) last year. But TEFRA also included many other provisions that will increase compliance. For the first time, taxable corporate and Government bonds must be registered so the IRS can identify who receives the interest; the interest must be reported to the IRS; and taxes are withheld on the interest when the bonds are cashed. My proposal keeps these rules but replaces the exemptions in TEFRA with a minimal interest exemption of $200. Thus, when bonds that pay over $200 in interest are cashed, withholding occurs. Aside from this modification, no withholding will be required on savings accounts that pay interest or stock that pays dividends.

Still my legislation strikes at the heart of the issue—compliance. My

proposal provides a 5-year transition period to determine if withholding is necessary to increase compliance. If the complance level for interest does not increase from 89 percent to 95 percent, payors of interest will be required to implement withholding; if the compliance level for dividends does not increase from 82 percent to 91 percent, payors of dividends will be requested to implement withholding. During the transition period, the General Accounting Office (GAO) will conduct a study of the respective compliance levels and a cost/benefit analysis of withholding.

To achieve these acceptable levels, my proposal includes additional compliance measures. First, payors of interest and dividends will be required to use magnetic tape to report interest and dividends to the IRS. The Secretary of the Treasury can delay this requirement for small institutions facing undue hardship.

Second, payors of interest and dividends will have to pay a no-fault penalty of $25 for each incorrect taxpayer identification number reported to the IRS.

Third, payors of interest and dividends will be required to send their customers "official" 1099's that will look like W-2's, instead of including the tax information on year-end statements.

Fourth, individuals will be required to list separately all interest and dividend income on their tax returns. Currently, separate listing is required only if the total interest and dividend income is over $400.

Finally, my proposal addresses the important issue of revenues. During the transition period, a flat tax would be imposed on payors of interest and dividends equal to one-tenth of 1 percent of the interest and dividends paid. The proceeds would be used by the IRS to collect unpaid taxes. The Joint Committee on Taxation estimates that $250 billion in interest and dividends is paid each year, so the flat tax would raise $250 million. This amount represents a 25-percent increase over the IRS request for appropriations of $1 billion in fiscal year 1984 for collections.

Mr. President, withholding has not only generated controversy, it has also raised considerable uncertainty about estimates for revenues and compliance levels. In 1981, the IRS undertook a study that found a 97-percent compliance rate for interest and dividends under certain conditions. In a recent letter to the chairman of the finance committee, the Secretary stated the conditions necessary to achieve such a high level:

(1) The individual files a tax return; (2) the payor files a 1099 information return; and (3) the information return is readable and contains a correct taxpayer identification number.

I believe my proposal will create these conditions and achieve aceptable compliance levels. If it does not, withholding will become effective after the transition period.

I believe we must break the stalemate in a way that is responsive to the public outcry from honest taxpayers, yet responsbile to the legitimate goal of collecting unpaid taxes. I believe my proposal accomplishes these ends and urge my colleagues to give it their serious consideration as a way to resolve the controversy.

I thank the Chair.

Mr. President, I ask that a factsheet on the bill be printed in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

BOSCHWITZ PROPOSAL TO REPLACE WITHHOLDING OF TAX ON INTEREST AND DIVIDENDS

FACTSHEET

Provides a 5-year transition period to determine if withholding is necessary to increase compliance. If the compliance level for interest does not increase from 89 percent to 95 percent, payors of interest will be required to implement withholding; if the compliance level for dividends does not increase from 82 percent to 91 percent, payors of dividends will be required to implement withholding. GAO will conduct a study of the respective compliance levels and cost/benefit analysis of withholding.

Payors of interest and dividends will be required to use magnetic tape to report interest and dividends to the IRS. The Secretary of the Treasury can delay this requirement for small institutions facing undue hardship.

Impose a no-fault penalty on payors of interest and dividends of $25 for each incorrect taxpayer identification number (TIN) reported to the IRS.

Payors of interest and dividends will be required to send their customers "official" 1099's that look like W-2's, instead of including the tax information on year-end statements.

Require individuals to list separately all interest and dividend income on their tax returns. (Currently, separate listing is required only if total interest and dividend income is over $400.)

Retain withholding for transactions where interest or dividends are paid on demand or presentment (i.e. cashing bonds or taxable government obligations).

Impose a flat tax on payors of interest and dividends equal to one-tenth of 1 percent of the interest and dividends paid. The proceeds would be used by the IRS to collect unpaid taxes. The Joint Committee estimates that $250 billion in interest and dividends is paid each year, so the flat tax would raise $250 million. This amount represents a 25-percent increase over the IRS request for appropriations of $1 billion in fiscal year 1984 for collections.●

By Mr. HEFLIN:

S. 792. A bill to amend title 28 of the United States Code regarding jurisdiction in bankruptcy proceedings, and for other purposes; to the Committee on the Judiciary.

BANKRUPTCY COURT ACT OF 1983

Mr. HEFLIN. Mr. President, I rise today to introduce legislation regarding revision of the bankruptcy court system necessitated by the U.S. Supreme Court's decision in Northern Pipeline Construction Co. against Marathon Pipe Line Co.

As my colleagues in the Senate are no doubt aware, the Court ruled that it was unconstitutional for Congress to have assigned the power to decide certain bankruptcy-related cases to Federal judges who do not have life tenure and guarantee against reduction in salary provided in article III of the U.S. Constitution. The Supreme Court stayed its decision until December 24, 1982, to give the lameduck session of the 97th Congress an opportunity to address this problem. Congress did not act.

Basically under my proposal, which is similar to an original recommendation by the Judicial Conference of the United States and legislation introduced in the House by Congressman KASTENMEIER, the bankruptcy courts would continue to operate as adjuncts of the article III district courts in a manner which I believe comports to the actual holding of the Marathon decision.

All matters under title 11 or arising in or related to cases under title 11 would be vested in the district court. The bankruptcy court would exercise all of the jurisdiction conferred upon the district court, except that the district court could recall any case on its own motion or on the motion of a party or the bankruptcy judge. This recall would permit a determination of those matters requiring decision by an article III court and a decision thereon by an article III judge, but provides for the parties to consent to the jurisdiction of the bankruptcy court, if it is in their interest.

This legislation allows the district court to use U.S. magistrates to assist in determining recalled bankruptcy proceedings.

In the interest of the administration of justice, bankruptcy judges are provided with authority granted to U.S. magistrates and may be used for bankruptcy and other judicial functions.

Bankruptcy judges would continue to be appointed by the President with the advice and consent of the Senate. They would serve for 14-year terms, they would be removable only by the judicial council of the circuit for named causes, and they would, of course, have no constitutional guarantee against dimunition of salary. A 14-year term will provide sufficient assurance of extended tenure to attract highly qualified persons without creating another corps of lifetime judges. No judge can be removed except by the judicial council, a body of his fellow judges, for specified causes, pro-

viding sufficient assurance against having one's independence tampered with because of one's decisions.

This structure avoids the built-in rigidity of an all article III system and gives Congress the discretion to restructure the system and make needed improvements and adjustments over the economic cycle.

This proposal allows us to promptly put in place a sound and workable bankruptcy system while avoiding the long delays associated with the nomination process of judges under an article III structure, as well as the enormous expense that system would incur.

I believe that this concept, supported by the American Bar Association, addresses two of the major concerns that have been paramount in our search for a solution to the marathon question: Judicial efficiency and constitutionality.

I urge my colleagues in the Senate to support this legislation which gives the Federal courts the appropriate legislative mechanism to function constitionally within the existing court structure.

I ask that the text of my bill be printed after my remarks.

Thank you, Mr. President.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bankruptcy Court Act of 1983".

SEC. 2. Section 241 of the Act of November 6, 1978 (Public Law 95-598; 92 Stat. 2668), adding chapter 90 of title 28, United States Code, is repealed.

SEC. 3. (a) Title 28, United States Code, is amended by inserting after chapter 89 the following:

"CHAPTER 90—DISTRICT COURTS AND BANKRUPTCY COURT

"Sec.
"1471. Jurisdiction.
"1472. Venue of cases under title 11.
"1473. Venue of proceedings under title 11 and certain other proceedings.
"1474. Venue of cases ancillary to foreign proceedings.
"1475. Change of venue.
"1476. Cure or waiver of defects.
"1477. Jury trials.
"1478. Appeals.

"§ 1471. Jurisdiction

"(a) The district courts shall have original and exclusive jurisdiction of all cases or proceedings under title 11, including any subsidiary proceeding.

"(b) Notwithstanding any Act of Congress that confers exclusive jurisdiction on a court or courts other than the district courts, the district courts shall have original but not exclusive jurisdiction over all related proceedings at law or in equity involving property claimed by the representative of any estate under title 11.

"(c)(1) The bankruptcy court for the district in which a case or proceeding under title 11 is commenced or pending shall exercise all of the authority conferred on the district courts by subsections (a) and (b) of this section. Consent to exercise such authority over issues and practice and procedure, including trial by jury, raised in the pleadings shall be deemed to be granted unless a case or proceeding has been recalled by a district judge on his own motion or on the motion of a party or the bankruptcy judge, and recall shall be granted in—

"(A) any related proceeding upon the motion of any party to such proceeding or upon the motion of the district court or bankruptcy court; and

"(B) any subsidiary proceeding upon the motion of any party to such proceeding or upon the motion of the district court or bankruptcy court where the district court determines that resolution of the proceeding requires consideration of both title 11 and other laws of the United States.

A case or proceeding so recalled shall be determined by the district court which may, in the discretion of such court, determine the entire case. In any case or proceeding before the district court pursuant to this section the district court may—

"(i) designate any bankruptcy judge within the district to serve as a special master to hear such case or proceeding and to make findings and recommendations pursuant to the Federal Rules of Civil Procedure, or

"(ii) refer such case or proceeding to a United States magistrate in accordance with the provisions of section 636 of this title as applicable to civil proceedings generally or to a bankruptcy judge in accordance with section 161 of this title.

Notwithstanding Rule 53(e)(2) of the Federal Rules of Civil Procedure or section 636 (b) of this title, the district court shall accept the findings and recommendations of the special master and the magistrate when they are supported by substantial evidence unless the court, in the designation of the special master or the referral to the magistrate orders otherwise.

"(2) For purposes of paragraph (1) of this subsection a party to such an action must file, in the first pleading, such motion for the recall of a case before the bankruptcy judge.

"(d) The bankruptcy court in which a case under title 11 is commenced or pending may exercise jurisdiction over all property, wherever located, of the debtor or the estate as of the commencement of such case.

"(e) As used in this section—

"(1) 'case under title 11' means a case commenced under title 11;

"(2) 'subsidiary proceeding' means a proceeding which is based on a claim under a provision of title 11 and which could not have been brought by any person in the absence of the commencement of a case under title 11; and

"(3) 'related proceeding' means a proceeding based on a claim under State law or a statute of the United States other than title 11, which is necessary to the determination of a claim described in paragraph (2) of this subsection.

"§ 1472. Venue of cases under title 11

"Except as provided in section 1474 of this title, a case under title 11 may be commenced in the district court for a district—

"(1) in which the domicile, residence, principal place of business, in the United States, or principal assets, in the United States, of the person or entity that is the subject of such case have been located for the 180 days immediately preceding such commencement, or for a longer portion of such 180-day period than the domicile, residence, principal place of business, in the United States, or principal assets, in the United States, of such person were located in any other district; or

"(2) in which there is pending a case under title 11 concerning such person's affiliate, general partner, or partnership.

"§ 1473. Venue of proceedings under title 11 and certain other proceedings

"(a) Except as provided in subsection (b) of this section, a proceeding under title 11 may be commenced in the district court in which the case under title 11 pertaining to the same debtor or estate is pending.

"(b) A representative of an estate under title 11 may commence a proceeding under title 11 to recover a money judgment of, or property worth, less than $1,000 or a consumer debt of less than $5,000, only in the district court for the district in which the defendant resides.

"(c) A proceeding at law or in equity, other than a case or proceeding under title 11, involving property claimed by the representative of an estate under title 11 may be commenced as otherwise provided by law.

"§ 1474. Venue of cases ancillary to foreign proceedings

"(a) A case under section 304 of title 11 to enjoin the commencement or continuation of an action or proceeding in a State or Federal court, or the enforcement of a judgment, may be commenced only in the district court for the district where the State or Federal court sits in which is pending the action or proceeding against which the injunction is sought.

"(b) A case under section 304 of title 11 to enjoin the enforcement of a lien against property, or to require turnover of property of an estate, may be commenced only in the district court for the district in which such property is found.

"(c) A case under section 304 of title 11, other than a case specified in subsection (a) or (b) of this section, may be commenced only in the district court for the district in which is located the principal assets in the United States, of the estate that is the subject of such case.

"§ 1475. Change of venue

"A district court may transfer a case or proceeding under title 11 to a district court for another district, in the interest of justice and for the convenience of the parties.

"§ 1476. Cure or waiver of defects

"(a) The district court of a district in which is filed a case or proceeding laying venue in the wrong division or district may, in the interest of justice and for the convenience of the parties, retain such case or proceeding, or may transfer, under section 1475 of this title, such case or proceeding to any other district or division.

"(b) Nothing in this chapter shall impair the jurisdiction of a district court of any matter involving a party who does not interpose timely and sufficient objection to the venue.

"§ 1477. Jury trials

"(a) Except as provided in subsection (b) of this section, this chapter and title 11 do not affect any right to trial by jury.

"(b) The district court may order the issues arising under section 303 of title 11 to be tried without a jury.

"§ 1478. Appeals

"(a) Panels designated under section 160(a) of this title shall have jurisdiction of appeals from all final judgments, orders, and decrees of bankruptcy courts.

"(b) Panels designated under section 160(a) of this title shall have jurisdiction of appeals from interlocutory judgments, orders, and decrees of bankruptcy courts, but only by leave of the panel to which the appeal is taken.".

(b) The table of chapters of part IV of title 28, United States Code, is amended by inserting after the item relating to chapter 89 the following:

"90. District Courts and Bankruptcy Courts ..... 1471".

SEC. 4. (a) Title 28, United States Code, is amended by adding the following new sections at the end of chapter 6 added by section 201 of the Act of November 6, 1978, (Public Law 95-598; 92 Stat. 2549):

"§ 161. Jurisdiction, Powers, and Assignment of Bankruptcy Judges

"(a) In addition to the jurisdiction and powers conferred upon bankruptcy judges, all bankruptcy judges in regular active service shall have all of the jurisdiction and powers conferred upon United States magistrates pursuant to section 636 of this title.

"(b) Any bankruptcy judge in regular active service may be designated to serve as a United States magistrate as provided in chapter 43 of this title. Such designation shall be made by the chief judge of the judicial district in which such judge serves.

"§ 162. Promulgation of Rules

"(a) The chief judge of each district court shall be responsible for the expeditious determination of all cases and proceedings under title 11, including all subsidiary and related proceedings which are before such court and shall designate at least one district court judge whose primary responsibility shall be matters involving bankruptcy, including subsidiary and related proceedings, and such other district court judges as may be necessary to carry out the provisions of this Act.

"(b) Each district court may promulgate local rules or orders to carry out the provisions of this chapter including rules or orders providing for the maintenance of a special bankruptcy calendar.".

(b) The table of sections for chapter 6 of title 28, United States Code, added by section 201 of the Act of November 6, 1978 (Public Law 95-598; 92 Stat. 2549) is amended by inserting at the end thereof the following new items:

"161. Jurisdiction, powers, and assignment of bankruptcy judges.

"162. Promulgation of rules.".

SEC. 5. Section 333(d) of title 28, United States Code, is amended by adding at the end thereof the following:

"(4) The council may make necessary and appropriate orders for the effective and expeditious administration of justice in the district courts and bankruptcy courts regarding the powers such courts shall have in cases or proceedings under title 11, including the power such courts shall have as courts of equity, law, and admiralty. Each such court, and all officers and employees of such courts, shall promptly carry into effect all orders of the council.".

SEC. 6. Section 405(b) of the Act of November 6, 1978 (Public Law 95-598; 92 Stat. 2549) is amended by—

(1) striking out "241,"; and

(2) inserting after "Act" the first place it appears the following: "and the Bankruptcy Court Act of 1983".

SEC. 7. This Act and the amendments made by this Act shall become effective upon the date of enactment.

By Mr. HEFLIN:

S. 793. A bill for the relief of Elinor Dean Jones; to the Committee on the Judiciary.

ELINOR DEAN JONES

Mr. HEFLIN. Mr. President, I rise to reintroduce legislation for the relief of Elinor Dean Jones.

Mrs. Jones is the wife of Col. David D. Jones, U.S. Air Force. Nine years ago, Mrs. Jones was riding in a vehicle which was involved in a collision on Eglin Air Force Base. As a passenger in the car, she suffered two broken legs, a cerebral concussion and other injuries.

According to the accident report, the driver of the other car had just left the Eglin NCO Club and was intoxicated. Due to fears for her husband's successful military career, Mrs. Jones did not sue at the time.

This bill provides a waiver of the statute of limitations in the U.S. Court of Claims so Mrs. Jones can file suit against the NCO Club and its personnel. I hope that this legislation will be favorably considered during the 98th Congress.

Thank you, Mr. President.

By Mr. HEFLIN:

S. 794. A bill for the relief of Edwina Carol Baxter; to the Committee on the Judiciary.

EDWINA CAROL BAXTER

Mr. HEFLIN. Mr. President, I submit to you today a bill for the relief of Mrs. Edwina Carol Baxter, a 38-year-old citizen of Great Britain. This bill would grant Mrs. Baxter permanent residence status here in the United States, for due to extraordinary circumstances, Mrs. Baxter is unable to immigrate to this country under the Immigration and Nationality Act of 1952.

Edwina Baxter is the daughter of Mr. Edward Jenkins, citizen of the United States and currently president of his own construction company in Florence, Ala. Mr. Jenkins, while serving in England from 1942-44 during the Second World War, lived for about 18 months with Ethel Florence Medloch, Mrs. Baxter's mother. Three months following Mr. Jenkins' rotation back to the United States, on December 26, 1944, Ms. Medloch gave birth to Mr. Jenkins' daughter, Edwina Carol. The problem that has arisen for Mrs. Baxter is due to the absence of Edward Jenkins' name from Edwina's birth certificate. Due to this omission, immigration laws do not recognize Mr. Jenkins as Mrs. Baxter's father, and therefore she is unable to obtain a "fourth preference" immigrant visa.

After several attempts by Mrs. Baxter and her family to obtain from the British Government an amended birth certificate or a decree acknowledging her legitimacy retroactively, she has sought our assistance in allowing her to immigrate to the United States. The bill I am proposing would most equitably resolve Mrs. Baxter's situation, as well as that of her father, Mr. Jenkins, who wishes to employ Mrs. Baxter's husband to assist him in his construction firm. Mr. President, I ask that this bill receive immediate attention in order that Edwina Baxter and her family may be promptly advised of their immigration status.

Thank you, Mr. President.

By Mr. HEFLIN:

S. 795. A bill for the relief of Edwin L. McCulloch; to the Committee on the Judiciary.

EDWIN L. M'CULLOCH

Mr. HEFLIN. Mr. President, I rise today to introduce legislation providing for the relief of Edwin McCulloch.

In 1977, while Edwin was stationed at an Air Force base in Germany, he was given an injection of iodine by an Air Force medic. The iodine was administered despite a clear notice on his medical chart indicating that the patient was allergic to iodine. Mr. McCulloch also kept a medical alert card with him at all times. As a result of negligent administration of iodine, Edwin is suffering a progressively degenerative spinal condition. At this point he is permanently disabled and complete paralysis may result. Because Edwin was on active duty while he was injected with the iodine, he cannot bring a negligence action for injuries suffered.

This private relief bill authorizes the Court of Claims to pay $900,000 in damages to Edwin McCulloch for his injuries. This legislation would allow Mr. McCulloch to have his grievances addressed. Although this man was on active duty, his injuries were not service-related, but were caused by a strictly negligent and inexcusable action on the part of medical personnel. It is my hope that Congress will sympathize with his situation and address this legislation without further delay.

By Mr. HEFLIN:

S. 796. A bill for the relief of Bassam S. Belmany; to the Committee on the Judiciary.

BASSAM S. BELMANY

Mr. HEFLIN. Mr. President, I rise to introduce a bill for the private relief of Bassam Shaheen Belmany who is the nephew of J. Robert Belmany, an honorable and worthy citizen of this country and resident of Mobile, Ala. This bill would provide Bassam with permanent resident status in the United States.

Bassam now resides in Mobile with his uncle. He came into this country from Lebanon, on a student visa. An excellent student, he attends Springhill College where he was awarded a substantial academic scholarship. He has an exemplary academic record, and intends to go to dental school. His college advisers believe that he has a promising career before him and will be a talented dentist. Indeed, Alabama could well use his talents.

As you all well know, the situation in Lebanon today is unstable and in fact, dangerous. But this situation is particularly threatening to Bassam. His religion makes him especially vulnerable. Bassam is a member of the Deruz faith, a religious sect which is currently persecuted in Lebanon. Bassam's home village had been sealed off by the Christian Militia, and it is unlikely that he could ever return there, never mind survive.

In short, Bassam Belmany's situation presents extraordinary circumstances which need to be addressed by the passage of this legislation. He has the potential to make an enormous contribution to this country through his profession. He is completely supported by his uncle and will never present a burden to our taxpayers. He has shown initiative and drive through obtaining an academic scholarship to support his education. He cannot return to Lebanon, given the certainty that he will suffer religious persecution. I urge the Congress for favorable passage of this legislation.

Thank you, Mr. President.

By Mr. HEFLIN:

S. 797. A bill for the relief of Mohammad Zaheer, his wife, Imbiaz Zaheer, and his sons, Eram Zaheer and Asim Zaheer; to the Committee on the Judiciary.

MOHAMMAD ZAHEER AND FAMILY

Mr. HEFLIN. Mr. President, I am introducing today a bill for the relief of Mohammed Zaheer and his family. The bill would provide permanent residency status for Zaheer, his wife, and his two sons.

Zaheer, a professor of economics, had recently obtained labor certification from the department and was eligible for a visa based on third preference status. But because of some confusion regarding his initial employment in 1977 at Albertus Magnus College in Connecticut, the INS has sent notice that Zaheer must depart the United States and reenter through a U.S. consulate for processing.

As it stands, Zaheer would be required to return to his native country of Pakistan for reentry. This would not only entail much expense but would also interrupt his employment as a professor at the University of Connecticut, where he is currently teaching a semester of economics.

Zaheer is currently working with the U.S. consulate office in Canada and the INS to arrange for an alternate reentry from Canada into the United States. I am introducing this bill with the hope and intention that the INS will stay his departure order, effective February 1 of this year. I would also reaffirm the integrity, ability, and character of both Zaheer and the members of his family. I emphasize my belief in the equities of their case, and my conviction that they will be fine contributing citizens.

Thank you, Mr. President.

By Mr. HEFLIN:

S. 798. A bill for the relief of Grietje Rhea Pietens Beumer, Johan Christian Beumer, Cindy Larissa Beumer, and Cedric Grant Beumer; to the Committee on the Judiciary.

GRIETJE RHEA PIETENS BEUMER

Mr. HEFLIN. Mr. President, I rise today to introduce a bill for the relief of Grietje Rhea Pietens Beumer and her three children. This bill, previously submitted to the 97th Congress as S. 1470, would grant the status of permanent residence in the United States to Mrs. Beumer and her children, Johan Christian, Cindy Larissa, and Cedric Grant.

On April 26, 1980, Mrs. Beumer, a 41-year-old native and citizen of Holland, was admitted as a visitor to the United States from Canada, along with her three children, now ages 18, 16, and 14. The four traveled to Montgomery, Ala., to join Johan Christian Beumer, Rhea Beumer's husband at the time and the beneficiary of a third preference visa petition. In July 1980, in Atlanta, Ga., the entire family applied for adjustment of status to that of permanent residence.

Shortly thereafter, however, Johan Beumer obtained a divorce from his wife of 17 years, leaving her with the children in Montgomery, Ala., while he returned to Canada. Mrs. Beumer then reapplied for an independent immigrant visa status, but following several letters and a 150-mile drive back to Atlanta, Rhea received notification on July 19, 1981, that deportation proceedings would be brought against both herself and her children unless they left the United States that same day.

It should be realized that Rhea Beumer is currently employed full-time and has had a work permit since her arrival and original application for permanent resident status on July 23, 1980. Mrs. Beumer has invested in a home in Montgomery for herself and her children, on which she is making monthly mortgage payments. Her younger two children are enrolled in the Alabama public school system, from which the eldest graduated in June 1982. These four individuals are far from being a burden to their community, in which they are a self-supporting, law-abiding, well-adjusted family. Thus, equity would best be served in this extraordinary case if the relief of permanent residence status was granted the Beumers.

As I stated earlier, this bill was previously submitted in the 97th Congress and was favorably reported out of the Senate Committee on the Judiciary and was passed as amended by a full Senate voice vote on October 1, 1982. The bill was then sent to the House Judiciary Committee, which was unable to consider this bill before the termination of the 97th Congress.

Mr. President, it is clear that this bill should receive prompt attention, as Mrs. Beumer and her children await our decision regarding their residence status and their life in the United States.

Thank you, Mr. President.

By Mr. HEFLIN:

S. 799. A bill for the relief of Henry Ford Harrison; to the Committee on the Judiciary.

HENRY FORD HARRISON

Mr. HEFLIN. Mr. President, I rise today to present a bill for the relief of Henry Ford Harrison.

During the Second World War, Mr. Harrison served as a pharmacists mate aboard the U.S.S. *Haven*, a Navy hospital ship. About a month after the atomic explosion at Nagasaki, he was sent ashore to help set up an evacuation center for POW's. Mr. Harrison was stationed near the center of the atomic blast area, and his principal duties were to spray the prisoners of war with DDT. Over a 2-week period, Mr. Harrison sprayed 9,000 to 10,000 men. For his service, Mr. Harrison was honorably discharged.

Less than a year after his service ended Mr. Harrison developed lung cancer and bronchial asthma. He suffered headaches, fever, seizures, and impaired vision. In addition, Mr. Harrison has suffered loss of both his hair and teeth.

Henry Ford Harrison then filed a claim with the Veterans' Administration Appeals Board, but the Board refused to consider relief on the grounds that no claim was made within 12 months of the experience at Nagasaki.

Henry Ford Harrison's suffering has been great. The facts of his case show a strong link between his military service and his cancerous and asthmatic condition. His only hope for relief is in private legislation. This bill will hold that Mr. Harrison's disability is service connected. I urge you to give Mr. Harrison's situation your consideration and to favorably and promptly pass this legislation.

Thank you, Mr. President.

By Mr. STEVENS (for himself, Mr. PACKWOOD, Mr. MURKOWSKI, and Mr. GORTON).

S. 800. A bill to establish an ocean and coastal development impact assistance fund and to require the Secretary of Commerce to provide to State national ocean and coastal development and assistance block grants from moneys in the fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

OUTER CONTINENTAL SHELF REVENUE SHARING BILL

Mr. STEVENS. Mr. President, I am introducing a bill today which I believe to be of prime importance to our Nation's future domestic energy supply, and precious ocean and coastal resources. Outer Continental Shelf revenue sharing legislation will invest a small portion of our Outer Continental Shelf revenue receipts in coastal States. This will enable them to be full partners in the orderly and expeditious development of our potentially vast OCS energy reserves. It will also enable this and other coastal development to occur in a manner compatible with all coastal resources and uses.

The need to increase our utilization of the OCS is becoming increasing obvious. The bountiful resource of the ocean can be developed with regard to the capabilities of our coastal areas to support renewable and nonrenewable resource development if we take the proper steps now.

Besides the contribution the OCS can play in domestic energy supplies, there are other resource considerations. Full harvesting of our fisheries within the 200-mile limit, the use of our ports to increase exports of coals, timber, and other domestic products, population shifts, tourism, and recreational demands reenforce the need for a coordinated and comprehensive approach to balanced decisionmaking and long-range resource reliability in the OCS and the coastal areas. Along with a renewed emphasis on the OCS should come an elevated sense of responsibility requiring that we shepherd multiple use of the region carefully to guarantee productivity with consideration for all resource values of our coastal regions.

For years, the Congress has fashioned a series of policies and enacted a number of programs to address the concerns generated by the multiple use concept on our Nation's coast. Wisely, Congress saw that State governments, guided by national policy, and in close cooperation with local governments, were the proper stewards and managers of the public trust in this area. Fisheries research and management, sea grant education, port development, coastal management, energy impact mitigation, as well as general infrastructure development have all been federally established and financed but administered by the States according to each State's needs and priorities.

However, budgetary constraints now threaten the State-Federal partnership in its present form. With the spirit of New Federalism, the State governments are being asked to assume a greater portion of national responsibilities. I believe the benefits of resource development must be shared along with assumed responsibilities.

It would be irresponsible to assume that the concerns which spawn the need and desire for a State-Federal ocean and coastal partnership will disappear as Federal funding is reduced or terminated in many program areas. Through this legislation, I believe we can institutionalize the partnership in the same way the Federal Government has seen fit to do in all other cases of important Federal development which impact State and local governments. The Mineral Leasing Act, the Taylor Grazing Act, the National Forest Revenue Act, and the payment in lieu of taxes program are but a few of the programs where the Federal Government has chosen to share its resource revenues among the States.

The Outer Continental Shelf Revenue Sharing Act is an ideal addition to this list. OCS revenue sharing would compensate the States for the impacts of federally-initiated development. It is only with regard to OCS oil and gas development that the Federal Government has yet to acknowledge that States need and deserve financial support to evaluate and cope with the effects of offshore development.

Were it not for the feared budget implications, I believe OCS revenue sharing would appear to virtually any objective observer as a prime opportunity to refine the State-Federal relationship to the benefit of all parties.

This legislation is similar to what I introduced last year with 16 cosponsors. Among its most pertinent provisions, the bill provides: First, insured source of funding; second, allocation of funds based on contribution to oil and gas leasing and production; third, recognition of other elements that determine coastal impact; fourth, funds to be oriented to OCS and coastal development research, education and planning problems; fifth, flexibility for States and local governments to distribute funds according to their unique needs; sixth, pass-through of funds to local governments; and seventh, recognition of the national nature of the OCS by distributing minimum funding to all coastal States and territories.

By improving fiscal incentives to States from OCS development, by insuring that all States have adequate financial support to continue their efforts in the partnership, this bill would make a positive contribution to development of the OCS.

Regarding the fiscal implications of this legislation, the Outer Continental Shelf revenue sharing bill has been designed so that our Nation's OCS and coastal areas are utilized, which should increase our overall revenues from the Secretary of Interior's 5-year and longer term plans. We will neither neglect nor unduly emphasize any one of the varied resources contained in this region. Oil and gas revenues will pay for this very worthy objective.

A very modest amount of the revenues, in contrast to the whole, is required. We ask for 5 percent of the entire fund to be shared with the States. This will improve oil and gas development and enhance our Nation's energy policy while reducing the conflict between the States and the Federal Government. In order for the Federal Government to launch a more unified OCS leasing program, I am absolutely certain that there is no better way than the approach represented by this legislation to resolve the competing and conflicting demands.

In summation, I believe this legislation could represent a showcase for Federal/State cooperation. It involves long-term fiscal prudence, balanced decisionmaking, and certainly new federalism. I am confident that if the funds are shared according to the precepts of this legislation, OCS receipts to the Treasury will indeed be increased. Moreover, the friction among the sovereign States and local governments will be preserved.

● Mr. PACKWOOD. Mr. President, it is my pleasure to join my distinguished colleague from Alaska in sponsoring the Ocean and Coastal Resources Management and Development Block Grant Act.

Senator STEVEN'S bill properly recognizes that it is the coastal States which will have to accommodate the development of the oil and gas resources in our Outer Continental Shelf and whose economies must anticipate the day when those nonrenewable natural resources will no longer be a source of employment and development.

It is the intention of those of us who have joined Senator STEVENS that a small portion of the revenues which the Federal Government receives for leasing and production of OCS gas and oil should be equitably distributed to the coastal States. A formula has been carefully developed which both recognizes the special needs of those States which will be directly impacted in this development and the common needs of all coastal States.

I am especially pleased to note the provision for the National Coastal Resources Research and Development Institute. This provision will assure that there is a center of research dedicated to problems which are common to and characteristic of the coastal States. I am particularly honored to note that the National Institute will be located

in the State of Oregon. The bill also has the foresight to provide for future satellite research centers once the need is established.

I urge all of my colleagues to join in the passage of this timely and carefully considered legislation.●

● Mr. MURKOWSKI. Mr. President, today I rise to cosponsor legislation to establish an ocean and coastal development impact assistance fund.

The concept of Outer Continental Shelf (OCS) oil and gas revenue sharing with the States is not new; it has been discussed for a number of years in Congress. What is new is the need and importance of this proposal to coastal States. Our dependence on unreliable sources of foreign oil has led us to accelerate the development of our OCS. At the same time, budgetary cutbacks necessitated by the realities of the Federal budget deficit have placed many worthwhile coastal development programs in jeopardy. As we increase our utilization of the OCS in both the development of renewable and nonrenewable resources, it becomes imperative that funding for these programs continue. Furthermore, with increased development of the OCS, we can expect additional impact on the OCS and adjacent coasts, thus the importance of the presence of existing programs to mitigate undesirable impacts and promote continued growth in productive areas.

The approach taken in this bill is similar to an investment in the sense that a small portion of current revenues are invested in areas needed to solve existing problems and prepare for the future. It would help to insure timely and responsible development of all OCS resources and would result in a productive and cooperative State/Federal relationship.

According to the Department of the Interior, some 34 percent of the undiscovered oil and 28 percent of the undiscovered gas in the United States lies beneath the OCS. Under the Department of the Interior's 5-year OCS leasing schedule, close to 1 billion acres divided into 41 lease sales will be offered from the OCS. The bill we are discussing today will be instrumental in assisting in OCS development by preparing for impact, not reacting to it. It can help remove obstacles to development and assure that challenges to balanced and reasonable growth are met. The end effect of this investment can only be a more productive OCS.

Two other areas that deserve brief mention are the concepts of federalism and equity. Obviously the bill embodies several aspects of federalism, or rather a State/Federal partnership. It combines Federal policy and fiscal support with State and local management and programmatic control. Responsiveness and responsibility will be heightened at the State and local level in conjunction with the determination of State priorities at a State's discretion, yet all within broad guidelines as outlined under Federal policy. It insures that all States will have sufficient resources to accomplish national goals with respect to coastal development.

The issue of equity is also addressed in the bill by providing for revenue sharing similar to other Federal revenue sharing programs, such as the Mineral Leasing Act of 1920. The Mineral Leasing Act shares approximately half of all Federal revenues derived from resource development on Federal lands with States. These funds are used to mitigate impacts from development within a State's borders. Although the percentage amounts share under this bill are much less than the Mineral Leasing Act, the intent is the same, since OCS development does have a direct coastal and onshore impact on nearby States.

I look forward to working with all concerned parties to produce and enact a balanced, well-conceived bill this legislative session.●

● Mr. GORTON. Mr. President, I am pleased to join in cosponsoring this revenue sharing legislation for revenues generated by Outer Continental Shelf oil and gas leasing. Although the concept of revenue sharing is not new, the logic of applying the concept to Outer Continental Shelf oil and gas revenues is increasingly apparent. As we introduce this legislation, coastal States are trying to fund many important programs from other than Federal sources. At the same time the Department of the Interior is proceeding with a greatly accelerated 5-year oil and gas leasing program. The pressures on coastal communities and the need for locating a source of funding that would not burden the Federal budget or the taxpayer have never been greater.

I am pleased to be a part of this effort to insure continued funding for important ocean and coastal development and to achieve equity for coastal States in long-term compensation for the effects of federally generated resource exploration and development. The State of Washington, the first State with an approved coastal zone management program, has a deep and longstanding interest in the programs which will receive funding under this program. The coastal zone management program, the sea grant program, and commercial fisheries research and development, are all programs which significantly contribute to the quality of life and to the economy of Washington. I invite the support of my colleagues for this legislation.●

ADDITIONAL COSPONSORS

S. 113

At the request of Mr. ABDNOR, the names of the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 113, a bill to amend the Internal Revenue Code of 1954 to repeal the highway use tax on heavy trucks and to increase the tax on diesel fuel used in heavy trucks.

S. 117

At the request of Mr. CHILES, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 117, a bill to improve the effectiveness and efficiency of Federal law enforcement efforts.

S. 346

At the request of Mr. DODD, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 346, a bill to amend the Solid Waste Disposal Act to assure protection of public health and environmental safety in the Environmental Protection Agency's regulations for the delisting of hazardous wastes, and to require the Environmental Protection Agency to establish a timetable for adding additional hazardous wastes to those regulated under such act.

S. 415

At the request of Mr. EAGLETON, the name of the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 415, a bill to allow the adjudication of claims against the United States for damages from the activities of the Army Corps of Engineers at the Clarence Cannon Dam project on the Salt River in the State of Missouri.

S. 497

At the request of Mr. HUMPHREY, the names of the Senator from Vermont (Mr. STAFFORD) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 497, a bill to amend title 39 of the United States Code to provide that drug abuse oriented advertisements and shipments of drugs in response to drug abuse oriented advertisements shall be nonmailable matter.

S. 503

At the request of Mr. HUMPHREY, the names of the Senator from Vermont (Mr. STAFFORD) and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 503, a bill to make it unlawful to manufacture, distribute, or possess with intent to distribute, a drug which is an imitation of a controlled substance or a drug which purports to act like a controlled substance.

S. 563

At the request of Mr. CHILES, the name of the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 563, a bill to reform the laws relating to former Presidents.

S. 735

At the request of Mr. LONG, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cospon-

sor of S. 735, a bill to provide a special antirecession increase in fiscal year 1983 allotments under the State and Local Fiscal Assistance Act to aid local units of government in providing for increased employment opportunities.

SENATE JOINT RESOLUTION 31

At the request of Mr. THURMOND, the names of the Senator from North Dakota (Mr. BURDICK), the Senator from Maryland (Mr. SARBANES), the Senator from Delaware (Mr. BIDEN), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of Senate Joint Resolution 31, a joint resolution to authorize and request the President to designate April 23, 1983, as "Army Reserve Day."

SENATE JOINT RESOLUTION 49

At the request of Mr. PERCY, the names of the Senator from Michigan (Mr. RIEGLE), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of Senate Joint Resolution 49, a joint resolution to authorize and request the President to proclaim the week of April 10–16, 1983, as "A Week of Remembrance for the 40th Anniversary of the Warsaw Ghetto Uprising."

SENATE JOINT RESOLUTION 51

At the request of Mr. MOYNIHAN, the names of the Senator from Minnesota (Mr. DURENBERGER), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. RIEGLE), and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate Joint Resolution 51, a joint resolution designating May 21, 1983, as "Andrei Sakharov Day."

SENATE JOINT RESOLUTION 57

At the request of Mr. CHILES, the names of the Senator from Arizona (Mr. DECONCINI), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Joint Resolution 57, a joint resolution to designate the week of April 3, 1983, through April 9, 1983, as "National Drug Abuse Education Week."

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. BOSCHWITZ, the names of the Senator from Vermont (Mr. STAFFORD), the Senator from Texas (Mr. BENTSEN), the Senator from Washington (Mr. JACKSON), the Senator from California (Mr. CRANSTON), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Concurrent Resolution 6, a concurrent resolution expressing the sense of the Congress that the Federal Government should maintain current efforts in Federal nutrition programs to prevent increases in domestic hunger

SENATE RESOLUTION 57

At the request of Mr. DOMENICI, his name was added as a cosponsor of Senate Resolution 57, a resolution expressing the sense of the Senate that the Government of the United States and the Government of the Union of Soviet Socialist Republics should adhere to the principle of a mutual guaranteed build down of nuclear forces.

AMENDMENT NO. 489

At the request of Mr. FORD, the names of the Senator from Nebraska (Mr. ZORINSKY) the Senator from Minnesota (Mr. DURENBERGER), and the Senator from West Virginia (Mr. BYRD) were added as cosponsors of amendment No. 489 proposed to H.R. 1718, a bill making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

UP AMENDMENT NO. 31

At the request of Mr. ANDREWS, the name of the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of UP amendment No. 31 proposed to H.R. 1718, a bill making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

SENATE CONCURRENT RESOLUTION 17—RECOGNIZING IRISH PEACE, FREEDOM, AND UNITY DAY

Mr. D'AMATO submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 17

Whereas the United States of America as a pluralist society is deeply conscious of the contributions made by its various ethnic groups; and

Whereas March 17 is the traditional observance of St. Patrick's Day when the contributions of Irish Americans to our society are especially acknowledged and appreciated; and

Whereas the continuing conflict, injustice, and deprivations of human and civil rights in the six counties of Northern Ireland cast a cloud over St. Patrick's Day in 1983; and

Whereas an end to all violence, civilian and official, must be pursued in order for there to be peace in Ireland; and

Whereas a united Ireland achieved through peaceful means should be supported by the United States as being in our best foreign policy interest: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that March 17, 1983, be recognized as Irish Peace, Freedom and Unity Day as an acknowledgment that Ireland, like the United States, should be one nation under God, indivisible, with liberty and justice for all.

● Mr. D'AMATO. Mr. President, as St. Patrick's Day nears, our attention is once again drawn to the conflict and violence which has devastated the six northern provinces of Ireland. The streets of Belfast, Londonderry, and other communities in the region have been stained with the blood of the hundreds of men, women, and children who have lost their lives in the turbulence which has engulfed the North. While violence has sporadically broken out since the division of Ireland in 1921, the brutality has reached unprecedented levels since the late 1960's. This tragic situation has been further complicated by the presence of British troops. As evidenced by violent outbreaks such as "Bloody Sunday of 1972." The seeds of hostility in Ulster are rooted deep in the soil of discrimination. Today, the Catholic minority in Northern Ireland continues to suffer the effects of discrimination in housing, employment, and political representation. Tension has spawned a variety of paramilitary organizations which have, in time, continued the cycle of violence which has included firebombings, vandalism, street clashes, and senseless killings. These acts of violence have clearly frustrated attempts to resolve hostilities in Northern Ireland. Little progress can be expected under these circumstances. Therefore, I would encourage all parties to resolve their differences through peaceful means.

As we look to the future, we are reminded of the unique ties which exist between the United States and Ireland. The Irish have made significant contributions to the growth and development of our Nation. Today, there are more than 43 million Irish-Americans living in the United States. I ask them and all Americans to join with the people of Northern Ireland in prayer for a just resolution of the conflict, injustices, and deprivations of human and civil rights which continue to divide Northern Ireland.●

SENATE RESOLUTION 88—RELATING TO CUTS IN THE LIBRARY PROGRAM

Mr. SARBANES submitted the following resolution; which was referred to the Committee on Labor and Human Resources:

S. RES. 88

Whereas the administration has proposed to eliminate completely funds for library programs in its budget for fiscal year 1984; and

Whereas last year the Congress rejected the administration's proposal to terminate funds for library programs; and

Whereas the funds provided by the Library Services and Construction Act and the Higher Education Act have allowed libraries to serve a unique role in our communities by providing free programs, resources, and information to all in the community, especially to geographical areas and citizens without service; and

Whereas funding library programs is a wise investment for the development of our

human resources, and the termination of this program would result in the termination of innovative programs such as job and career information centers, literacy programs, and adult basic education programs; and

Whereas many citizens, especially during this recession, have increased their use of libraries for self-education, self-training, job information, and career guidance; and

Whereas this termination would result in reduced programs and services provided by fourteen thousand public libraries; curtailed services to over eight million persons in orphanages, hospitals, and institutions; and reduction of programs for elderly and rural citizens; and

Whereas the library has always been an integral part of all that our country embodies: freedom of information, an educated citizenry, and an open and enlightened society; and

Whereas our Nation should continue its commitment to provide the means for our citizens to pursue knowledge and education and should encourage that pursuit:

Resolved, That it is the sense of the Senate that—

(1) the Congress rejects the proposals of the President to eliminate funding for library programs;

(2) the Congress should provide funds to continue our Nation's commitment to our libraries.

● Mr. SARBANES. Mr. President, President Reagan, in his budget for fiscal year 1984, has called for the termination of funding for libraries. He made this same proposal in his budget for last year. It is an unwise proposal which Congress rejected last year and should reject this year as well.

The resolution I am submitting today expresses the sense of the Senate that Federal funding for libraries should be continued, and our Nation should continue its commitment to libraries.

Federal funding for libraries through the Library Services and Construction Act and the Higher Education Act has the objective of extending and improving library services to all citizens and more effectively sharing the library resources. Federal assistance for libraries amounted to about $80 million in fiscal year 1983, essentially the same amount of funding that was appropriated in fiscal year 1982. The President's recommendation for fiscal year 1984 would completely eliminate Federal funding for libraries.

The amount of money provided by the Federal Government represents a small percentage of library budgets, yet this small percentage is extremely significant because it allows and encourages many libraries to provide services to underserved geographical areas and populations. In my own State of Maryland, Federal funds have provided library services to the blind and physically handicapped, persons in hospitals and mental institutions, and residents of rural areas. Additionally, librarians and library staffs have undertaken innovative programs to bring together the residents of the community and the extensive resources of the library.

The library performs a unique and important service in our communities by providing free programs, resources, and information to all citizens in the community. Investment in library programs, resources, and staff is a very wise investment. During this recession, we have witnessed an increase in citizens using the resources of the library for self-education, self-training, job and career information, literacy classes, and adult basic education programs. This use should be encouraged. Many of the programs have been made possible by the programs under the Library Services and Construction Act.

The library has always been an integral part of what our country embodies: Freedom of information, an educated citizenry, and an open and enlightened society. We, in the U.S. Senate, should continue our commitment to provide the means for our citizens to pursue knowledge and education and should strongly encourage that pursuit. I urge my colleagues to support this resolution and oppose the Reagan administration's termination of Federal assistance to libraries.●

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY JOBS APPROPRIATIONS, 1983

AMENDMENT NO. 500

(Ordered to be printed and to lie on the table.)

Mr. QUAYLE submitted an amendment intended to be proposed by him to the bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting on not makework but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

ACCELERATED SPENDING AND FISCAL SAVINGS

Mr. QUAYLE. Mr. President, our emergency jobs bill should provide jobs during the emergency. We cannot do that with money that is spent when the recession is over. While my amendment will increase spending in fiscal year 1983 and fiscal year 1984, it will save on the total cost of the bill by:

Providing that no funds under title I of the Emergency Expenditures Act of fiscal year 1983 may be obligated or expended unless at least 50 percent of the funds will be expended in fiscal year 1983 and fiscal year 1984. (See attachment A, part 1.)

Including a provision to accelerate outlays under the CDBG program.

Adding funds for labor intensive programs that will expand all, or virtually all, of their funds in fiscal year 1983 and fiscal year 1984. (See attachment A, part 2.)

My amendment does not repeal any specific appropriations. It applies to any appropriation that does not meet a spend-out test appropriate to an emergency jobs bill. Further, it is assumed that 25 Percent of the programs that do not meet the spend-out requirement as estimated by CBO, in fact, will be able to accelerate their outlays so as to meet this test.

COST IMPACT OF AMENDMENT

	Fiscal years 1983 and 1984	Fiscal year 1985 and later	All years
Effect of 50 percent outlays requirement (based on CBO estimate)	−$222,000,000	−$428,000,000	−$650,000,000
Estimated net impact of CDBG accelerations	+50,000,000	−50,000,000	
Estimated impact of other accelerations	+50,000,000	−50,000,000	
Estimated reduction	−122,000,000	−528,000,000	−650,000,000
Program increases	+180,000,000		+180,000,000
Net effect of amendment	+58,000,000	−528,000,000	−470,000,000

ATTACHMENT A

PART 1—*Possible programs estimated to have slow spend out rates*

[Assumption—25 percent of programs will meet spend out requirement]

Rural water and sewer grants and loans	$125,000,000
FDA—Veterinary medicine laboratories	39,000,000
SBA—Small business guarantee (SBICA, section 503—finance debentures)	2,000,000
Federal prison system (construction and modernization)	60,000,000
Support of U.S. prisoners (expansion, construction, and upgrading of State and local detention facilities)	10,000,000
Bureau of Indian Affairs (construction of high school)	64,450,000
Schools and hospitals weatherization	75,000,000
Removal of architectural barriers in schools	40,000,000
Rehabilitation services (projects with industry—training and placement).	5,000,000
School assistance (construction and renovation to financially distressed local education agencies)	60,000,000
Construction of public libraries	50,000,000
Family housing for air force (construction)	18,089,000

Mass transit grants (urban discretionary funds that have been earmarked for specific projects ($66,000,000) and interstate transfer grants, also earmarked ($6,000,000)	72,000,000
Total	650,823,000
PART 2—*Programs to receive funding increases*	
Maternal and Child Health	$50,000,000
Preventive Health Services	35,000,000
Headstart	15,000,000
Community and Home Health Centers	30,000,000
Summer Youth	50,000,000
Total	180,000,000

AMENDMENT NO. 501

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON (for himself, Mr. HEINZ, Mr. HOLLINGS, Mr. SPECTER, Mr. KENNEDY, Mr. BUMPERS, Mr. RIEGLE, Mr. PACKWOOD, Mr. PROXMIRE, Mr. PERCY, and Mr. DODD) submitted an amendment intended to be proposed by them to the bill H.R. 1718, supra.

AMENDMENT NO. 502

(Ordered to be printed and to lie on the table.)

Mr. MATTINGLY submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 503

(Ordered to be printed and to lie on the table.)

Mr. WILSON submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

ADDITIONAL STATEMENTS

SUPPORT FOR S. 346—THE HAZARDOUS WASTE IDENTIFICATION IMPROVEMENT ACT

● Mr. GLENN. Mr. President, I am pleased to join Senator DODD in cosponsoring S. 346, the Hazardous Waste Identification and Improvement Act. This measure amends the Resource Conservation and Recovery Act to correct serious deficiencies in the indentification of hazardous substances and to prevent their pollution of our environment.

Hazardous waste is an inevitable byproduct of an industrial economy. The production of fuels, synthetic fibers, plastics, fertilizers, pesticides, drugs, and specialty metals all release substances into the environment that, if left uncontrolled, can threaten our health. We recognized that fact 6 years ago when we enacted the Resource Conservation and Recovery Act. The purpose of that bill was "to promote the protection of health and the environment by regulating the treatment, storage, transportation, and disposal of hazardous waste." It directed the EPA to identify, characterize, test, and list all wastes that threaten public health or the environment. Unfortunately, the best intentions of Congress to establish "cradle to grave" guidelines for the treatment and storage of hazardous waste have not been fulfilled.

According to the House Energy and Commerce Committee, the RCRA controls only half of the Hazardous Waste released into our environment. The rest leaks out past regulatory deadlines and through regulatory loopholes. Apparently, EPA has established a "stop and go" policy with regards to hazardous waste control. It has stopped action on the identification of wastes and let go a number of hazardous substances through its so-called "delisting" process.

EPA has not listed any new wastes since July 1980 and has failed to meet its own deadlines for completing evaluations of wastes identified as potentially hazardous. In addition, EPA's delisting process—whereby petitioners seek to exclude from control those substances generated by different processes or receiving different treatments from listed wastes—has released materials which have not been rendered sufficiently nonhazardous or which contain elements not yet listed as hazardous.

Clearly, we must act promptly to end EPA's paralysis in the identification of hazardous wastes and tighten the scrutiny of petitions requesting that other wastes be delisted.

Mr. President, there is a popular TV commercial that has as its message: "You can pay me now or you can pay me later." That is exactly the message we should consider today. If we do not improve the identification of hazardous wastes now, we are going to have to pay later for the messes they create. We have already seen the consequences of paying later—at Love Canal, where health problems and neighborhood evacuations brought costly legal damages and unnecessary personal tragedies; and at Times Beach, Mo., where dioxin-laced waste oil was legally used for dust control with costs and consequences impossible to quantify.

It is extremely shortsighted to think that hazardous wastes we fail to control now can be taken care of later. We are only now beginning to experience the results of our failure in previous years to monitor and control toxic substances. We do not yet know the dimensions of the problems created by previously uncontrolled wastes. We will continue to risk such dangers if we fail to effectively implement policies and procedures for identifying and treating hazardous wastes today. Moreover, by failing to act now, we will be subjecting our children and our grandchildren to unnecessary and possible tragic risks in the future. We must act responsibly and control the hazardous wastes that our lifestyle and our economy create. We must act with vision to anticipate and minimize the problems these wastes pose for future generations. This bill improves the effectiveness of our current hazardous waste control programs and expands our ability to control potentially hazardous wastes that otherwise might go undetected. For these reasons, I urge my colleagues to support S. 346.●

THE PROPOSED NUCLEAR WEAPONS TREATY

● Mr. DOMENICI. Mr. President, my cosponsorship of Senate Resoluton 57 is very basic, very simple. There are too many nuclear warheads in the United States and in the Soviet Union. This is the common perception of the majority of the people of the free world. In those countries where citizens are able to debate and criticize, where news and commentary flow freely, there is a loud clear message to the Government and leaders of these countries—reduce the nuclear threat.

This resolution states that the Senate hopes the President of the United States will be able to sit down and negotiate a nuclear weapons treaty with the Soviet Union. The Senate of the United States further believes that both our Government and the Soviet Union should dismantle two nuclear warheads for each new warhead deployed.

This is back to basics. By deploying new strategic weapons, both countries would reduce literally their nuclear arsenals of thousands—yes, thousands—of warheads.

Without discussing the complicating issues of verifiability and strategic maneuvering, the mutual guaranteed build-down agreement serves as a definitive basic for determining United States and Soviet arms control obligations while a nuclear disarmament treaty is negotiated.

I command my colleagues from Maine and Georgia for developing this resolution. I truly feel that their prominent roles on the Armed Services Committee adds a dimension of perception to this simple straightforward approach.●

THE AGE OF DIVERSITY

● Mr. BIDEN. Mr. President, sometimes in the rush of events and the plethora of reports from around the globe we miss the slower, glacial shifts in the geopolitical landscape. While the daily crises may be important, they may not be as significant as the long-range trends.

One of those little-noticed changes appears to be occurring in the Third World, as evidenced in the current conference of nonalined nations in New Delhi. Instead of the vitriolic

anti-American rhetoric of the past, there appears to be a greater willingness to criticize Soviet actions and policies.

In a penetrating article in the New York Times, Flora Lewis notes that "Soviet-style communism no longer appeals, even to revoluntionaries, whether or not regimes seek Moscow's support against their neighbors."

Miss Lewis also concludes that the United States, with our pluralistic tradition, is better able to cope with this age of diversity.

These are important lessons, Mr. President, so I ask that Miss Lewis' article be printed in the RECORD.

The article follows:

[From the New York Times, Mar. 11, 1983]

AGE OF DIVERSITY (1)

(By Flora Lewis)

NEW DELHI, March 10.—The contrast between the seventh nonaligned summit meeting here and the first, held in Belgrade in 1961, is a better measure of the way the world has evolved than Defense Secretary Caspar Weinberger's estimate of the power balance.

Belgrade was an extraordinary display of larger-than-life characters, one of history's spectaculars. In addition to the founders—Yugoslavia's Tito, Egypt's Nasser, India's Nehru—there were Indonesia's Sukarno, Cyprus's Archbishop Makarios, Ethiopia's Emperor Haile Selassie, Ghana's Nkrumah. Most of the 25 leaders attending wore symbolic costumes to assert national identity and reject Western homogenization.

The one survivor, Cuba's Fidel Castro, stayed away and sent his Foreign Minister as observer, presumably because he wasn't ready so soon after his revolution to line up openly against the U.S.

There was little question then that nonalignment, ostensibly opposed both to Soviet and Western influence, saw in the U.S. the major threat of world dominion. That was the generation of decolonization and "liberation" wars.

Secretary of State John Foster Dulles had proclaimed neutrality between East and West "immoral." Nehru, for one, implicitly agreed and said nonalignment must not be passively neutral but actively opposed to imperialism, intervention, war and the nuclear menace.

He and the others provided a clearer definition when the Soviet leader, Nikita Krushchev, exploded a 50-megaton atom bomb in the atmosphere while the conference was taking place. Fifty megatons is 2,500 times the explosive power of the Hiroshima bomb, and radioactive fallout swirled around the globe.

But the blast provoked no echo from the Belgrade assemblage, only an embarrassed silence. Nehru didn't peep.

Now his daughter, Indira Gandhi, heads the movement. There are 101 members. The Soviet invasion of Afghanistan and Soviet-supported occupation of Cambodia by Vietnam are major, bitterly argued issues. Indian diplomats say a group of about 20 they call "radicals" regularly takes a pro-Soviet line.

But they are only a fifth of the membership, not the most influential, and can only sway but cannot impose views on resolution by consensus. Though he still blames the U.S. for everything wrong in the world, Mr. Castro has stopped trying to sell the Russians as the "natural ally" of the nonaligned.

In fact, one reason for the new trend to moderation is the resentment he provoked by his hard-fisted attempt to capture the movement for Moscow at the Havana summit conference in 1979.

Other reasons go deeper. Soviet-style Communism no longer appeals, even to revolutionaries, whether or not regimes seek Moscow's support against their neighbors. As an Indian critic noted, except for Korea, Vietnam and Afghanistan, the many wars since 1945 have been between third-world countries with deep-rooted feuds and ambitions.

Colonialism has passed into history, though feudalism remains a major problem. The new generation of leaders may still use the old slogans for platform purposes. Their real troubles now are age-old everyday worries of how people make a living.

To make headway, the South needs the industrial North. Recognition has spread that what Indians call the "accuse and demand" approach doesn't get far, less than ever at a time of world recession. Guilt money has dried up. The winning argument that produces billions in credits is mutual benefit, which requires a show of being willing and able to use capital productively.

Even the dream of bludgeoning concessions from industrial haves with raw-material "weapons" wielded in cartels, inspired by OPEC, has evaporated. The collapse of the oil market showed that even if the customer isn't always right, no seller can thrive without him. Third-world status doesn't make competitors any less cut-throat, nor more charitable or virtuous than capitalists.

The world is at least as full of grievances as a generation ago, but they are more diffuse. Rhetoric is losing its power to the tyranny of facts, one reason individuals no longer seem to tower as they did at Belgrade and before.

The nonaligned movement persists, despite all its cross currents, because most of the world still feels threatened by superpower rivalry. But it reflects above all the decay of structure. For all the globe-shrinking effect of modern technology, this is the age of diversity.

That's harder to deal with than the arithmetic of military hardware, or the demonology of credos. Both scoundrels and good intentions abound everywhere. But the U.S., with its pluralistic tradition, is suited to cope if we can see it as more of an opportunity than a threat.

AMERICA'S ECONOMIC FUTURE

● Mr. HATCH. Mr. President, I have recently had an opportunity to read a speech delivered in Houston, Tex., on February 22 by the Chairman of the President's Council of Economic Advisers, Dr. Martin Feldstein.

The points made by Mr. Feldstein in his address at Rice University are relevant to us because of the Documentation they provide on the costs of living in a society with a centrally planned economy. Dr. Feldstein relates the experience of many of the countries in the European Common Market where unemployment has risen in the last 10 years from 2.7 percent in 1972 to a current level of 9.4 percent. As his remarks make clear, the reason for this steady rise in the unemployment rate in the EEC, is the inability of the real wage rate to adjust to changes in the economic environment.

In contrast with the United States, where employment rose by 21 million between 1970 and 1982, EEC employment is actually lower now than it was in the early 1970's.

The driving force behind this unfortunate economic situation in Europe is the automatic wage adjustments which are provided in many of the EEC countries, thus precluding the automatic adjustment which has insured expanded opportunities for employment in the United States. This debacle is the result of the centrally planned economies which dominate the European Community.

In the United States, real wages have grown, but have grown much more slowly in the last 20 years, owing to various real shocks to the economy such as the rapid increase in the price of energy. Nonetheless, this slower growth in the level of real wages has permitted employment to increase in the United States. Thus we have been able to avoid the secular stagnation which has visited European labor markets.

Mr. President, I ask that the full text of Dr. Feldstein's remarks be included in the RECORD at this point.

The text of the remarks follows:

SOME EUROPEAN LESSONS FOR AMERICA'S ECONOMIC FUTURE

(By Martin Feldstein [1])

I am very pleased to be here in Houston and honored by your invitation to deliver this keynote address. I am also very impressed that the organizers of this conference had the foresight last October to title this conference "The U.S. Economy in Transition." Today there is very strong evidence that the U.S. economy is in transition from the long and painful recession to an economic recovery and a sustained period of real growth and moderating inflation.

Recent economic statistics provide a variety of indicators that the level of economic activity began to increase in January after declining for nearly 18 months. Employment rose by 340,000 individuals and the unemployment rate declined. Industrial production increased by a strong 0.9 percent and housing starts surged to more than 1.7 million units. Wage and salary payments rose more than one percent and the stock market rose more than five percent to close at a new all time high.

The Administration's official forecast, which calls for real GNP growth of three percent between the fourth quarter of 1982 and the fourth quarter of 1983, was prepared in late December before the good news of increasing economic activity became available. Although a new official forecast will not be prepared until the mid-year budget review this summer, there is little doubt in my mind that if we were making the forecast today we would predict a somewhat higher real rate of growth.

[1] Chairman, Council of Economic Advisers. These remarks were presented as the keynote address at Rice University, Houston, Tex., on Feb. 22, 1983.

It is important, however, to be cautious about predicting too high a rate of real growth in 1983. Although the evidence for January is encouraging, there is still room to doubt whether a sustained recovery has begun. The increase in employment was concentrated in construction and retail sales, two industries in which there are very important statistical problems of measuring employment at this time of year. Real interest rates remain abnormally high for this stage of the business cycle. The sharp fall in our exports and increase in imports will depress activity in a wide range of our industries. The economy is thus at a point where sustained recovery looks more likely than just a few weeks ago but is still not a certainty. And if recovery has begun, there remains a question of how strong that recovery will be.

The Administration is committed to the pursuit of economic policies that will produce a sound and sustained recovery. A critical requirement of such a recovery is a monetary policy that provides adequate liquidity for expanded economic activity without permitting so much money growth that inflation is rekindled. Equally important, the prospective budget deficits that now hang as a cloud over the economy for the rest of this decade must be reduced substantially if we are to have a balanced recovery and the expansion of investment that can contribute to rising productivity and real incomes.

Sound monetary and fiscal policies are critical but are not enough. We must also be aware of the threat to our long-term economic health that can result from government policies that weaken our competitive markets or transfer an even larger share of national income to the government.

THE EUROPEAN ECONOMIES

Earlier this month I had a vivid reminder of the adverse consequences that can result from the unwarranted growth of the government's role in the economy. At that time, I travelled with Vice President Bush to five European capitals. Although the primary focus of the trip was on arms control, we also had the opportunity to talk about economic matters with the heads of governments, and with finance ministers and others.

The European economies are now very depressed and expect little economic growth in the coming year. Moreover, despite a recession that has depressed the European economies since 1979, inflation rates remain very much higher than in the United States.

The economic malaise of Europe goes far beyond the traditional short-term business cycle problems. The unemployment rate in the European Economic Community has risen every year since 1973 and now stands at more than three times the rate of a decade ago. In 1972, the European unemployment rate was only 2.7 percent; by last year, it had increased to 9.4 percent. Even more disturbing, total European (EEC) employment is actually lower now than in 1970.

In this way, the European experience stands in sharp contrast to the performance of the American economy. Of course, with the current high unemployment rate, it is easy to complain that our labor market works badly because it has recently failed to provide jobs for all those who want them. In fact, the experience of the past dozen years shows quite the opposite—that the United States labor market works extremely well at providing jobs for a rapidly expanding work force.

Between 1970 and 1982, employment in the United States rose by 21 million or more than 25 percent. The labor force participation rate of females grew from 43 percent to nearly 53 percent. The number of employed women rose by nearly 50 percent and their unemployment rate is now actually lower than that of men. Over a long period, the labor market has also responded well to the increasing educational level of the labor force, employing a rapidly growing share of college graduates without any significant increase in their unemployment rate.

Although there are no doubt many reasons for the substantially different employment experiences of the United States and Europe, economic researchers who have studied the question have emphasized the greater flexibility of real wages in the United States. It is widely recognized that the sharp increases in the prices of oil and other raw materials in 1973 and 1979 reduced the real income of the United States and of other oil-importing nations and raised the real incomes of the oil-exporting nations. Moreover, within nations there was a transfer of income to owners of oil from all other groups in the economy. This inevitable reduction in the real incomes of those who do not own oil meant that businesses would earn lower profits and that employees would earn lower real wages, i.e., lower wages relative to the prices of the products they consumed and produced.

This is just what we have seen in the United States in the past decade. The profitability of the nonfinancial corporate sector in the past decade has been lower than in the two preceding decades, even when adjustment is made for differences in business cycle conditions. Real wages in the United States have also grown much more slowly in the last decade than they did in the preceding 20 years. This downward adjustment in real wages permitted employment to expand substantially and prevented a substantial secular rise in unemployment.

In contrast, real wages in Europe did not adjust adequately to the higher prices of energy and other raw material imports. With real wages too high, firms could not afford to hire enough employees to keep the unemployment rate from rising year after year. Moreover, the unwarrantedly high real wages have depressed profits and thereby discouraged investment in new plant and equipment. While this explanation oversimplifies the situation and ignores the important growth of employment that has occurred in some industries, I believe that it correctly portrays the prime reason for Europe's sustained employment problem. Indeed, there are many in Europe who fear that the high level of real wages cause a chronic problem of high unemployment and a continuing erosion of European competitiveness in world markets.

WAGE RIGIDITY

Why have European real wages failed to come down enough to maintain a satisfactory growth in employment? At one level of explanation, I would point to the greater centralization of wage setting in the European countries and the explicit national policies of adjusting wages to changes in the cost of living. Formal adjustment mechanisms in countries like Italy, Belgium and Denmark automatically raised wages when energy costs increased, thus preventing the necessary adjustment of real wages. In other countries, centralized wage setting policies in which government, labor and management participate often had the effect of insulating wage setting from the pressures of supply and demand and therefore of keeping real wages too high.

Although these institutional features of the European labor markets are no doubt significant, the more fundamental cause of Europe's high and inflexible real wages is to be found in the government policies that greatly weaken the individual's incentive to accept a lower real wage in order to find and keep employment. There are three aspects of such policies.

First, the government protects individual industries from market competition by direct subsidies and by protectionist measures that block imports from abroad. As one European told me, "In our country, we used to say that the government guaranteed full employment but that workers might have to shift to new industries or new parts of the country. But now the government is expected to guarantee that each worker can keep his old job." The subsidies and protectionist measures that keep inefficient industries alive persuade workers and their unions that there is no need to adjust wages in order to retain their jobs.

The second cause of Europe's chronic employment problem has been the expansion of social welfare programs. The combination of high unemployment benefits, health benefits, housing allowances, family allowances, and more means that even very prolonged periods of unemployment impose little or no financial hardship. In some countries, young people with no work experience are eligible for unemployment benefits that are nearly as high as the wages or salaries they would earn if they were employed. It is not surprising that such policies weaken the incentive to adjust wages and seek employment.

Industrial subsidies and an extensive social welfare program inevitably mean high taxes, the third cause of Europe's employment problem. In the major industrial countries of Europe, government outlays now exceed 50 percent of gross national product, very much higher than the share just two decades ago. The tax rates required to finance such outlays reduce the reward from working and very much narrow the difference between the standards of living of those who work and those who do not.

POLICIES FOR THE UNITED STATES

Contemplating the European experience confirmed for me the importance of keeping our markets competitive and responsive and avoiding the continuing growth of government spending and taxes. Unfortunately, there are now very strong pressures in the United States to do just the opposite.

I am thinking in particular of the calls for import quotas, countervailing duties and domestic content requirements aimed at protecting our domestic markets from foreign competition. I worry that protecting steel or lumber from lower price imports not only hurts American consumers but also reduces the viability of American industries that use steel or lumber as basic inputs. In a world of floating exchange rates, special subsidies for American exports can only help some industries at the expense of others while leaving America as a whole worst off.

I am pleased to say that President Reagan is deeply committed to the pursuit of free trade in the world economy. Of course, this does not mean that we will permit other nations to take unfair advantage of American firms and their employees. But the shrill cries of economic nationalism and the promises of benign government intervention in domestic markets that have come from

some political quarters are harbingers of a dangerous direction for economic policy that this Administration will firmly oppose.

It is noteworthy that those American industries that call the loudest for import protection and export assistance are often the industries that pay the highest real wages. There is a clear similarity between the employment problems in these particular industries and the general European experience with excessive real wages. This common experience confirms that when real wages are too high, employment and output will decline. In those industries where high real wages are not matched by comparably high productivity, we will continue to see declining employment and the suffering of unnecessarily dislocated workers.

Turning to the second of the European problems—the growth of government spending and taxes—it is hardly necessary to note that the United States has also experienced an explosion of government spending during the past two decades. In 1960, the nondefense spending by the federal government (excluding interest) accounted for 8 percent of gross national product. By 1970, the share had increased from 8 percent to 11 percent. And by the current fiscal year, nondefense outlays have reached 16 percent of GNP, twice the GNP share in 1960. If nondefense spending were back at the GNP share of 1960, we would have a budget surplus now and could provide substantial additional tax reductions.

We cannot, however, turn the spending clock back to 1960 or even to 1970. New spending programs have been introduced or expanded during this period that, realistically, cannot be reversed. But we must slow the growth of spending in the years ahead or face the need for vast tax increases. To be specific, if we maintain the current GNP share of nondefense spending and bring defense outlays back up to 8 percent of GNP—less than the share in either 1970 or 1960—total federal outlays would exceed 27 percent of GNP. By comparison, under current law taxes receipts are now 19 percent of GNP and would still be at 19 percent of GNP in 1988 when the economy is at full employment. Closing the gap between tax receipts and outlays without reducing the spending share of GNP would require raising total taxes by nearly 50 percent, from 19 percent of GNP to 27 percent of GNP.

Failure to raise taxes or reduce the spending share of GNP would result in budget deficits that did substantial harm to the economy in both the long run and the short run. A budget deficit of six or seven percent of GNP would absorb virtually all of the net saving and capital formation in our economy, thereby eliminating this source of increasing labor productivity and real incomes. Moreover, deficits of that magnitude would in the short run preclude a healthy and balanced recovery. The prospect of future deficits would keep long-term interest rates high, depressing activity in interest sensitive industries like construction, capital goods and primary metals. In addition, the high long-term interest rate would keep the dollar abnormally strong, thereby depressing export sales and inducing imports that substitute for domestically produced goods. In this way, large budget deficits would exacerbate the protectionist pressures that threaten to cause fundamental changes in the competitiveness of the American economy.

The Administration's budget plan for the years 1984 through 1988, submitted to Congress just a few weeks ago, shows how the deficit can be shrunk year by year until about two-thirds of the 1988 deficit is eliminated. The budget plan calls for a balance between reductions in government spending and increases in government revenue. In 1988, for example, the deficit is reduced from the 6.1 percent of GNP that would result under the current baseline budget to 2.4 percent of GNP. Of the 3.7 percent of GNP deficit reduction, 1.4 percent of GNP represents further reductions in spending while 1.7 percent of GNP reflects increases in tax revenue. The remaining deficit reduction (0.7 percent of GNP) is accounted for by the lower cost of interest on the national debt that results from reducing the deficits between now and 1988.

The Administration's budget proposal probably does not represent anyone's ideal budget but it is workable and balanced. It is now critical that Congress move quickly to join with the Administration and to legislate the changes that will assure financial markets and others at the present time that the deficit will indeed shrink rapidly in the second half of the 1980's.

If Congress does adopt a responsible budget, we will truly be seeing the US economy in transition—from inflation to price stability, from recession to recovery, from runaway spending to budgetary control. There is no doubt that 1983 is a crucial year for our economic future. I fervently hope that the nation will grasp this opportunity.●

JEROME H. BARNETT

● Mr. MITCHELL. Mr. President, with the tragic and untimely death of Jerry Barnett, the people of Maine have suffered a great loss.

Jerome H. Barnett, age 53, was born in Somerville, Mass., the son of Francis M. and Marguerite J. Weymouth Barnett. He was a graduate of Cony High School, class of 1947, and Bentley College in Waltham, Mass., class of 1949. Jerry was a senior economic development specialist with the Economic Development Administration from 1964 to 1970. From 1971 to 1975, he was special assistant to Commissioner James K. Keefe of the Maine Department of Commerce and Industry. From 1980 until the present he was the Maine representative of the Economic Development Administration. In the intervening years Jerry was assistant to the chief of the public works division at the EDA's Philadelphia office.

Jerry was a longtime member of the Industrial Development Council of Maine and active on several of the IDCM committees at the time of his death. In 1981, the council named Jerry Economic and Industrial Developer of the Year. At the annual seminar of the IDCM on February 15, 1983, a motion was introduced to name in Jerry's honor the IDCM's annual scholarships to the American Economic Development Council Institute in Oklahoma. Jerry was a graduate of the institute and an active supporter. Jerry was the director of the Northeast Industrial Developers Association, an 11-State association of professional developers. In addition to serving as Maine's representative, Jerry was a key organizer of the NIDA's annual conference held in Rockland, Maine, in October, 1982.

In addition to being very active in his professional life, Jerry was very active in the life of his community, his State, and his Nation. Governor Kenneth M. Curtis appointed him aide-de-camp colonel, U.S. Air Force, from 1969 to 1974. He was an Air Force veteran of the Korean conflict, a member and former director of the Maine Chamber of Commerce, and a member, past president and former national director of the Augusta Jaycees and the State of Maine Jaycees. He was a member of the American Legion Post, the Augusta Lodge AF and AM, the Maine Consistory, and Kora Temple Shrine. He received the local Jaycees Outstanding Citizen Award, the Keyman Award while he served as State Jaycee vice president and was elected the 1903d JCL Senator in the world.

Jerry was always willing to extend himself in anything he did, traveling to any Maine community to help local citizens in organizing development committees, identifying worthwhile projects, preparing financing applications and administering ongoing projects.

An example of his energy and dedication is the Maine Department of Transportation fish pier program which was funded partly by the EDA. Jerry was assistant to the chief of public words for EDA in Philadephia at the time. Jerry's interest and love for Maine motivated him to give his all. He was given the task of putting together the entire fish pier project. He worked with the communities of Stonington, Kennebunkport, Portland, and Rockland, as well as the Maine Department of Transportation.

Washington County was especially close to Jerry's heart. Washington County is an economically depressed area, with high unemployment. His tireless efforts on behalf of two unique projects were of particular benefit to Washington County. The Marine Trade Center funded by EDA allowed the Washington County Vocational Technical Institute (VTI) to establish a school to help young men and women learn how to build and repair fishing vessels and how to use more modern techniques to improve their catch. The second project allowed Washington County VTI to build housing for their students.

Since 1975 Jerry had been working on the establishment of a research and development park in the town of Orono. The park brings together the University of Maine at Orono and the industrial complex of the Greater Bangor-Brewer area in a research

model. The week before Jerry died the park was approved for funding by the EDA. It will be the only research and development park in the State of Maine.

Jerry's dedication extended right up to the time he died. He was in very poor health and he knew it. Nevertheless, he continued working for the State of Maine by traveling to Rumford to help local leaders select land for an industrial park and by traveling to Philadelphia to fight for funding for Maine projects.

Jerry Barnett was an extremely sensitive and caring man. He will be greatly missed.●

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

● Mr. SIMPSON. Mr. President, paragraph 2 of rule XXVI of the Standing Rules of the Senate requires each standing, select, or special committee of the Senate, at the beginning of each session, to publish in the CONGRESSIONAL RECORD the rules the committee has adopted to govern procedures within the committee.

Thus, pursuant to that requirement, I ask that the current rules of the Committee on Veterans' Affairs be printed in the RECORD.

The rules are as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

I. Meetings—(a) Unless otherwise ordered, the committee shall meet on the first Wednesday of each month. The chairman may, upon proper notice, call such additional meetings as he deems necessary.

(b) Except as provided in subparagraphs (b) and (d) of paragraph 5 rule XXVI of the Standing Rules of the Senate, meetings of the committee or a subcommittee shall be open to the public.

(c) The chairman of the committee or of a subcommittee, or the vice chairman in the absence of the chairman, or the ranking majority member present in the absence of the vice chairman, shall preside at all meetings.

(d) No meeting of the committee or any subcommittee shall be scheduled except by majority vote of the committee or by authorization of the chairman of the committee.

(e) The committee shall notify the office designated by the Committee on Rules and Administration of the time, place, and purpose of each meeting. In the event such meeting is canceled, the committee shall immediately notify such designated office.

II. Quorums—(a) Subject to the provisions of paragraph (b), seven members of the committee and four members of a subcommittee shall constitute a quorum for the reporting or approving of any measure or matter or recommendation. Four members of the committee or a subcommittee shall constitute a quorum for purposes of transacting any other business.

(b) In order to transact any business at a committee or subcommittee meeting, at least one member of the minority shall be present. If, at any meeting, business cannot be transacted because of the absence of such a member, the matter shall lay over for a calendar day. If the presence of a minority member is not then obtained, business may be transacted by the approporiate quorum.

(c) One member shall constitute a quorum for the purpose of receiving testimony.

III. Voting—(a) Votes may be cast by proxy. A proxy may be written or oral, and may be conditioned by personal instructions. A proxy shall be valid only for the day given except that a written proxy may be valid for the period specified therein.

(b) There shall be a complete record kept of all committee action. Such record shall contain the vote cast by each member of the committee on any question on which a "yea" and "nay" vote is requested.

IV. Subcommittees—(a) No member of the committee may serve on more than two subcommittees. No member of the committee shall receive assignment to a second subcommittee until all members of the committee, in order of seniority, have chosen assignments to one subcommittee.

(b) The committee chairman and the ranking minority member shall be ex officio nonvoting members of each subcommittee of the committee.

(c) Subcommittees shall be considered de novo whenever these is a change in committee chairmanship and, in such event, subcommittee seniority shall not necessarily apply.

(d) Should a subcommittee fail to report back to the committee on any measure within a reasonable time, the chairman may withdraw the measure from such subcommittee and so notify the committee for its disposition.

V. Hearings and Hearing Procedures—(a) Except as specifically otherwise provided, the rules governing meetings shall govern hearings.

(b) At least 1 week in advance of the date of any hearing, the committee or a subcommittee shall undertake, consistent with the provisions of paragraph 4 of rule XXVI of the Standing Rules of the Senate, to make public announcement of the date, place, time, and subject matter of such hearing.

(c) The committee or a subcommittee shall require each witness who is scheduled to testify at any hearing to file 40 copies of such witness' testimony with the committee not later than 48 hours prior to the witness' scheduled appearance unless the chairman and ranking minority member determine there is good cause for failure to do so.

(d) The presiding officer at any hearing is authorized to limit the time allotted to each witness appearing before the committee or subcommittee.

VI. General—All applicable requirements of the Standing Rules of the Senate shall govern the committee and its subcommittees.

VII. Presidential Nominations—Each Presidential nominee whose nomination is subject to Senate confirmation and referred to this committee shall submit a statement of his or her background and financial interests, including the financial interests of his or her spouse and of children living in the nominee's household, on a form approved by the committee which shall be sworn to as to its completeness and accuracy. The committee form shall be in two parts—

(A) information concerning employment, education, and background of the nominee which generally relates to the position to which the individual is nominated, and which is to be made public; and

(B) information concerning financial and other background of the nominee, to be made public when the committee determines that such information bears directly on the nominee's qualifications to hold the position to which the individual is nominated.

Committee action on a nomination, including hearings or a meeting to consider a motion to recommend confirmation, shall not be initiated until at least five days after the nominee submits the form required by this rule unless the chairman, with the concurrence of the ranking minority member, waives this waiting period.

VIII. Naming of Veterans' Administration facilities—It is the policy of the committee that no Veterans' Administration facility shall be named after any individual unless—

(A) such individual is deceased and was—

(1) a veteran who was instrumental in the construction or the operation of the facility to be named.

(2) a member of the United States House of Representatives or Senate who had a direct association with such facility, or

(3) an Administrator of Veterans' Affairs, or a Secretary of Defense or of a service branch, or a military or other Federal civilian official of comparable or higher rank;

(B) each member of the Congressional delegation representing the State in which the designated facility is located has indicated in writing such member's support of the proposal to name such facility after such individual; and

(C) the pertinent State department or chapter of each Congressionally chartered veterans' organization having a national membership of at least 500,000 has indicated in writing its support of such proposal.

IX. Amendments to the Rules—The rules of the committee may be changed, modified, amended, or suspended at any time, provided, however, that no less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose. The rules governing quorums for reporting legislative matters shall govern rules changes, modification, amendments, or suspension.●

PROSPECTS FOR MIDDLE EAST PEACE

● Mr. BIDEN. Mr. President, a just and lasting peace in the Middle East cannot be imposed by the United States, but must be negotiated and accepted by the people of that troubled region.

As many of us pointed out when President Reagan announced his proposals last September, the key factor was—and remains—Jordanian participation in the peace talks. While many commentators are quick to blame Israel for the lack of progress toward a broader peace, one of the most perceptive analysts of Middle East affairs, Amos Perlmutter, notes in an article in the New York Times that it takes two to make peace.

Dr. Perlmutter also says that "the Arab response to the Reagan plan has been either evasion or forthright rejection."

I ask that Dr. Perlmutter's cogent analysis be printed in the RECORD.

The analysis follows:

[From the New York Times, Mar. 11, 1983]

IT TAKES 2 TO MAKE MIDEAST PEACE

(By Amos Perlmutter)

WASHINGTON.—As the impasse drags on in the Middle East—in Lebanon and the occupied territories—there is a strong temptation to see Israel as the only obstacle to peace. Prime Minister Menachem Begin is seen to have been severely wounded by the inquiry into the Sabra and Shatila massacres, and it is widely thought that Israel can be pressed to make major concessions. This is a dangerously unrealistic view—based on false assumptions about Israel's vulnerability and on a sadly biased notion of who is responsible for the failure to make peace. In fact, it takes two to prolong a stalemate, and Israel is hardly alone in blocking progress toward an agreement.

It is certainly wrong to assume that Mr. Begin and his Likud Government have been weakened by the inquiry or the forced resignation of Ariel Sharon. If anything, MR. Began's coalition is politically stronger than before. The new Defense Minister, the urbane Moshe Arens, tends to be more flexible than Mr. Begin on Lebanon, but he as, if not more, conservative on the Palestinians and Israeli settlements in the occupied territories. Mr. Begin feels he has responded to the commission's recommendations in a way that is once politically deft and morally correct. In his mind, his Government is vindicated. With the Labor Party in disarray. Mr. Begin is itching to hold elections. And neither he nor his Cabinet—which still includes Mr. Sharon—are apt to bend in their settlements policy or their pursuit of a Greater Israel.

There must be no illusions about Mr. Begin's opposition to the Reagan peace plan or the enormous obstacle that he and his coalition will continue to pose to all efforts to find a solution to the Palestinian issue. But it is patently absurd—and unproductive—to assume that this is the only obstacle.

The Reagan plan rests on two fundamental assumptions about the Arab world: that moderate Arabs, particularly Jordan, will participate in negotiations and that the Palestine Liberation Organization will be flexible and cooperative. A quick look at recent events, or nonevents, shows them both to be false assumptions. Moderate Arabs suggest that if it were not for Israel and the unregenerate Mr. Begin, everything would be all right in the Middle East. They argue that the United States is Israel's principal benefactor and ally, and suggest that the Reagan Administration put economic and political pressure on Israel to pull out of Lebanon and call a halt to settlements in the West Bank. In this view, the Administration should also recognize the P.L.O.

Yet what have the Arabs—Jordan, Syria, Egypt or Saudi Arabia—contributed to peace in the Middle East? They have done nothing for the Palestinian cause, which they all nominally support. And none seem able to influence or control the P.L.O.

Considering how the P.L.O. suffered in Lebanon this summer while its Arab brethren stood idly by, it is hardly surprising that the P.L.O. should ignore the advice of President Hosni Mubarak of Egypt and other Arab moderates, who urge the Palestinians to recognize Israel. Yasir Arafat may have wanted to accept the Reagan plan, but he has been unable to do so. He had little choice: He needed to maintain a Palestinian consensus—to accommodate the rejectionists—and was forced to distance the P.L.O. from the plan.

But in the absence of P.L.O. recognition, Israel has no political or moral reason to compromsie on Palestine or to initiate negotiations. In Israeli eyes, neither Jordanian participation in a Camp David arrangement nor negotiations with a Jordanian-Palestinian delegation can take the place of recognition by the P.L.O. Without recognition, there can be no hope of a solution to the Palestinian problem.

The situation is equally absurd in Lebanon, where no one in the Arab world seems to have any leverage. Israel may or may not pull back from the Beka Valley, but it will not leave Lebanon unless there is a similar withdrawal by Syria and the P.L.O. forces in the north. Nor will Israel leave without insuring a nonbelligerency agreement and stringent security guarantees. Yet the Syrians have made no move to withdraw, and neither their fellow Arabs nor the United States have pressed them to pull out. Nor do the Syrians, who appear to have military control over the P.L.O., seem to have any influence over the P.L.O.'s political stance.

In short, the Arab response to the Reagan plan has been either evasion or forthright rejection. King Hussein's reluctance to enter negotiations, the P.L.O.'s inability to make concessions, Syria's refusal to withdraw—all are serious obstacles to negotiations that only help Menachem Begin. The longer all parties stall, the more time he has to implement his settlements policy—and the more difficult eventual negotiations will be.●

JESSE HELMS

● Mr. ARMSTRONG. Mr. President, a recent column in the Wall Street Journal described well the fine qualities of Senator JESSE HELMS from North Carolina. JESSE HELMS did not come to Washington to win a popularity contest. He is a man of conviction and determination who came here to make a difference in our national priorities. For his devotion to his principles and his relentless perseverance, he has certainly earned my respect and admiration. Mr. President, I ask that the Wall Street Journal column be printed in the RECORD.

The material follows:

[From the Wall Street Journal, Feb. 16, 1983]

THAT EXASPERATING MAN

(By Vermont Royster)

Jesse Helms, no doubt about it, is an exasperating fellow.

In the past fortnight he annoyed Gov. Jim Hunt of North Carolina by inviting him to a television debate on current political issues. The governor, whom everyone expects to challenge Sen. Helms for the Senate in 1984, declined.

A few days before that the senator irritated President Reagan and House Speaker O'Neill, simultaneously, not an everyday occurrence. He did that by taking a dim view of the so-called "compromise" for remedying the woes of the Social Security system and by advancing a proposal of his own.

And just before Christmas he upset almost the entire Senate by objecting to the hike in the gasoline tax. This was vexing enough because the Senate has already reached a consensus on its adoption. What truly infuriated many senators was that Mr. Helms took to the floor for a filibuster which threatened to delay the senators' holiday. This forced the Senate to vote for cloture, cutting off the debate, which is not something that body likes to do.

A number of senators were so vexed that they publicly castigated the gentleman from North Carolina, some in language not to be quoted in family newspapers, and threatened to retaliate by voting against the tobacco support program, a measure important to any congressman from the Tarheel State.

But these are only the latest examples of Mr. Helm's Irritation Quotient. In fact, he's been roiling North Carolina liberals, and especially Democratic ones, long before he arrived in the Senate.

He stated this as far back as 1948 when he was news and program director of a Raleigh television station and was also its nightly editorial voice. As such he flayed away at nearly every "liberal" shibboleth, especially those emanating from Democrats in Washington. He acquired a wide audience, some from sympathizers with his political views, some professedly for his entertainment value.

This TV exposure provided the springboard that elected him to the Senate in 1972, the first such Republican since Reconstruction days. Because this was the year of the Democratic disaster from the McGovern presidential campaign (which saw North Carolina also elect a Republican governor), Mr. Helms was put down as a temporary aberration. But to the general surprise he was reelected easily in 1978.

Since then Mr. Helms has been provoking Democrats on a national scale; he's the one Republican senator above all the Democrats would like to knock off in 1984 and they're counting on Gov. Hunt, a popular moderate, to do it.

The man at the center of all this is, in person, a soft-spoken, folksy, personable fellow about as unflamboyant as you'd expect from the president of a local Rotary Club, which he was. He's not only civic minded but civic in action, having been a trustee of two colleges, board member of a children's camp and a cerebral palsy hospital. He lives quietly in Raleigh, when away from Washington, surrounded by his wife of 40 years, three children and a growing number of grandchildren. In fact, any local theater group might well typecast him as Caspar Milquetoast.

Except when he steps on the political stage. There he's a man of strong opinions, no timidity in expressing them, and with a determination to make them felt in national politics. Indeed, it's that unyielding determination that's made him such a controversial figure, for there are many others of like conservative views who are hardly noticed.

Behind that determination is an organizing skill that would do credit to any business conglomerate operator. Indeed, the Congressional Club, which he launched first for his 1978 reelection campaign, has metamorphosed into a unique political conglomerate, the best know and possibly the largest political fund-raiser on the national scene. Offshoots from it include the American Family Institute and the Institute on Money and Inflation, each with its special area of attention on public issues. Altogether they add up to what's been called "the Helms Network," which gives liberal Democrats—and sometimes Reagan Republicans—near apoplexy.

All this is making the prospective Helms-Hunt Senate race a focus of national attention among politicians and political writers.

Of late Democrats have begun to feel hopeful; Gov. Hunt is popular, also has a well-oiled organization, and Sen. Helms continues his infuriating ways. They think this time, at last, Mr. Helms can be bested.

But that's no certainty. Sen. Helms does indeed sometimes waste his strength by spreading it too thin; his power in the Senate has diminished. On the other hand, some of his recent stands may turn out to be shrewdly attuned to voter opinion.

His opposition to the gas tax, for example, cost him support in the Senate, which passed it handily. Many voters, however, don't like it, as the recent truckers' strike demonstrates. A year from now Mr. Helms could profit from any dissatisfaction with the proclivity for raising taxes.

So likewise with the senator's dissent on the compromise Social Security "fix," which puts most of its reliance on raising Social Security taxes. As the proposed increases begin to bite into workers' pay envelopes, the bipartisan Reagan-O'Neill compromise may lose some of its allure. It wouldn't be the first time that hurrahs in Washington led to lamentations among the populace.

Be that as it may, Jesse Helms has some other strengths. He's not short of campaign funds. He's a tough competitor. He has many loyal followers among rural, church-going Tarheels. He's a rarity among politicians, one who never leaves anyone in doubt where he stands, and if this sometimes enrages his foes it also earns even from them a grudging admiration. Anyway, Jimmy the Greek won't yet give you odds against this exasperating fellow.●

RECOGNITION OF MAINE'S SBA DIRECTOR

● Mr. MITCHELL. Mr. President, I congratulate Tom McGillicuddy, Maine's district director for the U.S. Small Business Administration, on his receipt of the 1982 Economic and Industrial Development Award from the Industrial Development Council of Maine.

Tom McGillicuddy first joined the Small Business Administration as district director in September 1973. Since then, he has worked closely with small business men and women, and State and local officials, to spur economic development in the State.

He has served as past president of the Industrial Development Council of Maine and used his council position to shape Maine's tax increment finance law and industrial development bonds into more useful development tools.

In 1982, McGillicuddy helped establish the first statewide 503 certified development company in New England. And he forged a number of intergovernmental agreements, such as the Maine Rural Development Agreement, which will assist small businesses.

During his tenure with the Small Business Administration, Tom has become an integral part of Maine's development establishment. He is well respected throughout the State for his knowledge and understanding of small businesses and his efforts to assist in their creation and in problem solving.

I salute Maine's small business director on this achievement. He is an able administrator and an expert in the field. The award is in just recognition of his many accomplishments.●

LEVI GREIST

● Mr. MURKOWSKI. Mr. President, today I rise to honor the generosity of Levi Greist, a 77-year-old Eskimo resident of the North Slope borough, Alaska, for donating what may be the most important and unique archeological site ever found on the Arctic coastal plain to the people of Barrow, and for making the site available to scientific researchers around the country. Expectations are running high in the scientific community that the site will reveal the most accurate picture to date of prewhite contact Eskimo life in the Arctic.

During the summer of 1982, a young Eskimo man, looking for relics along the Arctic sea coast in Barrow, Alaska, discovered human remains protruding from a gravel bank. The young man hurried to the headquarters of an archeological excavation nearby, initiating an amazing sequence of events.

Archeologists from the State University of New York at Binghamton, recognizing the scientific potential of the site, agreed to excavate to remove the bodies. After contacting village elders concerning eventual disposition of the human remains, the archeologists found a house which had been crushed, perhaps by ice pushing off the sea. Parts of five bodies were found, along with an extraordinary amount of artifactual material. Two of the bodies were identified as adult females, and another, that of a 10-year-old child.

Since the bodies and artifacts were found in the number and location indicating normal use, the scientific potential of the site increased dramatically. The excavation and remarkable discoveries made news reports across the country. The human remains were eventually autopsied by Dr. Zimmerman of the Hanneman Medical Center in Philadelphia, and tissue samples were studied by known experts across the country.

It was determined that the bodies were between 150 and 200 years old. The autopises revealed medical problems—hardening of the arteries, and one woman's lungs were pigmented with soot, indicating that they had been affected by the use of heating a small enclosed space with seal oil fires.

Tools, kitchen implements, clothing, baskets of baleen, baleen drilling cup, raincoat hood, sewing bags, bags with arrow points, charms, amulets, and so forth, were uncovered, along with clothing of animal skins, such as polar bear and caribou. There was no evidence of Western culture or European objects, making the site uniquely important in developing a picture of prewhite contact Eskimo life in the Arctic.

There were 20 people on the archeological crew, who worked 5 days nonstop. They placed the human remains in freezer lockers for later examination.

The archeological exploration took place on land owned by Levi Griest. Mr. Griest aided archeologists and gave them total access to his land for the excavation. Along with other elders, Mr. Griest offered data from Inupiaq memory culture, information they alone could provide.

At the conclusion of the excavation, Mr. Griest was approached by the North Slope borough, whose representatives sought title to the artifacts for the proposed borough museum. Recognizing the borough's inability to match open market offers for the artifacts, Mr. Griest nevertheless agreed that he would like the objects to remain in Barrow for the education of young and old Inupiaq and their visitors.

The acquisition gives the borough the most definitive archeological collection of 19th century Inupiaq lifestyle. Most houses of that era have been abandoned without artifacts in place. This find is entirely unique, since the house was crushed with the artifacts intact.

This year, the Alaska Anthropological Association will take advantage of this once in a lifetime opportunity by holding a meeting with some 20 experts to discuss the significance of the find.

Although the main body of the house had been excavated, the archeologists have not yet begun the task of entering the entrance tunnel and kitchen. That work will begin this summer, and they are hoping that the kitchen will also be intact.

In exchange for his generosity in allowing the artifacts to remain in Barrow, Levi Griest was asked what he would most like. His reply was, "A trip to Washington, D.C." As partial settlement, then, Mr. Griest will have his first trip to Washington.

Mr. Griest has been a valuable resource in the past, helping document land use and traditional Inupiaq life style through oral history testimony.

During World War II, he served in the Alaska Territorial Guard, joining many Eskimo guardsmen patroling the periphery of the isolated Arctic area. Mr. Griest retains his interest in defense affairs, and is an active member of the Veterans of Foreign Wars.

Mr. Griest took his name from a Presbyterian minister in Barrow. During that period, many Eskimos took names of white people they admired and names from the bible. Mr. Griest did both—Levi from the bible, Griest from the minister.

Mr. Griest is 77 years old. His wife died last year. He has one daughter and one granddaughter.

I believe his generosity and spirit of sharing is an inspiration to us all.●

THE BUILDDOWN PROPOSAL

● Mr. DANFORTH. Mr. President, I am pleased to join with Senator COHEN, Senator NUNN, and my other distinguished colleagues in supporting this proposal for a guaranteed mutual reduction of nuclear forces. On the surface, the concept behind this resolution is simple: For each new nuclear warhead a country deploys, it must dismantle two old ones.

The effects of this resolution, though, are both broad and significant. It addresses the goals of both the freeze movement and the advocates of modernization, goals which are often more similar than either side will admit. The critical characteristic of any arms control proposal is the extent to which it reduces the chance that any nuclear weapon will ever be fired in anger. It is this reduction in risk that the tremendous grassroots antinuclear movement has seized upon in the freeze resolution. It is the same reduction in risk that others have found in proposals to make our forces less vulnerable and more reliable. Let us not forget that all our efforts must center on reducing the risk of a nuclear strike, and that all other proposals, resolutions and strategies are only mechanisms for implementing this fundamental goal.

I believe the builddown proposal reduces this risk, and that is why I support it. If implemented, it will reduce the obscene and wasteful stockpile of nuclear armaments we have created. As that stockpile is reduced, military strategy would dictate an ever greater emphasis on survivability in any weapon system deployed. As former Secretary of State Muskie has pointed out, it might be possible to incorporate variations of the builddown proposal to further encourage the deployment of less threatening weapons. Specifically, a country deploying small, single-warhead missiles rather than MIRV'd missiles might be allowed to trade in three old warheads for two deployed missiles. The mechanism would thus be weighted to discourage hair trigger, first-strike weapons.

As the sponsors of the proposal have indicated, this is a flexible resolution, compatible with the START negotiations and applicable to these negotiations. I share with many of my colleagues and much of our Nation an acute frustration with the progress of arms control negotiations. We have not made acceptable headway in Geneva. Our record in this area is abysmal. A nonbinding nuclear freeze resolution would be summarily rejected by the current administration. A builddown resolution, with broad bipartisan support, could become a focal point for congressional pressure to instigate a new commitment to arms control negotiations.

Even with that kind of support, I have no illusions that a formal agreement with the Soviets can be reached quickly.

Effective agreements will always be hard to negotiate, But I believe that we can succeed if we pursue the following goals with diligence and patience. First, we should seek to improve strategic stability by insuring that both sides have balanced, reliable, highly survivable deterrent forces. Second, we should seek significant reductions in nuclear weapons and their destructive capacity. Third, we should seek to prevent both sides from deploying weapons based upon destabilizing or threatening new technologies. I commend Senators NUNN and COHEN for developing a resolution that addressed these goals, and I am pleased to support this proposal.●

THE ALASKA NATIONAL HUNTING BILL

● Mr. JEPSEN. Mr. President, the Alaska National Interest Lands Conservation Act of 1980 (ANILCA) established more than 43 million acres of new national parks and monuments in Alaska, in addition to the 7.5 million acres that existed previously; 24 million of these acres were closed to sport hunting.

I am a cosponsor of S. 49, the Alaska national hunting bill sponsored by Alaska Senators STEVENS and MURKOWSKI. It will restore recreational hunting on one-half of the lands that were closed to sport hunting in a last-minute change of ANILCA.

The bill redesignates about 12 million acres from park status, in which recreational hunting is not permitted, to park preserve status, where it would be permitted. The only difference in these designations is the ability to hunt recreationally. Subsistence hunting is permitted in both. S. 49 would not allow any other use of the proposed park preserves nor make any changes in the protection granted to the remaining park lands.

True sportsmen respect the land and the balance of nature. All proposed lands were selected by the Alaska Department of Fish and Game as lands traditionally utilized for sport hunting prior to 1980. Tourists use these areas from little to none during hunting seasons.

Opponents say that this bill is the beginning of an incremental approach to dismantling the protection ANILCA gives to national parks. I disagree. There are no other Alaska lands issues involved in this legislation. Mining, drilling, and cutting are not allowed in either parks nor park preserves in Alaska. Nor will any roads be built under this legislation. The proposed lands are remote areas where hunting was allowed before 1980. The bill would not open area such as old McKinley Park where hunting has not been permitted for years and where the number of visitors is high. If any attempt is make to bring other issues into consideration, I will not support them.

This is a hunting issue and only a hunting issue. I support and will continue to support hunters and hunting in Iowa and opportunities for Iowa hunters in nationally designated areas. This is a positive step toward recognizing the sport of hunting and its popularity nationwide.●

THE ROLE OF THE CATHOLIC CHURCH IN LATIN AMERICA

● Mr. DODD. Mr. President, not surprisingly, the recent remarks by the Vice President and the Secretary of State concerning the role of the Catholic Church in Central America have drawn a great deal of criticism. At best those remarks were misguided and unfortunate. At worst they were shocking and outrageous. At best, or at worst, they never should have been uttered—and least of all by individuals of their stature.

In this regard, Mr. President, I want to share with my colleagues a copy of the letter sent a few days ago to Vice President BUSH by Mr. Arnoldo Torres, speaking in his capacity as national executive director of the League of United Latin American Citizens, more commonly known as LULAC. Understandably, the Hispanic community here in our country is particularly distressed about this matter, given its close ties to and intimate knowledge of the Latin American region. I firmly believe that Mr. Torres' letter, on behalf of LULAC, states the case very well; and frankly I share the basic sentiments expressed in it.

Mr. President, I ask that the text of the Torres letter be inserted at this point in the RECORD.

The letter follows:

LEAGUE OF UNITED
LATIN AMERICAN CITIZENS,
Washington, D.C., March 4, 1983.

MR. GEORGE BUSH,
Vice President of the United States of America, Old Executive Office Building, Washington, D.C.

DEAR MR. VICE PRESIDENT: I am taking this opportunity to address you on behalf of the League of United Latin American Citizens (LULAC), this country's oldest and largest Hispanic organization with 100,000 members in forty-five states of the nation, and to express our dismay and outrage at the flippant and arrogant manner in which members of the Administration have treated the humanitarian work of the Catholic church and the Pope in Latin America. We were greatly disturbed by the attack on February 28 of this year by Secretary of State Shultz

against "churchmen who want to see Soviet influence in El Salvador improved" and again by your suggestion on the eve of Pope John Paul II's visit to Central America that Catholic clergymen are supporting Marxist revolution in Latin America. As American citizens of Hispanic background, we are very concerned about the strife in Central America and the Administration's role in that strife; and as a largely Catholic community we are very concerned about the Administration's apparent disrespect for the work of the Catholic church in Latin America.

The role of the Catholic church in the social unrest and civil strife in Latin America extends far beyond political ideology and rhetoric: it seeks to defend human life and human dignity. Those are things which the Administration and the perpetrators of the bloodshed and repression in Central America have yet to defend or even to recognize. The Catholic church has acknowledged that the people of El Salvador, Guatemala, Nicaragua, and other Latin American countries are more than pawns in power struggles and political rivalries; they are human beings who want and deserve the right to live and to work in peace under a government which will protect those rights.

The Pope has gone to Central America in search for peace. As the Vice President of the United States of America, we should hope that you would not defame that search, but rather support and offer every assistance to it.

Respectfully,

ARNOLDO S. TORRES,
National Executive Director.●

REPRESENTATIVE BEDELL SPEAKS TO THE SMALL BUSINESS LEGISLATIVE COUNCIL

● Mr. BUMPERS. Mr. President, in February the Small Business Legislative Council held its annual meeting here in Washington, D.C. The SBLC is an umbrella organization of 75 national trade associations who represent about 4½ million small businesses. One of the highlights of the meeting was a debate on the topic of which political party does more for small business in America. The Republicans were represented by Richard Richards, the former chairman of the Republican National Committee. The Democrats were represented by Congressman BERKLEY BEDELL.

We all know Mr. BEDELL as a tireless advocate on behalf of small business. In the 96th Congress, he chaired the House Small Business Committee's Subcommittee on Antitrust. In the 97th Congress, he chaired the Subcommittee on Energy, Environment, and Safety Issues Affecting Small Business. And this year, he is chairman of the Subcommittee on General Oversight and the Economy.

Most importantly, my very good friend BERK BEDELL is himself a businessman. In fact, in 1974, he was the first to receive the SBA's Small Businessman of the Year Award. Because of his broad experience dealing with small business issues, BERK knows the subject very well. I would like to share with my colleagues the text of his remarks before the Small Business Legislative Council. This speech should be required reading for anyone who wants to review the record of the Democratic Party on issues of importance to small business.

I ask that the text of Congressman BEDELL's remarks be printed in full in the RECORD at this point.

The text referred to follows:

REMARKS BY CONGRESSMAN BERKLEY BEDELL

I appreciate the opportunity to talk with you about an issue which I consider to be of extreme importance.

Our economy is in trouble today. With unemployment at over 10 percent, and with it acknowledged that Small Business creates 80 percent of all new jobs, thank God some such as this group are looking at how Small Business is treated by Republican and Democratic Administrations.

Thank you for giving me this opportunity to speak. There have been many times in the last two years that I wished I could cry out all across the country to let the people know what the Reagan Administration is doing to Small Business.

The first time I wanted to cry out was when I read the recommendations Mr. Reagan's Small Business Issues Task Force sent him less than two weeks after his election. This group included among others the Vice President of Pepsico, and a former officer of the Federal Reserve. Here is what they said should be a top priority. I quote:

"Your Administration's Small Business policy should not consist of more small business subsidies, loan programs, selective tax exemptions and government contract favors. If anything, your Administration should work to remove small business advantages of this kind. The government should remain neutral between large and small business."

The Reagan Administration sure has moved to try to eliminate Small Business Loan Programs and Other programs. But its favoritism to big business is anything but neutral.

Another time when I wished I could let the people know what was happening was last March when the Assistant Secretary of the Treasury for tax policy, Mr. John Chapoton, testified before my subcommittee. We called him before our committee because the Reagan Administration had destroyed an S.B.A. program providing for government loan guarantees to help small businesses obtain tax-exempt financing for government mandated pollution control equipment. In the hearings, we pointed out that without this program small business would be precluded from such financing.

I asked Mr. Chapoton if the Administration would consider changing its policy if it could be shown that the policy clearly discriminated against Small Business. He said they would not.

Since January 1st of this year, in just 6 weeks, 6 large companies have sold 244 million dollars of tax-exempt pollution control bonds. In all of 1982, Small Business was unable to issue a single one because of the Administration's action. This 244 million in 6 weeks is nearly as much as the entire year's authorization for the SBA program.

I wish the People of this land could have heard that testimony.

Or, I wish the people of our land could have attended another hearing of the Small Business Committee last August when Mr. William Baxter, the Assistant Attorney General for Antitrust, confirmed that he was properly quoted in Dun's magazine when he said, "There is nothing written in the sky that this WORLD would not be a perfectly satisfactory place if there were only 100 companies."

Let me read you that to you again. The man Ronald Reagan put in charge of antitrust said, "There is nothing written in the sky that this world would not be a perfectly satisfactory place if there were only 100 companies."

At the same hearing, Mr. Baxter told the world that he would not enforce the law that prohibits large companies from vertical price maintenance. It doesn't seem to bother our chief anti-trust law enforcement officer one bit that the Supreme Court had just recently ruled that vertical price maintenance is *per se* illegal. Mr. Baxter said he was aware of the decision, but he didn't agree with it, so he was not going to enforce the law, and that was that. So big business can go ahead and violate the law and know that they will not be prosecuted.

Do you see why I am so delighted with this opportunity to speak out on what is happening?

But the purpose of today's program is to compare political parties and administrations, attitudes toward small Business.

Let me make it clear, I had many disagrements with the Carter Administration, but when you compare them with the present administration in regard to their treatment of small business, Reagan makes Carter look like a saint.

In January of 1980 President Carter convened the first White House Conference on Small Business. Small business persons from all across the nation came to Washinton for a real working session. They came up with some 60 recommendations. As a result of those recommendations, the Congress passed the following bills to benefit small business:

1. The Equal Access to Justice Act which said that in law suits between the government and small business, if the business won, the government would be liable for the legal expenses of the small business.

2. The Paperwork Reduction Act which required agencies to issue paperwork impact statements and mandated a 25 percent cut in government paperwork.

3. The Regulatory Flexibility Act that permits 2-tier regulations to help Small Business.

4. The Small Business Investment Incentives Act which makes it easier for Small Business to attract venture capital.

5. The Patent Trademark Amendments Act which provided small businesses would retain title to patents developed during government constracting.

6. The Small Business Export Expansion Act which provides matching funds to organizations that help promote small business exports.

7. Increased the Power of the Office Advocacy in the Small Business Administration.

These are all steps that were taken during the Carter Administration as a result of recommendations of the White House Conference on Small Business. I say that this is pretty impressive.

President Carter promised another such conference in 1982. Unfortunately for the Small Business community, Mr. Reagan was elected as our President.

In May of 1982 the Chairman of the Democratic Party, Charles Manatt, called on President Reagan to convene another Nationwide conference on Small Business. That request has fallen on deaf ears.

Can you see why I am so glad for this opportunity to speak out?

But the benefit of that conference didn't end when president Carter left office.

Last year we passed the Small Business Innovation Research Act. This bill provided that a small part of Federal research and development money be set aside for small business. All of the government agencies testified against it.

The Small Business Administration's Office of Advocacy did not exactly testify against it. Let me read to you from the record of that hearing what was said after Mr. Swain, the chief counsel for advocacy testified.

Mr. BEDELL. Did OMB make any changes in the testimony you proposed to submit to this committee?

Mr. SWAIN. I am attempting to be perfectly candid with you, Congressman.

Mr. BEDELL. Great.

Mr. SWAIN. The major change—the only change of substance—was the OMB request to insert into my testimony a specific statement that the administration opposed quotas. That is the only change of substance they made.

Mr. BEDELL. That is a pretty major change. I think that was read by those of us who read your testimony to say that the office of advocacy opposed it. Have you read the bill that sets up your office?

Mr. SWAIN. Yes, sir.

Mr. BEDELL. I will read to you from that bill:

"The Chief Counsel may from time to time prepare and publish such reports as he deems appropriate. The reports shall NOT be submitted to the Office of Management and Budget or to any other federal agency or executive department for any purpose prior to submittal to the Congress and the President." That is legislation that we enacted. I am going to have to run over to the floor and vote. I don't think the problem is with you, Mr. Swain. I have been delighted with your testimony. I think the problem is with the Administration.

Apparently the Administration doesn't realize the intent of the legislation we passed here in the Congress or else they are not going to pay any attention to it. They have no right to go over your testimony and change it and add to it.

President Carter tried to strengthen that office of advocacy in SBA. The Reagan Administration has tried to throttle it.

I should tell you. I have served in Congress for 8 years. I have never seen such arrogance in an administration, whether it is openly disregarding the law, or whether it is publicly stating that they don't care whether or not their policies discriminate against Small Business.

Just two days ago the House passed amendments to the Small Business Act which extend the time for submitting bids on government contracts so that Small Business would be better able to bid—again, the Administration opposed this action.

Can you see why I appreciate this opportunity to speak out?

In the last Congress I was Chairman of the Energy Subcommittee of the House Small Business Committee. I believe that our country faces a serious energy problem. It is reported that Small Business is 24 times as innovative per dollar spent as is big business. Many small business firms had research contracts with the federal government to try to help solve our energy problem. Many of those were 3-year contracts with one year left to run when President Reagan came to office. Upon checking we found that the Reagan Administration went through amd made wholesale cancellations of those contracts. Without even checking the files to find out how promising the projects might be. The only way we found that out, was that when we asked to see the files, they didn't know where they were. No money for Small Business energy research, but tax breaks for the oil industry.

Can you see why I welcome this opportunity?

Shortly after President Reagan came to office he proposed some major business tax cuts. These cuts tell you a little about his priorities.

It is generally agreed that most new jobs are created by small business. Yet, 80 percent of the President's tax cuts went to big business and 20 percent to small business. The benefit to Small Business in the Democratic Proposal would have been more than 4 times as great as the President's bill.

I have here an 8 page comparision of the two bills by the National Small Business Association. Let me read some of the figures at random. In 1985, the President's proposal will cut taxes for Small Business by 1.1 billion dollars. The Democratic proposal would have cut Small Business taxes by 7.4 billion.

In 1984, under the President's bill, the savings for a Small Business making $100,000 would be $1,000.

Under the Democratic proposal the savings would have been $9,250.

I think they were both bad bills but for small business there was no comparison.

Now, let's take a look at the President's budget proposals for small business. Here is a chart showing funding levels for SBA direct lending programs.

SMALL BUSINESS ADMINISTRATION—DIRECT LENDING PROGRAMS

[In millions of dollars]

	Fiscal year—		
	1981 actual	1982 actual	1984 request
General business loans	205.1	114.8	0
Handicapped loans	25.0	13.1	0
Economic opportunity loans	49.0	21.8	0
Energy loans	6.7	1.1	0
Development Co. loans	6.0	0	0
Investment Co. loans	41.2	27.3	[1] 41.0

[1] Required by law.

Look at the amounts requested by President Reagan. Zero, Zero, Zero. That 41 million dollars for investment company loans is required by law. Otherwise, I'm sure that figure would be a zero, too.

I also serve on the Agriculture Committee, where we oversee the Farmers Home Administration. They have a program to provide loan guarantees to businesses locating in rural areas. Or at least they used to have such a program.

Here is a chart showing what Mr. Reagan proposes to do to small business programs at Farmers Home and at other agencies.

AID TO SMALL BUSINESS

[In millions of dollars]

	Fiscal year—		
	1981 actual	1982 actual	1984 request
Farmers Home Administration: Business loan guarantees	652	300	0
Department of Energy: Set-aside contracts	469	466	0

AID TO SMALL BUSINESS—Continued

[In millions of dollars]

	Fiscal year—		
	1981 actual	1982 actual	1984 request
Department of the Interior: Grants to small business	26	20	0
EDA: Direct loans	17	30	0
SBA: Direct loans	308	225	41

You see again the administration's proposed budget for small business, Zero, Zero, Zero.

And while the administration is trying to cancel out loans to small business during one of the steepest recessions in recent years, it is giving the Pentagon a blank check.

Can you see why I cry out?

Take a look at the bankruptcy figures. The figures for the last 2 years have been the greatest since the Great Depression.

Business failures

1971–80 (average)	9,406
1980	11,742
1981	17,043
1982	25,346

Source: Dun & Bradstreet Failure Report.

Can you see why I welcome this opportunity?

I am not generally considered a very partisan person. But there comes a limit to one's patience. Big business is important, but it has been Mom and Pop America that built this country. Big Business is in the saddle with this Administration, and small business is in the behind with a shovel to try to pick up the droppings. I *cry* to see it, partly for the sake of small business, but mostly for the sake of America.●

FOOD DONATION

● Mr. HATCH. Mr. President, I wish to submit to the RECORD this article entitled "Utah Restaurants To Donate Food to Needy" which was published in the Salt Lake Tribune on March 10, 1983.

The proposed project—"share and care" is a new donation system which will be instituted in Utah. This is the kind of program that I wish could be nationwide.

The Utah Restaurant Association's example of giving surplus food to the needy at the end of each working day is an example that I would like to bring to the attention of each State. I compliment the Restaurant Association on their efforts in serving the community.

The article follows:

UTAH RESTAURANTS TO DONATE FOOD TO NEEDY—BOARD OK'S PLAN TO GIVE AWAY UNUSED SURPLUS

(By Carol Slaco)

ST. GEORGE.—The haute cuisine from some of Utah's best restaurants will soon be offered to some deserving customers—the needy.

Wednesday the Utah Restaurant Association's thirteen member board of directors voted unanimously to give surplus food to the needy at the end of each working day.

Food purchased and cooked for that day but not sold to customers will be given to the Rescue Mission and Salvation Army in Salt Lake City and to similar organizations around the state according to Ron Morgan, associate director.

"There is no doubt that more people are in need today than there have been in many years," Mr. Morgan said. "We want to try and do our part to help take care of those people."

The gesture is a wonderful one according to the Reverend Lester Myers, Rescue Mission director, who said the mission served 14,387 meals during February, which is the year's shortest month.

"I've known about the plans for a couple of months, and I'm very well pleased with it," he said Wednesday afternoon. "I think what the association is willing to do is wonderful. It will help us in a real way to minister to the people we're serving."

The assistance will help tremendously at the Salvation Army according to program director Jerry Miller.

"Any time we can get community support in helping us or the Rescue Mission it really helps," he said. "When the excess food is donated to us, what money we have can be spent in other programs."

Donations of food, clothing, and medical services are always welcomed by the Salvation Army, Mr. Miller said.

The Rescue Mission serves six meals daily with breakfast at 6:00 and 7:00 a.m., lunch at 12:00 and 1:00 p.m. and dinner at 6:00 and 8:00 p.m.

The board, representing restaurants from around the state, endorse the project on a motion by Max Fillmore representing Hilton Hotels, that was seconded by Richard Stinson of Baskin Robbins.

Bill Mouskondis of Nicholas and Company—the largest food distributor in the state—donated 50 cases of canned goods Wednesday afternoon to get the project started and said he will make further donations.

Several association members have donated food informally for some time, Mr. Morgan said, but Wednesday the entire association decided to participate on a regular basis.

"We'll call the project Share and Care and we'll begin by giving food to the Salvation Army and Rescue Mission in Salt Lake City and Ogden," Mr. Morgan said.

Restaurant association members will give food to other charitable organizations statewide that feed the poor, according to Mr. Morgan.

"It's hard to say how much we'll have each day" he said, "It will be items that the restaurants purchase but aren't able to sell."●

SURVIVING A NUCLEAR WAR IS HARDLY SURVIVING

● Mr. TSONGAS. Mr. President, the issue of the survivability of a nuclear holocaust is one that should haunt every rational thinking person in today's world. To think that a nuclear war is survivable—in any sense of the word—is to deceive ourselves, and it is this same blind mentality that can lead us all into oblivion. I am chilled by the administration's statements on "winnable nuclear war," by bizarre plans for civil defense in the event of a massive nuclear exchange. If we are made aware of the horrifying and devastating potential effects of nuclear war I believe that we must come to think of even the concept of survivability as sheer nonsense. I believe that anyone who deals with the issues of war and peace in the nuclear age must come to grips with the future without hope that nuclear war implies.

Mr. President. I ask that a very timely article on this most important issue of survivability be printed in the RECORD, "Surviving a Nuclear War Is Hardly Surviving," by Dr. Herbert L. Abrams of the Harvard Medical School. It appeared in the New York Times on February 27, 1983.

The article follows:

SURVIVING A NUCLEAR WAR IS HARDLY SURVIVING

(By Herbert L. Abrams)

BOSTON.—When Charles Kupperman, adviser to the Arms Control and Disarmament Agency, says, "It is possible for any society to survive a nuclear war" and "Nuclear war is a destructive thing but still in large part a physics problem" what does he mean by "survival"?

The physicist Edward Teller has an answer. In his most recent book, "The Pursuit of Simplicity," he assails the myth of the apocalypse, the myth that a full-scale nuclear war would wipe out mankind. He then defines survival in terms of an extraordinary parallel. He describes the invasion of Persia in 1219 by the armies of Genghis Khan, intent on killing "everyone they could find." "Perhaps," he says, "there is no example of greater havoc in human history. Yet at least 10 percent of the Persian population survived." For Dr. Teller, the death of 90 percent of the inhabitants of Persia represented "survival." He would use the same word to describe the extinction of 90 percent of our population in a nuclear war. This is a narrow-minded use of the word, designed to obscure its full meaning.

We can only marvel at the relaxed and amiable insistence of the nuclear prevailers and the nuclear winners who "know" that survival is possible. Of course it is. In a literal sense, Dr. Teller is right. The human race, unlike the dinosaurs, will survive over the next few millenniums, if only in the Southern Hemisphere.

When Dr. Teller speaks of survival, he really means species survival. To survive is to remain alive; its meaning is confined to the metabolic life process. By no stretch of the linguistic imagination does species survival address the quality of life. This use of the word speaks to duration, to time, but avoids the fabric of living.

Species survival, however, does not guarantee political or economic or social survival, or biological and physical survival, or psychological survival.

Political survival is a central assumption of civil defense: free elections and the free enterprise system will prevail. Nowhere is the sense that chaos and anarchy may equally dominate the American and Russian wastelands.

For the individual, what must be defined is acceptable survival: life with quality. Family. Friends. Home. Neighbors. Worshipping with acquaintances and family. Masterpiece Theatre, "60 Minutes," "Nicholas Nickleby." Lincoln Center, the Museum of Modern Art, Fifth Avenue. Add to that the fire department, the police, transportation and the power companies and some of the ingredients of social survival emerge. All of these must be placed in the perspective of a pile of rubble near a great crater.

The medical problems of survivors will so far exceed the capacity of available resources that physical survival will surely be tenuous. But even in conventional war, the dead exact a toll among the living that reflects the fragile nature of psychological survival. In the postnuclear world, anything that permits the individual to endure will be permissible.

In the concentration camps, as the psychiatrist Bruno Bettleheim has noted, existence meant for some a complete disintegration of autonomy and self-respect—cheating fellow prisoners or turning spy for the Gestapo.

Here, then, is a glimpse of the real meaning of survival—living through privation and degradation as the central ingredients of life. Living only in time.

Thoughts such as these rarely trouble the nuclear statesmen. In their lexicon, survival has become a term so deliberately ambiguous that it supports policy decisions that would otherwise be unacceptable even to those making them.

The politics of survival underlies the concept of destructive advantage, the firm belief that national security requires still another measure of overkill.

Survival must be depoliticized. We must learn to use the politics of survival not to obscure, and thereby to pursue nuclear warfighting strategies, but to clarify, and thereby to heighten the urgency of risk-taking in the negotiating process.

This requires a clear concept of our adversaries' views and an understanding of their acceptable goals and interests. It demands an attack on the assumption that we are forever enemies and that nuclear weapons can defend us. The tempering effect of the reality of survival on the negotiating framework must preclude bellicose threats and rigid posturing.

The dimensions of survival as we understand them must be conveyed ever more widely to policy makers. Even the true believers among us may be shaken by the facts.

The challenge is no less than to reverse the grim Orwellian curse that characterizes this century: To get back to the true meaning of words.●

NATIONAL WOMEN'S HISTORY WEEK

● Mr. DOMENICI. Mr. President, all week long Americans have celebrated National Women's History Week. Here in this city, events such as a film festival devoted to the accomplishments of women filmmakers and directors, public library seminars on notable American women of the past, and art shows displaying the works of women artists have all served to remind and educate us as to the enormous contributions that women of all social, economic, and ethnic backgrounds have made to our society. In the field of art, I am particularly reminded of the beautiful work of Georgia O'Keefe, an acclaimed painter from my home State of New Mexico.

The past has witnessed a tendency for us to think in terms of firsts when we note the emergence of a woman

into a given field, or a particular accomplishment. In 1981—yet another of these firsts occurred when Sandra Day O'Connor became the first woman to be named a Supreme Court Justice. Elizabeth Hanford Dole, as the new Secretary of Transportation becomes the first woman to assume the position as a commander in chief of a U.S. military outfit—the Coast Guard. These women are to be noted not just for their individual accomplishments, but for the example that their success presents to young women today. Women's History Week thus provides a unique opportunity to reflect on both the past, and provide us with a new perspective on the present.

I am given, however, to look more toward the future. A New York Times editorial remarked that Women's History Week "celebrates the search for the many places that have been women's over the centuries." It goes on to emphatically state that women's place is every place, a comment which underscrores what has been crystal clear for a long time. The contributions of women to our world cross into every area of life, every profession, every field of interest, and thus must be viewed as contributions without which this Nation would not have achieved as much as it has. Perhaps in the future, when there are fewer and fewer firsts to take note of, there will no longer be a need for a week to remind us of the valuable accomplishments of women, rather, all days and all weeks will be characterized by a recognition and gratitude for the invaluable and ongoing contribution that women have made toward the improvement of our society, and indeed, our individual lives.●

REDFORD TOWNSHIP, MICH., CELEBRATES 150 YEARS

● Mr. LEVIN. Mr. President, 1983 marks the passing of the Sesquicentennial of Redford Township, Mich.; 150 years ago the most rapidly growing part of the United States was Michigan territory. Detroit was the largest city in Michigan and the entry point for the majority of the newcomers who sought land for settlement or speculation. In the spring of 1833, some 10 miles northwest of Detroit, a new township of 36 square miles was set off and named Redford. Local government thus was established by and for those people living around the upper Rouge River in Wayne County. Within 50 years of its original settlement, the township had been transformed from an agricultural area to a township with several small settlements, schools, and churches. A water-powered gristmill and a new steam gristmill, a couple of sawmills, a glue factory, a cheese factory, several blacksmiths, stores, and a cidermill were established. Redford Township grew side by side with Detroit.

As the automobile industry grew, Redford Township grew, affording autoworkers new subdivisions and a pleasant community where families could prosper. A major factory, Detroit Diesel Allison, was a built in the township as it celebrated its centennial

When World War II ended, Redford again experienced a growth spurt as vacant land was covered with homes. Over the years, Redford Township has remained a community that families move to, stay, and prosper.

It is indeed a pleasure to honor Redford Township on achieving its 150th year of growth and change. I am confident that this solid community will look with pride to the future. What is basic to any community is people—their families, their homes, their schools, their churches, and the services provided by their local government. These have been basic concerns of the people of Redford Township since 1833, and they will remain so in the future.●

PIEDMONT TO SERVICE CHAMPAIGN-URBANA

● Mr. PERCY. Mr. President, I would like to congratulate Piedmont Airlines for its recent decisions to begin service to Willard Field outside Champaign-Urbana, Ill., on April 24, 1983.

I am heartened by this decision because:

First, it proves that smaller communities can actually be better served under deregulation than under the regulated regime that existed before 1978;

Second, the new service is being added by an airline with a proven track record of success during a period of instability in the airline industry;

Third, it is a tribute to the community, which tirelessly sought this new service, despite the view of many larger carriers that Champaign was better suited to feeder type service on smaller commuter aircraft.

It was the community that first approached me for assistance last spring, after another airline had suspended through plane service to several cities in the Middle Atlantic States. I immediately wrote W. R. Howard, the president and chief operating officer of Piedmont Airlines, urging that Champaign-Urbana be added to its Dayton hub. I have attached this letter to my statement together with the reply by Mr. Howard.

Less than 1 month ago, Mr. Howard called me to invite a member of my staff to participate in a February 21, 1983, meeting held between top community leaders and Piedmont officials, at its headquarters in Winston-Salem, N.C.

The community delegation included: Donald F. Wendel, vice chancellor for administrative affairs, University of Illinois at Urbana-Champaign; Henry L. Taylor, director, Institute of Aviation, University of Illinois-Willard Airport; Edwin A. Scharlau II, president, Busey First National Bank, Urbana, and a member of the joint transportation committee of both the Urbana and Champaign Chambers of Commerce; Lowell Garner, chairman of the air subcommittee of the joint transportation committee, and a partner, McGaldrey, Hendrickson & Co., Champaign; Michael "Mick" Moore, executive vice president, Champaign Chamber of Commerce and former vice commander at Chanute Air Force Base; Chuck Cooper, general manager, Parkhill Tours & Travel, Champaign; and Al Broom, owner of Mid-America Travel, Champaign.

I ask that my correspondence with Piedmont leading up to the March 8, 1983, announcement and article from the January 1983 Airline Executive, which explains the success of Piedmont in serving smaller communities that have lost jet service.

The correspondence follows:

COMMITTEE ON GOVERNMENTAL AFFAIRS, SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND GOVERNMENT PROCESSES,
Washington, D.C., June 25, 1982.

Mr. W. R. HOWARD,
President and Chief Operating Officer, Piedmont Airlines, Inc., Winston-Salem, N.C.

DEAR MR. HOWARD: I would like to congratulate your airline for its continued economic success when other carriers are suffering substantial economic losses. As one of the early advocates of airline deregulation, I applaud your foresight in taking advantage of new route opportunities that opened up as other carriers abandoned smaller cities to move their equipment to major hub cities.

I understand that on July 1, 1982, that you will be opening up your own "minihub" in Dayton, Ohio, that builds on this unique operating philosophy. Passengers from Washington, D.C., Boston, Miami, Tampa, and Dallas will fly nonstop to Dayton where they can change to other Piedmont flights to Akron, Toledo, Fort Wayne, and Lansing. From discussions with your staff, I understand that you are examining other potential Midwest markets that would fit into your "profile" for success.

I would sincerely appreciate your considering Willard Field in Champaign-Urbana for these reasons:

It has lost eastbound jet service with the discontinuation of service in this direction by Ozark Air Lines. This service attracted good loads, but had been downgraded by Ozark through the years. Originally, it was routed from Champaign to New York with a stop in Baltimore. Later, a second stop in Indianapolis was added.

Because of the presence of the University of Illinois, a substantial amount of travel is generated by the some 35,000 students and 12,000 professional staff. Although I understand that your minimum Standard Metropolitan Statistical Area (SMSA) population for new service is 300,000 (versus 168,000 for the Champaign SMSA), the traffic genera-

tion potential for the University cannot be understated.

Both Decatur and Bloomington, Illinois, are within 50 miles of Champaign. Both are international agri-business and insurance centers that would benefit by convenient service to the East. There is no question that given good service by Piedmont and proper marketing, business travellers from the entire region would drive to Willard Field to board your flights.

Mr. Howard, I understand that Piedmont is not prepared as yet to add additional flights from the Dayton hub because of the operating constraints that have resulted from the air controllers strike. Because Champaign-Urbana is affected by limitations at the Chicago En Route Center, I could well understand that you may look elsewhere for hub additions.

However, looking toward the summer of 1983, when the system should be approaching normalcy—particularly at the Chicago and Indianapolis En Route Centers, I would urge that you seriously examine this market.

I am ready to assist your corporate planning director, Mr. Richard L. James, in this fact-finding effort. Mr. Stanley B. Balbach, a distinguished attorney, who is co-chairman of the Joint Committee on Transportation of the Urbana and Champaign Chambers of Commerce, would assist you. His address is listed below for your convenience. Howard S. Marks of my staff is also available for assistance. He can be reached at 202/224-9515.

Again, congratulations on your successful efforts to make advantage of new opportunities.

Sincerely yours,

CHARLES H. PERCY,
U.S. Senator.

PIEDMONT AIRLINES,
Winston-Salem, N.C., July 26, 1982.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Thank you very much for your nice letter of June 25th, and your gracious comments concerning Piedmont's continued economic success.

We are taking a very close look at Champaign-Urbana with the thought that it might fit well into our new Dayton hub.

Thank you very much for your kind offer of assistance—I am sure that we will want to take advantage of it. In the meantime, our Vice President of Corporate Planning, Dick James, has this project underway, and by copy of this letter to Mr. Stanley Balbach we are assuring him that Mr. James is prepared to work with him.

Very truly yours,

WILLIAM R. HOWARD.

COMMITTEE ON GOVERNMENTAL AFFAIRS, SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND GOVERNMENT PROCESSES,
Washington, D.C., March 7, 1983.

Mr. WILLIAM R. HOWARD,
President, Piedmont Airlines, Inc., Smith Reynolds Airport, Winston-Salem, N.C.

DEAR MR. HOWARD: My personal congratulations for selecting Champaign-Urbana as your newest destination. Your decision should benefit both the community and Piedmont. For the community, convenient jet service will now be available to a variety of business and tourist destinations in the Middle Atlantic States, New England, Florida, and Texas. Businessmen and University staff will be able to leave their homes in East Central Illinois in the morning and be home in time for a good night's rest. Furthermore, attractive discounted "Super Saver" fares available on Piedmont should help reduce travel costs.

For Piedmont, this decision should result in another success in your corporate plan to service smaller communities that have experienced a reduction in commercial jet service. As an early supporter of deregulation legislation, I salute your decision to serve medium sized communities using the opportunities that this new law afforded you. While other carriers have had difficulties, in 1982 you carried 17.1 percent more passengers than 1981; your earnings stood at over $30 million; and you added more jet aircraft than any other airline in the Western world.

When I first wrote you last summer urging the start of Willard Field Service, I never imagined you would respond so quickly. I am very grateful and stand ready to assist you in every way possible as you attempt to expand your domestic network and enter new international markets. I know that already the community has made a very positive impression on you, including the Chamber, the University, and many others who made this day possible. Thank you for your trust and confidence in them. I know it is well-placed. I am looking forward with anticipation to April 24, 1983, when the blue Piedmont bird calls Willard Field its home.

Sincerely yours,

CHARLES H. PERCY,
U.S. Senator.

WHY PIEDMONT SUCCEEDS WHERE OTHERS FAIL

(By Kay Pinckney)

WINSTON-SALEM, N.C.—Why is Piedmont making money and increasing its passenger traffic when other carriers are in the red?

"It doesn't sound very sophisticated," says Piedmont President Bill Howard. "but we have a philosophy of ferreting out pairs of points where are transportation is really, really needed."

Also, since deregulation, Piedmont has concentrated on bypassing major hub airports as connecting points and has fed its own traffic at smaller hub airports. "We were pretty well aware four years ago, when we dug around looking for markets, that a lot of people—maybe they were somebody else's customers at the time—didn't like traveling via awkward connections through New York, Washington or Atlanta to reach their big city destinations," Howard says.

In serving the "needy" markets, Piedmont has developed a strong hub-and-spoke operation at Charlotte, where the airline has more than 63 percent of the traffic and 12 gates; and has started a new hub at Dayton, where a mere six months ago, Piedmont provided no service whatsoever. In September, Piedmont had almost 24 percent of the traffic in Dayton, more than any other airline.

Howard admits that at Dayton and Charlotte, "our schedules are totally devoted to our own connections."

Symbolizing the mutual admiration between the North Carolina carrier and the mid-sized cities in America that need better commercial service are two items in Howard's office: key to the city of Flint, Mich. and a bronze model of the Wright Brothers' first plane.

In the past six months, Piedmont has added eight Ohio Valley cities and Chattanooga, Tenn. to its system. Other Ohio Valley cities are lining up to talk to Piedmont officials about the possibilities of connecting to the hub operation at Dayton. In the past 12 months, the airline has re-entered the markets of Greenville/Spartanburg and Columbia, S.C. and begun service to New Orleans; Dayton, Akron/Canton and Toledo, Ohio; Flint, Lansing and Grand Rapids, Mich.; and Fort Wayne and South Bend, Ind. Chattanooga is the newest addition.

Since deregulation of the airline industry began in 1978, Piedmont has pulled out of 19 unprofitable markets. However, the airline renewed its service to Columbia and Greenville/Spartanburg last year (1982) when those markets need more air service and Piedmont could provide it at a profit.

The relationship with middle America is profitable for the airline. In the third quarter ending Sept. 30, Piedmont's operating revenues totalled $178.261 million, an increase of 20.3 percent over the same period a year earlier. Net income for the quarter hit a record high of $17.255 milion, including an $8.8 million tax credit for new aircraft purchases. Passenger traffic was up eight percent over the previous quarter, by 168,000 passengers, to 700,855, a September all-time record.

MID-SIZED CITIES ARE GRATEFUL

The new system cities, for their part, appreciate Piedmont Airlines. When Piedmont recently announced plans to start up service from South Bend, Ind. through Dayton, Ohio, to points east, southeast and southwest, the nearby Niles, Mich. *Daily Star*, in a page one editorial, called the airline "a breath of spring." Service to South Bend began Dec. 15.

The *Chattanooga News-Free Press* called Piedmont's decision to begin service to Charlotte with one-stop or connecting services to 18 cities "important news for Chattanooga." The story about the two daily flights to begin Jan. 9, 1983 received front page play.

When Piedmont inaugurated service from Flint, Mich., to Dayton and long haul destinations beyond on Sunday morning, Oct. 31, three television stations, two radio stations and a newspaper covered the event. Dayton gave Piedmont a jubilant welcome on July 1, the day the airline began its Ohio Valley hub operations.

Piedmont last year served only two government-subsidized operations: the Smith Reynolds airport in Winston-Salem, N.C. and the Greenbrier/White Sulphur Springs/Lewisburg, W. Va. airport. The 1982 subsidies amounted to less than $2 million for the first six months and were to be discontinued within a short time. In 1981, federal "public service" revenues for Piedmont totalled some $7.715 million, to enable the carrier to serve small communities that otherwise could not support commercial air services. But Piedmont does not intend to enter a new market unless the area in question can generate enough passenger revenues to be profitable. As Dick James, Piedmont staff vice president for corporate planning, expressed it, "The primary justification for service has to be based on the dollars generated in the markets."

In looking for new markets, to expand its services and profits, Piedmont basically has picked mid-sized cities that needed additional air services to long-haul destinations and has avoided the general wars of attrition over nonstop long haul routes favored by other major carriers.

"Our bottom line is not to outwit any other carrier, but to serve the people in our markets. We don't agonize over how to steal passengers from other carriers," says Don McGuire, Piedmont's staff vice president for public affairs. "We get discouraged with the industry's moving passengers from this colored airplane to that colored plane instead of getting the market to grow."

Piedmont does not subscribe to some conventional airline wisdom that the most desirable routes are the traditional top routes, for example, new York-Chicago, Chicago-Atlanta and Atlanta-New York. The conventional wisdom after deregulation seemed to be that an airline should go after such markets and eke out a market share. Fare wars and plummeting airline profits were two consequences of that philosophy.

Piedmont, although suffering a $5.82 million loss in the first quarter of 1982, due to weather, traffic control problems and the economy, recorded net earnings of $26.1 million for the first nine months of the year, a 12.1 percent increase over the same period in 1981. Even substracting the $8.8 million tax credit, that's still $17.2 million in the black when many airlines are suffering quarterly losses.

And Piedmont's revenue passenger miles for October were up 11.7 percent as the airline boarded 747,000 passengers, a 9.9 percent increase over the previous October. The load factor was down to 51.69 percent vs 60.82 percent a year earlier, because of a 31.5 percent increase in capacity and inflated traffic for the airline in October 1981 during the national air traffic control slowdown.

PIEDMONT AVOIDS LARGE AIRPORTS

Although the carrier serves virtually every major market on the Eastern seaboard, as well as Denver, Dallas/Ft. Worth, Houston, New Orleans and Chicago, its routes are non-traditional. That is, Piedmont connects middle-sized cities to major markets, generally avoiding connections at huge airports like Chicago and Atlanta, although Piedmont does serve Chicago and Atlanta and is the fourth largest carrier at the Atlanta airport.

Instead of competing nonstop on the Atlanta-Dallas route, for example, Piedmont has three nonstop roundtrips daily from Charlotte to Dallas. The airline had learned from its experiences feeding passengers to other carriers at Atlanta that there was enough traffic generated in North Carolina, West Virginia, Virginia and other states to support Piedmont's own flights to the Southwest.

But when Piedmont began its Dallas service two years ago, Howard recalls. "People thought we would probably starve to death." The airline had direct service from Greensboro and Raleigh-Durham, N.C. to Dallas. Similarly, the fastest service to Denver on Piedmont is from Charlotte, Cincinnati, Louisville, Ky. and Nashville.

When Piedmont connects major markets, it is on a multi-stop basis with one-stop or non-stop service geared to passengers in the intermediate markets. Calculation of full fares, schedules and profits on the route is generally based on the number of business travelers expected to use the service. The optimum schedules are for the business person's convenience.

The discount fares are designed to fill seats that would otherwise be empty, and often are capacity controlled. The fares encourage travel by families, weekend travelers, military personnel, senior citizens and large groups.

Piedmont's highest discount fare, the Hopscotch, has given competing trunk carriers fits. The Hopscotch fare (40 percent off one way and 50 percent off round trip) is offered "only where we have a fractional piece of the market share, a number of stops or connections and the competition dominates the nonstop market," explains W. G. McGee, Piedmont's senior vice president for marketing. Examples are Atlanta-Washington/Baltimore and Atlanta-NY/Newark, where Delta and Eastern dominate with nonstop service.

Piedmont's services from Atlanta to the two major Northern markets are designed for the convenience of travelers in North Carolina, West Virginia and Virginia. Consider that the airline's non-stops to Washington/Baltimore from those states are from Charleston, W. Va.; Charlotte, N.C.; Charlottesville, Va.; Lewisburg, W. Va.; Greensboro/Winston-Salem, N.C.; Jacksonville, N.C.; Kinston, N.C., Lynchburg, Va.; Norfolk, Va.; Raleigh-Durham, N.C.; and Roanoke, Va. Piedmont caters to its passenger base.

Piedmont also handles more of the passenger traffic to and from North Carolina, Virginia and West Virginia than all other airlines combined: In 1981, Piedmont boarded 3.5 million passengers in those three states, almost 48 percent of the airline's total systemwide traffic of 7,266,000. The tri-state traffic was expected to total five million passenger boardings in 1982.

In the first nine months of 1982, the average Piedmont passenger paid $73 for his ticket and traveled 457 miles one way (about the distance from Louisville, KY. to Washington, D.C. or Winston-Salem to Newark/N.Y. Piedmont has non-stop and connecting services between both city pairs.)

With its planes running 50-56 percent full on full fare tickets for services to intermediate points on the Atlanta-Washington route, Piedmont could afford to offer half-fare tickets to passengers who wanted to travel the full distance between the major markets and stop at least once or connect along the way with at least an hour of travel time added.

The result was that Piedmont gained a five percent share of a long haul route it had not served before deregulation (and never on a non-stop basis), leaving 95 percent of the traffic to Delta and Eastern's non-stop flights, Howard recalls.

And "virtually all" of the Piedmont Atlanta/Washington traffic is Hop-scotch traffic—low yield and a bonus to the already profitable short haul routes between the two markets for Piedmont—says Howard. So when Delta and Eastern last year said they would match the Hopscotch fare on their Atlanta-Washington nonstop flights. "They cut into our Hopscotch traffic but haven't destroyed the viability of the flights," he adds. On the other hand, the two trunk carriers have cut their own profits on their nonstop services, "and the results can't help but hurt them more than they hurt us," Howard observes.

"Somebody around here the other day said (the other airlines) had slit their wrists and tried to drown us in their blood. They may have picked up a few points on load factors, but they must have been seriously hurt," Howard reflects.

He predicts that Delta and Eastern would also lose more than Piedmont will on the trunk carriers' recently inaugurated program of matching Piedmont's Hopscotch fares on their own non-stop flights between Atlanta and North Carolina destinations.

PIEDMONT HASN'T HURT DELTA

Piedmont officials admit they have kept some traffic that they formerly fed to Delta, but don't see themselves as the main reason for Delta's third quarter 1982 losses.

"We are certainly not a threat to Delta. Perhaps a very small piece of Delta's traffic loss has been to Piedmont . . . but you have to look more deeply than that at Delta's results," responds Howard, citing the Hopscotch fare matching examples explained previously.

Truck carriers have also hurt themselves through their reluctance to establish joint fares with the regional "feeder airlines" such as Piedmont, for interline connections, says Don McGuire. Such reluctance is an incentive to the regionals to feed their own traffic and offer better fares.

"Obviously we are taking some traffic away from major carriers," offers McGuire. "But, for example, if you gave Delta all our passenger traffic in September they still would not have had a breakeven load factor." Delta handles as many passengers monthly in th Atlanta hub as Piedmont handles on its entire route system, he estimates.

Following its own post-airline regulation rules of providing service in underserved, markets and feeding its own flights, Piedmont found a group of midwestern cities that filled the bill for a new hub-and-spoke operation.

Dayton, along with Toledo, Akron/Canton, Grand Rapids, Lansing, Flint, Ft. Wayne and South Bend, lost more than 40 percent of its air transportation services since 1978 as some major carriers had dropped out of the Ohio Valley markets, calling the routes unprofitable. As a result, many commuters were forced to drive to the Detroit airport to get a wide selection of air services, or to take other means of transportation to distant and major cities.

After talking with city and airline officials in the Midwestern cities and studying the air transportation needs of the industrialized area and the chances for a good mix of business and pleasure traffic, Piedmont officials decided that a Dayton hub could support non-stop services to major Southern and Eastern cities if the traffic from the surrounding cities were fed into Dayton. The eventual operation was modeled on Piedmont's successful feeder operation in Charlotte, where the airline has 99 daily departures.

Piedmont used origin and destination studies. Sun Belt/Snow Belt affinity calculations and demographic studies to match the Ohio Valley cities with long-haul markets to which Piedmont could provide the best non-stop service from Dayton.

The Ohio Valley cities were willing to lease air terminal and other facilities to Piedmont at favorable rates and to help promote the flights. In addition, the city of Dayton financed the construction of terminal facilities including seven new gates with loading bridges for Piedmont. The distance between gates is about 100 feet and the maximum connecting time between the local flights and the long-haul flights to Dallas, Newark, Boston, Washington, Tampa, Orlando and Miami is 35 to 40 minutes.

The flights feed into Dayton before 8 a.m. and non-stop flights to the major long haul markets leave shortly after eight, arriving in the major cities between 9:20 and 10:35 a.m. Return flights to Dayton and beyond to the feeder cities in the evening enable business

travelers to do a full day's work in the major city and return home that night.

There is an additional roundtrip daily in each long haul market and midday return flight from Dayton to each of the feeder cities. Each feeder city has one-stop service to two big cities and short connections to non-stops to the other major markets daily.

The new hub began operations on July 1 with 16 daily departures. The first long-haul destinations served were Boston, Washington, Dallas and Miami, from Ft. Wayne, Lansing, Toledo and Akron/Canton. Upon Federal Aviation Administration approval, Grand Rapids soon joined the system as did Flint on Oct. 31. The major markets of Orlando, Tampa and Newark were also added by Oct. 31. When South Bend joined the system Dec. 15, Piedmont added in the morning commuter flight to Newark, bringing the total number of daily departures from Dayton up to 28.

Before June 11, Piedmont had never served Dayton. (One daily Dallas-Dayton roundtrip was begun June 11 due to slot requirements at Dallas.) On July 1, Piedmont became the largest carrier at Dayton.

By the first week of August, the Dayton routes were turning a profit. Piedmont had aimed for a breakeven load factor of 45 percent within 60 to 90 days and a first year load factor of 51 percent, but the August average load factor was 53 percent above both goals.

Seven Boeing 737s with 112 seats each are utilized in Piedmont's Dayton operation. Fares are competitive with those out of Detroit, Piedmont officials say. For example, the full coach fare ticket from Toledo to Washington was $134 in November. Roundtrip Supersaver fares were $160 during the week and $187 for weekend travel.

Besides securing the full cooperation of the eight midwestern communities, Piedmont capitalized on the historical aviation ties between Dayton (where the Wright Brothers invented the airplane) and North Carolina (where the Wright Brothers' plane and Piedmont's air service both "first got off the ground"). The advertisements emphasized that Piedmont was returning the Wright Brothers' favor by providing Dayton with service "better than anything Dayton has had before."

The same principle of entering underserved markets applied when Piedmont decided to inaugurate twice daily service from Chattanooga to Charlotte because "Chattanooga had no good shot into the Northeast," McGuire points out.

Chattanooga's air services were to Atlanta on the south and Memphis on the west. To head north, a passenger had to fly west or south to make a northbound connection. Piedmont's research showed that the situation had taken Chattanooga area residents off planes and into their cars for northbound trips. The Piedmont service will provide one-stop roundtrip service to Boston and Philadelphia and connections to nonstop flights to 16 other markets in Florida, North Carolina and Virginia as well as the major cities of Baltimore, Chicago, Cincinnati, New York and Pittsburgh. One-stop service from a new middle-sized city to two major cities is standard procedure for Piedmont's startup of new services in the long haul routes channelled through hub operations.

Piedmont's original way of looking at air travel possibilities is pointed up in its experimental "take-the-family-fare," begun last Oct. 28. Until at least March 31, 1983, an adult Piedmont passenger who pays full fare can take his or her spouse and children under 18 along for only $29 per person each way. (To Texas and Colorado destinations, the price is $49 each way.) The fare is good between any two points on Piedmont's system on any day, excluding only the 16 days of the Thanksgiving, Christmas and New Years holidays.

In one fell swoop, the fare:

Serves to fill seats that would be empty otherwise during the slowest traffic period.

Is competitive with automobile transportation.

Appeals to the business traveler (whose employer pays for his ticket) to take his family along at a price he can afford.

Is Piedmont's answer to "frequent flyer" programs offered by other airlines, where a frequent traveler must wait weeks or months to build up enough miles to take the spouse along for free.

Piedmont's ads call the fare: "a better fare for your better half." Promotions for the fare include radio, newspaper, magazine and travel agency publication advertisements, as well as outdoor advertisements (billboards). Television ads began in December when the television audience is larger, marketing chief McGee said.

As they did in the Hopscotch markets, Delta and Eastern immediately responded to the nose tweaking, offering an identical fare to certain points on their route system, but not systemwide.

For the moment, anyway, the only international route Piedmont is interested in is Baltimore-Toronto. That application is being held up until Canada and the U.S. conclude a new air traffic agreement, but Piedmont is "dead serious" about its goal to get into that market, Howard says. Plus, the costs and risks in that market would be lower than on any other international route, he feels.

Although he gave no hints as to the next cities Piedmont will add to its system, he said the company will continue to follow its proven successful strategies while adding new cities to the system and expanding existing services. Howard says that as long as Piedmont finds air traffic needs "in our heartland," expansion cross country to California and its more expensive airports "is not a real high priority."

"A lot of our employees would like to see us go to California, because somehow, there is a feeling among airline people that when you go coast-to-coast you're big league. But we will go to California when we see an opportunity to make money, not just to feel good about ourselves," Howard emphasizes.

Piedmont is becoming "big league" in at least one respect. On Dec. 1, the airline opened "President's Suites" which cater to frequent Piedmont travelers at the Atlanta, Charlotte, Dallas, Dayton, Greensboro and Washington National airports. The executive lounges club offers VIP services to its members for an annual or lifetime fee plus one-time initiation charge.

By the end of this year (1983), Piedmont will have the largest fleet of 737s in the world. With the nine new jets scheduled for delivery this year, Piedmont's fuel efficient twin engine jets will total 63. Twenty 727-200s and five 727-100s will bring the number of aircraft up to 88 with a capacity of 10,921 seats. That capacity is more than double the 5,082 seats in Piedmont's fleet in December, 1980.

In a deal closed last Sept. 30, Piedmont agreed to pay Delta Airlines $4.5 million each for 11 727-200s, and $800,000 each for five spare JT8D-15 engines, all to be delivered and paid for by June 30, 1983, the end of Delta's fiscal year. And in an unusual arrangement, Delta agreed to do all the refurbishing of the used aircraft (Piedmont is providing the hardware) before delivering the planes. The jets are getting new seats, paint, galleys, lavatories, interior panels, carpeting, overhead storage bins and cockpit avionics. The aircaft will be ready for use almost immediately upon delivery.

The 727s, which Piedmont is using as interim aircraft until new generation planes are available, are also equipped with the -15 engines. The -15s are more efficient than earlier models and give better performances, especially at high altitude airports like those in the mountainous terrain of Piedmont's core system.

The last one of Piedmont's YS-11 prop jets was retired and put on the market last March 14 and the move was indicative of the expansion of Piedmont's routes and its new image as a major carrier.

Piedmont also pays cash for its planes whenever possible, Howard says, because of the high cost of money. The practice is "highly efficient," he adds noting the airline is paying cash for the Delta planes and engines.

Funding for new aircraft comes from sales of new stock (the Norfolk and Western purchase of some 20 percent of Piedmont stock netted the airline $38 million), the sales of the 58-seater YS-11s, bank loans and operating profits. On Sept. 21, Piedmont filed a registration statement with the Securities and Exchange Commission to offer up to 1.1 million shares of new stock to the public. The proceeds were to be used for purchase of aircraft, engines and related equipment, the construction of the company's new maintenance facility in Greensboro and improvements and acquisition of other operating facilities.

About one-third of Piedmont's 8,000 employees are unionized, including the pilots, flight attendants, mechanics and dispatchers. Relations between management and labor appear excellent. Piedmont officials credit this state of affairs to employee pride in company achievements, management's open ear to employee suggestions, and no layoffs or pay cuts in 1982.

The Carelines program formalizes the use of employee suggestions in the development of air service policies. Many suggestions have been adopted by top management. One employee's suggestion resulted in improvements in the 737 itself, Carelines coordinator Bill Asher recalls. The Piedmont mechanic noticed that if the oxygen masks were automatically let down in an emergency, the pilot would still have to flip a switch to turn on the seat belt sign when his time could be better used in control of the aircraft.

In contrast to many other carriers, Piedmont hired 1,200 new employees in 1982, gave most employees merit raises and kept all its pilots working. There were no layoffs and none are predicted in the near future. On the contrary, Piedmont will add more ticket agents, baggage handlers and pilots as its services grow.

Piedmont also promotes from within. Dick James, staff vice president for corporate planning and a chief architect of the Dayton hub project, started as an agent with Piedmont in 1965 at the age of 19. McGee has been with the company for 35 years.

On Feb. 20 of this year, Piedmont will celebrate the 35th anniversary of its first commercial flight, between Wilmington, N.C.,

and Cincinnati. Now the route web covers 21 states and the District of Columbia.●

JENNINGS RANDOLPH

● Mr. HEINZ. Mr. President, I inform my colleagues, if they are not already aware, that as we approach the 1984 elections we will be marking the end of an era. The end of one of the most distinguished political and public service careers this country has ever witnessed. At the end of this 98th Congress, we will be saying goodbye to a friend, and a great American leader, Senator JENNINGS RANDOLPH, who will be retiring after more than 50 years of service to the people of West Virginia and the citizens of this Nation.

Sworn into office on March 9, 1933, JENNINGS RANDOLPH has demonstrated an acute understanding of the political process and the needs of the American people. As a passionate supporter of the promises of the New Deal and then of the Great Society, he remains today a prime example of responsive, effective leadership in government. We will all miss his spirit and patriotism.●

ORDER FOR RECORD TO BE HELD OPEN UNTIL 5 P.M.

Mr. BAKER. Mr. President, it has been suggested to me that the RECORD be held open today until 5 for the introduction of bills, resolutions, petitions, memorials, and the insertion of statements.

Does the minority leader have any objection to that?

Mr. BYRD. Mr. President, I have no objection and join the majority leader in the request.

Mr. BAKER. I thank the minority leader. Mr. President, I make the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MARCH 14, 1983, AT 12 NOON

Mr. BAKER. Mr. President, I know of no further business to be transacted by the Senate today. If the minority leader has nothing further, I am prepared to ask the Senate to recess over until Monday.

Mr. BYRD. Mr. President, I have nothing further and I thank the majority leader.

Mr. BAKER. Mr. President, in that case, I move, in accordance with the order previously entered, that the Senate now stand in recess until 12 noon on Monday next.

The motion was agreed to; and, at 3:49 p.m., the Senate recessed until Monday, March 14, 1983, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 11, 1983:

DEPARTMENT OF JUSTICE

Eugene M. Corr, of Washington, to be U.S. Marshal for the western district of Washington for the term of 4 years, vice Joseph J. Harvey, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 11, 1983:

DEPARTMENT OF AGRICULTURE

John J. Franke, Jr., of Kansas, to be an Assistant Secretary of Agriculture.

AMBASSADOR

Darrell M. Trent, of California, for the rank of Ambassador during the tenure of his service as chairman of the U.S. Delegation to the United States-European Civil Aviation Conference Negotiations on Multilateral Pricing.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

FOREIGN SERVICE

Foreign Service nominations beginning Eugene S. Staples, and ending Ruth S. Taylor, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 22, 1983.

HOUSE OF REPRESENTATIVES—*Friday, March 11, 1983*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We admit, O God, that our lives center around schedules and duties and we do not often enough express our appreciation for each day of grace. We are grateful, O God, for this new day of hope and possibilities. We thank You for every moment of life and pray that we will be worthy of the opportunities that are ours. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House:

WASHINGTON, D.C.,
March 10, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received, at 1:00 p.m. on Thursday, March 10, 1983, the following messages from the Secretary of the Senate:

1. That the Senate agree to the amendment of the House of Representatives to the amendment of the Senate to the bill H.R. 1296; and

2. That the Vice President made appointments to the Board of Visitors of the U.S. Military Academy, the U.S. Merchant Marine Academy, the U.S. Naval Academy, and the U.S. Coast Guard Academy.

With kind regards, I am,
Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Thursday, March 10, 1983:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

PROPOSED REGULATIONS UNDULY BURDEN FEDERAL STUDENT LOAN PROGRAM

(Mr. HARRISON asked and was given permission to address the House for 1 minute.)

Mr. HARRISON. Mr. Speaker, I profoundly disagree with yesterday's Federal court ruling that it violates the fifth amendment to require someone applying for the Federal student loan program to have first complied with the Selective Service Act. What the fifth amendment forbids is compulsory self-incrimination, and no one is compelled to apply for a student loan.

I support continuation of selective service registration for males between the ages of 18 and 23. I also believe that a young man who defies the law of the land and refuses to register as required under the act should not be permitted to avail himself of Federal student loan programs. It seems to me that anyone who seeks benefits from his country should, at a minimum obey its laws.

I am disturbed, however, over the proposed regulations by which the administration seeks to transfer the burden of enforcing the law from the Department of Justice and the Selective Service System, where it belongs, to our colleges and universities.

A wise and simple policy would merely require that each student loan applicant certify, under the penalties of perjury, that he has registered as required under the Selective Service Act. Either a copy of that affidavit—or computer printout of the list of affiants—would then be sent by the college involved to the Selective Service System, which could easily cross-check those names against its records to determine compliance.

Instead of pursuing this wise and simple policy, however, the administration has devised a convoluted series of rules which would impose burdensome recordkeeping and tracking procedures on the colleges and universities. These regulations would bog down the educational institutions of this country with paperwork: At best, they would hinder the administration of financial aid programs; at worst, fewer student loans might be processed and more deserving students might be unable to obtain a college education.

If the administration is unwilling to revert to the simple affidavit concept, I would recommend to it several proposals made by Mr. Phil Rever, vice president of the Higher Education Assistance Foundation, a private organization which is a multistate guarantor of student loans.

Mr. Speaker, there is pending legislation to delay the effective date of the law which requires compliance with the Selective Service Act as a prerequisite to receiving federally funded student loans. I would not like to vote for such a delay because it would send the wrong signal to that tiny minority of young men—estimated to be less than 3 percent—who continue to defy the selective service law. However, Mr. Speaker, I cannot in good conscience see the colleges and universities of this country burdened and the student loan program, already drastically underfunded, further endangered by these cumbersome and unnecessary regulations. I would hope, therefore, that the administration will change the regulations and thus make it unnecessary for us to change the effective date of the law.

REINTRODUCTION OF INDIVIDUAL HOUSING ACCOUNTS BILL

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today, Congressman LAGOMARSINO and I are reintroducing our individual housing accounts bill. This bill is modeled after the popular IRA and allows for tax-free annual contributions to an account to be used only for the first time home buyer to purchase a home.

The recent upward trend in the housing industry cannot continue unless some fundamental changes in home financing are provided. The movement of the traditional home financing institutions into diversified portfolios, allowed by recent regulation changes, the higher costs of the first home, and the subsequent higher down payment amounts can severely retard the vital recovery of this industry in the future and make the dream of homeownership very difficult to obtain for the young.

Our IHA bill will provide the tool and the incentive for the first time home buyer to accumulate the cash necessary to enter into the homeownership cycle, assist the Nation's thrift institutions to stabilize deposits, and

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

provide the mortgage lending institutions a large, steady mortgage investment pool which is the key to continued recovery in the housing industry.

The concept has been embraced by the national homebuilders and national realtors. The time is right, now, to insure that the Nation's critical housing industry be given the tools necessary to sustain its health for decades to come and I urge your support.

PRESERVING THE RETIREMENT DIGNITY OF OLDER AMERICANS

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, it is clear that there is significant support in both the House and Senate for raising the retirement age beyond 65.

I opposed the Pickle amendment and will continue to oppose it because I think it will work a hardship on several million older Americans whose health makes it virtually impossible for them to work, but who still cannot qualify for disability. Even our colleagues who voted to raise the retirement age share many of these concerns, and therefore, I would like to suggest a modification to the retirement age requirements in the House-passed bill.

Before we send this legislation to the President, we should add a new provision that permits workers to receive full retirement benefits at 65 if they can show that it would endanger their health to continue working in the occupation for which they are trained. Such a provision would complement existing disability law and alleviate many of the concerns of working Americans.

This provision could serve as a fail-safe mechanism that would offer a floor of protection to those who work in our mines, factories, and other jobs requiring hard physical labor. Several million Americans who find it virtually impossible to keep working, but who cannot qualify for disability, would be able to retire at 65 with dignity under this provision.

Such a provision would fit within the administrative structure of the Social Security Administration, and could be administered without undue difficulty. And the cost projections are favorable. The estimate is that less than one-tenth of 1 percent of payroll is all that would be needed.

Mr. Speaker, I urge that my colleagues seriously consider my proposal. It is needed to provide justice for our working people who have contributed so much to this Nation's well-being and security.

THE ECONOMIC RECOVERY PROGRAM AND PROPOSED LEGISLATION TO REDUCE UNEMPLOYMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-30)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and the Committee on Ways and Means and ordered to be printed.

(For message, see proceedings of the Senate of today, Friday, March 11, 1983.)

WE MUST CANCEL THE INDEFINITE BLANK CHECK GRANTED TO THE ALASKA NATURAL GAS PIPELINE CONSORTIUM

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 20 minutes.

● Mr. CORCORAN. Mr. Speaker, with our colleague Mr. OTTINGER and several other Members, I am reintroducing a joint resolution that I originally introduced last April 29. The text of the legislation we are introducing today is identical to House Joint Resolution 467 of last year.

As our colleagues who were Members of the 97th Congress may recall, the Congress in December 1981 gave its approval to a package of waivers of law incorporated in the Alaska Natural Gas Transportation Act of 1976. I strongly opposed those waivers, which had been recommended by the administration, after listening to the testimony given during several days of joint hearings before the Energy and Commerce Subcommittee on Fossil and Synthetic Fuels and the Interior and Insular Affairs Subcommittee on Energy and the Environment.

Among the waivers granted was one that would allow the pipeline consortium to prebill natural gas ratepayers for natural gas they may never receive and may never need. Most objectionable, the price of the Alaska gas would be in the range of $18 per thousand cubic feet (Mcf). I viewed such a scheme as anticonsumer in 1981, and it would seem even more inappropriate now in view of the outrage that natural gas consumers across the country are expressing about the increasing price of natural gas. At a time when the average price of lower 48 gas is less than $3 per thousand cubic feet, when gas imported from Canada and Mexico is $5 per thousand cubic feet, and when gas imported from Algeria is $7 per thousand cubic feet, it would seem likely that $18 gas would be even less welcome.

The resolution we are introducing today would establish a 2-year limit on the effectiveness of the waiver of laws enacted on December 15, 1981. Second, the resolution reaffirms the intent of Congress—and the administration—that no U.S. Government financial assistance will be forthcoming. Neither of these provisions weakens the waiver package. The 2-year limit allows a full year beyond the time that the Alaskan Northwest Gas Transportation Co. consortium said they needed to implement the provisions of the waiver package and begin the project. This statement was made a year ago this month at an informational hearing held by the Federal Energy Regulatory Commission. Additionally, the no government assistance provision of the resolution does not weaken the existing waiver package because none of the waivers involved provided that kind of financial assistance.

Mr. Speaker, for the benefit of our colleagues, I would like to insert in the RECORD at this point the text of the House joint resolution we are introducing today. To become effective, joint resolutions require adoption by both Houses of the Congress and approval by the President in the same way that bills become effective. Once enacted, joint resolutions are binding and have the force of law.

H.J. RES. 192

Joint resolution to establish an expiration date for the waiver of laws granted for the Alaska natural gas transportation system, and to bar Federal loans, loan guarantees, or other financial assistance for that system

Whereas the Alaskan Northwest Natural Gas Transportation Company (hereinafter in this resolution referred to as the "sponsors") received from the Carter administration and the Ninety-fifth Congress the sole right to develop the approved natural gas pipeline system from Alaska into the continental United States, having made assurances they would privately finance the pipeline system;

Whereas the sponsors were unable to obtain such financing and requested the Reagan administration to propose a waiver of laws permitting the sponsors to bill consumers for the pipeline system before completion or even if the system is never completed;

Whereas, after the sponsors had made assurances that they would not require any further Federal assistance, the waiver of laws was adopted by the Ninety-seventh Congress on December 10, 1981, and approved by the President on December 15, 1981;

Whereas the adoption of the waiver of laws fulfilled any commitment of the Government of the United States to the Government of Canada regarding the pipeline system; and

Whereas, even with the granting of the waiver of laws, the sponsors have been unable to finance the pipeline system; and

Whereas the sponsors will indefinitely retain the sole right to develop the pipeline system and place natural gas consumers at risk for the costs of the system unless some deadline is established: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America

in Congress assembled, That (1) the joint resolution entitled "Joint resolution to approve the President's recommendation for a waiver of law pursuant to the Alaska Natural Gas Transportation Act of 1976" approved December 15, 1981 (Public Law 97-93; 95 Stat. 1204) shall cease to be effective December 15, 1983, unless the Federal Energy Regulatory Commission issues, on or before December 15, 1983, a final certificate of public convenience and necessity for the approved transportation system; and (2) on and after the date of the approval of this joint resolution, no loan, loan guarantee, or other financial assistance from the United States or any agency or instrumentality of the United States may be made for the approved transportation system or any part thereof.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEWIS of Florida) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 20 minutes, today.

(The following Members (at the request of Mr. HARRISON) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 60 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEWIS of Florida) and to include extraneous matter:)

Mr. CLINGER.

Mr. FIELDS.

Mr. PORTER.

Mr. PHILIP M. CRANE.

Mr. LAGOMARSINO in two instances.

Mr. RITTER.

Mr. TAUKE.

Mr. FORSYTHE.

Mr. DICKINSON.

(The following Members (at the request of Mr. HARRISON) and to include extraneous matter:)

Mr. GORE.

Mr. D'AMOURS.

Mr. OLIN.

Mr. HARRISON.

Mr. BURTON of California.

Mr. GUARINI.

Mr. BARNES.

Mr. SCHUMER.

Mr. ADDABBO.

Mr. FAUNTROY.

Mrs. HALL of Indiana.

Mr. FLORIO.

Mr. SOLARZ.

Mr. EVANS of Illinois.

Mr. LEVITAS.

Mr. WILLIAMS of Montana.

Mr. DELLUMS.

Mr. APPLEGATE in two instances.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1296. An act relating to the treatment for income and estate tax purposes of commodities received under 1983 payment-in-kind programs, and for other purposes.

ADJOURNMENT

Mr. HARRISON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 14 minutes a.m.), under its previous order, the House adjourned until Monday, March 14, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

558. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of March 1, 1983, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 98-31); to the Committee on Appropriations and ordered to be printed.

559. A letter from the Secretary of State, transmitting a report, covering the month of February, on the manner in which the national interest of the United States has been served by the payments made by the Commodity Credit Corporation to the U.S. creditors on credits guaranteed by the CCC on which payments had not been received from the Polish People's Republic, pursuant to section 306 of Public Law 97-257; to the Committee on Appropriations.

560. A letter from the President and Chairman of the Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during January 1983 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

561. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 5-11, "Charles Richard Drew Bridge Designation Act of 1983," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

562. A letter from the Secretary of Energy, transmitting the quarterly report on the strategic petroleum reserve, covering the first quarter of fiscal year 1983, pursuant to section 165(b) of the Energy Policy and Conservation Act, Public Law 94-163, added by the Strategic Petroleum Reserve Amendments Act contained in the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35; to the Committee on Energy and Commerce.

563. A letter from the Director, Defense Security Assistant Agency, transmitting addenda to the listing of outstanding letters of offer to sell major defense equipment as of December 31, 1982, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

564. A letter from the Director, Defense Security Assistant Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to Canada (Transmittal No. 83-19), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

565. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Israel (Transmittal No. MC-7-83), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

566. A letter from the Secretary of the Treasury and the Director, Office of Management and Budget, Executive Office of the President, transmitting the annual report on improvements made in fiscal and budgetary information and controls, pursuant to section 202(f) of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

567. A letter from the Director, ACTION, transmitting ACTION's activities under the Freedom of Information Act 5 U.S.C. 552(d) for calendar year 1982; to the Committee on Government Operations.

568. A letter from the Chairman, Securities and Exchange Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

569. A letter from the Executive Director, Board for International Broadcasting, transmitting a report on the Board's activities under the Government in the Sunshine Act during the calendar year 1982, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

570. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting the Commission's activities under the Freedom of Information Act 5 U.S.C. 552(d) for the calendar year 1982; to the Committee on Government Operations.

571. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of November 1982, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

572. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend the Reclamation Act of 1902 to provide for the disposition of moneys received from the sale and disposal of certain public lands and for other purposes; to the Committee on Interior and Insular Affairs.

573. A letter from the Acting Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan for the use of Ute Mountain Ute Tribe judgment funds awarded in Dockets 342-70, 343-70, 523-71, and 524-71, in the U.S. Court of Claims, pursuant to sections 2(a) and 4 of Public Law 93-194; to the Committee on Interior and Insular Affairs.

574. A letter from the Executive Secretary, Office of the Secretary of Defense, transmitting a report covering the months of October and November 1982, on the Defense Department's procurement from small business and other business firms, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

575. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize appropriations to the Department of Energy for civilian energy programs for fiscal year 1984 and fiscal year 1985, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

576. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend section 204 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the deposits of cash proceeds from the disposal of surplus real property in the general fund of the Treasury to be used to retire the national debt of the United States; jointly, to the Committees on Government Operations and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX (for himself, Mr. FORSYTHE, Mr. FIELDS, Mr. YOUNG of Alaska, Mr. LOTT, Mr. HUTTO, Mr. HUBBARD, Mr. LUJAN, Mr. MARRIOTT, Mr. TALLON, Mr. TAUZIN, Mr. LAGOMARSINO, Mr. HYDE, Mr. WON PAT, Mr. CHAPPELL, Mr. SUNIA, Mr. MCKERNAN, Mr. CARNEY, and Mr. DINGELL):

H.R. 2061. A bill to implement an exclusive economic zone adjacent to the territorial sea of the United States, to assert national rights therein, and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Merchant Marine and Fisheries, and Ways and Means.

By Mr. D'AMOURS (for himself and Mr. PRITCHARD):

H.R. 2062. A bill to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. ERLENBORN (for himself and Mr. BARTLETT):

H.R. 2063. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Education and Labor.

By Mr. FRANK:

H.R. 2064. A bill to amend title 18 of the United States Code to modify the insanity defense in Federal criminal cases, and for other purposes; to the Committee on the Judiciary.

By FUQUA (for himself, Mr. VOLKMER, Mr. LUJAN, Mr. NELSON of Florida, Mr. LOWERY of California, Mr. ANDREWS of Texas, Mr. WALKER, Mr. BROWN of California, Mr. RALPH M. HALL, Mr. DYMALLY, Mr. MINETA, Mr. MACKAY, Mr. TORRICELLI, Mr. BATEMAN, and Mr. CHANDLER):

H.R. 2065. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

Mr. FUQUA (by request):

H.R. 2066. A bill to authorize appropriations to the National Science Foundation for fiscal years 1984 and 1985; to the Committee on Science and Technology.

By Mr. HAMILTON:

H.R. 2067. A bill to amend the Export Administration Act of 1979 to improve consultation procedures with respect to export controls imposed for foreign policy reasons; to the Committee on Foreign Affairs.

By Mr. HANSEN of Idaho (for himself and Mr. CRAIG):

H.R. 2068. A bill to amend the Act of May 31, 1962 (76 Stat. 89) which authorized the Secretary of the Interior to sell certain omitted lands along the Snake River in Idaho; to the Committee on Interior and Insular Affairs.

By Mr. JACOBS:

H.R. 2069. A bill to amend the Internal Revenue Code of 1954 to impose an additional tax on financial institutions which have outstanding loans to foreign governments which are insolvent and receive funds from the United States; to the Committee on Ways and Means.

By Mr. KOGOVSEK:

H.R. 2070. A bill to provide for the confirmation of the repayment contract of the Dallas Creek participating project of the upper Colorado River storage project and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 2071. A bill to amend the Payments in Lieu of Taxes Act (31 U.S.C. 1601-1607); to the Committee on Interior and Insular Affairs.

By Mr. LAGOMARSINO (for himself, Mr. CRAIG, Mr. KOGOVSEK, Mr. SOLOMON, Mr. WON PAT, Mr. DE LUGO, Mr. WOLF, Mr. EDWARDS of Oklahoma, Mr. PARRIS, Mr. FISH, Mr. PORTER, Mr. BOSCO, Mr. BROWN of Colorado, Mr. PASHAYAN, Mr. TALLON, Mr. WHITTAKER, Mr. BADHAM, Mr. LOTT, Mr. COLEMAN of Missouri, Mr. ROE, Mr. HUBBARD, Mr. HERTEL of Michigan, Mr. GINGRICH, Mr. VANDERGRIFF, Mr. KASICH, Mr. ANNUNZIO, Mr. HARTNETT, Mr. MARRIOTT, Ms. FIEDLER, Mr. DANIEL, Mrs. HALL of Indiana, Mr. WEBER, Mr. DENNY SMITH, Mr. DREIER of California, Mr. SHELBY, Mr. EMERSON, Mr. DUNCAN, Mr. ROTH, Mr. WINN, and Mr. LOWERY of California):

H.R. 2072. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Ways and Means.

By Mr. MARLENEE (for himself, Mr. QUILLEN, Mr. MARRIOTT, and Mr. BEDELL):

H.R. 2073. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that the provisions of such act shall not apply to surface sand or gravel mining operations, stone mining operations, clay mining operations, or certain surface construction projects; to the Committee on Education and Labor.

By Mr. MARLENEE (for himself and Mr. PAUL):

H.R. 2074. A bill to repeal the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 which require employer reporting with respect to tips; to the Committee on Ways and Means.

By Mr. MINETA:

H.R. 2075. A bill to amend the Impoundment Control Act of 1974 to require the obligation of direct loans and the commitment of loan guarantees and insurance to the full extent required by law, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. MINETA (for himself, Mr. BETHUNE and Mr. QUILLEN):

H.R. 2076. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings in the congressional budget process for loans and loan guarantees under Federal credit programs, and for other purposes; jointly, to the Committees on Government Operations, Rules, and Banking, Finance and Urban Affairs.

By Ms. OAKAR:

H.R. 2077. A bill to amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2078. A bill to amend title 5, United States Code, to allow the continuance of a civil service survivor annuity of a student while the student's education is interrupted because of illness; to the Committee on Post Office and Civil Service.

H.R. 2079. A bill to amend title 5, United States Code, to allow for survivor annuities for former spouses of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 2080. A bill to amend title 5, United States Code, to provide that any Federal employee's child who is ineligible for survivor annuity, life insurance, or health benefits coverage because of being married may qualify for such coverage if that marriage is terminated by reason of death, annulment, or divorce; to the Committee on Post Office and Civil Service.

H.R. 2081. A bill to amend title 5, United States Code, to provide that any Federal employee retiring with accrued sick leave may elect a lump-sum payment for one-third of such days in lieu of having such sick leave included in years of service for computing retirement benefits, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2082. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. PEASE (for himself and Mr. GIBBONS):

H.R. 2083. A bill to improve worker training under the Trade Act of 1974, and for other purposes; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 2084. A bill to amend the Internal Revenue Code of 1954 to impose a tax on bullets capable of penetrating body armor; to the Committee on Ways and Means.

By Mr. WILLIAMS of Montana:

H.R. 2085. A bill requiring consideration of the use of underground structures for public buildings whenever appropriate; to

the Committee on Public Works and Transportation.

H.R. 2086. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to reduce the rate of unemployment required under the State trigger provisions, and to permit extended benefits to be paid on the basis of area triggers; to the Committee on Ways and Means.

By Mr. CORCORAN (for himself, Mr. OTTINGER, Mr. BEILENSON, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. DANIEL B. CRANE, Mr. ECKART, Mr. FRANK, Mr. LEACH of Iowa, Mr. MARKEY, Mrs. MARTIN of Illinois, and Mr. TAUKE):

H.J. Res. 192. Joint resolution to establish an expiration date for the waiver of laws granted for the Alaska natural gas transportation system, and to bar Federal loans, loan guarantees, or other financial assistance for that system; jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. LAGOMARSINO:

H.J. Res. 193. Joint resolution to designate the first week of October as National Remanufacturing Week; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 194. Joint resolution to provide for the issuance of a commemorative postage stamp in honor of William Carlos Williams; to the Committee on Post Office and Civil Service.

By Mr. STARK:

H.J. Res. 195. Joint resolution entitled: "The Special Trade Management Act of 1983"; to the Committee on Ways and Means.

By Mr. LEACH of Iowa (for himself and Mr. BARNES):

H. Con. Res. 84. Concurrent resolution calling for a Special Envoy to lend U.S. support for peace initiatives in Central America; to the Committee on Foreign Affairs.

By Mr. DANNEMEYER:

H. Res. 132. Resolution limiting the amount provided in expense resolutions for each committee of the House for the 1st session of the 98th Congress to the amount expended by such committee under such resolutions for the 2d session of the 97th Congress, and for other purposes; to the Committee on House Administration.

By Mr. LEVITAS (for himself and Mr. PORTER):

H. Res. 133. Resolution expressing the sense of the House of Representatives that the Government of the United States and the Government of the Union of Soviet Socialist Republics should adhere to the principle of a mutual guaranteed builddown of nuclear forces; to the Committee on Foreign Affairs.

By Mr. WON PAT:

H. Res. 134. Resolution for the purpose of urging the Secretary of the Department of Defense and the Administrator of the Veterans' Administration to consider designating the Naval Regional Medical Center in Guam as a joint military facility both for active duty/retired military personnel and their dependents and for veterans; jointly, to the Committees on Armed Services and Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. BROOMFIELD introduced a bill (H.R. 2087) for the relief of Hans Robert Beisch, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 360: Mr. GOODLING.

H.R. 459: Mr. HATCHER, Mr. RUSSO, Mr. GEKAS, Mr. DYSON, Mr. ZABLOCKI, Mr. CARR, Mr. BEDELL, Mr. BOSCO, Mr. TRAXLER, Mr. MURPHY, Mr. LEACH of Iowa, Mr. KINDNESS, Mr. VOLKMER, Mr. BEILENSON, Mr. ADDABBO, Mr. DURBIN, Mr. REID, Mr. MRAZEK, Mr. HEFNER, and Mr. WALGREN.

H.R. 491: Mr. SUNIA, Mr. BENNETT, Mr. HORTON, Mr. MCGRATH, Mr. BIAGGI, Mr. WILSON, Mr. FRENZEL, Mr. WASHINGTON, Mr. SMITH of New Jersey, Mr. HANCE, Mr. JEFFORDS, Mr. ROGERS, Mr. ORTIZ, Mr. LEWIS of Florida, Mr. STENHOLM, Mr. TAUKE, Mrs. HALL of Indiana, and Mr. SHELBY.

H.R. 492: Mr. MOLINARI, Mr. STOKES, Mr. BENNETT, Mr. HUTTO, Mr. MAVROULES, Mr. GINGRICH, Mr. GEJDENSON, Mr. MCCOLLUM, Mr. MATSUI, Mr. EDGAR, Mr. BONIOR of Michigan, Ms. MIKULSKI, Mr. NELSON of Florida, Mr. LEWIS of Florida, and Mrs. HALL of Indiana.

H.R. 499: Mr. LEHMAN of Florida, Mr. SMITH of Florida, Mr. STOKES, Mr. SUNDQUIST, Mr. RAHALL, Mr. HARRISON, Mr. DUNCAN, Mr. HUTTO, Mr. DWYER of New Jersey, Mr. HOWARD, Mr. PEPPER, Mr. KOGOVSEK, Mr. YOUNG of Missouri, Mr. FROST, Mr. ROE, Mr. ROBINSON, Mr. MCCOLLUM, Mr. WHITEHURST, Mr. CARPER, Mr. LAFALCE, Mr. CROCKETT, Mr. LELAND, Mr. RATCHFORD, Mr. SUNIA, Mr. FAZIO, Ms. KAPTUR, Mr. MITCHELL, Mrs. HALL of Indiana, Mr. EMERSON, and Mr. OWENS.

H.R. 500: Mr. BARNES, Mr. HEFTEL of Hawaii, Mrs. JOHNSON, Mr. LUNGREN, Mr. MARTINEZ, and Mr. MOODY.

H.R. 501: Mr. CONYERS, Mr. ROE, Mr. HYDE, Mr. FRANK, Mr. LELAND, Mr. SUNDQUIST, Mr. LEHMAN, of Florida, Mr. ROBINSON, Mr. SIMON, Mr. OWENS, Mrs. COLLINS, and Mr. DYMALLY.

H.R. 503: Mr. BADHAM.

H.R. 507: Mr. LOWRY of Washington, Mr. ADDABBO, Mr. WALGREN, Mr. PRITCHARD, Mr. CROCKETT, Mr. YOUNG of Alaska, Mr. FUQUA, Mr. LELAND, Mr. NOWAK, Mr. DUNCAN, Mr. STOKES, Mr. WEISS, Mr. MCDADE, Mr. FASCELL, Mr. MAVROULES, Mr. CORCORAN, Mr. PERKINS, Mr. BREAUX, Mr. D'AMOURS, Mr. YATRON, Mr. GINGRICH, Mr. WHITEHURST, Mr. GLICKMAN, Mr. BARNARD, Mr. LAFALCE, Mr. SCHEUER, Mr. BEVILL, Mr. WEAVER, Mr. SIMON, Mr. BIAGGI, Mr. ROBINSON, Mr. JEFFORDS, Mr. HUCKABY, Mr. SAVAGE, Mr. FOLEY, Mr. GORE, Mr. MITCHELL, Mr. STENHOLM, Mr. PASHAYAN, Mr. SOLARZ, Mr. CORRADA, and Mr. GUARINI.

H.R. 516: Mr. MCCAIN.

H.R. 648: Mrs. SNOWE.

H.R. 785: Mr. CHAPPIE.

H.R. 786: Mr. MCGRATH, Mr. SILJANDER, Mr. PAUL, Mr. HARTNETT, and Mr. PORTER.

H.R. 927: Mr. FOGLIETTA, Mr. WASHINGTON, Mr. WIRTH, and Mr. LEVINE of California.

H.R. 964: Mr. ROBERTS.

H.R. 1016: Mr. O'BRIEN.

H.R. 1081: Mr. YOUNG of Alaska.

H.R. 1092: Mr. ROE, Mr. GOODLING, Mr. HUTTO, Mr. SUNIA, and Mr. WINN.

H.R. 1132: Mr. PATMAN.

H.R. 1172: Mrs. HALL of Indiana.

H.R. 1199: Mr. MURPHY, Mr. MCGRATH, Mr. ECKART, Mr. CHAPPIE, Mr. ROE, Mr. HUBBARD, Mr. HERTEL of Michigan, Mr. RUSSO, Ms. KAPTUR, and Mr. FISH.

H.R. 1222: Mr. STAGGERS and Mrs. COLLINS.

H.R. 1245: Mr. EARLY, Mr. OWENS, and Mr. GUARINI.

H.R. 1369: Mr. WOLF.

H.R. 1441: Mr. AKAKA, Mr. ALBOSTA, Mr. CARR, Mr. CONYERS, Mr. CROCKETT, Mr. GINGRICH, Ms. OAKAR, Mr. PEASE, Mr. PRICE, Mr. SEIBERLING, Mr. STOKES, and Mr. VANDER JAGT.

H.R. 1543: Mr. LELAND and Mr. GUARINI.

H.R. 1604: Mr. DERRICK, Mr. MCDONALD, and Mr. HATCHER.

H.R. 1883: Mr. WEAVER, Mr. SOLARZ, Mr. CHAPPIE, Mr. GOODLING, and Mr. GUARINI.

H.R. 2027: Mr. BEVILL.

H.R. 2053: Mr. WRIGHT, Mr. RICHARDSON, and Mr. YOUNG of Alaska.

H.J. Res. 1: Mr. MICA.

H.J. Res. 4: Mr. PETRI, Mr. WON PAT, Mr. STANGELAND, Mr. LEATH of Texas, Mr. LUNGREN, Mr. HILER, Mr. KINDNESS, Mr. HARTNETT, Mr. SOLOMON, Mr. EMERSON, Mr. WORTLEY, Mr. CORCORAN, Mr. MICHEL, Mr. KASICH, Mr. LAGOMARSINO, Mrs. HOLT, Mr. YOUNG of Alaska, Mr. OXLEY, Mr. BALTASAR, Mr. WHITEHURST, Mr. BLILEY, Mr. FRENZEL, Mr. MADIGAN, Mr. EDWARDS of Oklahoma, Mr. DUNCAN, Mr. MORRISON of Washington, Mr. MOLLOHAN, Mr. DANIEL B. CRANE, Mr. DAUB, Mr. BETHUNE, Mr. LIVINGSTON, Mr. KRAMER, Mr. SKEEN, Mr. PASHAYAN, Mrs. BOUQUARD, Mr. MARRIOTT, Mr. BEVILL, Mr. MARTIN of New York, Mr. HUCKABY, Mr. ROWLAND, Mr. SILJANDER, Mr. STUMP, Mr. WOLF, and Mr. MCCOLLUM.

H.J. Res. 13: Mr. STUDDS, Mr. MICA, Mr. BARNES, Mr. WOLPE, Mr. CROCKETT, Mr. DYMALLY, Mr. LANTOS, Mr. KOSTMAYER, Mr. TORRICELLI, Mr. SMITH of Florida, Mr. LEVINE of California, Mr. FEIGHAN, Mr. GARCIA, Mr. LEACH of Iowa, Mr. YATRON, Mr. BONKER, Mr. WEISS, Mr. SOLARZ, Mr. GEJDENSON, Mr. ZSCHAU, Mr. HAMILTON, Mr. FASCELL, Mrs. SNOWE, Mr. BERMAN, Mr. ACKERMAN, Mr. ADDABBO, Mr. AKAKA, Mr. ALBOSTA, Mr. ANDERSON, Mr. ANNUNZIO, Mr. ANTHONY, Mr. ASPIN, Mr. AUCOIN, Mr. BATES, Mr. BEDELL, Mr. BEILENSON, Mr. BIAGGI, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BORSKI, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BROWN of California, Mr. BURTON of California, Mr. CARPER, Mr. CARR, Mr. CLAY, Mr. COELHO, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COYNE, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. DE LUGO, Mr. DICKS, Mr. DIXON, Mr. DONNELLY, Mr. DORGAN, Mr. DOWNEY of New York, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. EARLY, Mr. ECKART, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. EVANS of Iowa, Mr. FAUNTROY, Mr. FAZIO, Ms. FERRARO, Mr. FLORIO, Mr. FOLEY, Mr. FORD of Michigan, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FOGLIETTA, Mr. FRANK, Mr. GAYDOS, Mr. GLICKMAN, Mr. GOODLING, Mr. GORE, Mr. GRAY, Mr. GREEN, Mr. GUARINI, Mr. GUNDERSON, Mrs. HALL of Indiana, Mr. HALL of Ohio, Mr. HARKIN, Mr. HARRISON, Mr. HAWKINS, Mr. HEFTEL of Hawaii, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mr. JACOBS, Mr. JEFFORDS, Ms. KAPTUR, Mr. KASTENMEIER, Mrs. KENNELLY, Mr. KILDEE, Mr. KOGOVSEK, Mr. KOLTER, Mr. LAFALCE, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEVIN of Michigan, Mr. LONG of Louisiana, Mr. LOWRY of Washington, Mr. LUKEN, Mr. LUNDINE, Mr. MARKEY, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MCHUGH, Mr. MCKINNEY, Mr. MCNULTY, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MINISH, Mr. MITCHELL, Mr. MOAKLEY, Mr. MOODY, Mr.

MORRISON of Connecticut, Mr. MRAZEK, Mr. MURPHY, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OBEY, Mr. OLIN, Mr. OTTINGER, Mr. OWENS, Mr. PANETTA, Mr. PATTERSON, Mr. PEASE, Mr. PENNY, Mr. PEPPER, Mr. RAHALL, Mr. RANGEL, Mr. RATCHFORD, Mr. RICHARDSON, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. ROSTENKOWSKI, Mr. ROYBAL, Mr. RUSSO, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SHANNON, Mr. SHARP, Mr. SIKORSKI, Mr. SIMON, Mr. SMITH of Iowa, Mr. SMITH of New Jersey, Mr. STARK, Mr. ST GERMAIN, Mr. STOKES, Mr. SUNIA, Mr. SWIFT, Mr. SYNAR, Mr. TALLON, Mr. TAUKE, Mr. TORRES, Mr. TOWNS, Mr. TRAXLER, Mr. UDALL, Mr. VENTO, Mr. WALGREN, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WHEAT, Mr. WILLIAMS of Montana, Mr. WIRTH, Mr. WISE, Mr. WYDEN, Mr. YATES, Mr. CHANDLER, Mr. MCCLOSKEY, and Mr. VOLKMER.

H.J. Res. 29: Mr. HANSEN of Utah, Mr. LIVINGSTON, and Mr. LONG of Louisiana.

H.J. Res. 49: Mr. ARCHER, Mr. LELAND, Mr. SIMON, Mr. NATCHER, Mr. RATCHFORD, Mr. BOLAND, Mr. BLILEY, Mr. O'BRIEN, Mr. DONNELLY, Mr. KASICH, Mr. LAGOMARSINO, Mr. WINN, Mr. DWYER of New Jersey, Mr. STOKES, Mr. BONIOR of Michigan, Mr. ROE, Ms. MIKULSKI, Mr. HANSEN of Idaho, Mr. YOUNG of Alaska, Mr. HILER, Mr. WYLIE, Mr. MADIGAN, Mrs. BOXER, Mr. OWENS, Mr. PASHAYAN, Mr. LEWIS of California, Mr. HOWARD, Mr. HORTON, Mr. HUGHES, Mrs. HALL of Indiana, Mrs. COLLINS, Mr. HERTEL of Michigan, Mr. GUARINI, Mr. KILDEE, Mr. FRENZEL, Mr. ROBINSON, Mr. SMITH of Florida, Mr. NIELSON of Utah, Mr. LEVINE of California, Mr. JEFFORDS, Mr. LEVIN of Michigan, Mr. CHANDLER, Mr. SCHEUER, Mr. CORRADA, Mr. FISH, Mr. FAZIO, Mr. FORSYTHE, Mr. LOWERY of California, Mr. PURSELL, Mr. DAUB, Mr. WASHINGTON, Mr. MAZZOLI, and Mr. LIPINSKI.

H.J. Res. 93: Mr. WASHINGTON and Mr. CORRADA.

H.J. Res. 145: Mr. TALLON, Mr. FROST, Mr. BONIOR of Michigan, Mr. DE LA GARZA, Mr. WINN, Mr. SUNIA, Mr. VENTO, Mr. SIMON, Mrs. COLLINS, Mr. MOLLOHAN, Mr. GRAY, Mr. FORSYTHE, and Mr. HORTON.

H.J. Res. 153: Mr. BEVILL, Mr. PATTERSON, Mr. WEAVER, Mr. FORSYTHE, Mr. SOLARZ, Mr. DE LA GARZA, Mr. ADDABBO, Mr. MCGRATH, Mr. CHAPPIE, Mr. HERTEL of Michigan, Mr. RATCHFORD, Mr. WEISS, Ms. KAPTUR, Mr. FISH, Mr. GUARINI, Mr. GREEN, Mr. BARNES, and Mr. LANTOS.

H. Con. Res. 39: Mr. MOAKLEY, Mr. DAUB, Mr. WASHINGTON, Mr. GORE, Mr. LEACH of Iowa, Mr. STENHOLM, Mr. KOGOVSEK, Mr. LIPINSKI, and Mr. FRENZEL.

H. Con. Res. 68: Mr. WHITEHURST, Mr. ADDABBO, Mr. STANGELAND, Mr. RAHALL, Mr. SUNIA, Mr. SUNDQUIST, Mr. CONTE, Mr. BARNES, Mr. PARRIS, and Mr. PORTER.

H. Res. 37: Mr. TAUKE and Mr. OWENS.

PETITIONS, ETC.

Under clause 1 of rule XXII,

42. The Speaker presented a petition of California Federation of Republican Women, Northern Division, Jackson, Calif., relative to immigration reform; which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

THE ECONOMY OF THE 1980'S

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. WIRTH. Mr. Speaker, a consensus is growing in the House that solving our country's economic problems will require both immediate relief for those who are suffering from the effects of the administration's misguided policies, and longer term efforts to restore sustained growth and opportunity.

My colleague from New York, Mr. LUNDINE, recently gave a speech to the American Newspaper Publishers Association Convention which lays out the challenges and the potential solutions. He recognizes the need for a multifaceted approach to restoring productivity growth to our economy, and the need for more cooperation among government, business, and labor in addressing the problems of our economy. He also recognizes the need to pay far greater attention to trade issues in this era of international interdependence.

Few of my colleagues have had more firsthand experience with productivity issues than Mr. LUNDINE. As mayor of Jamestown, N.Y., he led a successful effort which transformed a troubled local economy into a much healthier one through labor-management cooperation. Last year he held a remarkable set of hearings on the human factor in innovation and productivity improvements.

I would like to insert Mr. LUNDINE'S excellent speech in the RECORD, and to ask my colleagues to read it carefully.

THE ECONOMY IN THE 1980'S: GOVERNMENT, LABOR, BUSINESS, AND THE PUBLIC INTEREST

(By Representative Stan Lundine)

America is at the dawn of a new age characterized by a revolution in technology which has profound implications for the shape of American life to come. Truly radical changes in our social and personal patterns have already occurred; changes which are as deep and significant as those which took place as we moved from an agricultural society to an industrial one.

These changes do not affect us alone. Our first task is to recognize and come to terms with this. The same rapid technological advancements in communications, transportation, science, and medicine hold great promise for us and our world neighbors. But, if we are to survive and flourish as a nation, all interests in our society—especially labor, management, and government—must work carefully together to define a vision of our role in the new world.

The tasks before us will not be easy. There are no "quick fixes" or simple policy prescriptions to help us deal with the magnitude of the changes that are occurring all around us. As John Naisbitt stated in his recently released book, Megatrends, "There are cities and companies, unions and political parties in this country that are like dinosaurs waiting for the weather to change. The weather is not going to change. The very ground is shifting beneath us. And what is called for is nothing less than all of us reconceptualizing our roles."

OUR ECONOMY

Our economy has been affected by several major influences since 1970 which force a re-examination of the traditional theories, institutions, and practices that have shaped our economic and industrial policies prior to this time.

The first of these influences was the tremendous impact that the oil shocks of the 1970's had on U.S. lifestyles and the interrelationships between nations of the world. The advent of OPEC brought the developed world to its knees and ignited a far-reaching worldwide inflationary spiral. In addition, it caused a redistribution of wealth among nations of the world and injected instability into world trade and finance.

The second major influence, itself accelerated by the energy crisis, has been the trend toward a declining rate of productivity growth for our economy. From 1948 to 1965, U.S. productivity grew at 3.3 percent per year, from 1965 to 1972 at a rate of 2.3 percent per year, and from 1972 to 1977 at a rate of 1.8 percent per year. Since 1977, productivity growth in the United States has ceased. This cessation has been brought about principally by severe structural changes in our economy, changing demographics, and lower levels of capital investment in crucial sectors of our economy. A market "vacuum" has been created, enabling foreign products to penetrate our domestic markets and seriously damaging U.S. preeminence in international trade.

The third major influence has been the rise in economic internationalization and interdependence. In the 1980's, no nation can be an island. Amid a continuing revolution of rising expectations among all people of the world, we learned in the 1970's that the United States was not alone in its desire for increased standards of living. Third World nations organized themselves, challenging our access to cheap natural resources and developing industries able to undersell us by relying on low-skilled, cheap labor. Japan and some nations of Western Europe continued to refine and implement industrial policies which succeeded in capturing markets previously dominated by U.S. producers.

These influences have resulted in a series of unprecedented problems and challenges for our economy. A combination of chronic inflation and sagging economic growth has led the U.S. into the worst economic downturn since the 1930's. This year alone, we are facing a potential federal budget deficit of $200 billion. Over 12 million Americans are unemployed. The international banking system, led by U.S. banks, is threatened with collapse. And, growing talk of outright and total international trade protectionism portends even darker days ahead.

Current solutions to these problems have not worked very well. Macroeconomic management has not been successful in alleviating the stress of business cycles. The soaring cost of entitlement programs has driven government spending relentlessly upward. The hyper inflation of the late 1970's and early 80's not only swelled public expenditure, but created uncertainty about the future thereby reducing investment and driving interest rates to unbearable levels, drove labor costs up particularly in those sectors with automatic cost of living adjustment features, resulted in increased taxation through "bracket creep," and generally resulted in disillusionment with the liberal economic policies of the last two decades.

Tight monetary controls and supply side tax cuts instituted in the last two years have also proven disappointing. The strict monetary policy merely choked off economic growth and failed to bring interest rates down to tolerable levels. Unrealistic supply side assumptions that business will invest simply because they receive a tax break have been seriously in error; businesses invest when they think they can market a product at a profit or when they are forced to do so to remain competitive.

We need a set of sensible, stable macroeconomic policies to replace these excesses of the past. Our first priority should be to target interest rates at lower levels to encourage economic growth. Any hint of return to strict monetarism by the Federal Reserve must immediately be corrected by the Congress and the Administration.

In order that interest rates and inflation do not resurge, the enormous budget deficits projected for the next several years must be brought under control. Deficits amounting to between 5 and 6 percent of gross national product threaten to absorb all new private savings in the economy. There must be across-the-board budget cuts sharply reducing growth in defense, entitlement spending, and traditional "pork barrel" projects. We must agree to make "cuts with no buts", while targeting current spending to stimulate private sector economic activity. Reform of the Congressional budget and appropriations process is an absolute necessity.

To the extent that tax increases are necessary to reduce budget gaps, they should be phased in only when recovery has occurred and they also should be accompanied by reforms which convince the public that everyone is doing their fair share. I believe we should reform the individual tax code by abolishing virtually all deductions and credits so that a tax is imposed on net income at lower, progressive rates. This will promote equity and simplification, while ending much of our current tax bias as against savings.

Any jobs program which is considered as an immediate measure addressing the severe unemployment problems now preoccupying America must be designed to provide jobs in the private sector. Training, career education, infrastructure improvement financed by indexed government bonds, economic development financing, and housing rehabilitation should be key components.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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In developing such a sensible economic policy we must never lose sight of the fact that productivity growth is really the engine that drives our standard of living to higher levels. It is important that government, working in collaboration with business, labor and the public, must focus on supply side incentives that really work.

A STRATEGY FOR PRODUCTIVITY GROWTH

Productivity improvement is critical to our economic growth. Instead of relying exclusively on large, across-the-board individual and corporate tax breaks, a new strategy to reverse the dismal productivity growth trends of our economy needs to be developed. Improved productivity will enable more cost-effective production of better quality products. This is a key element to business expansion and thus to expanded employment. Enhanced productivity growth will also provide the long-term key to our fight against inflation. When the cost of labor, raw materials, and processes increase, these higher costs will be translated entirely into higher prices for goods and services unless productivity is improved.

Reversing the current downward trend in productivity will not be easy, but most experts think that major progress toward this goal can be made by: improving the use of human resources, enhancing and targeting capital investment, accelerating technological innovation, and reforming the regulatory process.

Human Resources. My own experience in improving productivity through a better use of human resources came when I was mayor of Jamestown, New York, a small manufacturing town in upstate New York. In many ways, Jamestown in 1972 was a microcosm with all the characteristics of today's troubled economy. Businesses were closing, unemployment was soaring, and the adversarial relationship between government, business, and labor was principal underlying cause for the community's dismal economic performance.

In this crisis atmosphere and through a lot of hard work from many dedicated people, local government, management and labor broke down their adversarial relationship and worked together to turn the local economy around. The labor-management cooperation which took hold in Jamestown and still exists today, has been followed by the creation of over 30 area-wide labor-management committees which are encouraged, in part, by the Labor-Management Cooperation Act of 1978 sponsored by New York Senator Jacob Javits and me.

In addition to labor-management committees in the workplace, employee ownership of firms offers another mechanism which deserves attention and support from the federal government. Studies conducted by the Institute for Social Research at the University of Michigan have concluded that employee-owned firms are more profitable and more productive than their counterparts. There is a great deal the federal government can do to facilitate more widespread use of this tool for improving productivity.

Quality of worklife projects in firms around the country have also contributed impressively to productivity improvement. In many instances the work innovations that have resulted from these efforts have been remarkable. The General Motors plant at Tarrytown, New York, the Ford plant at Sharonville, Ohio, and Harmon International's Bolivar, Tennessee project are all good examples of this possibility.

One final note about human resources and productivity: The United States is in the midst of a crisis in education which must be addressed without futher delay. Our educational system has not kept pace with the technological revolution taking place around it. An estimated 72 million Americans are functionally illiterate. And, a 1980 report by the National Science Foundation stated that most Americans are moving toward "virtual scientific and technology illiteracy." There is a shortage of qualified math and science teachers in our primary and secondary schools. A problem of obsolete laboratory equipment and a shortage of instructors has reached crisis proportions at the university level.

To resolve these problems in education, and to prepare our young people for the post-industrial society, we must not just throw money at the problems. Government, industry, labor and educational interests must work closely together to establish innovative joint programs to redirect our available resources to specific educational problems. The federal government can help by investing in development of new curriculum for use by our schools and by increasing the numbers and qualifications of our math and science teachers.

Capital Investment. Our manufacturing sector is operating with plants and equipment which, for the most part, are over thirty years old. Small and innovative businesses especially need venture capital to establish themselves and expand. The U.S. needs to provide a financing capability directed toward long-term investment for basic industries and new technologies to surpass foreign competition. One step may be to consider targeted tax breaks for those investments most critical for industrial revitalization.

Techological Innovation and Regulatory Reform. Both these components of a productivity strategy are obviously influenced by leadership from the federal government. Increased funding for research and development, and policies to encourage close linkages between government, universities, and industry for commercial products and processes should be supported. In addition, efforts to deregulate our economy and to remove unnecessary social regulations, such as some anti-trust barriers to research collaboration, must be pursued at the federal level. Actions on these issues should be taken only after collaboration with labor and management and a consensus has been achieved.

Such a consensus can be achieved. A few years ago, steel companies were complaining that environmental regulations were seriously impairing productivity improvement. A committee involving the industry, its unions, and governmental representatives was organized. A key point: environmental advocates were made a part of these meetings. A consensus was reached. When the resulting legislation came to the House, it passed with only twelve dissenting votes.

A NATIONAL INDUSTRIAL DEVELOPMENT BOARD

Most of the observations I have made so far involve domestic policy. But, as I have indicated, the United States has partners—and competitors—in the world market. Our domestic economy faces serious international challenges. The same spirit of cooperation between U.S. government, business, and labor interests that will serve us domestically is needed to meet our challenges in the world arena.

For the long term, we need a coherent industrial strategy based on consensus between government, management, labor, and the public, or "advocacy" sectors of our society. I have proposed legislation in Congress to establish a National Industrial Development Board to develop such consensus and cooperation. The Board would bring together, in equal numbers, chief executives of major corporations, presidents of major unions, government officials, and public interest representatives including academics and innovative small businessman.

The Board's purpose would be to develop a consensual response to key problems of industrial development. When established, it will recommend industrial development priorities for the United States, provide solutions to particular problems of industrial policy referred by Congress or the Executive Branch, and provide credible information on the domestic and international trends affecting our economic wellbeing.

In addition, the Board could address these elements of an industrial strategy:

Targeted research and development funds for commercial purposes.

A plan for restructuring basic industries.

Financing high risk projects and expansion of small businesses.

Encouraging overseas marketing and export promotion for small and medium-size firms.

Revising anti-trust policies to encourage joint research and development projects and business ventures that can improve our international competitiveness.

Reform of cumbersome federal regulations.

Find ways to encourage long-term investment financing for U.S. industry.

The United States is the only industrialized country without a coordinated and integrated industrial policy. We are losing our competitive industrial edge because of it.

Some have advocated a similar consensus building national board but with a broader purpose. Such a focus on the entire economy seems to me to be a serious mistake. When industry (and agriculture) is strong, our economy is strong. A group such as this needs focus; we need to define the mission of the board as precisely as possible. Moreover, keeping excessive politics out of such a broad economic cooperation council would be exceedingly difficult. Congress should leave general economic policy determinations to the structure presently in place. We should concentrate our collaborative efforts on those industries which compete in global markets.

INTERNATIONAL TRADE

As we face these other problems over both long and short terms, we are also facing an immediate crisis in international finance and trade. The banking system of the western world is dangerously overexposed. Many nations are finding it very difficult to service debts accumulated during the post-OPEC period. The resources of the International Monetary Fund needs to be bolstered to help deal with this problem. We may even need to consider creation of a new international institution to provide a worldwide economic stimulus to help nations find markets to export their products.

Despite these problems, the U.S. and other nations must resist the temptation to implement widespread trade protectionist measures. Over the long term, we must encourage more international trade, not less. Exports mean jobs for Americans and provide an ability to offset our reliance on certain imported commodities, such as oil. From 1971 to 1981, American exports rose from 6 to 13 percent of the Gross National Product. This fact illustrates how important

exports have become to our national interest.

At the same time, some measures to protect our trade interests will be needed. Minimally, we must question our "free trade" ideologies in a realization that "free trade" and "fair trade" are not necessarily the same thing. Other nations, particularly Japan and France, have been helping themselves to our markets and protecting their own at great disadvantage to U.S. industries, while we have practiced and promoted the gospel of free trade. Some adjustments in these inequities can and must be made.

Health cooperation between U.S. government, labor, and management interests is especially important to our trade position. Labor must realize that we cannot continue to protect inefficient industries or obsolete industrial policies and practices. Management must provide positive incentives for industrial revitalization. Government must support aggressive international bargaining strategies on behalf of our domestic industries. It is especially important that the government begin to use the Federal Reserve more creatively, in order to establish a fair trade climate in which currency and market manipulation by other nations is discouraged.

As I have indicated, a strategy for U.S. economic recovery and health has long-term and short-term components, as well as international implications. An appropriate balance must be maintained in all our actions.

We must collaborate. Government, labor, management, and the public sectors must cooperate for the development of sensible economic policies. Old, outmoded adversarial techniques for problem-solving are out of date, and must be abandoned if we are to survive the complexities of the technological/industrial age.

We must innovate. The policy prescriptions which guided us through the industrial era are no longer valid.

We must participate. Our free press can help in this. The public needs to know the dimensions of the short-term problems and the long-term challenges we face. A real understanding of the reasons for short-term sacrifices and the possibilities for future success is basic to achieving widespread participation in this endeavor.

The stakes are very high. If we fail, we surely will go the way of Great Britain. But, I'm confident that we can succeed. With tough-minded cooperation and consensus between representatives of business, labor, government, and the public, we can dynamically improve our economy for the rest of this century and beyond.●

VOICE OF DEMOCRACY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. GINGRICH. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students participated in the contest for the five national scholarships which are awarded.

During the past 21 years of sponsorship by the VFW, over 4½ million students have participated and awards totaling more than $2½ million have been given to winners at all levels in scholarships, savings bonds, and the like.

I am very proud to announce that the winning speech from the State of Georgia is by Lorre J. Tokash of Jonesboro, which is in my district.

Lorre has received many other honors including the Governor's honors in communications, an achievement award in writing, and first place in a PTA citizenship contest. She is in the National Honor Society, Who's Who Among American High School Students, and is one of America's outstanding names and faces.

So I want to put in the RECORD the Voice of Democracy's winning speech by Lorre Tokash. It can give everyone one of us inspiration.

The text of the speech follows:

1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

Youth is America's strength. Although Benjamin Disraeli was born and raised in London, his thoughts were expressed not only about 'his' small section of the world, but concerning America as well when he stated: "Almost everything that is great has been done by youth."

It is true, youth has the energy, the drive, the will, and the enthusiasm to conquer just about any obstacle strewn in his path. Take the pioneers for example. These people were not old, for the old already had a set living pattern and did not wish to alter it. No, these settlers were the youth. The youth who had the courage and determination to change their lifestyles, to leave their families, and to sell their precious belongings in search of a new and better life in America. It was also this same youth who formed towns and cities, and eventually led to America's industrialization. John Smith was only 26 when he sailed to America and established Jamestown, Virginia.

When the wilderness was still young, so were the pioneers who trekked westward to discover the unexplored lands of America. One such pioneer was Johnny Appleseed, the symbol of westward-moving American civilization. At a mere 26 years of age, Johnny Appleseed was canvasing America, planting his seeds wherever his travels took him.

And what about the great name—Benjamin Franklin. This man had much to do with America's growth, yet he was only 16 when he began his first steps toward fame by writing biased columns in his brother's paper. This act prompted the British to jail him for a month, but nothing could stop the steadfast opinion of this youth. He continued to write articles expressing his feelings and at the age of 26 published the first of many Poor Richard's Almanacs.

The youth helped build America's strength not only as pioneers, but also as fighters, with the will to survive—and win!

Youth in this category include George Washington, given his rank of colonal over the Virginia militia at 23, Nathan Hale, who "regretted that he had but one life to give to his country" at the age of 21, the Sons of Liberty, who fought for the freedom they thought they deserved—even though their average age did not exceed 24, and last—but certainly not least, the Common American Revolutionary soldier. A youth who had not even started his life—maybe 25 at the most, yet it was this youth who fought gallantly and with exuberant enthusiasm so that his country might someday be a better place to live in—not only for himself, but for all future generations to follow.

It is no joke when youth are labled "America's strength." For it is these young men and women who are America's natural resources. Not oil, not gasoline, not coal . . . but youth.

Still today, youth are prominent in our country. The Peace Corps was originally organized by youth, most recruits in their early-twenties. In a time when the world is becoming smaller and smaller, it is the youth in the Peace Corps who are reaching out to lend a hand and relieve the poverty-stricken and the diseased races of the world. They are the moving force reaching out to bring the world closer together . . . and they are America's youth.

Indeed, it is the young who possess the strength, both physically and mentally, to tackle America's problems. It is the young who form the solutions to questions that the old deem impossible to answer—and therefore do not pursue. And it is the young who stick to their guns and fight for justice and an improved country—no, an improved world—to live in. So don't be surprised when youth is considered "America's Strength," after all, in youth-lies the hope for a better tomorrow.●

OFFSHORE OIL DRILLING MORATORIUM

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. LEVINE of California. Mr. Speaker, I join Congressmen LEON PANETTA and GERRY STUDDS in the introduction of legislation to impose a moratorium on offshore oil and gas leasing in environmentally sensitive areas off the coasts of California and Massachusetts.

In July of 1982, Secretary of the Interior Watt announced approval of his 5-year plan to open nearly 1 billion acres—almost the entire Outer Continental Shelf of the Nation—to leasing for oil and gas development. Secretary Watt's plan does not give full consideration to the coastal environments and economies of the affected areas. Our bill would protect areas that are environmentally and economically sensitive from leasing.

The bill includes tracts adjacent to Santa Monica Bay, which is off the coast of my district.

I represent 50 miles of the Nation's most beautiful and precious coastline from Malibu Beach to Redondo Beach in California. Time after time, we who live and work in the area have succeeded in convincing the Federal Government that leasing these offshore areas for oil and gas exploration is economically and environmentally unsound and not in the public interest. Past Secretaries of the Interior have

deleted these high-risk tracts from past lease sales.

Development of several of the southern California tracts has been strongly opposed by the State of California in a suit against the Department of the Interior. A development moratorium on the tracts named in the State's suit has been supported by the passage of a resolution I authored last year when I served in the California State Assembly.

I support the intent of the Outer Continental Shelf Lands Act Amendments of 1978 that reasonable development of our offshore resources be balanced by environmental and economic protection. Secretary Watt's plan ignores this. In the Santa Monica Bay, the potential economic, environmental, and esthetic damages far outweigh the benefit of the small amount of oil that can be found. The sad memory of the 1969 oilspill and blowout in Santa Barbara is a constant reminder of the devastating impact oilspills have on the environment, wildlife and economy. We in the Los Angeles area do not want to experience the tragedy that our neighbors to the north suffered.

PREFERABLE ENERGY ALTERNATIVES

There is a vast resource in renewable energy and conservation. According to a Government Operations Committee report, through the installation of conservation measures, costing less than $100 per home, we can reduce our residential energy use by 25 to 30 percent which would save an equivalent of 2 million barrels of oil per day. We must exhaust clean, safe, and efficient energy alternatives before we degrade our precious environment through offshore oil drilling.

ECONOMIC IMPACT

According to California's State Office of Tourism, coastal-related tourism is an $11 billion a year industry in California. Over half of those revenues come from southern California, where over 60 million people visit Los Angeles County beach each year. The city of Santa Monica alone generates approximately $100 million annually from recreation and tourism. A major oil spill in the area would be devastating for our local economy.

An oil spill would seriously threaten our commercial fishing. Between 1977-80 over $100 million in revenue was accrued through fishing in the Ports of San Pedro and Terminal Island alone. Fish such as the Pacific bonita, jack mackeral, anchovies, and the many fish that spend their larval and juvenile stages near the surface of the water would be severly harmed by a spill. Even absent of a spill, fishing would be hurt by subsurface structures and exploration vessels getting in the way of fishing equipment. Valuable kelp grounds along the Malibu coast may also be damaged by oil drilling operations.

The Santa Monica Bay is used by many people for recreational boating activities. Over 100,000 pleasure craft are registered in Los Angeles. An oil spill would have a terrible impact on the boating industry.

ENVIRONMENTAL HAZARDS

Secretary Watt's plan would seriously endanger the environmental balance in the Santa Monica Bay. An oil spill could destroy the two remaining wetlands in Los Angeles County, Malibu Lagoon, and Ballona Wetlands. These wetlands are a few of the remaining habitats for several endangered species. The Ballona Creek estuary alone is estimated to include 20 percent of the State's nesting ground for the endangered Least Tern.

The Santa Monica Bay has become a popular place for animal viewing. Many people find pleasure in watching the many seabirds and marine mammals. A favorite pastime is whale watching during migration season. We would miss this recreation if these precious animals were harmed.

The Los Angeles area suffers from some of the worst smog episodes in the country. We are struggling to protect public health and to attain ambient air quality standards. The Environmental Protection Agency is threatening to impose a ban on new construction and to withhold highway funding until we achieve these standards. Air quality would be worsened from offshore oil drilling. Onshore industries would be forced to bear a greater cost of control to achieve the increment of reduction needed to offset offshore emissions. Offshore drilling would retard our efforts to clean up our air.

Those of us who have been fighting oil drilling in the Santa Monica Bay for years have grown weary of Secretary Watt's efforts to endanger our coastal resources in an effort to prospect for oil in an area where every study conducted indicates a low probability—perhaps only a few days of oil—that any significant resources exist. It is time that we take action to recognize that these areas are not the places to be drilling for oil and a moratorium should be put in place. I strongly urge all Members of Congress to support this important legislation to assure that Secretary Watt's latest assault on our precious environmental resources does not do further harm to our public health and our local economies.●

THE UNITED NATIONS AND ANTI-SEMITISM

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. ADDABBO. Mr. Speaker, I would like to take this opportunity to share an article with my colleagues which very thoroughly documents anti-Semitic actions which have been taken by the United Nations. Arnold Forster, a New York attorney, shows how this body has ignored persistent violations of the human rights of Soviet Jewry, devotes nearly half its energies to condemning the State of Israel, and has effectively legitimized anti-Semitism by equating Zionism with racism. I encourage you to take a moment and consider the issues Mr. Forster has so skillfully raised. The article follows:

Late last year, our ambassador to the United Nations, Jeanne J. Kirkpatrick, declared that the "U.N. record on human rights has been perverted" and charged that the international agency had repeatedly remained silent in the face of overwhelming human-rights abuses. To support these accusations, the U.S. delegate pointed to the fact that the U.N. had remained silent in the face of a "shocking resurgence of attacks against Jews in the world" and the denial of civil liberties to hundreds of thousands of Russian Jews.

This was not the first time that Mrs. Kirkpatrick had spoken out against the United Nations. Some months before, she had delivered a scorching attack on the world organization, charging that "the approach taken toward the Arab-Israeli conflict at the United Nations has nothing to do with peace but is quite simply a continuation of the war against Israel by other means."

Why has Mrs. Kirkpatrick been so passionate in her condemnation of the U.N.? One would have thought that as the American representative to the U.N., she would regard it highly and would be as tactful and conciliatory as possible so that her diplomatic counterparts from other lands would accept her in equally friendly fashion.

But our U.S. delegate, one of the best that this country has ever had, knows precisely what she is saying. Mrs. Kirkpatrick, with the obvious backing of President Reagan, has decided that these serious charges must be leveled loud, clearly and repeatedly—in a desperate effort and hope that in doing so, some bystander nations will be persuaded to force the guilty countries to change before they bring down the entire institution upon themselves and everyone else.

It is a sad fact that the very organization that came into existence nearly forty years ago in an effort to make real the dream of worldwide harmony and understanding has now become the international switchboard for the dissemination of organized hatred against Jews in general and against the Jewish state of Israel in particular.

There are two manifestations of this hatred that are currently destroying the moral fabric of the United Nations. The first is evident when the majority of nations ignore the plight of Jews, whose rights or even lives are being trampled on. As the saying goes: "All that is necessary for the triumph of evil is that good men remain silent in the face of it."

But the second brand of anti-Jewish prejudice indulged in by these "good men" is of a more vicious and dangerous variety. In my view, it touches the very essence of hatred for Jews: these anti-Semites in the U.N. actively wish to see the state of Israel eliminated as a formal Jewish entity. They are willing and eager to work for this goal tire-

lessly in order to bring Israel to an involuntary, sudden, and violent end. And—make no mistake about it—this anti-Zionism is nothing more or less than the desire to do away with all Jews.

Israel is a Jewish nation—no one would seriously argue that it is not—and it is the heart of the Jewish world. Snuffing out its physical, cultural, religious, ethnic, and national center surely means destroying the very core of international Jewish life. The destruction of the state of Israel is, in short, the ultimate anti-Semitic act—the final act of Hitler's "final solution" to the Jewish problem.

There is, unfortunately, no end of proof that the United Nations is today the world center of anti-Semitism. Israel has become the primary scapegoat, the priority target of the anti-Western gang of countries that holds almost total control over the U.N. Just look at these two facts: in 1980, exactly one half of the resolutions adopted by the Security Council condemned Israel; and, at this writing, there have been nearly 100 resolutions of the same character passed by the General Assembly. No doubt by the time you read this the number will have increased.

The thrust of all this obscene rhetoric is that Israel is a pariah nation with no legitimate right to survive. And for their passive acceptance of this garbage, most Western nations—Mr. Reagan and Mrs. Kirkpatrick aside—stand revealed as having surrendered to an anti-Zionist, anti-Jewish, anti-Israel campaign coordinated by an Arab-Soviet partnership.

When the coalition of communist and Arab nations first turned the mindless platitude that "Zionism is racism" into an official United Nations resolution in 1975, they forged one of the most dangerous weapons in the Arab propaganda arsenal. To accomplish this hateful goal, the Arab-Soviet bloc was ably assisted by assorted Third World countries who themselves has been seduced by promises of massive financial grants, supplies of military arms, and oil.

Acceptance of this U.N. resolution legitimizes anti-Semitism. The idea itself is stupid and senseless. Zionism is a love of Zion (a synonym for Jerusalem), a liberation movement, a quest for freedom and for the right of Jews to live politically as equals among nations. Racism is the antithesis; it argues the inherent superiority of one human species over another.

(Hiding behind the word *Zionist*, it must be pointed out here, instead of candidly saying *Jew* when that is what is actually meant, is a transparent, classic dodge. Interchanging the nomenclature comes as no surprise to students of anti-Semitism, who long ago learned that those who hate Jews tried to give three different words—*Jew, Zionist, Israeli*—precisely the same meaning. But Zionism, before Israel came into being, meant a belief in the need for the re-establishment of a Jewish state in Palestine. Since Israel's creation in 1948, Zionism has naturally taken on an additional meaning: a conviction that the Jewish State has a right to exist in peace and security. Which means, not so incidentally, that one does not have to be Jewish to be a Zionist.)

Not surprisingly, the senseless but evil U.N. formula that Zionism is racism has become a standard tool in the hands of Israel's U.N. enemies. More than a dozen resolutions have since referred approvingly to the definition, and it has been used unceasingly by Arab, Soviet, and Chinese propagandists to justify anti-Semitism and hatred of Israel.

But this canard is only the most successful of a long list of anti-Semitic assertions in the United Nations. Some others are that the Jews are an imaginary people who never existed in fact, do not now exist, never experienced the Holocaust, and—since they are a non-people—are not entitled to the rights accorded genuine nations.

This undisguised hatred is easy to find in the publications of the U.N. special unit that services the Palestinian Committee. It is also to be found in documents of the U.N. Commission for Western Asia, which accepts the PLO as a member state while rejecting Israel. And it can be found in the once hallowed halls of the Security Council, where the late Saudi Arabian ambassador, Jamil Baroody, once declared that the Nazi Holocaust was simply fiction and Anne Frank's diary a transparent forgery. Only the ambassador of the Netherlands, in whose country the tortured girl lived, rose to challenge the lie.

The litany of patent anti-Jewish prejudice echoes without cessation in the U.N.'s beautiful skyscraper headquarters on the banks of Manhattan's East River. It usually begins in whispered conversations, but it bursts forth with ever increasing frequency on the open floor. On Dec. 8, 1980, for example, the Jordanian ambassador, Hazem Nasseibeh, asserted in the General Assembly that the Arab world had long been "held in bondage, plundered" by the Jewish "people's cabal, which controls and manipulates and exploits the rest of humanity by controlling the money and wealth of the world." During the same debate, Ambassador Falilou Kane of Senegal added that news organizations are "dominated by Jews," a fabrication that was already stale when it was repeated by the Nazis more than fifty years ago. This malevolent falsehood was greeted by its listeners with the assent of silence—as is so much of the anti-Jewish bigotry spewed on the U.N. premises.

The hatred for Jews displayed in the U.N. is especially disturbing in light of the many signs that anti-Semitism is on the rise around the world. It is nurtured by the very international body that was created to strengthen understanding among the polyglot peoples of our earth, and the ominous warnings are largely ignored. The animosity foisted upon Europe by Hitler in the 1930s, resulting in the murder of one third of all Jews then living, is being encouraged by U.N. endorsement of anti-Jewish bigotry and strengthened by the prestige that that once honorable organization once boasted of and still, incredibly, retains.

American taxpayers should take a close look at this world body, whose hatred of Americans almost equals its hatred of Jews. Currently we are picking up 25 percent of the U.N.'s operational costs. Perhaps it is time for us to discontinue this largess and let those who have captured and disfigured a noble dream pay the bill for their perversion.●

PENTAGON'S "SOVIET MILITARY POWER" REPORT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. MARKEY. Mr. Speaker, the Pentagon has just released its latest version of the booklet entitled "Soviet Military Power" analyzing Soviet military forces and their armed forces expansion.

The report provides some useful information and insights into the military activities of the U.S.S.R. What is clear from the report is that the Soviet Union has constructed a mighty military machine, a machine that the Soviet Union has been willing to put to use in Afghanistan, Eastern Europe, and elsewhere. The Soviet Union has continued to expand its nuclear forces far beyond any rational military purpose.

Yet, Mr. Speaker, the Pentagon fails to place the report on Soviet activities in its proper context. While focusing on Soviet military expansion, it fails to note areas of Soviet weakness and measurements of military power where the Soviet Union lags far behind the United States and our NATO allies. In fact it is hard to examine the report without concluding that it has been produced shortly before congressional votes on the military budget and on the nuclear freeze in order to influence votes rather than to inform the public debate.

A fair study of the balance of military power between the United States and the Soviet Union shows that in fact the United States enjoys a lead over the Soviet Union in many measures of military power just as the Soviets lead us in other areas. For example, the United States has more nuclear warheads than the Soviet Union, a superior strategic submarine force, a large lead in cruise missile technology, a lead in accuracy of our strategic missiles and many more forward based weapons systems within range of the Soviet Union.

The Library of Congress, in response to a request from Senator CARL LEVIN in November 1982, prepared a chart listing 24 separate measures of military power by which the United States and its allies possess a decided advantage over the Soviet Union and its allies.

I commend this chart to my colleagues, not to indicate that the United States is militarily superior to the Soviet Union but rather that there are many areas of U.S. military advantage just as there are areas of Soviet advantage.

Clearly, now is the best time to freeze the nuclear arms race between the two superpowers. The United States and the Soviet Union are at overall nuclear parity. I therefore urge my colleague to support House Joint Resolution 13, the freeze and reductions resolution sponsored by Chairman ZABLOCKI.

The table follows:

	U.S. position	Soviet position	U.S. advantage
Strategic nuclear forces			
Total warheads and bombs	9,662	7,060	+2,602
Total missile warheads	7,128	6,735	+393
Total MIRV'ed missiles (land and sea)	1,056	980	+76
Total MIRV'ed submarine launched ballistic missiles (SLBM)	496	208	+288
Total SLBM warheads	4,976	1,433	+3,543
Total heavy bombers, including Soviet Backfire	316	235	+81
Tanker aircraft (active reserve)	621	50	+571
Conventional forces			
Marine divisions	4	1	+3
Marine manpower	155,000	13,000	+142,000
Strategic airlift aircraft	310	200	+110
Tactical airlift aircraft (active and reserve)	511	400	+111
Utility/cargo helicopters	4,970	2,100	+2,870
Airborne warning/control aircraft (AWACS)	24	9	+15
Carrier based figher/attack aircraft	720	60	+660
Antisubmarine warfare aircraft afloat	278	150	+128
Aircraft carriers:			
Attack carriers	12	0	+12
VTOL helicopter carriers	12	4	+8
Amphibious ships (less HELO carriers)	49	26	+23
Destroyers	83	69	+14

	U.S./ NATO position	Soviet/ Warsaw Pact position	U.S./ NATO advantage
Aircraft carriers:			
Attack	8	0	+8
HELO-anti-submarine Warfare	10	3	+7
Destroyers and cruisers	143	74	+69
Frigates and corvettes	204	126	+78
Mine warfare ships	303	216	+87

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MUTUAL GUARANTEED BUILD-DOWN—A RATIONAL APPROACH TO ARMS CONTROL

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. LEVITAS. Mr. Speaker, there is a growing concern throughout this country, and Western Europe about the threat posed by the ever-spiraling arms race and the lack of an overall framework to bring about meaningful progress toward arms control. Clearly, there is no sane or rational person who does not wish to achieve the goal of making this world a safer place. Many of those who have joined the nuclear freeze movement have done so out of a legitimate fear of nuclear war, while others have been motivated by a deep sense of frustration that there is no promising solution to halt the arms race, aside from the President's START initiative.

Unfortunately, merely freezing the number of warheads and weapons will not make this world a safer place. Instead, a freeze would leave the United States with a deteriorating bomber force, a highly vulnerable land-based missile system, and no strategic system comparable to the Soviet Union's ICBM force targeted on Western Europe. For these reasons, a bilateral nuclear freeze would leave the Soviets with little or no incentive to continue negotiations to bring about meaningful reductions in nuclear arsenals.

Thus, I am convinced that we need to pursue a different approach to arms control—a fresh approach that will get us off the arms race treadmill. I rise today along with my colleague from Illinois, Mr. PORTER, to offer such a proposal.

The resolution that Mr. PORTER and I are introducing today is identical in language and intent to a proposal introduced in the Senate last month by Senators BILL COHEN of Maine and SAM NUNN of Georgia, and I commend them for developing this innovative approach. This innovative measure proposes that whenever the United States or the Soviet Union adds a new nuclear weapon to its strategic force, two older, less stabilizing weapons must be eliminated. This so-called build-down approach allows us and the Soviets to modernize forces, which will reduce the tendency for a hair trigger attitude. It will enable us to maintain a credible deterrent, while achieving meaningful reductions in the total number of nuclear warheads.

The net reduction in numbers of weapons, accompanied by the deployment of more reliable, survivable systems, would reduce tensions between the two superpowers. Furthemore, a nuclear arms build-down would give both sides less cause for turning to destabilizing strategies that call for hair trigger responses to perceived threats.

Another advantage of the Cohen-Nunn concept is that it is compatible with, and, in fact, complimentary to, our ongoing arms control negotiations with the U.S.S.R. Moreover, unlike the nuclear freeze, the build-down proposal gives our military planners and arms control negotiators some much needed flexibility. The precise elements of the 2-for-1 formula could be crafted to focus exclusively on one type of weapons mix or broadened to encompass a wide range of nuclear armaments.

In general, the build-down concept would include the following components:

For each new nuclear warhead deployed, two older warheads would have to be eliminated.

Both sides would exercise the principle of freedom to mix in determining tradeoffs and force composition.

Useful counting rules and implementation procedures from the SALT agreements could be retained.

Both sides would agree on verification measures, which would insure confidence and compliance.

I would like to congratulate Senators COHEN and NUNN for their leadership in bringing this imaginative proposal before the Congress. Although their resolution has largely escaped media attention, it has already generated an impressive amount of support. President Reagan has expressed his sincere interest in pursuing this particular concept; Under Secretary of Defense DeLauer has written Senator COHEN a very supportive letter; and Gen. David Jones, former Chairman of the Joint Chiefs of Staff, has embraced the resolution in congressional testimony. In addition, I would like to place in the RECORD a statement made by Senator CHARLES PERCY, chairman of the Senate Foreign Relations Committee, an article by former Senator and Secretary of State Edmund Muskie, which praise the Cohen-Nunn proposal.

I urge the House of Representatives to begin immediate consideration of the build-down proposal. Unquestionably, this flexible approach to nuclear arms control can bring about a cessation of fear and hostilities—and a fair mechanism for achieving a safer world.

MUTUAL GUARANTEED BUILDDOWN OF NUCLEAR FORCES

Mr. PERCY. Mr. President, last month Senators COHEN and NUNN introduced Senate Resolution 57, which calls on the United States and Soviet Union to agree that while START is negotiated, each side will dismantle two nuclear warheads for every new one they deploy. The Cohen-Nunn proposal for a mutual guaranteed builddown of nuclear forces is one of the most innovative and promising arms control proposals to be presented to the Senate in many years. I will invite the two architects of this resolution to testify before the Foreign Relations Committee when we hold hearings later this spring on the United States-Soviet nuclear relationship.

Although Senate Resolution 57 has largely escaped media attention, it has already garnered an impressive degree of support. As Senator COHEN has noted, the President has expressed "his very sincere and serious interest in pursuing this particular concept." Under Secretary of Defense DeLauer has written a very supportive letter advising Senator COHEN that, "the thesis that newer systems should be able to replace older ones on more than a one to one basis is just what I am trying to bring about." And on February 9, Gen. David Jones, former Chairman of the Joint Chiefs of Staff, praised the resolution in congressional testimony, saying it has "the elements of something much more in long term cuts than the current proposals." Senate Resolution 57 now has 15 cosponsors, including Senators from both sides of the aisle.

There are a number of reasons why the Cohen-Nunn proposal is attracting such wide, bipartisan support. First, as is the case with the nuclear freeze proposal, it benefits from an underlying concept that can be readily grasped and embraced by the general public. But unlike the freeze, which regrettably would sanction each side's keeping every nuclear weapon they already have, the Cohen-Nunn requirement for "giving up two to get one" would immediately start the United States and Soviet Union down the road toward real weapons reductions.

Second, the resolution would permit the United States to proceed with essential strategic and theater nuclear force modernization. These programs are needed to correct military vulnerabilities and provide bargaining leverage in on-going arms control negotiations. If Congress agrees, new nuclear weapons could be deployed, but only if twice

as many existing systems are retired. Under the Cohen-Nunn concept, therefore, vital modernization programs would lead to a more survivable and hence stable nuclear balance with the Soviet Union at far lower levels of weaponry. This should alleviate the fear of many freeze advocates that the Reagan administration's proposed strategic modernization program will prompt an unregulated and destabilizing arms buildup.

Third, most of the procedures, definitions, and counting rules already laboriously negotiated with the Soviets in SALT could be readily applied in implementing the mutual guaranteed builddown proposal. The SALT I interim agreement, which each side still observes, provides a comprehensive blueprint for establishing a new "old-for-new" trade-off regime. For example, the United States continues to retire one older Polaris SLBM launcher for each new Trident SLBM launcher it deploys, and the Soviet Union continues to dismantle Yankee-class SLBM launchers to make room for newer Delta and Typhoon SLBM launchers.

Under the Cohen-Nunn approach, the only difference would be one of degree. In place of the current 1-for-1 exchange, Senate Resolution 57 would require a 2-for-1 trade off. The present SALT I rules for phasing deployments with dismantlements could be maintained, though, and the SALT Standing Consultative Commission (SCC) could be empowered to oversee the implementation of the new agreement.

The Cohen-Nunn proposal could also draw on agreements reached in SALT II and thereby simplify and streamline the difficulties inherent in attaining a new agreement with the Soviet Union. For example, SALT II provides established rules for counting and limiting the number of warheads on ballistic missiles currently deployed or under development. The treaty also contains a number of other prohibitions and limitations, such as a ban on encrypting treaty-related telemetry, which would strengthen enforcement of a mutual guaranteed builddown accord. In this respect, the Cohen-Nunn proposal is fully consistent with President Reagan's pledge that the United States will continue to avoid actions that would undercut the SALT I and II agreements as long as the Soviets demonstrate the same restraint.

Lastly, the Cohen-Nunn concept would, if implemented, fully complement START. By establishing a new interim framework for reciprocal and verifiable reductions, Senate Resolution 57 would promote a climate of restraint and trust that would enhance the prospects for success in START. Furthermore, the concept is entirely compatible with the proposal which our START negotiators have tendered in Geneva.

To illustrate this point, I urge my colleagues to look at three related questions. First, what would the U.S. strategic ballistic missile force most likely look like in 1989 if the Soviets were to accept our START proposal? Second, how many ICBM and SLBM warheads would have to be dismantled under the Cohen-Nunn 2-for-1 rule if the United States deployed new strategic systems to meet this projected inventory? Third, what number and types of existing ICBM and SLBM warheads would the United States have to destroy by 1989—independent of Cohen-Nunn—to meet our START proposal, assuming it were accepted?

Mr. President, I ask unanimous consent to have printed in the RECORD three tables which address these questions.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—HYPOTHETICAL U.S. MISSILE FORCE IN 1989 UNDER U.S. START PROPOSAL

Missiles	Number	Warheads	Number
ICBM's:			
MX	100	10 per ICBM [1]	1,000
MMIII	422	3 per ICBM	1,266
Subtotal	522		2,266
SLBM's:			
C–4 on 11 Ohio SSBN's [2]	264	8 per SLBM	2,112
C–4 on 4 Lafayette SSBN's [3]	64	8 per SLBM	512
Subtotal	328		2,624
Total ICBM's + SLBM's [4]	850	Total RV's	4,890

[1] All warhead fractionalization figures reflect SALT II counting rules.
[2] 11 Ohio-class SSBN's correlates to the Trident shipbuilding program through the fiscal year 1984 request.
[3] Assumes Trident C–4 backfit will be completed on all 12 programed ships by end of 1983.
[4] The United States has proposed a ceiling of 850 ICBM's and SLBM's in START and limit of 5,000 ICBM and SLBM warheads, no more than half of which (2,500) can be deployed on ICBM's.

TABLE 2.—ASSOCIATED DISMANTLEMENTS REQUIRED UNDER COHEN/NUNN

	Number
100 MX × 10 RV/ICBM × 2	2,000
216 C–4 × 8 RV/SLBM 2	[1] 3,456
Total RV's	5,456

[1] 2 Ohio-class SSBN's with 48 C–4 and 384 SALT-accountable RV's are already deployed. Dismantlements only associated with 9 new Ohio SSBN's.

TABLE 3.—ASSOCIATED DISMANTLEMENTS REQUIRED UNDER U.S. START PROPOSAL [1]

	Number
52 Titan II's × 1 RV/ICBM	52
450 MM II's × 1 RV/ICBM	450
128 MM III's × 3 RV/ICBM	384
112 A–3 × 1 RV/SLBM	[2] 117
304 C–3 × 14 RV/SLBM	4,256
128 C–4 × 8 RV/SLBM	[3] 1,024
Total	6,278

[1] List includes some systems (Titan II ICBM's which the U.S. plans to retire unilaterally and some systems (Polaris SLBM launchers) which the United States will have to dismantle if it continues to respect SALT I.
[2] 7 Polaris-class SSBN's remain in the force. Their SLBM launchers are empty but since they have not been dismantled they still must count under SALT rules.
[3] This figure reflects SALT-accountable RV's on the 8 Lafayette class Trident-backfit submarines that could not be retained under the force mix portrayed in table 1.

[From the Washington Post, Mar. 6, 1983]

BUILD DOWN THE FORCES WE DON'T NEED

(By Edmund S. Muskie)

Something important is stirring in the Senate. For the first time in memory a serious and far-reaching arms control proposal has originated within the Armed Services Committee. It has already won the warm endorsement of the chairman of the Foreign Relations Committee and many other senators.

Sens. William S. Cohen and Sam Nunn have proposed a "mutual guaranteed builddown of nuclear forces." Under the plan, the United States and the Soviet Union would each pledge to eliminate from its operational forces two nuclear warheads for each newly deployed nuclear warhead.

At first glance, the concept seems suspiciously simple, but closer examination shows that the build-down idea has great promise as a principle that reconciles the objectives of arms control with the imperatives of military planning. It is the kind of constructive initiative for which those of us who support a nuclear freeze have been working.

One can understand the concept's merit best by considering how it might actually be put into effect. While the build-down scheme is applicable to all nuclear weapons, it would be sensible to treat tactical battlefield weapons as a separate category. Of most immediate interest would be strategic nuclear forces and long-range theater nuclear systems, the weapons currently being discussed in the Geneva negotiations between the two superpowers. All the latter weapons are essentially strategic, in the sense that they threaten critical targets in the heartlands of the two alliances. Altogether, these long-range systems probably carry 12,000 to 13,000 nuclear warheads on each side. Yet, unless negotiated limits are soon imposed, even these large arsenals may continue to grow.

The build-down rule would prevent any such growth. Force modernization would mean simultaneously greater force reduction. Thus, the plan would challenge both governments to move promptly toward the real reductions they profess to desire—to put or shut up. While the exact pace and composition of such reductions would surely vary between the two sides, the price of new programs anticipated for the next several years could well be cuts of about one-third in operational nuclear warheads on long-range delivery vehicles—a reduction to perhaps 7,000–8,000 warheads on each side. Those numbers are compatible with both President Reagan's START proposal and the Soviet counter-offers.

To verify such reductions, the parties could employ procedures already elaborated in previous strategic arms negotiations. In particular, the so-called "counting rules" negotiated during the 1970s would be invaluable in confirming the numbers of warheads being eliminated. For example, a Soviet SS18 missile would be assumed to have 10 warheads, an American Poseidon missile, 14. Eliminating missiles and aircraft would be necessary to demonstrate removal of warheads from operational service.

In verifying these activities, the Standard Consultative Commission established in 1972 would be indispensable. As the build-down fullfills President Reagan's demands for real reductions, it would also build upon the vital precedents and procedures of prior strategic agreements.

Especially important are the build-down's implications for the American and Soviet military establishments. They would be both liberated and constrained. They would have broad flexibility to choose which new systems to deploy, but they would have to decide whether modernization was worth the price. Presumably, as forces began to shrink, the military incentives would favor emphasizing the most survivable weapons, thereby promoting strategic stability.

One could strengthen those incentives for stability by incorporating some of the ideas that Rep. Albert Gore and others have advanced to phase out the most dangerous weapons, multiple-warhead ICMBs. For example, if a side chose to deploy smaller, single-warhead missiles, it might be allowed to do so at a replacement ratio of two new warheads for three currently deployed warheads. This would still ensure reduction but would favor the less threatening missiles now attracting interest in the President's Commission on Strategic Forces.

Not only is the build-down concept technically and strategically sound; it also is politically appealing. it could go far toward healing the serious breach we have suffered on arms control policy by responding to the fundamental concerns of both those who favor and those who oppose a nuclear freeze. For understandable reasons, freeze proponents have feared that permitting any change in nuclear forces would in fact mean an increase in those forces. Freeze opponents have feared that preventing any change in the forces would undermine stability by perpetuating a structure of increasingly vulnerable and unreliable weapons. Both perspectives are legitimate. The build-down plan offers a unique opportunity to harmonize them. In the interest of stability, some modernization would be permitted, but there would be no modernization without reductions.

More than a decade ago, an overwhelming majority of senators urged the president to head off the deployment of MIRVed missiles by negotiating a ban on flight tests. But we spoke tardily and timidly, and the world grew far more dangerous. Today, with new technologies in prospect and arms negotiations in peril, a vigorous initiative by Congress could not be more timely. The guaranteed build-down could be the organizing principle on which a strong congressional majority could frame advice to the president in terms on which he might be willing to act. It could be the rallying point for a bipartisan coalition linking Congress and the executive in a renewed effort to blend diplomacy and defense. And forging such a coalition remains the key to effective negotiations with the Soviet Union.

YOUTH—AMERICA'S STRENGTH

HON. JAMES R. "JIM" OLIN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. OLIN. Mr. Speaker, I am proud to enter in today's CONGRESSIONAL RECORD the Voice of Democracy script that was judged the best written this year in Virginia. It was written by a constituent of mine, Beth Leitch, daughter of Mr. and Mrs. Powell M. Leitch, Jr., and a senior at Covington High School. Beth was sponsored by Veterans of Foreign Wars Post 1033 and its ladies auxiliary. Her essay won first place on the local, regional, and State levels, and this week, she has been in Washington for the national judging. At her school, she is active in the Spanish Club, forensics, and the Madrigal Singers. She also is an organist at her church. Next fall, she plans to attend Hollins College, which is also in the Sixth Congressional District of Virginia. Beth is the first statewide winner post 1033 has had. When you read her script, "Youth—America's Strength," I know you will realize why her parents, Curtis Smith, her sponsor; James Booth, the State adjutant from Staunton, Va.; Bobby R. Walls, State commander; and myself are so proud of her.

The script follows:

YOUTH—AMERICA'S STRENGTH

I can't count the number of times I've been told that I am America's future. As my senior year quickly comes to an end, I begin to realize that one day this country will depend on my generation. I must admit that as I look around at my classmates and friends I have my moments of doubt. Us, leading America? Yes, we will lead America and undoubtedly quite well. Sometimes it seems that all young people think about is getting the car for this weekend or Friday night's date. Yet they do care about other things. Once they're out in the real world and are made aware of more important issues, these feelings can be geared to something more constructive and significant. There are several things that I feel should be stressed in the early years of youth. Family life, religion, education, and patriotism are necessities in creating a basically well-rounded person. I believe that if one has had the opportunity to sample each of these important factors then he will be more capable of making intelligent and constructive choices.

Family life plays an important role in keeping America's youth strong. At a time when divorce rates are soaring, many people are finally realizing the importance of a stable homelife. Even children from divorced homes, suffering from the emotional impact of a broken home, understand the necessity for a solid foundation. Family-life encourages togetherness and shapes morals, both of which are important attributes in later life.

Religion also plays an influential part in the development of America's youth. Regardless of one's denomination, religion gives a foundation consisting of certain ethical humantarian beliefs, which helps to guide one throughout life. In order to lead a country one must have these strong convictions and a lot of determination.

Education is a critical factor in the development of young minds. Contrary to what some believe, education is not meant to implant opinions in the mind of students. It is meant to give students the resources from which they can form their own opinions and make their own decisions. Having an opinion does one no good unless he can convey his opinion to others in an intelligent and logical manner.

Many opposing views have surfaced over the reinstatement of the draft. People have begun to wonder what's wrong with this generation. Why won't America's young men stand up and fight for their country? What ever happened to good old fashioned partiotism? The fact is that most boys are eager to defend their country but the media's attention naturally surrounds the few protesters. For every young man who refuses to register for the draft there are many times that number who recognize their duty to support their country and do register.

I'm proud to be counted among the millions of young people who are, indeed—America's strength. Today we are the candy stripers, gas attendents, waiters and waitresses, volunteers who aid in charity drives, struggling students of Mathematics and English, and people who fill a host of other jobs. Tomorrow we'll be the lawyers, musicians, doctors, secretaries, soldiers and nurses, just to name a few. No, there's nothing wrong with this generation. We're just as strong as the last one. Just have faith in us so we can gain faith in ourselves. A group of people had faith in themselves in 1776 and that didn't turn out so bad, did it?●

HOW THE MEDIA SHAPES PERCEPTIONS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. GINGRICH. Mr. Speaker, a great many people in the United States get their information about foreign events from the lead story of a television news show or from the front page of a newspaper. To that extent, the media becomes important in the shaping of public opinion, and perhaps even foreign policy.

It becomes, therefore, that much greater a responsibility for the media to exert both factual and contextual accuracy in their reporting. I want to put in the RECORD a column written by Marshall Breger, for the Washington Times, January 13, 1983. He writes about how American news coverage of the recent events in the Middle East have been less than factual and accurate.

The column follows:

[From the Washington Times, Jan. 13, 1983]

THE MEDIA AND THE MIDEAST

(By Marshall Breger)

The historic announcement by Israeli Cabinet Secretary Dan Meridor that Lebanon and Israel are working toward an agreement on political ties and the withdrawal of Israeli troops has given rise to new hope that Israel's controversial actions this summer have restored at least some measure of stability to troubled Lebanon.

That, of course, was at least one of Israel's stated objectives . . . though one would hardly have known this from the news reports coming from Lebanon at the time.

The job of a war correspondent is never an easy one. Logistics are difficult. Censors are everpresent. Warring sides are vying to gain advantage in the propaganda arena. Still, the American people deserve better than they received from many of the reporters who covered the recent events in Lebanon.

War, of course, is hell. War coverage will reflect this. But war coverage also should do more: It should provide perspective; it should put events in their proper historical context; it should enlighten. Instead, what the consumers of American news received during the Lebanon fighting were nightly pictures of a jovial Yasser Arafat posing and posturing, with Israeli jets constantly in the background. The pictures and the words bore little resemblance to the war itself.

As Joshua Muravchik shows in his stunning 56-page study of media reporting in Lebanon, appearing in the Winter 1983 issue of Policy Review, prime-time newscasts of the Lebanon fighting were replete with errors. Casualty figures, always difficult to pin down, seemingly were manufactured out of whole cloth. NBC, for example, claimed that 600,000 people were left homeless in Southern Lebanon, when the entire population of the area was only 500,000.

Were one to rely on the media's interpretation of the invasion, one would think that Israel wages war only on women and children, schools and hospitals. Through use of

what Bill Moyers calls "the lie of the camera," television sought to interpret the PLO as defenseless innocents and the Israelis as savage Spartans bombing without prudence or purpose. Few network reports, for example, noted that the Israelis had warned civilians before an attack to flee to safety—losing the advantage of surprise—to avoid civilian casualties.

The broadcast media were not alone in their errors of omission and commission. Many newspapers, as well, confused their reporting and editorial functions. Perhaps the strangest use of verbal manipulation by the print media occurred during efforts to place in historical context the continual blood feuds that have marked the sad history of Lebanon since the 1970 Palestinian invasion. In seeking to trace the brutal passions that gave rise to the massacre of Palestinian civilians at the Sabra and Chatila refugee camps, few newspapers pointed to the 100,000 Lebanese already killed during the civil war. While the American media correctly pointed to the 1976 Christian massacre of Palestinians at Tel Zaatar, they consistently ignored the PLO massacre of Christians at Damur that same year.

Take time magazine. In its Sept. 27 issue, Time points out that those Palestinians who survived the siege of Tel Zaatar took over Damur, a Christian village on the coastal highway south of Beirut. They then tell us that the Christians were "rudely displaced to make way for the Palestinian refugees." The Washington Post of Oct. 14 tells us that the Christians of Damur were "forced out of the seaside town" by Palestinian guerrillas. Newsweek of Oct. 4 merely relates that Palestinian gunners "retaliated against Christians in Damur."

The facts are undisputed. Damur is a coastal city about 12 miles south of Beirut. During the Lebanese civil war, the Maronite militia took control of the coastal road at Damur, cutting southern Lebanon off from food and fuel supplies. PLO and leftist Lebanese factions responded by storming the town, massacring about 300 Christians. A seashore evacuation to the Christian stronghold of Juniah saved the surviving Christian refugees. Indeed, The New York Times at the time discribed the Palestinians as having "plundered," "scorched," and "scourged" Damur. Relatives of the slain formed the backbone of the Phalangist Damur regiment which is widely believed to have been involved in the Sabra and Chatila massacres. And so it goes.

The point of this tale is not to shift responsibility for the horrible slaughter that accompanies Lebanese blood feuds. It is to query why the news media find it necessary to romanticize the PLO, even to the extent of distorting reality through incomplete reportage. The transformation of Arafat's terrorist into freedom fighters derives directly from Americans' moralistic approach toward foreign affairs. If we are sympathetic towards the goals of a political organization, we cannot think of it as doing anything bad. Thus, those Americans who hated the Shah of Iran had to treat the Ayatollah as an agrarian reformer.

The myth of a reformist PLO—styled as a Third World liberation movement—presses the media to reject any evidence that the PLO engages in atrocities. More important, many in the media believe it almost indecent for a guerrilla movement to be defeated at arms.

Most Americans get information about foreign affairs from TV news and newspaper front pages. To that extent, the media have become a direct participant in shaping public opinion, if not foreign policy. Their professional responsibility for both factual and contextual accuracy has become all the greater.

If American reporters covering the events in Lebanon didn't know any better, they should have been replaced by reporters willing to do their homework. The facts about Damur, for example, were readily available. If they did know better—if they were deliberately telling only a part of this tragic and emotional story—it is time for some sober reflection.●

IMPLEMENTATION OF A U.S. EXCLUSIVE ECONOMIC ZONE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. FORSYTHE. Mr. Speaker, yesterday the President proclaimed an exclusive economic zone for the United States. The concept of an exclusive economic zone (EEZ), as already recognized in international law and reflected in the recently concluded Convention on the Law of the Sea, is a maritime area beyond the territorial sea in which all nations enjoy non-resource-related freedoms of the high seas. Traditional freedoms of the high seas, including, but not limited to, those pertaining to navigation, overflight, marine scientific research, and the laying and maintenance of submarine cables and pipelines, remain both within and beyond the zone.

Throughout the negotiating process for the Law of the Sea Convention, I had hoped that our negotiators would be able to secure agreement on a text which I could wholeheartedly support. In some respects they succeeded, and I applaud their efforts. I know how long and hard Federal officials, private citizens, and Members of Congress labored to achieve a convention which would provide a sound basis for the policies of all nations with an interest in the oceans. It is unfortunate that certain elements of the convention which remain are not compatible with U.S. interests. Because of this, the President decided that the United States would not become a party to the convention. That does not mean, however, that the United States has abandoned its efforts to contribute to the progressive development of international law. The establishment of a U.S. exclusive economic zone which preserves traditional high seas rights of other nations is consistent with that objective.

To complement the President's proclamation, I have cosponsored legislation to implement the establishment of a U.S. exclusive economic zone. That legislation, which was introduced today is intended to: First, clarify the rights and jurisdiction of the United States and the rights and freedoms of other states within the U.S. EEZ; second, set forth the policy of the United States regarding the development and use of the natural resources of the ocean and its floor beyond the EEZ; and third, conform previously enacted interim law with such rights, jurisdiction and policy.

Within the EEZ, the United States would assert and maintain:

First, sovereign rights for the purpose of exploring, exploiting, conserving, and managing the living resources—other than migratory species of fish—and nonliving resources of the seabed and subsoil and superjacent waters;

Second, sovereign rights for the purpose of carrying out economic exploration and exploitation not covered under paragraph 1, including, but not limited to, the production of energy from the water, currents, and winds; and

Third, jurisdiction with regard to: (a) the establishment and use of artificial islands, (b) other installations and structures having economic purposes, and (c) the protection and preservation of the marine environment.

The proposed legislation would not affect the authorities under which the United States manages billfish, anadromous species, for example, Atlantic and Pacific salmon, or marine mammals, including whales. Nor would it alter the current U.S. disclaimer of jurisdiction over highly migratory species of tuna. With respect to whales, I expect that the United States would continue to apply both domestic law and International Whaling Convention measures in the EEZ absent specific changes in the Marine Mammal Protection Act and/or the Whaling Convention Act.

With respect to general U.S. fishery policy, the legislation would reaffirm the intention of the United States to maximize economic benefits from the oceans and to exercise its discretionary powers in determining the allowable catch, U.S. harvesting capacity, the allocation of surpluses—if any—to other states, and the terms and conditions established in conservation and management regulations.

The legislation also clarified that nothing in the act should be deemed to be a basis for any royalty, fee, tax, or other assessment of revenue for fishing by U.S.-flag vessels for living marine resources over which the United States would exercise sovereign rights. Concern has been raised by representatives of the U.S. fishing industry that establishment of an EEZ will empower the National Marine Fisheries Service to impose some form of economic rent charge upon domestic fishermen. This is not the case. In and of itself, the proposed legislation would not change existing authority. The FCMA does not now allow charg-

ing U.S. fishermen in excess of administrative costs for any permits which may be required. The proposed legislation would not amend this prohibition. The assessment of foreign fishing fees in excess of U.S. costs, which is already permitted under the Fishery Conservation and Management Act (FCMA), would remain an option should it be determined that such fees are in the national interest.

With respect to the conduct of marine scientific research, another matter of concern to those affected by the establishment of an EEZ, the proposed legislation:

First, expresses the position of the United States that marine scientific research is a high seas freedom in the U.S. EEZ and the EEZ's of other states;

Second, calls upon the Secretary of State, notwithstanding the view of the United States as noted above, to submit promptly to foreign officials, when requested by U.S. scientists, requests by U.S. scientists to conduct research off other coastal states which exercise marine science research jurdiction in a reasonable manner which is not inconsistent with international law; and

Third, calls upon the Secretary of State to initiate negotiations with coastal states for the purpose of obtaining agreements which will facilitate the conduct of marine scientific research.

Should the United States decide that it wishes to impose restrictions on marine scientific research in the U.S. EEZ subsequent to the enactment of the proposed legislation, Congress would need to enact a new statute to specifically establish the legal authority for regulating such research.

The proposed legislation represents the culmination of months of consultations with affected interests. I believe that in its present form it addresses the concerns of a broad spectrum of interests and is a positive contribution to the development of international law. I recognize at the outset, however, that further refinement may be necessary. I expect that opportunities will be provided for constructive debate on each element of the legislation. I look forward to that debate. The legislation also references the need for a careful analysis of its implications for other existing statutes, including but not limited to, statutes relating to protection of the marine environment and immigration and taxing authority. A report from the President to the Congress, with recommendations for changes to existing laws and programs which would be required as a result of the establishment and implementation of the EEZ, is mandated within 18 months after enactment of the proposed legislation. I am convinced that the end result of congressional consideration of the proposed EEZ legislation and the Presidential report will be a set of statutes which meet our domestic and international responsibilities.●

IMPROVING TAXPAYER COMPLIANCE

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. D'AMOURS. Mr. Speaker, I would like to share with my colleagues the executive summary of an excellent study done by Dr. Donald J. Puglisi on improving taxpayer compliance on interest and dividend income. Dr. Puglisi, a professor of finance at the University of Delaware, decisively concludes that the revenue estimates supplied by the Treasury in support of withholding are misleading, and the Treasury will not lose revenue if withholding is repealed. Dr. Puglisi also demonstrates that full utilization of TEFRA's comprehensive reporting and enforcement system would produce more tax revenue than a withholding system.

Full copies of the Puglisi study are available on request.

[Condensed version—Updated Mar. 5, 1983]

IMPROVING TAXPAYER COMPLIANCE ON INTEREST AND DIVIDED INCOME

(A study prepared by Dr. Donald J. Puglisi, Professor of Finance, University of Delaware)

The success of our voluntary income reporting and tax payment system depends on our ability to assure the compliance of taxpayers.

Clearly it is as much in the interest of financial institutions as it is of the government to assure that tax cheating is discouraged to the extent possible—and that honest taxpayers are required to pay no more than their fair share.

The only question is—what is the best way to achieve maximum compliance?

In the area of interest and dividend income, obviously the Treasury believes the best way is through withholding on dividend and interest income, as is done in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), effective generally on July 1, 1983.

However, the evidence in this study demonstrates that:

(1) equal or better compliance could be achieved through better enforcement and the more comprehensive information reporting also required by TEFRA; and, (2) that the burden of meeting TEFRA's 10 percent withholding requirements would fall hardest on honest and diligent taxpayers who now comply fully by declaring their interest and dividend income. (These would include tax compliers who fail to claim exemptions to which they are entitled, the less-sophisticated who do not adjust their W-2s and estimated payments to compensate for withholding, and taxpayers generally who are already over-withheld upon.)

Note that this study does not recommend the repeal of TEFRA. It recommends that all relevant provisions of the Act remain in force except those imposing a 10% withholding on interest and dividend income.

TREASURY REVENUE ESTIMATES ARE MISLEADING

The revenue estimates supplied by the Treasury Department in support of withholding are misleading. The Treasury will not lose revenue if withholding is repealed. Full utilization of TEFRA's comprehensive reporting and enforcement system would produce more tax revenue than a withholding system.

The Treasury's estimates, which purport to show that withholding would bring in a total of $22.7 billion in tax revenues over fiscal years 1983 through 1988, are unsatisfactory because:

The Treasury tabulates additional revenue which is actually obtained from the expanded information reporting system also included in TEFRA—revenue that will be realized with or without repeal of the 10 percent withholding provision of the Act.

The Treasury grossly overestimates the benefits of the one-time tax collection speed up.

The Treasury does not take into account the problem of the escape of tax revenues through the exemptions in withholding dictated by administrative and political necessity.

Even so, based on an analysis of the Treasury's own data, it's clear that withholding can be repealed with no adverse impact on Treasury tax receipts. Efficient matching of 1040s with 1099s, and 1099s with 1040s, and followup enforcement with taxpayers who do not file, or who underreport interest and dividend income, will achieve at least as much in tax collections as 10% withholding.

Thus, Congress is not faced with the difficult dilemma of finding alternate revenue sources to replace those lost by the repeal of withholding. The revenue figures can remain substantially unchanged in the budget line items. Only the methods of producing that revenue need be changed to create a more efficient system.

INFORMATION REPORTING IS A SEPARATE ISSUE

The common contention is that withholding repeal would cost $22.7 billion over this and the next five fiscal years. The Treasury figures for tax revenues break down as follows:

REVENUE IMPACT BY FISCAL YEAR

[In billions of dollars]

	1983	1984	1985	1986	1987	1988	Cumulative
Reporting	0.1	0.4	0.7	0.9	1.2	1.3	4.6
Speedup	0.9	3.0	0.3	0.2	0.3	0.4	5.1
Compliance	0.3	2.3	2.5	2.5	2.7	2.8	13.1
Total	1.2	5.7	3.4	3.7	4.2	4.5	22.7

Source: Office of the Secretary of the Treasury Office of Tax Analysis, March 1, 1983.

Note: Details may not add to totals due to rounding.

On close analysis, each line in this table is open to serious question.

The first line—$4.6 billion—is the Treasury estimate of the expected gain from the requirement of reporting on interest and dividend sources not previously subject to information returns.

It is very significant that for the first time full information reporting is now required for such formerly exempted investments as Treasury and U.S. Agency obligations, corporate bearer bonds, original issue discount instrument (both Government and corpo-

rate), jumbo certificates of deposit and U.S. Savings Bonds. (Apparently, comparing the above Treasury estimate with those previously available, no adjustment has been made in fiscal year 1983 and fiscal year 1984 for a Treasury rule change announced March 2 which excuses withholding and reporting on original issue discount instruments, including Treasury bills, until January 1, 1984). There are also tougher penalties for falsifying numbers.

But that $4.6 billion has no connection with the provision for interest and dividend withholding. It simply does not belong in the discussion. Repeal of withholding is a separate, independent issue. It is important to remember, however, that withholding repeal would not sacrifice this $4.6 billion in Treasury receipts. This is new revenue made possible by the comprehensive reporting coverage provisions of TEFRA.

SPEEDUP BENEFITS GREATLY OVERESTIMATED

The second line—the $5.1 billion speedup benefits of collecting some of the taxes owed on interest and dividend receipts in an earlier rather than a subsequent fiscal year—has no better foundation. This speedup is really a significant item only once (fiscal 1984), reflecting the predicted acceleration in the first full year of withholding.

Interestingly, the Treasury's March 1 estimates increase the speedup effect over earlier projections. However, serious doubt must be cast upon these latest figures because of rule changes announced March 2. The Treasury's new regulations will permit once-a-year withholding collections on passbook, transaction, money market deposit (MMDA), and Super NOW accounts at banks and savings institutions. These categories now represent approximately $500 billion in deposits. Since their inception in mid-December, balances in the MMDAs and the Super NOWs have grown to $300 billion—with continued growth a virtual certainty. No speedup effect will be realized from such interest-earning balances where once-a-year withholding is used.

Even so, the Treasury's estimate does not take adequate account of the offset which individuals may and will make in their wage and salary withholding and, more especially, in their quarterly estimated tax payments.

Taxpayers filing estimated tax are expressly permitted to reduce their payments by the amount of interest and dividends withheld. The vast majority of these taxpayers, representing an even higher percentage of the dollars involved, will elect to make this adjustment.

The Treasury's own 1980 estimates show that taxpayers in full compliance with the law could offset approximately 95% of the revenue speedup by adjusting their estimated payments and withholding forms for wages and salaried income. Even though all taxpayers may not make these adjustments, the Treasury's numbers seem far too high. Some reasonable downward adjustment should be provided to make these figures credible.

The revenue benefit of speedup is greatly exaggerated.

WITHHOLDING WON'T STOP TAX CHEATERS

The third line—$13.1 billion anticipated from compliance improvement—is the largest component of the Treasury's projections.

All depository institutions and honest citizens favor measures to ensure that everyone pays all taxes legitimately owed to the government. The only disagreements stem from how to eliminate tax cheating in the most efficient manner.

The withholding regulations will not stop many tax cheats from continuing or partially avoiding their full tax liability. The only way to bring these cheaters under withholding would be to permit no exemptions at all. Withholding, as mandated by TEFRA, is not a suitable method for assuring a high level of compliance.

It is poor public policy to be satisfied with the 10 percent receipts from some tax evaders that would be produced by withholding. If additional tax is owed, the tax liability is probably much higher. The goal should be to target all tax evaders and then obtain all tax owed.

IMPROVED REPORTING, MATCHING SYSTEM WILL DO THE JOB

An improved reporting and 1099 matching system will address the compliance problem more completely. Virtually every 1099 should appear on a tax return somewhere. Conversely, for every Form 1099 submitted by a payor of interest and dividends a Form 1040 should be identifiable. With the Treasury's discretionary authority to require computer-readable 1099 reporting, the matching process can be done efficiently by the IRS. Non-filers of 1040s can be traced through information received on 1099s; under-reporting can be discouraged by matching 1099s against 1040s. Taxpayer identification numbers are now required on each account.

Additionally, because cheating in one area of the tax form is likely to have spread to other income sources, an improved matching system to audit tax compliance on interest and dividend income will also target returns which merit examination for other types of non-compliance. Such targeting can be enforced by low-cost, computer-generated tax deficiency notices. This may be sufficient to collect taxes due without incurring high IRS audit costs (or harrassing the vast majority of taxpayers who comply fully and voluntarily by declaring taxes due).

Without proper enforcement, withholding will not produce significant improvement in taxpayer compliance and tax receipts; with proper utilization of the enforcement tools also provided by TEFRA, withholding is unnecessary.

In addition, the imposition of withholding would impose significant added burdens on the private sector. Implementation of withholding will not only fail to produce new revenues for the government but will reduce the tax receipts which would have been generated. Such costs run into hundreds of millions of dollars.

Expansion of the enforcement activities of the IRS is the fairest and most cost-effective way to close the interest and dividend revenue gap. It targets the closing of the revenue gap toward the noncompliers who have created it, rather than unnecessarily penalizing the vast majority of Americans who already comply with the Tax Code.

Withholding on interest and dividend income is both bad public policy and bad economics. A system of comprehensive reporting and effective enforcement would avoid those errors and should be the preferred solution to noncompliance.●

COMPULSORY UNION DUES

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. DICKINSON. Mr. Speaker, as the liberal establishment fulminates about the need for so-called campaign finance reform, a group of airline employees has petitioned the U.S. Supreme Court for relief from the most blatant campaign abuse of all—the use of compulsory union dues for partisan, political purposes.

Currently before the Supreme Court is a petition for writ of certiorari in the case of Ellis/Fails against Brotherhood of Railway and Airline Clerks. Because I believe this case can have historic consequences if the Court agrees to the petition, I intend to submit to the Court an amicus brief on behalf of these workers.

As sponsor of H.R. 4351 in the 97th Congress, I sought to eliminate by statute the union hierarchy's unique power to extract money from working people as a condition of employment for political operations those workers may oppose. Thomas Jefferson expressed it best when he said, "to compel a man to furnish contributions of money for the propagation of opinions he disbelieves, is sinful and tyrannical."

Unfortunately, many reform-minded individuals with a zest for amending Federal election law have developed a blind spot when it comes to protecting workers from abuse of their constitutional rights of political freedom at the hands of the union hierarchy.

However, this grave injustice has not escaped the attention of the Courts. In Abood against Detroit Board of Education, the Supreme Court stated that workers could not be required as a condition of employment to pay a union official anything other than the direct cost of collective bargaining with his employer. This means no phone banks, partisan get-out-the-vote drives, union socials or any other nonbargaining item is to be paid for with union dues taken as a condition of employment.

The Court held that the Constitution requires:

> . . . That such expenditure be financed from charges, dues or assessments paid by employees who do not object to advancing those ideas and who are not coerced into doing so against their will by the threat of loss of . . . employment.

Yet, despite the High Court's ringing endorsement of the need to protect the first amendment rights of workers, the abuse of union dues for political purposes continues.

For instance, after years of litigation in the Beck case a Federal court in Maryland finally ordered the CWA-union hierarchy to refund 79 percent

of the forced dues taken from a group of telephone company employees and spent for nonbargaining purposes.

The problem stems from the failure of the Court in the Abood case to provide a general mechanism of relief for workers who are forced to fund union political operatives against their will. This lack of direction from the Supreme Court opened the door for the faulty ninth circuit Ellis/Fails decision which allows union officials to establish an internal rebate system to return to the plaintiffs that portion of their forced union dues for political, nonbargaining purposes. In other words, union officials and their friends are allowed to sit as the judge and jury in the case against them.

A unique opportunity exists in the Ellis/Fails case to challenge these unjust rebate systems and establish national criteria for the proper uses of forced union dues. For the sake of the first amendment rights cherished by American working men and women. I hope the Supreme Court will agree to the petition for writ of certiorari. And, I am certain, that should the Court agree to hear this landmark case, many of my colleagues will join with me in expressing to the Court our desire to see first amendment rights protected.●

NATIONAL REMANUFACTURING WEEK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. LAGOMARSINO. Mr. Speaker, I am today introducing a resolution to designate the first week of October as National Remanufacturing Week.

In a world of ever-shrinking natural resources and ever higher energy demands, remanufactured products can make an important contribution to our national welfare. Remanufacturing saves energy, helping to lower the demand for imported oil and lessen our dependence on foreign imports. It creates jobs. It preserves our stocks of nonrenewable mineral resources. It helps reduce our solid waste disposal problems. And, it helps keep down inflation by offering consumers quality alternative goods at a price 30 to 50 percent below the cost of a new product.

Remanufacturing—the recycling of our mineral and energy resources—makes sense from an environmental, economic, and sociological standpoint. It is labor intensive—creating new jobs—and energy efficient—saving capital. I invite all my colleagues to join me in recognizing the contribution that remanufacturing can make and helping to spread the word: reuse, do not abuse.●

TIME RUNNING OUT FOR PLO TO RECOGNIZE ISRAELS RIGHT TO EXIST

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. PORTER. Mr. Speaker, I would like to bring to my colleagues attention an excellent column by Jack Anderson on the subject of the PLO's inflexibility in seeking a solution to the Mideast problems. The PLO's intransigence once more seems to be the main obstacle to peace in the Mideast.

MIDEAST BYPASS

(By Jack Anderson)

The Mideast may be in a mess, but the situation isn't hopeless. There is a bold solution that could finally bring peace to the troubled region; freeze the Palestine Liberation Organization out of the peace process and create an atmosphere in which new Palestinian leaders would emerge to negotiate.

No less than the Soviets, of all people have become "impatient with the PLO's inflexibility." So states a secret Defense Intelligence Agency report, which adds: "Moscow says it supports Israel's right to secure borders and believes that the PLO should agree."

The State Department has picked up essentially the same information from the Moscow embassy and other listening posts. The diplomatic back channels indicate that the Kremlin is weary of the PLO's insane goal that Israel must be destroyed.

One secret cable, seen by my associate, Dale Van Atta, cites evidence that the Soviets are "pushing Arafat toward some sort of recognition of Israel's existence." Another, quoting a clandestine source, says the Russians "view Arafat's intransigence as a stumbling block" to their future plans in the Middle East.

Some intelligence reports indicate that Arafat might be willing to recognize Israel under certain circumstances. He is described by the CIA, for example, as the PLO leader "most closely identified with moderate policies."

Arafat's problem, according to a secret State Department report, is "how to extend recognition without causing a disastrous split within the PLO rank and file." The analysis adds: "In order to preserve PLO unity, its leaders feel they must be able to show solid guarantees that recognition of Israel will be followed by rapid and meaningful negotiations."

Put more simply in another State Department report, Arafat believes that "before he could acknowledge Israel's right to exist, he must have something to show his people." Lacking this, he has stuck to his anti-recognition policy. The PLO leaders under him, meanwhile, are confident that time is on their side and that "Israel ultimately will have to deal with the PLO. . . ."

But some U.S. analysts think the PLO can be bypassed. Not all the Arab nations are as virulently anti-Israel as the PLO is. Many would probably welcome the chance to follow Egypt's lead and work out an accommodation with Israel. Indeed, the Palestinians themselves may produce other leaders who already are beginning to realize the PLO's efforts have been counterproductive.

Backroom analysts cannot name any rising new Palestinian leaders who might bring peace to the West Bank. But they raise some tantalizing "ifs"—if President Reagan will put his personal prestige behind a peaceful solution, if the Israelis will withdraw from Lebanon and show restraint on the West Bank, if Jordan's King Hussein will play a stronger role, then new Palestinian leaders will emerge who are not affiliated with the PLO but who will be acceptable to most Palestinians.●

CATHOLIC WAR VETERANS

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. HARRISON. Mr. Speaker, I have the honor to be a cosponsor of H.R. 1199, a bill to recognize and grant a Federal charter to the Catholic War Veterans of the United States, Inc.

The Catholic War Veterans exists as a nonprofit corporation under the laws of the State of New York. Its corporate purposes, which it has fulfilled with honor, dedication, and diligence for many years, cover the spectrum of patriotic activities and reflect a deep love of God and concern for mankind. I note, in particular, its stated purpose to "increase our love, honor, service to God, and to our fellow man without regard to race, creed, color, or national origin."

In my district, Mr. Speaker, there is a particularly outstanding unit of the Catholic War Veterans of the United States. I refer to the Father Albanese Post in Berwick, Pa., of which I have the honor to be a member. The Father Albanese Post conducts community, charitable, and fraternal activities throughout the year. Its membership is extremely active in pursuing the high goals set forth in its corporate charter.

And so, Mr. Speaker, from my knowledge of its activities on a national level and my personal experience with its activities on a post level, I am able to report to this House the granting of a Federal charter to the Catholic War Veterans of the United States, Inc., not only honors them but all of us by recognizing the outstanding work which the Catholic War Veterans have done and continue to do throughout this Nation.●

PLIGHT OF NATALIA MUKOVOZOVA

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. SCHEUER. Mr. Speaker, I am pleased to participate in the congressional call to conscience for Soviet Jewry and to have the opportunity once again to speak out on the vital

issue of the crisis facing Soviet Jews who wish to emigrate.

I would like to inform my colleagues of the plight of Natalia Mukovozova. In 1978, Natalia, then a leading ballerina in the famed Kirov Ballet Company, applied for an exit visa to join her parents and brother in the United States. She was refused a visa on the grounds that her emigration was not in the state's interest.

In 1979, Natalia lost her position with the Kirov Ballet. Since then, both she and her husband Leonid have been unable to work. This continued harassment has caused Natalia, age 32, and Leonid great financial and emotional strain. The young couple have a 5-year-old daughter, and the stress and aggravation they are forced to endure serve only to strengthen their desire to leave the Soviet Union.

Natalia plans to reapply for an exit visa this spring. As it stands now, the situation does not look very promising for Natalia and the many thousands of other Soviet Jews who are being denied the right to emigrate from the Soviet Union. The number of Jews allowed to leave has fallen dramatically from a 1979 alltime high of over 50,000 to a record low of less than 3,000 in 1982—a decline of 95 percent. This year is even less promising with only 206 individuals granted exit visas in the first 2 months of 1983.

As Members of the U.S. Congress, it is our duty to call upon the Soviet Union to permit Natalia and the many others who share her predicament to emigrate so that they may finally be free from harassment and persecution. Our continued support is essential for these tormented Soviet citizens who are being punished for the crime of wanting to live freely as Jews.●

THE DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1983

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. ERLENBORN. Mr. Speaker, today, I am introducing the Domestic Volunteer Service Act Amendments of 1983. This legislation, which the administration transmitted to Capitol Hill last week, would reauthorize the domestic volunteer programs administered by the ACTION Agency.

This legislation will enable ACTION to continue its successful work in providing volunteer assistance to both public and private, nonprofit groups working to meet a wide range of human needs arising from the continuing problem of poverty. The primary focus of the legislation is on the Older American volunteer program under which approximately 368,150 volunteers aged 60 and over will serve this year.

Other provisions in this legislation build on the intent of Congress expressed over the past 3 years to phase out certain title I programs. The university year for ACTION programs, which has not been funded since 1981, is deleted from the statute. Also eliminated is the VISTA program. Congress has phased down VISTA appropriations for the past 2 years.

Reauthorized for 2 years in the legislation are the service learning programs and special volunteer programs. The service learning program seeks to link the needs of the poor, the resources of education, and students' interest in community service. ACTION accomplishes this goal by providing information and technical advice to interested schools, community agencies, and national organizations and by funding short-term demonstration grants. Among the special volunteer programs to be reauthorized are voluntary citizen participation and fixed income consumer counseling.

The proposed 2-year reauthorization of the older American volunteer programs would continue these successful programs without substantive legislative change. The older American volunteer programs consist of the retired senior volunteer program (RSVP), senior companions, and foster grandparents. The fiscal year 1984 authorization level for these programs would be the fiscal year 1983 level. For fiscal year 1985, "such sums" are authorized.

One provision in this legislation is of concern to me. Section 9 would grant the Director of ACTION subpena authority for the purpose of audit and investigation. In the course of considering this legislation, I plan to carefully review this provision and possibly amend it so as to prevent any possibility of abuse of this authority.

For the convenience of all Members, I am attaching a section-by-section analysis of this legislation:

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1983

SECTION-BY-SECTION ANALYSIS

Section 1, the enacting clause, establishes the short title of the bill as "The Domestic Volunteer Service Act Amendments of 1983."

Section 2 deletes part A of title I of the Act, which authorizes the Volunteers in Service to America program (VISTA). This would complete the phase out of the program that was begun in the 1981 Reconciliation Act.

Sections 3 and 4 delete the currently unfunded University Year for ACTION program (UYA) portion of the Service-Learning Program in part B of title I.

Section 5 makes technical amendments to refer to renumbered sections in part B and strikes refer nces to the deleted part A, title I program.

Section 6 makes technical amendments in part C of title I, Special Volunteer Programs, by striking subsections which refer to the deleted part A, title I program and which allows the ACTION Director to provide services, stipends, and support to direct and operate part-time and full-time Special Volunteer Programs.

Section 7 makes technical amendments to correct references in title IV, Administration, to the deleted protions of part A, title I.

Section 8 clarifies, in Section 418, that "similar benefit" used in conjunction with "unemployed, temporary disability, retirement, public assistance," includes workers' compensation. This will make it clear that volunteers' stipends in title II programs are not wages for purposes of State workers' compensation insurance benefits.

Section 9 provides subpoena authority to the Director for purpose of audit and investigation.

Sections 10, 11, and 12 provide for the authorization of funds for fiscal years 1984 and 1985 for programs in title I, parts A, B, and C of title II and for administration under title IV.●

NO MILITARY AID TO EL SALVADOR

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. AuCOIN. Mr. Speaker, yesterday, President Reagan, in a speech before the National Association of Manufacturers, announced his plans to ask Congress for an additional $298 million in economic and military aid for Central America—the bulk of these funds earmarked for El Salvador.

While the President was right to emphasize the "sheer human tragedy" of El Salvador, he completely missed the mark by holding out military aid as the solution. To send $110 million in military aid to a government that has allowed the assassinations of 30,000 of its own citizens is, in my opinion, a human tragedy of the grossest kind.

Our national security interests compell us to stand up for human rights around the world, not to protect repressive political regimes. Such governments ultimately fall, and if the United States continues as the chief apologist and supporter of the Salvadoran Government, our national security interests in Central America will be hurt for years to come.

But that is where the White House is taking us. In virtually the same breath in which he demanded more military aid, the President restated his opposition to negotiations. It is as though the White House feels that there is something immoral about negotiating with the guerrillas. I think there is something immoral about using taxpayer dollars to encourage a brutal regime to prolong a bloody civil war.

The President should open his mind to the wisdom of Pope John Paul II, who has—to say the least—impeccable

anti-Communist credentials and who just completed a tour of Central America. The Pope, after talking with representatives of the Salvadoran Government, called for unconditional negotiations as the way out of this crisis.

Mr. Speaker, without a radical change in policy—negotiations, and an end to human rights violations, I cannot support any military aid to El Salvador. I will work to defeat this aid request.●

POPE JOHN PAUL II APPEALS FOR HUMAN RIGHTS FOR HAITIANS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. FAUNTROY. Mr. Speaker, I call to the attention of my colleagues the visit of Pope John Paul II to Haiti. The visit of the pontiff highlighted the dire human rights situation in Haiti and pointed up our Government's moral responsibility to reexamine its deplorable treatment of Haitian refugees who have fled the political repression and social and economic injustice in Haiti.

Within the last year, I have undertaken two factfinding missions to Haiti to assess the human rights and economic conditions tormenting the Haitian nation and its people. I have embarked on a frank dialog with the Government of Haiti and Haitians at all levels in Haiti and abroad to see if there is some way to improve the human rights situation which is so severe that Haitian refugees have risked death on the high seas to reach a sanctuary on our shores.

Shamefully, these refugees fleeing the social injustice and human rights abuses so eloquently spoken of by Pope John Paul II have been treated with hostility, imprisonment and neglect by our Government. I would hope that all of my colleagues would reexamine the situation of the Haitian refugees in our country and will work with the Congressional Black Caucus Task Force on Haitian Refugees which is providing leadership in attempting to redress the atrocious treatment inflicted on these "black boat people."

I enclose for the record three articles that report on the Pope's visit to Haiti:

[From the Washington Post, Mar. 10, 1983]

PONTIFF, IN HAITI, PLEADS FOR SOCIAL JUSTICE, RIGHTS

(By Edward Cody)

PORT-AU-PRINCE, HAITI, March 9—Pope John Paul II delivered a strong appeal to the Haitian Catholic Church today to carry the banner of human rights and social justice in this Caribbean island nation notorious for its poverty and political repression.

"Christians have noticed the division, the injustice, the excessive inequality, the degradation of the quality of life, the misery, the hunger, the fear of many people," the Pontiff said in an open-air mass with President Jean-Claude Duvalier looking on.

"They have thought about peasants unable to live from their land, people who pile up without work in the cities, dislocated families, victims of various frustrations," the pope said. "However, they are convinced that there are solutions. The poor of all sorts must hope again.

With his direct language, John Paul plunged into the burning issue of Haiti as he has in various countries throughout the eight-nation Central American and Caribbean tour, of which today's 10-hour stop marked the final chapter.

Here, perhaps more than elsewhere, however, he seemed to encourage the Roman Catholic Church that he heads toward an active role in fighting political abuses and social inequalities connected with Haiti's 25-year Duvalier family rule.

Before the Pope spoke, Duvalier, in his welcoming speech, announced that he was "waiving" his future rights, under an 1860 concordat between Haiti and the Vatican, to designate the country's bishops.

Referring to Pope Paul VI's decision in 1966 to transfer control of the Haitian church from foreign missionaries to an indigenous hierarchy, Duvalier told John Paul:

"At this time in the same spirit in order to complete the symbiosis between church and state and follow the teachings of Vatican II, I intend from now on to waive my concordatory rights and privileges to allow the Vatican to appoint archbishops and bishops. This new step, which will permit the strengthening of the church's economy, will be effective while obviously taking into account the legitimate concerns of a sovereign state."

John Paul, who began the day with a visit to Belize, former British colony in Central America, was returning to Rome tonight.

Referring in his speech here to Haiti's social inequities, the Pointiff declared that "the church retains in this field a prophetic mission inseparable from its religious mission. And it demands the freedom to carry it out; not to accuse, and not only to bring out an awareness of evil, but to contribute in a positive way to improvement, to enlist consciences, particularly the consciences of those who carry responsibility in villages, cities and at the national level, to act according to the gospel and social doctrine of the church."

The Pontiff referred to a symposium last December in which the bishops of Haiti denounced the country's social and political ills in unusually strong language and pledged to work toward improvements. The symposium statement came against a background of reports leaked by the Haitian clergy that Foreign Minister Jean-Robert Estime had warned the country's seven bishops to avoid public stands that could be interpreted against the government.

"I have read the message from last December's symposium," John Paul said. "I have come here to encourage my brothers and sisters in Haiti to carry it out. . . . I have come to encourage this awakening, this leap, this movement of the church for the good of the whole country."

The latest and so far most-noticed stand taken by the Haitian church came in an open letter Jan. 27 demanding, in the name of the pope's impending visit, that an imprisoned activist cleric be released. About two weeks later—three weeks before today's visit—the priest was released.

Friends said the Haitian cleric, Gerard Duclerville, reported he was severely and repeatedly beaten during his 42 days behind bars. Although the Pope made no public mention of his case today, the bishops' appeal was considered here to be a watershed in official church action defending political rights. "Today it is Gerard and all those whose name we do not know," said the bishops' letter, ordered read at all masses. "Tomorrow it will be you, we, I, or somebody else. Where a man is humiliated and tortured, it is the whole of humanity that is humiliated and tortured."

Archbishop Wolf Ligonde, head of the Haitian church, joined in signing the letter. The archbishop, a cousin of Duvalier's wife, Michelle, previously had been regarded by some Haitian clergymen as unacceptably reticent on taking a strong position against governmental abuses here.

Foreign observers, including priests, report that political repression has eased since Jean Claude Duvalier took over from his father at age 19 in 1971. His government recently announced formation of a human rights committee, for example, and the U.S. State Department's annual human rights report noted progress in the field.

Many of the dictatorial practices set up over the years by his father, Francois Duvalier, remain in place, however, and a number of dissidents have been arrested or forced into exile.

A per capita income of less then $300 a year makes Haiti the poorest country in the Americas. Against this background, John Paul issued his appeal for change based on Christian doctrine.

"There is indeed a deep need for justice, better distribution of wealth, more equitable organization of society, more participation, a more disinterested concept of service by all those who have responsibilities," he said.

"There is the legitimate desire by the media and politics for free, respectful expression of the opinions of others and of the common good. There is the need of more open and easier access to wealth and services that cannot remain the privilege of a few."

A smattering of applause arose from the thousands of Haitians gathered in sticky tropical heat as John Paul read his sermon in French during mass at Francois Duvalier International Airport. The 62-year-old pontiff, although draped in layers of white vestments, distributed communion to scores of Haitians in the late afternoon sun without visibly wilting.

Despite his appeal to the Haitian church, the pope reiterated warnings against clerical involvement in ideology or politics during a later address opening the General Assembly of the Latin American bishops' conference, known by its Spanish-language acronym CELAM. While urging the more than 60 Latin American bishops meeting here to uphold the church's social teachings, he underlined principles set forth at an earlier conference in Puebla, Mexico, in January 1979 ordering clergymen to emphasize their evangelical role.

At the same time, he indirectly warned against inroads against the Catholic Church in recent years by fundamentalist Protestant sects spreading in Latin America. These movements, which he said sometimes "lack the true apostolic message," can create ob-

stacles for the Catholic Church and other traditional Protestant churches, he said.

In his sermon at mass, John Paul also cautioned Haitians against the voodoo practices often mixed with Catholicism among the country's Roman Catholic majority. Without directly mentioning voodoo, he urged that Haitians make sure their religious devotion "not be a new form of submission to the elements of the world, a new slavery, as in certain syncretic practices, inspired by fear and anguish in the face of forces that one does not understand."

[From the New York Times, Mar. 10, 1983]

POPE, IN HAITI, CONDEMNS INEQUALITY, HUNGER, FEAR

(By Marlise Simons)

PORT-AU-PRINCE, HAITI, March 9.—Pope John Paul II flew here today at the end of his eight-day tour of Central America and the Caribbean and condemned what he described as the excessive inequality and misery, hunger and fear suffered by many people in Haiti.

He also demanded liberty for the Roman Catholic Church to carry at a mass at the airport attended by tens of thousands of Haitians and leaders of the Government, headed by President-for-Life Jean-Claude Duvalier, who has ruled the country for 13 years.

The Pope was interrupted by shouts and drumbeats as he said of the situation in Haiti, "There is a legitimate desire in the media and in politics for free expression." Addressing "all those who have power, wealth, culture," he said they should "understand their serious and urgent responsibilty with respect to their brothers and sisters."

Apparently speaking of the tens of thousands of Haitians who have fled to the United States, the Pope said that as the first nation to proclaim its independence in Latin America, Haiti "is called up, in a special way, to develop" so that its people "may work without constraint, without having to seek elsewhere—and often in pitiful conditions what they ought to find at home."

Although he has stressed that there is need for social change and respect for human rights in every country he has visited, he seemed to make his message more explicit in this poorest and most crowded nation of the hemisphere. His tour, which began on March 2, included visits to Costa Rica, Nicaragua, Panama, El Salvador, Honduras, Guatemala and Belize.

His schedule on this final day of his journey seemed to be the most arduous. The 62-year-old Pope rose at 4 A.M. in Guatelmala and flew to Belize in a smaller plane than the one he used for the rest of his tour. The size of the airport made the smaller plane necessary.

Two hours later he flew back to Guatemala and boarded his airliner for Port-au-Prince for a visit of several hours before returning to Rome.

Although Haiti shares many of the political and social problems of the region he visited, its black and French cultures is vastly different from the Hispanic and Indian traditions of Central America.

Voodoo, the African spiritism brought here by the West African slaves from whom most Haitians descend, is as much a part of the people's religious beliefs as Catholicism, and while there are 440 Roman Catholic priests, there are believed to be 60,000 houngans, or voodoo priests. Many were said to be at the mass celebrated by the Pope.

In his homily, the Pope appeared to allude to frictions between church and state. Calling for an end to injustice, "misery, hunger and fear," he declared, "The Church has a prophetic mission in this field, inseparable from its religious mission, and it demands the right to carry it out."

President Duvalier seemed to make a conciliatory gesture in welcoming the Pope to Haiti. He said he had waived the Concordatory rights, dating from 1966, that authorized the President, rather than the Vatican, to name the country's Catholic Archbishop and to have a voice in the selection of bishops.

[From the Wall Street Journal, Mar. 9, 1983]

DEFYING DUVALIER—THE POPE VISITS HAITI JUST AS CHURCH THERE IS CHALLENGING REGIME

(By Thomas E. Ricks)

PORT-AU-PRINCE, HAITI.—He is a young Roman Catholic priest ministering in the eastern hills of this, the poorest country in the Western Hemisphere. His parish lies in a dry coffee growing region a half-day's walk from the nearest road passable by bus or car. More-specific identification would endanger him, for he and a few hundred other priests are attempting the forbidden: to change the politics of President-for-life Jean-Claude Duvalier's Haiti.

"I help them to ask questions," the priest says of his work with the peasants. "We are still in discussion. We don't know where we are going."

But one fundamental shift has already occurred: "In the past, they saw the coffee-buyer as a father. Now they have . . . a different attitude."

Traditionally as quiescent as the peasants themselves, the Catholic Church of Haiti has emerged during the past year as the first broad-based group to mount sustained criticism of the quarter-century-old Duvalier regime. "I'm pretty convinced that . . . the church will be a driving force" in Haitian politics in the future, says an officer of one foreign embassy here.

EARLIER MOVEMENT

Resisting the Duvaliers has been tried before. During the Carter administration's public human-rights campaign, a few Port-au-Prince journalists and others spoke out against the regime. That all ended with a wave of arrests and forced exiles in November 1980. The difference between then and now, perhaps, is that when Haitian security forces recently arrested a Catholic activist, the church demanded his release—and won.

In Washington, D.C., a State Department official is skeptical of the church's ability to keep it up. "Many things happen in Haiti and then don't happen again," he says. Others mention that if the church does maintain its criticism, sooner or later the government will try to put an end to the challenge.

The Haitian church and state have been skirmishing for about a year now. The hostilities have lately been suspended as both sides await the visit of Pope John Paul II, who arrives this afternoon. He will be the first pope to set foot in this land of 5.5 million that, nominally at least, is 80% Catholic. The question being asked in Haiti today is, how will John Paul II react to a church that has been setting precedents of its own?

Throughout 1982, priests across Haiti delivered increasingly feisty sermons, featuring, for example, pointed analogies between a smallpox epidemic in 1882 and an entire society afflicted a century later. In late November, the Ministry of Foreign Affairs and Religion responded by warning several bishops and about 25 of the most vocal young priests that such talk could lead to arrest and exile.

A KNOCK ON THE DOOR

A month later, the government gave another sort of warning. At 6:50 on the morning of Dec. 28, security forces entered a Port-au-Prince religious meeting and arrested a popular Catholic lay activist; and radio personality named Gerard Duclerville. Church protests began immediately and grew for weeks.

They culminated on Jan. 27, when the six bishops of Haiti issued a pastoral letter of protest with the order that it be read aloud in all the churches and chapels of the country. "The Church of Haiti is living now in a situation of challenge which puts to the test its faith in Jesus, Lord and Liberator," the bishops wrote. "Today, it is Gerard and all those names we do not know. Tomorrow it will be us, you, I, or somebody else. Where a man is humiliated and tortured, it is the whole of humanity who is humiliated and tortured."

Such language hadn't been used so openly in Haiti for 20 years. Even more astonishing was its source, for an 1860 concordate with the Vatican gives the Haitain government veto power over all top church appointments. These are men who have the Duvaliers to thank for their present positions.

The first signature on the letter, moreover, was that of Francois Wolf Ligonde, archbishop of Port-au-Prince—and uncle of Michele Bennett, the wife of President for Life Duvalier.

THE OUTCOME

The letter's one concrete action was the designation of Feb. 9 as a nationwide day of "prayer and sacrifice." On Feb 7, however, Mr. Duclerville was set free, reportedly severely beaten.

"Has the church won." asks a Port-au-Prince price, echoing the headline on a recent issue of the Haitian weekly Le Petit: Samedi Soir. "Wait until the pope has left this place," he answers, suggesting that the next few months will make clear whether the church has succeeded in altering Haitian politics.

No one in the Haitian government would speak on the record about such issues. Most requests for interviews were denied; two officials agreed to interviews, but the first, Dr. Bob Neree, the director of political affairs at the Ministry of Foreign Affairs and Religion, wouldn't comment on internal matters, while the second, Gabriel Ancion, the under secretary at the ministry, changed his mind at the appointed time and declined to talk.

Haiti's national sport seems to be rumormongering, and the past week's speculation has focused on what the pope will say during his 10-hour stay. His pronouncements won't determine the outcome of the church-state struggle, but they could set themes that will shape its course.

Will he follow local leads and raise the touchy issue of human rights? Will he speak on the problems of poverty, another sore spot in a land of great extremes in wealth? Or, as many priests fear, has the pontiff's visit been "captured" (as one puts it) by the government, to consist of what the priest from the hills dismisses as "a mass at the airport," meetings with bishops and "no contact with the people?"

If priests are worried, the government is made just as nervous by the possibility that Haiti's transformed church—and its activist young priests—might receive the papal seal of approval.

The voodoo nightmare of the late Francois "Papa Doc" Duvalier's reign is long gone, replaced by the sporadic beatings and arrests inflicted by "Baby Doc's" men. But Haiti remains a troubled land. It hovers near the top of infant-mortality lists and close to the bottom of charts of per capita gross national product. (The World Bank's current figure for Haiti is $270—less than half that of even Bolivia, the second-poorest nation on this side of the planet.)

MORE NATIVE-BORN PRIESTS

One reason is Haiti's tradition of corrupt and self-indulgent government. To understand this country, suggests one Haitian development specialist, look at the frozen ice treats sold on the streets of Port-au-Prince. They are called *pezay-susi*, or "push-suck," because children consume them by squeezing the botton while sucking from the top. That is how the Duvalier regime runs Haiti, the development expert says.

An international financial official adds, "They don't have the concept here that the government belongs to the people. It's more that the people belong to the government."

But if the nation has long suffered under the Duvaliers, its priests have only recently begun to call much attention to the situation. When during the mid-1960s, a few clerics attempted mild criticism of the "Papa Doc," he responded by expelling the country's five foreign bishops and exiling a number of Haitian priests.

Ironically, those expulsions, coupled with the decrees of Vatican II, cleared the way for today's clerical activism. Until the mid-1960s, about two-thirds of the Catholic clergymen in Haiti were foreigners, primarily French. Today, more than half—and perhaps two-thirds, nobody seems sure—of the approximately 550 priests are Haitian.

That may seem a small number to affect a nation of over five million. But, as the Haitian government knows, a parish led by one or two priests may have as many as 2,000 committed members of lay groups such as Catholic Action or Catholic Volunteers (Mr. Duclerville's organization). Haitian priests "used to be a minority, feeling secondary to the foreign priests," says one cleric who witnessed the change. "Now all the bishops are Haitians, and so are all the principal priests in the cities."

Most foreign priests fought voodoo, the native folk religion. The new priests are tying to assimilate it into Catholicism. And with Vatican II, "the liturgy went into the vernacular, Creole, which is what 90% of the people speak," says the Rev. Thomas Wenski of the Haitian Catholic Center in Miami. "The drum was brough in, and Haitian songs." These innovations, Father Wenski says, "brought about a renewal of the church."

GRASS ROOTS

With these changes, priests here say, the newly nationalistic church of Haiti gained in confidence and closeness to the people. Many priests feel the church is strongest—perhaps even more influential than the government—in the back country, where once it was remote and weak. "The church has been doing a lot of work at the base, in little groups," says a priest familiar with the peasant education programs. "This is what created the force that obliged the bishops to write that letter."

No matter what the pope says here, most priests agree, the government will not long sit still for such criticism. They predict a move against the church with months or even weeks. Some welcome the confrontation.

"We have an understanding with the other religious orders," says one priest. "If one of us is touched, we will react in solidarity." On the other side of the country, another priest promises that a crackdown would be met with a shutdown of churches, the many church-run schools and even some hospitals. He wonders aloud if the regime could withstand such a challenge.

Secular observers possess somewhat less faith in the unity of the clergy. The same diplomat who is convinced that church activism is here to stay smiles at this strike scenario. "If the church decides to stand together, it'll be the first time since the founding of Haiti," he says.

Priests here reply that this is a time of firsts. "I don't think there's a church anywhere that's more unified than the church in Haiti is now," says a cleric in the north. "It'll be an interestng evolution to watch over the next three or four years. It might even point the way for some other countries."●

PATRIOTISM OF THE DOMESTIC STEEL INDUSTRY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. APPLEGATE. Mr. Speaker, I rise at this time to bring to the attention of the House of Representatives the commendable efforts of the United Steelworkers of America in helping to do their part in not only aiding the domestic steel industry but also in helping to improve the U.S. economy.

As you know, the USW has approved a package of continued concession that will help this Nation's largest steel companies weather the economic storm they are now enduring. This was not an easy decision for this labor group to make, but one that they believed was necessary in the name of job and industry preservation. These men and women understand the implications involved, and had the courage to rise to the occasion.

This gesture should now serve as great incentive to this Congress to follow their lead and do what we can to aid the steel industry in whatever way possible. This means a thorough investigation into our trade laws to locate these areas in which changes can be made to achieve a truly reciprocal agreement between ourselves and our trading partners. I realize this is not the only problem being faced by the industry, but it is a major one and one that we have control over. I call on the House to take this initiative upon their shoulder and act accordingly.

Again, Mr. Speaker, on behalf of the U.S. House of Representatives, I commend the United Steelworkers on both their loyalty to their companies and their patriotism to their country.●

THE REVEREND WILLIAM C. DOBBINS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. BONER of Tennessee. Mr. Speaker, the citizens of the city of Nashville paid their respects recently to a very great and prominent member of the community—the Reverend William C. Dobbins. I would like to join my fellow citizens in their expression of respect to this man—a man whom I am very proud to have called my friend.

Reverend Dobbins, who passed away in late January, will be remembered by his friends and acquaintances for his strong and effective leadership in the fight for civil rights. It was his view that the problems of segregated housing and employment discrimination were intricately and inseparably tied. As long as there is unemployment and underemployment among blacks, he said, then there is no way for blacks to participate in open housing. Armed with that philosophy, Reverend Dobbins became a member of the Nashville Board of Directors of the Opportunities Industrialization Centers, where he helped focus much-deserved attention on the need to train black youth for jobs that would break the cycle of poverty and segregation.

Reverend Dobbins' commitment to freedom and equality led him to serve many other communities in Nashville. Reverend Dobbins' congregation was the community at large. He selflessly gave his time, his talent, and his effort to serving on many boards, including the board of trustees of Meharry Medical College, the board of ordained ministry of the Tennessee Conference of the United Methodist Church, and the board of trustees of Gammon Theological Seminary. He also served as second vice president of the Nashville chapter of the NACCP.

Though Reverend Dobbins was not a native of Nashville, he adopted it and her people as if he was. He came to Nashville in 1968 after distinguished service elsewhere in the South to the United Methodist Church. In Nashville, he became pastor of Clark Memorial, the oldest black church in our city. From its pulpit, Reverend Dobbins preached the ideals and philosophy of life with which he guided his own life.

Reverend Dobbins will be missed by his fellow Nashvillians. But the mark he left on the city, the lives he touched, and the attitudes he changed

will forever be a testament by which he will be remembered.●

EDA DEFERRAL

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. CLINGER. Mr. Speaker, I rise in support of House Resolution 74 which was approved yesterday.

It is not a very difficult task to convince my colleagues that we do not live in an "Alice in Wonderland" world in which all areas of the country share national prosperity equally. I think that any of us can find pockets of poverty in cities and towns or entire States and regions in varying degrees of economic distress. Sadly, once economic decline begins to take effect a downward syndrome begins to set in which is difficult if not impossible to reverse if we rely totally upon macroeconomic policies to somehow alleviate the situation.

Community leaders may want to do something on their own for themselves but lack the capacity to make some necessary public investments in a poor city or town. The worker who lost their job from a layoff may never be rehired in the factory or plant where he was employed before the recession. Those jobs are lost forever. And, sometimes the economic distress is sudden and severe when a major employer, perhaps the only one, decides to close its doors and move to another location. EDA has really worked at addressing these problems by providing a small Federal investment in job generating enterprises.

I think that many of us have forgotten the connection between our public capital investments and economic growth. The capacity to expand or attract businesses is constrained by the ability to deliver pubic services. The money to increase water and sewer capacity makes room available for housing and industry. An access road and an industrial park can provide a place to start a business and bring their goods to market. These are critical linkages to private sector growth development and the all important jobs that result.

EDA has had its failings in the past. I will be the first to admit that, having served as a former Chief Counsel in the agency. Together, with the gentleman from Minnesota, the chairman of the Economic Development Subcommittee, we have done a massive overhaul of the authorizing legislation in H.R. 10, the National Development Investment Act. This is practically the identical bill that passed the House last year. In a truly bipartisan sense, we would like to have this legislation on the books today. I strongly believe that the House should take this action because a reform bill will be brought to the floor in the near future.●

THE PLIGHT OF SOVIET JEWS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, I would like to direct my colleagues' attention to the convocation of the Third Conference on Soviet Jewry in Jerusalem from March 15 to 17. The purpose of these conferences is to call worldwide public attention to the plight of Soviet Jews and to devise an effective strategy to ease that plight.

Mr. Speaker, every Member of this body is aware of the manner in which the Government of the Soviet Union has persecuted Jews and other minorities. One need not recount the degradations and deprivations suffered by Jews and dissidents in the Soviet Union to elicit an affirmation of their dignity and their human rights.

But the question remains, Mr. Speaker: When will the Congress of the United States take some positive action? Soothing rhetoric is of little consequence to those who are denied the freedom to worship or freedom to emigrate. When will the Members of this body and the Senate finally realize that the Soviets must give up the notion that they can continue to enjoy a profitable relationship with the United States and at the same time deny the most fundamental rights to their own people? It is past time that the Congress recognize the leaders of the Soviet Union for what they are: Tyrants.

Mr. Speaker, I commend, join with, and urge my colleagues to support Mrs. KENNELLY of Connecticut and Mr. AUCOIN of Oregon in affixing our signatures to House Concurrent Resolution 63 demanding that the Soviet Union comply with international standards of human rights.

At the same time, I urge my colleagues to join me in praying for the success of the Third International Conference on Soviet Jewry.

Mr. Speaker, I would like to insert in the RECORD a copy of my message to Mr. Theodore Mann, chairman of the National Conference on Soviet Jewry.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 11, 1983.

Mr. THEODORE R. MANN,
Chairman, National Conference on Soviet Jewry, New York, N.Y.

DEAR MR. MANN: I would like to extend my best wishes and prayers on the occasion of the Third International Conference on Soviet Jewry to be held in Jerusalem, March 15-17. These conferences and your organization serve as vital beacons of hope for a proud and indominable people who find themselves subjugated by a despotic tyranny.

While Jews everywhere empathize with the plight of their Soviet brethren, all men of good will pray that one day Soviet Jews shall be free to worship in their own country and to enjoy the blessings of liberty in their homeland, Israel.

It is only through the concerted efforts of dedicated individuals such as those members of the National Conference on Soviet Jewry that people and governments in the West can be made aware of the perilous situation confronting Jews in the Soviet Union and Eastern Europe.

Please sustain your efforts in this most worthy cause and be assured of our continued support and prayers for your ultimate success.

Warmest Personal Regards,

PHILIP M. CRANE,
Member of Congress.●

STATEMENT ON ADMINISTRATION'S PLAN TO SELL SATELLITES

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. WIRTH. Mr. Speaker, this week has brought us another example of the administration's simplistic and shortsighted approach to public policy—the proposal to transfer weather and remote-sensing satellites to the private sector.

In a society of nearly 230 million Americans, Government does have a role to play, and providing important data about weather and climate is certainly part of that role. But this administration wants to commercialize this critical information.

This proposal to sell off part of the public trust—like Interior Secretary James Watt's proposal to sell off a major part of our public lands—is totally out of step with what the American people want from their Government. Government exists to provide all of the people with vital services, but this proposal would deny many people a vital service.

Private industry cannot possibly serve the same function as a unified national satellite information service providing weather and remote-sensing land information. This service is critical to many citizens, and is also important for our Nation's security and relations with other countries. We all agree on the need to end waste and increase efficiency, but that is not the likely outcome of this proposal at all. Selling off our weather satellites makes no sense—even the administration admits there is not reliable data indicating that this scheme would save taxpayers money. Indeed, it may well result in more cost for many Americans, as well as denying people a legitimate public service.

As a member of the Science and Technology Committee and the Budget Committee, I intend to work to stop this plan, and ask my colleagues to join me.

Additionaly, I would like to insert an editorial on this subject from today's Washington Post in the RECORD, and urge my colleagues to read it.

[From the Washington Post, Mar. 10, 1983]

SELLING THE WEATHER

The Reagan administration wishes to sell the weather satellites and impose the discipline of the market on the four winds. First, let's consider the administration's proposition on its own terms. Struggling to keep its budget down, it doesn't want to spend more money on weather satellites. But the technology of weather forecasting is advancing rapidly. With more satellite data pouring through the new giant computers, the forecasts might soom be made immensely more precise.

Under the administration's plan, it would sell the present satellites to a private company, or companies, that would then presumably proceed to use private funds to expand the system. The government would pay the private operators roughly what it's spending now for satellite data. The data would continue to go to the Weather Service for dissemination throughout the country and the world. There would be no difference in the weather report that you get on the radio in the morning as you try to decide whether to take an umbrella. But—if the plan worked—there would soon begin to be a flow of much more specific and accurate forecasts available at a price to commercial users willing to pay. As the administration might put the question, why should the general taxpayer provide free service to businesses?

The answer is, of course, that it's not only businesses that have an interest in more accurate forecasting. Storm warnings are an obvious example. If a city were to fall behind in its satellite bills, when would it hear about the next snowstorm? Among the businesses that need better weather information, the most important is farming. It's not only a matter of cheaper food. If a farmer knows exactly how the wind will blow for the next several days, he can afford to use less pesticide when he sprays. With better rain forecasts, he needs less water for irrigation. And that saves money for the federal government itself, since it is the government that provides most of the water. When the administration speaks of the cost of the additional satellites as hundreds of millions of dollars, that is not the net cost. Net cost is less, if better weather data help the economy to operate more efficiently.

The debate over the weather satellites is another example of the truth that cutting the federal budget doesn't always save money. If it simply means shifting costs from public to private budgets, society doesn't necessarily gain. In this instance society would lose by a substantial amount with the restriction on access to forecasts of value to just about everybody. But it's merely a hypothetical case, since Congress seems totally disinclined to pass the legislation.

THE EAST OAKLAND YOUTH DEVELOPMENT CENTER

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. DELLUMS. Mr. Speaker, I am calling to your attention the outstanding work performed by the volunteer staff at the East Oakland Youth Development Center, located in Oakland, Calif.

The East Oakland Youth Development Center is exemplary of the results of hard work and cooperation between the public and private sectors in meeting the social, economic, and educational needs of low-income and minority youth. It was founded under the sponsorship of the Clorox Co., whose corporate headquarters are located in Oakland, Calif. Understanding these needs, Clorox, a youth advisory council and a program advisory committee were formed to assess the specific needs and to plan and implement programs.

Since Septmeber 1981, the center's primary focus has been career education and job development. The role of volunteers' assistance in these programs are crucial. Since February 1982, 112 volunteers have been recruited. In a time of increased cuts for social programs, institutions such as the East Oakland Youth Development Center would be forced to shut its doors if it were not for the hard work and dedication of its volunteers.

It is very fitting that the board and staff chose to honor its volunteers by holding a first annual Volunteer Awards Banquet honoring Dr. J. David Bowick, superintendent, Oakland Unified School District. So often do we forget and disregard the work of dedicated persons whose life and commitment is to provide service with no demand for financial renumeration. It is those persons who breathe life and creativity into an organization and continue to keep it relevant and viable.

Mr. Speaker, I am honored to call the East Oakland Youth Development Center to my colleagues' attention. Under the leadership of its executive director, James T. Toliver, Jr., it has become a model for youth programs throughout the country. I congratulate the board and staff for having the vision and sensitivity to honor its valued volunteers and to the volunteers, I say thank you for your dedication to our youth.●

PASSIVE SOLAR TAX CREDIT LEGISLATION

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. FOWLER. Mr. Speaker, on March 3, I introduced H.R. 1883, a bill to provide an energy performance based tax credit to builders who incorporate passive solar energy systems in new homes.

Over the last two sessions, this legislation won widespread, bipartisan support within Congress and the private sector. In the 97th Congress, we had 159 cosponsors in the House for an almost identical bill which was incorporated in the Ways and Means tax bill in 1981. The other body approved a similar measure sponsored by Senator HART in December of 1979 by a vote of 82 to 1. Congressman HEFTEL and myself are joined by 48 other House Members in introducing the passive solar tax credit legislation. Senator HART introduced similar legislation, S. 710, on March 8.

Among the groups which have endorsed the passive solar tax credit for builders are: The National Association of Home Builders, the American Institute of Architects, the National Conference of State Legislatures, the National League of Cities, the League of Women Voters, the Sierra Club, the Bricklayers International Union, the Solar Lobby, Environmental Action, the National Concrete Masonry Association, the Passive Solar Products Association, the Friends of the Earth, the Brick Institute of America, the National Wildlife Association, the International Masonry Institute, the Environmental Policy Center, Pittsburgh Plate Glass, the National Woodwork Manufacturers Association, the Solar Energy Industries Association, and the Mason Contractors Association.

Clearly, there is a broad and growing awareness that passive solar energy can make an important contribution toward reducing our Nation's energy problem. As Modesto Maidique, author of the solar energy section of the Harvard Business School's acclaimed report, "Energy Future," wrote to me in September of 1980: "Passive solar design is the most desirable of all the solar technologies and should be strongly encouraged."

A well-designed passive solar energy system can produce energy savings of up to 80 percent of a standard home's conventional heating load. When one multiplies this by the 1.7 million new houses constructed annually, it is obvious that these passive systems represent a tremendous potential for conserving conventional energy resources. A 1979 study prepared for the White House concluded that by the year

2000, passive solar could contribute 1 quad, the energy-equivalent of 180 million barrels of oil per year, of the Nation's energy needs.

But this potential will not be realized as fully or as quickly as is possible, or as the country needs, without positive action by the Federal Government. For many years we have subsidized the production and consumption of fossil fuels through special tax treatment, federally funded research and development, and most recently Federal price controls. Even though these policies have been or are in the process of being revised in light of new circumstances, they have created biases within our economic system against energy conservation or unconventional energy resources.

What we propose in our legislation is to provide a partial offset against these past policies in order to let a promising new technology take root.

The approach we have chosen; namely, a tax credit to the builders of passive homes, grew out of our experience with the Energy Tax Act of 1978. In that legislation the Congress recognized the desirability of assisting the purchase of both active and passive solar energy systems by providing a tax credit to the homeowners who installed such systems. However, as the legislation has been interpreted, it bars credits for passive solar systems which serve a dual function; and, since many of the major passive features, such as specially designed eaves, Trombe walls, and south facing windows, are of necessity structural components as well, current law excludes the vast majority of passive solar energy systems.

When it became apparent that the 1978 Energy Tax Act was not going to provide the intended spur to passive solar, a number of individuals in both the executive and legislative branches began to search for an alternative method to stimulate the adoption of passive solar techniques. What emerged from this effort was the decision to provide the credit to the builder rather than the home buyer and to spell out in detail how the credit would be determined rather than allowing for discretionary determination by the IRS.

Making the credit available to the homebuilder targets the assistance to the key decisionmaker in the building process.

A primary reason why passive systems, which would result in substantial lifecycle cost and energy savings, are not being built in large numbers today is that residential buyers are extremely sensitive to changes in the cost and availability of credit and hence give maximum consideration to the first cost of a home. Builders are certainly aware of this and must give priority to cutting first costs to a minimum.

The $2,500 maximum credit under my bill would represent a significant offset for the higher initial costs of a passive home and therefore is a substantial incentive for the construction of passive systems.

On September 8, 1980, the Ways and Means Committee conducted a hearing on my legislation and the testimony, from business, labor and administration witnesses, was virtually unanimous in support of the passive solar tax credit proposal.

Former Assistant Treasury Secretary Donald C. Lubick:

We believe that the credit is soundly conceived from a technical standpoint and support its adoption.

Former Assistant Energy Secretary Thomas E. Stelson:

The Administration continues to support this (passive solar tax credit) approach to stimulating rapid and widespread use of an important, basically simple, but widely misunderstood technology . . . Estimated impact of the credit will be over 500,000 (housing) units through 1990 with a savings of 180 million barrels of oil equivalent.

Robert Peterson on behalf of the National Association of Home Builders (NAHB):

NAHB strongly supports the bills before the Committee that would provide a tax credit to builders that construct passive solar homes . . . A tax credit for a builder that incorporates a passive solar design is a needed incentive to spur such construction.

Furthermore, my bill's approach of promoting passive solar homebuilding through a tax credit would address the concern voiced by many in Congress and the private sector about further direct Government involvement in the marketplace by relying on the private sector through tax incentive to spur solar energy and energy conservation efforts.

Finally, to those in this House who are quite properly concerned with preserving the intergity of the Federal Tax Code, I would point out that those of us who support the passive tax credit have no intention of making it a permanent part of our tax system. Rather, we seek a limited, 5-year program followed by a 3-year phaseout in order to insure an orderly return to a subsidy-free environment. Thus, my bill is meant to be a temporary measure designed to give passive solar technology a fair chance in the marketplace by providing a partial financial offset against the various "cheap energy" subsidies that in the past have discouraged energy-efficient building construction.

Despite recent improvements in our energy conservation efforts and the potential for lower imported oil prices, we still are faced with an unacceptably high foreign oil bill and a 25-percent reliance on interruptible overseas sources of supply. A very important goal of our national security policy is decreasing our reliance on such uncertain foreign sources of energy, and my bill would make passive solar technology much more affordable and take us far down the road toward energy independence. In my opinion, the passive solar tax credit, by utilizing the private sector rather than governmental bureaucracy, represents one of the most cost-effective ways of achieving energy self-sufficiency.

In closing, I would like to stress the importance of moving this legislation this year. For each month that we delay 140,000 new homes, homes that on average will be a part of our housing stock and a consumer of our energy resources for the next 30 years, will be constructed. We must not let this opportunity to improve our energy security for decades to come slip away.

H.R. 1883 is identical to my earlier proposal except that the effective dates have all been pushed back by 2 years and the maximum credit has been raised to $2,500.

PASSIVE SOLAR TAX CREDIT COSPONSORS

Alabama.—Dickinson.
California.—Chappie, Don Edwards, Fazio, Jerry Lewis, Matsui.
Connecticut.—Ratchford.
Florida.—Fascell, Nelson.
Georgia.—Barnard, Fowler, Gingrich, Hatcher.
Hawaii.—Heftel.
Illinois.—Yates.
Maryland.—Barnes, Mitchell.
Massachusetts.—Boland, Frank, Markey, Mavroules, Studds.
Michigan.—Crockett, Kildee.
Minnesota.—Stangeland.
Montana.—Marlenee, Pat Williams.
Nebraska.—Daub.
New Jersey.—Guarini, Howard, Hughes, Roe.
New Hampshire.—D'Amours.
New York.—Addabbo, Fish, Garcia, Nowak, Scheuer, Solarz.
North Carolina.—Neal.
Ohio.—Seiberling, Stokes, Wylie.
Oregon.—Weaver, Wyden.
Pennsylvania.—Edgar, Foglietta, Goodling, Walgren, Yatron.
Rhode Island.—Schneider.
South Dakota.—Daschle.
Tennessee.—Duncan.
Texas.—Frost, Pickle, Stenholm.
Utah.—Marriott.
Vermont.—Jeffords.
Guam.—Won Pat.
Virgin Islands.—de Lugo.

H.R. 1883

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44I. CREDIT FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION.

"(a) ALLOWANCE OF CREDIT.—In the case of a builder of a new residential unit which incorporates a passive solar energy system, there shall be allowed as a credit against the tax imposed by this chapter for the taxable

year an amount determined under the solar construction credit table prescribed by the Secretary under subsection (d).

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT PER UNIT.—

"(A) IN GENERAL.—The amount of the credit allowed by subsection (a) shall not exceed $2,500 for a residential unit.

"(B) PHASEOUT OF CREDIT AFTER 1988.—In the case of a residential unit completed after December 31, 1988, there shall be substituted for '$2,500' in subparagraph (A) the amount determined in accordance with the following table:

"Units completed in—	The amount is—
1989	$1,875
1990	1,250
1991	625.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) BUILDER.—The term 'builder' means a person who is in the trade or business of building residential units and has a proprietary interested in the residential unit built.

"(2) NEW RESIDENTIAL UNIT.—The term 'new residential unit' means any unit—

"(A) which is located in the United States,

"(B) which is designed for use as a residence,

"(C) which is a unit of a building having less than 5 residential units,

"(D) the construction of which is completed after September 30, 1983, and before January 1, 1992, and

"(E) which is ready for occupancy before January 1, 1992.

"(3) PASSIVE SOLAR ENERGY SYSTEM.—The term 'passive solar energy system' means a system—

"(A) which contains—

"(i) a solar collection area,

"(ii) an absorber,

"(iii) a storage mass,

"(iv) a heat distribution method, and

"(v) heat regulation devices, and

"(B) which is installed in a new residential unit after September 30, 1983, and before January 1, 1992.

"(4) SOLAR COLLECTION AREA.—The term 'solar collection area' means an expanse of transparent or translucent material that—

"(A) is located on that side of the structure which faces (within 30 degrees) south, and

"(B) the position of which may be changed from vertical to horizontal in such a manner that the rays of the Sun directly strike an absorber.

"(5) ABSORBER.—The term 'absorber' means a hard surface that—

"(A) is exposed to the rays of the Sun admitted through a solar collection area,

"(B) converts solar radiation into heat, and

"(C) transfers heat to a storage mass.

"(6) STORAGE MASS.—The term 'storage mass' means a dense, heavy material that—

"(A) receives and holds heat from an absorber and later releases the heat to the interior of the structure,

"(B) is of sufficient volume, depth, and thermal energy capacity to store and deliver adequate amounts of solar heat for the structure in which it is incorporated,

"(C) is located so that it is capable of distributing the stored heat directly to the habitable areas of the structure through a heat distribution method, and

"(D) has an area of directly irradiated material equal to or greater than the solar collection area.

"(7) HEAT DISTRIBUTION METHOD.—The term 'heat distribution method' means—

"(A) the release of radiant heat from a storage mass within the habitable areas of the structure, or

"(B) convective heating from a storage mass, through airflow paths provided by openings or by ducts (with or without the assistance of a fan or pump having a horsepower rating of less than 1 horsepower) in the storage mass, to habitable areas of a structure.

"(8) HEAT REGULATION DEVICE.—The term 'heat regulation device' means—

"(A) shading or venting mechanisms to control the amount of solar heat admitted through solar collection areas; and

"(B) nighttime insulation or its equivalent to control the amount of heat permitted to escape from the interior of a structure.

"(9) JOINT PROPRIETARY INTEREST IN RESIDENTIAL UNIT.—If 2 or more builders have a proprietary interest in a residential unit, the credit allowable under subsection (a) shall be apportioned to each builder on the basis of his ownership interest in the residential unit.

"(10) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—

"(A) IN GENERAL.—For purposes of determining the amount of credit with respect to a residential unit, there shall not be taken into account any portion of a passive solar energy system which is financed from subsidized energy financing.

"(B) SUBSIDIZED ENERGY FINANCING.—For purposes of subparagraph (A), the term 'subsidized energy financing' has the meaning given such term by section 44C(c)(10)(C).

"(11) SWIMMING POOLS EXCLUDED.—The amount of credit under subsection (a) shall be determined without regard to any swimming pool.

"(d) SOLAR CONSTRUCTION CREDIT TABLE.—

"(1) PRESCRIPTION OF TABLE.—After consultation with the Secretary of Energy and the Secretary of Housing and Urban Development, the Secretary by regulations shall—

"(A) prescribe the solar construction credit table referred to in subsection (a) which meets the requirements set forth in paragraph (2), and

"(B) prescribe a table of insulation factors, based on the amount of insulation in floors, walls, and ceilings and the number of panes of glass in the windows of a structure, for 8 categories of residential units ranging from one having no added insulation to one having the maximum feasible amount of insulation.

"(2) REQUIREMENTS FOR SOLAR CONSTRUCTION CREDIT TABLE.—

"(A) IN GENERAL.—In order to meet the requirements of this paragraph, the table prescribed by the Secretary—

"(i) shall provide a credit at the rate of $60 for each 1 million Btu's of annual energy savings per residential unit, and

"(ii) shall set forth different amounts of credit for different ratios of solar collection area to house heating load and for residential units located in different areas of the United States.

"(B) ANNUAL ENERGY SAVINGS PER RESIDENTIAL UNIT.—For purposes of subparagraph (A), the annual energy saving for a residential unit shall be the amount by which the number of Btu's of nonsolar energy required to provide heat to a reference house for a calendar year exceeds the number of Btu's of nonsolar energy required to heat a similar house, in the same or a similar location, which uses an incorporated passive solar energy system for a calendar year.

"(C) REFERENCE HOUSE.—For purposes of subparagraph (B), the term 'reference house' means a residential unit with 1,500 square feet of habitable floor space and a heating load of 7.5 Btu's per square foot per degree day.

"(D) HEATING LOAD.—For purposes of subparagraph (C), the term 'heating load' means the product of the number of square feet of habitable floor space of a residential unit multiplied by the appropriate insulation factor, set forth in the table prescribed by the Secretary under paragraph (1)(B), for that unit.

"(e) TERMINATION.—The credit allowable by subsection (a) shall not be allowed with respect to a residential unit the construction of which is completed after December 31, 1991."

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44H the following new item:

"Sec. 44I. Credit for passive solar residential construction."

(2) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44H" and inserting "44H, and 44I".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after September 30, 1983.

HOW DOES THE CREDIT WORK?

SIMPLE, TWO-STEP PROCESS

Step 1. Recognition factor form

The builder will complete a simple form which identifies the requisite passive solar components.

Recognition factors: Storage Mass; Solar Collection Areas: Absorber; Heat Distribution; Heat Regulation Method. The five elements must be integrated into any building qualifying for the credit.

Step 2. Determination of amount of tax credit

To determine his tax credit, the builder must know—

1. Closest city to building (from list of 219 cities);

2. Solar collection area (total area of south facing windows), and

3. House heating load (amount of heating energy required by the House).

Factors 2, 3 will be used to determine the passive rating of the house.

To determine the house heating load: The builder multiplies the total floor area of the house by 1 of 8 selected insulation factors derived from the Insulation Factor Table.

The builder then determines the Passive Solar Rating by dividing the area of south glass by the House heating load:

Passive Solar Rating equals the area of south glass divided by the heating load.

The builder enters the Passive Rating at the closest number on the Solar Construction Credit Table and finds the nearest city.

EXAMPLE

House location: Roseville, California.
Nearest location: Sacramento.
Passive collection area: 279 Ft^2.
House heating load*: 465 Btu/Hr °F.

Passive Rating: 279 divided by 465 equals 0.6.
Tax Credit: $708.

SOLAR CONSTRUCTION CREDIT EXAMPLE [1] TABLE

[Amounts in dollars]

Location	Passive rating						
	0.2	0.3	0.4	0.5	0.6	0.7	0.8
Albuquerque	420	800	1,100	1,340	1,480	1,620	1,700
Atlanta	250	475	620	820	972	1,080	1,144
Boston	374	636	898	1,122	1,309	1,496	1,683
Burlington	366	641	916	1,053	1,237	1,328	1,420
Columbus	310	557	756	876	955	1,144	1,194
Madison	432	778	1,080	1,295	1,512	1,635	1,858
Sacramento	231	400	524	616	708	753	801

[1] Illustrative purposes only—actual figures will vary.
Note: Insulation Factor Table unavailable at this time.●

MARLBORO HOUSES' 25TH ANNIVERSARY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. SOLARZ. Mr. Speaker, I want to take this opportunity to cite the silver anniversary of Brooklyn's Marlboro Houses located in the Bensonhurst part of Brooklyn. Marlboro Houses was completed on January 31, 1958, during the administration of Mayor Robert F. Wagner. The name came from a local real estate development dating back to 1907. Like many other names in the New York area, its derivation comes from Great Britain where a duchy named Marlborough was created for war hero John Churchill, an ancestor of Sir Winston Churchill and Princess Diana.

The development was built by the New York City Housing Authority and is home to 1,765 families. Marlboro Houses consists of 28 buildings, some of which are 16 stories tall. The total cost for construction of the project was $22.5 million.

The 25-year history of Marlboro has demonstrated the strong sense of community volunterism that exists there. The Marlboro Residents Association, led by Violet Sabatel, has produced an award-winning newsletter and citations from the housing authority in a variety of sporting and leisure activities. There are many activities available to residents and a tenant patrol composed of volunteers watching out for the safety of their neighbors.

The culmination of the celebration at the Marlboro Houses is a dinner and dance sponsored by the Marlboro Residents Association at the Colonial Mansion in Brooklyn on Friday. Among the speakers will be my colleague in public office, New York Assemblyman Frank J. Barbaro.

I salute the residents of Marlboro Houses on their 25 years of being part of the neighborhoods of Brooklyn.●

THE CRIME CONTROL AND VICTIMS' COMPENSATION ACT OF 1983

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. ALBOSTA. Mr. Speaker, last week I introduced the Crime Control and Victims' Compensation Act of 1983, H.R. 1869.

This legislation will strengthen the sentencing for certain serious crimes so that career criminals are not perpetually returning to their life of crime and so sentencing fits the crime. H.R. 1869 not only will act as a deterrent to career criminals, but also will provide uniformity so that certain crimes are met with specific sentences. Furthermore, my legislation will address the problem of neglect of victims of crime: Criminals will be required to work with part of their wages going to compensate their victims.

I am sure that all of you are as tired as I am of hearing of criminals who either repeatedly commit crimes or receive light sentences. Such reports erode public confidence in our judicial system. Samples of prison terms indicate that criminals who receive life sentences serve, on the average, only 9 years. Additionally, studies have shown that just 3 years after release from a long-term conviction, 45 percent of those released have again been arrested. Evidently, our present sentencing for crimes is not an effective deterrent. It is time to take action to correct such problems, and I believe that H.R. 1869 provides the necessary steps.

The Crime Control and Victims' Compensation Act would create a Federal mandatory life sentence for three of the most serious classes of offenders. These are: Persons who are convicted of first-degree murder with a firearm; those who are convicted of three felonies while carrying a firearm; and those who are thrice convicted of selling a specified amount of controlled substances.

Furthermore, the bill provides that such persons must work for pay with one-half of their wages going to pay for their keep and the other half going to compensate their victims. A recent poll of my district showed that of those responding, 93 pecent favor requiring criminals to pay back victims of crime and to perform public service jobs. In order to finance the construction of any additional facilities which may be needed to provide employment for convicted persons, the Attorney General is authorized to issue bonds.

H.R. 1869 is a criminal justice bill which will provide a greater deterrent to crime, will compensate victims of crime, and will restore public confidence in our judicial system.

A summary and a section-by-section review follow:

CRIME CONTROL AND VICTIMS' COMPENSATION ACT OF 1983—H.R. 1869

SUMMARY

Recent studies have shown that just three years after release from a long-term conviction, 45 percent of those released have again been arrested. Additionally, many of those who supposedly are sentenced to life-term convictions are released many years short of that.

None of us is immune from the effect of serious and repeated offenses on our society. Increased insurance rates, public health expenditures, judicial time and expense, and the general mental and physical well-being of the victims, community and the nation have an impact on us all. To reduce this widespread effect and to restore public confidence in our judicial system by ensuring that criminals will serve a sentence that fits their crime and that career criminals will not constantly be let loose on the public to again commit crimes, I have introduced the Crime Control and Victims' Compensaton Act of 1983.

The key elements of my bill are provisions to:

(1) Sentence 1st degree murderers, those convicted three times of committing a crime while carrying a firearm, and career illegal drug dealers to life imprisonment without parole, and

(2) Make the guilty persons work to pay for their keep and for victims' compenstation.

SECTION-BY-SECTION SUMMARY

Amendments to title 18

Section 101: If someone is convicted of committing a first-degree murder with a firearm and that crime is punishable by life imprisonment under state or Federal law, then that person shall serve a *mandatory* life sentence in a Federal prison without parole—no longer will the convict receive an early release to be free to commit another murder.

Section 102: If someone is convicted of carrying a firearm while committing each of three felonies, then that person shall be imprisoned for life without parole—career criminals will not continue to be released to continue their life of crime.

Section 103: If someone sells on three or more occasions specified amounts of controlled substances in schedule I or II, then that person shall be imprisoned for life without parole—career drug sellers will not repeatedly be released to continue their sales.

Section 104a: Those who are imprisoned under the terms of this Act will be employed for pay under the Federal Prisons Industries Program with half of the revenue generated from their work covering the costs of their incarceration and the other half going to the victim(s).

After their victims are compensated, the remaining portion of this half of the prisoner's pay would be deposited in a fund to compensate victims who would otherwise not be compensated.

Victims will now receive at least some financial recompense for what they have suffered and will directly benefit from their aggressor's punishment.

Section 104b: In order to finance the construction of any additional facilities which may be needed to provide employment for convicted persons, the Attorney General is authorized to issue bonds.●

THE 1983 VIGIL FOR SOVIET JEWRY

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. TAUKE. Mr. Speaker, as a participant in the Congressional Vigil for Soviet Jewry, I would like to take a moment to protest the inhumane treatment and persecution many Jewish citizens are suffering at the hands of the Soviet Government. By bringing their plight before my colleagues and the American people, I hope to let the Soviet Government know that we are observing its disregard for human rights and religious freedom, and that we consider the situation of the Soviet Jews intolerable.

Mistreatment of Soviet Jews is occurring more and more frequently. Soviet media and literature promote anti-Semitism. Teachers of Hebrew, Jewish culture and history are harassed constantly by Government agents. Jewish youths are being denied admission to Soviet universities. Soviet Jews are frequently charged with crimes against the state and sent to labor camps or into internal exile.

Perhaps the most disturbing form of persecution the Soviets are practicing now is the systematic denial of emigration applications from Jews. The number of Jews allowed to leave the U.S.S.R. in 1982 was 2,670—a 95-percent drop from the 51,000 allowed to leave in 1979. Not only are Jewish emigration applications refused, but Jews who have applied to emigrate become targets for even more harassment and abuse from Soviet authorities.

As an example of these abuses, I call to your attention the case of Yevgeny Lein of Leningrad and his family: Wife, Irina, daughter Sasha, 22, and son Alex, 11. Their tragic case is symbolic of many others.

Yevgeny is a mathematician, but now he works as a stoker and makes one-quarter of the salary he made previously. Yevgeny's problems began in 1978 when he and has family applied for permission to emigrate. Permission was denied. Since that time, they have been harassed and threatened by Government agents.

By 1981, the Leins were known as activists in the study of Jewish culture and history. In May that year, they planned a celebration of Israel Independence Day at their home. One hour before guests were to arrive, a police picket took up posts outside the Lein home and demanded that the meeting be canceled.

Four days later a group of Jews met for their weekly history seminar; Yevgeny was among them. The police broke up the gathering. Yevgeny refused to show his identification to the police because they were in plain clothes and did not show their identification. Yevgeny was charged with offering resistance to authorities.

In August 1981, Yevgeny was tried and found guilty of assaulting a policeman. He was given 2 years deprivation of freedom and he was directed to work in places determined by the authorities.

Yevgeny was exiled to Siberia. His wife Irina joined him. They lived in a log cabin. In winter the temperature reached 50 degrees below zero. In summer the humidity was very high. There was no electricity. Irina wrote that the children could not join them because of the primitive conditions.

In June 1982, Yevgeny was released and flown back to Leningrad. By July he still had found no job and was warned not to meet his friends or seek legal advice from other Jewish activists.

Also in July, Sasha Lein was expelled from the Mining Institute in the middle of her exams. Yevgeny had been warned while in exile that his daughter would be expelled because of her Jewish activities. A previous attempt to expel her had failed because she had already passed her exams.

From July until December, Yevgeny sought work without success. Each time he visited a prospective employer, a telephone call from the KGB ended his hopes for a job. Finally, he found temporary employment as a manual laborer.

The plight of the Lein family is one of many, many such cases. I urge the Soviet Government to stop persecuting the Leins and other Soviet Jews. We in the United States must not turn our backs on such blatant denials of basic human freedoms. I urge my colleagues and the American people to join me in protesting the abuses of the Soviet Government.●

INDIVIDUAL HOUSING ACCOUNTS LEGISLATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. LAGOMARSINO. Mr. Speaker, as we are all too well aware, the current recession has adversely impacted the industrial segment of our economy, including the housing and timber industries. Housing starts have increased slightly in the last few months, but unemployment and high interest rates continue to plague these industries. At the beginning of last year, I introduced legislation designed to assist first-time home buyers in purchasing a home, indirectly providing assistance to the housing and timber trades. Today, I am introducing this legislation which I feel is a necessary step for us to take if we are to preserve the American dream of homeownership.

Based on the IRA concept, this bill authorizes the establishment of individual housing accounts, or IHA's. First-time home buyers would be allowed to deposit up to $5,000 a year, tax deductible, in an IHA. The maximum lifetime deduction allowed for each account is $20,000. However, a husband and wife may establish separate IHA's permitting each of them to deposit up to $20,000 over a 10-year period, for a combined total of $40,000. If the savings were withdrawn and not used for the purchase of a principal residence, the deductions would be revoked and any regular taxes would become due. However, if the taxpayer becomes disabled, the money may be withdrawn without penalty.

As you know, the IRA concept has become very popular as a way to save for retirement. Following the same concept, the administration has proposed the establishment of individual education accounts to allow parents to save for the higher education expenses of their children. However, for those individuals with more immediate goals, such as purchasing a first home, the IHA provides the answer. For too long, we have discouraged savings through excessive taxation. Perhaps with the individual housing accounts, we can help first-time home buyers rediscover this important saving mentality and consequently bolster the assets of our financial institutions which serve as the primary source of home mortgage credit.

While the horizon does look brighter for the housing and timber industries, projected large deficits may tend to hinder the reduction of interest rates and more importantly, economic recovery. Thus, it is crucial that we act immediately to provide the necessary stimulus for these important industries.

I strongly urge all of my colleagues to support this legislation effort and move it along rapidly so that the American dream of homeownership can again become a reality.

I would like to take this opportunity to thank the gentleman from Idaho (Mr. CRAIG) for his continued interest in this legislation and his assistance in moving it forward.●

TRANSIT BETRAYED

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. SCHUMER. Mr. Speaker, I would like to call the attention of my colleagues to a recent New York Times editorial that explains how Reagan ignored a promise he made in order to win passage of the gasoline tax last

year when making his budget. Reagan's budget does not divide the proceeds from the 5-cent tax between highways and mass transit, giving localities the power to spend the money as they wish. The editorial reflects my feelings about this breach of commitment by Reagan to the American public.

TRANSIT BETRAYED

Betrayal is not too strong a word for the Reagan Administration's refusal to honor the compromises it struck to win passage of the higher gasoline tax last year. It had agreed to divide the proceeds between highways and mass transit and to allow localities to judge what transit help they need most: new equipment or more operating and maintenance money.

The Administration's budget reneges on that promise and thus poses a threat to all urban transit. To press the principle that local governments should pay their own way, it would bar the use of gas tax proceeds for transit operating costs. However plausible the principle, that is simply astonishing from a President who cheered the lame-duck Congress as it passed his gas tax proposal.

Twenty percent of the tax collections was to go to local governments to spend as they wished, for either capital or operating expenses. An additional $800 million a year was to be authorized from general tax revenues for operations over four years. But now the Administration budgets only $275 million in operations subsidies for the coming year.

The consequences for New York would be devastating. The shift would derail the equally hard-won package of help for the Metropolitan Transportation Authority, in return for its promise to avert a fare hike this year. The same fate, or worse, would overtake transit systems in other large cities. And smaller systems would be hard put to find capital projects on which they could justify spending the newly restricted gas tax proceeds.

The last word remains to be spoken. Senator D'Amato of New York and Representative Howard of New Jersey can be expected to fight hard to restore the deal. The legislators who held out for transit operating subsidies were not demanding needless bounties. They were acting on two important principles: that transit's claim on the gas tax and general revenues is no less valid than that of highways, and that localities know best whether to use Federal grants for operations or capital.●

NATIONAL CHILDREN AND TELEVISION WEEK

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to remind the House that next week, March 13, 1983, through March 19, 1983, has been designated by Public Law 97-443 as National Children and Television Week. This law, hopefully, will bring to the attention of the general public the importance and benefits of television as it relates to our most precious resources, our children.

To paraphrase the several clauses of the law as it was passed, television can create an intellectual and emotional environment which can play a decisive role in shaping individual development and perception. Television should be viewed as a tool that can be used to provide children with true pictures of the world and positive models for behavior, and those individuals who make it a point to strive to improve the quality of television programing viewed by children should be commended for their efforts.

I believe it is incumbent upon the general public and legislative bodies on all levels of government to accept the responsibility of providing appropriate and stimulating programing for children and adolescents and this is why I support this legislation.

Mr. Speaker, I hope this will become a traditional designated week that will continue to demonstrate the overall importance of television in our society, especially as it relates to the developing minds of our young people.●

DEXTER BAKER: MINSI TRAILS COUNCIL DISTINGUISHED CITIZEN OF THE YEAR

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. RITTER. Mr. Speaker, each year the Minsi Trails Council of the Boy Scouts of America selects from our community an individual who has been a friend of Scouting and who has given unselfishly of himself to the community. This year the Minsi Trails Council has selected, Dexter Baker, as its 1983 recipient. I would like to share with my colleagues in Congress some of the many contributions Dexter Baker has made to make our Lehigh Valley community a better place in which to live.

Dex is no ordinary person. As president and chief operating officer of Air Products & Chemicals, Inc., Dexter has been responsible for the corporation's position as one of the leading "high tech" companies in the United States. Yet, despite his busy schedule at Air Products, Dexter always finds the extra time to help his fellow man.

His effort to serve his community extends, quite literally, right down to the little man: the Boy Scouts of the Lehigh Valley. Dexter has served as a member of the executive board and the executive committee of the Minsi Trails Boy Scouts Council and was recently appointed to the executive advisory council

Dexter is also responsible for establishing six explorer posts at Air Products which helps to acquaint young people with careers such as accounting, aviation, data processing, engineering, manufacturing, and secretarial services. His enthusiasm is contagious. Employees at Air Products volunteer their time as Scout leaders to assist the Scouts in learning firsthand about the many careers existing in business. Dexter recognizes that our young people are the foundation of a better tomorrow and he has worked hard to help them along the difficult path of understanding.

Dexter understands the importance of a technically educated America. His knowledge of international business and his belief that America has to succeed now gives the young Scouts a unique dimension of the new technical trends in business. Many of the Scouts who are learning from the Air Product's Explorer Posts will become the leaders and shapers of a better tomorrow and what better role model can there be than Dexter Baker.

In addition to his work with Scouting, Dexter serves as a trustee at his alma mater, Lehigh University, and is a member of several business and engineering societies. Yet as a successful businessman and a highly respected member of our community, Dexter seeks no thanks or special mention for what he does. His reward is the knowledge that he is contributing to society and helping to make our community a better place in which to live. Dexter and his lovely wife Dottie believe in the basic concepts of hard work, family, and community; the concepts that have made our Nation great.

We in the Lehigh Valley are thankful for people like the Dexter Bakers who give so untiringly of themselves. I applaud the Minsi Trails Council's selection of Dexter Baker as this year's distinguished citizen and join with our community in saluting him and wishing him all the best.●

AGAR JAICKS

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. BURTON of California. Mr. Speaker, since 1966, some 16 years in all, the San Francisco Democratic County Committee has been chaired by Agar Jaicks who has given tirelessly of himself to forge coalitions among the many political groups in our city who seek to advance the cause of social, racial, and economic justice.

Agar Jaicks is by his own admission a liberal. He was once quoted in the San Francisco Examiner as saying:

Some people change their political posture for the times. The liberal position will return. As the pendulum swings back, we liberals will be able to move forward with it.

Agar Jaicks is a citizen politician. By profession he is a program director for KGO-TV in San Francisco. He and his wife Diana have raised their two children, Lisa and Scott.

It has been my pleasure to know and to cherish the friendship of Agar and Diana Jaicks for all my public life.

Agar Jaicks has served the highest ideals of citizen participation in the political process. He has worked long and hard to make the Democratic Party and the democratic process responsive to the needs of our people.

I wanted to share with my colleagues this brief view of Agar Jaicks, a person who is truly dedicated to government of, by, and for the people.●

EXTENDED BENEFITS PROGRAM

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. WILLIAMS of Montana. Mr. Speaker, today I am introducing a bill to restore State trigger rates for unemployment compensation to their pre-September 25, 1982, levels and to authorize the use of sub-State area triggers at State option for the provision of payment of extended benefits. This provision would recognize the wide diversity in unemployment which can exist in States with dispersed populations.

The extended benefits (EB) program provides unemployment compensation payments to individuals for up to 13 weeks if first, a State's 13-week insured employment rate (IUR) was 20-percent higher—120 percent of the average—than the average IUR in the last 2 years over the same calendar weeks, and second, the State IUR is at least 5 percent. Montana triggered on the EB program as of January 8, 1983. Because the IUR excludes millions of uninsured jobless, the 5-percent trigger is too stringent. Only 25 States now pay EB. The cost of this program is shared 50-50 between the States and the Federal Government. Without the Federal supplemental compensation (FSC) program, workers in the remaining 25 States would have no other benefits.

The other major provisions of my bill authorizes the establishment of sub-State triggers. Sub-State triggers would target more effectively extended benefits and would remove the inequity under the present system by which workers in distressed areas may be ineligible for extended benefits because the overall State unemployment rate is below the State trigger. My bill would use for these areas the economic areas developed by the Bureau of Economic Analysis of the Department of Commerce. The Bureau has divided the United States into 183 of these areas. The areas cross State lines in recognition of the economic reality of unemployment, which respects no political boundaries.

The areas proposed in my bill are a starting point for discussion. I could have selected SMSA's, countries, or labor market areas. There may even be better areas. I selected these areas as the basis for my bill because they are existing areas based on standard metropolitan statistical areas, and based upon the actual commuting patterns of workers in the areas. If the House can develop a better means of establishing sub-State areas for the trigger mechanism, I would support those efforts fully. I just want to see the Congress take some step toward authorizing sub-State triggers. In 1975, the House passed such legislation, but the sub-State provision was dropped in conference.

I recognize that increasing the number of units by which benefits can be triggered increases somewhat the administrative difficulties. I would point out to the House and to the bureaucracy that it is a whole lot more difficult to be employed for endless weeks. It will take time to designate the areas and to develop the date compilation procedures. It may take a very long time. I hope the depression will have ended by that point. The concept, however, is sound and worth doing. If we do not act now, the mechanism will not exist when we face another recession.

It has been suggested that the State trigger mechanism does not provide fairness for those who are employed and residing in pockets of extremely high unemployment while the rest of the State is not experiencing the same economic difficulties. Thus, some have suggested that the only fair way to administer the EB program is to use either the sub-State or area triggers.

What might area triggers cost the Federal Government? One analyst at the Department of Labor has estimated that if an area trigger was in effect during the fiscal year 1983, the additional costs could be anywhere from 10 to 50 percent higher—$360 million to $1.8 billion more—than the current EB program, which is estimated to cost approximately $3.6 billion in fiscal year 1983. In contrast, if the national trigger was in effect in fiscal year 1983 it would cost approximately 100 percent more than the current program or approximately $7.2 billion. The advantages of a sub-State trigger are:

Assuming that the administrative problems could be resolved, an area trigger would cost less than a national trigger.

Individuals from pockets of high unemployment could receive EB even if their State, as a whole, was not experiencing unusually high unemployment.●

CHANGING EPA'S NON-POLICIES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. FLORIO. Mr. Speaker, although an important chapter in the life of the Environmental Protection Agency (EPA) was concluded Wednesday, the resignation of Anne M. Burford as Administrator is by itself insufficient to be the concluding chapter.

As the President clearly indicated in his letter to Mrs. Burford acknowledging her resignation, the environmental nonpolicies she pursued at EPA were very much in keeping with his own environmental philosophy.

Unless the President appoints a new administrator with sufficient stature, and a clear mandate to carry out the environmental laws of this Nation, nothing will have changed at EPA and the desire of the American people to live in a safe environment will continue to be thwarted.

Continuing a policy of foot dragging at the EPA will only compound the problems that toxic wastes presently pose. And it is urgency, not further delay, that is needed immediately.

The problems with EPA regarding cleanup of toxic waste sites in my own State of New Jersey demonstrate the need for a complete overhaul of the Agency.

A comprehensive look at these problems was provided last Sunday by Herb Jaffe of the Newark Star-Ledger. I would like to recommend it to those interested in further understanding why the administration must do an about-face on protecting the environment.

The article follows:

[From the Newark (N.J.) Star-Ledger, Mar. 6, 1983]

U.S. SUPERFUND DELAYS STALL TOXIC CLEANUPS IN JERSEY

(By Herb Jaffe)

Not one cent of U.S. superfund money has been spent on the cleanup of hazardous waste sites in New Jersey because of federal red tape, bureaucratic snags and a cumbersome system of designating feasibility consultants.

Only $4 million of the $14,256,000 granted to New Jersey from the $1.6 billion superfund is being spent, almost all for feasibility studies, none of which have been completed.

Two years and three months since the superfund was established by Congress, to be apportioned over a five-year period, some of the worst toxic waste sites in New Jersey are still awaiting funds from the federal Environmental Protection Agency (EPA), which administers superfund.

New Jersey has the highest number of toxic waste sites on EPA's "priority list." In December, the federal agency listed 418 priority cleanup sites, with 65 of them in New Jersey.

But more than half of the feasibility studies at the 12 New Jersey sites for which su-

perfund money has been earmarked have not been started.

State Department of Environmental Protection (DEP) officials say it takes anywhere from six to 12 months to complete a toxic waste site feasibility study. The studies generally cost between $200,000 and $500,000 each, according to DEP records.

Under the procedure, once a study is completed it is followed by months and possible years of bureaucratic haggling before actual superfund cleanup money can be made available.

Kin-Buc landfill in Edison was closed by DEP in 1976 after more than 75 million gallons of chemical waste were dumped. The site, bounded by two rivers, was awarded a superfund feasibility study grant in July when EPA Administrator Anne Gorsuch Burford came to Trenton to make the announcement. But the Kin-Buc feasibility study hasn't been started.

The remainder of more than $10 million of superfund money appropriated for New Jersey is "dedicated for cleanup, but right now the money is just sitting idle because the feasibility studies must first be completed," explained Dr. Marwan Sadat, DEP's superfund coordinator.

In the meantime, the state is circumventing the strings attached to superfund by using its own funds where possible to continue with other cleanups. State resources under the New Jersey Spill Compensation Fund were practically depleted at one point after the $25 million Chemical Control cleanup.

But in 1981 the voters approved a $100 million bond issue for toxic waste cleanups, and this, combined with a reorganization of the state's spill fund, has accounted for most of the cleanup money, even though superfund was supposed to have accounted for the major share.

Sadat, who formerly was responsible for water quality in DEP, recently became the state agency's administrator for the Hazardous Sites Mitigation Administration which is responsible for coordinating both superfund grants and the state's Spill Compensation Fund.

"At present, there is no shovel in the ground at any of the 12 superfund sites," Sadat said when asked whether any superfund money has been used for cleanup in New Jersey.

Sadat explained that seven of the 12 feasibility studies are being undertaken by a "zone contractor" appointed by EPA. The other five feasibility studies are being put out to bid by DEP "because the state took the lead on those sites," Sadat said, referring to a complex procedure under which the EPA superfund zone contractor was able to be bypassed.

The same zone contractor is responsible for most other superfund-financed feasibility studies in EPA's Region 2, which also includes New York and Puerto Rico. Of EPA's 418 national priority cleanup sites, 96 are in Region 2.

But the zone contractor, which recently was replaced, is responsible for superfund toxic waste feasibility studies for the entire eastern United States, it was learned. A similar superfund zone contractor is employed to conduct feasibility studies in the western half of the country.

The new contractor for the eastern area, N.U.S. Corp., is a Washington, D.C., corporation with offices in Pittsburgh and Gaithersburg, Md. The western zone contractor is a firm called Chem Hill Two.

"N.U.S. Corp. came aboard at the start of this year and replaced Camp, Dresser and McKee of Boston, which held the contract for two years," explained EPA Region 2 spokesman Richard Cahill.

"N.U.S. is now the zone contractor for all of our superfund work," he added.

Cahill said the selection and appointment of the zone contractor is made at EPA headquarters in Washington. Camp, Dresser and McKee was appointed in the waning days of the Carter administration, which was when the superfund legislation was enacted.

Feasibility studies must be undertaken to first determine the scope and nature of a cleanup. Asked whether the fact that only one contractor used by EPA for conducting feasibility studies may be responsible for the delay in obtaining additional superfund grants and actually beginning the cleanups, Sadat stated:

"That's just one reason. There are many. There have been delays in completing feasibility studies for various reasons.

"Another reason is the mulitude of agencies that must approve the studies after they're completed. Just in DEP that includes such agencies as the division of water resources, the office of regional affairs, the office of science and research, of course our office, and in some cases even the attorney general's office.

"Then there's the bureaucratic network in EPA that must approve the study, all the way from Region 2 in New York to EPA headquarters in Washington. All of this takes time. I could recommend an alternative, but it might not be the one EPA headquarters may choose.

"Right now the whole process must be finalized by EPA in Washington, and I think it's all unnecessarily bureaucratic."

Sadat said that as a result of dissatisfaction over the lack of EPA environmental policy, the attorney general's office filed suit in federal court last summer in behalf of DEP.

He said the suit against EPA was based on the lack of a suitable national contingency plan to deal with superfund cleanups.

"We also questioned the lack of environmental standards and the fact that EPA has issued no suitable guidelines on cleanups. There's no procedures and administration for superfund cleanups," he said.

Deputy Attorney General Mary C. Jacobson, who filed the suit, explained that it "challenges EPA's publication of its national contingency plan. The case is in the District of Columbia Court of Appeals."

Jacobson said the EPA plan "has not sufficiently spelled out the state's role" in cleanups. A similar suit filed by the national Environmental Defense Fund has since been consolidated with the New Jersey suit. However, briefs in the case have been postponed until next month because of EPA's present problems with Congress.

"Basically, we contend that EPA has not lived up to the spirit of the criteria for superfund," Jacobson said, noting that a number of chemical and petroleum industry associations have intervened in the case on the side of EPA.

In citing one example of the problem, Sadat said that while EPA has granted feasibility funds for 12 sites in New Jersey, it has dedicated partial cleanup funds for only five of the sites.

In addition, Sadat said, "we haven't been able to get superfund money to even conduct a feasibility study at Gems landfill."

Gems, located in Camden County, is the 13th worst toxic waste site on EPA's national priority list and the fifth worst in New Jersey.

"I consider Gems one of the highest priority sites in the state. It poses a serious public health problem. But so far we can't get any EPA action because of a legal problem that has arisen within EPA," Sadat said.

"Their concern is what the state's share should be. EPA says we should match 50 percent of the cost."

The reference was to matching funds under the superfund legislation. The state must put up 10 per cent of whatever superfund pays. For example, of the $14,256,000 which EPA has dedicated for New Jersey, DEP has added 10 per cent to the total.

However, sites owned by municipalities are eligible for only 50 per cent of the cost from superfund. The 60-acre Gems site is owned by Gloucester Township, but it was leased to Gloucester Environmental Management Services (Gems), a commercial disposal firm that dumped its customers' chemical waste on the site for five years.

"While EPA decides what to do, contaminated leachate is coming from the landfill, and there are homes only 70 or 80 yards away. The site has contaminated Holly Run Creek, and the emissions, in our estimation, pose a very serious problem. The odors are quite strong," Sadat stated.

"Our understanding of superfund is that the money should provide immediate relief for cleanup and the removal of health threats, prior to any legal remedies," he pointed out.

All of the 12 sites that have received any superfund grants are on the priority list of 65. But Sadat noted "we have identified about 400 toxic waste sites in New Jersey, and using the superfund identification process there may be another 100 sites.

"On the basis of what we have identified, as compared to other states, we should be entitled to anywhere from $200 million to $250 million" of the $1.6 billion superfund.

Sadat said he could not comment on allegations by investigating congressional committees that EPA has used the timeliness of superfund grants to enhance the positions of Republican candidates.

However, according to the status of the 12 superfund sites in the state, the one closest to the start of cleanup is the 27-acre Bridgeport site in Gloucester County. This is the site where former EPA superfund administration Rita Lavelle announced just prior to November's congressional election that $3.2 million was being presented for the feasibility study and preliminary cleanup.

The effort was viewed as a political attempt to discredit Rep. James Florio (D-1st Dist.), in whose district Bridgeport is located. Florio, who heads the House transportation subcommittee, one of the seven that is pressing for EPA cleanup documents, has also been one of the loudest critics of superfund administration. In addition, he is one of the architects of the legislation that created the fund in December 1980.

While the Bridgeport site was one of the last to receive a superfund grant in New Jersey, Sadat said "we expect to begin some form of remedial action at Bridgeport some time next month."

Bridgeport's $3.2 million includes $500,000 for the feasibility study by Camp, Dresser and McKee. Even though this firm was replaced by N.U.S. Corp., EPA spokesman Cahill said all feasibility studies begun by Camp, Dresser and McKee will be completed by that firm. Despite the start of limited remedial action, Sadat said the Bridgeport feasibility study is not expected to be completed until the latter part of this year.

Sadat explained that all 12 sites were given their superfund grants between May 12 and Dec. 20, 1982.

The first grant was to Price landfill, outside of Atlantic City, for $250,000 to conduct the feasibility study. On June 28, an additional $336,000 was granted by superfund, including DEP matching funds, for a containment system.

Price landfill, which is threatening the water supply of Atlantic City, is the sixth worst site in the country, according to the EPA list, and the second worst in New Jersey. Sadat said the feasibility study is expected to be completed by next month.

On July 7, during a press conference and ceremony in Trenton, Burford presented $3.4 million, with DEP matching funds, to Gov. Thomas Kean for Kin Buc and Lone Pine landfill.

Lone Pine, the 18th worst site in the country and the sixth worst in New Jersey, was given $333,000 for a feasibility study that has begun. The remainder was for Kin Buc, where none of the money has been used.

On Sept. 3, superfund money totaling almost $3.7 million was appropriated for feasibility studies at Goose Farm, Pijak Farm and Spence Farm, all in Plumsted Township, and the Friedman site in Upper Freehold Township. Approximately $2.6 million of that money is being held aside for later cleanup at Spence Farm.

None of these four feasibility studies has been started.

A cleanup that EPA officials said reached $11 million was begun at Goose Farm in the summer of 1980, six months before superfund was enacted. the site was supposed to have been decontaminated by February 1982.

But criticism over the quality of the cleanup resulted in the superfund grant of $210,000 in September for a feasibility study of the groundwater at Goose Farm.

A superfund grant, with DEP matching funds, of more than $2.1 million on Sept. 23 allowed for a $500,000 feasibility study at Lipari landfill in Pitman and $370,000 for a study at the D'Imperio site in Hamilton Township, with the remainder to be held for cleanup. Both feasibility studies are expected to be completed before the end of this year, Sadat said.

Following the Bridgeport grant of $3.2 million on Oct. 29, four days before the congressional election, EPA's final superfund grant to New Jersey was $2.6 million on Dec. 20.

The last grant included $300,000 for a feasibility study at Krysowaty Farm in Hillsborough and $350,000 for a feasibility study at Syncon Resins in South Kearny, with another $2 million to be held for Syncon's cleanup.●

FERDINAND MARCOS: HERO OR FRAUD?

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1983

● Mr. EVANS of Illinois. Mr. Speaker, the dismal record of human rights violations by Philippines dictator Ferdinand Marcos continues to mount. Amnesty International has documented repeated illegal arrests and detention, torture, disappearances, and killings.

Yet the U.S. Government under the Reagan administration continues to develop and strengthen our relations with the Marcos regime. The recent closing of the opposition newspaper, We Forum, demonstrates that the lifting of martial law in 1981 was not an act of substance, but a convenient gesture to appease the Reagan administration.

In 1984, the United States must renegotiate its agreements with the Philippines for American-Filipino military bases on the main island of Luzon. As these negotiations begin to get underway, I believe we should reexamine just who and what is this man with whom we are dealing.

Recently, Bonifacio Gillego, a former Philippine military officer now living in exile in the United States, published an article examining Marcos' proud claims that he is "the most decorated man in the Philippines." This article which was published in We Forum (and probably a central reason for its banishment) investigates the circumstances surrounding the awarding of these medals.

I would like to take this opportunity to share Mr. Gillego's article with our colleagues, and in doing so, I might ask our colleagues to keep a few questions in mind.

First, how might we and the citizens of our country react should we discover that this supposed friend of the United States is nothing more than a "paper hero?"

Second, in the words of our colleague, Mr. EDGAR of Pennsylvania, are the real national security interests of the United States served by propping up an unpopular dictator?

With these questions in mind, I commend this article to your attention.

THE MARCOS MEDALS: A STUDY IN EXTRAPOLATION

(By Bonifacio H. Gillego)

How many medals did Marcos actually receive for his alleged feats of heroism in World War II? The count has become a numbers game.

Hartzell Spence, in his book, For Every Tear A Victory, The Story of Ferdinand E. Marcos (McGraw-Hill, Inc. New York, 1964), credits Marcos with 28 including American awards. More a hagiographer than a biographer, Spence has been the purveyor of embroidered tales about Marcos' life and deeds to the credulous and gullible public, both Philippine and American. It was Spence who recounted the ridiculous story that when General Omar Bradley "saw Ferdinand's six rows of ribbons headed by twenty-two valor medals including the Distinguished Service Cross, the four-star general saluted Marcos."

The story is patently false because in May 1947, the date of the comic book Bradley-Marcos encounter in the Pentagon, the Armed Forces of the Philippines could account only for six war medals. Most of the medals of Marcos were conferred on him by the Armed Forces of the Philippines only from 1948 to 1963.

On the occasion of the multi-million extravaganza (the Marcos state visit to the USA), the Philippine Embassy in Washington, D.C. gave the widest dissemination to propaganda materials glorifying the war exploits of Marcos. A brochure entitled "Friends in War Ferdinand E. Marcos in the Pacific War, 1941-45" tabulates 32 medals. The souvenir program contains among others a picture of Marcos with the inscription at the back that during the Pacific War, Marcos won 33 American and Philippine medals. A more modest claim, however, is made that Marcos delayed the fall of Bataan "by weeks" not three months, as Spence propagandized earlier in his campaign biography of Marcos.

The salvo of paeans to Marcos vaunted war heroism was part of a well-funded drive to influence the powers-that-be in the USA to award Marcos the Congressional Medal of Honor. At this juncture, it may be recalled that it was Spence again who fantasized that upon hearing the exploits of Marcos in Bataan, General Jonathan Wainwright from his headquaters in Corregidor called by phone the 21st Division directing that Marcos be recommended for a Congressional Medal of Honor. Accordingly, Brig. General Mateo Capinpin allegedly made the recommendation but the papers got conveniently lost, hence the explanation why Marcos was robbed of the singular honor of receiving the much coveted American award.

Claiming that the recommendation was "sidetracked," Bataan, purportedly a Philippine magazine published in Washington, D.C., came out with a special edition (20 September 1982) urging the conferment of the Congressional Medal of Honor on Marcos 40 years after the guns of Bataan and Corregidor were silenced!

Unfortunately for the drumbeaters of Marcos, the grant of the Congressional Medal of Honor has prescribed time limitations. The recommendation has to be made within two years after the deed of extraordinary valor above and beyond the call of duty. The actual conferment has to be made within three year after such deed. Only the US Congress can waive the time limitation but apparently the move for a Congressional waiver was laughed off.

There is not a scintilla of evidence in the files of the US Army Center of Military History, the National Records Center of the Archives, the US Army Library in Pentagon, the Library of Congress, etc. that Marcos performed an authentic deed of extraordinary valor deserving the grant of the Congressional Medal of Valor.

The reports of and about the defense of Bataan by the staff of General Douglas MacArthur, General Jonathan Wainwright and General George Parker, Jr. do not show the faintest trace of Marcos singlehanded feat of stemming the tide of Japanese advance in Bataan that delayed its fall by three months. Even the foremost deodorizer of the Marcos dictatorship, Carlos P. Romulo, made no mention of Marcos among the heroes he "walked with."

But the count remains. The statistical projection, whether it be 28, 32, or 33, creates and fosters the impression—as it is deliberately intended to—that Marcos was the most decorated Filipino soldier in World War II. None of the participant nations during the war could produce a hero with as many awards as Marcos not excluding General MacArthur, himself. That is if the count of the Marcos medals is devoid of fraudulence and deception.

What is deliberately concealed in the accounting of the Marcos medals is the date of

issue of each of the awards. If this is one essential detail that is shown, the stark truth stands out. It was not during the war that he was awarded these medals. Marcos managed to have himself awarded these medals by the Armed Forces of the Philippines long after the war was over! Medals that would include such essential details as the General Order number, the date of issue and the issuing headquarters would reveal the following:

Eleven of the 33 awards were given in 1963.

Ten of the 11 awards given in 1963 were given on the same day, 20 December 1963.

Three awards were given in one General Order, also issued on 20 December 1963.

One award was given in 1972.

Eight of the "33 American and Philippine Medals" (President Marcos: A Political Profile. Office of Media Affairs, Republic of the Philippines) are strictly speaking not medals but campaign ribbons which all participants in the defense of Bataan and in the resistance movement are entitled to.

Awards are duplicated for the same action at the same place on the same day.

One is a Special Award given by the Veterans Federation of the Philippines.

All these are included in the count of 33 and foisted upon the unwary public as having been awarded to Marcos during the war. The fact of the matter, to repeat, is that most of the medals claimed had been acquired long after the end of World War II.

Even as late as 1972, the Armed Forces of the Philippines gave Marcos on his birthday the Philippine Legion of Honor (G.O. 121, GHQ, AFP, 11 September 1972).

On 20 December 1963, almost 20 years after the end of World War II, the AFP awarded Marcos for services in Bataan and in the resistance movement 2 Distinguished Conduct Stars; 2 Distinguished Service Stars; 2 Gold Cross Medals; and 3 Wounded Soldier's Medals.

One General Order alone (No. 155, GHQ, AFP, 20 December 1963) granted Marcos 3 medals for having been allegedly wounded in Bataan on April 5, 1942 and April 7, 1942 and in Kiangan, Mt. Province.

If these awards were truly deserved, why were they not conferred earlier? What prompted the Armed Forces of the Philippines to go on an awarding splurge one day in December 1963? Recollections of top politicians in the know tend to show that President Macapagal allowed the Armed Forces of the Philippines to give Marcos awards on a wholesale basis in the expectation that an amply awarded and appeased Marcos would not contest his (Macapagal's bid) for reelection.

For identical citation as a guerrilla and underground leader, Marcos received 2 Distinguished Service Stars (G.O. 435, HPA, 24 April 1945 and G.O. 152, GHQ, AFP 20 December 1963). For the same action at Panupdupan on 5 April 1945 when allegedly Marcos singlehandedly forced the enemy to withdraw after 30 minutes of combat, Marcos received 2 Distinguished Conduct Stars; one on 16 October 1963 (G.O. 124, AFP, GHQ) and another on 20 December 1963 (G.O. 157, GHQ, AFP).

Both Col. Romulo A. Manriquez, Commanding Officer of the 14th Infantry, and Capt. Vicente L. Rivera, Adjutant of the same unit, in their signed testimonies, stated that Marcos had no participation whatsoever in any combat operations during his service with the 14th Infantry. As Commanding Officer of the 14th Infantry, Col. Manriquez never recommended, as there was no basis at all, Marcos for any award. If Marcos as claimed was ever wounded at all, Col. Manriquez quipped, it must be that Marcos was bitten by a leech.

With the wholesale and indiscriminate grant of awards in one day, the duplications, the multiple awards in one General Order, the inclusion of the campaign ribbons, etc. Marcos is truly the most decorated Filipino soldier in World War II by extrapolation.

One wonders how the future will reckon with this man who has so audaciously and unconscionably distorted our military records with unspeakable fakery and imposture when men of the caliber of Col. Romulo A. Manriquez, Col. Narciso Manzano and Capt. Vicente L. Rivera will come out and speak the truth.●

HOUSE OF REPRESENTATIVES—*Monday, March 14, 1983*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C., *March 14, 1983.*

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on this day.

THOMAS P. O'NEILL, Jr.
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We recognize, O God, that our words of praise and thanksgiving do not always match our deeds and actions—Awaken us, we pray, so our words of faith relate to our deeds of faith that we will not only profess the good and righteous and true, but we will, as Your spirit gives strength, do justice, love mercy, and walk humbly with You. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agreed to the following resolutions:

S. RES. 18

Resolved, That the Senate disapproves the proposed deferral of budget authority (Deferral No. D83-36) for the making of indemnity payments to dairy farmers and manufacturers of dairy products under the Act entitled "An Act to provide indemnity payments to dairy farmers", approved August 13, 1968 (7 U.S.C. 450j et seq.), set forth in the special message transmitted by the President to the Congress on January 6, 1983, under section 1013 of the Impoundment Control Act of 1974.

S. RES. 49

Resolved, That the Congress disapproves the proposed deferral D83-43 relating to the Economic Development Administration, "Economic Development Assistance Programs", as set forth in the message of February 1, 1983, which was transmitted to the Congress by the President. This disapproval shall be effective upon approval of this resolution and the amount of the proposed deferral disapproved herein shall be made available for obligation.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 272) entitled "An act to improve small business access to Federal procurement information," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WEICKER, Mr. BOSCHWITZ, Mr. PRESSLER, Mr. NUNN, and Mr. LEVIN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 273) entitled "An act to amend section 8(a)(1) of the Small Business Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WEICKER, Mr. BOSCHWITZ, Mr. PRESSLER, Mr. NUNN, and Mr. LEVIN to be the conferees on the part of the Senate.

The message also announced that the Vice President, pursuant to the provisions of section 9355(a) of title 10, United States Code, appointed Mr. STEVENS, Mr. HUDDLESTON, Mr. GOLDWATER, and Mr. EXON as members of the Board of Visitors of the U.S. Air Force Academy.

NUCLEAR ARMS CONTROL

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, later this week the House will go on record in what may be its most critical foreign policy vote of 1983—the vote on the bilateral, verifiable nuclear freeze.

The White House suggests that to negotiate with the Russians is un-Christian. Some in the Defense Department reckon that supporters of limitations in this country are un-American.

I would suggest that the only thing "un" about the freeze resolution is that it would be unthinking not to pursue it. This country has been on the nuclear arms escalator since 1945. The world has lived under a spreading nuclear mushroom cloud for over three decades.

The House vote this week is the best opportunity we have to tell the world that the United States and Russia should get to the table in 1983, negotiating a freeze as the best first step toward responsible nuclear arms control and reductions.

ECONOMIC EQUITY ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I am proud to introduce today on behalf of 90 cosponsors the Economic Equity Act. This legislative package corrects inequities in the law that hurt women's economic status. The inequities in private and public pensions, tax policy, child care, child support enforcement, insurance, and Federal regulations all point out that women are profoundly affected by not having equal rights under the law in our Constitution.

The Economic Equity Act underscores the need for the equal rights amendment. The two are intertwined. The Economic Equity Act illustrates how women's legal rights translates into women's economic rights—bread and butter issues that determine how women can provide for their families.

And let us not kid ourselves. When women do not have ecomomic equality it is the children and families that feel it. Women are working because their families need the income. In single parent families headed by women, it is the women's income that feeds, clothes, and shelters the family. In two earner families, it is women's income that maintains the family's standard of living.

Women's issues are economic. The equal rights amendment and the Economic Equity Act both acknowledge this. I hope my colleagues do too.

● Mr. WOLPE. Mr. Speaker, I rise today to voice my very strong support for the Economic Equity Act of 1983 and to applaud the excellence of the leadership provided on this issue by my colleague, Congresswoman SCHROEDER.

She and others have forcefully spoken to the absurdity and unfairness of an archaic system of laws and regulations—still in effect today—that deny women equal access to economic opportunities. We must recognize that the very principles upon which this Nation is based—principles of fairness, equality, and justice—do not condone these anomalies and command swift corrective action from this Congress. It is a command we must obey.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The Economic Equity Act addresses a wide range of discriminatory practices now perpetuated in existing laws. The legislative areas targeted for reform include public and private pension laws, child care, insurance availability, and coverage, and enforcement of alimony and child support agreements. The protections and assurances contained within this legislative package are long overdue.

Today—more than 60 years after women obtained the right to vote—women must still fight for equality. And the outcome of this battle is of paramount importance not only to women, but to the men and children whose lives are inextricably linked to theirs.

We must acknowledge that equality defined as "the right to vote without the right to make a decent living or to obtain a proper security" is a sham and a national disgrace. Mrs. SCHROEDER has provided this Congress with a reasonable response to an unreasonable circumstance. I urge all of my colleagues to join in support of the Economic Equity Act of 1983.●

● Mr. STARK. Mr. Speaker, today I rise in support of the Economic Equity Act and its aim to reduce long-standing economic discrimination against women.

Women now make up 51 percent of this country's population, and their presence in, and contributions to, the American work force grow daily in almost geometric proportions. Over the past 20 years, the number of women in the nonhome work force has increased from 23 million in 1960 to 43 million in 1980. By 1990 that figure will rise to more than 60 million.

Clearly, women are a fundamental and integral part of our economic makeup. We need them—we need to treat them equitably.

Yet, the deplorable reality is that women are too often the victims of armchair policies based on outmoded precepts. The result is that a majority of our population and a growing percentage of our work force is economically discriminated against in a plethora of areas. These policies have created a structural discrimination against women, and are in dire need of change. The Economic Equity Act goes far in making those changes and instilling a sense of fairness in the way all working people are treated.

The act before us today is more than well-meaning—it is well thought out. After much consultation, a plan has been developed to implement badly needed reforms in the areas of private and public pension laws, tax policy, child support enforcement, insurance, childcare policy, and Government regulation.

Consider, for example, that women, while they make up 59.1 percent of the population over the age of 65, bear the brunt of inequities in pension plans because these retirement programs fail to recognize that both spouses make significant contributions toward an employee's ability to earn a living. Pension plans often fail to credit women for their roles as wife, mother, and homemaker, and this failure to recognize these valuable contributions often results in pension-income disparities between men and women amounting to thousands of dollars annually.

The Economic Equity Act, through a series of revisions, attempts to erase these inequities by recognizing the valued and varied role women play in the wage-earning process.

Moreover, the Economic Equity act would remove the punishment often leveled against women who decide to rear families. The act would give tax credits of $3,000 in the first year and $1,500 in the second year to employers who hire displaced homemakers. The act also modifies pension plans so as not to penalize women who leave the work force to raise a family, and would expand certain tax credits for child-care related expenses. Further, the act makes strides toward improving and expanding child-care services, which along with other mentioned reforms serves to stengthen not only womens' place in the work force, but the American family as well.

The Economic Equity Act is hardly a radical idea. Indeed, it is an idea consistent with the principles of equality on which this Nation was founded. It provides us with a comprehensive legislation package of necessary reforms which, if passed, would give credibility to the phrase "equality for all."●

● Ms. MIKULSKI. Mr. Speaker, I am pleased to be joined by my colleagues Mr. SHANNON and Mr. DOWNEY today to introduce legislation making the dependent care tax credit refundable. This legislation is directed toward the needs of low-income families—families caught in the earnings gap between two forms of child care assistance. These are families who are working and earning too much to qualify for AFDC or title XX child care programs, but who do not earn enough to benefit from the tax credit program.

A refundable credit will allow families to receive a refund in the amount of the credit they could have claimed had they earned enough to pay income taxes.

The benefit of assisting low-income earners through the tax code rather than through other forms of Federal subsidies is that the choice of appropriate child care remains with the family. The refundability provision will reimburse families for a portion of their child care expenses regardless of whether they send their children to a child care center in the neighborhood church or hire the children's grandparent to stay with the children after school.

This bill is part of the Women's Economic Equity Act, introduced today in both the House and the Senate. I urge my colleagues to support this legislation.●

● Ms. KAPTUR. Mr. Speaker, the introduction of the Economic Equity Act of 1983 today marks an important first step in remedying a variety of discriminatory economic practices against women. The aim of the comprehensive legislation introduced today is to alleviate hardships imposed on all women, both homemakers and those in the workplace. The EEA addresses the inequities in public and private pensions, sex discrimination insurance regulation, the lack of enforcement in child support cases, and the child care requirements of working mothers.

At present, more than half the children under 18 years of age in the United States have mothers in the labor force, and many of these working mothers are the sole providers for their families. One provision of the Equity Act would raise the child care credit for the lowest income households and another provision would make it refundable for those with no tax liability. Displaced homemakers would also benefit from the enactment of this legislation. There are estimated to be over 3 million displaced homemakers nationwide. The transition from homemaker to wage earner is difficult, but imperative for the survival of most women who find themselves suddenly and unexpectedly divorced, separated or widowed. The Equity Act provides tax credits to employers who hire displaced homemakers.

Congress must move this legislation expeditiously to guarantee women equal economic opportunities. At the same time, it is no less imperative that the Congress restore funding for vital human needs programs. It is regrettable that the deep budget cuts enacted over the last 2 years have contributed significantly to the feminization of poverty. Furthermore, as it struggles to respond to the worst unemployment our Nation has experienced since the Great Depression, Congress must also insure that the needs of jobless women will be addressed in legislation creating public service jobs and training opportunities.

Economic equity for women must be a priority for the 98th Congress.●

● Mrs. SCHNEIDER. Mr. Speaker, as both a Member of Congress and a woman, I am proud to join with my distinguished colleagues in the House in introducing the Economic Equity Act of 1983. The stature and experience of the members of the bipartisan coalition in support of this bill reflect the priority which it must be given in the 98th Congress. Real equality begins with economic equality, and the provisions in this bill go a long way

toward tearing down the discriminatory barriers which exist in current law. Passage of this bill will prove that this country's leaders can do more than pay lip service to the notion of equality, and are willing to take the substantive action necessary to make equality an economic and social reality.

As leaders and policymakers, we must recognize and respond to the trends which are reshaping the nature of the American work force. During the past two decades, the number of women working in occupations outside the home has more than doubled. Despite this massive influx into the labor force, the structural discrimination still exists which prevents women from earning as much as men, from receiving equal coverage from insurance and pension programs, and from participating in traditionally male dominated occupations. In 1955, an average full time working female earned 64 cents for every dollar a man earned. Today, the same woman earns only 60 cents for every dollar a man earns. This one statistic makes it clear that economic equality cannot be obtained by rhetoric and good intentions. Instead, the Federal Government must take the lead by developing programs and legislation that respond to the special needs of the working woman.

In particular, I would like to call attention to section 3 of the Economic Equity Act. Of all the pressures on young women who are entering the labor force, the pressure to find quality care and guidance for their young children is perhaps the most intense. The need to earn a decent standard of living, to participate in a satisfying career, and to responsibly raise a family need not be exclusive of each other. What is drastically needed is a nationwide system that can provide reliable care for the children of citizens whose work takes them out of the home for the day. Unfortunately, both the public and private sectors have been slow to recognize the importance of child care programs. Currently, there are not enough spaces in child care centers for even 5 percent of the working mothers in this country. Section 3 of the Economic Equity Act responds to the increased demand for child care by increasing the deduction for child care tax credits which were made available in last year's tax package. In addition, the bill makes nonprofit organizations providing work-related day-care eligible for tax-exempt status. Section 3 is a step toward widespread acceptance of the idea that, to many young workers, adequate child care is as important a part of a benefits package as cost-of-living adjustments, pension plans, and health care.

The Economic Equity Act is a rational, fair, and far-sighted response to the changes in the work force which have already occurred, and will continue to occur over the next 20 years. The discriminatory laws which the act attempts to modify reflect an anachronistic perception of the role which women play in our society. Let us prove that Congress can recognize that the average American worker is just as likely to be named "Claire" and sit at a word processor, as he is to be named "Sam" and weld fenders for automobiles. Passage of the Economic Equity Act will remove many of the discriminatory barriers that currently exist in retirement, divorce, and tax law, and provide women with equal opportunity for participation and fulfillment in the American workplace.●

● Mr. LEHMAN of Florida. Mr. Speaker, I am delighted to be an original cosponsor of the Economic Equity Act of 1983. This comprehensive legislative package includes many important reforms that will enable the women in this country to have economic opportunities equal to those that have long been enjoyed by men.

The area of pension reform is particularly important in assuring women some security in their old age. The overwhelming majority of the elderly poor in this country are women. A study by the Center for Women Policy Studies noted that the median annual income in 1979 for women over 65 was $3,759.

Much of this poverty is due to inadequate pension provisions. Many women have never worked outside the home or have done so only intermittently. They have no or little coverage under pension plans based on their own employment records. Homemakers must depend on their husbands' plans. In the event of divorce, the woman is all too frequently left with nothing.

Homemakers will be helped by the changes proposed in the private pension sections of the Economic Equity Act as well as in the section dealing with individual retirement accounts. Homemakers will be permitted to contribute up to $2,000 a year to a spousal IRA. Current law permits contributions by both spouses to equal only $2,250 rather than $2,000 each.

Other provisions of the Economic Equity Act such as the displaced homemakers tax credit and improvements in Federal assistance for child care are also important steps in helping women gain equality in economic as well as political terms.

I give my wholehearted support to the Economic Equity Act of 1983 and I urge all my colleagues to help speed its enactment.●

● Mr. EDGAR. Mr. Speaker, today the Congressional Caucus for Women's Issues has introduced into Congress the most significant piece of legislation to affect women short of the equal rights amendment. The Economic Equity Act, which addressed itself to present economic inequities in the areas of pensions, child care, child support, insurance, and regulatory reform, is far reaching and seeks to help older women, mothers, women who work both in and outside of the home—in short, every woman in the United States will be positively affected by this piece of legislation. It is time to bring law in line with fact. It is time we recognize that half of today's work force are women, and the women who remain at home contribute significantly to the well-being of their families and of their countries. It is time for those of us who are male to understand that women deserve economic equity. It is time we committed ourselves to seeing that all Americans are treated equally. The Economic Equity Act will bring us one step closer to that goal. I congratulate the Congressional Caucus for Women's Issues for putting together the Economic Equity Act, and I am proud to be a cosponsor of this legislation. I would urge my colleagues who are not yet cosponsors to join us.●

● Mr. GUARINI. Mr. Speaker, I am pleased to have the opportunity to join today in the introduction of the Economic Equity Act. I was encouraged by passage of several elements of the previous Economic Equity Act package in the 97th Congress, and look forward to renewed consideration and support of the important provisions of this landmark measure during the 98th Congress. Women's continuing inequitable economic standing underlines the current need for the Economic Equity Act.

There can be no doubt, today, of the value of women's contributions to America's growth and development. In recent decades, women have joined the paid work force in record numbers in order to support themselves and their families. Yet many of our Nation's laws fail to reflect women's roles as workers both inside and outside the home.

The Economic Equity Act is a bread and butter issue for women. Segments of it will address inequities in the marketplace by providing revisions in selected tax and retirement matters.

At the same time, increases in the divorce rate have contributed to a growing number of single parent families. With more than half of America's families relying on women's earnings to make ends meet, and with thousands of households headed solely by women, the well-being of millions of America's children is dependent on women's income. Provisions of the Economic Equity Act will facilitate the difficult job of being a single parent through establishment of child care credits and a system for child support enforcement.

Women can no longer afford to have their economic status in jeopardy, particularly when conditions are as severe as they are today. Additional segments

of the Economic Equity Act will terminate inequitable practices in insurance and revise regulatory language which has a discriminatory impact.

I am glad to lend my support to this comprehensive measure. It is an important step toward the achievement of economic equity for both working women and homemakers. I encourage my colleagues to give it their serious consideration.●

● Mr. LELAND. Mr. Speaker, today I take great pleasure in joining with my colleagues to introduce the Economic Equity Act. Combining a number of freestanding bills into one comprehensive package, the Economic Equity Act is designed to create an equitable environment in today's marketplace for both men and women. Most importantly, it recognizes the oppressive conditions within which women have had to function.

First introduced in 1981, the Economic Equity Act addresses the immediate need of women to obtain equal opportunities with men in both the labor force and in the home. Further, it focuses on the fact that women comprise two out of three poor adults in this country, making what has been coined the "feminization of poverty" a stark reality. This present condition must not continue, and will not be allowed to proceed with the enactment of the Economic Equity Act.

Estimates have been made that women head 25 percent of the households, an increase of over 57 percent over recent years, while men heads of households have decreased by 18 percent. The women heads of household as a result of divorce is even more revealing when we look at studies that indicate that 59 percent have been granted child support payments, yet nearly half do not receive any assistance. Many of these mothers must depend upon their salaries, public assistance, or help from friends and family to support their children.

In addition, women are entering the labor force in full stride at over 1 million annually. Over 90 percent of all women will be employed outside the home at some time during their lives. The average woman, whether single or married can now expect to work for 34 years, while the average male works almost 41 years. Employment for women is not a luxury, but an utter necessity during these times of economic uncertainty. It is not unusual then, that women's earnings frequently raises a family out of poverty. In 1979 alone, 14.8 percent of husband-wife families were poor when the wife did not work, and 3.8 percent of the families remained in poverty when the woman entered the labor force. Despite the fact that women workers are equally as educated as are men, they continue to earn approximately 60 percent of what men earn. This is partially attributable to occupational segregation. That is, women have been confined to the lowest paying, and least mobile jobs in the marketplace. While these startling facts have resurfaced time after time, rhetoric has presided over actual action.

For the first time, the plight of displaced homemakers has been given the attention it rightfully merits. Over 3 million women have been deprived of their traditional role by the loss of their spouse through separation, divorce, abandonment, or death. Of these individuals over the age of 40, 75 percent have an annual income of less than $5,000. For women with young children, the issue of appropriate day care resources has been addressed, after watching both friend and foe of the United States take efficient and effective measures to assure families that such facilities will not hinder a woman's right to a career.

The fundamental right of a woman in this country to receive an equitable opportunity in the labor force, is within reach at this time. I encourage my colleagues to support the Economic Equity Act so that the women of this country can begin to realize their essential contributions to our society.●

● Mr. SUNIA. Mr. Speaker, it is with a great deal of pleasure that I heartily support and have cosponsored, the Economic Equity Act of 1983 that has been so diligently redrafted and reintroduced recently. It has been widely revised and expanded to meet today's existing problem.

The bipartisan backing and breadth of its cosponsors unmistakeably shows its clear support and basic fairness. Because that is really what this omnibus bill is all about—basic fairness. Not special favors or, as we are so often criticized for—pork barrel—but basic fairness in the marketplace to those, many of whom have not been treated fairly for an intolerably long period.

I sincerely hope that we all come to support this fine piece of legislation that will add luster to the legislative accomplishments of this House upon its eventual passage. We are doing something for those who are least able to do for themselves, and that, under our system, is only just and fair.

Join with me in asking Godspeed for this measure that will ennoble our legislative process and only add to the basic fairness of our American system of social justice. Thank you.●

● Mr. FAUNTROY, Mr. Speaker, today I am honored to join my colleagues in the Congressional Caucus for Women's Issues in introducing and cosponsoring the Economic Equity Act of 1983. This comprehensive legislation addresses discrimination against women perpetuated in a wide range of existing laws. I join in the introduction and sponsorship of this legislation, because the problems in our Nation are most acutely reflected in the black experience. This is especially true with reference to the economic discrimination being inflicted upon the women of our country, for this discrimination is most severe against the black woman. Black women are indeed the poorest of the race-sex groups in American society.

It must be pointed out that black women choose to work in larger numbers than white women; however, due to high unemployment, the percent of all black women who are actually employed is below the level for white women and all men. Black women have given a clear indication of a commitment to self-help as evidenced by their growing educational levels. While the median years of schooling of black women increased almost 20 percent during the 1970's and reached within 0.5 years of that of white men, even after controlling for differences in hours worked, earnings of black women were only a little over half as high as those of white men. The continued structural economic disadvantage suffered by black women cries out for public action. The Economic Equity Act, by addressing discriminatory practices in public and private pensions, tax policy, insurance, child support, alimony enforcement, and day care services will, if passed, cause the quality of life for all women and most specifically for black women to rise.

The passage of the Economic Equity Act of 1983 is an important part of the agenda in addressing the unity, survival, and progress of the black family.●

● Mr. HOYER. Mr. Speaker, I am pleased to join more than 90 of my colleagues in reintroducing the Economic Equity Act. As it did in the last session of Congress, the act covers a wide range of issues, from tax and retirement matters to dependent care, nondiscrimination to insurance, and child support enforcement. In both the House and the Senate, the bill has garnered widespread bipartisan support. I would like to commend the Executive Committee of the Congressional Caucus for Women's Issues for presenting a package of bills which is so tremendously constructive and which so many Members can support.

We need comprehensive reform legislation to promote economic equity because the changing role of women in the American labor force today demands it. A very significant percentage of adult women in this country work outside the home. Most often they work because their earnings are essential for their family's economic well being.

The issue behind economic equity is simply one of fairness and necessity. By way of example, let me cite some statistics:

Currently 52 percent—approximately 46 million—of all women over the age

of 18 work and they make up 42 percent of the total labor force. There are currently 9.4 million families in the United States headed by women. Also, 51 percent of all married women work outside the home. The number of women in this group has seen a phenomenal increase since 1970. Between 1970 and 1978, according to the U.S. Department of Labor, Bureau of Labor Statistics, the number of married women who work increased by 5.2 million. Between 1978 and early 1981 this number increased again, this time by 2.4 million. In many instances, married women are working out of absolute economic necessity, not just to supplement the family income but because the extra salary or wages is essential to keep the family out of poverty. For instance, in 1979, again according to the Bureau of Labor Statistics, 14.8 percent of two-wage-earner families would be classified as falling below the Federal poverty line if the wives' income were not present.

The laws of our land and our Federal programs must keep step with what the Urban Institute several years ago called the subtle revolution—the ever-growing increase of the involvement of women in the world of work. I hope that those of my colleagues who have not yet cosponsored the legislation will consider the facts, review the Economic Equity Act, and join us in sponsoring this effort. I think you will find that this is one of the most significant and substantive pieces of legislation we have seen introduced in Congress in this session.●

● Mr. BARNES. Mr. Speaker, I am honored today to join in cosponsoring the Economic Equity Act of 1983. I urge my fellow Members to quickly approve the Economic Equity Act which is by far the most significant piece of legislation for women in the last decade. The inequities facing women in the marketplace have too long been ignored. This omnibus package, addresses discriminatory practices in a variety of areas affecting women, including changes in both private and public pension fund regulations to make them more equitable for women, tax benefits for women heads of household, tax credits for employers of women reentering the job market, day-care tax credits, and child support and alimony enforcement.

These issues affect not only women, but families, too. When women can be assured of making a decent wage, the result will be that children of these homes will no longer have to rely on governmental supplements. Every mother wants the best for her family, but of the nearly 25 percent of women who are heads of household, almost two out of three live below the poverty level; 97 percent of the women who were awarded child support a d alimony do not receive enough total income to place them above the line of poverty. Even though over 70 percent of the women who work are doing so out of economic necessity, women still earn only 60 cents for every dollar earned by men.

The disparity in the marketplace, unfair laws, and restrictive regulations have made the American dream of economic self-sufficiency beyond the reach of many working mothers. The Economic Equity Act is the first step in addressing this critical disparity which affects an ever-increasing number of women who are forced into employment often unprepared for the reality that awaits them in the job market. This legislation, if enacted, will enhance the quality of life for all American women and I urge my colleagues to join in supporting the Economic Equity Act.●

● Mr. MRAZEK. Mr. Speaker, I am proud to join my distinguished colleagues in the Congressional Caucus for Women's Issues as an original cosponsor of the Economic Equity Act of 1983.

American Women have made great strides toward achieving equal rights in our society, but economic equity remains an elusive goal, not a reality.

The Economic Equity Act is a comprehensive legislative package, addressing economic discrimination in a number of areas including public and private pension plans, insurance, tax policy, child support enforcement, child care policies, and Government regulations.

By addressing inequities in pension laws, the Economic Equity Act reverses a history of retirement income policies that failed to recognize that spouses make a significant contribution toward an employee's ability to earn wages and that women have unique work patterns revolving around childbearing and other family responsibilities. Statistics illustrate the need for reform. In 1981, only 10.5 percent of women over 65 were receiving a private pension averaging $2,457. By comparison, 27.7 percent of men over 65 received an average $4,152. With 60 percent of women over 65 depending solely on social security for their retirement income, it is easy to see why older women are the fastest growing poverty group in America.

By reforming insurance practices, the Economic Equity Act recognizes that discriminatory policies have severe economic consequences for women. Gender-based policies minimize the availability and range of insurance benefits to men and maximize their rates. Women, who make up 43 percent of the work force, are unfairly denied protection from financial loss as a result of inequities in insurance policies.

By amending the Tax Code, the Economic Equity Act eases the plight of displaced homemakers and single heads of households. The legislation makes employers who hire displaced homemakers eligible for a 2-year tax credit. For the estimated 3.3 million women who are displaced homemakers, this incentive will make the difficult transition from homemaker to wage earner a little easier. The Economic Equity Act also amends the Tax Code to provide that the standard deduction for single heads of households be equal to that of married couples filing jointly. This provision will help alleviate the financial burden faced by women who must face alone the obligation of supporting dependents and maintaining a home. In addition, the sliding scale tax credit for child care that was enacted in 1981 is increased.

By clarifying child support enforcement laws, the Economic Equity Act addresses a common problem among divorced mothers: Fathers that do not pay their child support. Between a quarter and a third of fathers never make a single court-ordered payment. The Economic Equity Act directs the States to implement procedures, including wage assignment, that will rectify this problem.

Achieving economic equity is the paramount issue not only for women, but also for the men and children who share their lives. I strongly urge my colleagues to join me in supporting this vitally needed legislation which ends economic injustice and basic unfairness for all.●

● Mr. WEISS. Mr. Speaker, as an original cosponsor I would like to express my support for the Economic Equity Act (EEA) of 1983 introduced by Representative PATRICIA SCHROEDER. The EEA will reform discriminatory practices in the areas of retirement income, dependent care, insurance policies, regulatory reform, and child support enforcement. Although not exhaustive, the bill addresses many of the conditions that depress the economic status of women in this country.

The earnings gap between women's wages and men's wages has rightfully received attention. However, the economic plight of nonworking women, divorced women, widows and working mothers has too often been ignored.

Our retirement laws ignore the contributions of those women who choose to work in their homes. While a working husband may contribute up to $2,000 per year to an individual retirement account (IRA), his wife, who works in their home, may contribute only $250. Clearly this obstructs her ability to provide for her old age. Title I of the Economic Equity Act redresses this problem by basing the contribution of a nonworking spouse to a spousal IRA on the working spouse's income.

Private pension systems similarly fail to consider the role and needs of the homemaker. Private pension plans permit a husband to unilaterally deny

his wife survivor's benefits. Also if her husband is vested but dies before retirement age—which is 55 under ERISA—a wife may be denied survivor's benefits. As a result, only 5 to 10 percent of widows actually receive the survivor's benefits they had counted upon to support them later in life. Title I of the Economic Equity Act requires the written consent of both participant and spouse to waive survivor annuity options and requirements payment of survivor's annuities to the spouse of a worker who was fully vested, even if the worker dies before the early retirement age.

Younger women face different, but equally severe, problems. For the increasing number of two-income families and households headed by women, child care is vital. Access to affordable child care is a prerequisite for many women trying to enter the labor force. The 97th Congress took steps to meet the child care needs of these families by replacing the previous flat rate credit for dependent care with a sliding scale that targeted those least able to pay, and by allowing, under certain conditions, care provided by an employer not to be taxed as income to the employee. Title II of the EEA goes farther, allowing these benefits to reach more families. The dependent care tax credit will be increased to 50 percent for those earnings $10,000 or less, and includes an refundability provision that will allow the families most in need of assistance to take advantage of the dependent care credit. Title II also establishes an assistance program to provide seed money for the establishment and support of child care information and referral services.

Title III of the EEA deals with discriminatory practices in insurance policies. Insurance spells economic and emotional security for individuals and their families. Ignoring women's changing economic and social roles, insurance companies use outdated statistical tables and practices which deny women this basic security. In the *Manhart* decision, 2 years ago, the Supreme Court ruled it unlawful for employer-operated insurance plans to "treat individuals as simply components of a racial, religious, sexual or national class." Title III of the EEA expands this prohibition to include private and individual plans.

Gender-based distinctions also persist in Federal regulations. In August 1977 a Presidential directive was issued requiring all executive departments and agencies to identify "regulations, guidelines, programs, and policies which result in unequal treatment based on sex and to develop proposals to change any laws, regulations, and policies which discriminate on the basis of sex." However, more than 6 years later over 100 gender-based distinctions remain. Title IV of the EEA would codify the Presidential directive and give it the force of law.

The final section of the bill strengthens this Nation's commitment to the children of divorced parents. Every year there are about 1.2 million divorces which dramatically alter the lives of the women and children involved. In most cases the wife retains custody of her children but loses her financial resources. A California study of 3,000 divorced couples found that 1 year after the divorce, the average wife's income dropped by 73 percent while the husband's rose by 42 percent. These ex-wives are still mothers and often cannot provide their children with the basic necessities of food, clothing, and shelter. In 1979, two-thirds of the children in female-headed households depended on AFDC. Why? Many studies on the subject point to the same conclusion—fathers do not pay their court-ordered child support payments. Only $4.5 billion of the $6.9 billion due from fathers was collected in 1978. Congress had addressed this problem by establishing the child support enforcement program, title IV-D of the Social Security Act. That program, however, serves primarily as a means of recovering AFDC funds. Title V of the EEA states that Congress intends to "assure compliance with the obligations to pay child support to each child in the United States, living with only one parent." The intent will be backed with authority for the States to notify the IRS of absent parents who owe child support and have their Federal income tax refunds withheld to pay the obligations. This procedure now operates on behalf of children receiving AFDC.

As a strong supporter of legislation to promote equality for women, I welcome the long overdue reforms contained in the Economic Equity Act. With this legislation we responsibly address the economic inequities confronting American women. I urge my colleagues to support the passage of this vital legislation.●

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my 1-minute speech today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

AIRLINES NOT EQUIPPED FOR MEDICAL EMERGENCIES

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, today I am introducing a bill that would require all commercial aircraft to carry the basic emergency medical equipment necessary to deal with inflight emergencies. My bill would also protect any doctor, airline employee, or other health professional from any liability if they treat an injured or ill person aboard an aircraft.

It should be noted that the Federal Aviation Administration estimates that 50 to 100 persons die each year due to inflight medical emergencies.

Although a doctor is among the passengers in three out of four inflight medical emergencies, in most cases he or she just does not have the necessary equipment to provide proper treatment. In fact, airlines are now required to carry nothing more than they did in 1924—bandages, splints, antiseptic swabs, and ammonia inhalants.

My bill would greatly improve this situation, but at a very small cost to industry. The proposed medical kit called for in my bill would cost only $230, but would provide the equipment necessary to treat such emergencies as heart attacks, severe allergic reactions, seizures, and choking. The average annual cost to the airlines industry would be a very modest $170,000.

PROTECTING OLDER WORKERS

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, last Friday I proposed that before we send the President the social security bill, we take additional steps to protect older workers whose health will not permit them to keep working to the new retirement age.

I think the social security bill needs a combination disability/retirement benefit that would partially compensate for raising the retirement age for older workers who without it would fall through the cracks.

These are the several million older workers whose health is too "good" to qualify for regular disability, but too poor to allow them to keep working in the occupation for which they are trained. Raising the retirement age for these older workers amounts to cutting their benefits, because their health simply will not let them keep working.

Under my proposal, beginning in the year 2000, workers between 62 and whatever the retirement age becomes, would receive a new disability retirement benefit if they could demonstrate inability to perform the major occupation they had held during the 10-year period before their disability. Their major occupation would be defined as the work engaged in for the

longest period of time during those 10 years, but for not less than 2 years.

If the worker has not worked at any one occupation during that time for at least 2 years, then his work history would be examined to determine if his medical condition prevents him from using skills or abilities comparable to those required by work he had previously performed "with some regularity and over a substantial period of time." This is the definition now in the law for older blind workers, age 55 and older.

This program would be considered a separate OASI program, with benefits payable from that trust fund. Benefits would be paid according to the current law schedule for reduced benefits at ages under 65 and full benefits at age 65 and beyond.

THE POPE'S VISIT TO CENTRAL AMERICA

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, the Pope's visit to Central America was a study in contrasts. He was heckled in Nicaragua and cheered in El Salvador.

In Nicaragua, he insisted that the church remain separate from "alien ideologies," In El Salvador, he endorsed President Magana's call for early elections.

In Nicaragua, the Pope ignored the Sandinista junta's attack on the United States and instead warned against "sterile accusations" from all sides.

In El Salvador, he said the call for a dialog must not be used by the opposition to serve politically, manipulative ends. He also warned Salvadoran priests against allowing their enthusiasm for social reform to lead them away from church doctrine toward "ideologies that, despite their declarations, oppose the dignity of the human person and his just aspirations." The Pope's views on Marxism are well known, and this statement in El Salvador was taken as a clear reference to Marxism as proclaimed by many of the guerrilla leaders.

The Pope's visit to Central America served to give no misunderstanding on his views against the "liberation theology" of Catholic priests adopted by the Latin American Bishops in 1968.

THE DEFENSE INDUSTRIAL BASE REVITALIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, America is still in a state of economic crisis despite some lowering of inflation and interest rates due to the recession and decreasing oil prices.

Civilian unemployment stands at 10.4 percent with 11.5 million Americans looking for work, and business failures are fast approaching 4,500 just since the start of this year.

Even so, there is something challenging about the word "crisis." It can include an element of opportunity.

In the Chinese language, the ideogram for the word "crisis" is the combination of the symbols—danger and opportunity. We are in grave danger if we do not act—and act soon. If we—the Congress—do act, we have a great opportunity to serve our country.

In that spirit, I am introducing legislation today to revitalize our aging industry base under the Defense Production Act—from raw materials right through finished products. It is my firm belief that this program will help to begin a rebuilding and modernization of our civilian manufacturing sector, including both the so-called smokestack and high-technology industries.

As President Reagan said only last month and I quote:

> Our basic industries must move into this new era by using and catering to new technology. Our factories must be retooled and recharged, and our systems must integrate high technology whenever possible. If we are to compete internationally, we must, as someone once said, "walk forward, not backward into the future".

If we look at the thousands of small- and medium-sized subcontractors and suppliers in our defense industrial base, we find that typically only 10 percent of their business is defense related. The remainder of their production is for the civilian economy.

Briefly, the bill calls for the Federal Government to extend credit assistance for modernizing plant and equipment to high-priority small- and medium-sized companies. Those selected for such assistance would be the companies submitting the best plans to increase productivity, improve quality of product and lessen our dependence on foreign imports. Preference would go to small independently owned businesses that provide most of the jobs in America. Other major provisions would encourage the greater development of domestic supply sources for critical and stategic materials, including substitutes. The Federal incentives in both the modernization effort and critical and strategic materials would include loan guarantees, purchase agreements with price guarantees, and direct loans, if necessary. In all cases, the money would be repaid or a needed product provided.

The legislation also would establish a cost-sharing program with the States to train, retrain, and upgrade workers in needed critical skills now in short supply or skills anticipated to be in short supply in the near future. Any bona fide public or private training center or program would qualify if it teaches such skills.

Colleges, universities, and other institutions of higher education would be given assistance to obtain the most modern equipment to train needed scientific, professional and technical personnel. Such equipment is 15 years behind the times in many cases.

The industrial modernization and domestic critical and strategic materials provisions of the bill could create and maintain 787,500 jobs over the next 5 years. These would be permanent jobs. The skills training program could train, retrain, and upgrade the skills of 650,000 workers in critical skills in short supply for high-priority defense-related industries.

The cost of this 5-year program is projected to reach $1.35 billion annually. However, actual outlays would be modest in comparision to the amount of economic activity generated. The new tax income and the savings by putting our people to work would more than offset its cost. Thus, I am talking about an investment—an investment, not only in hard dollars, but also in strengthening our national security and economic health.

We are long overdue in earmarking at least some of our credit for the creation and maintenance of private sector jobs in America. Last year we tied up $70 billion in precious credit for virtually nonproductive corporate mergers and acquisitions.

My colleagues, we absolutely must set our priorities straight. America cannot—I repeat—America cannot be a first-rate world power and economically healthy with a second-rate industrial base.●

EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, I am impelled to rise once again because of the utterances by President Reagan this last week and the extent of his statements in which it is indicated that he is so insistent on tremedously increased amounts of aid, military aid, and money, to El Salvador, that, as the Washington Post in the Friday issue says, "To avoid floor fights"—that is, to avoid congressional consideration—"he"—meaning President Reagan—"is seeking permission to reprogram or shift to El Salvador funds already appropriated for military aid to other countries."

I cannot think of a more premeditated and planned evasion of a constitutional process on the part of the Chief Executive than that reflected in that statement.

President Reagan argues that El Salvador is vital to the interests of the United States. This is the smallest country in the Western Hemisphere. This is exactly what General Haig said 2 years ago, better than 2 years ago, and drew the line. He said, "Here is where we draw the line, this is where we are putting a stop to Castroism, Communism, Marxism, Leninism," et cetera, et cetera. He did not talk anything about the internal rebellion of El Salvador. He talked about our perception and how that line was being drawn by sword, a la Travis at the Alamo.

Well, of course, Secretary Haig is gone but the Haig principle is intact.

The President says that this vitality is so because if the Government of El Salvador loses in that country's civil war, any new government will be Marxist, under the wing of Cuba and the Soviet Union.

Again according to the President, and I quote:

> El Salvador will join Cuba and Nicaragua as a base for spreading fresh violence to Guatemala, Honduras, even Costa Rica. . . . The killing will increase, and so will the threat to Panama, the Canal, and ultimately Mexico.

Of course, this is the good old domino theory about which we have heard for so long so much. But what it leaves out is the question of why violence would necessarily spread, why those dominoes would tumble, and what our vital interests really are. It also leaves untouched the question of what our alternatives are to endless military involvement.

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El Salvador is not a place that is known for democracy. No one holds it up as a place whose history is replete with examples of enlightened conduct.

It is my intention tomorrow, God willing, to bring out the essence of the report made, special report by the New York City Bar Association that sent a commission to El Salvador and from the purely juridical, that is a system of justice, made a very, very important report. It is a country that has been mauled, misgoverned, for generations by a whole series of despots. It is a country in which for generations there has been no appeal except to and through violence. It is a country of endemic misery and injustice. It should not surprise us that those who oppose despots use violence. There has been no other way and not for generations.

Secretary Shultz says we are not going to allow those rebels to shoot themselves into power. But he forgets that that is exactly how the present government got into power. It shot its way into power.

The key to peace in El Salvador, the last administration believed, the Carter administration believed, was genuine reform as defined by that administration. Their idea was that the key was to let people who worked the land actually have a chance to own it. The key was to make the government do more than mouth the words of justice, but actually to go out and do something about providing justice. The key was to give not empty hope to the people but to show them that the government stood with them, not over them, but with them.

The present administration abandoned our policy of insisting that the No. 1 priority in El Salvador was decency. Since then the violence has escalated. Over 30,000 Salvadorans have been murdered, killed, raped, dismembered, most by bayonets and, quite incidentally, on both sides, supplied not by the Soviet weapons, not by Korean-made weapons, not by Czechoslovakian weapons, not by Cuban-made weapons, but M-16's, M-1's.

We are even using air power now. The whole truth of that involvement, which is of recent date, has yet to be given the American people. As for the rebels, 95 percent of their equipment which they have is either captured American made from the Salvadoran Army and, incidentally, some from Guatemala, that have been infiltrated and been used in Salvador, but also some actually turned over to the rebels by some components of the Salvadoran Army which is something our leaders would never, never want to admit.

So hauntingly reminiscent of Southeast Asia.

Of course, the violence has escalated just as the hopes of the people have been dashed. Actually, even the Salvadoran soldiers do not want our soldiers. They have told me so. They want help, real help.

Yes, in the case of the soldiers, arms.

But the contradictions arise the moment the President spoke, the moment Secretary Shultz spoke last week. There were denials from the very leaders of the army saying they do not have any weapon shortage. What they want is relief, meaning some kind of direct relief.

But any Salvadoran citizen, as many have told me, will tell you that what we are told of aid dispensed for the poor never gets there. The poor do not get it. In fact, quoting one Salvadoran who told me:

> Senor Gonzalez, if ya'll would stop sending us anything, and especially arms, this whole thing would stop, it would be taken care of here.

The people, many of them no longer have any reason to believe that their government stands with them. They believe it merely stands over them, as has long been the case, decade after decade.

That is why the violence has increased. It has increased with hopelessness. It has increased with the exploitation of disappointment and bitterness, the very same bitterness that our Government's blindness has helped to feed.

I have taken the time of the House many times now to argue this simple fact: In a contest of ideas, arms alone are not the answer.

There is no way that we are ever going to bomb out of existence Marxism-Leninism, or any idealogy, or thought. It never has happened in the history of the human race. It never will be, unless there are some future developments by science in genetic splicing or cloning which would make it possible.

If there is rebellion in El Salvador it is because there are vast numbers of people there who see no other answer. Not only there, but in neighboring countries where the cry for justice has to be answered by more than military aid to oppressive governments.

The truth is, by the time violence breaks out it is really too late. The time for our policy to work is before violence starts, not after it has driven out of the contest all who would be moderate and reasonable, not after it has victimized all who stand for reason, and that has been the case in El Salvador.

Whatever moderate or peaceful reformers we have today who believed that could have happened are not only not heard, they are in exile. If they were to return, would they be safe from murderers? Not any more than the archbishop of El Salvador was. The field is open only to the extremists of one persuasion or another.

That is not the climate in which democratic ideas flourish, and that is not the climate in which genuine reform is easily started, let alone sustained. Yet in the end it is only reform and progress that can turn the swords into plowshares.

Fantastically, the President says that El Salvador is vital, but it is vital only because of the contest. It is vital only as a symbol. If I understand his words as he utters them, the truth of the matter is that if the people of Honduras believe in their government they have nothing to fear from El Salvador. If the people of Panama support their government they have nothing to fear from El Salvador.

It is ridiculous on its face to pretend that El Salvador could possibly be a threat to that great Republic of Mexico.

It is a great and terrible irony that the President, who wants most of all to contain the spread of Cuban-style

Communism, does more than anybody to facilitate its spread. Moderates and democrats, and I use the word "democrats" in the sense of people who believe in free choice, not the partisan identification here in America, might have had a chance in Nicaragua ii the United States had been willing to display patience and leadership, leadership which we have abdicated, and, as I have pointed out since April 1, 1980, to the then President Jimmy Carter, with about as much success as with the present President. No; we displayed enmity from the start, triggered by the ideological code words, and left Nicaragua only one place to go for help, that was desperately needed, and that place turned out to be Cuba and, of course, indirectly its Russian master.

Today sensible people in Nicaragua want to get rid of the Cubans but they cannot do it as long as the United States treats them as a pariah.

This was exactly the kind of policy that made Fidel Castro into a hero and enabled him to consolidate his power and delivered him into the eternal grasp of the Soviet Union.

If the United States had followed a different approach in Nicaragua, then today that country would not be cited as a base for subversion and violence. But our policy of being an enemy resulted in the making of an enemy.

Will this be the case in El Salvador and elsewhere?

Considering the actions of our Government, you would think that the United States simply does not believe that a slogan like "Land and liberty" could possibly be genuinely a cry for justice and freedom, yet such ideas, just such revolutionary slogans, have been the driving force behind genuine reforms, behind the creation of governments that have been stable, friendly to us, and committed to their people.

There is no way that we could ever pretend that the Somozas of this world stood for anything that we might believe in. There is no way to pretend the revolution in Nicaragua was more of his making than anyone else's.

That is why I say that violence and spreading violence is not inevitable. Violence springs from the seeds planted by corruption and evil governments.

If we stand for and with governments that are honest, that work with and for their people, that believe in democratic processes and believe in economic decency, we will prevent the spread of violence. But if we wait until the rotten corpses of rotten governments burst, then it is too late, or at least it is perilously late.

The President does not say what conditions are that provide the fertile grounds for violence outside of El Salvador. He does not say what made that country itself such a ripe candidate for terror and war. But he knows, as we all do, that the answer is it did not originate in Cuba. The genesis of the tragedy in El Salvador goes back a long way, in fact exactly 51 years ago when you had another 30,000 Salvadorans killed, the same way, the same reasons, except that at that time United Fruit Co., took care of the situation with those select 12 power oligarchic families even if it meant the death of over 30,000 Salvadorans.

It has been a suffering country for many years. Some of the most patient, docile, peace-seeking citizens in the world are those Salvadoran peasants.

As I say, the genesis of this tragedy in Salvador goes back at least 50 years, and we know more than that. It goes right back to El Salvador itself, nowhere else.

Where was Cuba in 1932? Where was Russia? Where was Mexico?

It is supremely embarrassing to have a personage such as the President of the United States to claim that El Salvador is vital. It clearly is not on any scale, in any sense. It is not the great domino that will wreck the West.

What is? Nothing will wreck the West if we stand by, promote, and live by our own ideals.

As Ambassador Kirkpatrick said the other day, "Why should we leave it to the Cubans to teach literacy in Nicaragua or anywhere else?"

Why, indeed, I ask Ambassador Kirkpatrick. And why should we leave it to the Cubans to provide basic medical care or clean water, as they are and have been doing in Nicaragua. Why should we leave it to them to show that somebody cares for the weak, the powerless, and that somebody stands with the oppressed.

But if we but stood by what we believed in, or say we do, there would be no question about a Cuban threat. Castro is only using tools we ourselves have invented, tools like the Peace Corps, to do work that we above all others know how to do best of all.

And yet Ronald Reagan is not asking for massive numbers of new Peace Corpsmen, he is not asking for vast efforts at reform and progress. No; he is only asking for one more chance for the Somozistas of that world whose day is long past and will never return.

At this point in the RECORD, Mr. Speaker, I place the remarks as reported by the President and excerpts from those remarks as reported in the Washington Post of last Friday, March 11, 1983:

[From the Washington Post, Mar. 11, 1983]

OUR NEIGHBORS' STRUGGLE FOR A BETTER FUTURE DESERVES OUR HELP

(Here is a partial text of President Reagan's prepared address yesterday to the National Association of Manufacturers:)

The nations of Central America are among our nearest neighbors. El Salvador, for example, is nearer to Texas than Texas is to Massachusetts.

Central America is simply too close, and the strategic stakes are too high, for us to ignore the danger of governments seizing power there with ideological and military ties to the Soviet Union.

Let me tell you just how important Central America is.

At the base of Central America is the Panama Canal. Half of all the foreign trade of the United States passes through either the canal or other Caribbean sea lanes on its way to or from our ports.

To the north is Mexico, a country of enormous human and material potential, with which we share 1,800 miles of peaceful frontier.

Between Mexico and the canal lies Central America. As I speak to you today, its countries are in the midst of the gravest crisis in their history.

Accumulated grievances and social and economic change are challenging traditional ways. New leaders with new aspirations have emerged who want a new and better deal for their peoples. That is good.

The problem is that an aggressive minority has thrown in its lot with the communists, looking to the Soviets and their Cuban henchmen to help them pursue political change through violence. Nicaragua has become their base. These extremists make no secret of their goal. They preach the doctrine of a "revolution without frontiers." Their first target is El Salvador.

I know a good many people wonder why we should care about whether communist governments come into power in Nicaragua, El Salvador, or such other countries as Costa Rica, Honduras, Guatemala, and the islands of the Caribbean. One columnist argued last week that we shouldn't care because their products are not that vital to our economy.

That's like the argument of another so-called expert that we shouldn't worry about Castroite control over the island of Grenada—their only important product is nutmeg.

People who make these arguments haven't taken a good look at a map lately or followed the extraordinary buildup of Soviet and Cuban military power in the region or read the Soviets' discussions about why the region is important to them and how they intend to use it.

It is not nutmeg that is at stake in the Caribbean and Central America. It is the United States' national security.

Soviet military theorists want to destroy our capacity to resupply western Europe in case of an emergency. They want to tie down our attention and forces on our own southern border and so limit our capacity to act in more distant places such as Europe, the Persian Gulf, the Indian Ocean, the Sea of Japan.

Those Soviet theorists noticed what we failed to notice—that the Caribbean Sea and Central America constitute this nation's fourth border.

If we must defend ourselves against a large hostile military presence on our border, our freedom to act elsewhere, to help others, and to protect strategically vital sea lanes and resources has been drastically diminished.

For three years, our goal has been to support fundamental change in the region—to replace poverty with development, and dictatorship with democracy.

These objectives are not easy to attain, but we are on the right track. Costa Rica continues to set a democratic example, even

in the midst of economic crisis and Nicaraguan intimidation. Honduras has gone from military rule to a freely elected civilian government. Despite incredible obstacles, the democratic center is holding in El Salvador, implementing land reform and working to replace the politics of death with the life of democracy.

So the good news is that our new policies have begun to work.

The bad news is that the struggle for democracy is still far from over.

How bad is the military situation? It is not good. Salvadoran soldiers have proved that when they are well-trained, led and supplied, they can protect the people from guerrilla attacks. But so far U.S. trainers have been able to train only one soldier in 10. There is a shortage of experienced officers; supplies are unsure. The guerrillas have taken advantage of these shortcomings. For the moment, at least, they have taken the tactical initiative just when the sharply limited funding Congress has so far approved is running out.

A second vital question is: Are we going to send American soldiers into combat? The answer is a flat no.

A third question: Are we going to Americanize the war with a lot of U.S. combat advisers? Again the answer is no. Only Salvadorans can fight this war, just as only Salvadorans can decide El Salvador's future.

What we can do is help to give them the skills and supplies they need to do the job for themselves. In military terms, that mostly means training. Without playing a combat role themselves, and without accompanying Salvadoran units into combat, American specialists can help the Salvadoran army improve its operations.

Over the last year, despite manifest needs for more training, we have scrupulously kept our training activities well below our self-imposed numerical limit on numbers of trainers. We are currently reviewing what we can do to provide the most effective training possible, to determine the minimum level of trainers needed, and where the training should best take place.

We think the best way is to provide training outside of El Salvador, in the U.S. or elsewhere, but that cost a lot more. So the number of U.S. trainers in El Salvador will depend upon the resources available.

Question four. Are we seeking a political or a military solution? Despite all I and others have said, some people still seem to think that our concern for security assistance means that all we care about is a military solution. That is nonsense. Bullets are no answer to economic inequities, social tensions, or political disagreements. Democracy is.

What we want is to enable Salvadorans to stop the killing and sabotage so that economic and political reforms can take root. The real solution can only be a political one.

This reality leads directly to a fifth queston: Why not stop the killing and start talking? Why not negotiate?

Well, negotiations are already a key part of our policy. We support negotiations among all the nations of the region to strengthen democracy, to halt subversion, to stop the flow of arms, to respect borders, and to remove all the foreign military advisers—the Soviets, Cubans, East Germans, PLO, as well as our own—from the region.

A regional peace initiative is now emerging. We have been in close touch with its sponsors, and wish it well. And we support negotiations within nations, aimed at expanding participation in democratic institutions—at getting all parties to participate in free, non-violent elections.

What we oppose are negotiations that would be used as a cynical device for dividing up power behind the people's back. We cannot support negotiations which, instead of expanding democracy, try to destroy it—negotiations which would distribute power among armed groups without the consent of the people of El Salvador.

We made that mistake some years ago in Laos when we pressed the Laotian government to form a partnership with the Pathet Lao—armed guerrillas who had been doing what the guerrillas are doing in El Salvador. They did not rest until they had seized total control of the government of Laos.

The thousands upon thousands of Salvadorans who risked their lives to vote last year should not have their ballots thrown into the trash heap this year by letting a tiny minority on the fringe of a wide and diverse political spectrum shoot its way into power.

No, the only legitimate road to power, the only road we can support, is through the voting booth, so that the people can choose for themselves—choose, as his holiness the pope said Sunday, "far from terror and in a climate of democratic conviviality." This is fundamental, and it is a moral as well as a practical belief that all free people of the Americas share.

Having consulted with the Congress, let me tell you where we are now and what we will be doing in the days ahead. We will be submitting a comprehensive, integrated economic and military assistance plan for Central America.

First, we will bridge the existing gap in military assistance. Our projections of the amount of military assistance needed for El Salvador have remained relatively stable over the past two years.

However, the continuing resolution budget procedure in the Congress last December led to a level of U.S. security assistance for El Salvador in 1983 below what we had requested, below that provided in 1982, and below that requested for 1984.

I am proposing that $60 million of the moneys already appropriated for our worldwide military assistance programs be immediately reallocated to El Salvador. Further, to build the kind of disciplined, skilled army that can take and hold the initiative while respecting the rights of its people, I will be amending my supplemental, currently before the Congress, to reallocate $50 million to El Salvador.

These funds will be sought without increasing the overall amount of the supplemental we have already presented to Congress. And, as I have said, the focus of this assistance will remain the same: to train Salvadorans so that they can defend themselves. Because El Salvador's security problems are not unique in the region, I will also be asking for an additional $20 million for regional security assistance. These funds will be used to help neighboring states to maintain their national security, and will, of course, be subject to full congressional review.

Secondly, we will work hard to support reform, human rights, and democracy in El Salvador. Last Thursday, the Salvadoran government extended the land reform program which has already distributed 20 percent of all the arable land in the country and transformed more than 65,000 farm workers into farm owners. What they ask is our continued economic support while the reform is completed. We will provide it. With our support, we expect that the steady progress toward more equitable distribution of wealth and power in El Salvador will continue.

Third, we will, I repeat, continue to work for human rights. Progress in this area has been slow, sometimes disappointing. With our support, we expect the government of El Salvador to be able to move ahead in prosecuting the accused and in building a criminal justice system applicable to all and ultimately accountable to the elected representatives of the people.

Fourth, the El Salvador government proposes to solve its problems the only way they can be solved fairly—by having the people decide. President Magana has just announced nationwide elections this year, calling on all to participate—adversaries as well as friends.

We were proud to participate, along with representatives of other democratic nations, as observers in last March's Constituent Assembly elections.

We would be equally pleased to contribute again to any international effort, perhaps in conjunction with the OAS, to help the government ensure the broadest possible participation in the upcoming elections—with guarantees that all, including critics and adversaries, can be protected as they participate.

Finally, we must continue to help the people of El Salvador and the rest of Central America and the Caribbean to make economic progress. More than three-quarters of our assistance to this region has been economic.

Because of the importance of economic development to the region, I will ask the Congress for $65 million in new monies and the reprogramming of $103 million from already appropriated worldwide funds for a total of $168 million in increased economic assistance for Central America. And to make sure that this assistance is as productive as possible, I will continue to work with the Congress for the urgent enactment of the long-term opportunities for trade and free initiative contained in the Caribbean Basin initiative.

Our neighbors are risking life and limb to better their lives, to improve their lands, and to build democracy

All they ask is our help and understanding as they face dangerous, armed enemies of liberty, and that our help be as sustained as their own commitment.

None of this will work if we tire or falter in our support.

I don't think that is what the American people want or what our traditions and faith require.

Our neighbors' struggle for a better future deserves our help, and we should be proud to offer it.

MORE AID ASKED FOR EL SALVADOR

(By John M. Goshko and Margot Hornblower)

President Reagan called yesterday for $110 million in increased military aid for El Salvador and hinted that if a reluctant Congress denies him the funds he may send more U.S. military advisers to the war-torn country.

In a sharp restatement of administration policy toward El Salvador and Latin America, Reagan also revealed that he will seek the first $60 million under a procedure that would short-circuit votes of either house of Congress.

To avoid floor fights, he is seeking permission to reprogram, or shift, to El Salvador funds already appropriated for military aid to other countries. He can make the shift unless he is denied permission within 15 days by either the House or Senate Appropriations subcommittees on foreign operations or the Senate Foreign Relations Committee.

A first test probably will occur in the House subcommittee, which has scheduled hearings on the request next week. Subcommittee sources said yesterday that the likely vote there is too close to call.

Reagan, announcing his intentions in a speech to the National Association of Manufacturers, said, as he has before, that the Salvadoran conflict is crucial to U.S. national security. He called El Salvador "the first target" in a Soviet and Cuban campaign to spread communist "revolution without frontiers" up through Central America to the borders of the United States.

The administration also has complained of Cuban influence in the Caribbean nation of Grenada. One columist recently disparaged this saying Grenada is important only because it produces nutmeg.

"It isn't nutmeg that's at stake in the Caribbean and Central America," Reagan rejoined. "It is the United States' national security."

But many in Congress see El Salvador as possibly another Vietnam and think Reagan should emphasize conciliation more and military aid much less.

House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) said yesterday of Reagan's new request: "I don't see the votes around here at the present time unless there's a complete turnaround in the Foreign Affairs Committee. . . . He's going to have to do a lot of selling before the House is going to buy that."

And whatever happens on the first $60 million, other Capitol Hill sources seemed to agree that Reagan will have trouble in the House on the other $50 million he is seeking, which will have to come to the floor.

At the least they anticipate that conditions will be attached aimed at tilting U.S. policy away from military activity and toward a political and diplomatic solution of the Salvadoran civil war.

Rep. Stephen J. Solarz (D-N.Y.), who has been in the forefront of House liberals advocating such a shift, predicted that the president's requests would lead to a savage floor battle and said: "By the end of the day, the administration will get the additional funds. The real issue is what conditions will be attached."

In his speech, Reagan's main emphasis was on the communist threat to Central America, which he described in terms reminiscent of the Vietnam-era "domino theory" and on the military situation in El Salvador, which he said is "not good."

But he also moved to assuage his congressional critics by long passages on economic aid, human rights and democratic elections in El Salvador. A senior administration official said "the president's purpose is to provide a shield behind which an economic and political solution can emerge."

In addition to saying he would take the $110 million from other administration programs to prevent increases in the worldwide level of U.S. military aid, Reagan called for a companion program of $168 million in increased economic assistance for El Salvador and other Central American countries.

Addressing fears of a broadened, direct U.S. involvement in the war, he said, "Are we going to send American soldiers into combat? The answer is a flat no. . . . Are we going to Americanize the war with a lot of U.S. combat advisers? Again the answer is no."

Although he stressed that the greatest need of the Salvadoran armed forces is for more training, Reagan said, "We think the best way is to provide training outside of El Salvador, in the United States or elsewhere, but that costs a lot more. So the number of U.S. trainers in El Salvador will depend upon the resources available."

The senior official, who spoke with reporters on condition he not be identified, was even more specific in suggesting that there is a direct link between how much assistance is approved and the number of additional advisers of trainers that might be sent into El Salvador.

Noting administration estimates that it costs 10 times more to train a battalion-sized unit in the United States than in El Salvador, the official said, "If we receive the full amount of the request, we propose to do all or most of the additional training out of [El Salvador]. If we get less, we will do more in the country, and we will need more trainers there."

In discussing calls for negotiations between the Salvadoran government and its guerrilla opponents, Reagan called on the rebels to lay down their arms and participate in plans for accelerated elections.

But he reiterated his opposition to talks that would be "a cynical device for dividing up power behind the people's back . . . that would let a tiny minority shoot its way into power."

"A regional peace initiative is now emerging," Reagan said in reference to efforts to promote a conference of Central American and other Latin countries to address regional tensions. "We have been in close touch with its sponsors, and we wish it well. . . ."

On the immediate aid problem, the administration contends that training and keeping the Salvadoran armed forces supplied with ammunition and other equipment requires a large increase from the $26 million authorized by Congress for the current fiscal year.

Reagan's proposal is to take $60 million from funds already appropriated and $50 million from the administration's recently submitted $462.5 million supplemental request for fiscal 1983.

The supplemental, which still must be considered by both houses of Congress, originally contained no money for El Salvador. Now the administration plans to shuffle its request by cutting its recommended aid levels for other countries, reportedly Morocco, Colombia and Ecuador, to accommodate El Salvador.

Reagan also said he will ask Congress for an additional $20 million to provide $17 million in increased military aid to Honduras and $1.5 million each for Costa Rica and for regional security training at U.S. facilities in Panama.

His $168 million economic assistance request involves reprogramming $103 million in funds already appropriated for other countries and $65 million in new funds.

If approved, it would give $67.1 million to El Salvador, $60.1 million to Costa Rica, $34.1 million to Honduras and $6.7 million to Belize.

In addition to the impending showdown in the House subcommittee over the reprogramming of military funds, Sen. Alan Cranston (D-Calif.) charged that Reagan "is advocating steps that would turn El Salvador into another Vietnam and said he would seek a vetoing vote in the Foreign Relations Committee, of which he is a member.

RULES FOR THE SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

(Mr. MILLER of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of California. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Select Committee on Children, Youth, and Families which were adopted by the committee in open session on Thursday, February 24, 1983:

RULES OF THE SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

(ADOPTED FEB. 24, 1983)

RULE 1.—MEETINGS

The regular meetings of the committee shall be held on the third Thursday of each month at 9:45 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c)(2). Every member of the committee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The miniority staff shall be responsible for providing the same information on witnesses whom the minority may request.

RULE 2.—QUORUMS

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

RULE 3.—COMMITTEE REPORTS

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(1)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in committee unless the proposed report has been available to the members of the committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in the

committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the committee prior to the consideration of the proposed report in the committee.

RULE 4.—PROXY VOTES

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to the measure or matter.

RULE 5.—ROLLCALLS

A rollcall of the members may be had upon the request of any member.

RULE 6.—RECORD OF COMMITTEE ACTIONS

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee officer are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

RULE 7.—TASK FORCES

There shall be no more than three temporary task forces of the committee; the jurisdiction of each shall be established by the chairman of the committee. Each task force shall have eleven members, divided between majority and minority party members in the ratio of seven to four. The chairman and ranking minority member of the committee shall serve ex officio on each task force.

Members of the majority party shall have the right to bid for task force chairs in order of full committee seniority. No member elected as a task force chairperson may choose a second task force position before all other members of the majority party have selected one task force assignment in order of full committee seniority. After each member of the majority party has selected one task force assignment, each may bid, in order of full committee seniority, for a second task force assignment. No member may serve on more than two task forces.

The chairperson of each task force is authorized to appoint one staff member who shall serve at the pleasure of such chairperson, and to be approved by the chairman of the full committee. Such staff members shall be paid from funds provided for the appointment of committee staff pursuant to primary and additional expense resolutions.

RULE 8.—HEARING DATES AND WITNESSES

The chairman of the committee, after consultation with the ranking minority member of the committee, shall announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he, after consultation with that member, determines that there is good cause to begin such hearings at an earlier date. The minority members shall supply the names of witnesses they intend to call to the chairman of the committee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours in advance of their appearance.

RULE 9.—OPEN MEETINGS

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

RULE 10.—5 MINUTE RULE

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately on the basis of seniority those majority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

RULE 11.—INVESTIGATIVE HEARINGS; PROCEDURE

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE 12.—STENOGRAPHIC RECORD

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE 13.—TV, RADIO, AND PHOTOGRAPHS

When approved by a majority vote, an open meeting or hearing of the committee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment or discontinuance of coverage as he determines necessary.

RULE 14.—STAFF

The chairman of the committee shall have the authority to hire and discharge employees of the professional and clerical staff of the committee. The authorization for the creation of new positions shall be approved by a majority vote of the committee, a quorum being present.

RULE 15.—STAFF DIRECTION

The staff of the committee shall be subject to the direction of the chairman of the committee and shall perform such duties as he may assign.

RULE 16.—AUTHORIZATION FOR TRAVEL

Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

RULE 17.—ADDITIONAL DUTIES OF CHAIRMAN

The chairman of the committee shall:

(1) make available to other committees the findings and recommendations resulting from the investigations of the committee as appropriate;

(2) prepare a budget for the committee and present such budget to the committee for its approval; and

(3) authorize and issue subpenas as provided in House Rule XI, 2(m)(1), in the conduct of any investigation or activity or series of investigations or activities within the jurisdiction of the committee.

RULE 18.—AMENDMENT OF RULES

These rules may be modified, amended, or repealed by a majority vote of the committee, if at least two legislative days' written notice of the proposed change has been provided each member of the committee prior to the meeting date on which such changes are to be discussed and voted upon.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BROWN of Colorado) to revise and extend their remarks and include extraneous material:)

Mr. MCCAIN, for 15 minutes, on March 15.

Mr. TAUKE, for 5 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 15 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GUARINI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BROWN of Colorado) and to include extraneous matter:)

Mr. WINN.

Mr. WOLF in two instances.

Mr. MADIGAN.

Mr. LIVINGSTON.

Mr. THOMAS of California.

Mr. MARTIN of North Carolina.

Mrs. SCHNEIDER in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. SUNIA.

Mr. LEVITAS.

Mr. DIXON.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in 10 instances.
Mr. FAUNTROY.
Mr. SKELTON.
Mr. RODINO.
Mr. HALL of Indiana.
Mr. GRAY.
Mr. FLORIO.
Mr. MILLER of California.
Mr. UDALL.
Mr. HEFTEL of Hawaii.
Mr. STARK.
Mr. DYMALLY.
Mr. DYSON.
Mr. LEHMAN of Florida.
Mr. EDGAR.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock noon and 31 minutes p.m.), the House adjourned until tomorrow; Tuesday, March 15, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

577. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize appropriations for the Department of Energy for national security programs for fiscal year 1984 and fiscal year 1985, and for other purposes; to the Committee on Armed Services.

578. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the aircraft maintenance function at Fort Dix, N.J., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

579. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the training and audiovisual function at Fort Drum, N.Y., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

580. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the transportation motor pool function at Fort Stewart and Hunter Army Airfield, Ga., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

581. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend titles 10 and 37, United States Code, to authorize the Secretary of Defense and the Secretary of Transportation to increase the term of service in the Armed Forces under their jurisdiction and to pay bonuses for enlistment and reenlistment in the Reserve components; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on Foreign Affairs. House Joint Resolution 13. Joint resolution calling for a mutual and verifiable freeze on and reductions in nuclear weapons; with amendments (Rept. No. 98-31). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 2088. A bill to encourage inflight emergency care aboard aircraft by requiring the placement of emergency equipment, supplies, and drugs aboard aircraft and by relieving appropriate persons of liability for the provision and use of such emergency equipment, supplies, and drugs; to the Committee on Public Works and Transportation.

By Mr. FLORIO:

H.R. 2089. A bill to authorize funds for fiscal year 1984 for carrying out the International Travel Act of 1961; to the Committee on Energy and Commerce.

By Mrs. SCHROEDER (for herself, Mrs. BOGGS, Mrs. COLLINS, Ms. MIKULSKI, Ms. OAKAR, Ms. FERRARO, Mrs. SNOWE, Mrs. SCHNEIDER, Mrs. KENNELLY, Mrs. HALL of Indiana, Mrs. BOXER, Mrs. JOHNSON, Ms. KAPTUR, Mr. AUCOIN, Mr. BARNES, Mr. BEVILL, Mr. BONKER, Mr. BROOKS, Mr. BROWN of California, Mr. CARR, Mr. CLINGER, Mr. CONABLE, Mr. CORRADA, Mr. CROCKETT, Mr. D'AMOURS, Mr. DELLUMS, Mr. DIXON, Mr. DONNELLY, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. FRANK, Mr. FROST, Mr. GARCIA, Mr. GEJDENSON, Mr. GRAY, Mr. GREEN, Mr. GUARINI, Mr. HAWKINS, Mr. HEFTEL of Hawaii, Mr. HOWARD, Mr. HOYER, Mr. LAFALCE, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LOWRY of Washington, Mr. MCKINNEY, Mr. MARKEY, Mr. MATSUI, Mr. MAVROULES, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. OBERSTAR, Mr. OTTINGER, Mr. PATTERSON, Mr. PRITCHARD, Mr. RATCHFORD, Mr. RODINO, Mr. ROE, Mr. SABO, Mr. SCHUMER, Mr. SIMON, Mr. SMITH of Florida, Mr. STARK, Mr. UDALL, Mr. VENTO, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHEAT, Mr. WHITEHURST, Mr. WILLIAMS of Montana, Mr. WOLPE, Mr. WON PAT, Mr. WORTLEY, Mr. WYDEN, Mr. YATES, and Mr. PEPPER):

H.R. 2090. A bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes; jointly, to the Committees on Education and Labor, Energy and Commerce, the Judiciary, Post Office and Civil Service, and Ways and Means.

By Mr. LUKEN:

H.R. 2091. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide mandatory social security coverage for Members of Congress and the Vice President; to the Committee on Ways and Means.

By Mr. MADIGAN:

H.R. 2092. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Ms. MIKULSKI (for herself, Mr. SHANNON, and Mr. DOWNEY of New York):

H.R. 2093. A bill to amend the Internal Revenue Code of 1954 to make the credit for expenses for household and dependent care services necessary for gainful employment refundable; to the Committee on Ways and Means

By Mr. TAUKE (for himself and Mr. RINALDO):

H.R. 2094. A bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for expenses incurred in the care of elderly family members; to the Committee on Ways and Means.

By Mr. THOMAS of California (for himself, Mr. CONABLE, Mr. DUNCAN, Mr. ARCHER, Mr. VANDER JAGT, Mr. MARTIN of North Carolina, Mr. CAMPBELL, and Mr. HEFTEL of Hawaii):

H.R. 2095. A bill to amend the Internal Revenue Code of 1954 to provide certain physicians' and surgeons' mutual protection associations with tax-exempt status for certain purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. WALKER:

H.R. 2096. A bill to extend general revenue sharing for 5 years and to increase employment opportunities; to the Committee on Government Operations.

By Mr. WOLF (for himself, Mr. PARRIS, Mr. WHITEHURST, Mr. FORSYTHE, Mr. KRAMER, Mr. MADIGAN, Mr. DAUB, Mr. WON PAT, Mr. BATEMAN, Mr. SMITH of New Jersey, Mr. COATS, Mr. SUNIA, Mr. CORCORAN, Mr. RAHALL, Mr. EMERSON, Mr. STANGELAND, Mr. BOUCHER, Mr. DUNCAN, Mr. BLILEY, Mr. CHANDLER, and Mr. HUNTER):

H.R. 2097. A bill to establish the Commission on the Centennial Review of the Civil Service; to the Committee on Post Office and Civil Service.

By Mr. LUKEN:

H.J. Res. 196. Joint resolution to provide for the designation of the week beginning on June 5, 1983, as "National Garden Week"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 103: Mr. DURBIN, Mr. MADIGAN, and Mr. SIKORSKI.

H.R. 216: Mr. MCKINNEY, Mr. GEJDENSON, Mr. GOODLING, Mr. HOWARD, Mr. BERMAN, Mr. PORTER, Mr. FRENZEL, Ms. MIKULSKI, Mr. MORRISON of Washington, Mr. CROCK-

ETT, Mr. CHANDLER, Mrs. SCHROEDER, Mr. JEFFORDS, Mrs. BOXER, Mr. HUTTO, and Mr. RIDGE.

H.R. 283: Mr. FORD of Tennessee, Mr. GRAY, and Mr. LEHMAN of Florida.

H.R. 622: Mr. DWYER of New Jersey, Mr. PANETTA, and Mr. RINALDO.

H.R. 624: Mr. BARTLETT, Mr. PANETTA, Mr. PARRIS, Mr. RINALDO, Mr. SMITH of New Jersey, and Mr. TORRICELLI.

H.R. 701: Mr. DAVIS, Mr. WHITTAKER, Mr. SCHEUER, Mr. MRAZEK, Ms. MIKULSKI, Mr. BERMAN, Mr. LEWIS of California, Mr. MCNULTY, Mr. SAWYER, Mr. WASHINGTON, Mr. FAZIO, Mr. SMITH of New Jersey, and Mr. HARTNETT.

H.R. 792: Mrs. SNOWE.

H.R. 901: Mr. KASTENMEIER, Mr. HATCHER, Mr. O'BRIEN, Mr. CLAY, Mr. FRANK, Mr. MCNULTY, Mr. STOKES, Mr. FORD of Tennessee, Mr. SCHEUER, Mr. ROE, Mr. LEVIN of Michigan, Mr. WHITLEY, Ms. MIKULSKI, Mr. GARCIA, Mr. FAZIO, Mr. HUGHES, Mr. RAHALL, Mr. KILDEE, Mr. HOWARD, Mr. LELAND, Mr. MITCHELL, Mr. CROCKETT, Mr. MARKEY, Mr. VANDERGRIFF, Mr. EDGAR, Mr. LEVINE of California, Mr. RATCHFORD, Mr. LEHMAN of Florida, Mr. WINN, Mr. WOLPE, Mr. MOLLOHAN, Mr. BARNES, Mr. MAVROULES, Mr. MOAKLEY, Mr. SHELBY, Mr. CHAPPIE, Mr. WASHINGTON, Mr. SILJANDER, Mr. TALLON, Ms. FERRARO, and Mr. OWENS.

H.R. 991: Mr. DWYER of New Jersey, Mr. GUARINI, and Mr. DYMALLY.

H.R. 1010: Mr. GINGRICH.

H.R. 1078: Mr. MADIGAN, Mr. DWYER of New Jersey, Mr. CHAPPIE, and Mr. DYMALLY.

H.R. 1096: Mr. LEVINE of California.

H.R. 1147: Mr. SUNIA, Mr. FAUNTROY, Mr. BEVILL, and Mrs. HALL of Indiana.

H.R. 1190: Mr. ALEXANDER.

H.R. 1197: Mr. TORRICELLI, Mr. D'AMOURS, Mr. WON PAT, Mr. BEVILL, Mr. BONIOR of Michigan, Mr. FORD of Michigan, Mr. FROST, Mr. DASCHLE, Mr. STANGELAND, Mr. VOLKMER, Mr. GUARINI, Mr. DAVIS, Mr. KILDEE, Mr. WILSON, Mr. YATES, Mr. HOWARD, Mr. ALBOSTA, Mr. MARKEY, Mr. SNYDER, Mr. EDGAR, Mr. MRAZEK, Mr. KASTENMEIER, Mr. BATES, Mr. DYSON, Mr. YATRON, Mr. TAUZIN, Mr. FORSYTHE, Mr. MATSUI, Mr. DICKS, Mr. GAYDOS, Mr. HUNTER, Mr. JONES of North Carolina, Mr. MADIGAN, Mr. RAHALL, Mr. MAVROULES, Mr. VANDER JAGT, Mr. DELLUMS, Mr. LOWRY of Washington, Mr. LENT, Mr. WEAVER, Mr. DE LUGO, Mr. AUCOIN, Mr. OBERSTAR, Mr. LONG of Louisiana, Mrs. BOGGS, Mr. FASCELL, Mr. NOWAK, Mr. LANTOS, Ms. KAPTUR, Mrs. BOXER, Mr. PARRIS, Mr. HEFNER, Mr. SUNIA, Mr. ADDABBO, Mr. HILLIS, Mr. ANDERSON, Mr. GILMAN, Mr. RUSSO, Mr. PASHAYAN, Mr. JEFFORDS, Mr. KOLTER, Mrs. BOUQUARD, Mr. BIAGGI, Mr. WHEAT, Mr. APPLEGATE, Mr. PENNY, Mr. WEBER, Mr. DAUB, Mr. MORRISON of Washington, Mr. DONNELLY, Mr. TAYLOR, Mr. ROE, Mr. BURTON of California, Mr. FAZIO, Mr. LONG of Maryland, Mr. BARNES, Mr. FLIPPO, Mr. STOKES, Mr. WYDEN, Mr. ASPIN, Mr. OTTINGER, Mr. CARR, Mr. TALLON, Mr. MCCLOSKEY, Mr. LUKEN, Mr. KOGOVSEK, Mr. CLINGER, Mr. QUILLEN, Ms. FERRARO, Mr. OBEY, Mr. MITCHELL, Mr. LUNDINE, Mr. LOTT, Mr. TORRES, Mr. RINALDO, Mr. SAWYER, Mr. FIELDS, Mr. AKAKA, Mr. DERRICK, Mr. CLAY, Mr. LELAND, Mr. HUBBARD, Mr. FLORIO, Mr. DOWDY of Mississippi, Mr. SPENCE, and Mr. LUJAN.

H.R. 1199: Mr. BIAGGI, Mr. EDGAR, and Ms. MIKULSKI.

H.R. 1234: Mr. HARRISON, Mr. DOWNEY of New York, Mr. SMITH of New Jersey, Mr. EVANS of Illinois, Mr. DURBIN, Mr. CARPER, Mr. DOWDY OF MISSISSIPPI, and Mr. GRAY.

H.R. 1286: Mr. BERMAN, Mr. WASHINGTON, Mr. LANTOS, Mr. OWENS, Mr. KILDEE, Mr. LEVINE of California, Mr. MOODY, and Mr. WYDEN.

H.R. 1384: Mr. WILSON, Mr. NICHOLS, Mr. ROE, Mr. MORRISON of Connecticut, Mr. SHELBY, Mr. ECKART, Mr. OBERSTAR, Mr. BEVILL, Mr. MURPHY, Mr. MCNULTY, Mr. KOGOVSEK, Mr. MITCHELL, Mr. DWYER of New Jersey, Mrs. HALL of Indiana, and Mr. FIELDS.

H.R. 1386: Mr. SUNIA, Mr. WALGREN, Mr. RATCHFORD, Mr. OWENS, Mr. PASHAYAN, Mr. BARNARD, Mr. DWYER of New Jersey, Mr. KOLTER, Mr. PATTERSON, Mr. SMITH of Florida, Mr. WILLIAMS of Ohio, Mr. COYNE, Mr. CROCKETT, Mr. MCNULTY, and Mr. MCKERNAN.

H.R. 1528: Mr. WILLIAMS of Montana.

H.R. 1645: Mr. HEFNER, Mr. D'AMOURS, Mr. SHUSTER, Mrs. SNOWE, Mr. EVANS of Illinois, Mr. FRANK, Mr. DURBIN, Mr. MADIGAN, Mr. SIKORSKI, and Mr. BONIOR of Michigan.

H.R. 1646: Mr. APPLEGATE.

H.R. 1691: Mr. RATCHFORD, Mr. MCCAIN, and Mr. ROTH.

H.R. 1694: Mr. SCHEUER, Mr. RAHALL, Mr. MRAZEK, Mr. WHITEHURST, and Mr. MINETA.

H.R. 1720: Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. CORRADA, Mr. CROCKETT, Mr. FORD of Michigan, Mr. FRANK, Mrs. HALL of Indiana, Mr. HERTEL of Michigan, Mr. LEHMAN of Florida, Mr. PEPPER, Mr. RICHARDSON, Mr. SMITH of Florida, Mr. SUNIA, and Mr. WON PAT.

H.R. 1797: Mr. MCKINNEY, Mr. CROCKETT, and Mr. LELAND.

H.R. 1937: Mr. HUGHES, Mr. WILSON, Ms. KAPTUR, Mr. HERTEL of Michigan, Mr. SHELBY, and Mr. MCDONALD.

H.R. 1998: Mr. LONG of Maryland, Mr. MONTGOMERY, Mr. LOWERY of California, Mr. PORTER, Mr. EDWARDS of Oklahoma, Mr. LIVINGSTON, Mr. WILSON, Mr. PASHAYAN, Mr. FAZIO, and Mr. YOUNG of Florida.

H.J. Res. 13: Mr. BRYANT, Mr. NEAL, and Mr. DOWDY of Mississippi.

H.J. Res. 102: Mr. ACKERMAN, Mr. ALBOSTA, Mr. ANDERSON, Mr. CHAPPIE, Mr. CONTE, Mr. CORCORAN, Mr. COUGHLIN, Mr. CRAIG, Mr. CROCKETT, Mr. DASCHLE, Mr. DELLUMS, Mr. DURBIN, Mr. EARLY, Mr. ENGLISH, Mr. FASCELL, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. GEJDENSON, Mr. HATCHER, Mr. JEFFORDS, Ms. KAPTUR, Mr. KASICH, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. LEACH of Iowa, Mr. LEHMAN of Florida, Mr. LUKEN, Mr. MCCOLLUM, Mr. MINETA, Mr. MOODY, Mr. PATMAN, Mr. PEPPER, Mr. RAY, Mr. RICHARDSON, Mr. ROBINSON, Mr. RODINO, Mr. RUDD, Mr. SABO, Mr. SWIFT, Mr. SYNAR, Mr. TAUKE, Mr. TOWNS, Mr. WHITTAKER, Mr. WHITTEN, and Mr. WINN.

H.J. Res. 120: Mr. ASPIN and Mr. CLAY.

H.J. Res. 139: Mr. DE LA GARZA, Mr. OWENS, Mr. MAZZOLI, Mr. MITCHELL, Mr. HOWARD, Mr. MARTINEZ, and Mr. GUARINI.

H. Con. Res. 45: Mr. SCHUMER.

H. Con. Res. 64: Mr. ANNUNZIO, Mr. PATTERSON, Mr. MURPHY, Mr. WALGREN, Mr. LENT, Mr. FISH, Mr. GILMAN, Mr. CARNEY, Mr. EDGAR, Mr. ROE, Mr. EVANS OF ILLINOIS, Mr. NOWAK, Mr. HUGHES, Mr. TALLON, Mr. MRAZEK, Mr. LEVINE of California, Mr. BERMAN, Mr. STRATTON, Mr. BORSKI, Mr. MAVROULES, Mr. FAUNTROY, Mr. ADDABBO, Mr. MOAKLEY, Mr. MCGRATH, Ms. FERRARO, Mr. YATRON, Mr. MITCHELL, Mr. JEFFORDS, Mr. VENTO, Mr. RATCHFORD, Mrs. COLLINS, Mr. SMITH of New Jersey, Mr. RINALDO, Mr. SCHEUER, Mrs. HALL of Indiana, Mr. WEISS, Ms. MIKULSKI, and Mr. GUARINI.

H. Con. Res. 69: Mr. OWENS, Mr. JEFFORDS, Mr. MITCHELL, Mr. BEILENSON, Mr. FISH, Mr. PATTERSON, Mr. GUARINI, and Mr. EDWARDS of California.

H. Res. 119: Mr. WYDEN, Mr. GRAY, Mr. AUCOIN, Mr. SIKORSKI, Mr. BIAGGI, Mr. TRAXLER, Mr. CONTE, Mrs. BOXER, Mr. MINETA, Mr. DWYER of New Jersey, Mr. HERTEL of Michigan, Mrs. HALL of Indiana, Mrs. SCHNEIDER, Mr. FORSYTHE, Mr. RAHALL, Mr. EVANS of Illinois, Mr. ROE, Mr. FAZIO, and Mr. HOYER.

H. Res. 120: Mr. STENHOLM, Mr. GINGRICH, Mr. BARNARD, Mr. WYLIE, Mr. MONTGOMERY, Mr. HANSEN of Idaho, Mr. IRELAND, Mr. SHUMWAY, Mr. HANCE, Mr. BLILEY, Mr. CARNEY, Mr. ROBERTS, Mr. BROWN OF COLORADO, Mr. LAGOMARSINO, Mr. PETRI, Mr. DENNY SMITH, Mr. WILLIAMS of Ohio, Mr. KINDNESS, Mr. KASICH, Mr. EMERSON, Mr. FORSYTHE, Mr. DREIER of California, Mr. DWYER of New Jersey, and Mr. BROYHILL.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.J. RES. 13

By Mr. LEVITAS:

—Add the following new section at the end of the bill:

SEC. 3. (a) A freeze negotiated pursuant to this resolution shall cease to be effective after two years unless it will be followed by substantial, equitable, and verifiable reductions in nuclear weapons, as provided in subsection (b).

(b)(1) In the case of an agreement which provides for a freeze and also provides for subsequent substantial, equitable, and verifiable reductions in nuclear weapons, the agreement must provide that those reductions will begin to be made not later than two years after the agreement enters into force.

(2) In case of an agreement which provides for a freeze but does not also provide for reductions in nuclear weapons which will be substantial, equitable, and verifiable, and which will begin to be made not later than two years after the agreement enters into force, the agreement must provide that the freeze will cease to be effective two years after it takes effect unless the President of the United States determines that substantial progress is being made in negotiating substantial, equitable, and verifiable reductions in nuclear weapons.

(Amendment in the nature of a substitute.)

—Amend the preamble and the text of the resolution to read as follows:

Whereas strategic stability is essential to the security and well-being of the United States and of the Union of Soviet Socialist Republics;

Whereas force survivability is indispensable to stability at the strategic nuclear level;

Whereas strategic stability requires the periodic replacement of vulnerable strategic nuclear weapons with more survivable weapon systems;

Whereas both the Government of the United States and the Government of the Union of Soviet Socialist Republics have pledged themselves to seek major reductions in strategic nuclear forces;

Whereas the goal of strategic stability thus requires a balanced blend of force modernization and force reduction by both the Government of the United States and the Government of the Union of Soviet Socialist Republics;

Whereas that goal could be served by a mutual guaranteed build-down of nuclear forces, under which the Government of the United States and the Government of the Union of Soviet Socialist Republics would each eliminate from its operational forces two nuclear warheads for each newly deployed nuclear warhead;

Whereas the principle of a guaranteed build-down is compatible with other proposals to reduce nuclear forces already advanced by the Government of the United States and the Government of the Union of Soviet Socialist Republics; and

Whereas the principle of a guaranted build-down could be inaugurated immediately and remain in effect as a step toward achievement of such equal and lower levels of forces as may be agreed to by the two Governments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that the President should propose to the Government of the Union of Soviet Socialist Republics, in the context of the relevant negotiations, immediate adherence by the Government of the United States and the Government of the Union Soviet Socialist Republics to the principle of a guaranteed strategic build-down of nuclear forces, subject to agreed procedures of verification and compliance.

By Mr. PORTER:

—Page , line , immediately after "freeze" insert ", which would be effective for a period not to exceed 18 months,".

SENATE—*Monday, March 14, 1983*

(Legislative day of Monday, March 7, 1983)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord; and in his law doth he meditate day and night. And he shall be like a tree planted by the rivers of water, that bringeth forth his fruit in his season, his leaf also shall not wither; and whatsoever he doeth shall prosper.—Psalm 1: 1-3.

We thank Thee Father-God for the Bible, the incredible book, ancient in origin, contemporary in wisdom, justice, and truth. Help us to understand that it is not a book of inflexible rules designed to take the pleasure out of life—but it is like an operator's manual from the factory instructing us how to put it all together. Teach us that it is designed to help us see things as they are, so we may live life as it should be. Help us see that we deprive ourselves of a wealth of resources when we neglect the Bible. For in it and through it, we come to know Thee, Thy love for us, and we learn to know ourselves, our needs, and the provision which Thou hast made for us. Lead us day by day in Thy will. We pray in the name of Jesus Christ the Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

KEEPING YOU ALIVE

Mr. BAKER. Mr. President, Tess Gallagher authored this week's poem entitled "Keeping You Alive," and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

KEEPING YOU ALIVE

My mother, a great believer in presences,
has mended you four times
with bedside appearances. Recognition,
a congenial cave, takes everyone in
the same. We are told your mouth,
grown fat around some inward sound,
has buried our names.
A nurse disarms us
of our flowers. Your son
shakes you, he shakes
the tablets down. But you come up, old valentine,
red and choking for breath.
I too am here, who straddled your knees
for songs and charged you
a nickel to come to dinner.
Now you have neither songs
nor knees, and will not eat your dinner,
I am the one who buries the spoons
with your slippers, who sings
and sings in the deepening well
of your sleep.

—TESS GALLAGHER.

SENATE SCHEDULE

Mr. BAKER. Mr. President, today, after the recognition of the two leaders under the standing order, the distinguished Senator from Colorado (Mr. HART) will be recognized on special order for not to exceed 15 minutes.

I ask unanimous consent that after the expiration of the time allocated for the special order, there be a period for the transaction of routine morning business, to extend not past 1 p.m., in which Senators may speak for not more than 3 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, under the order previously entered, the Senate will resume consideration of H.R. 1718 at 1 p.m.; and it is further ordered that no rollcall votes, other than procedural rollcall votes, if necessary, will occur prior to 1:30 p.m.

We will finish this bill today, if it is humanly possible to do so.

Mr. President, I believe there are two messengers at the door, and I hope that one has the social security bill, because that is what I want to take up next.

I yield now, so that the messengers may be admitted.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1900. An act to assure the solvency of the Social Security Trust Funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes.

SENATE SCHEDULE

Mr. BAKER. Mr. President, I point out to Senators that the social security measure from the House has been received by the Senate and that there is a companion measure on the calendar, Calendar No. 41, S. 1, a bill to implement the consensus recommendations of the National Commission on Social Security Reform.

After the time for the two leaders has expired, I advise the minority leader, as I indicated on Friday, that it will be my intention to ask the Senate to adjourn for 30 seconds.

Mr. President, I have no further need for any time at this moment, and I yield it to the control of the minority leader.

Mr. BYRD. Mr. President, would the majority leader consent to delaying rollcall votes, other than procedural ones, until 2 p.m.?

Mr. BAKER. Yes. I do not believe I have any problem with that.

Will the Senator give me just a moment to check my side, before I agree to that? Assuming there is no objection, I would be pleased to do that.

Mr. BYRD. By "procedural," I mean including any vote to overrule the Chair.

Mr. BAKER. Mr. President, the minority leader and I had a colloquy on this point on Friday, and I believe I identified those things on which a rollcall vote would be necessary—for example, to instruct the Sergeant at Arms to compel the attendance of absent Senators, and other action of that type which might recall a rollcall vote.

Mr. BYRD. I thank the majority leader.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

(Mrs. KASSEBAUM assumed the chair.)

ORDER OF PROCEDURE

Mr. BYRD. Madam President, how much time do I have?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. BYRD. I yield the 8 minutes to Mr. INOUYE.

Mr. BAKER. Madam President, if the Senator will yield, I had yielded my remaining time to the minority leader, so I hope the Chair will aggregate that with his time.

The PRESIDING OFFICER. Then, there are 16 minutes.

Mr. BYRD. I thank the Chair.

Madam President, I yield the entire time to Mr. INOUYE.

EL SALVADOR

Mr. INOUYE. Madam President, I have been honored to serve as an elected representative of the people of the State of Hawaii for 23 years, 20 of them in the U.S. Senate. Others have served longer than I, and with greater distinction, but, I respectfully submit, none has served with a deeper, personal sense of obligation or duty.

As an American from Hawaii—as a young man of Japanese descent—I went to war. In the crucible of conflict, I learned what it meant to have a duty to this country and what it meant to be at war.

As a politician, my highest ambition was to be a U.S. Senator. I am here. After many campaigns, I have learned what it means to have an obligation to the people, not only as a Senator from Hawaii, but also as a Senator of the United States.

This sense of duty, this sense of obligation to the people, is the compass by which I have steered my course.

Madam President, I have served on the Senate Committee on Appropriations for a dozen years. For 8 of those years, I was chairman of the Foreign Operations Subcommittee. While on the Appropriations Committee, it has fallen to me to closely review and justify the foreign assistance programs of six different Presidents—three from each party.

I have supported foreign assistance because I believe it is in our national interest to try to ease the crushing burden of poverty and overpopulation which is faced by the less developed countries of the world and which brings instability to international order. I have also done so out of a sense of duty and obligation to the President of the United States. When there was a measure of doubt, when it could not be fairly and firmly concluded what a policy should be or that a policy was wrong, I supported the President—be he Republican or Democrat. This has, at times, been difficult—no doubt many here will recall that, when President Reagan's request for funding of his Caribbean Basin Initiative was considered on the floor of this Chamber, only one aye was heard from this side of the aisle—it was mine. Though I had cause to oppose the request, as did my colleagues, I supported the President.

Now, my compass points to a different direction.

The bloody struggle in El Salvador continues. Like many others, I saw, in the early stages of this conflict, certain similarities, certain parallels to Vietnam. The domino theory, with the added element that, in this case, the final domino would fall on the United States, held some specious credibility. Yet, bitter and lingering memories of the American experience in Vietnam caused me to be cautious from the outset. With time, a gathering awareness that the President and his advisers had a fundamental misunderstanding of the nature and causes of instability in Central America gave me pause. While I wished to continue to support the President in the conduct of foreign policy, it had become increasingly apparent that this support had to be conditional and so, last year, I joined a majority in the Senate to impose conditions on assistance to El Salvador.

As I have listened to our policymakers in the White House and in the Department of State, I have become convinced that, wise and honorable though they may be, they are mistaken; there is a tragic flaw in their reasoning. They look toward Central America and the demands for a negotiated end to the bloodletting and they see Laos; they speak of spreading violence, of falling dominoes, and they hear the ominous echo—Vietnam. This administration fights the battles of the past, because it fears the future.

I, too, remember the past. On April 17, 1961, irregular forces supported by the United States had a fateful—and tragic—rendezvous in the Bay of Pigs. We all know the outcome. I was, at that time, preparing my first campaign for election to the U.S. Senate. The Bay of Pigs debacle had a prominent place in the campaign, as Americans tried to figure out how we had gone wrong in Cuba. There were simple—and simplistic—answers. Many said we should have bombed Havana or sent the Marines to the Bay of Pigs.

In that political campaign debate of nearly 23 years ago, I said that I thought the tragic episode of the Bay or Pigs had taught us a costly lesson and that I hoped it would be one we would never forget. I followed this by suggesting that, in blindly supporting the dictator Gen. Fulgencio Batista, we were as responsible as anyone for the creation of Fidel Castro.

In the late 1950's torture chambers and corruption marked the police state of Cuba. The dismal condition of the peasantry stood in sharp contrast to a regime grown rich on the take from gambling and prostitution. Cuba was ripe for revolution; someone had to rise and lead the revolt to topple Batista. He had lasted as long as he did only because he had enjoyed the fruits of our Treasury. We had provided the equipment for his forces.

He was corrupt. We knew him to be corrupt, but Batista had pronounced the password: "I am anti-Communist."

That avowal apparently made Batista a shining knight in our eyes. To our shame, we looked away from his corruption, his violence, his lack of compassion for his people. To this day, we pay for this political myopia.

And today in El Salvador? Although the situation may not be as bad as Cuba under Batista, there are similarities. In the name of anti-Communism, peasants are still being killed and imprisoned. It is true that there has been an election of a constituent assembly in El Salvador; that is a positive factor which must be recognized. It is, however, outweighed on the scales of reason and justice by the ongoing violence perpetrated by the armed forces of the Government. Continuing charges of corruption among the military—in league with a rightist oligarchy—evoke images of Cuba under Batista.

We must ask, are we, in the name of anticommunism, setting the stage for another Castro?

Three weeks ago, the President indicated that $60 million in emergency funds and additional U.S. military advisers were vital to help save the Government of El Salvador from military defeat by leftist guerrillas. Two weeks later, the amount of money required had nearly doubled to $110 million, and thinly camouflaged references were made to an increase in military advisers.

What will the situation be 2 weeks from now? As the situation worsens, will there be a call for more arms, more dollars, and more U.S. advisers? We do history and ourselves an injustice when we forget that Castro had at his command fewer than 2,000 rebels to put against the 40,000 men Batista had equipped with our support. There is no military solution.

I have agonized over this matter for many days and weeks. I have felt it to be my duty to work for bipartisan support of U.S. foreign policy. I have felt an obligation to work for democracy and stability in Central America. Most unfortunately, I have come to the conclusion that current U.S. policies and that goal are irreconcilable. There is no military solution.

In consequence, I find that I must oppose and vote against the President's request to reprogram increased military assistance to El Salvador. I

believe that the solution to the conflict in El Salvador lies within El Salvador. Before any additional military assistance is provided to El Salvador, leaders in the Government and the military should agree to engage in negotiations with all parties to the conflict.

I thank my leader.

Mr. BYRD. Madam President, will the distinguished Senator yield?

Mr. INOUYE. I yield.

Mr. BYRD. Madam President, no Senator has ever discharged his responsibilities and duties more faithfully than has the distinguished Senator from Hawaii who has now concluded speaking.

What he has said will have a considerable impact, I should think, on the future course of the matter which he is discussing.

Madam President, I commend the Senator on his statement, and I agree with him as to the viewpoint which he has expressed.

It is my impression that the guerrillas would be willing to enter into negotiations leading to a free election if indeed it were to be a really free election.

I agree with the distinguished Senator from Hawaii that any solution to the situation in El Salvador is going to have to be one that is negotiated and arrived at by all parties, and it is going to have to be a political solution because no one wins in a military effort.

A military solution cannot and will not be long lasting. I think our Government should be using its considerable strength and resources to encourage negotiations by all parties leading to free elections, really free elections, on the part of all of the people of El Salvador.

I congratulate the Senator and I feel he has rendered a service.

Mr. INOUYE. I thank my leader very much and I yield the floor.

RECOGNITION OF SENATOR HART

The PRESIDING OFFICER. Under the previous order the Senator from Colorado (Mr. HART) is recognized for not to exceed 15 minutes.

A MILITARY REFORM DEFENSE BUDGET FOR FISCAL YEAR 1984

Mr. HART. Madam President, although some Members of the Senate still debate whether this year's defense budget should or should not be reduced, that issue is really behind us. There is no question that it will be reduced. The increase in defense spending proposed by the administration—$34 billion, an increase of about 10 percent after inflation—is not appropriate in view of the condition of our economy and the severe cutbacks the administration proposes in other areas, in human resource areas and in domestic needs.

I am today making my own proposal for a reduction of about $21 billion in the fiscal year 1984 defense budget, plus about $6 billion in fiscal year 1983 funds. I intend to offer this proposal in the Budget Committee markup, and possibly also later on the floor as an amendment to the defense authorization bill.

But the size of this year's defense spending cut is not the most important defense issue facing the Congress. At stake this year are far more than some tens of billions of dollars, as important as those are. The decisions made this year by the Congress on where to cut defense spending—and on where defense spending must be increased—because the administration's proposals badly underfund some defense needs—will do much to determine whether the Nation finds itself with an adequate defense at the end of this decade, or with a defense that has been seriously and dangerously weakened.

A strong defense has two basic components. The first is a broad, enduring public consensus in favor or an adequate defense budget. An adequate budget will always require sacrifice. It will always mean spending tax money on nonproductive investments. Defense spending will never feed the hungry, shelter the homeless, educate our sons and daughters, or directly improve the quality of our lives. We need public support for an adequate budget despite the disadvantages inherent in defense spending.

The second basic component is a military that works: one that can deter conflict, but that can also win in combat, on the nonnuclear level, if conflict occurs. All the defense spending we can afford and more is wasted if it does not buy a military that works.

Today, the American people have two basic perceptions about national defense. First, they want a strong defense. They believe the world is a dangerous place. They do not trust the Russians. They want a sufficient nuclear deterrent. They understand that effective conventional forces are important if we are to reduce the danger of escalation to the nuclear level in a crisis.

They also believe the administration's defense program is badly flawed. They doubt whether current defense policies are using their dollars wisely. They question whether the kinds of weapons we are buying will work in combat, whether the Pentagon's cost estimates are accurate, and whether the administration has any strategy at all beyond merely spending more money.

I believe they are right on both counts.

The policies pursued by the administration and reflected in this year's proposed defense budget will weaken, not strengthen, our military forces. In 3 to 5 years, they will lead to a threefold defense debacle. They will produce simultaneous crises in three areas: Procurement, readiness, and retention.

PROCUREMENT

The coming crisis in procurement has two elements. First, we have been buying major weapons systems on credit. We have bought them with budget authority—which is a commitment to pay for them in the future. Many of the bills will come due in the next 3 to 5 years. Former Secretary of Defense James Schlesinger, recently suggested the problem will become acute by 1985:

> That is when the bills come due for big hardware projects now underway and there will not be enough money or public support to pay for them.

Second, the actual costs of many weapons will be much higher than the Defense Department now estimates. A number of independent studies of defense procurement costs have recently been made public. They include the defense chapter of "Agenda '83," published by the prodefense Heritage Foundation; the "Spinney briefing" and "Margolis memorandum" from within the Defense Department; and the "Affordable Acquisition Approach" study by a group of retired Air Force generals. They all found a consistent trend toward underestimation of the costs of weapons. The Heritage Foundation chapter states:

> "Unrealistic DOD cost planning and force development decisions contribute directly to the escalation of costs beyond the capacity of even generous budgets. Offical cost projections are typically drastically below the levels needed to achieve stated goals.

In recent testimony to the Senate Budget Committee, former Deputy Assistant Secretary of Defense for Material Acquisition Jacques S. Gansler, stated:

> A doubling of a program's cost during its acquisition cycle has been the "average" program growth.

The combination of bills coming due with major cost overruns could be devastating. We are likely to find ourselves facing demands to spend tens of billions of dollars annually more than had been projected to maintain procurement at planned levels. The payments will largely be in deficit-driving outlays.

READINESS

Over the past several years, Congress has made a bipartisan effort to improve the readiness of our Armed Forces. Readiness is basic to the ability of our military to win in combat. It includes training, ammunition, spare parts for weapons—the things that make the difference between a paper military and one that can win when

called upon to inject itself into combat. Without adequate readiness, we do not have a real defense.

Unfortunately, the administration is budgeting for declining readiness. If its plans are followed, readiness—the operations and maintenance accounts—will drop as a percentage of the defense budget from 30 percent in fiscal year 1981 to only 25 percent in fiscal year 1988. At the same time, procurement will rise as a percentage of the budget from 26 percent in fiscal year 1981 to 39 percent in fiscal year 1988. This means each new weapon will have proportionally fewer dollars to keep it and its crew ready for combat.

The problem will be compounded by the kinds of weapons the administration wants to buy. Most of the new weapons will be more complex than those they replace, so they will need more maintenance and more training for their operators. For example, the Congressional Budget Office suggests that support for one of the new M-1 tanks will cost 35 percent more than that for an M-60 tank.

The new weapons will require more money for readiness but get less. A readiness crisis will be added to the procurement crisis. Demands for large increases in procurement funding will come at the same time as equally strong demands for increases in readiness spending.

RETENTION

Several years ago, the armed services faced a serious shortage of skilled personnel. Skilled people were leaving the services faster than replacements could be recruited and trained. Ships were tied up at their piers for want of crews, the quality of small-unit leadership and technical services declined sharply, and the chiefs of the services gave the Congress a bleak picture of our ability to fight.

Since that time, retention of skilled personnel has improved greatly. Enough trained, skilled people are now electing to continue their service careers. Why? In large part, because the Congress has both supported and initiated major improvements in military pay. Equally important, it has convinced service men and women they can plan on a secure future in the service. It has made promises of adequate future pay credible to our military personnel.

Now, the administration has moved to shatter that carefully built credibility. It has proposed that there be no military pay increase this year.

One wonders how the President and the Secretary of Defense and their subordinates in the administration can argue that they are making it stronger at the time they are cutting one of the most important features of our defense strategy, and that is paying our military personnel adequately?

I think it is shameful when we take money out of the pockets of our service people, particularly our noncommissioned officers and our enlisted personnel, in order to finance weapons systems that are working less often, and that are gold-plated and not making this country stronger.

On could argue that military personnel will not be devastated economically by a failure to provide a pay increase this year, at least as long as inflation continues to abate. But the key to retention is not just what happens this year. The key is whether those in the services can feel confident of their long-range future—sufficiently confident to stay in the services. If military pay becomes a political football, with increases eliminated whenever financial problems threaten, how can they plan securely? They know, as we know, that the administration's defense plans mean future financial crises will be worse than this year's.

If we do not keep faith with these people, they will vote with their feet. An improving economy will give them the option to build a more secure future in the civilian world. Many will take that option, and the retention crisis of the 1970's will be upon us again. This time it will be more severe, because our ability to convince those in the services to trust their Government will have been diminished. Large, make up pay increases will be necessary—again at a cost of billions of dollars.

Three simultaneous crises: Procurement, readiness and retention—each demanding billions of dollars in annual increases in the defense budget, and each demanding outlays, not just budget authority. This will not just be a crisis; this will be a debacle. How will we find the money?

The defense budget, Madam President, which I am offering today avoids these three crises. It rejects spending on weapons systems that do not work, that are not necessary, and that drain dollars from the readiness and personal accounts.

This budget laid out in detail represents true military reform, the path this country must take if it is in fact to secure this Nation and secure our future. Military reform is the key to avoiding the defense crisis the administration has prepared for us and the next administration.

Neither the state of the economy nor public opinion is likely to permit defense budget increases of the size demanded. The Federal deficit will still be high. Indeed, in 3 to 5 years it may be so high as to have choked off the economic upturn which is now beginning. Interest rates may be back into the teens or worse. The public will have seen where big defense spending increases in the early 1980's led—to demands for even more spending. They are not likely to be sympathetic.

The only way out will be massive cuts in force structure. We will eliminate Army divisions, Air Force wings and Navy warships. We will cut deeply into the substance of our defense in a desperate effort to bring the budget down. The legacy of the Reagan defense program will be a dramatic weakening of our defense capability, with all the dangers that entails.

How can we avoid this? There is only one way. We must cut the fiscal year 1984 defense budget. But we must cut it the right way. We must make deep cuts in procurement, for that is the engine driving the crisis. At the same time, we must add back some of the money saved from procurement for readiness and pay. We must restore an internal balance to the budget.

That is what this paper proposes.

It will not be easy. Congress finds it much easier to cut readiness and pay than procurement. Readiness and pay are not built in anyone's State or district—weapons are. I have included several weapons built in Colorado among the reductions proposed in this paper. I know that will not be popular with some of my constituents.

But we owe our constituents more than weapons contracts. We owe them a strong national defense and a healthy national economy.

We owe them a thoughtful restructuring of the defense procurement budget, one that does not weaken us militarily. How can we do that? How can Congress terminate some major weapons programs without impairing our military's ability to win in combat?

The insights developed by the military reform movement can help. The reformers, like the Pentagon, want high quality weapons for our troops. But they question whether the Pentagon defines quality correctly. Too often, the Pentagon seems to define quality as increased complexity, high technology for its own sake, and competing with the Russians at their own games instead of changing the game on them. Real quality is tactical quality, not just expensive technology. What does tactical quality mean? In weapons, it means the ability to work in actual combat, in the mud, in the confusion of battle, in the hands of tired soldiers. It means small size to avoid being seen; reliability and ease of maintenance; simplicity of operation; and a price low enough that we can afford the number of weapons we need. It means the kinds of weapons soldiers like, instead of the kind that give prestige to a service and high profits to a manufacturer.

If we look at the procurement program proposed by the administration using the insights the reformers have given us, we see that many of the weapons requested will hinder rather

than help our soldiers in combat. And we can also see replacements that will work better, yet cost less.

Military reform is the key to avoiding the defense crisis the administration has prepared for us. Through military reform, we can equip our armed services better while saving money on procurement. We can use some of the money we save for improved readiness and for a military pay raise, while applying the rest to the task of reducing Federal spending and the deficit.

We can strengthen our military and our economy at the same time.

We can build a national defense consensus and military forces that can win in combat at the same time.

Madam President, I urge my colleagues to support this approach as the only sound approach to the long-term security of this Nation.

Madam President, I ask unanimous consent that material pertaining to the defense funding reductions be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEFENSE FUNDING REDUCTIONS

Army

1. The Bradley Fighting Vehicle System. The Bradley is insufficiently armored to serve in its intended role as a fighting vehicle—a role which would require armor comparable to that of a tank. Yet it is over-designed and over-priced for a troop carrier; it costs ten times more than the M-113 it replaces. Worse, it continues the Army's practice of building combat vehicles with aluminum armor, which vaporizes and turns into a fireball when hit with a HEAT warhead, incinerating the crew. Other problems include a high silhouette, which increases vulnerability; an inaccurate gun that is too small to fight tanks and too big for fighting infantry; inability to carry a full infantry squad; inability to fit in a C-141 transport aircraft without removal of its armor; and a major cost increase in the past year. The program should be terminated.

Replacement: Procurement of an equal number of M-113 armored personnel carriers, with modifications to improve survivability well beyond the Bradley. See "Additions" section.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	938.5	1,252.1	1,571.0	1,648.3	1,697.4
R&D	19.4	37.6	[1] 55.8	[1] 74.0	[1] 92.2
Procurement	858.3	1,111.4	1,366.4	1,450.2	1,489.8
Training devices	60.8	96.3	88.6	39.7	27.9
Modifications		6.8	60.2	84.4	87.5
Outlays	57.0	465.8	959.9	1,323.8	1,551.1

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

2. AH-64 Attack Helicopter. The helicopter's fragility and lack of maneuverability make it less effective and less survivable as an attack aircraft than a properly designed fixed-wing airplane. The helicopter depends on long-range anti-tank missiles to combat enemy armored vehicles, which in turn require long-range differentiation of enemy from friendly armored vehicles. Unfortunately, this is very difficult in fast-moving armored combat, especially when weather or smoke impede visibility. Further, the missiles require long exposure times and predictable, straight flight paths by the helicopter during lock-on and launch, leading to high losses. The fixed-wing aircraft, in contrast, can carry a cannon capable of destroying enemy armored vehicles. Cannon range is better attuned to actual target identification ranges, and the cannon requires only very brief non-maneuvering portions of the flight. In addition, the AH-64 now costs almost $17 million, which is about four times the cost of the current attack helicopter. The program should be terminated.

[In millions of dollars]

Savings	Fiscal years—				
	1984	1985	1986	1987	1988
BA	1,493.9	1,431.9	1,349.0	416.8	
R&D	28.3	17.1	[1] 5.9	([1])	([1])
Procurement	1,465.6	1,414.8	1,343.1	416.8	
Outlays	162.7	747.4	1,224.2	1,224.0	837.4

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

Replacement: see below.

3. The Hellfire missile. This missile is intended as the main armament of the AH-64. With the termination of the AH-64, the Hellfire is no longer required.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	244.0	240.9	248.1	245.2	256.0
R&D	3.3	2.9	[1] 2.5	[1] 2.1	[1] 1.7
Procurement	240.7	238.0	245.6	243.1	254.3
Outlays	30.8	142.1	223.4	239.8	244.4

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

Replacement for AH-64 and Hellfire: Among the Military Reform Initiatives to be funded is a follow-on to the A-10 close support aircraft. See "Additions" section.

4. The Patriot surface-to-air missile. The Patriot has experienced severe testing problems which make its combat utility doubtful. It appears likely to share the problems common in other radar-guided missiles, which have resulted in poor probabilities of kill (P_k) for such missiles (.01 or lower for the SA-2 and SA-6, the surface-to-air missiles which have seen the most use in combat.) The high cost of Patriot makes it unlikely we can procure it in quantities sufficient to be meaningful, given the large number of SAMS which generally must be fired for each aircraft killed. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	1,211.8	1,410.0	1,430.7	1,313.2	895.9
R&D	84.6	69.6	[1] 54.6	[1] 39.6	[1] 24.6
Procurement	1,127.2	1,312.1	1,300.6	1,088.8	709.6
Modifications		28.3	75.5	184.8	161.7
Outlays	183.6	748.6	1,225.5	1,355.9	1,281.8

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

Replacement: As part of the reform initiatives, development would be begun on a family of passive, radar-homing anti-aircraft missiles, to include a surface-to-air missile.

5. The Anti-Tactical Missile. This is an anti-ballistic missile version of Patriot. Cancellation of Patriot would also cancel ATM.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	33.3	50.0	76.0	53.2	100.3
R&D	33.3	[1] 50.0	[1] 50.0	[1] 25.0	[1] 10.0
Procurement			26.0	28.2	90.3
Outlays	19.0	40.2	51.1	50.4	50.6

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: None, because such a missile opens the door to an anti-missile capability. See section on Ballistic Missile Defense.

6. The Division Air Defense Gun (DIVAD). The DIVAD has a history of unsuccessful tests. It is also inherently flawed in its design, in that radar-guided anti-aircraft guns do not work well against maneuvering aircraft or helicopters hovering a few feet above the terrain. Although the current DIVAD was selected after a design competition, reports indicate the gun chosen was in fact the loser in that competition. The program should be terminated.

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
Procurement	671.1	630.7	541.3	243.5	
Outlays	33.6	306.7	534.0	548.0	402.6

Replacement: The Reform Initiatives should include a competition among existing towed, optically guided anti-aircraft guns, the winner to be bought by the Army and Marine Corps. The competition should evaluate the capability of each candidate against ground as well as air targets, with the goal of selecting a gun with good dual capability. Also, re-introduction of the "Duster" twin 40 mm. self-propelled anti-aircraft gun, now serving with Army National Guard units, into the active Army inventory should be considered.

7. "Deep Battle" Programs. A series of programs are intended to support the "Deep Battle" concept. "Deep Battle" is the attempt to strike the "second echelon" of Warsaw Pact armies with long-range weapons. Unfortunately, the concept is seriously flawed. It contradicts the Army's recent adoption of maneuver doctrine, as enunciated in the new Field Manual FM 100-5, in that it demands centralization, rigidity, and pre-planning, all of which are antithetical to maneuver warfare. It is not clear the

Warsaw Pact forces in Europe still have a second operational echelon, and even if they do, it will be very difficult to locate it under combat conditions. All of the complex technology submunitions and the radar have already failed their tests, and the complex communications systems upon which "Deep Battle" depends are likely to fail in combat. Therefore, the following "Deep Battle" related programs should be terminated.

JSTARS (Joint Surveillance and Target Attack Radar System).

JTACMS (Joint Tactical Missile Program).

Tactical Fusion Center.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA			200.0	200.0	200.0
R&D	174.4	[1] 200.0	[1] 150.0	[1] 100.0	[1] 25.0
Procurement			[1] 50.0	[1] 100.0	[1] 175.0
Outlays	99.6	175.1	168.9	147.7	124.2

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: None, since the concept is flawed.

8. Centralized Communications, Command and Control (C^3) programs. The Army is currently developing and acquiring C^3 systems which tend to result in greater command centralization and reduced latitude for initiative on the part of subordinate commanders. Again, this contradicts the Army's new doctrine of maneuver warfare, which requires mission-type orders in which the subordinate has great latitude within the commander's intent. The following programs for more centralized C^3 should be terminated:

GMF (Ground Mobile Forces Satellite Communications).

PLRS and PLRS/JTIDS hybrid (Position Location Reporting System and PLRS/Joint Tactical Information Distribution System).

Tactical Intelligence Systems.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	414.1	573.0	746.3	919.6	1,092.4
R&D	164.4	178.8	[1] 207.6	[1] 236.4	[1] 265.2
Procurement	249.7	394.2	[1] 538.7	[1] 683.2	[1] 827.7
Outlays	108.9	275.5	451.4	627.7	805.0

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

Replacement: Misssion-type orders and increased emphasis on reconnaisance (as distinguished from intelligence).

9. RPV development program. RPVs—Remotely Piloted Vehicles, or drones—may have substantial utility on future battlefields. Israel made effective use of them in the recent fighting in Lebanon. However, the Army is more likely to get an effective RPV through a competition among existing systems than through a development program. The current program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	138.1	244.6	217.9	182.8	150.0
R&D	138.1	103.0	[1] 67.9	[1] 32.8	([1])
Procurement		141.6	[2] 150.0	[2] 150.0	[2] 150.0
Outlays	78.9	121.2	154.6	174.6	158.2

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

[2] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: Under the Reform Initiatives, fund a competition among existing RPVs.

10. Copperhead laser-guided artilley shell. Copperhead has had a disastrous operational test and very poor reliability in firings over the last four months. In addition, it is conceptually flawed. It diverts scarce artillery assets, needed for general suppresive fire as well as countering enemy artillery, to anti-tank combat. It reduces artillery rate of fire twelve-fold, from four rounds per minute down to one round every three minutes. It depends on exposed individual infantrymen illuminating enemy tanks with large laser designators which the enemy can detect and bring fire on, and is thus in no sense "fire and forget." The Army cancelled this program last year, and its resurrection is not justified by the likely combat performance of the weapon. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
Procurement	75.0	[1] 100.0	[1] 100.0	[1] 100.0	[1] 100.0
Outlays	11.3	51.8	83.5	95.3	98.5

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: None, since the concept is flawed.

11. GLLD and MULE laser designators for the Copperhead and Hellfire laser-guided weapons. The problems currently inherent in laser-guided weapons make these large, cumbersome and easily detected designators as well as the weapons themselves undesirable. The programs should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
Procurement	90.5	92.6	[1] 94.7	[1] 96.8	[1] 98.9
Outlays	5.4	39.0	69.8	85.0	93.2

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

Replacement: None, since the concept is flawed.

12. MLRS TGSM (Multiple Launch Rocket System, Terminally Guided Sub-munition). Terminally guided submunitions are currently unable to discriminate targets from background clutter on the battlefield. Every guided submunition in development today has repeatedly failed in tests. They are even less likely to work under real combat conditions. The MLRS program should go forward, but the TGSM should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	20.4	27.1	75.0	95.0	110.0
R&D	20.4	27.1	[1] 25.0	[1] 20.0	[1] 10.0
Procurement			[1] 50.0	[1] 75.0	[1] 100.0
Outlays	11.7	22.6	31.0	54.0	78.0

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: None, since the concept is flawed.

TOTAL ARMY REDUCTIONS

[In millions of dollars]

	Fiscal year—				
	1984	1985	1986	1987	1988
BA	5,505.1	6,252.9	6,650.0	5,514.4	4,700.9
Outlays	802.5	3,136.0	5,177.3	5,926.2	5,725.0

Navy

1. Rescind funding for both *Nimitz*-class aircraft carriers approved in FY 1983, and deny funding for any additional carriers of this class. With their aircraft and escort and support ships, the two carriers approved last year will cost approximately $35 billion. Yet, in view of the normal carrier deployment cycle, they will give us only about 60 additional combat aircraft on station at any time. Further, the big carrier with its current airwing is largely irrelevant to fighting the Soviet navy, which is primarily a submarine navy. In addition, the proliferation of anti-ship missiles raises serious questions about the survivability of a navy which depends on just over a dozen carriers.

While rescinding funds for the two ships approved in FY83 will not significantly reduce FY84 Budget Authority, it will reduce future outlays by about $7 billion.

[In millions of dollars]

Savings	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA						
Procurement	6,554.1	92.8	13.9	872.3	1,137.8	3,816.3
Outlays	262.2	855.8	1,192.4	1,233.1	1,357.9	1,656.5

Replacement: The Navy should be asked to recommend to the Congress an alternative design of aircraft carrier, the lead ship to be funded in FY85. The carrier recommended should be affordable in at least a 3:1 ratio to carriers of the *Nimitz*-class and should be intended primarily for anti-submarine warfare. In addition, the Navy should be requested to re-start development of the ARAPAHO program—a system for basing anti-submarine helicopters on merchant marine containerships—and to procure equipment and assign Naval Reserve units so as to permit a significant number of containerships to be equipped with ARAPAHO in time of crisis.

2. Rescind funding for the battleship reactivation approved in FY83, and deny any future funds for battleship reactivation. The battleship is irrelevant to fighting the Soviet navy, which should be our prime con-

cern. Its survivability is overrated by the Navy, which ignores its vulnerability to shaped-charge weapons and torpedoes. The obsolescence of the battleship has been recognized by all navies for more than three decades, and the re-commissioning program should be terminated.

[In millions of dollars]

Savings	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA	315.6	72.1	587.7	428.2	15.3	14.6
Outlays	12.6	43.9	89.7	163.3	231.9	255.2

Replacement: The Marine Corps should study and report on alternative means for providing landing fire support for amphibious operations, to include the mounting of multiple rocket launchers on amphibious assault ships and landing craft. If a cost-effective means of providing such fire support can be identified, an appropriate program should be begun in FY 1985.

3. Defer funding for three AEGIS (CG-47) cruisers. Three AEGIS cruisers are requested this year, at a total cost of $3.7 billion. Unfortunately, serious questions still surround this ship: will it prove stable and seaworthy under harsh weather conditions such as those encountered in the North Atlantic in winter? Since the AEGIS radar apparently represents no advance in "look-down" capability, can it see a sea-skimming missile like the Exocet, or a fighter-bomber coming in at 10 to 30 feet above the waves, like the Argentine A-4s did in the Falklands? Can it shoot down a sea-skimming missile? Can the radar repeatedly and quickly be turned off and on without damage, and, if not, how can the CG-47 avoid radar-homing missiles? The answers to these questions are central to the ability of the CG-47 to perform its mission. Until they are answered further funding of the program cannot be justified.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
Procurement	3,707.3	3,568.0	3,756.9	3,935.0	2,938.8
Outlays	148.3	624.7	1,218.4	1,955.4	2,614.9

Replacement: A rigorous testing program for the CG-47 and the AEGIS system should be undertaken, the tests to be designed by CG-47 AEGIS critics, not the Navy, The GAO should continuously monitor the tests to ensure fairness and accuracy. If the ship and the AEGIS passes the tests, procurement should be resumed. If they fail, alternative approaches to air defense should be studied. In either case, the Reform Initiatives should include competitive prototype development of an alternative approach to fleet air defense including an effective passive receiver for locating Soviet radars; a "short burst" search radar for U.S. warships; and an off-board repeater to decoy active radar anti-ship missiles so as to avoid an American repeat of the HMS *Sheffield* disaster.

4. Cancel the DDG-51 program. The DDG-51 is also an AEGIS ship, and is intended as the follow-on to the CG-47. Until we know whether the AEGIS system works, it is premature to proceed with another AEGIS ship. In addition, the DDG-51 appears to be inferior in overall capability to the CG-47, despite costing more. In particular, the DDG-51 is weak in anti-submarine capability, since it has no helicopter hanger. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	210.5	1,493.5	261.0	3,234.2	5,183.1
R&D	111.0	129.8	[1] 100.0	[1] 50.0	[1] 10.0
Procurement	99.5	1,363.7	161.0	3,184.2	5,173.1
Outlays	65.0	178.8	310.0	485.2	945.3

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: If AEGIS works, the CG-47. If not, the alternative fleet air defense program described above.

5. Cancel the F/A-18 program. The F/A-18 has proven at least second-rate and sometimes an outright failure in every role for which it was designed. Two of its original missions have already been dropped by the services: the plane is no longer to be procured as a Navy fighter (except for the two oldest and smallest carriers) or a Marine Corps light attack aircraft. Tests have shown serious range, payload and radar shortfalls in the Navy light attack version, rendering its future in that role highly uncertain. While the Marines are apparently still prepared to accept the F-18 as a fighter, it is inferior in air combat performance to the less expensive F-16. Overall, the costs of the F-18 have risen to where it is one of the most expensive programs in the defense budget—just to buy fighters for the Marines and possibly some light attack aircraft for the Navy. The F/A-18 program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	2,753.4	3,088.9	2,927.3	3,415.2	4,092.9
R&D	27.2	88.0	[1] 100.0	[1] 50.0	[1] 10.0
Procurement	2,726.2	3,000.92	2,827.3	3,365.2	4,082.9
Outlays	369.4	1,647.8	2,539.6	2,836.4	3,213.5

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacements: Before replacements of the same general types are chosen, two basic questions should first be addressed:

First, it is the current structure of the carrier air wing appropriate for fighting the Soviet navy? What role do attack aircraft have in a conflict with the Soviets? Should the wing be re-structured to place more emphasis on anti-air and anti-submarine warfare?

Second, do we need Marine Corps fighter aviation? While a strong case can be made in favor of Marine close support aviation—the other services have long been disinterested in close support—it is not clear there is anything unique about Marine fighter aviation. It may be that Marine aviation should be restricted only to the close support role—to the possible benefit of the Marine on the ground.

If a thorough and independent study of these questions verifies current practices, then the Navy's planned A-18 should be replaced by new procurement of the A-7E. Options for Marine fighters include the F-16, a service life extension of the F-4, or a fighter version of the VSTOL AV-8B Advanced Harrier, the AV-8B+.

6. Cancel the Fleet Oilers (TAO) program. The Soviet navy routinely uses merchant marine oilers to support its fleet, and the *Erna Elizabeth* tests conducted by the U.S. Navy in the 1970s showed that merchant oilers could adequately support U.S. warships. Additional Navy-owned oilers are not required, and the TAO program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
Procurement	524.6	920.0	908.9	936.0	1,045.0
Outlays	21.0	105.0	250.4	415.6	587.1

Replacements: Oilers should be chartered from the American merchant marine.

TOTAL NAVY REDUCTIONS

[In millions of dollars]

	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA	6,869.7	7,360.7	9,672.0	9,154.6	12,673.5	17,090.7
Outlays	274.8	1,503.4	3,838.4	5,777.8	7,282.4	9,272.5

Air Force

1. Cancel the F-15 fighter program. Although the F-15 costs approximately twice as much as the F-16, it is inferior in air combat maneuvering. Its only advantage over the F-16 is that it carrys the radar-guided AIM-7 Sparrow air-to-air missile. However, the Sparrow was generally proven ineffective in combat both in Vietnam and in the Middle East where it was used (with little success) by Israel. The F-15s already acquired can provide a Sparrow capability in the few situations where it might be useful.

The Air Force now plans to develop the F-15E from the original aircraft. The E version is a more sluggish, avionics-laden deep interdiction aircraft estimated to cost almost $50 million each. The value of the deep interdiction mission is open to serious question, and the questions should be answered before additional interdiction aircraft are procured.

The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	2,245.2	3,201.0	3,261.9	3,072.0	5,095.6
R&D	117.8	68.8	12.5	6.5	6.8
Procurement	2,127.4	3,132.2	3,192.9	2,863.0	3,793.4
Option			56.5	202.5	1,295.4
Outlays	307.1	1,402.3	2,428.9	2,891.7	3,223.0

Replacement: Increased procurement of the F-16 (see below and in "Additions" section).

2. Cancel further R&D on the F-16. The F-16 is possibly the best fighter aircraft in the world. Unfortunately, the Air Force is continuing to "develop" the aircraft into an almost all-new, expensive, sluggish bomber—the F-16E. Avionics and wing-size have doubled while weight has grown by at

least 5 tons—all to turn one of the world's best fighters into a mediocre and unneeded interdiction bomber. The best way to "enhance" the F-16s capabilities is to leave it alone.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
R&D	107.4	72.8	48.6	11.6	11.6
Outlays	66.6	78.4	58.1	27.0	14.0

Note: These funds should be used for procurement of additional F-16s.

Replacement: None, since the concept is flawed.

3. Cancel the MSIP (Multinational Staged Improvement Program) for the F-16. Like the continuing R&D on this aircraft, the effect of the MSIP is to add weight (about a ton) and thereby degrade fighter performance. The four NATO countries which have purchased the F-16 have requested us to cancel MSIP. The F-16 will be a better fighter without it. Cancellation will save approximately 15 percent of the cost of the F-16.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	318.5	474.7	577.1	589.0	614.2
Outlays	35.0	198.7	371.0	488.7	550.8

Note: These funds should be used for procurement of additional F-16s.

Replacement: None, since the concept is flawed.

4. Cancel the LANTIRN program. LANTIRN will add very complex electronics to an inadequate infrared TV camera to attempt to find targets and guide so-called "precision guided weapons" such as Maverick to them. Maverick is itself a weapon of questionable performance (see below). Current infrared testing demonstrates that LANTIRN cannot find or distinguish useful tactical targets under combat conditions. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	94.5	304.6	450.0	450.0	410.0
R&D	89.9	96.4	[1] 100.0	[1] 50.0	[1] 10.0
Procurement	4.6	208.2	[1] 350.0	[1] 400.0	[1] 400.0
Outlays	56.2	112.7	231.9	331.4	370.5

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement; None, since the concept is flawed.

5. IIR Maverick. This is an infrared guided version of the Maverick air-to-ground missile. The current TV guided Maverick has severe problems hitting a target. It also endangers the launching aircraft by forcing it to fly a predictable path within range of enemy air defenses for 10 to 20 seconds to guide the missile in, leading to high plane and pilot losses. The infrared version promises to be, if anything, worse. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	351.3	720.1	737.6	1,069.8	822.4
R&D	1.5				
Procurement	349.8	720.1	737.6	1,069.8	822.4
Outlays	77.9	305.8	552.2	753.2	879.3

Replacement: None, since the concept is flawed.

6. AMRAAM (Advanced Medium Air-to-Air Missile). This is a new radar-guided air-to-air missile—a type of missile with a history of poor combat performance. The AMRAAM promises to be worse than the current Sparrow, since it must depend on its own radar for terminal guidance, which is even less capable than the radar in the aircraft which guides the Sparrow. AMRAAM also promises to cost at least four times as much as Sparrow. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	258.0	691.2	931.9	1,049.6	953.8
R&D	195.4	245.3	87.3	19.1	33.9
Procurement	62.6	445.9	844.6	1,030.5	919.9
Outlays	134.9	337.1	528.7	751.1	917.0

Replacement: The Sparrow missile can continue to serve in those few situations where radar-guided missiles have value.

7. WAAM (Wide-Area Anti-Armor Munitions). Much of this development program is intended to produce terminally guided anti-armor submunitions. These are very complex, inherently easy to decoy, and unlikely to work in combat. All of the WAAM munitions have already failed in Air Force development tests. The only portion of the WAAM program which appears to have merit is the development of a scatterable mine dispensing system for aircraft. This should be an adaptation of the Army's scatterable mine system. All other portions of this program should be terminated, with $10 million left in for Air Force adaptation of the Army's mine system (see "Additions" section).

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA			50.0	60.0	50.0
R&D	52.2	96.0	[1] 25.0	[1] 10.0	([1])
Procurement			[1] 25.0	[1] 50.0	[1] 50.0
Outlays	32.4	75.7	59.9	49.5	46.1

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: Those portions of the program recommended for termination are conceptually flawed and should not be replaced.

8. C-17 intra-theater transport aircraft. This potentially multi-billion dollar program is intended to develop a new intra-theater transport aircraft with some intercontinental life capability. The only capability this aircraft would have that the existing C-130 does not is the ability to carry large, heavy systems such as tanks (one tank per flight). Yet the need for intra-theater (and most other) airlift is not for tanks but for emergecy consumables: urgently needed fuses, special ammunition, spare parts, etc. The C-130 can move these adequately, and is better suited for the grass strips in forward areas where the Army will most need re-supply. The C-17 program should be cancelled.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
R&D	26.8	32.6	[1] 50.0	[1] 100.0	[1] 200.0
Procurement			([1])	([1])	([1])
Outlays	16.6	28.5	42.5	79.4	157.8

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: Existing C-130 aircraft.

9. "Deep Battle" Programs. The Air Force, as well as the Army, has an array of programs intended to support the "Deep Battle" concept. The same reasoning explained under the Army "Deep Battle" section applies to these Air Force programs. They should accordingly be terminated. They include: Air Force JSTARS; Air Force JTACMS; and Air Force Tactical Fusion Center.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA			75.0	75.0	
R&D	104.9	[1] 110.0	[1] 50.0	[1]25.0	([1])
Procurement			[1] 25.0	[1] 50.0	[1] 150.0
Outlays	65.0	100.7	73.1	54.6	57.9

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: None, since the concept is flawed.

TOTAL AIR FORCE REDUCTIONS: (EXCEPT STRATEGIC FORCES)

[In millions of dollars]

	Fiscal year—				
	1984	1985	1986	1987	1988
BA	3,558.8	5,703.0	6,182.1	6,477.0	8,307.6
Outlays	791.7	2,639.9	4,346.3	5,426.6	6,216.4

Strategic forces

1. The MX missile. The official justification for the MX was the need for an ICBM system more survivable than the present Minuteman. Unfortunately, it has thus far proven impossible to identify a basing mode for the MX that provides an increase in survivability. Without a basing mode superior to that of Minuteman, there is no reason to go forward with MX. $1 billion should be left in the program for each of the next three years to continue research and development, including research on basing modes and on possible alternatives to MX. The remainder of the funds should be stricken.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	5,636.3	6,549.2	5,591.5	5,905.1	3,410.0
R&D	2,378.4	1,901.2	676.5	729.1	55.3
Procurement	2,867.9	4,007.4	4,215.1	3,833.0	2,327.4
Mil Con	390.0	640.6	699.9	1,343.0	1,028.2
Outlays	2,160.2	4,286.9	4,970.9	5,350.9	4,909.8

Replacement: Until a new basing mode can be identified, a land-based replacement for the current Minuteman is pointless.

2. The B-1 bomber. The B-1 appears to be no better than the B-52 as penetrating bomber, and it may be worse. It accelerates more slowly and turns worse, which means it must fly higher to avoid the terrain. This increases its vulnerability. It also relies on a terrain-following radar that gives its own position away to enemy air defenses. The program should be terminated.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	6,929.5	8,217.4	5,927.3	70.8	
R&D	749.9	491.8	367.0	70.8	
Procurement	6,179.6	7,725.6	5,660.3		
Outlays	1,144.7	4,229.8	6,313.2	5,405.0	2,467.3

Replacement: If questions surrounding the Stealth concept—such as its detectability by long-wave radars—can be answered satisfactorily, then a Stealth bomber could be a replacement for the B-1. If not, the most viable way to provide an equivalent increase in nuclear delivery capacity is probably sea-basing of additional ballistic missiles, either in *Trident*-class or other submarines or possibly on surface ships.

3. Ballistic Missile Defense. While sufficient R&D should go forward to prevent technological surprise, Ballistic Missile Defense must be recognized as strategically disadvantageous to the United States. Currently, the Soviet Union has a major strategic disadvantage, in that is mush face not only American strategic forces but also the independent strategic retaliatory capabilities of France and China. This seriously limits Soviet options, because a nuclear exchange with either the French or the Chinese could leave the United States uninvolved, yet cripple the Soviet Union.

If the United States acted to remove current treaty restrictions on Ballistic Missile Defense, both the U.S. and the Soviet Union would probably field defensive systems which, while inadequate against each other's arsenals, could severely degrade French and Chinese abilities to strike Soviet targets. The net effect would be a substantial improvement in the Soviet Union's strategic position with no comparable improvement in American security.

The funding requested for BMD is excessive if our only goal is to keep abreast with the technology. $100 million should be sufficient to fund a program with that goal. All other funds should accordingly be denied.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
R&D	609.3	1,460.0	[1] 1,500.0	[1] 1,500.0	[1] 1,500.0
Outlays	347.9	1,046.3	1,402.6	1,473.7	1,484.6

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Replacement: None, since the concept is flawed.

TOTAL STRATEGIC FORCES REDUCTIONS

[In millions of dollars]

	Fiscal year—				
	1984	1985	1986	1987	1988
BA	13,175.1	16,226.6	13,118.8	7,475.9	4,910.9
Outlays	3,652.8	9,563.0	12,686.7	12,229.6	8,861.7

Central Command (Rapid Deployment Force)

The Rapid Deployment force, recently made a Unified Command for Southwest Asia under the title of Central Command, appears to be evolving into another highly bureaucratic apparatus where strategy is reduced to force ratios and closure rates, inter-service rivalry dominates over strategic thinking, and an overly large headquarters ensures lowest common denominator, committee-consensus decisions with little military value. The result could be another disaster like the Iran raid if the Command is ever committed to combat.

It is imperative that we improve the quality of planning underway in Central Command. To that end, two initial steps are necessary:

First, current practice must be penalized in terms meaningful to the bureaucracy involved. The Rapid Deployment-related budget request for FY84 should accordingly be halved, and should continue to be halved annually until more coherent strategic planning is evident.

Second, legislation should mandate that Central Command headquarters be assigned no more than 25 officers. Small headquarters are key to innovative thinking.

[In millions of dollars]

Savings	Fiscal year—				
	1984	1985	1986	1987	1988
BA	1,142.0				
Outlays	1,119.2	11.4			

It is hoped the actions recommended here will solve the problem in one fiscal year; therefore, no out-year savings are anticipated.

TOTAL SAVINGS FROM ALL REDUCTIONS

[In millions of dollars]

	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA	6,869.7	31,941.7	37,854.5	35,005.5	32,140.8	35,010.1
Outlays	274.8	8,073.6	19,668.7	28,240.1	31,044.8	30,123.6

DEFENSE FUNDING ADDITIONS

If we are to avoid the financial crisis inherent in the Reagan Administration's defense program, we cannot merely reduce expenditures this year. We must also increase them in some categories. Areas where increased expenditures are necessary include:

Cancellation Costs: If the reductions in procurement proposed in this paper are made, some program cancellation costs will be unavoidable. While it is impossible to estimate them precisely, a figure of about 10 percent of the proposed procurement savings appears reasonable.

[In millions of dollars]

Additions	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA	1,032	3,074				
Outlays	774	2,564	768			

Pay Increase: A pay increase for military personnel in fiscal year 1984 is necessary if we are to keep the promises we have made to those in uniform. In view of the declining inflation rate, a 4 percent increase appears sufficient to maintain the current value of military pay. Future year increases are calculated at inflation plus 2 percent, to allow for an anticipated real rise in civilian income once the recession is over.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	1,600	1,700	1,800	1,900	2,000
Outlays	1,568	1,682	1,781	1,880	1,979

Readiness: A reduction in procurement spending is only part of the action necessary to restore balance in the defense budget. If we are to have adequate readiness, we must also increase funding for Operations and Maintenance. That funding should be concentrated in areas where critical shortfalls exist, such as training ammunition, time on and number of training ranges, flying hours, steaming hours, and troop transportation to exercise areas.

Accordingly, a $2 billion increase in Operations and Maintenance spending is proposed in fiscal year 1984. The Department of Defense is requested to provide specific proposals for the allocation of these funds, the proposal to be reviewed and accepted or amended in the Defense Authorization and Defense Appropriation bills. Future year increases are calculated at $2 billion plus inflation plus a real increase of 3 percent.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	2,000	2,150	2,350	2,550.0	2,750.0
Outlays	1,600	2,080	2,287	2,484.5	2,682.5

Military Reform Initiatives in R&D and Procurement: The military reformers have made a number of proposals for R&D and procurement programs which could lead to more effective, less expensive weapons. $2 billion is proposed here to fund competitive hardware prototypes of some of these proposals, leading to head-to-head flyoffs or

shoot-offs. The funds should be controlled by a "B Team" established by the Pentagon and made up of key individuals within the reform movement, as proposed in the defense chapter of the Agenda '83 study recently published by the Heritage Foundation. The programs established should include those identified in this study:

Development of a follow-on to the Air Force's A-10 close air support aircraft. The basic concept reflected in the A-10—a fixed-wing aircraft with an anti-armor gun as its main armament—is valid, and promises greater battlefield effectiveness than fragile helicopters or high-speed aircraft armed with weapons such as Maverick. However, the A-10 itself has two weaknesses: it is too large and it is sluggish. We need a follow-on aircraft that is smaller and more agile, and also less expensive so it can be acquired in large numbers.

Development of passive, radar-homing air-to-air and ground-to-air missiles. The Soviet Union has invested heavily in a new generation of tactial aircraft which depend heavily on radars and radar-guided weapons. They are, in general, poor at air combat maneuvering; for example, the MiG-23 is significantly less capable in a dogfight than the earlier MiG-21.

This gives us opportunity. If we can force the Soviets to shut down their radars and engage in traditional dogfights, they will be at a major disadvantage relative to our superior pilots and agile aircraft such as the F-16. A radar shut-down would also effectively end night and bad weather air-to-ground attacks by Soviet tactical aircraft.

Passive, radar-homing anti-aircraft missiles could accomplish this. Any aircraft switching on a radar would become a target, and, because the missiles would be passive, they would themselves be difficult to detect and avoid. A radar-homing missile is simple compared to an active radar missile, and it makes few demands on the aircraft in terms of avionics, space, or weight. A program to develop and field such missiles should be begun.

A competition among existing towed, optically-guided anti-aircraft guns, the winner to be acquired by the Army and the Marine Corps. Optically-guided anti-aircraft guns appear to be superior to radar-guided guns against targets that take evasive action at high speeds, because the radar-guided gun, which "leads" the target on a projected course, is left pointing in the wrong place whenever the target "jinks." Towed guns are more robust than self-propelled, are smaller targets, and can be set up for action almost as quickly as a self-propelled gun.

Anti-aircraft guns, as opposed to missiles, are also very useful against ground targets. The finest anti-tank gun of World War II, the German 88 mm, was developed as an anti-aircraft gun.

There are a number of modern, towed, optically-guided anti-aircraft guns on the world market. A competition should be held among these guns, testing for ground as well as anti-aircraft capability. The winner should be produced under license in the United States and acquired in quantity by both the Army and the Marine Corps.

Remotely Piloted Vehicles, sometimes called "drones," have potential value on the battlefield for reconnaisance, electronic jamming, and even attack missions. Israel used drones successfully in the recent combat in Lebanon. A number of RPVs are available on the world market, including those built by Israel. We are more likely to get an effective RPV, and to get it quickly, through a competition among existing systems than through a development program of our own. Such a competition should be initiated, with the winner to be built under license in the U.S.

Anti-ship missiles are a serious and growing threat to all surface warships, including our aircraft carriers. Complex air-defense systems such as AEGIS are of uncertain effectiveness against them. However, if our warships and task forces could operate in radio and radar silence, they could do much to avoid both the missiles and, equally important, the opponent's reconnaisance which must precede a missile attack. Three systems could be of assistance to our Navy in this regard. These systems were described in the paper, "Options for Action on the fiscal year 1983 Defense Budget for the Military Reform Caucus."

An effective passive receiver system for locating Soviet bomber and ship search radars as well as Soviet radar Air-to-Surface and Surface-to-Surface Anti-Ship Missiles. This would include secure means of triangulating between ships and of handling over targets to suitable short-burst radars for occasional ranging.

A surface ship search radar designed for high reliability in short-burst "looks." This would do for radar what the "single ping" sonar has done for underwater search by submarines.

An off-board simple repeater transmitter to be towed on a sled behind all surface combatants to decoy any Soviet active radar missiles. Since no Soviet active radar missile can resist homing on such a decoy, this is a much more "leakproof" defense than the standard panoply of fleet radar interceptors, long-range radar SAMs, and short-range radar-guided missiles or guns.

Beyond these specifics, the above-mentioned paper prepared for the Military Reform Caucus has a number of possibilities worth exploring, and individual reformers have additional ideas beyond these $2 billion should be sufficient to undertake austere, competitive hardware prototype development of a significant number of alternatives, leading to new generations of weapons more effective than those currently proposed and also affordable in adequate numbers within a realistic defense budget.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	2,000	[1]2,000	[1]2,500	[1]3,000	[1]4,000
Outlays	1,240	1,860	2,270	2,755	3,555

[1] Out-year date was not available at the time this paper was prepared. Therefore, an estimate is given based on projection of the slope for the years for which date is available.

Other procurement additions

1. To replace the 600 Bradley Fighting Vehicles deleted from the FY 84 budget, 600 M-113 Armored Personnel Carriers should be acquired. These should be fitted with a package of survivability improvements including Kevlar anti-spall liners, external self-sealing fuel tanks, expanded roof/vision hatches for better troop orientation and egress, better suspension and machine guns mounted at each corner of the vehicle.

Cost is estimated at $200,000 per vehicle, for an addition of $120 million. Future buys are calculated on the basis of replacing planned *Bradleys.*

[Dollars in millions]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
Vehicles	600	830	1,080	1,080	1,080
BA	$120	$180	$240	$260	$270
Outlays	$6	$58.2	$130.2	$192.4	$235.3

2. The single greatest weakness of the U.S. Navy today is that it is outnumbered approximately 3:1 in attack submarines by the Soviet navy. This deficiency cannot be made up by continued procurement of the SSN-688 class nuclear attack submarine alone. With a price of over $700 million each, they are too expensive to be bought in adequate numbers. Even the Navy's ambitious program for these boats, which envisions procurement of five annually in fiscal 1987 and 1988, will do no more than maintain the current size of the U.S. submarine force.

We can only afford a much larger submarine force if we build a mix of nuclear and conventional (diesel-electric) submarines. Since World War II, conventional submarines have made tremendous (though unheralded) strides in underwater speed, endurance and quietness. They are quieter than nuclear boats when running on battery and are highly effective, as illustrated in the Falklands conflict where an Argentine conventional submarine reportedly penetrated the British task force and, despite a massive attack on her, returned safely to base. The British also reportedly found need of a conventional submarine in their operations, despite the presence of several nuclear boats. Conventional submarines of the most modern design are available on the world market for prices as low as $100 million each—about one-seventh the price of an SSN-688.

Funds should accordingly be added to the FY84 budget for the purchase of a conventional attack submarine, leading to a class of such vessels. They should be acquired as additions to, not replacements for, planned nuclear submarines, with the goal of increasing the size of the submarine force.

The funding profile reflects lead-ship costs in FY84, with a construction plan of 3 boats in FY86 and 5 in each subsequent year. Costs are based on an offer from a German shipyard to the U.S. Navy, although construction in U.S. yards in anticipated.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	250.0	.....	615.9	1,112.5	1,206.0
Outlays	10.0	32.5	69.6	169.6	348.7

3. Aircraft carriers. The current plan for continued construction of *Nimitz*-class carriers—two ships in FY 1983; with another projected in FY 1988—will give us a carrier force no larger than fifteen ships (and probably smaller). Such a force is too small to be militarily robust. Instead, we should build smaller, individually less expensive aircraft carriers in larger numbers.

This paper proposes construction of light carriers of about 40,000 tons, capable of launching current as well as VSTOL aircraft, and costing no more than one-third as much as a *Nimitz*-class carrier. Alternative carrier designs presented to the Senate

Armed Services Committee last year included a ship with these characteristics. The lead ship should be authorized in FY 1985, with regular authorization of one ship annually commencing in FY 1987. Assuming a thirty year life for such a ship, a building rate of one ship annually will support a fleet of thirty carriers.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA		2,000		1,500	1,626
Outlays		80	260	420	620

4. ARAPAHO. ARAPAHO is a program to base Naval Reserve antisubmarine helicopters on merchant marine containerships in wartime. Unfortunately, the Navy recently terminated development of ARAPAHO and sold the equipment to Great Britian—which, after its experience in the Falklands, knows the value of such a system. The program should be re-started here, in cooperation with the British, and after development is completed appropriate equipment should be acquired and Naval Reserve units formed.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
R&D	12.0	4.0			
Procurement			[1] 25.0	[1] 100.0	[1] 200.0
Outlays	6.6	6.5	5.4	24.5	77.1

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

5. Problems without clear solutions. Several areas have been identified in this paper where we have needs and current programs to fill them, but where it is highly uncertain those programs will give us weapons that will work in combat. Those identified include: Improved landing fire support for the Marine Corps; fleet aid defense (AEGIS); the F/A-18; the B-1; and the MX.

While possible alternatives can be identified, it is not clear at this time which are best, and additional tests and studies are necessary. Therefore, only an approximate level of funding can be specified.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	100	3,100.0	4,200.0	5,300.0	5,500.0
R&D	100	100.0	200.0	300.0	500.0
Procurement		3,000.0	4,000.0	5,000.0	5,000.0
Outlays	55	371.5	1,939.6	3,469.6	4,605.2

6. Chartering merchant marine tankers in lieu of the TAO program. Instead of buying new Navy oilers, we should charter the oiler capacity the Navy needs from the merchant marine. The cost estimate is approximate, since any chartering contracts would be awarded only after competitive bidding. The program should not begin until FY1985, to provide time for an adequate competition.

[In millions of dollar]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	[1] 460.0	[1] 454.5	[1] 468.0	[1] 522.5	
Outlays	340.4	442.1	460.1	503.4	

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

7. Additional F-16 aircraft. When the F-15 is cancelled, additional F-16s should be acquired to make up the difference. Since the F-16 costs only about half as much as the F-15, yet is a superior fighter, this will both reduce the budget and improve our defenses.

Cancellation of the F-15 requires the purchase of 48 additional F-16s in FY 1984, 72 in 1985, and 96 in 1986, 1987, and 1988. Cancellation of further R&D on the F-16 and the MSIP program will fund 31 in FY 1984, 37 in 1985, 39 in 1986, 35 in 1987 and 34 in 1988. The remainder are funded through the following budget addition, calculating the FY 1984 price of an F-16 without MSIP as $13.7 million.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	232.9	518.0	906.3	1,043.1	1,140.6
Outlays	25.6	164.1	403.2	695.3	909.8

8. Air Force Wide Area Anti-Armor Munitions (WAAM). The paper proposes canceling the WAAM program, but adapting the Army's scatterable mine dispenser to Air Force aircraft. Costs should be small.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA					
R&D	[1] 10.0	[1] 5.0			
Procurement			[1] 10.0	[1] 10.0	[1] 10.0
Outlays	6.2	6.2	6.9	7.7	9.1

[1] Insufficient data available to calculate a figure, the estimate is therefore purely illustrative.

Reserve and National Guard

The Reserve and National Guard are important components of our defense. They should become more important than they are today, and adequate funds should be provided to enable them to do so.

Recently, a group of senior Army and Air Force National Guard commanders produced a study, VISTA 1999, which discusses ways in which the Guard can be strengthened. These include some important innovations, innovations which have been rejected by the regular services for largely bureaucratic reasons.

To fund these proposed improvements, $1 billion should be added to the defense budget for the Guard and Reserve. The commanders of the Reserve and National Guard should be requested to propose a specific plan for allocating these funds, the plan to be reviewed and accepted or amended in the Defense Authorization and Appropriation bills. The Guard and Reserve commanders should be free to suggest innovative uses of these funds, in line with VISTA 1999, regardless of the positions of the regular services.

[In millions of dollars]

Additions	Fiscal year—				
	1984	1985	1986	1987	1988
BA	1,000.0	1,100.0	1,200.0	1,300.0	1,400.0
Outlays	57.0	472.7	889.4	1,093.1	1,228.8

TOTAL ADDITIONS

[In millions of dollars]

	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA	1,032	10,398.9	13,217.0	14,301.7	18,543.6	20,625.1
Outlays	774	7,138.4	7,922.1	10,484.4	13,651.8	16,753.9

NET BUDGET REDUCTIONS

[In millions of dollars]

	Fiscal year—					
	1983	1984	1985	1986	1987	1988
BA	5,837.7	21,542.8	24,637.5	20,703.8	13,597.2	14,385.9
Outlays	499.2	935.2	11,766.6	17,755.7	17,393.0	13,369.7

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Madam President, as I indicated in my earlier remarks, at the conclusion of the time allocated to the distinguished Senator from Colorado for his remarks on a special order, I intended to ask the Senate to adjourn for 30 seconds.

May I say, before I do that, that I watched the Senator on television yesterday. He performed admirably, as he always does, and impressively. For fear I might be convinced I had to stop listening.

Mr. HART. Madam President, I thank the majority leader for his usual generosity and courtesy.

ADJOURNMENT

Mr. BAKER. Madam President, I have discussed the request I am about to make with the minority leader, who agrees with the request and has indicated so by his initials on the paper that I presented to him. He had to leave the Chamber, and I indicated to him I would make this request in his absence, to which he agreed.

Madam President, I ask unanimous consent that the Senate now stand in adjournment for 30 seconds and that, when the Senate reconvenes, the Journal be considered as having been read, that no resolutions or motions come over under the rule, that there be no call of the calendar, and that the morning hour be deemed to have expired.

There being no objection, the Senate, at 12:32:07 p.m., on Monday,

March 14, 1983, adjourned until 12:32:50 p.m., the same day.

AFTER ADJOURNMENT

MONDAY, MARCH 14, 1983

The Senate met at 12:32:50 p.m., pursuant to adjournment, and was called to order by the Honorable NANCY LANDON KASSEBAUM, a Senator from the State of Kansas.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There is now a period for morning business.

VOLUNTARY SCHOOL PRAYER ACT OF 1983

The PRESIDING OFFICER. The clerk will read S. 784 the second time.

The assistant legislative clerk read as follows:

A bill (S. 784) to restore the right of voluntary prayer in public schools and to promote the separation of powers.

Mr. BAKER. Madam President, I object to further proceeding.

The PRESIDING OFFICER. The bill will go on the calendar.

Is there further morning business?

Mr. BAKER. Madam President, morning business extends until 1 p.m. under the previous order, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADMIRAL TURNER ON THE FOLLY OF THE MX MISSILE

Mr. PROXMIRE. Madam President, when we look for advice on the kind of military procurement that would best serve the national interest, we should certainly give heavy weight to the judgment of military experts, men who have been trained in the military and devoted much of their lives to serving this country with a success demonstrated by their rise in rank in the military. We also should give prime consideration to our foreign intelligence experts who have studied the strength and weakness of our prime adversary—the Soviet Union—particularly their military strength and weakness. An ideal source of wisdom would be a person who has served with distinction in the military and also as the top man in the Central Intelligence Agency. Such a man is Adm. Stansfield Turner. Admiral Turner has served this country brilliantly both as a distinguished naval officer and as the Director of the CIA. So when Admiral Turner speaks out on the MX, we should listen.

Admiral Turner did just that yesterday in a remarkable article that appeared in the Sunday issue of the New York Times. The admiral's article was entitled "The Folly of the MX Missile." In the article Admiral Turner in considerable detail debunks the notion that the national security of the United States would be served by the construction of the MX missile, whatever its mode.

Madam President, Admiral Turner expressed the heart of his argument as follows:

The way to increase survivability is to emphasize mobility, numbers of weapons and concealment. Bombers are mobile and reasonably safe from attack when on airborne alert. Submarines are mobile and readily concealed at sea. Even if there should be a breakthrough in submarine detection—and no such breakthrough is foreseeable at present—submarines will certainly remain more difficult to locate than ICBM's or bombers. Cruise missiles are mobile, and small enough to be concealed, and we could have large numbers of them. Thus, for assurance that we won't be knocked out by surprise, our intercontinental nuclear forces should be built around these three systems.

What I am proposing, therefore, is a shift of emphasis in our mix of nuclear weapons—a shift away from large ICBM's, like our present land-based missiles and the projected MX, to small, multi-based cruise missiles.

Such a move would not only make our deterrent forces more survivable but would serve to reduce the elements of instability in the American-Soviet nuclear confrontation. For the more we rely on ICBM's, the more nervous we will be about the threat of a surprise attack on them; our finger will have to be on the trigger. And because the MX—added to the capability of our existing ICBM's—would give us the potential for a surprise attack on Soviet ICBM's, it would make the Russians nervous; their finger, too, would have to be on the trigger. Cruise missiles, on the other hand, are too slow to threaten a surprise attack and too small to be targeted in a surprise attack by the Russians. Hence, if the United States shifted away from ICBM's and toward cruise missiles, both sides would relax somewhat and the nuclear balance would be stabilized.

Madam President, I ask unanimous consent that the full article by Admiral Turner appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE "FOLLY" OF THE MX MISSILE

(By Stansfield Turner)

The United States has reached a watershed in its nuclear defense strategy. President Reagan and Congress are trying to decide what to do about the MX, the new intercontinental ballistic missile that is larger, more expensive, more powerful and more accurate than anything in our military arsenal. The issue, however, goes beyond the costs and proficiency of a new weapons system. The question is whether deploying the MX would enhance our security or detract from it.

For several years now, the immediate problem with the MX has been how to base it. Placed in existing silos, it would be vulnerable to surprise attack by the Soviet Union's beefed-up strategic forces—just as vulnerable as our present generation of land-based missiles. There have been various schemes for making the MX less vulnerable, including the ingenious "dense pack" notion of placing them so close together that incoming Soviet missiles would knock each other out. These proposals have all been fended off or left in abeyance, largely on the instinct, shared by Congress and the public, that the ideas made little sense.

Yet it is unlikely that anyone will be able to find a basing scheme any more acceptable than dense pack, not even the special commission of experts appointed by the President to study the problem. Only two weeks ago, several alternative basing schemes that seem to be no more practical than dense pack were offered by the Congressional Research Service, an agency specializing in analysis for Capitol Hill. One of these was to place the missiles in planes that can remain airborne for long periods. Another was to dump the missiles into the oceans in cannisters at times of tension, and to trigger them by remote control.

It is apparent that any basing solution for this large a missile is going to require highly unusual procedures and will be highly controversial. In this circumstance, it is only natural to ask whether the MX missile is essential to our national security. Are there no alternatives? Reaching a judgment on this life-or-death issue, it seems to me, involves two basic questions:

(1) What kind of nuclear capability do we need? Do we want an ability to retaliate against Soviet cities? Or do we seek the capacity to destroy the Soviet Union's principal military targets?

(2) How large a nuclear force do we require? Must it be bigger than the Soviet Union's, or about the same, or can it be smaller and still suffice?

How our leaders answer these questions will determine whether we proceed toward greater stability in the "balance of terror" between the United States and the Soviet Union or toward heightened instability, with all the new dangers that would entail.

There are, as we know, four types of delivery systems in our nuclear-weapons arsenal.

First, there are the intercontinental ballistic missiles (ICBM's)—large, land-based, relatively immobile missiles that travel to their targets by leaving the earth's atmosphere and re-entering it on a precalculated trajectory.

Then there are the submarine-launched ballistic missiles (SLBM's), which follow the same trajectory as the ICMB's but are based in specially designed, nuclear-powered submarines.

Third, we have the bombers—traditional, large, longrange aircraft, such as the B-52's, the core of our bomber force—carrying nuclear bombs.

Finally, there are those recent additions to our inventory, the cruise missiles—unmanned small aircraft that are transported to their launch points on bombers, submarines or trucks and that fly at a very low altitude.

Of these four systems, the land-based missiles are the most vulnerable to a Soviet attack and the submarines the least vulnerable. We should understand that there will

never be a perfectly invulnerable weapons system, and trying to achieve one will be progressively difficult in the future. We must, instead, count on making it so complicated for the Russians to knock out all our nuclear forces in a short period of time that they will never feel confident of their ability to do it.

The way to increase survivability is to emphasize mobility, numbers of weapons and concealment. Bombers are mobile, and reasonably safe from attack when on airborne alert. Submarines are mobile and readily concealed at sea. Even if there should be a breakthrough in submarine detection—and no such breakthrough is foreseeable at present—submarines will certainly remain more difficult to locate than ICBM's or bombers. Cruise missiles are mobile, and small enough to be concealed, and we could have large numbers of them. Thus, for assurance that we won't be knocked out by surprise our intercontinental nuclear forces should be built around these three systems.

What I am proposing, therefore, is a shift of emphasis in our mix of nuclear weapons—a shift away from large ICBM's, like our present land-based missiles and the projected MX, to small, multibased cruise missiles.

Such a move would not only make our deterrent forces more survivable but would serve to reduce the elements of instability in the American-Soviet nuclear confrontation. For the more we rely on ICBM's, the more nervous we will be about the threat of a surprise attack on them; our finger will have to be on the trigger. And because the MX—added to the capability of our existing ICBM's—would give us the potential for a surprise attack on Soviet ICBM's, it would make the Russians nervous; their finger, too would have to be on the trigger. Cruise missiles, on the other hand, are too slow to threaten a surprise attack and too small to be targeted in a surprise attack by the Russians. Hence, if the United States shifted away from ICBM's and toward cruise missiles, both sides would relax somewhat and the nuclear balance would be stabilized.

The same combination would also give us as much assurance as possible that our weapons would penetrate any Soviet defense. The Russians would have to construct both ballistic missile defenses (against our submarine-launched missiles) and antiaircraft defenses (against bombers and cruise missiles traveling in the atmosphere). Both sets of defenses would have to be nearly impregnable.

It is true that because cruise concealed, it would be very difficult to verify the number of these weapons deployed by each side. Because of this, it is sometimes argued that shifting to cruise missiles would kill the chances for a new strategic arms-control agreement and thus increase tensions. But that is a specious argument.

The key objective of arms control is not control of the number of weapons but a lessening of the likelihood of anyone starting a nuclear war, either deliberately or accidentally. The critical step toward that goal is a reduction of the number of weapons that put people on edge by posing the threat of a surprise attack—and those weapons, by and large, are the ICBM's. There is no reason why ICBM's cannot be controlled by agreement—and bombers and submarines as well—even if cruise missiles cannot be counted.

The fundamental choice, then, is not between weapons of greater or lesser potency but between greater stability or less. The so-called nuclear experts, however, are finding it difficult to shed conventional military thinking, which sees advantages in "superiority" in weapons and holds that defeating the enemy's military forces is the end objective if war should break out.

Such emphasis on the power and number of weapons is misplaced. The levels of damage in intercontinental nuclear war are likely to be so high that most of the weapons we and the Russians possess will exceed any conceivable usefulness. A common nuclear weapon today has an explosive power about 40 times greater than the bomb that killed 100,000 people in Hiroshima. The United States and the Soviet Union each has about 270 urban areas with a population of more than 100,000. Imagine what several hundred such warheads could do to either country.

The United States has about 9,500 nuclear warheads and the Soviet Union about 8,000, all capable of being delivered over intercontinental distances. Some of these warheads are powerful and accurate enough to destroy "hard" targets, like ICBM silos, which are built of reinforced concrete. The remainder of these warheads are only capable of destroying "soft" targets, like cities, industries and basic military facilities. Some of the systems could hit their targets very quickly, because their time of flight to the Soviet Union is quite short and because the communications link to them is swift and sure. Others either have relatively long flight times or, in the case of submarines, are not always within reach of quick communications.

The advantage of the large land-based missiles is that they can not only hit "hard" targets but get there fast. Bombers and cruise missiles, while also capable of destroying "hard" targets, would take longer to reach their objectives. And we cannot be sure how long it will take for our nuclear-armed submarines to receive instructions and carry them out; furthermore, submarine-launched missiles are not accurate enough to be effective against "hard" targets. By about 1990, however, the undersea system will become as accurate as the other three, and the principal distinction between the four systems, in terms of their striking power, will be that bombers and cruise missiles will take longer to get there and submarine-based missiles may take longer to be launched. What difference will that make?

The question is of fundamental importance. For the answer determines which of two basic nuclear doctrines or strategies we adopt.

The first is the doctrine of retaliation. The two premises here are that we can deter the Russians from attacking us with nuclear weapons by the threat of a devastating nuclear counterblow against their urban and industrial centers; and that if, against all rational expectations, deterrence fails, we require only a limited capability to fight an intercontinental nuclear war.

The second is the doctrine of nuclear-war fighting. The premises here are that we can deter the Russians only if we are capable of waging and "prevailing" in a nuclear war; and that we require a capability to outlast the Russians in protracted nuclear war if deterrence fails.

The most critical point in deciding between these different approaches is which is the more likely to prevent the outbreak of intercontinental nuclear hostilities.

For many years, the United States relied on the first doctrine—that an assured capability to retaliate with nuclear weapons provided adequate deterrence. This view rested on the enormous destructiveness of nuclear weapons and the very high probability that they would penetrate enemy defenses. Today, there is no meaningful defense against ballistic missiles and little against cruise missiles; only bombers are vulnerable to serious attrition. Defenses will improve in the future, but since only a few nuclear weapons need arrive on target to do high levels of damage, defense will continue to be a difficult proposition.

What this means is that any Soviet leader contemplating initiating nuclear war must do more than estimate whether his nuclear forces could do greater damage to the United States than ours could do to the Soviet Union, or whether he could destroy all American nuclear forces and still have some of his own left. He must ask what might be the absolute level of damage to the Soviet Union. There would be little satisfaction to him in doing more damage to the United States or eliminating our nuclear strength if the damage suffered by the Soviet Union were unbearable.

This kind of calculation—that a preponderance of nuclear force is meaningless if the opponent retains the capacity for massive retaliation—is, of course, an entirely new way of looking at wars, and it is probably because of its newness that it came under challenge in the United States some years ago. As one critic, Colin S. Gray, put the argument in an article last fall, "Deterrence cannot be simply based upon the ability to bring on a holocaust." "For a threat to be believable, and thus an effective deterrent," he wrote, "it has to posit purposive military actions, and those actions have to be directed against targets that are of very high value to Soviet leaders."

More specifically, Mr. Gray and others of his persuasion worry about what would happen if the Soviet leaders were to unleash a nuclear attack aimed not at America's cities but at its nuclear forces. Their contention is that no American President would be likely to implement the longstanding doctrine of retaliation against Soviet cities, because he would know that this would invite the devastation of American cities by the Soviet Union's remaining store of missiles. Out of such reasoning the war-fighting doctrine was born.

This doctrine says we need nuclear forces powerful enough not only to devastate the Soviet Union's cities but to destroy its intercontinental nuclear forces, however long it takes. Such a capability, it is argued, would place the Soviet leaders in the position of knowing that they could not "prevail" if they were to start a nuclear war with the United States.

In my view, the doctrine of nuclear war-fighting is wrong in denying the credibility of the threat of retaliation against Soviet cities and industry. This argument, to repeat, rests on the contention that the Soviet leaders might well order a strike at our nuclear forces in the belief that the American President was not likely to retaliate with a blow against Soviet cities. What this overlooks is the great uncertainty as to how anyone would react in such a situation. There is no precedent on which to base a judgment.

Can anyone say with any certainty that a President would not launch all the weapons we have if the Russians were to launch even a limited attack on our nuclear weapons sites? Rationality may not prevail in such circumstances; or the President may react before it is clear that the attack is of a limit-

ed nature; or he may act in the belief that the Russians had launched a full-scale attack; or he may believe that any nuclear war is bound to escalate, and that our best move is to go all-out right away and hope to limit the Russians' ability to strike a second time.

Beyond guessing how the President might react, the Russians would have to worry about a complete breakdown in our chain of command. What would the commanders of our nuclear submarines do if, knowing that the United States had been attacked, they lost all contact with headquarters? Just half a dozen submarines could place almost 1,000 nuclear warheads on the Soviet Union.

In short, any neat calculation as to how the United States might respond could be wrong in so many ways that no Soviet leader could feel confident of the outcome of his launching even a small-scale nuclear attack on our country. Even gamblers grow cautious as the stakes rise, and a Soviet leader contemplating a nuclear attack on the United States would know that he would be gambling the very survival of his society. In my view, only if we were to push the Soviet Union into a desperate situation threatening its existence as a Communist state could a Soviet leader conceivably decide on the gamble of a nuclear attack on the United States.

The war-fighting school also argues that the Russians are going ahead on their own to build a nuclear war-fighting capability; that this makes nuclear war a likely eventuality; and that the Russians can be deterred from initiating such a war only if we demonstrate to them that we have the same kind of capability and could successfully outfight them in such a conflict.

There is ample evidence that the Russians are making very substantial investments in intercontinental nuclear forces, and that they are paying attention to all the components of a war-fighting capability. There is a world of difference, however, between preparing for the possibility of nuclear war and preparing deliberately to start one. Nothing I have seen persuades me that the Soviet leaders' intention in building their nuclear war machine is to use it offensively.

In any case, we don't have to go beyond a strategy of retaliation to be able to wage war against the Soviet Union's nuclear forces, if forced to. We already have a considerable capacity to engage in that kind of conflict. As I have noted, all of our four nuclear weapons systems are either capable of striking hard military targets or will acquire that capability before long. A President, then, could choose to retaliate only against cities, or only against hardened targets, or against both.

What he could not do with the bombers, cruise missiles and submarine-based missiles is to strike back rapidly. The key difference between the war-fighting concept and the retaliatory strategy hinges on whether we need an ability to retaliate quickly. If we do, ICBM's are clearly essential and cannot be replaced by cruise missiles. In my view, rapid response, in the event that deterrence breaks down, is not essential, and is even dangerous.

It is a natural military instinct to want to counterattack as rapidly as possible, in the hope of slowing the enemy's offensive. In nuclear war, however, a rapid response would have the opposite effect. If the Russians were to launch a nuclear attack against us, they would certainly be on the alert for our response. If we were to strike back at their nuclear forces, especially their vulnerable land-based missiles, they would have the option of launching those missiles while our attacking force was still in flight.

It would make no difference whether we counterattacked with ICBM's that could get to their targets in 30 minutes or with cruise missiles that took as long as 12 hours (including the time it took to transport them to within launching distance). The Russians would see us coming and have ample time to launch their missiles while ours were on the way. There is no way to gain surprise once the nuclear genie is out of the bottle.

By setting an objective of attacking the Soviet Union's remaining nuclear weapons after a Soviet surprise attack, the war-fighting school would confront the Russians with the alternative of launching those remaining weapons quickly or seeing them destroyed. Yet the last thing we would want to do in that kind of situation is force the Russians to launch even more weapons against us. Instead, our objective should be to retaliate not by going after just their remaining missiles but by hitting both military and civilian targets intensively enough to demonstrate that continuing this war would lead to escalation and disaster.

The object of our counterattack would be to persuade the Soviet leaders to absorb the blow and negotiate. That would not be an easy decision for them to make. It would be more difficult to make in the 30 minutes' warning they would have of an attack by our ICBM's than in the four to 12 hours it would take our cruise missiles to reach their targets.

Thus, it would be preferable to conduct such a counterattack with "slow" cruise missiles or bombers and give the Russians as much time as possible to make their decision. In fact, we would want to use that time to let the Russians know exactly what we were doing—that a counterattack of the same proportion as their attack on us was irretrievably on the way; that we hoped they would absorb it and then negotiate; and that if they fired one more missile at the United States, our entire remaining arsenal would be immediately launched in a devastating blow. This would provide more margin for reason to reassert itself than would the momentum of a war-fighting strategy, which would propel us both into successive rounds of nuclear exchanges and would probably lead to mutual, if not global, destruction.

It is folly to talk, as the war-fighters do, of prolonging intercontinental nuclear exchanges until the Soviet side was exhausted. Of what value would it be to us to have some nuclear forces left after 8,000 nuclear warheads have been fired in each direction? Neither nation would be thinking of "victory" after sustaining 8,000 nuclear blasts, each 10 to 100 times more powerful than the one at Hiroshima. In fact, long before anything like 8,000 weapons had been exploded, a nuclear war would become entirely unmanageable. It is interesting to note that prior to his recent retirement as chairman of the Joint Chiefs of Staff, Gen. David C. Jones said publicly that he did not consider protracted nuclear war feasible. It is largely civilian nuclear theologians like Colin Gray who do.

There is another line of reasoning put forward by the war-fighting school that may be paraphrased as follows:

"The forces of NATO and the Warsaw Pact that face each other in Europe are armed with conventional weapons, and our side has always been outgunned. We have tried to compensate by placing short-range 'tactical,' or battlefield, nuclear weapons behind our conventional forces, in case we needed to make a special effort to turn the tide of battle. In turn, we have always backed up these tactical nuclear forces with the threat that our ICBM's in the United States would enter the fray, if necessary. Hence, these intercontinental forces of last resort must be capable of war-fighting, including quick response."

The argument is pure sophistry. If, in the event of a nuclear attack against the United States, the President's readiness to retaliate against Soviet cities lacks credibility, as the war-fighters contend, what makes them believe that the President would attack the Soviet Union with nuclear weapons in retaliation for a conventional attack on Western Europe? The United States certainly should not and would not expose its own cities to nuclear devastation in order to compensate for NATO's weaknesses in conventional forces. It should be clear that if the West's conventional defenses in Europe ever reach the point where they cannot stand on their own, the Russians will soon detect that, and we can expect troubles that a "nuclear war-fighting capability" could not counter.

This examination of our strategic problems leads, I suggest, to the following conclusions:

We need weapons with a high degree of invulnerability to enemy attack, so that a large part of our deterrent can be depended on to survive a Soviet strike of no matter what intensity. These weapons should be able to retaliate in a deliberate, preferably slow, manner against either hard military targets or soft targets, including ordinary military installations, as well as cities and industries. We should have enough of these weapons to be certain of being able to inflict an unacceptable level of damage on the Soviet Union, but not necessarily to match the Russians weapon by weapon.

In other words, we must recommit ourselves to a doctrine of assured retaliation, relying principally on submarine-based missiles, bombers and cruise missiles, and rejecting the MX as unsuited to our needs. And we must reject the nuclear war-fighting doctrine as misconceived and dangerous to our security.

It may seem curious that a war-fighting theory with such lapses in logic should have gained such credence in the United States, and that, as a result, we are on the brink of going ahead with the MX missile at great financial cost and at great risk of nuclear instability. Yet the reasons are not hard to identify.

Perhaps the main reason is that war-fighting theorems are in accord with normal military reflexes in war, which are to strike quickly at the enemy's military forces. Another explanation lies in interservice politics: The Air Force sees the MX missile as a means of preventing its predominance in the intercontinental-nuclear field slipping away to the Navy. And there are, undoubtedly, the usual pressures from the military-industrial community to continue production of weapons under contract today.

Another factor, in my view, it that, over the years, the uniformed military in our country have virtually abdicated the formulation of nuclear doctrine to civilians. After all, military men cannot claim any particular operational expertise with nuclear weapons that has been denied to civilian specialists. It is good to have civilians thinking in all areas of military endeavor, but that there should be so few military men who can hold their own in debate on these mat-

ters is disturbing. Unrealistic concepts like that of nuclear war-fighting are a direct consequence of this lack.

Finally, the war-fighting doctrine has made inroads into official policies because it has not had to stand the test of full-scale public scrutiny and debate. This deficiency is being corrected: The American public displayed considerable skepticism over the dense-pack scheme, and the Congress, properly responsive to the public's views, voted in December to postpone any decision on the MX. Now, with the subject coming up for resolution, a still more difficult test of our democratic process is at hand.

It is doubly important for the public to involve itself in the final judgment on whether we need the MX missile. Of course, there are many technical details and some secret matters that must be left to the experts, but the broad purposes of acquiring or foregoing specific nuclear weapons like the MX are quite within the public's ability to comprehend. In no other area today is it more important for the principle of public control over public officials to be exercised.

A DISSIDENT'S FATE

Mr. PROXMIRE. Madam President, Lev Volokhonsky did nothing more than attempt to organize an independent union. That simple act, an accepted and common one in many countries, landed Mr. Volokhonsky in a prison camp.

Lev Volokhonsky is a citizen of the Soviet Union. As a result of his efforts to establish the Free Interprofessional Association of Workers (which has become known by its Russian acronym, SMOT), he has become one of that country's more than 10,000 political prisoners.

In 1978, Volokhonsky, a graduate of Leningrad University and a successful geologist, held a press conference for Western reporters to announce the formation of SMOT. The union attracted few members and organized no great strikes, but in June 1979 Volokhonsky was sentenced to 2 years in a prison camp for "spreading fabrications about the Soviet Union."

While Volokhonsky was imprisoned, his marriage collapsed. His career in geology foundered. Those failures, though, did not stop him from resuming his activities with SMOT upon his release, but last December, he was arrested again. He had urged workers to pass up the annual "voluntary" day of unpaid work in honor of Lenin's birthday. For this "crime" he faces a 3-year sentence and will soon be returned to a labor camp.

This is a shameful story, but its worst aspect is that it is not at all unusual. Lev Volokhonsky is not alone. There are at least 150,000 political prisoners who have been incarcerated because of their refusal to abandon their political beliefs.

Arbitrary imprisonment is bad enough, but the conditions under which it occurs have a more sinister implication. Nations which put the convenience of the government above the rights of individuals find it all too easy to take more drastic measures against those who fail to conform. They have a tendency to look for scapegoats and to blame them for failed policies. If those scapegoats happen to be an identifiable ethnic, racial, or religious group, as is often the case, then the stage is set for persecution. It is under these circumstances that genocide can take place.

In the United States, we have a system of laws which protects the rights of individuals. These laws help to distinguish this Nation from those, like the Soviet Union, which are totalitarian in nature. The United Nations' Genocide Convention is consistent with our heritage of protecting individual rights. It will help protect the most basic human right of all—the right to live.

Madam President, I urge the Senate to ratify this treaty not only because it will help to end genocide, but also because it is another affirmation of this country's traditional support for the individual.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

WASHINGTON POST EDITORIAL ON SENATOR HATFIELD'S WORK ON THE JOBS BILL

Mr. BYRD. Mr. President, I would like to draw the attention of the Senate to an editorial which appeared in this morning's Washington Post.

The editorial correctly applauds Senator HATFIELD's efforts to target a great portion of the funds in this bill to the areas of the country which have been hit the hardest and the longest by plague of unemployment.

I have been pleased to join Senator HATFIELD, along with Senator STENNIS, in cosponsoring a targeting amendment during the committee consideration and then a perfecting amendment here on the floor. My State of West Virginia has the unfortunate distinction of having the highest rate of unemployment in the country. I have seen the misery that unemployment brings, and I believe we should get on with the urgent business of providing funds for jobs to the areas most in need.

I ask unanimous consent that the text of the editorial as it appeared in today's Washington Post appear in the RECORD immediately following my remarks.

ROLL OUT THE BARREL

The Senate resume consideration today of an emergency relief and jobs bill passed earlier by the House. Without prompt action on the measure, millions of unemployed workers may find their unemployment benefits temporarily cut off.

The evolution of the "jobs" part of the multibillion-dollar legislation has not been a very rewarding sight. The original administration version—heavily laden with construction projects going to powerful political interests—already had more than a faint odor of pork about it. The House Appropriations Committee quickly added to the aroma, piling on projects of interest to its more influential members.

For example, a $33 million "demonstration" project—an item of particular interest to Appropriations Committee Chairman Jamie Whitten—will test the novel concept of building wider highways in certain districts. This being done in the name of science, we wonder what will happen if the project doesn't work. Will the roads be rolled up and returned to the taxpayer?

Thanks to the efforts of a few members with broader interests on their minds—and the effective working of an unusual coalition of labor unions and women's groups—the final House version has some redeeming amendments. Part of the money was directed to areas where unemployment is truly at disaster levels—that seems a useful feature for a measure that bills itself as emergency relief. And some money would be available for creating health and social service jobs that could not only provide needed assistance for hard-hit people, but also employ some of the great majority of the unemployed who don't happen to be construction workers.

Things got off to a somewhat better start in the Senate, where Appropriations Committee Chairman Mark Hatfield reported a measure that, while smaller in total than the House version, put much more of its money into high-unemployment areas and needed public services. That didn't sit well with senators who weren't getting their full "share" of the action. Never mind that their constitutents are lucky enough to live in prosperous areas; why help the victims of real disaster if you can't help yourself as well?

Grease from the pork barrel has, of course, oiled the machinery of political compromise since the republic was born. But this is not a normal appropriations bill in normal times. It is an attempt to find room in a very tight budget for ways to alleviate the terrible hardship now being endured by people who have been without jobs for many months. Many of these prople are now waiting in bread lines and sleeping in cars and cardboard cities. When the Senate meets today, Sen. Hatfield and others will continue their battle to see that at least a sizable part of the money being appropriated actually does some good. They deserve stronger support from their fellow senators from all parts of the country.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

EMERGENCY JOBS APPROPRIATIONS 1983

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will resume consideration of the pending business, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania (Mr. HEINZ) is recognized to offer an amendment on revenue sharing on which there shall be 1 hour of debate, with 20 minutes of debate on second-degree amendments or points of order which may be submitted to the Senate, provided that no motion to table be in order.

AMENDMENT NO. 488

(Purpose: To require that installment payments of revenue sharing allocations be paid at the beginning of each quarter)

Mr. HEINZ. Mr. President, I call up my printed amendment No. 488 having to do with revenue sharing.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) for himself, Mr. DOLE, Mr. DURENBERGER, Mr. SASSER, Mr. D'AMATO, Mr. DANFORTH, Mr. LONG, Mr. MOYNIHAN, Mr. LEVIN, Mr. BRADLEY, Mr. PERCY, Mr. RIEGLE, Mr. PACKWOOD, Mr. MITCHELL, Mr. JOHNSTON, Mr. FORD, Mr. MELCHER, Mr. KENNEDY, Mr. DOMENICI, Mr. TSONGAS, Mr. LAUTENBERG, and Mr. DECONCINI proposes amendment No. 488.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following section:

INSTALLMENT PAYMENTS OF REVENUE SHARING

SEC. . (a) Subsection (b) of section 6702 of title 31, United States Code, is amended by striking out "the end of the quarter" and inserting in lieu thereof "the beginning of the quarter".

(b) The amendment made by subsection (a) shall apply with respect to installments for quarters beginning on or after April 1, 1983.

Mr. HEINZ. Mr. President, this indeed is the amendment that a number of us have been prepared to discuss, debate, and hopefully pass for the last several days. It is an amendment that, simply stated, accelerates the payment of revenue-sharing money from the end of the second calendar quarter to the beginning of that quarter.

This amendment is virtually identical to the bill that I introduced on February 17, 1983. That bill was S. 525 and that bill similarly required that the installment payment of revenue-sharing allocations be made at the beginning of each fiscal quarter rather than at the end of such quarter.

Mr. President, there is a lengthy, probably incomplete list of cosponsors that I wish to have properly recorded and if I inadvertently omit any of the cosponsors I would seek to add them later without prejudice.

The list of cosponsors that I ask unanimous consent to include at this point are: Mr. SASSER, Mr. D'AMATO, Mr. DANFORTH, Mr. LONG, Mr. MOYNIHAN, Mr. LEVIN, Mr. BRADLEY, Mr. PERCY, Mr. RIEGLE, Mr. PACKWOOD, Mr. MITCHELL, Mr. JOHNSTON, Mr. FORD, Mr. MELCHER, Mr. KENNEDY, and Mr. DOMENICI.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, this amendment I believe meets several very important purposes. By accelerating the payment of revenue sharing from the end of each quarter to the beginning we will in effect give our local governments, be they county or municipal, what amounts to a second revenue-sharing payment this spring. That payment will help them meet the far greater demands for social services, particularly human services, that they are being called upon to meet during this very deep and very long recession. It will also undoubtedly enable local governments to avoid a number of extremely significant and prejudicial layoffs of workers, workers whose retention is essential to delivering services, and whose dismissal will result in the substantial curtailment of services that are very much and very badly needed by a large number of people in localities across the United States.

It is also my belief that the enactment of this amendment would demonstrate congressional commitment to take quick action to alleviate economic distress in our Nation's local communities.

Now, Mr. President, I am aware that the legislation before us is thought by some to be somehow exclusively a jobs bill, and it is true that H.R. 1718 does have as part and parcel, of course, of its title I, a job stimulus, job creation, effort. I will not tell my colleagues that this amendment I am offering to the jobs bill is strictly a jobs measure. The acceleration of general revenue sharing is not strictly a jobs measure. It will, admittedly, get jobs for some people who are now facing unemployment, and it may result in some communities in people who are now unemployed who will be put back to work. It may do that, and I expect to some considerable degree it will do that, and there is nothing wrong with that. But it is more than just a jobs measure because it will take very careful account of local communities' need to deliver very vital and valuable services.

It is a fact that, at least as it stands now, this bill we have before us, although it appropriates money for the continuation of the unemployment compensation program, does not extend unemployment compensation, which will expire, as I understand it, in many respects unless we act soon, the program, the existing supplemental benefits program, and this legislation does not provide any mortgage foreclosure relief, something many people in the House and Senate are interested in. It does not provide any additional health insurance benefits for the unemployed needed as those may be. Those are all things that we lump under that banner of humanitarian relief, and indeed were we to act upon them, were we to enact an extension, further extension, of the Federal supplemental unemployment benefits or health insurance of some kind for the unemployed or some kind of mortgage foreclosure relief, all of those things would not only be welcome indeed but they would alleviate a tremendous amount of human suffering and misery.

I happen to come from a State, Pennsylvania, my hometown is the city of Pittsburgh, where we have had far too many months and years of first-hand experience with what long-term unemployment, even if it comes about through no fault of your own, first, can do for your bank account and then can do for your human dignity, if you have indeed very much left; not being able to make your car payment; having to beg from every conceivable possible employer a chance to do a little bit of work, if there is any; having to go into default on a mortgage which you maybe made 10 or 12 or 15 years of monthly payments on, taking pride in never having been late; having perhaps in an extreme situation to smash you child's piggy bank just to have enough money to put groceries on the table. Unfortunately those extreme circumstances, Mr. President, are all too common in this day and age and in these kinds of communities.

So the second very important purpose of this amendment that I offer is to provide humanitarian relief, and it will do so faster than anything else we can do in this bill. It will make available additional moneys at the local level within 3 or 4 weeks from today, assuming the bill is enacted this week, and that means we can be providing by the first week in April, the second week in April at the latest, $1.2 billion worth—excuse me, $1.15 billion worth of additional relief for people who are going to bed hungry, who are sleeping without roofs over their heads, who

are going without proper medical attention, and without this kind of help who will be without much hope.

I would also observe that as I look at this bill, H.R. 1718, and I support this bill—and, by the way, I commend the chairman of the Appropriations Committee, Senator HATFIELD, for doing his usual outstanding job on this legislation—it is a better bill than the one the other body sent over here, and that reflects considerable time, effort, and work. But even so, Mr. President last Tuesday the Congressional Budget Office estimated that of the $4.4 billion in outlays in title I in this bill, H.R. 1718, as amended by the Appropriatons Committee, only $1.4 billion, I will say it again, only $1.4 billion of the $4.4 billion is going to be spent in fiscal 1983, according to the Congressional Budget Office, and $1.7 billion will be spent in 1984, and the remaining $1.3 billion is going to be spent out sometime between 1985 and 1988.

Mr. President, that is a long time to wait if you are about to lose your house, your home, your car, your future right now. So I submit that enacting this amendment is going to give immediate humanitarian relief and some job relief as well.

I ask unanimous consent to place in the RECORD a list of example of some of the kinds of uses to which the moneys might be put, some of the kinds of problems they might head off. I ask Mr. President, unanimous consent that this list together with resolutions from NLC and NACO appear in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The following are some illustrations of how city and county governments are dealing with revenue shortfalls and growing expenses. This information was derived from newspaper articles and telephone conversations.

Nassau County, New York—Due to lower revenue collections and increased expenditures, county officials are considering furloughs or layoffs of county employees if the New York State Legislature refuses to pass a 1-cent increase in the county's sales tax. Some officials are saying that layoffs could total 300.

City of Los Angeles—An immediate freeze on hiring has been imposed due to a $33.2 million shortfall in projected revenue. Approximately 300 to 400 jobs will go unfilled until the freeze is lifted, possibly as late as the end of June 1983. More drastic measures, including layoffs, may be necessary.

Los Angeles County—Officials are proposing to lay off 3,000 employees as a means of reducing the projected deficit this year.

Anne Arundel County, Maryland—Layoffs are being considered to alleviate the revenue shortfall estimated at $5 million.

New York City—In an effort to balance the budget, city officials plan to lay off 4,600 workers and leave an additional 6,800 jobs unfilled.

Detroit, Michigan—Facing a possible deficit of $40 million, city officials are considering layoffs in the next fiscal year.

Prince Georges County, Maryland—Due to revenue shortfalls, county officials are considering 600 layoffs in the next fiscal year and have already instituted a hiring freeze for this year and next year.

Milwaukee County—More than 100 people have already been laid off this year. Projections are not good for next year. If the economy does not improve, substantial layoffs will occur in 1984.

Wayne County, Michigan—1,500 layoffs are being considered in fiscal year 1984 (July 1, 1983 to June 30, 1984) due to an expected deficit.

Multnomah County, Oregon—Although no layoffs are projected for fiscal year 1983 (July 1, 1982 to June 30, 1983) county officials are already projecting a revenue shortfall between $10 and $13 million in fiscal year 1984. Athough no specific number has been given regarding layoffs, reductions-in-force will be inevitable if additional revenue is not received.

Baltimore, Maryland—City officials are proposing 1,000 layoffs to go into effect before June 30, 1983.

Obviously, providing additional revenue for local government now would be highly timely with respect to retaining jobs.

We also know that general revenue sharing funds can be used for a wide variety of social services, including the operation of community health clinics and shelters for the homeless.

I repeat that the real virtue of GRS is that the extra funds to help local officials on the firing line of the recession will start going out by early next month.

There are no complicated bureaucracies to go through at the Federal or State levels.

There are no complicated regulations to comply with before the funds can be put to use.

I urge colleagues to join me in support of this amendment.

It is supported by the National League of Cities, the U.S. Conference of Mayors, NACO, NATAT, AFSCME, AFL-CIO, NGA, and others.

RESOLUTION ON LEGISLATION TO ACCELERATE GENERAL REVENUE SHARING PAYMENTS

Whereas, General Revenue Sharing is a vital program for county governments because it distributes funds to be spent on local priorites, according to the discretion of county officials; and

Whereas, many county governments are providing services under severe fiscal constraints because of the recession and cutbacks in intergovernmental aid; and

Whereas, all county governments allocate revenue sharing dollars to programs and services which can abate the impact of the recession; and

Whereas, county governments currently receive general revenue sharing payments five days after the end of quarter for which the funds have been allocated; and

Whereas, receipt of revenue sharing funds earlier in the quarter would facilitate more rapid deployment of these funds to assist the needy and for other urgent purposes; and

Whereas, legislation has been introduced in both the Senate and House to accelerate revenue sharing payments to the fifth day after the beginning of a quarter;

Therefore, be it resolved, That the National Association of Counties support the immediate passage of such legislation, but only if such acceleration of payment will not be used as a reason for Congress to fail to approve an inflationary adjustment in general revenue sharing in the future.

RESOLUTION ON NORMALIZING REVENUE SHARING PAYMENTS

Whereas, states have been forced to reduce their fiscal aid and assistance to cities due to cutbacks in federal assistance, tax cuts and the recession; and

Whereas, anticipated municipal resources have been eroded by the impact of the recession; and

Whereas, municipal revenues have been reduced due to significant cutbacks in federal aid and assistance; and

Whereas, cities have experienced increased demands on municipal services; and

Whereas, removing the three month delay in making revenue sharing payments would be critical to cities at this time without requiring any additional appropriation for the Congress;

Now, therefore, be it resolved, That the National League of Cities urges the Congress to pass legislation to remove the lagging payment in General Revenue Sharing Program.

Be it further resolved, That NLC urges the Congress to act on this legislation as part of the emergency assistance and jobs legislation in order to insure that cities can stabilize their budgets, prevent any further service reductions, and provide needed assistance to the citizens now.

Mr. HEINZ. Mr. President, I intend to conclude here very shortly. I hope all my colleagues will join in enacting this legislation. We know what a tremendous success revenue sharing has been. It has been on our books since 1972, since October. Indeed, when it was first put on our books, this successful program used to make its payments at the beginning of the fiscal quarter, not at the end. In 1973 there was a change and, frankly, all we are seeking to do is to return to the original intent of Congress at this crucial time by making sure the payments of general revenue sharing, both next quarter, the rest of the quarters in this fiscal year, and indeed for all time, and we will extend revenue sharing, that the payments of general revenue sharing be made not at the end of the quarter but at the beginning.

This amendment, Mr. President, is supported not only by many Senators, but by many people who have the first responsibility for delivering services to needy people.

The National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the National Associations of Townships and Towns, the American Federation of County, State, and Municipal Employees, the AFL-CIO, the National Governors Association are among the other organizations supporting this legislation.

Mr. President, I hope that my colleagues join in helping us enact this legislation.

Mr. President, I ask unanimous consent that Senators TSONGAS, LAUTEN-

BERG, and DECONCINI be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I reserve the remainder of my time.

Mr. President, how much time does the Senator from Louisiana wish?

Mr. LONG. I think I would require about 5 minutes.

Mr. HEINZ. I am happy to yield 5 minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, passage of this amendment will mean that in April—next month—local governments all across the country will receive an additional $1.15 billion in revenue sharing funds. As a result, in the next quarter of this fiscal year, local governments will have available $2.3 billion in revenue sharing funds to be channeled to where they are needed most.

Our primary concern today is to put people back to work—and do it quickly. Millions of Americans all across this Nation are today without jobs.

Yet, we have at hand a ready tool for providing jobs. It is the general revenue sharing program for local governments. Every 3 months, a check is mailed out to each local government throughout this land. These local governments have many useful projects on which they could put people to work if we increase the amount of that revenue sharing check.

I fully support the proposal offered by the Senator from Pennsylvania. I am a cosponsor of this measure, Mr. President. It will have the effect of increasing revenue sharing payments by 25 percent in 1983. In fact, I favor an even greater increase. I am convinced that a 50-percent increase in revenue sharing would be an even more effective way of putting people back into jobs.

Revenue sharing has a proven record of success. It is effective. In the decade since the start of the program, Mr. President, revenue sharing funds have been used by thousands of communities within this country to finance essential programs.

The revenue sharing program has one of the lowest costs of administration of any Federal program. Less than 1 percent—in fact, I believe it is about one-tenth of 1 percent, about $1 out of every $1,000—is required for administrative expenses. I ask where we can find a program that, dollar for dollar, gives us better use for our money.

Mr. President, for all these reasons, I support the amendment under consideration today. We have before us a proposal which will put people back to work and which will begin doing so by next month. I urge my colleagues to join me in supporting this proposal.

I thank the Senator for yielding.

Mr. HEINZ. I thank the Senator from Louisiana for his cosponsorship and for his excellent statement.

● Mr. D'AMATO. Mr. President, I am pleased to be joining my good friend, the distinguished senior Senator from Pennsylvania, today in introducing this most important amendment. Accelerating general revenue sharing payments to local governments will give both our economy and communities across the Nation a vital shot in the arm just when it is needed most. Delivering an additional $1.15 billion to local governments in less than 1 month from now will go a long way toward meeting the great demand for increased social services resulting from the current recession. Given the financial straights that many local governments now find themselves in, this measure will also help avert threatened layoffs of municipal workers across the country. Thus, this amendment is a vital component of a complete job creating and retention package.

We cannot abandon our local governments during this time of recession. As a former town supervisor, myself, I well understand the predicament local governments now face: Increased demand for municipal services and, due to the recession, less revenue to meet this demand. We must pass this amendment. We must not ignore the needs of local governments.●

Mr. DOLE. Mr. President, I commend the Senator from Pennsylvania (Senator HEINZ), for raising a very important issue in connection with the so-called jobs bill. Accelerating an additional revenue sharing payment into fiscal year 1983 is a step that I have favored for some time, because it is one of the simplest and most effecient ways to get money out to deal with the immediate problems caused by the recession.

As Senator HEINZ rightly points out, the point of job-creating legislation in a time of economic distress must be to make funds available to create jobs at the time when the need is greatest. In this case, as signs of economic recovery begin to accumulate. That means to create jobs now: Not next year, when we all hope and expect the worst will be over. The major flaw in this jobs bill may be that so little of the funds appropriated will actually be spent in the current fiscal year.

Mr. President, the Heinz amendment addresses this problem by providing an extra revenue sharing payment right away. In addition to providing timely funding to help the economy, this amendment provides it in the most efficient way: By helping local governments attend to the local problems of recession, which they know and can evaluate best. As Senator DURENBERGER and others have noted, a number of us wrote to the President last December to suggest that he take this action under his own authority. The President has not chosen to exercise this option, but that is no reason why we should not do so.

Many of us would have preferred providing this additional payment of revenue sharing funds as an offset to some other items in the jobs bill. Unfortunatly, as a technical matter it is difficult to identify and separate out those funds under this bill that will be spent after fiscal 1983. Still, it should be noted that the Senate bill is significantly smaller in total spending than the House version, so that we can adopt this amendment and still go to conference with a bill in the spending range suggested by the President.

I hope the amendment will be adopted.

Mr. SASSER. Mr. President, I rise to state my support for the amendment presented by Senator HEINZ to speed up general revenue sharing payments to local governments.

This is a simple and quick way to assist distressed communities at a very crucial time. On April 5, local governments would receive a double payment—$1.14 billion scheduled for that date and another $1.14 billion that normally would be paid at the end of the quarter. Subsequent payments would also be moved up.

This unrestricted Federal subsidy gives local officials the latitude to spend the money where it is most needed. Giving local communities a strings-free bonus on April 5 creates a pool of funds that could be used for a program to put people back to work. Or the money might be spent to provide food, medical care, or shelter for the homeless.

Helping spur an economic recovery and fairly sharing the burdens of the recession are now the highest obligations of the Federal Government. Yet, recent cuts in Federal spending have forced too many cities and counties to cut services and consider raising taxes.

Now is the time that these governments need help the most. And now is the time that the accelerated revenue sharing payments could provide that assistance.

This payment will not bust our budget. Nor will it contribute to the deficit. Yet it can provide emergency services for jobless and low-income citizens.

I have long been a supporter of sharing Federal revenues with local governments. Experience has shown that this money is well spent. Because of the low administrative costs, there is little waste associated with this program.

Revenue sharing is certainly at the top of my agenda for the 98th Congress. I am a cosponsor of S. 41, to reauthorize the program beginning in 1984. And I am pleased to cosponsor this amendment today.

If we truly want to get people back to work, then quick congressional action on this measure is in order. It is effective, simple, and answers the immediate needs of our communities.

● Mr. MOYNIHAN. Mr. President, I am a cosponsor of the revenue sharing amendment to the jobs bill offered by the distinguished senior Senator from Pennsylvania (Mr. HEINZ). This measure would accelerate the quarterly payments made to the State and local governments under this vital and efficient program.

I have long been a proponent of revenue sharing, and since coming to the Senate in 1977 I have strongly supported the program. Congress first created the revenue sharing program in 1972. Since then, we have twice extended the program: In October 1976 and in December 1980. Currently, the program is funded at an annual level of $4.6 billion. This funding, however, will expire at the end of the year, unless Congress acts to again extend the program, which I expect we will do.

Mr. President, the legislation we are offering today will greatly aid many local governments, including those in my home State of New York. Under existing law, Federal payments to the States and localities are made 5 days after the end of each quarter. This amendment provides for the payment of the revenue sharing allocations at the beginning of each quarter. By speeding up these payments, we will, in effect, supply an additional $1.15 billion to local governments in April 1983. Total payments for the fourth quarter of fiscal year 1983, then, would be $2.3 billion. New York's share of the additional allocation would be approximately $120 million.

Mr. President, I can think of no better time than the present to be advancing the revenue sharing payments schedule. By doing so, we will supply much needed relief to certain communities that have had to bear so much of the burden—financial otherwise—of the recession. Some communities will be able to use this money to offer increased shelter, fuel, clothing, and other assistance to those unfortunate victims of the depressed economy. Other localities will be able to retain government employees, who are necessary to provide these essential services. Increasing the outlays to the States will be an easy and efficient way to help our local governments meet the needs of the truly needy, without increasing budget authority. And at a time when Federal assistance is dwindling this amendment will help relieve the States of at least some of their increased financial strains.

It is a worthy measure, and I urge my colleagues to support it today.●

Mr. HEINZ. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes and 55 seconds remaining.

Mr. HEINZ. Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, I yield myself whatever time is necessary.

Mr. President, speaking against this amendment is like speaking against motherhood, yet I must take the floor in opposition to the amendment and will probably be the only opposing vote in the body. But I do so for a number of reasons.

First of all, the Senator from Pennsylvania raises objections to this bill because it does not address the matter of emergency foreclosure relief. I remind the Senator that that is a matter that requires legislation. This is an appropriations bill. It comes from the Appropriations Committee. The Senator serves on the Banking and Housing Committee, from which legislation must ultimately be dealt with.

The Senator also criticizes the bill on the matter of not having extended emergency health benefits. As the Senator knows, that requires legislation. This is an appropriations bill coming from the Appropriations Committee. The Senator is a member of the Finance Committee, and that committee must provide the legislation.

So I would say those two criticisms of the bill really do not merit debate at this point because they do recognize the requirement for legislation.

Second, I would like to know if the Senator would yield for some questions on my time.

Mr. HEINZ. On motherhood?

Mr. HATFIELD. On motherhood.

Mr. HEINZ. The Senator will do his very best to answer the perceptive, probing questions of the Senator from Oregon.

Mr. HATFIELD. I thank the Senator from Pennsylvania for his high compliment.

I wonder if this means, then, if the Senator's amendment is adopted, that there will be five payments made in fiscal year 1983 on matters related to revenue sharing?

Mr. HEINZ. If the Treasury Department did what they are supposed to do, which is to get the checks out on time in each quarter, at the end of each quarter, the Senator's amendment would not result in five payments this year. It would result in four.

However, as the Senator from Oregon well knows, the Treasury Department is somewhat late in getting the checks out. The checks that should be received at the end of September, the end of the fiscal year, often are not mailed out until several days later.

I am advised that this year they are expected to go out not when we said they should go out but on October 5. I think that is wrong.

So, because the Treasury Department is doing something wrong and because we will move that payment up by 30 days, the effect will be to have five payments this year, even though that is not the intent of Congress. It is only because the executive branch is not doing the job we are telling them to do.

Mr. HATFIELD. Then does that mean there will be three payments in fiscal year 1984 to offset the fifth one?

Mr. HEINZ. There will be four payments in fiscal year 1984, if the Senator's amendment is adopted or if it is not.

Mr. HATFIELD. When is the Senator going to make this adjustment of accelerating the fourth payment in fiscal year 1983?

Mr. HEINZ. The Senator's amendment does not propose to do that.

Mr. HATFIELD. This is adding $1.2 billion to the deficit in 1983.

Mr. HEINZ. Technically, because of the way the Treasury Department operates, right now, by failing to observe what we told them they should, the Senator is theoretically correct. If, however, the Treasury Department persists in issuing the checks, as they are doing, I suspect this bill, particularly if this amendment does not pass, will draw an amendment from myself or some other Senator that will require them to make payments in the fiscal years in which they are supposed to be made.

So, the practical effect, I say to my friend from Oregon, is that, were that amendment to be adopted, it would, in fact, not increase the deficit. I think you can argue that were they to delay it, as they do for 5 days, then it would increase the deficit. But, frankly, I think that is haggling.

Mr. HATFIELD. Well, recognizing that I was not a higher mathematics major in my university career——

Mr. HEINZ. We are totally equal.

Mr. HATFIELD [continuing]. I still am a little bit puzzled about how we can have a payment in fiscal year 1983 to, in effect, create five payments and still maintain four payments in 1984 and not have that somehow an add-on of one payment, at least in these 2 fiscal years or somewhere down the line.

And with all the technical aspects, with all the late check issuing, which is not relevant to what I want to understand, is it adding a new payment?

Mr. HEINZ. Make no mistake. There will be two payments around April 1.

Second, the Senator asks where does it come from? He might properly ask, where did it go in the first place?

As I pointed out in my remarks at the beginning, I say to my good friend from Oregon, we originally used to make payments at the beginning of

each quarter. In 1973, those payments were delayed to the end of the quarter. So, correctly speaking, what we are doing is restoring that which about a decade ago was taken away. How one takes that into account in the higher mathematics, I would not know.

Mr. HATFIELD. I would only say, putting it in theological terms, that the sins of the fathers cannot be repented for by the sins of the children. Consequently, I do not think we can go back to 1973 to justify the advance payment of 1983. That is neither here nor there, when it comes to the matter of what we are dealing with today. The fact remains that we are adding $1.2 billion to the deficit. I do not think that is haggling. When I look at the problems we face nationally, internationally, and all the obligations we have undertaken in our efforts to try to reform social security, our efforts to try to bring down interest rates, to try to get a jobs bill, to have supplemental unemployment compensation, it all comes back basically to the Government's spending policy in terms of the deficit.

There are three causes that we all recognize. One is the erosion of the tax base, which has occurred under our tax policies, and the other is the entitlement area, in which we have seemingly not been able to demonstrate much resolve to get control of. The third is in the area of military spending, which continues to escalate.

So we face the situation where the administration, which campaigned for a balanced budget at best, now can project $117 million in deficits for 1988.

I say to the Senator from Pennsylvania, as part of this administration team, trying to represent the best interests of this administration and the best interests of the American people on this floor, I cannot participate in any action that is going to add to our problem in this kind of significant fashion.

We have brought out a jobs bill that is not sacrosanct, but I can say to the Senator that we are certainly within a range in which we know we can get a Presidential signature. If we begin to add a billion here and a billion there, or $100 million or $20 million, and we are resisting all add-ons, we could get ourselves into a situation by the time we get to the House of Representatives for a conference of ending up with a product that will not get a Presidential signature. We will have gone through this whole exercise for nothing.

I will not argue the merits of revenue sharing. I think they are well-known. I think this is one of the curses we have had bestowed upon us by previous administrations. But that is not the issue at hand.

The issue at hand is to attempt to get a jobs bill and to get a signature. I merely want to say that I will have to oppose this add-on of $1,200,000,000, not only on the jobs bill but as it relates to our deficit for fiscal year 1983.

The real problem here is that we just add a billion here, a billion there and a billion everywhere else and we end up having some pretty big money spent and then wonder why we have such deficits, why we have such imbalances, why we have such low income.

I know there is a lot of support for revenue sharing. The Senator would get 98 votes today if we had a vote. I am considering one absentee and my own "no" vote. But I must say that regardless of how many votes the Senator gets, I think the principle is wrong. I think the issue is not properly raised here on this appropriation measure, which is attempting to get out a jobs bill.

I heard the argument about how quickly this money can be expended. Sure, local governments can spend money faster than you can give it to them—so can State governments—because they have the good example of the Federal Government, which for so many years has spent so much money so quickly, throwing as much money as they could to solve a problem. That those are the New Deal economics, the New Deal philosophy that we still have with it today. Just throw the money at it and you will correct the social problems. Throw enough money at unemployment and we will correct unemployment.

It took a world war to bring that about rather than the money we expended. That is our heritage. And it is as much on this side of the aisle as on that side. It is as much now a Republican doctrine as a Democratic doctrine.

I happen to be an old guard liberal Republican who believes in fiscal responsibility. I believe that the most dangerous thing this Nation faces is our fiscal irresponsibility. We can put it in the nicest wrappings, tie it up in the most beautiful ribbon, create the best imagery that we are doing something good for the State governments and the local governments, but at the same time we are putting ourselves into fiscal chaos.

I do not really think the Russians constitute as great a threat to this country as we do, we who have not been able to demonstrate the ability to get control of the fiscal spending policy and bring this deficit down to a place where we can foresee a balanced budget.

I would hate to run in 1984 on the campaign rhetoric that we issued as Republicans in 1980. If I decide to run in 1984, I can assure the Senator that will not be part of my plan because it would be like putting water into a sieve. I just cannot believe that we have come to accustom and accommodate ourselves to the inevitability that we are going to have to face a $117 billion deficit in 1988 from the time when we ran for the national Presidency in 1980 promising the American people, "Elect us and we will balance the budget within the immediately foreseeable future through the elimination of waste, fraud, abuse," and all those other jingoisms that were to bring about a balanced budget.

Now, in the fiscal year 1984, we have practically bought it and we still say to the American people, "We are doing wonders, we are doing marvelous things in the whole financial management field. We will only have a $117 billion deficit in 1984."

Mr. HEINZ. Will the Senator yield?

Mr. HATFIELD. I yield.

Mr. HEINZ. I hope the Senator will repeat that speech when the defense budget comes to the floor.

Mr. HATFIELD. I hope I have the support of the Senator from Pennsylvania when that does happen.

Mr. HEINZ. What we are talking about is as nickels and dimes compared to the budget request for fiscal 1983 and fiscal 1984 for the Defense Department.

I would also like to ask the Senator a question that just occurred to me. That is, if a program has budget authority for a fiscal year and the end of that fiscal year arrives, does the budget authority lapse at the end of that fiscal year?

Mr. HATFIELD. Some do and some do not. It depends on the way the generic legislation was written.

Mr. HEINZ. It does not say the funds will remain available until committed?

Mr. HATFIELD. If specifically provided. Let me say, each law sets that into place.

Mr. HEINZ. I would be very interested in knowing what the underlying statute on revenue-sharing provides. I have a suspicion that we do not provide for that budget authority to extend and that indeed the payments being made after the end of the fiscal year are probably unauthorized. Is that correct?

Mr. HATFIELD. Let me say that this bill has some very specific language in it to incorporate only the provisions of this bill. That is, we have it on page 56, at the end of the bill. If the Senator will look on page 56, it says, "No part of any appropriation contained in this act shall remain available for obligation beyond the current fiscal year unless expressly provided herein."

Mr. HEINZ. I appreciate that, but I think the Senator knows what I am driving at. That is, that it is quite likely that the Treasury Department is not acting pursuant to congressional authority in sending out the checks late. I think the issue as to whether

this is going to increase the budget deficit or not really is an administrative question.

I ask my friend, would he agree or disagree that we do not increase the budget authority for revenue sharing in this fiscal year by virtue of this amendment?

Mr. HATFIELD. I do not think we touch any budget authority.

Mr. HEINZ. So the Senator would agree that I do not increase the budget authority for revenue sharing by this amendment.

Mr. HATFIELD. Mr. President, let me ask a question: Does the Senator believe that the President needs this authority by this amendment or does the President already have the authority to advance the revenue-sharing payment?

Mr. HEINZ. In my view, the latter is true.

Mr. HATFIELD. The President already has the authority.

Mr. HEINZ. But despite the fact that the President has been urged to do this by a number of us, in writing as early as November or December, he has not done so.

Mr. President, I do not know whether I am on my time or the Senator's time; but I appreciate the colloquy he has encouraged and engaged in.

Mr. HATFIELD. Mr. President, I just underscore the point that we really do not need to adopt this amendment to accomplish the objective. I do not know what the administration would do, but I do know the President has the authority now to make this advancement. This is not particularly a direct jobs bill amendment. Therefore, I urge its defeat on that basis, but I also face the inevitability of what is going to occur on the floor here. I am ready to return the remainder of my time.

Mr. HEINZ. Mr. President, I am prepared to yield back all but what Senator DURENBERGER wants to consume, so I suggest that the Senator from Oregon withhold.

Mr. HATFIELD. I reserve the remainder of my time. Also, I suggest that if there are Senators who wish to speak on this matter, they hasten to the floor, because we want to get through the amendments.

Mr. HEINZ. Mr. President, I yield 5 minutes to the Senator from Minnesota.

I ask unanimous consent that Senator ROTH be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota is recognized.

Mr. DURENBERGER. Mr. President, I am delighted to support the Senator from Pennsylvania on his amendment to accelerate the payment of general revenue-sharing entitlements to local governments by one quarter. As he has stated, under current law, the Secretary of the Treasury may make these payments anytime during the quarter up to 5 days after its close. He has always chosen to pay on the last possible day—actually 5 days after the closing of the quarter. The intention of the amendment here is to have him comply with the original law, as the Senator from Pennsylvania has indicated, and move the payments up to the beginning of the quarter.

I recall the Senator from Oregon saying that all of this does come back to the Federal Government's spending policy. I think that is what we are dealing with with regard to this amendment. I have been urging the President to do what the Senator from Oregon and the Senator from Pennsylvania have indicated it is within his power to do. That is to advance the payments by way of giving a one-time supplement of the $1.15 billion to local governments. I have been advocating that since December, when we began to tie the unemployment problems in this country to the ability of Government, through its spending policy, to respond to those problems. This amendment would require such an acceleration of payments.

The acceleration of general revenue-sharing payments is preferable to many of the provisions in this legislation as a way of giving local governments resources to provide for the urgent needs of those most affected by the recession. Mr. President, this type of assistance is all Congress can realistically expect to accomplish with this bill. Contrary to its title, it is not—and cannot be under our fiscal constraints—a bill to create a significant number of real jobs.

What it can be is a way to help State and local governments meet emergency needs created by the unusual amount of unemployment that they otherwise would not be able to meet during hard times. It can serve as a method by which the severe hardship created by this recession can be redistributed more broadly across society rather than falling upon a relatively small segment that is most vulnerable to economic downturns.

This is what is doable. It is what we should be doing. The amendment to accelerate general revenue-sharing payments by one quarter brings this bill closer to achieving these obtainable objectives. Only a program like general revenue-sharing permits immediate delivery of Federal funds to the program; only such a program permits State and local governments, which experience a wide diversity of problems, to target those funds where they will do the most good.

Mr. President, I know some of my colleagues may be reluctant to support an amendment that adds $1.15 billion to the legislation now before us. I do not blame them. Indeed, what we should do is pass this amendment and immediately find offsetting reductions that can be made in the bill. My good friend from Pennsylvania has made a very good suggestion on how to go about finding those reductions. According to the Congressional Budget Office, only about $1.4 billion of the funds appropriated under title I of this bill will be spent in fiscal year 1983. The remainder will not be spent until fiscal year 1984 and thereafter.

It makes eminent sense to focus on those funds that cannot be spent quickly and replace them with funds like general revenue sharing that can be used immediately. It should not be difficult to identify such funds. I remind my colleagues that this exact approach was advocated by the administration when David Stockman appeared before the Finance Committee just last week.

Mr. President, at this time, I ask unanimous consent that several items be printed in the RECORD that help explain the short history of the idea to accelerate general revenue-sharing payments. They include a table showing the distributional effects of a one-quarter acceleration, a letter from the U.S. Conference of Mayors to all U.S. Representatives asking for immediate emergency aid, and a letter to the President from Senators DOLE, DOMENICI, GRASSLEY, DANFORTH and myself urging him to accelerate these payments.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

GENERAL REVENUE-SHARING QUARTERLY PAYMENTS, FISCAL YEAR 1983

State	Local governments		Total[1]	Quarterly payment
	Counties	Municipalities		
Alabama	67	429	496	$18,473,808
Alaska	8	142	218	5,194,482
Arizona	14	75	111	16,213,708
Arkansas	75	473	548	12,046,010
California	57	425	542	129,971,928
Colorado	62	266	331	12,999,363
Connecticut		34	187	13,584,219
Delaware	3	56	59	3,435,362
District of Columbia			1	4,664,328
Florida	66	394	462	42,216,694
Georgia	158	537	695	28,552,298
Hawaii	3	1	4	5,567,329
Idaho	44	199	248	4,543,771
Illinois	102	1,281	2,817	55,061,396
Indiana	91	565	1,664	20,582,892
Iowa	99	955	1,055	13,640,023
Kansas	105	625	2,155	9,101,258
Kentucky	119	421	540	18,442,753
Louisiana	125	301	427	24,130,165
Maine	16	22	517	7,022,672
Maryland	23	151	174	21,614,180
Massachusetts	12	39	363	34,639,242
Michigan	83	531	1,865	44,865,026
Minnesota	87	855	2,749	21,342,388
Mississippi	82	291	374	15,618,075
Missouri	114	924	1,364	20,167,030
Montana	54	126	187	4,280,758
Nebraska	93	535	1,105	7,419,566
Nevada	16	17	52	3,352,738
New Hampshire	10	13	246	3,586,905
New Jersey	21	333	590	36,749,014
New Mexico	33	98	157	7,786,722
New York	57	616	1,612	118,687,956
North Carolina	100	481	582	30,374,109
North Dakota	53	364	1,789	3,107,772
Ohio	88	938	2,346	44,505,825
Oklahoma	77	575	678	13,920,256
Oregon	36	241	282	13,029,811

GENERAL REVENUE-SHARING QUARTERLY PAYMENTS, FISCAL YEAR 1983—Continued

State	Local governments		Total[1]	Quarterly payment
	Counties	Municipalities		
Pennsylvania	66	1,017	2,634	55,419,344
Rhode Island		8	39	4,848,532
South Carolina	46	266	312	17,283,868
South Dakota	66	312	1,397	3,662,639
Tennessee	94	334	428	21,123,965
Texas	254	1,100	1,356	59,496,435
Utah	29	224	258	8,610,807
Vermont	14	59	310	3,173,648
Virginia	95	229	326	23,768,414
Washington	39	265	328	17,173,811
West Virginia	55	231	286	10,616,611
Wisconsin	72	579	1,931	23,496,708
Wyoming	23	90	115	2,540,988
U.S. total	3,106	19,043	39,312	1,141,710,091

[1] Includes townships, Indian tribes and Alaskan Native villages.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., November 26, 1982.

DEAR REPRESENTATIVE: Considerable public attention has been focused recently on the problems of unemployed people in this nation. The Conference of Mayors supports and will continue to work with you on legislation to address these problems, such as a job creation measure that would fund repairs for streets, bridges, and water and sewer systems. But there is an immediate human need in cities which must be met. Congress must enact an emergency measure to provide emergency services to unemployed and homeless people this winter.

The needs of the unemployed for food, shelter, medical care, clothing and heat—the essentials of life—are outstripping the combined public and private resources of cities across the country. Extraordinary efforts are being made by government, religious and voluntary agencies, but a serious shortfall in service remains. According to a survey by city human service officials affiliated with the U.S. Conference of Mayors, less than half of the emergency service requests in cities are being met by our agencies.

Earlier this week leaders of our Health, Education, Employment and Human Services Committee met in Washington to discuss this pressing matter. They called for an emergency appropriation during the lame duck session of $500 million for use this winter in cities. Funds would be available to meet emergency needs such as food, shelter, heat, medical care, or clothing. A possible vehicle is the Low Income Energy Assistance Program; its purposes are similar and it has an interstate allocation formula and distribution mechanism already in place. The funds appropriated could be earmarked for more general emergency services through an amendment to the continuing resolution or some other measure.

On behalf of the mayors of this nation I urge you to pass a $500 million emergency measure during the lame duck session. Action cannot be delayed on what is literally a life and death issue for many thousands of unemployed homeless Americans.

Sincerely,

JOHN J. GUNTHER,
Executive Director.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., December 17, 1982.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As the Congress concludes the lame duck session, the human need created by unemployment remains a pressing problem. It is apparent that extraordinary measures will be necessary this winter to care for the millions of jobless Americans.

Several proposals to provide public works employment and emergency relief have been considered by the Congress. Whatever the legislative outcome on these various jobs measures, there is a significant step that we would respectfully bring to your attention. It is possible under the provisions of the general revenue sharing program for you to make $1.15 billion immediately available to local government for the purposes of meeting employment and other needs.

When the general revenue sharing program was created in 1972, payments were authorized at any time during each quarter up to 5 days after the quarter closed. Since the first payment in 1972, each Administration has chosen to make the general revenue sharing payment 5 days after the quarter closed. On January 5, 1983 the payment for the first quarter of fiscal year 1983 is scheduled to be made. Under provisions of the authorization, the payment for the second quarter of fiscal year 1983 could be made at the same time. Moving subsequent payments to the beginning of each quarter would assure no disruption in the general revenue sharing program, while providing a one-time supplement of $1.15 billion that could be used by local governments for emergency relief this winter.

Mr. President, we believe that there are several advantages which recommend this alternative for your serious consideration. Funds would be immediately available to local governments. General revenue sharing is a no strings program that allows local government to apply the dollars to their most pressing problems. And no Congressional authorization is necessary for you to implement this supplemental payment. As employers, as primary agent for public investment, and as the first line of help in difficult times we are certain that local government can make effective use of these funds now.

As we work in these closing days of the 97th Congress to shape the most appropriate and effective response to the urgent needs of unemployed Americans, we respectfully request you consider early implementation of this suggestion.

Respectfully,

BOB DOLE,
CHUCK GRASSLEY,
JOHN DANFORTH,
DAVE DURENBERGER,
PETE V. DOMENICI.

Mr. DURENBERGER. Mr. President, I thank my colleague for yielding to me and for his initiative in proposing this amendment.

Mr. HEINZ. Mr. President, I thank my colleague from Minnesota for his comment. He may properly be the original inspiration, because, as he points out, it was in November or December of last year when he first suggested to the President that the President might, by Executive order, move this payment up. I think his initiative has stimulated the rest of us to go further and this amendment is part of the result.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. QUAYLE). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HEINZ. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Pennsylvania desire to yield back his time?

Mr. HEINZ. If the Senator from Oregon desires to yield back his time.

The PRESIDING OFFICER. Does the Senator from Oregon desire to yield back his time?

Mr. HATFIELD. No, Mr. President, I suggest the absence of a quorum, to be charged to both sides equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, if the Senator from Oregon is prepared to do so, I am prepared to yield back the remainder of my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) is necessarily absent.

I further announce that, if present and voting, the Senator from Mississippi (Mr. COCHRAN) would vote "yea."

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. NUNN), and the Senator from Massachusetts (Mr. TSONGAS), are necessarily absent.

I also announce that the Senator from Hawaii (Mr. MATSUNAGA) is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 21, as follows:

[Rollcall Vote No. 19 Leg.]

YEAS—73

Abdnor	Chiles	Eagleton
Andrews	Cohen	East
Baker	D'Amato	Ford
Bentsen	Danforth	Garn
Biden	DeConcini	Glenn
Bingaman	Denton	Hart
Boschwitz	Dixon	Hatch
Bradley	Dodd	Hawkins
Bumpers	Dole	Heflin
Burdick	Domenici	Heinz
Byrd	Durenberger	Hollings

Huddleston	Melcher	Simpson
Inouye	Metzenbaum	Specter
Jackson	Mitchell	Stafford
Johnston	Moynihan	Stennis
Kassebaum	Packwood	Stevens
Kasten	Percy	Symms
Lautenberg	Pressler	Thurmond
Leahy	Pryor	Tower
Levin	Quayle	Wallop
Long	Randolph	Warner
Lugar	Riegle	Weicker
Mathias	Roth	Wilson
Mattingly	Sarbanes	
McClure	Sasser	

NAYS—21

Armstrong	Grassley	Murkowski
Baucus	Hatfield	Nickles
Boren	Hecht	Pell
Chafee	Helms	Proxmire
Exon	Humphrey	Rudman
Goldwater	Jepsen	Trible
Gorton	Laxalt	Zorinsky

NOT VOTING—6

Cochran	Kennedy	Nunn
Cranston	Matsunaga	Tsongas

So Mr. HEINZ' amendment (No. 488) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on H.R. 1718, An act making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

Howard H. Baker, Jr., Robert Dole, Slade Gorton, Richard G. Lugar, David Durenberger, Carl Levin, Chic Hecht, John Heinz, Mark O. Hatfield, Mark Andrews, Arlen Specter, Christopher J. Dodd, Pete V. Domenici, Bob Packwood, John C. Danforth, Ted Stevens, John H. Chafee, Chuck Grassley, Malcolm Wallop, Warren B. Rudman, Paul Laxalt, and Alan K. Simpson.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin. Before the Senator proceeds, will he suspend a moment to get order? Will the Senate please come to order? Those Senators desiring to converse please retire from the Chamber. The Senate will be in order. Those Senators desiring to carry on conversations please cease. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I ask unanimous consent that it be in order to file a cloture motion on the Kasten amendment on 10-percent withholding at this time.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KASTEN. Mr. President, I think it is important we move forward with the jobs bill. I think it is important we deal with this issue. At this point it is clear that the votes are here on the floor, we may even have two-thirds of the necessary number to suspend the rules, but we have been on this bill now since Thursday, and I believe we should vote. I believe the delay is unnecessary, and I believe if we can go forward with this bill, this cloture motion, which unfortunately my unanimous-consent request has been objected to, would have forced a vote—we have 23 Senators who signed it—to cut off debate on the 10-percent withholding, and move forward with the jobs bill, with the unemployment compensation, and with the other things that are so important.

The delay we have gone through here is unnecessary and I think the delay we have gone through here is destructive to the basic process of the people across this country who want a vote on this issue and I think they deserve it.

So I once more ask unanimous consent that it be in order to file a cloture motion on the Kasten amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, and I shall object, there is a cloture motion just filed that can take care of the concern the Senator from Wisconsin has and that is cloture on the bill. If we invoke cloture on the bill all nongermane amendments will fall and we can debate this issue another time but not at the expense of the unemployed, and hopefully we can go ahead with the jobs bill and get it out of the way.

The Senator from Kansas would very much like to get on with social security this week. We do not want the bankers holding up social security, and if the ABA has a strategy for holding up social security as it had for holding up the jobs bill, we will deal with it at that time. But there is a cloture motion filed that will accommodate the Senator from Wisconsin and others and we can maybe vote on that sometime in the next day or two. I object.

The PRESIDING OFFICER. Objection is heard.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 501

(Purpose: To increase funding for health services to the unemployed)

Mr. EAGLETON. Mr. President, I call up my amendment No. 501.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), for himself and others, proposes an amendment numbered 501.

Mr. EAGLETON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, beginning with line 4, strike out through line 18 on page 36 and insert in lieu thereof the following: "To expand the availability of essential health care services for the disadvantaged and unemployed, including those in rural towns and villages, an additional $78,000,000 for 'Health Services', Department of Health and Human Services, for carrying out titles III and XIX of the Public Health Service Act with respect to community and migrant health centers: *Provided*, That $5,000,000 shall be for the provisions of home health care centers at such centers and $5,000,000 shall be for carrying out section 339 of the Public Health Service Act relating to home health care services and training: *Provided further*, That each center may apply up to 20 per centum of these funds provided to the center for the purchase (at rates not exceeding those prevailing under the applicable State plan approved under title XIX of the Social Security Act) of inpatient hospital services for delivery and post partum care to pregnant women and infants who have no other source of payment for the care.

"INCREASING MATERNAL AND CHILD HEALTH SERVICES

(HEALTH SERVICES)

"To increase the availability of essential health services for disadvantaged children and mothers, and additional $110,000,000 for 'Health Services', Department of Health and Human Services, for maternal and child health grants under title V of the Social Security Act. *Provided*, That such funds shall be available notwithstanding section 502 for special grants to title V agencies in those States or areas within States experiencing high levels of unemployment and shall be allotted among the States based on the product, for each State, of the number of children under six years of age in the State and the unemployment rate in that State: *Provided further*, That no grant shall be made to a State unless such State offers assurances satisfactory to the Secretary that it will use such amounts in addition to rather than in lieu of existing Federal or State funds currently available for these purposes.

"CENTERS FOR DISEASE CONTROL

"PREVENTIVE HEALTH SERVICES

"For an additional amount for 'Preventive Health Services', $150,560,000, which shall remain available until expended and shall be for construction and renovation of facilities.

"INCREASING ASSISTANCE FOR PUBLIC HOSPITALS AND EMERGENCY ROOM SERVICES

(PREVENTIVE HEALTH SERVICES)

"For an additional amount for allotments to States under part A of title XIX of the Public Health Act, $52,000,000, to be allotted among the States on the basis of the number of unemployed individuals in each of the States: *Provided*, That funds provid-

ed herein may only be used to provide financial assistance to public hospitals and to provide financial assistance to community hospitals to compensate for some portion of free emergency room services: *Provided further,* That funds provided herein may only be used to provide services to persons unable to pay for them: *Provided further,* That no grant shall be made to a hospital unless the hospital offers asssurances that it will use such amounts in addition to rather than in lieu of existing Federal, State, or local funds currently available for these purposes.".

The PRESIDING OFFICER. The Senator will suspend until order is obtained.

The Senate will please come to order. The Senate is not in order, and business will not go forward until the Senators come to order. Those Senators to my left please cease conversations. The Senate is now in order. The Senate will come to order.

The Senator from Missouri.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the following lines be stricken from the amendment: page 2, line 21 beginning with the word "and" on line 21 and continuing through and including the word "State" on line 24, all of that appearing on page 2 of the amendment.

I will repeat it for clarity. I ask unanimous consent that the words beginning with "and" on line 21 and continuing through and including the word "State" the second time it appears on line 24 on page 2 be stricken from the amendment.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

The amendment, as modified, follows:

On page 35, beginning with line 4, strike out through line 18 on page 36 and insert in lieu thereof the following: "To expand the availability of essential health care services for the disadvantaged and unemployed, including those in rural towns and villages, an additional $78,000,000 for 'Health Services', Department of Health and Human Services, for carrying out titles III and XIX of the Public Health Service Act with respect to community and migrant health centers: *Provided,* That $5,000,000 shall be for the provisions of home health care centers at such centers and $5,000,000 shall be for carrying out section 339 of the Public Health Service Act relating to home health care services and training: *Provided further,* That each center may apply up to 20 per centum of these funds provided to the center for the purchase (at rates not exceeding those prevailing under the applicable State plan approved under title XIX of the Social Security Act) of inpatient hospital services for delivery and post partum care to pregnant women and infants who have no other source of payment for the care.

"INCREASING MATERNAL AND CHILD HEALTH SERVICES

(HEALTH SERVICES)

"To increase the availability of essential health services for disadvantaged children and mothers, an additional $110,000,000 for 'Health Services', Department of Health and Human Services, for maternal and child health grants under title V of the Social Security Act: *Provided,* That such funds shall be available notwithstanding section 502 for special grants to title V agencies in those States or areas within States experiencing high levels of unemployment: *Provided further,* That no grant shall be made to a State unless such State offers assurances satisfactory to the Secretary that it will use such amounts in addition to rather than in lieu of existing Federal or State funds currently available for these purposes.

"CENTERS FOR DISEASE CONTROL

"(PREVENTIVE HEALTH SERVICES)

"For an additional amount for 'Preventive Health Services', $15,560,000, which shall remain available until expended and shall be for construction and renovation of facilities.

"INCREASING ASSISTANCE FOR PUBLIC HOSPITALS AND EMERGENCY ROOM SERVICES

"(PREVENTIVE HEALTH SERVICES)

"For an additional amount for allotments to States under part A of title XIX of the Public Health Service Act, $52,000,000, to be allotted among the States on the basis of the number of unemployed individuals in each of the States: *Provided,* That funds provided herein may only be used to provide financial assistance to public hospitals and to provide financial assistance to community hospitals to compensate for some portion of free emergency room services: *Provided further,* That funds provided herein may only be used to provide services to persons unable to pay for them: *Provided further,* That no grant shall be made to a hospital unless the hospital offers assurances that it will use such amounts in addition to rather than in lieu of existing Federal, State, or local funds currently available for these purposes.".

Mr. EAGLETON. Mr. President, finally, I ask unanimous consent that the following Senators be added as cosponsors to this amendment: Senators HEFLIN, BINGAMAN, METZENBAUM, and BRADLEY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, on behalf of myself——

Mr. STENNIS. Will the Senator yield to me? I believe the debate will be short on this amendment. It is highly important. There is no great sum of money involved and if we can just cooperate with the Chair and maintain order, I believe we can dispose of it in a few minutes.

The PRESIDING OFFICER. Will the Senator suspend?

Those Senators in the back of the Chamber desiring to continue conversations, please retire from the Chamber. Those Senators who want to carry on conversations, please retire from the Chamber or cease conversations. That includes the staff members as well.

The Senator from Missouri.

Mr. EAGLETON. Mr. President, on behalf of myself, Senator HEINZ, Senator HOLLINGS, Senator SPECTER, Senator KENNEDY, Senator BUMPERS, Senator RIEGLE, Senator PACKWOOD, Senator PROXMIRE, Senator PERCY, Senator DODD, Senator HEFLIN, Senator BINGAMAN, and Senator METZENBAUM, I submit this amendment to the Senate to increase funding for health services for the unemployed and other persons unable to pay for such services.

Mr. President, 90 percent of individuals gain access to health insurance coverage through their place of employment. As we attempt to deal with the many problems created by the longest recession since World War II through this emergency jobs appropriations bill, I believe none is more pressing than the tragedy of millions of Americans being unable to obtain health care because they have lost their health insurance coverage.

When you lose your job, you and your family lose your health insurance coverage, and when you have lost your health insurance, doctors do not want to see you and hospitals do not want to take you. According to the Congressional Budget Office, almost 11 million Americans lost their health insurance coverage last year—most within 30 days of job termination.

This bill already seeks to meet some of the basic human needs of the unemployed. I commend the distinguished chairman of the Appropriations Committee, Senator HATFIELD, for including a fairly ambitious plan for the distribution of food to the poor. I commend the chairman for including funds for modest emergency shelter programs, but I am deeply concerned that the bill does so little to address the needs of jobless Americans struggling to find adequate health care.

The effects of this massive loss of health care coverage are now being felt by hospitals and clinics all across the country. Health centers report increased demand levels averaging 22 percent, almost all due to current high unemployment. Hospital after hospital emergency room reports a flood of requests for free care that in some instances even threatens to bankrupt the hospital, and yet we know that many in need of health care simply are not getting it. The long and steady decline in infant mortality has slowed or reversed itself in communities hard hit by unemployment. In a number of areas, both rural and urban, the prospect of a newborn baby surviving to the age of one has dropped during the last year. Newspaper report after newspaper report details specific cases where the unemployed are postponing necessary health care because they cannot afford to pay for it. They simply live with the pain and in many instances develop complications which could have been avoided had they had access to health care earlier.

Three recent newspaper articles tell the story of these millions of jobless Americans struggling to find adequate health care.

An article from the New York Times of February 27 headlined, "Emergency

Rooms Shut on Weekends in Mobile," revealed that all but one of the six private hospitals in Mobile, Ala., closed their emergency rooms to keep out people who cannot pay their bills and avert financial disaster. Just yesterday, the Washington Post reported that the one remaining hospital in Mobile that kept its emergency room open last weekend announced it will now refuse admissions to "nonemergency patients." The article goes on to point out that last weekend this hospital handled 260 patients through its emergency room.

An article in the March 4 edition of American Medical News detailed how the Harris County, Tex., Medical Society's program to assist the medically needy unemployed who have no health insurance and no personal physician was brought to a standstill by the overwhelming volume of calls—3,500 calls in the first 5 days of the program.

Mr. President, I ask unanimous consent that both of these articles be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. Very briefly, Mr. President, this amendment adds $180 million for health services above the amount provided in the bill by providing an additional $48 million for community health centers, an additional $80 million for maternal and child health care, and $52 million to States under the preventive health and health services block grant to provide assistance to public and community hospitals who are being deluged with requests for services by the unemployed.

I think it is no secret that this jobs bill—that is, the bricks and mortar part of this bill, will have only a marginal impact on the unemployment situation in this country. In my judgment, the funds for humanitarian assistance to meet critical human needs cannot await the much sought after economic recovery. I am well aware that this amendment will not fully address the plight of those in need of health care, but it will be an important start by permitting 1 million additional patient visits to health care facilities over the next 12 months. It recognizes that the basic health needs of human beings are as vital as their need for food and shelter.

EXHIBIT 1

[From the American Medical News, Mar. 4, 1983]

TEXAS MDs MAKE HEADLINES AIDING UNEMPLOYED

When at least 17 medical organizations have programs providing free care for the unemployed, why did the Harris County (Texas) Medical Society make national news?

Society officials have several theories. The fact that a Sun Belt boom town needs such a program may have been the angle that inspired at least three stories on national network news, wire service reports that appeared nationwide, and extensive local coverage.

Houston's internationally known medical facilities also create a climate to trigger news, which is not dampened by the society's good relations with the media, officials said.

Size may be a factor, too. Almost a fourth of the society's 4,500 practicing physicians signed up for the program with more recruits coming as a result of the publicity and a second mailing the society sent shortly after the program started.

The society's president, Joel Reed, MD, got the idea from other county societies. As a result of the publicity, the ripple effect has continued, with inquiries coming from several Texas county societies and others interested in setting up similar programs.

The volume of calls from the public brought normal business to a standstill in the society's office, as workers struggled to handle 3,500 calls the first five days of the program. Roughly 60 percent of the calls were from the program's target audience, said Dan Finch, the society's associate director.

Unlike some programs that have criteria about the number of days an applicant must have worked or been unemployed, the Harris County society has no rigid rules. People generally qualify if they are unemployed, have no existing insurance coverage, and no personal physician already.

Although no extensive survey has been possible, officials so far are satisfied that they have excluded most callers who just were shopping for physicians or did not want to return to their personal physicians because they owed them money. In at least one instance, a woman admitted she had a personal physician but did not want to return to him because of her debt. Checking computerized listings, a society official noticed that her physician had volunteered to provide free care. The official suggested that she contact the MD, who would be likely to care for a regular patient like her.

Some unqualified callers have been referred to physicians in the society's standard referral service, which handles about 2,000 calls a month, although the volume of calls has prevented many such referrals.

The society has received a few reports of unqualified callers slipping through the screening procedure. Dr. Reed said a physician refused to examine one man who said he wanted a physical because he had been out of work several months and had nothing else to do.

The man fit a couple of categories, but the program really is for more medically needy people who have too much money to qualify for government medical assistance.

Many physicians already were providing free or low-cost care, Dr. Reed pointed out. The society's program just formalized referrals and funneled some physicians to free clinics. A physician who already was operating a free clinic is scheduling MDs at his clinic and may open a couple of others. University-based physicians who may not have offices especially are using this option.

Volunteers span all specialties, including referral-based MDs such as anesthesiologists and pathologists, who are contacted directly by primary care physicians or through the society's recommendation.

With the physician referral program zipping along, society officials are working to get hospital, drug, and laboratory fees waived.

The hospitals are the weak link in the program, Dr. Reed said. He understands a hospital's reluctance to take a patient who could be hospitalized for months and cost thousands of dollars. To solve the problem, he said a physician who regularly uses a hospital should call the administrator and discuss admissions on a case-by-case basis. (Some hospitals that received construction funds under the federal Hill-Burton Act may be obligated to give free care to some people.)

A few pharmacies will provide generic drugs at minimal cost, and one drug maker is considering providing some drugs free.

A large private laboratory and a radiology group will waive fees on request of regularly referring physicians. The city health department will chip in by providing some simple screening tests free for physicians.

[From the New York Times, Feb. 27, 1983]

EMERGENCY ROOMS SHUT ON WEEKENDS IN MOBILE

MOBILE, ALA., Feb. 26.—To keep out people who cannot pay their bills, all but one of the six hospitals in Mobile, closed their emergency rooms this weekend.

State Attorney General Charles Graddick unsuccessfully tried to prevent the University of South Alabama Medical Center from closing its emergency room. The State Supreme Court permitted the first closing on Feb. 11 and the legal battle appears at an end.

The medical center says the rising cost of caring for indigent patients has threatened its financial stability. Medicaid, the health program for the indigent, does not come close to meeting the cost, the medical center says.

For two weekends, five private hospitals maintained emergency room service for patients turned away from the medical center. But four dropped out and only Springhill Memorial Hospital said it would keep its emergency room open this weekend.

Before the weekend shutdown started, patients were referred to different hospitals through a Civil Defense telephone network. But one by one the private hospitals bowed out of the rotation system, until only Springhill remained open, accepting patients who have doctors as well as those who do not.

[From the Washington Post, Mar. 10, 1983]

EMERGENCY ROOM RESTRICTED

MOBILE.—The only hospital here that kept its emergency room open last weekend announced that it will restrict entry this weekend to "true emergencies."

For a month, Mobile's five hospitals have been closing emergency rooms on weekends to keep out poor patients unable to pay for treatment.

Springhill Memorial Hospital, the one that stayed open last weekend, will now refuse admissions to "nonemergency patients," a spokesman said.

Last weekend, Springhill handled 260 emergency room patients. The past two weekends, physicians, paramedics, emergency medical technicians, law officers and members of the 129th Medical Corps of the Alabama National Guard have helped out.

Mr. EAGLETON. Mr. President, I yield 2 minutes to my distinguished colleague from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I am cosponsoring this amendment, with Senators EAGLETON, HOLLINGS, HEINZ, and SPECTER, to increase supplemental funding for direct health services from $60 to $240 million. Specifically, I support this amendment because it increases funding to unemployed, impoverished women for maternal and child health care services. Not to recognize the need of these women for such services is an inequity with dramatic consequences. You have often heard me speak to questions of equality for women in this Nation. Under the terms of the current bill proposal, once again it is women and their children—the silent majority—who suffer.

The maternal and child health block grant, that is the MCH block grant, enacted in 1981, provides Federal assistance to States for health services not only for women, but for infants, children, and adolescents who would not otherwise have access to needed care because of low income or the lack of medical or health care professionals in the areas in which they live. It also provides Federal assistance to States for specialized health services for handicapped and chronically ill children who would not have access to needed care.

The health services provided have a strong preventive thrust, and a number of studies have found them to be cost effective and highly successful in improving the health of these women and children, in reducing infant mortality and morbidity, and in reducing handicapping conditions and serious illness and their complications.

In fiscal year 1981, the total Federal appropriation for the MCH block grant was $460 million. The current authorization level for the MCH block grant is $373 million. The MCH block grant was one of the most severely cut health programs in the fiscal year 1982 Budget Act and Continuing Resolution. Additionally, if inflation in health care costs is taken into account, the overall reduction would be considerably greater.

Even before cuts in Federal funding in the MCH block grant programs were made in 1981, these programs were not able to provide services to a substantial proportion of those they were mandated to serve because of inadequate funding. The inability of MCH block grant programs to meet the demand for services has increased as economic conditions have worsened. As unemployment has grown, more and more families have found themselves unable to purchase care in the private sector and have moved to public programs like the MCH block grant programs.

The impact of the decreases in maternal and child health services resulting from reduced funding for MCH block grant programs upon the health status of mothers and children is difficult to measure statistically and may not become apparent for some time. Nevertheless, administrators of these programs indicate that they expect these service decreases may well reverse the progress which has been made in the past decade in improving the health status of the poor.

It cannot be doubted that reduced access of mother and infants to affordable prenatal services will ultimately produce an increase in infant mortality and morbidity, birth defects, mental retardation, and other handicapping conditions. Another concern is that reduced access of children with handicaps and life-threatening and chronic diseases to affordable early identification services, specialized diagnosis, treatment and rehabilitation services and case management and follow up services will seriously affect the ability of these children to lead independent and productive lives.

Mr. President, it is imperative that health services for poor women and children be given equitable consideration in this jobs bills. The bill as originally proposed cannot be considered "humanitarian" if it fails to recognize the needs of those who need it most.

Mr. STENNIS. Will the Senator yield me 5 minutes on the amendment?

Mr. EAGLETON. I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, my remarks will be partly in the nature of a testimonial, because I went out and visited two of these community health centers. I spent most of my time at one of them. I saw firsthand there the value of the programs that we are talking about here. Let us remember this is only $180 million to be added to the bill and it will create some 10,000 new jobs. In my State of Mississippi, 63 percent of the maternal and child health block grant will go for actual new employment of unemployed people.

But this is not the main point, Mr. President. I saw at one of these community health centers work which was the result of professional efforts by two young doctors when they started with this center several years ago. Dr. Aaron Shirley and Dr. James Anderson, their fellow doctors and dentists, the nurses, and the staff assistants have done a marvelous job of providing necessary health care for our people. And their work is characteristic of the professional services rendered under the programs we are discussing today.

I went, Mr. President, to this place—it was built a little at a time, a little here and a little there—I went to stay about an hour. I wound up staying there 5 hours, including the lunch period. I went where these expectant mothers were coming in for their examinations. I paused there long enough to see the highly professional care they were being given by the doctors and the professional staff members.

I saw the small children being brought in, being given proper attention, receiving attention for nutrition, checking out about food and things that go to make up real infant care in the field of health.

I went from one part of that center to the other marveling at what I saw there, the high scale of professional activity that is just exemplary.

Later I got to know the doctors, nurses, and staff and I was highly impressed and very proud indeed of their attitude and their achievements. I took a vow then that when I had a chance I was going to give as strong support as I know how to their programs and do what I could to get their case presented on the merits when the matter came up in the Congress. I want to see if more attention, not just money, given to these programs in the way of recognition and planning for the future and in getting the local community even further involved in the work of these community health centers.

At the center I visited, those mothers and relatives and all those families affected were filled with pride and appreciation. I talked to them. I knew what they were thinking about. I could make some measure of judgment as to the value of this service.

I was proud when I left there and I am proud today to think about it. I urge my colleagues to vote this relatively small amount—only $180 million. Let us not kill it now on the grounds that maybe this is not just a perfect place to bring in such an amendment. This amendment is timely anywhere because it is getting results.

While these community health centers have been providing this critical health care, they have also been able to hold down their costs to a level considerably lower than for many other health care providers. According to recent nationwide data, these centers have increased their productivity by 43 percent and have actually decreased their costs per visit by 21 percent.

Mr. President, these health care centers do not interfere with or duplicate the efforts of other private practice providers. They are located in areas where there is a shortage of health services. Thus, their role is both appropriate and virtually necessary.

The recession has created new burdens on the services provided by these health programs. As unemployment has increased, so has the number of people who have had to rely on the health care these programs supply.

Across the country, health centers report an average increase of 22 percent in the demand for their services, with most of this attributable to the recession. One community health center in my State added 2,036 new patients during the last 6 months of 1982. Of these new patients, almost 30 percent were newly unemployed.

The Eagleton amendment provides a modest increase in the maternal and child health care and community health center programs. This increase in funding will both create new jobs and help deal with health programs that have been exacerbated by the recession. The amendment thus complies with exactly what we are trying to do in this bill. I urge its adoption.

I thank the Senator for the work he and others have done on this. I thank the Senator for the time he gave me. I hope it will be an overwhelming vote in favor of this small matter.

I yield the floor.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER (Mr. HUMPHREY). Who yields time?

Mr. EAGLETON. I yield 2 minutes to the Senator from Pennsylvania.

Mr. HEINZ. I thank my friend from Missouri for yielding.

I am pleased and privileged to be a cosponsor of this amendment which will provide immediate relief for the pressing medical needs of jobless workers and their families.

The amendment has been well explained, Mr. President, by my colleagues. My colleague from Missouri has explained how this amendment will help provide some absolutely essential emergency financial assistance to the public hospitals and community health centers, which are now being deluged with requests for services from families who no longer have health insurance.

I might add I am deeply concerned about the recent studies showing a dramatic increase in alcoholism, heart disease, child abuse, infant mortality rates, and other types of sickness and violence associated with joblessness.

For example, in Johnstown, Pa., where there is a 18.6-percent unemployment rate, there has been a sudden increase in infant deaths for the first time in recent years, because mothers lacked access to adequate prenatal care. In only 1 year, the number of infant deaths per 1,000 births in Johnstown jumped from 21.3 to 25.2. And in Wilkes-Barre—another Pennsylvania community burdened by high unemployment—the infant mortality rate has jumped from 11.1 to 18.9 per 1,000 births.

At a minimum, I think we must add the $80 million this amendment provides in additional funds for the maternal and child health block grant. This small increase will provide a measure of immediate relief to States with high unemployment levels, and will assist thousands of needy children under the age of 6. An additional $48 million in this amendment would help community health centers pay for hospital delivery and post-partum care for pregnant women and infants. Equally important, the amendment adds $52 million to the preventive health block grant, so that community and public hospital emergency rooms will be better able to deal with the high demand for emergency services by individuals unable to pay for the high cost of health care. These three areas of health care services are the most pressed due to unemployment-related problems, and they need this immediate additional assistance.

Mr. President, we are faced with millions of unemployed workers and their families who cannot find affordable health insurance coverage, and yet they desperately need medical care in many circumstances. I urge my colleagues to vote in favor of this amendment. It is a vital first step in providing for the immediate medical needs of our jobless. This amendment is only a beginning.

I do want to announce that tomorrow my colleague from Pennsylvania, Senator SPECTER, and I will be introducing legislation to provide health insurance for the unemployed, legislation he and I have been working on for the past several weeks. It is legislation that we have said we are going to introduce and tomorrow, indeed, we will introduce it. It is my hope that this will be a more important comprehensive response to the unmet health care needs of unemployed Americans. I thank my friend from Missouri for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I rise today to voice my support for the amendment offered by the distinguished Senator from Missouri (Mr. EAGLETON) and supported by my distinguished colleague from Pennsylvania, Senator HEINZ, to increase funding by $180 million for health services for the unemployed.

Those who have already spoken have articulated very well the health problems confronting our unemployed on a national scale. I would like to take this opportunity to communicate the severity of the problem in my home State of Pennsylvania. A survey conducted in Mon Valley, Pa., revealed that three of four of the area's unemployed are without any medical coverage. At least one of every five surveyed had immediate need of medical care. These figures, released by the Mon Valley Unemployed Committee, were based on a survey of about 1,200 unemployed workers and their families.

The health needs of the unemployed are a long-term medical crisis in the making. Unemployment exacts a heavier than normal toll on the physical-psychological health of its victims. We must take immediate action to insure that the unemployed are not denied critical health services. Pennsylvania alone has 750,000 out of work.

There are currently more than 800 community-based public and private nonprofit health centers providing primary care services to more than 5 million disadvantaged, unemployed, and medically underserved Americans in all 50 States. These centers are supported, in part, by a variety of Federal programs, including Community Health Center, Migrant Health, National Health Service Corps, and Urban Indian Health program authorities, and are strictly monitored for management efficiency, service effectiveness, and provision of the highest quality health care. These health centers are located in communities with the most severe unemployment rates, and are already serving large numbers of jobless persons. A Federal study of these centers found that 53 percent of their patients are from unemployed or underemployed families. Due to the current high unemployment, health centers across the country report increased demand levels averaging 22 percent. With this increased funding, health centers would serve an additional 400,000 persons. In addition, health centers can provide care for the unemployed at a fraction of the cost of private insurance—$135 annually per patient versus over $500 for private or public coverage, for the same services.

Senator EAGLETON's amendment increases the level of funding for maternal and child health services and preventative block grant as well as for community health services. The maternal and child health services are critical in providing a comprehensive program of health services for high-risk children and their mothers intended to reduce infant mortality and the incidence of preventable diseases in young children. It has been reported that the steady decline in infant mortality has slowed or reversed itself in the areas hardest hit by unemployment. We must take steps to stem this pattern. These funds will be targeted to the regions of greatest need. Funding for the preventative health block grant will help to keep open the emergency rooms in public hospitals that are closing down due to increased numbers of patients, most of whom are disadvantaged and unable to meet the cost of treatment.

It is imperative that this Nation's unemployed have access to critical health services. Additional funding for these programs will provide for an additional 1 million patient-visits over

the next 12 months and create some 10,000 new jobs.

This, I stress, is only a temporary measure. Senator HEINZ and I are currently formulating a bill to provide health insurance to the unemployed. We must, however, take immediate action in providing critical services to those most in need. I urge my colleagues to join me in supporting this measure.

The PRESIDING OFFICER (Mr. DENTON). Who yields time?

Mr. STENNIS. Mr. President, I ask unanimous consent that I be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOLE. It makes no difference to me.

Mr. HEINZ. Mr. President, I suggest that the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I have discussed these matters with both the distinguished Senator from Missouri and the distinguished Senator from Pennsylvania. As I indicated during debate on this matter before the full committee, as a matter of substance I have no difference at all with the sponsors of this amendment. I do feel it important that we try to hew closely to the monetary constraints that are upon all of us. I would like to see some negotiating room with the House. If the Senators from Pennsylvania and Missouri were so inclined, I would certainly be delighted to support their amendment. I think maybe some modification in amount might be ordered. I would leave that to the distinguished Senator from Missouri to present to this body. If that can be achieved, then I would recommend adoption of the amendment.

● Mr. SASSER. Mr. President, I rise in support of the amendment being offered by Senator EAGLETON which will increase funding for health services by $115 million for a total of $175 million. This is close to the amount provided by the House for the programs included under health services: community and health services, $478 million and maternal and child health services, $110 million.

CBO estimates that 10.7 million people, including spouses and children, lacked health insurance at the end of 1982 because of job loss. This is in addition to the 20 million people, who for a variety of other economic reasons, have no health coverage. At this time, more than 800 community health centers are providing medical assistance to medically underserved and unemployed Americans. The centers, located in the area of highest unemployment, report that 53 percent of their patients are from unemployed or underemployed families. Moreover, these health centers report that on an average, there has been a 22-percent increase in the demand for medical care and contribute this phenomena to the current high level of unemployment.

The $40 million increase in funding for community health centers will enable them to expand services beyond the estimated 200,000 additional people who would be served by the $30 million funding level reported by the committee.

We are all deeply concerned by the reported increase in the incidence of infant mortality in high unemployment areas of our Nation. The additional $75 million proposed in this amendment for maternal and child health services would be beneficial for those pregnant women who are getting little or no prenatal care and for the high-risk infants, many whose condition is the result of inadequate prenatal care and who are in acute need of the services provided by this program. Alarmingly, many programs conducted on the local level are in jeopardy, and there is concern that additional funds will simply be used to maintain the status quo.

Mr. President, it is especially urgent that in light of the current economic conditions and its concomitant effect on the approximately 13 million children who are victims of their parents' unemployment that the highest levels of funding be provided to maternal and child health. The increased funding in this amendment will serve our Nation well—medically and socially.

At this time I call upon my colleagues to support this amendment which will help meet some of the medical needs caused by the recession.●

Mr. HOLLINGS. Mr. President, I am pleased to join with several of my colleagues today in offering an amendment to increase funding for essential health services to the unemployed and destitute citizens of our country. With this Nation in the midst of the worst economic downturn since the Great Depression, unemployment reaching postwar highs, and the outlook for the current fiscal year remaining dismal, we must act in Congress to provide health care for people in need who have nowhere else to turn. The bill we have before us focuses on ways to put the 12 million unemployed back to work and on meeting some of their basic human needs. I strongly support these efforts. However, we have not gone far enough—we have failed to adequately provide for one of their most pressing needs—that of health care.

The amendment I am cosponsoring will increase funding to health services by $115 million to be distributed in the following manner: $40 million above the amount provided in the bill for community and migrant health centers; $75 million above the amount provided in the bill for maternal and child health care. These moneys will not create new programs; they will be used to expand existing, working programs so that the unemployed and impoverished people of the Nation can receive the proper health treatment they deserve.

It is estimated by the Congressional Budget Office that nearly 90 percent of the unemployed—10.7 million persons—have lost their employer-based health insurance coverage and most within 30 days of their job loss. Other experts estimate that in 1983 some 13 million children will be living in families experiencing joblessness. Most of these children will not qualify for the medicaid program. Their only hope for health care is access to publicly supported clinics that provide free or below-cost health services. But, the effects of unemployment and the corresponding loss of health care coverage are already being felt by hospitals and clinics around the country which, due to previous budget reductions, are hard pressed in providing primary care services to medically underserved and disadvantaged populations.

This country's 30-year decline of infant mortality has slowed, and in some communities, hard hit by unemployment, actually reversed itself. My own State of South Carolina has fallen to 50th in infant mortality—second only to the District of Columbia in the highest number of infant deaths per live births. Pregnant women and children seeking vital prenatal, postnatal, primary, and preventive care are being discouraged from obtaining health services. In one county in South Carolina, the public maternity clinics have long waiting lists due to the increased demand for health care. As a result, some pregnant women who apply for services in their first trimester do not receive services until their second or third trimester of pregnancy.

In another county, the child health program operating a well-baby clinic that previously saw infants before they were 8 weeks old has a waiting list and some infants are not receiving services until they are 3 months old. These children are falling behind in basic clinical care and immunizations. Suicides, homicides, and death from heart disease and other stress-related disorders are on the rise in areas of

high unemployment. The examples could go on and on. Something must be done to reverse these trends.

Our country will pay much, much more than the investment of $115 million for essential health care if we do not act now. Study after study has shown that we save more than twice the amount of money spent on these services. By paying for preventive health care and improving access to basic health care we save greatly in long-term costs. Not only is it right to try to maintain the basic quality of life for unemployed and destitute citizens, it is a sound fiscal investment as well.

The $40 million in additional funding for community and migrant health centers will go far in meeting these basic health care needs and in providing employment opportunities to the unemployed. Mr. President, these health centers are located in communities with the highest unemployment rates and are presently stretching their reduced dollars to serve a large number of jobless persons. In fact, the health centers around the country are experiencing increased demand levels averaging 22 percent—with nearly all of this increase attributed to the current high level of unemployment. These moneys will enable health centers to expand their existing cost-effective treatment capacity by 5 to 8 percent serving an additional 400,000 persons. This expansion of service capacity will in turn employ an additional 6,000 persons requiring only basic training which is routinely provided by existing health center staff.

The maternal and child health program builds on the title V maternal and child health and crippled children's program which was enacted in 1935. It represents the oldest ongoing Federal commitment to improving health care for disadvantaged and underserved mothers and children and is the only public health program focused on children. The maternal child health block grant programs reach out to more children and provide more services than any other single health program except medicaid. It is a service network already in place through which funds can be channeled immediately to provide essential health services.

The care provided has a strong preventive thrust and as I stressed earlier will be most cost effective in reducing money spent in the long run on handicapping or crippling conditions which may result from mothers' and children's lack of access to prenatal and primary health care. And, as you are aware, because these funds are channeled through the States it will enable them to reemploy a significant number of health professionals and related personnel to provide these necessary additional services.

Mr. President, today we take a significant step to provide for the physical infrastructure. The jobs created by this legislation will do much to alleviate the pressing needs we have to get roads, bridges, buildings, dams, airports, and all the rest repaired and rebuilt. That is a worthwhile goal, and I support it.

But, with all the emphasis on the physical infrastructure, I believe that we are overlooking the most important aspect of the health and well being of our Nation. We must maintain the human infrastructure of our Nation and we must be just as willing to invest in the human infrastructure as we are the physical infrastructure. That is what our amendment will do. It will provide for those in great need and insure that basic health care service is available to all. I strongly support this amendment and urge my colleagues join with me. Let us not turn our backs on these victims of our economy. They deserve a chance.

Mr. PERCY. Mr. President, I am pleased to join Senators EAGLETON, HEINZ, HOLLINGS, SPECTER, and others in offering this amendment and I urge my colleagues to support it.

This amendment will add $180 million to the bill to help meet the increased demand for health care services which has resulted from the high rate of unemployment. Specifically, this amendment will add $48 million for community health centers, $80 million for maternal and child health care services, and $52 million for the preventive health services block grant to provide financial assistance to public hospitals and emergency rooms across the country.

Mr. President, this is a much needed addition to the bill before us. The Congressional Budget Office estimates that almost 90 percent of unemployed persons, or 10.7 million individuals, have lost employer-based health insurance coverage, most within 30 days of job termination. In addition, we have had reports, I, myself, from Chicago in particular, of alarming increases in the infant mortality rate and growing numbers of high-risk mothers and infants who are unable to receive basic services because of the lack of local public funds or availability of health insurance coverage.

The funds provided by this amendment will go a long way toward meeting a critical need in a cost-effective manner. We are all aware that for many the first item to be sacrificed to a tight family budget is health care. The cost of this sacrifice is enormous, not only in terms of poorer health, but also in terms of dollars and cents. When individuals put off routine care or care for minor illnesses, they often develop more serious illnesses which require longer and more costly care. This is even more true for prenatal and infant care. Healthy mothers mean healthy babies. Healthy babies mean healthier children and adults with far fewer serious illnesses.

For these reasons, I urge my colleagues to support this important amendment.

Mr. EAGLETON. Mr. President, I ask unanimous consent to modify the amendment as follows:

On page 1, line 5, modify $78 million to $70 million;

On page 2, line 16, modify $110 million to $105 million; and

On page 3, strike everything in the amendment from line 11 et seq, that is, all from line 11 through 25 on the bottom and all of page 4.

I repeat, Mr. President, I ask unanimous consent to change the amendment on line 5, to have $78 million become $70 million, on page 2, line 16, $110 million becomes $105 million, and on page 3, everything from line 11 and all of page 4 is stricken.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. STENNIS. Would the Senator further explain his modification on page 3?

Mr. EAGLETON. I would be glad to.

What we have done, in order to reach an accommodation with the distinguished Senator from Connecticut and the Senator from Oregon, is we have stricken the portion of the bill dealing with the preventive health block grant. That item was $52 million. We are striking that in its entirety. With respect to community health centers, instead of a $48 million add on, that will be a $40 million add on. Material and child health, instead of an $80 million add on will be a $70 million add on.

The price tag of the amendment goes down from $180 to $115 million.

Mr. STENNIS. If the Senator will yield, I do not know just what is meant on page 3, preventive health services, emergency room services, assistance for public hospitals. That covers the waterfront there, public hospitals. It seems to me like a vital part of the Senator's amendment is money that can be spent on these special services, maternity cases, prenatal care, and medical attention to the children.

What is the effect of striking out the proposal on page 3?

Mr. EAGLETON. This is a new program, I should point out. Obviously, I am in sympathy with what the Senator is saying. Of course, I supported my own amendment and I was delighted to have the support of the Senator from Mississippi as well. I am trying to reach some kind of pragmatic cooperation with managers of the bill who want to have some flexibility when they go to conference. What the Senator is talking about will be in conference. It is part of the so-called Obey amendment. I have picked up the entire Obey amendment and was of-

fering it here. I have scaled it down a bit. I dare say you will hear from Mr. OBEY in conference and he may well make a persuasive case to the Senator from Mississippi and the conferees.

Mr. STENNIS. I thank the Senator. As I understand, the whole matter will be in conference. It is not an authorized, delineated matter to start with, but all of it will be in conference and can be worked out.

Mr. EAGLETON. That is correct. This whole item will be in conference.

Mr. STENNIS. In view of his position, Mr. President, I do not have any objection to striking out the contents of phase 3.

Mr. EAGLETON. I thank my colleague.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Is this another matter? Is there objection to the modification?

If not, the amendment is so modified.

The amendment, as further modified, follows:

On page 35, beginning with line 4, strike out through line 18 on page 36 and insert in lieu thereof the following: "To expand the availability of essential health care services for the disadvantaged and unemployed, including those in rural towns and villages, an additional $70,000,000 for 'Health Services', Department of Health and Human Services, for carrying out titles III and XIX of the Public Health Service Act with respect to community and migrant health centers: *Provided,* That $5,000,000 shall be for the provisions of home health care centers at such centers and $5,000,000 shall be for carrying out section 339 of the Public Health Service Act relating to home health care service and training: *Provided further,* That each center may apply up to 20 per centum of these funds provided to the center for the purchase (at rates not exceeding those prevailing under the applicable State plan approved under title XIX of the Social Security Act) of inpatient hospital services for delivery and post partum care to pregnant women and infants who have no other source of payment for the care.

"INCREASING MATERNAL AND CHILD HEALTH SERVICES (HEALTH SERVICES)

"To increase the availability of essential health services for disadvantaged children and mothers, and additional $105,000,000 for 'Health Services', Department of Health and Human Services, for maternal and child health grants under title V of the Social Security Act: *Provided,* That such funds shall be available notwithstanding section 502 for special grants to title V agencies in those States or areas within States experiencing high levels of unemployment: *Provided further,* That no grant shall be made to a State unless such State offers assurances satisfactory to the Secretary that it will use such amounts in addition to rather than in lieu of existing Federal or State funds currently available for these purposes.

"CENTERS FOR DISEASE CONTROL

"PREVENTIVE HEALTH SERVICES

"For an additional amount for 'Preventive Health Services', $15,560,000, which shall remain available until expended and shall be for construction and renovation of facilities.

Mr. DOLE. Mr President, will the Senator from Missouri yield for about 30 seconds?

Mr. EAGLETON. I yield.

Mr. DOLE. I commend the Senator for working out this amendment. He indicated, particularly on the MCH in the authorizing committee, particularly our committee, it is a long-term change. This is a one-shot approach.

Hopefully, we shall have an amendment to add to the social security package on something in the health care benefit area for unemployed workers. That is very difficult to arrive at because of the cost. I know some of this indirectly relates to that, but in the area of our jurisdiction, we support the efforts of the Senator from Missouri and others. I appreciate the Senator's scaling back the amendment to some degree, which will give the chairman of the Committee on Appropriations and other conferees some negotiating position in conference.

● Mr. KENNEDY. Mr. President, I am delighted to cosponsor the amendment of the Senator from Missouri expanding funding for the community health center program, the maternal and child health block grant, and the prevention block grant.

The Congressional Budget Office estimates that 10.7 million Americans lost health insurance coverage last year when they lost their jobs. Another 20 million Americans, including a substantial number with jobs, have no health insurance coverage.

Up to now, Congress has been unwilling to respond to the increasing need for health care services for those unable to pay for them. In fact, we have moved in the opposite direction. As the unemployed rolls rose:

We slashed 25 percent of the funding for the maternal and child health program, a program that provides services ranging from basic prenatal care to sophisticated medical care for high risk newborns.

We cut out 25 percent of the community health center program, denying services to 725,000 of the medically needy.

Federal cuts knocked 1 million poor Americans off the medicaid rolls.

Those cuts were unfair and unwise 2 years ago. Today, with more than 10 million unemployed, uninsured Americans, those cuts are intolerable.

Community health centers across the country are reporting an average 22 percent increase in demand for services.

The infant mortality rate is on the rise in areas of high unemployment.

In public and community hospitals, free care and bad debts are rising rapidly. In Massachusetts, for example, charity care as a percentage of total hospital costs is expected to rise nearly 12 percent this year.

This amendment of the Senator from Missouri would increase funding for direct health services to unemployed and medically needy families by more than $100 million.

It means nearly 1 million additional patient visits to community health centers and maternal and child health clinics this year.

It means 10,000 jobs.

We could certainly do much more to assure access to health care services to the millions of Americans who need—but are unable to pay—for those services. But we cannot in good conscience afford to do less.

I urge adoption of the amendment.●

Mr. STENNIS. Mr. President, all time has been used, we hope.

Mr. EAGLETON. I ask unanimous consent that Senator CRANSTON and Senator SARBANES be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Missouri. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) is necessarily absent.

I further announce that, if present and voting, the Senator from Mississippi (Mr. COCHRAN) would vote "yea."

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. NUNN), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. MATSUNAGA) is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 80, nays 14—as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—80

Andrews	Boschwitz	Cohen
Baker	Bradley	D'Amato
Baucus	Bumpers	Danforth
Bentsen	Burdick	DeConcini
Biden	Byrd	Dixon
Bingaman	Chafee	Dodd
Boren	Chiles	Dole

Domenici	Johnston	Pryor
Durenberger	Kassebaum	Quayle
Eagleton	Kasten	Randolph
Exon	Lautenberg	Riegle
Ford	Laxalt	Roth
Glenn	Leahy	Rudman
Gorton	Levin	Sarbanes
Grassley	Long	Sasser
Hart	Lugar	Simpson
Hatch	Mathias	Specter
Hatfield	McClure	Stafford
Hawkins	Melcher	Stennis
Hecht	Metzenbaum	Stevens
Heflin	Mitchell	Thurmond
Heinz	Moynihan	Tower
Hollings	Packwood	Trible
Huddleston	Pell	Warner
Inouye	Percy	Weicker
Jackson	Pressler	Wilson
Jepsen	Proxmire	

NAYS—14

Abdnor	Goldwater	Nickles
Armstrong	Helms	Symms
Denton	Humphrey	Wallop
East	Mattingly	Zorinsky
Garn	Murkowski	

NOT VOTING—6

Cochran	Kennedy	Nunn
Cranston	Matsunaga	Tsongas

So the amendment (No. 501), as modified, was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN. Mr. President——

Mr. HATFIELD. Mr. President——

Mr. KASTEN. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from Oregon, as the floor manager, is recognized.

Mr. HATFIELD. Mr. President, under the unanimous-consent agreement, I should like to make an inquiry of the Chair. According to my schedule, the Senator from New Hampshire (Mr. HUMPHREY) was the next in line, with an hour equally divided, on an amendment that he proposes to offer on title I. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. HATFIELD. Mr. President, I yield to the Senator for that purpose.

Mr. KASTEN. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. KASTEN. Mr. President——

The PRESIDING OFFICER. Will the Senator from New Hampshire yield to the Senator from Wisconsin?

Mr. HUMPHREY. Mr. President, I very much desire to do so, but I am not sure whether it would be consistent with the spirit in which the agreement was entered into a few days ago.

Mr. President, am I recognized?

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

UP AMENDMENT NO. 38

(Purpose: To strike appropriations for all programs other than Advances to the unemployment trust fund)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposed an unprinted amendment numbered 38:

Strike out title I of the bill.

Mr. HUMPHREY. Mr. President, I need not ask that further reading be dispensed with, because that is it, that is the amendment—strike out title I. It is very simple, clear cut. The amendment would leave intact title II.

May we have order, Mr. President?

The PRESIDING OFFICER. Order in the Chamber, so that we can hear the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, the amendment strikes title I; that is to say, it leaves intact title II, which encompasses the provisions dealing with extending unemployment benefits, with Small Business Administration loans and the Commodity Credit Corporation matter as well. It strikes title I only.

Mr. President, the rationale behind the amendment, likewise, is very simple and straightforward. The Senator from New Hampshire is not among those who believe that the Federal Government can create net greater employment by spending money. That is simple.

Some here believe we can create net employment by spending money, and I will certainly agree that there will be jobs created in some sectors but not an increase in employment.

In order to pay for the jobs portion of this bill, title I, the Treasury is going to have to borrow the money. We do not have it on hand. We are going to have to borrow it. So that is nearly $5 billion that we will have to borrow from the private sector which money will be unavailable to the private sector, unavailable to borrowers in the private sector who might want to finance the purchase of a home, an automobile, business expansion, educational opportunities, anything under the sun. The money simply will not be there.

So the economy will be retarded, the recovery will be retarded, and real jobs creation will be depressed.

Therefore, I have proposed in striking title I to allow that $5 billion to reside in the private sector where it will be more productively used than when it is channeled and allocated by the bureaucrats in Washington.

Mr. President, I suggest to my colleagues that the underlying premises of the jobs bill are false, and I invite my colleagues to listen to what to this Senator appears to be the operative language from the House report, and I shall go onto the like portion of the Senate report in just a moment, but the operative portion of the House report has this to say.

One can hardly believe one's eyes because it is totally in variance with the existing situation, but this is the operative part of the rationale, if you will, contained in the House report on this jobs bill. It says as follows. One sentence I will read:

> There is no longer any doubt that the economic situation in this country is bad and without some change in course will get worse.

Whoever wrote that, Mr. President, has not been listening to the evening news, has not been reading the newspapers, and most certainly has not been reading the economic journals published in the last 2 months because it is now perfectly clear that the economy is getting better. It is irrefutable that the economy is turning up and that we are beginning a recovery, a recovery which I add will be retarded and depressed if we take the $5 billion out of the private sector in order to finance this jobs bill, title I.

I have a number of statistics, Mr. President, to refresh memories and bolster the argument just a little bit.

Here are a few indices that show the economy is not getting worse but is in fact getting better:

Automobile production in February was up 52 percent from a year ago.

Consumer confidence rose to 64.8 percent. That is up from 58 percent in December.

Housing sales in January were up 96 percent from a year earlier. Building permits in January were up 88 percent from January of the previous year.

Construction spending was up 13.5 percent from a year ago, a monthy gain of 8.9 percent, which is the biggest in 37 years.

Existing home sales were up 36 percent over a year ago, a monthly increase of 15.5 percent January over December, the largest increase on record.

New home were up 9.9 percent monthy, 51 percent over a year ago, the highest level in 28 months.

The inventory of unsold homes was 5½ months. That is the lowest in 6 years.

Inflation was 2.1 annual rate, compared to 12.4 in 1980.

Prime rate was 10.5 percent, the lowest in 4 years.

New orders were up 2.4 percent in January over the previous month, 3.6 percent over the previous January of 1982.

Real earnings were up 1.7 percent in January.

Retail sales were up 7.3 percent from January a year ago.

Unemployment was unchanged from January. As we all know, it had fallen the month previously.

The whole point is, Mr. President, that those who supported this measure in the House of Representatives based on the premise that the economy is bad and now without some change in course will get worse are supporting the jobs bill on a false premise. That is perfectly clear to anyone who has had his eyes and ears open and had the willingness to consider new information.

As to the similar section of the Senate report, Mr. President, the operative statement in my judgment is "both governmental and nongovernmental economists forecast very weak recovery by historical standards."

That statement likewise is out of date and it is not entirely accurate.

And in support of my contention, let me read a few forecasts by economists, nongovernment economists in this case, beginning with Walter Heller who with George Perry wrote an article February 15 of this year for the National City Bank of Minneapolis, saying that as demand perks up and drawdown of inventory slackens, recovery will be off to a faster start than had been widely anticipated.

Given the benign Fed policy we expect the pace of recovery will outstrip not only the Reagan forecast but the Eggert blue chip consensus which consists of 45 business economists and will outstrip as well . . . .

Dr. Heller and Mr. Perry speaking:

We foresee year over year rise of 3 to 3.2 percent. This translates into a healthy increase ranging between 5 and 6 percent from the fourth quarter of 1982 to the fourth quarter of 1983.

This is what Walter Heller, national recognized economist, a man who has served a number of Presidents, is forecasting: For the fourth quarter of 1982 to the fourth quarter of 1983, there will be a healthy increase between 5 and 6 percent in the economy, hardly the kind of gloomy forecast alluded to by the Senate Finance Committee report.

David Ranson, writing in "Policy Review," spring 1983 issue. According to Mr. Ranson:

As I write, Bob Eggert's blue chip "consensus" of 40 or so forecasters looks for GNP growth of 2.5 percent in 1983, down from 3.5 percent in September.

Mr. Ranson says:

I could hardly disagree more; my firm is publishing a figure near 6 percent.

Mr. Ranson's firm is a Boston-based company, H. C. Wainwright & Co., Economics, of which he is a partner.

There is another economist forecasting very robust recovery.

Current Developments, February 23, 1983, newsletter says as follows:

Business economists believe that economic recovery has begun, and except for the severely depressed capital investment sector, the recovery will be relatively strong, gaining momentum through 1983, according to the National Association of Business Economists.

Reading again from the same issue of Current Developments:

Citing falling oil prices and heavy fourth quarter inventory adjustments, Commerce Under Secretary Robert Dederick says economic growth this year will be considerably stronger than the administration has predicted officially.

So here we have a governmental economist, no less than an Under Secretary of Commerce, refuting the administration's gloomy economic forecast in saying that economic growth this year will be considerably stronger than the administration had predicted officially.

Again from the March 4 issue of Current Developments, quoting:

The Nation's economy will recover from the 1981-1982 recession with a 3.4 percent real growth rate in gross national product, as an annual average, in 1983, University of Michigan economists predict. Then, in 1984, the economy will accelerate to a 5.8 percent rise in real GNP, according to the university economists.

Well, for those who like their economists from the academic sector, there is one. So we have private economists, we have governmental economists, we have economists from academia, all saying, at least the ones I cited, all saying that the economy is growing and that it is going to grow much more robustly than the administration forecasts and certainly more robustly than the gloomy forecasts and statistics on which both the Senate and the House of Representatives base their rationale for the so-called jobs bill.

I see no need to go on at any great length, Mr. President. It is a simple amendment based on a simple premise that the Government cannot create new jobs by spending money because that money either has to be raised in taxes or in borrowing and in any case comes from the private sector stunting economic growth, retarding recovery, depressing real jobs creation and doing all of the things that all of us say we are opposed to.

So I guess it is the difference between those who believe that in its infinite wisdom—Government, the Congress, the Federal bureaucracy knows better how to allocate resources than the marketplace, which is pretty close to a refutation of free enterprise that I am sure all of us campaigned on from time to time.

Mr. President, I have a number of cosponsors for this amendment, and believe that one or more wish to speak on it so I will reserve the remainder of my time at this juncture and investigate whether they are coming so that I can be prepared to proceed expeditiously.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Since Wednesday last we have had this bill on the floor and everything we have done has been to march up the hill. We have had literally hours of debate on the targeting question, we have adopted two amendments to date by rollcall vote. Everything is up the hill. This amendment proposed by the Senator from New Hampshire is marching down the hill. The Senate has done that frequently in the past. There is ample precedent and he is within his rights to offer such an amendment, but it does seem to me to be one of those situations where we ought to be very cognizant of exactly what the amendment means and that is to march down the hill. It is as if we are in the field doing close order drill and we get an order not to column right or column left march but to the rear march.

I am not sure after demonstrating this amount of time and interest and conviction of this type of bill we should reverse this march and march down the hill. That is the question. It is a simple question and I am prepared to yield back the remaining amount of my time.

Mr. NICKLES. Mr. President, I ask unanimous consent to be named a cosponsor of the Humphrey amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I rise in support of the Senator from New Hampshire's amendment because I think it is a good amendment.

I personally would agree with the Senator from Oregon we have been marching up the hill but actually we have been marching in the wrong direction. This entire jobs bill will not create jobs but what it will do is increase the deficit and that is a move in the wrong direction. We need an about-face. We need to turn around, we should be cutting spending not adding $5 billion or $6 billion in boondoggle projects.

We started out with the committee report on the so-called jobs bill with a laundry list of items equaling some $3.9 billion to add to the deficit and I doubt this will be just a 1-year addition. It will probably be added on this year and the next year, and we are talking about several billion dollars under the guise of jobs but the real truth is it is not jobs, it is pork. It is a pork barrel bill. It is not a jobs bill. This is not going to create jobs. It is going to be taking $5 billion a year away from the private sector, going to be increasing the deficits about $5 billion a year. That is going to cost jobs and put upward pressure on interest rates. That is going to cost jobs. So we are going to see jobs actually lost in the private sector where they are actually taxpaying jobs while we see the

creation of jobs under the so-called guise of a jobs bill and the net result is going to be a loss for the economy.

I hope my colleagues will have better sense, but we noticed in the last couple of days a $3.9 billion was not enough. Earlier today we just added $1.2 billion to "accelerate revenue sharing." We do not have any revenue to share, Mr. President. Those deficits are getting bigger and bigger and we never had any revenue to share. How we can call it revenue sharing I do not know. It should be called deficit sharing and all we did was just to increase that by $1.2 billion. That was not enough. Last week we increased the deficit another $125 million. That was so-called for the railroad retirement unemployment fund. They have never received any Federal money in the first place, they have never paid any taxes under Federal unemployment insurance. They never paid any taxes under State unemployment insurance, but all of a sudden they want to be under the program and a few minutes ago we added on another estimated $130 million, $150 million, we are not sure, they were voting for it though, added another $150 million for the deficit through that amendment.

Now we are looking at an amendment that is probably about $5.4 billion and probably by the time we are through it will be up to about $6 billion or $7 billion. There is no limit to the amount of money this Congress finds they can spend.

I very much agree with my good friend and colleague from Oregon we need an about-face. We need an about-face to limit Government spending. We need an about-face marching up the hill to greater and greater deficits; we need to reverse that trend and start cutting Federal spending. This is not the time to be adding on, in my opinion, another boondoggle program, another pork barrel bill on a massive level this country cannot afford and this economy cannot afford that will certainly, if I ask a lot of economists, I think the majority of whom will say will not create jobs.

So I urge support of the Senator from New Hampshire's amendment. It is an amendment that is for fiscal austerity. It is an amendment for fiscal responsibility and I hope the Senate for the first time in some time will show some courage and try to vote responsibly to get our Federal fiscal house in order. It can be done. We have not shown the courage to do it in the past. Instead of calling this thing a jobs bill we should call it the legislators' jobs bill, the Senators' jobs bill or the Congressmen's jobs bill, because really those are about the only jobs being made out of this, a lot of Congressmen and Senators are going to try to assure their reelection. I think it is a false premise and should not be supported by the taxpayers of this country, so I urge my colleagues to adopt the Humphrey amendment.

Mr. HATFIELD. Will the Senator yield for a question?

Mr. NICKLES. Yes.

Mr. HATFIELD. Will the Senator point out those that will be helpful to the Senator from Oregon if I want to run for reelection.

Mr. NICKLES. There is bound to be a little cubbyhole for the great State of Oregon as well as I know there is something in it for the State of Oklahoma but with that much money there is probably a little, there is probably plenty of money for the 50 States, where someday we can go back and say "Yes, I brought some bacon to my home State."

Mr. STENNIS. Mr. President, will you yield me 2 minutes. I have not seen anything crystallized or solidified to help the economic situation as well as this bill. After all, we are not calling on the people to give up and pay additional taxes, but are creating something in the nature of constructive work to do, a chance to get a job. Everybody knows there are not many available. More than that we know that this bill creates additional jobs in existing programs rather than inaugurate a new system of employment. I would not begin to support such a measure of that kind.

So here it is, the House has agreed on it, the President has agreed on it, the Senate committees have agreed on it, and I think it will help the whole cause getting us together on something so we can move forward. So I hope we do not turn around now and just cut the innards out of this bill; we should leave it in there. I yield the floor, Mr. President.

Mr. HUMPHREY. Mr. President.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I am not going to take up much more time but I do want to address the matter of whether there is a retrograde or downhill or whatever it is. Would not the American people love it if Congress would lay off and tilt this treadmill, on which they find them themselves, downhill? That is what we are trying to do here. You have to do it piecemeal amendment by amendment. You do not succeed very often but it is always worth trying even if it only makes one person feel better; it is worth trying and that is what we are doing. I do not have too much hope we are going to succeed here but I am trying.

I think the Senator from Georgia, Senator MATTINGLY, in his additional views, has made a very shrewd and astute and appropriate observation that the jobs portion of this bill, title I, which I am seeking to strike, actually accomplishes little more than reversing many of the spending curbs which have been achieved after 2 years of strenuous effort. Boy, that says a lot in one sentence, if we all look back at the difficult votes and the turmoil and having to oppose special interests that we have gone through to cut spending minimally.

We have not cut spending, we have cut the growth in spending, but at least we have done something. Well, this bill works against all that we have done. In one fell swoop, we are going to knock out a lot of the really hard toil that we have put behind us.

So let us turn this treadmill downhill, if that is the way we want to look at it. Let us give the people a break. Let us let the economy recover. Let us stop trying to run everything from Washington and micromanaging everything from Washington. That is why we are in the mess we are in today.

Mr. President, I will close by emphasizing once again to my colleagues within earshot that this is a simple amendment. It strikes title I. Title I is the so-called jobs bill. It contains all of the pork barrel that my colleague from Oklahoma so correctly alluded to.

However, the amendment strikes only title I. It leaves intact entirely title II. Title II contains the extension of the unemployment benefits. My amendment does not affect that in any way. Title II contains money for the Commodity Credit Corporation that I know is of great interest to the Senator from Kansas. My amendment does not affect that in any way. It does not affect in any way the money from the Small Business Administration loan, another Government boondoggle that allocates credit. It does not affect any of those things in title II but only affects title I. But boy does it affect title I. It gets rid of it.

I hope my colleagues accede to that modest proposal.

Mr. MATTINGLY. Will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Georgia.

Mr. MATTINGLY. Mr. President, the so-called jobs bill (H.R. 1718), was conceived with the noblest of intentions but, unfortunately, the legislation, as reported by the Senate Appropriations Committee, fails to accomplish its stated purpose of reducing unemployment in our country.

The national unemployment rate is tragic. The fact that more than 11 million people in our country are currently without a job is not only cause for concern, it is and should be cause for action. The engine that drives American progress has been opportunity. The opportunity to work, to succeed, and to advance. When Americans are denied the opportunity to work, then America ceases to progress. When there is no hope for the future, there is no future.

Congress has rightfully focused its attention on this problem. But H.R. 1718 will not remedy the problem or ease in any truly significant way the current jobless rate.

The bill roams across the landscape of Federal programs, dispensing funds and purporting to create jobs but it actually accomplishes little more than reversing many of the spending curbs which have been achieved after 2 years of strenuous effort. The beneficiaries of the legislation are as much the Federal bureaucracies as the unemployed.

The bill has been assembled without benefit of hearings or serious consideration by the authorizing committees or by the affected appropriation subcommittees. Incredible claims have been made on behalf of the legislation: 10,000 jobs will be created here, 5,000 there, hundreds of thousands across the Nation. No data, however, has been included with this report substantiating the claims. No firm timetable has been established on spending the money appropriated here. No figures have been provided on the number of private sector jobs versus the number of Government jobs created.

Most importantly, the legislation as reported and the accompanying report ignore current economic reality. Despite the claim made in the report that we face "* * * very weak recovery by historical standards" most major indicators point to a robust recovery from the recession. A recovery that is now underway and gaining strength.

Recent polls indicate that more and more Americans believe that better times lie ahead. If so, it would seem that the Appropriations Committee should rethink their proposition that times will get worse without their immediate intervention.

The legislation attempts to use Federal expenditures to correct the serious unemployment problem. This sort of outmoded economic tinkering should not be applied when the problem and the times demand new, innovative, and effective solutions.

Certainly, the bill does contain several provisions that should be passed as soon as possible. Most of these belong in a regular supplemental appropriations bill.

Several of the humanitarian assistance programs recommended in this bill such as shelter for the homeless, the Department of Agriculture's surplus food distribution program, and the women, infant, and children's nutrition programs should receive additional appropriated funds. Speeding up construction projects that were authorized last year and which can now proceed using savings from fiscal year 1983 will provide some significant job opportunities.

But the vast majority of the remaining provisions can be deleted with no harm to the effort to get our Nations' unemployed back to work. Most of these provisions have no relationship at all to the creation of meaningful jobs. They reflect old-fashioned politics, not new employment policy.

It is my hope that the full Senate will act to correct these significant deficiencies. I will certainly contribute my efforts to that goal.

Mr. HUMPHREY. Mr. President, I am prepared, if the chairman of the Appropriations Committee is likewise, to yield back the remainder of my time, and I do so.

Mr. HATFIELD. I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. (Mr. EAST). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on the amendment.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

CALL FOR REGULAR ORDER

Mr. KASTEN. Mr. President, I ask for regular order.

The PRESIDING OFFICER. Will the Senator withhold for a moment?

Regular order is the excepted committee amendment. The clerk will report.

The bill clerk read as follows:

On page 45, strike lines 2 through and including line 21 on page 46, and insert the following:

Mr. KASTEN. Mr. President, I ask unanimous consent that the amendment be considered as read.

Mr. DOLE. I object.

Mr. HATFIELD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to read.

The bill clerk read as follows:

On page 45, beginning with line 2, strike:

There is hereby appropriated $50,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $50,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations.

Eligible private voluntary organizations should be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The clerk is not finished reading.

The bill clerk resumed reading as follows:

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

Insert in lieu thereof:

There is hereby appropriated $50,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program. Notwithstanding any other provision of this Act or any other law, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency in consultation with the Director of the Office of Community Services, Department of Health and Human Services shall, within thirty days of the enactment of this Act, make grants totaling $50,000,000 to States (as defined in section 673(4) of Public law 97-35) for the purposes of carrying out a program of shelter and food distribution within the States. The Director of the Federal Emergency Management Agency shall make grants to States in amounts based upon the procedure established for determining allotments to States in section 674 of Public Law 97-35 except that the Director of the Federal Emergency Management Agency shall disregard subsection (B) of section 674(a)(1).

No part of the appropriation provided herein shall be expended for the administrative costs of the Federal Emergency Management Agency or any other Federal agency. Administrative costs shall be limited to 2 per centum of the total appropriation.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

UP AMENDMENT NO. 39

(Subsequently numbered amendment No. 504.)

(Purpose: To repeal the withholding of tax from interest and dividends and to require statements to be filed by the taxpayer with respect to interest, dividends, and patronage dividends.)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. KASTEN), for himself, Mr. HELMS, Mr. BOREN, Mr. HEFLIN, Mr. MATTINGLY, Mr. RANDOLPH, Mr. EAST, Mr. GLENN, Mr. FORD, Mr. NUNN, Mr. DENTON, Mr. NICKLES, Mr. BAUCUS, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. HUMPHREY, Mr. DECONCINI, Mr. EXON, Mr. MELCHER, Mr. D'AMATO, Mr. PRYOR, and Mr. GOLDWATER, proposes an unprinted amendment numbered 39.

Mr. KASTEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Objection.

The PRESIDING OFFICER. Objection is heard. The clerk will read.

The assistant legislative clerk read as follows:

At the end of the amendment, insert the following:

REPEAL OF WITHHOLDING ON INTEREST AND DIVIDENDS, AND REQUIREMENT OF FILING OF DUPLICATE STATEMENTS

(a)(1) Subtitle A of title III of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to withholding of tax from interest and dividends) is hereby repealed.

(2) The Internal Revenue Code of 1954 shall be applied as if such subtitle A (and the amendments made by such subtitle) had not been enacted.

(b) Section 6049 of the Internal Revenue Code of 1954 (relating to returns regarding payments of interest) is amended—

(1) in subsection (a)—

(A) by inserting "or" at the end of paragraph (1),

(B) by striking out "or" at the end of paragraph (2),

(C) by striking out paragraph (3), and

(D) by striking out "tax deducted and withheld,",

(2) in subsection (b)(2)—

(A) by striking out subparagraph (C),

(B) by redesignating subparagraph (D) as subparagraph (C), and striking out "not described in subparagraph (C) of this paragraph", and

(C) by redesignating subparagraph (E) as subparagraph (D),

(3) in subsection (b)(3) by striking out "paragraph 2(D)" each place it appears and inserting in lieu thereof "paragraph 2(C)",

(4) in subsection (c)(1)—

(A) by inserting "and" at the end of subparagraph (A),

(B) by striking out ", and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C), and

(5) in subsection (c) by adding at the end thereof the following new paragraph:

"(4) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under paragraph (1) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I send a motion to the desk.

The PRESIDING OFFICER. The Senator is advised by the Chair that the motion would be in order, naturally, and should have been sent to the Chair. But it is inappropriate to interfere with the reading of the amendment. The clerk will continue to read the amendment.

Mr. KASTEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KASTEN. It was my understanding that a Senator can send a cloture motion to the desk at any time. I know the Chair ruled that my amendment had to be read in full. But, do I have to be recognized in a special way in order to send a cloture motion to the desk after the amendment has been read?

The PRESIDING OFFICER. The Senator is correct.

The assistant legislative clerk continued reading the amendment as follows:

(c) Section 6042 of such Code (relating to returns regarding payments of dividends) is amended by adding at the end thereof the following new subsection:

"(e) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (c) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

(d) Section 6044 of such Code (relating to returns regarding payment of patronage dividends) is amended by adding at the end thereof the following new subsection:

"(f) DUPLICATE STATEMENT TO BE INCLUDED IN RETURN OF PERSON WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—A duplicate of the statement required to be furnished to a person under subsection (e) shall be included with the return of the person receiving such statement for the taxable year which ends with or within the calendar year to which the statement relates.".

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, to speed matters up and in order that we can pass this legislation, in order that we can get a vote on this question and also pass the jobs bill, I ask unanimous consent that a vote on cloture on this cloture motion be held at 6 p.m. this evening.

Mr. DOLE. I object.

Mr. KASTEN. Mr. President, I ask that the vote on cloture be held at 8 p.m. this evening.

Mr. DOLE. The cloture motion has not been filed.

The PRESIDING OFFICER. The Chair wishes to advise the Senator——

CLOTURE MOTION

Mr. KASTEN. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the pending amendment offered by the Senator from Wisconsin (Mr. KASTEN).

Bob Kasten, Russell Long, William L. Armstrong, Paula Hawkins, Mack Mattingly, Strom Thurmond, William Proxmire, Nancy Landon Kassebaum, Larry Pressler, Wendell H. Ford, Ernest F. Hollings, Don Nickles, David Boren, Barry Goldwater, Max Baucus, Dan Quayle, Mark Andrews, Dennis DeConcini, George Mitchell, Howell Heflin, J. Bennett Johnston, Jim Sasser, John Melcher, Jesse Helms, and Gordon Humphrey.

Mr. KASTEN. Now, Mr. President——

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. KASTEN. I am pleased to yield for a question.

Mr. HATFIELD. I wonder if the Senator could respond to the possibility of setting this matter aside. The Senator has filed his cloture motion. We could proceed with those amendments on which we have acquired and achieved unanimous-consent agreements and let the Senator then work his program after that.

Mr. KASTEN. It is my intention to go back to these questions after we have been able, in response to the Senator from Oregon, to reach an earlier time for a vote on this question.

Mr. President, I now ask unanimous consent that a vote on the cloture motion on the Kasten amendment be held at 8 p.m. this evening.

Mr. DOLE. Mr. President, I reserve the right to object.

Mr. President, I do not quarrel with the Senator from Wisconsin attempting to do what he is doing, but I am not going to agree to it. The banks have had about 3 months to load us up with mail. It is a multimillion-dollar campaign by the American Bankers Association, literally flooding us with mail in an effort to intimidate Members of Congress. It is probably the biggest lobbying job in the history of this country.

In any case, it is an indication of what powerful groups can do. If they

succeed in this, and they may—but I doubt it—if they should, they would set a pattern for every rich and powerful group to repeal any legislation they do not like. So I object to any premature consideration of this, premature to me being any time before July.

The PRESIDING OFFICER. Objection is heard.

Mr. KASTEN. Mr. President, I ask unanimous consent that a vote on cloture on the Kasten amendment be held at noon tomorrow.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KASTEN. Mr. President, I ask unanimous consent that the vote on the Dole cloture motion be held at 8 p.m. with a vote on the Kasten cloture motion immediately thereafter.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KASTEN. Mr. President, I am trying to solve this problem. We have two cloture motions in place but, with things as they are, we are not going to vote on this issue until early Wednesday afternoon.

It would be my hope that we can move the jobs bill. I want to stop the delay, and send the States the unemployment compensation program they want and desparately need.

I ask unanimous consent that the vote on the Dole cloture motion be held at 12 noon tomorrow with a vote on the Kasten cloture motion immediately thereafter.

Mr. DOLE. Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object, the Senator from Kansas does not want to delay action on this bill. It is a question of the truly needy and the truly greedy. I think we ought to put a move on to help the truly needy in this country. I think we can play games with the American Bankers Association for a long time. Perhaps we will have to do that. There has been a lot of misinformation. There are many people, maybe some on this floor, who do not understanding withholding. Mr. President, it is not a new tax. It is compliance. I have not heard a suggestion about where we will pick up the $3 billion or $4 billion we will lose if we repeal withholding.

I have heard a lot of Senators decrying amendments that add $100 million to the bill. This amendment, when fully effective, will mean about $4 billion a year in revenues.

So, Mr. President, before we lightly go into some vote, it seems to me we ought to have a full discussion of where do we find the revenues to offset repeal if, in fact, there is repeal. Should we have tax compliance? Why not repeal wage withholding while we are at it so workers have the same advantages as people who put away money for savings or buy stock? Maybe the gas tax ought to be repealed. Some people do not like the gas tax. We should not leave anybody out. People do not like the excise tax on cigarettes. I know the Presiding Officer did not care much for that last year. Maybe that ought to be in the package.

Some people do not like the income tax. Why not put income tax repeal into the package? Everything you do not like, repeal. Then we can find out how we will operate the Government.

As I understand, there is no time agreement, at least for a couple of days, so we can debate this issue, if necessary. Sooner or later we will have to face up to a vote on withholding. The Senator from Kansas is not unaware of that. But I would hope that the American Bankers Association, the powerful lobby they have engaged and the Madison Avenue campaign, would let us go ahead and pass this bill for the needy people who are looking for help and then let us pass social security, which affects 36 million beneficiaries and 115 million workers.

Therefore, I object.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. the Senator from Wisconsin has the floor.

Mr. KASTEN. Mr. President, we are trying to establish a unanimous-consent request, and I do not want to get into an extended debate.

I think, however, that the cost of this legislation will far outweigh any gains to the Treasury. America will be the net loser. We are all trying to work to get tax compliance. The fact is Treasury said they could get 97.3 percent compliance simply by matching up the 1099 forms.

Will the Senator agree to a vote on these cloture motions at any time at all before Wednesday at 1 or 2 o'clock? Is there a way we can work together to get an earlier vote on the cloture motions? Sooner or later. We will have to vote up or down on withholding. Let us vote sooner, not later, so we can get the jobs bill passed.

Mr. DOLE. The Senator from Kansas——

Mr. KASTEN. Would he agree to Tuesday afternoon?

Mr. DOLE. The Senator from Kansas has not offered any amendments. I am not slowing down the jobs bill. I feel for the chairman of the Appropriations Committee, who would like to move this legislation. I am also waiting to take up social security. It seems that is not as important as taking care of the bankers.

Mr. KASTEN. Would the Senator agree to a cloture vote relatively quickly, say tomorrow? I am just trying to shorten the waiting time, so we will not have to wait until Wednesday to get this jobs bill done.

Mr. DOLE. We can probably play games here and we probably will for a while. There is nothing else going on that I know of. We might as well be doing this.

We are talking about a significant amount of revenue. We are talking about the President's program. In the 1982 budget, the President requested withholding and we have withholding. If the President calls me and says, forget withholding, I will be glad to sit down. But I am not the President. I made a little effort in that direction, but nobody noticed it. But that is another story.

That is the problem: How are we going to put it together to satisfy the Senator from Wisconsin, the President of the United States, and some people over on the House side who feel strongly about it? It is serious business to stand up and offer an amendment that is going to recover about $50 million instead of $4 billion. That gives me a problem as chairman of the Finance Committee. As we are trying to close the deficits, bring down interest rates, bring down inflation, we just cannot give up $4 billion.

The jobs bill started out with a little over $3 billion, but it is bigger than that now through several amendments. No amendment, however, is bigger than this one. Those standing up not trying to knock out title 1 and everything else are trying to sock it to us for $3.7 billion. There is no bigger bust-the-budget amendment than the bankers' amendment. It is special interest legislation.

The Senator from Kansas wants to accommodate the Senator from Wisconsin, but I am not so certain I want to accommodate the American Bankers Association unless they can help us find some more revenue to offset the loss. If they can tell us why this is such a bad thing to do, to have withholding, perhaps they can tell us why should we have withholding on wages and salaries? This is not a new tax, and there are a lot of exemptions in the bill.

I can understand—I know which side to be on politically, believe me. I can read the mail. I cannot lift it, but I can read it. If somebody can lift it, I will read it. I am just covered up with mail from people all over the country who have no idea what is in the provision.

It is not enough now to say the banks cannot do anything about it. They have stirred the people up. A lot of people have gotten some misinformation about it. There is going to be a notice going out on April 1 on all the social security checks to try at least to tell the other side. There is a notice going out with all the tax refunds to try to tell the other side so the American people can fully understand withholding.

If the Senator had an amendment up for $4 billion, would he not want to debate it for a while? He has one up for $4 billion, come to think of it, but it is a loss. If he had to defend something in his committee—I have to go back and find the $4 billion—what would the Senator from Wisconsin suggest? Put in on the deficit? Does he have an alternative to pick up the $3.7 billion or $3.8 billion a year?

Mr. KASTEN. I do not want to debate the issue.

Mr. DOLE. Why not? I have been debating it with bankers the last 30 days.

Mr. KASTEN. I believe we can pick up the deficit by matching tax returns and the 1099 information we already have. That will stop the cheaters.

Mr. DOLE. Some do not file their tax returns.

Mr. KASTEN. There is no reason to penalize 90 percent of the American people with withholding. It will cost the banks, savings and loans, credit unions, brokerage houses approximatley $3 billion to comply with withholding in the first year alone.

As the Senator knows, the issue has gone out beyond the thrift institutions to the savers and investors. This is an idea that has been tried time and time again and been rejected. This is an idea which, when you look at it carefully as the Senator from Louisiana did the other day, never had a majority vote, in either the House or the Senate. Last summer my amendment to repeal withholding failed by a 49 to 48 vote. If three absent Senators had been here on that day, they would have voted against the amendment, and we would never have had it in the first place.

The House was prevented from ever having a vote on withholding by a very strictly written rule. Now, close to three-quarters of the House of Representatives have sponsored or cosponsored a bill to repeal withholding on interest and dividends.

Mr. President, I do not want to waste the time of the Senate now. If the Senator from Kansas is not willing to work out a time agreement so we can get a jobs bill vote, then there is not much we can do. Would the Senator from Kansas object to a vote at 2 p.m. tomorrow?

Mr. DOLE. I understand what the Senator from Wisconsin wants. I have done that myself when I knew I was not going to get it done. It made me feel good to go back and say, "I tried to help the American Bankers Association, but they would not let me." Well, now I am trying to help unemployed workers, and trying to help people find jobs, but they will not let me.

The American Bankers Association is going to try to block everything in this Congress until they get their way. Let us face it. We have been around here long enough to understand lobbying, even the degree that has taken place in this case.

Here are the little notices that are going to go out to the social security recipients and those recipients of interest and dividends so there will be some effort by the Government to offset a lot of the false information they have been receiving.

Mr. KASTEN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, will the Senator from Kansas yield to me?

Mr. KASTEN. I would be happy to yield to the majority leader.

Mr. BAKER. I shall wait until I can gain the floor myself.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair. I shall not take more than a moment.

Mr. President, the quickest way to expedite this bill would be not to have this issue to deal with. The quickest way to deal with this issue would be free standing on some measure at a time that is mutually convenient.

I am not going to make any bones about it: I am opposed to the amendment of the Senator from Wisconsin. He knows that. I support the position of the Senator from Kansas. He is aware of that. My responsibility as well is to try to move legislation in the Senate. I propose, Mr. President, that we get on with this bill, that we finish it today, that we get on with the social security bill and finish it this week.

The Senate cannot initiate revenue measures, Mr. President. Everybody know that, If we did, it would be an idle gesture because it would be rejected by the House and sent back. I respectfully submit that what needs to happen now is we need to pass these two measures. I pledge to the Senator from Wisconsin and the Senator from Kansas that within a reasonable time, we shall find some vehicle for the Senator from Wisconsin to offer his amendment to. I cannot tell the Senator from Wisconsin how long it will take to do that. I shall not fool him. I do not think he will get a time agreement on it, but he has all the rights and opportunities he has now. He has the cloture motion, the possibility of a compromise agreement, the possibility of working out a compromise agreement of some sort. But it seems to me we owe ourselves and the country the opportunity to get on with these two pieces of legislation. I urge that we do so.

In exchange for the Senator from Wisconsin not pressing his amendment on this bill or on the social security bill, I pledge to him that I shall cooperate with him in trying to find an appropriate revenue-raising vehicle that he can add this onto at an appropriate time.

Let me explain what I mean by those "appropriates." I am willing to talk to the Speaker, to the chairman of the jurisdictional committee in the House and see if they are willing to send us a measure that will qualify so it does not get a rejection statement. I am willing to sit down with the Senator from Wisconsin and Representatives to see if we cannot work out a compromise of some sort. My hunch is that the prospects of our doing that are not all that dim, but it is going to take more time than we can spend here on the floor, sparring back and forth on unanimous-consent agreements.

With that, Mr. President, I recommend we do one of two things: Either we agree that we are going to do this after Easter and come back and do it as a free-standing debate, which is my preference, or get on with this list of amendments. The order already provides that this amendment can be set aside so we may proceed with the others.

It is now 4:30 in the afternoon and I am determined to pass this bill. The country needs a jobs bill. The country must have unemployment benefits extended. And we have to do this job. So I hope at this point, Mr. President, we shall get on with the task at hand and get back to this list of amendments and I shall be glad to sit down with the Senator, as I said.

Mr. KASTEN. Mr. President, I say to the majority leader here what I said privately a couple of hours ago.

I appreciate the efforts of the majority leader. I want to work with the majority leader in any way possible to get an up or down vote on this issue with or without a time limit. I am afraid the Senator from Kansas might object to any time limit. I want this vote to occur before the Easter recess, so that the thrift institutions will not have to spend money in computer hardware and software to implement the costly regulatory mechanism withholding requires.

As we delay repeal, more money is wasted. If we choose not to repeal this measure, we ought to vote on that, too. We must take the uncertainty out of this issue.

I am pleased and anxious to work with the majority leader. Last Thursday I said I did not want to hold up the jobs bill; I just wanted an up or down vote and get it through. I am anxious to get an up or down vote anywhere along the line. If we can get a separate revenue measure, that will be fine. I am more than happy to work with the majority leader in any way possible in order to find a proper vehicle, but I regret that he is suggesting it might not be possible before the Easter recess.

Mr. BAKER. Mr. President, the only reason I say that is because I do not care whether it is before or after the recess except as a practical matter the House is going to send us a bill and we are going to go through the drill that we go through, and if we are going to pass a jobs bill and the social security measure, it is going to be after Easter before we can do this. I am willing to do what I said, that is, to try to find a way to accommodate the Senator and to have an amendment offered to a free-standing measure. I am convinced that the Senator is not going to get it before March 25. Today is what, March 14?

But I believe that it is worth the investment in time to explore that possibility. I have not yet discussed with the chairman of the committee, the Senator from Kansas, how that might be done or if, indeed, it might be done at all. And the Senator is correct; when we discussed this earlier, I said, "Look, I am willing to try to get this vehicle, but I don't believe you will get a time limitation on it," and I still do not.

Mr. President, the very best thing we can do now is get off this thing and get on with the business at hand, so I urge the Senator to consider asking unanimous consent to withdraw the amendment and I will sit down with the two Senators and we will try to work out some solution.

Mr. MOYNIHAN. Will the majority leader yield?

Mr. BAKER. Yes, indeed, I yield.

Mr. MOYNIHAN. I think it would be inappropriate if no voice from this side of the aisle were heard in support of the majority leader's position. As someone who voted against the withholding provisions in the Finance Committee last year and on the floor last year and who is committed to do so when the measure comes forward in an orderly way this year, I should like to say I completely support what the majority leader has said. He is right; this country needs a jobs bill. There are 10 million people waiting for whatever it is we are going to do. We desperately need the social security measure which passed the House 2 to 1, came out of the Finance Committee under the chairmanship of Senator DOLE 18 to 1. It must be done. There are 37 million people who are retired alone wondering what will happen.

In that circumstance, it seems to me there is a measure of responsibility which revolves on this body and that is to do the two things before us first and then clearly, as the majority leader has said, seek to work out an opportunity for the Senator from Wisconsin.

Mr. BAKER. Mr. President, will the Senator permit us now to get on with the list again? Does the Senator from Kansas wish me to yield, or I yield the floor.

Mr. DOLE. If I could be—Mr. President.

Mr. KASTEN addressed the Chair.

Mr. DOLE. If the Senator will yield the floor or yield to me.

Mr. BAKER. I yielded first to the Senator from Wisconsin. Let me now yield to the Senator from Kansas.

Mr. President, I have nothing further to say on this subject. I am willing now to yield the floor to confer privately with the parties and see how we proceed.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I appreciate the statement of the majority leader, and the Senator from Kansas is realistic enough to know that sooner or later we are going to have to face up to whether or not we repeal withholding, or modify it, or find a substitute, or leave it as it is, or some combination of the above, or some combination of something else that nobody has thought of yet.

But when that happens, it is going to have to be after full and lenghty debate. We just do not go around knocking off $11 billion in revenues over the next 3 years without at least trying to determine whether or not there is some way to replace the revenue.

It just seems to this Senator to be irresponsible if we just back away and say, "Well, there is a lot of heat, a lot of mail; we know how powerful the American Bankers Association is; we know all about their political action committees; we might as well quit."

I have had my friends tell me, "BOB, you are on the wrong side of this. It's hurting you all over the country. The bankers are upset."

That may be true, because I do not really believe that many of the bankers have even studied the legislation very carefully. But many of the bankers have, and many of the bankers support withholding. Nearly every banker I know wants the deficit to be reduced—at least I thought they did until we started saying they should help reduce it. Then suddenly they said, "Oh, no, we don't want it reduced that badly."

I assume they want lower interest rates. As the President said the other day, "If they would spend as much time on lowering interest rates as they are on trying to repeal withholding, it might be better for everyone in this country."

If you look at the tax rates paid by the banks in this country, the 20 largest banks in 1981 paid an effective tax rate of 2.7 percent, and I will bet there is no one in this Chamber who pays less than 25 to 35 percent effective rate, and not many businesses represented pay less than that effective rate.

There is a great deal at stake here. I want to make the Record clear that there are a number of bankers who support this legislation—there are large bankers, there are middle-sized bankers, there are medium-sized bankers. But I am the first to confess they do not have a majority. In fact, they are probably fairly substantially in the minority.

Today I was informed by Mr. Philip Smith, a spokesman for the Marine Midland Bank in Buffalo, N.Y., that the bank has geared up for compliance; it is ready to comply with the law and now supports retention of 10-percent withholding on interest and dividends.

That is the point that I think we ought to make over and over again. Many banks have geared up. It is only the American Bankers Association lobby that has been gearing up in the other direction.

The Senator from Kansas will make the record every chance he has, pointing out that last year in the conference committee it was this Senator who offered the amendment to postpone withholding for 6 months to give banks and savings and loans, and credit unions time to get up for compliance at their request and many have followed that. In fact, I would say that most of them at least were willing to follow that, but some have taken advantage of that gesture and are now trying to kill or repeal withholding.

It is obvious we are going to have to debate this. If the Senator from Wisconsin and others who have an interest desire, and the President of the United States, who has some stake in this, and a number of Senators on both sides of the aisle, we can work out some vehicle. But as the majority leader has indicated, we do not originate revenue bills in the Senate.

I just hope that we can——

Mr. KASTEN addressed the Chair.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard.

The bill clerk continued to call the roll.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. KASTEN addressed the Chair.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. HATFIELD. Will the Senator from Wisconsin yield for an inquiry?

Mr. KASTEN. I am pleased to yield to the Senator from Oregon.

Mr. HATFIELD. I have the floor, I believe. I ask the Senator if he would be willing, now that he has his cloture petition filed, to set that aside and move back to the list of amendments on the bill in order to try to expedite that part of our responsibility?

Mr. KASTEN. I am pleased to do that. I should like to make two comments first, if I may. The first is that——

Mr. HATFIELD. Mr. President, I ask unanimous consent that I may yield to the Senator from Wisconsin for the purpose of making two comments without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

Mr. HATFIELD. I yield to the Senator from Wisconsin.

Mr. KASTEN. I thank the Senator.

The first comment is that I want to work with the majority leader, and I think that we need a time certain and a specific legislative measure so that we know we will in fact have a vote. At this point I will not withdraw my amendment, but I am anxious in any way possible to work with the majority leader and the Senator from Kansas and others to see that we have an appropriate vehicle. After all, what we want here is a vote.

The second point is that as the banks start to withhold, they will be proving my point. This issue is not a banking issue or an S&L issue or a credit union issue. It is a people's issue.

As the big banks start to sign up in favor of withholding, they will essentially be saying that they can pass these costs on to their customers. As banks sign up in support of withholding, we will find that the people will continue to reject this idea, and our side will gain strength.

I thank the Senator from Oregon.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. Under the unanimous-consent agreement, I believe that the managers of the bill may set aside the pending committee amendment temporarily, in order to take up other amendments; and if that were done at this time, that would then make the Humphrey amendment, which is pending, with the yeas and nays ordered, ready for a vote. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield for a question.

Mr. MELCHER. Has the unanimous-consent request been put yet?

Mr. HATFIELD. The unanimous-consent request already has been agreed to.

Mr. MELCHER. Has it been agreed to, Mr. President?

The PRESIDING OFFICER. The Senator was inquiring about a unanimous-consent agreement that the Chair has ruled was agreed to last week.

Mr. MELCHER. Is the Senator proposing another unanimous-consent agreement?

Mr. HATFIELD. No.

Mr. MELCHER. To go from the Kasten amendment——

Mr. HATFIELD. I do not have to. Senator STENNIS and I, as the managers of the bill, have the authority, under the unanimous-consent agreement, to set aside the committee amendment temporarily in order to proceed with our list of amendments.

Mr. President, on behalf of Senator STENNIS and myself, we do set aside the committee amendment temporarily, in order to take up the pending amendment, offered by the Senator from New Hampshire (Mr. HUMPHREY).

Mr. STENNIS. Mr. President, if the Senator will yield, I support him in the step he has just taken.

Mr. HATFIELD. I thank the Senator.

HUMPHREY UP AMENDMENT NO. 38

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. MATSUNAGA) is absent because of illness.

The PRESIDING OFFICER (Mr. DURENBERGER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 17, nays 80, as follows:

[Rollcall Vote No. 21 Leg.]

YEAS—17

Armstrong	Hatch	Roth
Boren	Helms	Rudman
Denton	Humphrey	Symms
East	Mattingly	Wallop
Garn	McClure	Zorinsky
Goldwater	Nickles	

NAYS—80

Abdnor	Bentsen	Bradley
Andrews	Biden	Bumpers
Baker	Bingaman	Burdick
Baucus	Boschwitz	Byrd
Chafee	Heinz	Pell
Chiles	Hollings	Percy
Cochran	Huddleston	Pressler
Cohen	Inouye	Proxmire
D'Amato	Jackson	Pryor
Danforth	Jepsen	Quayle
DeConcini	Johnston	Randolph
Dixon	Kassebaum	Riegle
Dodd	Kasten	Sarbanes
Dole	Kennedy	Sasser
Domenici	Lautenberg	Simpson
Durenberger	Laxalt	Specter
Eagleton	Leahy	Stafford
Exon	Levin	Stennis
Ford	Long	Stevens
Glenn	Lugar	Thurmond
Gorton	Mathias	Tower
Grassley	Melcher	Trible
Hart	Metzenbaum	Tsongas
Hatfield	Mitchell	Warner
Hawkins	Moynihan	Weicker
Hecht	Murkowski	Wilson
Heflin	Packwood	

NOT VOTING—3

Cranston	Matsunaga	Nunn

So Mr. HUMPHREY's amendment (UP No. 38) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate will now consider two amendments to be offered by the Senator from Georgia (Mr. MATTINGLY), dealing with title I on each of which there shall be 30 minutes' debate, with 10 minutes on second-degree amendments thereto and points of order which may be submitted to the Senate.

UP AMENDMENT NO. 40

(Purpose: To strike the provisions of title I other than those relating to military construction, shelter for the homeless, distribution of surplus foods, and aid to women, infants, and children)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The Clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. MATTINGLY) proposes an unprinted amendment numbered 40.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, beginning with line 3, strike out all through page 30, line 23.

On page 31, beginning with line 3, strike out all through page 32, line 5.

On page 32, beginning with line 11, strike out all through page 41, line 25.

On page 47, beginning with line 21, strike out all through page 54, line 14.

Mr. MATTINGLY. Mr. President, the amendment I offer will strike all of title I except for three humanitarian assistance programs. What it will do is it will reduce the amount of

budget authority in title I from $3.9 billion that was reported from the Appropriations Committee to $325 million, a savings of $3.6 billion. Total budget authority in the reported bill would drop from $15.1 billion to $11.6 billion.

Let me explain what will be in the remaining $325 million in title I which will be distributed as follows:

First, it will retain $100 million for the WIC program for supplemental nutrition programs.

Second, we will place in there $175 million for the Department of Agriculture's surplus food distribution program.

Third, we will retain $50 million for an emergency food and shelter program.

My amendment will retain the assistance provided for the most needy of our citizens and would eliminate the projects and spending that would do more economic harm than good.

Mr. President, I know how hard the distinguished chairman of the Appropriation Committee has worked in preparing this legislation. His concern for those who have suffered from the recession is known to us all.

And no one has more respect for his decencies and humanity than I do. I just wish that the economic and employment benefits to be derived from this legislation reflected the dedication of the chairman. Unfortunately, they do not. They do not even come close.

I fear that by passing this legislation in its current form we will once again confirm the truth of the philosopher's observation that "Those who cannot remember the past are condemned to repeat it."

A look at the jobs bills that have been passed by Congress in the past in an effort to provide relief and assistance from post-World War II recessions demonstrates that such efforts have almost invariably come too late in the recessionary cycle to do any good. In fact, they are usually counterproductive because the money needed to finance such programs has to come from increased taxes, increased borrowing, or increased inflation.

That does not mean that it is not fitting and proper for the Congress to address itself to the enormous human and economic tragedy of our current unemployment levels.

But those efforts should be applied toward the creation of innovative tax credits for businesses that take the lead in hiring and retraining the unemployed work force.

Those efforts should be aimed at removing the Federal impediments to work, savings and investment. Creating an environment which fosters economic growth is the best and most long lasting way to address the unemployment problem.

That type of congressional activity would lead to a true "jobs" program.

There have been a lot of points made in reference to this jobs program. But one of the main points in this jobs bill, so to speak, is such efforts usually come at the end of a recession or after a recession has ended and thus they do more harm than good. These programs in the past have had a history of redistributing jobs from the private sector to the Government sector.

In fact, in 1979 there was a study done by the OMB that found that the cost of creating jobs ranges from $70,000 to $200,000 per job. The same study stated that only 22 percent of the money went into paychecks and only about 20 percent of that was for paychecks of those previously unemployed.

Mr. President, the recovery is underway. The leading indicators are up. Unemployment is beginning to drift down slowly, not up, during the past month. Even the Federal Reserve Board Chairman made the comment this past week that the economy now appears to be "on its way to a long-lasting, noninflationary recovery." But he made the comment also that Congress must make further cuts to sustain the recovery. He did not say that Congress ought to add or increase spending in order to speed up the recovery.

The danger of using Federal expenditures to prime the economic pump is that this effect usually ends up in pumping the prime—that means increasing the interest rates. Every dollar appropriated in this legislation is going to add to the fiscal year 1983 deficit that we are currently in.

I would ask a question. Does anybody in America or in this body seriously expect that the fiscal year 1984 expenditures that we have taken from next year's bill and moved them over into this jobs bill expect that an equivalent amount of money will be pulled from the fiscal year 1984 budget and placed in this bill? I doubt it. In fact, I am sure that most people on the Budget Committee will also verify that.

Needless to say, I do not support this legislation. What my amendment seeks to do, though, is to improve what I believe is a poor bill that is counterproductive to our economy. It is filled with pork barrel legislation. It will not produce significant reductions in the unemployment levels.

Let me just repeat the total of the bills reported by the House and Senate just in budget authority. The House bill that came over here in its total of title I and title II is $9.9 billion. The bill that the Senate Appropriations Committee came out with, both in title I and title II, is $15.1 billion.

What my amendment does will bring down the budget authority to $11.4 billion.

I believe that more time is needed to consider the bill and its provisions. Lumping the desperately needed title II—and I approve of title II section of this bill—with the jobs program in title I really betrays the lack of confidence that title I can stand on its own merits. We need to examine exactly what belongs in a supplemental bill, what belongs in a jobs bill, and what belongs in neither bill.

I support the President's December decision when the unemployment was 10.8 percent. He said he did not want a jobs bill. Now unemployment is 10.4 percent and they want a jobs bill. I feel once again that this bill will reverse many of the hard-won spending reductions that we accomplished in the last 2 years.

Mr. GORTON. Mr. President, will the Senator yield 2 minutes?

Mr. MATTINGLY. I yield to the Senator from Washington.

Mr. GORTON. Mr. President, the amendment proposed by my friend, the Senator from Georgia, presents the dilemma which this bills offers to the Members of this body in its most exquisite form. I am convinced that there is not a single Member of the U.S. Senate who would not spend $3.9 billion or five times that amount of money if that Senator felt that the economic conditions of the United States would be improved, if that Senator felt that more people net would end up having jobs and working constructively in our economy as a result of that effort.

Yet I am convinced, as the Senator from Georgia is, that in effect the result of spending this particular $3.9 billion will at best be a wash; that is to say, it will destroy as many jobs as it creates—and may be somewhat worse than that. If this gives the message to the country as a whole that we are not serious about budget deficits, that we are not serious about the steps which are necessary to lower interest rates, if we are not serious about the proper impetus for the private sector, interest rates can easily go up, the rate of inflation can easily go up and far more jobs destroyed by this bill than would be the case if it were not to be passed at all.

The Senator from Georgia gives it to us straight and clean, as the Senator from New Hampshire did not, because he leaves intact the humanitarian assistance which is obviously necessary and simply leaves us to decide a question: Will spending more money, when we already have a deficit of almost $200 billion, create more jobs or destroy more jobs? Personally, from a strictly parochial point of view, to the extent this bill is targeted toward high unemployment States, which mine is

one, I have a selfish and parochial interest in voting for it.

From the point of view of the good of the country when we are dealing simply with these spending provisions, I believe very, very firmly that the economy of the United States and job opportunities for its individual citizens will be enhanced, not hurt, by the passage of the amendment proposed by the Senator from Georgia.

Mr. MATTINGLY. Mr. President, I thank the Senator from Washington for his kind comments, because we both agree in the long run and the short run that adding to the deficit in 1983 more spending is going to be harmful to our economy and not creating jobs.

Mr. NICKLES. Will the Senator yield?

Mr. MATTINGLY. I yield to the Senator from Oklahoma.

Mr. NICKLES. I ask unanimous consent to be added as a cosponsor to the Senator's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Am I correct that the Senator's amendment would strike title I with the exception that it would keep spending in what areas?

Mr. MATTINGLY. In the WIC program, the $175 million for the Department of Agriculture surplus food distribution program, which is so badly needed, and $50 million for the emergency food and shelter program.

Mr. NICKLES. I thank the Senator. I join my good friend, Senator MATTINGLY, in support of his amendment. His amendment keeps some funds in for those really truly needy. He keeps the WIC money in, he keeps the money in for the infants and for the children. He keeps money in for distributing food to those who are truly hungry. But he also goes a step further and strikes out all pork. And this bill is loaded with pork.

We keep hearing it called the $3.9 billion bill. I hope people keep their calculators handy because it started out at $3.7 billion or $3.9 billion and now it is well over $5 billion.

Mr. President, I talked to the President recently and he mentioned three-point-some-odd-billion dollars for the jobs bill. I can tell you now, it is over $5 billion and it is growing day by day. As we watch the clock, we see amendments requiring money being adopted. The amendments which cut funds from the bill are being defeated.

That is a shame, because it is a defeat for the taxpayers and the men and women of this country who want a job, not a Government-created boondoggle of a job that will last 3 or 6 months and then expire. It will not help people looking for an honest job, a job created in the private sector, not one created by Government projects that cost as much as $14 or $20 an hour because they have to comply with various Federal statutes, such as the Davis-Bacon Act and others.

We just heard a good argument by Senator DOLE saying that we cannot repeal dividend and interest withholding because it will add to the deficit. He said it might add $4 billion or $5 billion to the deficits. He said deficits are counterproductive and they will add to unemployment.

That is exactly what this bill does. It adds right now $5 billion to the deficit. That is counterproductive. It will cost jobs. It is the exact opposite of what we should be doing.

The Senator's amendment is right on target. It keeps funds for assistance for those who need the help, for women, infants, for those who do not have enough food. It has money to provide the food.

Mr. President, I think the Senator should be complimented. It is a compassionate amendment and one that I think should be adopted.

I thank the Senator.

Mr. MATTINGLY. Mr. President, I thank the Senator from Oklahoma.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MATTINGLY. Is the Senator from Oregon willing to yield back the remainder of his time?

Mr. HATFIELD. Mr. President, a while ago I mentioned that I thought the proposal of the Senator from New Hampshire was a march in reverse, back down the hill. This is one of those halting marches in reverse. I am not sure how far they want to go. They want to dress it up in the humanitarian rhetoric.

Let us face it. This is an attempt to reduce the jobs bill under a guise that we are only going to include humanitarian programs. Yet it strikes community health programs. I suppose they are not humanitarians. Schools and hospitals? They are not humanitarian? VA hospital maintenance?

But children and welfare? I suppose that is under the heading of pork, the way the Senator from Oklahoma describes everything he does not like in the bill.

I will not take time to find out how many items are humanitarian or not humanitarian. It is like how many angels can dance on the head of a pin.

We might as well join forces with the Senator from New Hampshire. This is a half-order march back down the hill. I urge the Senate to defeat it.

Mr. President, we have a carefully drafted and balanced program here. If we want a jobs bill, fine. We voted that up or down. If you want to piecemeal it out, that is another way of trying to get rid of the jobs bill. I would say that we ought to make that vote clear. It was clear before, 17 to 80.

We do not want to do it hop, skip, and jump, or we do not want to do it in a grand leap. This is one of those pitty-patty, hop, skip, and jump efforts to destroy the jobs bill. I hope the Senate will defeat it if the Senate wants a jobs bill.

Mr. President, there is no criteria here. This is just an arbitrary selection. Maybe it does not affect the Senator from Georgia or the Senator from Oklahoma, but it certainly does affect a lot of other people to cut out the schools and hospitals, community health, maternal and child health care, low-income weatherization, revenue sharing.

Mr. President, let us not kid ourselves. Let us not say that we are only cutting pork out and only leaving humanitarian programs in. That is not true. That is a misrepresentation.

Mr. President, let us be clear what we are voting for. We are voting against the jobs bill. That is the bottom line. Maybe that is what the Senator wants to do. But let us get the vote.

Mr. President, I am ready to yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. STENNIS. Will the Senator yield?

Mr. MATTINGLY. I yield.

Mr. STENNIS. Mr. President, I support the sentiments of the Senator from Oregon, Senator HATFIELD. The main point is the last point he made.

On this question about the jobs bill, I have not seen one more thoroughly considered than this has been in the last 3 months. And we just voted on it 17 to 80, I believe. I think we have already settled this one, with great deference to the author.

Mr. President, I yield the floor.

Mr. MATTINGLY. Mr. President, in response to my colleague from Oregon, I will just say let us not be under a misapprehension. We are not operating under the fiscal year 1983 budget right now, which is almost $900 billion. There are many appropriations that cover all the different programs that he was discussing.

Mr. President, I guess once again I will just repeat that we are both supporting the President. I am just supporting the December position and he is supporting the March position.

The PRESIDING OFFICER. Does the Senator from Oregon yield back the remainder of his time?

Mr. HATFIELD. Mr. President, if any Senator wants to speak on either side of the issue, I will be happy to yield them time. If not, I yield back to them the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Georgia. The yeas

and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD. I announce that the Senator from Georgia (Mr. NUNN) and the Senator from Massachusetts (Mr. TSONGAS), are necessarily absent.

I also announce that the Senator from Hawaii (Mr. MATSUNAGA) is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 20, nays 77, as follows:

[Rollcall Vote No. 22 Leg.]

YEAS—20

Armstrong	Hatch	Rudman
Boren	Helms	Symms
Denton	Humphrey	Tower
East	Mattingly	Wallop
Garn	Murkowski	Wilson
Goldwater	Nickles	Zorinsky
Gorton	Roth	

NAYS—77

Abdnor	Exon	McClure
Andrews	Ford	Melcher
Baker	Glenn	Metzenbaum
Baucus	Grassley	Mitchell
Bentsen	Hart	Moynihan
Biden	Hatfield	Packwood
Bingaman	Hawkins	Pell
Boschwitz	Hecht	Percy
Bradley	Heflin	Pressler
Bumpers	Heinz	Proxmire
Burdick	Hollings	Pryor
Byrd	Huddleston	Quayle
Chafee	Inouye	Randolph
Chiles	Jackson	Riegle
Cochran	Jepsen	Sarbanes
Cohen	Johnston	Sasser
Cranston	Kassebaum	Simpson
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
DeConcini	Lautenberg	Stennis
Dixon	Laxalt	Stevens
Dodd	Leahy	Thurmond
Dole	Levin	Trible
Domenici	Long	Warner
Durenberger	Lugar	Weicker
Eagleton	Mathias	

NOT VOTING—3

Matsunaga	Nunn	Tsongas

So Mr. MATTINGLY's amendment (UP No. 40) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the distinguished Senator from Hawaii may proceed for 5 minutes, without it being charged, and that after he has made his statement, he yield to me.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SENATOR BYRD'S 10,000TH VOTE

Mr. INOUYE. Mr. President, before we begin this rollcall, I wish to direct the attention of Senators to the fact that on this vote our distinguished Democratic leader will be casting his 10,000th vote in his career in the House and the Senate.

Our colleague from West Virginia has established this enviable record over the last 30 years by maintaining a very high attendance record—to be precise, 97.57 percent. Even when he was standing for reelection last year, he answered every vote. Of those Senators who have served two or more terms, only Senator PROXMIRE—who has cast over 8,000 consecutive votes—has a higher attendance average.

This occasion today is especially significant since it is the first time in history that two Senators from the same State have both cast 10,000 votes. The senior Senator from West Virginia (Mr. RANDOLPH) reached this landmark last September 29. The State of West Virginia and the Nation are, indeed, fortunate to have two Senators of such dedication and ability serving in this body.

Mr. President, I am pleased to yield to the majority leader.

Mr. BAKER. I thank the distinguished Senator from Hawaii.

Mr. President, I will not long detain the Senate, because the man about whom we are remarking understands almost more than anybody else the necessity for moving on with the business at hand, whatever that may be, before the Senate, because he has served not only as a distinguished Senator from West Virginia and as a distinguished majority whip, but also, he preceded me as majority leader.

So I continue to pay to him a measure of respect that can come only from one who understands what he went through—what, in some cases, I put him through when I was minority leader and he was majority leader.

Mr. President, as our friend from Hawaii has pointed out, the next vote we are about to cast will be the 10,000th rollcall vote by the distinguished junior Senator from West Virginia. That is a lot of votes. That is a one and four zeros. It virtually boggles the mind to think that 10,000 rollcall votes have been cast by our distinguished minority leader when the next rollcall vote occurs.

So I take this opportunity to congratulate him for that diligence and dedication and service and the mark he is about to achieve in the annals and the history of the Senate. I am sure I speak for every Senator when I say, "BOB, our congratulations."

Several Senators addressed the Chair.

Mr. INOUYE. Mr. President, I yield to the senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, this is not just a moment of recognition of ROBERT C. BYRD in the casting, on the next rollcall, of 10,000 decisions. They have not just been quorum calls. In the House of Representatives and in this body, they are proof positive of a man, in a sense, who is for all seasons. I mean by that he has been attentive to his duties in all the matters that concern not only his senatorship from West Virginia but also the positions of majority leader and minority leader.

I take this moment to say that BOB and I were candidates for the U.S. Senate, running together on the Democratic ticket, in 1958. In that campaign, we had very few dollars with which to wage the effort. We had just one room, and we both operated our campaigns from that one room in Charleston, W. Va.

As you think back across the years, you think of the changes that are wrought in even the campaigns which enable us to stay or bring us here for the first time.

I am very, very happy—in fact, there is joy in my heart—as I look at my colleague and say, "Well done, BOB BYRD. Your record is entirely in keeping with the best traditions of decisionmaking in the Congress of the United States."

Mr. THURMOND. Mr. President, will the distinguished Senator from Hawaii yield?

Mr. INOUYE. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I commend the record of the junior Senator from West Virginia.

I came to the Senate in December of 1954, and he came here, I believe, in 1958.

I do not think I have served with a man in the Senate who has shown more dedication to duty than the distinguished junior Senator from West Virginia. He and I do not always vote alike, especially in recent years, but I admire his dedication to duty. To vote 10,000 times is a record of dedication to which anyone could aspire.

I also admire the parliamentary skills of the distinguished junior Senator from West Virginia. I think he is one of the ablest parliamentarians with whom I have ever served. He is a credit to his great State and our Nation.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. INOUYE. I yield.

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD today may remain open until 8 p.m., if the Senate adjourns sooner, so that Members may express their congratulations to Senator BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I shall not detain the Senate. I want to add one point.

Soon after ROBERT BYRD came to the Senate, he was elected, at a caucus meeting, as custodian—or a similar position—of some documents. I remarked to him, when we were leaving the Chamber, "You see, that is a vote of trust and confidence. With your abil-

ity and your record, you can go right to the top."

I am not a prophet, but he was on his way and earned every step of it.

It is a miracle in the Senate that produced such a man with such a record.

Mr. INOUYE. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I join in paying tribute to the Senator from West Virginia.

This is a landmark moment in the history of the Senate and in the history of West Virginia. Voting 10,000 times is a very remarkable record; but I point out that the Senator from West Virginia has voted wisely in all those rollcall votes, and he has done much than just vote. He has provided leadership on issue after issue and determined how the votes came out. It is not just casting that one vote. It is influencing, by leadership, the votes of others.

Nobody has a greater record in the Senate, over the years BOB BYRD has been here, than he, in achieving exactly that on behalf of the people of our country.

Mr. INOUYE. Mr. President, I yield to the Senator from Oklahoma.

Mr. BOREN. Mr. President, it is a privilege to extend congratulations to the distingushed minority leader on this occasion. It is an important milestone in his service to the people of this country.

As has been said by the Senator from California, it is not only important because of the 10,000 votes that have been cast but also because of the integrity and the sense of public service and dedication with which each of those votes has been cast.

I, of course, have had an opportunity to cast far fewer than 10,000 votes. For many of us who have come to the Senate many years after Senator BYRD began his service, I can only say that his example is important to all of us. It is instructive to all of us. Above all, it is an inspiration to all of us, to live up to the highest possible standards of personal integrity, dedication, and loyalty to this institution and to the people we are called upon to serve.

I thank him for his example, and I congratulate him for his outstanding record.

Mr. INOUYE. Mr. President, I yield to the Senator from Oregon.

Mr. HATFIELD. I thank the Senator.

Mr. President, we get lost in numbers in the Appropriations Committee; 10,000 is not really very much of a number in our committee, as nomenclature.

However, we must look at what Senator BYRD has accomplished since coming to the Congress of the United States. His overall attendance record is almost 98 percent, in both the House and the Senate. Senator BYRD came here as a skilled man in the field of meatcutting, in which he had excelled in the State of West Virginia.

He took unto himself the responsibility to complete his education. He went to law school and completed his law degree—all while he was a Member of the Congress of the United States.

Since moving to the Senate, he has been the majority leader, now the minority leader. He has been active on the Appropriations Committee. He has done all these things, and not only has he maintained that high percentage of voting record, but also, he has not neglected his constituency.

There are 55 counties in West Virginia, and he has kept his contacts, relationship, and accountability to every one of those 55 counties.

If any of you have tried to drive in West Virginia, you know it is hard to get to some of those counties in West Virginia, particularly in Logan County because my ancestry did not want a lot of people coming into that county.

But the point is that Senator BYRD has done all of these things, and I think it is a remarkable record beyond the numbers. Beyond the numbers, just his career is a remarkable career, and I congratulate him.

Mr. JACKSON. Mr. President, I would like to associate myself with the remarks made earlier about our distinguished colleague, Senator BYRD of West Virginia, in having reached the 10,000th vote he has cast in the Congress.

I must say that in the years I have served in this body I have never worked with or been associated with a Senator who has been more conscientious as a Senator, as the majority whip, as the majority leader, and now as the minority leader. He has always found time to take care of the onerous details that go with leadership and, at the same time, take care of the many details that are his responsibility as a Senator.

So I want to join with all of our colleagues in congratulating him on having achieved this outstanding record.

Mr. STEVENS. Mr. President, today is a historic occasion. The Democratic leader and my good friend from West Virginia has cast his 10,000th vote. That accomplishment has been attained by few Members of the Senate in the history of our Republic. I congratulate him.

Senator BYRD has taken his responsibility to the people of West Virginia seriously with purpose. He is a model from which we all may learn. The periodic lectures he gives the Senate is the definitive work on the U.S. Senate. I would say that 10,000 votes has given Senator BYRD time to observe the issues and the proceedings of the Senate from which to draw conclusions.

Many people may not be aware of the fact, but Senator BYRD has had the distinction of serving in both bodies. Before serving in the Senate, he served for 6 years in the House of Representatives. In fact, he was in that body when Alaska became a State. His voting record percentage in the Senate has been outstanding and while he and I may not always agree on every issue, my respect for him continues to grow. He is a leader and a statesman. His accomplishment today merely symbolizes his dedication and contribution to the U.S. Senate.

Mr. INOUYE. Mr. President, I believe my time has expired.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. INOUYE. I am proud and honored to yield.

Mr. BYRD. Mr. President, I am grateful to Senator INOUYE and to Senator BAKER and to each of the other Senators for their most charitable and generous remarks. They are very gracious, and I appreciate them very much.

May I simply close the speeches on this subject by saying thank you, thank you, thank you my friends. I simply was doing my duty.

Mr. BAKER. Mr. President, if I may proceed for 1 minute, I understand now the next amendment is the Mattingly amendment. There is a time limitation of 30 minutes equally divided, I am advised. Is that correct?

The PRESIDING OFFICER (Mr. DANFORTH). The Senator is correct.

Mr. BAKER. I am advised by the Senator from Georgia and the distinguished chairman of the committee that it may perhaps take substantially less than that.

In addition to that, we have the Moynihan-Chafee amendment, which will be next, a Thurmond amendment, a Quayle amendment, a Specter amendment, another Specter amendment, and a Bradley amendment.

I wish to do as many of those as possible tonight. But it is clear to me that we are not going to be able to finish this bill tonight. Indeed, unless we can work something out, we are going to be on this bill Wednesday, which I regret.

But in any event, what I wish to do is to see if a little later we could get a unanimous-consent order for additional amendments that have been made known to the two Cloak Rooms, time limitations, and then, a unanimous-consent order that no other amendments will be in order.

As soon as we can finish a suitable number of these amendments remaining and get that order, if we can get that order, I would propose the Senate go out until tomorrow. I would guess that is another hour, an hour and a half or 2 hours.

But after the next amendment is disposed of and before we get to the Moynihan-Chafee amendment, I will propound a unanimous-consent agreement to specify the additional amendments that will be in order to provide that no other amendments will be in order, to provide time limitations, and then to ask the Senate to recess over until tomorrow.

I discussed this with the distinguished minority leader. We have exchanged lists. As soon as we can dispose of the Mattingly amendment, which is next, I will then seek recognition for that purpose.

The PRESIDING OFFICER. Under the previous order, the Senate will now consider another amendment to be offered by the Senator from Georgia (Mr. MATTINGLY) dealing with title I under which there shall be 30 minutes debate, with 10 minutes on second-degree amendments thereto and points of order which may be submitted to the Senate.

UP AMENDMENT NO. 41

(Purpose: To make reductions in certain programs in title I)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Georgia (Mr. MATTINGLY) proposes an unprinted amendment numbered 41.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 8, strike out "$125,000,000" and insert in lieu thereof "$100,000,000".

On page 24, line 20, strike out "$400,000,000" and insert in lieu thereof "$325,000,000".

On page 28, line 14, strike out "$85,000,000" and insert in lieu thereof "$65,000,000".

On page 28, line 21, strike out "$164,000,000" and insert in lieu thereof "$99,000,000".

On page 29, line 5, strike out "$80,000,000" and insert in lieu thereof "$65,000,000".

On page 38, line 7, strike out "$300,000,000" and insert in lieu thereof "$150,000,000".

On page 40, line 15, strike out "$100,000,000" and insert in lieu thereof "$50,000,000".

Mr. MATTINGLY. Mr. President, the amendment I send to the desk would reduce the amount of budget authority contained in title I by $400 million.

This amendment has the support of the administration and has been drafted in conjunction with the Office of Management and Budget.

It will reduce the following items:

First. There will be a $100 million cut in the rural water and waste disposal account—a $25 million reduction in grants from $125 million to $100 million and a $75 million reduction in loans from $400 million to $325 million.

Second. There will be a $100 million cut in the Corps of Engineers items, consisting of a reduction in construction from $85 million to $65 million; a reduction in operations and maintenance from $164 million to $99 million; and a reduction in the Mississippi River and tributaries item from $80 million to $65 million.

Third. There will be a $150 million reduction in the social services block-grant item, from $300 million to $150 million which is the House level.

Fourth. There will be a $50 million reduction in the college work-study item from $100 million to $50 million.

Mr. President, my proposal is a modest effort to reduce the size of a bill that contained in excess of $15 billion in budget authority when it was reported by the Appropriations Committee.

My amendment would reduce total budget authority to $14.7 billion from $15.1 billion.

I urge the support of my colleagues for the measure.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. MATTINGLY. I yield.

Mr. HATFIELD. I wish to ascertain what criteria the Senator used in making these reductions.

Mr. MATTINGLY. As the Senator from Oregon and the chairman know, the President has had some problems with this bill as we see in the news media, and the criteria was used that we tried to find out what those problems were, and OMB gave us the inklings what the problems were. We have worked out those items with them that would be satisfactory with them. I am not saying it would be satisfactory with everyone, but with them, and it is a modest attempt to reduce it.

Mr. HATFIELD. Do I understand the OMB has provided the Senator with these figures?

Mr. MATTINGLY. Yes.

Mr. HATFIELD. Did the OMB request the Senator to do this?

Mr. MATTINGLY. They did not request me to do anything. We passed by them what we thought would be a modest reduction and the staff people we have talked with down there have agreed with them.

Mr. HATFIELD. Do I understand the Senator from Georgia by this amendment is implying that OMB does not support the committee bill as we have brought it to the floor?

Mr. MATTINGLY. The Senator would have to call OMB and ask them that.

Mr. HATFIELD. I do not have to call OMB. I can assure the Senator that Mr. Stockman and I worked closely together on this present bill as now reported to the Senate and it has his approval.

Mr. MATTINGLY. Mr. President, I ask for the yeas and nays also on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. Mr. President, I simply wish to make the record clear that this amendment does not necessarily represent a different position of OMB in what they already at least indicated to me. I suppose OMB deals with one voice and deals in a straight way. I certainly wish to say that this is like many others. If 100 Senators come up here with some kind of a new configuration of these moneys, 25 off here, add 50 over here, we would be here until May trying to get a bill.

All I am saying is this amendment again effectively puts into imbalance what I think has been a very well crafted and balanced bill in a jobs proposal that the overwhelming majority of the Appropriations Committee, on which the Senator serves, supported the proposal we brought to the floor.

I can only say that I think this is another one of those efforts to cut the jobs bill. If you want a jobs bill, fine. If you do not, then you begin to piecemeal it out like this. If the amendment of the Senator from Georgia prevails, then 30 other Senators will come in and say cut another 25 here, another 10 here, another 5 there.

I think we have to realize that a jobs bill is going to have to be comprehensive. It is going to have to be targeted for high unemployment areas. If we begin to write in these little piecemeal approaches, we will have effectively destroyed the balance within the jobs bill.

I hope this amendment is defeated.

Mr. JOHNSTON. Mr. President, will the Senator yield me time?

Mr. HATFIELD. I would be very happy to yield you time.

Mr. JOHNSTON. Mr. President, the United States is now paying out $32 million a year in unemployment compensation. What this amendment would do is very much like the last amendment would do, very much like the Humphrey amendment would have done, and that is to take the guts out of the jobs-producing part of this bill.

The Senate has spoken, Mr. President, convincingly, I think, by defeating the Humphrey amendment 80 to 17, by defeating the Mattingly amendment 77 to 20, and I would suspect this amendment is going to be defeated by a similar margin because the Senate is on record now twice or more than

twice in saying "We want a jobs program that produces jobs," and what this amendment does is to try to take the guts, the heart out of the jobs-producing part of this bill.

Mr. President, I am confident the Senate is going to defeat it. I wish we did not have to have a record vote on another expression on this same issue but I guess we do. So as far as this Senator is concerned, I would be ready for the vote at this time.

The PRESIDING OFFICER. Who yields time?

Mr. MATTINGLY. Do you want to yield back the remainder of the time?

Mr. HATFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HATFIELD. Evenly divided.

Mr. MATTINGLY. I object.

Mr. HATFIELD. I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HATFIELD. I yield back my time.

Mr. MATTINGLY. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Georgia. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. MATSUNAGA) is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 16, nays 80, as follows:

[Rollcall Vote No. 23 Leg.]

YEAS—16

Armstrong	Humphrey	Rudman
Dole	Mattingly	Symms
East	Murkowski	Tower
Garn	Nickles	Wallop
Goldwater	Proxmire	
Helms	Roth	

NAYS—80

Abdnor	Biden	Bumpers
Andrews	Bingaman	Burdick
Baker	Boren	Byrd
Baucus	Boschwitz	Chafee
Bentsen	Bradley	Chiles
Cochran	Heflin	Packwood
Cohen	Heinz	Pell
Cranston	Hollings	Percy
D'Amato	Huddleston	Pressler
Danforth	Inouye	Pryor
DeConcini	Jackson	Quayle
Denton	Jepsen	Randolph
Dixon	Johnston	Riegle
Dodd	Kassebaum	Sarbanes
Domenici	Kasten	Sasser
Durenberger	Kennedy	Simpson
Eagleton	Lautenberg	Specter
Exon	Laxalt	Stafford
Ford	Leahy	Stennis
Glenn	Levin	Stevens
Gorton	Long	Thurmond
Grassley	Lugar	Trible
Hart	McClure	Warner
Hatch	Melcher	Weicker
Hatfield	Metzenbaum	Wilson
Hawkins	Mitchell	Zorinsky
Hecht	Moynihan	

NOT VOTING—4

Mathias	Nunn
Matsunaga	Tsongas

So Mr. MATTINGLY's amendment (UP No. 41) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 5 minutes without the time being charged to any amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if we can have order in the Senate, I would like to arrange the schedule of the Senate for the remainder of this day and tomorrow.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, we still have six amendments, according to my count, on the list of amendments on which time limitations have already been agreed to. It seems clear to me that we cannot finish those amendments tonight at anything like a reasonable hour. I have conferred with both the minority leader and the manager of the bill, and I believe it is the preference of the manager of the bill that we do one more amendment tonight, which will be the Moynihan-Chafee amendment, then go out until tomorrow. That is going to leave us a full day for tomorrow, but we need to do the best we can with it.

Let me urge Senators first, who have listed amendments to consider overnight whether they really need to call up those amendments or not and particularly consider whether they need rollcall votes or not. We have to finish this bill. Tomorrow is about the last day we have, as a practical matter, to do so.

What I should like to do next, Mr. President, is to go through a list of further amendments that have been made known on our side of the aisle. The minority leader has kindly supplied me with a list of amendments made known on his side of the aisle, and I would like to shop for unanimous-consent agreements limiting time on those amendments and also to bar further amendments, any further amendments, including second-degree amendments or substitute amendments.

First, Mr. President, I am going to try to get these unanimous-consent agreements on time. Then I shall go on and finish this list and the minority leader's list and see what else we can do.

TIME LIMITATION AGREEMENTS

Mr. BAKER. First, I am advised by the Senator from Rhode Island (Mr. CHAFEE) that he has an amendment he wishes to offer on CETA, adding funds. I am told he is agreeable to a time limitation of 10 minutes equally divided. May I inquire of the distinguished manager of the bill how he feels about that, and the minority leader? I have no problem with that.

I put that request, Mr. President, 10 minutes equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I hope Senators will recall now that the request—Mr. President, I further ask unanimous consent that no amendments to the Chafee amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Next, a Kassebaum amendment, $50 million for airport and airway development, 10 minutes equally divided. I ask unanimous consent that there be such a time limitation and that no further amendment be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Next, a Hatfield food assistance amendment. I ask unanimous consent that there be a time limitation of 10 minutes equally divided and that no amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there is a health amendment on social security. I am advised he will not offer that amendment.

Next, a Mattingly sense-of-the-Senate—I withhold on that for just a moment.

Next, a Rudman amendment deleting targeting for weatherization, 10 minutes equally divided. In each case, Mr. President, I make the request that no further amendments be in order to that amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Next, two Hatch amendments, 10 minutes equally divided on each under the same terms and conditions; one to provide funds for repair of Utah Lake; one to provide funds for highway repair near Nephi, Utah.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Next, a Gorton amendment dealing with FEMA. I am told he wants 2 minutes each equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, 2 minutes equally divided on an amendment. That does not indicate to the average reader of the RECORD that the amendment means very much. As far as I am concerned, we could do without the amendment, or maybe we can do it in a little more time. I think it is sort of demeaning to an amendment to get 2 minutes on it, equally divided.

Mr. BAKER. If I may make a different suggestion, Mr. President, it may very well be in this case that the short limitation is because the amendment may be agreed to or may be accepted. It need not necessarily diminish the importance of the amendment. In this case, I think it does not.

I thank the Senator for his observation, but I would like to go ahead with that time limitation.

Next, an amendment by the Senator from Washington with respect to Evergreen College, 2 minutes equally divided.

Mr. BYRD. What does this mean, "with respect to Evergreen College?"

Mr. BAKER. I am afraid I have exhausted my reservoir of information. I spoke at Evergreen College, once. It was the toughest speech I ever made in my life. I had a heck of a time finishing it.

Mr. BYRD. I have no objection, Mr. President.

Mr. BAKER. I am sort of warming up to it myself. My old friend, Dan Evans, who was Governor of Washington for so long, was the distinguished president of the institution. I went out there thinking I was going to have a happy time and I wound up having a terrible time.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Before I complete the request, Mr. President, let me say I would like to change both Gorton amendments to 5 minutes equally divided, in view of the remarks by the minority leader and I may want to say something about that myself tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Next is a Hatfield amendment which is denominated a targeting compromise amendment. Five minutes equally divided. He is in a compromising mood.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, a second Hatfield targeting compromise amendment, 20 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Next is another Hatfield amendment, targeting administrative relief, 5 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. KASTEN. Mr. President, will the majority leader yield for a question?

Mr. BAKER. Yes.

Mr. KASTEN. On these various Hatfield targeting amendments, it is my understanding that an effort has been made and been successful to work out the D'Amato-Abdnor-Hatfield set amendments. The Senator is saying there are no amendments, second degree amendments, to this Hatfield amendment. My question is, right now there is a Kasten amendment to the Abdnor amendment, which has been set aside. None of the agreements that we are entering into would in any way change or prejudice that situation. Is that correct?

Mr. BAKER. It would not.

Mr. KASTEN. I thank the leader.

Mr. BAKER. Mr. President, was the request granted on targeting administrative relief?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

Next is a Hatfield technical amendment making technical corrections to the bill, which I understand has been agreed to on both sides. On that, 2 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered,

Mr. BAKER. Mr. President, there may be other amendments on this side. I hope not, but at least one Senator indicated he might have an amendment. Before we do any more with that, may I yield to the minority leader and perhaps he will favor us with a description of the requests on his side.

Mr. BYRD. I thank the majority leader.

On our side of the aisle, Mr. President, we have determined that the following Senators will call up the following amendments and are agreeable to the time limitations proposed: Mr. KENNEDY, an amendment dealing with increased funding for summer youth employment, 20 minutes equally divided.

Mr. BAKER. If the Senator will yield to me, I make that same request with the same proviso, that no other amendments to the amendment be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Next amendment would be one by Mr. MITCHELL, a sense-of-the-Senate resolution relating to the Environmental Protection Agency. He has suggested 40 minutes equally divided.

Mr. BAKER. I make that request under the same circumstances.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Next is an amendment by Mr. LEVIN, providing additional money for older Americans senior citizens employment, with the time 20 minutes equally divided.

Mr. BAKER. I ask that the same conditions apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next amendment is by Mr. LEVIN, an amendment that contains anti-make-work language, with a time limitation of 20 minutes equally divided.

Mr. BAKER. I put that same request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next amendment—Mr. President, I am not trying to sequence the amendments. The next one that shows on my paper is by Mr. DIXON. It relates to unemployment insurance administrative funding in title II. He suggests 20 minutes equally divided.

Mr. BAKER. Mr. President, if the Chair would forbear just a moment.

Mr. President, I wonder if the minority leader could agree that we can withhold that for a moment?

Mr. BYRD. Yes; the next amendment is by Mr. TSONGAS. It is a sense-of-the-Senate resolution dealing with the National Service Commission. He proposes 20 minutes equally divided.

Mr. BAKER. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. With the same conditions?

Mr. BAKER. Yes. Mr. President, may I say for the record, all of these requests are on the same terms and conditions, that is, no amendment would be in order.

Mr. BYRD. Mr. President, the next amendment would be by Mr. BRADLEY. It is one that would delete the earmarking of mass transit funds and it would add funds, 40 minutes equally divided.

Mr. BAKER. Mr. President, if the Senator would permit me once more to ask, I would like to postpone putting that request just for a moment.

Mr. BYRD. All right. Mr. BRADLEY also has an amendment that would

relate to mass transit earmarking, 40 minutes equally divided.

Mr. BAKER. I am told that we need to check with the jurisdictional subcommittee on both of those.

Mr. BYRD. All right. The next amendment I have on this memorandum is by Mr. MELCHER dealing with jobs on national forest lands. He is agreeable to an hour equally divided.

Mr. BAKER. Mr. President, I put that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next is by Mr. MOYNIHAN, printed amendment No. 492, dealing with Buffalo, N.Y., and arrangements regarding Shea's Buffalo Theater and Kleinhaus Music Hall, 10 minutes equally divided.

Mr. BAKER. Mr. President, I put that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Next is by Mr. PELL. He would distribute tier 1 based on January 1983 unemployment instead of December and he suggests 10 minutes equally divided.

Mr. BAKER. I put that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next is by Mr. BUMPERS, Texarkana Criminal Justice Center, increasing the funding thereof, 20 minutes equally divided.

Mr. BAKER. I put that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next two are by Mr. LONG, both of which are in connection with revenue sharing, and he suggests 1 hour equally divided on each of the two amendments.

Mr. DOLE. I wonder if we might have a chance to look at those.

Mr. BYRD. Very well. I will suspend those for now. The next are by Mr. DODD. The first one is with reference to CDBG, the making of direct appropriations instead of loans, 30 minutes equally divided.

Mr. BAKER. Mr. President, I put that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next one is by Mr. DODD, a sense-of-the-Senate resolution on El Salvador, 30 minutes equally divided.

Mr. BAKER. Mr. President, I prefer not to put that request at this moment.

Mr. BYRD. The next one is by Mr. DECONCINI, Bureau of Reclamation jobs, 30 minutes equally divided.

Mr. BAKER. I put that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next one is by Mr. PRYOR, providing an additional $50 million for food and shelter to private charities—it is to the committee amendment—30 minutes equally divided.

Mr. BAKER. Mr. President, I am advised by the manager of the bill that that is a committee amendment which is now pending, or it was pending until we set it aside temporarily; is that correct?

Mr. HATFIELD. Yes.

Mr. PRYOR. Mr. President, if I may comment on that.

Mr. BAKER. Yes.

Mr. PRYOR. I might say to both leaders, I am not certain that this is a committee amendment. This is basically an amendment which would accept House language giving the money to FEMA instead of the Senate committee recommendation of giving the money to the 50 Governors to allow distribution of this food, so I am not certain it would be technically classified as a committee amendment, but I just wanted to make that distinction between the two concepts.

Mr. BAKER. What is the time limitation, may I inquire?

Mr. BYRD. Thirty minutes equally divided.

Mr. BAKER. I understand that would be offered to the committee amendment.

Mr. PRYOR. This is my intention.

Mr. BAKER. All right, Mr. President, I put that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. The next amendment is by Mr. HUDDLESTON, sense-of-the-Senate amendment on the weather service, 10 minutes equally divided.

Mr. BAKER. Mr. President, I put that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. And I have two others, Mr. President, for the majority leader's consideration, one by Mr. METZENBAUM which would defer interest on State loans in connection with unemployment, 20 minutes equally divided.

Mr. BAKER. Mr. President, I am requested by the chairman of the Finance Committee for an opportunity to look at that one before we put the request.

Mr. BYRD. All right. The next and I believe final amendment I have here is by Mr. HEFLIN. It relates to jobs in disaster, rain, erosion on navigable waters. I am laughing at my inability to put together a proper sentence that is clear. Related to jobs in disaster, rain, erosion on navigable waters. Maybe we could find out a little more about that amendment from Mr. HEFLIN.

Mr. BAKER. All right, perhaps we will not put that one at the moment either.

Mr. President, we have a series of amendments that we know of on which agreements have not yet been reached. According to my list, there is one Dodd amendment dealing with El Salvador, two Long amendments dealing with revenue sharing—was the DeConcini amendment agreed to?

The PRESIDING OFFICER. The DeConcini amendment was agreed to.

Mr. BAKER. Very well and two Bradley amendments dealing with mass transit.

Mr. President, I am advised we are prepared now to put those requests. If the minority leader is agreeable, I will restate them.

Mr. BYRD. All right.

Mr. BAKER. The Bradley amendment dealing with mass transit to delete the earmarking and add funds, 40 minutes equally divided; and a Bradley amendment relating to mass transit earmark. Both of them are 30 minutes equally divided under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, I have two more on this side—a Wilson amendment dealing with money for cable car repair, if I may put that request at this time, 10 minutes equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I do not hear any objection on this side.

Mr. BAKER. Very well. And a second Wilson amendment dealing with money for cleanup for natural disaster areas, 20 minutes equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object, Mr. President, I do not believe we will have any problem with the second Wilson amendment but if we could learn a little more about it, may I say to the majority leader, we will get back to him shortly.

Mr. JOHNSTON. Mr. President, will the leader yield?

Mr. BAKER. Yes; I yield.

Mr. JOHNSTON. Will the majority leader put a request for me for 2 minutes for an amendment relating to Puerto Rico which I believe will be accepted?

Mr. BAKER. If I might have the attention of the minority leader for a moment, the distinguished chairman of the Finance Committee does not object. Therefore, I put a request, Mr. President, 2 minutes equally divided for an amendment relating to Puerto Rico dealing with——

Mr. JOHNSTON. Including Puerto Rico in the program.

Mr. BAKER. What program?

Mr. JOHNSTON. In the jobs program.

Mr. BAKER. In the targeting jobs program?

Mr. JOHNSTON. Yes, sir.

Mr. BAKER. I put that request, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ABDNOR. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. ABDNOR. I ask the majority leader if I can be assured that my amendment is protected.

Mr. BAKER. Yes.

Mr. President, nothing that has been done with the requests granted has had any bearing on the Abdnor amendment.

Mr. ABDNOR. I thank the Senator.

Mr. BAKER. Mr. President, may I have the attention of the Senate for a moment?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, as I understand it now, the requests that have been put provide that these amendments will have time limitations, but it does not provide that these are the only amendments. Indeed, we have some amendments that perhaps can be offered for time limitations and others that may not. We provide that no amendments will be in order to the amendments to be offered.

Mr. President, I make an inquiry of the Chair in the nature of a parliamentary inquiry.

Under the formulation already stated, what would be the situation with respect to time for debate on any point of order, if submitted to the Senate, or any appeal if taken from a ruling of the Chair?

The PRESIDING OFFICER. They would not be debatable.

Mr. BAKER. Mr. President, the minority leader and I had a rather extensive colloquy Friday night about the integrity of unanimous-consent orders, and I intend to take up with my office tomorrow a further arrangement in that respect.

Let me say that I think it is important that we make sure that these agreements stay in place. I will not make any further request with respect to the unanimous-consent order of tonight, but Senators should be on notice that I still feel that this is a terribly important matter and one that I will address later in our caucus and will discuss with the minority leader.

Mr. MATTINGLY. Mr. President, this does not preclude any more amendments?

Mr. BAKER. The Senator from Georgia is correct.

I had indicated earlier that I would try to get a list of amendments to preclude further amendments. That is not the case. There are too many others on which we have not had agreements.

I say to Senators that when we convene tomorrow, I intent to pursue this list further and see if we can cut off amendments.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. BAKER. I yield to the distinguished President pro tempore.

Mr. THURMOND. The Senator from Georgia and I have a noncontroversial amendment. It will be accepted. We thought we would get to it last week, but that was not done. I wonder if we can take 2 minutes and dispose of it now.

Mr. BAKER. If the distinguished manager of the bill is agreeable to that, I am agreeable.

Mr. BYRD. What is the nature of the amendment?

Mr. EXON. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. EXON. As long as we are making lists, I wish we could put on the list a possible Exon amendment.

I was tempted to restrain myself and not offer this amendment, but in listening to the dialog in the last half-hour, it could well be that the money-rolling machine might get into high gear tomorrow. If that happens, I want to reserve an amendment that I might offer and which is likely to be joined in by Senator KASSEBAUM, with respect to the Western Area Power Administration, a division of the Bureau of Reclamation, with regard to a grid electrical tie-in in the area of Sidney, Nebr.

I would agree to 20 minutes equally divided. I may offer the amendment if the spending machine gets rolling.

Mr. BAKER. Mr. President, I fervently hope that the spending machine does not get rolling; but I assure the Senator that tomorrow there will be an opportunity to take a fresh look at that. Nothing that we have done in these orders will prejudice the right of the Senator to offer an amendment, if he wishes to do so.

Mr. EXON. I thank the majority leader. I might be persuaded to restrain myself if some of my colleagues will do the same.

Mr. BAKER. I commend the Senator for his attitude.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. DECONCINI. Has the minority leader and the majority leader thought about stacking votes on these amendments, including the Chafee amendment?

Mr. BAKER. Mr. President, it is a little after 7 o'clock, and I am about to suggest that we put off the Moynihan-Chafee amendment—call it up tonight and take it tomorrow.

The text of the agreement follows:

UNANIMOUS CONSENT AGREEMENT

After the Senate resumes consideration of H.R. 1718 on Mar. 15, 1983, at 10:30 a.m. under the previous order, the Senate will next consider a Moynihan-Chafee amendment with debate limited to 60 minutes evenly divided, and with debate on amendments thereto, debatable motions, appeals or points of order which may be submitted to the Senate, limited to 20 minutes, *Provided*, That no motion to table be in order. Under the previous order, the Senate will next consider the amendment of the Senator from Indiana (Mr. Quayle) on Accelerated Spending and Savings, with debate thereon limited to 30 minutes, and with debate on amendments thereto, debatable motions, appeals or points of order which may be submitted to the Senate, limited to 10 minutes, *Provided*, That no motion to table be in order. Under the previous order, the Senate will next consider two amendments to be offered by the Senator from Pennsylvania (Mr. Specter), one on Targeting and one on Unemployment Benefits, with debate on each limited to 10 minutes evenly divided, and with debate on amendments thereto, debatable motions, appeals or points of order which may be submitted to the Senate, limited to 5 minutes, *Provided*, That no motion to table be in order. Under the previous order, the Senate will next consider the amendment to be offered by the Senator from New Jersey (Mr. Bradley) on Urban Parks, with debate thereon limited to 30 minutes evenly divided, with debate on amendments thereto, debatable motions, appeals or points of order which may be submitted to the Senate limited to 10 minutes, *Provided*, That no motion to table be in order. *Provided*, That any second degree amendment must be germane to the underlying amendment, and no motions to table any second degree amendments to the above mentioned amendments be in order. *Provided further*, That the following Senators may call up the following amendments under the following limitations of debate, equally divided, and without the said amendments being subject to amendment:

[Time in minutes]

Senator and subject	*Time*
CHAFEE: CETA	10
KASSEBAUM: Airways	10
HATFIELD: Food assistance	10
RUDMAN: Targeting weatherization	10
HATCH: Utah Lake	10
HATCH: Utah Highway	10
GORTON: FEMA	5
GORTON: Evergreen College	5
HATFIELD: Targeting	20
HATFIELD: Targeting administrative relief	5
HATFIELD: Technical	2
KENNEDY: Summer Youth Employment	20
MITCHELL: EPA	40
LEVIN: Older Americans Employment	20
LEVIN: Anti-Make Work	20
TSONGAS: National Service Commission	20
BRADLEY: To delete earmarking of mass transit and to add funds	30
BRADLEY: Mass transit earmarking	30
MELCHER: National forest lands jobs	60
MOYNIHAN: No. 492, Buffalo	10
PELL: Distribute Tier I	10
BUMPERS: Texarkana criminal justice	20
DODD: CDBG	30
DECONCINI: Bureau of Reclamation	30
PRYOR: To excepted committee amendment on private charities	30
HUDDLESTON: Weather Service	10
WILSON: Cable cars	10
JOHNSTON: Puerto Rico	2

THE TRUTH CONCERNING THE NEW WITHHOLDING LAW

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the information the IRS and Social Security Administration will be sending out to inform the public of the truth concerning the new withholding law.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ATTENTION SOCIAL SECURITY RECIPIENTS: YOU MAY BE EXEMPT FROM NEW WITHHOLDING LAW

Since 1943, employers have been required to withhold taxes on wages and salaries. Effective July 1, 1983, banks and other financial institutions will begin withholding 10 percent on payments of interest and dividends. This is not a new tax. In addition, the new law will not affect your income from Social Security. It was created to help the government recover billions of dollars lost annually in unpaid taxes.

And you, like the vast majority of older Americans and Social Security recipients, may be exempt from the Federal tax withholding program. To be eligible for an exemption, you must meet any one of the following qualifications:

You are 65 or older and your previous year's taxes were $1,500 or less; or you or your spouse or both are 65 or older and your previous year's taxes were $2,500 or less on your joint tax return;

You are under age 65 and paid $600 or less in taxes for the previous year; or $1,000 or less on a joint return;

You were not required to file an income tax return last year.

To receive an exemption, file a simple exemption form (Form W-6) with the financial institution from which you receive interest or dividends. You can get the form from your financial institution or the Internal Revenue Service office in your area.

ATTENTION RECIPIENTS OF INTEREST AND DIVIDENDS: NEW WITHHOLDING PROGRAM BEGINS JULY 1

Since 1943, employers have been required to withhold taxes on wages and salaries. Effective July 1, 1983, banks and other financial institutions will begin withholding 10 percent on payments of interest and dividends. This change will not increase taxes. Like withholding on salary checks, it merely changes the way in which taxes are collected. It was created to help the government recover billions of dollars lost annually in unpaid taxes.

You may be exempt from this Federal tax withholding program. To be eligible for an exemption, you must meet any one of the following qualifications:

You paid $600 or less in taxes for the previous year; or $1,000 or less on a joint return;

You are 65 or older and your previous year's taxes were $1,500 or less; or you or your spouse or both are 65 or older and your previous year's taxes were $2,500 or less on your joint tax return;

You were not required to file an income tax return last year.

To receive an exemption, file a simple exemption form (Form W-6) with the financial institution from which you receive interest or dividends. You can get the form from your financial institution or the Internal Revenue Service office in your area.

IMPACT ON BUY AMERICA PROVISIONS ON MASS TRANSIT FUNDING

● Mr. MATTINGLY. Mr. President, I would like to address several inquiries to the chairman of the Subcommittee on Transportation, Mr. ANDREWS.

This emergency jobs bill restores certain fiscal year 1983 mass transit funds authorized by the Surface Transportation Assistance Act of 1982, as well as additional funds for the section 3 program. Now as I understand the 1982 law, funds obligated for these programs must meet the Buy America provisions of that statute. Is it not correct to assume that the funds appropriated by this bill would likewise be covered by those provisions?

Mr. ANDREWS. The Senator is correct. Section 169 of the Surface Transportation Assistance Act of 1982 would apply to funds used for mass transit which are appropriated by this bill.

Mr. MATTINGLY. I agree. What I am concerned about, however, is the application of the new Buy America requirements in a manner which would make non-Federal funds already expended by local governments and mass transit authorities prior to January 6, 1983, the date the new law took effect, ineligible for Federal reimbursement or credit. Several mass transit authorities, including MARTA in Atlanta, have expended local funds pursuant to and completely in accordance with letters of no prejudice, letters of commitment, letters of intent or similar agreements made between the Urban Mass Transit Administration (UMTA) of the U.S. Department of Transportation and local governments and mass transit authorities. In addition, these funds were expended in compliance with all relevant Federal laws, such as Davis-Bacon and Buy America requirements, regulations and circulars which were in effect at the time the funds were spent. Now such funds may be ineligible for Federal reimbursement or credit because UMTA may interpret the new Buy America requirements to apply to past expenditures made in good faith and in compliance with the statute in place at the time. Would the Senator not agree that these funds should be eligible for Federal reimbursement or credit notwithstanding section 169 of the Surface Transportation Assistance Act of 1982?

Mr. ANDREWS. I could agree with the Senator if it were clear that we are making no effort here to diminish the effect of the Buy America provisions on funds to be obligated by the Secretary of Transportation which would not have been in compliance either with the old or new Buy America provisions, and that any local funds expended for mass transit after January 6, 1983, and eligible for reimbursement or credit by the Federal Government at a later date will be covered by the new Buy America provision.

Mr. MATTINGLY. The Senator has stated correctly the nature of my inquiry. There is no intent to exempt these funds from the applicable Buy America provisions or other Federal requirements, nor is it intended that funds expended after January 6, 1983, by local governments and mass transit authorities not be covered by section 169 of the 1982 law. I am only talking about local funds expended prior to January 6, 1983, and in full compliance with the Federal laws and regulations in effect at the time the funds were expended.

Mr. ANDREWS. In these instances, the Senator is correct. Such local funds should be eligible for Federal reimbursement or credit.●

DISCRETIONARY FUNDING FOR BRIDGES

● Mr. BENTSEN. Mr. President, I would like to discuss an item in the committee report relating to the committee intent with regard to discretionary funding for bridges with the distinguished chairman of the Transportation Subcommittee of the Committee on Appropriations, Senator ANDREWS. It is my understanding that the report indicates that the committee directs that priority consideration be given to bridges in critical need of replacement and rehabilitation, to areas of high unemployment, and particularly to those bridges mentioned in Senate Report 97-567, page 42, and to the Burlington Bridge in Iowa, and Vista Bridge in Nevada. Is this correct?

Mr. ANDREWS. The Senator from Texas is correct. The committee believes that these types of bridges should be given priority consideration.

Mr. BENTSEN. I would like to bring another example to my colleague's attention. The Neches River Bridge on U.S. 87 in Port Arthur, Tex. (sometimes called the Rainbow Bridge) is in critical need of replacement and rehabilitation and is in an area of high unemployment. This bridge has a sufficiency rating of 49.6. Port Arthur is currently experiencing an unemployment rate in excess of 20 percent. Would I be correct in understanding that this bridge would be appropriate for priority consideration based on the committee's directions to the Secretary of Transportation?

Mr. ANDREWS. The Senator is correct. The Neches River Bridge is one that the committee considers to be important for priority consideration in the discretionary bridge program. I want to thank my colleague from Texas for calling it to our attention.

Mr. CHILES. I would like to join my distinguished colleague from North Dakota in assuring the Senator from Texas that the Neches River Bridge is, indeed, a bridge warranting priority consideration.

Mr. BENTSEN. I appreciate the assistance of both my distinguished colleagues who serve so admirably and ef-

fectively on the Subcommittee on Transportation of the Appropriations Committee. They have been most helpful in clarifying this matter.●

FUNDING OF URBAN MASS TRANSPORTATION ADMINISTRATION PROJECTS

● Mr. TOWER. I understand that urban mass transportation administration projects which may be funded as a result of this appropriation will have the Federal match of 75 percent for discretionary projects prescribed by the Surface Transportation Act of 1982 which was enacted on January 6, 1983. Is that correct?

Mr. ANDREWS. The Senator is correct in his understanding.

Mr. TOWER. I call the distinguished Senator's attention to certain discretionary rail modernization and extension projects relating to bankrupt railroads which were directed to be funded in the conference report on the DOT appropriation for fiscal year 1983. It is my understanding that such rail modernization and extension projects earmarked in that bill enacted prior to the passage of the Surface Transportation Act were intended to be funded at the then existing matching rate, which I believe was 80 percent for discretionary projects. Am I also correct in this understanding?

Mr. ANDREWS. The Senator from Texas is completely correct in his understanding; for the projects he cites, the matching rate in effect at the time of the earmark applies.

Mr. TOWER. I thank the Senator from North Dakota for clarifying this matter.●

FORT LEWIS

● Mr. GORTON. Mr. President, I rise to make a request of my distinguished colleague from Georgia, who is chairman of the Appropriations Subcommittee on Military Construction.

Mr. President, as we discuss the allocation of funds for the purpose of alleviating unemployment, I ask my colleagues, and in particular the Senator from Georgia, to consider the level of need in the State of Washington. The industries upon which Washington's economy is based are among those hardest hit by the recession. The unemployment rate in Washington is now 13.7 percent, one-third greater than the national average.

As I am sure the Senator from Georgia is aware, there are a number of important and long overdue maintenance projects waiting to be done in the base family housing at Fort Lewis in Washington State. This work includes the replacement of heating systems, gutters, porches and windows, roof repair and kitchen modernization in many units, as well as miscellaneous painting and repair work.

All of this work can be performed for only $6.3 million, a small amount in comparison to the total size of the appropriation under consideration. Attention to these projects will create 240 jobs in an area of great need. It will also insure that the personnel of Fort Lewis and their families will not be kept in inadequate housing.

Mr. President, if my colleague from Georgia is amenable, I ask him to include the Fort Lewis project in the list of projects to be funded which will be included in the conference report.

Mr. MATTINGLY. Mr. President, I thank the Senator from Washington for calling the conferees' attention to this worthwhile project. I say to him that we will give it every consideration in the course of our deliberations.

Mr. GORTON. I thank the Senator.●

SUPPORT OF U.S. PRISONERS

● Mr. SASSER. Mr. President, I would like to address a question to the distinguished chairman of the State, Justice Subcommittee, Senator LAXALT. What is included in this bill for the account entitled "Support of U.S. Prisoners"?

Mr. LAXALT. $10 million for fiscal year 1983.

Mr. SASSER. What was included in the House bill for this program?

Mr. LAXALT. $30 million. It was our feeling that the full $30 million approved by the House could not be efficiently obligated in the remainder of fiscal year 1983.

Mr. SASSER. I would like to bring to the chairman's attention one project which is particularly noteworthy. In Nashville, Tenn., the Davidson County Sheriff's Department has a project to house Federal prisoners awaiting trial or transfer to Federal penal institutions. This project could be obligated in the current fiscal year and would result in job creation. In addition, this project in Nashville, Tenn., is a needed and necessary project, one which meets all the requirements of this program.

Mr. LAXALT. The distinguished junior Senator from Tennessee has discussed this project with me. I understand it is a high-priority project in his State and one which appears to meet all the criteria of this program and would result in creating jobs which is the primary purpose of this legislation. So I would say to the Senator that the Davidson County, Tenn., project is one that should be considered by the Department of Justice in obligating these additional funds provided in this legislation.

Mr. SASSER. I thank the distinguished chairman of the subcommittee.●

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. tomorrow.

The PRESIDING OFFICER (Mr. WILSON). Without objection, it is so ordered.

ORDERS FOR SENATE SCHEDULE TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders tomorrow under the standing order, there be a period for the transaction of routine morning business, not to extend past 10:30 a.m., in which Senators may speak for not more than 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that at 10:30 a.m. tomorrow, the Senate resume consideration of the pending measure, H.R. 1718.

The PRESIDING OFFICER, Without objection, it is so ordered.

Mr. BAKER. Mr. President, I further ask unanimous consent that at that time the Chair lay before the Senate the Moynihan-Chafee amendment.

The PRESIDING OFFICER, Without objection, it is so ordered.

EMERGENCY JOBS APPROPRIATIONS, 1983

The Senate continued with the consideration of H.R. 1718.

Mr. BAKER. Mr. President, I ask unanimous consent that it may be in order at this time to permit the Senator from South Carolina to call up a noncontroversial amendment, which is already on the list, with a time limitation of 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. With that arrangement, there will be no more rollcall votes tonight.

So that that may be done, I yield for the purpose of the recognition of the Senator from South Carolina.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from South Carolina.

Mr. BYRD. Mr. President, the Senate is not in order. I congratulate the Chair on attempting to obtain order. I think we should hear what the Senator from South Carolina has to offer.

The PRESIDING OFFICER. The Chair thanks the Senator from West Virginia. The Senate will be in order.

UP AMENDMENT NO. 42

(Purpose: To permit contracts for certain projects authorized by the Military Construction Authorization Act, 1983, to be entered into after March 30, 1983, rather than after May 31, 1983)

Mr. THURMOND. Mr. President, I sent to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND), for himself and Mr. TOWER,

proposes an unprinted amendment numbered 42.

The amendment is as follows:

On page 32, strike out lines 6 through 10, and insert in lieu thereof the following:

"Sections 102(c), 202(c), and 302(c) of the Military Construction Authorization Act, 1983: (Public Law 97-321), are each amended by striking out "June 1, 1983" and inserting in lieu thereof "April 1, 1983".

Mr. BYRD. Mr. President, the Senate still is not in order. I hope the Chair will persist in its efforts to obtain order.

The PRESIDING OFFICER. The Chair thanks the minority leader. The point is well taken. Senators who wish to converse will please retire to the cloakroom.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, this amendment is offered on behalf of Mr. TOWER and myself.

Just a few days ago, the senior Senator from Colorado, Mr. HART, and I introduced the Department of Defense fiscal year 1984 military construction authorization bill. In my statement at that time, I expressed my concern that many of the jobs bill proposals now pending before the Senate would not necessarily put people back to work immediately. The amendment that I offer today is an attempt to insure that H.R. 1718 does not disrupt the mechanism that we instituted in the Fiscal Year 1983 Military Construction Act. Last year, we provided authorization to the military services to build some additional projects with savings—I emphasize the word "savings"—generated from three sources: (1) cancellations of authorized projects; (2) lower costs of projects authorized in previous military construction authorization acts; and (3) lower costs of fiscal year 1983 projects. However, to insure that the additional construction came from savings, we directed the military services to submit a written report to the appropriate committees of Congress certifying that funds for the projects were in fact available. We asked that such report not be submitted before June 1, 1983, or after June 30, 1983.

H.R. 1718 on page 32, lines 6 through 10, provides for the immediate start of construction projects authorized to be built with savings. It also removes the specific authorization ceilings for each individual service in the fiscal year 1983 act.

My amendment does not prevent the services from expediting the construction of the projects. To the contrary, it will allow them to proceed 60 days earlier than previously permitted. Thus, if there are documented savings to fund those projects set forth in sections 102(a), 202(a), and 302(a) of the Fiscal Year 1983 Military Construction Authorization Act, the services will be permitted to use such funds immediately after the necessary reports are submitted to the Congress documenting the savings. This amendment, then, simply insures that the systems established last year of permitting certain projects to be built only with savings from other projects are maintained.

Mr. President, I have discussed this amendment with the junior Senator from Georgia, Mr. MATTINGLY, who chairs the Military Construction Subcommittee of the Senate Appropriations Committee, and he has no objection. I believe it has been cleared on both sides.

Mr. President, I urge the adoption of this amendment.

Mr. TOWER. Mr. President, I speak in support of the amendment introduced by the distinguished senior Senator from South Carolina, Mr. THURMOND, chairman of the Subcommittee on Military Construction.

As chairman of the Senate Armed Services Committee, I applaud Mr. THURMOND's efforts to preserve the oversight of our committee on matters related to military construction. Last year our committee, after careful deliberation, decided to authorize the construction of several projects that could be built with savings. The reporting requirements established were intended to give Congress the opportunity to insure that in fact those projects could be completed with real savings.

I am aware of the good intentions of the proponents of this bill. However, I think that it is imperative the reporting requirements be maintained.

Mr. THURMOND's amendment to expedite the process by 60 days and still maintain the oversight required of the authorizing committees should be supported by this body.

Mr. President, I join Mr. THURMOND in urging that the amendment be adopted.

Mr. HATFIELD. Mr. President, the Senator has presented an amendment that states the situation correctly.

I yield to the Senator from Georgia who is the subcommittee chairman to accept the amendment.

Mr. MATTINGLY. Mr. President, as chairman of the Military Construction Subcommittee we completely concur in this amendment and have no objection. We will accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment (UP No. 42) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I moved to lay that motion on the table.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I wish to thank the majority leader for his kindness.

Mr. BAKER. I thank the President pro tempore.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, as I said earlier there will be no more rollcalls tonight and there will be no more amendments disposed of that I am aware of.

Mr. President, I might say for the edification of all concerned that in the arranging of time limitations for the amendment that we just finished we provided for over 10 hours of debate not even counting rollcalls. So tomorrow is going to be a busy day, and I expect this will spill over into Wednesday. I hope not.

Mr. President, I believe there is already an order for the RECORD to remain open until 8 p.m.; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. That is for the purpose of inserting statements and introducing bills, resolutions, petitions, memorials, and the like.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Very well.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if there be no other Senator seeking recognition for the purpose of offering an amendment, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past 7:30 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTHERS AGAINST DRUNK DRIVERS

Mr. DANFORTH. Mr. President, I would like to call the attention of my colleagues to a program to be aired by NBC Tonight at 9 p.m. e.s.t. It is the tragic story of Cari Lightner, a 13-year-old girl who lost her life to a drunk driver, and the inspiring story of her mother, Candy Lightner, who turned this personal tragedy into public service by founding MADD—Mothers Against Drunk Drivers.

The story of devastation, grief, and heartbreak wreaked by the drunk driver is one that is being replayed in approximately 70 American homes everyday. But thanks to Mrs. Lightner, and hundreds of parents like her in a variety of organizations, Americans are changing their attitudes about drunk driving. No longer is it being looked upon as nothing but a socially acceptable nuisance. Today drunk

driving is being seen for what it is—a crime, a crime that is responsible for more deaths than homicides, a crime that has killed more people than assaults with deadly weapons, a crime that has taken a greater value in property than forgery, robbery, and burglary put together.

Mr. President, it is my hope that tonight's broadcast will further heighten the sensitivity of my colleagues and all Americans to this senseless slaughter, and will serve as a tribute to all those involved in the commendable effort to combat drunk driving.

OCEAN AND COASTAL RESOURCE MANAGEMENT AND DEVELOPMENT BLOCK GRANT ACT

Mr. STEVENS. Mr. President, I ask unanimous consent to have printed in the RECORD the text of S. 800, a bill to establish an Ocean and Coastal Development Impact Assistance Fund, which was introduced on March 11, 1983.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Ocean and Coastal Resource Management and Development Block Grant Act".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) it is in the interest of the Nation, for both economic and national security reasons, to provide expeditious and orderly development of Federal, Outer Continental Shelf oil and gas resources;

(2) such development may cause adverse impacts throughout the Nation's coastal areas and require States to assume additional responsibilities at a time when they do not possess financial resources adequate to respond to current economic and natural resource management dislocations;

(3) since the revenues of the Outer Continetal Shelf are derived from the development of nonrenewable offshore mineral resources, they should be invested in ocean and coastal resource management and scientific research efforts to enhance the use, conservation, and understanding of coastal and ocean renewable and other natural resources;

(4) the Mineral Leasing Act of 1920 and other Federal lands leasing programs presently provide for compensation to States affected by resource development on interior Federal lands, while no comparable Federal program exists to compensate coastal States affected by mineral extraction from the Outer Continental Shelf;

(5) without Federal financial support, the capability of coastal States to manage ocean and coastal resources, as well as to participate as partners in the Outer Continental Shelf oil and gas leasing program, will be seriously diminished; and

(6) it is in the national interest to maintain support for State management of ocean and coastal resources through programs in fishery management, coastal zone management, coastal energy impact, long-range scientific research, infrastructure development, and other natural resource management efforts.

DEFINITIONS

SEC. 3. For purposes of this Act, the term—

(1) "coastal State" means any State of the United States in, or bordering on, the Atlantic Ocean, the Pacific Ocean, the Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes;

(2) "coastal territory" means any of the following: the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or American Samoa;

(3) "State" means any coastal State or coastal territory;

(4) "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of "lands beneath navigable waters" as defined in section 2(a) of the Submerged Lands Act (43 U.S.C. 1301(a)), and of which the subsoil and seabed appertain to the United States and are subject to its jurisidction and control;

(5) "Secretary" means the Secretary of Commerce;

(6) "local government" means that term as defined in section 304(11) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.); and

(7) "tract" means the geographic and legal extent of a single lease area identified by the Secretary of the Interior which is within the Outer Continental Shelf.

OCEAN AND COASTAL DEVELOPMENT IMPACT ASSISTANCE FUND

SEC. 4. (a) There is established in the Treasury of the United States a Fund to be known as the Ocean and Coastal Development Impact Assistance Fund (hereinafter referred to as "the Fund").

(b) Beginning in fiscal year 1983, the Secretary of the Treasury shall—

(1) pay into the Fund not later than the end of each fiscal year an amount equal to 5 per centum of all sums deposited in the Treasury of the United States pursuant to section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) during each fiscal year; and

(2) determine for the preceding fiscal year the amount of money deposited into the Treasury of the United States pursuant to section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) derived from the bonus revenues from each tract, and maintain for each tract an account within the Fund corresponding to bonus revenues derived from each tract leased after October 1, 1983.

OCEAN AND COASTAL DEVELOPMENT IMPACT AND ASSISTANCE BLOCK GRANTS

SEC. 5. (a) For fiscal year 1984 and for each subsequent fiscal year, the Secretary shall provide to each State an Ocean Development Impact Assistance Block Grant.

(b) No State may receive a block grant for a fiscal year unless such State has submitted to the Secretary a report for such fiscal year which—

(1) specifies the allocation by such State of the block grant among coastal zone management activities; coastal energy impact activities; living marine resources activities; and natural resources enhancement activities pursuant to section 6(a); and

(2) describes each activity receiving funds provided by the block grant.

(c) No block grant shall be paid from the Fund to a State until the State has created a trust for the receipt of such block grant.

(d) The amount of each block grant provided under subsection (a) for a fiscal year to a State shall be determined by the Secretary under a formula established by the Secretary which gives—

(1) to each coastal State with a coastal management program approved pursuant to the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) 1½ per centum of the amount of the Fund for that fiscal year; and

(2) to each State an amount from the remainder of the Fund determined by the Secretary under a formula established by the Secretary which gives the following per centum consideration to each of the following criteria:

(A) a 25 per centum consideration for the amount of oil or gas produced during the previous fiscal year in which the State had an interest, pursuant to subsection (j);

(B) a 25 per centum consideration for the amount of bonus revenues that were received in the fiscal year prior to the fiscal year of disbursements from the Fund, which were derived from tracts in which the State has an interest pursuant to subsection (a);

(C) a 35 per centum consideration for the amount of coastal population of the State; and

(D) a 15 per centum consideration for the shoreline mileage of the State.

(e) Subparagraphs (C) and (D) of subsection (d)(2) shall apply only if the State has a management program which is approved under section 306 of the Coastal Zone Management Act of 1972 (16 V.S.C. 1455).

(f) If, after the calculations required under subsections (d), (f), and (g), any State would receive an amount which is less than one-half of 1 per centum of the Fund in a fiscal year, the Secretary shall increase the amount to such States to one-half of 1 per centum of the Fund for that fiscal year.

(g) If, after the calculations required under subsection (d), any State would receive an amount which is more than 6 per centum of the Fund in a fiscal year, the Secretary shall reduce such States shares as follows:

(1) for any State calculated to receive an amount greater than 6 per centum and less than 10 per centum of the fund in a fiscal year, such States shall receive an amount of the fund equal to 6 per centum plus three-fourths of their respective calculated amount greater than 6 per centum; and

(2) for any State calculated to receive an amount equal to or greater than 10 per centum of the fund in a fiscal year, such States shall receive an amount of the fund equal to 10 per centum plus one-third of their respective calculated amount greater than 10 per centum.

(h) The amount of the Fund in a fiscal year which is reduced from any State pursuant to subsection (g) shall be shared proportionally with all States which did not receive reduction, subject to subsection (i).

(i)(1) For purposes of this subsection, the term "share proportionally" means an increase in a State's block grant in proportion to such State's allocation calculated under subsection (d), as compared with all other eligible States which did not receive reduction pursuant to subsection (g).

(2) The proportionate sharing of reduced funds with all eligible States shall be done

on a reduced State-by-reduced-State basis, sharing first the amount from the State with the smallest reduction required by this section.

(3) Any State which did not receive reduction of its amount of the Fund in a fiscal year pursuant to subsection (g) shall be eligible to receive proportionally shared funds in a fiscal year, if prior to receipt of its share of any one State's reduced funds pursuant to paragraph (2), its total share of the Fund remains less than 6 per centum of the Fund.

(4) The Secretary shall reduce proportionately the block grants of all other States that are eligible to receive an amount that is greater than one-half of 1 per centum of the amount of the Fund.

(5) For purposes of this subsection, the term "reduce proportionately" means a reduction of a State's block grant in proportion to such State's allocation calculated under subsection (d).

(j) For purposes of this section, a State has an interest in a tract if any part of the tract is within a linear distance of two hundred and fifty nautical miles from the base line from which the territorial sea is measured, as provided for in the Convention on the Territorial Sea and the Contiguous Zone (15 UST 1606; TIAS 5639).

(k) For those tracts in which more than one State has an interest pursuant to subsection (d), each State shall have a per centum interest inversely proportioned to the relative distance between the closest point on the base line of each State of the closest part of such tract.

REQUIREMENTS ON THE USE OF BLOCK GRANTS

SEC. 6. (a) Block grants provided to a State pursuant to this Act and any incomes derived from such block grant shall be used for each of the following Outer Continental Shelf and coastal development and management activities:

(1) Living marine resources, including fisheries, research, management and enhancement;

(2) Coastal management planning and implementation, as provided for under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.);

(3) Assessment and mitigation of impacts resulting from Outer Continental Shelf or other energy activities;

(4) Long-range coastal and ocean research and education, and natural resource management; and

(5) Capital infrastructure necessitated by coastal energy development activities, as provided for pursuant to the Coastal Zone Management Act of 1982 (16 U.S.C. 1451 et seq.).

(b) No less than 40 per centum of the block grant which each State receives pursuant to this Act shall be provided by each such State to its local governments to carry out the activities provided under subsection (a).

(c)(1) The Secretary shall by contract establish a National Coastal Resources Research and Development Institute (hereinafter in this section referred to as the "Institute") to be administered in affiliation with the Oregon Institute of Marine Science.

(2) The Institute shall conduct research, education and demonstration projects designed to promote the efficient and responsible development of ocean and coastal resources, including arctic resources, and the economic diversification of our Nation's coastal areas. Included in such projects are biological, geological, genetic, and other scientific research applicable to the purposes of this section.

(3) The Secretary shall conduct an ongoing evaluation of the activities of the Institute to ensure that funds received by the Institute under this Act are used in a manner consistent with the provisions of this section.

(4) The Institute shall report to the Secretary on its activities within two years after the date of enactment of this Act. Such report shall include recommendations as to the desirability of establishing satellite regional centers on the Atlantic Coast, Gulf of Mexico, Great Lakes, and Alaska. No more than one center shall be recommended in each region.

(5) The Secretary shall, in fiscal year 1984 and each fiscal year thereafter, make available to the Institute from the Fund an amount equal to 1.5 per centum of the amounts deposited in the Fund for that fiscal year. Such funds shall be disbursed to the Institute by the Secretary of the Treasury. Provided that upon establishment of a regional center the Secretary shall make available 3.0 per centum of the Fund to the Institute. In no case shall the Secretary make available greater than 3.0 per centum for the purposes of this subsection.

(6) The Comptroller General of the United States, and any of his duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Institute that are pertinent to the funds received under this section.

(7) Employees of the Institute shall not, by reason of such employment, be considered to be employees of the Federal Government for any purpose.

ASSESSMENT AND AUDIT

SEC. 7. (a) Under regulations promulgated by the Secretary, any State receiving a block grant for a fiscal year under section (5)(a) must submit to the Secretary an assessment of the opening and closing balance of the trust fund established pursuant to section 5(c), and of the receipt and the expenditure of funds provided by the block grant and the income derived on the trust fund for each State fiscal year in which the State received a block grant pursuant to this Act within 120 days following the close of such State fiscal year.

(b) Each assessment submitted by a State for a fiscal year under subsection (a) must contain an audit of all funds provided by the block grant received by such State for such fiscal year. Any audit contained in an assessment pursuant to this subsection shall be conducted by an entity which is independent of any agency or official administering or using moneys provided by such block grant and shall be undertaken in accordance with generally accepted accounting principles.

(c) Not later than 90 days after receiving a State's assessment, the Secretary shall make a preliminary evaluation of each assessment submitted pursuant to this subsection. If the Secretary determines in the preliminary evaluation of a State's assessment that all or any part of the block grant funds have not been used as required by this Act, the Secretary shall publish notice in the Federal Register of this finding. Not later than 60 days after publication of such notice, the State shall be provided an opportunity for a hearing. Not later than 150 days after publication of such notice, the Secretary shall make a final determination. If the final determination is that all or any part of the block grant funds were not used as required by this Act, the Secretary shall provide in writing to the State the reasons for the determination and the amount of funds misused. The Secretary shall withhold from a State's future block grants an amount equal to that determined to have been misused pursuant to this subsection.

(d) The determination of the Secretary pursuant to this section shall be subject to judicial review only by an action brought by the State or local government, or both, concerned in the United States district court for the district of that State.

(e) Any amount withheld pursuant to subsection (c), upon completion of judicial review if applicable and if favorable to such withholding, shall be returned to the Fund by the Secretary.

RULES AND REGULATIONS

SEC. 8. The Secretary shall promulgate, pursuant to section 553 of title 5, United States Code, after notice and opportunity for participation by relevant Federal agencies, State agencies, local governments, regional organizations, port authorities and other interested parties, both public and private, such rules and regulations as may be necessary to carry out the provisions of this Act.

REPRESENTATIVE DON YOUNG'S 10TH ANNIVERSARY IN THE HOUSE OF REPRESENTATIVES

Mr. STEVENS. Mr. President, today marks the 10th year of service in the U.S. House of Representatives for my good friend and colleague from Alaska, Congressman DON YOUNG. Congressman YOUNG has been Alaska's lone voice in that Chamber since March 14, 1973. His dedication, strength, tenacity, and fortitude have served him and Alaska well during his tenure. The dearth of numerical strength in Alaska's representation in Congress is more than made up by Congressman YOUNG's effectiveness.

Alaska has a history of outstanding representatives. Just as James Wickersham, Bob Bartlett, Ralph Rivers, Howard Pollock, and Nick Begich served Alaskans with honor, DON YOUNG has served Alaska with distinction.

We Alaskans pride ourselves in being independent. The new frontier has been settled by those with that special quality. Indeed, Congressman YOUNG, Alaska's lone Representative, has been uniquely independent and has made Alaska's only vote in the House of Representatives a strong vote. His positions on issues ranging from natural resources to foreign affairs are respected in Government as well as industry. The seniority he has attained on the Interior and Insular Affairs Committee and the Merchant Marine and Fisheries Committee has made him a virtual watchdog for Alaska's interests regarding land and water in the House.

Mr. President, one of the most incredible assets Congressman YOUNG has is his endurance. As a Member of the House, he faces the Alaskan elec-

torate every 2 years. The numerous weekend trips to Alaska are physically draining, but Congressman YOUNG has made it a priority to spend as much time at home as is humanly possible. Many people here are not aware that travel time from Washington, D.C. to Anchorage, Alaska is approximately 12 hours. Many times, DON has left Alaska on what we call the "red eye special" at 1 a.m. and arrived in Washington, D.C. at 4 p.m. that same day in time to cast a rollcall vote on the House floor. This is an exercise that takes strong will of mind as well as body.

Congressman YOUNG's legislative reputation is unique as well as successful. He is an acknowledged expert on issues relating to mining, commercial fishing, resources, trapping, guns, and the environment. DON YOUNG understands natural resource policy because he is an expert outdoorsman and hunter. He understands Alaska's needs because he has devoted his life to knowing Alaska and Alaskans. His word and his work are as good as gold.

His legislative record speaks for itself. He was behind the passage of the 200-mile limit. He spearheaded the trans-Alaska pipeline. He has worked for the construction of a transportation system for Alaska's reserves of natural gas on the North Slope. He has worked for appropriations for schools, safety, transportation, and health in the State of Alaska.

Success in any endeavor is a function of the support given by one's family. Ten years of service, success, and seniority enjoyed by Alaska's lone Congressman could not have been achieved without the never ending support and guidance of his family. His wife Lu and their two daughters, Joni and Dawn have been the source of his strength and the reason for wanting to make Alaska the best possible place to live for his family.

Ten years of service in the U.S. House of Representatives is an outstanding accomplishment. Alaska looks forward to many more years of his good service as Congressman for all Alaska.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1900. An act to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes.

HOUSE BILL PLACED ON CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the Calendar:

H.R. 1900. An act to assure the solvency of the social security trust funds, to reform the medicare reimbursement of hospitals, to extend the Federal supplemental compensation program, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-551. A communication from the Secretary of State transmitting, pursuant to law, a certification by the International Atomic Energy Agency that Israel is allowed to participate fully as a member of such organization; to the Committee on Appropriations.

EC-552. A communication from the President of the United States transmitting, pursuant to law, a report on one new deferral of budget authority and one revision to a previously reported deferral; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on Armed Services, the Committee on the Budget, the Committee on Energy and Natural Resources, and the Committee on Finance.

EC-553. A communication from the Secretary of Defense transmitting, for the information of the Senate, a publication entitled "Soviet Military Power"; to the Committee on Armed Services.

EC-554. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation to extend for 5 years the expiration date of the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

EC-555. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to authorize appropriations for the National Railroad Passenger Corporation for fiscal years 1984 and 1985; to the Committee on Commerce, Science, and Transportation.

EC-556. A communication from the Secretary of Energy transmitting, pursuant to law, a report on the status of the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-557. A communication from the Director of the Minerals and Management Service, Department of the Interior, transmitting, pursuant to law, a report on a refund of an excess royalty payment to Arco Oil & Gas Co.; to the Committee on Energy and Natural Resources.

EC-558. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Challenge of Enhancing Micronesian Self-Sufficiency"; to the Committee on Energy and Natural Resources.

EC-559. A communication from the Secretary of Energy transmitting, pursuant to law, an analysis and final validation of a process to insure that the Federal Government receives fair market value for rights conveyed in leasing Outer Continental Shelf mineral resources; to the Committee on Energy and Natural Resources.

EC-560. A communication from the Acting Secretary of the Interior transmitting, pursuant to law, a notice on leasing systems for Oil and Gas Lease Sale No. 70, St. George Basin; to the Committee on Energy and Natural Resources.

EC-561. A communication from the Assistant Secretary of the Army for Civil Works transmitting, pursuant to law, a report on the corps' minimum dredge fleet; to the Committee on Environment and Public Works.

EC-562. A communication from the Deputy Administrator of the General Services Administration transmitting, pursuant to law, the 1982 status report on public building projects authorized for construction, alteration, and lease; to the Committee on Environment and Public Works.

ED-563. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation authorizing appropriations for unforeseen and confidential emergencies; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, with amendments, and an amendment to the title:

S. 144. A bill to insure the continued expansion of reciprocal market opportunities in trade, trade in services, and investment for the United States, and for other purposes (Rept. No. 98-24).

By Mr. DOLE, from the Committee on Finance:

Special Report entitled "Legislative Review Activity of the Committee on Finance" (Rept. No. 98-25).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 30. Resolution authorizing the printing of additional copies of volume 1 of the Senate report entitled "Developments in Aging, 1982" (Rept. No. 98-26).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 89. An original resolution to pay a gratuity to Fredric B. Courtney.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Kenneth L. Adelman, to be Director of the Arms Control and Disarmament Agency—reported unfavorably with the recommendation that the nomination not be confirmed. (Exec. Rept. 98-4.)

NOTE

In a late meeting of the Committee on Foreign Relations delayed the filing of this report until today. The RECORD of Friday, March 11, 1983, will be corrected accordingly.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself and Mr. SPECTER):

S. 801. A bill to amend title 10, United States Code, to establish a program to provide high school graduates with technical training in skills needed by the Armed Forces in return for a commitment for enlisted service in the Armed Forces; to the Committee on Armed Services.

By Mr. WARNER (for himself and Mr. TRIBLE):

S. 802. A bill to direct the Secretary of the Interior to construct, between Spout Run Parkway and the approaches to the Theodore Roosevelt Bridge, additional lanes on the George Washington Memorial Parkway, Virginia, for the purpose of alleviating traffic congestion and improving safety; to the Committee on Energy and Natural Resources.

By Mr. WARNER (for himself, Mr. TRIBLE, and Mr. GOLDWATER):

S. 803. A bill to establish the Commission on the Centennial Review of the Civil Service; to the Committee on Governmental Affairs.

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, Mr. RUDMAN, Mr. INOUYE, Mr. LEAHY, Mr. DECONCINI, and Mr. SIMPSON):

S. 804. A bill to reform the Federal criminal laws by establishing certain standards and limits for conducting Federal undercover operations and activities, and for other purposes; to the Committee on the Judiciary.

By Mr. WILSON:

S. 805. A bill to amend the Act of July 28, 1954 (68 Stat. 575), to authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred—or acted upon—as indicated:

By Mr. MATHIAS, from the Committee on Rules and Administration:

S. Res. 89. An original resolution to pay a gratuity to Fredric B. Courtney; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. SPECTER):

S. 801. A bill to amend title 10, United States Code, to establish a program to provide high school graduates with technical training in skills needed by the Armed Forces in return for a commitment for enlisted service in the Armed Forces; to the Committee on Armed Services.

SKILLED ENLISTED RESERVE TRAINING ACT

Mr. THURMOND. Mr. President, today, my distinguished colleague, Senator ARLEN SPECTER, and I are introducing a bill entitled "Skilled Enlisted Reserve Training Act," which is a refinement of S. 2337 which I introduced in the last Congress. A companion bill which was cosponsored by over 30 House Members, was introduced in the House of Representatives on March 7, 1983, by the Honorable CHARLES E. BENNETT.

This measure is designed to help resolve the critical shortages of skilled technicians responsible for installing, operating, and maintaining the increasingly complex weapons systems that our Armed Forces are employing. I believe the implementation of this bill, while generating a steady flow of needed technicians in all of the services, also will produce significant savings to the country. It is an imaginative concept for training enlisted personnel in technological skills at community, technical, and junior colleges.

Mr. President, for the past several years our defense system has been putting in place increasingly sophisticated weaponry. The Army, for example, is pursuing an electronic battlefield design and the Navy envisions a 600-ship force. Our national security, however, amounts to more than the placement of an advanced weapons system; it requires a substantial pool of trained, skilled technicians who can install, operate, and maintain these systems.

A careful review of the military manpower situation reveals that there are pressing needs for trained specialists in many areas in the regular forces. The parallel needs in Army Reserve Forces are at least tenfold greater. There are serious shortages in many military occupation specialties, including: Electronics technician, boiler technician, aviation machinist mate, instrumentation specialist, tank systems mechanic, diesel mechanic, aerial survey sensor repairman, computer repairer, watercraft operator, combat area survey radar repairman, and in office and medical occupations, among many others.

Mr. President, the immediate manpower shortage is significant in both the Regular Army and the Regular Navy. It was estimated that 20,000 technicans are needed in both the Army and the Navy. A majority of these could be filled by graduates of the program, being proposed by this legislation, with an estimated accumulated savings of $10 billion by 1987, according to some cost analysis reports. Our community colleges are a natural base for such training.

Mr. President, all of us are aware of the difficulty the Army and the Navy have encountered in both recruiting and retaining enlisted personnel capable of working in high technology areas, particularly in fields where the demand in private industry also runs high. In the last few years, partly because of substantial pay raises granted the military by Congress, and partly because of weakness in the private economy, the services have had little trouble filling their recruitment goals. According to some reports, the quality of recruits has improved.

However, I am concerned that in the near future the technician shortages the services are already experiencing will become more critical, in spite of successful recruiting during the last 2 years. If the economy continues to improve, it will be much more difficult for the services to attract high quality, skilled individuals. Furthermore, some experts have projected that in the period 1982 to 1987 the number of 19-year-old males in our population will decrease by 15 percent. Most of this decline will appear in the middle-income categories where skilled individuals are most likely to be found.

Mr. President, the price our Armed Forces pay for training recruits to fill jobs requiring technical skills is exorbitant. Some experts have reported, for example, that it costs the services $150,000 to train each technician in some critical skills. This figure includes general recruiting costs that currently average $39,000 per person. The investment problem is compounded because, after spending $150,000 each to train such technicians, the military services accrue only 1.6 productive years of a 4-year enlistment in return.

As we all know, the services' retention record has not been good. Even with the substantial reenlistment bonuses that are offered, many of our service people choose to leave the services. Even the Air Force, which generally has been more attractive to young people, today has difficulty retaining its members. In 1979, alone, 82,800 enlisted members, representing almost 600,000 man-years of experience separated from the Air Force. One of every four E-8 maintenance supervisors retired or did not reenlist. The military pay raises of 1980 and 1981 turned the situation around; yet the Air Force was unable to completely recover from its earlier losses. It is still short 1,100 pilots, 1,000 engineers, and about 8,000 noncommissioned officer specialists in critical sortie-generating skills. More specifically, a defense expert writing about the avionics intermediate shop (AIS) computer system used in the F-15, stated:

• • • it is so hard to train people to repair them and keep the repair specialists in the force. By the time they have mastered the technical skills needed to work on complex equipment, these people can make two to three times as much money in the civilian world. In the last quarter of 1980, thirty-three specialists in the AIS computer system for the F-15 came up for reenlistment. Not one of them chose to stay. The result of similar patterns throughout the military is that, when the complex new systems actually go into operation, the Pentagon discovers that it has seriously underestimated the money it needs for operations and maintenance.

Mr. President, the costs of military specialty training are driven up in part because of failure rates. For example, in the military occupational specialty 33S EW/intercept sensor repairman, the Army trains students for 35 weeks. In fiscal year 1981, only 58 percent of the students who entered this formal training completed it. Training costs per student completing the program were $34,430. Of the 153 persons with this MOS who were available for reenlistment, only 37 of them actually reenlisted. This is only a 24-percent retention rate, which is a very costly record.

Mr. President, the bill I am introducing today speaks to all of these issues and to the corollary issue of American productivity.

In many instances, military specialty education costs could be reduced, if the armed services programed the same targeted training through established and accredited civilian institutions, particularly the network of 1,220 community, technical, and junior colleges that exist in nearly every congressional district in this country. These institutions have become our foremost deliverer of postsecondary occupational/technical education and training in the United States, instructing for academic credit nearly 5 million students in the last year. Of this number, more than 3 million students were engaged in one of the more than 1,400 various technical specialties offered by these colleges. Several of these colleges are already working with military bases in their communities to provide needed training for service personnel; they also serve as an education resource for military personnel who pursue additional education and training on their own time.

Mr. President, this legislation will provide the equivalent of a 2-year college scholarship. Each military service would offer scholarships in the fields of technology which fit its particular skill requirements. Under this program, the trainee would complete basic training at a military installation, to be followed by schooling in the courses in the specialization for which he or she enlisted at a technical education center or community college. He or she would then complete a regular tour of active duty, or a longer term of enlistment in a Reserve component unit. The maximum college training period would be for 2 years. The maximum stipend would be for 18 months. The trainee would have the option to be obligated for 2 to 4 years active duty and a Reserve obligation, or 6 years in the Reserve components. The Reserve duty would enable them to adapt the technical training to the weapons system in use in their assigned Reserve unit.

This proposal provides the military services with a valid payback on their educational investment through an obligation after college training, rather than the military obligation preceding the education, as provided by a traditional GI educational incentive program. The cost per participant in the program will be substantially less than the services currently pay. Specifically, the cost under this alternative would range from $2,000 to $8,000 per person, in contrast to the $50,000 to $150,000 the services presently pay. Furthermore, this new program will provide a steady flow of expertly trained, quality technicians. On the matter of costs, a recent study conducted by the Army showed that by recruiting 25 missile equipment repairmen from vocational/technical schools, the Army would save $371,000, rather than training them in its own schools.

Mr. President, under this proposal the trainee will require very little additional military training investment. The primary exception would be about 8 weeks of basic training, which ideally should precede technical training. In return, the military services will receive a full, productive enlistment from the trainee after he or she has completed technical training, with the period of technical education not counted as part of the trainee's obligation.

This bill will provide the military departments a flexible program for solving their technical manpower shortage problems on a sustained basis. It does not mandate that the military departments follow this course, but it grants authority to the Secretaries of the military departments to develop educational programs which best meet their specific technical training needs.

In my opinion, the flexibility and superior quality of vocational/technical institutions make this proposal of inestimable value to the military services. For example, graduates of electronic technical training can fill any of 26 technical specialties in the Army, according to some studies.

Mr. President, this bill presents a variation of current personnel policies. It proposes that participants, once they have completed their technical training in a community, technical, or junior college, enter one of the services laterally as E-3's or E-4's. Lateral entry programs are not new to the services. The military has been using it for years to fill its needs for physicians, surgeons, dentists, and musicians. The Army, for example, recruits approximately 600 persons per year in its lateral entry program. The need today for technicians is just as critical as the longstanding need for professional medical and dental personnel.

This training concept would also benefit national productivity. The recruits going into the Reserve units would, in most cases, be filling specializations for which the needs among private sector industries are just as acute as the needs of the military. Thus, the recruits would be building careers vital to local and national economies, while at the same time filling a military obligation through work on advanced weapon systems.

Several major military associations have reviewed this proposal and have endorsed it, including: National Guard Association of the United States, Veterans of Foreign Wars of the United States, Association of the United States Army, American Legion, and Air Force Association.

In summary, this training proposal will:

First, help solve a critical shortage of technicians now experienced by our military forces;

Second, significantly reduce the costs of training technicians for the military;

Third, improve military readiness;

Fourth, provide a broader mobilization training base for technical skills for both the military services and private industry;

Fifth, tap and expand both the already-existing lateral entry program in the services and the involvement of our Nation's 2-year colleges in improving military preparedness and national productivity;

Sixth, contribute to the achievement of military objectives for an electronic battlefield and a 600-ship Navy; and

Seventh, greatly lengthen the productivity period of technicians in the military services.

Mr. President, Senator SPECTER and I are pleased to join with more than 30 distinguished Members of the House of Representatives in pursuing this innovative and vitally needed program. I hope that both the House and Senate Committees on the Armed Services will schedule early hearings on this important measure and that other Senators will join me in supporting this new approach to military specialization training.

Mr. President, I ask unanimous consent that the text of this bill entitled "Skilled Enlisted Reserve Training Act" be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 801

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Skilled Enlisted Reserve Training Act".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The national defense readiness of the United States is increasingly dependent upon the use of technically sophisticated weapons.

(2) The number of technically skilled enlisted members in each of the Armed Forces, both on active duty and in the reserve components, should be substantially increased in the near future in order to enable the Armed Forces to operate and maintain adequately the increasingly technical and sophisticated weapons systems being introduced to modernize the Armed Forces.

(3) There are significant personnel shortages in many technical military occupational specialties. These shortages could be met at a reduced cost to the Government through a program in which civilian educational institutions provide technical training to qualified individuals and such individuals then enter the Armed Forces for service in pay grades commensurate with that training.

(4) The Armed Forces have traditionally used a variety of programs to provide specially qualified individuals entry into the Armed Forces at grades higher than the lowest officer or enlisted grade in order to meet a specific need. Such special entry programs have the potential for great cost savings to the Government and significant increases in return on training costs.

(5) In many skill categories in the Armed Forces, training takes over half the period of an initial four-year enlistment, meaning that less than half an initial enlistment may be spent in productive technical work for the Armed Forces. An effective special entry program would significantly increase productive work per initial enlistment period, and the potential to reduce the short- and long-term costs of military service, and would add needed trained members to the Ready Reserve.

(6) The community and technical colleges and institutes of the United States have the resources and capabilities to provide training in the technical specialities required by the Armed Forces.

(7) A special entry program under which community colleges and technical institutes would provide high school graduates technical training leading to an associate degree or technical certificate, simultaneously with the preparation of such high school graduates for military service in a pay grade commensurate with their training, would (A) contribute to the recruitment into the Armed Forces of young men and women with aptitudes and interests in high technology fields, and (B) reduce personnel shortages in specific military occupational specialties.

(8) The economic vitality of the United States would be strengthened through the establishment of such a program by increasing the number of persons having technical skills required to broaden the industrial base of the United States in critical skilled technical fields in which shortages have developed.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) Part III of subtitle A of title 10, United States Code, is amended—

(1) by redesignating chapter 108 as chapter 109; and

(2) by inserting after chapter 107 the following new chapter 108:

"CHAPTER 108—SKILLED ENLISTED RESERVE TRAINING PROGRAM

"Sec.
"2151. Definitions.
"2152. Establishment of program; service agreements.
"2153. Eligibility.
"2154. Status of member of program.
"2155. Penalties.
"2156. Approval of courses of instruction at educational institutions.
"2157. Assistance to educational institutions.
"2158. Annual report.

"§ 2151. Definitions

"In this chapter:

"(1) 'Program' means a Skilled Enlisted Reserve Training Program established by the Secretary concerned under this chapter for an armed force under his jurisdiction.

"(2) 'Member of the program' means a person entering into an agreement with the Secretary concerned under this chapter for participation in the Skilled Enlisted Reserve Training Program of an armed force.

"(3) 'Educational institution' means a civilian college or university or a trade, technical, or vocational institute or other associate-degree-granting institution in the United States (including the District of Columbia, Puerto Rico, Guam, and the Virgin Islands) that provides education beyond the high school level and that is accredited by a nationally recognized accrediting agency or association or by an accrediting agency or association recognized by the Secretary of Education.

"§ 2152. Establishment of program; service agreements

"(a) For the purpose of obtaining adequate numbers of enlisted members with critical technical skills for service on active duty and in the reserve components, the Secretary of each military department, under regulations prescribed by the Secretary of Defense, and the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy, shall establish a Skilled Enlisted Reserve Training Program. Under such program, the Secretary concerned may enter into agreements with qualified persons under which the Secretary agrees to provide educational assistance in a technical field to a person in return for that person's agreement to perform a specified period of active and reserve enlisted service in the Armed Forces.

"(b) An agreement under subsection (a) shall provide—

"(1) that the Secretary concerned shall provide educational assistance to the member of the program in accordance with subsection (c) for pursuit of a course of instruction in a technical field to be specified in the agreement;

"(2) that the member of the program, in consideration for that educational assistance, shall agree that, upon completion of the course of instruction, the member will either (as specified in the agreement)—

"(A) serve on active duty for a period to be specified in the agreement of not less than three years; or

"(B) serve in the Selected Reserve of the Ready Reserve under such terms and conditions as prescribed by the Secretary concerned for a period to be specified in the agreement of not less than six years (including any period of service on active duty, in active duty for training, and in any other active or inactive status); and

"(3) that upon completion of the technical course of training and completion of any additional military training requirements for service in a particular grade (other than requirements relating to length of service or time in grade) the member shall be placed in an enlisted pay grade (between pay grade E-3 and pay grade E-8) to be specified in the agreement.

"(C)(1) An agreement under subsection (a) shall provide for payment by the Secretary concerned of a stipulated percentage (up to 100 percent) of the educational expenses incurred by the member of the program for instruction in the technical course of training stipulated in the agreement. Expenses for which payment may be made include tuition, fees, books, laboratory fees, and shop fees for consumable materials used as part of classroom or shop instruction. Payments for these expenses shall be limited to those educational expenses normally incurred by students at the institution providing the course of training

"(2) An agreement under subsection (a) may also provide for payment of a stipend for each month the member is pursuing the course of training. The amount of the stipend shall be determined by the Secretary concerned, but may not exceed 50 percent of the rate of basic pay in effect at the time of payment for members on active duty in the grade held by the member.

"(d) Assistance may be provided to a member of the program under the agreement until the member completes the course of instruction required for the award of an associate degree (or the equivalent evidence of completion of a technical course of training) by an accredited institution. However, a member of the program may not be provided assistance under this chapter for more than 24 months.

"(e) The authority of the Secretary concerned to enter into agreements under this chapter is subject to the availability of appropriations for that purpose.

"§ 2153. Eligibility

"To be eligible to participate in the program, a person must—

"(1) be selected under procedures prescribed by the Secretary concerned;

"(2) be a high school graduate (or the equivalent);

"(3) be accepted for enrollment, and enroll, in an approved course of instruction at an approved educational institution for training in a technical occupation that is designated by the Secretary concerned as a military occupational specialty in which significant enlisted personnel shortages exists; and

"(4) enlist in a reserve component of an armed force under the jurisdiction of the Secretary concerned.

"§2154. Status of member of program

"(a) Upon signing an agreement under this chapter and becoming a member of the program, a person becomes a Reserve member of the Armed Forces. Before beginning the course of technical training provided for in the agreement the member shall complete basic training. If the member fails to successfully complete basic training, the agreement shall be terminated and the member shall be discharged from the armed forces.

"(b) Following completion of basic training, the member shall begin the course of technical training provided for in the agreement. Upon completing the technical training and completing any additional military requirement (other than length of service on active duty or time in grade) for the pay grade concerned, the member shall (if not already in that pay grade) be placed in the pay grade specified in the member's agreement under the program.

"§2155. Penalties

"(a) An agreement under this chapter is subject to section 2005 of this title in the same manner as that section is applicable to the provision of advanced education assistance (as that term is defined in subsection (e) (1) of that section).

"(b) The Secretary concerned, if the Secretary determines that the interest of the service so requires, may release any person from the program and discharge that person from the Armed Forces under the jurisdiction of the Secretary.

"§2156. Approval of courses of instruction at educational institutions

"The Secretary concerned may not make an agreement for the training of a member of the program ina course of technical training at an educational institution unless the course and the institution have been approved by the Secretary for the purposes of this chapter. The Secretary concerned shall prescribe regulations for the approval of courses of technical training and the approval of educational institutions. Such regulations shall require that in order for a course of training in a particular technical field to be approved the institution offering the course must have offered a program of instruction in that technical field or a similar technical field for a period of time to be specified in the regulations.

"§ 2157. Assistance to educational institutions

"The Secretary concerned may provide to educational institutions providing courses of training under the program—

"(1) financial assistance to cover the cost of the authorized purchase or lease of instructional equipment and training systems, course or curriculum development costs, and other related costs, including administrative costs associated with the program; and

"(2) other logistical support to assist in the operation of the program by the institution.

"§ 2158. Detail of military personnel

"The Secretary may detail members of an Armed Force under his jurisdiction (including retired members and members of the Fleet Reserve and Fleet Marine Corps Reserve recalled to active duty with their consent) for instructional and administrative duties at educational institutions where courses of training under the program are offered.

"§ 2159. Annual report

"(a) The President shall submit to Congress not later than December 1 of each year a report on the program. Each report shall include—

"(1) an evaluation of the program;

"(2) a determination of the feasibility of expanding the program; and

"(3) any recommendation for administrative or legislative action with respect to the program that the President considers appropriate.".

(b) The tables of chapters at the beginning of subtitle A, and at the beginning of part III of subtitle A, of title 10, United States Code, are amended by striking out the item relating to chapter 108 and inserting in lieu thereof the following:

"108. Skilled Enlisted Reserve Training Program 2151
"109. Granting of Advanced Degrees at Department of Defense Schools. 2161".

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. Effective for fiscal years beginning after September 30, 1983, there are authorized to be appropriated such amounts as may be necessary to carry out chapter 108 of title 10, United States Code, as added by section 3.

Mr. SPECTER. Mr. President, I joined my distinguished colleague, Senator STROM THURMOND, in introducing the Skilled Enlisted Reserve Training Act.

National defense of the United States requires the use of increasingly sophisticated weaponry. Our Armed Forces are second to none in advanced technology. Yet this Nation's engineers and scientists are slightly ahead of broad-based military, as well as industrial applications. Will we be able to effectively modernize our national defense and industry, using this high technology, without civilian and military personnel trained to install, maintain, and operate these complex systems? The Armed Forces must be manned with properly trained technicians as a matter of national security.

We have in the United States a tremendous resource capable of providing individuals the technical training needed to operate our defense systems. This country has hundreds of community, junior, and technical colleges. These colleges, which last year served nearly 3 million students, have become the Nation's leading provider of postsecondary occupational/technical education and training. Three million of these students were engaged in 1 of more than 1,400 various technical specialties offered by these colleges.

The institutions provide knowledge and skills in such areas as microelectronics, computer science, laser technology, and nuclear technology. At no time in the past were technically competent enlisted personnel in such demand as is the case today and will be in the decades ahead.

The cost of providing recruits the requisite technical skills is extremely high. The process, it is reported, often occupies over half of the individual's enlistment period. In addition, the retention rate of the Armed Forces has been weak. The return on a very expensive training investment is therefore quite small.

The legislation that we introduce today addresses these problems. It calls for each military service to offer up to 2-year scholarships in the fields of technology that fit its particular skill requirements. Under this program, the trainee would complete basic training at a military installation, to be followed by education at a technical or community college in the courses of selected specialization for which he or she enlisted. He or she would then complete a regular tour of active duty, or a longer term of enlistment in a Reserve component unit.

This proposal provides the armed services a valid return on their educational investment, as well as a steady supply of finely trained technicians. It will also tap one of our Nation's greatest educational resources: community, junior, and technical colleges.

Mr. President, Senator THURMOND and I urge our colleagues in joining us in supporting this innovative program to meet the critical need of technically skilled manpower for our armed services.

By Mr. WARNER (for himself and Mr. TRIBLE):

S. 802. A bill to direct the Secretary of the Interior to construct, between Spout Run Parkway and the approaches to the Theodore Roosevelt Bridge, additional lanes on the George Washington Memorial Parkway, Virginia, for the purposes of alleviating traffic congestion and improving safety; to the Committee on Energy an Natural Resources.

ADDITIONAL LANES ON THE GEORGE WASHINGTON MEMORIAL PARKWAY

Mr. WARNER. Mr. President, as any of my colleagues who travel on the George Washington Memorial Parkway between the Spout Run intersection and the Theodore Roosevelt Bridge are aware, a serious and hazardous traffic problem exists on the 1.4-mile stretch of road. Since 1970, seven lives have been lost and 519 accident have occurred there.

I, along with my colleague from Virginia, Senator TRIBLE, am introducing legislation today that will improve the safety, enhance the traffic flow, and decrease the motor-vehicle emissions of that frequently congested section of the parkway. Congressman FRANK WOLF, of the 10th Congressional District of Virginia, has introduced the legislation in the other body.

Our bill will direct the National Park Service to construct a third lane, in each direction, between Spout Run and the Roosevelt Bridge, while observing all environmental safeguards on the George Washington Parkway.

The merging of two lanes into one lane on both the parkway and the Spout Run interchange results in a bottleneck situation because of the sudden transition from four to two lanes.

This situation requires a Park Service officer to control traffic by physically stopping travel on specific lanes and alternating lane flow. The traffic backup caused by this situation creates an ideal circumstance for rear-end collisions. This is particularly troublesome for visitors and tourists unfamiliar with area roads.

Mr. President, the Spout Run bottleneck should be eliminated without further delay, before any more lives are lost, persons are injured, or property is damaged.

A third lane would improve visitor travel, not only at rush hour, but also during other times of the day and night, especially for those who do not know about the sudden lane-merge situation.

The construction of an additional lane for this small area is an example of a basic, relatively low cost and environmentally sound modification that can make a major transportation improvement in northern Virginia.

We urge our colleague's support of this measure.

By Mr. WARNER (for himself, Mr. TRIBLE, and Mr. GOLDWATER):

S. 803. A bill to establish the Commission on the Centennial Review of the Civil Service; to the Committee on Governmental Affairs.

COMMISSION ON THE CENTENNIAL OF THE CIVIL SERVICE

Mr. WARNER. Mr. President, this year marks the 100th anniversary of the creation of today's civil service. After 100 years of experience with the system and with the many proposals currently pending before the Congress which will impact on the civil service, this is an appropriate time for a blue-ribbon commission to be established to review and formulate recommendations for the future course of the civil service system.

I am introducing legislation today to establish a commission to investigate, study, and make recommendations on changes in the U.S. civil service system. The panel should be organized in a similar manner as the commissions established by President Truman in 1947 and 1952 to study the organization and function of the executive branch of Government.

President Truman asked former President Hoover to chair this effort. For this new commission, I believe it would be appropriate to enlist the services of respected Americans like former President Ford and David Henderson, former Chairman of the House Post Office and Civil Service Committee. The commission's purpose would be to make the long-term, realistic proposals for the future of civil service and the future of our Government. The men and women that will be appointed to serve should be leaders in their fields and whose record of accomplishment in private and public employment would provide the necessary objectivity and experience to carry out the commission's duties.

In the past few months, Congress has received budget and tax proposals which, if adopted, would have far-reaching effects on the quality of Government services rendered to the American taxpayer. The issues to be addressed by the commission would include civil service retirement and its funding, Federal employee personnel policies, appropriate levels of pay and benefits, and other vital issues which go to the heart of Federal employment and the civil service's ability to render quality services to the American people.

This commission would provide an opportunity to assemble the necessary data and material needed to examine those proposals which could have far-reaching impact on an effective civil service.

This will be a bipartisan effort which will receive the respect and confidence of all Americans. Their recommendations will be ready for action by the 99th Congress and the President.

The delivery of Government services to the taxpayer should not be decided in a piecemeal fashion, the taxpayer deserves better and the hard-working, dedicated Government worker deserves better.

Mr. President, Senators TRIBLE and GOLDWATER are cosponsors of this legislation and I urge my colleagues to join us in supporting this legislation.

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, Mr. RUDMAN, Mr. INOUYE, Mr. LEAHY, Mr. DECONCINI, and Mr. SIMPSON):

S. 804. A bill to reform the Federal criminal laws by establishing certain standards and limits for conducting Federal undercover operations and activities, and for other purposes; to the Committee on the Judiciary.

UNDERCOVER OPERATIONS ACT OF 1983

● Mr. MATHIAS. Mr. President, 1 year ago this month, the Senate gathered to perform a painful duty. We were called upon to decide whether or not a Member of this body ought to be expelled. The debate about Senator Williams divided and disturbed us. But after it was over, every Member of the Senate seemed to agree on one thing: That an intensive examination of law enforcement undercover operations was long overdue.

That unanimous sentiment was translated into action by Senate Resolution 350, which established a Select Committee to Study Law Enforcement Undercover Operations of Components of the Department of Justice. I was appointed chairman of this bipartisan committee, which was charged by the Senate to investigate the conduct of law enforcement undercover operations, and to recommend such legislation as the select committee deems necessary or desirable.

Today, I am pleased to tell my colleagues that the select committee has accomplished the mission which was established for it 1 year ago. As I reported to this body last December, the select committee has examined in unprecedented detail not only the Abscam operation, but several other undercover projects carried out by various Justice Department agencies. And today we place before the Senate a legislative proposal which embodies our unanimous recommendations on the subject of undercover operations. This bill, the Undercover Operations Act of 1983, is sponsored by seven of the members of the select committee, including our vice chairman, Senator HUDDLESTON.

Our searching examination of undercover operations was unprecedented. So is this bill.

It would, for the first time, expressly authorize Justice Department agencies to engage in undercover operations, and would permanently remove some of the legal restrictions which have until not impeded the use of this important law enforcement technique.

I would, for the first time, require all agencies which seek to engage in undercover operations to promulgate detailed guidelines for their use, and to report to the Congress on their compliance with these standards.

It would, for the first time, prohibit undercover operations which cannot meet threshold standards of justification: A reasonable suspicion of criminal conduct for most operations and a stricter probable cause standard for operations which may threaten first amendment freedoms or privileged relationships.

It would, for the first time, explicitly authorize financial compensation for innocent victims of undercover operations, including those injured by the criminal acts of informants.

And it would, for the first time, deter some of the worst potential excesses of the undercover technique, by placing in the statute books an affirmative criminal defense of entrapment.

In recent years, law enforcement officials have come to appreciate the value of undercover operations in combatting sophisticated consensual crimes. Federal statutes have lagged behind this shift in law enforcement priorities. It is time to bring the laws up to date with modern methods of law enforcement.

At the same time, recent history has underscored the potential dangers of undercover operations—the threat to personal privacy, the insidious tendency to governmental overreaching, the temptation to a corrupt informant to twist the project to his own ends. The Federal Bureau of Investigation, to its credit, has begun to address these concerns in its internal guidelines, some of which are incorporated into this legislation. But we need firmer administrative controls, better legislative oversight, and stronger statutory protection, in order to prevent the recurrence of past mistakes, and to deter future misconduct.

The Undercover Operations Act would authorize law enforcement agencies to make full use of this essential technique, but only in a manner consistent with a respect for individual rights. I know that I speak for all my colleagues on the select committee in commending this bill to the Senate for careful consideration. We expect that it will be thoroughly discussed. We imagine that it can be constructively improved. But most of all we hope that it can be expeditiously considered and, with the cooperation of the other body promptly enacted into law. In our view, the needs of effective law enforcement require no less.

Mr. President, I ask unanimous consent that the text of the bill, and of a brief summary of its provisions, appear in the RECORD at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 804

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Undercover Operations Act of 1983".

SEC. 2. (a) Part II of title 18, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 239—UNDERCOVER OPERATIONS AND ACTIVITIES

"Sec.
"3801. Undercover operations generally; Department of Justice guidelines.
"3802. Establishment of an undercover operation; authority.
"3803. Limits on undercover operations; standards for selecting targets.
"3804. Tort claim arising out of illegal undercover operation.
"3805. Annual report to Congress.

"§ 3801. Undercover operations generally; Department of Justice guidelines

"(a) The Attorney General shall have authority to authorize appropriate law enforcement components of the Department of Justice to conduct undercover operations under his direction, in accordance with the procedures and guidelines established by this chapter and any other applicable provision of law.

"(b) The Attorney General shall issue, maintain, and enforce a set of guidelines governing the undercover operations of each law enforcement component of the Department of Justice which is authorized to conduct undercover operations. Such guidelines shall include provisions which specify—

"(1) the procedures to be followed to initiate and to renew the authorization for an undercover operation;

"(2) the procedures to be followed to extend the time, increase the funds, or expand the geographic or subject-matter scope of an undercover operation;

"(3) the procedures to be followed to terminate an undercover operation;

"(4) the standards to be employed, consistent with this chapter and all other applicable provisions of law, in determining whether an undercover operation should be initiated, extended, renewed, expanded, given increased funds, or terminated;

"(5) the standards to be employed, consistent with this chapter and all other applicable provisions of law, in determining whether an undercover agent may offer or cause to be offered to another person an opportunity to commit a crime; and

"(6) the functions, powers, composition, and voting procedures of an Undercover Operations Review Committee for each such law enforcement component, each of which shall consist of at least six voting members, at least one of whom is an Assistant Director of the Federal Bureau of Investigation and at least one of whom is a representative of the Office of Legal Counsel of the Department of Justice.

"(c) The Attorney General shall submit in writing to the Senate Committee on the Judiciary and the House Committee on the Judiciary, at least 30 days before it is promulgated, every guideline issued pursuant to this section and every amendment to, or deletion or formal interpretation of, any such guideline.

"§ 3802. Establishment of an undercover operation; authority.

"Pursuant to this chapter and when reasonably necessary to the implementation of an authorized undercover operation, a law enforcement component of the Department of Justice shall have the authority—

"(a) to purchase or lease property, supplies, services, equipment, buildings or facilities, to construct or to alter buildings or facilities, or to contract for construction or alteration of buildings or facilities, in any State or in the District of Columbia, without regard to statutes, rules, and regulations specifically governing contracts, contract clauses, contract procedures, purchases, leases, construction, or alterations undertaken in the name of the United States;

"(b) to establish and to operate proprietaries;

"(c) to use proceeds generated by a proprietary established in connection with an undercover operation to offset necessary and reasonable expenses of that proprietary: *Provided, however,* That the balance of such proceeds, and proceeds derived from the sale of the proprietary or of its assets, must be deposited in the Treasury of the United States as miscellaneous receipts: *Provided further,* That proceeds from such a proprietary may not be used to offset any other expenses of the undercover operation, and that all proceeds recovered or generated other than by the proprietary must be deposited in the Treasury of the United States as miscellaneous receipts;

"(d) to deposit, in banks or in other financial institutions, funds appropriated by Congress for undercover operations; and

"(e) to engage the services of cooperative individuals or entities in aid of undercover operations, and, upon the prior written approval of the Attorney General or of the Deputy Attorney General, to execute agreements to reimburse those individuals or entities for their services and for losses incurred by them as a direct result of such operations.

"§ 3803. Limits on undercover operations; standards for selecting targets.

"(a) No law enforcement component of the Department of Justice may initiate, maintain, expand, extend, or renew an undercover operation except in accordance with the following standards:

"(1) When the operation is intended to obtain information about an identified individual, or to result in the offer to an identified individual of an opportunity to engage in a criminal act, there shall be a finding that there is reasonable suspicion that the individual has engaged, is engaging, or is likely to engage in criminal activity.

"(2) When the operation is intended to obtain information about particular specified types of criminal acts, or generally to offer unspecified persons an opportunity or inducement to engage in criminal acts, there shall be a finding that there is reasonable suspicion that the operation will detect past, ongoing, or planned criminal activity of that specified type. If, during the course of such an operation, agents of the law enforcement component wish to offer to a specific individual who is identified in advance of the offer an inducement to engage in a criminal act, they may do so only upon a finding that there is a reasonable suspicion that the targeted individual has engaged, is engaging, or is likely to engage in criminal activity.

"(3) When a Government agent, informant, or cooperating individual will infiltrate any political, governmental, religious, or news media organization or entity, there shall be a finding that there is probable cause to believe that the operation is necessary to detect or to prevent specific acts of criminality.

"(4) When a Government agent, informant, or cooperating individual will pose as an attorney, physician, clergyman, or member of the news media, and there is a significant risk that another individual will enter into a confidential relationship with that person, there shall be a finding that there is probable cause to believe that the operation is necessary to detect or prevent specific acts of criminality.

"(b) All findings required to be made by subsection (a) shall be made by the Undercover Operations Review Committee for the appropriate law enforcement component, following procedures to be specified in the guidelines for such component which have been promulgated pursuant to this chapter. However, such guidelines may authorize findings of reasonable suspicion, as required by subsections (a)(1) and (a)(2), to be made by the head of the field office in charge, following procedures specified in such guidelines, if such a finding of reasonable suspicion is accompanied by a finding that none of the following circumstances are present or can reasonably be expected to materialize during the course of the undercover operation:

"(1) the undercover operation will involve an investigation of possible corrupt action by a public official or political candidate, the activities of a foreign government, the activities of a religious or political organization, or the activities of the news media;

"(2) the undercover operation will involve untrue representations by an undercover employee or cooperating private individual concerning the activities or involvement of an innocent person;

"(3) an undercover employee or cooperating private individual will engage in any activity that is proscribed by Federal, State, or local law as a felony or that is otherwise a serious crime except for activity involving criminal liability for the purchase of stolen or contraband goods or for the making of false representations to third parties in concealment of personal identity or the true ownership of a proprietary;

"(4) an undercover employee or cooperating private individual will seek to supply an item or service that would be reasonably unavailable to criminal actors but for the participation of the government;

"(5) an undercover employee or cooperating private individual will run a significant

risk of being arrested and seeking to continue in an undercover capacity;

"(6) an undercover employee or cooperating private individual will be required to give sworn testimony in any proceeding in an undercover capacity;

"(7) an undercover employee or cooperating private individual will attend a meeting between a subject of the investigation and his lawyer;

"(8) an undercover employee or cooperating private individual will pose as an attorney, physician, clergyman, or member of the news media, and there is a significant risk that another individual will be led into a professional or confidential relationship with the undercover employee or cooperating private individual as a result of the pose;

"(9) a request for information will be made by an undercover employee or cooperating individual to an attorney, physician, clergyman, or other person who is under the obligation of a legal privilege of confidentiality, and the particular information would ordinarily be privileged;

"(10) a request for information will be made by an undercover employee or cooperating private individual to a member of the news media concerning any individual with whom the newsman is known to have a professional or confidential relationship;

"(11) the undercover operation will be used to infiltrate a group under investigation as part of a Domestic Security Investigation, or to recruit a person from within such a group as an informant; and

"(12) there may be a significant risk of violence or physical injury to individuals or a significant risk of financial loss to an innocent individual.

"(c) Notwithstanding the provisions of subsection (b), the guidelines for a law enforcement component may provide that, when—

"(1) the initiation, expansion, extension, or renewal of an undercover operation is necessary to protect life or to prevent other serious harm; and

"(2) exigent circumstances make it impossible, before the harm is likely to occur, to obtain the authorization that would otherwise be required,

the head of the field office in charge may approve the operation upon his finding that the applicable requirements of subsection (a) have been met. A written application for approval must then be forwarded, together with the initial finding and a written description of the exigent circumstances, to the appropriate Undercover Operations Review Committee at the earliest possible opportunity, and in any event within 48 hours of the initiation, expansion, extension, or renewal of the operation. If the subsequent written application for approval is denied, a full written report of all activity undertaken during the course of the operation must be submitted to the head of the component and to the Attorney General.

"(d) All findings required to be made by this section shall be made in writing, and shall include a statement of the specific facts or circumstances upon which the finding is based.

"(e) Failure to comply with the provisions of this section shall not provide a defense in any criminal prosecution or create any civil claim for relief.

"§ 3804. Tort claim arising out of illegal undercover operation.

"(a) Any person who suffers injury to his person or property, or death, which is caused by—

"(1) conduct which violates a Federal or State criminal statue, and which is committed by—

"(A) a Federal employee, or by any person acting at the direction of or with the prior aquiescence of a Federal law enforcement agent, during the course of and in furtherance of a Department of Justice undercover operation; or

"(B) a Federal employee, or by any informant or other cooperating private individual, who was enabled to commit the conduct by his participation in a Federal undercover operation; or

"(2) negligence on the part of Federal employees in the supervision or exercise of control over an undercover operation,

shall have a cause of action against the United States for compensatory damages for such injury or death. No action may be brought under this section for injury caused by operational or management decisions relating to the conduct of the undercover operation.

"(b) The district courts shall have original jurisdiction of all civil actions arising under this section.

"(c) The provisions of chapter 171 of title 28, United States Code, shall apply to claims arising under this section.".

"§ 3805. Annual report to Congress.

"(a) The Attorney General shall annually submit to the Senate Committee on the Judiciary and to the House Committee on the Judiciary a written report on all undercover operations—

"(1) that were terminated during the preceding calendar year;

"(2) that were terminated during any prior year and in which, during the calendar year preceding the report, the operations resulted in an arrest, an indictment, a jury verdict, a sentence, a judgment of dismissal, a judgment of acquittal, or an appellate court decision; or

"(3) that were first approved by the law enforcement component involved more than two years before the date of the annual report.

"(b) The annual report shall include the following information for each undercover operation:

"(1) the date on which initiation of the operation was approved under the undercover guidelines;

"(2) the name and position of the ranking person who granted approval to initiate the operation;

"(3) the number of Federal law enforcement agents who worked as undercover agents in the operation during each year of the existence of the operation;

"(4) each date on which an extension of time, increase of funds, or expension of geographic or subject matter scope of the operation was approved under the undercover guidelines;

"(5) the name and position of each ranking person who approved each extension of time, increase of funds, or expansion of geographic or subject matter scope of the operation under the undercover guidelines;

"(6) the date on which termination of the operation was approved under the undercover guidelines;

"(7) the name and position of the ranking person who approved the termination of the operation;

"(8) the date on which the operation terminated and the manner in which termination was effected, including the manner in which the operation was made known to the news media;

"(9) the arrests made in the operation during each year of the operation, including the identity of each person arrested and each crime for which he was arrested;

"(10) the indictments issued as a result of the operation during each year of the operation, including the identity of each person indicted and each crime for which he was indicted;

"(11) the expenses incurred, other than for salaries for employees of the United States Government, in the operation in each calendar year preceding the report; and

"(12) a description of each jury verdict, sentence, judgment of dismissal, judgment of conviction, and appellate court decision rendered or imposed as a result of the operation."

(b) The table of chapters for part II of title 18, United States Code, is amended by adding at the end thereof the following new item:

"239. Undercover operations and activities.".

SEC. 3. (a) Chapter 1 of title 18, United States Code, is amended by adding at the end thereof the following:

"§ 16. Entrapment.

"(a) It shall be an affirmative defense to a prosecution under any Federal statute that a Federal law enforcement agent, or a private party acting under the direction of or with the prior approval of Federal law enforcement authorities, induced the defendant to commit an offense, and that the inducement was accomplished using methods that more likely than not would have caused a normally law-abiding citizen to commit a similar offense.

"(b) The defense provided by this section shall be deemed to have been established by a showing that the defendant committed the offense because a law enforcement agent, or a private party acting under the direction of or with the prior approval of law enforcement authorities—

"(1) threatened harm to the person or property of any individual;

"(2) manipulated the personal, economic, or vocational situation of the defendant with the purpose and effect of increasing the likelihood of his committing that offense; or

"(3) provided goods or services that were necessary to the commission of the crime and that the defendant could not have obtained without government participation.

"(c) The defense provided by this section must be established by a preponderance of the evidence and shall be determined by the court.".

(b) The table of sections for chapter 1 of title 18, United States Code, is amended by adding at the end thereof the following:

"16. Entrapment.".

SEC. 4. (a) Section 2680 (a) of title 28, United States Code, is amended by striking out "Any claim" and inserting in lieu thereof "Except as provided in section 3804 of title 18, United States Code, any claim".

(b) Section 2680(h) of title 28, United States Code, is amended by striking out "Any claim" and inserting in lieu thereof "Except as provided in section 3804 of title 18, United States Code, any claim".

SUMMARY OF PROVISIONS OF UNDERCOVER OPERATIONS ACT OF 1983

NOTE.—The provisions of the Undercover Operations Act of 1983 are based upon the legislative recommendations of the Select Committee to Study Law Enforcement Undercover Activities of Components of the

Department of Justice (the "Select Committee"). These recommendations are summarized in Chapter Four of the Select Committee's Final Report (S. Rep. 97-682), and discussed in more detail in Chapter Eight of that report.

The Undercover Operations Act of 1983 consists of six basic features:

(1) authorization for undercover operations;

(2) limited exemption of undercover operations from certain, legal restrictions;

(3) administrative guidelines and reporting requirements;

(4) prohibited undercover operations (threshold requirements);

(5) compensation for injuries;

(6) statutory entrapment defense.

I. AUTHORIZATION FOR UNDERCOVER OPERATIONS

(See proposed 18 U.S.C. Sec. 3801(a).)

Although law enforcement components of the Department of Justice have increasingly relied on undercover investigative techniques in recent years, there is no express statutory authority for these agencies to engage in undercover operations. Certain aspects of undercover activity (e.g., procuring false identification, operating proprietary businesses) may in fact be contrary to specific prohibitions of Federal law. Rather than continue the present reliance on strained interpretations of various statutes to legitimize undercover operations, the Undercover Operations Act would explicitly declare the authority of Justice Department agencies to engage in law enforcement undercover activity, subject to compliance with applicable law, including the strictures of the Act iself.

II. LIMITED EXEMPTION FROM LEGAL RESTRICTIONS

(See proposed 18 U.S.C. Sec. 3802.)

Some Federal laws, while serving a useful purpose, inhibit or foreclose the use of undercover techniques. The Federal Bureau of Investigations (FBI) has received temporary exemptions from some of these laws at various times, beginning in 1978. The Undercover Operations Act would provide limited permanent exemptions from these restrictions for all Justice Department components engaged in undercover operations, in the context of increased administrative control and Congressional oversight of these activities.

Five major types of restrictions are involved.

A. Procurement, leasing and contracting

As a rule, Federal law prohibits government agencies from entering into multi-year leases of property or from entering into any property leases in Washington, D.C. Government agencies are also required to insert into all contracts specified clauses concerning conflicts of interest, access to records, and other matters, and are prevented from purchasing real property in some instances.

It is often necessary for an entity such as an undercover proprietary to lease or purchase property, or to contract for goods and services, in the context of an undercover operation. The exemptions provided by proposed section 3802(a) would put these transactions on a sound legal footing.

B. Establishment of proprietaries

Commonly, law enforcement agencies set up businesses as fronts for the conduct of an undercover operation. The legal authority of a Federal law enforcement agency to create a corporation without Congressional approval is quite dubious. Proposed section 3802(b) would clarify the authority to establish and operate proprietaries.

C. Use of income to offset expenses

Federal law requires that all funds received by any government agency be paid into the Treasury "without any abatement or deduction." Strict application of this requirement to undercover operations, since the expiration on February 1, 1982 of a temporary exemption, has sharply curtailed use of the undercover technique, because all expenses of undercover businesses must be paid from appropriated funds, regardless of any income generated by the business itself.

Proposed section 3802(c) would provide a limited exemption from this restriction. Proceeds generated by the operation of a proprietary may be used to offset reasonable and necessary expenses of that proprietary, but not of any other aspect of the undercover operation, nor of other undercover operations. All other proceeds, and all "profit" from the proprietary, must be deposited in the Treasury. These provisions would increase the efficiency and reduce the public expense of undercover operations, while retaining necessary fiscal controls.

D. Bank deposits

Federal officers are generally prohibited by law from depositing public funds in a bank. Yet this is often necessary in an undercover operation, either to maintain the cover of agents or of proprietaries, or to allow undercover operations to demonstrate their financial capabilities to would-be cohorts. Exempting undercover operations from the generally applicable strictures, as in proposed Section 3802(d), would not threaten the purposes underlying these statutes, and would remove an unnecessary impediment to vigorous law enforcement.

E. Indemnification of cooperating parties

The cooperation of legitimate businesses—banks, insurance companies, and other firms—is vital to the success of many undercover operations. But such cooperation involves risks, and many businesses are deterred from assisting undercover operations by the prospect of potential financial liability. Proposed section 3802(e) would authorize the Justice Department, with the personal written approval of the Attorney General or Deputy Attorney General, to enter into agreements indemnifying cooperative individuals or entities for their services and for losses incurred.

Finally, it should be noted that the proposed exemptions from legal restrictions are not automatic. A law enforcement component could avail itself of these authorities only when reasonably necessary to carry out a properly authorized undercover operation, in accordance with agency guidelines and other provisions of law.

III. ADMINISTRATIVE GUIDELINES AND RESPORTING REQUIREMENTS

(See proposed 18 U.S.C. Sec. 3810 (b) and (c), and 3805.)

While the FBI has, in recent years, promulgated detailed guidelines for undercover operations, other Justice Department agencies which use this technique have far less comprehensive regulations; and there is no statutory requirement that any such agency have any guidelines. These sections of the Undercover Operations Act would require the Attorney General to promulgate guidelines for each law enforcement component which is authorized to conduct undercover operations. While the details of the guidelines would be left to the Attorney General, the bill specifies the subjects to be addressed, including procedures for initiating, modifying, or terminating an undercover operation, and standards for determining when targets will be offered an opportunity to commit a crime. The guidelines must also establish an Undercover Operations Review Committee (UORC) for each agency, with representation from the FBI and from the Office of Legal Counsel of the Justice Department. All guidelines, or amendments thereto, must be submitted 30 days in advance of promulgation to the House and Senate Judiciary Committees.

Proposed Section 3805 would strengthen Congressional oversight of undercover operations by requiring a detailed annual report to the Judiciary Committees on all closed undercover operations, and on all operations which had been open for two years or more.

IV. PROHIBITED UNDERCOVER OPERATIONS

(See proposed 18 U.S.C. Sec. 3803.)

This section of the Act would establish statutory standards for the initiation, maintenance, expansion, or renewal of an undercover operation. Such operations would be prohibited unless certain threshold requirements were satisfied. The section also specified the level within the agency at which determinations of compliance with the threshold standards must be made. The purpose of both the substantive and the procedural provisions of this section is to prohibit undercover activities which unjustifiably intrude on privacy interests, privileged relationships, and areas of First Amendment concern.

The general threshold standard is one of reasonable suspicion of criminal activity. This standard, which is familiar to law enforcement officers, must be satisfied both for a general undercover operation targeted at a specific type of criminal activity, and for the phase of the operation in which an identified individual is to be given an opportunity to engage in a criminal act. Unless special circumstances are present, agency guidelines may provide that the determination as to whether this standard has been satisfied—i.e., as to whether a reasonable suspicion exists—may be entrusted to the head of the field office in charge (in FBI parlance, the Special Agent in Charge). In all other circumstances, or if the agency guidelines do not otherwise provide, the determination must be made by the agency's Undercover Operations Review Committee (UORC).

Two sorts of special circumstances require UORC involvement. The first case is the presence (or reasonable expectations) of any of the twelve special circumstances listed in proposed Section 3803(b)(1)-(12). This list is drawn from the list of "sensitive circumstances" which, under the current FBI undercover guidelines, require headquarters involvement in decisions about undercover operations.

The second case not only requires that findings about satisfaction of threshold standards be made by the UORC, but also raises those standards to a higher level. Operations which will involve either the infiltration of a political, governmental, religious or news media organization, or the impersonation of an attorney, clergyman, physician, or reporter, may not be initiated or maintained unless there is probable cause to believe that the operation is necessary to detect or prevent specific criminal acts. This higher standard is justified because such operations may implicate important interests protected by the First Amendment, or by traditional evidentiary privileges. The deter-

mination or probable cause must be made by the UORC (rather than the field office) to bring greater objectivity and perspective to the decision.

Proposed Section 3803(c) authorizes agency guidelines to provide an exception to the usual threshold requirement determination procedure in the case of defined exigent circumstances. Under such an exception, the head of the field office could make the determination, even in a situation in which UORC approval would otherwise be required. An immediate written report to the UORC would have to follow any such emergency decision.

Proposed section 3803(d) requires findings to be made in writing and to state specific facts and circumstances. Proposed section 3803(e) provides that the provisions on threshold requirements are not judicially enforceable.

To a great extent, the provisions of proposed Section 3803 simply codify principles already in operation in the FBI undercover guidelines. However, the Undercover Operations Act, besides applying these principles to all Justic Department agencies engaged in undercover work, would also make some substantive changes. For example, the use of undercover agents in preliminary inquiries when there is not even a reasonable suspicion of wrongdoing would be prohibited. The higher probable cause standard for undercover operations in areas with First Amendment implications, or where privileged relationships are intruded upon, is also a change from current practice.

In summary, proposed section 3803 strikes a balance between the needs of law enforcement and the protection of important privacy interests. The procedures which it establishes should be more expeditious and practical that the proposed judicial warrant requirement for some or all undercover operations.

V. COMPENSATION FOR INJURIES

(See proposed 18 U.S.C. Section 3804.)

Injury to innocent citizens is an occasional, but inevitable, consequence of undercover operations. Sometimes an undercover agent or cooperating individual, in order to maintain his cover, will have to commit a criminal or fraudulent act. In other cases, an unscrupulous informant may capitalize on the scenario of an undercover operation to bilk innocent citizens. Sometimes legal injury will be caused by the very existence of an operation itself, as in the case of stolen property, recovered through a sting-operation fence, which cannot immediately be returned to its rightful owner. The ability of the injured party to recover from the government in these situations is currently doubtful, particularly when the injury results from the act of an informant rather than of a government agent, or when the discretionary function defense under the Federal Tort Claims Act is applicable.

The Undercover Operations Act would provide a remedy under the Federal Tort Claims Act for certain legal injuries inflicted in the course of an undercover operation. The provision covers injuries resulting from illegal acts committed by Federal employees or informants in the course of an undercover operation, or when enabled to commit such acts by participation in the operation. The bill also clarifies that an action will lie for injuries caused by negligent supervision of an undercover operation, but not for injuries flowing from operational or management decisions. The Federal Tort Claims Act procedures apply, except for the discretionary function defense and the exclusion of intentional torts.

VI. STATUTORY ENTRAPMENT DEFENSE

(See proposed 18 U.S.C. Sec. 16)

The stautory entrapment defense proposed in the Undercover Operations Act is designed to reform and clarify the law of entrapment, while seeking to deter the worst potential abuses of the undercover technique.

Proposed Section 16 establishes an affirmative defense of entrapment which may be established by showing to the court, by a preponderance of the evidence, that the defendant was induced to commit the offense by government action which more likely than not would have caused a normally law-abiding citizen to commit a similar offense. The inducement could have been made by a government agent directly, or by a private partly (such as a cooperating individual) acting under the direction of or with the prior approval of law enforcement authorities. The proposal thus substitutes an objective test for the subjective "predisposition" test mandated by current, judge-made law.

The bill also specifies three circumstances in which the defense should be deemed to have been established. If the defendant can show that the government threatened harm to person or property, or coercively manipulated his economic or vocational situation, or provided him with goods and services which were otherwise unobtainable but required for commission of a crime, then he should be entitled to acquittal. While the occurrence of any of these overreaching tactics would in most cases violate the general entrapment standard stated in proposed section 16(a), each is sufficiently objectionable to justify a finding of entrapment per se.●

Mr. HUDDLESTON. Mr. President, as former vice chairman of the Senate Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice, I am joining Senator MATHIAS and the other former members of the select committee in cosponsoring the Undercover Operations Act of 1983 to implement the select committee's recommendations.

On December 16, 1982, the select committee released its final report on Abscam and other undercover operations conducted by the Justice Department. Printed copies of that report have only recently become available. I urge my colleagues, their staffs, and all citizens concerned about the proper and effective administration of justice to read the select committee's report. It may be the most exhaustive examination of the criminal investigative operations of the FBI and the Department of Justice that has ever been produced by a Senate committee.

With the skilled assistance of Chief Counsels Jim Neal and Malcolm Wheeler, who assembled a small but highly qualified legal staff, the select committee examined Abscam and other undercover operations. The purpose was not only to determine whether particular operations were conducted properly, but also to look at the significant national policy implications of the enormous expansion in the use of complex undercover techniques by Federal law enforcement agencies.

The massive use of deception and trickery by the Federal Government raises very serious questions about the future of our country. As the FBI and other agencies develop more extensive and elaborate undercover operations, can we be sure that these practices will serve the public interest? What will be the long-term impact on the values of privacy and openness that are so important to a free society? Does the value of these techniques for combating sophisticated crime outweigh the risks likely to result from the Government's greater reliance on secrecy and falsehoods to achieve its ends?

Creation of the select committee as an outgrowth of the Senate's consideration of the charges against Senator Williams provided the opportunity for the Senate to begin to wrestle with these profound questions. For several years the use of undercover techniques had grown rapidly without adequate scrutiny by the Congress. It took the dramatic events of Abscam to alert us to the problems, and now we have a duty to face up to the challenge presented by the changes in Federal law enforcement operations.

The situation is similar to the way electronic surveillance issues were considered in the 1960's. The FBI and other law enforcement agencies were using wiretaps and bugging devices without adequate legal or policy guidance and oversight from the Congress. President Johnson's National Crime Commission finally brought the facts together for the Congress. The result was passage of title III of the Omnibus Crime Control and Safe Streets Act of 1968 which established a judicial warrant procedure for electronic surveillance, as required by the Supreme Court.

The Undercover Operations Act of 1983 would not require a judicial warrant for the use of undercover techniques, because the Supreme Court has not insisted on such a safeguard under the fourth amendment. The act would establish, however, a system of controls and accountability within the Department of Justice designed to insure close supervision of undercover operations.

The act is generally patterned on the guidelines that are currently in effect for the FBI, although the statutory requirements would be much less detailed. There would be a clear congressional mandate, embodied in permanent law, for the issuance of comprehensive Attorney General guidelines addressing all significant aspects of undercover work. There would also be a statutory standard requiring reasonable suspicion, based on articulable facts, before initiating an operation or targeting an individual, with a higher

standard for infiltration of organizations that may affect first amendment rights.

The report of the select committee presents a thorough analysis of the legal ambiguities and policy questions raised by the entrapment defense developed by the courts under current law. Based on that analysis, the Undercover Operations Act of 1983 would establish a new, statutory entrapment defense to clarify the obligations of Federal law enforcement officers and the rights of criminal suspects.

Finally, the bill proposes detailed requirements for reporting to the Judiciary Committee on closed undercover operations and long-running operations. The potential impact of the expanded use of undercover operations by the FBI and other agencies cannot be assessed fully today. The Congress must monitor the exercise of this authority closely, so that the responsible executive branch officials know they will be held accountable for their actions.

FBI Director William Webster has testified that the FBI needs permanent legislative authority for many of the key elements of complex undercover operations—the ability to establish propriety businesses, to use their profits to offset their expenses, to put money in banks, to lease and purchase property, and so forth. The Undercover Operations Act of 1983 would provide that authority, within a framework of standards and guidelines that addresses the issues identified by the select committee.

The fact that we may have confidence in the integrity of those presently responsible for directing Federal law enforcement efforts should not blind us to the abuses of the past. The select committee's report recalls how the investigative powers of the FBI were misused in the era of the "Teapot Dome" scandals of the 1920's and again through the Cointelpro tactics for harassing and disrupting political dissent exposed after Watergate.

The report of the select committee makes clear that Abscam was not that kind of abuse. There were significant problems with control and supervision of certain aspects of the operation, but overall the goods points outweighed the bad.

Remembering the past and reviewing Abscam may, however, be less important than trying to anticipate the future. When we let Federal law enforcement agents become accustomed to using methods of secrecy and deception to achieve the worthy end of combating crime, do we risk sacrificing more than we gain?

The select committee answered that question by proposing a series of checks and balances designed to encourage undercover operations only within certain limits. Without a permanent legislative framework as embodied in the Undercover Operations Act of 1983, the wider use of such techniques may pose too great a danger to our free society. With such a framework, the American people can have greater confidence that fundamental values of fairness and decency in governmental conduct will be preserved.

Mr. President, I urge prompt and serious consideration of the Undercover Operations Act of 1983; and I look forward to the enactment of such legislation with the same bipartisan support of that characterized the work of the select committee under Senator MATHIAS last year.

● Mr. LEAHY. Mr. President, when I opened the final report of the select committee investigating the issues of undercover investigations raised by the Abscam affair it was clear to me that the committee and its staff had done an extraordinary job on a most sensitive issue and had conducted a thoughtful and important study.

At the same time, I kept wishing that the 800-page report had not been necessary, that we could fight crime in this country with honest and well-trained policemen on the street corners of our towns and cities, that technology and criminal ingenuity had not combined to make good undercover work a necessary element for good enforcement in so many cases. As a former county prosecutor from a rural State, I knew in my mind that crime, even back-home crime, was no longer just the random aberration of a man gone wrong, but was often the product of organization and planning by people whose subtlety and care could make normal enforcement methods ineffective.

In our report and in the bill we introduce today, which incorporates many of the report's findings, I believe the select committee has for the first time identified the major issues surrounding undercover operations and has dealt with them comprehensively in the format of proposed legislation. I endorse and am cosponsoring that legislation, not because we ought to encourage undercover operations, but because we need to recognize that they continue to be needed from time to time and because we will be far better off in establishing standards and guidelines than we will be in relying solely on general law enforcement principles and situation ethics to get us by. We have finally admitted that we have a problem, and we are dealing with it. For that I am both pleased and thankful the fruits of the select committee's hard work are before the full Senate for scrutiny and action.

Among the most important contributions made by this bill is a statutory definition of entrapment based on an objective standard developed more than a decade ago by the U.S. National Commission on Reform of Federal Criminal Laws and adopted in a slightly different form by the American Law Institute and at least six States.

Second, the Attorney General is directed to establish guidelines for undercover operations under principles set forth in the bill. These guidelines will assure the uniform operational controls that were a core concern to the select committee.

Next, the bill establishes the continuing authority in the FBI to operate undercover proprietary operations—the fronts that are often necessary to make an operation viable and give it credibility.

The bill would create standards for establishing the targets of an investigation. This is one of the sensitive issues that created much of the uproar over Abscam, but the need for standards is fundamental to any undercover operation. Difficult as this task is, the bill includes a good first effort.

Under the bill, tort liability for negligent acts committed by Government agents during the course of an undercover operation would be shifted from the agent to the Federal Government, in the name of simple equity.

There would also be an annual reporting requirement to Congress in the legislation, giving us a specific watchdog role that has up to now been difficult to exercise in practice.

But apart from the important innovations, there are some rough spots in the bill, and I will be candid in saying that I expect some important revisions before final passage of the bill. I would like to see the standards for selecting targets tightened, so that completely random targeting is not only unlikely but impossible.

Second, the current targeting standards might be construed as an implied endorsement of operations where agents will infiltrate religious or news media organizations or pose as clergymen or reporters, in the name of setting supposedly tighter standards for such operations. These kinds of involvements raise serious first amendment questions, and the substantial protections against the misuse of these operations which the bill creates still may be insufficient to protect these rights.

The targeting standards also may create the impression that we should have a higher investigatory standard for investigating a Government official, a politician, a religious leader, or a member of the news media than for other citizens. It would not be teaching the right lesson about Abscam to say that we will address its abuses by insulating Members of Congress from prosecution for possible wrongdoing. The bill attempts to address the problem of possible guerrilla warfare by one branch of Government against another—the misuse of the prosecutorial power for political purposes. The po-

tential for abuse of prosecutorial power is heightened where the Government has selected an undercover operation as its major investigatory tool. While the final report concludes that this did not occur in Abscam, the problem will haunt any undercover operation directed at the organizations identified in the bill. The bill should be written to address this concern without creating the appearance or the reality of favoritism toward anyone.

Finally, the bill is applicable only to the Department of Justice and its subagencies. Other Federal law enforcement agencies like the Internal Revenue Service, the Secret Service, and the Bureau of Alcohol, Tobacco, and Firearms, are not touched by this bill—except for the entrapment defense—even though the same potential for abuse exists in their operations.

Some of the issues raised in this bill are also raised in the new Attorney General's guidelines on general crimes, racketeering enterprise, and domestic security/terrorism investigations. While those guidelines have a different focus from that of our bill, it will be useful to consider the common questions about undercover operations in both general crimes and criminal intelligence investigations. I look forward to working together with the Attorney General and the Director of the FBI toward that end.

While I have listed some reservations, our main focus today should be on how far we have come in finding solutions to many difficult problems. The cooperation among the members and staff of the select committee augurs well for the work of refinement that now lies ahead.●

By Mr. WILSON:

S. 805. A bill to amend the act of July 28, 1954 (68 Stat. 575), to authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes; to the Committee on Energy and Natural Resources.

SANTA MARGARITA PROJECT

● Mr. WILSON. Mr. President, I send to the desk a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, Calif., and for other purposes.

The Santa Margarita Dam project is a multipurpose water conservation project for the construction of two dams and reservoirs on the Santa Margarita River in north San Diego County. In 1954, Congress authorized a single dam facility on Camp Pendleton for the mutual benefit of the U.S. Marine Corps base and the Fallbrook utility district. Funds for construction were never appropriated due to litigation over water rights that were not settled until 1968 by the U.S. District Court in Los Angeles. That settlement included a memorandum of understanding among the Navy—Camp Pendleton, Fallbrook, the Department of the Interior, and the Attorney General for a two-dam facility. The principal features of the project shall consist of Fallbrook and DeLuz Dams and reservoirs, pipelines, regulation facilities or other facilities required to provide water to the Fallbrook Public Utility District and the Marine Corps base at Camp Pendleton.

The project is under the direction of the Bureau of Reclamation and is for the mutual benefit of the Marine Corps base at Camp Pendleton and the Fallbrook Public Utility District. Both of these parties strongly support the project and will share in a major portion of its costs—preliminary estimates of costs are about $200 million. Also, the Secretary of Natural Resources for the State of California supports this legislation.

Specific objectives are:

First, to conserve floodflows of the Santa Margarita River system in accordance with existing water rights and permits held by Fallbrook Public Utility District and Camp Pendleton.

Second, to provide adequate storage capacity for the purchase, importation, and regulation of supplemental and emergency water supplies.

Third, to provide an adequate water supply to serve existing and projected development, closely coordinated with county and local land-use plans.

Fourth, to provide flood protection in such a way as to conserve a maximum amount of water for use, rather than discharging it into the ocean.

Fifth, to strengthen the national defense by insuring that an adequate supply of water can be made available to Camp Pendleton at all times.

Sixth, to encourage and protect the production of high-value specialty crops.

Seventh, to promote the retention of lands proposed for long-term agricultural use in agricultural production and to minimize urban sprawl and scattered urban development.

Eighth, to encourage low-density residential development in rough terrain, and offer a range of choice of alternatives to high-density urban dwellings.

Ninth, to provide recreational facilities, to help alleviate the present and projected deficiencies of such facilities in relation to the demand, and to diversify and strengthen the local economy in the Fallbrook area.

Tenth, to preserve and enchance the fish, wildlife, natural vegetation, and open space of the project area, and to facilitate their use and enjoyment of people.

The Fallbrook Public Utility District and Camp Pendleton would utilize the water from the Santa Margarita project. The district serves over 16,000 residents and more than 9,000 acres of irrigated agriculture, mostly avocado and citrus groves. During peak irrigation seasons, the area aqueducts can store only 2 or 3 days worth of water supply. A serious disruption in the aqueducts serving the district could have a disastrous effect on these permanent crops, not to mention the hardships on the residents.

The administration's defense programs call for additional training activities and units at Camp Pendleton, one of the largest Marine Corps bases in the United States, occupying 135,000 acres in the coastal mountains and plains west of the town of Fallbrook, Calif. The base presently relies upon underground water as its sole source of water supply. The Santa Margarita River project facilities will provide an alternative source of water supply for the Marine Corps base at Camp Pendleton, the U.S. Naval Hospital, and the Naval Weapons Station, Fallbrook Annex.

The residents of Fallbrook and those at Camp Pendleton Marine Corps Base have gone far too long without a stable water supply. Present supplies will be reduced in 1985 when the central Arizona project commences and California loses some of its present water rights. It makes sense, therefore, to use a local water source and to develop significant water supplies for the Fallbrook area and for Camp Pendleton.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 28, 1954 (68 Stat. 575), is amended by striking all after the enacting clause and inserting the following:

"SECTION 1. (a) The Secretary of the Interior is authorized to construct, operate and maintain the Santa Margarita project, California, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and in accordance with the plan set out in the report of the Secretary on the project, including any changes that may be required by studies in progress. The principal features of the project shall consist of Fallbrook and DeLuz Dams and Reservoirs, pipelines, regulation facilities, or other facilities required to provide water to the Fallbrook Public Utility District and the Marine Corps base at Camp Pendleton.

"(b) Appropriation of construction funds is contingent upon a secretarial determination of economic justification and environmental acceptability based on such studies. Such determination shall include an estimate of the construction costs of the Santa Margarita project. Any modifications of, omissions from, or additions to the plan for the purpose of furnishing a supplemental municipal and industrial water supply, supplemental irrigation water supply, flood

control, regulation of imported water, recreation, or fish and wildlife enhancement shall be implemented only with the concurrence of the Secretary of the Navy. Repayment of reimbursable construction costs by the Fallbrook Public Utility District of other qualified entity or entities shall be on such terms and conditions as the Secretary of the Interior may determine, notwithstanding any other provision of law to the contrary. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due or callable for fifteen years from date of issue.

"SEC. 2. The Secretary, prior to commencement of construction, shall enter into contracts with the Department of the Navy, the Fallbrook Public Utility District, or any other qualified entity or entities for delivery of water and for repayment of the reimbursable construction costs. Construction, operation, maintenance, and replacement costs of facilities and portions of facilities allocated to flood control and to the furnishing of a water supply to the Marine Corps base at Camp Pendleton shall be borne by the Department of the Navy.

"SEC. 3. In accordance with section 2481 of title 10, United States Code, proceeds from the sale of any surplus project water entitled to the Department of the Navy shall be credited to the Department of the Navy appropriation currently available for the supply of such water.

"SEC. 4. There is authorized to be appropriated the sum included in the secretarial determination of economic justification and environmental acceptance, referred to in section 1 of the Act, as the project construction cost, plus or minus such amounts as may be justified by reason or ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein, along with such additional sums as may be required for operation and maintenance of the project.".●

ADDITIONAL COSPONSORS

S. 24

At the request of Mr. HUDDLESTON, the names of the Senator from Mississippi (Mr. COCHRAN), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 24, a bill to provide emergency credit assistance to farmers, and for other purposes.

S. 53

At the request of Mr. SPECTER, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 53, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968.

S. 120

At the request of Mr. DOLE, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 120, a bill to extend for 2 years the allowance of the deduction for eliminating architectural and transportation barriers to the handicapped and elderly.

S. 127

At the request of Mr. MATHIAS, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 127, a bill to revise the first section of the Clayton Act to expand the scope of the antitrust laws, and for other purposes.

S. 137

At the request of Mr. ROTH, the name of the Senator from Nevada (Mr. HECHT) was added as a cosponsor of S. 137, a bill to amend the Internal Revenue Code of 1954 to continue to allow mortgage bonds to be issued.

S. 212

At the request of Mr. INOUYE, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 212, a bill to authorize funds for the U.S. Travel and Tourism Administration.

S. 213

At the request of Mr. LUGAR, the names of the Senator from North Dakota (Mr. ANDREWS) and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 213, a bill to amend title II of the Social Security Act to provide generally that benefits thereunder may be paid to aliens only after they have been lawfully admitted to the United States for permanent residence, and to improve further restrictions on the right of any alien in a foreign country to receive such benefits.

S. 248

At the request of Mr. DOMENICI, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 248, a bill to provide merit scholarships for students who are preparing to become elementary and secondary school teachers in mathematics and science, to provide experienced teacher awards to teachers of mathematics and science, to provide a block grant for the improvement of mathematics and science education in elementary and secondary schools of the States, and to establish State commissions on excellence in mathematics and science, and for other purposes.

S. 391

At the request of Mr. D'AMATO, the name of the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 391, a bill to repeal the denial of the use of the accelerated cost recovery system with respect to tax-exempt obligations, and the expiration of the authority to issue such obligations.

S. 417

At the request of Mr. PROXMIRE, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 417, a bill to amend the Social Security Act to establish depository accounts in the Treasury for those portions of the Federal old-age and survivors insurance trust fund, the Federal disability insurance trust fund, the Federal hospital insurance trust fund, and the Federal supplementary medical insurance trust fund not required to meet current withdrawals, and for other purposes.

At the request of Mr. PROXMIRE, the name of the Senator from Alabama (Mr. DENTON) was withdrawn as a cosponsor of S. 417, supra.

S. 498

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 498, a bill to amend the Agricultural Act of 1949 to modify the dairy price support program.

S. 508

At the request of Mr. LAXALT, the names of the Senator from Minnesota (Mr. DURENBERGER), the Senator from South Dakota (Mr. ABDNOR), the Senator from Montana (Mr. BAUCUS), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 508, a bill to exempt entities receiving financial assistance from the Rural Electrification Administration from fees under the Federal Land Policy and Management Act of 1976.

S. 553

At the request of Mr. HART, the name of the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 553, a bill to authorize a national program of improving the quality of education.

S. 599

At the request of Mr. LEVIN, the names of the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 599, a bill to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds.

S. 602

At the request of Mrs. HAWKINS, the names of the Senator from New York (Mr. D'AMATO), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 602, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 647

At the request of Mr. BYRD, the name of the Senator from South Carolina (Mr. HOLLINGS), was added as a cosponsor of S. 647, a bill to amend the Trade Act of 1974 to insure fair trade opportunities, and for other purposes.

S. 648

At the request of Mr. THURMOND, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 648, a bill to facilitate the exchange of certain lands in South Carolina.

S. 663

At the request of Mr. ARMSTRONG, the name of the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 663, a bill to prohibit the payment of certain agriculture incentives to persons who produce certain agricultural commodities on highly erodible land.

SENATE JOINT RESOLUTION 31

At the request of Mr. THURMOND, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Florida (Mr. CHILES), the Senator from Montana (Mr. BAUCUS), the Senator from Idaho (Mr. SYMMS), the Senator from Montana (Mr. MELCHER), the Senator from Arkansas (Mr. BUMPERS), the Senator from Indiana (Mr. LUGAR), the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Carolina (Mr. EAST), and the Senator from Colorado (Mr. HART) were added as cosponsors of Senate Joint Resolution 31, a joint resolution to authorize and request the President to designate April 23, 1983, as "Army Reserve Day."

SENATE JOINT RESOLUTION 35

At the request of Mr. HUDDLESTON, the names of the Senator from Arkansas (Mr. PRYOR), the Senator from Hawaii (Mr. INOUYE), and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of Senate Joint Resolution 35, a joint resolution designating the week beginning March 20, 1983, as "National Mental Health Counselors Week."

SENATE JOINT RESOLUTION 43

At the request of Mr. DOMENICI, the names of the Senator from Illinois (Mr. DIXON), the Senator from New Jersey (Mr. BRADLEY), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Indiana (Mr. QUAYLE), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of Senate Joint Resolution 43, a joint resolution to declare Baltic Freedom Day.

SENATE JOINT RESOLUTION 44

At the request of Mr. THURMOND, the names of the Senator from Alaska (Mr. STEVENS), and the Senator from Washington (Mr. GORTON) were added as cosponsors of Senate Joint Resolution 44, a joint resolution to authorize the President to issue a proclamation designating the week beginning on March 11, 1984, as "National Surveyors Week."

SENATE JOINT RESOLUTION 51

At the request of Mr. DOLE, the names of the Senator from Missouri (Mr. DANFORTH), the Senator from Michigan (Mr. LEVIN), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of Senate Joint Resolution 51, a joint resolution designating May 21, 1983, as "Andrei Sakharov Day."

SENATE JOINT RESOLUTION 58

At the request of Mrs. HAWKINS, the name of the Senator from Utah (Mr. HATCH), was added as a cosponsor of Senate Joint Resolution 58, a joint resolution to authorize and request the President to designate May 25, 1983, as "Missing Children Day."

AMENDMENT NO. 488

At the request of Mr. HEINZ, the names of the Senator from Tennessee (Mr. SASSER), the Senator from New York (Mr. D'AMATO), the Senator from Missouri (Mr. DANFORTH), the Senator from Louisiana (Mr. LONG), the Senator from Michigan (Mr. LEVIN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Illinois (Mr. PERCY), the Senator from Michigan (Mr. RIEGLE), the Senator from Oregon (Mr. PACKWOOD), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Maine (Mr. MITCHELL), the Senator from Kentucky (Mr. FORD), the Senator from Massachusetts (Mr. TSONGAS), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Arizona (Mr. DECONCINI), the Senator from New York (Mr. MOYNIHAN), the Senator from Delaware (Mr. ROTH), the Senator from Montana (Mr. MELCHER), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of amendment No. 488 proposed to H.R. 1718, a bill making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not makework but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

AMENDMENT NO. 501

At the request of Mr. EAGLETON, the names of the Senator from Mississippi (Mr. STENNIS), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. WEICKER), the Senator from Ohio (Mr. METZENBAUM), the Senator from Alabama (Mr. HEFLIN), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of amendment No. 501 proposed to H.R. 1718, a bill making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not makework but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

At the request of Mr. BRADLEY, his name was added as a cosponsor of amendment No. 501 proposed to H.R. 1718, supra.

At the request of Mr. SARBANES, his name was added as a cosponsor of amendment No. 501 proposed to H.R. 1718, supra.

SENATE RESOLUTION 89—TO PAY A GRATUITY TO FREDRIC B. COURTNEY

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 89

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Fredric B. Courtney, widower of Mary P. Courtney, an employee of the Senate at the time of her death, a sum equal to four months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY JOBS APPROPRIATION, 1983

AMENDMENT NO. 504

(Ordered to be printed.)

Mr. KASTEN (for himself, Mr. HELMS, Mr. BOREN, Mr. HEFLIN, Mr. MATTINGLY, Mr. RANDOLPH, Mr. EAST, Mr. GLENN, Mr. FORD, Mr. NUNN, Mr. DENTON, Mr. NICKLES, Mr. BAUCUS, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. HUMPHREY, Mr. DECONCINI, Mr. EXON, Mr. MELCHER, Mr. D'AMATO, Mr. PRYOR, and Mr. GOLDWATER) proposed an amendment to the committee amendment to the bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not makework but productive jobs for women, and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

AMENDMENT NO. 505

(Ordered to be printed and to lie on the table.)

Mr. WILSON submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 506

(Ordered to be printed and to lie on the table.)

Mr. LONG submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 507

(Ordered to be printed and to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

AMENDMENT NO. 508

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to the bill H.R. 1718, supra.

AMENDMENT NO. 509

(Ordered to be printed and to lie on the table.)

Mr. MATTINGLY submitted an amendment intended to be proposed by him to the bill H.R. 1718, supra.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, on Thursday, April 14, 1983, the Committee on Rules and Administration will hold hearings on Senate Resolution 66 at 9:30 a.m., in SR-301, Russell Building, to receive testimony from Senators and other interested parties on their views of television and radio broadcast of Senate proceedings.

During the 97th Congress Senate Resolution 20, providing for the broadcasting of the Senate's floor proceedings by radio and television, was reported favorably to the Senate by the Rules and Administration Committee after extensive hearings and deliberation. The Senate debated at length, and agreed to Senate Resolution 20 with the proviso that the Rules Committee prepare operating guidelines prior to any implementation of television or radio broadcasting. The Rules Committee then reported Senate Resolution 436, which contained the requested guidelines, but no action was taken before the 97th Congress ended. Senate Resolution 66, now before the Rules Committee, is essentially the same as Senate Resolution 436 of the 97th Congress.

Senators and interested individuals wishing to tesify or to submit a statement for the record, should contact John K. Swearingen of the Rules Committee staff on extension 4-9078.

SUBCOMMITTEE ON WATER RESOURCES

Mr. ABDNOR. Mr. President, the Subcommittee on Water Resources of the Committee on Environment and Public Works will conduct a hearing on S. 684, the Water Resources Research Act of 1983, a week from today, March 21, 1983. The hearing will be held at 2 p.m. in room SD-406 of the Dirksen Senate Office Building.

The witnesses will include the Department of the Interior as well as the National Association of Water Institute Directors, and the National Association of State Universities and Land Grant Colleges. Anyone else wishing to present written testimony for the record, or to testify in person, should contact the committee.

SUBCOMMITTEE ON WATER AND POWER

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public that S. 739, to amend the Reclamation Safety of Dams Act of 1978 to authorize additional appropriations, and for other purposes, has been added to the agenda of the Subcommittee on Water and Power hearing scheduled for Thursday, March 24.

For further information regarding this hearing you may wish to contact Mr. Russ Brown of the subcommittee staff at 224-2366.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thurday, March 17, in order to receive testimony concerning S. 610, Collegiate Student Athlete Protection Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Governmental Efficiency and the District of Columbia of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, March 16, at 2 p.m., to hold a hearing on emergency preparedness in the Washington Metropolitan area.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Governmental Efficiency and the District of Columbia of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, March 17, at 9:30 a.m., to hold a hearing on emergency preparedness in the Washington Metropolitan area.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. BAKER. Mr President, I ask unanimous consent that the Subcommittee on Surface Transportation, of the Committee on Commerce, Science, and Transportation, be authorized to meet at 1:30 p.m., on Monday, March 14, to hold a hearing on proposed legislation authorizing funds for fiscal year 1984 for Amtrak.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, March 15, at 9 a.m., to hold a closed-session hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET SUBCOMMITTEE OF THE SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr President, I ask unanimous consent that the Budget Subcommittee of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, March 15, 1983, at 10 a.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Subcommittee of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, March 15, at 2 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Budget Subcommittee of the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 17, 1983, at 10 a.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, March 14, at 2 p.m., to hold a hearing on "Foreign Relations Legislation: 1983, Latin America: Legislative Issues."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, March 15, at 9:30 a.m., to hold a hearing on "Use of Offshore Banks and Companies."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, March 16, at 10 a.m., to hold a hearing on "Use of Offshore Banks and Companies."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

NATURAL GAS CONSUMER REGULATORY REFORM

● Mr. NICKLES. Mr. President, I know that all of my colleagues are vitally concerned with the proposed natural gas consumer regulatory reform amendments now being considered by

the Congress. Almost without question, these amendments will be among the most important energy legislation to come before Congress during the current session.

On February 28, President Reagan sent to Congress his plan for deregulation of natural gas. On March 9, Donald Paul Hodel, Secretary of Energy, appeared before the Senate Energy Committee to present the administration's case in support of the proposal.

Mr. President, I wish to submit Secretary Hodel's testimony for inclusion in the RECORD, so that it can be made speedily available to all Members of the Senate. Mr. Hodel's careful documentation of the history of the present natural gas dilemma, and his lucid explanation of what we must do to cope with the problem, should be required reading for all who seek stability in the Nation's energy supply.

Secretary Hodel is particularly convincing in pointing out that the deregulation is designed to protect the consumer's pocketbook, not make the consumer vulnerable to drastic price increases, as some deregulation critics insist. Indeed, a basic tenet of the Secretary's philosophy is to insure that American consumers have sufficient gas at the lowest possible price.

Current Federal Energy Regulatory Commission regulations allow pipelines immediately to pass through to consumers all wellhead cost increases. The administration proposal would offer consumer protection in the form of a moratorium until 1986 on the automatic passthrough to natural gas customers of price increases that result from an interstate pipeline's paying higher prices for natural gas. This will insure fairness to consumers and provide incentives to suppliers and pipelines to renegotiate contracts in order to minimize costs.

Price regulation may provide short-term relief to consumers but is certain to fail them in the long run, as the history of natural gas regulation in this country proves. Secretary Hodel's testimony on the subject is illuminating, and I again commend it to my colleagues, and ask that the full text be printed.

The testimony follows:

STATEMENT OF DONALD PAUL HODEL

Thank you, Mr. Chairman. I welcome the opportunity to appear before the Committee this morning on behalf of the Administration to support the Natural Gas Regulatory Reform Amendments of 1983.

We are proposing this legislation to assure American consumers an adequate supply of natural gas at a reasonable price. We believe that our proposal will achieve this result, and we look forward to beginning this legislative dialogue.

Let me begin by briefly discussing the importance of natural gas to our economy and outlining the rather complicated history of price regulation that has created today's situation.

THE NATURAL GAS MARKET

Natural gas is a major source of energy in the American market, providing close to one-third of all domestically produced energy since the early 1960's. About 19 trillion cubic feet of natural gas are produced in this country each year. There are thousands of natural gas producers operating some 200,000 producing gas wells. The greatest demand for natural gas, about 38 percent of the U.S. total is in the industrial sector, followed by about 26 percent in the residential sector. About 56 percent of all residences heat with gas, and 65 percent use gas for some purpose.

The ease with which natural gas can be used and its clean environmental properties have made it a very attractive fuel. In addition, natural gas and petroleum products are interchangeable over a number of end uses, particularly in the industrial sector. Of more than 6,500 large boilers in 1979, about 45 percent were capable of switching easily from natural gas to a competing fuel.

Given that natural gas is such a flexible and useful energy source, one would expect substantial price competition to exist among gas, oil, and coal over a variety of end uses. However, natural gas is limited in its ability to compete because it is now the only fuel that is regulated at the point of production. Unlike the situation in the coal and oil markets, where prices and production can respond fairly rapidly to upward or downward pressures of the free market, natural gas prices are subject to rigid price controls to the point of being nearly unresponsive to market forces.

Gas prices to consumers have continued to increase despite the fact that plentiful supplies of less expensive gas are available. The evidence clearly shows this to be the result of both the regulatory environment in which producers and pipelines made their contract decisions and the set of exceptionally complex regulations that currently govern the gas market. The result is extreme market distortion, where neither producers nor pipelines can respond readily to competition, where incentives to develop low-cost resources are lacking, and where consumers are paying more than they might in a free market. The Administration shares with Congress both a deep concern about—and a commitment to resolving—this situation.

HISTORY OF NATURAL GAS REGULATION

It is important to understand the pattern of regulatory actions and adjustments that have led us to this point.

Although the interstate natural gas market has been regulated since 1938, it was not until 1954, with the Supreme Court decision in *Phillips Petroleum Co.* v. *Wisconsin*, 347 U.S. 672 (1954), that price regulation was extended to the wellhead. Following that decision, and during most of the 1960's, wellhead prices set by the Federal Power Commission were at or above market-clearing levels and, therefore, had little effect on the market. With the economic expansion and inflation of the late 1960's, however, demand for gas at what turned out to be low, price-controlled levels in the interstate market increased sharply. This led to supply problems in the interstate market as producers were unwilling to invest in more costly new production and to sell at the lower federally controlled prices when they could receive higher prices for their gas in the unregulated intrastate markets. Because intrastate prices were free to rise to levels where supply and demand came into balance, prices in this market grew to be substantially above the FPC's interstate ceilings.

The supply-demand imbalance in the interstate gas market was dramatic. Reserves dedicated to interstate commerce dropped sharply. Limited curtailments began to be felt in the early 1970's. With the 1973-74 oil embargo, the price of oil quadrupled; and the price gap between interstate and intrastate gas markets widened rapidly. Curtailments became more serious. In the winter of 1976-77, federally controlled prices at the wellhead averaged about 70 cents per thousand cubic feet while the intrastate market price for gas averaged about $1.20 per thousand cubic feet.

It was during the exceptionally cold winter of 1976-77 that conditions in the gas market reached crisis levels. Many interstate pipelines fell far short of meeting consumer demand. They simply were unable to purchase the gas they needed. Service to homes was threatened. Entire metropolitan areas were faced with loss of their gas supplies. Congress rushed emergency legislation into law, allowing for allocation if necessary. To many, it appeared that the country nearly had exhausted its natural gas supplies. In fact, it was the artificial regulatory environment, with low prices that encouraged demand while suppressing production, that gave such a false picture of the market's potential.

It was in this environment that additional regulatory adjustments to the market seemed necessary and led to the enactment of the Natural Gas Policy Act of 1978. The NGPA was therefore designed to address the need to encourage exploration and development of new gas supplies for interstate use. It was understood that, to accomplish this objective, the prices of interstate gas would have to increase.

Although interstate supplies increased after 1978, the NGPA did not work as planned. The NGPA attempted to establish a market for gas that encourged new production on the one hand while keeping consumer prices low on the other. To do this, it created 28 different pricing categories, ranging from categories with very large incentives for high-cost new supplies, such as deep gas, to very stringent controls on lower cost supplies. Five years' experience under this law has proved that it is not working. Some producers cannot sell their gas, even though it is much cheaper than supplies currently being bought. Consumers are paying higher prices for gas, as though additional gas supplies were not available. Pipelines are finding themselves bound by onerous contract terms they signed based on a belief in scarcity that the regulations fostered. These contracts have prices tied to artificial regulatory ceilings that keep prices rising, and they also have high take-or-pay provisions that encourage production of the most expensive supplies first while production of less costly supplies is reduced. These situations could not exist in a free market.

If the natural gas market were not regulated and were allowed to operate the same way that all other major energy markets operate, increased supplies of gas, coupled with stagnant or declining demand for gas, would drive the price of gas down. This is the present situation in the gas market—except for the NGPA price controls that are preventing the market from working.

Competitiveness of the gas market

The competitive nature of the gas market would solve these problems if it were allowed to operate. Many have argued, howev-

er, that the gas market is composed of a small number of integrated companies and, as such, is not competitive. Our analysis demonstrates that this is simply not true. In 1977, the largest four gas producers accounted for only 17 percent of U.S. production, the largest 16 producers accounted for 42 percent. They controlled equivalent percentages of U.S. reserves. All told, there are more than 12,000 gas producers today and many more would be available to go into the business if the opportunities presented themselves.

The Administration's proposal would take advantage of this multiplicity of competitive forces to develop the less costly gas supplies, to the consumer's advantage.

In summary, the situation in today's gas market is similar to that in the oil market 2 years ago. The deregulation of oil prices helped casue a decline in oil prices, which continues even today. Abundant supplies and competitive demand caused prices to fall, and consumers are reaping the benefits.

PRINCIPLES OF THE ADMINISTRATION PROPOSAL

The Administration's goal regarding natural gas is to provide an adequate supply of this critical energy resource to the consumer at reasonable prices. As we explored all facets of this complex issue with producers, pipelines, distributors, and consumers (both residential and industrial), we concluded that any proposal to move from a regulated to a free market must be founded on three key principles:

(1) Freedom to negotiate new contracts;

(2) Elimination of disincentives to produce and sell low-cost gas; and

(3) Consumer protection.

Freedom to negotiate new contracts

Our proposal eventually will eliminate the wellhead gas price controls that have caused so many problems over the past years, and it offers a free market now to parties who choose to accept it. Removing gas price controls at the wellhead will result in a much more flexible supply and demand response to changing economic conditions. Under the proposed legislation, any new contracts for natural gas purchases may be negotiated, and existing contracts may be renegotiated, at the option of the contracting parties, and all these contracts will operate on whatever terms to which the parties agree. As an incentive to renegotiation, either party will be allowed, beginning January 1, 1985, to opt out of any pre-enactment contract.

Elimination of disincentives to buy and sell low-cost gas

The proposed legislation will allow take-or-pay purchase requirements to be reduced to 70 percent at the option of the purchaser (pipeline). This will give pipelines the flexibility to reduce their required takes of high-cost gas and to replace them with lower cost supplies that now are being shut in. The proposal thereby results in a more reasonable, less expensive mix of gas being produced and sold.

A contract carriage provision has been proposed that both eases the impact of a take-or-pay reduction on producers and serves to increase competition in the gas market. Producers are allowed to sell to any willing buyer that amount of gas removed from take-or-pay provisions or any production not previously under contract, and the interstate pipeline normally servicing the producer will be required to transport this gas at incentive rates. Increased competition among producers and pipelines results when producers are assured transportation to any distributor, major gas user, or transmission company offering a market for gas.

Incentives to increase gas production also will be improved by allowing gas uses currently banned or discouraged by Fuel Use Act restrictions. The gas market also will benefit from the proposed removal of incremental pricing restrictions. Removal of these restrictions can moderate or reverse apparent losses in industrial load by allowing gas prices to industrial users to compete more effectively with other fuels. Such a change benefits everyone—industry can buy gas at competitive rates; and, with more industrial users on the pipelines, residential consumers bear less of the fixed costs of the gas supply system.

Consumer protection

We fully expect that under the Administration's legislative proposal, prices actually will decline. However, we do not expect consumers to rely on our analysis solely as a matter of faith; therefore, we examined a number of options designed to guarantee consumer protection against unreasonable natural gas price increases beyond those attributable to inflation.

As our evaluation progressed, we concluded that the two most promising initiatives were (1) to restrict pipelines from the automatic passthrough of all wellhead price increases above inflation; and (2) to place a free-market cap on contracts yet to be renegotiated. These provisions work as follows:

Current regulatory provisions permit interstate pipeline companies immediately to pass through all purchased gas increases in their semiannual PGA adjustments. Under the Administration bill, any purchased gas cost increases that exceed the rate of inflation will not be allowed to pass through immediately and must be examined by the FERC in a public hearing process with appropriate standards.

As further protection to consumers, we propose a "gas cap" based upon the average price of gas purchased through new and renegotiated contracts following enactment. The gas cap would apply to all presently existing producer contracts until they are renegotiated or expire or until January 1, 1986, whichever occurs first. We do not believe that, in general, producers should be allowed to charge more as a result of a regulated environment than they would receive in a free, competitive market. This provision will ensure that the current environment of declining energy prices benefits consumers.

Such a combination of provisions protects consumers by assuring them there will be no opportunity for unwarranted price increases to affect them during the transition period.

As we have moved toward our goal of providing a free market for natural gas, we have been convinced that the three principles described above are integral to any comprehensive approach toward resolving this issue. Freedom to negotiate new contracts in a free market environment, and away from the distorted incentives of price controls, is essential to any solution to the current contracts problems. Elimination of current disincentives to produce and sell low-cost gas is essential to providing consumers with the lowest priced mix of gas supplies and the most efficient use of our natural resources. While taking all the actions necessary to adhere to these principles while moving to a free market, it is essential that we assure consumers that they are protected from unwarranted price increases during the transition.

PROVISIONS OF S. 615

I now will turn to a more detailed discussion of S. 615. Although the bill has many complex provisions, the basic intent is simple: to assure that American consumers have an adequate supply of natural gas at a reasonable price. The bill seeks to achieve this objective by removing regulatory requirements that have led to the inefficient allocation of supplies and to artificially high consumer gas prices.

Title I: purchased gas cost

Title I will impose a moratorium until 1986 on the automatic passthrough to natural gas customers of price increases that result from an interstate pipeline's paying higher prices for natural gas. An interstate pipeline will not be able to increase the price to its customers to reflect higher acquisition costs for natural gas unless it can prove to the Federal Energy Regulatory Commission that a recovery of such costs is just and reasonable and that such costs were incurred prudently. In an important departure from present practice, the bill prevents the Commission from putting rate increases based on higher acquisition costs into effect subject to refund. This departure is warranted by the need to provide consumers an additional assurance against unreasonable price increases following the enactment of this legislation.

In determining whether to allow the passthrough of higher costs, the Commission would be required by statute to consider the availability of lower priced gas and the need of the pipeline to acquire the gas in order to render adequate service to its existing customers. The Commission also can consider other factors, including the physical depletion of old gas. To minimize the time a pipeline must wait to find out whether the passthrough of any costs in excess of inflation will be allowed, a special Commission proceeding will be established to review applications concerning these costs. The Commission must adopt rules for these proceedings that expedite decisions.

The passthrough moratorium will not affect all increases to a pipeline's rate; it will affect only increases in the purchased gas cost component of the rate that exceed the pipeline's "allowed rate" for purchased gas costs. A pipeline's "allowed rate" will be the average price per million Btu's that the pipeline paid for gas delivered to it during the month preceding the enactment of this bill plus an "adjustment amount" to reflect inflation. The "adjustment amount" will be the same for each pipeline. It is calculated by multiplying the national average pipeline wellhead cost by the GNP price deflator and allowing this amount to be added to each pipeline.

In designing the moratorium, we were mindful of the concerns of pipelines with large supplies of old gas. These pipelines believe they will be at a disadvantage, because their sources of low-priced old gas are being depleted physically, while their average acquisition price is increasing as contracts for old gas are renegotiated to reflect the market price. We believe their concerns will be alleviated to some degree by the downward price pressure of the free market. However, we also decided to base the inflation adjustment factor on the national average cost of gas rather than to make it pipeline specific. This action is intended to give pipelines with gas costs below the national average more flexibility in renegotiating contracts for old gas and in acquiring new sources of gas. In addition, as I mentioned

previously, the Commission may consider physical depletion as a factor in determining whether to allow a passthrough. The Commission also will be required to adopt procedures for expeditious handling of applications to pass through purchased gas costs covered by the moratorium and could at the same time develop specific procedures to deal with the depletion of old gas. We believe this approach offers more flexibility in dealing with this problem than attempting to devise a depletion factor to be included in the allowed rate.

The proposed moratorium focuses on rate increases based on purchased gas costs because pipelines can bargain with producers over these costs and, with the passage of this bill, they will be better able to stabilize and reduce these costs. We realize this moratorium will not cover all rate increases because a pipeline's rate is based on factors in addition to purchased gas costs. These other factors relate mostly to fixed costs, such as costs for overhead and physical facilities, over which the pipeline has more limited flexibility. In many instances, the rate increases based on these factors occur because the pipeline has lost customers and the fixed costs must be spread over a smaller amount of gas. I believe that the best way to prevent rate increases that result from load loss is to make natural gas prices competitive with alternative fuels.

In addition to the moratorium, Title I addresses the concern that market forces may not be a sufficient safeguard against a pipeline's favoring its own production or that of an affiliate over cheaper gas. Title I establishes a rateable purchase requirement for interstate pipelines. Under this requirement, an interstate pipeline may not recover any costs associated with gas the pipeline acquires from its own production or that of an affiliated producer to the extent that it takes such gas at a higher percentage rate than it takes any cheaper gas.

I want to emphasize this rateable purchase requirement relates to contemporaneous actions by a pipeline. This concept is included in the rateable purchase requirement to indicate that the requirement is not a purely mechanical rule, but, rather, a flexible rule that contemplates compliance based on a pipeline's actions over a period of time.

I believe this provison is the most effective means of assuring that a pipeline does not favor its own production or that of an affiliate because it eliminates any incentive to do so when cheaper gas is available. We considered a requirement that pipelines acquire the cheapest available gas and decided that such a broad prohibition was unnecessary, as well as administratively infeasible. Once pipelines are exposed fully to a competitive market, there is no reason for them not to seek the cheapest available gas. Moreover, the Commission has stated that it will consider a pipeline's purchase practices in general rate cases; and, in the special proceeding on costs covered by the moratorium, the Commission will be required to consider explicitly the efforts of the pipeline to secure the lowest priced gas available.

Title II: Removal of wellhead price controls

Title II provides for subjecting all first sales of natural gas to the competitive forces of the free market. The general rule will be that natural gas sold under new, first sale contracts or under contracts amended after this bill is enacted is free from all wellhead price controls. This will permit natural gas prices to be established immediately in accordance with market forces and not by the existing artificial NGPA price ceilings. At the end of 1985, all remaining price controls will be removed, thus ending the Federal Government's involvement in establishing wellhead prices for natural gas.

We considered alternative methods of terminating price controls and decided this method was preferable to any other. One alternative would have been to increase current NGPA price ceilings for so-called old and new gas on a ramp that would reach the market price on a specified date. This alternative has many drawbacks, including the fact that some NGPA price ceilings already exceed what we believe the current market price to be. Another alternative would have been immediate decontrol. Although this approach is appealing, I believe our approach is better because it immediately decontrols gas that first enters the market after passage of this bill, gas for which an existing contract expires, and gas that the producer and purchaser agree to decontrol. Our approach avoids the practical problems of renegotiating the price terms for every natural gas contract at the same time. In addition, the experience during this gradual decontrol will allow producers and purchasers to bargain more effectively and realistically during 1985, when either party to an existing contract can terminate it, thus decontrolling the gas subject to that contract.

The Administration's bill will apply to all domestic gas, including old gas. I know many believe that old gas should remain subject to price controls forever. We strongly urge Congress to eliminate the controls on this category of gas. Controls on old gas have not worked to the consumer's advantage under the NGPA. Continuing controls on old gas will have many harmful effects. The cushion provided by old gas has led many purchasers to bid the price of deregulated gas above the market price, providing an economic advantage to those pipelines with large, old gas cushions and disadvantaging other pipelines. Continuing controls on old gas will mean continuing distortions in the prices paid for deregulated gas, pushing them to levels well above those that otherwise would clear the market. This could disadvantage those pipelines with small, old gas cushions in bidding for future supplies. In addition, the operation of take-or-pay provisions in newer, higher priced contracts has led pipelines to cut back on older contracts, thereby shutting in some low-cost gas. Moreover, the low price advantage of old gas has been lost for most consumers, and it will continue to be lost as the prices are rolled in with above-market prices for other categories of gas to reach a market-clearing average.

To date, there has been little incentive to produce the maximum quantities of old, lower priced gas so as to reduce the overall price to consumers. In fact, under the NGPA all of the incentives have been reversed—bringing higher priced gas into the market. We believe the consumer and the economy as a whole should have the economic advantage that would flow from producing these lower cost reserves first.

Title III: Transitional price and contract provisions

The Administration's bill provides a transitional pricing mechanism for natural gas until it is freed by the parties from price controls. Pending renegotiation of contracts, or January 1, 1986, whichever occurs first, gas that currently is price controlled, except section 107 gas, will receive the lesser of the maximum lawful price under any existing section of the NGPA and the "gas cap price." The gas cap price will be the average price of natural gas under recent new or amended contracts that reflect market prices. I will explain the gas cap price in more detail later. Section 107(c)(5) natural gas, including tight sands and other types of gas, will be capped at the applicable maximum lawful price under the NGPA for such gas in the month this bill is enacted. However, the Commission will retain its current authority under section 107(b) to lower the incentive price that such gas currently receives; and, if it does so, the new, lower price will be applicable. The Administration's bill will remove controls from section 102 gas, certain section 103 gas, and certain intrastate natural gas on January 1, 1985, as currently scheduled under the NGPA. However, during 1985, all these categories of gas cannot exceed the gas cap price, unless the gas is sold under a new or amended contract.

In addition, a price cap will be imposed for high-cost section 107(c)(1)–(4) deep gas sold under contracts in effect on the date this bill is enacted. The cap will be the higher of the following: the contract price is effect on the date of enactment of this bill or the gas cap price. The cap will be effective from the date of enactment through December 31, 1985. However, the cap will be removed immediately from any gas that qualifies for free market prices because of the general rule that decontrols any gas sold under a new or amended contract.

The gas cap price will reflect the current market price for natural gas and thus would eliminate distortions under the NGPA by which maximum lawful prices act as "price floors" preventing gas prices from responding to downward market pressures. This occurs because contract clauses escalate contract prices to the highest allowed Federal Government rate, without regard to market pressures. To reflect changing market conditions, the gas cap price will be a volume-weighted rolling average of prices. This average will be based on the prices estimated to be paid for gas estimated to be delivered during the second, third, and fourth months before the month for which the gas cap price is published. Only gas delivered during the first three months of contracts newly entered or amended following enactment will be included.

The bill also smoothes the transition to a free market by allowing parties to modify and even to terminate existing contracts for gas produced in the United States. Although there is no doubt that Congress has the constitutional power under the Commerce Clause to modify or terminate existing contracts, the inclusion of these provisions was an especially difficult decision because of this Administration's philosophical commitment to the sanctity of contracts. However, after examining the market and listening to many complaints about current contracts, it became clear to us that decontrol would not work unless parties could free themselves from contracts entered into under the expectation of permanent Government price controls. These contracts currently are distorting the natural gas market and causing gas prices to increase at a time of abundant supply and falling prices for other energy sources. These contracts have turned NGPA price ceilings into "floors" and, when combined with the automatic price increases inflexibly built into the NGPA, have created the present predicament.

The Administration's bill will address the contract problem in two ways. First, it will

permit purchasers to reduce their take of domestic gas under a contract to 70 percent of well deliverability, without incurring any obligation to pay for the gas not taken. This legislative proposal concerning take-or-pay contract provisions will free purchasers to respond to market signals and reject deliveries of high-priced gas that is not marketable.

A producer will be able to protect its ongoing financial requirements by terminating the contract with respect to the volumes refused. If a producer terminates a contract in this manner, the refusing purchaser will be required to transport for the producer the volume terminated pursuant to this provision. The pipeline receives its normal rate for this transportation plus 5 cents per million Btu's. This 5 cents is reserved for the pipeline's shareholders.

The other contract provision in the bill will allow either party to a contract that is in effect when the bill is passed and that is for gas produced in the United States to terminate that contract in 1985 if the contract has not been renegotiated previously. This market-out provision is intended to assure that the price of gas reflects market conditions and to allow parties to contracts to solve problems, such as take-or-pay or oil-parity clauses, without the Federal Government imposing an arbitrary solution.

Any party that received a benefit under the contract before its termination must pay for that benefit, and any party that received payment for a benefit that was not furnished or performed before the effective date of termination must make restitution of the payment, in cash or in kind, in accordance with the contract. This provision will assure that parties to a terminated contract resolve on an equitable basis any questions concerning advance payments, prepayments, or similar matters. It is intended that any payments returned to a pipeline under this provision will be passed through to the pipeline's customers to the extent that the pipeline's rates previously reflected the payments. Any pipeline that was a party to a contract terminated under this provision will be required to transport a volume of natural gas not to exceed, on an annual basis, the largest volume delivered under the contract during any 12 consecutive months in the 36 months immediately preceding termination. The pipeline will be compensated as I have just described for the take-or-pay provision. This provision will permit a producer to seek another buyer for the gas sold under the terminated contract even if the former purchaser controls all the transportation facilities servicing the producer.

Title IV: Removal of impediments to interstate movements of gas

Title IV is designed to facilitate transactions between the interstate and intrastate markets without subjecting those transactions to certification procedures under section 7 of the Natural Gas Act, and without requiring intrastate companies to become jurisdictional "natural gas companies" under the NGA. Sections 311 and 312 of the NGPA were designed to permit the then existing "bubble" of gas in intrastate markets to flow into interstate markets that were facing gas shortages. Our bill will amend these NGPA provisions to allow natural gas to flow both ways to correct imbalances in any market.

Our bill will establish the principle that, in most instances, intrastate pipelines should not be subject to the Commission's jurisdiction just because the intrastate pipeline acquires gas produced in another State, as long as there is no regulatory gap concerning the sale and transportation of such gas.

Our bill also will prohibit the Commission, in exercising its jurisdiction over any gas under either the Natural Gas Act or the NGPA, from discriminating against either intrastate or interstate purchasers.

Finally, Title IV of the Administration's bill will provide that, upon application by a producer or a producer's customer, the Commission shall order an interstate pipeline to transport gas in behalf of the producer and purchaser, under such terms and conditions as the Commission determines to be just and reasonable. This "contract carriage" section is intended to open the natural gas market to the operation of the laws of supply and demand to the fullest extent possible by encouraging producers and users of natural gas to deal directly with one another. I believe this provision will aid consumers in two important ways. First, it will allow local distribution companies and end-users to negotiate directly with producers for supplies of natural gas, thus assuring that market signals are reflected at the producer level. Second, this provision should encourage industrial consumers to negotiate lower prices for natural gas, rather than switching to oil, and thus generally should prevent the increase in rates that results from load loss.

In consideration for transportation under this provision, the pipeline would receive 5 cents per million Btu's in addition to the normal transportation rate that the pipeline would receive under the Natural Gas Act for such transportation. The 5 cents would not be credited and flowed back to the pipeline's customers; rather, it would be reserve for the pipeline's shareholders. Except for the special treatment of the 5 cents, the revenue from transportation under this provision would be treated in the same manner as revenue from transportation under the Natural Gas Act.

Title V: Removal of demand restraints

Title V also addresses the problem of load loss. Incremental pricing will be eliminated. Although incremental pricing was designed to aid residential consumers by shifting the costs of expensive gas to industrial users, there are many indications that it has hurt residential customers by driving industrial users away from natural gas. As a result, residential customers have had to bear not only the costs of expensive gas, but also a greater percentage of the pipelines' fixed costs.

The bill also will repeal several regulatory programs relating to the use of natural gas and petroleum under the Powerplant and Industrial Fuel Act of 1978. These programs, which have been in place since 1978, were designed in part to place limits on natural gas and petroleum use in new facilities and certain existing facilities because at that time it was thought market forces could not direct fuel choices that were in the national interest because of the price regulation then in effect. As a result of this price regulation and its concomitant distortion of the free market choices, the use of natural gas and petroleum was prohibited in new electric powerplants and new industrial boilers. Further, the use of natural gas was severely limited for outdoor decorative lighting. The Secretary of Energy also was authorized to prohibit the use of natural gas or petroleum in existing coal-capable electric powerplants and large industrial boilers and the increased use of petroleum in existing electric powerplants. As originally enacted, the Fuel Use Act also required electric utilities to stop using natural gas as a primary energy source in 1990.

The repeal of these programs, when enacted as part of a comprehensive natural gas price decontrol act, will enable the private sector to make its fuel choices based on real market prices.

THE EFFECTS OF THE PROPOSAL

Price effects

Under current market conditions, the legislation proposed by the Administration should cause average gas prices nationally to fall from present levels by between 10 cents and 30 cents per thousand cubic feet in the first year after enactment. The policy initiative will result in prices that are 20 to 40 cents lower than the price level that would occur in that same year under the NGPA. This price decrease represents only a part of the national economic benefits to be derived by moving toward market-determined natural gas prices.

Gas prices will fall largely as a result of an increase in gas production shortly after enactment of the proposal as the current excess in deliverable gas supplies is drawn down. The lower gas prices and greater availability of gas supplies that result will cause gas to compete more effectively with oil, primarily for industrial uses, and cause a reduction in oil imports as some oil consumers switch to gas. We estimate that oil imports would fall below current low projections by 100,000 to 200,000 barrels per day in the first year following enactment of the proposal. This reduction in imports would further contribute to lower world oil prices and lower vulnerability to insecure oil imports.

The proposal also will have a beneficial effect on the economy as a whole. Decreased gas prices will reduce the rate of inflation by a small amount both directly and by reducing the cost of producing other goods and services, the production of which involves natural gas. In addition to the net benefits directly attributable to the policy, real income nationwide will be increased by a small amount as lower gas prices spread through the economy and affect other sectors.

Economic efficiency

Valuable national resources should be spent in the most cost-effective manner possible. Natural gas that is the least expensive to produce should be produced first. Gas that is more costly to produce should be produced only when the price it receives in the market justifies that expenditure. Currently, under the NGPA, this is not the case. The practice of averaging the cost of different price categories of gas causes high-cost gas to be subsidized by lower cost gas, thereby encouraging use of the high-cost supplies. The Administration's proposal would improve national welfare by increasing the incentives to develop the least costly gas first. This would be accomplished by allowing all existing contracts to be renegotiated in a free-market environment, with negotiating parties determining both the prices and terms of contracts with no regulatory restrictions in place.

The efficient use of national resources also would be enhanced by the removal of fuel use restrictions. Any industry or utility that wanted to use natural gas and was willing to pay the market price for that gas should be allowed to do so. This would benefit gas consumers by increasing pipeline

loads and spreading fixed transmission costs over a larger number of users. The removal of this restriction also should provide further benefits to oil consumers by putting downward pressure on oil prices as oil and gas suppliers compete.

This path to a free market allows greater flexibility in the gas market and should prevent the problems of the last few years from occurring in the future. The costs of a transition toward decontrol have never been lower than they are today. This is because the Nation as a whole has sufficient supplies of natural gas, and pressures are toward reducing the price of gas and easing contract terms. Indeed, even under conservative assumptions, our analysis shows that average residential prices are projected to fall in the first year and are expected to remain lower under the Administration's proposal compared with the NGPA until after 1985. Under conservative oil price projections and projections of very limited supply response to the legislative proposal, the more rapid and economic production of gas resources before 1985 under the Administration's proposal may cause residential gas prices to rise back to the NGPA levels in the period between 1985 and 1990. After 1990, the NGPA and policy proposal will bring about roughly comparable prices because the Administration's proposal will induce greater high-cost gas production in the years when such production is economic. Under assumptions of greater supply response to a free market, prices under the Administration's proposal will fall consistently below NGPA price projections.

On its face, the analysis I have described above may cause some to overlook the positive aspects of the Administration's proposal and question why it would not be better to let NGPA play out as scheduled, thereby avoiding these difficult issues. In response to this question, I call your attention to two major points: (1) the conservative assumptions used in the analysis, and (2) the magnitude of the benefits under such assumptions.

It is essential that issues of such importance to the consumer be addressed in as fair and informed an exchange as is possible. Therefore, I instructed the Department's career analysts to take as conservative an approach as was reasonable in measuring the projected effects of our proposal in comparison to current law. The oil prices used range from $31 to $33 in real terms over the 8-year period, levels that are above where we are today and which are higher than many current projections would show. Our assumptions also anticipated a very limited supply response to the proposal (an assumption that proved to be absolutely wrong when the impacts of oil price decontrol were being estimated) and employed low estimates of excess gas deliverability. The combination of these serves to show that we can expect positive results even under very conservative assumptions about market response to the proposed legislation.

Given these conservative estimates, we are projecting that the proposal's benefits to consumers over the 8-year period, compared to what would obtain if the NGPA merely played out, will be at least $7 billion, using a discounted present value calculation. This indicates that a decline in price of only a few cents from that which would be expected under NGPA has substantial effect on costs to consumers. If one assumes that oil prices, for example, might be lower in the near term, the near-term benefits to consumers could be much larger.

We also have examined the possibility, as urged by some, that the partial decontrol provisions of the NGPA be revoked in coming years and that the NGPA price controls be extended indefinitely. Our analysis projects that continuation of price controls would result in wellhead prices that are about 28 cents, or 6 percent, lower in 1990 than those projected under a continuation of the NGPA. However, these lower prices impose a large cost on the economy. Future controlled prices would discourage domestic production of gas and cause from 200 billion cubic feet to 1 trillion cubic feet of curtailments in the late 1980's. Price controls and lower national average prices also would induce relatively higher total demand for gas, causing consumption levels to be higher by 600 billion cubic feet by 1990.

This higher consumption cannot be satisfied by domestic production alone (which is lower under this continued controls case) and must be met instead by an increase of 800 billion cubic feet in higher priced imports of Canadian gas. Thus, by keeping prices to consumers below those in a free market, shortages are created that even increased payments to importers cannot prevent because import quantities are restricted by agreed-upon maximum import authorizations. If import authorizations were raised to eliminate shortages, the United States would still experience a substantial increase in the real resource costs to the Nation of importing gas.

Conclusions of an extended controls case are clear. Maintaining price controls leads to inefficient subsidies to foreign production that would be replaced more economically by domestic production were it not for price regulations. In addition, price controls encourage inefficient consumption of gas by users who would be unwilling to pay the true costs of producing the gas. All these inefficiencies would be exacerbated if the price escalators built into the NGPA were removed.

Comparison with other gas policy analyses

A paper entitled "An Analysis of Natural Gas Pricing Policy Alternatives" was recently released by the General Accounting Office (GAO). In general, our analysis and GAO's are very similar in projecting the effects of current law and estimating the longer term benefits of a free-market environment. We agree with the GAO findings that the differences between current law and a fully deregulated market in 1985 are not large and that, under current world oil price assumptions, we would not expect large price increases from the partial deregulation mandated by the NGPA.

We do not, however, agree with GAO's conclusion that the differences between the cases are so small that the NGPA simply should be allowed to play out. First, such a conclusion is highly sensitive to oil price projections, and such projections can change dramatically in either direction as we saw in 1978 and are seeing again today. Second, the GAO has not analyzed the Administration's current proposal under currently projected market conditions. Where GAO shows near-term prices increasing, we show them decreasing. Such differences appear to be only a function of differing market assumptions and proposal specifications. Once GAO conducts an analysis on more current information, we expect the conclusions to be quite similar.

Another analysis of gas policies was recently released by the Consumer Labor Energy Coalition. The C/LEC estimates of sharply increasing gas prices and consumer costs as a result of decontrol legislation do not apply to the administration's proposal for several reasons. First, the Coalition is analyzing a hypothetical accelerated decontrol proposal, which does not take into account the administration's handling of several elements, such as the cap on indefinite price escalators and the PGA moratorium. Second, the C/LEC analysis understates the impact of the current gas surplus and relies on an arbitrary relationship between gas and crude oil prices that is too high by 10 to 20 percent, thereby exaggerating the impacts of decontrol. Third, C/LEC expresses impacts in nominal rather than real dollars, further exaggerating their results. Finally, the Coalition's report builds more than half of their consumer cost increases on "indirect" macroeconomic costs that are based on assumptions that decontrol will cause gas prices to rise. Our analysis indicates just the opposite—that gas prices will fall—and therefore we estimate that consumers will receive macroeconomic benefits from deregulation of the gas market.

CONCLUSION

It is clear that 45 years of natural gas regulation have had dramatic effects on our economy. In the mid-1970's, when prices were held below market levels, the Nation faced severe curtailments of supply. In recent years as oil prices have fluctuated, the market has been unable to respond. Currently, the National Gas Policy Act is causing natural gas prices to rise in spite of an oversupply of deliverable gas, declining oil prices, and a low rate of inflation.

The fact that current law will continue to cause prices to rise over the next several years, regardless of the prices of competing fuels, is a situation we cannot allow to continue.

The proposed natural gas legislation will benefit consumers by creating a system in which gas prices can be responsive to the pressures of the market. Through this approach to the free market, the proposal will protect consumers from uneconomic natural gas price increases while eliminating regulatory barriers that prevent natural gas from being purchased, distributed, and used efficiently.

This is neither a partisan issue nor one we can afford to delay addressing. We have proposed the most balanced piece of legislation we could conceive. We are convinced it will work well and will work in the manner I have outlined to you here. I sincerely hope that this Committee will give this issue its most serious and expeditious consideration, and I am available to address any and all of your questions and comments.●

STATES FISCAL CONDITION WARRANTS CAPITAL ASSISTANCE LEGISLATION

● Mr. SASSER. Mr. President, our Nation's State governments are in the midst of their worst fiscal squeeze in postwar America. This is the inescapable conclusion one reaches after reviewing the featured article, "No Relief in Sight: The Fiscal State of the States" in this month's issue of State Legislatures, the official magazine of the National Conference of State Legislatures. It is also a condition which warrants the passage by the Congress of legislation aimed at providing cap-

ital assistance to the States and their local governments.

For the States fiscal year, which concludes at the end of June 1983, 20 States anticipates budget deficits, some of them, according to the article, in the billions of dollars. And the prospect for the 1984 fiscal year for States is discouraging.

In this fiscal environment, priority capital expenditures important to both States and local governments suffer. Capital budgets are easy to reduce or stretch out. And State capital budgets include important regional projects, projects too costly for individual local governments to undertake. Local governments then suffer twice, because State aid is cut back as well, forcing the localities to reduce their own capital programs.

This fiscal condition, as outlined in the State Legislatures article, is additional testimony to the need for S. 676, the Capital Assistance Revenue Sharing Act of 1983. The bill will provide $3.5 billion annually to State and local governments for a quick-start public works jobs program. The number of jobs created in a year will be a minimum of 250,000 nationwide.

Capital improvement projects, currently "on hold" while State and local governments wrestle with their fiscal problems, are precisely the kind of projects targeted by S. 676, which will allocate $3 billion a year through a simplified revenue-sharing formula, one-third of the funds going to the States and the remaining two-thirds earmarked for eligible local governments.

Deferred projects, their design and bid specifications already completed, could be taken off "hold" and commenced almost immediately with the "few-strings-attached" funding approach of S. 676.

Another $500,000 million in funds would be made available for capital improvements on a project-by-project basis to those local governments not eligible for funds under the formula-based assistance in the bill.

I urge my colleagues to give their prompt and favorable consideration to S. 676, the need for which is underscored so emphatically in the State Legislatures magazine article, which I ask be printed in the RECORD.

The article follows:

NO RELIEF IN SIGHT: THE FISCAL STATE OF THE STATES

(By Steven Gold and Karen Benker)

(Twenty states anticipate deficits in fiscal 1983. No state expects a large year-end balance. And every state, in every region, is considering or enacting tough new measures in response to budget problems. This report, drawn from an NCSL survey, tells the story of a bruising fiscal year.)

1983 will go into the annals of government finance as a year of tax increases in states across the country. The great majority of states managed to get through the last seven years without raising either personal income or general sales taxes. In fact, nearly all states were net tax cutters after 1978. The fiscal noose has been gradually tightening around the necks of legislators and governors, but it was not until fiscal 1983 that states reached the point where they felt the need to raise one of their major taxes.

Between fiscal 1978 and fiscal 1982, state tax revenue in relation to personal income fell from 6.98 percent to 6.48 percent. This downward trend in state tax burdens occurred nationwide, with only six states resisting the trend. This happened, of course, because of the "tax revolt." After Proposition 13 was enacted by California in 1978, most states responded by cutting sales and income taxes, either by reducing tax rates or creating new exemptions. (Earlier in the 1970s, tax burdens had been rising faster than personal income.)

The economy also slowed the growth of state taxes. The recession, which has dragged on with only a few brief respites since 1980, has caused corporate profits (and hence the corporate income tax revenues) to plummet, reduced the growth of personal income tax collections because of high unemployment and low wage increases, and cut into sales tax revenue because disposable income has been depressed. The recession has also caused the inflation rate to decrease. While this produces many desirable effects, it has one major drawback for states: It reduces sales tax collections.

Besides the recession, the lower inflation rate, and the legacy of tax cuts, federal aid cutbacks have added to state fiscal woes. Federal aid to state and local governments other than for payments to individuals is estimated to be $48.5 a billion in FY 1982, a 12 percent reduction from its 1981 level. Taking inflation into account, the cutback is more than 25 percent in just two years.

A survey conducted by NCSL's Fiscal Affairs Program staff during December and January documented just how serious state fiscal conditions were as legislatures returned for the 1983 sessions. Since the survey was released, new data may show the condition of several states to be even more severe.

The most widely used indicator of state fiscal conditions is the balance at the end of each fiscal year as a percentage of general fund spending. This measure is susceptible to misinterpretation, however, if viewed in isolation. For example, some states in the last two months of 1982 enacted major increases of sales and income tax rates. The year-end balance in these states is now expected to be positive, although forecasts of large deficits had prompted the tax increases. Therefore, this survey considered not only the year-end balance, but four other indicators as well: the actions already taken to deal with budget problems, the growth rates of spending and revenues, the frequency of shortfalls below anticipated revenues, and changes in state employment levels.

A very significant indicator of budget problems is that 31 states expected to conclude FY 1983 with a balance of 1 percent or less of their annual spending, including 20 states that anticipated deficits. Eight other states forecast balances between 1 and 3 percent of spending, and five states anticipate balances of 3 to 5 percent, for a total of 44 states with balances below 5 percent. The following table reports the prospective balances for 1983 in comparison with those for 1982. In all but four cases, 1983 surpluses are smaller than those that actually occurred in 1982.

TABLE 1.—YEAREND GENERAL FUND BALANCES AS A PERCENTAGE OF GENERAL FUND SPENDING, FISCAL YEAR 1982 AND FISCAL YEAR 1983

	Actual 1982	Projected 1983
New England:		
Connecticut	−1.3	[1] −1.9
Maine	2.9	0
Massachusetts	0	.7
New Hampshire	−10.9	−5.4
Rhode Island	.4	−4.0
Vermont	0	−2.5
Mideast:		
Delaware	[1] 7.9	[1] 5.3
Maryland	[1] 5.4	[1] 1.0
New Jersey	20	1.1
New York	[1] 1.5	[1] −3.3
Pennsylvania	0	−2.2
Great Lakes:		
Illinois	2.2	−1.5
Indiana	0	[1] 2.7
Michigan	−1.5	[1] −13.8
Ohio	1.0	[1] .9
Wisconsin	2.1	−7.7
Plains:		
Iowa	1.0	−4.0
Kansas	6.9	6.4
Minnesota	−13.3	−.2
Missouri	3.2	3.3
Nebraska	.4	2.5
North Dakota	25.0	2.3
South Dakota	7.3	2.4
Southeast:		
Alabama	1.4	0
Arkansas	[1] 5.2	[1] 4.9
Florida	[1] 5.4	[1] 0
Georgia	[1] 1.4	[1] .5
Kentucky	2.1	[1] .6
Louisiana	6.3	−3.5
Mississippi	[1] 2.9	[1] .3
North Carolina	3.3	0
South Carolina	[1] 4.2	[1] 1.6
Tennessee	[1] 2.4	[1] 1.1
Virginia	[1] 6.7	[1] −3.5
West Virginia	6.3	1.4
Southwest:		
Arizona	.5	[1] −11.9
New Mexico	[1] 18.2	[1] −3.2
Oklahoma	[1] 17.4	[1] 4.4
Texas	13.6	9.4
Rocky Mountain:		
Colorado	1.0	−6.1
Idaho	0	−16.1
Montana	9.9	4.2
Utah	3.0	−.6
Wyoming	52.0	[1] 11.0
Far West:		
California	[1] .5	[1] −4.5
Nevada	[1] 12.5	[1] 5.1
Oregon [2]	0	.3
Washington [2]	0	[1] −2.1
Alaska	[1] −7.1	[1] 8.8
Hawaii	17.1	3.7

[1] Includes contingency fund.

[2] Figures compare changes in the fiscal year 1979–81 biennium budget period to the fiscal year 1981–83 budget period. Annual figures are not available.

Many more states would have been classified as expecting a deficit were it not for the budget cuts and tax increases that have already been implemented. Likewise, most or all of the states now projecting a deficit will restore a balanced budget before the end of the fisal year by either raising revenue or reducing spending, or both. Only five states finished 1982 with deficits, although 13 had projected one in the January 1982 survey by NCSL.

Questions sometimes arise as to how it is possible for states to finish their fiscal years with deficits. In some states, the balanced budget requirement applies only at the end of a biennial budget period, not at its midpoint. Elsewhere, other states must adopt a balanced budget, but are not forced to make adjustments if an unexpected deficit arises. In most states, however, the actual budget (not merely the enacted one) must be balanced at the end of each fiscal year.

One of the most dramatic signs of state fiscal problems is that 35 states have already reduced spending below the level set when 1983 budgets were adopted. Most reductions were considered necessary to avoid deficits, although in some instances these

actions were taken to prevent balances from falling to an undesirably low level.

Most cuts were on an across-the-board basis, with exemptions for welfare, Medicaid, aid to local governments including public schools, and certain other program. In many states, however, aid to local governments has been reduced below the amount budgeted, although aid was often cut by a smaller percentage than funds for state agencies. In a few states, even income maintenance programs have been reduced.

These spending reductions are occurring on budgets that were fairly lean when originally passed. The average increase in appropriations for FY 1983 was less than 8 percent before the cuts.

From July to late November last year, the only response to disappointing revenue collections was to reduce spending. In the last 12 months of 1982, five states went into special session and increased their sales or income taxes, or both:

Minnesota raised its sales tax from 5 to 6 percent and added a surtax on the personnal income tax, which increases withholding by 10 percent. Both actions expire June 30, 1983.

Indiana raised its sales tax from 4 to 5 percent and also increased its income tax. Both actions are permanent.

New Jersey raised its sales tax from 5 to 6 percent and increased the income tax rate for returns over $50,000. Both actions are permanent.

Mississippi temporarily raised its sales tax from 5 to 5.5 percent effective in 1984 and increased its income tax beginning 1983.

Nebraska increased its income tax from 17 to 18 percent of federal income tax liability.

Many actions taken by states during 1982 were in the nature of stop-gap measures: They helped balance the FY 1982 budget, but often left unresolved problems for later years. Examples include:

Seventeen states speeded up tax collections.

Eighteen states deferred certain expenditures into the next fiscal year.

At least 16 states borrowed from pools of state money other than the general fund.

Several states borrowed unusually large amounts in the short-term credit market.

The median increases for FY 1983 after taking revisions into account are 5.5 percent for revenues and 6.4 percent for expenditures. These increases are lower than the inflation rate for goods and services states purchase (which has been increasing more rapidly than prices of consumer purchases).

Interpretation of increases for many states is difficult because of devices employed to maintain budget solvency. As noted above, 18 states deferred spending from one year to the next, while 17 states accelerated tax collections into an earlier year. Such actions can seriously distort comparisons between years.

Suppose, for example, that spending is planned to rise from $1 billion to $1.05 billion, a 5 percent increase. Then, in order to avoid a deficit in the earlier year, $.05 billion of spending is deferred from the first year to the second. Since the spending levels will now be $0.95 billion and $1.1 billion respectively, the percentage increase between the two years is nearly 16 percent rather than 5 percent. California, Colorado, Illinois, and New Jersey are among the states where this occurred.

Nearly every state reporting indicated that revenue was coming in more slowly than had been anticipated. Only three states responding to this question did not indicate that they faced a shortfall. States with particularly large shortfalls were Colorado, Idaho, and Michigan. States with large petroleum industries have not been spared in this recession. Collections have been depressed not only for severance taxes (i.e., those levied directly on the extraction of oil and gas), but also for personal and corporate income taxes and general sales taxes.

Employment policies also reflect the troubled economic times. After rising for 35 years, state workforces have been decreasing since mid-1981, according to data collected by the federal Bureau of Labor Statistics (BLS). NCSL survey data supports the BLS findings. Twenty-eight of the states surveyed reduced the level of their state workforce from 1981 to 1982. In comparison, the average annual growth of state employment was 3.3 percent from 1969 to 1980. The largest decreases in 1982 occurred in Nevada, New Hampshire, and Michigan where employment declined 16 percent, 10 percent, and 7.3 percent, respectively.

Other austerity measures include the following:

Twenty-one states have a hiring freeze in effect.

Seventeen states postponed, scaled down, or eliminated scheduled cost-of-living adjustments or merit increases for state employee salaries.

Some states took more drastic action, including reducing the hours worked during the work week, initiating mandatory furloughs of "payless vacation" days, and adopting a lagged payroll which lengthens each pay period until one entire payroll is deferred into the next fiscal period.

Fiscal distress is found in all regions of the country. Each of the eight regions has at least two states with a prospective deficit. In all regions except the Great Plains, at least half of the states anticipate a balance of 1 percent or less. New England has uniformly dismal fiscal conditions, with every state projecting a balance of 1 percent or less. Since year-end balances are misleading, however, New England is not in worse shape than the Pacific Northwest and the Great Lakes states. These two regions are the hardest hit in the country, but several states, such as Indiana, Ohio, Wisconsin, Oregon, and Washington, have already raised taxes and cut expenditures sharply. The Sunbelt is no better off than other regions. Deficit states in the South include Louisiana, Virginia, Arizona, and New Mexico.

Legislators and governors face tough decisions as they develop budgets for FY 1984. The magnitude of problems in the year beginning July 1 is even greater than for the current fiscal year. Early revenue projections, based on current service levels, indicate ballooning revenue shortfalls. Some examples:

California is forecasting a shortfall as high as $4.5 billion.

New York's impending deficit may be $1.8 billion.

Wisconsin and Minnesota face biennial budget gaps of $1.3 billion and $1.5 billion, respectively.

Reports from around the country, as well as the results of special sessions held in December, suggest that 1983 will see more increases of major state taxes than any year in more than a decade. This does not mean that states are increasing the size of government. As John Shannon, assistant director of the Advisory Commission on Intergovernmental Relations, said recently:

"The evidence suggests that a major state tax increase is a signal of fiscal desperation—not the proof that the big spenders are once again in the saddle. Since Proposition 13, a state government only turns to its citizenry for a major tax transfusion when it is clearly apparent that the state is suffering a severe fiscal hemorrhage—a large revenue shortfall due to the economic recession."

Tax increases of 1983 should be viewed in the context of the tax reductions of recent years. When states raise taxes in 1983, they will often be recouping some of the revenue given away during the recent period of tax relief.

In most states, budget deliberations in 1982 were more excruciating than usual, and that is also true in 1983. Legislators and governors do not enjoy raising taxes or cutting popular programs, but that course appears inevitable. Fiscal discipline is much stronger in the states than in the nation's capital—and fiscal discipline calls for swift action to eliminate the deficits that are confronting states across the country.●

TANNING INDUSTRY CONTRIBUTES TO NORTH CAROLINA ECONOMY

● Mr. HELMS. Mr. President, the tanning industry makes an important contribution to the economy of North Carolina. It supplies quality leather to the shoe industry, furniture industry, apparel industry, to name a few.

Recently, Mrs. Elinor Talmadge, president of the Tanners' Council of America, spoke at the council's annual meeting at Phoenix, Ariz. I ask that her message, entitled "What Every Tanner Should Know," be printed in the RECORD at the conclusion of my remarks.

The material follows:

WHAT EVERY TANNER SHOULD KNOW

(Speech of Mrs. Elinor D. Talmadge)

When I began to think about what to tell you, I was afraid nothing new had occurred since the Chicago meeting. A look at all the Council activities and year-end trade statistics reveal how rapidly the industry moves:

Since that meeting:

Regional meetings and seminars have brought together about 250 members to focus on compliance with environmental regulations.

The United States-Argentine agreement has been terminated and the imposition of the 5 percent import tariff has been reimposed. The benefits have already begun.

In January, United States and Japanese Government officials met in Geneva in the first step towards seeking resolution of Japanese unfair trade practices on leather.

Year-end statistics, now being assembled, mirror an industry very much reeling from changing world economic conditions but very much headed toward recovery. Europe is gaining momentum as a major U.S. competitor.

Also noteworthy since Chicago, a major tannery has been resuscitated.

I won't keep you out of the sun to long but I'd like to comment briefly on these points.

At last, culminating ten years of effort, the Really Final EPA effluent regulations have been released. You have contended

with a host of private industry meetings, industry-government and discussions; you have commented on preliminary regulations interim final regulations, and reproposed final regulations. You have faced uncertainty about future planning and necessary capital investments. In the last decade there has been over-spending and under-spending for pollution control equipment.

The impact of these regulations varies greatly—between direct and indirect dischargers, but even within these categories, variance exists from one area of the country to another. The regulations are tough and costly but technically, they are achievable. Companies are currently meeting the limits imposed. In the areas where zealous state EPA action stirred up earlier deadlines, members have been in compliance and even exceed the recently issued federal limitations. Members ask for legal and technical assistance as well as legislation for tax credits where their pollution control equipment betters the federally established limits.

At the seminars in Danvers and Milwaukee, members bombarded EPA staffer Don Anderson with questions to clarify their understanding of the regulations. Waivers, credits exemptions, and base line reports demand sophisticated designs and data. Quipped Council lawyer, Richard Schwartz, "In the 70's, you hired lawyers. In the 80's, you hired engineers."

The council will continue to help members understand and comply with these regulations. On March 7, we will initiate litigation to address company-specific problems with the final rules. The carefully defined areas invoke errors and omissions in data upon which the regulations were based. Tomorrow's report of the Board meeting during the business meeting will elaborate on this.

For the next Chicago meeting, two industry panels, one on water conservation and another on chrome control will be conducted to enable members to exchange experiences regarding the resolution of common technical problems. Future technical seminars are under consideration. I welcome your suggestions.

Another subject: "There is hardly anything in this world that some man cannot make a little worse and sell a little cheaper and the people who consider price only are his legitimate prey." (Ruskin.)

Tanners, too, are prey to international markets. Leather imports are down; exports are up; more leather was used in U.S.-consumed footwear and accessories in 1982 compared to the preceding year, all wonderful sounding facts but they don't tell the whole story. In 1982, consumers sought out quality and the percentage of leather used in product mixes went up. For example, in domestic shoe production, the percentage of leather in shoes went up from 52 percent to 54 percent, while plastics in domestic footwear declined from 26 percent to 22 percent. In footwear imports, leather pairage increased by 25.8 percent in 1982. Cost conscious consumers wanted a good return for their every purchase. Leather as "natural" was popular for garments, as informal dress gained in popularity.

Customs manifests are filled with accounts of shoes and uppers by the tons being shipped to American buyers—traditional U.S. manufacturers. Many of them are reluctant importers but must bring in finished or semi-finished products in recognition of the reality of competing globally. Retailers are forced to import lower priced Asian garments in order to keep their customary 60-75 percent markup. I learned from one of our members that American garment manufacturers are now importing part of their lines, i.e., not having their lines made overseas but purchasing ready made items to augment their U.S. made lines.

One and one-half percent more leather was exported last year then in 1981. In 1981, wet blue exports totalled roughly $56 million or about 20.3 percent of leather exports. In 1982 they totalled $94 million or 33.6 percent of leather exports. In 1981 wet blue not split was 1.7 percent of export share. Last year the same category was 13.7 percent.

Ramifications of the 5 percent tariff reimposition are beginning to be reflected in the year-end figures. Argentine 1982 imports, November and December dropped 31.2 percent compared to the same months in 1981. Since much of this was crust aimed for refinishing in Fulton County and final shipment to Asian markets, export levels eased correspondingly Total year—all leather—imports dropped 10.5 percent.

In 1982, tanners produced $1.5 billion in leather compared to $1.8 billion in 1981. U.S. footwear production was down approximately 15 percent with import penetration at over 60 percent.

Increasingly, Europe provides formidable competition for U.S. side leather tanners. American leather is shipped to low end Asian markets; what's coming in is Italian leather and footwear from the opposite spectrum. In 1982, $16 million of leather came from Italy and $22 million from the United Kingdom. Last year 25 percent of the value of non-rubber footwear imports came from Europe, representing $1.1 billion in shoes. On the other hand, U.S. leather exports to Europe totalled $41.5 million or less than 15 percent of all exports.

U.S. tanners, becoming more competitive offshore, sent leather to over 70 countries last year. Major recipients were China, Canada, Korea, Mexico, Hong Kong and the Philippines. Foreign buyers are increasingly attracted more to high quality U.S. upholstery and upper leather. Eleven percent of exported leather was shipped to the E.C. in both 1981 and 1982. Because of the increasingly robust dollar, the value of shipments grew. The Council's booth at the Semaine du Cuir will have fewer exhibitors this year because companies will be exhibiting with foreign point partners or foreign representatives—interesting sign of the times.

One more item you should know about: In your packets, I have enclosed the industry profile published by the Department of Commerce. This information is publicly available and widely distributed to banks, consultants and government agencies and anyone else who asks for information about the industry. I take exception to some of the information but you should know how the government describes you and your customers. The profile reiterates what we know well. The U.S. footwear and leather product manufacturers are increasingly weakened by imports. They are unable to compete with foreign goods.

The Department of Commerce profile predicted reduction in U.S. leather production because "hide prices are high" and "U.S. customers are rapidly deteriorating." I disagree with the assumptions and the projections. Although not as low as they should be, hide prices are not so high and tanners have enjoyed relative raw material stability for the past two years. Yes, regrettably, there is a degeneration in the number of U.S. customers but a world full of foreign customers wait to be approached. There is a lot of excitement in certain tanneries—for whom 1982 was a record year.

One of the side effects of a recession is that it surfaces problems and issues that top management in many instances should have been addressing all along. Often, the general optimism that prevails during good times tends to hide certain organizational weaknesses—an inadequate inventory control system, an unclear strategy, high overhead, lackluster lines. During a recession, such weaknesses become more glaring and if unresolved can critically impair organization; they must be recognized and corrected. In a word, the business must not only be managed, it must be managed differently. Those companies that do so will make the most out of the prolonged recession. These tanners will also be the ones leading the recovery that lies ahead.

As always, Council members represent a wide spread of activity. Some members are working six days, some four days. Members are establishing foreign joint ventures, expanding display rooms in tanneries, marketing consultants and reopening tanneries. We wish the new Westfield Leather Co. well.

Wettings for the last quarter were consistently ahead of 1981 fourth quarter despite the fact that companies reported as much as a 40% production loss for the same period. The real production totals are eclipsed by some low figures. I believe a lot of leather is being sold by more than a few members. The battlefield remains on foreign turf. On the ability of U.S. tanners to meet the accelerated demands of new customers—probably foreign—rests the success of this year.

Access to the world's best raw material (U.S. cattlehides) and the most sophisticated chemicals (those made at home) and possessing the highest rate of productivity, U.S. tanners and suppliers should have a good year. Indicators are optimistically upward, if international circumstances don't vitiate U.S. advantages.●

REPUBLIC AIRLINES

● Mr. ABDNOR. Mr. President, I am pleased to note that an old friend of my State is recovering nicely after a couple of difficult years. "Herman the Duck" is a trusted friend across South Dakota and has been plying the skies as the symbol for Republic Airlines and its predecessor, North Central Airlines, for many years.

Deregulation and recession have not been kind to rural America or "Herman" and there were some that said this bird was an endangered species. However, those of us that have known this Duck for many years knew it would weather the storm. While "Herman" has expanded his territory to nearly every corner of the Nation, he is still a welcome sight in four South Dakota communities and numerous towns and small cities across America.

Now that Republic Airlines and "Herman" appear back on the road to recovery, I was pleased to note the article in the March issue of Airline Executive outlining the excellent prognosis. I submit this article for the RECORD.

The article follows:

POISED FOR REBOUND—STILL DEBT-HEAVY, REPUBLIC AIRLINES HAS LAUNCHED AGGRESSIVE TACTICS DESIGNATED TO CONCENTRATE ITS RESOURCES FOR A STRONGER EAST-WEST NETWORK

(By Bill Sweetman)

MINNEAPOLIS.—It was no secret during the worst of 1982 that Republic Airlines, newly formed by the merger of North Central and Southern and the subsequent acquisition of Hughes AirWest, was one of the airlines on the financial community's critical list. But Republic is still airborne, and while last year's problem was to reach customers whose reaction to the airline's name was "who?", this year's efforts are directed towards telling the public, the bankers and the industry exactly what sort of an airline they are dealing with.

Marketing vice-president Dave Moran explains the nature of the image problem. "We made our new name at the same time as Jet Aviation, Midway, AirOne, Horizon—we arrived at the same time as a whole flock of names." Hence the headline-grabbing Wheat-Chex promotion, when airline tickets were actually given away with cereal boxtops, a development which only the most hardbitten cynic would have predicted. But, says Moran, "people know us now. We're beyond that stage."

Though 1982 saw Republic close to the edge, cutbacks stopped short of major alterations to the system and the fleet, and Republic entered the new year with the same route structure—still strongly reminiscent of the three parent airlines—and a large and varied fleet including the largest single force of DC-9s in the industry. Republic admits that its heavy load of debt precludes any sudden or dramatic moves to change the fleet, but the route system is more amendable to alteration.

Republic is in the process of re-orienting, rather than reconstructing, its system. There will be few new points added—the aftermath of PATCO makes the addition of new destinations hard to plan and sometimes impossible to excute in any case—but there will be increased emphasis on the longer-haul east-west services. These will get the lion's share of any extra capacity and extra promotion, stengthening the links among Republic's eight major hubs and typing the three subsystems into a single hub-and-spoke operation.

This operation got under way in earnest last year; all the airline's new sectors ran east-west, and included three important long routes: Minneapolis/St. Paul to Los Angeles and San Francisco, Detroit to Los Angeles and Memphis to both West Coast cities. Jack Manger, Republic's vice-president for long-range planning, says that plans for 1983 include "a number of possibilities on the shelf," but that the airline is determined to stay as flexible as possible. Slot allocations may frustrate the best laid plans, and with major airlines carrying out overhauls of their systems the attractiveness of a certain point to a competitor may diminish; fighting spirit is one thing, but moving into St. Louis or Dallas on a large scale against entrenched opposition is another. Overall, says Manger, the airline is likely to be moving into longer, higher-density routes, but there is an important qualification to be made; Republic sees its strength not just in the big cities, but also in the small feeder communities which its predecessors served for so many years. Thanks to its origins, Republic can feed, connect and through-plane on a scale which few competitors can hope to match, even in conjunction with local regional airlines. Its newly added service from Fort Myers to Detroit, for example, connects with 42 services and the flight continues to Toronto.

Concentration will be another keynote of 1983 on the Republic system. On the one hand, one aim is to get all the airline's segments up to at least three flights per day; some are still on two daily trips, which Moran considers to be a token participation. On the other hand, some sectors and some stations may not last out the year. Jack Manger explains that Republic "still draws subsidies in about 18 cities, and these end on September 30. We filed to get out of some as long ago as December 1981, but the CAB has not found replacement carriers." Around eight points will drop out of the system with the end of the Essential Air Service subsidy, Manger expects. But that is a minor dent in the carrier's 130-station system, and Manger believes that Republic can make money serving an airport which averages only 60 passengers a day. Traffic volume, though, is not the only parameter which dictates whether the airlines can keep running a certain service. Some points generate more continuing traffic than others; some are close to bigger routes, while others, carrying more traffic, may be "several hundred miles out in left field."

Operating such a system as a low-fare, high-volume carrier is hardly a realistic proposition. Republic is moving the other way, says Dave Moran: "The short-term future is with the business traveler. Tourism is seasonal and not too stable; there's a lot of discretionary income resting in banks." Sixty-three percent of Republic's traffic is business, and advertising and marketing are directed towards the non-vacation sector this year.

Perhaps the most important single program is the establishment over the entire system of a new Business Coach class, launched with a surcharge of just $10 over the normal full economy fare. Business Coach incorporates what Republic feels are the attributes of First Class which are most attractive to the business traveller: wider seats, better cabin service and segregation from the rest of the cabin. (Converting Republic's 163 aircraft into a two-class layout was no small operation itself—the biggest problem, according to Moran, was obtaining the necessary new seats from suppliers operating at recession levels—but was accomplished in 45 days.) Costly trimmings such as fine china and glassware, though, are absent. The name "Business Coach" was not chosen at random. "Many companies," notes Moran, "have policies which preclude people from flying first-class." The name and the relatively modest surcharge—which will be set at 10-15 percent once the service is established—should make Republic's new class more widely acceptable.

Business Coach is planned to move the airline's image away from the run of low-fare, high-volume carriers, and into a particular niche of its own. This year's advertising is aimed at a particular group, a strategy which suits, Republic more than the massive, big budget campaigns of the other major carriers. (While Republic is no longer a small airline, it serves so many cities that its efforts cannot be easily concentrated.) Advertising direct John Temple explains: "Most of the people who have been in the travel market have definite opinions about our parent airlines—in some cases these were negative. But now there's a high proportion of people who are just entering the travel market, between 25 and 34 years old." Some of Temple's main campaigns this year will be aimed at this audience, and vehicles to be used by Republic will include national magazines such as *Forbes, Business Week* and *Scientific American.* TV advertising will similarly be steered toward the target group, with an emphasis on late-night news programs being an example.

Republic also boasts what it claims to be the only fully computerized frequent-flyer program in the industry, another example of the airline's concentration on high-yield traffic. Called Fast Track, the system uses information from the reservation's computers to update the traveler's mileage record in real time; there is no need for the participant to keep his or her own log. Fast Track has been in operations since February 1982, but only now, according to Temple, has there been time to give it the sort of promotion it really needs.

While the system and the product can be and will be overhauled, Republic is currently limited as to what it can do with its means of production—its fleet. Financial problems forced the airline to delay acceptance of new McDonnell Douglas Super 80s, ordered before recession hit the industry; while the company now has a revised agreement with McDonnell Douglas, it will unquestionably be some time before Republic has as many of the more efficient new aircraft as some of its key competitors. Nine Super 80s will be on strength by the middle of this year, but so far no other deliveries are expected until early 1985. It may prove possible for the airline to release some of its less efficient aircraft—Boeing 727s and early-model, shortbody DC-9-10s—before that time.

A unique feature of the Republic fleet is likely to remain in place for some years to come—its tough if elderly Convair CV-580s, the only propeller-driven aircraft to be operated by a major U.S. airline. The Convairs still serve parts of the network that make neither operational nor economic sense for a jet, and seem certain to survive the trimming of the system which will follow the end of Essential Air Service subsidies. The CV-580s are still suited to short sectors around some of the major hubs: from Minneapolis to the Dakotas and Wisconsin or from Memphis into Mississippi and Alabama.

Republic's revised agreement with its financiers, announced last year, has at least reduced the pressure which its near-$400 million in long-term debt was placing on the airlines operating finances. Encouragingly, it proved possible to extend the simultaneous debenture offering; intended to raise $50 million from Wall Street, it provided $75 million to help pay for badly needed new Super 80s and other operating expenses. But it is certain that the next year or so will be not one bit easier for Republic than for most other carriers in the business.●

THE NUCLEAR FREEZE: FACING THE HARD ISSUES

● Mr. LEAHY. Mr. President, on Friday, March 11, two articles appeared in the New York Times regarding the nuclear freeze. One was a critical editorial castigating both sides in the freeze debate for indulging in pieties and self-righteousness. It chastises the nuclear freeze movement for failing to address basic questions about how a freeze could be made to

serve the goals of arms control. To quote the editorial, "the freeze idea has become a catchall to exploit fear and discontent."

The second article, a piece by columnist Tom Wicker, discussed in a more positive way a number of important and difficult issues supporters of the freeze are coming to grips with as the freeze evolves from an appealing idea into a pragmatic guideline for designing a verifiable proposal.

What is common to both articles is that they illustrate the task before nuclear freeze advocates, that is, to deprive critics and opponents of their present ability to attack the freeze as a well-meaning but simplistic slogan. The freeze movement must grapple with the specific issues if a freeze is to have credibility as the basis for a workable American arms control proposal. Such issues include how a freeze proposal would be structured so as to deal with the problem of first strike weapons; what would be done to insure the reliability and survivability of stabilizing systems such as ballistic missile submarines; what measures could be adequately verified, and, equally difficult for some freeze advocates, what otherwise desirable measures cannot be adequately verified—and therefore must be left for future efforts; how to take into account the thorny problem of the imbalance of intermediate range nuclear forces in Europe, the duration of a freeze, and what kind of negotiation is to follow.

If it is to be credible, and durable, the freeze movement cannot duck or ignore these hard questions. As a committed supporter of a mutual, verifiable freeze as a first step toward deep reductions and stringent controls on the qualitative competition, I believe the freeze movement can and is facing up to these issues. Serious analysis is being done by some freeze supporters and organizations. Unfortunately, as yet little of it is reaching a national audience. This is leaving the freeze movement vulnerable to criticisms such as we have recently heard from the President and Secretary Weinberger. It is vital for the health and future of the freeze movement that we study these hard issues without illusions about the difficulty in finding good answers. We must all share our thinking and cooperate in finding solutions to legitimate concerns about the specifics of a nuclear freeze proposal. I will be speaking to my colleagues in more detail about this task again in the near future.

Mr. President, to draw attention to the challenge before us freeze supporters, I ask that the New York Times editorial and the Wicker column be printed in the RECORD.

The material follows:

[From the New York Times, Mar. 11, 1983]

THE LORD AND THE FREEZE

After all the pieties, on both sides, about a nuclear "freeze," can we please get back to policies?

Most members of Congress are now merely mouthing an arms control slogan with proven voter appeal. When pushed to define it, they are all over the lot. Some would freeze arms production, testing and deployment by agreement with the Soviet Union; others would do it unilaterally. Some want a freeze as a prelude to arms reductions; others want reductions and then a freeze. Some want to pressure the President to negotiate faster; others think their freeze formulas support his diplomacy.

Thus the freeze idea, once a useful prod to an Administration lukewarm toward arms control, has become a catchall to exploit fear and discontent.

But turn away from the sheep and you confront even greater sanctimony in the wolf.

Having failed in a shabby effort to brand the freezenicks as dupes of the Kremlin, Mr. Reagan now approaches arms control through the Gospel. "There is sin and evil in the world and we are enjoined by Scripture and the Lord Jesus to oppose it with all our might," he says. Anyone who suggests that American and Soviet policies share blame for the arms race commits the sin of pride by removing himself from "the struggle between right and wrong, good and evil." Heaven spare us.

The larger shame of such inflammatory talk is that the President could make a perfectly reasonable policy case against those who actually mean to freeze arms development here and now:

1. Though each side has more than enough weapons to blow up the world, imbalance in their number and quality can be dangerous. Missiles that threaten retaliatory forces could in a crisis, tempt either side to shoot first. A workable freeze has to proscribe such a first-strike capacity.

2. Many technological advances can escape reliable detection. An effective freeze would only limit weapons that are verifiable and at levels where hidden improvements would make no great difference.

3. A nuclear freeze cannot protect against non-nuclear breakthroughs. The invention of a way to locate missile-bearing submarines, for example, would require their prompt modification to guard against surprise attack. No static freeze will ever work; every agreement must anticipate another.

Any limit, whether called freeze or reduction, requires negotiation. A unilateral freeze would only remove incentives to negotiate: And only continuing negotiations will preserve confidence in the frozen levels of weaponry, allay suspicions and assist in cooling crises.

There's a reasonable case, too, for criticizing the President. He has been sluggish about negotiating an arms deal; some of the weapons he wants will complicate, not facilitate, the task; and he is poorly staffed for serious bargaining. But these concerns argue for selective opposition to some of the weapons proposed, like the MX. And they argue for a political effort to hold the President responsible for lost opportunities.

Mr. Reagan is naïve if he thinks that the technologies and suspicions of God-fearing societies cannot push an arms race just as hard as those of a godless tyranny. His critics are naïve if they think self-righteous resolutions will push the President into security deals he does not trust. The real issues of arms control and reduction are hard enough without all these platitudes.

AN EVOLVING "FREEZE"

(By Tom Wicker)

On the day the House Foreign Affairs Committee approved, 27 to 9, a compromise nuclear freeze resolution, President Reagan in a warlike speech to a religious group denounced the freeze idea as a "very dangerous fraud" that "at current levels of weapons would remove any incentive for the Soviets to negotiate seriously."

Mr. Reagan may not have read the text of what the House committee actually approved. When and if he does (the issue may reach the full House next week) he will find that the resolution does not call for an immediate, unconditional, stop-in-your-tracks freeze of American and Soviet nuclear forces, achieved by some magical stroke from on high.

Rather the resolution establishes several objectives that Congress calls upon Mr. Reagan to seek in transformed Soviet-American nuclear arms negotiations. The most significant of these objectives is as follows: "Deciding *when and how* to achieve a mutual, verifiable freeze on testing, production and further deployment of nuclear warheads, missiles and other delivery systems. . . ." (Emphasis added.)

Mr. Reagan, however he may have misstated or misconstrued the text, obviously did not underestimate the importance of the committee's action. It aproved a "joint resolution"—not a mere nonbinding statement of the "sense of Congress." If passed by House and Senate, the President would be required either to sign or veto it: if he signs, the resolution would have the force of law, and if he vetoes, he probably would face strong political reaction in this country and among the European allies.

No doubt some of those who voted for a nuclear freeze, in numerous state and local referendums last year, will also be surprised to learn that the Congressional resolution calls for it to be negotiated by the superpowers, not merely proclaimed. One of the political attractions of the freeze movement was its apparent simplicity; overnight, so it seemed, there would be no more testing, production or deployment of additional nuclear weapons on either side.

Actually putting a freeze into effect could hardly be that simple—particularly a freeze that was always designed, despite the slurs of opponents, as "mutual and verifiable." Achieving such a freeze will be further complicated by the strong opposition of the Reagan Administration; Mr. Reagan himself continues to impugn the patriotism of freeze supporters, terming them "those who would place the United States in a position of military and moral inferiority."

The joint resolution approved by the House committee attempts to deal with the complexities of putting a freeze into effect. What, for example, would be done under a freeze about replacing worn-out weapons or delivery systems? What verification agreements might be necessary? Would such potentially vital matters as research and development in antisubmarine warfare be ruled out?

A freeze to be negotiated exposes as hollow Mr. Reagan's contention that it would remove Soviet incentives to negotiate. Some months ago, in the so-called Start talks, Moscow indirectly raised the possibility of a reduction in strategic missiles and bombers to about 1,800 on each side—a 25

percent cut for the Russians, a 10 percent cut for the U.S. Why would Moscow be less interested in achieving such a reduction as part of a mutual and verifiable freeze?

As for the European theater, an immediate freeze at "current levels" would leave the Russians an advantage in numbers of intermediate-range missiles. But in negotiating for a freeze, the President still could seek a reduction in the number of these IRBM's, under threat of deploying American Pershing 2's as a counter; Congressional and other sources say the terms of the joint resolution "would not preclude" deployment of Pershing 2's as part of an overall freeze agreement.

Alternatively, in negotiating such a freeze, Mr. Reagan could rely—as the U.S. and NATO did in the 60's and 70's—on land- and sea-based intercontinental missiles to deter a Soviet missile attack on Europe. One of the objectives set by the freeze resolution is to combine the two current sets of nuclear arms negotiation—one on theater missiles, the other on strategic weapons—so that an overall Soviet-American nuclear balance could be struck.

Such a negotiated freeze would not even preclude some new weapons deployment on either side, its proponents say, as long as the overall limits of the freeze were observed. A new single-warhead missile might be substituted, for example, for one or two multiple-warhead missiles.

Even after he studies its text, Mr. Reagan is not likely to come around to support of the freeze resolution. It unquestionably represents a Congressional effort, backed by strong public opinion, to force a new direction on his arms control policy, and it may yet confront him with one of the most difficult and important decisions of his Administration.●

COMMEMORATING UKRAINIAN INDEPENDENCE DAY

● Mr. DECONCINI. Mr. President, January 22, 1983, marked the 65th anniversary of the Proclamation of the Ukrainian National Republic, whereby Ukraine declared its independence from Russia in 1918, and the 64th anniversary of the Proclamation of the Act of Union, whereby the Ukrainian National Republic was joined by Western Ukraine in 1919 to form one sovereign and independent nation.

Liberating themselves from two centuries of foreign domination, the Ukrainian people proclaimed themselves a free and independent nation dedicated to democratic principles. Although a spectrum of nations hailed this noble effort toward self-government, the recognition which was granted by the Soviet Government was duplicitous in nature. Despite the fact that the Soviet Government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by it both by military aggression and subversion from within.

For 3½ years the Ukrainian people waged a gallant struggle in the defense of their country, alone and without aid from Western nations, but were ultimately overpowered by a numerically stronger and better equipped Russian Bolshevik aggressor. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic.

Since the 1920 Soviet occupation of the Ukraine, the largest non-Russian state in Eastern Europe, the Soviets have continued to abridge the rights of Ukrainians. Geographically contained within the Soviet Union proper, the Ukraine has been confronted by a campaign of cultural genocide undertaken by the Soviet Government. Consistent with the traditions and principles of a free and independent nation, we in the United States salute the aspirations and efforts of the Ukrainian people for basic human freedoms.

Several examples well serve to illustrate the nature and degree of Soviet repression:

Mykila Rudenko, born in 1920 in a village in the Voroshylovhrad region of Ukraine, was drafted and served in the Red Army in 1939, was wounded, and spent an entire year in various hospitals. Rudenko received numerous medals for his service during the war.

After the war, Rudenko began writing. He also served as the party committee secretary of the Ukrainian Writer's Union. Concerned about human rights, Rudenko joined the Soviet branch of Amnesty International. In 1975 he was arrested. A few days following his arrest, Rudenko was released but found himself expelled from the Ukrainian Writer's Union.

In late 1976, Rudenko helped in the formation of the Kiev Public Group to promote the implementation of the Helsinki accords. He became chairman of the group which pointed out violations of the Helsinki accords signed by the Soviet Union.

On February 5, 1977, Rudenko was again arrested and charged with allegedly possessing $36 in American currency. According to dissident sources in Ukraine, this charge was intended to disassociate Rudenko from human rights considerations under the Helsinki agreement. There have been indications that his life may be in danger due to injuries sustained during the war and tortures and interrogations by the KGB. Rudenko has not yet been tried on the charges against him.

Another case concerns Valentyn Moroz, a history instructor born in 1936 in the village of Kholoniv in the Ukrainian S.S.R. At a point in his life, Moroz began to realize that he and his fellow Ukrainians were being robbed of dignity and freedom as human beings, and of culture and traditions as Ukrainians. He began to protest in his writings. His advocacy of individual, cultural, and national freedoms, guaranteed by the Soviet Constitution, was interpreted by the Soviet Government as "anti-Soviet propaganda and agitation." The Ukrainian historian, for crimes of thought and expression, has been incarcerated within the penal system of the Soviet Union for all but 9 months since August 1965. He is not scheduled for release until 1984.

In similar fashion, the religious beliefs of the Ukrainain people are constantly undermined. Religion is the most logical area for attack because it is the last storehouse of their folk customs and ethnic identify. Strict supervision of religious activities has led to the destruction of both the Ukrainian Orthodox and the Ukrainian Catholic Churches. Students are given Sunday sessions to prevent their attending church. Holy days, such as Easter and Christmas, are declared workdays. Churches are forced into disrepair and new priests are not allowed to replace old ones. Even more alarming is the growing number of arrests and persecutions of the churches' clergy and their faithful members.

The dreams of the Ukrainian people for their independence and freedom have been kept alive despite systematic efforts to suppress Ukrainian ideals and aspirations. Years ago, Stalin and the Soviet apparatus, including the Red Army and the Soviet secret police organized an artificial famine to crush Ukrainian resistance to Russian rule. Mass starvation began. No one knows how many people died during the great famine of 1932-33, but Alexander Solzhenitsyn states that approximately 6 million Ukrainians died as a result of the artificial famine. In his memoirs, Sir Winston Churchill said that Stalin told him in 1943 that there were 10 million casualties during the great famine.

The oppression of the Ukrainian people, as a people, continues today. The Soviet Government's policy of Russification is aimed at obliterating all other cultural identities and stamping out all other languages. Ukrainian culture, tradition, and history, are subverted. The language of the Ukrainian people has been suppressed as the Russians mutilate their orthography and require all lecture materials in institutes of higher learning to be in the Russian language. Such a continual and pervasive tragedy should not go unnoticed.

The goal that the Ukrainian people seek, and for which they are punished is the realization and promotion of fundamental human rights and basic freedoms, long recognized by the United States as having valid universal significance. In accordance with the basic principles supporting human rights, self-determination, and national independence, we of the United States of America in Phoenix and all Ukrainian Americans, in celebrating their culture and reaffirming their hopes and aspirations. Theirs is the heritage of a proud and independent people from whom we can all learn

and to whom we can all offer our support and prayers.●

TRIBUTE TO CONGRESSMAN DON YOUNG'S TENTH ANNIVERSARY

● Mr. MURKOWSKI. Mr. President, and my fellow colleagues, for the past 10 years, the people of Alaska have said with great pride that their Congressman is DON YOUNG. I rise today to pay tribute to this fine man on the 10th anniversary of his taking his oath of office.

DON YOUNG's home is Fort Yukon, Alaska. For those Members who have never been to Alaska, Fort Yukon is a large village in the interior of Alaska about 7 miles above the Arctic Circle. There is an old Alaskan saying that to be a true Alaskan, one must see Alaska from the banks of the Yukon River. Fort Yukon is a town located on the Yukon River, one of the largest rivers in the Western Hemisphere. DON YOUNG is noted for his career as a riverboat captain on the Yukon River, and as a schoolteacher in Fort Yukon.

DON's service in Congress followed a distinguished political career in Alaska where he served as a member of the Fort Yukon City Council, mayor of Fort Yukon, a member of the Alaska State House of Representatives and a member of the Alaska State Senate.

A tragedy set the circumstances for Congressman YOUNG's journey to Washington, D.C. A plane crash in Alaska resulted in the tragic loss of Alaska's Congressman Nick Begich and Congressman Hale Boggs. A special election was held which DON won with an overwhelming victory.

DON's experience as a riverboat captain, schoolteacher, and State Senator, was good background for representing Alaska in the House of Representatives. He stands alone as Alaska's sole U.S. Representative in the body of 435 people where he speaks out on the concerns of his constituents.

Congressman YOUNG has served the people of Alaska well during his 10-year tenure. He successfully fought for passage of the Indian Health Care Act, the 200-mile limit bill, and many other important bills. Perhaps one of his most significant challenges occurred as he arrived in Washington in 1973 and was faced with the responsibility of shepherding the Trans-Alaska Pipeline Act through the House of Representatives. His influential position on the House Committee, on the Interior and Insular Affairs, the Merchant Marine Committee, and the Select Committee on the Outer Continental Shelf have provided the opportunity to Guard Alaska's interests in Congress. DON's work with mineral resources, fisheries management, and environmental concerns have garnered his proven record of achievement, knowledge, and service to the people of Alaska.

Being the only Congressman for Alaska in the House of Representatives has not always been an easy job. During the Alaska lands debate, Congressman YOUNG had to be a watchdog and its defender for Alaska. DON often faced criticism and overwhelming odds against the position he represented, but through dedication, conviction, and the use of his legislative skills he won many crucial amendments for Alaska during that debate.

In closing, I would like to state that DON has been without a doubt one of the most tireless workers among the Members of Congress. He has been resourceful in getting his viewpoint across and through his articulation and debating skills he has made many Members aware of Alaska's unique lifestyle and her needs.

The State of Alaska has been well served by Congressman YOUNG for the past 10 years. It is my deepest hope that DON's next 10 years as a member of the Alaska congressional delegation will be as fruitful and eventful as the preceding decade. I would like to take this opportunity to thank the Honorable DON YOUNG, as an Alaskan and as the representative for all Alaskans, for a decade of excellent service to his State and his country.●

THE TRUTH ABOUT JUSTICE DEPARTMENT "CENSORSHIP"

● Mr. SYMMS. Mr. President, an unusual event occurred 10 days ago on the weekly television show "Washington Week in Review." A veteran reporter, Charles McDowell of the Richmond Times-Dispatch, criticized newspaper accounts of the Justice Department's recent "censorship" of three Canadian films as inaccurate and misleading. Mr. McDowell, who took the highly unorthodox approach of actually examining the facts underlying this controversy before commenting on it, pointed out that the action of the Justice Department amounted to nothing more than the routine enforcement of a previously noncontroversial law which has been in the statute books since before World War II. This view has since been seconded by Jody Powell in a column for the Washington Post. It turns out that the "censorship" for which the Justice Department and the Reagan administration have been so loudly and indignantly denounced consists of letting people know when films designed to influence American public opinion for political purposes are sponsored by a foreign government, a description which clearly applies to these films. Oddly enough, when the Justice Department required the same kind of labeling for some South African and Israeli films a few years ago, the press did not find it newsworthy. Nor do I recall any cries of outrage from the civil liberties crowd.

The members of the news media, who in this instance have so egregiously failed to report the facts, clearly owe an apology to the Justice Department, the administration, and, most of all, to the American people. There is not much chance that one will be forthcoming, however. Very few reporters in this town are as intellectually honest as Charles McDowell.

Mr. President, I ask that a partial transcription of Mr. McDowell's comments and Mr. Powell's article be printed in the CONGRESSIONAL RECORD.

The material follows:

REMARKS OF CHARLES MCDOWELL ON "WASHINGTON WEEK IN REVIEW," MARCH 4, 1983

CHARLES MCDOWELL. I suspect that in the case of this controversy, there is less to it than meets the eye. The controversy—the furor in the news media—is about three films from the very prestigious national film board of Canada. These films, incidentially, one says that nuclear was is not a good idea, and too say that acid rain is not good for you. The news media—or whatever we are—sort of seized upon this and made it seem that the Justice Department had leapt forth onto these films in some fury of ideology an classified them as political propaganda in a blatant effort to inhibit free Americans from seeing these films. We were given every chance to get the impression, in a lot of our own papers, that this was an unprecedented action, that it was clearly an ideological action from a right wing government, that the requirement was that these films be labeled, literally, propaganda films, that names would be taken in certain theaters and delivered to the Justice Department if you saw the film. Well, given such evidence some fairly reasonable members of Congress could shout that this was totalitarianism. I think I have to suggest from looking at it a while and talking to some people on all sides of the freedom of information issue that a lot of the reporting that some of us have done has been grossly exaggerated and careless.

PAUL DUKE. What are the true facts?

CHARLES MCDOWELL. Well, here are the true facts. The Foreign Agents Registration Act, under which this action was taken, has been enforced since 1938, the time of the Nazis. It's been steadily enforced, not just for films, but for foreign agents, people that come to sell things from their country, or to influence us. Under Ford and Carter—two rather benign Presidencies in this field—there was a much heavier enforcement of the film part of the act than under anybody else. The Reagan Administration has dealt with five films before this, nothing much was said about it. There is no requirement that the films be labeled propaganda, as a matter of fact. The requirement is that the source of the films be stated on the film and that the foreign agent who produced the film is registered at the Justice Department, etc. There is no name taking, that was a west coast film exhibitor that didn't know what he was talking about. There is no name taking involved. And there is no evidence up till now that reporters who have really looked into it, or that the ACLU has found, that this was a political decision. It was a decision made at a relatively low level of the Justice Department by a civil servant whose been there through several adminis-

trations and it was made under the law. Now, that leaves the question, is it a really bad law, that gets these innocent movies?

HARRY ELLIS. Well then that does raise the question because the law would seem to imply that Americans are not intelligent enough to decide when they see something or read something, whether its good or whether its bad.

CHARLES MCDOWELL. The intent of the law as passed, Harry, as I say, way back before World War II, was to make sure Americans knew where this thing came from. Several of, and not much more than that, apparently, several of the films that the Carter and Ford Administrations dealt with, were films from South Africa, and I think if you look at those films, coming from a government entity, telling us how wonderful things are, in a segregated country, or something, we—and maybe our children—deserve to see a warning that this comes from the government of South Africa, a registered foreign agent. Now this law says, and its very broad, it says if a government agency puts out a film, not an artist, a government agency puts a film into the United States that attempts to influence American public opinion, it falls under this act, and it must be registered and it must have this label, etc.

PAUL DUKE. But isn't there a broader issue at stake here, freedom of speech, and on some counts, at least, this Administration has not been zealous in defending free speech?

CHARLES MCDOWELL. I think that sets up the context for this Paul, and I just think the Administration has gotten a bum rap on this one.

[From the Washington Post, Mar. 10, 1983]

IT WASN'T CENSORSHIP

(By Jody Powell)

By now, most of the nation and a good portion of the world are familiar with the story of how the U.S. government has begun to censor films. As soon as news stories revealed that the Justice Department had "labeled" three Canadian films as "political propaganda," politicians, editorialists and commentators rose in righteous indignation.

"The book burners of the 1950s have become the film blacklisters of the 1980s. The attorney general has dropped his own iron curtain across the movie screens of America," charged Sen. Edward Kennedy. The New York Times decided that the Justice Department had "shamed America's democracy." "Philistine ignorance, declared columnist Anthony Lewis. "Outrageous and unconstitutional," said the American Civil Liberties Union. "What country is this? What decade?" asked The Washington Post. "Stupid," declared Jody Powell on ABC's David Brinkley show, going on to imply that the action was unprecedented and political.

Now, more than a week later, it is clear that the real story is that those cited above, and quite a few more, went off half-cocked. Our rhetoric exceeded our knowledge of the facts by an embarrassing margin.

There is no requirement that a list of viewers be sent to the Justice Department—contrary to reports by CBS, The New York Times, The Washington Post, the Baltimore Sun, columnist Mary McGrory and others, although the names of organizations that show the films must be filed.

Nor does the label that must be attached to the film contain the words "political propaganda" or any other pejorative description of the contents of the film. The label simply states that the material is sponsored by a foreign government or one of its agents—which is not in dispute with regard to these three films—and that registration of the film with the U.S. government does not indicate approval of its content.

The decision to require labeling is not necessarily based upon a determination that the film advocates "the violent overthrow of the government" or "promotes dissension," as implied by several news reports and editorials. Those criteria are in the law, but labeling can also be required solely on the grounds that the material is an attempt to influence the policies of the government—which all three of these films clearly are.

(One of the films, on nuclear war, probably does fall into the "promote dissension" category since it urges right-thinking Americans to occupy and close down SAC bases. Nor can that film be accurately described as a "documentary," as it was in some news reports. The Canadian Broadcasting Co. refused to air it because of "excessive bias.")

The action on these films is not unprecedented. Dozens of films were so labeled during the '60s and '70s, including "A Conversation With Golda Meir" from Israel, "African Powerhouse" from South Africa, "Trade—Who Needs It?" from Japan, and "Flag of Freedom" from South Korea.

Some of the confusion and then misinformation resulted from an inexplicable delay by the Justice Department in getting out its side of the story. It took almost a week to come up with 23 other films that had been labeled, and it was not completely accurate. But that does not excuse excesses of journalists and commentators, including this one.

In short, the Justice Department appears to be correct in its original claim that it was simply enforcing the law and that the law itself is less Orwellian than some would have us believe. But that is not to say that improvements may not be in order.

One can argue that the reporting requirement, although limited to the names of organizations that show or buy the film, might have a chilling effect on the free flow of information.

A case can be made that the wording of the disclaimer and the label "does not indicate approval . . . By the United States government" can be read to imply disapproval, although I personally have no objection to the American government's saying flat-out that it disapproves of views promulgated by another government any time it feels like doing so.

The term "political propaganda" with its undeniably negative connotation does appear in the law, and there is some evidence that the selection of films to which it is applied may be influenced by the political philosophy of the administration in power.

Repeal of the law would be an overreaction. A foreign government that is trying to influence American policy should be willing to own up to it. If some group with an attractive name of indeterminate origin puts out a film on trade policy, human rights, the Middle East or petroleum, those who view it have a right to know if the organization happens to be financed by Japan, South Africa, Israel or Saudi Arabia.

If we can get past all the wailing and flailing about, a simple requirement that any film sponsored by a foreign government, whatever its content or purpose, be clearly identified as such would avoid much litigation, misunderstanding and paper work.●

INTERNATIONAL BROADCASTING AND CONGRESSIONAL GALLERIES ACCREDITATION

● Mr. HUMPHREY. Mr. President, previously, I have brought to my colleagues' attention the incredible fact that the Voice of America and Radio Free Europe/Radio Liberty correspondents are denied accreditation to congressional press galleries. Until this wrong is corrected, it would appear that Congress condones the fact that correspondents from the United States' own international broadcasting systems are treated like second-class citizens while Soviet and East German correspondents, among others, have access to the galleries.

A recent commentary by noted columnist Donald Lambro forcefully argues against this injustice. I hope my colleagues will read this article and support efforts to correct the situation. I ask that this commentary be printed in the RECORD.

The commentary referred to follows:

VOA'S BID TO COVER CONGRESS BLOCKED

(By Donald Lambro)

A shameful double standard is being practiced by the congressional press galleries, where government journalists from the Soviet Union to Communist China are allowed membership, but not reporters for our own Voice of America.

An internal VOA memorandum sent Jan. 27 to the agency's director, Kenneth Tomlinson, says that the long-enforced discrimination against the VOA is a "national disgrace."

Tomlinson, who is said to be "infuriated" over the practice, has ordered an "all-out effort" to end Congress' exclusionary rule by appealing directly to the Senate Rules Committee, chaired by Sen. Charles Mathias of Maryland, and to House Speaker Tip O'Neill.

According to the memorandum, VOA reporters have "encountered great difficulty in gaining access to congressional hearings or press conferences" because they have been denied membership accreditation. "This has caused VOA writers difficulty, not to mention humiliation, in carrying out their reporting assignments," the memo reported.

As a result of reciprocal international agreements concerning foreign press access, House and Senate radio and TV gallery members include Radio Moscow, East German radio and television, the British Broadcasting Company and many other foreign-government news services.

Similarly, the print media's press galleries grant membership to the Soviet's Tass News Agency and the People's Republic of China news service, as well as other government-run news agencies from Yugoslavia to Hungary.

Even reporters from our own federally financed National Public Radio (NPR) and the Public Broadcasting System (PBS) are duly accredited members of the press galleries—but not VOA reporters.

The VOA broadcasts to an estimated audience of more than 100 million people around the world, many of them in communist countries. It has earned a reputation for maintaining the highest professional standards. Its charter mandates that the

VOA be an "accurate, comprehensive and objective source of news."

Significantly, the correspondents who work out of Congress' radio and TV gallery do not oppose VOA membership. The real opposition comes from the press gallery and its Standing Committee of Correspondents, which oversees gallery membership.

The device they use to keep VOA out is Senate Rule 34. That rule says that members of the press galleries cannot be "employed in any legislative or executive department or agency of the government or by an foreign government." The exceptions, of course, are the various government-owned foreign news agencies. At last count, more than two dozen government/funded foreign news services were members of the galleries, in addition to the federally funded NPR and PBS.

But the VOA is not alone in protesting its shabby treatment. In 1979, the 1,300-member Radio Television News Directors Association adopted a resolution that called on Congress to end its discrimination toward VOA reporters.

Moreover, in a recent report, the House Foreign Affairs Committee declared its opposition to the "continuing denial of accreditation to VOA correspondents."

"There is no justification for discrimination against U.S. media entities which are government-financed or controlled," the House committee said.

Yet the Standing Committee of Correspondents has persisted in its opposition to VOA membership. In fact, it has carried its double standard to the point of threatening to revoke membership for any American reporter who even works on a part-time freelance basis for the VOA.

Recently, William Pritchard, 39, a reporter for the Ottaway News Service, which serves a chain of 20 U.S. newspapers, was warned that he would lose his gallery membership if he continued to host a weekly 15-minute interview program for the VOA on African farming problems.

Pritchard—whose scrupulously objective work in no way conflicted with his full-time coverage of Capitol Hill—was forced to drop the program.

"It's going to take a bit of dough out of my pocket," he says. "But I really had no choice. I couldn't continue to do my regular work here without accreditation in the galleries."●

TELEVISING OPEN HEART SURGERY

● Mr. DECONCINI. Mr. President, KAET-TV, channel 8, in Phoenix, Ariz., recently broke new ground in television viewing with a live broadcasting of a triple bypass operation. The operation was picked up by 93 public broadcasting stations in 33 States. I am proud to recognize the achievements of KAET, Arizona State University, which public broadcasting station KAET is affiliated with, and the Corporation for Public Broadcasting in their willingness to fund programs such as these. I also salute the St. Joseph's Hospital, Dr. Edward Diethrich, director of the Arizona Heart Institute and Dr. Diethrich's patient, Bernard Schuler.

At this point I ask that an article from Time magazine of March 7, 1983, commemorating this event be printed in the RECORD.

The article follows:

LIVE FROM THE OPERATING ROOM—OPEN-HEART SURGERY AS ENTERTAINMENT

While millions of Americans watched Linda Ronstadt rock through "Get Closer" on last week's Grammy Awards show, millions of others were tuned to a distinctly different beat: the gentle, vivid pulsations of a human heart. For the first time ever, major surgery was broadcast live from an operating room. But whether the performance was a credit to medicine or show biz is a matter of some debate.

The star of the show was Cardiologist Edward Diethrich, 47, the deeply tanned, photogenic director of the Arizona Heart Institute in Phoenix. Among his previous credits: performing triple-bypass surgery on Arizona Senator Barry Goldwater last year. Diethrich's co-star and patient was Bernard Schuler, 62, a retired insurance salesman, who spends his winters in an Arizona trailer park. Schuler, a smoker for 41 years, had suffered a mild heart attack in 1977. A continued buildup of fatty deposits in his coronary arteries made him a prime candidate for a more serious second attack. Schuler's physicians recommended coronary bypass surgery, in which a blood vessel, taken from the leg or elsewhere in the body, is used to reroute the heart's blood supply around clogged vessels. More than 110,000 such operations are now done each year.

"I really have no other choice," said Schuler before undergoing the surgery at St. Joseph's Hospital in Phoenix. "This is the only way to go if I want to live." It may also have been the only way he could pay for the $20,000 operation. The hospital agreed to take just the $10,000 he would get from insurance and write off the rest. Said Schuler: "I couldn't turn the deal down."

For Diethrich, and many other surgeons, performing on-camera was nothing new. His operations had been videotaped for doctors and nurses for nearly a decade. The cardiologist agreed to a request from KAET-TV in Tempe, Ariz., to do a televised operation as part of a month-long health series on the public station. The two-hour segment, picked up by some 100 public TV stations in 33 states, had "a twofold purpose." said KAET Spokeswoman Kathy Banfield: "To alleviate the fears of those who face this surgery" and "to encourage others to give up smoking and other bad habits so they won't wind up on that table." To help "educate" viewers, Diethrich and two studio commentators gave a running account of the operation.

But why show it live? Said Diethrich: "There is nothing more beautiful than the human heart. It's alive, and I think it's important to see it live." Worried in part that viewers might see it die, two-thirds of the stations carrying the program delayed the broadcast; most were prepared to slip in another show if the operation failed. Diethrich dismissed these fears as merely "hypothetical." The death rate during by-passing surgery is 1 percent to 4 percent.

There are as yet no formal ethical guidelines on TV surgery, but a number of doctors reacted with personal criticism of Diethrich. "This was strictly a publicity stunt," said Tucson Cardiologist Burt Strug. "It degrades the medical profession to the level of used-car salesmen." Observed Harvard Heart Surgeon John Collins: "Until now the performance of an operation had been viewed as a private matter between surgeon and patient. We're sufficiently depersonalized in our society already without showing someone's operation on television."

Viewer response, though, was overwhelmingly positive, and several stations plan a rebroadcast by popular demand. Said KAET's Banfield: "We consider it a success." Fortunately for Schuler, his doctors do too. All is going well, and he will probably leave the hospital this week.●

NIGERIAN PIRATES ATTACK U.S. SHIP

● Mr. HUMPHREY. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues the increasing incidents of piracy occurring off the coast of Lagos, Nigeria. I became aware of this matter when Capt. Michael McNamara of Bradford, N.H., wrote informing me that his vessel, the S.S. *Export Challenger*, while anchored off the port of Lagos, was attacked and boarded by pirates on the morning of January 17, 1983. Their cargo was seized and shots were fired. Luckily everyone escaped unharmed.

This incident is just one in a series of attacks on American ships and vessels of other nationalities. It is obvious that the security of our vessels is seriously threatened when they enter into Nigerian waters. It is the responsibility of our Government to protect the rights of its citizens. Incidents such as this one cannot be ignored.

I have written to the State Department regarding this matter and hope that my colleagues will take note of this incident and join me in urging that our Government take the necessary steps to insure that attacks such as this one will not occur in the future.

I ask that the letter from Capt. McNamara be printed in the RECORD.

The letter follows:

S.S. EXPORT CHALLENGER,
Lagos, Nigeria, January 19, 1983.

Hon. GORDON HUMPHREY,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: I am Captain Michael McNamara, Master of the U.S. flag freighter S.S. Export Challenger registered out of New York. I wish to inform you that on the morning of 17th Jan. 1983 my ship was attacked and boarded by pirates while anchored off the port of Lagos, Nigeria. The pirates were armed and fired at members of my crew. The crew took cover inside the ship's deckhouse and luckily no one was injured. The pirates did break into and steal part of the cargo.

The attack is yet the latest incident of a longstanding problem of piracy off Lagos. Recently these attacks have grown more bold and savage. Swedish, Dutch, Greek, and Indian flag ships have suffered attacks during which crewmembers have been shot, wounded, and in one case a woman suffered multiple rape.

I have protested to the U.S. Ambassador to Nigeria, Thomas Pickering. I also requested that the Ambassador consider stationing U.S. Marines to protect anchored American ships. The Nigerian Government

seems unable or unwilling to protect unarmed merchant ships anchored off Lagos.

I request that you as Senator from my Home State of New Hampshire take whatever action possible to protect the lives and safety of American seaman and vessels anchored off Lagos, Nigeria.

Thank you for your concern in this matter.

Respectfully yours,

Capt. MICHAEL R. MCNAMARA,
Master, Export Challenger.●

CLINCH RIVER—DREAM MACHINE

● Mr. HUMPHREY. Mr. President, in the April issue of the Atlantic Monthly, William Lanouette, an energy writer for the National Journal, wrote a definitive article on the breeder in the United States. The point of departure for this article is the Clinch River breeder reactor project and how such a costly and dated effort has not yet been killed in Congress. Mr. Lanouette's piece "Dream Machine," is balanced and puts this year's decision on continued funding of the Clinch River project into perspective.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the Atlantic Monthly, April 1983]

DREAM MACHINE

(By William Lanouette)

The notion that you can cheat nature and gain something for nothing is as old as human ingenuity itself. Medieval alchemists sought a "philosopher's stone" that would transmute base metals into gold, and tinkering inventors have tried for centuries to make a perpetual-motion machine. All came to naught.

In a sense, the arrival of the nuclear age has not discouraged these ancient pursuits but intensified them. Since the 1940s, a new generation of dreamers and tinkerers—physicists, engineers, publicists, and politicians—has taken up the search, and at its urging, the federal government has committed more than $10 billion, thousands of careers, and nearly four decades to building nuclear-power plants that are supposed to make more fuel than they consume while generating electricity. This new "alchemist's dream," as its boosters have called it, is the breeder reactor. It represents the costliest energy-research project in U.S. history—one that survives despite accidents, delays, mismanagement, bitter scientific and political argument, and ever-rising costs. Last fall, Congress came close to withdrawing all funds for a breeder scheduled to be built beside the Clinch River, in Oak Ridge, Tennessee, and it may succeed in doing so this year. The Clinch River reactor, which would be the largest and most expensive American breeder ever built, has been the subject of controversy for more than ten years. How the project came to be and how it has survived serves as a revealing example of the way politics and nuclear energy have been intertwined.

A breeder reactor looks like other nuclear-power plants running today, and, like them, it can generate electricity, by splitting atoms to release heat to boil water to drive a steam generator. But the breeder entails an important difference: its special purpose is to convert otherwise useless metals into new atomic fuel. A nuclear plant that produces at least as much fuel as it consumes can legitimately be called a "breeder." Conventional reactors are not breeders, even though they produce some new fuel, because they produce much less than they consume.

If the breeder can be made to work as its promoters hope, it promises the United States an era of "endless energy." And, they say, the energy autarky this would bring could assure the nation's prosperity and political stability "essentially forever," or, if not quite forever, then at least "until the next Ice Age." There's a catch, however. The fuel that both breeders and conventional reactors make while generating electricity is plutonium—a toxic, man-made metal. Plutonium stays dangerously radioactive for millennia, and is the explosive element in most atomic bombs. Whereas a 1,000-megawatt conventional power reactor typically produces enough plutonium in a year to make about twenty bombs, a breeder reactor of the same size would produce enough to make as many as 100. (One megawatt is one million watts.) Thus, critics fear the huge stockpiles of plutonium that a fleet of breeders would produce. With tons of commercial plutonium in circulation, nations or terrorists would have relatively little trouble obtaining the few pounds needed to make a bomb.

These two extreme predictions underlie debates about the economic costs and benefits of breeders, although the mundane details are often the ones that arouse the passions of debaters. Deeper still are competing social and economic beliefs, such as growth versus no growth, or the inclination to produce rather than conserve energy. Seen broadly, the controversy over the breeder turns on the faith of the promoters that technology will be able to solve the social, political, and environmental problems it creates, and on the fear of the skeptics that the breeder's problems outweigh its promise. The fight expected in Congress this spring over whether or not to build the Clinch River breeder will be essentially a fight over these competing visions of reality.

The pursuit of the Clinch River breeder has acquired "a macho aspect," according to Victor Gilinsky, a member of the U.S. Nuclear Regulatory Commission (NRC). He says that engineers and utility executives see their quarrel with the breeder's critics as a "test" of their ability "to deal with a hysterical minority." He says that, in like fashion, government officials consider the struggle with anti-nuclear groups to be "an indicator of their ability to run the country." Carl Walske, the president of the Atomic Industrial Forum, Inc., the nuclear industry's trade association, views the breeder in still more personal terms than these. He says, "Telling a utility executive that he can't have a breeder is like telling a man he can't have grandchildren."

Last August, the NRC granted a preliminary permit for the Clinch River site to be leveled. The builders began the job soon after—although as yet they have no guarantees that the NRC will rule the plant safe for the site or grant a construction permit—in hopes that Congress would then be reluctant to withdraw the project's funds. They sent crews in to clear 250 acres of trees, to move 1.6 million cubic yards of soil, and to excavate nearly a million cubic yards of rock. As of this writing, the NRC must still formally approve the site's preparation, so even this work is being done on a gamble.

If a breeder is ever built at Clinch River, it will be the fourth that American taxpayers have financed. The first, whose construction began in 1949, in Idaho, produced the first electricity generated by the atom. The second, begun near Detroit in 1956, as the "first commercial breeder," produced electricity so expensive that its owners have not bothered to calculate the cost. Both of these facilities suffered one of the worst malfunctions that can befall a nuclear plant: a partial meltdown of the radioactive, heat-producing core. The third breeder, begun in Idaho in 1957, has avoided meltdown and produced electricity for nineteen years, but it was designed only to test different breeder fuels, not to breed new fuel itself. Its relatively simple design, which has been adopted for larger reactors in France and the Soviet Union (countries whose breeder programs are years ahead of ours), so far has been rejected by planners for future plants here.

The Clinch River breeder is not the last to be proposed. This past October, the Electric Power Research Institute (EPRI), a research and development center run by a group of utilities, opened an office near Chicago to begin planning for a fifth breeder—two or three times bigger than the one proposed for the Clinch River site—to be built, they hope, with foreign money. Floyd Culler, the president of EPRI, says, "If the Clinch River breeder reactor is built and successful, the follow-on program is necessary as the next step toward a commercial product available some time after the year 2000. If [the Clinch River reactor] fails, it's equally necessary to sustain breeder development in the United States, because [the development has] no focal point without it."

What Culler's faith reveals, and what the breeder's supporters have shown, is that they need this dream machine, even if it does not work well, as a symbol of the atom's stubborn, ultimate reward. According to Gilinsky, "It promises endless energy, and once you're on to that, you see your way through to infinity."

The breeder has evolved from an intellectual marvel to a military adjunct to a commercial possibility to a political symbol. Reviewing the breeder's history, one can see more clearly how the atom has enraptured—or entrapped—scientists, politicians, and the rest of us.

The plutonium made by breeders is the first element created by man. It is useful to understand what plutonium is and how it is made, since the breeder is designed to make it by the ton. The element is derived from uranium (U), which is mined from rock and which, in its raw state, consists of about 99 percent U-238 (238 represents the number of neutrons and protons in a single atom) and less than one percent U-235. (Atoms are composed of positively charged protons and neutral neutrons, which together form an atom's nucleus, and negatively charged electrons, which spin around this nucleus.)

In a breeder reactor, a core of U-235 is surrounded by a blanket of U-238. Making plutonium is a three-step process, the first step of which is "fission." U-235 atoms are unstable, and when enough of them are concentrated in one place ("critical mass"), the neutrons of some of those atoms, which are routinely and randomly given off, will hit other atoms and split them in two, releasing some neutrons at the same time. If each neutron released strikes another atom, which then releases more neutrons, a "chain reaction" is created. When a U-235 atom fissions in the breeder reactor's core, one or more neutrons escape into the blanket, where they bombard atoms of U-238.

Only a few elements will fission when a neutron strikes them, and U-235 is one; most, including U-238, absorb the escaped neutron instead, adding it to their own mass and weight. This "neutron absorption" is the second step in making plutonium. When a U-238 atom absorbs a neutron, it becomes U-239. So far, the process has taken a few millionths of a second. The third step, "radioactive decay," takes about three days, as the U-239 breaks down into neptunium-239 and, finally, plutonium-239. Once plutonium is made, it can replace U-235 as the breeder's core to fuel chain reactions. In fact, most breeders are designed to run on plutonium, not uranium.

Plutonium (Pu) wasn't known for certain to exist until February 23, 1941, when it was separated at the University of California at Berkeley by the chemist Glenn Seaborg, working with his colleagues Joseph Kennedy and Arthur Wahl. The discovery came in the midst of research elsewhere to design a nuclear weapon, and it had been predicted earlier.

First had come the work of Leo Szilard, a Hungarian-born physicist who had studied in Berlin under the physicist Albert Einstein and fled Germany in 1933. That year, he conceived the two essential requirements for the release of nuclear energy—critical mass and chain reaction—and he soon recognized his idea's potential for weaponry. In 1938, Szilard joined a research team at Columbia University that was headed by another immigrant, the Italian physicist Enrico Fermi. There, working with the Canadian physicist Walter Zinn, Szilard refined his theory and confirmed the uranium atom's explosive promise. (In 1939, Szilard and two other Hungarian immigrants, the physicists Eugene Wigner and Edward Teller, persuaded Einstein to sign a letter to President Franklin D. Roosevelt, urging him to develop nuclear weapons before the Germans did. The letter set in motion the Army's Manhattan Engineer District, commonly referred to as "the Manhattan Project"—the top-secret effort to make an atomic bomb.)

In 1940, the Columbia team discovered that when a U-345 atom fissions in natural uranium, at least one of its neutrons is absorbed by the non-fissionable U-238. Fermi and Szilard considered the absorption of little importance, but a physicist at Princeton University, Louis Turner, suggested that the U-238 might be transformed by the absorption into a new element, which, which might itself fission. Since U-238 is 140 times more plentiful in nature than U-235, Turner proposed that the transformation might be a means to create a more abundant supply of an explosive element for bombs. Turner's suggestion led Seaborg and his colleagues to try to separate such an element.

The Berkeley team bombarded natural uranium with neutrons in the university's cyclotron, or "atom smasher," and their chemical analyses of the result proved Turner's prediction that a new element would be created. A month later, together with the physicist Emilio Segre, they confirmed Turner's more important corollary: that the new element would fission as easily as U-235 does. This knowledge gave the United States a potential alternative to scarce U-235 for use in atomic bombs.

According to the late Robert E. Wilson, who helped to oversee the development of nuclear energy in the government in the early 1960s, "If there ever was an element that deserved a name associated with hell, it is plutonium. This is not only because of its use in atomic bombs—which certainly would amply qualify it—but also because of its fiendishly toxic properties, even in small amounts." According to Seaborg, "Wilson's indictment of its poisonous quality [is] almost an understatement," because a particle "the size of an ordinary speck of dust" can cause lung cancer when inhaled. When inhaled or swallowed, plutonium can deposit in bones, in the lymph nodes, and in the liver, causing tumors. It is so highly reactive that small chips and shavings of it can ignite; it emits radioactivity constantly, and must be stored in small pieces to prevent spontaneous chain reactions.

On December 2, 1942, when scientists on the Manhattan Project, working in a squash court under the stands of the University of Chicago's football field, used U-235 to create the world's first self-sustaining nuclear chain reaction, they showed in practical terms how the energy giving atoms their form and strength could be released at will. Once it was clear that a chain reaction could occur, the Manhattan Project scientists knew that an atomic bomb would probably work. Their task from then on was to make as much plutonium as possible, as quickly as they could. At least two technologies had potential to accomplish this goal: the watercooled reactor and the breeder.

According to Alvin Weinberg, a physicist on the Manhattan Project, who later became the director of the Oak Ridge National Laboratory, Szilard gave the breeder its name. The idea, however, was Turner's. Once he had figured out that uranium might be transformed into the new element that Seaborg later separated, he suggested that this transformation might be truly advantageous if *more* plutonium were produced than uranium was consumed. In a public lecture that Szilard gave in 1946, he said, "With this remark of Turner, a whole landscape of the future of atomic energy arose before our eyes in the spring of 1940, and from then on the struggle with ideas ceased and the struggle with the inertia of Man began." Szilard's observation demonstrates the Manhattan Project scientists' recognition that the breeder held promise as a power source even as they worked to develop its potential for weapons.

The work of the Manhattan Project scientists in the early 1940s had revealed that the neutrons released to split atoms behave differently at different speeds. A "fast" neutron moves at about one fortieth the speed of light, or 17 million miles an hour. If a neutron is slowed down, or "moderated," they discovered, it has a better chance of striking the nucleus of another atom. Such "slow" neutrons move at about 5,000 miles an hour, and, generally speaking, they are safer to work with and easier to control.

Plutonium can be made from uranium that is bombarded by either fast or slow neutrons. The Chicago scientists were intrigued by the possibility Turner had raised of using fast neutrons to "breed" more fissionable material than a reactor consumed as fuel, but they lacked confidence in their ability to work with a fast-neutron reactor, because they never had; most of their experiments had been with slow neutrons (the first chain reaction was accomplished in a slow-neutron reactor, for example). Moreover, a slow-neutron reactor can sustain a chain reaction using fuel low in U-235. Because such uranium was scarce, and because a fast-neutron reactor would demand much more of it, the scientists decided in the spring of 1943 in favor of the slow-neutron option. They called for reactors using water to moderate the speed of the neutrons and to cool the radioactive core—a strategy that is the basis for the design of conventional reactors today. (Other moderators that have been tried in experimental reactors since the war include graphite and beryllium, both of which slow neutrons down efficiently.)

Such power reactors are called "light-water" plants, because they use ordinary water as a moderator and coolant. "Heavy-water" reactors—using water whose hydrogen atom has an extra neutron, which doubles the atom's weight—have also been designed and built in the years since nuclear energy was first conceived. The advantage of heavy-water reactors is that the neutrons in their cores are less likely to be absorbed by the water, so that these reactors require even less U-235 than light-water plants do to sustain a chain reaction.

Water-cooled reactors do not bombard a blanket and transmute it into a new element, as breeders do. Instead, tubes containing U-235 diluted by U-238 stand in a core, through which water is pumped, together with "control rods" of non-fissionable material that absorbs the U-235's neutrons and prevents them from fissioning. When the control rods are withdrawn, the neutrons travel through the water to reach and split U-235 atoms in other tubes, and a chain reaction is created. The water circulating through the core carries off the chain reaction's heat and steam drives a turbine to make electricity. Because the non-fissionable U-238 in the tubes can absorb neutrons, some of it is transmuted into plutonium, as in a breeder reactor.

Plutonium in the spent fuel of the water-cooled plants designed only to generate electricity is an undesirable and hazardous by-product. But for the Manhattan Project scientists, plutonium was the goal. Because a breeder promised to make much more plutonium than the reactors feasible at the time could, theoretical work on one continued throughout the war.

Szilard was especially productive. In January of 1943, just five weeks after the first chain reaction had been accomplished, he gave a memorandum to Arthur Compton, the leader of the Manhattan Project's plutonium-making program, spelling out his specifications for a fast-neutron, plutonium-breeder reactor. His proposal was rejected, because slow-neutron non-breeders were already being planned. In April of 1944, Szilard again proposed a fast breeder, this one to be cooled by liquid bismuth or liquid sodium (two metals that conduct heat well but do not slow a neutron's speed as much as water), and he predicted that the machine could double its original consignment of fuel in four and a half years. But by then, huge slow-neutron, non-breeder reactors and chemical separation plants for the manufacture of plutonium had been built at Hanford, Washington, and a secret bomb-making facility in New Mexico—Los Alamos—was ready to receive the product. All the same, Szilard proposed still another fast breeder, in March of 1945, and predicted that this one could make ten tons of plutonium in three years, doubling its original complement of fuel in one year. In the decades since, the expected "doubling time"—the period required to make as much new fuel as a breeder reactor starts with—has stretched as breeders have actually operated: to five years during the 1950s, between seven and ten years in the 1960s, and at best between forty and fifty years today.

Although by the end of the war no breeder had been built, several schemes for one had evolved, using neutrons at different speeds. Szilard and Fermi favored fast-neutron, liquid-metal-cooled breeders, along the lines of the reactors Szilard had been suggesting—the design upon which the three American breeders and the proposed Clinch River plant are based.

Slow-neutron breeding is also theoretically possible, but much trickier to achieve. In a light-water breeder, the hydrogen in the water absorbs some neutrons, which are therefore lost to the chain reaction. To compensate, the fuel must be enriched with more fissionable material and the core itself must be more compact than in conventional power reactors. Even then breeding is only marginal. For this reason, the light-water breeder received little attention until the 1970s, when one was tested.

A different slow-neutron scheme, which Wigner conceived during the war, improved on the light-water format. Wigner suggested that a coolant other than water would avoid the problem of absorption. Weinberg studies molten salt's potential during the 1950s, and designed a molten-salt-cooled reactor as a precursor to a breeder in 1957. It was to use as fuel artificial U-233—a synthetic, fissionable element, which Seaborg discovered in 1941—rather than plutonium, and bombard thorium-232, turning it into more U-233. Unlike conventional reactors, whose fuel is solid and whose moderator is liquid, the molten-salt reactor's fuel was to be dissolved in the liquid salt and flow through the reactor across solid bars of graphite—the moderator—to bring about a chain reaction. The molten-salt breeder still appeals to many physicists, because it would use slow neutrons to convert a relatively abundant metal (thorium) into an element (U-233) that can fission about as well as the rare U-235 does. The design and engineering are simpler than for a uranium-to-plutonium breeder, and the radioactive core has about one tenth the fissionable material—a significant safety advantage. Thorium breeding has also been explored in a light-water-reactor design.

The nuclear physicist Theodore Taylor, a consultant at Princeton University, says, "Physicists seem to prefer the thorium breeder for its elegance and safety; engineers seem to prefer the plutonium breeder, because of its performance as a producer of fuel." Milton Shaw, an engineer, prefers plutonium breeders, and during his tenure in the 1960s and early 1970s as the director of reactor research at the Atomic Energy Commission (AEC), established by Congress in 1946, he systematically cut off development of alternatives. A small molten-salt non-breeder reactor (called Molten Salt Reactor Experiment, or MSRE, and nicknamed "Misery") was operated at Oak Ridge in the late 1960s, as part of research on an atomic-powered airplane, but it was abandoned in 1972. No molten-salt breeder has ever been built.

In 1946, the physicist Hans Bethe, of Cornell University, proposed a third scheme: a beryllium-moderated and sodium-cooled breeder of plutonium from U-238 that would slow neutrons to an intermediate speed. The General Electric Company built a reactor near Schenectady, New York, in the late 1940s, to test Bethe's design, but the reactor didn't work well, and in 1950 the AEC converted it for research on a sodium-cooled submarine reactor, of the type that later powered the U.S.S. Seawolf. (This submarine gave Jimmy Carter his first exposure to atomic energy. Perhaps his later aversion to it can be explained by the reactor's trouble containing the sodium—trouble so common that the ship was nicknamed "Twenty Thousand Leaks Under the Sea.")

Once the theoretical understanding of atomic physics was complete, the excitement and mysteries of science gave way to the more mundane problems of engineering. At that point, Szilard lost interest in breeders, and turned instead to microbiology. Until he died, in 1964, he worked also to control the spread of nuclear weapons. Other nuclear pioneers—Fermi, Zinn, Bethe, and, eventually, Teller—turned their interest in atomic power to finding peaceful uses for it: in medicine, in industrial research, and in the generation of electricity. Indeed, the quest to devise a constructive role for the atom, to compensate for its destructive potential, became, for some, a form of atonement—an act of faith. But the atom was stubborn. Early predictions of cars, trains, and planes powered by pint-sized reactors proved impossible to fulfill. The notion that nuclear energy would someday be "too cheap to meter" is, today, an ironic artifact of that hopeful era.

Of all the pioneers, Walter Zinn was perhaps the most determined to transfer the breeder from paper to concrete. After the war, he moved with Fermi from Columbia to the University of Chicago and, finally, to the Argonne National Laboratory, which was built outside of Chicago and opened in 1946.

Zinn became Argonne's first director, and under him reactor research flourished. First he tried to put on paper the visions of the breeder that had captivated Szilard, Fermi, and Wigner during the war. By 1947, he was convinced that he could build a successful breeder. The task seemed critical, given the continued scarcity of fissionable material and the increased demand for such material, as a result of the Defense Department's increased production of the MK-3 plutonium bomb, modeled after the "Fat Man" bomb dropped on Nagasaki.

The physicist J. Robert Oppenheimer, who had been the director of Los Alamos during the war, wrote a letter to the AEC's first chairman, David Lilienthal, in October of 1947, urging that "every assistance be given to the Argonne Laboratory to realize their plans as early as possible." His prestige helped Zinn's case, and the next month the commission approved construction of a fast-neutron breeder—the Experimental Breeder Reactor Number 1, or EBR-1. The reactor was to be cooled chiefly by liquid sodium and to use U-235 as fuel to convert U-238 to Pu-239. The AEC reported to Congress that the potential of breeders for both power-generation and bomb-making was an important reason for developing such reactors. The project's code name was Operation Bootstrap.

EBR-1 was aptly numbered. It was a machine of firsts: the first reactor authorized by the new Atomic Energy Commission; the first to generate electricity from atomic energy; the first to show that breeding new fuel was technically possible; the first to run on plutonium; and the first to have a core meltdown.

Delays and cost overruns—conspicuous features of every breeder since—plagued EBR-1. The commission was told that it would take eighteen months to build the plant. Instead it took two years just to complete the plans, with further delays resulting from the need to custom-make almost every piece of equipment. As the AEC's historian, Richard Hewlett, wrote later, in an unpublished chronicle of EBR-1: "It was not in the Olympian realms of the nuclear scientist that the obstacles were found but rather in the frustrating work-a-day world of the mechanic, the electrician, and the plumber."

Zinn and his staff wanted to build their breeder at Argonne, but the AEC's safety committee thought that the risk of an accidental explosion was too great, and recommended a less-populous site. It took until February of 1949 to find one—an artillery test-range near Arco, Idaho, on a lava-and-sand plateau by the Snake River—and six months more to approve it.

After all that trouble, Zinn's breeder was delayed once again. Just ten days after the AEC authorized the building of EBR-1 in Idaho, President Harry S. Truman announced that the Soviet Union had exploded an atomic bomb, an event that demanded the reappraisal of all reactor-development programs. Three things saved Zinn's breeder: although it required weapons-grade fuel (U-235) to run, it would also make such fuel (plutonium), and it could be finished in a short time, at a relatively modest cost of $3 million.

Zinn faced new problems once he moved west. His construction team lived about eighty miles from the site and had to drive to it each day. Winter storms hampered the pouring of concrete, and sand clogged some of the plant's delicate machinery.

The construction ended in the spring of 1951, and in June the crew loaded the fuel into the football-sized core, only to discover that Zinn's consignment of U-235 from the weapons stockpike—about ninety-three pounds—wasn't enough to start a chain reaction; more had to be shipped from Argonne. Finally, in August, the reactor was able to sustain a chain reaction. Then, on December 20, Zinn and his crew slowly raised the reactor's power level and hooked the machine up to a generator. Zinn wrote in the control-room log book that day, "Electricity flows from atomic energy."

The next day, Zinn's crew spent hours tinkering with the reactor to keep it from shutting down—"scramming"—whenever the power level was raised. When the machine finally stayed on and was hooked up to a generator, it supplied power for the whole building. Some of the machinists turned out small brass knobs, as souvenirs, on their lathes. Zinn made one too. They were the first mechanical products of the atomic age. Zinn sent a telegram to the AEC's director of reactor development, in Washington. Security demanded that his message be cryptic: "Our boy started his journey today. All is well. He was able to undertake the trip without assistance. Merry Xmas." The AEC announced the achievement on December 29.

In June of 1953, EBR-1 proved that breeding was technically possible, when chemists separated a few milligrams of plutonium from the fuel—not much, but Gordon Dean, the new chairman of the AEC, made the most of it, announcing that breeding had been achieved. By then, power had begun to replace weaponry as the reactor's chief goal, and Dean warned that breeding was so far a slow and difficult process, which might be too expensive to be adapted directly for commercial power. The "real significance," he said, was that the breeder could transform naturally abundant U-238 into fuel for other kinds of power reactors.

The AEC wasn't as quick to announce what happened at EBR-1 on November 29,

1955, when the reactor crew tested the radioactive core's ability to run with less sodium coolant. they discovered it couldn't. When the chain reaction surged rapidly, the supervisor told the operator to "scram" the reactor, but the operator didn't hear, having just taken a call from his wife on the control-room telephone. The supervisor leaped over a table in the control room and hit the scram button, but he was two seconds too late. The core overheated and more than half the fuel melted, blowing radioactive gas out of the building. No one inside was harmed, but it took two years to decontaminate the core and clean out the mangled fuel.

Zinn had opposed the core-heating tests of EBR-1, but had been overruled by his superiors at the AEC. The day after the reactor's meltdown, he called Washington to report the bad news. As he recalls his message, it was, like the coded telegram, brief but portentous: "Well, fellas, it's happened. Nobody's hurt, as far as we can tell. But remember, I told you so."

After EBR-1, Zinn built another reactor at the Idaho test site—EBR-2, which is the most successful breeder in the U.S. to date. For EBR-2, Zinn submerged the main components in a sealed pool of sodium coolant, and this strategy has proved to be simpler and safer than EBR-1's loops of pipe.

EBR-2 is a breeder that does not breed. It has been used instead to generate electricity, test various breeder cores, and demonstrate that plutonium made in a fast-neutron reactor can be recovered and refabricated as new fuel. Its success is measured chiefly by its longevity. Although EBR-2, like other sodium-cooled breeders, has been prone to fires, none has been serious, and the reactor has run almost continuously since it was started up, in 1964. Nevertheless, its design has been rejected by American planners, though other countries have employed it with relatively good results.

Breeder cores have grown steadily since the 114-pound, football-sized one that melted in EBR-1. The core of EBR-2 weighs 510 pounds, and is the size of the glass jug on an office water-cooler. In the first commercial breeder, Fermi-1, whose fuel also suffered a partial meltdown, the 1,000-pound core is the size of a fifty-five-gallon drum. And if the Clinch River breeder is built, its core will weigh 11 tons and be the size of a hotwater heater. The cores of future breeders will be even larger, perhaps weighing 50 tons. The fuel in a breeder core is "fundamentally explosive," Wigner has said; "I don't like the idea of having thousands of pounds of plutonium at one place."

What worries Wigner and many other physicists is that in large reactors, the plutonium may melt and compact into clusters that can form new critical masses—perhaps setting off small atomic explosions. In water-cooled, nonbreeder reactors like the one at Three Mile Island, whose fuel is only about 3 percent fissionable U-235, the neutrons are slowed to increase their chances of fissioning other U-235 atoms, thus maintaining the chain reaction. Loss of the coolant speeds up the neutrons, with the result that they fission fewer atoms and the chain reaction slows down. But in the breeder, whose core is about 15 percent U-235 or Pu-239, the challenge is not to encourage a chain reaction but to control it. So many fissionable atoms are packed together that the probability that a neutron will hit one and split it is extremely high from the start. Sodium coolant absorbs the heat given off by the rapid chain reaction and keeps the core's temperature stable. If the coolant boiled away, the temperature would rise within a few millionths of a second and the fuel would melt. The AEC and its successors have called this a "hypothetical core-disruptive accident," or HCDA—jargon that has the effect of minimizing what may be a fatal flaw in breeder technology.

Hans Bethe has postulated that if an atomic explosion occurred in a breeder, its force would equal a few hundred pounds of TNT, rather than the kilotons and megatons released in a planned nuclear explosion. He says, "I think this [explosive force] can be contained in the reactor vessel. But those who have studied this problem don't say [the vessel will never be breached], and I wish they could."

The HCDA is not an explosion of the reactor itself, which would level the landscape with a blast and fireball. Instead, it refers to small atomic explosions inside the reactor, which could rip apart the steel vessel surrounding the core and its coolant. The explosions would spew lethal radioactive gases and debris into a large building that is designed to contain just such a surge. But if the pressure became too great, or the wrong valves were opened in the confusion of an accident, as has happened at other plants, these deadly gases could escape into the atmosphere, perhaps killing thousands of people downwind and contaminating the soil and groundwater for generations.

This is considered a "worst-case scenario" by nuclear-safety experts—one that has a very slight probability. But the risk is serious enough that it helped to delay for a number of years the construction of Fermi-1, in Michigan. The HCDA is an issue that members of the Nuclear Regulatory Commission have yet to consider as they decide whether or not to approve construction of the Clinch River breeder.

When Walker Cisler talks about his many trips to Russia, one event stands out: a bath he took at a guest house in the Urals. "It was beautiful," he recalled recently. "I had a bathtub full of hot water heated by the BN-600—heated by the atom, heated by a breeder." Cisler would love to bathe at his home, in Grosse Pointe Park, Michigan, in water heated by a breeder, and as the president and, later, the chairman of the board (now retired) of the Detroit Edison Company, he worked to build and run the Fermi breeder.

The plant cost more than $140 million and generated what is doubtless the most expensive privately produced electricity in the U.S. history. "We never figured it out—on purpose," a company spokeswoman says.

Cisler formally proposed building the Fermi fast breeder in 1955. Two years earlier, he had declared: "We do not expect any appropriations of public money to our project." In the end, however, with his pride in free enterprise shattered by lengthy and expensive construction delays, design and operating errors, a costly and dangerous partial core-melt, and repeated accidents with the breeder's sodium coolant, Cisler did ask the federal government for money to keep his plant running, and he is still bitter that he was refused. "He dreamed the impossible dream, and it was just that: impossible," a local businessman later told a writer for the Detroit Free Press.

Cisler, a veteran of the War Production Board during World War II, joined Detroit Edison in 1945. He says that having seen "the industrial strength of our country focused on a single purpose" in wartime, he hoped that the country's industrial strength would be focused anew after the war, on commercial uses of the atom. The managers of Detroit Edison had themselves been eager for atomic power since 1940, when Alex Dow, who was then Detroit Edison's president, ordered a study of the energy potential in uranium. The utility's annual report for 1945 asserted, "If and when atomic energy is applied to power production, we hope to be among the first to take advantage of it." The AEC's Industrial Advisory Group, of which Cisler was a member, recommended in 1948 that classified nuclear technology be shared with private industry.

The utilities came to regard making plutonium along with electricity as a new way to express their patriotism during the Cold War. They lobbied hard to amend the Atomic Energy Act of 1946 to allow the utilities to sell nuclear power and forbid the government from doing so. (Because power made incidentally at the government's plutonium production or research facilities could be sold, as the act was amended in 1954, the Clinch River breeder, whose chief purpose is research, complies with the law.) President Eisenhower had declared an "Atoms for Peace" program, and many companies were enthusiastic about joining Detroit Edison to build a breeder. In 1955, twenty-five electric utilities, four engineering and construction firms, and four manufacturers formed Atomic Power Development Associates (APDA). The new group then sent the AEC a proposal for a 100-megawatt fast breeder, which would sell steam to Detroit Edison, the principal partner, and plutonium to the federal government.

Lewis Strauss, a Wall street financier who shared Cisler's faith in private industry, was the chairman of the AEC and an informal adviser to Eisenhower at the time. Strauss announced the Fermi project at the first UN conference on peaceful uses of the atom—an announcement that he hoped would upstage the Soviet Union's plans to build a breeder. For Strauss and Cisler, just as Cold War ideology defined the pursuit of the breeder as a race, so free-market values dictated that building the breeder should be a private endeavor. Indeed, to this day, the breeder's promise of ideological advantage and business profits from both domestic and foreign markets has sustained the promoter's faith in the technology and buttressed their pitch to Congress and the public, despite rising opposition and almost routine mechanical failures.

The Democratic Senator Albert Gore, of Tennessee, challenged the wisdom of the 1954 amendments and introduced a bill to change them, in order to allow the federal government to build and run six nuclear plants. Cisler and Strauss both testified against the bill; in doing so, they angered another senator, Clinton P. Anderson, of New Mexico, who was the chairman of the Joint Committee on Atomic Energy and a Democrat who favored a wider federal role in generating and selling nulear power.

Gore's bill did not pass the House, but Anderson and Strauss clashed again, in 1956, over the Fermi breeder's construction permit. The AEC's Advisory Committee on Reactor Safeguards, a panel of engineers and scientists, was required to review such permit applications but did not have to publish its findings. The advisory committee had reported to the AEC that "there is insufficient information available at this time to give assurance that the [Fermi breeder] can be operated at this site without public hazard." The advisory committee also

doubted that federal safety research then under way would serve to diminish the risk before the plant began to operate. Anderson demanded the report's release, and Strauss was slow to comply. Two weeks after the report was finally made public, the AEC, ignoring the warnings of its advisers, voted three-to-one to grant Fermi a provisional construction permit.

Enraged, Anderson called the permit the "result of Star Chamber proceedings," and complained that the AEC was confusing its promotional and regulatory functions—a charge that troubled the commission throughout its tenure and eventually brought about its reorganization. Representative Chet Holifield, a California Democrat and a member of the joint committee, attacked Strauss for "overruling the grave warnings" of his own advisory committee and proceeding "in a reckless and arrogant manner." Four days later, at the Fermi breeder's hastily arranged groundbreaking ceremonies on the short of Lake Erie, Strauss chided his congressional critics; he said that their opposition "aids the attack which is being directed against the free enterprise development of nuclear power in this country."

Anderson retaliated by urging several citizens' groups and the United Auto Workers to protest the plant's licensing in hearings the following year. And when the nuclear-plant insurance bill (the Price-Anderson Act) was passed, in 1957, he added a provision making the AEC advisory committee a statutory body whose findings must be public. Beyond that, he won a further amendment—which has grieved the nuclear industry ever since—requiring public participation in all nuclear-plant licensing. Finally, Anderson successfully led the Senate opposition when Eisenhower nominated Strauss to be his secretary of commerce, in 1959.

In addition to congressional obstacles, the Fermi breeder had to survive a long battle in the courts. When the AEC issued its final construction permit, in 1958, the United Auto Workers appealed, and in 1960 the AEC's ruling was reversed. Only after the Supreme Court reversed the decision, in 1961, was the permit allowed to stand.

Detroit Edison's troubles with the breeder were far from over. Construction and reconstruction were continual. Technical and design problems strung out for years: among other things, the core and the steam generators had to be redesigned.

Steam generators are troublesome pieces of equipment in all sodium-cooled breeders. The generators are vessels in which hot sodium from the core flows around pipes filled with water. When the water absorbs heat from the sodium, it becomes steam and drives a turbine. But sodium is a volatile metal that explodes on contact with water and burns in air. Even pinhole-sized leaks in the pipes can therefore have destructive and time-consuming consequences. In 1962, the first of several sodium explosions at the Fermi plant ripped out part of the reactor's coolant system. Indeed, sodium-water "reactions," as the plant staff called them, became so frequent that the principal steam-generator pipes were named after the sound they made: Ker-Pow #1, Ker-Pow #2, and Ker-Pow #3. Although few serious injuries occurred, the repairs were costly and took many months to complete.

After the Fermi breeder at last went "critical," in 1963—four years behind schedule—more safety and repair problems held up the plant's operating license for another two years. More engineering problems followed licensing, and the plant did not begin commercial operation until 1966.

Cisler and his colleagues did not celebrate for long. Six safety devices, called "conical flow guides," had been added to the underside of the core, to improve the rush of sodium to the fuel, but after only three months of operation at low power, two of these foot-long plates broke loose and blocked the coolant's flow. A small part of the core melted, alarms went off, and the reactor was scrammed. Operators didn't know for months what had caused the fuel to melt, how much damage had been done, or how to deal with the radioactive debris. The fact that they knew so little led to concern on the part of the operators and the AEC that more fuel might melt. Fortunately, none did, and no one was harmed. The accident could have been much worse. According to one state public-health study, several thousand people downwind might have died if the containment building had been breached.

The fuel-melting accident only compounded the seriousness of still other disappointments. The plant had not bred any new fuel, because it kept breaking down. But as it turned out, even if the reactor had bred plutonium, the government had less and less reason to buy any for weapons, chiefly because it had begun to produce more plutonium of its own, at military plants, and bombs were being designed to use less. In 1954, Cisler had hoped to earn $100 a gram for the separated plutonium from the breeder. Instead, by 1957, its value was only $30 a gram, and by the early 1960s, about $10 a gram.

In 1970, the Fermi plant was started again, and ran for a while intermittently. To help recoup the rising costs, the owners thought of turning their commercial venture into a research project, but the fuel itself was nearly depleted, its radioactive power run down like a dying battery. Cisler tried to raise money from U.S. and foreign utilities to install an experimental core, with little success. Reluctantly, he turned to the AEC, which had conducted basic breeder research on Detroit Edison's behalf, and invited Seaborg, who was the chairman of the AEC from 1961 to 1971, to visit the site.

"We painted up the place to make it look like a going operation, but the fuel was so weak we really had to watch our timing," Eldon Alexanderson, who was then the plant's assistant superintendent, recalls. The operators wanted to "put on a show" for Seaborg, he says, and did so with precision: "We'd get up to full power just when [Seaborg] came through the gate. And once he went out the gate, we'd turn it right off. That fuel was on its last legs. And, we weren't very trustful of our thermocouples [incore thermometers], either; they were giving us slightly wrong temperatures."

In 1972, after Seaborg's visit, the AEC decided that the Fermi plant was a lost cause. A memo on Cisler's appeal for federal funds concluded that the research data from Fermi would be "perhaps useful, though not a priority input." The plant was shut down that year, after having run at full power for only about a hundred days in all. Cisler saw by 1972 that other private utilities would not chip in to help him, because the AEC was pressuring them to raise $250 million for a newer dream machine: the Clinch River breeder.

Walter J. McCarthy, Jr., was for a time the general manager of the coalition of owners that oversaw Fermi. Today he is the chairman of Detroit Edison's board. "My view right now, for an electric-power company like ours, is that the principal focus of attention on nuclear power should not be the breeder; it should, in fact, be making the light-water reactors operate reliably, safely, and routinely," he says. The Fermi plant continues to give him some concern. The sodium coolant—70,000 gallons that are still slightly radioactive—is stored there in airtight drums, but must be carefully removed by next year. To avoid the cost of disposal, the Fermi sodium has been given to the Clinch River project. (If that plant is killed, Detroit Edison will have to find another taker or a hazardous-waste site that can accept the sodium.) Once the sodium is removed, McCarthy will be able to leave the problem of Fermi's radioactive vessel to his successors. The vessel can't be dismantled for another fifty years—the time needed for its radioactivity to decline enough for crews to remove it without costly and cumbersome shielding.

Throughout the 1960's while the Fermi plant suffered one blow after another, Washington's view of breeder's couldn't have been rosier. As chairman of the AEC, Seaborg often made visionary speeches that described the "plutonium economy" of the future. He talked of building nuclear-powered merchant ships, planes, and rockets. The detonation of small atomic bombs would open up new sea-level canals and loosen natural-gas deposits.

Seaborg saw future heavy industry built around a complex of large breeder reactors may times the size of today's plants. Their plentiful and cheap power, for both heat and electricity, would recycle garbage and produce new metal alloys, ceramics, and plastics. Because power costs would be low, it would pay to extract raw materials from trash, creating a "junkless society." What's more, he said, "as used in breeder reactors," plutonium "will be the fuel of the future," a metal whose value "may someday make it a logical contender to replace gold as the standard of our monetary system." He mentioned this possibility in a speech on "large-scale alchemy," which he gave at a celebration of Hanford's twenty-fifth anniversary, in 1968.

"By the end of the 1950s, the AEC realized it had pretty well completed its mission: uranium-enrichment plants and plutonium-production lines [for weapons] were going, and [the AEC spun off the light-water reactor technology and got it on its way," Victor Gilinsky says. A nuclear-policy analyst since 1971, and an NRC commissioner since 1975, Gilinsky understands the AEC as well as anyone. "The AEC was a collection of odd projects, and [the commissioners] were looking for something to motivate people," he says. "But I think also there must have been a concern that unless you get involved in a large, multi-year project, your budget is vulnerable."

That large, multi-year project was the breeder. by pitching the machine to President John F. Kennedy's desire for innovation and world prestige (a desire that placed the breeder in competition with the space race for funds), Seaborg used it to revitalize his agency. In his 1962 report, "Civilian Nuclear Power," a response to Kennedy's request for a "new and hard look at the role of nuclear power in our economy," Seaborg argued that an ambitious breeder program would provide for "the maintenance of U.S. technological leadership in the world. . . ." His report described breeders as "essential to long-range major use of nuclear energy."

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The Joint Committee on Atomic Energy willingly shared Seaborg's view. Representative Holified, who, during the Fermi debates, had challenged the AEC's "reckless and arrogant manner," did warn Seaborg in 1962 that "major problems remain to be solved" with breeders, but within a year Holifield was advocating that billions more be spent for breeder development, "to bring in a perpetual source of energy."

Not everyone was convinced, however. Louis Roddis, Jr., then the president of the Atomic Industrial Forum, questioned Seaborg's "urgency and optimism" about breeders. Lilienthal mocked the breeder: "When you get asked hard questions about the old-fashioned atomic-power plant, just say 'breeder' and you're off the hook, because a breeder atomic plant has never yet been built, so who can dispute the lovely forecasts?"

Nevertheless, the breeder, helped by practical politics, was on its way. In 1964, as a concession to the coal lobby, which feared the nuclear-power industry's competition, the joint committee decided to cut research-and-development money for light-water reactors (a close threat to coal power) and to increase the budget for the breeder (a more distant threat). Within the AEC, the breeder became supreme. "The whole AEC became a vehicle for this project, and everything had to fit with it," Gilinsky says.

The AEC hired Milton Shaw, who had been an administrator in the Navy's submarine program under Hyman Rickover, to direct reactor development. Shaw served from 1964 to 1973, and his stewardship both advanced and retarded breeder development. Shaw focused on the liquid-metal fast breeder reactor (LMFBR), cooled by sodium with a U-238-to-Pu-239 fuel cycle, because he believed that this scheme was the closest to perfection. Thus, during his tenure, breeders cooled by helium gas (which has even less of a moderating effect than sodium), steam (an alternative that one of the nuclear contractors pressed for), and salt were essentially abandoned, and thorium-to-U-233 as an alternative fuel cycle was slighted. At the same time, having limited his options, Shaw deferred building a demonstration breeder and concentrated instead on an ambitious component-testing program, which delayed for years the building of an actual plant—a strategy he had learned from Rickover. Above all, Shaw was cautious. "My wife jokes that when I build a dog house, it'll withstand a seismic event," he said recently.

While Shaw was narrowing the scope and slowing the pace, the AEC commissioners pushed on with their vision of breeders as the saviors of an economy that would soon be starved for energy. In a supplement, issued in 1967, to Seaborg's 1962 report, the AEC said that "immediate emphasis" should be put on the fast-flux test facility (FFTF) at Hanford, a reactor designed to test breeder fuel, but the AEC promised that "a number of sodium-cooled fast-breeder demonstration plants [would] be built during the 1970s." In 1967, the AEC gave Shaw's LMFBR its highest priority, predicting that the doubling time for producing new fuel could be as short as eight to ten years—then also the doubling time of U.S. electricity demand.

But politicians and industry executives wanted more than rhetoric: they wanted contracts. Representative Craig Hosmer, a Republican of California, was aware of European breeder programs that had commenced, and he proposed in 1967 that the United States build three prototype plants: one cooled by liquid metal, one by gas, and one by steam. Also in 1967, the leading reactor contractors, General Electric and Westinghouse, urged the joint committee to authorize a breeder demonstration plant within two years. General Electric favored the steam-cooled breeder, because it has mastered a similar technology for light-water reactors, rather than the sodium-cooled model favored by Shaw. Both firms saw breeders as useful tools for selling their light-water plants to utility companies, since breeders would guarantee future fuel supplies.

President Lyndon B. Johnson mentioned the breeder's importance in his 1967-budget message, but at the end of the year, at a ceremony marking the twenty-fifth anniversary of the first chain reaction, he cautioned that plutonium could be diverted from breeders for weapons. In 1968, the Edison Electric Institute, a trade group for the privately owned utilities, released its own breeder study, drafted by a panel that Walker Cisler chaired. The institute panel concluded that "the electric utility industry needs fast breeder reactors to protect its rapidly growing investment in nuclear power by conserving low-cost ores," and recommended building at least two LMFBR demonstration plants in the early 1970s and continuing work on gas- and steam-cooled designs.

Thus, by the late 1960s, pressure was increasing to build more experimental and commercial breeders—pressure arising in part from glorious economic predictions and the knowledge that other countries were moving ahead with their own breeder technologies.

Seaborg worked to make President Richard M. Nixon an advocate of the breeder in 1969, using as his agent the chairman of the President's Council of Economic Advisers, Paul McCracken. In a letter to McCracken about energy options, in 1970, Seaborg called the breeder "an urgent national need." By his logic, the program was inevitable. Seaborg wrote: "Clearly, all the considerations—technical, economic, and political—have converged in a most timely and mutually reinforcing manner so as to impel us to move forward aggressively with development of the breeder system." Apparently, during this decade of dreams, the question asked about the breeder wasn't "Why?" It was "Where?" and "When?"

When President Nixon announced the first national energy policy, in 1971, he touted breeders as "our best hope today for meeting the nation's growing demand for economical, clean energy." But in the same year, the need for breeders began to ebb. As new deposits of natural uranium were discovered, fears of a nuclear-fuel shortage by the late 1980s were eased. (The shortage isn't expected now until 2050 or beyond, if it occurs at all.) The number of new nuclear plants was smaller than the AEC had expected, as a result of rising construction costs and delays. Furthermore, electricity prices, which had fallen steadily since 1950, leveled off in 1971 and then began an ascent that has continued to the present—the result of rising costs for oil, coal, and new plants. In reaction, the growth rate of electricity consumption fell drastically, and with it the need for many nuclear-power plants and breeders to fuel them.

At this turning point in 1971, the AEC revised its forecasts of installed nuclear capacity radically. For the year 1975, the forecast was dropped from 59 to 54 gigawatts; the actual capacity in 1975 proved to be 37. (One gigawatt, or one billion watts, is about the capacity of one large light-water plant.) For the year 1980, the forecast was dropped from 150 to 132 gigawatts; the actual capacity proved to be 53. And for the year 1985, the forecast was dropped from 300 to 280 gigawatts; the capacity expected now is about 90. Longer-range federal forecasts of American nuclear capacity have fallen even more steeply as the nation's demand for electricity has declined and nuclear plants have been delayed: for the year 1990, from 508 gigawatts predicted in 1972 to 121 predicted now, and for the year 2000, from 1,200 gigawatts predicted in 1972 to 165 now. Thus, well before the federal government and a group of utilities signed their agreement to fund a 375-megawatt breeder on the Clinch River—the reactor itself to be made by Westinghouse and the plant to be operated by the government-owned Tennessee Valley Authority—official predictions had begun to undermine the justification for it.

At about the same time, estimates of the plant's cost began to increase. "The AEC had an estimated cost for the Clinch River reactor of about $500 million—an estimate that was at the time known to be stripped down," Chauncey Starr, vice chairman of the Electric Power Research Institute, said recently. "It was a sales number more than a realistic number, and a lot of people in the industry knew it at the time."

Still the utility industry went along, agreeing to pay half of Clinch River's cost. A few executives believed that the breeder actually would be needed soon, but most thought that they simply had no choice. "The industry had no interest in getting in, in a financial sense," Starr says. "The driving force was the AEC. The AEC was asked by Congress, 'Why do you want to go ahead with this program?' and they said, 'Well, industry wants it. Industry is the customer.' And then Congress said to the AEC, 'We don't believe it unless industry has some of their money in it.' The AEC wanted industry to put money in, and brought pressure on the industry, on the basis that at that time industry was getting into the light-water reactor business [and] needed AEC support. Given a choice, I don't think industry would have put up the money."

The utility companies that had already committed themselves to nuclear power were especially vulnerable to the AEC's pressure, because they believed they needed to guarantee future fuel supplies for their reactors, and they did not want to invite the displeasure of the commission's regulators. Thus, the nuclear-equipped utilities joined the AEC in trying to persuade the rest of the industry that atomic energy held the key to the future. To do this, they cited the predictions made by the AEC that nuclear power would become more economic than other energy sources; the conviction of the reactor manufacturers that "economies of scale" would allow bigger nuclear plants to generate electricity more cheaply than smaller ones; and, finally, their own belief that neither of these promises could be realized until commercial breeders yielding an inexhaustible supply of cheap fuel had been developed.

From the beginning, many utilities had doubts about what their commitment to the breeder would entail. "Like Alice, they feel they will be falling down a hole without knowing where it leads," Peter McTague, who is now the chief executive officer of Green Mountain Power Corporation, in Vermont, said at an Atomic Industrial Forum

seminar on the breeder in 1971. (At the time, he was a consultant on utility-plant engineering.) "Many of them are afraid that, instead of a rabbit hole leading to wondrous adventures, it may be a rat hole leading to financial disaster," he said. At the utility industry's urging, therefore, the joint committee persuaded Congress in 1972 to require the federal government to pay for all cost overruns incurred in building the Clinch River plant. The $250 million agreed to in 1972 would be all that the utilities would ever have to put up. (This sum now represents a small fraction of Clinch River's projected total expense.) Nevertheless, several companies refused to sign.

Today, although more than 700 utilities have been enlisted to help pay for the plant, even some of the most enthusiastic contributors have regrets. "If there was any legal way that I could not pay that money, I would seek it out," says McCarthy, of Detroit Edison. (His utility has already paid half of the $6.9 million it pledged when Walker Cisler was chairman of the board.)

Once the utilities had committed money to Clinch River, they expected to have a say in its development. But the utility—government entity that was created to supervise the project proved to be leaderless. Decisions fell to everyone, and to no one. Delays and compromises abounded. Costs escalated. And as the federal government found itself paying a larger share of the bill, it naturally expected—and gained—a larger share of the responsibility. A reorganization of the project in 1975 gave the Energy Research and Development Administration (ERDA) a dominant role, but still required that the utilities participate in much of the decision-making. Today, the Clinch River project is run for the most part by the Department of Energy, which is also providing more than 90 percent of the money. (The AEC was abolished in 1975. Its regulatory functions were assigned to the new Nuclear Regulatory Commission and its research and promotional functions to ERDA, also newly created. In 1977, ERDA was turned into the cabinet-level Department of Energy.)

Control aside, many participants today feel that the project was a mistake for another reason: Clinch River has to undergo complete licensing by the NRC. The AEC used licensing to convince the joint committee that the plant would demonstrate for the utility companies all the steps they would have to take whenever they began to build breeders on their own. The argument had some appeal at the time. Since then, however, nuclear-plant licensing has changed fundamentally. In 1969, when the plant was being planned, Congress passed the National Environmental Policy Act (NEPA), which required that environmental-impact statements be drafted for major construction projects. In 1971, a federal court ruled that the AEC must abide by the rules of NEPA in its regulation of nuclear plants. The same year, the Scientists' Institute for Public Information successfully sued to have the impact statement cover the potential impact of the entire "plutonium economy" that would follow from the breeder's deployment, as well as the impact on the Clinch River site itself. The AEC issued this broad impact statement in 1974, and its optimism has provided grounds for attack by opponents ever since.

There are still other reasons for the utilities to regret their involvement. The problem of reprocessing is one. When the Clinch River contract was coming together, in 1971, there appeared to be a commercial reprocessing industry for spent nuclear fuel in the U.S. Today there is none. Reprocessing plants are essential to the breeder, because they would chemically separate plutonium and uranium from used fuel in both light-water and breeder reactors: plutonium made in light-water plants would go to a breeder as start-up fuel; later, when plutonium was "bred," it would be shipped to light-water plants and other breeders as new fuel.

The reprocessing plant at West Valley, New York, worked intermittently from 1966 until 1972, when it was shut down. Its owners abandoned the operation, as a result of safety and environmental, problems. General Electric decided in 1974 that a new reprocessing plant it had just finished at Morris, Illinois, was unworkable, and beyond fixing. A third commercial plant, at Barnwell, South Carolina, was under construction when the breeder contract was signed. Presidents Gerald R. Ford and Jimmy Carter deferred commercial reprocessing indefinitely, because of the weapons-proliferation threat it posed, and construction has been halted. Even though the Reagan Administration favors reprocessing, the plant probably will not be finished, for lack of funds. Barnwell's owner, Allied-General Nuclear Services, may try to sell it to the government-owned Savannah River nuclear complex, adjacent, for the recovery of plutonium for weapons. The Exxon Nuclear Corporation once talked about building a reprocessing plant near Oak Ridge, with the breeder as its chief client, but this plan has also been dropped.

In addition to all of these discouragements, much of the popular enthusiasm for nuclear power that once existed had begun to evaporate by the 1970s. After the 1973 Arab oil embargo, nuclear-power advocates thought that they would become heroes, because they could provide a reliable alternative energy source. But the demand for oil arises chiefly from uses other than electrical power, and so nuclear plants are not really a factor—the industry's claims to the contrary nothwithstanding. Also, the recession caused by rising energy costs provoked a cut in the demand for electricity and wiped out the need for more generating capacity. All nuclear plants ordered since 1974 have been canceled, and none has been ordered since 1978, the year before the notorious accident at Three Mile Island. Thus, to many who believe that nuclear power should have a bright future, the Clinch River plant has become a last hope. Alvin Weinberg calls the Clinch River breeder the "holy grail of nuclear power's developers." It poses a dilemma for them, as well. As one publicist for the utility industry reasons, if the utilities don't support Clinch River, they could jeopardize the prospects of any other breeder they might favor. On the other hand, if they do support it and the reactor is canceled—or is built and doesn't work—they could lose their credibility with the public and Congress.

Until 1974, the Clinch River breeder had an easy time on Capitol Hill. That year, the protective body that had once nurtured breeders—the Joint Committee on Atomic Energy—was abolished in a broad congressional reform, and jurisdiction for nuclear affairs was scattered among more than a dozen committees and subcommittees in the House and Senate. Each one has become a potential battleground.

When cost estimates jumped to $700 million, in 1972, the increase was explained as the normal cost growth, or cost overrun, associated with federal research-and-development projects (proponents speak of "growth" and opponents of "overruns"). But when estimates of final cost reached $1.7 billion in 1974 and exceeded $2 billion in 1977, boosters of the Clinch River project were hard pressed.

Much was at stake. By then, the AEC had canceled plans for other demonstration breeders, and turned most of its attention to Clinch River. The commission had been forced to economize, in part because of expensive problems incurred by the FFTF, the small fast-neutron reactor at Hanford.

The FFTF was supposed to cost $87.5 million and be finished in 1974; its cost was $647 million when it began operation last year. To many, the FFTF is a machine without a mission, because, except for its smaller size, it is similar in design to the Clinch River reactor. The FFTF can never be a substitute for Clinch River, however, because it is not supposed to breed fuel or to make electricity. Instead, it was designed mainly to show how different breeder fuels perform. The results were supposed to help the planners of Clinch River, but the delays in building the FFTF have voided this function: the Clinch River plans were 87 percent complete when the FFTF began to run.

One reason the Clinch River breeder is such a contentious project is that, unlike the FFTF, it has become a hodgepodge of missions for a mixed group of backers. As other breeder projects have been canceled or deferred, the Clinch River reactor has been saddled with three different functions at once: it is to be a model of a larger breeder; an experimental plant to test new components; and a demonstration plant licensed and run in a utility system, to show the economic potential of breeders. Ordinarily, such functions are separate in research and development. According to Freeman Dyson, a nuclear physicist at the Institute for Advanced Study at Princeton, "If you do a research-and-development program, most of the things ought to fail. That's the stupidity of doing things on a big scale. When you reach the scale at which you can't afford to have a failure, then you're too big." Dyson says, "There should have been about twenty-five small-scale experiments, which could have easily been done for the cost of one Clinch River."

In 1977, as costs rose, ERDA convened a panel of breeder experts. The panel was dominated by nuclear-industry representatives, and voted—predictably—eight to four to continue the project. The minority advocated dropping the Clinch River breeder because the projected demand for electricity had fallen and the fuel-efficiency of light-water reactors had potential for improvement. (Later studies by the General Accounting Office have asserted that the Clinch River project lacks direction and purpose, involves dubious accounting and contracting procedures, and—if built—should be the last breeder until the technology's future is thoroughly reassessed.)

President Carter took office with a strong personal dislike for plutonium, breeders, and nuclear proliferation, and he, too, tried to stop Clinch River. His opposition actually seemed to help the project for a while: Carter gave the breeder's supporters a common foe to rally against, and he gave Congress an institutional reason to reject his pleas. According to Starr, EPRI's vice chairman, "Congress resented that the White House wasn't working with it on many programs," and so it used the breeder "as a symbol of its political independence from the White House." Congress voted

money to continue the work on the project throughout Carter's term in office, although by narrowing margins.

One of the congressmen who criticized the breeder in the late 1970s was David Stockman, who was then a Republican representative of Michigan. He didn't gain much attention for his views then, but they have been invoked often since. In 1977, Stockman said to Congress that "no further subsidization" of the Clinch River program was justified, because it was "totally incompatible with our free-market approach to energy policy." But when Stockman became President Ronald Reagan's budget director, he changed his position on the breeder, in order to ensure the support of Senate Majority Leader Howard Baker, of Tennessee, for the 1982 budget. In an interview published in this magazine in 1981, Stockman said, "I didn't have to get rolled. I just got out of the way. It just wasn't worth fighting. This package will go nowhere without Baker, and Clinch River is just life or death to Baker. A very poor reason, I know."

Baker's stake in Clinch River runs deep. First, as a former member of the Joint Committee on Atomic Energy, he has been for years an avid supporter of nuclear power. He is personally convinced that it represents the best hope for this country's energy future. Second, he shares his state's pride in the nuclear achievements that have been made at Oak Ridge since the war, by the national laboratory and more than a dozen research-reactor projects there. Finally, the breeder means money and jobs for local manufacturers, construction workers, contractors, and supporting businesses.

At present, among the states in which research and manufacture related to Clinch River are being done, Tennessee ranks third—after California and Pennsylvania—in economic benefits from the project, with 502 jobs and $164.8 million. Its share will increase dramatically if the plant is built. At the height of construction, the project is expected to create between 4,000 and 8,000 jobs, the largest percentage of them in Tennessee. And of Clinch River's total expenditures, Tennessee should collect more revenue than any other state. The reactor's total cost is open to debate. The Department of Energy has estimated a cost of $3.6 billion, but congressional critics think that the General Accounting Office's figure of $8.5 billion is closer to the mark. According to the GAO, the $3.6 billion estimate among other things understates the cost of plutonium and of running the plant, overstates the potential revenue from selling power, and omits interest on the money borrowed for the project, which alone may come to $3.9 billion. Of course, the more Clinch River ultimately costs, the more Tennessee is likely to prosper—a fact that must give Baker little pleasure when he faces the reactor's critics.

Other fiscal conservatives have taken up the fight that the Reagan Administration has avoided. Indeed, one sign of Clinch River's vulnerability these days is that debates have begun about how much money would have to be spent to end it. A lobbyist for the nuclear industry estimates that scrapping the project could cost $2 billion or more, including damage suits from the utilities that donated money outright, expenses to landscape the site, and contracts for equipment that will never be used. (About half of the components have already been built.) The House Science and Technology Committee, which last voted, in 1981, to delete funds for the Clinch River breeder, has estimated a cost of $44.5 million. The General Accounting Office has made several estimates as well, none of them greater than $1 billion.

The Clinch River breeder is one of the last great federal enterprises (outside the Pentagon) remaining to be scaled down or ended in the effort to reduce the deficit. It seems that in the government, only Reagan and Baker stand between the project and its swift abandonment. The Taxpayers Coalition Against Clinch River Breeder Reactor, founded last year, includes such economically conservative groups as the National Taxpayers Union and the Council for a Competitive Economy, along with traditionally liberal environmental groups such as the Sierra Club, Friends of the Earth, and the National Audubon Society.

Deferring to the new emphasis on economic retrenchment, the Taxpayers Coalition likes to quote the economist Kenneth J. Arrow, who has written that the Clinch River breeder "is not an economically sound investment at this time," and the economist Walter W. Heller, who has written that spending more on the plant "would be throwing good money after bad."

Clinch River's critics raise the question of the plant's technical wisdom, as well. S. David Freeman, former chairman of the Tennessee Valley Authority and now a member of the authority's governing board, has called the plant a "technological turkey," by which he means that it is obsolete, as a result of delays and foreign developments.

Among nuclear scientists who do not wholeheartedly favor Clinch River, some fear that to criticize it might be interpreted as an attack on the promise of nuclear power in general. Nuclear power has worked as a source of electricity at a lower cost than comparably sized coal-fired plants in some parts of the United States, and more economically than oil in most states; nor does it routinely pollute the atmosphere, as coal does. But, according to current projections, all the plants operating, under construction, or on order will have ample supplies of domestic fuel well into the next century, and so, these scientists say, the need for Clinch River is not urgent, at least in terms of energy demand in the near future.

To avoid giving the appearance of having lost faith in Clinch River, the Electric Power Research Institute's office near Chicago is underplaying its work on a follow-on breeder. Starr will say, however, that he thinks the Clinch River breeder project "was just bad management on a national scale." Given his choice, he would prefer an ambitious research program for gas-cooled breeders, and, like Alvin Weinberg, who prefers molten-salt breeders, Starr supports the Clinch River project mainly because it is ready to be built now. Eugene Wigner thinks the Clinch River plant should be built for the "experience," but prefers that more work be done on the thorium-to-uranium breeders that he has advocated since the war, because they would concentrate about one-tenth as much fissionable material in one place. Hans Bethe thinks that a different design of breeder should be pursued. Henry DeWolf Smyth, formerly the chairman of the Princeton physics department, who wrote the official chronicle of the Manhattan Project, thinks that "anything that's been sitting around, fought over, and redesigned and redesigned" invites safety complications with each change. Smyth says, "I think you better just pick a new site and start over, but I guess that's too radical for Congress." Even Glenn Seaborg is beginning to have second thoughts. "There's a feeling so much time has passed that the Clinch River breeder is obsolete, and that a newer, more modern approach should be launched," he says. "I think it may be coming to that point."

A number of outspoken advocates of the Clinch River breeder can be found in the scientific and technical communities. For example, Manson Benedict, a veteran of the Manhattan Project who is now an emeritus professor of nuclear engineering at the Massachusetts Institute of Technology, believes that the LMFBR "is the best prospect the United States has for nuclear-power generation after our limited resources of low-cost natural uranium are used up." He says that the proposed reactor "is the next logical step in the series of progressively larger breeder reactors that have been built in the United States." From a practical point of view, he says, the completed parts, the money spent so far, and the work of "a generation of engineers trained to design and build this plant and put it into operation" would all be "irretrievably lost if the Clinch River plant is not built."

Benedict and others also point to the nation's stockpile of 250,000 to 300,000 metric tons of U-238. The U-238 has accumulated over the years as a by-product of U-235's extraction from uranium ore, to make bombs and to fuel light-water power reactors and submarines. If all of the Stockpiled U-238 were placed in breeders and converted, it would yield more than 200,000 metric tons of Pu-239. The plutonium could be used by breeders and conventional reactors as fuel to generate about 700 times the electricity made in the United States last year, according to an analyst at Oak Ridge.

The scientists who favor Clinch River are joined in their advocacy by the Committee on Jobs, Environment and Technology, a private organization founded last fall to mobilize support for Clinch River in the midst of fierce congressional opposition. With a full-page ad in a number of newspapers, the committee went on the attack. The ad said, "We don't usually agree . . . but on Clinch River we do," and listed eighteen labor unions, the National Association for the Advancement of Colored People, the Chamber of Commerce of the United States, the General Federation of Women's Clubs, the National Conference of Black Mayors, and the National Association of Manufacturers as new and unlikely allies. Less conspicuous in the ad were the names of the breeder's traditional supporters—among them the American Nuclear Energy Council (the industry's lobby), the American Nuclear Society, the Atomic Industrial Forum, Inc., and the Edison Electric Institute. The ad called the Clinch River breeder "the result of a 20-year alliance between the federal government and private industry," and said that the project "represents the spirit of innovative research and development that has characterized U.S. history at its best."

It is quite possible that the history of Clinch River will not go beyond reams of paper and tons of cleared earth. Last December, the House, aroused by the prospect of further cuts in federal social programs, voted to eliminate appropriations for the plant from the fiscal 1983 budget—the first time Clinch River had lost in a full-House vote. The Senate, just before its adjournment, agreed by a margin of only one vote to continue the appropriations.

A House-Senate conference committee, which met to come up with a budget resolu-

tion that would continue federal spending in lieu of agreement on a formal federal budget, compromised: $14 million was cut from the Senate's appropriation, leaving a balance of $81 million. As part of the deal, the Department of Energy must try to find ways to cut costs and raise more money, either from the utilities or, failing that, perhaps by issuing federally guaranteed bonds; its report is due this spring. In his proposed budget for the 1984 fiscal year, Reagan has asked Congress for $270 million.

Attention now turns to the committees of the new Congress which must authorize further spending in the 1984 budget before any specific amounts can be appropriated. As of this writing, a subcommittee of the House Science and Technology Committee is likely to take the first vote. Its chairman, Representative Marilyn Bouquard, a Democrat whose district includes Oak Ridge, favors Clinch River and expects a tough fight. In the Senate, the threat to Clinch River is more subtle, for it comes also from the nuclear community itself, and involves maneuvering by the federal laboratories to protect their respective roles in the development of breeders. No votes are likely in the Senate until after the full House acts; then the Energy and Natural Resources Committee must decide whether to report a bill authorizing funds to the Senate. The committee's chairman, James McClure, a Republican from Idaho, believes that regardless of what happens to the Clinch River project, a pool-type reactor, known around the Senate as "the Snake River breeder," should be built in his home state. McClure is in an uncomfortable position, however. As a member of the Republican leadership, he is obliged to support Baker's interests. Publicly and with his votes, he has, but he is said to be watching for an opportunity to help Idaho without hurting Tennessee.

One body that Baker can't influence is the Advisory Committee on Reactor Safeguards (ACRS), which has remained intact through all the reorganizations of the AEC. The committee's verdict on the dangers of the Fermi site provoked a political firestorm in 1956, and a negative ruling on the Clinch River plant would do the same. Significantly, the committee is having some real trouble making its decision, which might come later this year.

First, the ACRS is concerned about the breeder's worst safety problem: the "hypothetical core-disruptive accident." The last time the committee considered this risk, in 1976, it pointed out that most of the safety analyses of breeders are based on computer codes rather than actual tests, and that these codes "are at best semi-quantitative once fuel melting begins." The predictions by safety analysts about what might actually happen after breeder fuel melts proceed "primarily by plausibility arguments," the committee reported. It concluded that because sodium boiling could speed up the chain reaction in a core that contains "several critical masses" of plutonium, it was impossible "to establish with certainty that a severe excursion could not take place."

Second, the ACRS can't say definitely that the proposed breeder would be safe at the Clinch River site. All it had concluded by last July was that a conventional light-water reactor, of the type in operation around the country, probably would be. "The applicant is going at his own risk" by preparing the site for construction, a committee member said during recent hearings. "There is going to be a hole in the ground, all right, but there is not going to be a [Clinch River breeder] sitting there before we have come through with some further words on the matter."

The committee's words will be academic without Congress's approval of money to build the breeder. Difficult questions regarding the breeder's safety and its financial and technical warrants seem only to confound the congressmen who are undecided, and to reach them, boosters of the breeder are emphasizing emotions. Octave DuTemple, the executive director of the American Nuclear Society says, "You can make all the technical arguments you want, but when you're in a political system you've got to really grab them, see? And I think one of the best arguments to grab them is simply patriotism and waving the flag and American supremacy in technology and the need for energy in the future."

That, after all, was what President Nixon seemed to have in mind when, in 1971, he declared the goal of completing the fourth breeder by 1980. His support was not purely patriotic, however. After announcing the project's high priority in the White House press room, he walked back to the Oval Office with Seaborg, and on the way, he made his interest in the breeder perfectly clear: "I want it built in California," he said. A few months later, Nixon announced at Hanford that he would authorize a second breeder demonstration plant. But by October 10, 1973, with his attention consumed chiefly by the growing Watergate scandal, Nixon proposed "leapfrogging" the breeder in favor of fusion, a remark overshadowed that day by Vice President Agnew's resignation.

According to Edward Teller, the breeder "was started by famous people who made the atomic bomb. And once you get [an idea like this] started, you cannot stop it. There are vested interests. Not only the vested interests of industry but the vested interests of administrators and politicians who fought for it. And the vested interests of scientists who put their whole lives into it. And they get indignant if you propose an alternative, yet alternatives are there, and we should discuss them."

Fusion—an altogether different nuclear technology—is one of several alternatives to the Clinch River design. Others include a fundamentally different arrangement for a liquid-metal fast breeder, a different fuel cycle, and exploitation of natural, renewable energy sources.

The different arrangement of the liquid-metal fast breeder is the pool design, which Walter Zinn invented for EBR-2 and which the French and the Soviets later adopted. The pool replaces the loops of pipe that were conceived to make reactors suitable for submarines and that because the basis for the design of the EBR-1, Fermi, and Clinch River plants. A study done in 1976 at EPRI by the architecture and engineering firm Burns and Roe, Inc., the designer of Clinch River, concluded that the pool configuration would be easier to build, cheaper to build and run, and safer, in most respects, than the loop, because it is simpler. By 1976, however, Clinch River's loops had been approved. Experts disagree about whether the pool or the loop is inherently safer. Teller, who has critized all breeders as unsafe for years, dismissed the controversy, at a conference on energy technology in 1981, this way: "Pool, loop—loop, pool. It's the same word spelled backwards."

The search for a breeder fuel cycle that would make weapons proliferation more difficult has persisted since the 1940s. The thorium cycle favored by Wigner and Weinberg attracted new attention during the Carter Administration, because the fuel it breeds (U-233) can be made more resistant than Pu-239 to application in a nuclear weapon. (U-233 can be treated to become extremely difficult to separate and purify to achieve bomb-grade quality.) Moreover, the thorium cycle avoids most of the toxic and explosive risks associated with the handling of plutonium. The molten-salt-cooled breeder represents one approach to the thorium cycle, but its highly corrosive fuel is a disadvantage. Another approach, the light-water breeder, was supported by Carter when he tried to abolish Clinch River. Admiral Rickover had converted a government-owned nuclear-power plant, which previously had been run by a private utility, at Shippingport, Pennsylvania, into a light-water breeder, in order to study such a reactor's potential. Carter threw the switch that started up the plant, in 1977. It was shut down last year, and until the core is examined, scientists will not know whether or not the plant bred new fuel. Some analysts believe that the decreased coolant required for a light-water reactor to breed at all is a safety hazard.

A gas-cooled, fast neutron reactor is thought to be an adaptable breeder of uranium or plutonium; its coolant, helium, has even less moderating effect than sodium on the neutrons passing through it. According to some analysts, however, a loss-of-coolant accident would pose a serious problem, because once the helium was gone, there would be no medium to absorb the core's intense heat, and fuel melting would occur immediately. Thus, although gas-cooled, slow-neutron reactors moderated by graphite have been built in Pennsylvania and Colorado, no one has ventured to build an unmoderated gas-cooled breeder.

The two alternative nuclear technologies being studied are based on fusion—the power of the sun—in which energy is released when very light atoms are squeezed together, rather than when very heavy atoms are split apart, as in fission. A fusion reactor would accomplish this by trapping the atoms in a chamber, surrounding the chamber with magnets, and directing the magnetic fields inside to contain the atoms so that they could be made hot enough to fuse. The technology is at an early stage of development, largely because of its extreme physical demands. In order for a fusion reactor to work, the chamber's temperature must be one hundred million degrees Centrigrade (several times hotter than the center of the sun) while the temperature of the magnets, inches away, must approach absolute zero (the coldest that physical materials can become).

Advocates of fusion want work on the breeder halted and the funds diverted to their cause. They say that if the breeder is needed after the turn of the century, and if fusion doesn't appear more promising by then, there would still be plenty of time to revive an aggressive breeder program. Advocates of breeders, however, warn that such a strategy could be dangerous. Donald Trauger, the associate director of the Oak Ridge National Laboratory, says, "The last thing you want is a crash program for breeders. These plants have to be scaled up gradually, to avoid safety and technical problems."

In the scientific community, fusion must compete with a hybrid scheme that involves both breeder and fusion technologies. A fission-fusion reactor would heat light atoms,

without having to sustain the reaction, to release stray neutrons; the neutrons would then be absorbed in a blanket that would be transmuted into plutonium in one scheme, or uranium in another. Of course, the plutonium version would keep alive the threat of weapons proliferation. That threat would be diminished if the uranium version were pursued. The supporters of fission-fusion technology, Bethe and Teller among them, assert that either version would be environmentally cleaner and safer to run than other breeders. According to Bethe, "Seaborg has said the breeder is an alchemist's dream. It is, of course. But maybe the fission-fusion hybrid is an even better dream." Like the breeder in the 1940s and 1950s, however, fusion technology is an entrancing prospect based on lovely forecasts rather practical experience.

The ultimate nuclear-energy source is the sun, whose radiation is being studied as a source of both heat and electricity. So far, solar power is nowhere near providing electricity on a large scale, but other domestic and commercial uses—space heating, water heating, and low outputs of electricity—are already practical. Bernard Feld, who was Leo Szilard's research assistant on the Manhattan Project and is now a nuclear physicist at the Massachusetts Institute of Technology and the editor in chief of The Bulletin of the Atomic Scientist, has done theoretical work on solar energy. He says, "If, like me, you really feel that fission power is an interim solution to a difficult problem, and that the long-term solution we should be looking for is something involving solar energy, then the breeder looks rather superfluous."

If prospect for the breeder seem bleak in the United States, they are only a little brighter overseas—despite the exhortations by the nuclear industry here that Americans are losing the race for an exportable commercial plant.

Publicists at the Atomic Industrial Forum enjoy leading press tours to France and Russia to show American journalists how they think nuclear programs ought to be run. In doing so, they unwittingly confirm the judgment made in the late 1940s by James Newman, who helped to draft the Atomic Energy Act of 1946, that if nuclear power is to succeed, it must be as an "island of socialism," distant from commercial notions of profit and loss. The tours also confirm that even with the full resources of the state behind them, developers of nuclear power—and especially of the breeder—can't avoid conflict.

France, the undisputed front-runner in the race for a commercial breeder, took first place by copying the Americans. Rapsodie, a 40-megawatt loop-type breeder, began operating in 1967. Phénix, a 250-megawatt pool-type breeder, began operating in 1973. Superphénix, a 1,200-megawatt pool-type breeder, is expected to run in 1984. "Translated in American terms, Rapsodie is our EBR-2, Phénix is our Clinch River, and Superphénix is our 'large developmental plant [LDP],' to be followed by the commercial plants," Bertrand Barré, the nuclear attaché in the French Embassy in Washington, says. He is quick to point out the differences, however: Rapsodie had no steam generator and therefore never produced electricity. Furthermore, a sodium leak restricted its power from 1978 until the reactor was shut down last year, to avoid costly repairs. Phénix suffered a string of sodium leaks, but eventually did breed about 15 percent more fuel than it consumed, according to the latest estimates. When the Superphénix begins operation, it will produce about as much electricity as an American light-water plant does, but at a much higher cost. Barré's reference to the LDP is to a sequel to Clinch River that was discussed in the United States during the 1960s and 1970s and then deferred; now the closest American cousin of Superphénix is the breeder that EPRI is planning near Chicago.

Having one state utility and one state nuclear agency has made it easier for the French to develop their own breeders, but the process has not been as trouble-free as the Atomic Industrial Forum's press officers imply. The public is not allowed a significant voice in the licensing procedure, and as a result its actions have been violent: a demonstration against Superphénix in 1977 left one person dead and dozens injured; someone shot a bazooka at the plant last year, causing $17 million in damages.

One reason the French are so admired by breeder advocates in the United States is that they have "closed the fuel cycle"—recovered plutonium and recycled it as fuel. This feature has especially impressed Weinberg, because it is another step toward the "energy autarky" that he hopes breeders will create. Weinberg's enthusiasm is undercut, however, by the fact that the French, having shown what they could do with plutonium as fuel, decided last year that the Superphénix would be more useful making plutonium for bombs. (The government wants to develop a nuclear tactical force, and to replace a military-production reactor that is about to be shut down.) The state utility's weekly review said last spring, "A reinforcement is needed, and it is ensured (after Phénix) by Superphénix, which will produce . . . enough plutonium . . . to make about 60 atomic bombs each year."

In the Soviet Union, where questions from visiting journalists about plutonium use are never answered, the breeder program has stalled after an ambitious start. In 1973 and 1974, the BN-350 loop-type breeder, which is about the size of the proposed Clinch River plant, suffered sodium fires and explosions so serious that an American satellite is said to have detected them. The BN-350 was built on the Caspian Sea and was designed to be a desalinization plant, too, but this function has also proved impractical. The BN-600 pool-type breeder, which is half the size of American commercial nuclear plants, has run well since 1981: it is the reactor that heated water for Walker Cisler's bath. The Russians are scaling back their plans, however. A Soviet review of the country's program in 1979 noted "greater than expected" problems with fast breeders, especially in handling sodium. It said, "As a result, the date [first thought to be in the early 1980s] at which powerful commercial fast-neutron reactors would be developed has been moved back to the end of the century," and power production may occur "only in the next century." As in the United States, reprocessing has been postponed because "demand for nuclear fuel has decreased," and re-use of plutonium in light-water reactors is "difficult to justify."

The Japanese began to operate a small test breeder in 1977, and they want to complete a Clinch River-sized demonstration breeder, the Monju, by the late 1980s. (Monju Bodhisattva, the left-hand attendant to Sakyamuni Buddha, symbolizes wisdom. The name was chosen to emphasize that the breeder program should "harmonize spirituality and science" in order to succeed.) A 1,000-megawatt breeder is also being planned there now; although the first two breeders used the loop strategy, this proposed commercial-sized plant may employ a pool, because of its superior resistance to earthquakes and the successful experience with pools of the French and the Russians. Some analysts fear that the Japanese could use a breeder to develop nuclear weapons, although it is official policy that Japan does not want a nuclear arsenal.

Britain and Germany are also interested in breeders. Britain began running a 15-megawatt breeder on the northern tip of Scotland in 1959, and started up a 250-megawatt breeder in 1974: it "closed the fuel cycle" by reusing some of its own fuel last year. Sometime this year, Britain may decide whether or not to build a demonstration-sized breeder of 1,320 megawatts.

Both Britain and Germany hesitate to build new breeders at the moment, because the utilities are unwilling to take on the costs until the plants are known to be reliable, and the governments are unwilling to run the plants themselves. The German parliament may decide soon whether or not to continue funding Germany's second breeder, a 300-megawatt plant at Kalkar, even though it is nearly completed. The utilities have balked at paying unexpected costs incurred during construction. As Otto Keck, who has written a book on German breeders, points out, "government laboratories and agencies are not well equipped for economic assessments."

Keck's description of Germany's dilemma sounds in many ways like an analysis of Clinch River's politics. He says, "Industrial firms do not necessarily communicate the full scope of their assessments to policymakers. They do not wish to exclude themselves from a government-financed program by questioning the government's economic justification. Their interest is to be part of the program in order to know what is going on and to get some of the business involved."

The Clinch River plant represents only about one third of a $600-million-a-year expenditure, and if it is scrapped, an expensive U.S. breeder program will still exist. The EBR-2 and the FFTF will still be testing breeder fuel in northwestern deserts. Other federal programs will still be concentrating on the sodium pumps and steam generators that have confounded the builders of every breeder. But all this, as Floyd Culler, of EPRI, has said, will lack a "focal point." Some other machine is sure to be proposed to prove that so much money and effort have not been wasted. Besides EPRI's plans for a large breeder, $30 million has been committed by the government in the past two years to fund a study of what the next breeder—the so-called "LDP"—should be.

Given the fragility of geologists' estimates of reserves, no one can say with any authority precisely when in the distant future coal, oil, and uranium might run out, but the ultimate need for some alternative energy source must be reckoned in anticipation of their depletion. For now, analysts in the government and the nuclear industry are taking advantage of the hiatus brought about by the absence of any new orders for nuclear plants to reassess the future of nuclear power in meeting that need. A robust revival of the light-water nuclear-industry must occur in order for breeders to have a role.

Whether breeders are needed or not, a growing number of scientists seem prepared to forget about them. Teller says, "For thirty-seven years, most of the nuclear

physicists considered the breeder as the front-runner, as the wave of the future. They put only the most money on it but also the most ingenuity. They solved a few problems, yet we don't have an economical breeder. They French seem now to have less confidence in their economic success than they used to have. And I like to say, perhaps a little maliciously, that the Superphénix will be a big success—just as big as the Concorde."

Teller says that "the long time, the big effort, and the lack of obvious success are clear points that argue stop and look." Some of those present at the breeder's creation have already stopped and looked, and what they have seen is a dream turned to obsession. They have turned to new dreams—perhaps not as grand as the breeder and its "plutonium economy," but probably not as dreadful, either.

Until three or four years ago, the breeder seemed inevitable, but, for all its promise, it has become instead a costly disappointment. George Weil, an early colleague of Enrico Fermi's who was at the controls when the Manhattan Project scientists created the first chain reaction, and who, for a time, supervised reactor development at the AEC, thinks the breeder has lived up to the dreams of the ancient alchemists, after all. Weil says, "So far, it's only been good for one thing—breeding money."●

MINNESOTA! ELDERS WEEK

● Mr. BOSCHWITZ. Mr. President, on March 10, the senior citizens of St. Cloud, Minn., opened the celebration of "Minnesota! Elders Week" with a presentation of the musical "Minnesota," the result of a cooperative effort between youth at St. Cloud State University and the elderly at the Whitney Senior Citizens Center.

The spirit behind this event is noteworthy and, I think, deserves our attention and commendation. The event's procedures have described their aims beautifully and I am pleased to quote them here:

In keeping with President Reagan's avowed goal of reducing Goverment spending and Government control in State and local affairs, this production provides an exciting example of people working together at the community level to "do things for themselves," to help support their local institutions and to improve the quality of life on the home front.

Proceeds will be used for youth music scholarships and to help support the senior citizen center program for the elderly. The independence and cooperation demonstrated by those involved in this project is a fine example of the great good that can be accomplished when people work together for their community.

I hope that you will join me in saluting these good citizens.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, would the Chair inquire if there is further morning business?

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I move in accordance with the order previously entered that the Senate now stand in recess until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 7:15 p.m., the Senate recessed until tomorrow, Tuesday, March 15, 1983, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 14, 1983:

DEPARTMENT OF JUSTICE

Alfred S. Regnery, of Virginia, to be Administrator of the Office of Juvenile Justice and Delinquency Prevention (new position).

IN THE ARMY

The following-named U.S. Army Reserve officer for appointment to the grade of brigadier general as a Reserve commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3384:

Col. Willard L. Wallace, [redacted]

IN THE MARINE CORPS

The following-named brigadier generals of the Marine Corps Reserve for promotion to the permanent grade of major general, pursuant to title 10, United States Code, sections 5902 and 5912, subject to qualifications therefor as provided by law:

William C. Groeniger III

John J. Salesses

The following-named colonel of the Marine Corps Reserve for promotion to the grade of brigadier general, pursuant to title 10, United States Code, sections 5902 and 5912, subject to qualifications therefor as provided by law:

Richard P. Trotter

EXTENSIONS OF REMARKS

CONGRESSMAN UDALL'S VOTING RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. UDALL. Mr. Speaker, it has become my practice from time to time to list my votes in the House of Representatives here in the CONGRESSIONAL RECORD. I strongly believe that the people of Arizona have a right to know where I stand on the issues decided by the House, and I have found that printing my record here is the best way to provide that information.

This is not an all-inclusive list. I have omitted noncontroversial votes such as quorum calls, motions to resolve into the Committee of the Whole House, and motions to approve the Journal of the previous day.

The descriptions are necessarily somewhat short, and I am sure that some of my constituents will have additional questions about the issues described here. So I invite them to write me for specifics, or to visit my district office at 300 North Main in Tucson or 1419 N. Third Street, suite 103, in Phoenix.

The list is arranged as follows:

KEY

1. Official rollcall number;
2. Number of the bill or resolution;
3. Title of the bill or resolution;
4. A description of issue being voted on;
5. The date of the action;
6. My vote, in the form Y=yes, N=no, and NV=not voting.
7. The vote of the entire Arizona delegation, in the form (Yes—No—Not voting);
8. An indication whether the motion or amendment was passed or rejected; and
9. The total vote.

201. H.R. 5203. Federal Insecticide, Fungicide and Rodenticide Act. Adoption of the rule (H. Res. 528) providing for House floor consideration of the bill to revise the Federal Insecticide and Rodenticide Act and authorize funds for federal pesticide programs for fiscal years 1983 and 1984. Adopted 301-2: Y(1-0-3).

202. H.R. 5427. Radio Marti. Adoption of the rule (H. Res. 529) providing for House floor consideration of the bill to authorize the establishment of a radio to broadcast to Cuba. Adopted 254-22: Y(1-0-3) July 23.

203. H.R. 5427. Radio Marti. Motion that the House resolve itself into the Committee of the Whole for consideration of the bill to authorize the establishment of a radio to broadcast to Cuba. Motion agreed to 239-8: Y(1-0-3) July 23.

205. H.R. 6782. Veteran's Disability Compensation Amendments. Motion to suspend the rules and pass the bill to award a 7.4 percent cost-of-living increase to veterans and their survivors for service-connected disability compensation, and to achieve budget savings from veterans' programs of $169.7 million in fiscal 1983, $185.9 million in fiscal 1984 and $195 million in fiscal 1985. Motion agreed to 400-0: Y(4-0-0), July 27.

207. H.R. 6862. Civil Service Reconciliation. Adoption of the rule (H. Res. 536) providing for House floor consideration of the bill to reduce federal pension spending. Adopted 240-170: Y(1-3-0), July 28.

208. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendment to the Schroeder, D-Colo., amendment, as amended, by the Nichols, D-Ala., amendment, to allow state courts, in states that treat marital property as community property, to decide whether to include armed service members' military pensions and military benefits in the property to be divided by a divorce settlement. Adopted 332-74: Y(2-2-0), July 28.

209. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendent to extend for one year a test policy allowing the Pentagon to pay a premium price in order to purchase certain goods from firms in areas of high unemployment. This waiver of the so-called Maybank amendment was to apply to contracts of the Defense Logistics Agency for routine commercial supplies, excluding weapons and petroleum, worth a total of $5 billion. Adopted 237-170: N(0-4-0), July 28.

210. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Substitute, as amended by the Bennett, D-Fla., amendment, for the Solomon, R-N.Y., amendment, to prohibit federal education assistance to any young man who did not comply with the law requiring registration with the Selective Service System. The original Simon amendment would have exempted from the prohibition anyone informing the Selective Service in writing that he had religious or moral objections to registration. Rejected 161-241: Y(1-3-0), July 28.

211. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendment, as amended, to prohibit federal education assistance to any young man who did not comply with the law requiring registration with the Selective Service System. Adopted 303-95: N(2-1-1), July 28.

212. H.R. 4961. Budget Reconciliation Tax Increases/Spending Cuts. Motion to table (kill) the Rousselot, R-Calif., privileged resolution (H. Res. 541) directing the House to return the Senate-passed bill to the Senate with a message challenging the constitutionality of the measure. Motion agreed to 229-169: Y(2-2-0), July 28.

213. H.R. 4961. Budget Reconciliation Tax Increases/Spending Cuts. Motion to disagree to the Senate amendments to the bill and to agree to a conference requested by the Senate. Motion agreed to 208-197: Y(2-2-0), July 28.

214. H.R. 4961. Budget Reconciliation Tax Increases/Spending Cuts. Motion to instruct the conferees to insist that the conference agreement reach the revenue-raising and spending-reduction targets included in the first fiscal 1983 budget resolution (S. Con. Res. 92). Motion agreed to 299-89: Y(4-0-0), July 28.

215. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendment to reduce the authorization for civil defense programs by $108 million. Rejected 163-240: Y(1-3-0), July 29.

216. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendment to delete $336.7 million for development of the Trident II submarine-launched missile and $26 million to modify Trident submarines to carry the Trident II missiles and to add $26 million for development of the Axe nonnuclear missile. Rejected 89-312: N(0-4-0), July 29.

217. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendment to reduce by 50 percent the number of U.S. military personnel stationed overseas over a four-year period. Rejected 87-314: N(0-4-0), July 29.

218. H.R. 6863. Supplemental Appropriations, Fiscal 1982. Passage of the bill to provide net new budget authority of $13,755,299,924 for federal employee pay raises, commodity credit programs, defense and other programs, and to limit outside earned income of members of Congress to 30 percent of their congressional salaries. Passed 282-111: Y(3-1-0), July 29.

219. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Substitute for the Schroeder, D-Colo., amendment, to limit the total obligation or expenditure of funds authorized by the bill to $175,300,000,000—a reduction of 1 percent from the amount in the bill as previously amended by the House. The Schroeder amendment would have made a reduction of 5 percent. Adopted 238-136: Y(1-3-0), July 29.

220. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Amendment, as amended, to limit the total obligation or expenditure of funds authorized by the bill to $175,300,000,000—a reduction of 1 percent from the amount in the bill as previously amended by the House. Adopted 235-135: Y(1-2-1), July 29.

221. H.R. 6030. Defense Department Authorizations, Fiscal 1983. Passage of the bill to authorize $177,066,100,000 (with total obligations and expenditures limited to $175,300,000,000) in fiscal year 1983 for procurement, operations and management, and research and development programs of the Defense Department. Passed 290-73: Y(3-0-1), July 29.

223. S. 2248. Defense Department Authorizations, Fiscal 1983. Motion to close the conference committee meetings on the bill during consideration of national security matters. Motion agreed to 372-0: Y(4-0-0), August 3.

224. H.R. 6862. Civil Service reconciliation. Motion to recommit the bill to the Post Office and Civil Service Committee to make reductions as ordered by the first budget resolution (S. Con. Res. 92) for fiscal year 1983. Motion rejected 160-236: N(3-1-0), August 3.

225. H.R. 6862. Civil Service Reconciliation. Passage of the bill to reduce budget authority and outlays under certain civil service programs pursuant to the first budget resolution (S. Con. Res. 92) for fiscal year 1983. Passed 268-128: Y(1-3-0), August 3.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

227. H.R. 5427. Radio Marti. Amendment to the Energy and Commerce Committee amendment, to direct the Federal Communications Commission to assign a frequency for the radio station that would broadcast to Cuba, if the station was to operate on the AM band. The Energy and Commerce Committee amendment had given that responsibility to the assistant secretary of commerce for communications and information. Rejected 136-244: Y(1-3-0), August 3.

228. H.R. 756. Federal Police and Firefighters Death Benefits. Motion to suspend the rules and pass the bill to provide a $50,000 death benefit to dependents of federal law enforcement officers and firefighters killed in the line of duty. Motion agreed to 327-82: Y(1-2-1), August 4.

229. H.R. 6011. Alabama Wilderness. Motion to suspend the rules and pass the bill to add approximately 28,500 acres to the Sipsey Wilderness in the Bankhead National Forest and designate a new 6,780-acre Cheaha Wilderness in the Talladega National Forest. Motion agreed to 349-59: Y(1-2-1), August 4.

230. H.R. 5320. Job Training. Amendment to increase the authority of state governments and localy private industry councils in planning job training programs. Rejected 185-219: N(2-1-1), August 4.

231. H.R. 5320. Job Training. Amendment to prohibit use of funds to pay labor unions for training programs for migrant workers. Rejected 87-308: N(1-2-1), August 4.

232. H.R. 5320. Job Training. Motion to recommit the bill to the Education and Labor Committee, with instructions to report it back with the Erlenborn, R-Ill., amendment (see vote 230 above) relating to state and private industry council authority. Rejected 189-218: N(2-1-1), August 4.

233. H.R. 5320. Job Training. Passage of the bill to provide a permanent, open-ended authorization for a new program of assistance to local job skill training programs, and to authorize $650 million for the Job Corps in fiscal 1983, with open-ended funding in subsequent years. Passed 356-52: Y(1-2-1), August 4.

235. H.R. 6812. Banking Reconciliation. Substitute to provide for advance payment of Federal Housing Administration mortgage insurance premiums, and to authorize $50.165 million for expenditures of mints and assay offices in fiscal year 1983. Adopted 337-69: Y(3-0-1), August 5.

236. H.J. Res. 521. Nuclear Arms Freeze. Amendment stating that a nuclear arms freeze was sought, not as an end in itself, but as the first step toward nuclear arms reductions by the United States and the Soviet Union. Adopted 323-84: Y(1-3-0), August 5.

237. H.J. Res. 521. Nuclear Arms Freeze. Substitute to call for a nuclear weapons freeze by the United States and the Soviet Union at equal and substantially reduced levels. Adopted 204-202: N(3-1-0), August 5.

238. H.J. Res. 521. Nuclear Arms Freeze. Motion to recommit to the Foreign Affairs Committee the joint resolution, as amended, to call for a nuclear weapons freeze by the United States and the Soviet Union at equal and substantially reduced levels. Rejected 175-229: Y(1-3-0), August 5.

239. H.J. Res. 521. Nuclear Arms Freeze. Passage of the joint resolution to call for a nuclear weapons freeze by the United States and the Soviet Union at equal and substantially reduced levels. Passed 273-125: N(3-1-0), August 5.

241. H. Con. Res. 388. Education Regulations Disapproval. Motion to suspend the rules and adopt the concurrent resolution to disapprove Education Department regulations affecting the title I program of aid to disadvantaged children and elementary and secondary education block grant programs. Motion agreed to 363-0: Y(4-0-0), August 10.

242. H.R. 6892. Agriculture Reconciliation. Adoption of the rule (H. Res. 551) providing for House floor consideration of the bill to revise dairy, grain and food stamp programs to meet budget reconciliation targets. Adopted 230-156: Y(1-3-0), August 10.

243. H.R. 6892. Agriculture Reconciliation. Motion that the House resolve itself into the Committee of the Whole for consideration of the bill to revise dairy, grain and food stamp programs to meet budget reconciliation targets. Motion agreed to 362-9: Y(4-0-0), August 10.

244. H.R. 6892. Agriculture Reconciliation. Substitute to revise the food stamp sections of the bill. Rejected 181-210: N(3-1-0), August 10.

245. H.R. 6892. Agriculture Reconciliation. Motion to recommit the bill to the Agriculture Committee with instructions to make reductions in programs within its jurisdiction in accordance with budget reconciliation requirements and to submit the reductions to the House Budget Committee. Motion rejected 145-245: N(1-3-0), August 10.

246. H.R. 6892. Agriculture Reconciliation. Passage of the bill to revise dairy, grain and food stamp programs to meet budget reconciliation targets. Passed 268-121: Y(2-2-0), August 10.

247. H.R. 5427. Radio Marti. Amendment to the Energy and Commerce Committee amendment, to authorize the Board for International Broadcasting to prepare material for broadcast to Cuba and to buy time on commercial radio stations to broadcast that material. Rejected 78-284: N(0-3-1), August 10.

248. H.R. 5427. Radio Marti. Amendment to the Energy and Commerce Committee amendment, to prohibit the Board for International Broadcasting from broadcasting to Cuba on or near a radio frequency allocated for non-governmental use. Rejected 109-277: N(0-4-0), August 10.

249. H.R. 5427. Radio Marti. Substitute for the Energy and Commerce Committee amendment, to require the Board for International Broadcasting, in broadcasting to Cuba, to use the Voice of America's Marathon, Fla., facility and assigned radio frequency. Rejected 109-271: N(0-4-0), August 10.

250. H.R. 5427. Radio Marti. Passage of the bill to authorize the establishment, under the supervision of the Board for International Broadcasting, of a radio station to broadcast to Cuba, and authorize $7.5 million in fiscal 1983 for construction and operation of the station. Passed 250-134: Y(3-0-1), August 10.●

TAX CUT SUBMERGES IN OVERALL INCREASE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. FLORIO. Mr. Speaker, ever since the administration first proposed a raid on the Treasury as the road to recovery, some of us have argued it was not only unfair and destructive, but that it simply would not work.

We now have confirmation of this view from a source that initially supported the administration's program. Following the great tax cut of 1981, we have had a wrenching decline in economic growth. The resulting squeeze on the Federal budget has produced efforts to recoup through tax increases. Add to this State and local tax increases, and most taxpayers will wind up paying more than before the 1981 tax cut. All of this is aptly summarized in a recent Congressional Action bulletin of the U.S. Chamber of Commerce, the relevant portion of which I insert in the CONGRESSIONAL RECORD for the information of all Members.

TAXES

THE 1981 REDUCTION VANISHES

In August 1981, President Reagan stunned political pundits by persuading Congress to pass the Economic Recovery Tax Act. That measure was projected to cut taxes by nearly $750 billion by 1986.

Because of slower economic growth, lower inflation, and other factors, that original estimate has been lowered to $609 billion. If scheduled social security and windfall oil profits tax increases are factored in, the net tax reduction drops another $192 billion—to $417 billion.

Since the President's tax bill, two new tax increases have been passed, the Tax Equity and Fiscal Responsibility Act and the Highway Revenue Act. These have raised another $241 billion, lowering the President's $750 billion tax cut to $176 billion, less than one-fourth the reduction originally projected.

If the President's standby taxes contained in his fiscal 1984 budget are enacted, the federal government will collect an additional $84 billion during 1984-86, and the $750 billion cut will have shrunk to $92 billion, spread over five years. Since most states and many local governments will have raised their taxes during that period, most taxpayers will actually be paying more than in August 1981.

Ironically, it seems that a simple moratorium on all tax changes would have proved more advantageous to the average taxpayer than a $750 billion cut.●

FEDERAL ROLE IN TECHNOLOGY DEVELOPMENT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. DYMALLY. Mr. Speaker, throughout our Nation's history the Federal Government has, through many of its agencies, provided and supported basic research in all scientific disciplines. The benefits that have accrued in contributing to the quality of life in the United States and to its emergence in two centuries to preeminence in global affairs have accounted for general acceptance of this

role of the Federal Government in the affairs of its people.

Additionally, the Federal Government has provided leadership, coordination and financial support for advanced technology development applicable to more narrowly defined industrial areas. Conspicuous of this role has been the establishment in 1915 of the National Advisory Committee for Aeronautics (NACA), whose mission was continued in the establishment of the National Aeronautics and Space Administration (NASA) in 1958.

THE ISSUE

In 1981 the present administration adopted a philosophy propounded in a Heritage Foundation report captioned "Agenda for Progress" which decreed that is was inappropriate and unnecessary for the Federal Government to provide financial support for technology development underlying civil industry. That role, this philosophy held, would and should be carried out by the private sector.

The first step of the administration toward implementation of this philosophy was to reduce from the NASA operating plan for fiscal year 1982 some 20 percent of the funding authorized and appropriated by the Congress specifically for aeronautical systems technology development.

The second step of the administration was to eliminate from the NASA budget request for fiscal year 1983 all systems technology development programs except two earmarked specifically for defense applications.

The third step of the administration was to authorize a 6-month study directed by its Office of Science and Technology Policy, the report of which is sufficiently ambiguous as to leave the issue open for continued debate.

ARGUMENT FOR CONTINUATION (AND POSSIBLE EXPANSION) OF FEDERAL ROLE IN TECHNOLOGY DEVELOPMENT

The detailed arguments will be drawn specifically from the facts pertaining to the aeronautics industry even though the issue has broader scope.

First. It works: NACA/NASA aeronautical technology has spawned an aviation industry whose aircraft manufacturing and airline activities constitute a $100 billion industry at the annual level, including world leadership in civil and military aviation technology.

Second. It is cost effective: NASA's total budget for aeronautical research and technology, program management, and construction of facilities for aeronautics now averages approximately one-half billion dollars per year. This means that the existing policy and mechanism, which has been in effect for over six decades, provides the underlying research and development needed to support and sustain this $100 billion high technology industry with less than one-half of 1 percent of the annual level of operation of that industry. This compares to a range upward of 2½ percent typical of private industry costs in other industrial sectors. Individual companies pursuing the leading edge of technology in their field expend much greater levels than that.

Third. It brings in substantial tax revenues: At nominal profit levels the industry will return about $2 to $3 billion annually into the Federal Treasury and about half that much into State and local governments.

Fourth. It provides jobs: The aviation industry provides approximately 1¼ million full-time jobs encompassing just about every category of professional and trade skill distributed throughout every State of the Union.

Fifth. It provides a massive contribution to the Nation's foreign trade balance: Over the past 3 years the net favorable contribution to trade balance of the aeronautics industry has been about $13 billion annually. This alone accounts for about one-third to one-half million full-time jobs.

Sixth. It provides the finest air transportation system in the world: In all significant criteria including number of communities served, frequency of service, quality of service, economy of service, and safety of service, the U.S. airline system is unequalled anywhere else in the world, even after discounting its deterioration of the past few years.

Seventh. It can provide a lifesaving technological edge to withstand rapidly intensifying foreign competition: In recent years foreign consortia of government and industry, themselves adopting their own versions of the NASA model, have developed the capability to seriously threaten U.S. world leadership in civil aviation, thereby threatening a number of the foregoing benefits of that leadership. National policies of a number of foreign governments have provided a substantial financial advantage to those consortiums in the competition for worldwide international civil aviation sales, over 60 percent of which are outside the United States. This possibly irreversible factor, which is beyond the control of the U.S. private sector, places an even greater premium on maintaining a technological edge which can help to offset that financial advantage.

Eighth. It stands as a model of Government/industry collaboration, fully preserving the Nation's free-enterprise system: Our aviation industry, in each of its major sectors, including transport aircraft manufacturing, engine manufacturing, general aviation manufacturing, and airline operations is composed of technologically strong and privately financed aggressive competitors. No other nation can make that claim. Indeed all other industrial nations are involved in various levels of experimentation characterized by different degrees of Government ownership of industry.

Ninth. Compare some major go-it-alone industries: Major industries conspicuously lacking in any pattern of sustained Federal participation in research and technology development applicable to those industries provide a contrasting scenario. They are characterized by economic distress accompanied by the well known symptoms of massive unemployment, lack of international competitiveness, unfavorable trade balance, and severe drain on the National Treasury. The latter is attributable both to lack of tax revenues and social welfare costs for their hundreds of thousands of unemployed. Those costs dwarf the cost of public funds for research and technology development. Conspicuous examples are the steel industry, the textile industry, the public transportation industry, the automobile industry, et cetera.

The Congress should combine to increase the Federal role in technology development.●

ANDROPOV'S DEFEAT IN WEST GERMANY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. McDONALD. Mr. Speaker, the new General Secretary of CPSU and leader of the Soviet Union, Yuriy V. Andropov, contributed to the worst defeat of the Social Democrats of West Germany in two decades in the elections of March 6.

For the first time in post-World War II history, the Soviet Union became directly involved in the electoral process of a West European country and was badly humiliated by the outcome. At stake in this very important election were the future policies of West Germany, the most important NATO member on the continent of Europe, and the Soviet Union openly supported the SPD and Hans Jochen Vogel for Chancellor in an attempt to be able to control those policies.

The Soviet plan was carefully prepared in a long-range operational system. Since the Communist Party of West Germany has no political constituency of any consequence (about 0.2 percent of the electoral vote), the subject of Soviet manipulation became the SPD and, in particular, its left-wing groups, including the Jusos (the Young League of the SPD) and the new pacifist Green Party. The game plan was scheduled in two phases: First, it was essential to isolate within the SPD the moderate group of leadership headed by Helmut Schmidt, Egon Franke, and others and then to

promote the idea of new elections in which the new leadership of the SPD (Hans Jochen Vogel) would be able to create a new coalition with the Greens ("red-green" alliance) creating a new government with a much more favorable pacifist policy, thus expanding Soviet influence.

In the second half of 1982, the partisan warfare against Helmut Schmidt within the SPD reached enormous intensity, forcing the beleaguered Chancellor to adopt many domestic policies against his better judgment. By September, the governmental coalition partner, the Free Democratic Party (FDP), was so much annoyed by these new trends in the SPD policies that it bolted the coalition and in a very unprecendented move joined the new coalition with the Christian Democrats (CDU/CSU). On October 1, CDU Chairman Helmut Kohl became the new Chancellor of Germany. The instability and shakiness of this unusual political situation was observed with satisfaction in Moscow. The Soviet commentators devoted a lot of attention to the inexperience of Helmut Kohl, his lack of political charisma, poor showing of the FDP in several local political elections—only about 3 percent in Hamburg, or much below the required minimum of 5 percent—the unexpectedly good showing of the Greens in the same local elections (8 percent in Hamburg) and were obviously expecting a further advancement of Soviet influences in Germany.

Chancellor Helmut Kohl surprised many political experts by his astuteness and low-key but very effective maneuvering in a difficult political situation where he was suddenly confronted within an atmosphere of great tension. On December 17, he arranged for a vote of "no-confidence" against his own government which was never attempted before but is allowed by the Constitution of 1949. This move forced the premature elections to be held within 3 months of the parliamentary vote, and the date was set for March 6.

The Soviet involvement in the electoral process has been direct, obvious, and sometimes even crude. In the outcome, it sharply backfired and contributed to the SPD defeat.

From the very beginning, it was clear that the March 6 vote will be a watershed marking the decision of the German people either to adopt the conservative policies aimed at stimulating the economy and consolidating ties with the United States and the entire Western alliance or to return to the Socialist welfare economy and the neutralist foreign policies with leanings toward the Soviet Union.

Mr. Kohl called it the choice between "the socialist market economy" and "the market economy," and the choice between "active partnership in the Western alliance" and "an attempt for unrealistic neutralist position."

The Soviet Union openly supported the SPD and Hans Jochen Vogel, successor of Helmut Schmidt, who was highly objectionable to the Soviets. Mr. Vogel was received in Moscow several weeks before the elections with all the honors and pomp of a head of state and was even entrusted with an active mission in missile negotiations. Soviet Foreign Minister A. Gromyko visited Bonn 6 weeks before elections, appealing for support of policies rejecting the deployment of the U.S. missiles in West Germany, the approval of the nonnuclear zones in Europe and the pacificist movements supported by the Soviet Union.

It seems that some Soviet high-level experts on Germany, like former Ambassador V. Falin, advised against such direct involvement in the elections anticipating a possible backfire, but their opinions resulted only in their demotion. Falin was shifted from his responsible position in the Department of the Central Committee to a small assignment as newspaper correspondent.

It will take some time to digest the disappointment of the March 6 defeat. But after the full evaluation and analysis of the sequence of events leading to the dismal performance is completed, new changes in the offices of the Central Committee should be expected.

The postelection commentaries in the Soviet press reflect the bitterness and exasperation of the Soviet leadership. They question Chancellor Kohl's mandate on deployment of U.S. missiles and threaten him with "strong countermeasures" if he does deploy them. In a direct effort of intimidation, they said that "West Germany may become a target for a retaliatory nuclear strike."

The mandate of the new German Government is clear. The CDU/CSU Party obtained 48.8 percent of the 43.5 million votes cast—90 percent turnout—with 245 seats in the 498-seat Bundestag. The coalition partner, FDP, with 6.9 percent of the vote has 34 seats, giving a comfortable majority of 279 members against 192 for the SPD and 27 for the Green Party. This decision of the German electorate provides Helmut Kohl with the very strong support toward his "determination to stand by NATO" and repudiates the Social Democrats' insistence on more accommodating approach to the Soviet Union.

The CSU of Bavaria gained a strong 60.7 percent of the vote and Franz Joseph Strauss, leader of the CSU, gave up his post as Prime Minister of Bavaria to take up his seat in the Bundestag in Bonn. He expects to be considered for a cabinet position in the new government of Chancellor Kohl. He wants to be Vice Chancellor or Foreign Minister or both. Hans Dietrich Genscher, leader of the FDP, is the Foreign Minister now, but the composition of the government is currently under consideration by the new coalition.

The defeat of the Soviet effort of destabilizing West Germany will have a profound effect on the political situation in Europe for years to come. The composition of the new government, notwithstanding the outcome of March 6 elections, will strengthen U.S. efforts toward a peaceful stabilization of Europe.●

THE MOST REV. THOMAS J. WELSH—A CARING AND PASTORAL PRIEST

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. WOLF. Mr. Speaker, Pope Paul II has named the Most Rev. Thomas J. Welsh, founding bishop of the Diocese of Arlington, to succeed the Most Rev. Joseph McShea, founding bishop of the Diocese of Allentown, Pa.

This is an honor and it means returning to the land of his youth, yet the Northern Virginia community will certainly miss Bishop Welsh, a true man of faith. His daily contributions to the spiritutal life of the citizens of our area are deeply appreciated and will always serve to remind us that we are all much happier, much stronger, and more spiritually alive because he was here among us. It has been a privilege for me to know and work with Bishop Welsh and I wish him well in his new mission as bishop of the Church of Allentown.

Mr. Charles. W. Carruth, editor of the Arlington Catholic Herald, has written an excellent article about our beloved Bishop Welsh which captures the depth of commitment and spirit he gave to us, and I ask that an excerpt of this article be printed at this point in the RECORD.

[From the Arlington Catholic Herald, Feb. 17, 1983]

"A CARING AND PASTORAL PRIEST"

To enumerate the achievements of the Most Rev. Thomas J. Welsh during the past eight and one-half years would require three or four volumes to fill. Those of us who have been privileged to serve him in the Diocese of Arlington find it a never ending task to relate what has taken place under his leadership.

Reflecting on the past seven and one-half years from the founding of the Arlington Catholic Herald to the present, I am awed by the accomplishments of this very holy and pastoral bishop. These things we can say now since he will shortly be installed (March 21, 1983) as the second bishop of Allentown, Pennsylvania. All of us have always had the utmost respect and deep personal regard for this extraordinary man, but it would have been considered self-serving by some, embarrassing to the Bishop and probably imprudent on our part to have said

so before this. He is "the good shepherd" and our friend.

The foremost thing which comes to mind when we think of Bishop Welsh is his spirituality. He is a caring and pastoral priest, one who has by word and example spoken and lived a prayerful life among us. His devotion to the Eucharist and to the Blessed Mother is legendary. In his pastoral letter to the people of the diocese for Lent 1981, he wrote: "Lent points toward and prepares for Easter. The Death and Resurrection of the Lord are proof for all time that God is our Father and loves us. We have so much to be thankful for, but the very 10 talents that we have received are all the reasons for our efforts to make our lives more truly and fully what the Lord wants."

Referring to the Poor Clares—the contemplative community of nuns he formally welcomed into the Diocese of Arlington on June 12, 1977—he said, "By vivifying the entire Mystical Body, by the fervor of their love, and by bolstering the various efforts of the apostolate, which are indeed nothing without charity, contemplatives raise the level of the spiritual life of the whole Church."

As "the good shepherd" he has encouraged restoring the recitation of the Rosary throughout the diocese. In 1978, fourteen parishes joined in the fourth annual worldwide International Rosary March, the purpose of which was to have everyone across the globe praying simultaneously. He instituted a program of spiritual renewal for the clergy of the diocese, instituted annual communal Penance services across the diocese, put in motion a continuing effort to reach out and touch Catholics who may be suffering in the practice of their faith or who may be alienated from that practice. He spoke out against "Playboy's Escapade," erotic TV programming in Arlington, and he told Virginia State Legislators, "The more our laws reflect God's divine economy, so much more will the common good be achieved," and that "Church leaders (must) remind their flocks that a good Christian is a good citizen." He told the lawmakers that there are no greater statutes than those decrees that God gave Moses on Sinai.

A man much maligned and accused of being the arch-conservative and rigid traditionalist by a few voices, usually so "eloquently" expressed in the washington Post, Bishop Welsh, speaking of the Society of St. Pius X, founded by Archbishop Marcel Lefebvre, expressed his "deep personal sadness that the Church, which constantly faces difficulties from outside forces, must now suffer confusion as a result of misguided zeal and fervor by members of the society of St. Pius X." In published "Pastoral goals of the diocese of Arlington," the bishop said: "One of the principal duties of a Bishop is to call on men to believe or to strengthen them when they already have a living faith."

Widely known for his support for life, the bishop has never failed to act or to speak out at every opportunity to denounce abortion. He has never missed the annual "March for Life" on January 22, each year. He has led 500 persons in a demonstration against an abortion mill in Fairfax. Speaking to the crowd with the aid of a bullhorn, he declared: "We detest the killing of the unborn person. . . . We are not here for violent purposes. I think that would be counter-productive. The violence is not going on outside, with us, but inside that building."

On the day of his installation, Bishop Welsh established the Diocesan Tribunal and according to the Rev. Msgr. Justin D. McClunn, Officialis, the office has handled some 2200 cases not one of which has been overturned.

Speaking of the transfer of Bishop Welsh to Allentown, Msgr. McClunn told the Herald:

"Bishop Welsh's promotion to the larger Diocese of Allentown is doubtlessly a tribute by Pope John Paul II, not only to him personally but also to his record as the founding Bishop of the Diocese of Arlington.

"While we rejoice in this honor given to Bishop Welsh, we priests are truly sorry to lose his able, kindly leadership. Since he came to us in 1974, we have learned to appreciate his deep spirituality, his administrative abilities and his genuine interest in each of us. He gave himself unsparingly for all of us who had been committed to his spiritual care.

"For nearly nine years I have been privileged to work closely with him. My admiration for him has grown constantly. He has been both a spiritual leader and a cherished friend.

"The prayers of all of us will be with Bishop Welsh as he assumes his new duties as Bishop of Allentown." . . .

"In my experience Bishop Welsh showed his greatest strengths one on one. He has an uncanny way of recalling names and personal details. For those of us who had an opportunity to see beyond the role and the public image to the person, we found someone who could not be simply labeled or dismissed. Instead we found an ally and a friend." . . .

Bishop Welsh established six new parishes in the Diocese of Arlington: St. Stephen the Martyr, Middleburg; Elizabeth Seton, Lake Ridge; Our Lady of the Blue Ridge, Madison; St., Catherine of Siena, Great Falls; St. John Neumann, Reston; and the Church of the Blessed Vietnamese Martyrs, Annandale.

Moving from the pastoral into a more practical or pragmatic realm, the Diocese of Arlington is better off by 11 new churches which have been dedicated by Bishop Welsh, but not necessarily in this order: St. Ambrose, Annandale; Nativity, Burke; St. Elizabeth Seton, Lake Ridge; Christ the Redeemer, Sterling; St. Bernadette's, Springfield; St. Catherine of Siena, Great Falls; Our Lady of the Blue Ridge, Madison; St. John Neumann, Reston; St. Luke's, McLean; St. Mary of Sorrows, Fairfax. One of the first to be dedicates was Our Lady of the Shenandoah in Basye. A new church in the Parish of Precious Blood, Culpeper, will be completed in June. A contract is ready to be let for St. Mark's, Vienna, and a new church for Good Shepherd Parish, Alexandria, and St. Francis of Assisi, Triangle, are in the construction drawing stages.

A new church is being planned for St. Joseph's, Herndon. An architect is presently being selected for a new church and rectory at Our Lady of Angels Parish in Woodbridge. An architect has been selected for St. William of York's, Stafford, expansion program of parish facilities.

The Bishop established the Church of the Vietnamese Martyrs in Annandale for the Vietnamese community. He established the Portiuncula Friary in Boston, Va.

St. Clare Mission was established through St. Timothy's Parish, Chantilly. Two new mission parishes are in the planning stage, both from St. Mary's Fredericksburg, at Chancellorsville and Spotsylvania Court House. St Peter's Mission is in the planning stage from the Parish of Precious Blood, Culpeper.

In addition to an activities center at St. William of York Parish and at Precious Blood Parish, a new church hall was dedicated at St. Joseph's Parish, Herndon, and in the first years of the diocese, a new hall was dedicated at St. Mary's Parish in Fredericksburg. Two new school gymnasiums were built: one at St. Louis Parish, Alexandria, is nearing completion, and the other at St. Mary's, Alexandria, has been dedicated; two new convents, one at Aquinas School, Woodbridge, and another at St. John's School, Warrenton. He blessed a new chapel and rectory at Our Lady of Good Counsel, Vienna.

Bishop Welsh has led the work of Christ in the 21 counties of Northern Virginia and brought the love of Christ to all people. He has labored unceasingly to bring belief where hope is in short measure and to reinforce the Faith of all believers. For this he is loved and will be remembered in the hearts and minds of everyone he has touched. Of these there are legions. The people of Allentown will find him to be what we know him to be, the "good shepherd" and our very good friend for he has taught us the joy of being Christian.●

IN THE ABSENCE OF A NUCLEAR FREEZE: NATIONAL SECURITY OR NUCLEAR DISASTER?

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. TORRICELLI. Mr. Speaker, this week the House of Representatives will vote on whether this Nation will have a nuclear freeze or if we will continue the madness of the arms race. With this vital decision only a few days away, I would like to share an article, by Greg Weaver of Americans for Democratic Action, with my colleagues. The article discusses what would happen if the Congress fails to adopt this critically important arms control agreement.

IN THE ABSENCE OF A FREEZE: NATIONAL SECURITY OR NUCLEAR DISASTER?

The debate over an immediate mutual and verifiable freeze on the superpower nuclear arms race has focused on the merits of the freeze proposal itself. Few, however, have carefully examined what will ensue in the absence of such an arms control agreement.

The ultimate goal of U.S. national security policy is the prevention of a nuclear attack on the United States. Thus, the major debate among our national security policy-makers concerns what the United States should do to achieve this goal. While numerous specific policy positions have been advanced in the course of this debate, only two themes pervade the discussion: assertions of the arms racers versus assertions of the arms controllers.

Which course is better? Should the United States seek some form of "strategic superiority" over the Soviet Union? Or should we seek to conclude an arms control agreement which will increase the security of both countries by ending the intense arms competition of today, and by preventing a dangerous destabilization of the existing strategic balance tomorrow? When the technical

trappings of the agruments on both sides are stripped away, one finds that the debate asks whether the nuclear arms race is a means of achieving security, or is itself a source of insecurity.

The Soviet-American nuclear arms race is a two-part phenomenon, including competition for both quantitative and qualitative advantage. Most discussions of the arms race have focused on the quantitative competition, and past arms control agreements have sought to limit the numbers of various launchers and delivery systems. Today, however, it is the qualitative arms race—the race to develop and deploy nuclear weapons that are "better"—which threatens to permanently destabilize the U.S.-Soviet strategic balance while making effective arms control more difficult to achieve in the future. A mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons, missiles, and other delivery systems would halt the arms race. Its continuation will lead to the deployment of not only a new generation of nuclear weapons, but to weapons designed to fight a nuclear war, rather than to deter one.

Both the Soviet Union and the United States plan to produce and deploy large numbers of new nuclear weapons that purportedly will have the speed, accuracy, and explosive yield necessary to destroy hardened military targets, such as land-based missile silos and command-and-control bunkers. These "first-strike" or "counterforce" weapons will create fears on both sides that their nuclear deterrent forces are vulnerable to surprise attack. In the event of an international crisis involving superpower confrontation, these fears of an enemy first strike will create strong incentives for a preemptive strike. Leaders on both sides may be faced with the prospect of "using or losing" their nuclear arsenals. The widespread production and deployment of first-strike U.S. and U.S.S.R. weapons over the next ten years will greatly increase the likelihood of a nuclear war, even if the overall numbers of weapons possessed by both countries is reduced. This is why a freeze is necessary before reductions are renegotiated.

Current U.S. nuclear weapons plans call for the production of large numbers of nuclear-tipped cruise missiles capable of attacks on land targets in the Soviet Union. The cruise missile represents a second danger of the qualitative arms race. The cruise missile is a small pilotless aircraft equipped with a guidance system which matches images of the ground picked up by its radar to a map programmed into its computer memory, and corrects its flight path accordingly. It flies at very low altitudes, and at subsonic speeds. Its most disturbing characteristics, however, are its size and the variety of basing modes from which it can be launched. The United States is testing and deploying cruise missiles that can be launched from bomber aircraft, ground-based truck launchers, tubes on the decks of surface ships, and torpedo tubes of attack submarines traditionally assigned only anti-ship and anti-submarine roles. The missile's size and the variety of these basing modes threaten to make the verification of future arms control and reduction accords extremely difficult. The traditional method of verifying compliance by counting launchers—which are more visible than the missiles themselves—will not be useful, as cruise missile launchers are potentially reloadable, and cruise missiles themselves are relatively easy to conceal. The short-term U.S. "advantages" of deploying large numbers of cruise missiles now are certain to be dangerously outweighed by the eventual Soviet deployment of similar weapons in similar configurations. Once again, the negotiation of a mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons, missiles, and other delivery systems will prevent both countries from taking steps in the arms race that will make future reduction far more difficult to achieve.

Below is a list of the new weapons systems, currently planned by the Soviet Union and the United States, which a mutual and verifiable freeze would halt. The list includes a brief note on the most dangerous aspect of each new weapon system. After examining this list, it is for you to decide: is the security of the United States better served by the pursuit of "strategic superiority," or by the negotiation of an immediate mutual and verifiable freeze on the testing, production, and deployment of all nuclear weapons?

WEAPONS KNOWN TO BE PLANNED BY THE SOVIET UNION

Weapon name and type	Most dangerous aspect
MX size solid-fueled ICBM	Potential first-strike weapon.
Small size solid-fueled ICBM	Potential first-strike weapon.
SS–N–20 SLBM	Large number of warheads.
New SLBM	Characteristics unknown.
New Variant of Bear bomber	Designed for launch of cruise missiles.
"Blackjack" B–1 type bomber	Probable cruise missile carrier.
Air, ground, and sea-launched long-range cruise missiles.	Large scale deployments will make future verification extremely difficult.

WEAPONS KNOWN TO BE PLANNED BY THE UNITED STATES

Weapon name and type	Most dangerous aspect
MXICBM ("Peacekeeper")	Potential first-strike weapon.
Trident II SLBM	Potential first-strike weapon.
B–1B Strategic bomber	Cruise missile carrier.
Stealth bomber	Cruise missile carrier.
Ground and sea-launched cruise missiles, and a "stealth" variant of the air-launched version.	Large scale deployments will make future verification extremely difficult.
Pershing II, intermediate-range ballistic missile.	Potential first-strike weapon.●

MAYOR TOM BRADLEY VIEWS PUBLIC TRANSPORTATION

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. DIXON. Mr. Speaker, I am pleased to take this opportunity to insert a speech by Mayor Tom Bradley on the important issue of public transportation. Mass transit is a crucial part of our Nation's economic development and must not be overlooked as we consider the upcoming Federal budget.

REMARKS BY MAYOR TOM BRADLEY TO THE AMERICAN PUBLIC TRANSIT ASSOCIATION MANAGEMENT CONFERENCE, FEBRUARY 14, 1983, SAN DIEGO, CALIF.

Mr. Chairman, Mr. President, distinguished members of the American Public Transit Association, thank you for inviting me to open this important meeting on the future of public transit in our nation.

We are truly in a time of mixed signals for public transportation.

On the one hand, Congress has passed and the President has approved the five cent gas tax, including one cent of that money for mass transit programs. This recognizes at the Federal level the interrelationship between the motoring public and the mass transit users. Every driver has an interest in better mass transit because transit improves mobility and circulation in our cities.

On the other hand, there are now emerging budget cuts and rescissions at both the Federal and in California at the State level, in the areas of mass transit operating assistance, and capital construction funds.

Mass Transit Magazine has called the nickel a gallon gas tax a "crucial beginning" to meeting our financial needs if we are to improve transit in this country. Indeed in Los Angeles, we are planning for this new source of funds to allow for the beginning of our long-awaited Metro Rail subway project.

We are well on our way to completing preliminary engineering and environmental impact studies on this project. It's taken a very long time and many efforts. At long last we have secured the local funds necessary for this.

We will go to Washington later this year to ask for construction funds, and we will be ready with the facts:

Los Angeles is the second most populous city in the Nation, and the Wilshire Corridor is the most densely populated area in America without a rapid transit system.

Our projected Metro Rail ridership of 300,000 riders per day would certainly demonstrate the need for this system, especially since buses are already running at capacity in that area.

There is widespread community support for Metro Rail, the first time a local consensus has been reached to support one subway project over one route. That's the agreement, that's the understanding.

The joint development potential is significant, and the project will create thousands of new jobs.

For many cities, the new gas tax funds mark the beginning of the rebuilding of existing transit systems, a crucial link in our urban infrastructure. And it marks a major step in our efforts to convince the Federal Government that better transit has been, is, and continues to be a national priority.

I am proud to say that I was an early and constant supporter of the gas tax increase. And I would like to recognize the important role which APTA played in this effort. We are grateful to all of you. Without that kind of support, that partnership, we would be talking about just another good effort. The partnership did it.

Unfortunately, not all the news at the Federal level is good. The reductions in operating assistance funds will mean higher transit fares in many of our cities. We must continue to stress the need for an acceptable Federal contribution for operating assistance. I will continue to support you in this effort.

No sooner has the ink dried on this major new Federal transit legislation when we hear that OMB plans to use this money to help reduce the deficit in the next budget year. The President's proposed budget would shift over $800 million of that $1.1 billion fund for transit. This is being shafted by the shift, and it is this kind of hypocrisy which I have referred to as a double cross.

The President's proposed appropriation levels would cut about 30 percent of the authorized level for section 9 block grants, and, in addition, the administration is pro-

posing to cap the amount which can be used for operating assistance at about 14 percent of the total. From my county alone, these funding levels and restrictions could mean about a $41.2 million loss in Federal operating assistance for next year alone.

I am confident that the Congress did not intend for their hard work on transit legislation to be undermined and frustrated in the name of reducing the huge Federal deficit. I intend to work with you to see that the promised funding level is achieved, and I hope that you will join me in that effort.

One of the keys to this new Federal transit program is increased financial commitment at the State and local level. Again, we have received mixed signals in our State on this issue.

In 1974, voters in California passed a ballot measure which set aside a portion of State highway user fees for rapid transit construction. And in 1981, the State legislature increased State gas taxes by 2 cents to pay for roadway repairs. And in 1982, the court in California validated a referendum approved by Los Angeles County voters in 1980 which increased the sales tax by one-half cent in order to pay for reduced bus fares and to pay for rail rapid transit construction.

Thus, we have seen a growing public interest in better mass transportation in California. I am proud to say that I actively supported each of these measures.

Unfortunately, the new administration in Sacramento has taken after its Federal counterpart. Preliminary State budget proposals significantly reduce the State commitment to mass transit.

We stand to lose significant amounts of State funds over the next few years. The present State proposal, which would not allow the voter approved diversion of gas tax monies from highway projects to transit projects, could potentially mean a loss of some $300 million over the next five years in Los Angeles County alone, and a loss of some $28 million for San Diego County over the same time period.

Despite the fact that the voters statewide and the voters within these two counties have approved the priority decision of allowing transit projects to be funded in lieu of highway projects, the present policy of the State administration would appear to be totally contrary to that local expression. In addition, the administration's position on the funds that are in the State transportation planning and development fund is contrary to the very carefully developed legislative solution on the distribution of these funds between transit interests and general fund interests. It is, indeed, unfortunate that after this consensus was built, we see the potential of it being totally undone.

Another fund, the State transportation assistance account, provides transit operators with substantial State operating assistance money. This fund has been slated for a 27 percent cut, which would reduce the Los Angeles County share by $5.9 million this year and $8.3 million next year. San Diego County stands to lose $1.2 million this year and $1.6 million next year from these State transportation assistance funds.

This could jeopardize several transit projects in Los Angeles County, including the State match for Metro Rail. And here in San Diego, the reduction could mean that there will not be an extension of the successful San Diego trolley eastward toward El Cajon.

This policy is coming from a State administration which recently said it was not "anti-transit." Based on these actions I would hate to see the policies of a State administration that does not support transit. It is this type of attitude that leads me to believe that we cannot support the proposal for a Federal transit block grant program funneled through State government to the local level. If we have this attitude in California you will see a repetition of this attitude all over the Nation.

One of the basic policies strongly held by the administrations is their commitment to stimulate business activity as a means to improve the economy and create jobs. I would like to remind them that transit means business in our Nation.

Dramatic joint development activity has taken place around new transit lines and stations. I am told that in cities such as Washington, real estate values have increased by two billion dollars, and retail sales in certain areas have increased by 30 to 40 percent. Major new office buildings in downtown Denver and Atlanta have been built as a result of improved public transit. There are many other examples to be found around the Nation.

Transportation systems are an integral part of our urban infrastructure. Along with our water and sewer systems, our highway and transit systems are what make cities work. This has bottom line implications for business, as the movement of goods and services, as well as labor force, is critical to any business. It is critical to our ability to compete in this global economy.

I have recently been appointed to co-chair the National League of Cities Task Force on Infrastructure. Over the next several months, we will be gathering and studying information on the condition of our Nation's vital public systems. I would welcome your input into this process, particularly on the importance of transit to businesses in our cities.

Let me give you an example relating to Los Angeles. Our downtown redevelopment program will add 13 million square feet of office space over the next ten years. This will allow for an additional one hundred thousand new jobs in our downtown area. We are actively working to assure that these employees will be able to get to work and that our freeways are not jammed and the public transit system is adequate to that transportation need.

Obviously, business has a strong interest in better transit in Los Angeles. I am pleased that Los Angeles business and government leaders have formed the Los Angeles Transportation Task Force to work together in supporting and lobbying for better transit in Los Angeles. This kind of partnership of the private and public sectors is a good example which can be followed in your areas and is particularly important in the field of transit.

As mayor of Los Angeles, and as a member of the Los Angeles County Transportation Commission, I have welcomed the opportunity and obligation to work closely with the officials of the Southern California rapid transit district. Elected officials must play a major role in promoting better transit.

Far too often across the country that working relationship between mayors, other principal elected officials, and the leadership of the transit agencies has not been what it ought to be. It must be strengthened and be more effective.

There is an absolute common interest and need that we both work together and rely on each other. No productive good can come from policies of transit agencies that are insensitive to the political process. Nor is there any advantage for the elected official to stand apart and blame transit agencies for failures and shortcomings.

Mayors must be willing to be vocal advocates with Federal and State legislators for adequate financial resources for transit.

Mayors must be willing to be an active force in the transit planning and development policies.

Mayors must be willing to actively offer their personal assistance in helping to resolve labor disputes, and

Mayors must be a catalyst in forming a relationship between government and business leaders on critical transportation issues.

Transit leaders also have major obligations in this relationship; let me cite a few:

You must not view political leaders as an enemy camp to be viewed with suspicion. I refer to the "we/they" syndrome. Let's get rid of it.

You must be keenly aware of the political implications of your policy decisions and communicate the issues in an early and timely fashion.

You must help form the partnership, not sit there and expect that it will occur, and

You must address transit issues as part of a broader public policy, not as a single and separate set of issues.

I think that this partnership can lead to stronger public support for transit, and in these tight financial times, we will all need this support.

In conclusion, better transit is a national priority. APTA has played a central role in the development of national transit policy. I have been pleased to support the work of major national organizations and I applaud the fine work of APTA and strongly urge you to continue your support for an effective national organization.

We have recently enjoyed a major legislative victory, but we must not rest on our laurels. There is still a lot of work to be done, and we must continue to work together to accomplish our mutual goals.

I have heard legislators say that the new gas tax has "solved" the Nation's public transportation problems, and now it's time to focus on other issues. We all know that the problems are not solved, indeed, this is just the beginning.

I welcome your participation as we move forward in this great and important task.●

IN OPPOSITION TO THE DESIGNATION OF LIBRARY SERVICE AS A COMMERCIAL ACTIVITY TO BE CONTRACTED OUT IN ACCORDANCE WITH THE PROPOSED REVISION TO OMB CIRCULAR NO. A-76

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. OWENS. Mr. Speaker, although I have been in public life for the last 14 years as a State senator and New York City commissioner, my professional training is the field of library science. I worked as a librarian for the Brooklyn Public Library Science at the Columbia University School of Library Service for the past 8 years. I

am here today to voice my concerns about the potential effects of certain provisions of the Office of Management and Budget Circular A-76 on library services in Federal agencies.

I was surprised to discover that library service was included among the "commercial activities" which this circular proposes to contract out. Library service is a custom-made service more similar to policy planning or speech writing than to security or janitorial services. In Federal agencies small library units have been created only because at some time in the life of the agency a peculiar and special need for its own tailor-made service has been felt by that agency. I do not think it will be necessary to point out the fact that within the Federal structure there are a number of large library and research facilities whose services are available to all Federal agencies. The creation of these units of less than 10 employees is obviously the result of the existence of needs which could not be met by the larger libraries. If these large Government-oriented libraries could not meet the needs of these agencies it is highly unlikely that large private contractors will be able to fulfill their library service needs.

The contracting-out process is based on the assumption that a non-Federal source specializing in a particular area will be operating with a volume great enough to reduce the cost of each unit of service. This greater volume can only be achieved if there is a uniformity in the service being provided. This principle cannot apply to professional library service because there is very little uniformity in the service provided from day to day. Only certain clerical routines would fit this pattern of uniformity. Some to these clerical routines have been contracted out by libraries in the past and with respect to these activities there is no objection to this circular. A grave error will be perpetrated, however, if library service is lumped together with clerical services.

Federal libraries provide information products and services not only to managers and decisionmakers in their own agencies but also to staff of other Government agencies, private sector organizations and institutions, and members of the general public. For this reason the circular as it affects libraries will influence a far broader spectrum of people and institutions than that represented by only Government agencies and their contractors.

In addition to the basic error of wrongly classifying library service as a commercial activity, this circular—both in its present form and in its proposed revisions—raises a number of other issues which concern me.

First, Members of Congress have a mandate to carefully control and scrutinize all Government spending.

Second, as a taxpayer accountable to other taxpayers, I must seek assurance that the Government will get a proper return on investments of public funds. In this regard, I have serious doubts that the interests of either the Government or the private sector will be well served by the proposed revisions to A-76.

Third, as a librarian, I am aware that the administration recognizes the central, very essential role information plays in a changing economy. As President Reagan himself said in a recent speech, the United States is "suffering the structural problems of an industrial society being transformed into more of a service and information society." [1]

If this transformation is as basic as the President has suggested, and I believe it is, I am perplexed that OMB appears to see no active role for the Federal Government in this process. What leads me to this conclusion? The totality of Federal library services and facility operations are considered by OMB to constitute a commercial activity similar to laundry and dry cleaning services. You may consider my example extreme—but it is there—in the circular's listing of commercial activities. The question is, How did it get there? I have been told that the list of commercial activities was not derived from a set of criteria or by analysis or through definition. Rather, it was compiled solely from a computer printout of contracting data submitted by executive agencies to OMB's Federal procurement data system. If this is true, it is shocking.

It means that no attempt was made to evaluate the relative costs, much less the values of these functions before they were included on the Government's list of commercial activities. I ask you, in a corporate setting, would this pass for prudent program planning? The answer is "No." And because the answer is "No," "library services and facility operation" should be removed from the list of commercial activities.

Equally worrisome from the standpoint of both cost and value is the omission of any recognition of agency need to maintain a nucleus of key information personnel in the library. The specialized expertise of the in-house staff required in a Federal library would not be readily available from commercial sources in the event of contractor default, termination of the contract, or similar action. Federal agencies and their libraries do not operate in information vacuums. Fast, effective, complete information and library support requires staff with an extended, intimate knowledge of an agency's missions, programs, and functions. Since contracts tend to be short lived and contractor staff turnover is frequent and common, the agency cannot, and ought not to depend on its contractors to furnish this capability. Nowhere in the circular is there acknowledgment of this vital, inherently governmental function. In the version of circular A-76, this omission must be corrected.

I am particularly concerned about OMB's definition of the type of "private commercial source" which would be eligible to bid on Government contracts. Such sources are described as any "non-Federal activity located in the United States, its territories and possession." [2] This implies that foreign firms and their subsidiaries or even foreign governments could bid on A-76 contracts and, under the terms of the circular, could appeal a nonaward based solely on the nationality of the bidder. At a time when the administration is concerned about the export abroad of scientific and technical knowledge and information, is it prudent to voluntarily relinquish control over Federal libraries, a key component of the Nation's information infrastructure?

A cursory examination of the circular's cost factors as well as its costing procedures, raises additional serious management questions. Despite today's tight budgetary environment, OMB proposes to waive the requirement for calculating the costs of any Federal activity currently employing 10 or fewer workers. How then is the taxpayer, and the Congress, to judge whether paying a contractor to do the work is truly less expensive than keeping an activity in-house? And even if contractor costs are less, what of the question of comparable values between the two methods of operation? Were the revision to A-76 implemented as written today, it is entirely possible that over 1,000 Federal libraries would go to contract with absolutely no prior assessment of either the costs or the relative values of such conversion. Such a course of action does not seem like sound management to me.

In those instances requiring cost comparisons, many of the proposed cost factors yield uneven cost comparisons which usually favor the contracting option. For example, the health cost factor assumes that every Federal employee subscribes to the most expensive health care plan available. Such is not the case. The difficulty of developing equitable, realistic cost comparisons is further complicated by the "widget" orientation of the entire circular. If agencies are to contract out diverse, disparate activities, OMB must provide Government agencies a greater variety of contract options than is present in the proposed revi-

[1] Cannon, Lou "Reagan & Co." Washington Post, Jan. 24, 1983, p. A3.

[2] U.S. Office of Management and Budget. "Performance of Commercial Activities." Washington, D.C., Jan. 6, 1983, p. 2.

sions. The circular as written pressures agencies to contract out activities identified as "commercial activities." It should be changed to make clear that a mix of in-house performance and contracting out is permitted. Many Federal libraries currently operate effectively and efficiently with a mix of in-house and contractor operations.

I am also disturbed that much of the language which constitutes the structural nuts and bolts of the circular has been moved, in the revision, from the text published in the Federal Register to the supplement which was not published in the Register, suggesting that OMB could make future changes to the thrust of the program without benefit of public review and comment. Significant language has been shifted to the supplement. Therefore, OMB must revise its work and publish the full text of all implementing documents.

The circular's unrealistic deadlines for completion of contract studies and conversion circumscribes management's prerogatives so severely that agencies will be forced to contract out without full and careful study of all the consequences. In the haste to meet OMB's deadlines, agencies may resort to the use of umbrella contracts lumping unrelated activities together. The performance work statement for a library activity should not be lumped together with such support activities as janitorial services. The service requirements, the nature of the personnel required, and the type of surveillance required are vastly different. Such umbrella contracts including libraries are not a remote possibility. Such things are happening now. For example, in the February 16, 1983 Commerce Business Daily, the Western Space and Missile Center at Vandenberg Air Force Base advertised for a contractor to supply—

Complete facility management including cleaning, metal plating, corrosion control, metal preparation, operation of clean rooms, gauge calibration, chemical analysis of cleaning and plating solutions, pressure testing (hydraulic, hydrostatic, and pneumatic), environmental control, facility and equipment maintenance, technical library operation, supply and logistics function.

What kind of library service is this installation likely to receive? How will it be maintained? On a scale of 1 to 10 what will be its relative importance to the prime contractor and how significant will be any penalties for service default?

The prohibition against agencies sharing with or providing "commercially available products or services to other agencies, foreign governments or private organizations"[3] puts at risk traditional and important library functions which save the Government money and prevent needless duplication of information products and services. Indeed, the language in part 1 of the supplement to the circular can be interpreted to prohibit interlibrary lending and borrowing, cooperative cataloging and public access to Federal library resources. If this is the intent, I request an explanation of why it is necessary. If this is not the intent, I recommend that the language be deleted.

Prior to becoming a State senator, for 6 years I served as commissioner of the community development agency in New York City. During that period, I was responsible for monitoring contracts of many kinds. I have looked at this circular from the viewpoint of this prior experience as well as from my current responsibilities as a Member of Congress, taxpayer, and librarian. If the circular is to work for the Government and its contractors, as well as for the people who pay the Government's bills, it must be refined and improved to provide:

Full and equitable partnership between the public and private sectors working together in the best interests of the U.S. taxpayer, each doing what it is best equipped to do;

Retention of the Government's core information capabilities to assure that the associated, inherently governmental activities are discharged by Federal employees; and

Free and open access by the American public to Government information and information resources, access not controlled or inhibited by either foreign or proprietary interests.

The development of a circular which meets these needs will not be impossible; however, such a refinement will be very difficult. Meeting these very necessary requirements will impose such strains on the contracting process that it will become obvious that there should be no contracting out for this particular function. Libraries should not be included because the change would be a step backward. This administration's initiatives emphasize the need for assessment of the cost effectiveness of every aspect of Government. Prudent management dictates that the circular's serious defects—including the lumping of library services with more routine and mass-produced services—be corrected. Unless a serious review and overhaul of the circular is undertaken, contracting out will do little to further the goals of cost effectiveness and efficiency in Government.●

[3] Part 1, chapter 3, paragraph B.1.b.

PUBLIC SEEKS CONSUMER PROTECTION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. FLORIO. Mr. Speaker, I would like to call the attention of all Members of the House to a recent Harris survey of consumer attitudes.

In recent years consumer rights have not received adequate protection here in Washington. If this is because some public officials think that the public does not care about consumer issues, the Harris survey shows this to be a seriously mistaken view. Mr. Harris says the most startling finding was the "pervasive strength and depth of the consumer movement."

Under the current administration, consumer agencies like the Consumer Product Safety Commission, the Food and Drug Administration, and the Federal Trade Commission have been the subject of an administration campaign of sabotage. Take, for example, the Federal Trade Commission. Of all the consumer agencies, the FTC is perhaps the one with the broadest mandate to protect the marketplace from such abuses as unfair competition, false and deceptive advertising, and unfair and shoddy practices of all kinds. But the administration has waged a systematic campaign to dismantle the FTC's 10 regional offices, which are its listening posts for consumer complaints, to slash its small budget, to stop enforcement of existing laws, and to cripple by amendment the FTC's organic statute, which dates from 1914.

The Harris poll suggests that the administration's attack on the consumer agencies is producing a consumer backlash. The survey found that Americans are more worried about consumer issues, they favor regulation of advertising, safety, and health, and are concerned about product breakdowns, labeling, and warranties. The poll also makes clear the public's disapproval of the Reagan consumer record.

At a time of economic distress, when every consumer dollar must count, and at a time when the reputation of the quality of our products is crucial for success in fiercely competitive international markets, the vindication of consumer interests is of vital importance.

This year, as we approach legislation to reauthorize the Federal Trade Commission, the lines are being drawn between those who seek to weaken, perhaps fatally, the Commission and those who seek its revived vigilance. As Members consider where the public stands on this issue, I commend to their attention the report on the

Harris survey, which I am inserting in the CONGRESSIONAL RECORD.

[From the Washington Post, Feb. 17, 1983]

CONSUMER UNHAPPINESS GROWING

NEW HARRIS SURVEY SHOWS ANGER MORE WIDESPREAD

(By Molly Sinclair)

American consumers are increasingly unhappy with the quality of goods and services businesses provide, with the way government protects consumer interests and with consumer leaders, whom they perceive to be out of touch with their problems, according to a national survey released yesterday.

The study, by Louis Harris and Associates, an opinion research firm, was based on 1,252 individual interviews conducted last October. The Atlantic Richfield Co. financed the $85,000 survey, which offers a new perspective on data collected in a 1976 consumer study Harris made.

"We learned that Americans are more worried about a number of consumer problems than they were seven years ago," Harris said.

But the most startling finding, he said, was the pervasive strength and depth of the consumer movement, which he described as "the phenomenon of consumers, both as individuals and as groups, to try to have their own voices and interests better represented in the marketplace.

Harris said that the study establishes that the American people both need and have confidence in the consumer movement. "If there were no movement up to now, let me assure you that the American people would go out and organize one," he said.

Significant findings included:

Consumers favor government regulation of safety, health and truth in advertising, but oppose government regulation as an abstract, general idea. Ninety-four percent of those surveyed think that government should approve new drugs before they are sold, 88 percent think government should approve new toys for safety before they come onto the market and 67 percent want government to decide whether television ads are misleading. But only 21 percent of those surveyed think there should be more government regulation in general.

High prices still worry a majority of Americans, but that isn't as big a concern as it was seven years ago. Sixty-seven percent said they worry a great deal today about prices, compared to 77 percent in 1976.

Consumers who use credit should bear more of the costs for it, a majority said. Seventy-two percent agreed that if it cost the retailer more to handle a credit card than to accept cash, then the credit card customer should pay more than the cash customer.

Among today's consumer concerns are product breakdowns and hazards, misleading packaging and labeling, failure of companies to handle complaints properly and inadequate guarantees or warranties.

Seventy-six percent believe that the value they get for their money on most goods and services has "gotten worse" compared to 10 years ago, 54 percent think consumers get a "worse deal in the marketplace" today and 59 percent think the quality of products and services has deteriorated in the last decade.

Consumers gave government bad marks for its response to consumer problems. President Reagan and his administration are doing a "poor" or "only fair" job of protecting consumer interests, according to 66 percent of those surveyed. Congress rated even lower, with 76 percent saying that they were doing a "poor" or "only fair" job of protecting consumer interests.

Leaders of the consumer movement, including Ralph Nader, lost ground in the new Harris study, with 45 percent of the public saying that consumer movement leaders have lost touch with consumers. In 1976, only 22 percent thought that the leaders were out of touch.

Nader, after examining the survey, said it had internal inconsistencies.

"The Better Business Bureau gets a 54 percent positive rating, the Environmental Protection Agency gets 44 percent and I get 39 percent," Nader said. "Who's kidding whom?" ●

COMMENDING MR. ARTHUR P. STERN

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. DYMALLY. Mr. Speaker, I would like to share with my colleagues a letter I sent to Mr. Arthur P. Stern, president of Magnavox Advanced Products commending his company for assisting minority businesses. The text follows:

Mr. ARTHUR P. STERN,
President, Magnavox Advanced Products & Systems Company, Maricopa Street, Torrance, CA.

DEAR MR. STERN: I am indeed honored to take this opportunity to commend you for your efforts in providing assistance to minority businesses in the 31st Congressional District and the greater Los Angeles business community in general.

At a time when the American business community is experiencing bankruptcies and foreclosures at an unprecedented rate, Magnavox has stood firm in their commitment to developing minority businesses which are geared to meet our future technological needs.

Your company is one of the few that has truly responded to the President of the United States call on the private sector to share the burdensome task of improving our country's economy.

I have requested that the President's Task Force on Private Sector Initiatives recognize Magnavox for their efforts in assisting minority businesses.

In further recognition of your outstanding efforts I am enclosing a Congressional Certificate in your honor.

Please call on me if I can be of any assistance in your future efforts.

Respectfully,

MERVYN M. DYMALLY,
Member of Congress.

Mr. Speaker, once again I would like to commend Mr. Stern for a job well done.●

STUDENT COALITION FOR SOVIET JEWRY REFUSENIK FILE

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. LIVINGSTON. Mr. Speaker, I would like to express my appreciation to the Student Coalition for Soviet Jewry, and particularly to Ms. Orna Hananel of New Orleans, for their dedication to the cause of Soviet Jews who are carrying out a valiant struggle against growing anti-Semitism and emigration restrictions in the U.S.S.R. I want to lend my voice to the cause. I want everyone to remember just who are the bullies and who are their victims.

Somehow, the Soviet Union manages to lull us into thinking that it is a decent government, just "one of the boys," an honorable outfit to do business with, the friendly opposition. Whenever it suits their purposes, they assure us that they want what we want, they are like we are. It is disarming.

It is also a bunch of malarky, as Ilya Davidovitch Besprozvanny would tell us—if he were free to. I have come to know something of his case through the efforts of the Student Coalition, and I would like to share it with you. A summary of his situation follows:

ILYA DAVIDOVITCH BESPROZVANNY—REFUSENIK

Address: Iskrovsky Prospect 21, kv 269, Leningrad 193232, U.S.S.R.

Born: September 1939.

Occupation: Mechanical engineer, Candidate of Technical Sciences.

Marital: Married to Elena, born 1947: 1 son, Edward, born 1966. Elena's parents: Mr. and Mrs. Arkady Beinus.

Applied: Five times.

Refused: Repeatedly.

Reason for refusal: "Access to secrets."

Specifics: Ilya Besprozvanny, a mechanical engineer and Candidate of Technical Sciences, has not had access to any secret work since before 1971. Yet his application to emigrate is still being refused on the grounds of "secrecy." On the fifth of September 1977, Ilya made his sixth futile attempt to emigrate with his wife Elena and then 12-year-old son Edward. At that time he was told that he need not waste any more time by applying again as they would not receive permission to leave the U.S.S.R.

It has been an agonizing wait for Elena's parents. They despair and yearn to be reunited with their daughter, son-in-law, and grandson. Arkady Beinus, Elena's father, recently appealed to friends in a letter: "As you must be able to see, I am very disappointed and feel that I have nowhere to turn. Please assist me in any way that you can in reuniting my family."

Mr. Speaker, to all of the parties concerned, I say, "We remember who you are."●

VOICE OF DEMOCRACY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. HEFTEL. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy contest for secondary school students. The winning contestant from each State is brought to Washington, D.C., to be honored by the Veterans of Foreign Wars.

I am pleased to submit for the benefit of our colleagues the winning speech from Hawaii on the topic "Youth—America's Strength." The Hawaii winner, Christine L. McCraven, a junior at Farrington High School in Honolulu, has presented a set of remarks of considerable depth, and I know that they will serve as a source of inspiration to our colleagues. It is heartening to know that many of our Nation's youth have weathered the considerable national and international tensions of the past two decades and have emerged with true feelings of loyalty for America and optimism for America's future. I highly recommend Christine's speech to our colleagues.

The speech of Christine L. McCraven of Honolulu, Hawaii, follows:

1982–83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM HAWAII WINNER CHRISTINE L. MCCRAVEN

John F. Kennedy firmly believed in the value and importance of American youth and spoke of it many times. He understood that their attitudes and actions would shape the future. Although it is twenty years later, and the world is different, I have the same beliefs in today's youth. We have the qualities to become an important force in America's future.

One of the best qualities is our maturity. This sense of maturity stems in large part from the fact that we are a nuclear generation. We have lived our entire lives under the omnious threat of nuclear war, lived always with the memories and lessons of Hiroshima. We understand how delicate the balance of the world is, how fragile life is and how quickly it can all be taken away.

We are a more mature generation because our country itself is more mature. In the past three decades our country has gone though some very traumatic growing pains and come through older and wiser each time. We have gone through McCarthyism, Presidential and other political assassinations, the Vietnam conflict, Watergate, the hostage crisis—we have survived them all and we are the better for having learned from them.

A result of this maturity is another good quality: a sense of responsibility. We have seen two large countries, nuclear countries, go to war over a tiny island in the South Atlantic on which the sheep out-number the people. We understand how human ignorance, pride, and folly can threaten our very existence. We feel a responsibility to become involved and keep confrontations like that from happeing again.

Another facet of this sense of responsibility is a sense of commitment, an unspoken promise. Because we have these qualities, we must be tomorrow's leaders. If that delicate balance is to be preserved, we must protect it. Our parents made the world a better place for us and we have a commitment to protect it and make it better for our children.

Today's youth also has a certain degree of worldliness. We are not the naive children of the fifties or the wantonly rebellious youths of the sixties. Nor are we the narcissistic products of the "me"-oriented seventies. We will be the products of the eighties with a worldiness and confidence gleaned from the lessons of the past. We know that life is not easy, but that does not frighten us. We know that we can make it if we try.

We are also a youth with purpose, with goals. They are simple goals, probably the same goals held by our parents and their parents before them. Some of them we will feel personally in our everyday lives. We want to make a decent living, protect and provide for the people we love, and be responsible, hardworking American citizens. But we must also remember to aspire to the loftier goals, the ones that are harder and take longer to achieve. Goals such as furthering and protection of the American ideals of freedom, justice and equality. And perhaps the highest most important goal of all: to extend these basic human rights to all men and women.

We must realize, however, that these qualities are not all we need. We need a base, a foundation from which these qualities can develop. We need a solid education to prepare us for the future. We must accept and apply ourselves to this task. Without a good education, all our fine qualities will mean nothing for we will not know how to take advantage of them.

Lastly, and I feel most importantly, today's youth has optimism. It is really more a kind of quiet faith in ourselves and each other that we can do anything. This will be our most valuable asset because it will help us keep going when we become discouraged.

President Kennedy spoke of the importance of youth often, but I feel another American captured the spirit of this idea nearly two hundred years ago. In the words of Henry David Thoreau: "When Duty whispers, 'Thou must', the youth replies, 'I can'."

I truly believe that we can.●

REMARKS OF HON. EMILIO COLOMBO, ITALIAN MINISTER OF FOREIGN AFFAIRS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. RODINO. Mr. Speaker, I would like to call to the attention of my colleagues remarks made by the Honorable Emilio Colombo, Italian Minister of Foreign Affairs, at a dinner given in his honor by Secretary of State George Schultz on March 9, 1983.

In his remarks Minister Colombo addressed three topics: First, the East-West relationship, including arms control; second, strengthening the relationship between the Atlantic allies; and third, the continuing problems in the Middle East.

The Italian people have been longtime friends and allies of the United States. They share the same desire for a lasting world peace as do Americans and endeavor to bring that peace through the solidarity of Western democracies and an increased dialog between the leaders of the East and West.

The full text of Minister Colombo's remarks follow:

Mr. Secretary of State, I am very grateful for your kind words of welcome on my visit to Washington. I would like to personally thank you for an invitation which I received with great pleasure.

We have known each other for many years, since when we both had different responsibilities in the politics of our respective countries. But I would like to remind you here that our cooperation in the field of foreign policy began right at the time of your appointment to the Department. I think I was, during those hot July days, the first Western colleague you met. We had a long conversation about the same topics that we are discussing now, which are those confronting our times. You then demonstrated those qualities for which you have become increasingly admired: assurance in political vision, which is certainly an indispensable quality; but also great honesty and intellectual sincerity and clarity in both commitments and evaluations, which seem to me no less indispensable gifts, if one wants to establish a close and fruitful relationship.

Over the months our cooperation has become increasingly close. With these qualities I have mentioned—in an extremely disturbed period for international life—you have with insight and prestige interpreted the line of American foreign policy, which is established with such authority and so carefully applied by President Reagan.

I would like to recall three moments of these difficult months, because all three are very topical, that is they still require our constant effort, constant attention and concerted endeavours.

They are:

East-West relationships which concern the safety of our countries and therefore the development of our democratic societies and the fundamental dialogue on arms control, on which so many hopes, especially those of the young, are fixed and which is in fact the central issue for our generation;

The relationship between the Atlantic allies and more generally the solidarity and future of the West;

And finally, the dramatic Middle-East problem, which concerns us Italians very closely, because of cultural traditions, geographical proximity and intense, ongoing ties, and which, due to implications in a crucial region, involves world peace.

I would like to say a few words on these three problems.

The Italian government, which maintains its determination to comply with the double-track decision of 1979 and with the inherent commitments, has particularly appreciated the responsible but significant contents of President Reagan's most recent statements on the subject of arms control.

These statements respond to Italy's conviction that the present moment requires an attitude on the part of the Atlantic allies in which two aims are suitably harmonized:

The clear affirmation, on the one hand, of the West's desire to find serious grounds

within the negotiations for relaxing the tensions which, in addition to other crisis factors, characterize the world arena. The negotiation must find ways to develop. This is indispensable for achieving an authentic re-establishment of détente. It is an aim which corresponds to the way our democratic societies are always open to dialogue and cooperation with the Eastern countries, despite clear contrasts between ideologies and regimes;

On the other hand, the firm enunciation—which must not be provocative but must be unequivocal in order to be understood without ambiguities by our interlocutors—of the West's determination to preserve its security, which is not only the security of the West but also the very possibility of maintaining peace, with the offer to re-establish the necessary defence balances at the lowest possible level.

Confirming therefore the "zero option" as an optimal and simple formula which well expresses the urgency of our apprehension and the inadmissibility of missile imbalances, we still do not want to exclude a priori other less radical and integral formulas, on the condition that they are in line with the principles of balance and parity.

Experience tells us that an essential precondition for a fruitful development of negotiations and of the actual East-West relation is the solidarity of the West, and above all the existence of a common outlook between the two sides of the Atlantic.

I believe that in a family of democratic nations such as ours, which is well aware of how complicated and often unpredictable are the ways in which public consensus develops, we must not be reticent in saying that the achievement of this common outlook is not always an easy task, due to the wealth of viewpoints, the differences in our sensibilities, and sometimes in our interests. It is not an easy task, but it must be the main concern of every responsible politician in the West.

Only a few months or so ago, a worrying dispute arose between the two sides of the Atlantic.

We can say with satisfaction that this atmosphere has now been overcome and that the premises have been created even on a formal level, for a correct and balanced dialogue between friendly and allied countries, just as much in their mutual relationships as in their future relations with the Eastern economies.

I believe I should tell you that you have worked admirably to achieve this result. In this framework, we have not failed to notice a new sensitivity on the part of American diplomacy: a discreet but determining awareness of the need for a different method in relationships between the two sides of the Atlantic; and, with it, a more profound and global assessment of the web of ties and interests which unite us over and above contingent divergencies.

This seems to us to be a good omen and allows us to hope that a similar sensitivity, which must be reciprocal, will allow us to constructively tackle the topics on which there are or would be differences of outlook between Europe and America.

I am thinking, besides the implications which the East-West relationship can always present, of some serious problems of a commercial nature, of the search for a better world monetary and financial order, of the complex problematics of the North-South relationship. I believe that we must speak of these subjects, compare our ideas and our positions. United, the democracies of the West are capable of launching the most constructive solutions, which require an ability for wide political vision.

You know that I have for many years believed in the goal of a European Union and that I am struggling for it. The aspiration of people in the old continent to unify, derives from a love of their great past and a desire to recreate it in the present. This ideal is not an alternative to strengthening relations with the United States, on the contrary. We want a Europe capable of assuming an ever-increasing responsibility, within the framework of the friendship and mutual respect with the United States.

We have many examples of the success of Euro-American cooperation, when it is put into action: some of them have been clearly shown over the past months during the most difficult regional crisis which torments our times: that of the Middle East.

With reference, in particular, to Lebanon, the Italian government wished to help, by sending its own contingent, to bring about at least a truce in the destruction and death of the civil war. That truce, a first restoration of governmental authority over the fratricidal battle between the factions, the Peace Plan far-sightedly launched by President Reagan, the overall positive reaction to it in the Arab summit at Fez, led us for some time to assume that the first steps had been taken along the difficult path of pacification.

We must say, with all honesty, that these hopeful feelings have recently been overshadowed. The obstinacy of intransigences is once again performing its nefarious work, opening the way to new confrontations. This is very serious in a world situation such as the present one: we are not losing sight of what would occur if the Middle East were once more, as has happened in the past, to become an area of competition and conflict between East and West.

For these reasons, we must all make an effort to ensure that the outlook in Lebanon becomes positive once more, that is to say that Israeli and other foreign troops can start to withdraw, and so that furthermore another negotiation can be implemented, which has been long awaited, that which concerns the occupied territories, and is fundamental for Palestinian expectations. Mr. Secretary of State,

I have dwelt on political topics, work topics for us, in the profound conviction that for the American government the pursuit and consolidation of an international dialogue and of peace is a primary goal.

But I am well aware that the Italo-American relationship is not limited to this area and in fact is nurtured by a growing multiplicity of fields: cultural, intellectual and scientific exchanges, human relationships of all levels have never been so intense and profound. We are helped by the generosity and enthusiasm of American citizens of Italian origin, who love their country and the land from which they came and want to become increasingly closer to it.

This is the great, vital reality of Italy's relations with the United States of America. It is on this reality that cooperation on an international level between our countries is based.

I am certain that our conversations have strengthened Italo-American friendship and that they will consolidate the already great understanding which exists between our governments in every sector. In this spirit and with this certainty I raise my glass to the fortunes of the American people and its great role in the world, to your personal health and to that of all those present.●

LIVING WITH ANDROPOV

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. McDONALD. Mr. Speaker, the more one learns about Yuriy Andropov, the more uneasy one becomes. As more details of his early career become available, his personality emerges as completely ruthless. A new intelligence newsletter, Early Warning, has assembled a great deal of detail about his early life for its first issue in February 1983. I commend the item to the thoughtful attention of my colleagues.

LIVING WITH ANDROPOV

Coming to terms with the new Soviet leadership now poses the overriding foreign policy test for the Reagan Administration and its allies. Much of the U.S. news reporting on the career and personality of Yuri Andropov has been a melange of wishful thinking, dubious tittle-tattle retailed by East European emigres with no firsthand knowledge of the man, and disinformation calculated to create a reassuring image of the former KGB chief as a "closet liberal" who lives to curl up with a glass of scotch and read American popular novels to the Strains of Glenn Miller.

But a study of Andropov's background, his record as Chairman of the KGB, and the means by which he was able to thrust himself into Brezhnev's vacant chair, suggests that he is the most formidable Soviet opponent the West has had to face. Andropov has not only repeatedly proved his ruthless efficiency in crushing dissent inside the Soviet Bloc; as KGB chief, he personally directed a vast expansion of covert operations designed to weaken, divide and deceive the West. This "active measures" campaign will now be intensified, with the primary objective of decoupling the United States from its European allies.

The Soviets are already deeply involved—through front organizations and direct funding—in the "peace movements" that are seeking to block the deployment of Pershing-2s and Cruise missiles in Western Europe. According to our intelligence sources, the KGB has been ordered to "pull out all the stops" in the effort to ensure the defeat of the ruling Christian Democrat-Free Democrat alliance in the West German elections on March 6, and of Britain's Conservative Prime Minister, Margaret Thatcher. (Mrs. Thatcher is expected to call an election before the end of this year.) The long-range Soviet objective is to smash the NATO alliance, leaving Western Europe vulnerable to "Finlandization," while the United States would be isolated. That Soviet goal has been constant since NATO was founded in 1949. It has never been so close to attainment.

Vital clues as to how the Soviets can be expected to behave in the next phase of the East-West conflict can be gleaned from Andropov's earlier career and, in particular, from the initiatives he took as head of the KGB. Our account is based on privileged information from recent KGB defectors and intelligence sources in several Western countries, as well as an exhaustive analysis of Russian-language material dating back to the early 1940's.

EARLY CAREER

Andropov was born in 1914, in the small town of Nagutskaia, near Stavropol, the son of an illiterate railroad worker. His own education was patchy. He attended a technical school, specializing in waterways transport, and held a succession of low-grade jobs as a boatman, a telegraph operator and an assistant film projectionist. He attended courses at the State University in Petrozavodsky, the capital of Soviet Karelia, but dropped out, and was largely remembered by fellow students as an informer for the Komsomol, the Communist Party youth organization.

Andropov began his rise from obscurity by making himself useful to local Party organizers in Karelia, an area on the border of Finland with a sizable Finnish-speaking population that is today a Soviet "autonomous" republic. He came to the attention of Otto Kuusinen, a veteran Comintern agitator of Finnish origin who dreamed of becoming the satrap of Finland and the whole of Scandinavia once the Red Army had overrun them. Kuusinen's ambitions were thwarted by the valiant resistance the Finns put up when the Soviets—taking advantage of their non-aggression pact with Hitler—attacked them without warning in the Winter War of 1939-40. Kuusinen was appointed Prime Minister of a puppet Finnish "government", but the Soviets failed to conquer Finland, and had to settle for stealing a large chunk of real estate which was added to Soviet Karelia.

Kuusinen's wife later said of him that "the true key to his personality was hatred." After a domestic squabble, he denounced his wife and son as "anti-Soviet", and they were dragged off to labor camps, where his son died of TB. He engaged in murderous vendettas against his fellow Finns, and the secret police organized mass deportations of Finnish-speaking Karelians to the Gulag. The young Uri Andropov was one of those who helped to "defend socialism" in this way during and after the Second World War.

With Kuusinen's patronage, Andropov became First Secretary of the Karelian Komsomol (1940-44). By his own account, he was active at this time in organizing supplies for the Soviet troops at the front—one of whose commanders was Nikolai Orgarkov, today the Chief of the General Staff (see below)—and in helping the partisan bands. His chief responsibility, in fact, was to help the secret police and the brutal military counter-intelligence organization, SMERSH, to hunt down and liquidate supposed "enemies of the state." As a reward for these services, he was subsequently promoted Second Secretary of the Karelian Communist Party (1947-51).

STALIN'S ENFORCER

Andropov's experience as one of Stalin's enforcers on the Finnish border was extremely helpful to him when, after a short stint in Moscow (1951-53) working in the Central Committee Secretariat, he was posted to the Soviet Embassy in Budapest. In the space of a year, he rose from the rank of "adviser" to counsellor and then Ambassador to Hungary. He held this post until 1957, and was thus the key man in place in 1956, when the Hungarians made their abortive bid for freedom.

Andropov showed his flair for deception in the way that he conned the members of the ill-fated Imre Nagy government with the idea that Moscow was ready to enter into genuine negotiations over independence for Hungary. On November 1, 1956, he told the Nagy government that Moscow was prepared to discuss the complete withdrawal of Soviet troops—an outright lie intended to lull the Hungarians into letting their guard drop, so that the way would be smoothed for a Red Army invasion and a KGB-orchestrated purge in Budapest. Two days later, Andropov lured Hungary's Defense Minister, Pal Maleter, to a banquet at the Soviet Embassy, on the pretense of "further negotiations." After Maleter arrived, KGB chief Ivan Serov burst in with a team of heavily armed security men and placed the Hungarian under arrest.

Similarly, after Nagy and other Hungarian government leaders took refuge in the Yugoslav Embassy in Budapest, Andropov duped them into abandoning their sanctuary. On Andropov's instructions, the newly installed Soviet puppet, Janos Kadar, promised Nagy that he and his colleagues could go home without fearing reprisals. They left the Yugoslav Embassy on November 22, 1956 in a special bus, under guarantees of safeconduct—and were promptly ambushed by the KGB. Imre Nagy was deported to Rumania, and subsequently executed.

In the context of current negotiations with the Soviets, it is worth recalling how Andropov honored his pledges in 1956.

Andropov was rewarded for his success in stifling the Hungarian revolt by being appointed to a top Party job in Moscow—as chief of the department responsible for liaison with the ruling Communist parties. His old patron in Karelia, Otto Kuusinen, again seems to have been instrumental in advancing his fortunes. Kuusinen, previously a sycophantic Stalinist, had ingratiated himself with Khrushchev by lending loud support to his "de-Stalinization" campaign and was himself promoted Party Secretary and Presidium (as the Politburo was then called) Member shortly after Andropov returned to Moscow in 1957.

Andropov steadily expanded his power base inside the Party Secretariat until, in 1967, he was appointed to succeed Semichastny as Chairman of the KGB and was elevated to the status of Candidate Member of the all-powerful Politburo. His appointment as chief of the world's largest security and intelligence service was of course approved by Leonid Brezhnev, who was now engaged in cutting his Kremlin rivals down to size. But Andropov was never a member of the tight fraternity of Brezhnev loyalists—the Brezhnev Banda, as they are called in Moscow—who had served with the then General Secretary in the Ukraine and Moldavia in the 1940s and 1950s. Andropov's most important ally in 1967 was Mikhail Suslov, chief Party ideologist, whose death in January 1982 set in motion the critical stage of the struggle for the Brezhnev succession.

KGB CHIEF

Andropov was Chairman of the KGB for 15 years—longer than any of his predecessors. While head of the KGB, he was promoted to full membership in the Politburo, an honor accorded to only one previous secret police chief—the notorious Lavrenty Beria. As the Party man appointed to supervise the KGB, Andropov's room for maneuver was circumscribed by the professionals in the second echelon. The First Deputy Chairman of the KGB, General Tsvigun, and other Deputy Chairmen, such as General Tsinev and General Chebrikov (of whom more later), furthermore, were regarded as members of the Brezhnev Banda.

However, it is possible to credit Andropov with a large measure of personal responsibility for a number of initiatives taken to reshape and expand KGB operations. For example:

Internal repression

Andropov set up the Fifth Chief Directorate of the KGB, which specializes in suppressing internal dissent. In keeping with his own publicly expressed characterization of Russian dissidents as "mentally ill," "religious or nationalist fanactics . . . who only serve the interests of foreign parties", Andropov employed a variety of new techniques to silence internal critics. He enthusiastically began the incarceration of dissidents in mental hospitals where they could be guinea pigs for experiments with psychotropic drugs. Through KGB agents provocateurs and smear operations, he sought to divide and discredit leading dissidents both at home and abroad. (He had a personal hand in the vast campaign to ruin Solzhenitsyn's reputation in the West by representing him as a "fascist.") He employed similar tactics against the Solidarity movement in Poland.

Active measures

One of Andropov's very first actions, after he moved into the KGB Chairman's office at 2, Dzherzhinsky Square on May 26, 1967, was to call in General Ivan Agayants, the wily chief of Department "D," the section responsible for disinformation and covert operations to influence Western governments and manipulate the Western media. (While based in Paris, Agayants had been highly successful in orchestrating Gaullist paranoia against the United States, thus driving a wedge into the NATO alliance.) Andropov told Agayants that his Department would be given the higher status of a KGB Directorate, and that its head would assume the rank of a Deputy Chief of the First Chief Directorate, responsible for all foreign intelligence operations. The budget and the manpower made available for disinformation and political influence operations against the West was greatly expanded.

According to the CIA, Agayants' old department, now known as Service "A" ("A" for "Active Measures") has a headquarters staff of about 200, and is one of the most important offensive instruments of Soviet policy. "Active measures" operations designed to shape Western behavior are estimated to cost the Soviets about $4 billion a year, and their effectiveness is evident from the recent growth of the unilateral disarmament movement in Western countries. In addition to the KGB, many other Soviet state and Party organizations—notably the International Department (ID) and International Information Department (IID) of the CPSU—play a role in active measures. The fact that Brezhnev's successor is a man who long ago recognized the unique importance of disinformation and subversive operations augurs a further expansion of Soviet active measures against the West designed to discredit and neutralize opponents of the USSR.

Using the church

Within the field of active measures, Andropov recognized early on the need to work with "liberal" and church organizations that were unlikely to be identified with the Soviet Union and may, indeed, have been strongly anti-Soviet at the outset. During Andropov's time as KGB chief, Soviet covert attempts to influence church organizations greatly increased, and two years ago—in a major article that represented a basic modification in Marxist-Leninist

doctrine—Pravda openly declared that "the USSR supports the Marxist-Leninist thesis of the possibility and necessity of joint actions of working people, atheists, and believers of the revolutionary reconstruction of the old world." That is a long stride beyond the hoary Communist denunciations of religion as the opium of the people and the pay-off, for the Soviets, has been considerable. Over the past year, for example, the Dutch security service, the BVD, has assembled an impressive body of evidence of the direct manipulation of church-based "peace" groups in Holland by KGB agents.

Terrorism

The KGB has never been averse to practicing assassination and other terrorist methods, and such operations were conducted under Andropov's chairmanship with his direct authorization. The facts of KGB involvement in the attempted assassination of Pope John Paul II, via the Bulgarian secret service, are at last being acknowledged in the American media; we are able to add some new revelations in the next article. But it is worth recalling that the attempt on the Pope's life was in no way an aberration for the KGB. For example, a recent KGB defector to Britain has provided chapter and verse on how the KGB murdered the former President Amin of Afghanistan to open the way for a Soviet puppet regime and the occupation of the country by Soviet forces (whose current strength is now estimated at 152,000, considerably more than the figure of 100,000 that generally appears in the press). "Wet operations"—including assassination and sabotage—are the specialty of a special KGB department that now operates under the direction of Directorate S, the Illegals Directorate. Some Western analysts believe that this department had a hand in the mysterious helicopter crash in which the popular Portuguese Social Democrat leader, Francisco Sá Carneiro, was killed on December 4, 1980.

Aggressive use of satellites

In running terrorist operations, and in many other fields of activity, the KGB relies heavily on surrogates and subcontractors—especially the secret services of satellite countries such as East Germany, Bulgaria, Czechoslovakia, and Cuba. Another of Andropov's initiatives as KGB chief was the very aggressive use of these surrogates. For example, at his direction the KGB provided a special subsidy to enable Cuba's DGI and Departamento de America to expand their operations abroad. As a result, according to Western analysts, Cuba today has the fourth largest foreign intelligence service in the world, after the KGB, the GRU (Soviet military intelligence) and the CIA, and the Cuban DGI carries out Moscow's work in places ranging from Angola to Suriname, from New York to Aden. Similarly, the Bulgarians have been used by the KGB as contract killers.

It is interesting to note that (perhaps as a result of the public scandal over the attempted assassination of the Pope) the Czech secret service is now being relied on more and more heavily by the KGB as a link with international terrorist groups. A West European intelligence source claims that a key official of the Czech StB. Major Pokorny, visited Sofia in December to negotiate the transfer of some terrorist support facilities from Bulgaria to Prague.

Industrial espionage

Andropov also presided over a rapid expansion of scientific and technical espionage against the West, and the KGB was able to record several coups in this area, notably involving computer technology. We will publish a detailed expose of Soviet industrial espionage in the near future.

Higher status for KGB

Finally, it should be noted that, under Andropov, the place of the KGB in the Soviet power structure was radically redefined. On July 5, 1978, the KGB's official name was changed from "Committee of State Security Under the Council of Ministers" to "USSR Committee of State Security." The change may appear merely cosmetic, but its significance was that it formalized the role of the KGB, not as an organ of the Soviet state, but as the sword and shield of the Communist Party. This interpretation is confirmed by a Central Committee statement in 1980 to the effect that "the KGB is the political organ of the Communist Party." What does this mean? It means that the KGB is seen both as the Party's means of self-preservation and as its main offensive instrument for converting the non-Communist world to the Soviet conception of socialism.●

TRIBUTE TO MARY DECKER TABB

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. SKELTON. Mr. Speaker, last year I had the pleasure of speaking before this House in honor of the achievements of Mary and Ron Tabb, both of whom are world-class runners. Today I again have the pleasure of honoring Mary Decker Tabb for her athletic achievements. Mary Decker Tabb was recently awarded the prestigious Sullivan Award, an award presented annually by the Amateur Athletic Union. Mary was chosen for this award over 9 other athletes by the vote of 2,000 amateur sports officials, past winners, and sports directors and writers.

Mary's accomplishments during 1982 have been extraordinary. During a 41-day period beginning June 5, Mary set three world and six American running records. Mary is the first female long-distance runner to win the award, and only the sixth woman ever to be presented with the award, which was initiated in 1930.

Mr. Speaker, I ask my colleagues to join me in offering our congratulations to Mary Tabb, and to add our praise to those of her fellow athletes.●

WE ARE ALL LIVING ON THE BATTLEFIELD

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. GRAY. Mr. Speaker, as the House nears the day of debate and vote on the nuclear freeze resolution, I would like to draw my colleagues' attention to an enlightening article. The author is Maj. Gen. Kermit D. Johnson who recently retired after 3 years as Chief of Chaplains of the U.S. Army.

In the following excerpts from his article, we can explore the thoughts of a man who has come to realize that "there can be no peace in a world whose obsession with security leads to a never-ending arms race."

I urge each of my colleagues to read and reflect upon General Johnson's profound ideas.

THE NUCLEAR REALITY: BEYOND NIEBUHR AND THE JUST WAR

(By Kermit D. Johnson)

As a Commissioner to the 1980 General Assembly of the United Presbyterian Church, I was convinced that the church's new peacemaking efforts needed "a good dose of Niebuhr." I saw "The Call to Peacemaking" document as pacifistic and deficient in its failure to affirm the "just war." In a brief speech to the peacemaking Committee, I closed this way:

"I dare say that if 'The Call to Peacemaking' were being written just after World War II, it would read differently. With the memory of Munich, it probably would include a statement something like this: 'There can be no security in a world whose obsession with peace leads to appeasement.'"

Then I quoted from Reinhold Niebuhr's letter to a pacifist who was reluctant to favor the Allied war effort against Hitler:

"Your difficulty is that you want to try to live in history without sinning . . . our effort to set up the Kingdom of God on earth ends in a perverse preference for tyranny, simply because the peace of tyranny means, at least, the absence of war (Love and Justice [Westminster, 1957])."

This was the dose of realism I felt my Presbyterian brothers and sisters needed.

Now, two years later, I am in a different place.

What has changed is my view of nuclear warfare and nuclear weapons. The change is by no means unusual or unique. In the May 1982 chief of chaplain's newsletter, I referred to the people of Europe who feel they are "living on the battlefield." Then I shared my own feelings:

"I believe that statement can go further: We are all living on the battlefield. We are all vulnerable. For years I have put this out of my mind, knowing perhaps in some distant or subliminal way that it was true. But it never "grabbed" me. I just really did very little thinking about it. That is not true recently, however. This new awareness is happening to many people the world over. I believe this is of God, and I believe this is something God is doing in human history today. Doubtless it is striking fear into the hearts of many, leaders and policy-makers especially. This awareness of itself may not automatically determine immediate specific policy, but it is right that human beings be aware that it is wrong to be nonchalant, unthinking and indifferent about the real danger of the possible destruction of humankind. I welcome this widening awareness as a divine intervention, a warning and a signal, possibly a life-and-death "last chance" for human civilization. Life is a precious gift of God, willed by our Creator, but

it cannot continue unless we also will that it does."

If I were to revisit the Peacemaking Committee now, I would say to them that the question is not whether we are to "live in history without sinning," but whether we are to live in history at all. If we were to apply Niebuhr's real politics, with its ready acceptance of the inevitability of conflict, to the present nuclear situation, it could well mean "a perverse preference for the war of mutual annihilation, simply because the war of mutual annihilation means, at least, that the other side doesn't win either." In speaking of plans for a protracted nuclear war, Secretary of Defense Caspar Weinberger said recently that nuclear war was not winnable but that "we certainly are planning not to be defeated" (New York Times, August 9, 1982).

In view of continued presidential certification and support of the government of El Salvador, I would conclude, "There can be no peace in a world whose obsession with security leads to denying the claims of human rights and justice." Finally, I would still admit that under certain circumstances, weakness invites aggression. Peacekeeping has a place. The United States Army War College motto, "Not to promote war, but to preserve peace," is the idea behind the Armed Forces motto, "Peace through strength." But now I would have to ask, "When does 'peace through preparation for war' make war a more likely possibility?" Certainly I would say, "There can be no peace in a world whose obsession with security leads to a never-ending arms race."

Reinhold Niebuhr saw history as a "long tale of abortive efforts to establish peace," with failures due "either to the effort to eliminate the factor of force entirely or to an undue reliance upon it" (Moral Man and Immoral Society [Scribner's 1932]). During the rise of Hitler and World War II, Niebuhr moved from his early pacifism to focus on the pacifist's unrealistic effort to eliminate the factor of force. But now it appears that Niebuhr's comment on "an undue reliance upon the factor of force" was more prophetic. The undue reliance on force by both the United States and the Soviet Union is characterized by nuclear overkill, indiscriminate arms peddling, and the wasting of precious human and national resources in an unending arms race.

Given these conditions and Niebuhr's ability to shift his thinking, I wonder if he were living today whether he would not sharply limit his application of real politics. He reminded us that realism, not moralism, guides the conduct of nations. Nations relate to one another simply on the basis of self-interest. It is unreasonable and moralistic to expect nations to reflect the virtues of individuals—hence his book title, Moral Man and Immoral Society. Niebuhr chided moralists of failing to understand "the brutal character of the behavior of all human collectives." The stark realities of power and conflict must be accepted as inevitable. Indeed, "to the end of history the peace of the world . . . must be gained by strife."

Such ideas from Niebuhr's real politics blunted moral attacks on war and helped provide an easy conscience to a generation of American policymakers. But now the case for realism appears to be moving beyond Niebuhr. Real politics, with its acceptance of the inevitability of conflict, is no longer realistic—not when two nations with a total of more than 50,000 nuclear weapons can essentially obliterate one another. We must go beyond real politics, from self-interest to shared interest. Despite their competing systems, the U.S. and the U.S.S.R. have a shared interest in survival. Niebuhr states it clearly:

"The peril of nuclear war is so great that it may bridge the great ideological chasm between the two blocs and make them conscious of having one thing in common: preference for life over death (The Structure of Nations and Empires [Scribner's, 1959])."

In order to realize this preference, we must go beyond Niebuhr's realistic observation that groups and nations relate predominately on a "political rather than ethical" basis. If we cannot, then we must face the likely doom of the human race. Ironically, a recently revealed memo which former president Harry Truman wrote in 1958 indicates that he feared precisely this failure.

Our realization that the just war theory provides no justification for nuclear weapons or nuclear warfare has involved painful reappraisal, a "shaking of the foundations." However, some of us were prodded and assisted by the cavalier comments of leaders in the current administration. European nuclear protest has been accounted for as "Protestant angst" (Assistant Secretary of Defense for International Security Policy Richard N. Perle) which was "bought and paid for by the Soviet Union" (President Ronald Reagan). On this side of the ocean, Secretary of the Navy John Lehman blamed "a few uninformed and overly idealistic religious leaders."

This trivialization of nuclear concerns was a misreading of the across-the-board struggle taking place with issues of life and death, of the widespread sense that this may be the "last chance" for human civilization. Since our leaders did not have the sensitivity to feel the moral earnestness of literally millions of European and American people, it is legitimate to ask how sensitive they are to the moral issues themselves.

But the only guarantors of this history are the American people themselves. As reported in the Washington Post, former secretary of defense Robert S. McNamara implicitly assigned this responsibility recently when he attempted to account for the tremendous nuclear buildup by the U.S. and the U.S.S.R. in the last 15 years. Robert Scheer asked, "But how did this happen?" McNamara's response: "Because the potential victims have not been brought into the debate yet, and it's about time we brought them in. I mean the average person."

In order for this participation to take place, "the average person" must overcome a passive feeling of inferiority which blindly blesses government policy, and is content to "leave it to the experts." The question is not whether we trust our leaders, but whether our leaders can be made to trust the American people and bring them into their confidence. Gatekeeping is a permanent feature of any bureaucracy.

It now appears that the U.S.-U.S.S.R. arms race has taken on "a life of its own." Completely apart from the "Soviet threat," the reason this is so is that we have ascribed an idolatrous power and ultimacy to weapons, which has deepened our dependence on them and increased our feelings of inevitable disaster. Therefore our president "orders" another 17,000 nuclear weapons. And he proposes to sell $25 billion worth of arms in a single year to a waiting world. The familiar statement "If we don't, someone else will" is a sign of the paralysis of "inevitability" and lack of moral leadership—not a valid reason for arms peddling.

Last year Frank C. Carlucci, deputy secretary of defense, described what he believed to be an election mandate: "We are obliged to rearm our country." Then, in anti-gun-control language, he said, "A casual appreciation of history reveals that neither weapons nor armies start wars. People start wars." This, of course, is nonsense, even though it is true that people start wars. What is so tragic is this nonchalant approach to weapons, as if they were just another commodity such as wheat or silver. Admiral Hyman G. Rickover's sense of history in his "final blast" before retirement was more accurate:

"The lesson of history is: When a war starts, every nation will ultimately use whatever weapon has been available. That is the lesson learned time and again. Therefore, we must expect, if another war—a serious war—breaks out, we will use nuclear energy in some form. That's due to the imperfection of human beings (New York Times, January 30, 1982)."

Even though Rickover seems given over to the probability of nuclear extinction, he nevertheless seems to appreciate that weapons are not "neutral," that their presence introduces a compelling temptation for human beings to use them.

The Committee on Social and Political Implications in its report to then Secretary of War Henry Lewis Stimson stated prophetically:

"The use of nuclear bombs for an early unannounced attack against Japan is inadvisable. If the U.S. were to be the first to release this new means of indiscriminate destruction upon mankind, she would sacrifice public support throughout the world, precipitate the race for armaments, and prejudice the possibility of reaching an international agreement on the future control of such weapons (quoted in Alan Geyer, The Idea of Disarmament [Brethren Press, 1982])."

This committee foretold the consequences of the nuclear "Fall."

We cannot reverse the Fall, but what we can reverse is our continued complicity in nuclear idolatry. The time has come for the American people to overcome the religious authority of nuclear weapons by questioning their basis in "fact." Neither real politics nor the just war theory can provide a legitimate basis for their existence or use. The "fact" of nuclear weapons has been superseded by a more compelling fact: that human beings have a right to live free of the risk of mutual nuclear annihilation. This is the essence of European and American nuclear protest.

Paul Warnke's comment that the START talks were "conceived in sin" (as a result of grass-roots pressure) indicates the reluctance of the leaders of this administration to face the primary moral question of nuclear arms control and elimination. Having accepted nuclear weapons as "fact," these leaders have concentrated on secondary questions concerning nuclear capability and use. Now it is time for our leaders to exercise their considerable talents in the "politics of self-interest" by stopping the nuclear arms race instead of continuing to justify and stockpile the means of mutual suicide.

Albert Einstein once said, "We live in an age of perfect means and confused ends." Our politicians and the technicians of violence have shown great dedication to perfecting the means for human extinction. Now it is time for them to back off and ask, "to what end?" If they cannot exercise a commensurate moral leadership in address-

ing this question, then it is time for the leaders to be led.●

DISAPPROVING DEFERRAL OF BUDGET AUTHORITY

HON. KATIE HALL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mrs. HALL of Indiana. Mr. Speaker, last Thursday the House passed seven resolutions disapproving deferral of budget authority for the Small Business Administration, Economic Development Administration, International Trade Administration, strategic petroleum reserve, and the Agricultural Stabilization and Conservation Service.

After reviewing the arguments for and against the deferrals, I support the resolutions wholeheartedly. In each instance, the funds were badly needed to carry out critical programs and I object to the administration's lack of consideration for the individuals affected by these funds.

In particular, House Resolution 74 disapproved the deferral of $181.9 million in appropriations for the Economic Development Administration. These funds are ugently needed for community infrastructure projects; for planning for economic development districts, States, communities, and Indians; for technical assistance; and to help communities recover from sudden and severe loss of their economic base.

As a member of the House Subcommittee on Economic Development, I am convinced that restoration of these funds will permit EDA to continue in existence. The need for economic programs at the local level has never been greater. Communities such as those from the First District of Indiana, who have seen their economic and tax base completely eroded by the effects of the recession and staggering unemployment levels, will not be able to share in the economic recovery without this assistance. During these critical times, any attempt to further dismember EDA can only be recognized at best at ill-times and very ill-conceived.

I strongly support the passage of these resolutions and protest the administration's usage of the deferral impoundment mechanism to hold up badly needed funds while tampering with the scope and intent of these programs.●

LEGISLATION TO ASSURE FAIRNESS IN THE TAX TREATMENT OF MUTUAL MEDICAL MALPRACTICE ASSOCIATIONS

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. THOMAS of California. Mr. Speaker, I have introduced legislation today to assure fairness in the tax treatment of nonprofit mutual self-insurance associations formed by physicians and surgeons to provide professional liability coverage to members.

It is no secret that skyrocketing medical malpractice insurance premiums have contributed greatly to increass in health care costs in recent years. My legislation attempts to address this problem by encouraging the growth of physicians' and surgeons' mutual self-insurance associations. Groups such as these in my home State of California have offered coverage to medical professionals at significantly lower rates than those available in the commercial sector.

The bill accomplishes two major objectives. First, it provides that such associations are tax-exempt on all income other than investment income. Second, the bill provides that all payments for professional liability covreage to such associations by members are deductible by such members, with certain limitations as ordinary and necessary business expenses.

This legislation addresses existing inequities in the tax treatment of such associations by treating them on an equal basis with commercial medical liability insurance companies. By limiting the amount of deductions for member payments to the amount of prevailing commercial insurance premiums for comparable coverage, the bill does not give these associations any competitive advantage over commercial insurance companies from a tax standpoint.

Since these mutual protection associations typically provide medical liability coverage at a cost significantly lower than the cost of comparable commercial coverage, the public and the Treasury stand to benefit over the long run from passage of this bill. The public will benefit because the lower rates paid by members of such associations will be reflected in lower health care costs. The Treasury will benefit because the revenue cost of deductions for member payments to such associations will obviously be lower than the revenue cost of deductions for higher commercial insurance premiums.

The legislation would simultaneously establish incentives for improvements in the quality of health care, given the fact that these mutual protection associations engage in ongoing professional self-regulatory programs.

In conclusion, I believe that the growth of such associations should be encouraged and that this bill does so without giving them any unwarranted competitive advantage.●

ALTERNATIVES TO INSTITUTIONALIZATION

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. TAUKE. Mr. Speaker, today, Mr. RINALDO and I have introduced a bill to provide a tax credit for expenses families incur in helping elderly relatives remain at home rather than enter institutions. The Congressional Budget Office estimates that 10 to 40 percent of the 1.3 million people in nursing homes today could live at home if they and their families received adequate assistance. Mr. RINALDO and I are hopeful that the legislation we are introducing today will help to provide this assistance and will serve as a vehicle for focusing congressional attention on the need to provide alternatives to the institutionalization of the elderly, alternatives which are far less costly—in human as well as budget terms—than institutionalization.

Most of the elderly desire to remain in their own homes or in the homes of their relatives rather than in institutions. Most families want to provide care to help their chronically ill elderly family members. Yet many of these elderly individuals and their families are forced to choose institutionalization because almost no financial assistance or support is available now for the expenses families incur in caring for elderly relatives. Our present health care system, in fact, encourages institutionalization. Reimbursement under medicare, medicaid, and private health insurance is directed almost entirely toward acute or institutional care.

The legislation we have introduced provides a tax credit for a portion of the expenses incurred for the support services the chronically ill and their families most need: home health aide services, adult day care, respite care, nursing care, and medical or health-related equipment and supplies.

Our bill is targeted to provide the greatest relief to those families most in need. The amount of the credit will be determineed on a "sliding scale" based on families' annual income, using the same formula as the dependent care tax credit enacted under the Economic Recovery Tax Act of 1981.

Families with incomes of $10,000 or less can claim a tax credit for 30 percent of the expenses indicated above, up to a maximum credit of $1,050. Low-income families who do not pay

enough taxes to get the full benefit of the credit will have the credit refunded directly to them. Families with adjusted gross incomes in excess of $50,000 will be ineligible for the credit. In no case will a family be eligible for a credit if the elderly relative's adjusted gross income exceeds $15,000. Families may claim the credit for services provided to chronically ill individuals aged 75 and over, or to individuals diagnosed as suffering from Alzheimer's disease, a form of premature senile dementia.

This legislation is designed to encourage independence and therefore does not impose a financial dependency requirement. Further, the elderly relative may live either independently or in the family's home.

We urge you to cosponsor and support this legislation as a step toward providing much-needed alternatives to to the institutionalization of the elderly.●

ESTABLISHMENT OF COMMISSION ON CENTENNIAL REVIEW OF THE CIVIL SERVICE

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. WOLF. Mr. Speaker, I am introducing legislation today which would establish a Commission on Centennial Review of the Civil Service—a "little Hoover Commission."

This year marks the 100th anniversary of the creation of today's civil service. With a century of history and experience in the course and direction of Government and with the overwhelming number of proposals currently facing the Congress which could impact upon the civil service, I believe it is an appropriate time for a commission to be organized to formulate recommendations for the future course of the civil service system.

I am introducing legislation which establishes such a commission to investigate, study, and make recommendations on changes in the U.S. civil service system. The panel would be organized in a similar fashion as the Truman-appointed Hoover Commissions of 1947 and 1952 which included appointees by the House and Senate leadership and President Truman who studied the organization and functions of the executive branch of Government.

Just in the past few months, Congress has received budget and tax proposals from the administration, which, if adopted, would have far-reaching effects on the quality of Government services rendered to the American taxpayer. Before such radical changes in the direction of the Federal Government are accepted within the limited time frame of the congressional budget cycle, I am proposing that a "little Hoover Commission" be established to provide a broad, objective perspective on current budget issues and to review the pending initiatives and cost effectiveness of current personnel practices. Among the issues to be addressed would be civil service retirement and its funding, Federal employees personnel policies, appropriate levels of pay and benefits, and other vital issues which go to the heart of Federal employment and the civil service's ability to render quality services to the American people. While this should not be viewed as an attempt to avoid dealing with the problems at hand, this Commission does provide an opportunity to assemble the necessary data and material needed to examine those proposals which could have far-reaching impact on an effective civil service.

For this Commission, I believe it would be appropriate to enlist the service of respected Americans such as former President Gerald Ford and David Henderson, former chairman of the House Post Office and Civil Service Committee. In order to make the long-term, realistic proposals for the civil service and the future of our country, this Commission must be composed of men and women who are leaders in their fields and whose record in private and public sector employment would provide the necessary objectivity and experience. While all appointments would be the prerogative of the appointing members of the congressional leadership and the President, I believe that President Ford is a particularly exemplary candidate because no Chief Executive has been asked to serve in an official policymaking position since the President Truman initiative to appoint former President Hoover.

Only by working in a bipartisan manner can we hope to address and solve these issues equitably and effectively. This Commission would be strictly bipartisan in makeup and comprised of individuals who can make recommendations to the Congress and the President in a timely manner.

A section-by-section analysis of this legislation and the bill itself follows:

SECTION-BY-SECTION ANALYSIS

Section 1. This act may be cited as the Little Hoover Commission.

Section 2. This act establishes a Commission on the Centennial Review of the Civil Service.

Section 3. In order to ensure that quality government services are rendered to the American people and that the individuals commissioned with the task of providing those services are treated properly and compensated appropriately, this commission is set up to take into consideration current private and public sector practices, cost concerns, and expectations federal employees have from the government.

The history of the past 100 years of experience with the civil service since the signing of the Pendleton Act shall be taken into consideration. The following areas of personnel management shall be addressed by the commission: civil service retirement, pay and benefits, federal personnel practices, labor-management relations, and other issues of concern as they arise during the Commission's considerations.

Section 4. The commission shall be composed of 15 members appointed by the President, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate (each having 5 appointments). Each of the above named appointers will appoint, 2 Democrats, 2 Republicans, and 1 nonaffiliated individual. Each group of five should have two, but not more than 3, individuals from the private sector.

Terms of service shall be for the life of the Commission.

Section 5. The Commission shall appoint and fix the pay of such staff as it considers appropriate.

Section 6. The Commission will have the ability to request and acquire information as needed in achieving the goals set forth in section 1 of this act.

Section 7. The commission shall report to the House, Senate and President within 10 days of the convening of the 99th Congress. All recommendations made by the commission shall be accompanied by provisions specifying the method and period of time over which such recommendations may be phased in without causing undue interruption to government operations and specifying what individuals are affected by these recommendations. The President shall submit legislative proposals in conjunction with the Commission's findings.

Section 8. The commission will expire 90 days after submitting its report to Congress.

Section 9. This act appropriates whatever funds may be necessary to implement its provisions.

H.R. 2097

A bill to establish the Commission on the Centennial Review of the Civil Service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Little Hoover Commission.".

ESTABLISHMENT

SEC. 2. There is established a commission to be known as the Commission on the Centennial Review of the Civil Service (hereinafter in this Act referred to as the "Commission").

POLICY; PURPOSE

SEC. 3. (a) It is hereby declared to be the policy of Congress that appropriate terms of Federal employment should be provided to ensure that quality Government services continue to be rendered to the American people, that such terms should reflect the proper treatment and compensation of employees charged with the task of providing such services, and that such terms should incorporate personnel practices (taking into consideration those successfully applied in the private sector or other governmental institutions, and those effectively used in the Federal Government) that allow desired levels of cost-efficiency to be achieved without sacrificing the Government's commitment to preserving the interests and expectations of its employees.

(b) In carrying out the poilicy set forth in subsection (a), it is the purpose of the Com-

mission to study the history and development of the Federal civil service system over the past 100 years since its inception, and to make recommendations on methods for ensuring its continued high level of performance or providing for its further improvement, as the Commission determines appropriate. The Commission shall consider—

(1) the civil service retirement and disability system, including methods and sources of funding, offsets (if appropriate) in the case of individuals entitled to annuities under one or more other Government retirement systems, benefit levels, eligibility requirements, and disability and survivor benefits;

(2) pay and benefits for employees under the civil service system, including within-grade and quality step-increases, comparability pay increases, leave policies, health benefits, and life insurance;

(3) Federal personnel practices, including those relating to hiring and retention, training, promotions, and performance appraisal systems;

(4) the labor-management relations system for Federal employees, including grievance, arbitration, and appeal procedures; and

(5) such other matters as the Commission considers appropriate.

MEMBERSHIP

SEC. 4. (a) The Commission shall be composed of fifteen members as follows:

(1) 5 individuals appointed by the President;

(2) 5 individuals appointed by the Speaker of the House of Representatives in consultation with the minority leader of the Senate; and

(3) 5 individuals appointed by the majority leader of the Senate in consultation with the minority leader of the House of Representatives.

(b) Of the individuals appointed under paragraphs (1), (2), and (3) of subsection (a)—

(1) at least 2, but not more than 3, of the individuals appointed under each such paragraph shall be appointed from persons who are not officers or employees of any government, and who are specially qualified to serve on the Commission by virtue of their education, training, or experience; and

(2) 4 of the individuals appointed under each such paragraph shall be appointed from persons from either of the two major political parties (2 from each party), and 1 individual shall be appointed from persons unaffiliated with any political party.

(c) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d)(1) If any member of the Commission who was appointed to the Commission as an officer or employee of any government leaves office or is separated from service as such an employee, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, that individual may continue as a member of the Commission for not longer than the 30-day period beginning on the date that such individual leaves that office or is separated from service, or becomes such an officer or employee, as the case may be.

(2) Service as a member of the Commission shall not be discontinued because of paragraph (1) in the case of an individual who has served as a member of the Commission for a period of 15 calendar months or more.

(e) Members shall be appointed for the life of the Commission.

(f) Eight members of the Commission shall constitute a quorum.

(g) The Chair and Vice Chair of the Commission shall be elected by the Members of the Commission.

(h)(1) Except as provided in paragraph (2), members of the Commission shall each be paid at a rate equal to the rate of basic pay payable for level III of the Executive Schedule for each day (including travel time) during which they are engaged in the performance of duties vested in the Commission.

(2) Members of the Commission who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay by reason of their service on the Commission.

STAFF OF COMMISSION; EXPERTS AND CONSULTANTS

SEC. 5. (a)(1) The Commission may appoint and fix the pay of such personnel as it considers appropriate.

(2) The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States.

(c) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

POWERS OF COMMISSION

SEC. 6. (a) The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chair or Vice Chair of the Commission, the head of such department or agency shall furnish such information to the Commission to the extent permitted by law.

(d) The Commission may accept, use, and dispose of gifts or donations of services or property.

(e) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

REPORTS

SEC. 7. (a) The Commission shall transmit to the President and each House of Congress such interim reports as it considers appropriate, and shall transmit a final report to the President and each House of Congress not later than 10 calendar days after the Ninety-ninth Congress first assembles. The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation or administrative action as it considers appropriate. Any recommendations submitted under this section shall be accompanied by provisions specifying the method and period of time over which such recommendations may be phased in without causing undue disruption to the existing civil service system, and provisions describing any employees who should not be covered under such recommendations (or any part thereof).

(b) Not later than 90 calendar days after receiving the Commission's final report, the President shall transmit to each House of Congress and evaluation of the findings and conclusions contained in such report, together with recommendations for supporting, supplementing, or otherwise modifying the legislation proposed by the Commission (including the reasons therefor), as the President determines appropriate.

TERMINATION

SEC. 8. The Commission shall cease to exist 90 days after submitting its final report pursuant to section 7.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out this Act.●

DRAFT BILL TO AMEND CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. MADIGAN. Mr. Speaker, today I am introducing an administration bill to amend the Consolidated Farm and Rural Development Act. The purpose of this legislation is to modify and update the farm and rural development loan programs of the Farmers Home Administration, the Federal credit agency for agriculture and rural development in the U.S. Department of Agriculture.

This legislation has 11 sections. Section 1 would eliminate authority for Farmers Home to make loans to farmers and ranchers for the purpose of establishing outdoor recreational enterprises. Demand for such loans has declined in recent years, with only nine having been made in fiscal year 1982. Thus, farmers wishing to undertake such developments should be able to find adequate resources available through established channels of business financing.

Section 2 of the draft bill would delete provisions for the subsidized farmownership and operating loans of the limited resource loan program. Agency experience has demonstrated that with adequate technical and business management counseling from FmHA under the "supervised credit" concept, limited resource borrowers can build sound and successful farming operations without reliance on

subsidized credit. This action also would reduce Government costs over the 1985 to 1988 period by approximately $100 million.

Section 3 of the draft bill would raise the individual limits on farm ownership and other types of real estate loans made to farmer borrowers. The limit on insured loan indebtedness would be increased from $200,000 to $300,000, and on guaranteed indebtedness from $300,000 to $400,000. Such higher limits are consistent with current financial requirements of family farms.

Section 4 of the draft bill would eliminate authority for the use of operating loan funds for nonagricultural purposes. The Consolidated Act currently provides that such loans may be made to "residents of rural areas," a term embracing nonfarmers, for "small business enterprises." Other sources of business credit are more appropriate for financing small rural nonfarm business enterprises.

Section 5 of the draft bill would amend the Consolidated Act to raise the limit an individual could borrow for an FmHA operating loan. The limit on an individual borrower's insured loan indebtedness would be raised from $100,000 to $150,000, and on guaranteed loan indebtedness from $200,000 to $300,000. The higher limits will be consistent with current financial requirements of family farms and for properly establishing new applicants in farming.

Section 6 of the draft bill would amend the Consolidated Act to provide that, at the discretion of the Secretary, when Federal crop insurance is generally available to producers in an area, emergency disaster loans will no longer be available. Enactment of the proposal would provide an incentive for farmers to participate in the crop insurance program rather than rely on subsidized loans to recover from disasters. The prospect that loans would become available in the event of such loss has encouraged some farmers to assume otherwise unacceptable financial risks. More reliance on crop insurance should provide farmers with incentives to reduce their risk of sustaining severe financial loss.

Section 7 of the draft bill would increase the amount of debt settlement authority the FmHA Administrator may delegate to agency field personnel. Under present law, delegation may be granted with respect to settlements involving less than $25,000. The proposed amendment would extend such delegation to amounts less than $50,000. This action would expedite debt settlements now delayed because of national office review.

Section 8 of the draft bill would delete from the Consolidated Act a requirement that claims by FmHA must be due and payable for at least 5 years before they can be compromised, adjusted or reduced. This action would eliminate much delay, now mandatory under the law, in resolving accounts that are conclusively shown to be uncollectible. The change would also allow charging off debt, which cannot be referred to the Department of Justice because of their small sums.

Section 9 of the draft bill would authorize an FmHA county committee to certify an applicant's eligibility for FmHA operating credit on a crop year basis. This action would relieve the committee of responsibility to recertify a borrower's eligibility for a subsequent loan within the same crop year that an operating loan was made. It would eliminate much duplicative loan processing procedure and expedite timely action on many operating loan applications.

Section 10 of the draft bill would permit Farmers Home to make farm ownership loans to eligible applicants in States where lands are held in trust and in States and territories where farmland can be obtained under long-term lease arrangements. Under present language of the act, such authority applies only to the State of Hawaii. This restriction is inequitable to other States and territories where the same authority could be properly exercised.

Section 11 of the draft bill would extend authorities for farm real estate, farm operating, farm emergency, water and waste disposal and community facility loans through fiscal year 1986, at annual appropriation levels that are consistent with the President's budget recommendations and adequate to meet essential needs served through these programs.

I also would like to note, Mr. Speaker, that enactment of this legislation would be consistent with the administration's program. Therefore, I am introducing this bill, which was submitted to Congress by the administration on February 23, 1983, in order to present a balanced set of views on these crucial farm credit issues.●

LAURIE J. BLACKBURN

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. WINN. Mr. Speaker, on the evening of March 8, I was honored to attend the Veterans of Foreign Wars annual congressional dinner. While seated at the head table, I found myself particularily proud of a young woman seated across the room who is from the Third District of Kansas.

She was one of 250,000 secondary school students who participated this year in the Voice of Democracy contest sponsored by the Veterans of Foreign Wars of the United States and its ladies auxiliary. The program was started 35 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. This past year, over 8,000 schools participated, over 4,400 VFW posts and 3,600 auxiliaries sponsored the program and over 2,400 radio and TV stations cooperated. Students this year submitted speeches for the theme, "Youth—America's Strength," with the top five winners awarded national scholarships. The Veterans of Foreign Wars brings the winner from each State to Washington, D.C., for the final judging.

Laurie J. Blackburn, of Overland Park, Kans., was chosen as this year's Kansas winner and was seated across the room from me. I am deeply proud to announce that Laurie was selected to received the second place prize of $7,000 to be used for the college or university of her choice. Laurie is truly an extraordinary example of the strength of our youth. She demonstrates the spirit that has made our Nation strong in the past, and will be necessary for the future. On behalf of the people of Kansas, I want to say how proud and inspired I am by Laurie, and extend to her our best wishes for a successful future.

I respectfully request that the text of Laurie's creative and insightful speech be included as part of the CONGRESSIONAL RECORD.

1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, KANSAS WINNER LAURIE J. BLACKBURN

Y+H=F+C+F=S, a formula I've come to believe in. No, it isn't the formula for some kind of medicine, or the atomic bomb. It's the formula for America. It's how youth can become America's strength. Let's take a look at the formula one element at a time.

First of all Y, of course stands for youth. But youth are not America's strength simply by virtue of their age. Other things are necessary. That's where element H comes in, Hope. For what person or nation can survive without hope? Now the first part of the equation is complete, Y+H, Youth plus Hope, equals, F, Future. For the youth are the future and, with hope, that future can achieve its highest potential.

But we still haven't achieved strength. All we have now is Future. How do we know that the youth are going to realize the importance of the future and preparing for it? Something else is necessary so that the future will not fail. Let's see, how about Youth plus Hope equals Future . . . plus . . . C . . . Commitment. For without Commitment, nothing is assured. The future will arrive, and we will waste it. Americans must be committed to constantly striving, constantly trying to improve and trying to make our nation the best it can possibly be. Then this commitment must be passed on from generation to generation, so youth can learn this lesson, and eventually pass it on to others.

But what if problems arise? Where do we turn for help? How do we know the whole thing isn't going to cave in? Well, we don't know for sure. That's where the last and

most important element comes in. Youth plus Hope equals Future plus Commitment plus F . . . Faith. We must have faith in our youth, faith in the future. We must have faith in our people, faith in our nation, and faith in our God. We're bound to have failures, but we must be able to deal with them and turn them into learning experiences. We must have faith in humankind. We must teach this to our youth and, more importantly, teach them to have faith in themselves. Only through this kind of faith can true strength be achieved.

So we have a formula, but of what use is it to us? These ideas must be shared. They must be taught to the youth. But teaching doesn't just mean memorization. Many people have gone through math or science courses where they are given formules to learn, and they recite them perfectly. P=nRt/V,A=½bh,PV=K, any number of formulas can be rattled off, but to what extent are they truly remembered? After a year or two out of a class where the formula is memorized, doesn't it often happen that then meaning or the application of the formula is forgotten? With this new formula, that must not occur, or our purpose is lost. The American ideal must be instilled in children at an early age, but it cannot stop there. They must continue to learn about America and patriotism throughout their schooling so that at any time in their lives, they could know the formula, and, more importantly, analyze it and remember the meaning behind every single element. If this can be accomplished, they will not have used just their brains to memorize, the formula will be engrained in their hearts as well. These lessons soon become part of our lifestyle and eventually an automatic part of our lives that can be passed from old to young. The permanence of this kind of patriotism is the key to lasting strength in America. We will have achieved our goal. But what will it mean for America to have strength?

The dictionary defines strength as force, vigor, and the power to endure. If we, the youth, put every element of the formula to work, Hope, Future, Commitment and Faith, we will have strength. We will have force, a driving force that makes us strive for our own improvement and changes we can make for the better around the world.

We will have vigor. Like the vigor of youth, our nation will be wanting to grow, struggling for more independence, and wanting to stand on its own two feet. Vigor will make us work more fervently to build the America we want to build.

And we will have the power, the absolute power to endure. We are a relatively young nation, but even in our comparative youthfulness we have had more successes than nations twice our age because we don't give up. We always have endured, we always will endure. This is the idea that must be communicated to today's youth. We will endure and continue to be the greatest nation on earth. America can live on, and she can be happy, her potential fulfilled. But not without the Youth . . . and their Future . . . and their Strength. If youth are taught nothing else, there is one formula they must learn, for the formula begins with youth, and could not work without them. Youth plus Hope, equals Future plus Commitment plus Faith, equals Strength . . . America's Strength.●

HIT LIST

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 14, 1983

● Mr. MARKEY. Mr. Speaker, I hope that every Member of Congress will take the time to read the following newspaper articles by Mr. John P. Wallach of the Hearst newspaper chain. The articles describe a very disturbing "hit list" which went out over the signature of Ambassador Edward Rowny, America's chief strategic nuclear arms negotiator. After reading these articles, many Members of Congress will legitimately question the seriousness of the administration's efforts to negotiate a strategic nuclear arms treaty with the Soviet Union.

HIT LIST

(By John P. Wallach, Foreign Affairs Editor)

WASHINGTON.—Although it is unlikely Amb. Edward Rowny, America's chief strategic nuclear arms negotiator will be forced to resign, the "hit list" that went out over his signature has renewed heated debate in Congress as to whether President Reagan is serious about arms control.

Senators Paul Tsongas, D.-Mass., and Charles McC. Mathias, R.-Md., both charged Friday that the Rowny accusations that several of his key aides wanted "progress at any cost" in the negotiations with Moscow is a "devastating" reminder that Reagan doesn't want any arms pact with Moscow.

"Can you imagine what our reaction would be if we discovered the Russians had circulated a hit list like this?" Tsongas asked. Even if Rowny survives this battle, it is certain to leave deep scars.

It undoubtedly will complicate the efforts of Kenneth Adelman, recipient of the hit list, to win Senate confirmation as Arms Control and Disarmament Agency (ACDA) director.

Even though Adelman did not request the hit list, it is certain to renew the dispute on Capitol Hill over whether the conservative Reagan administration genuinely wants an arms pact with the Soviets. That could lead to much wider hearings on the whole policy that could jeopardize Adelman's chances.

Morale in the strategic arms reduction talks (START) delegation already was said to be "abysmally low" in the wake of revelations about the hit list. "What are they doing conducting internicine warfare among themselves when they are supposed to be negotiating with the Russians?" Tsongas asked.

Meanwhile, it was learned that an aide to Rowny has threatened someone on the list who allegedly leaked its contents to reporters in an apparent effort to get him to shut up.

In a telephone call from Geneva to a high-ranking member of ACDA, the aide reportedly accused the leaker of "maligning Rowny. He allegedly added, "You tell him he better watch out."

Meanwhile, Secretary of State George Shultz, who apparently did not know of the existence of the "hit list" until published reports appeared Thursday, asked Kenneth Dam, the deputy secretary, to get a full report from Rowny, who was said to be trying to shift the blame to aides.

That will be difficult to do because the purge list is sharply critical of all but one of the five people on the START delegation and calls for the outright firing of a key member of the team and the ouster of two other high-ranking ACDA officials.

Nonetheless, ACDA sources said that the administration may try to save Rowny's neck by disclosing that the memo, while signed by Rowny, was actually compiled by Col. Sam Watson, an Army aide, and Don Tice, executive secretary of the START delegation.

The sources alleged that Rowny had glanced at the report but considered it nothing more than a routine evaluation of the performance of his subordinates and didn't understand the potentially explosive nature of the hit list. One member of the START delegation has already resigned. Two others may follow soon.

The only one of eighteen people named by Rowny who got high marks—Michael Mobbs, the representative of the Secretary of Defense who was said to be "solid"—has in the interim since the hit list was handed over gotten into a drawn out shouting match with Rowny.

The White House was prepared today to defend Adelman, its embattled nominee to head ACDA, as having had nothing to do with the hit list, which Rowny literally thrust into Adelman's hands on Jan. 30th. When the National Security Council learned of its existence, "they went through the roof."

Deputy NSC chief Robert "Bud" McFarlane reportedly exclaimed: "How could he (Rowny) do such a dumb thing? It's a time bomb."

Even though Adelman does not appear to have been involved, except as the innocent recipient, Tsongas already has called for hearings on the episode. Tsongas reportedly is concerned that the morale of the START delegation is so low it will not be able to negotiate in earnest.

The Massachusetts Democrat called the revelations, which appeared first in the Hearst Newspapers, "absolutely devastating. Can you imagine," Tsongas said, "what we would say if the Russians put together this kind of hit list of their delegation?"

At Tsongas' request, members of the Senate Foreign Relations Committee met late Friday afternoon behind closed doors to hear Shultz's evaluation of the incident.

PURGE

(By John P. Wallach, Foreign Affairs Editor)

WASHINGTON.—The White House today was described as "furious" over a "hit list" in which America's chief delegate to the strategic nuclear arms talks accuses three of the five top members of the START delegation of appeasing the Russians and wanting to "progess at any price."

The list includes an admiral who is the representative of the Joint Chiefs of Staff on the START delegation.

According to high-ranking officials who read from the list, Ambassador Edward Rowny, the chief START negotiator and author of the purge list, also describes various top officials, of the Arms Control and Disarmament Agency (ACDA) as "dubious," "a disaster" and "can't be trusted."

The accusation of desiring "progress at any price" was made about Ambassador James Goodby, Rowny's deputy and one of

the most experienced and widely respected arms control experts in the government. The same appeasement charge was made about two of the other five members of the START delegation.

The list of between 15 and 22 officials was drawn up in January for Kenneth Adelmen, President Reagan's embattled nominee for ACDA director, in an apparent effort by Rowny, a retired general, to impress his new boss with his loyalty.

But the controversy now threatens to involve the White House in another scandal on the heels of the dispute surrounding the resignation of EPA administrator Anne Burford.

The timing, officials said, could not be worse because even though Adelman had nothing to do with the list, the last thing Reagan needs now is a new battle with the Senate over what appears to be a McCarthyite attempt to question the loyalties of experienced foreign service officers.

"This list of senior people at ACDA and in Geneva could only be characterized as outright character assassinations, one ACDA official said. One senior arms control expert, Jack Mendelsour, already has resigned his post on the START legislation, and two other officials are about to do so.

The Rowny report gave a positive endorsement to only one official of the five on the START delegation. Adelman, who is worried that this new scandal will complicate his own efforts to win approval by the Senate, is understood to have met with people on the list.

"I want you to know," Adelman is reported to have told them, "I didn't ask for it. The guy pressed it into my hand. I didn't look at it and I don't intend to act on it." A key White House source said: "I understand when the National Security Council was informed, they went through the roof.

Nonetheless another source said a copy of the list was sent "to the White House veter of personnel," whose office is in charge of checking the credentials of all political appointments to make sure they are loyal Republicans.

State Department officials denied that anyone had been fired or forced to resign. They explained that the changes made in the wake of the list were being contemplated anyway in the "normal rotation" of the Foreign Service. "I was considering leaving," Mendelsohn said in an interview.

"But the memo (which calls for his ouster) is certainly a reason for me not to remain," the veteran arms expert said. He has been reassigned as a dean at the noncontroversial Foreign Service Institute in nearby Rosslyn, Virginia.

Adelman and Rowny have been in daily contact since the list appeared on Adelman's desk in late January shortly after he was nominated to be the new ACDA director, the sources said. Former ACDA chief Eugene V. Rostow, who was fired in January, also reportedly is critical of the list.

According to ACDA sources, Rowny always wanted the top job himself and after Rostow was fired apparently believed that putting together this kind of loyalty list would help him gain White House backing for the top job. The list, as read to reporter by White House sources, describes the officials in this manner:

Joseph D. Lehman, Chief Public Affairs Adviser, CD—"a disaster."

William Montgomery, Administrative Director, ACDA—"dubious."

Jack Mendelsohn, deputy START staffer—"Mendelsohn has to go." He went, choosing to quit late last month. Mendelsohn currently is awaiting a new foreign service assignment.

Thomas Graham, ACDA Congressional liaison—"can't be trusted."

James Goodby, deputy leader of the START delegation—desires "progress at any price."

Admiral William Williams, the Joint Chiefs of Staff representative on the START delegation—"questionable."

The only official who got high marks from Rowny was Michael Mobbs, the representative of the Office of the Secretary of Defense.

This is "an incredible blunder," an ACDA official said, because Rowny gave critical evaluations to virtually all the people who are working for him. Senate Republican Majority Leader Howard Baker of Tennessee and Sen. Charles McC. Mathias, Md., both are said to have already expressed displeasure to the White House.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 15, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 15

8:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for Army military construction programs.
SD-192

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for college housing loans, special institutions, Howard University, departmental management (salaries and expenses), Office for Civil Rights, and Office of the Inspector General, all of the Department of Education.
SD-116

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Terrence M. Scanlon, of the District of Columbia, to be a Commissioner of the Consumer Product Safety Commission.
SR-253

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of the U.S. Trade Representative, Securities and Exchange Commission, and the U.S. Arms Control and Disarmament Agency.
S-146, Capitol

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on S. 397, S. 407, and S. 434, bills to improve the enforcement of export administration laws.
SD-538

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Small Business
Innovation and Technology Subcommittee
To hold oversight hearings on the implementation of the Small Business Innovation Research Act (Public Law 97-219).
SR-428A

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold oversight hearings on eligibility requirements for the workfare program.
SR-328A

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Civil Aeronautics Board.
SD-138

Budget
Business meeting, to continue markup of the first concurrent resolution on the fiscal year 1984 congressional budget.
SD-608

Energy and Natural Resources
Business meeting to consider pending calendar business.
SD-366

Foreign Relations
Closed briefing on El Salvador.
S-407, Capitol

Governmental Affairs
To hold hearings on the annual report of the U.S. Postmaster General.
SR-385

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate the use of offshore banks and companies to facilitate crime in the United States.
SD-342

Judiciary
Separation of Powers Subcommittee
To hold hearings on proposed legislation to revise certain Federal court procedures relating to the exclusionary rule, habeas corpus, and related matters.
SD-226

Veterans' Affairs
To hold hearings on S. 8, to provide a new educational assistance program for persons entering the Armed Forces, and to repeal the December 31, 1989, termination date for the Vietnam-era GI bill, S. 9, to provide a 15-percent increase in the rates of educational and training assistance allowances under the GI bill and in rates of subsistence allowances under the VA rehabilitation program for service-connected disabled veterans, and S. 667, to improve the benefits under the contributory education program and to eliminate the termination date for the GI bill education program.
SR-418

10:30 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 564, to establish the U.S. Academy of Peace.
SD-430

2:00 p.m.
Apropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.
SD-192

Armed Services
To hold hearings on the nomination of Bernard A. Maguire, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and routine military nominations.
SR-222

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on the status of emergency preparedness in the District of Columbia.
SD-342

Judiciary
Security and Terrorism Subcommittee
To hold oversight hearings to review the U.S. Attorney General's guidelines on domestic security investigations (Levi guidelines).
SD-226

MARCH 17

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Railroad Retirement Board, ACTION—domestic programs—Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the Soldiers' and Airmen's Home.
SD-116

9:00 a.m.
*Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to receive legislative recommendations for fiscal year 1984 from AMVETS, Blinded Veterans Association, Retired Officers Association, and the Jewish War Veterans.
334 Cannon Building

Special on Aging
To hold hearings to examine the impact on the elderly of natural gas deregulation.
SR-385

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and the National Agriculture Library, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold oversight hearings on consumer interest rates charged by financial institutions.
SD-538

Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR-253

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To continue hearings on the status of emergency preparedness in the District of Columbia.
SD-562

Judiciary
To hold hearings on S. 610, to encourage college student athletes to complete their undergraduate education before becoming professional athletes.
SD-226

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings to review proposed budget estimates for fiscal year 1984 for the Department of Defense, focusing on defense readiness.
SD-192

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Railroad Administration of the Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
SD-138

Governmental Affairs
To hold hearings on S. 121, to establish a U.S. Department of Trade.
SD-342

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Institutes of Health, Department of Health and Human Services.
SD-430

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Surface Mining of the Department of the Interior, and the Advisory Council on Historic Preservation.
SD-192

Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1984 for atomic energy defense activities of the Department of Energy.
SD-116

Finance
International Trade Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1984 for the U.S. Customs Service, U.S. International Trade Commission, and the Office of the U.S. Trade Representative; and to review the worker and firm adjustment assistance programs established under Title II of the Trade Act of 1974 (Public Law 93-618).
SD-215

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

3:00 p.m.
Judiciary
Constitution Subcommittee
Business meeting, to consider the legal ramifications of constitutional amendment proposals, including Senate Joint Resolution 3, with the specific goal of reversing the Supreme Court's decision in *Roe* v. *Wade*, relating to the right to abortion.
SD-226

MARCH 18

9:30 a.m.
Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SD-253

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
SD-430

10:00 a.m.
Finance
Health Subcommittee
To hold hearings to evaluate consumer access to health information.
SD-215

Judiciary
Administrative Practice and Procedure Subcommittee
To hold oversight hearings on the indemnification of and contributions to Government contractors.
SD-226

Joint Economic
Economic Goals and Intergovernmental Policy Subcommittee
To hold hearings to examine the impact on the unemployment situation of the use of robots in the workplace.
SD-628

MARCH 21

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Rehabilitation Act of 1973, and the Education of the Handicapped Act.
SD-430

Labor and Human Resources
Labor Subcommittee
To hold hearings on the current health and future prospects of defined benefit pension plans under the Employee Retirement Income Security Act.
SD-562

10:00 a.m.
*Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institute of Education, education statistics, bilingual education, and libraries, all of the Department of Education.
S-126, Capitol

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation authorizing funds for programs of the Defense Production Act.
SD-538

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, focusing on fossil energy programs.
SD-366

*Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on S. 41, to extend the revenue sharing program for local governments through fiscal year 1986, and S. 525, to require that installment payments of revenue sharing allocations be paid at the beginning of each quarter.
SD-215

Judiciary
To hold hearings on S. 127 and S. 418, bills providing economic relief to American industries and companies injured by foreign products being dumped or sold on the American market at less than fair value.
SD-226

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Appalachian Regional Commission, and the Tennessee Valley Authority.
SD-192

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 684, proposed Water Resources Research Act.
SD-406

MARCH 22

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Mediation and Conciliation Service, National Labor Relations Board, National Mediation Board, Occupational Safety and Health Review Commission, Federal Mine Safety and Health Review Commission, and the President's Commission on Ethical Problems in Medicine.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Economic Research Service, Statistical Research Service, and the World Agricultural Outlook Board, Department of Agriculture.
SD-124

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on proposed legislation authorizing funds for the Export-Import Bank of the United States.
SD-538

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Highway Administration, Department of Transportation.
SD-138

Foreign Relations
Business meeting, to mark up S. 660, to authorize funds for fiscal years 1984 and 1985 for the Department of State, S. 734, to authorize funds for fiscal years 1984 and 1985 for the U.S. Information Agency, S. 694, to authorize supplemental funds for fiscal year ending September 30, 1983, and to authorize funds for fiscal years 1984 and 1985 for the Board for International Broadcasting, S. 608, to authorize funds for fiscal years 1984 and 1985 for the U.S. Arms Control and Disarmament Agency, and other related proposals.
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Family and Human Services Subcommittee
To hold hearings on the broken family, focusing on its effects on children.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Land Management of the Department of the Interior.
SD-138

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of the Secretary, international affairs programs, Bureau of Government Financial Operations, Bureau of the Public Debt, and the Bureau of the Mint, all of the Department of the Treasury.
SD-124

3:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Internal Revenue Service, Department of the Treasury.
SD-124

MARCH 23

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings to receive testimony from the U.S. Attorney General on the overall budget for the Department of Justice, and on proposed budget estimates for fiscal year 1984 for general legal activities, Antitrust Division, general administration, Executive Office for U.S. Attorneys, U.S. Marshals Service, and the Office of Justice Assistance, Research and Statistics.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed legislation authorizing funds for rural housing programs.
SD-538

Judiciary
Courts Subcommittee
To resume hearings on S. 645, to eliminate mandatory review by the U.S. Supreme Court of certain cases, to repeal various Federal statutory provisions which require appellate courts to expedite appeals in certain cases, to make certain improvements to judicial survivors benefits, to create a State justice institute, and to create a Federal courts study commission.
SD-226

Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Education of the Handicapped Act.
SD-430

Small Business
To hold hearings on umbrella contracting procedures and their impact on small business.
SR-428A

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Panama Canal Commission, and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
SD-138

Foreign Relations
Business meeting, to continue markup of S. 660, to authorize funds for fiscal

years 1984 and 1985 for the Department of State, S. 734, to authorize funds for fiscal years 1984 and 1985 for the U.S. Information Agency, S. 694, to authorize supplemental funds for fiscal year ending September 30, 1983, and to authorize funds for fiscal year ending September 30, 1983, and to authorize funds for fiscal years 1984 and 1985 for the Board for International Broadcasting, S. 608, to authorize funds for fiscal years 1984 and 1985 for the U.S. Arms Control and Disarmament Agency, and related proposals.
SD-419

Governmental Affairs
To hold oversight hearings on management activities of the Department of Defense.
SD-342

Judiciary
Separation of Powers Subcommittee
To resume hearings on proposed legislation to revise certain Federal court procedures relating to the exclusionary rule, habeas corpus, and related matters.
SD-226

Select on Intelligence
Budget Authorization Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Pennsylvania Avenue Development Corporation, and the Smithsonian Institution.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

Judiciary
To hold hearings on pending nominations.
SD-226

2:30 p.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration, and certain veterans' construction programs.
SR-418

MARCH 24

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Governmental and Public Affairs, Office of the General Counsel, Office of the Inspector General, Office of the Secretary, and departmental administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Legal Services Corporation, U.S. Information Agency, and the Equal Employment Opportunity Commission.
S-146, Capitol

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on proposed legislation authorizing funds for the Export-Import Bank of the United States.
SD-538

Small Business
To hold hearings on Federal Government minority business development programs of the Small Business Administration.
SR-428A

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Science and Technology Policy, and the Council on Environmental Quality.
SD-124

Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 268, S. 448, S. 672, and S. 739, bills authorizing funds to construct, operate, and maintain hydroelectric powerplants at existing reclamation project facilities.
SD-366

Foreign Relations
Business meeting, to continue markup of S. 660, to authorize funds for fiscal years 1984 and 1985 for the Department of State, S. 734, to authorize funds for fiscal years 1984 and 1985 for the U.S. Information Agency, S. 694, to authorize supplemental funds for fiscal year ending September 30, 1983, and to authorize funds for fiscal years 1984 and 1985 for the Board for International Broadcasting, S. 608, to authorize funds for fiscal years 1984 and 1985 for the U.S. Arms Control and Disarmament Agency, and other related proposals.
SD-419

Judiciary
To hold hearings on proposed legislation authorizing funds for the Department of Justice.
SD-226

Labor and Human Resources
Family and Human Services Subcommittee
To continue hearings on the broken family, focusing on its effect on adults.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy conservation programs of the Department of Energy.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

Judiciary
Immigration and Refugee Policy Subcommittee
Business meetings to mark up S. 529, to revise and reform the Nation's immigration laws.
SD-226

MARCH 25

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed legislation authorizing funds for the Securities and Exchange Commission.
SD-538

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To hold hearings on S. 462, to clarify Federal jurisdiction over labor extortion.
SD-226

2:00 p.m.
Judiciary
Security and Terrorism Subcommittee
To resume oversight hearings to review the U.S. Attorney General's guidelines on domestic security investigations (Levi Guidelines).
SD-226

APRIL 4

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Health and Human Services.
SD-116

2:30 p.m.
*Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Oceanic and Atmospheric Administration of the Department of Commerce, Marine Mammal Commission, and the Small Business Administration.
S-146, Capitol

APRIL 5

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Health Resources and Services Administration, and the Office of the Assistant Secretary for Health, both of the Department of Health and Human Services.
SD-116

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Food and Nutrition Service, and the Human Nutrition Information Service, Department of Agriculture.
SD-138

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on general revenue sharing.
Room to be announced

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Minerals Management Service, and the Institute of Museum Services.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

APRIL 6

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Social Security Administration, and refugee programs, Department of Health and Human Services.
SD-116

9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on general revenue sharing.
Room to be announced

Rules and Administration
To hold hearings on proposed authorizations for fiscal year 1984 for the Federal Election Commission.
SR-301

10:00 am.
Judiciary
Constitution Subcommittee
To hold hearings on constitutional convention procedure.
SD-562

Judiciary
Separation of Powers Subcommittee
To resume hearings on proposed legislation to revise certain Federal court procedures relating to the exclusionary rule, habeas corpus, and related matters.
SD-226

Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to radiation, and other related matters.
SR-418

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

Judiciary
To hold hearings on pending nominations.
SD-226

Labor and Human Resources
Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for child abuse prevention and treatment programs, focusing on the withholding of care from handicapped infants in hospitals.
SD-430

APRIL 7

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Health Care Financing Administration, Department of Health and Human Services.
SD-116

9:00 a.m.
Special on Aging
To hold hearings to discuss recent decisions affecting social security disability recipients.
SD-106

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcomittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Farmers Home Administration, Federal Crop Insurance Corporation, Office of Rural Development Policy, and the Rural Electrification Administration, Department of Agriculture.
SD-138

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Bureau of Investigation, Drug Enforcement Administration, drug task forces, Immigration and Naturalization Service, and the Federal prison system.
S-146, Capitol

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue oversight hearings on general revenue sharing.
Room to be announced

Labor and Human Resources
Labor Subcommittee
To resume hearings on the current health and future prospects of defined benefit pension plans under the Employee Retirement Income Security Act (ERISA).
SR-485

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Environmental Protection Agency.
SD-124

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 287, to establish the Harry S. Truman National Historic Site in Missouri, S. 345, to establish the Africa Town National Historical Park and District in Alabama, S. 542, to revise certain provisions of Public Law 90-401, relating to the purchase and conveyance of certain land by the Federal Government, S. 565, to provide for the establishment of the Cape Hatteras National Recreational Seashore in North Carolina, S. 680, to designate the Baltimore-Washington Parkway in Maryland as the "Gladys Noon Spellman Parkway," and H.R. 1213, to revise certain provisions of law relating to units of the national park lands and other public lands.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on S. 530, to provide Federal assistance to upgrade instruction in mathematics, science, computer technology and foreign languages in the Nation's elementary, secondary, and postsecondary institutions, and to provide assistance for employment-based vocational training programs, and related proposals.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Forest Service of the Department of Agriculture.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Personnel Management, Merit Systems Protection Board, Office of Special Council, Federal Labor Relations Authority, U.S. Tax Court, Advisory Commission on Intergovernmental Relations, and the Administrative Conference of the United States.
SD-124

2:30 p.m.
Judiciary
Patents, Copyrights, and Trademarks Subcommittee
To hold oversight hearings on activities of the Patent and Trademark Office, Department of Commerce.
SD-226

APRIL 8

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Human Development Services, Department of Health and Human Services.
SD-116

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Customs Service, U.S. Secret Service, Bureau of Alcohol, Tobacco, and Firearms, and the Federal Law

Enforcement Training Center, all of the Department of the Treasury.
SD-138

APRIL 11

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

10:00 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation authorizing funds for the Commission on Civil Rights.
SD-226
Labor and Human Resources
Family and Human Services Subcommittee
To resume hearings on proposed legislation authorizing funds for child abuse prevention and treatment programs, focusing on causes and prevention of child abuse.
SD-430

APRIL 12

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the National Institutes of Health, Department of Health and Human Services.
SD-116

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 372, to promote interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.
SR-253

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Food and Drug Administration, Department of Health and Human Services, the Farm Credit Administration, and the Commodity Futures Trading Commission.
SD-138
Labor and Human Resources
To hold hearings on the nomination of Edward A. Knapp, of New Mexico, to be Director of the National Science Foundation.
SD-430
Rules and Administration
To resume oversight hearings on the operation and possible modification of the current campaign finance laws governing Presidential and congressional campaigns.
SR-301
*Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' health care services, proposed legislation providing educational assistance for certain members of the Armed Forces, and proposed legislation providing for judicial review of certain decisions made by the Veterans' Administration
SR-418
Select on Indian Affairs
To hold oversight hearings on the disbursement of funds by the Bureau of Indian Affairs to do a study of the irrigable acres on the Blackfeet Reservation in Montana.
SD-628

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Aviation Administration, Department of Transportation.
SD-192
Judiciary
Business meeting, to consider pending calendar business.
SD-226
Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1984 for the intelligence community.
S-407, Capitol

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192

APRIL 13

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management (salaries and expenses).
SD-116

9:00 a.m.
Special on Aging
To hold hearings on health insurance matters affecting the elderly.
SD-562

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, Commission on Security and Cooperation in Europe, and the Commission on Civil Rights.
S-146, Capitol
Finance
To hold hearings on S. 544, to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin Region.
SD-215
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings on proposed legislation to revise certain Federal court procedures relating to the exclusionary rule, habeas corpus, and related matters.
SD-226
Labor and Human Resources
To hold hearings on proposed legislation on health promotion.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for the Bureau of Indian Affairs of the Department of the Interior.
SD-192
Judiciary
To hold hearings on pending nominations.
SD-226

APRIL 14

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Centers for Disease Control, Department of Health and Human Services.
SD-116

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on the deinstitutionalization of status offenders.
SD-226
Rules and Administration
To hold hearings on Senate Resolution 66, to establish regulations needed to implement television and radio coverage of proceedings of the Senate.
SR-301

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Science Foundation.
SD-124
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Urban Mass Transportation Administration, Department of Transportation.
SD-192
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on the implementation of vocational education programs administered by the Department of Education.
SD-430
Labor and Human Resources
Family and Human Services Subcommittee
To resume hearings on proposed legislation authorizing funds for child abuse prevention and treatment and adoption reform programs.
SD-628

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Endowment for the Humanities,

and the Office of Federal Inspector, Alaska Natural Gas Transportation System.
SD-192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the General Services Administration, and to discuss the substance of S. 102, to allow State and local governments to continue to acquire surplus Federal lands for park and recreational use.
SD-124

APRIL 15

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Alcohol, Drug Abuse, and Mental Health Administration, Department of Health and Human Services.
SD-116

APRIL 18

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on proposed legislation authorizing funds for the Commission on Civil Rights.
SD-226

10:30 a.m.
Labor and Human Resources
To hold hearings on a radiation/epidemiological study.
SD-430

APRIL 19

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Indian Health Service of the Department of Health and Human Services, and the Office of Indian Education.
SD-192

9:30 a.m.
Labor and Human Resources
To hold hearings on railroad retirement program.
SD-430

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

APRIL 20

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Judiciary, U.S. International Trade Commission, and the Federal Maritime Administration.
S-146, Capitol

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Executive Office of the President, National Security Council, and the Property Review Board.
SD-124

Judiciary
Security and Terrorism Subcommittee
To hold hearings to examine matters relative to the attempted assassination of the Pope.
SD-226

Labor and Human Resources
To hold hearings on proposed legislation relating to smoking.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for fossil energy research and development programs of the Department of Energy.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Commerce, Justice, State, the Judiciary, and related agencies.
S-146, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Treasury.
SD-124

Judiciary
To hold hearings on pending nominations.
SD-226

APRIL 21

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on the President's budget request for fiscal year 1984 for the Department of Energy's research and development programs, receiving testimony from public witnesses on energy research, conservation and renewable energy, nuclear energy, and nuclear waste activities.
SD-366

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the National Aeronautics and Space Administration.
SD-124

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of State, and certain international organizations.
S-146, Capitol

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings to review U.S. immigration quotas.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of bilingual education programs administered by the Department of Education.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the U.S. Fish and Wildlife Service of the Department of the Interior.
SD-192

APRIL 22

10:00 a.m.
Judiciary
To resume hearings on organized crime in the United States.
SD-226

APRIL 25

9:30 a.m.
Labor and Human Resources
To hold hearings on unemployment cycles.
SD-430

2:00 p.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192

APRIL 26

9:30 a.m.
Labor and Human Resources
To continue hearings on unemployment cycles.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-124

Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of the Interior.
SD-138

APRIL 27

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of

Labor, Health and Human Services, Education, and related agencies.
SD-116

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for transportation related programs.
SD-192
Labor and Human Resources
To hold hearings on disease prevention.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Land and Water Conservation Fund.
SD-192
Judiciary
To hold hearings on pending nominations.
SD-226

APRIL 28

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

9:30 a.m.
Judiciary
Criminal Law Subcommittee
To hold hearings on S. 485, proposed Lawyers Duty of Disclosure Act.
SD-226

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Federal Emergency Management Agency, and the Neighborhood Reinvestment Corporation.
SD-124
Judiciary
Constitution Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430
Labor and Human Resources
To hold joint hearings with the Committee on the Judiciary's Subcommittee on Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Strategic Petroleum Reserve, and the Naval Petroleum Reserves, Department of Energy.
SD-138

APRIL 29

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

10:00 a.m.
Judiciary
Constitution Subcommittee
To continue joint hearings with the Committee on Labor and Human Resources on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430
Labor and Human Resources
To continue joint hearings with the Committee on the Judiciary's Subcommittee on Constitution on S. 425, to provide equal access and opportunity to public school students who wish to meet voluntarily for religious purposes.
SD-430

MAY 2

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116.

MAY 3

8:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs of the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for the Legal Services Corporation.
SD-430

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for territorial affairs.
SD-138

MAY 4

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To hold hearings on proposed legislation on science education.
SD-430

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MAY 5

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on copyright audiovisual rental.
SD-226

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Office of Revenue Sharing (New York City loan program), Federal Home Loan Bank Board, and the National Credit Union Administration.
SD-124

MAY 9

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on proposed authorizations for refugee programs.

MAY 10

9:30 a.m.
Labor and Human Resources
To hold hearings on home health care services.
SD-430

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

MAY 11

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Labor and Human Resources
To continue hearings on home health care services.
SD-430

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

MAY 12

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on parental kidnapping matters.
SD-562

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on computerization of criminal history.
SD-226

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for the Department of Housing and Urban Development.
SD-124

MAY 13

9:30 a.m.
*Labor and Human Resources
To hold hearings to examine fire safety issues.
SD-430

MAY 17

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

MAY 18

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on activities of the Equal Employment Opportunity Commission.
SD-430

10:00 a.m.
*Veterans' Affairs
To hold oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-325

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

*Veterans' Affairs
To continue oversight hearings to review adverse health effects from exposure to agent orange, and other related matters.
SR-325

MAY 19

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on computer chips protection.
SD-226

MAY 23

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

MAY 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1984 for certain programs under the subcommittee's jurisdiction.
SD-124

Judiciary
Business meeting, to consider pending calendar business.
SD-226

MAY 25

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on child tragedies.
SD-226

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 8

10:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 15

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To resume oversight hearings on activities of the Patent and Trademark Office, Department of Commerce.
SD-226

10:00 a.m.
Veterans' Affairs
To hold oversight hearings to review certain health care and other services provided Vietnam veterans.
SR-418

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 16

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To resume hearings on the deinstitutionalization of status offenders.
SD-226

JUNE 20

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings on proposed authorizations for refugee programs.
SD-226

JUNE 22

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on patent term restoration.
SD-226

10:00 a.m.
Veterans' Affairs
To hold oversight hearings on certain health care services for veterans.
SR-418

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

JUNE 27

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings on proposed authorizations for refugee programs.
SD-226

JUNE 29

9:30 a.m.
Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on Federal Government patent policy.
SD-226

10:00 a.m.
Veterans' Affairs
Business meeting, to consider proposed legislation providing for certain veterans' compensation.
SR-418

JUNE 30

9:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on juvenile offenders of serious and violent crimes.
SD-226

HOUSE OF REPRESENTATIVES—*Tuesday, March 15, 1983*

The House met at 12 o'clock noon.

Rev. Charles F. Betts, First United Methodist Church, Sylacauga, Ala., offered the following prayer:

O God, who gives us cares to awaken our careless souls and leads us through chaotic times to show us higher goals.

We thank You for the assurance that no problem is too great for those who believe; that no confusion of human needs is too complex to be solved by those who trust and join their efforts to Your divine wisdom.

Here, O God, we are again impressed by the strength of common purpose, and by the potential of free and faithful people. Uplifted by symbols of victory and by thoughts of the heritage we share, we rejoice in the future You present to us.

This is our Jerusalem, our place of promise in the midst of a free and fermenting nation. Here we claim the promise that wars can cease, diseases can be conquered, differences resolved, human suffering relieved, and the hopes of people restored.

We come at this moment to lift up all that we may do to You, the Lord to whom every need is known, who provides every protection and guides us into perfect peace.

In Your name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. CHARLES F. BETTS

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, today's prayer was given by Rev. Charles Betts, pastor of the First United Methodist Church of Sylacauga, Ala. I am especially proud that Brother Betts can be with us today because he is the pastor of my hometown church and is visiting our Nation's Capitol with the church's youth choir.

Brother Betts is a native Alabamian. Born in Overton, he was educated at the University of Alabama and at the Candler School of Theology at Emory University in Atlanta.

He has served a number of congregations throughout Alabama and has been the pastor at my church since 1981.

In addition to Reverend Bett's prayer, just moments ago the New World Choir from our First United Methodist Church gave a performance at Washington's National Cathedral. This afternoon the group will lay a wreath at the Tomb of the Unknown Soldier to honor those brave Americans who have made the supreme sacrifice so that we may have the privilege of serving the democracy.

I want to thank Brother Betts for being with us, and say how proud I am to have both the First United Methodist Church New World Choir as our guests for the opening of this session of Congress.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO FILE REPORT ON H.R. 1983

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs have until midnight tonight to file a report on the bill (H.R. 1983) to amend certain housing and community development laws to provide emergency mortgage assistance to homeowners and emergency shelter for the homeless.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Speaker, reserving the right to object, I do so only to inquire of the gentleman whether or not this has been cleared with the minority.

Mr. GONZALEZ. If the gentleman will yield, yes, it has been cleared with the minority staff and the ranking minority members of the committee.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

U.S. MILITARY WITHDRAWAL FROM ST. PATRICK'S DAY PARADE—A HYPOCRISY!

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I am outraged by the decision of the Defense Department to withdraw their traditional participation in the St. Patrick's Day Parade scheduled for Thursday in New York.

Their position is extremely hypocritical. While they seek to steer clear of the Northern Ireland controversy as it relates to the parade, they find nothing wrong with involving themselves in other aspects of the Northern Ireland issue.

For example, the U.S. Air Force, at the present time, is seeking to close a multimillion-dollar deal to purchase 18 SD-330 transport aircraft from Short Bros., Ltd., a British Government-owned corporation in Belfast.

Short Bros., has a proven record of discrimination in their hiring policies and promotional practices against the Catholic minority in Northern Ireland.

Further, in past years, the Defense Department has permitted the training of British troops in the United States, some of whom were destined for service in Northern Ireland.

I would also point out to the Defense Department that the St. Patrick's Day Parade is not an Irish Government parade, but an Irish-American parade in honor of its patron saint and a tribute to the Irish contribution to the development of America.

DEFENSE DEPARTMENT ACTED WISELY IN WITHDRAWING U.S. ARMED FORCES' PARTICIPATION IN ST. PATRICK'S DAY PARADE

(Mr. FOLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOLEY. Mr. Speaker, I take the well reluctantly to disagree with my distinguished colleague, the gentleman from New York.

I want to say that I think the Defense Department acted wisely in withdrawing American participation of the Armed Forces from the St. Patrick Day Parade.

As one of total Irish ancestry, I am aghast—aghast—at the decision to place, as an honorary marshal of the parade, a person who has supported the idea of assisting violence in Ireland by proudly playing a role of supplying or helping to supply the weapons of destruction that have killed members of both great religious communities in Ireland.

Mr. Flannery is an acquitted gunrunner but has made no secret of his former membership in the IRA or his continued sympathy for one of the most terrorist and criminal organiza-

tions ever to operate in a civilized nation.

The Republic of Ireland has rightly withdrawn support from the New York parade out of rejection that this particular man has been so wrongly placed in a position of responsibility with respect to the parade. And I would hope that all Americans of Irish ancestry would join in denouncing the decision of the parade committee to put such a person in a position of responsibility. I would hope that never again will this great parade, so honorary of the patron saint of Ireland, be abused and turned into what he, Mr. Flannery, claims is a pro-IRA parade—in other words, a parade in support of violence, terror, and murder.

NUCLEAR FREEZE

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, we will soon be asked to vote on a resolution dealing with the so-called nuclear freeze.

Now, I know of no one in this House, and probably no one in the United States, who is not abhorred by the thought of a nuclear holocaust, who does not want not a freeze but an abolition, and the elimination of all nuclear weapons. Certainly that is my position and the position of those on the Armed Services Committee.

But even though people are very sincere in their conviction, the fact is, as was pointed out by General Rogers, who is commander in chief of our European Forces, the head of NATO, when he appeared before our committee just this past week, nuclear weapons cannot be wished away, they cannot be ignored away, they can only be negotiated away. When we in this body go on record and pass a resolution which will, in effect, pull the rug from underneath our negotiators in Geneva, General Rowney, and Ambassador Nitze, then they have nothing with which to bargain or to force or entice the Soviets to come to the negotiating table. If we announce in advance that we will not deploy weapons, then we are playing into the hands of the Soviets who are continually deploying weapons. Just last week, the Commander in Chief Pacific, Admiral Long, told our committee that within the past year the Soviets have deployed approximately 100 SS-20's which now target Japan, and China, our friends in Asia.

So while we are planning and talking, the Soviets are in fact deploying. And if we are going to get an actual drawdown and stop the deployment, we are going to have to be able to negotiate and negotiate from strength. To say that we are going to freeze in advance of this I think is tremendously shortsighted and counterproductive.

ON TO RECOVERY

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, the Nation is on the road to recovery, a recovery that must be linked to reduction in Federal spending, firm resolution to eliminate the deficit, and permanent reform of the congressional budgetary process.

A group from my home State, the Idaho Young Republican Federation, has developed the slogan "On to Recovery" to remind Congress why they came here. "On to Recovery" reminds us that we must stop Federal encroachment into private lives, we must reduce the tax burden, encourage relief from burdensome regulation, and develop a consistent monetary policy.

"On to Recovery" is great! But, it must be coupled with action. A 2-year budget freeze on entitlements, defense, and all items of the Federal budget is the action needed to control spending, maintain lower taxes, and encourage citizens of the United States to pursue solutions to problems in the private sector.

"On to Recovery" is a challenge to Congress to return to a sane fiscal policy.

DEMOCRATIC POLITICAL DOCUMENT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I understand the Democratic caucus was briefed this morning on what was described as a political document, that will be disguised as a budget and marked up in committee next week.

A political document—that it will be but I am glad to hear that at least someone is calling it like it is behind closed doors anyway.

I also understand that the minority will be denied any opportunity to substantially amend this political document and that being a political document, it will have no enforcement provisions.

That is just great, we are on the brink of economic recovery. The Nation needs fiscal discipline and economic policy, what we are going to get out of the House is a fiscal feathering of the Democratic nest and economic politicking at the expense of recovery.

I guess it comes as no surprise that we in the minority will not be able to touch your political document, if we could get our hands on it with amendments, it would no longer be political.

Could this signal the end of bipartisan cooperation and responsible government in the House. If so on to the elections.

□ 1215

POSTPONING INDEXING OF INCOME TAX BRACKETS

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, today I am introducing a resolution expressing the sense of the House that the indexing of income tax brackets, as authorized by the Economic Recovery Tax Act of 1981, should not be repealed or postponed; 70 colleagues have joined me as original cosponsors.

We all know that middle and lower income taxpayers have suffered from years of bracket creep, and that indexing would put an immediate end to this surreptitious tax. But indexing is also an honesty-in-Government issue. By allowing our tax structure to expand with inflation, Congress is unable to deal openly and honestly with the larger issue of Federal spending.

There are two questions at stake, then, if indexing is repealed. First, indexing promises a procedural reform, because it promotes honesty in the Federal budget process. Indexing also promises a substantive reform, because it provides our constituents with immediate relief from bracket creep. Therefore, we owe it to ourselves and to our constituents to oppose any repeal efforts.

I thank those who have cosponsored this important resolution and encourage those who have not to join us in opposing efforts to repeal indexing.

CURBING ACID RAIN

(Mr. GREGG asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GREGG. Mr. Speaker, this past week throughout New Hampshire while demonstrating our country's truest form of democracy, town meetings were held in which citizens overwhelmingly called upon this Legislature to act responsibly by demonstrating concern for the environment by enacting legislation which will reduce acid precipitation. It is an honor for me today to bring before this Legislature the collective results of these town meetings.

The warrant article calls upon the Federal Government to reduce acid rain by enacting the following measures:

First. Reducing by at least half the major cause of acid rain, sulfur dioxide emissions by the year 1990.

Second. Conclude negotiations and adopt a treaty with the Government of Canada that will commit both nations to this same goal.

Mr. Speaker, as of this morning, out of the 184 towns who have considered this warrant article, 182 towns have approved the article, 2 communities have tabled it.

Mr. Speaker, the people of New Hampshire are calling upon the Congress to exhibit strength and leadership by enacting the necessary legislation to curb acid rain, one of the most pressing environmental issues which we confront today.

RESOLUTION—ACID RAIN WARRANT ARTICLE

To see if the town will vote to go on record in support of immediate actions by the Federal Government to control and reduce acid rain which is harmful to the environment and economy of —— and to the health and welfare of the people of ——.

These actions shall include:

1. Reduce by at least half the major cause of acid rain, sulfur dioxide emissions by the year 1990.

2. Conclude negotiations and adopt a treaty with the government of Canada that will commit both nations to this same goal.

The record of the vote on this article shall be transmitted to the New Hampshire Congressional Delegation and to the President of the United States.

PRESIDENT'S PROPOSAL FOR EMPLOYMENT FOR YOUNG AMERICANS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, recently the administration has come forth with a proposal designed to increase job potential for young Americans. That particular proposal is a proposal on the the minimum wage.

What it means is jobs, real jobs for young people. We all know that a job is the real route to opportunity in this society.

The opposition to this proposal comes from those who are more interested in pursuing big Government social programs than they are in really helping the American people get back to work. It comes from those whose idea of opportunity is more and bigger welfare rather than jobs.

I think that what we need to do is to examine that and the American people ought to look at the idea that there are some people in this body that think that social welfare is more important than work.

We fool around in this body with multibillion-dollar efforts designed to put a few people to work in make-work kinds of projects. Here we can put 500,000 young Americans back to work, get them off the unemployment rolls, and give them hope and give them opportunity.

But big labor and the liberal Democrats say no to that kind of proposal. Keep them unemployed. Shut them out. Shatter their hopes and dreams. Yet they dare to call themselves the party of compassion and fairness.

BONNEVILLE POWER ADMINISTRATION REGIONAL ACCOUNTABILITY ACT OF 1983

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, today I am introducing the Bonneville Power Administration Regional Accountability Act of 1983.

I am especially pleased to be joined in this effort by several of my colleagues in the Northwest.

BPA is the Federal power marketing agency in the Northwest with an annual budget of $2.7 billion. The actions Bonneville takes have a tremendous impact upon the ratepayers and residents of the Northwest, and chart our regions energy future for years to come.

Essentially, the bill would enable the States and the ratepayers to review and comment upon BPA's annual budget far earlier in the process, prior to its submission to Congress.

Our bill will provide several important benefits:

First, allow far greater public involvement in BPA budget and energy priority decisions.

Second, give Congress far better oversight over the activities of BPA.

Third, bring together and coordinate the activities of the two enormous Federal energy entities currently operating in the Northwest—BPA and the Regional Power Council.

If adopted by the Congress, this legislation will offer more clarity and accountability on regional energy matters.

PRIVATE PENSION REFORM ACT

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, I am today introducing two bills which seek to close the enormous economic gender gap which separates men and women in our economy.

These bills are part of the Economic Equity Act, a comprehensive package of legislation introduced yesterday by the Congressional Caucus for Women's Issues.

Women, especially elderly women, are the fastest growing poverty segment in our society. There are 2½ times as many poor women over age 65 as there are poor men.

One reason—and this is the reason addressed by my legislation—is that women have been deprived of access to private pensions and discouraged from saving for their retirement by laws which fail to recognize that women's work and life patterns are different from men's.

I am pleased that Senator EDWARD KENNEDY has agreed to play a lead role in the introduction of my private pension reform bill in the Senate. This bill gives both widows and women in the work force a better chance to receive pension benefits they earned at their husbands' side or on their own.

My IRA bill would recognize the value of the work done by homemakers by allowing couples to open larger savings accounts for their retirement years.

The women of America are vital to our economy and they deserve a fair chance to achieve economic security in their old age. This is legislation we can all support.

JUSTICE DEPARTMENT'S PROBE INTO ESCAPE OF KLAUS BARBIE

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, there is great relief among many of my constituents today as a result of the Attorney General's announcement that he will investigate whether the U.S. Government aided the escape of Klaus Barbie, the "Butcher of Lyon," from Europe after Barbie committed his atrocities.

When the Attorney General and the Justice Department had previously announced there would be no investigation thousands of my constituents, who were imprisoned in concentration camps and who knew hundreds of thousands of others of their relatives and friends who were butchered to death, felt a great deal of shock and chagrin. They are new citizens of this country and they love this country.

But if the United States played a role in aiding any Nazi from escaping Europe and coming to Latin America or to this country for one reason or another the truth must come out.

Mr. Speaker, we all hope that the Attorney General and the Justice Department investigation is a thorough, complete one, and we anxiously await the results.

ACCOUNTABILITY OF BONNEVILLE POWER ADMINISTRATION

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, the Bonneville Power Administration is an agency of the Federal Government with literally no checks upon its expenditures of the ratepayers' money of the Northwest. It is not controlled by the utility commissions or the legislatures of the Northwest States. And it is not accountable to Congress for its budget is not approved by the Congress.

Therefore, I am introducing today a bill that will require accountability of the Bonneville Power Administration to Congress and the Northwest Power Council.

I am pleased that my colleague from Washington, Mr. DON BONKER, is introducing a similar bill, and I would hope that we could take action on this bill speedily.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT TONIGHT TO FILE A REPORT ON HOUSE JOINT RESOLUTION 13, NUCLEAR FREEZE RESOLUTION

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight, March 15, 1983, to file a privileged report. Mr. Speaker, I am making this request specifically for the rule making in order House Joint Resolution 13, the Nuclear Freeze Resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SOLOMON. Mr. Speaker, I object.

The SPEAKER. Objection is heard, despite the fact that the matter was scheduled for tomorrow.

HOUR OF MEETING ON WEDNESDAY, MARCH 16, 1983

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House convenes tomorrow, Wednesday, March 16, 1983, it convene at 10 a.m.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WALKER. Mr. Speaker, reserving the right to object, can the gentleman tell me whether there is some special purpose for having a change in the hour?

Mr. WRIGHT. Will the distinguished gentleman from Pennsylvania yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. WRIGHT. Yes. The plan is that we would debate and vote upon the nuclear freeze resolution, with an open rule, permitting Members to offer any germane amendment. That being the case, assuming such a rule is granted, we would predictably take some time in the debate upon that proposition which is scheduled for tomorrow.

Thus, if we waited until 3 o'clock to come in we would be at all hours of the night and the morning before we voted. I do not think Members want to do that. Therefore, if we come in at 10 a.m. we will have ample opportunity for Members to offer their amendments and to discuss fully their wishes and to work the will of the House and to adjourn at a more reasonable hour.

Mr. WALKER. Further reserving the right to object, I understood the chair to say a moment ago that this is a matter that was scheduled for tomorrow. That was my understanding based upon the schedule of last week as well.

The problem is that we do not seem to have followed the procedures necessary to get it to the floor tomorrow and we are now in a dilemma that will force us to use extraordinary procedures in order to have it before us tomorrow.

So I am a little uncomfortable with the fact that having it scheduled, and then not using the rules properly to get it here, it has given us this kind of a problem.

I was pleased to hear the gentleman and I want to find out whether or not I heard this correctly, I was pleased to hear the gentleman say that we are going to have an open rule on this matter, that we are going to allow Members to offer any germane amendment in the course of our deliberations.

Mr. WRIGHT. If the gentleman will yield further, it is my understanding, imperfect though it may be, that this is the kind of rule for which the request has been made by the committee of jurisdiction.

I would imagine that the Rules Committee would report that sort of a rule and that the House would adopt that sort of a rule.

I would further say to the gentleman that I expect the Rules Committee to report that rule out today and upon that expectation I would just renew the unanimous-consent request that we could come in at 10 o'clock.

Mr. WALKER. Further reserving the right to object, I thank the gentleman for his explanation.

I would say to the gentleman that what we are given pause to grant the request on is the fact that we do not have that rule before us and we really do not know what the language of that rule is going to be.

The gentleman's assurances, I must say, are very comforting because we had understood that there might be an attempt to preclude some amendments.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am pleased to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I assume I am like the gentleman in opposing the resolution also on the nuclear freeze. But I think what the majority leader is trying to do is give us more time to debate.

It seems to me to make more sense to come in at 10 o'clock in the morning and we who oppose it will then have an opportunity to debate the issue.

I would hope the gentleman would not object.

Mr. WALKER. Further reserving the right to object, I thank the gentleman from Mississippi.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New York.

Mr. SOLOMON. I would like to say to the gentleman from Pennsylvania that one of the problems is that we are being told that this will be an open rule, which seems very, very fair. But the fact is I have some 10 amendments, where 7 of them were offered in the Foreign Affairs Committee, and we have received an adverse opinion on the germaneness of some of these amendments.

Let me just read you one of them.

> Certification from the administration that the Soviet Union is complying with existing international agreements proscribing the use of chemical and biological weapons.

There is absolutely no question but what that amendment is germane and yet it was ruled nongermane.

There is a question of onsite verification that we may be offering. There are several others such as negotiations for a nuclear freeze that should not commence until the President of the United States fully certifies to the Congress that the Soviet Union is in compliance with all existing international agreements, including strategic arms agreements.

What is nongermane about that?

Yet as we stand here now we probably are not going to be allowed to offer these amendments. This is why I objected to the committee filing.

I am hopeful that if we have a little negotiations during the day that perhaps we might get a clear and fair ruling on some of these amendments that we would like to air before the Congress.

The SPEAKER. The gentleman has stated his point about a fair ruling and the Chair is aware of the fact that certain rulings were made in Committee and that the Parliamentarian of the House has just looked over the matter submitted to him by the gentleman from New York. He has given the Chair informally an opinion that three of the gentleman's amendments that he has drafted would be in order and the other seven go beyond the bounds and are not in order.

I have not even had the opportunity to see them, but I rely as the Speaker of the House on the Member who is presiding when the bill is considered to rule fairly and that has been the custom here.

□ 1230

Mr. SOLOMON. Mr. Speaker, I may owe someone an apology but I have not received that clarification on three of the amendments. I know of one that was ruled germane in the committee.

I would be glad to discuss it and have it brought up a little bit later during this session.

Mr. WALKER. Further reserving the right to object——

The SPEAKER. The procedure is when a Member has a motion about which he believes there is a question of germaneness he normally talks to the Parliamentarian about it. The Chair now understands that the gentleman did attempt to do that.

Mr. WALKER. Further reserving the right to object, could I inquire of the Chair, the motion before us as I understand at the present time is to permit the House to come in at 10 a.m. tomorrow and it goes no further than that?

The SPEAKER. That is right.

Mr. WRIGHT. It is a unanimous consent with a——

Mr. WALKER. I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas (Mr. WRIGHT)?

There was no objection.

PERMISSION FOR SPEAKER TO CALL RECESSES AT THE EXPIRATION OF BUSINESS TODAY

Mr. WRIGHT. I further ask unanimous consent that at the expiration of business today the Speaker may call recesses subject to the call of the Chair.

The SPEAKER. Is there objection?

Mr. WALKER. Reserving the right to object, that goes considerably further now. Could the gentleman tell me what the purpose behind this particular request is?

Mr. WRIGHT. I simply say to the gentleman that depending upon the time of our adjournment and the time consumed by the Committee on Rules, it might be desirable to give the Committee on Rules certain extra time in order that it might complete its rule and the gentleman from New York might have that opportunity to see that rule and understand just what it is, so that it would be well for us to have the opportunity to recess and let that rule come forward in order that then we could come back in after we see the rule.

Mr. WALKER. Further reserving the right to object, that gets me back to the problem that I discussed just a few moments ago, that is the fact that we do not have the rule on a timely basis. We have no further business scheduled for today.

Mr. WRIGHT. If the gentleman will yield further, yes, we have further business, we have business today.

Mr. WALKER. Mr. Speaker, I thank the gentleman. It was my understanding that we were moving toward a fairly quick——

Mr. WRIGHT. No, no, we have business today. We have two bills scheduled for consideration today.

Mr. WALKER. I thank the gentleman. But I think that we should proceed according to the regular rules of the House and therefore Mr. Speaker, I object.

The SPEAKER. Will the gentleman from New York reconsider his action?

Mr. SOLOMON. No, Mr. Speaker. I would like to ask my colleague to withdraw his objection and ask the majority leader if he would not withdraw his motion to recess and have him bring that back up as we are nearing the close of business today, to give us all an opportunity. It is a terribly important matter. I am not trying to be unreasonable about it, but I would like the opportunity to discuss it with your side and with my side.

Mr. WALKER. The gentleman from Pennsylvania does not want to interfere with the process, I would further reserve the right to object at the present time and——

The SPEAKER. Will the gentleman consider deferring at this time?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield further, the whole purpose of the unanimous-consent request was to try to accommodate Members of the minority as well as the majority who may have amendments that they want to offer and discuss with the Rules Committee. The Rules Committee could give a very abbreviated hearing, a perfunctory hearing and report out a rule quickly before we finish the business of the day. It is precisely to accommodate the gentleman and others like him who may have testimony they want to be heard by the Rules Committee, that I request this. We are going to get to this bill one way of another tomorrow and we are going to come in at 10 o'clock and we are going to finish it tomorrow. So, within that framework it seems to me only reasonable that the gentleman would desire for the Speaker to have the opportunity to call recesses in order that he might not have to sit here on the House floor waiting the moment that I came to ask a unanimous consent request again, but that he might be up in the Rules Committee doing that which he desires to do.

Mr. WALKER. Further reserving the right to object, I yield to the gentleman from New York.

Mr. SOLOMON. This gentleman from New York is trying to be most reasonable. I am going to consider not objecting. But I can assure you that I can leave a representative on the floor while I go up to the Rules Committee. If you would just—if the gentleman would be as reasonable as the gentleman from New York in just delaying his motion to recess, perhaps it will not even be necessary and I will try to go along with it.

The SPEAKER. Is there an objection?

Mr. WALKER. Further reserving the right to object, is the majority leader inclined to withhold his motion until later on in the day?

Mr. WRIGHT. Well, I would like to get it settled. I think the Members would like to know what the schedule is, and one way or another we intend to have the bill up tomorrow and I assure the gentleman and I have been assured by responsible members of the Committee on Rules that there is no attempt to choke, stifle, throttle, otherwise prevent anyone from offering any germane amendment to this resolution.

Now, obviously I am not the Parliamentarian, it is not the responsibility of the majority leader to determine what amendment would or would not be germane, but I am told that it is the intention of the Rules Committee to permit the offering of any germane amendment.

Mr. WALKER. Further reserving the right to object, I think we are talking procedurally here though and the majority leader along with the Speaker, along with the Rules Committee does control the flow of legislation here. They can make these determinations. We are simply on our side attempting to protect whatever prerogatives we have with these changes that are taking place in the procedures. Through the gentleman's motions, we feel a little inclined to think there may be an effort here to undermine the prerogatives of the minority.

I think the gentleman from New York is simply asking a little bit of reason within the processes, a little bit of hesitation by saying that he may not object to this motion later on after we have a chance to evaluate it and if the majority leader would just withhold the motion until later on in the day, all of the Members know we are going to have to be back here tomorrow, I do not think it is going to interfere with any Member's schedule to withhold this motion until later in the day which would prevent an objection at this point.

Mr. WRIGHT. In that case, Mr. Speaker, as a——

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE REPORT ON HOUSE JOINT RESOLUTION 13, CALLING FOR MUTUAL AND VERIFIABLE FREEZE ON AND REDUCTIONS IN NUCLEAR WEAPONS

The SPEAKER. The Chair will recognize the gentleman from Massachusetts, if he would make the similar request as he made earlier.

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight, March 15, 1983, to file a privileged report.

Mr. Speaker, I am making this request specifically for the rulemaking in order House Joint Resolution 13, the nuclear freeze resolution.

Mr. SOLOMON. Reserving the right to object.

The SPEAKER. The gentleman reserves the right to object.

Mr. SOLOMON. This only applies to a filing on House Joint Resolution 13, nothing else?

Mr. MOAKLEY. Will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman.

Mr. MOAKLEY. Nothing else, Mr. Speaker, just House Joint Resolution 13.

Mr. SOLOMON. Mr. Speaker, I withdraw the reservation of objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken today after debate has been concluded on all motions to suspend the rules.

EXTENSION OF ENLISTMENT AND REENLISTMENT BONUSES FOR THE ARMED FORCES

Mr. ASPIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1936) to amend title 37, United States Code, to extend certain expiring enlistment and reenlistment bonuses for the Armed Forces.

The Clerk read as follows:

H.R. 1936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 308(g) and 308a(c) of title 37, United States Code, are amended by striking out "March 31, 1983" and inserting in lieu thereof "September 30, 1984".

SEC. 2. Section 308f(c) of title 37, United States Code, is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ASPIN) will be recognized for 20 minutes, and the gentleman from Indiana (Mr. HILLIS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1936 would extend for 18 months—until September 30, 1984—the authority for the services to pay enlistment and reenlistment bonuses. Current authority expires at the end of this month.

As my colleagues may recall, last year's military pay bill included a 5-year extension of the bonus authority due to expire on September 30, 1982. Although the House passed the pay bill in a timely manner, the Senate never brought the measure to the floor because of several controversies over noncompensation related issues. As a result, the bonus authority was extended on two occasions by the continuing appropriation resolutions and is due to expire on March 31, 1983. The continuing appropriation resolution provided sufficient funding for the full fiscal year, however—through September 30, 1983.

The Committee on Armed Services has recommended to the Budget Committee that the budget resolution provide sufficient new entitlement authority for a pay raise for military personnel. Staying abreast of salaries in private industry is vital if the services are going to have any hope of maintaining the record of success in recruiting and retention achieved over the last 18 months. It would be easy to forget that just a few years ago the manpower picture was quite bleak.

In addition to adequate pay, the other critical component of compensation is the bonus program. Enlistment and reenlistment bonuses provide a substantial degree of flexibility for the services to direct additional compensation into areas of specific need—to target more pay where needed in order to remain competitive with private industry.

Enlistment bonuses are authorized in amounts up to $8,000 for a 4-year enlistment. The maximum enlistment bonus currently being paid is $5,000—except the $8,000 level is being paid in conjunction with a test being conducted, by direction of Congress, to determine if higher bonuses can be used to attract high quality personnel. Enlistment bonuses are used to attract top quality high school graduates to enlist in critical skills. The majority of bonuses are paid to those who enlist in the combat arms.

Selective reenlistment bonuses are authorized in amounts up to $20,000 for a reenlistment of 3 or more years. Only nuclear qualified petty officers receive the maximum; all other eligible personnel are limited to a maximum of $16,000. Service members with between 21 months and 14 years of service are eligible for a bonus for reenlistment in skill designated as critical. The formula used to determine bonus amounts is basic pay times criticality factor—ranging from 1 to 6—times years of obligated service.

The criticality factor and the eligible skills are reviewed on a regular basis by both the services and the Department of Defense and periodically revised based on changes in shortage categories and retention rates. The bonus programs are, in fact, developed for each year from the bottom up through a skill-by-skill review by the individual services and subsequently by the Department of Defense.

The enlistment and reenlistment bonus programs are extraordinarily successful in attracting and retaining high quality personnel in critical skills—even during periods of unemployment. According to Defense data, there are, for example, documented gains in four skill areas that had previously caused degraded readiness: Combat arms noncommissioned officers, Navy petty officers, electronics repairmen, and electrical/mechanical equipment repairmen. The enlistment and selective reenlistment bonuses have also helped to improve the quality of both new recruits and the career force; 96 percent of Army combat arms NCO's have at least a high school diploma with 40 percent in the top half of the aptitude score range. The corresponding percentages for the Marine Corps combat arms NCO's are 93 percent and 34 percent, respectively.

It should be emphasized that legislation is simply an extension of the authority to pay bonuses. The actual funding levels will be determined through the appropriation process. I would urge that the House act favorably today on H.R. 1936 to prevent a disruption of these important targeted compensation programs.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of H.R. 1936, to extend the authority for the services to pay enlistment and reenlistment bonuses due to expire at the end of this month. I commend the gentleman from Wisconsin and the gentleman from Indiana for bringing this action to the floor.

I want to reemphasize the point that has been made earlier: Enlistment and reenlistment bonuses are the method

used by the services to target additional compensation to critical skills.

With today's high rate of unemployment, you may ask why we need to pay bonuses when, according to press reports, the services are turning away recruits. The answer is simple: Quality and quantity are not synonymous. Although the services are experiencing a short-term surplus of applicants, they must still work hard to attract bright young high school graduates into the combat arms. With the increasingly sophisticated weapon systems coming on line during the remainder of the 1980's and the 1990's, the services will have an urgent need for more and more top mental category youngsters to serve in the combat arms. Even with the unemployment rate, these same bright young men and women are in high demand in the private sector.

The combat arms are, obviously, critical to wartime readiness. Most of these jobs have little transferability to private sector employment after discharge, however. Thus, an added incentive is essential; the enlistment bonus program is designed specifically for that purpose.

The vast majority of the bonus money is directed into the reenlistment bonus program. Despite the unemployment problems plaguing certain segments of the economy, skilled technicians are still in demand in private industry. Civilian employers, in fact, are very aware of the high degree of competency that military training provides and actively recruit among service personnel. The services cannot afford to match private industry on a dollar-for-dollar basis. Nonetheless, reenlistment bonuses allow the services to at least be competitive in the marketplace.

I would like to remind my colleagues that just a few years ago we were shocked by press reports of Navy ships unable to go to sea because of shortages of those midcareer petty officers who make up the backbone of the fleet. Congress reacted swiftly, approving a package of substantial improvements in military pay. The reenlistment bonus program has also been a major contributor toward helping the Navy "get well," but we still have a good distance to go. Without the ability to target additional compensation to the critical skills that the reenlistment bonus program provides, the outlook for solving the petty officer shortage would be far more dire.

Bonuses are working extraordinarily well in attracting and retaining high quality young people to the Guard and Reserve. They are doing an equally important job for the active forces and should be continued.

I urge my colleagues to support H.R. 1936.

Mr. HILLIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join with congressman ASPIN, the chairman of the Subcommittee on Military Personnel and Compensation, in urging House passage of H.R. 1936. Prompt House action is essential to prevent any disruption in the highly successful enlistment and reenlistment programs used by the services to attract and retain high quality personnel in critical skills.

During Armed Services Committee hearings over the past few weeks, I have expressed my concerns about the impact that a freeze on military pay would have on the recruitment and retention of the high quality young men and women needed by our Nation's Armed Forces. We are this afternoon considering the second element of compensation critical to meeting those manpower goals: enlistment and reenlistment bonuses.

In these days of scarce resources, we are often told that in order for the services to remain competitive with private industry, we must target additional pay to those jobs that are in high demand in the civilian economy. That is precisely what bonuses do: target our limited military manpower dollars to the areas of greatest need.

The bulk of bonus money goes into reenlistment bonuses, with the Navy the largest user of that program. This committee has heard a great deal of testimony over the past few years about the Navy's shortage of midcareer petty officers. With the help of the reenlistment bonus program and the other improvements in compensation initiated by this committee, the situation is gradually improving. The petty officer shortfall of 22,000 was reduced to 17,400 in fiscal year 1982. The Navy has projected a reduction to 11,700 by the end of fiscal year 1983, despite the growth of overall petty officer requirements. Of course, achievement of that goal may hinge on Congress decision on a pay raise, as well as the continuation of the selective reenlistment bonus program.

Enlistment bonuses are targeted to the combat arms and are used to attract high school graduates who score in the upper categories on the Armed Forces qualification test. The Army is the primary user of the enlistment bonus among the services, accounting for almost 80 percent of the payments. Yet the enlistment bonus is paid to only 10 percent of Army enlistees. With the weapon systems coming on line over the next few years, both the Army and the Marine Corps will have a growing need for smart young people to serve in the combat arms. The enlistment bonus program is and will remain a vital element of that goal.

Our manpower requirements change from year to year and sometimes even within the course of a year. In recognition of this, the services and the Department of Defense review the bonus programs on a regular basis, revising bonus levels upward or downward and eliminating those skills that are no longer undermanned. The bonus programs can thereby be fine tuned to insure the most cost-effective utilization of the available funding.

Enlistment and reenlistment bonuses have played an important role in achieving the improved rates of recruitment and retention that the services have enjoyed over the last 18 months, and I urge my colleagues to insure the continuation of the programs, without disruption, by approving H.R. 1936.

● Mr. BOUCHER. Mr. Speaker, I rise in support of H.R. 1936, a bill to extend the current authority of the military services to pay enlistment and reenlistment bonuses.

Passage of this legislation will assist the armed services in their efforts to both attract and retain technically proficient personnel. In this age of increasingly sophisticated weaponry, it is important that the armed services be given the ability to compete with private industry for persons who are skilled in the maintenance and operation of technically complex machinery. I am satisfied that this legislation will help us keep our skilled personnel at a reasonable cost.

In an indirect way, this legislation also addresses the problem of insufficient salaries paid to enlisted personnel. With the administration's proposed military pay freeze before us, I sense that the morale and vigor of our combat troops has been weakened. I believe that with the passage of this legislation, Congress will convey to enlisted persons how much we value their service and skills. It is time we recognize that the strength of our national defense lies in the abilities of our uniformed men and women.

I urge favorable consideration of this bill by the House of Representatives.●

● Mr. WON PAT. Mr. Speaker, I urge the House today to approve H.R. 1936, which will extend the authority of the Department of Defense to pay enlistment and reenlistment bonuses. This legislation was recently approved by our members of the House Armed Services Committee in recognition of the importance these bonuses hold not only for those who receive them but for our Nation as well as we strive to keep up a strong and capable military.

I salute Congressman LES ASPIN, the new chairman of the Subcommittee on Military Personnel, for doing a fine job in bringing this bill so quickly to the floor for consideration. Without prompt passage of this bill, the Pentagon's authority to pay enlistment and reenlistment bonuses will expire at the end of this month—something we must avoid at all costs.

A strong military needs highly skilled personnel. And H.R. 1936 makes it possible for the military to attract highly skilled personnel in essential classifications by paying them attractive bonuses to continue service. It is no secret that military pay is way below civilian pay in essential categories. Bonuses provide the added incentive to bring these people into uniform and keep them there—serving their country.

I urge that this bill be approved. President Reagan wants to freeze military pay. While I totally disagree with him, we cannot take chances that the bonus program will also fall victim to the budgetary ax. Thank you.●

□ 1245

Mr. HILLIS. Mr. Speaker, I have no further requests for time.

Mr. ASPIN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. WEAVER). The question is on the motion offered by the gentleman from Wisconsin (Mr. ASPIN) that the House suspend the rules and pass the bill, H.R. 1936.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NATIONAL TRAILS SYSTEMS AMENDMENTS

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 271), to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes.

The Clerk read the Senate bill, as follows:

S. 271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LIMITATION ON APPROPRIATIONS

SEC. 101. Authorizations of appropriations under this Act shall be effective only for the fiscal year beginning on October 1, 1983, and subsequent fiscal years. Notwithstanding any other provision of this Act, authority to enter into contracts, and to make payments, under this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—AMENDMENTS TO THE NATIONAL TRAILS SYSTEM ACT

SEC. 201. This title may be cited as the "National Trails System Act Amendments of 1983".

SEC. 202. Section 2 of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241 et seq.) is amended—

(1) in subsection (b), by striking out "the purpose" and inserting in lieu thereof "The purpose"; and

(2) by adding at the end thereof the following new subsection:

"(c) The Congress recognizes the valuable contributions that volunteers and private, nonprofit trail groups have made to the development and maintenance of the Nation's trails. In recognition of these contributions, it is further the purpose of this Act to encourage and assist volunteer citizen involvement in the planning, development, maintenance, and management, where appropriate, of trails.".

SEC. 203. Section 3 of the National Trails System Act is amended—

(1) by striking out "composed of—" and inserting in lieu thereof "composed of the following:";

(2) by redesignating paragraphs (a) through (d) as paragraphs (1) through (4), respectively, and by inserting "(a)" after "SEC. 3.";

(3) in paragraph (2) of subsection (a) (as so redesignated), by adding at the end thereof the following: "National scenic trails may be located so as to represent desert, marsh, grassland, mountain, canyon, river, forest, and other areas, as well as landforms which exhibit significant characteristics of the physiographic regions of the Nation.";

(4) in the fourth sentence of paragraph (3) of subsection (a) (as so redesignated), by striking out "Act, are established as initial" and inserting in lieu thereof "Act are included as";

(5) in the fifth sentence of paragraph (3) of subsection (a) (as so redesignated), by striking out "subsequently"; and

(6) by adding at the end thereof the following new subsections:

"(b) For purposes of this section, the term 'extended trails' means trails or trail segments which total at least one hundred miles in length, except that historic trails of less than one hundred miles may be designated as extended trails. While it is desirable that extended trails be continuous, studies of such trails may conclude that it is feasible to propose one or more trail segments which, in the aggregate, constitute at least one hundred miles in length.

"(c) On October 1, 1982, and at the beginning of each odd numbered fiscal year thereafter, the Secretary of the Interior shall submit to the Speaker of the United States House of Representatives and to the President of the United States Senate, an initial and revised (respectively) National Trails System plan. Such comprehensive plan shall indicate the scope and extent of a completed nationwide system of trails, to include (1) desirable nationally significant scenic and historic components which are considered necessary to complete a comprehensive national system, and (2) other trails which would balance out a complete and comprehensive nationwide system of trails. Such plan, and the periodic revisions thereto, shall be prepared in full consultation with the Secretary of Agriculture, the Governors of the various States, and the trails community.".

SEC. 204. Section 4(b) of the National Trails System Act is amended—

(1) in clauses (i) and (ii) by striking out "Secretary of the Interior" and inserting in lieu thereof "appropriate Secretary";

(2) in clause (i), by striking out "agencies, and" and inserting in lieu thereof "agencies;";

(3) in clause (ii), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(iii) trails on privately owned lands may be designated 'National Recreation Trails' by the appropriate Secretary with the written consent of the owner of the property involved.".

SEC. 205. (a) Section 5(a) of the National Trails System Act is amended by adding at the end thereof the following:

"(11) The Potomac Heritage National Scenic Trail, a corridor of approximately seven hundred and four miles following the route as generally depicted on the map identified as 'National Trails System, Proposed Potomac Heritage Trail' in 'The Potomac Heritage Trail', a report prepared by the Department of the Interior and dated December 1974, except that no designation of the trail shall be made in the State of West Virginia. The map shall be on file and available for public inspection in the office of the Director of the National Park Service, Washington, District of Columbia. The trail shall initially consist of only those segments of the corridor located within the exterior boundaries of federally administered areas. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Potomac Heritage Trail. The Secretary of the Interior may designate lands outside of federally administered areas as segments of the trail, only upon application from the States or local governmental agencies involved, if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The trail shall be administered by the Secretary of the Interior.

"(12) The Natchez Trace National Scenic Trail, a trail system of approximately six hundred and ninety-four miles extending from Nashville, Tennessee, to Natchez, Mississippi, as depicted on the map entitled 'Concept Plan, Natchez Trace Trails Study' in 'The Natchez Trace', a report prepared by the Department of the Interior and dated August 1979. The map shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, Washington, District of Columbia. The trail shall be administered by the Secretary of the Interior.

"(13) The Florida National Scenic Trail, a route of approximately thirteen hundred miles extending through the State of Florida as generally depicted in 'The Florida Trail', a national scenic trail study draft report prepared by the Department of the Interior and dated February 1980. The report shall be on file and available for public inspection in the office of the Chief of the Forest Service, Washington, District of Columbia. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Florida Trail except with the consent of the owner thereof. The Secretary of Agriculture may designate lands outside of federally adminis-

tered areas as segments of the trail, only upon application from the States or local governmental agencies involved, if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The trail shall be administered by the Secretary of Agriculture.".

(b) Section 5(b) of the National Trails System Act is amended—

(1) by inserting after the second sentence the following: "The feasibility of designating a trail shall be determined on the basis of an evaluation of whether or not it is physically possible to develop a trail along a route being studied, and whether the development of a trail would be financially feasible.";

(2) in paragraph (b)(3), by inserting "16" before "U.S.C."; and

(3) in paragraph (b)(11)(B) by inserting the word "exploration," after "commerce," in the first sentence.

(c) Section 5(c) of the National Trails System Act is amended—

(1) in paragraph (9), by striking out "Sante Fe" and inserting in lieu thereof "Santa Fe"; and

(2) by adding after paragraph (23) the following:

"(24) Juan Bautista de Anza Trail, following the overland route taken by Juan Bautista de Anza in connection with his travels from the United Mexican States to San Francisco, California.

"(25) Trail of Tears, including the associated forts and specifically, Fort Mitchell, Alabama, and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma.

"(26) Illinois Trail, extending from the Lewis and Clark Trail at Wood River, Illinois, to the Chicago Portage National Historic Site, generally following the Illinois River and the Illinois and Michigan Canal.

"(27) Jedediah Smith Trail, to include the routes of the explorations led by Jedediah Smith—

"(A) during the period 1826-1827, extending from the Idaho-Wyoming border, through the Great Salt Lake, Sevier, Virgin, and Colorado River Valleys, and the Mojave Desert, to the San Gabriel Mission, California; thence through the Tehachapi Mountains, San Joaquin and Stanislaus River Valleys, Ebbetts Pass, Walker River Valley, Bald Mount, Mount Grafton, and Great Salt Lake to Bear Lake, Utah; and

"(B) during 1828, extending from the Sacramento and Trinity River Valleys along the Pacific coastline, through the Smith and Willamette River Valleys to the Fort Vancouver National Historic Site, Washington, on the Columbia River.

"(28) General Crook Trail, extending from Prescott, Arizona, across the Mogollon Rim to Fort Apache.

"(29) Beale Wagon Road, within the Kaibab and Coconino National Forests in Arizona: *Provided*, That such study may be prepared in conjunction with ongoing planning processes for these National Forests to be completed before 1990.".

(d) Section 5(d) of the National Trails System Act is amended—

(1) by inserting after the first sentence the following: "If the appropriate Secretary is unable to establish such an advisory council because of the lack of adequate public interest, the Secretary shall so advise the appropriate committees of the Congress."; and

(2) by redesignating paragraphs (i) through (iv) as paragraphs (1) through (4), respectively, and by amending paragraph (1) (as so redesignated) to read as follows:

"(1) the head of each Federal department or independent agency administering lands through which the trail route passes, or his designee;".

(e) Section 5(f) of the National Trails System Act is amended—

(1) in paragraph (1), by striking out "national recreational" and inserting in lieu thereof "national historic", and by striking out "and" after the semicolon;

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(3) a protection plan for any high potential historic sites or high potential route segments; and

"(4) general and site-specific development plans, including anticipated costs.".

SEC. 206. Section 6 of the National Trails System Act is amended—

(1) in the first sentence, by inserting "by the appropriate Secretary" after "marked"; and

(2) by striking out ": *Provided*" and all that follows through the period and inserting in lieu thereof the following: ", or, where the appropriate Secretary deems necessary or desirable, on privately owned lands with the consent of the landowner. Applications for approval and designation of connecting and side trails on non-Federal lands shall be submitted to the appropriate Secretary.".

SEC. 207. (a) Section 7 of the National Trails System Act is amended—

(1) by striking out "SEC. 7. (a)" and inserting in lieu thereof "(2)"; and

(2) by inserting the following immediately after the section heading:

"SEC. 7. (a)(1)(A) The Secretary charged with the overall administration of a trail pursuant to section 5(a) shall, in administering and managing the trail, consult with the heads of all other affected State and Federal agencies. Nothing contained in this Act shall be deemed to transfer among Federal agencies any management responsibilities established under any other law for federally administered lands which are components of the National Trails System. Any transfer of management responsibilities may be carried out between the Secretary of the Interior and the Secretary of Agriculture only as provided under subparagraph (B).

"(B) The Secretary charged with the overall administration of any trail pursuant to section 5(a) may transfer management of any specified trail segment of such trail to the other appropriate Secretary pursuant to a joint memorandum of agreement containing such terms and conditions as the Secretaries consider most appropriate to accomplish the purposes of this Act. During any period in which management responsibilities for any trail segment are transferred under such an agreement, the management of any such segment shall be subject to the laws, rules, and regulations of the Secretary provided with the management authority under the agreement, except to such extent as the agreement may otherwise expressly provide.";

(3) in the first sentence of paragraph (2) of this subsection (a) (as redesignated by paragraph (1) of this subsection), by striking out "thereof", and inserting in lieu thereof "of the availability of appropriate maps or descriptions", and striking out ", together with appropriate maps and descriptions".

(b) Section 7(b) is amended—

(1) by inserting "of the availability of appropriate maps or descriptions" after "notice"; and

(2) by striking out "together with appropriate maps and descriptions,".

(c) Section 7(c) is amended by adding at the end thereof the following: "The appropriate Secretary may also provide for trail interpretation sites, which shall be located at historic sites along the route of any national scenic or national historic trail, in order to present information to the public about the trail, at the lowest possible cost, with emphasis on the portion of the trail passing through the State in which the site is located. Wherever possible, the sites shall be maintained by a State agency under a cooperative agreement between the appropriate Secretary and the State agency.".

(d) Section 7(e) of the National Trails System Act is amended by—

(1) deleting reference in the first sentence to "subsection (g)" and substituting, in lieu thereof, "subsection (f)"; and

(2) by deleting the period at the end of the first sentence, and in lieu thereof, substituting a colon and the following proviso: *"Provided further,* That the appropriate Secretary may acquire lands or interests therein from local governments or governmental corporations with the consent of such entities.".

(e) Section 7(f) of the National Trails System Act is amended by inserting "(1)" after "(f)" and by adding at the end thereof the following:

"(2) In acquiring lands or interests therein for a National Scenic or Historic Trail, the appropriate Secretary may, with consent of a landowner, acquire whole tracts notwithstanding that parts of such tracts may lie outside the area of trail acquisition. In furtherance of the purposes of this Act, lands so acquired outside the area of trail acquisition may be exchanged for any non-Federal lands or interests therein within the trail right-of-way, or disposed of in accordance with such procedures or regulations as the appropriate Secretary shall prescribe, including: (i) provisions for conveyance of such acquired lands or interests therein at not less than fair market value to the highest bidder, and (ii) provisions for allowing the last owners of record a right to purchase said acquired lands or interests therein upon payment or agreement to pay an amount equal to the highest bid price. For lands designated for exchange or disposal, the appropriate Secretary may convey these lands with any reservations or covenants deemed desirable to further the purposes of this Act. The proceeds from any disposal shall be credited to the appropriation bearing the costs of land acquisition for the affected trail.".

(f) Section 7(g) of the National Trails System Act is amended in the last sentence by striking out "No" and inserting in lieu thereof "Except for designated protected components of the trail, no".

(g) Section 7(h) of the National Trails System Act is amended—

(1) by inserting "(1)" after "(h)";

(2) in the second sentence, by striking out "a national scenic or national historic trail" and inserting in lieu thereof "such a trail";

(3) by inserting after the second sentence the following: "Such agreements may include provisions for limited financial assistance to encourage participation in the acquisition, protection, operation, development, or maintenance of such trails, provisions providing volunteer in the park or vol-

unteer in the forest status (in accordance with the Volunteers in the Parks Act of 1969 and the Volunteers in the Forests Act of 1972) to individuals, private organizations, or landowners participating in such activities, or provisions of both types. The appropriate Secretary shall also initiate consultations with affected States and their political subdivisions to encourage—

"(A) the development and implementation by such entities of appropriate measures to protect private landowners from trespass resulting from trail use and from unreasonable personal liability and property damage caused by trail use, and

"(B) the development and implementation by such entities of provisions for land practices, compatible with the purposes of this Act,

for property within or adjacent to trail rights-of-way. After consulting with States and their political subdivisions under the preceding sentence, the Secretary may provide assistance to such entities under appropriate cooperative agreements in the manner provided by this subsection."; and

(4) by striking out "Whenever the" in the last sentence of such subsection and inserting in lieu thereof the following:

"(2) Whenever the".

(h) Section 7(i) of the National Trails System Act is amended by adding at the end thereof the following new sentence: "The Secretary responsible for the administration of any segment of any component of the National Trails System (as determined in a manner consistent with subsection (a)(1) of this section) may also utilize authorities related to units of the national park system or the national forest system, as the case may be, in carrying out his administrative responsibilities for such component.".

(i) Section 7 of the National Trails System Act is amended by inserting after subsection (i) the following:

"(j) Potential trail uses allowed on designated components of the national trails system may include, but are not limited to, the following: bicycling, cross-country skiing, day hiking, equestrian activities, jogging or similar fitness activities, trail biking, overnight and long-distance backpacking, snowmobiling, and surface water and underwater activities. Vehicles which may be permitted on certain trails may include, but need not be limited to, motorcycles, bicycles, four-wheel drive or all-terrain off-road vehicles. In addition, trail access for handicapped individuals may be provided. The provisions of this subsection shall not supersede any other provisions of this Act or other Federal laws, or any State or local laws.

"(k) For the conservation purpose of preserving or enhancing the recreational, scenic, natural, or historical values of components of the national trails system, and environs thereof as determined by the appropriate Secretary, landowners are authorized to donate or otherwise convey qualified real property interests to qualified organizations consistent with section 170(h)(3) of the Internal Revenue Code of 1954, including, but not limited to, right-of-way, open space, scenic, or conservation easements, without regard to any limitation on the nature of the estate or interest otherwise transferable within the jurisdiction where the land is located. The conveyance of any such interest in land in accordance with this subsection shall be deemed to further a Federal conservation policy and yield a significant public benefit for purposes of section 6 of Public Law 96-541.".

SEC. 208. Section 8 of the National Trails System Act is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) The Secretary of Transportation, the Chairman of the Interstate Commerce Commission, and the Secretary of the Interior, in administering the Railroad Revitalization and Regulatory Reform Act of 1976, shall encourage State and local agencies and private interests to establish appropriate trails using the provisions of such programs. Consistent with the purposes of that Act, and in furtherance of the national policy to preserve established railroad rights-of-way for future reactivation of rail service, to protect rail transportation corridors, and to encourage energy efficient transportation use, in the case of interim use of any established railroad rights-of-way pursuant to donation, tranfer, lease, sale, or otherwise in a manner consistent with the National Trails System Act, if such interim use is subject to restoration or reconstruction for railroad purposes, such interim use shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of such rights-of-way for railroad purposes. If a State, political subdivision, or qualified private organization is prepared to assume full responsibility for management of such rights-of-way and for any legal liability arising out of such tranfer or use, and for the payment of any and all taxes that may be levied or assessed against such rights-of-way, then the Commission shall impose such terms and conditions as a requirement of any transfer or conveyance for interim use in a manner consistent with this Act, and shall not permit abandonment or discontinuance inconsistent or disruptive of such use.".

SEC. 209. Section 10 of the National Trails System Act is amended—

(1) by inserting "(a)(1)" after "SEC. 10.";

(2) by striking out "(a) The" in the second sentence and inserting in lieu thereof "for the";

(3) by striking out "It is the express intent" and inserting in lieu thereof the following:

"(2) It is the express intent";

(4) in subsection (a)(2) (as designated by paragraph (3) of this subsection), by inserting "Appalachian" before "Trail"; and

(5) in subsection (c)—

(A) by inserting "(1)" after "(c)";

(B) by inserting before the period at the end of paragraph (1) (as designated by subparagraph (A) of this paragraph) ", except that funds may be expended for the acquisition of lands or interests therein for the purpose of providing for one trail interpretation site, as described in section 7(c), along with such trail in each State crossed by the trail"; and

(C) by adding at the end of each such subsection the following:

"(2) There is hereby authorized to be appropriated for fiscal year 1983 and subsequent fiscal years such sums as may be necessary to implement the provisions of this Act relating to the trails designated by paragraphs (9) through (13) of section 5(a) of this Act. Not more than $500,000 may be appropriated for the purposes of acquisition of land and interests therein for the trail designated by section 5(a)(12) of this Act, and not more than $2,000,000 may be appropriated for the purposes of the development of such trail. The administering agency for the trail shall encourage volunteer trail groups to participate in the development of the trail.".

SEC. 210. The National Trails System Act is amended by adding the following new sections at the end thereof:

"VOLUNTEER TRAILS ASSISTANCE

"SEC. 11. (a)(1) In addition to the cooperative agreement and other authorities contained in this Act, the Secretary of the Interior, the Secretary of Agriculture, and the head of any Federal agency administering Federal lands, are authorized to encourage volunteers and volunteer organizations to plan, develop, maintain, and manage, where appropriate, trails throughout the Nation.

"(2) Wherever appropriate in futherance of the purposes of this Act, the Secretaries are authorized and encouraged to utilize the Volunteers in the Parks Act of 1969, the Volunteers in the Forests Act of 1972, and section 6 of the Land and Water Conservation Fund Act of 1965 (relating to the development of Statewide Comprehensive Outdoor Recreation Plans).

"(b) Each Secretary or the head of any Federal land managing agency may assist volunteers and volunteer organizations in planning, developing, maintaining, and managing trails. Volunteer work may include, but need not be limited to—

"(1) planning, developing, maintaining, or managing (A) trails which are components of the national trails system, or (B) trails which, if so developed and maintained, could qualify for designation as components of the national trails system; or

"(2) operating programs to organize and supervise volunteer trail building efforts with repect to the trails referred to in paragraph (1), conducting trail-related research projects, or providing education and training to volunteers on methods of trails planning, construction, and maintenance.

"(c) The appropriate Secretary or the head of any Federal land managing agency may utilize and make available Federal facilities, equipment, tools, and technical assistance to volunteers and volunteer organizations, subject to such limitations and restrictions as the appropriate Secretary or the head of any Federal land managing agency deems necessary or desirable.

"SEC. 12. As used in this Act:

"(1) The term 'high potential historic sites' means those historic sites related to the route, or sites in close proximity thereto, which provide opportunity to interpret the historic significance of the trail during the period of its major use. Criteria for consideration as high potential sites include historic significance, presence of visible historic remnants, scenic quality, and relative freedom from intrusion.

"(2) The term 'high potential route segments' means those segments of a trail which would afford high quality recreation experience in a portion of the route having greater than average scenic values or affording an opportunity to vicariously share the experience of the original users of a historic route.

"(3) The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and any other territory or possession of the United States.

"(4) The term 'without expense to the United States' means that no funds may be expended by Federal agencies for the development of trail related facilities or for the acquisition of lands or interests in lands outside the exterior boundaries of Federal

areas. For the purposes of the preceding sentence, amounts made available to any State or political subdivision under the Land and Water Conservation Fund Act of 1965 or any other provision of law shall not be treated as an expense to the United States.".

TITLE III—DESIGNATION OF THE "BIZZ JOHNSON TRAIL"

SEC. 301. The Congress finds that Harold T. "Bizz" Johnson, for twenty-two years a United States Representative from the State of California, should be afforded recognition for his deep appreciation and respect for the mountains, forests, rivers, and fertile valleys of northern California, and for his sustained efforts to protect areas especially suited to outdoor recreation and the enjoyment of nature, and to assure public access thereto. Bizz Johnson took an early and leading interest in proposals to convert an abandoned railroad right-of-way in Lassen County to a twenty-five-mile trail to provide access to the undeveloped Susan River Canyon in the Sierra Nevada Mountains for hikers, horseback riders, cross-country skiers, handicapped individuals, and others. As Representative for the First Congressional District he worked with, and provided major assistance to, local groups, officials of the city of Susanville and the county of Lassen, the Bureau of Land Management, the Forest Service, and the Trust for Public Land in implementing plans for the project.

SEC. 302. The Susanville-Westwood Rails to Trails project described in a joint Bureau of Land Management/Forest Service Recreation Land Acquisition Composite, converting an abandoned railbed in Lassen County, California, extending from the county seat in Susanville westward twenty-five miles to Mason Junction, four miles from the community of Westwood, and traversing the Susan River Canyon, to a public recreation trail is hereby designated and hereafter shall be known as the "Bizz Johnson Trail". Any law, regulation, record, map, or other document of the United States referring to this trail shall be held to refer to the "Bizz Johnson Trail", and any future regulations, records, maps, or other documents of the United States, in reference to this trail, shall bear the name "Bizz Johnson Trail".

SEC. 303. The Secretary of the Interior is authorized and directed, in cooperation with the city of Susanville and the county of Lassen, State of California, to design and erect at a suitable location along the Bizz Johnson Trail an appropriate marker in commemoration of the outstanding contributions of Harold T. "Bizz" Johnson toward the protection of undeveloped scenic areas of northern California for the use and enjoyment of the American people, in perpetuity.

SEC. 304. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TITLE IV—ROY TAYLOR FOREST

SEC. 401. The Congress finds and declares that Roy Taylor, for sixteen years a United States Representative from the State of North Carolina, a member of the Committee on Interior and Insular Affairs, and chairman of the Subcommittee on National Parks and Recreation, should be afforded recognition for his deep appreciation, affection and respect for the mountains, forests, and streams of western North Carolina, and for his sustained efforts to protect areas especially suited to outdoor recreation and the enjoyment of nature, and to assure public access thereto.

SEC. 402. The thirty-nine thousand acres of forested mountain land within the Nantahala National Forest in Jackson County, North Carolina, commonly referred to as the Balsam-Bonas Defeat area, are hereby designated and hereafter shall be known as the "Roy Taylor Forest". Any law, regulation, record, map, or other document of the United States referring to this land shall be held to refer to the "Roy Taylor Forest", and any future regulations, records, maps, or other documents of the United States, in reference to this area of the Nantahala National Forest, shall bear the name "Roy Taylor Forest".

SEC. 403. The Secretary of Agriculture is authorized and directed, in cooperation with the county of Jackson, State of North Carolina, to design and erect at a suitable location in the Roy Taylor Forest area an appropriate marker in commemoration of the outstanding contributions of Roy Taylor toward the protection of public lands in western North Carolina and the Nation for the use and enjoyment of the American people.

SEC. 404. The Secretary of the Interior is authorized and directed to make designations regarding the Roy Taylor Forest area in publications produced for the Blue Ridge Parkway. The Secretary is further authorized to erect appropriate signs at a suitable location on the Blue Ridge Parkway to commemorate the contributions of Roy Taylor and the designation of the forest area authorized in this title.

SEC. 405. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TITLE V—COMMEMORATION OF THE TRAVELS OF WILLIAM BARTRAM

SEC. 501. (a) The Congress finds that—

(1) William Bartram's travels contributed to natural history, literature, and exploration and are of national and regional significance;

(2) a wider segment of the public should be afforded the opportunity to share in Bartram's natural, cultural, and historic resource contributions to America's heritage; and

(3) a segmented William Bartram Heritage Trail would be a practical and appropriate commemoration to a great American naturalist worthy of national recognition.

(b) In order that significant route segments and sites, recognized as associated with the travels of William Bartram may be distinguished by suitable markers, the Secretary of the Interior is authorized to accept the donations of such suitable markers for placement at appropriate locations on lands administered by the Secretary of the Interior and, with the concurrence of the Secretary of Agriculture and other appropriate heads of Federal agencies, on lands under their jurisdiction. The determination of the placement of markers to commemorate the travels of William Bartram shall be made by the Secretary of the Interior in consultation with the Bartram Trail conference and affected local and State governments. Such markers shall be placed by the Secretary of the Interior pursuant to the authority granted by the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 470 et seq.).

(c) The markers authorized by subsection (b) shall be placed in association with the William Bartram Trail segments identified on maps contained in the study entitled "Bartram Trail, National Scenic/Historic Trail Study", dated February 1982, and submitted to the Congress pursuant to the provisions of section 5 of the National Trails Systems Act (16 U.S.C. 1244).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from Alaska (Mr. YOUNG) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill, S. 271.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SEIBERLING. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, during the 96th Congress, members of a variety of trail related organizations and agency professionals worked with the Committee on Interior and Insular Affairs to develop legislation which would respond to many of the lessons learned from the administration of the National Trails System Act.

The product of that effort, H.R. 8087, introduced by our distinguished colleague PHILLIP BURTON, was reported by the Committee on Interior and Insular Affairs and subsequently adopted by the House of Representatives on September 22, 1980. Although the Senate later approved a modified text of H.R. 8087 as part of another measure, disagreement with other items not related to the trails measure prevented the final enactment of the legislation.

H.R. 861 was introduced in the 97th Congress and was passed by the House on May 11, 1982. H.R. 861 was a refinement of the measure which was approved by the House of Representatives during the 96th Congress and included the amendments approved by the Senate in 1980. Following additional hearings in 1981, the committee recommended a revised text which eliminated most of the items which would require future Federal expenditures. The amended text was also more cautious in designating any additional components of the national trails system, deleting several proposed national historic trails in order to permit additional review by the Department of the Interior. Additional recommendations reflect continuing efforts to encourage the expansion of trail recreation opportunities across the Nation at a low cost.

Although the Senate did not pass H.R. 861 in the 97th Congress they did

pass S. 271 on February 8 of this year. S. 271 is the same as H.R. 861 except that section 211 related to user fees in national park units was deleted, title V authorizing markers to be placed along the route of the travels of William Bartram was added, the Beale Wagon Road study was limited to that portion of the trail within the national forest lands, authority for use of volunteers on trails was extended to agencies other than the Park Service and the Forest Service, and several technical and conforming amendments were made.

The bill before us today establishes three new trails: The Potomac Heritage National Scenic Trail extending along the Potomac River for about 700 miles through Virginia, Maryland, the District of Columbia, and Pennsylvania. No designation is made in West Virginia. The Florida National Scenic Trail extending about 1,300 miles in the State of Florida. No land acquisition for the Florida Trail is permitted outside of federally administered areas. And the Natchez Trace Trail extending 694 miles from Nashville, Tenn. to Natchez, Miss. Funds for limited land acquisition and development of the Natchez Trace Trail are included.

Six trail studies are authorized by the bill: The Juan Bautista de Anza Trail in California; the Trail of Tears, the route of the Cherokee Indian resettlement march from North Carolina to Oklahoma; the Illinois Trail along the route of the Illinois Michigan Canal; The Jedediah Smith Trail along the route of exploration of Jedediah Smith from Idaho to Calfornia; and the General Crook Trail and the Beale Wagon Road, both in Arizona.

Volunteers have contributed a great deal to the maintenance of certain trail segments in the past. However, the National Trails System Act of 1968 addressed the use of volunteers only in a limited sense. This bill amends the basic act to extend the ability of all affected Federal agencies to make maximum use of volunteers for trail work.

Abandoned railroad rights-of-way have long been recognized as a significant resource for development of trails. However, there is evidence that the National Trails System Act of 1968 did not adequately address the problems of using railroad rights-of-way for trail purposes. This section of the act is amended by S. 271 to provide greater flexibility for interim use of railroad rights-of-way while protecting the owners from liability and maintaining the option of using the rail bed for railway operation if future needs should so dictate.

The bill also extends recognition to two of our former colleagues and outstanding Members of the House of Representatives; Harold "Bizz" Johnson and Roy Taylor. An existing trail in northern California would be named for "Bizz" Johnson and a portion of the Nantahala National Forest in North Carolina would be named the Roy Taylor Forest.

Mr. Speaker, my very good friend and outstanding Member of the House, PHILLIP BURTON has worked tirelessly for three Congresses to gain passage of this legislation. I cannot say enough about his dedication, effort, and willingness to work with his colleagues and the Members of the other body to achieve passage of this outstanding legislation and in the years to come all of the thousands of people who will walk these beautiful trails with owe PHIL BURTON a great debt for having the perseverance to get this bill enacted.

Mr. Speaker, I know of no controversy about this bill and I have been advised that the administration supports its passage. I urge all of my colleagues to support the enactment of S. 271.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I am pleased to rise in support of S. 271, which designates additional national scenic and historic trails as components of the National Trails System Act and authorizes studies of additional trails for possible inclusion in the system. This legislation is substantially the same bill as was passed by the House in the last two Congresses and includes my legislation authorizing a feasibility study for the designation of the Juan Bautista de Anza Trail as a national historic trail.

Mr. Speaker, Juan Bautista de Anza explored the American Southwest from 1775 to 1776. His expedition concluded with a journey through California originating in Horscasitas, Mexico, and terminating in what is today the San Francisco Bay Area. This route was commemorated in the 1976 Bicentennial reenactment of the California expedition. Juan Bautista is remembered for his important discovery of a workable overland route for settlement which contributed to the founding of San Francisco. Today, this route cuts through heavily developed urban areas providing important cultural and recreational opportunities for the surrounding metropolitan region.

In view of its historical and cultural values, I believe the route merits further study to determine its feasibility for national historic trail designation and inclusion in the National Trails System. Such a study may also prompt the Secretary of the Interior to consult with the Mexican Government regarding the possibility of memorializing this historic trail in both countries.

Mr. Speaker, this final bill is the product of valuable input by numerous parties interested in our Nation's historic trails. I would urge all of my colleagues to join me in supporting S. 271.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to express by support for the bill now under consideration, S. 271, which amends numerous provisions of the National Trails System Act of 1968.

The text of this bill, in nearly identical content, has passed the House during the 96th and 97th Congresses. The Senate finally got around to passing this bill early this year, and the text proposed for adoption by the House today is the Senate-passed bill with absolutely no changes whatever.

Mr. Speaker, this bill is supported by the administration, and I know of no opposition to it from any source.

The bill adds new trails to the system, adds several trails to the study list, significantly expands volunteer efforts, and makes a considerable number of miscellaneous generic changes in the basic trails act.

Mr. Speaker, there are several items in the bill which I feel merit specific comment.

Section 203(6) provides for the preparation of a National Trails System plan. Since the original intent for the time allocation for plan preparation was approximately 2 years, it would seem logical that a proper submission date would be about October 1, 1985.

Section 205(d)(1) provides authority for the appropriate Secretaries to avoid the establishment of trail advisory councils if there is inadequate public interest. It is important that the appropriate Secretary make a thorough effort to discern that such interest is inadequate to warrant the establishment of such a council, prior to his advising congressional committees that this is the case.

Section 207(c) authorizes the provision of trail interpretation sites along national scenic and historic trails. The bill indicates that such development should be located "at historic sites" along these trails. This language originally applied only to historic trails, and unfortunately, yet remains after this provision was expanded to also apply to scenic trails. It does not make much sense to require that interpretation along scenic trails can only occur at historic sites along them. Historic sites along scenic trails may not offer the most appropriate interpretive location, they may not exist at all, or their integrity may be adversely impacted by such development. I would hope that this problem will be recognized, and that this provision will be administered with proper discretion and sensitivity.

Section 207(i) adds new language designed to clarify the diversity of types

of uses which may occur on trails within the national system. This language does not mean that all of these uses can and should occur on all trail segments; indeed, should that happen, use conflicts would be severe. It is not intended that this language would result in significant or major reversal of, or modification of, longstanding patterns of use over trails in the national system.

Mr. Speaker, one of the most significant of the new provisions of this bill is the recognition of the importance of volunteer efforts related to trails. The bill provides for significantly expanded authorities in the use of volunteers. This is a most appropriate and timely new addition to the Trails Act, and I hope that this provision is wisely implemented.

Mr. Speaker, I support the adaption of this bill by the House, and I urge my colleagues to vote in favor of it.

Mr. SEIBERLING. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. CLARKE).

Mr. CLARKE. Mr. Speaker, I rise today in support of S. 271, the National Trails Act, as amended. I commend the distinguished gentleman from Ohio (Mr. SEIBERLING) for bringing this measure to the House floor.

This bill provides for the designation of three new trails in the national trails system and further authorizes the Departments of Agriculture and Interior to study six additional trail routes for inclusion under this system. The bill also contains provisions to encourage additional contributions of volunteers to develop and maintain trails and to clarify existing authority to use abandoned railroad rights-of-way for trail purposes.

I am particularly pleased that this measure recognizes the outstanding achievements of our former colleague, Roy A. Taylor, who for 16 years represented the 11th District of North Carolina in Congress. Representative Taylor served with distinction as a Member of the Committee on Interior and Insular Affairs, and was chairman of the National Parks and Recreation Subcommittee. All of us who have known Roy Taylor have found him to be an outstanding individual who has always had time to help others.

Title IV of S. 271 sets aside 39,000 acres of forested mountain land known as the Balsam-Bonas Defeat area in the Nantahala National Forest in Jackson County, N.C., to be designated as the "Roy Taylor Forest." The bill further directs the Secretary of Agriculture to designate and erect at a suitable location in the Roy Taylor Forest an appropriate marker in commemoration of the outstanding contributions of Roy Taylor toward the protection of public lands in western North Carolina and throughout the Nation.

In addition, Mr. Speaker, I was pleased to have incorporated into the committee report, language which emphasizes Roy Taylor's close association with the National Park Service and, in particular, with the Blue Ridge Parkway.

The major visitors' center and administrative headquarters now being planned for the Blue Ridge Parkway near Asheville will be an excellent place to commemorate the achievements of Roy and his work in improving our national park system. I am pleased that the committee took the step of directing the National Park Service to move expeditiously to complete this structure and have it named in honor of Congressman Roy Taylor.

Mr. Speaker, I urge my colleagues to join with me in supporting S. 271.

● Mr. BURTON of California. Mr. Speaker, this bill has a long history spanning the 96th Congress, 97th Congress, and now the 98th Congress. I originally introduced the National Trails System Amendments Act, with language similar to S. 271 on September 8, 1980 (H.R. 8087). That legislation, which contained four trail designations and six trail study authorizations, passed the House of Representatives on September 22, 1980. The new trails designated by that bill were the Santa Fe Trail, the Chisholm Trail, the Shawnee Trail, and the Western Trail. Six additional trail routes were also authorized to be studied and reports made to the Congress in accordance with the existing provisions of the act. These were: The Goodnight Trail, the Goodnight-Loving Trail, the Juan Bautista de Anza Trail, the Trail of Tears, the Illinois Trail, and the Jedediah Smith Trail.

Subsequently, the Senate passed the text of H.R. 8087, with some modifications, as part of another measure, but disagreement over items in that measure unrelated to trails issues prevented final enactment of the bill in the 96th Congress.

In the 97th Congress I again introduced the trails bill (H.R. 861). My very good friend and chairman of the Public Lands and National Parks Subcommittee JOHN SEIBERLING, worked diligently during the 97th Congress to eliminate any known controversy from the measure and to bring the bill language as closely into agreement with the Senate language of the 96th Congress as possible.

H.R. 861 designated three scenic trails, the Potomac Heritage National Scenic Trail, the Florida National Scenic Trail, and the Natchez Trace National Scenic Trail. Because of some conflict four trail designations that were in the measure proposed in the 96th Congress were excluded; the Santa Fe, Chisholm, Shawnee, and Western National Historic Trails.

The bill also designated six trails for study: Juan Bautista de Anza, Trail of Tears, Illinois Trail, Jedediah Smith, General Crook, and the Beale Wagon Road. Again I note that H.R. 861 was modified to parallel the Senate language for trail studies.

Unfortunately, although the Energy and Natural Resources Committee reported an amended version of H.R. 861 the Senate failed to pass that bill in the 97th Congess.

Mr. Speaker I reintroduced the National Trails Act bill again this Congress (H.R. 1717). However, the Senate took expeditious action and passed the bill that is before us today (S. 271) which I support. The same trail designations and studies are in S. 271 as were in H.R. 861 and the other amendments made by the Senate are acceptable.

Mr. Speaker, I wish to thank our hard-working and dedicated colleague, Chairman JOHN SEIBERLING, for all of his patience and effort to bring this bill to final passage.●

● Mr. CORCORAN. Mr. Speaker, today, I will be unavoidably absent from the floor of the House of Representatives during consideration of S. 271, the National Trails Systems Amendments. Within this fine piece of legislation is a provision for the Secretary of Interior to conduct a feasibility study to determine if the Illinois Trail, part of which runs along the Illinois and Michigan Canal within my district, should be included within the national trails system. I urge my colleagues to support this bill, and I regret I am unable to record a positive vote on it.●

● Mr. FRANKLIN. Mr. Speaker, today the House will consider S. 271, a bill to amend the National Trails System Act. This bill would designate the Natchez Trace Trail, a historic roadway which winds south through the State of Mississippi, as a National Scenic Trail. The Natchez Trace is certainly deserving of this national recognition. Originally a system of animal and Indian paths threading 600 miles through the wilderness, the Old Trace has been a major travel artery for the explorers and settlers of early American, and today has become a favorite route for hikers, picknickers, and history buffs. The Trace has a significant place in our State's history, and, despite its old age and many years of use, still retains the appearance it must have had during the beginnings of my State. I urge you to join me in support of this legislation to preserve a beautiful and memorable part of our National Parks System, the Natchez Trace Trail.●

Mr. SEIBERLING. Mr. Speaker, I have no further requests.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the Senate bill, S. 271.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

FREEZE NEEDS CORRECT FOCUS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, it is regrettable that the freeze issue has been given the wrong focus. When we talk about a freeze of nuclear weapons the focus should be squarely on the men in the Kremlin.

What are the current objectives of the Soviet Government? We read reports that the Soviet Government has recently placed people in Soviet prisons for advocating a nuclear freeze. Yet, the Soviet front organizations are supporting the nuclear freeze issue in the United States. Soviet policies and propaganda are intended to achieve one goal. They want to strengthen Soviet military power, and, at the same time they want to weaken the United States, weaken our will and weaken our Armed Forces.

The nuclear freeze debate should focus on Moscow and Kremlin leadership. The Soviet Government is an expansionist power and the one roadblock to Soviet worldwide preeminence is the United States. But the Soviets are working on us with their propaganda and with their subversive groups which take advantage of open societies such as ours.

The freeze advocates say never mind about the Soviets, we should freeze our nuclear weapons regardless of Soviet actions. My friends this is white feather talk. It sounds like the voice of Lord Chamberlin, "Peace in our time." Sure all of us want peace. Sure, all of us want arms reductions. But we want arms reductions on an equitable and fair basis. We want any reductions to be verifiable. And if there is to be any freezing this should be done on an equitable, verifiable and mutually acceptable arrangement with the Soviet Government. Otherwise such actions inside the United States will be interpreted as weakness and cowardice and I for one do not wish to be involved in sending such signals to Soviet leadership.

INTRODUCTION OF RESOLUTION TO PROTECT THE INTEGRITY OF THE CIVIL SERVICE RETIREMENT SYSTEM

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. BOXER. Mr. Speaker, today, along with 13 of my colleagues, I have introduced a resolution which expresses the sense of the House that it should take certain steps to insure the integrity of the Federal civil service retirement system.

Mr. Speaker, when morale of Federal employees sinks, we do not serve them, and we do not serve our great country.

I trust Members will insure Federal employees, through support of this resolution, that we understand their great contributions to America.

In recent weeks, Federal employees and retirees in my congressional district have repeatedly asked me to explain the implications of covering newly hired Federal employees under social security for their own pension system. Their question arises from a number of legitimate perceptions. They are aware that the administration would like to shrink their retirement program from its present size, 35 percent of payroll cost, to just 22 percent of payroll cost. They have also read that the administration wants them to contribute an additional 4 percent of their salaries toward this reduced retirement.

They see Congress grappling desperately with runaway deficits, and experience has taught them how vulnerable their pensions can be during periods of recession and austerity. During the House debate on the social security reform bill, my constituents learned that Post Office and Civil Service Committee chairman, WILLIAM D. FORD, together with the House leadership, made commitments to maintain the integrity of the existing civil service retirement system.

And so, quite naturally, they asked me, what does this all mean? How good is Congress commitment to the Federal retiree and the current and future Federal employee. Fortunately, working together with my colleagues or the Federal Government Service Task Force, I have been able to develop two immediate, and important responses to my constituent's concerns. First, the white paper, which Chairman BARNES has described in some detail demonstrates that Members of Congress have begun to realize the implications of piecemeal budget actions that affect Federal employees and retirees. Of equal importance, the white paper urges Congress to reverse its practice of devaluing the taxpayer's most precious resource—the Federal worker. By sketching the broad scope of Federal activites that contribute to national economic recovery, the white paper provides a context for dissecting the administration's proposals—proposals, which in my view, do not resemble reasonable management practice.

The white paper signals both the Federal employee and the business community that Members of Congress are at last serious about putting the Federal Establishment in order so that we can get on with the business of putting Americans back to work.

In order to quickly back our analysis with action, I will introduce today, together with 13 task force cosponsors, a resolution outlining the major features of a supplementary retirement program for new Federal hires. The resolution states that such a program would include:

First, assurances that Congress will take all steps necessary to safeguard Federal employees from future economic risk. Inflation, as measured by the Consumer Price Index (CPI) may have subsided for most Americans, but the General Accounting Office (GAO) reminds us that prices in the goods and services needed by retirees living on fixed incomes continue to soar. The cost of rental housing, food, clothing, and particularly medical costs, remain unendurably high. Asking retirees to assume the risks of continuing inflation, in my view, shifts the burden to the wrong shoulders.

Second, assurances that any supplementary program would provide benefits in the future that equal the present value of benefits provided by today's civil service retirement system. Analysts at the Congressional Research Service agree that it is possible to devise a retirement plan for new Federal hires that ties their social security benefits and civil service retirement benefits together in a manner that would insure employees entering the system in 1984 of a retirement income on par with income currently received by Federal retirees. This income includes social security benefits which the majority of Federal retirees currently receive for work performed in covered employment.

Third, assurances that Congress will not let $109 billion in reserves held by the civil service trust fund in fiscal year 1984 to dwindle, and that the existing obligations of the retirement trust fund will be fully amortized. Federal retirees have expressed their concern that were new Federal hires' contributions to the existing civil service trust fund excluded, that fund would begin to deteriorate. Congress could readily amortize this obligation over a long period without serious budget consequences.

Fourth, assurances that compensation, in the form of retirement benefits, will not be devalued after they are earned. Employees with vested interests in the Federal retirement system have contributed years of service based upon their belief that their employer would provide a secure retirement. The fiscal year 1984 budget proposals undermine that commitment and actually devalue the compensation employees had earned for services ren-

dered. We would leave the existing retirement program in tact.

Fifth, assurances that when Federal employees leave Federal service they can withdraw both their own and their employer's contributions toward their civil service retirement, if they choose. Social security benefits are already portable—you can take them with you wherever you go. In order to dovetail with social security benefits, civil service contributions should have this important feature.

Sixth, finally, assurances that any supplementary package reflects the legitimate concerns of Federal employees and their representatives. A retirement program considered generally unattractive to the Federal Establishment will serve neither the employee nor the public. We want a retirement program that encourages top personnel to join and remain with the Federal Government.

I am inviting all Members of the House to join me in endorsing the principles of this resolution. It does not address every single concern we have about the Federal retirement system, but I believe it will help us focus the debate on the basics—and, as I said, demonstrate to Federal employees and retirees our genuine commitment to the quality of Federal service.

I would like to congratulate my colleagues for their fine work in developing a cogent response to the administration's ill-conceived and misguided initiatives. I believe we have made a good beginning, and I would strongly urge the press as well as Members of Congress to review the recommendations made in the task force's white paper so that we may begin to shape future action.

CAPITAL CONSTRUCTION AND EMPLOYMENT ACT OF 1983

(Mr. KOGOVSEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KOGOVSEK. Mr. Speaker, today I am introducing the Capital Construction and Employment Act of 1983. There are several different job proposals, but the objective is the same: putting jobless Americans back to work. My bill asks that the Federal Government share that responsibility with the States. Federal dollars will pay only the wages of people hired to work in the construction or renovation of the State's vital public facilities. The States will determine the priority projects, and they will pay all costs of equipment and materials.

The result is a maximum number of jobs provided with our limited appropriation, and an easing of construction costs for States, which also face budgetary strain. My bill targets the funds to areas of highest unemployment and requires that 85 percent of those hired come from the ranks of the unemployed.

As I urge you to cosponsor my bill, I remind those of you who might say, "we can't afford it," that each percentage point of unemployment costs $25 billion in lost revenues and increased benefit payments. By comparison, the $5 billion price tag of my legislation is very well worth it.

SECTION-BY-SECTION ANALYSIS OF THE CAPITAL CONSTRUCTION AND EMPLOYMENT ACT OF 1983 AS INTRODUCED BY U.S. REPRESENTATIVE RAY KOGOVSEK

Section I. This Act may be cited as the Capital Construction and Employment Act of 1983.

Section II. Establishes the following definitions:

"Secretary" means the Secretary of Labor.

"State" means each of the several states and the District of Columbia.

"Governor" means the chief executive officer of a state.

"Unemployed individual" means individuals aged 16 or older who are without jobs as determined by the Bureau of Labor Statistics and who are available for work.

Section III. Authorizes $5 billion for fiscal year 1983 and such sums as necessary for each succeeding year.

Section IV. Allocation of Funds; State Plans. Allocates the funds equally among the states. If a state or states fail to submit a plan to the Secretary for a public project assisted by these funds, the remaining amount will be reallocated equally among the states which have submitted such plans. The Secretary shall prescribe a schedule for the submission of plans.

Plans submitted by the states shall include:

(1) Such information and assurances as the Secretary may prescribe;

(2) Assurances that funds received under this Act will only be used for the payment of wages and benefits for employees working on projects specified in the plan;

(3) Specifications on the nature and location of the project;

(4) Assurances that not less than 85 percent of the people working on the project will be individuals who have been unemployed for at least 10 weeks prior to the start of the project;

(5) Assure that not less than 75 percent of the people working on the project will come from areas of high unemployment within the state (areas which during the preceding 12 months had an average unemployment rate of at least 9.5 percent).

States can submit plans only for projects which will benefit the citizens of the state and specifically the citizens of areas of high unemployment, both as a means of employing citizens from such areas and by providing future economic growth of the areas.

Such projects shall include, but are not limited to, the construction or reconstruction of water, sewer, public school, mass transportation, public housing, or port facilities, or other public works facilities.

The plan must also contain a timetable for the completion of the project, amount of funds which the state will provide for materials, equipment and other items needed for the project and a projection of the number of individuals which will be employed through the use of funds under the Act.

Section V. Requires that these funds not be used to supplant funds from non-federal sources for the same purpose. It also allows a state to use other non-federal funds for the purpose of providing wages and benefits for projects receiving funds under this Act.

Section VI. Provides that the minimum annual wage per individual receiving funds under this Act shall not be less than $7,000, and that the maximum shall not be over $15,000 per year. However, states can supplement wages over $15,000 per year from other sources.

Section VII. Coordination with state employment service agencies. Provides that states will coordinate efforts to distribute information on employment opportunities with employment service agencies. Also, the agencies will assist in referring eligible individuals to the state for jobs through this Act.

Section VIII. Labor standards:

(1) Conditions of employment and training will be appropriate and reasonable in light of the type of work performed.

(2) Appropriate state and federal health and safety standards will apply to projects assisted under this Act.

(3) State workers compensation laws will apply to individuals working on projects under this Act if applicable. If state law is not applicable, each individual shall secure appropriate insurance.

Section IX. Annual Reports. Each state receiving funds under this Act shall submit a report annually on the progress of the project, including the number of people employed on the project. The reports will be made available to Congress.

CONGRESSMAN COLEMAN OF MISSOURI ANNOUNCES FORMATION OF REPUBLICAN TASK FORCE ON FOREIGN POLICY FOR 98TH CONGRESS

(Mr. COLEMAN of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Missouri. Mr. Speaker, today I am announcing the formation of the Republican Research Committee's Task Force on Foreign Policy for the 98th Congress. I will retain the position of chairman which I assumed 2 years ago. The task force membership has expanded from 12 Members of Congress during the 97th Congress to 40 Members in this Congress.

During the 98th Congress the task force will continue to carefully analyze international issues of importance to the United States, with special emphasis given to those foreign policy questions in which Congress has a specific legislative role.

When I first joined the task force on foreign policy in 1979, it was clear that it could play an important role in the overall foreign policy process here on Capitol Hill. Since then, we have given special care to producing quality reports and briefings, and providing Republican House Members with direct access to information and individuals involved in this process. By establishing a firm base in our work, we have gained the respect and trust of the Re-

publican membership here in the House. Now, I believe we are prepared to assume a more activist role in the legislative process here on Capitol Hill.

The 98th Congress will be confronted with many extremely important issues in the foreign policy field. Already we are in the middle of controversies over the nuclear freeze issue and the question of aid to El Salvador. Yet to come are very important debates on foreign aid, the Third World debt crisis, trading relations with the Soviet Union and Eastern Europe, to mention just a few. Each of these questions will require carefully constructed solutions here in Congress.

The task force will continue its close working relationship with the White House. While we may not always agree with positions taken by the administration, we will continue to meet regularly with high-ranking State, Commerce, and Treasury officials. This gives the White House the opportunity to present their case informally and personally while also giving House Members a chance to air their grievances and concern with administration policy before a measure hits the floor. As in the past, we will cooperate with the administration whenever we can in getting important foreign policy legislation through the House of Representatives.

Many foreign policy issues now have significant domestic implications. International trade and the creation of U.S. jobs is one area of continuing concern. Because of the task force's size and geographic mix, our role will be even more important. With 40 Members, the task force should be able to provide a solid working base for dealing with these extremely difficult and sometimes divisive issues. As the following list of Members indicates, we have an excellent group with a broad committee background in all of the relevant jurisdictional areas.

REPUBLICAN TASK FORCE ON FOREIGN POLICY

E. THOMAS COLEMAN (Mo.), *Chairman*
William Broomfield (Mich.)
Dan Crane (Ill.)
William Clinger (Pa.)
John McCain (Ariz.)
David Dreier (Calif.)
Jack Edwards (Ala.)
William McCollum (Fla.)
Floyd Spence (S.C.)
William Dickinson (Ala.)
Mickey Edwards (Okla.)
Thomas Ridge (Pa.)
Robert Walker (Pa.)
George Hansen (Idaho)
Gene Chappie (Calif.)
Tom Corcoran (Ill.)
Bob Lagomarsino (Calif.)
Jim Sensenbrenner (Wis.)
Bob McEwen (Ohio)
Eldon Rudd (Ariz.)
Jim Jeffords (Vt.)
Bob Whittaker (Kans.)
Dan Marriott (Utah)
Denny Smith (Oreg.)
Webb Franklin (Miss.)
Toby Roth (Wis.)
Bob Livingston (La.)
Tom Petri (Wis.)
Rod Chandler (Wash.)
Al McCandless (Calif.)
Norman Shumway (Calif.)
George Wortley (N.Y.)
Nancy Johnson (Conn.)
Phil Crane (Ill.)
John Erlenborn (Ill.)
Howard Nielson (Utah)
John Porter (Ill.)
Herb Bateman (Va.)
Bob Badham (Calif.)
Dan Burton (Ind.)

ANATOLY SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 60 minutes.

● Mr. OTTINGER. Mr. Speaker, I want to thank my colleagues for joining me today in this special order to send the Soviet Government an important message: Anatoly Shcharansky must be released from prison and allowed to emigrate.

I also wish to thank the over 190 House Members who have cosponsored House Resolution 67, which I introduced in February, calling on the Soviets to release Anatoly Shcharansky from prison and permit him to emigrate, and urging the Reagan administration to raise the issue of his mistreatment in the strongest terms at every suitable opportunity with Soviet officials. Joining me as original cosponsors of this resolution are the gentlewoman from Rhode Island (Mrs. SCHNEIDER), the gentleman from Massachusetts (Mr. CONTE), the gentleman from Illinois (Mr. YATES), the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. MRAZEK).

Today is the sixth anniversary of the arrest of Anatoly Shcharansky on trumped-up charges of treason. Shcharansky has been at the heart of the Soviet Jewry movement since 1973 when he was declined permission to emigrate. He has been a symbol of the countless Soviet Jews who wish only to live in accordance with their traditions. They have been locked into the U.S.S.R., forced to face a barrage of official Soviet anti-Semitism which terminates their Hebrew education programs, bans their books, confiscates their religious articles, and excoriates them in the press.

Indeed, the rate of Soviet Jewish emigration is at its lowest point in a decade. In 1982, only 2,692 Jews emigrated from the Soviet Union, compared with 9,447 the year before, and representing a 95-percent decline from 1979 when 51,320 Jews emigrated. This past January, only 81 Jews received permission to emigrate, compared with 290 in January 1982 and 3,722 in January 1979.

Anatoly Shcharansky has been among the hardest hit by this anti-Semitic assault. His 6-year prison ordeal has subjected him to the most brutal conditions, including isolation, severe cold, and inadequate food, sleep, and health care. This mistreatment has forced him to be hospitalized several times. In 1981, he spent a month in the hospital after serving 185 days in a labor camp "punishment cell." The last time he was permitted visitors, in January 1982, his mother and brother were horrified at his physical condition. Despite his perilous state of health, Shcharansky went on a hunger strike in September 1982 to protest the strict prison regimen. It was not until January 1983 that we received independent confirmation that his hunger strike was over.

Soviet treatment of Shcharansky and all Jews who wish to emigrate flagrantly violates international obligations set forth in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act. Our Government must do everything in its power to pressure Moscow to comply with its international obligations. That is why I introduced House Resolution 67; and I am active in several congressional efforts to keep Soviet Jewry at the forefront of U.S. policy concerns, including the Prisoners of Conscience program and the Congressional Vigil on Soviet Jewry.

I have learned firsthand that these efforts do, indeed, help Soviet Jews. In 1980 I met a former Soviet refusenik who had been liberated and came to Washington, D.C. He told me that he detected a subtle improvement in his treatment at about the same time congressional pressure increased in his behalf.

It is clear that the greatest hope people like Anatoly Shcharansky have is a persistent international drumbeat of outrage against Soviet human rights abuses. I urge the House Foreign Affairs Committee to act expeditiously on House Resolution 67; I urge the Reagan administration to be more vigorous in maintaining the issue of Soviet Jewry at the forefront of its foreign policy. Finally, I want to again thank my colleagues for joining me on the floor of the House in this important message to the Soviet Union.

I am including in today's RECORD a text of House Resolution 67 and a list of cosponsors:

H. RES. 67

Whereas Anatoly Shcharansky, an eminent Soviet computer scientist, has been a leader of the Moscow Jewish community since 1973 when he first applied for and was denied permission to emigrate to Israel; and

Whereas the Government of the Soviet Union has engaged in a systematic campaign of harassment and intimidation against Anatoly Shcharansky, culminating in his arrest in March 1977 on trumped-up charges of treason; and

Whereas in July 1978, after sixteen months of being detained incommunicado,

Anatoly Shcharansky was tried and sentenced to thirteen years of imprisonment; and

Whereas since his conviction Anatoly Shcharansky has been subject to extremely harsh prison treatment, including isolation, severe cold, and inadequate food, sleep, and health care, resulting in a deterioration of his health; and

Whereas on September 26, 1982, Anatoly Shcharansky began a hunger strike to protest the severe prison conditions which have further harmed his health; and

Whereas Anatoly Shcharansky symbolizes the plight of many other Soviet Jews whose level of emigration is at its lowest point in a decade and who are increasingly harassed by Soviet authorities; and

Whereas by its treatment of Anatoly Shcharansky and others, the Soviet Union is violating its international obligations, including its obligations under the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the Government of the Union of Soviet Socialist Republics should immediately release Anatoly Shcharansky from prison and allow him to emigrate; and

(2) the President and the Secretary of State should, at every suitable opportunity and in the strongest terms, express to the Government of the Union of Soviet Socialist Republics the opposition of the United States to the imprisonment of Anatoly Shcharansky.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to the President with the request that the President transmit such copy to the Ambassador of the Soviet Union to the United States.

LIST OF COSPONSORS

Representatives Richard Ottinger, Silvio Conte, Sidney Yates, Jim Leach, Claudine Schneider, Robert Mrazek.

Representatives Joseph Addabbo, Frank Annunzio, Les AuCoin, Michael Barnes, Jim Bates, Berkley Bedell, Anthony Beilenson, Howard Berman, Mario Biaggi, Michael Bilirakis, Thomas Bliley, Edward Boland, David Bonior, Don Bonker, Robert Borski, Barbara Boxer, William Broomfield, Phillip Burton, William Carney, Thomas Carper, Bob Carr, Cardiss Collins, Tom Corcoran, Baltasar Corrada, James Courter, William Coyne, George Crockett, Norman D'Amours, Thomas Daschle, Hal Daub, Ronald Dellums, Julian Dixon, Brian Donnelly.

Representatives Thomas Downey, Richard Durbin, Bernard Dwyer, Mervyn Dymally, Dennis Eckart, Bob Edgar, Don Edwards, Lane Evans, Dante Fascell, Walter Fauntroy, Vic Fazio, Edward Feighan, Geraldine Ferraro, Bobbi Fiedler, Hamilton Fish, James Florio, Thomas Foglietta, William Ford, Edwin Forsythe, Wyche Fowler, Barney Frank, Bill Frenzel, Martin Frost, Robert Garcia, Sam Gejdenson, George Gekas, Sam Gibbons, Benjamin Gilman, Dan Glickman, Albert Gore, Willis Gradison, Jr., Bill Green, Tony Hall.

Representatives Marjorie Holt, Frank Horton, James Howard, Steny Hoyer, William Hughes, Henry Hyde, Andy Ireland, Nancy Johnson, James Jones, Marcy Kaptur, John Kasich, Jack Kemp, Barbara Kennelly, Dale Kildee, Peter Kostmayer, Ken Kramer, John LaFalce, Robert Lagomarsino, Tom Lantos, William Lehman, Mickey Leland.

Representatives Norman Lent, Mel Levine, Bob Livingston, Clarence Long, Mike Lowry, Bill McCollum, Raymond McGrath, Matthew McHugh, John McKernan, James McNulty, Jr., Connie Mack, Edward Markey, Lynn Martin, Robert Matsui, Nicholas Mavroules.

Representatives Dan Mica, Barbara Mikulski, Clarence Miller, Norman Mineta, Joseph Minish, Parren Mitchell, Joe Moakley, Guy Molinari, Alan Mollohan, Bruce Morrison, Mary Rose Oakar, James Oberstar, David Obey, George O'Brien, James Olin, Major Owens, Stan Parris, Claude Pepper, John Porter, Joel Pritchard, Charles Rangel, William Ratchford, Bill Richardson, Don Ritter, Robert Roe, Marge Roukema, Martin Olav Sabo, James Scheuer, Patricia Schroeder, Richard Schulze, Charles Schumer, James Shannon, Gerry Sikorski, Mark Siljander, Paul Simon.

Representatives Christopher Smith, Lawrence Smith, Stephen Solarz, Gerald Solomon, Louis Stokes, Samuel Stratton, Gerry Studds, Don Sundquist, Fofo Sunia, Mike Synar, Robert Torricelli, Edolphus Towns, Morris Udall, Tom Vandergriff, Bruce Vento, Doug Walgren, Henry Waxman, James Weaver, Ted Weiss, Bob Whittaker, Pat Williams, Larry Winn, Timothy Wirth, Howard Wolpe, Antonio Borja Won Pat, George Wortley, Ron Wyden, Gus Yatron, Ed Zschau.

Representatives Tom Lewis, Bill Lowery, Tom Harkin, Frank Guarini, Ray Kogovsek, Steve Bartlett, Lawrence Coughlin, Sander Levin.●

● Mr. PEPPER. Mr. Speaker, we recognize today that it has been 6 years since Anatoly Shcharansky was arrested for the crime of desiring to emigrate from the Soviet Union to his spiritual homeland—Israel.

We are all aware of the drastic decline, in recent years, in the number of Jews who have been allowed to emigrate from the Soviet Union. The disregard which Soviet authorities have shown for the agreements which they signed in Geneva and Helsinki has resulted in significant human suffering on the part of thousands of Soviet Jews. Their desire to be relieved of the institutional harassment and discrimination from which they suffer and to worship with their families and their fellow believers in freedom has led them to seek to leave the U.S.S.R. More and more, Soviet authorities have refused to allow them exit visas, justifying their decisions with bogus criminal charges and insisting that people who previously held routine employment are possessed with "state secrets."

Not the least among Soviet Jew refuseniks is Anatoly Shcharansky. Although his plight is well known in the West and many overtures have been made on his behalf, the Soviet authorities have been unrelenting in their resistance to his emigration. His first application for an exit visa was made in 1973. Following the submission of the application, he was hounded constantly by authorities and denied the most basic of human and legal rights until, in 1977, he was arrested for "treason" and "anti-Soviet agitation and propaganda," found guilty, and sentenced to 13 years in prison. During his term—which he continues to serve—Shcharansky has been denied sufficient food for an adequate diet. His health has deteriorated drastically because of the lack of medical care and he has been denied contact with members of his family for extended periods of time.

Often at great personal expense, Mr. Shcharansky has assisted other Jews in their plight to emigrate from the U.S.S.R. His selflessness in standing by his fellow refuseniks is especially courageous in a society where dissidence is rare because of its severe and well-known consequences. This man's inspiration provides hope where it would not otherwise be found.

Mr. Speaker, in being made aware of the condition of Jews in the Soviet Union, we are reminded of how fortunate we are to be free to express ourselves, to worship as we choose, and to travel where we please. We should be grateful to Anatoly Shcharansky, who is dedicated to extending the principles we cherish to his oppressed countrymen in the Soviet Union. I call upon my colleagues to continue their actions in support of Anatoly Shcharansky and the thousands of refuseniks until they are able to enjoy the freedoms to which all people have title.●

● Mr. ZABLOCKI. Mr. Speaker, I wish to join my distinguished colleagues here today in this special order commemorating the sixth anniversary of the arrest by the Soviet authorities of Anatoly Shcharansky.

Mr. Shcharansky symbolizes the terrible fate of the Jewish refusenik community in the Soviet Union and that nation's utter disregard for human rights and fundamental freedoms. His treatment by the Soviets makes a mockery of the notion of human dignity and the right to religious expression and a travesty of the idea of due process of law. That the Soviets have consistently refused him permission to emigrate to join his wife in Israel is even more unacceptable in view of the fact that the Soviet Government has signed the Final Act of Security and Cooperation in Europe and has ratified both international covenants on human rights. These international instruments oblige signatory governments to accord their nationals the right to exercise certain universal human rights and fundamental freedoms. But the Soviets clearly have used them as political ploys to detract attention from the fact of their nonobservance of rights and freedoms domestically.

I hope that this commemoration of Mr. Shcharansky's arrest and the continued pressure on the Soviets through the good offices of those as-

sembled here will cause the Soviets to release Mr. Shcharansky and permit him to emigrate and join his wife in Israel at long last.●

● Mr. ANNUNZIO. Mr. Speaker, I join with my colleagues to denounce the outrageous human rights violations by the Communists against Jews living in the Soviet Union, and especially to call for the immediate release of Anatoly Shcharansky, who has been subjected to Soviet harassment, persecution, torture, and imprisonment, ever since he was first denied permission to emigrate to Israel in 1973.

Six years ago today, on March 15, 1977, the Soviet secret police arrested Anatoly Shcharansky. After a 16-month period in prison, where he was prohibited from visiting with friends or relatives, Shcharansky was tried and convicted on the trumped-up charges of treason, dissemination of anti-Soviet opinion, and collaboration with the American Central Intelligence Agency. In truth, Anatoly's only "offenses" were that he applied to emigrate to Israel, tried to maintain Jewish traditions for those living in the Soviet Union, and led Jews in protesting human rights violations against them by the Communists.

Shcharansky received a harsh sentence of 3 years in prison and 10 years at hard labor, and over the past 6 years, has been subjected to the most brutal, inhuman, and unjust treatment including solitary confinement, and inadequate food, shelter, sleep, and medical care. In a courageous attempt to protest against this barbaric action at the hands of the Communists, Shcharansky put himself on a hunger strike on September 26, 1982, and for the next 4 months, he was a victim of additional abuses by the Soviets. he was force-fed, denied visits by his family, and prohibited from sending and reading his mail. Today, although his hunger strike is over, Shcharansky is in poor health and remains in prison. However, his commitment to noble principles of religious freedom and human dignity have not wavered, and he is determined to join his wife, Avital, living in Israel.

Mr. Speaker, the tragic imprisonment and treatment of Anatoly Shcharansky are representative of Soviet attitude toward Jews in the Soviet Union. Thousands of Soviet Jews must daily face this dismal life of tyranny and oppression under Communist rule, and the harassment of Jews seeking to leave the country has intensified in recent months, as Jewish emigration from the Soviet Union has dropped from a monthly average of approximately 4,000 in 1979 to about 200 at present.

We, in Congress, and all freedom-loving people throughout the world, must do everything in our power to pressure the Soviets to change their reprehensible conduct. We must protest the human rights violations by the Soviets against Anatoly Shcharansky, and all Jews living in the Soviet Union, in the strongest possible terms, and we must make it clear that we will not tolerate such conduct which flagrantly violates the Soviet Union's international obligations, which the country has agreed to abide by, as a signator of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act.

Let us continue to urge that all Soviet Jews who wish to practice their religion and emigrate to Israel be allowed to do so, and that the persecution of all Soviet Jews cease, and let us make our position known to the Soviets at every possible opportunity, so that human rights of Soviet Jews are not trampled on by the Communists.●

● Mr. HUGHES. Mr. Speaker, today is the sixth anniversary of the arrest and imprisonment of Anatoly Shcharansky. We, here in America, often take for granted the freedom and liberty that are such an integral part of our Nation's foundation. However, the plight of Anatoly Shcharansky is a stark reminder to us that all people are not afforded these basic human rights.

Anatoly Shcharansky has been a dominant figure in the struggle to enforce and monitor Soviet compliance with the Helsinki Accords. As punishment for his devotion to a just cause, the Government of the Soviet Union has reacted by sentencing him to prison and hard labor. Reports emerging from the Soviet Union reveal that he has been starved, overworked, isolated, and denied the basic right to practice his religion. This punishment has been dealt to him in the face of baldly contrived charges, without benefit of a fair and honest trial.

Today, the situation of Soviet Jews is nothing short of tragic. Anatoly Shcharansky is more than just another political prisoner in a Soviet labor camp: he is a grim symbol of the plight of all Soviet Jews. The Government of the Soviet Union has accelerated its policy of repression and anti-Semitism, in direct violation of the Helsinki Accords. Jewish emigration from the U.S.S.R. has dropped from over 51,000 in 1979 to only 2,700 in 1982, with the figure expected to drop even lower this year. Such an obvious effort to curtail the freedom of Jews is unconscionable. The struggle against this tyranny must not cease.

We, in the Congress, must not remain idle. The courage, perseverance, and dignity which have been so characteristic of Anatoly Shcharansky serve as an inspiration to freedom-loving people throughout the world. By speaking out today for the release of Shcharansky, we let the new leadership in the Soviet Union know that practical steps must be taken to further cooperation between our nations, and that hope must be given to all Soviet Jews who desire so much the freedom to emigrate.

On this sixth anniversary of his imprisonment, I rise in salute to a man of true courage, a man whose dedication to what is fundamentally right, just, and humane serves as an enduring reminder that the light of freedom will prevail against the dark cloak of oppression.●

● Mr. LEACH of Iowa. Mr. Speaker, today, we honor the courage of a young Jewish computer programer, Anatoly Shcharansky, who has for 5 long years endured the harsh conditions of prison life as a result of his advocacy of human rights in the Soviet Union.

His case is a familiar one to the Members of this body and the American public. As a result of his active involvement in the movement to monitor Soviet compliance with the Helsinki Final Act, Shcharansky was arrested in 1977 and later convicted in 1978 on charges of working for the CIA. Efforts by our Government during that period to discourage Soviet authorities from sentencing him by refuting the CIA charges against Shcharansky, met with failure.

Today, 5 years later, he continues to languish in the Soviet prison system, enduring extreme cold, inadequate nutrition and medical care, compulsory hard labor, and arbitrary deprivation of what few rights to correspondence and family visits prisoners have. Yet even in his bleak circumstances, he continues to demonstrate an invincible will to challenge the Soviet system and recently conducted a 4-month hunger strike to protest the conditions of his treatment.

In Shcharansky's case, as in so many others, the Soviet Union is in clear violation of the provisions of various international human rights agreements, including the Universal Declaration of Human Rights, the Helsinki accords, and the International Covenant on Civil and Political Rights. Such behavior must not go unchallenged by those governments and societies which do honor their obligations to respect human rights under those documents.

As the ranking minority member of the Subcommittee on Human Rights and International Organizations of the House Foreign Affairs Committee, I am pleased to be one of the original cosponsors of House Resolution 67, a resolution calling on the Soviet Union to release Anatoly Shcharansky from prison and permit him to emigrate. It is my hope that Soviet authorities will respond to the worldwide concern on his behalf with compassion and permit him to be released and reunited with his wife, Avital, whose tireless efforts to bring world attention to her hus-

band's plight deserves such great respect.●

● Mr. FRENZEL. Mr. Speaker, I am pleased to participate in the Congressional Vigil for Soviet Jewry, this year on behalf of Mr. Yuri Druzhnikov. It was the sister of Mr. Druzhnikov now residing in my district who first brought the plight of her brother to my attention.

Yuri Druzhnikov is a well-known Russian novelist, playwright, and author of short stories for children. He has been a refusenik for 6 years and has recently been denied his 12th request to emigrate. After his first application for an exit permit was submitted, he was immediately expelled from the Union of Soviet Writers, allegedly for "having chosen the road of betrayal to his country." His books were removed from libraries and bookstores, his name was deleted from articles in professional literary journals, magazines, and newspapers. His books accepted for publication by Moscow publishing houses were prohibited by censorship. One of his plays, which had a successful run of some 1,000 performances, was closed down without notice. His other plays were prohibited by the Ministry of Culture. His voice, which had sounded regularly in a radio program for parents about the problems of their children, grew silent.

In October 1982, a group of Minnesotans participating in the Friendship Force's trip to the Soviet Union visited Yuri Druzhnikov and other refuseniks. These new friends of Mr. Druzhnikov tell me that after that encounter, his mail was completely cut off

I am told that the original reason given for the denial of Mr. Druzhnikov's visa was that his wife, Galina, held a position as an engineer that was allegedly a security risk. Mr. and Mrs. Druzhnikov have been divorced for 3 years now and his former wife is not seeking permission to emigrate. However, to the best of our knowledge, the nature of Galina's job is still being given as the reason to deny Yuri his right to an exit visa.

In past years, Yuri Druzhnikov had chosen a path of quiet diplomacy and avoidance of political demonstrations or protests. But now, after 6 years as a refusenik, life in the Soviet Union has become intolerable.

I know that Yuri Druzhnikov is hopeful that all those individuals sympathetic to the plight of Soviet Jews will hear his plea and join in the and appeal to the Soviet authorities on his behalf.●

● Mr. BOLAND. Mr. Speaker, today we mark the anniversary of an event which should trouble anyone who claims to be interested in the cause of human rights.

Six years ago today, Anatoly Shcharansky was arrested and imprisoned in the Soviet Union. Despite allegations that he was guilty of "treason" and "anti-Soviet activity" it was clear from the beginning that Shcharansky's only "crimes" were his desire to improve the human rights situation in the Soviet Union and his desire to emigrate to Israel. For these "crimes," Shcharansky has spent the last 6 years in a succession of labor camps and prisons. In the past year, there have been concerns raised by Shcharansky's family over his physical condition. There has never been a doubt about the strength of his spirit.

Mr. Speaker, Anatoly Shcharansky has demostrated on countless occasions that he is a man of deep religious faith and uncommon courage. His treatment by Soviet authorities makes a mockery of their supposed adherence to the principles of the Helsinki Accords and the Universal Declaration of Human Rights. The Shcharansky case clearly shows that the Soviets cannot tolerate expressions of human freedom and dignity. It is important that these facts be acknowledged, and it is equally important that the citizens of countries in which individual freedom is protected not slacken their efforts to convince Soviet authorities that their policies will not be ignored. We must continue to call for the release of Anatoly Shcharansky and others unjustly imprisoned in the Soviet Union. I am pleased to join my colleagues in renewing that call today and in serving notice that our voices will not be stilled until our protests succeed.●

● Mrs. SCHROEDER. Mr. Speaker, I would like to take this opportunity to commemorate the sixth anniversary of the arrest of Anatoly Shcharansky, a courageous refusenik who has been at the heart of the Soviet Jewry movement for a decade. I also urge my colleagues to cosponsor House Resolution 67, expressing the sense of the House that the Soviet Government immediately release Shcharansky and allow him to emigrate.

Anatoly Shcharansky was first declined permission to emigrate in 1973. In 1977, he was arrested on phony charges of treason and sentenced to 13 years imprisonment where he has been subjected to the most brutal conditions.

Shcharansky wishes only to live in Israel with his wife Avital, in accordance with the Jewish traditions and values that he holds so dear. His greatest hope is the continued expression of international outrage at his treatment. House Resolution 67 and the special order will send an important message to the Soviets.

The number of people allowed to leave the Soviet Union has decreased. This fact is widely known, yet its significance is not clear. In 1979 the emigration process became significantly more complex. There has been an increase in the number of new obstacles in the path of would-be emigrants. Nothing has changed for the better concerning emigration to Israel from the Soviet Union. The time periods of refusal and the amount of time for screening applications has increased measurably. However, the ratio of refusals relative to the number of permissions remains basically stabilized.

Many of us in Congress have been very concened about the dwindling numbers of people who have been permitted to emigrate from the Soviet Union in recent years. In January, I joined with the Colorado delegation in protesting Shcharansky's unjust confinement and continued suffering. We urged the Soviet Union to recognize the human rights of Shcharansky and other Jewish citizens.

House Resolution 67 currently has over 175 cosponsors. If you have not already done so, I urge you to add your name to this important measure in order to demonstrate to the Soviet Union the depth of congressional concern for Anatoly Shcharansky.●

● Mr. ROE. Mr. Speaker, it is with great sadness that I rise today to commemorate a very sad occasion; the sixth anniversary of the cruel and unwarranted imprisonment of Anatoly Shcharansky by Soviet authorities.

As we praise this very brave man today, he sits gravely ill in a Soviet prison camp, wrongly accused of being a spy for the United States.

In fact, Anatoly Shcharansky was 29 years old when he was illegally sentenced to 13 years in prison on trumped up spying charges. He sadly "celebrated" his 35th birthday in that same cell 2 months ago.

Mr. Speaker, enough is enough. The entire free world knows that the only "crime" Anatoly Shcharansky was guilty of was being a member of a group formed to monitor the Soviet Union's compliance with the Helsinki accords of which the United States is a cosigner. It is time for all freedom loving people the world over to pressure the Soviet's into releasing Shcharansky and to allow him to join his wife, Avital, in Israel.

A key step in applying that pressure is passage by this body of House Resolution 67, which expresses the sense of the House that the Soviet Union immediately release Shcharansky and allow him to emigrate to Israel. I am proud to be a sponsor of that resolution.

The timing for that increased pressue on the Soviet's could not be better than it is today. Russia is undergoing its most severe economic and political turmoil since the Communist regime was established in 1917. The Soviet's invasion of Afghanistan has backfired. What the Russians thought would be an easy military exercise has developed into a long-range conflict, with no end in sight, that is draining the Soviet's monetarily and emotionally.

The same can be said for the Soviet's disasterous attempts to block expressions of individual freedom in Poland.

Economically, the Soviet economy is in terrible shape. Its wheat crop has been insufficient to feed its people forcing the Russians to turn to us for badly needed additional food supplies.

That situation has created a formidable weapon that this Nation must exploit. We must, in no unequivocal terms, mandate to the Soviets, that any further purchases of wheat or necessary technological equipment must be coupled with an agreeement for the release of Anatoly Shcharansky and other Russian prisoners of conscience.

After all, if we boycotted the 1980 Olympics over Afghanistan, we certainly can again impose economic sanctions over saving the lives of innocent people who face almost certain death in hideous Soviet prison camps.

It is very sad indeed that each year I must come before this great body and speak out in behalf of Anatoly Shcharansky, who indeed is the world's leading symbol against oppression and wrongdoing.

I can only pray that the ancient Jewish prayer of "Next year in Jerusalem" will be answered for this fine young man.●

● Mr. FORD of Michigan. It is indeed a great privilege to join my distinguished colleagues in the congressional call to conscience vigil in remembering the plight of the imprisoned Soviet dissident, Anatoly Shcharansky. Today we mark the fifth anniversary of his arrest in the Soviet Union. The courage and strong sense of conviction of this brave man serves as a model for all of us in the free world who continue to press the Soviet Government for his release.

Anatoly Shcharansky's crusade on human rights began after he was denied an exit visa to Israel in 1974. His wife, Avital, was granted permission to emigrate to Israel just 1 day after their marriage, with the understanding that Anatoly would be allowed to follow her in 6 months; however, he was never granted a visa. In 1975, when the Soviet Government signed the Helsinki accords on human rights, Shcharansky was hopeful he would be allowed to leave Moscow to join Avital in Israel. His denial of an exit visa is yet another example of the obvious hypocrisy of the Soviet officials, as the Helsinki accords specifically address the importance of family reunification and universal recognition of basic human rights. Shcharansky joined the Moscow chapter of the Helsinki Watch Committee and became a strong force behind this group so concerned about the deteriorating condition of Soviet citizens—in particular the plight of Soviet Jews. In 1977, he was arrested by the KGB and charged with treason and "anti Soviet agitation and propaganda." The KGB claimed he was a spy for the United States and was closely associated with the Central Intelligence Agency. Our Government has repeatedly disputed these allegations. His only "crime" is his insistence upon the Soviet Government that they abide by the provisions in the Helsinki accords on human rights—the right of family reunification and the free exercise of religious, political, and cultural freedoms.

Shcharansky's 13-year sentence is a great concern of mine because of the brutal treatment he is subjected to in prison. Having spent much of his time in solitary confinement, Shcharansky has been denied visitations from his mother and has been denied the right to send or receive letters to his family. He had not received adequate medical care despite his severe headaches and heart pains, and is fed very little food. His mother is particularly concerned about his chest pains because Anatoly's father died from a heart ailment. In protest to his treatment, Anatoly began a hunger strike last September which ended in January, further weakening his condition. These brutal conditions by the Soviet officials exemplify their flagrant disregard for human rights.

As the number of Soviet Jews allowed to emigrate to Israel decreases each year, and the plight of Anatoly and other Soviet prisoners continue, it is extremely vital that we continue to address our concerns to the Soviet officials. We shall not relent in our efforts and, by our actions here today, we again reinforce our conviction for human rights. I am encouraged by the number of colleagues who have joined with me in cosponsoring House Resolution 67, a resolution expressing the sense of the House that the Soviet Government should immediately release Anatoly Shcharansky from prison and allow him to emigrate, and urging the President and the Secretary of State to raise this issue in the strongest terms with Soviet officials.

Mr. Speaker, I am thankful for this opportunity to pay tribute to this remarkable individual. I am proud to report that the Helsinki Commission has again nominated Anatoly Shcharansky and seven others for the Nobel Peace Prize. I can think of no greater honor for this individual who symbolizes the plight of countless numbers of Soviet Jews and others whose fundamental rights are violated by Soviet authorities. He is an inspiration for all of us who cherish our freedom and independence so deeply.●

● Mr. FISH. Mr. Speaker, I join my colleagues today to speak out in a unified voice on behalf of Anatoly Shcharansky. We have come together to enter pleas for his release from prison and to ask that he be allowed to join his beloved wife Avital in Israel.

This is the sixth year of Anatoly Shcharansky's imprisonment. Throughout this time he has been harassed and mistreated, and his health has deteriorated. In September of last year, in protest over the injustices that he has had to endure, in a plea for his release, and in a desire to join his wife, Anatoly Shcharansky went on a hunger strike. Already in a weakened physical and mental condition due to his years of imprisonment, Anatoly Shcharansky chose to endanger his life, with the intent of giving it up entirely, to make a statement to the Soviet Union and to the world of his unshakable commitment to his belief in human rights. He continued this valiant effort, which included forced feedings every third day, for over 3½ months.

I met Anatoly Shcharansky and was impressed by his inner strength and fortitude, but I cannot imagine the bravery and dedication to his beliefs that led him to make this ultimate commitment to them—perhaps we can understand his despair. This is the sixth year of his imprisonment and also the sixth year that we have come together to plead for his release. I have spoken out often on behalf of Anatoly Shcharansky and I speak out again today. Of the strength of his spirit, we can have no doubt. Whether his body can physically endure is another matter. We must redouble our efforts and make use of every opportunity to obtain the release of a man that symbolizes the spirit and courage of Soviet Jews who seek only to live free from persecution and oppression.

I join my colleagues today to pledge to Anatoly Shcharansky and to the Soviet Union our continued efforts on his behalf.●

● Mr. LENT. Mr. Speaker, it saddens me that this Congress must once again commemorate that dark day, now 6 years ago, when Anatoly Shcharansky was arrested by the Soviet authorities.

Since that day, the world has watched as this brave young man was put through a mock trial during which he refused to abandon his beliefs. His predetermined verdict of guilty was handed down and ever since, Anatoly Shcharansky has lived his life in prison for the "crime" of protesting the Soviet Union's violation of the Helsinki accords on human rights.

I recently returned from a visit to the Soviet Union where I met with Leonid Shcharansky, the brother of Anatoly. He told me how he and his mother, Ida Milgrom, had traveled over 600 miles to visit Anatoly, only to be denied permission to see him. Once Anatoly's mother spent weeks in a hotel near her son's prison, hoping Soviet authorities would allow her to see him. They never did.

During this time, Anatoly was in the midst of his 4-month hunger strike.

The strike, begun on September 27, 1982, was made to protest the cutoff of all visits and correspondence to Anatoly. The heartless Soviet authorities not only imprisoned Anatoly Shcharansky, but they also wanted to isolate him from the rest of the world.

Recently, the Soviets allowed Anatoly to receive letters from his mother, and after serious complications to his health, he ended his fast. However, his health is still weak and his punishment remains harsh.

Mr. Speaker, it was heart-rending to hear from the brother of Anatoly Shcharansky the details of the cruel persecution Anatoly is enduring with such courage. The heartless rulers of the Soviet Union must be reminded in no uncertain terms of their crimes against humanity. We must redouble our demands for freedom and justice for Anatoly Shcharansky, and for the thousands of other Soviet citizens denied the freedom to practice the religion of their choice in the country of their choice.

Mr. Speaker, I look forward to the day when we in Congress, and other concerned citizens around the world, will, instead of lamenting another year of imprisonment for brave Anatoly Shcharansky, greet Anatoly in freedom and in good health. Until that day, I never will cease my efforts on his behalf.●

● Mr. UDALL. Mr. Speaker, I am honored to commemorate the sixth anniversary of the arrest of Anatoly Shcharansky. Like so many Soviet Jews, he has been a victim of Soviet human rights abuses. Mr. Shcharansky, with his hunger strike and extremely harsh living conditions, symbolizes the plight of many Soviet Jews and others whose fundamental rights are violated by Soviet authorities. As a target of official Soviet harassment and intimidation, I am deeply moved at this man's strength and courage.

Convicted of espionage, Mr. Shcharansky is a victim of trumped-up charges in which he was sentenced to 13 years of imprisonment. The severe living conditions which he has endured include isolation in solitary confinement, severe cold, and inadequate food, sleep, and health care. In protest of this treatment, and despite his already precarious health, Shcharansky undertook a 4-month hunger strike which began on September 26, 1982.

In tribute to this man, I join the congressional call to conscience vigil for Soviet Jews. In support of the human rights provisions of the 1975 Helsinki Final Act, I urge my fellow colleagues to exhort the Soviet Union to release Anatoly Shcharansky from prison. In doing so, I strongly support House Resolution 61 which is symbolic of our struggle to enforce human rights compliance through international law.●

● Mr. SCHUMER. Mr. Speaker, this week marks the commencement of the Third Annual International Conference in Jerusalem. Therefore, Mr. Speaker, it is appropriate that I rise to join Congressman OTTINGER in praising the heroic efforts of refusenik, Anatoly Shcharansky. Mr. Shcharansky's personal struggle for freedom and dignity has become a powerful symbol of the plight of the more than 3 million Jews who face daily repression in the Soviet Union. It has also become a measure of the Soviet Union's flagrant violation of the human rights principles contained in the Final Act of the Helsinki accords.

Mr. Shcharansky's "crime" was the promotion of human rights and the desire to emigrate to Israel. His punishment has been 6 years in a labor camp, where he has been isolated from his family and forced to endure brutal and inhumane living conditions. Despite failing health, Mr. Shcharansky undertook a 4-month hunger strike to regain the right to receive letters from his mother.

Shcharansky's imprisonment and isolation from his family, his people and the Jewish tradition parallels and reflects the condition of Soviet Jewry today. Soviet Jews are trapped in the Soviet Union, and have become increasingly isolated from their cultural and religious heritage. In their daily lives, they must confront the harassment and anti-Semitism that are all part of the systematic effort to uproot them from their Jewish identity.

The Soviets are trying to destroy Jewish life in the Soviet Union as surely as they are trying to kill Shcharansky in prison. Last year, Soviet Jewish emigration reached its lowest level in 12 years. Incidents of oppression and anti-Semitism, such as the banning of Hebrew classes and the indiscriminate arrests of Jews who actively participate in religious ceremonies, reached alarming heights. These stark facts demonstrate the degree of tyranny and degradation that the Soviet system is capable of imposing on its Jewish citizens.

As Members of Congress, we must never relax our efforts on behalf of Soviet Jews until this brutal reign of terror and oppression loosens its grip and allows the Jewish people to go free. We must continue to push the issue of Soviet Jewry to the forefront of the United States-Soviet human rights agenda. May Anatoly Shcharansky's struggle for survival and unity with his family and his people inspire us in our fight for his freedom and the freedom of all Soviet Jews.●

● Mr. PORTER. Mr. Speaker, I would like to call my colleagues attention to the inhumane and unjust treatment of Anatoly Shcharansky, a man whose life exemplifies the Soviet's utter disrespect for man's fundamental freedoms and their continual violations of human rights.

Today marks the sixth anniversary of Anatoly Shcharansky's arrest. For 6 years Shcharansky has sustained life in the notorious Chistopol Prison. Arrested for attempted monitoring of Soviet compliance of the Helsinki accords, Shcharansky was convicted and sentenced to 13 years in prison on charges designed to silence and punish a vocal critic of the Soviet human rights record.

For 6 years he has undergone unbearable treatment as an example to all who dare to criticize the Soviet's violations of human rights. He has been isolated in solitary confinement, his mail has been confiscated, and all family visits were officially banned. Resorting to the only aspect of his life that he could control, Anatoly began a hunger strike protesting this treatment.

After 4 months Shcharansky was close to death, alive only by force-feedings every 3 days. Finally, on January 14 Shcharansky ended his hunger strike following the exchange of messages between him and his mother.

The Soviets' extreme cruelty toward Anatoly Shcharansky is in complete violation of the spirit and the letters of the Helsinki Final Act and the United Nations Universal Declaration on Human Rights. Although the Soviets are signatories to both, it is obvious that they have chosen consistently to violate these human rights provisions.

Anatoly's case is a clear display of the rapidly deteriorating condition of all Soviet Jews. With emigration at a virtual standstill, it is apparent that all backgrounds face an increasingly terrifying future in the U.S.S.R. Harassment, imprisonment, exile, and denial of basic human rights exist in this depressed society. Until the Soviets respect the spirit of human rights we are all prisoners of conscience. We all must share in Mr. Shcharansky's imprisonment. None of us is free until Anatoly Shcharansky is free.

Today begins the Third International Conference on Soviet Jewry in Jerusalem. It is a sad day for the courageous fighter, Anatoly Shcharansky, and his wife Avital but we must not stand in sorrow and discouragement. We must use this date as a day of renewed strength that we will not tolerate this treatment, that we will not tolerate the denial of human dignity and freedom, and that we will not give up hope, commitment, or determination in the fight for the freedom of Anatoly Shcharansky,

Today, I join my colleagues in solidarity with those at the conference in Jerusalem, with Avital, Ida Milgrom, Leonid Shcharansky, with all refuseniks and Prisoners of Conscience, and most of all with Anatoly Shcharansky,

as we cry out with strength and conviction against those that threaten peace, freedom, and the rights of all mankind: Free Shcharansky now.●

● Mr. MINETA. Mr. Speaker, today I rise along with a number of my colleagues to speak in support of Anatoly Shcharansky. Mr. Shcharansky was a founding member of the Moscow Helsinki Monitoring Group and a leading figure in the Jewish emigration movement in Moscow.

For his efforts promoting religious freedom and freer emigration in the Soviet Union he has been imprisoned since 1977. While in prison his convictions have remained unshaken as shown by his recent 4-month hunger strike. Even in prison, he is a beacon for humanity's natural striving for personal and religious freedom. Today on the sixth anniversary of his arrest, I call on Soviet authorities, in accordance with the principles of the Helsinki accords and basic human rights, to release Anatoly Shcharansky immediately from prison and allow him to join his wife in Israel.●

● Mr. STARK. Mr. Speaker, I want to take this opportunity to join my colleagues in commemorating the sixth anniversary of the arrest of Anatoly Shcharansky. As we all know, Mr. Shcharansky has become a symbol of the repression and discrimination that has escalated against all Jews in the Soviet Union. And as a symbol, he brings to mind the hundreds of thousands of Soviet Jews facing the same treatment throughout the Soviet Union.

The Soviet human rights record of the last few years has become a contradiction in terms. Jewish emigration has come to a virtual standstill and shows no sign of increasing. Organizations such as the Helsinki Monitoring Group have been forced to disband because nearly all their membership has been imprisoned. All critics of the Soviet policy have been silenced.

It therefore falls to others, such as my colleagues who have joined me here, to take a more vocal stand with regard to these human rights violations. We must let the Soviets know that it is futile to repress critics within their country, because the message will continue to be heard.

It is a great responsibility we now have, but it is one I know we hold close to our hearts. To allow a man to join his wife and family in the country of his choice, to practice the religion of his choice is a basic human right. The Members of this body may not completely agree on many issues, but I believe that this is one where we agree unanimously. We call upon the Soviet Union to release Anatoly Shcharansky, and allow him to join his family in Israel, but we also call upon them to respect the rights of all Soviet Jews.●

● Mr. GUARINI. Mr. Speaker, it is a sad note for this world that we must meet as a body to highlight various nations' abuses of individuals' and groups' human rights. Today, once again we meet to commemorate the anniversary of the imprisonment 6 years ago of 35-year-old Anatoly Shcharansky.

As we are all aware, Mr. Shcharansky has been at the center of the Soviet Jewry movement since he was refused permission to emigrate to Israel in 1973. As a leading "refusenik," his outspokenness brought increased scrutiny from the Soviet regime. Imprisoned in 1977 on phony charges, he was sentenced to 13 years in jail. On top of this, his recent bride, Avital, was forced to leave the Soviet Union for Israel the day after the two were married in 1977.

The only crime that Anatoly Shcharansky committed was the "crime" that he was Jewish, that he wished to practice the religion of his fathers and escape from the harsh persecution of the Jews in the Soviet Union.

It is unfortunate that I am only too familiar with the treatment being accorded Anatoly Shcharansky by the United States. The family of one of my constituents, Boris Shenfeld of Jersey City, has been trying to leave the Soviet Union since 1979. On three different occasions Mr. Shenfeld's sister Geta Liberant and her husband Arkady have applied for permission to emigrate with their children. On each occasion they have been refused. As a refusenik, Geta Liberant has lost her job and the family is forced to live in an apartment that does not have the basic minimum amenities.

While the plight of Arkady and Geta Liberant is less life threatening than the treatment being accorded Anatoly Shcharansky, the two cases taken together are representative of the Soviet treatment of Russian Jewry. There are thousands upon thousands of people in the position of the Liberant family. At any time, the Soviets can decide that they are a threat and accord them treatment similar to that endured these past 6 years by Mr. Shcharansky.

There is no reason for the Liberants to be denied permission to emigrate and there is no reason why Mr. Shcharansky should be in jail. The Soviet Union must be held accountable for its treatment of both religious and political dissidents. The Soviet Union must follow the Helsinki accords of 1975 and allow its citizens the right to religious freedom and emigration.●

● Mr. BORSKI. Mr. Speaker, I join my colleagues today in speaking out against the Soviet Union's cruel treatment of Anatoly Shcharansky.

After being refused permission to leave the Soviet Union in 1973, Anatoly Shcharansky became one of the leaders of the Soviet Jewry movement. As an active member of the Helsinki Watch Committee, he fought for the right of Soviet Jews to join their families abroad. Shcharansky protested the Soviet Government's violation of the Helsinki accords by demonstrating with other "refuseniks" in the streets of Moscow.

In March 1977, the Soviet Government arrested Shcharansky on trumped-up charges of espionage and sentenced him to 13 years imprisonment. In fact, his only crime was to be a strong advocate of human rights. His outspoken defense of the right of Soviet Jews to emigrate to Israel made him a prime target of Soviet repression.

While in prison, Shcharansky has suffered greatly. His health has deteriorated from inadequate food and medical care, harsh living conditions and prolonged periods of isolation. Since early last year, Shcharansky has been refused visits by his elderly mother. When prison authorities cut-off messages from his mother, Shcharansky began a hunger strike despite his already weakened condition. He ended his fast last month after he was permitted to exchange messages with his mother.

The plight of Anatoly Shcharansky is being repeated all over the Soviet Union today. The Soviet Government is intensifying its efforts to harass and isolate the Soviet Jewish community. Soviet authorities have embarked upon a campaign to ban Hebrew education programs, confiscate religious books and articles and give prominence to anti-Semitic statements in the media. Discrimination against Jews in employment and education is on the rise, and increasing numbers of Jews are being arrested and imprisoned for engaging in Jewish cultural activities.

The deteriorating condition of Soviet Jewry is dramatically reflected in last year's emigration figures. In 1982, only 2,698 Jews were allowed to leave the Soviet Union, as compared to 51,320 in 1979.

Anatoly Shcharansky's struggle symbolizes the struggle facing all Soviet Jews. It is a battle for justice, compassion and humanity. Shcharansky's courage and determination challenge us to make sure the world does not forget the plight of Soviet Jewry. We must continue to speak out forcefully against Soviet human rights abuses, and do everything in our power to exert pressure on the Soviet Government to comply with international law and improve its treatment of Soviet Jews.●

● Mr. SIKORSKI. Mr. Speaker, I am pleased to join with my colleagues in commemorating the sixth anniversary of the arrest of Anatoly Shcharansky.

I believe that the continued imprisonment of Anatoly Shcharansky is a

base and telling denial of basic human rights. Shcharansky simply wants to live with his wife as a free man. If this means that he must leave his native homeland for the State of Israel, he should be allowed to do so.

We are not talking about a political issue. We are talking about a moral issue. We must continue to do everything in our power to present to the international community the case of Anatoly Shcharansky and other Soviet refuseniks who want to practice their faith, free from harassment and threats of imprisonment.

As a member of the 98th Congressional Class for Soviet Jewry, I stand firm in my support for the immediate release of Anatoly Shcharansky.

● Mr. ACKERMAN. Mr. Speaker, I would like to share with my distinguished colleagues a very meaningful definition as found in "Webster's New Collegiate Dictionary":

Martyr—(1) One who voluntarily suffers death as the penalty of witnessing to and refusing to renounce his religion; (2) one who sacrifices his life or something of great value for the sake of principle; (3) victim, especially a great or constant sufferer.

Anatoly Shcharansky is a martyr. By our latest information, Shcharansky is still alive, but he willingly courted death by starvation in order to protect his principles. He is not a martyr by choice, for nobody aspires to that position. His martyrdom is a condition thrust upon him by a government that deals in repression and persecution.

While this is the sixth anniversary of Shcharansky's arrest, his persecution really began 10 years ago when he committed his crime: applying for permission to emigrate to Israel. Those of us who have long been concerned by Shcharansky's plight can recite the whole lamentable litany of persecution—arrested in 1977 on trumped-up charges of treason, detained incommunicado for 16 months, eventually sentenced to 13 years of imprisonment.

The conditions of his imprisonment have been relayed to the world by his diligent wife, Avital, and his mother, Ida Milgrom: Solitary confinement, hard labor, denial of contact by mail or in person with his family, and probably many other indignities unknown to us but which led to his last-ditch hunger strike in September. His mother was recently told by a guard on an unsuccessful visit to her son: "You don't want to see him; he doesn't look like you or me."

Anatoly Shcharansky's treatment is made even more tragic by the fact that it is not unique to his case. Hundreds of thousands of Jews in the Soviet Union today face the same religious persecution and mental and spiritual, if not physical, torture. They are not allowed to leave; they are not allowed to live as Jews.●

Human rights activists around the world had hoped against hope that with a new leader the situation in the Soviet Union would ease; that Andropov would reverse the trend of emigration which plummeted from 51,320 in 1979 to 2,688 in 1982. So far the pleas have fallen on deaf ears. The January and February emigration figures are pitiful—81 and 125 respectively. Compare this to the 380,000 who have reportedly shown an interest in leaving.

On August 1, 1975, the Soviet Union signed the Helsinki Final Act, pledging to respect "human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief." The Kremlin also promised to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family." Shcharansky's wife lives in Israel. His treatment has been anything but positive and humanitarian.

In December 1982, a Washington Post columnist suggested that it would be a good public relations gesture on the part of Andropov to release Anatoly Shcharansky. It would be more than that. It would be a message that the Soviet Union intends to honor its human rights agreements and could start a thaw felt around the world.●

● Mr. CORCORAN. Mr. Speaker, today I join my colleagues in an appeal for justice and respect for human rights throughout the world. Specifically, on the fifth anniversary of his arrest, we remember today Anatoly Shcharansky, who was imprisoned by the Soviet Union because of his religious beliefs and his desire to live in Israel with his wife, Avital. For years, he has been used by the Soviets as an example to other Jews who have considered leaving. Through bitter conditions, and mental and physical abuse, he has survived—only to be repeatedly denied exit requests.

Today we take another opportunity to plead his case before the worldwide community of those who care for human rights and freedom. We urge that his release be expedient, ending this absurd waste of human dignity. The Soviet Union must be pressured to honor its obligations under the Universal Declaration of Human Rights, the International Convenant of Civil and Political Rights, and the Helsinki Final Act.

The Jewish situation in the U.S.S.R. grows steadily worse; emigration has dropped 95 percent from 1979 to 1982. Thousands await our help.

Mr. Shcharansky, if an example to his fellow Soviet Jews, also exemplifies for those of us living in freedom a powerful human spirit which thrives despite ill-treatment and repeated rejection. This spirit enables him and his fellow refuseniks to continue to hope for release to the free world; we who are already part of that world must never forget them nor yield in our pursuit of their liberty.●

● Mr. FORD of Tennessee. Mr. Speaker, I join with my colleagues today in a unified appeal for the release of Anatoly Shcharansky, on this, the sixth anniversary of his imprisonment.

The imprisonment of Shcharansky is a reminder of the oppression guaranteed to those in the Soviet Union who seek to live a free life. Shcharansky was convicted on alleged charges of treason for having ties with the American CIA. These accusations were unfounded, and denied at all levels of the U.S. Government.

The real reasons for his imprisonment are not criminal at all, except in the Soviet sense. Shcharansky wished to emigrate to Israel so he could be with his wife. He attempted to keep alive Jewish traditions in the Soviet Union, and to help Soviet Jews in their struggle for religious freedom.

For these actions Shcharansky was sentenced to 13 years in prison. Over the 6 years which he has served, his health has greatly deteriorated due to the inhumane living conditions of Soviet prisons and labor camps. In 1981, Shcharansky was hospitalized for 33 days after he collapsed from hunger. This collapse came as a result of an extended stay in a punishment cell, where prisoners are fed every other day on small, meatless rations.

Shcharansky recently completed a 4 month hunger strike to protest the inhumane treatment he was receiving. His health continues to worsen, as he suffers from heart pains and inadequate health care. In addition to the physical abuse he has suffered, Shcharansky is allowed no psychological comfort in the form of visitors or correspondence. Many of his days are spent in solitary confinement.

While we can admire the courage and perseverance of Anatoly Shcharansky as he continues his struggle for freedom, we must not stand back and allow the blatant human rights violations of the Soviet Government to continue. Shcharansky and others like him are political an spiritual symbols not only for Soviet Jews, but for all peoples who are denied their freedoms by oppressive governments. Their cry must be heeded.●

● Mr. LEHMAN of Florida. Mr. Speaker, as we commemorate the sixth anniversary of Anatoly Shcharansky's arrest and imprisonment by Soviet authorities, yet another year of darkness has passed for this brave man. I join my colleagues today in denouncing the continued persecution of Shcharansky, whose only wish has been to exercise his right to live in the country of his choice, Israel.

I would like to briefly review the history of harassment and persecution to which Anatoly Shcharansky has been subjected since his first application to

emigrate from the Soviet Union to Israel in 1973, at age 25. He immediately lost his job as a computer scientist, and every subsequent request for permission to emigrate was denied. He was detained repeatedly by a KGB campaign of continual harassment, having spent a total of 100 days in prison on various charges, including 15 days for merely asking an official why he could not obtain an exit visa.

Anatoly was married on July 4, 1974, and only 1 day later his wife was forced to choose between immediate emigration or accept renewed threats against her husband if she chose not to leave. Since emigrating, she has devoted her life to working for his freedom.

As a founding member of the Helsinki Monitoring Groups in the Soviet Union, which were designed to assess Soviet compliance with the human rights provisions of the 1975 Helsinki agreement, Anatoly was one of a courageous group who supported their own government's expressed policy of guaranteeing free emigration. He was, nevertheless, severely punished for doing so and has now been followed by the imprisonments of refuseniks and so many other dissident leaders who dared to criticize Soviet violations of human rights.

Anatoly Shcharansky's health has deteriorated as a result of continued persecution directed toward him in prison. His sight has suffered, and in recent months he has embarked on a hunger strike to protest his severe treatment. This situation has raised the level of international concern for his well-being, and the determination to intensify international efforts for his release. This concern is now being expressed at a world conference on Soviet Jewry taking place in Israel.

The Reagan administration must do more to obtain Shcharansky's release. I recently presented more than 6,000 post cards collected by members of the South Florida Conference on Soviet Jewry to Secretary of State George Shultz and requested his personal intervention on behalf of Anatoly Shcharansky. Secretary Shultz's pledge to do so has been noted, and we await word of some progress. Until Anatoly Shcharansky is free to join his wife Avital in Israel, United States-Soviet relations will not improve.

As a cosponsor of House Resolution 67 expressing the sense of the House that the Soviet Government immediately release Shcharansky and allow him to emigrate, I join in urging the Soviets to come to their senses, to put this human rights and public relations disaster behind them, to assume their responsibilities under the Helsinki agreement, and to move forward in seeking United States—Soviet understanding.●

● Mr. EVANS of Illinois. Mr. Speaker, we are all aware of the terrible suffering which is currently being experienced by hundreds of Jews who are political prisoners in the Soviet Union, but the plight of Anatoly Shcharansky merits the special attention being given by our colleagues today. Shcharansky is one of the most outspoken critics of the Soviet Government's flagrant disregard for basic human rights, and he is paying a very high price for his courageous stand on behalf of oppressed Jews in the U.S.S.R.

For reminding the Soviet Government of its agreement to the human rights provision of the 1975 Helsinki Final Act, Shcharansky was sentenced to 3 years in prison and 10 years in a labor camp. He has served 6 years of his sentence, many fear he will never live to see the day of his release. In 1981, Shcharansky spent almost 6 months in solitary confinement in a Soviet labor camp, and was then returned to prison following a determination that he was a bad influence on other labor camp prisoners. He has since been denied any contact with his family.

Shcharansky is now entering his fifth month of a hunger strike to protest his isolation and lack of visitation rights. To date, his protest has been ignored by Soviet officials, and his health has badly deteriorated. Despite assurances from his captors that he is alive, no one, including his mother, has been allowed to see Shcharansky for over a year.

It is indeed unfortunate that Members of Congress must continue to call attention to the plight of Soviet dissidents such as Anatoly Shcharansky, as these individuals should be enjoying the rights agreed to by the Soviet Government during the Helsinki accords. Yet, the Soviet Union's treatment of Shcharansky and hundreds of Jews like him is a constant and sad reminder of their refusal to abide by these basic doctrines. I remain hopeful that the Soviet leaders will someday respond to the thousands of voices throughout the world who are protesting on behalf of Soviet Jews. Until the day that Shcharansky and others are allowed to emigrate from the Soviet Union, however, our voices will never be silenced.●

● Mr. TORRICELLI. Mr. Speaker, 6 years ago today, Anatoly Shcharansky was arrested and charged with treason by Soviet authorities. He was then sentenced to 13 years forced labor in prison camps. After his imprisonment he began a self-imposed hunger strike which still continues, and today, it is necessary that he be force fed every 3 days. Mr. Speaker, Shcharansky's only offense against the Soviet Government was his desire to emigrate to Israel and his involvment in the Soviet Jewry movement.

The continued suffering of Mr. Shcharansky is a symbol of the plight of all Jews in the Soviet Union. He reflects the Jewish dignity and strength in the face of oppression.

Today in that country Soviet authorities have placed severe restrictions on the right of Soviet Jews to emigrate. In 1982, only 2,692 Jews were allowed to leave the U.S.S.R. as compared to an emigration highpoint of 51,320 in 1979. In January of this year only 81 Jews were granted exit visas. Projected over the entire year this will mean a total of less than 1,000 emigrants for 1983.

At the same time, Soviet authorities have intensified their harassment of the Soviet Jewish community through arrests, imprisonment, banning Hebrew education programs, confiscating books and religious articles and giving prominence to anti-Semitic statements in the press.

The treatment accorded the Jewish people in the Soviet Union is a flagrant violation of humans rights. As an American and as a Member of Congress I am angered at this continued and intolerable oppression.

We in the United States who value human rights must stand up and oppose this outrageous treatment of Jews in the Soviet Union. Robert F. Kennedy once said that "the denial of religious liberty is an ugly blot on the human conscience wherever and whenever it occurs." On this sixth anniversary of the arrest of Anatoly Shcharansky, let us recommit ourselves to speak out against this oppression and remove this ugly blot from the human conscience.●

● Mr. BERMAN. Mr. Speaker, in honoring Anatoly Shcharansky today, we recognize that the plight of Soviet Jews is more than just a problem of a sharp decline in the numbers of emigres, although the numbers do document an immense human tragedy. In 1979, 51,320 Jews emigrated from the Soviet Union. In 1982, only 2,692 Jews were allowed to emigrate—a 95-percent decline.

On this occasion, we recall that the masses who are kept in the Soviet Union against their will are made up of individuals—heroic men and women who are making tremendous sacrifices for justice and freedom.

Anatoly Shcharansky has sacrificed his health, and has been prepared to sacrifice his life, in order to call attention to the persecution faced by him and thousands like him. Shcharansky embarked on a hunger strike to underscore his plight in the eyes of the world, even though his health had been broken by physical abuse in prisons and labor camps.

Anatoly Shcharansky has faith in the power of peaceful appeals for justice. A founding member of the Soviet Committee for the Implementation of the Helsinki Accords, Shcharansky clearly believes that Soviet officials

can be held to the humanitarian principles to which they have subscribed. Shcharansky and his colleagues have demonstrated that nonviolent action can prove a tremendous force for human rights, even the actions of the least powerful subjects of a mighty regime.

The power of Shcharansky's protests is magnified a thousand times when the international community recognizes and applauds them.

Both public attention and quiet diplomacy will be essential to erode the prison walls that enclose Anatoly Shcharansky, and to open the borders that seal in those who wish to leave the Soviet Union.

It is most fitting that we publicly commemorate this sixth anniversary of Anatoly Shcharansky's arrest.

It would be a victory for humanity were Shcharansky to receive the Nobel Peace Prize, as has been proposed by the gentlewoman from California (Mrs. BOXER).

It is crucial that the highest American officials make appeals on Shcharansky's behalf in their dealings with Soviet officials.

Officials of the State Department should make a point of raising with their Soviet counterparts, over the course of a year's contacts, every individual case where a Soviet citizen is denied freedom to emigrate, or faces persecution because of his efforts to further freedom and human rights.

Mr. Speaker, the silent suffering of Anatoly Shcharansky, and of the thousands whom he represents, has spoken far more loudly than the charges and countercharges hurled between the leaders of the superpowers. Today, we add our voices to these Soviet citizens' most eloquent appeals for freedom.●

● Mr. AUCOIN. Mr. Speaker, I am pleased to join my colleagues in expressing my concern for the struggle carried on by Anatoly Shcharansky against the deplorable human rights policies of the Soviet Union.

I commend my colleagues SID YATES, SILVIO CONTE, DICK OTTINGER, and others for organizing this important demonstration of congressional concern for this courageous man.

For years I have followed with outrage the mistreatment of Anatoly Shcharansky and was particularly struck by a statement recently made by his wife, Avitol.

Noting that no one has seen him or received a letter from him in over a year, and that authorities have denied Shcharansky's mother the right to see him, she said: "He must be in such a state that they dare don't show him to his mother."

The Soviet Union may be able to visibly hide Shcharansky, but they cannot hide his cause and what he stands for. The fact that "they dare not show him" only emphasizes the need for us to show the Soviet Union that we have not given up the fight.

Five years ago, Prisoner of Conscience Anatoly Shcharansky was found guilty of "treason" and "anti-Soviet agitation and propaganda" and sentenced to 13 years in labor camp for crimes he did not commit. Indeed, his only crime is his desire to see his family and emigrate to Israel to join his wife.

On September 27, 1982, Anatoly began a hunger strike to protest the Soviet authorities' confiscation of his mail and the official banning of family visits, despite the right to such visits under Soviet law.

Following an exchange of notes with his mother in February, Anatoly abandoned his hunger strike. This has been the only contact with Shcharansky since over a year ago when his mother, Ida Milgrom, and brother Leonid were allowed to visit him at Chistopol Prison. He has had virtually no communication with his wife, Avitol, and from all reports he is weak and suffering ill health.

In December, Mrs. Milgrom and Leonid were granted permission to visit Anatoly. However, after an arduous 500-mile journey to the prison, they were turned away by officials and never allowed to see him.

As we mark with sadness yet another year of his imprisonment, we continue to admire the strength and courage of Anatoly Shcharansky. He is a leader of the dissident movement in the Soviet Union and one of the principal forces behind the refusenik initiative. He founded the group to monitor implementation of the Helsinki accord in the U.S.S.R., the very agreements intended to protect the civil, political, and human rights of all Soviet citizens.

The repression and harassment of Shcharansky is disturbing not only because it flies in the face of international agreements and standards of human rights, but because it is a stark reflection of the anti-Semitism that is a part of official Soviet policy.

The cutoff of Jewish emigration from the U.S.S.R. is alarming. Less than 3,000 Soviet Jews were allowed to leave the country last year compared to 51,000 in 1979. What is worse is that this trend appears to be intensifying. Hopes that the new Soviet regime would pursue a more human emigration policy appear dashed.

The story of Anatoly Shcharansky is nightmarish. If this were the only story, it would be bad enough, but it is only one of many. As Mrs. Shcharansky said herself, "The fate of my husband today symbolizes the fate of the Jews from the Soviet Union."

Relations between the United States and the Soviet Union may be frayed right now. But we should not let this stop us from calling attention to the issue of human rights and the plight of all those suffering under Soviet authority.

Just as the harassment, arrest, and imprisonment of Soviet Jews continues, so must our commitment to their cause. We pledge our efforts to ending this injustice and call on the Soviet Union to release Anatoly Shcharansky.●

● Mr. O'BRIEN. Mr. Speaker, as a member of the Congressional Human Rights Caucus, I want to join my colleagues in commending all those organizations working to aid individuals, such as Anatoly Shcharansky, who are denied basic human rights.

Violations of the most fundamental rules of decent human behavior occur, unfortunately, in almost all parts of the world, and among the most severely repressed are thousands of Soviet Jews. Most of them are guilty of nothing but dedication to their religion, for which they are treated cruelly and unfairly.

For reasons known only to itself, the Soviet Government refuses to permit these people to leave Russia and emigrate to Israel or other free nations, and meanwhile carries on a systematic effort to quell any protest or dissent within its own borders. This denial of civil liberties is deplorable, and I join with my friends, colleagues, and lovers of liberty throughout the world in appealing to the leaders of the Soviet Union to reconsider and ease the repressive policy toward Jews.●

● Mr. RINALDO. Mr. Speaker, I join my distinguished colleagues in calling for the release of Soviet refusenik Anatoly Shcharansky. Today marks the sixth anniversary of his imprisonment by the Soviet authorities. The 34-year-old computer scientist was arrested on March 15, 1977, on charges of "treason" and "anti-Soviet agitation and propaganda." His crime was that he wanted to emigrate to Israel and, like thousands of other Soviet Jews, was refused. Because he demonstrated in the streets of Moscow along with other refuseniks, he became a candidate for Soviet punishment.

Mr. Shcharansky was sentenced to 3 years in prison followed by 10 years in labor camps. After he was transferred to a camp, he was repeatedly incarcerated in a punishment cell and finally, in late 1981, was sentenced to spend 3 more years in prison for "failing to work at rehabilitation and continuing to consider himself innocent."

Visits by Mr. Shcharansky's elderly mother to the Christipol prison in the Tatar Republic have been cut off since last January, and for over a year he was denied the right to send or receive letters from his family or friends. He has been subject to the most brutal of Soviet treatment in the gulag, including severe cold and inadequate food, sleep, and health care. In protest over this barbaric treatment, Mr. Shchar-

ansky began a hunger strike on the eve of Yom Kippur, September 27, 1982, and ended it 4 months later only after he was allowed to exchange messages with his mother.

The denial of Mr. Shcharansky's right to rejoin his wife, Avital, in Israel and his harassment by the Soviet authorities is not an isolated incident. Thousands of Jews have been systematically denied the right to leave the Soviet Union; there has clearly been a calculated policy by the Soviet authorities to suppress all Jewish efforts at emigration. This state-sanctioned policy of anti-Semitism is an affront, not just to Jews but to all mankind. It demonstrates the inhumanity of Soviet tyranny. I note with particular sadness that Jewish emigration has been slowed to a trickle of 250 persons a month, compared with the floodtide of more than 4,000 a month in 1979.

The Soviet Government's brutal treatment of Mr. Shcharansky has left him weak and emaciated. Yet the example of his courage and his commitment to justice shines out of the Soviet darkness. In the confrontation between Yuri Andropov and Mr. Shcharansky, we see the depths and the heights of which mankind are capable.

It is depressing that these violations of human rights, in direct contravention of the Helsinki accords, are being perpetrated by a generation of leaders who claim to have fought Nazi tyranny and to have helped end the Holocaust. Civilized men, for whom the support for human rights is second nature, must continue to protest the tyranny that continues to befall Anatoly Shcharansky and countless other Jews, until the divine injunction, "Let my people go," penetrates the walls of the Kremlin.●

● Ms. FERRARO. Mr. Speaker, 6 years ago today a 29-year-old computer technologist named Anatoly Shcharansky was arrested in Moscow and charged with treason and anti-Soviet agitation and propaganda.

Shcharansky's real "crime" against the Soviet state is his insistence on the human rights of Soviet citizens and his ongoing battle to emigrate to Israel to join his wife, Avital.

Still a young man, his health is broken but his status as a symbol of human rights has never been stronger. The Soviets see Shcharansky and all Jewish citizens seeking to emigrate as pawns in their game with the West. We know these people are not pawns but heroes and heroines.

The faint hopes we had that the advent of Andropov might mean a change in Soviet policy toward Jewish citizens have faded. Our most powerful weapon in the fight for human rights is the power of publicity and international outrage. The Soviets must not be allowed to think, for a single minute, that we have forgotten, or no longer care about their human rights violations.

That is why I recently joined the new House Human Rights Caucus. That is why I took time at a lunch a few weeks ago to remind Soviet Ambassador Dobrynin of my concern about Ida Nudel, Shcharansky's comrade in conscience.

And that is why I am pleased to join so many of my colleagues in recognizing the courage and unyielding commitment of Anatoly Shcharansky.

I hope we will soon get a chance to send a more direct message to the Soviet Government, in the form of House Resolution 67, which expresses the sense of this House that the Soviet Government immediately release Shcharansky and allow him to emigrate to Israel.●

● Mr. SMITH of Florida. Mr. Speaker, today is the sixth anniversary of the arrest of Soviet dissident Anatoly Shcharansky. The Soviet political system made him into the international symbol of the denial of basic human rights. Individuals such as Anatoly Shcharansky become martyrs by the mere act of applying for an exit visa. The statement the refuseniks make to their government changes their entire life. They are denied their citizenship, removed from their place of residence, and stripped of their occupation and dignity. These individuals are forced into the roles of activists and dissidents. The Soviet Union is guilty of abusing these citizens who are merely trying to exercise their rights.

Since Shcharansky was denied his request to emigrate to Israel in 1973, he has been subject to Soviet cruelty, harassment, and extremely harsh conditions. Thus far, he has survived isolation, inadequate food, and poor health care. In protest of his treatment, Shcharansky began a hunger strike on September 26, 1982, which he recently ended after 4 months. The eyes of the world are following Shcharansky's plight, especially since he epitomizes the struggle of the Soviet Jewry movement. I, along with other Members of Congress have cosponsored House Resolution 67, to express our desire to have Shcharansky immediately released by the Soviet Government and to raise the terms of Shcharansky's inhumane treatment at every opportunity with the Soviet Government.

The Soviet Union's practices blatantly contradict the Helsinki accords and the U.N. Universal Declaration of Human Rights. These two documents, which the international community holds in high esteem, receive only lip service from the Soviet Union. Emigration backlash has made life for the Soviet citizen who applies for an exit visa very difficult. These people live with uncertainty, harassment, intimidation, and are treated brutally by the Soviet system. The bottom line is the more a Soviet citizen presses for his legal rights through legal channels, the more he is denied the rights of life. We must keep speaking out so that one day they have the fundamental rights that all Americans enjoy.●

● Mr. KOSTMAYER. Mr. Speaker, today, I join my colleagues in recognition of the fifth anniversary of the arrest of Anatoly Shcharansky.

Shcharansky is a 34 year-old mathematician who was charged with espionage by the Soviet Government. After a 4-month hunger strike, he is in poor health, suffering from inadequate health care and outright neglect.

His imprisonment on fictitious charges is reprehensible enough in its own right. But it also symbolizes what is at the core of Soviet treatment of its Jewish citizens, and that is, Mr. Speaker, plain and simple discrimination. Everything about Anatoly Shcharansky's imprisonment leads one to the conclusion that the Soviet Government enforces blatant anti-semitism as government policy.

Despite what the Washington Post of January 15, 1983, described as "harassment from officials," Shcharansky has continued to stand for what he believes in and has not succumbed to the pressures placed upon him. His wife has traveled throughout the world, meeting President Reagan, British Prime Minister Margaret Thatcher, and French President Francois Mitterrand in hope of alleviating the plight of her husband. In fact, Mr. Speaker, I met with her when she visited concerned Members of Congress some time ago.

I deplore the actions taken by the Soviet Government toward Mr. Shcharansky. His release would serve as a signal that the treatment of Jews in the Soviet Union can improve. His freedom would bring us closer to peace in these perilous times. I call on my colleagues to join me in commemorating this courageous man and I hope our action today will, in some small way, result in bringing the release of Mr. Shcharansky closer.●

● Mr. DOWNEY of New York. Mr. Speaker, I rise to join my colleagues in commemorating the sixth anniversary of the arrest of Anatoly Shcharansky. His unshaken spirit is exemplary of a Soviet Jewry movement battling defiantly against an increasingly bleak and brutal backdrop.

The conditions under which Anatoly Shcharansky serves out his unjust 17-year sentence confirm our worst suspicions about Soviet respect for human rights. Shcharansky recently ended a hunger strike that brought him close to death. His strike demand was basic—the right to contact the outside world. The hunger strike attracted world attention to Shcharansky and the Soviet Jewry movement for which

he remains a leading symbol. But the end of his strike is in no way the end of his struggle. With Jewish emigration from the Soviet Union at its lowest point since 1970, and Soviet repression of Jews on a terrifying increase, organized action has taken on an electrifying immediacy.

There are many avenues to channel our active solidarity with Soviet Jews. We can work to bring the discussion of the rights of Soviet Jews to agendas for international conferences. We can travel to the Soviet Union, to see for ourselves the tragedy of the refusenik and bring important attention to their plight. We can communicate directly to Soviet officials our continued focus on their disregard for human rights and urge the White House and State Department to do the same. We can draft resolutions and legislation supportive of the cause of Soviet Jewry. And we can participate, as we are doing today, in organized discussions on behalf of the struggle for Soviet Jewry.

Our efforts can bring the situation of Soviet Jews to world attention and consciousness. We must prove that the world community has not only an awareness of these injustices, but also a conscience that will not allow these cruel and callous acts to continue toward Anatoly Shcharansky and all Soviet Jews.

The Soviets have demonstrated their fear of the truth by their powerful actions to silence Soviet Jews. We must demonstrate our commitment to the truth by raising our collective voice in outrage.●

● Mr. WAXMAN. Mr. Speaker, Anatoly Shcharansky was arrested 6 years ago today and accused falsely of being an intelligence agent for the United States. In fact, he had committed no crime, for his efforts to monitor the Helsinki accords did not violate any Soviet laws. And because he did not violate any Soviet laws, the Government found it necessary to trump up charges against him.

During these 5 years, Shcharansky has continued to struggle for the rights ostensibly guaranteed Soviet citizens. He has refused to give up. Instead, under the worst of all circumstances, he daily battles the physical and mental oppression showered on him.

Shcharansky is only 1 of 51 persons imprisoned by Soviet authorities for their activities in behalf of the Helsinki Final Act, but his ordeal has come to exemplify the tragedy of his fellow prisoners and the failure of the Soviet Union to live up to this solemn agreement.

The manner in which the Soviet Union deals with Anatoly Shcharansky, Mr. Speaker, and with other men and women who ask nothing more than the rights enumerated in the Helsinki accords, the United Nations Universal Declaration of Human Rights and in the Soviet Constitution itself is remarkably similar to the way the czarist regimes of old dealt with their opponents.

It is time for the Soviet Government to recognize the rights of its citizens and I urge Yuri Andropov, the new Soviet leader, to show he is not afraid of a paltry number of dissidents, to release them from prison and to allow them and others who may desire to emigrate to do so.

Until this happens, until the Soviet regime recognizes the human rights of all its citizens, it can never pretend to being a world leader in any area other then oppression.

And just as history condemns the czars for their brutality and glorifies the men and women who fought them, so history will condemn the Soviet successors of the czars and extol the valor of men such as Anatoly Shcharansky.●

● Mr. MACK. Mr. Speaker, today marks the sixth anniversary of the arrest of Anatoly Shcharansky. On March 15, 1977, he was charged with "treason" and "anti-Soviet agitation and propaganda" against the state. As we all know his real crime was his desire to emigrate to Israel and for this desire he was given a 13-year prison and labor camp sentence.

Recently, Shcharansky ended a 109-day hunger strike to protest rights denied him by prison authorities. For over a year, these prison officials refused Shcharansky any contact with his family, either by letter or personal visits. The hunger strike ended on January 14, 1982, when his mother, after making the long journey to Chistopol Prison, demanding to see her son, was allowed to exchange letters with him. This courageous individual would not give into such barbaric treatment until communication was resumed.

We in the free world not only applaud such a brave act, but must speak out in support of Anatoly Shcharansky's courage and determination to regain his freedom. Our Government cannot stand idly by and watch the Soviet Union blatantly continue to violate the rights of an innocent man.

Today, I join with my colleagues in urging that Anatoly Shcharansky be immediately released from Chistopol Prison and allowed to rejoin his wife in Israel. We can only hope that at this time next year, Anatoly Shcharansky will be a free man.

At this point I would like to call the attention of the House to an article that recently appeared in the newsletter of the Sarasota-Manatee, Fla., Jewish Federation, which gives a grave and disturbing update on the situation currently facing Soviet Jewry:

DISASTER FOR SOVIET JEWRY

The plight of Soviet Jewry worsened considerably last year. Virtually all facets of Jewish life there deteriorated. The most disturbing feature was the precipitous drop in the number of Jews allowed to emigrate.

According to year-end figures released by the National Conference on Soviet Jewry and the Greater New York Conference on Soviet Jewry, 2,670 Jews were given exit visas, a drop of about 72 percent from 1981 when 9,447 Jews were allowed to leave, and an unprecedented 95 percent drop from the 51,320 exit permits granted in 1979 which was the peak year for Jewish emigration.

The two Soviet Jewry groups pointed out that the road to freedom is now closed to Soviet Jews. Soviet authorities during the fiscal year of the Brezhnev regime systematically isolated Soviet Jews from the world Jewish community and from their historic, religious and cultural roots. Although the Soviets signed the Helsinki Final Act in 1975, they have consistently violated its human rights provisions.

Along with the decline in issuing exit visas, Soviet authorities have unleased a wave of threats and arrests of Jewish activists and have intensified oppression of Jewish culture and religion. Theodore Mann, chairman of the National Conference on Soviet Jewry, pointed to the dire consequences of this:

"These arrests and threats nurture fear among the refuseniks throughout the Soviet Union—the fear that not only will the fulfillment of their dreams of emigrating to Israel be stunted indefinitely, but that their lives will be constantly disrupted by the KGB and by the misuse of the law practices by the Soviet authorities."

The status of Jewish prisoners of Conscience also deteriorated significantly in 1982. Anatoly Shcharansky, sentenced in 1978 to 13 years imprisonment, began a hunger strike in September to protest his total isolation by Soviet authorities. Aleksandr Paritsky, sentenced in 1981 to three years in a labor camp, was transferred in October to a strict regime prison as further punishment for refusing to recant his "crimes." Former POC Iosif Begun, twice exiled, was arrested again and now awaits an unprecedented third trial and a long term in prison or labor camp. Long-term refusenik Feliks Kochubievsky of Novosibirsk received a two-and-a-half-year labor camp sentence.

Western governments and world Jewry must respond vigorously and consistently to this barbarism. Jews in Western countries must demonstrate to their governments that the issue of Soviet Jewry is at the top of their national communal agenda. Western governments must attempt to raise the issue of emigration and the treatment of Soviet Jewry at every meeting with Soviet officials, on all levels. Jewish emigration must become the litmus test for the acceptability of Soviet behavior. The new Soviet leader, Yuri Andropov, must be told: "Let Soviet Jews live as Jews, or let them leave."●

● Mr. LEVINE of California. Mr. Speaker, today marks the sixth anniversary of the arrest of Anatoly Shcharansky. Anatoly Shcharansky applied for and was denied permission to emigrate to Israel in 1973. On March 5, 1977, he was arrested for "treason" and "anti-Soviet agitation and propaganda." Anatoly Shcharansky, a young computer technologist, was sentenced by a Moscow court on July 15, 1978, to 3 years in prison followed by 10 years in a corrective

labor colony. Before his arrest, he was a leading campaigner for the right of Soviet Jews to emigrate, and a member of the unofficial Moscow Helsinki monitoring group.

Anatoly Shcharansky is now serving the fifth year of this sentence. Now in Chistopol Prison, Shcharansky is subjected to the hardest form of punishment in the Soviet prison system, and on September 27, 1982, he began a hunger strike, a protest against the repeated confiscation of his mail and denial of visitors. During his 109-day hunger strike, Shcharansky's health dangerously deteriorated, having already been in a weakened state prior to the strike. Information on his condition was vague; the only word from Soviet officials was that he was alive.

On January 14, 1983, after one more difficult journey to Chistopol Prison, Ida Milgrom, Shcharansky's mother, was able to exchange letters with her son. This was the first such exchange in more than a year between Shcharansky and his family. In the letter, Shcharansky stated his hunger strike was over and that his strike was meant to protest how much his mother and wife, Avital, were suffering from his isolation and the lengthy breakoff of contact. Details on his deteriorating health and a request for immediate hospitalization were also contained in the note.

Anatoly Shcharansky symbolizes not only the plight of the prisoners of conscience and refuseniks, but of all Jews and other dissidents who live within the Soviet Union. The situation for Soviet Jews has dramatically deteriorated during the last 3 years. Tens of thousands of Jews courageously continue their struggle for both the right to live freely as Jews in the Soviet Union, and the right to emigrate to Israel.

In 1979, according to the figures of the National Conference on Soviet Jewry, approximately 52,000 Jews were permitted to leave the Soviet Union. Last year, the figure was 2,688, a 95-percent decline. So far this year, 81 Jews were allowed to emigrate in January and 123 in February. Not only are these numbers frighteningly and tragically small, but also frightening is the continual harassment and persecution directed toward the Jewish community, whose sole crime is its desire to live a Jewish life. Yet, even though the human rights of these individuals are denied over and over again, they continue to fight for freedom and peace.

Today, the sixth anniversary of the arrest of Anatoly Shcharansky, also marks the opening of the Third International Conference on Soviet Jewry in Jerusalem. Two previous conferences, held in Brussels in 1971 and 1976, were historic events in the annals of Western advocacy on behalf of Soviet Jewry, each bringing together delegates from several dozen countries. The Jerusalem conference, like its predecessors, will involve major figures from political life, the arts and sciences, academia, jurisprudence, and many other fields, joined by Jewish community leadership and other supporters from around the world. Several hundred Americans will be among the delegates.

As cochairman of the 98th Congressional Class for Soviet Jewry, I will continue to speak out in support of individuals such as Anatoly Shcharansky, whose only desire is to be allowed to emigrate to Israel. Mr. Speaker, as the situation worsens for Soviet Jews, we must not remain silent. Now is the time to remind the Soviet Government that our support remains strong for the rights of the persecuted Jewish minority in the Soviet Union, and that we are watching and that we will never forget.

Thank you.●

● Mrs. HOLT. Mr. Speaker, the continuing imprisonment of Anatoly Schcharansky is an affront to civilized people everywhere. His case is important for what it represents, the relentless persecution of people by the Soviet Union because of their religious and political beliefs.

Mr. Shcharansky offended Soviet authorities because he is Jewish and because he wanted to leave the U.S.S.R. to live in Israel. He was a leader in the movement of Jews who wanted to emigrate from that land of persecution.

Soviet authorities defined his activism as treason and in 1977 sentenced him to 13 years in prison. I am pleased to join this appeal to Soviet authorities to grant him his freedom.●

● Mr. ADDABBO. Mr. Speaker, I would like to take a moment to encourage my colleagues to reflect upon the plight of Anatoly Shcharansky, an imprisoned Soviet dissident. Today marks the sixth anniversary of his arrest for the crime of requesting permission to Israel so that he can be reunited with his wife.

Anatoly Shcharansky's brutal imprisonment indicates the Soviets' unwillingness to honor the Helsinki Final Act. He was convicted of espionage and sentenced to 13 years in prison. A vocal critic of the Soviets' human rights record, Shcharansky has barely survived solitary confinement, an inadequate diet, physical abuse, hard labor, extreme cold, and poor medical care.

Mr. Shcharansky recently completed a hunger strike to protect the abusive treatment he has received. His courage is a beacon for all others, both Jew and gentile, who have no rights in the Soviet Union. They are denied visits and mail from their families, yet strive toward a vision of freedom.

The Russians seek to eradicate Jewish culture and traditions. Emigration from the Soviet Union to Israel had declined to barely a trickle. We must raise and ignite the consciousness of Americans who treasure their religious freedoms and are possibly unaware of the overwhelming scope of Soviet oppression. Let us note Anatoly Shcharansky's individual plight and be reminded that other Soviet Jews suffer because they committed the crime of pursuing their only flicker of hope, returning to their homeland.●

● Mr. CONTE. Mr. Speaker, the term "human rights" is used to describe several principles basic to human existence. Over the years, especially since the formation of the United Nations in 1945, the concept has expanded to include a wide variety of rights—both political and social. At the foundation of these human rights, however, two principles form the basis for the others: The right to life and the right of liberty, that is, to emigrate freely. Every government—no matter what political slant—must respect these two truly basic human rights.

Anatoly Shcharansky has been denied this right of liberty. Since his arrest on trumped-up charges—6 years ago today—he has been mistreated by his Soviet captors, exposed to severe cold, denied adequate food, sleep, and health care. Sentenced to at least 13 years in prison, Shcharansky cannot freely leave the Soviet Union and join his wife in Israel. His life has been threatened, and his liberty had been denied.

Shcharansky is not alone in his struggle for freedom. Through his courage and determination not to surrender his basic human rights, he has come to symbolize the plight of thousands of Russian Jews and others who are persecuted by Soviet authorities. Several reports estimate that nearly 400,000 Jews have shown interest in emigrating from the Soviet Union. Despite this apparent desire, only 2,600 Jews were allowed to emigrate in 1982. This number is a dramatic decrease from the 1979 high of 51,000 emigrants. Clearly, the Soviet Government has not complied with open international agreements guaranteeing these rights.

Mr. Speaker, public pressure in the United States and in the international community is important and effective. Through the efforts of many Members of the House, Soviet Jews have been allowed to emigrate. We have been successful in the past, and I hope that our efforts will make a difference in the lives of these people. A united congressional voice will be heard in Moscow. We all must demand of the Russian—"Let Shcharansky go!!!"●

● Mr. RITTER. Mr. Speaker, March 15, 1983, marks the sixth year of incarceration of Soviet refusenik Anatoly Shcharansky. Mr. Shcharansky has committed no crime. The reason for

his imprisonment is due to his expressed desire to emigrate. His treatment at the hands of Soviet authorities reads like an encyclopedia of repression and demonstrates the Soviets noncompliance to the Helsinki accords, which they signed in 1975.

Anatoly and Avital Shcharansky are well known in the United States and Western Europe. As it has been said so many times, they are the soul of the dissident movement. What is sometimes overlooked is that each day passes, Mr. Shcharansky's health weakens. At 37 years of age, Anatoly Shcharansky has many of the symptoms of ill health and weakness of a man twice his age. In January 1982, Anatoly's mother and brother were allowed a 2-hour visit with him. This was the first time in 2 years that Shcharansky had visitors. What his mother and brother saw were shocking. Shcharansky complained of constant headaches and eye disorders. The prison food he said weakened his stomach and digestive system. Yet, he is kept on a strict prison regimen which includes isolation, extreme cold, inadequate food, and a lack of sleep and medical care.

His rights as a prisoner have been constantly defined, and in September 1982, he began a hunger strike to call attention to his plight. Anatoly is no ordinary human being. It seems that the more repression he is subjected to the stronger his will to survive becomes. The moral strength—this human courage—is indicative of so many others who have stood up against Soviet domination. It is epitomized by Anatoly Shcharansky. Yet, as we gather today, the suffering of Anatoly Shcharansky continues.

I share the concerns of many people from the 15th Congressional Distict of Pennsylvania who hope and pray for the day when Shcharansky will be free. As a member of the Commission for Security and Cooperation in Europe—the Helsinki Commission—and as a sponsor of House Resolution 67, I reaffirm my support for Anatoly Shcharansky and ask that he be allowed to emigrate and join his wife, Avital, in Israel as soon as is humanely possible.●

● Mr. BURTON of California. Mr. Speaker, March 15, 1983, marks the sixth anniversary of the arrest and imprisonment of Anatoly Shcharansky. On March 15, 1977, he was arrested and charged with espionage and treason. In July 1978 he was convicted and sentenced to 13 years in prison, the victim of trumped-up charges designed to silence and punish him for his commitment to defending the basic human rights of Soviet Jews and others whose fundamental rights are violated by the Soviet authorities.

This anniversary is a sad reminder of the Soviet Union's continued denial of the most basic rights and liberties to its Jewish citizens. The condition of all Soviet Jews continues to deteriorate. Jewish emigration has been virtually cut off and the Soviet authorities have stepped up their harassment and intimidation of human rights activists.

We cannot let the world forget the plight of Anatoly Shcharansky and other Soviet Jews. We must continue to do everything in our power to end the Soviet mistreatment of its Jewish population. It is our obligation to speak out against these violations of basic justice.●

● Mr. SEIBERLING. Mr. Speaker, I want to commend the gentleman from New York (Mr. OTTINGER) for introducing House Resolution 67, and for calling this special order today to allow the House to express its continuing support for Anatoly Shcharansky.

Born in 1948, Anatoly Shcharansky is an expert computer programer, and a specialist in cybernetics. He is also at the heart of the Soviet Jewry movement. As a refusenik, he has been subjected to extraordinary hardships for many years, hardships which have resulted in the serious decline in his health.

In 1973, Anatoly Shcharansky first applied for permission to leave for Israel. He was refused permission on the grounds that he possessed classified information. In 1974, Anatoly was separated from his wife Avital, who was forced to emigrate to Israel just 1 day after their marriage. Shcharansky was apparently told that he would be permitted to follow his new wife to Israel in a few months. Permission to emigrate was never given, and, on March 14, 1977, he was arrested and charged with treason against the Soviet Union. Although President Carter protested his innocence in 1977, in July 1978, after 16 months in jail, Shcharansky was convicted of treason, espionage, and anti-Soviet agitation. He was sentenced to 13 years imprisonment.

Since then, Anatoly Shcharansky's health has deteriorated. He has suffered from excruciating headaches, and has apparently been singled out for unusually harsh treatment by Soviet authorities. In September 1982, Shcharansky began a long hunger strike, which ended only recently, and it is my understanding that his health continues to deteriorate.

Mr. Speaker, Anatoly Shcharansky is a courageous young man who, for his desire to peacefully emigrate to Israel, has endured forced separation from his wife and family, and has suffered under a harsh prison regimen. I recently visited the Soviet Union as part of a congressional delegation chaired by my friend TOM LANTOS. During a meeting with Vadim Zagladin, a member of the Supreme Soviet, Congressman LANTOS asked the Soviets to release Anatoly Shcharansky. The response we got was that Shcharansky was a criminal, and would not be released until he had served his sentence. So, I am not optimistic that we can prevail upon the Soviets to release Shcharansky at this time. It is thus all the more important for us to let him know that we marvel at his courage, and that we have not forgotten this remarkable young man. For Anatoly Shcharansky, some day, it will surely be "Today in Jerusalem."●

● Mr. FASCELL. Mr. Speaker, I join with our colleagues in calling on the Soviet Government under the new leadership of Party Secretary Yuri Andropov, to release imprisoned Anatoly Shcharansky and the 50 other imprisoned Helsinki monitors in the Soviet Union. At a time when there is much talk that we must build confidence and trust between the United States and the U.S.S.R., such an amnesty—which of course should include all imprisoned human rights activists in the U.S.S.R.—would do much to promote the kind of international security and cooperation envisaged in the Helsinki Final Act.

I cannot understand why the mighty Soviet Government feels threatened by the peaceful public work of Soviet citizens, such as Anatoly Shcharansky and many others, which essentially makes one simple request: That the Soviet Government honor its solemn commitments, particularly the Helsinki Final Act. It is the special genius of the Final Act that it codifies the various aspects of interstate relations—and further calls on the various signatory states to live up to certain standards in treatment of their citizens. Thus, the Helsinki Final Act commits signatory states to respect the rights of religious believers, ethnic minorities, national and cultural rights, and the right of families to live together—regardless of international borders.

In a courageous attempt to ask the Soviet authorities to honor these human rights commitments, Anatoly Shcharansky—a Jewish activist who had been trying in vain to emigrate to join his wife in Israel since 1973—joined with other Soviet citizens under the leadership of Prof. Yuri Orlov, to establish the Moscow Helsinki Group on May 12, 1976. Rather than respond positively to this peaceful civic initiative, the Soviet authorities reacted with fury: Today, 51 members of the Moscow, Ukranian, Lithuanian, Georgian, and Armenian Helsinki Group are imprisoned in the U.S.S.R. specifically for joining these human rights groups.

Anatoly Shcharansky, due to his good command of English, became the unofficial spokesman for the Moscow Helsinki Group, thereby evoking particular rage from the Soviet authorities. After his arrest 6 years ago, Shcharansky was sentenced on July

14, 1978, to 3 years in prison and 10 years camp on trumped charges of espionage and the standard accusation of "Anti-Soviet agitation, and propaganda." Since then, Shcharansky has been subjected to brutal treatment, including a cutoff of communication with his family to which he is entitled by Soviet law. In protest, Shcharansky recently undertook a life-threatening hunger strike.

The CSCE of which I am chairman, in recognition of Anatoly Shcharansky's major contributions to the human rights situation in the Soviet Union—which would also make a major contribution to genuine world peace—has nominated him for the 1983 Nobel Peace Prize with Yuri Orlov of the Moscow Helsinki Group, Viktoras Petkus of the Lithuanian Helsinki Group, Mykola Rudenko of the Ukranian Helsinki Group, and other human rights leaders from Poland and Czechoslovakia.

I certainly hope that the Shcharansky case and those of other imprisoned Soviet scientists will be raised this week during the visit of Mr. Velikhov and Mr. Scriabin, two ranking members of the Soviet Academy of Sciences. We must continue to speak out for human rights in the U.S.S.R. as part of the search for peace and disarmaments.

● Mr. YATES. Mr. Speaker, the stories of often brutal physical and psychological harassment of Soviet Jews wishing to emigate are all too familiar to us. None is more compelling, however, than the plight of Anatoly Shcharansky. Yesterday, March 15, marked the sixth anniversary of Shcharansky's arrest by Soviet authorities.

Since filing his application to emigrate to Israel in 1973, Anatoly has been the target of systematic and cruel abuse by official of the Soviet Government. He has been separated from his wife, Avital, who now lives in Israel.

Shcharansky was indicted for treason under article 64 of the criminal code of the R.S.F.S.R. His arrest and conviction represented an affront to the signatory nations of the Helsinki Final Act and to all justice loving people. Anatoly's continued detention without benefit of counsel of choice is only a small example of this gross injustice, and the case has become an international embarrassment for the Russians.

In Janaury 1983, Anatoly's mother, Ida Milgrom, and his brother Leonid, received written authorization to visit him for the first time. When they arrived at Christopol Prison, some 500 miles from their home, in Moscow, the commandant refused to let them see him. On September 27, 1982, Anatoly began a hunger strike to protest the official banning of family visits and correspondence, and his prolonged incarceration in solitary confinement. Ida and Leonid were very concerned about Anatoly's health. All they learned from the prison commandant was that Anatoly was being force fed every 3 days. After the refusal Ida reportedly lived outside Christopol prison in a hut. She was told by the commandant:

> You are entitled by law to have a visit, but I need instructions. You wouldn't want to see him anyway—because he does not look like you or me.

We understand that Shcharansky ended the hunger strike in January. Anatoly apparently resumed eating after exchanging letters with his mother.

Shcharansky's ordeal epitomizes the struggle for liberty that still exists in the Soviet Union. Anatoly is a truly heroic figure and serves as an inspiration and as a reminder to us all of how priceless freedom, justice, and liberty are.

I am hopeful that our comments today commemorating the anniversary of Anatoly Shcharansky's arrest will lead the Soviet Government to honor Avital's wish for the swift release of her husband. Also, House Resolution 67, which I have sponsored, expresses the sense of the House be calling upon the Soviet authorities to release Shcharansky immediately and to allow his immigration. I hope you will review the record and will join me in sponsoring this resolution.●

● Mr. BARTLETT. Mr. Speaker, today is an appropriate day to speak on the deteriorating condition of Jews living in the Soviet Union. This week marks both the sixth anniversary of the arrest of Anatoly Shcharansky and the opening of the Third International Conference on Soviet Jewry in Jerusalem a gathering of several thousand people designed to bring attention to the plight of the Jews.

Mr. Speaker, Anatoly Shcharansky was tried and convicted for crimes he did not commit. His real crime was his dream to leave the Soviet Union and live freely as a Jew in Israel—something he has been trying to achieve since the early 1970's. For this dream, the Soviet Government gave Shcharansky a 13-year prison sentence.

How long will it take before the Soviet realize that Shcharansky will not give up his dream to live in Israel. Just a few weeks ago, he ended a 109-day hunger strike when the Soviets finally allowed him to communicate with his mother for the first time in over a year. Ida Milgrom made the difficult journey to Christopol Prison on January 14, 1983, demanding that she be able to see her son. The prision authorities would not allow her to see him, but instead, agreed to an exchange of letters if she would urge Shcharansky to end his hunger strike.

Shcharansky began the hunger strike to protest how much his family was suffering from his isolation and the lengthy breakoff of contact. Anatoly stated in his letter to Mrs. Milgrom that if contact was resumed, he would stop his hunger strike. The National Conference of Soviet Jewry has learned that Mrs. Milgrom recently confirmed that Shcharansky has ended his strike. Mr. Speaker, this elderly woman had to make several grueling 500-mile trips to Christopol Prison just to be able to exchange letters. How many more trips will she have to undertake to finally be able to see her son?

As Members of the U.S. Congress, we must protest loudly this inhumane treatment by the Soviet Government of an innocent man. Anatoly must be allowed to see his family, must be released and permitted to emigrate to Israel.

Anatoly Shcharansky has come to symbolize the plight of tens of thousands of Jews in the Soviet Union—the desire to live and practice their faith in Israel. As cochairman of the 98th Jewry, I will continue to speak out on behalf of this courageous individual and the other Jewish refuseniks in the Soviet Union.●

ANNIVERSARY OF ANATOLY SHCHARANSKY'S ARREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 60 minutes.

● Mr. FRANK. Mr. Speaker, I have requested this special order along with several of my colleagues so that we may express our concern over the deteriorating condition of Anatoly Shcharansky on the sixth anniversary of his imprisonment. As part of the "Congressional Call to Conscience Vigil for Soviet Jews," our goal is to dramatize the precarious position of Soviet Jews while honoring the brave men and women who have risked harassment and jail in their struggle to gain Soviet compliance with international human rights standards.

Anatoly Shcharansky once had a dream of emigrating to Israel with his wife and starting a new life. Today, he languishes in Christopol Prison, serving a 13-year sentence for "treason" and anti-Soviet agitation and propaganda. Like so many other outspoken refuseniks, Shcharansky's ordeal began when his request for an exit visa was denied in 1973 and he embarked on a public protest of a Soviet injustice. As he expanded the scope of his activities, participating in study groups, demonstrations, and the formation of the Moscow Helsinki Watch Group, the Soviet response likewise escalated. From official acts of anti-Semitism to the termination of his position with the Moscow Institute, Shcharansky experienced the steady erosion of his fundamental rights. The crash

came in 1977 when the once celebrated computer scientist was arrested and charged with trading classified information and spying for the CIA. A summary trial followed in which neither justice, due process, nor the defendant were given a fair hearing. It is clear that the Government had one goal in mind: to silence and punish a vocal critic by whatever means necessary.

What exactly were Shcharansky's crimes? First, he insisted on remaining faithful to his religious and cultural heritages. Next, he exposed and publicized the Soviet Union's sham compliance with such international agreements as the Helsinki accords, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights. Finally, he adhered to his principles and followed his conscience in a country where dissent is not tolerated. For these crimes, Shcharansky has endured punishment cells and solitary confinement—the most brutal and degrading treatment the Soviet Union can impose on an enemy of the State.

Mr. Speaker, every day that Shcharansky spends in prison is a victory for injustice and a defeat for humanity. We now have reason to believe that his general condition is deteriorating and that his health is poor. Recently he conducted a 3½-month hunger strike designed to protest prison conditions. A 1982 Wall Street Journal editorial described those conditions:

> The (Shcharansky) has been kept in punishment cells for months at a time, receiving food only every other day and half-rations at that. According to former inmates, prisoners in such confinement live in cramped, airless cells with an open sewer, must request water from the guards and are not allowed to lie down or sleep except at night.

Although little has changed and he is still denied physical contact with his family, Shcharansky's 74-year-old mother Ida Milgrom received a letter from her son on February 15 confirming that he had resumed eating. Shcharansky's wife, Avital, has expressed grave concern over recent events, however, and has suggested that only fear of imminent death and desperate isolation could have prompted his hunger strike.

Today, on the sixth anniversary of his arrest, we, the Members of the U.S. Congress stand in solidarity with Anatoly Shcharansky, his family, and all other prisoners of conscience in their struggle for amnesty, freedom, and the right to emigrate. There are estimates that between 500,000 and 2½ million Jews wish to leave the Soviet Union. Currently, only 100 a month are granted exit visas, a precipitous decline from 1979 when 4,000 a month were allowed to emigrate. This situation deeply troubles me and my colleagues and serves as an obstruction along the path to improved United States-Soviet relations.

Mr. Speaker, the new Soviet leader, Mr. Andropov, has an historic opportunity to correct an injustice and simultaneously send a signal to the world that the Soviet Union is sensitive to human rights. In this spirit, I urge Chairman Andropov to free Anatoly Shcharansky, Yuri Orlov, and all other prisoners of conscience in the Soviet Union. A symbolic gesture of this magnitude would do more than thaw the icy relations between the superpowers. It would serve as an important diplomatic building block in future negotiations over trade, arms control, and other areas of international cooperation. The opportunity and the initiative are Chairman Andropov's to seize. In the meantime, the U.S. Congress will never waiver in it support for Anatoly Shcharansky and all other victims of Soviet oppression.●

NUCLEAR BUILD-DOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. McCAIN) is recognized for 15 minutes.

● Mr. McCAIN. Mr. Speaker, tomorrow this body will focus on various proposals to reduce the risk of nuclear war. Today, I want to address myself to those who support a nuclear freeze as well as those who oppose it. Undoubtedly, in the ideal world a freeze would be the perfect solution; however, Mr. Speaker, we do not live in an ideal world, instead we live in the real world of the 20th century. A world whose scientific discoveries have brought with it knowledge—the knowledge of nuclear weapons.

Since the late 1940's the United States and the Soviet Union have been locked in a nuclear weapons competition neither seems able to control. The pace has varied and although the growth on both sides has not always been steady, the long-term trends are clear. Both nations have spent billions of dollars building, maintaining, and modernizing these forces with the avowed purpose of deterring an attack by the other side. Without mutual agreement to substantially reduce these weapons, such expenditures and the programs they support are likely to continue. We cannot ignore this reality; however, we cannot seriously consider a freeze resolution which the New York Times has said "while deserving encouragement" is a "simplistic sloganeering response to a complex issue."

Let us look at the facts. A bilateral freeze at this time would lock the United States into a strategically inferior position vis-a-vis the Soviet nuclear arsenal. They have more long-range and intermediate-range land-based missiles than we, and these missiles pose a threat to our land based ICBM's as well as to Europe. Additionally, a freeze would stop replacement of vulnerable weapons; namely, our already obsolete B-52's, our vulnerable Minuteman and relatively inaccurate Poseidons, by more survivable ones. This would have a decidedly destabilizing effect on the balance of power. It is precisely this balance of power, or some would call it a balance of terror which is the fulcrum for peace. This balance must remain neutral—not unilateral.

It really makes little difference how many nuclear weapons we have, but rather whether or not they are vulnerable to attack. The ICBM's vulnerability is the reason for the decade long search for a survivable basing mode for the MX.

The greatest threat to the security of this Nation lies in the possibility of a situation in which the President of the United States is faced with a single option of destroying Russian cities and in return insuring the incineration of our own. A nuclear build-down would make this unacceptable scenario most unlikely because of our ability to continue to modernize and make our own weapons survivable.

The build-down concept has been formulated by two highly respected Members of the Senate, BILL COHEN, of Maine and SAM NUNN, of Georgia. I have been fortunate to have worked closely with Senator COHEN in developing the build-down concept. It was my understanding that hearings would be held in the Senate Foreign Relations Committee on this and following the hearings, I would follow the Senators' lead in introducing an identical build-down resolution in the the House of Representatives. However, on March 11, 1983, Congressmen LEVITAS and PORTER introduced House Resolution 133, which is identical to the Cohen-Nunn resolution. I am in full support of both the House and Senate resolutions. I firmly believe that this legislation may very well prove to be the vehicle that provides our negotiators in Geneva the first real impetus to get the talks off dead center. Experts and nonexperts alike have grown frustrated at what they see as the lack of progress in controlling nuclear arms. Increasingly we see the arms control talks becoming more vague and more remote. This impasse we are now embroiled in demands a new approach which the build-down addresses itself to. Mr. Speaker, in Sunday's edition of the Washington Post, a front page story dealt primarily with the fact that Chancellor Helmut Kohl has indicated that some new initiatives must be found to break the deadlock in the current negotiations in Geneva regarding nuclear weapons in Europe. This further illustrates the urgent need for alternative and flexible initiatives in dealing with overall arms reductions.

The build-down resolution addresses the major goals of both the pro and antifreeze movements, Essentially, it would place an immediate price on the deployment of new weapons. One side would be required to eliminate two, older, less stabilizing warheads for each new warhead added to its force. This elimination of the more unstable, less accurate weapons would actually decrease the possibility of the United States being subjected to nuclear blackmail because we would, at the same time be allowed to build new, less vulnerable systems which would enable us to continue to protect ourselves while maintaining an updated and modernized deterrent force. Thus, for those opposed to the freeze, this resolution would increase and insure the survivability and reliability of deployed systems. As the New Republic said, "The aim of arms negotiations is to decrease the chances of nuclear war, not simply to fix numbers. And, the way to decrease those chances is to insure deterrence. The freeze, pure and simple, would jeopardize deterrence."

In the very broadest terms, the build-down concept includes the following points:

For each new nuclear warhead deployed, one side would be required to eliminate two older warheads. Each side would exercise the principle of freedom to mix in determining tradeoffs and force composition.

Useful counting rules and implementation procedures from the SALT agreements could be retained. Both sides would agree on verification measures, including cooperative measures as necessary, which would insure confidence in compliance.

Mr. Speaker, the concept of the build-down is to provide a middle ground which freeze proponents as well as opponents can coalesce around. This approach offers a means of uniting the two elements in support of a common, critical objective—reducing the risk of nuclear war. On this there is a consensus.

The build-down resolution is a compromise and I believe a truly workable one which can join all of us who are concerned about the security of our country and the peace of the world. Mr. Speaker, how can we expect to reach a common understanding with the Soviets when we are so divided here at home? This issue is not a partisan, Democrat versus Republican issue, it embodies a wide cross section of people, beliefs and philosophies. The cosponsors of the Cohen-Nunn resolution exemplify this fact. Among the Senators who have added their support to the build-down resolution are: Senators MOYNIHAN, BRADLEY, HART, and THURMOND. I also call your attention to two articles which have appeared in the New York Times and the New Republic and ask unanimous consent that they be included in the RECORD.

I urge my colleagues to join with me in support of this resolution calling for a guaranteed build-down of nuclear weapons. I believe it is the most responsible and meaningful option now being considered and I applaud Senators COHEN and NUNN for their work in formulating this concept and I wholeheartedly endorse it.

[From the New Republic, Apr. 14, 1982]

UNFREEZE ARMS CONTROL

Everyone is for the freeze: first it was the good burghers of Vermont, then Edward Kennedy and nineteen other senators, and now Henry Jackson, Sam Nunn, John Warner, and a cluster of other co-sponsors. Even Leonid Brezhnev is for a freeze of sorts. And no wonder. As the Nuclear Weapons Freeze Campaign, the St. Louis-based "clearinghouse" for the grass-roots antinuke crusade, puts it on its letterhead: "The freeze: because nobody wants a nuclear war."

The power of that slogan lies in its simplicity and its implication that only those who want nuclear war could oppose a freeze. Not surprisingly, therefore, when the freeze bandwagon finally pulled into Washington, every politician in town scrambled to jump on board. Consequently, the question is no longer: "Are you for a freeze?" but "What kind of freeze are you for?" Freezes now come in many varieties. The differences, though subtle, are crucial.

One proposal is from the grass-roots freeze campaign. Its objective is "a mutual freeze on the testing, production, and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons." In other words, a total ceasefire-in-place in the arms race. This proposal has been adopted by scores of town meetings, sixty-nine Catholic bishops, the YMCA, Linus Pauling, and so on. This proposal also inspired the Kennedy-Hatfield resolution, which is closely modeled on it.

The other major proposal is the Warner-Jackson resolution. Sensing that the freeze movement might overwhelm Washington and undermine the delicate strategic balance hammered out in two decades of negotiations, Warner and Jackson and other serious advocates of a strong defense proposed a freeze of their own: "a long-term and mutually verifiable nuclear forces freeze at equal and sharply reduced levels of forces." The key word here is "equal." It means that some ceasefire lines must be straightened out and some obsolete weapons system modernized to assure the preservation of stable deterrence. That is the traditional approach of the SALT treaties and the soon-to-be announced START negotiations. We believe it is the only responsible way to approach arms control.

As an expression of general concern, the halt-in-place freeze is laudable. First, it provides the opportunity that every generation needs to rethink and debate nuclear weapons policy. SALT II should have provided that chance, but its provisions were so esoteric and the debate so technical that it turned into an intramural discussion by the experts and never really touched the American people. We have not had a true national debate on nuclear weapons since the ABM days of the late Johnson and early Nixon Administrations. The freeze campaign has also mobilized the energies of vast numbers of well-intentioned Americans who are concerned about the possibility of nuclear catastrophe. The popular pressures it has generated in the country and in Congress have already had the salutory effect of pushing the Administration finally to engage the Soviets in strategic arms talks.

But as a practical proposal, the halt-in-place freeze is a disaster. First, it is unverifiable. The freeze resolution tries to solve this problem by denying it. "This is an essential, verifiable first step. . . ." Simple assertions, however, will not do. The production of nuclear weapons, for example, is exceedingly difficult to verify without on-site inspection. The USSR has consistently reiterated its opposition to on-site inspection. Thus one is faced with either abandoning the freeze proposal or abandoning the commitment to verifiability.

Second, a global halt-in-place effectively cancels the Reagan Administration's bold stroke in arms control, the zero-option offer on intermediate-range nuclear weapons in Europe. Last November the President offered to cancel planned American deployment of Pershing II and ground-launched cruise missiles if the Soviets agreed to dismantle their SS-20s, three hundred accurate and mobile nuclear missiles based in Eastern Europe and aimed at West European cities. Leonid Brezhnev's counteroffer is also a "freeze" (the Kremlin media adviser had done his homework): keep things as they are in Europe, with the Soviets allowed three hundred missiles on the ground and the U.S. zero. We are now engaged in negotiations at Geneva to resolve the issue. If the halt-in-place idea were to prevail in Washington, however, we wouldn't need negotiations in Geneva. The issue would be settled with a Soviet victory and a precedent would be set for future talks, encouraging the Soviets to stall until political pressures in the West forced a collapse. The Soviets are stalling now in Geneva, but Senator Kennedy, complaining about slow progress, makes it sound as if the fault were ours.

Collapse of the U.S. position at Geneva would also cause disarray in the NATO alliance. Helmut Schmidt and other European leaders have gone out on a limb to support the U.S. position on intermediate nuclear weapons. If they find that limb sawed off by the U.S. freeze movement, just as it was in the neutron bomb affair by Carter, they could be forgiven if they never again risked their political futures on U.S. promises.

But there exists an even more fundamental problem with the halt-in-place proposal. It ignores the requirement of deterrence, which has proved the only guarantor of peace in the nuclear age. The proposal is based on a simple notion that as long as each side has enough megatonnage to destroy the other, everything else is useless overkill. It assumes that as long as we have the capacity to knock out Soviet cities, we have deterrence. But deterrence requires the capacity to destroy the other side *after a first strike.* The key element in deterrence is survivability of retaliatory capacity. In a crisis, nuclear war will not start because of numbers, because one side has, say, ten times overkill capacity as opposed to five. Nuclear war becomes more probable when the theat of retaliation becomes less credible. If one side begins to lose its capacity to deliver a second strike, the other side might be tempted in a crisis to strike first. But even more dangerous is the temptation on the side with the diminished retaliatory capacity to launch a preemptive first strike in a crisis before it is too late. Thus, those really concerned with decreasing the

chances of nuclear war should focus less on absolute numbers than on the survivability of our strategic deterrent.

The halt-in-place is a threat to stability because it will ultimately jeopardize the survivability of America's retaliatory capacity. The Soviets will soon have a credible capacity for a first strike against one portion of the U.S. deterrent, the land-based intercontinental ballistic missiles. (That was the reason for the Carter Administration's Rube Goldberg mobile MX missile plan, now scrapped.) That will leave the U.S. dependent on the two remaining legs of the triad: the bomber force and submarines. The bomber force of old B-52s is rapidly losing its capacity to penetrate Soviet air space. The freeze would prevent us from modernizing the bomber force with new planes (like the B-1 or the Stealth) and cruise missiles. So America's deterrent capability basically would be in one basket—submarines. Our subs are now the most survivable leg of our strategic triad, but the freeze would prevent attempts to assure their long-term invulnerability. At the same time it would do nothing to prevent nonnuclear antisubmarine research.

The aim of arms negotiations is to decrease the chances of nuclear war, not simply to fix numbers. And the way to decrease those chances is to ensure deterrence. The freeze, pure and simple, would jeopardize deterrence. We recognize that the concept of deterrence is less satisfying emotionally, and more difficult intellectually, than the freeze. It also takes longer to explain and makes for duller copy than dramatic prophesies of the coming apocalypse. But our survival is at stake, and citizens and senators will simply have to cool their emotions and think.

The Jackson proposal, with its emphasis on freezing at "equal" levels of forces, appears to accept the complexities of deterrence. We would prefer language that talks of "stable" levels of forces, assuring deterrent capacity to both sides. But we should be doing more than simply engaging in linguistic jockeying to come up with a formula that incorporates the classic concepts of arms control while using the world "freeze." The Administration has a duty to devise an alternative, both to allay the fears of those disturbed by the prospect of nuclear war and to control the mutual suspicion and economic drain caused by the arms race. The Administration could resume talks on SALT II. The U.S. and the Soviet Union are still tacitly observing the treaty, but this will not last long. The President could send a letter to Brezhnev affirming U.S. determination to abide by SALT II until minor changes can be negotiated and a new agreement signed. The Administration also should propose further talks to reduce strategic arsenals. The failure of SALT and delays on START are in large part responsible for the U.S. and European freeze movements. If the Administration wishes to defuse those movements, it needs to get on with arms control.

If the Administration has duties, so does the opposition. Everyone is against nuclear war. Everyone is moved when Hiroshima survivors tell senators of its horrors. But carefully staged media events, such as the antinuke doctors' lectures featuring enormous blowups of terribly scarred nuclear survivors, tread a thin line. To insist on the unimaginable destructiveness of nuclear war is one thing; to traffic in a pornorgraphy of suffering to draw an audience is another. It is simply not enough to hold hearings or to publish pamphlets showing that nuclear war is horrible. After hearing the testimony of Hiroshima survivors, Senator Kennedy observed that discussions of megatonnage and throw weight and the window of vulnerability seem beside the point. However heartfelt these comments, it is irresponsible for politicians to ignore megatonnage and throw weight and windows of vulnerability. Preventing nuclear war requires more than fear. It requires a conscious strategy, the political will to carry it out, and a sense of public duty to explain to the voters the unpleasant, complex world of deterrence. Unfortunately, many political leaders see the peace train leaving the station and they must run to keep up with their followers.

[From the New York Times, Oct. 24, 1982]

AGAINST THE FREEZE REFERENDUMS

One of four voters will be asked on Election Day to express an opinion about a "freeze" on nuclear weapons. Similar referendums, urging a negotiated halt in the arms race, appear on ballots in nine states including New Jersey, and many localities, including Suffolk County, Washington, Philadelphia and Chicago. They pose a difficult choice.

For though the proposal as such is not particularly practical or diplomatically desirable, the popular movement from which it springs deserves encouragement. It has played a useful role in moving the Reagan Administration toward negotiations. A vote for the freeze could thus be justified as a further prod, or expression of impatience with the Reagan team's approach to arms control. And a vote against could be construed as an endorsement of the Administration's excessive arms buildup or even its nasty Red-baiting in portraying the freeze movement as a Moscow front.

But the freeze remains a simplistic, sloganeering response to a complex issue. Despite the symbolic struggles that surround this plebiscite, the voter had best deal with the essence of the proposal. And notwithstanding our strong commitment to arms control, we urge a vote against.

Though variously worded, the referendums share the simple call for a freeze. The wording in New Jersey is typical. It urges the Administration to ask Moscow to "immediately agree to a mutual, verifiable halt of all further testing, production and deployment of nuclear warheads, missiles and delivery systems as a first step toward mutual, balanced reduction." It also asks that the money saved go to "human needs and tax reduction."

The political effect, of course, is to put relatively greater pressure on the United States than the Soviet Union, which suppressed its own freeze movements. The referendums also invite yet another approach to negotiations, adding to the lamentable American record of a fresh start by each of the last three Presidents. And while discussion of a freeze might take up elements of the completed but unratified SALT II treaty, it would inevitably waste much of the work already done over many years.

The worst thing about the proposed freeze is that it panders to the misleading idea that America and Russia already possess more nuclear weapons than they need. True as that may be, the prevention of nuclear war depends not so much on the numbers of weapons as on their characteristics and invulnerability to attack. Indeed, the effectiveness of deterrence also depends vitally on some nonnuclear weapons, like submarine detectors.

So it is wrong to suggest that Washington and Moscow could "immediately" agree about a stable balance—which, say, dual-purpose aircraft or missiles should be frozen. It is also wrong to suggest that some weapons, like submarines, could be safely frozen while antisubmarine technology is not. And though most missile and weapons testing could be verified from afar, a halt in weapons production would not be verifiable.

A halt in nuclear deployments would also leave the Soviet Union with a large missile advantage in Europe, causing grave problems for NATO. And a halt would prevent the United States from counter-acting the vulnerability of its land-based missiles—a vulnerability that could become more dangerous than the size of either power's arsenal.

The final snare in some of the referendums is the promise of economy. Actually, less than 20 percent of America's defense budget goes for nuclear weapons. And the more stable the nuclear balance, the greater will be the need for more expensive nonnuclear forces.

Slogans and protest have their place in the arms debate. But these referendums will not advance a difficult diplomacy. The knowledge that warm supporters of arms control opposed them should prevent any misinterpretation of their defeat.●

BONNEVILLE POWER ADMINISTRATION REGIONAL ACCOUNTABILITY ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, I am pleased to introduce today the Bonneville Power Administration Regional Accountability Act of 1983. I am especially appreciative to be joined in this effort by my colleagues AL SWIFT of Washington, RON WYDEN of Oregon, and PAT WILLIAMS of Montana.

We intend by this measure to forge a new and constructive partnership between the Bonneville Power Administration and the States of the Pacific Northwest. The bill would essentially empower the States, through their representatives on the Northwest Power Planning Council, to participate at an early date in the formation of BPA's annual budget prior to its submission to Congress. It also would permit the residents of the region to review and comment on that budget during public hearings throughout the region.

We believe that the bill will help reduce tensions between BPA, and some residents, and businesses of the region by providing affected ratepayers an early opportunity to review and comment on BPA budget plans. Currently, ratepayers generally hear about spending plans during the hectic congressional budget process or at the time of BPA rate increase hearings. In this atmosphere, misunderstandings and controversy are likely to result.

As drafted, the bill would permit the Northwest Power Planning Council—

composed of two gubernatorial appointees from each State in the region—to receive a copy of BPA's draft budget in July. This is a full 6 months before it is typically submitted in final form to Congress.

The council would conduct public hearings on the proposal and recommend changes based on the hearings and the provisions of the Pacific Northwest Electric Power Planning and Conservation Act. BPA would prepare a rebuttal statement covering any proposed changes it found unsatisfactory.

Of course, the ultimate authority for selection of a budget request would remain with BPA. The agency still would submit its budget to Congress through the routine Federal budget process.

Congress, however, would have the benefit of more than the BPA budget submission. It also would receive the Regional Power Planning Council's analysis, transcripts of public hearings held in the region, and BPA comments on the council's analysis. This process would enhance accountability regarding development of regional energy policy and insure that Congress has the time and complete information needed to assess fully the BPA budget request.

We anticipate that, having recently completed its draft 20-year regional energy plan, the council would have time to conduct the review with relatively modest additions to its own staff and budget.●

● Mr. WYDEN. Mr. Speaker, I am pleased to join my two colleagues from Washington, Mr. BONKER and Mr. SWIFT, and Mr. WILLIAMS from Montana in introducing the Bonneville Power Administration Regional Accountability Act of 1983.

As the title suggests, accountability through better budgeting is what our bill is all about.

In 1980, the Pacific Northwest embarked upon an experiment in energy decisionmaking designed to regionalize the planning process for energy growth. It took as its highest priority conservation, so as to minimize the competition for our water resources and to avoid constructing costly new power resources. The principal actors are the Bonneville Power Administration, the public, and the newly created Northwest Power Planning Council—consisting of two appointed members from the four Pacific Northwest States.

The Power Planning Council is charged with developing and overseeing a plan to meet the region's energy needs for the next 20 years and assessing which resources shall be preferred in meeting those needs.

BPA is charged with implementing the council's plan.

As with any experiment, with time, the knowledge of the participants increases, as do the questions they ask.

One of the things we have learned is that, despite the well-intentioned efforts of Bonneville to provide opportunities for meaningful public input in their decisions, two key points in the process are in need of broader public participation and review. These two key areas—the budget formulation process and the ratemaking process—are the driving forces for all other mandates under the Pacific Northwest Power Planning Act.

The bill we introduce today will open up one of these key areas by providing for broader public participation in reviewing BPA's fiscal year budget submission to the administration.

Our bill calls for the Bonneville Power Administrator to submit Bonneville's annual draft budget for the upcoming fiscal year to the Power Council no later than July 15. As such, it will provide the earliest opportunity for the public and for the Power Council to learn what Bonneville, as an institution, is thinking in its planning for the fiscal year ahead.

Our bill ties together loose ends in the law to provide the council a meaningful oversight opportunity that is presently lacking—the chance to review the BPA budget for its consistency with the council's power resource plan and fish-enhancement program, while the budget is still in the draft stage. The public is afforded the same opportunity through the public hearings the council is authorized to conduct as part of its review.

Upon review, the Power Council may submit either an alternative budget to Congress or simply an analysis of the budget with respect to its adequacy for fulfilling the mandates of the Northwest Power Act. The Administrator may in turn submit a rebuttal report to Congress and to the council stating why he finds the council's alternative budget unreasonable.

Thus, the two bodies responsible for comprehensive energy planning and implementation will each have an opportunity to present their views or budget analyses to Congress, should the need arise.

Mr. Speaker, this is another step toward true accountability. The opportunity for Power Council and public review of BPA's budget is an indispensable ingredient for successful regional power planning in the Pacific Northwest.

I look forward to joining Mr. BONKER, Mr. WILLIAMS, and Mr. SWIFT in working for timely enactment of this bill. I include the bill as follows:

H.R. 2098

A bill to provide for annual budget review of the Bonneville Power Administration by the Pacific Northwest Electric Power and Conservation Planning Council

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bonneville Power Administration Regional Accountability Act of 1983".

SEC. 2. The Act entitled "An Act to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and for other purposes", approved August 20, 1937 (16 U.S.C. 832 et seq.), is amended by redesignating section 13 as section 14 and inserting immediately after section 12 the following new section:

"SEC. 13. Beginning with the calendar year 1983 and each calendar year thereafter, the Administrator shall submit, no later than July 15 a copy of its annual draft budget for the fiscal year commencing October 1 of the following calendar year for all operations, acquisitions, and activities of the Bonneville Power Administration to the Pacific Northwest Electric Power and Conservation Planning Council for review. Thereafter, the Administrator shall expeditiously inform the Council of budget modifications proposed by the Administrator, the Secretary of Energy, or the Director of the Office of Management and Budget. In the event that the Council submits an alternative budget, or alternative figures for individual portions of such budget, to Congress pursuant to section 4(j) of the Pacific Northwest Electric Power Planning and Conservation Act, the Administrator, if he determines such alternative budget to be unacceptable, in whole or in part, shall submit no later than thirty days after receipt of the Council's proposed modifications, a report to the Council and the Congress, in detail, stating the reasons why such alternative budget proposal of the Council, or part thereof, is unacceptable to the Administrator. The Administrator shall provide to the Council such cooperation and assistance as may be necessary to facilitate Council review of the draft budget and modifications. In preparing budget figures, the Administrator shall conform the budget to the policies, purposes, and requirements of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.) and the regional electric power and conservation plan and the fish and wildlife program adopted pursuant thereto.".

SEC. 3. The Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.) is amended by redesignating section 4(j) as section 4(k) and inserting immediately before it the following new subsection:

"(j) Pursuant to the annual budget proposal submitted by the Administrator under section 13 of the Act entitled 'An Act to authorize the completion, maintenance, and operation of the Bonneville project for navigation, and for other purposes', approved August 20, 1937 (16 U.S.C. 832 et seq.), the Council shall—

"(1) review and analyze the initial budget proposal and all subsequent budget modifications proposed by the Administrator, the Secretary of Energy, or the Director of the Office of Management and Budget;

"(2) have the authority to hold hearings on the proposed budget and its modifictions;

"(3) submit to Congress an analysis of the budget proposal and modifications submit-

ted by the Administrator to the Council; and

"(4) submit to Congress an alternative budget, or alternative figures for individual portions of such budget, if considered necessary or appropriate by the Council in order to facilitate attainment of the purposes of the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.).".●

THE ECONOMIC EQUITY ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WYDEN) is recognized for 5 minutes.

● Mr. WYDEN. Mr. Speaker, I rise today to offer my support for the Women's Economic Equity Act of 1983, which I joined a number of my colleagues in introducing yesterday.

This comprehensive legislation is similar to legislation introduced in 1981, and is desperately needed to provide economic justice for women, both at home and in the marketplace.

Among the issues addressed by the EEA are persistent obstacles facing women in public and private pensions, insurance, and tax policy. It contains important provisions for child care—which is vital to women if they are to participate as full members of our work force. In addition, this year's EEA also deals more extensively with child-support-enforcement issues than the version introduced during the 97th Congress which for many women is a bottom-line economic issue.

We must recognize that hurting women is hurting our economy. The fact is, women's issues are bread-and-butter issues—issues that affect each and every one of us. Women are the breadwinners for our future—our youth. Almost half of today's work force is made up of women, two-thirds of whom are single, widowed, divorced, or working just to provide basic necessities for their families.

And yet, time and time again, women find themselves up against discriminatory laws and practices that make it very difficult, if not impossible, for them to get ahead.

For these women, fair tax treatment and equal access to insurance coverage and pension benefits is critical to economic survival.

The Economic Equity Act of 1983 would go far to insure that women receive their fair due. It has received more than 100 congressional cosponsors to date, and has also received widespread support from civil rights and women's organizations. I urge my colleagues to join us as cosponsors of this important legislation.

Thank you.●

INTRODUCTION OF MOTOR VEHICLE TITLE AND INSPECTION ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 10 minutes.

● Mr. STOKES. Mr. Speaker, today I am introducing legislation to require the National Highway Traffic Safety Administration to provide for the establishment, by States, of motor vehicle title and inspection requirements in order to promote traffic safety and deter motor vehicle theft.

Motor vehicle theft has reached a state of epidemic proportions. In America, today, 1.1 million or 1 out of every 43 registered motor vehicles, its contents, or accessories is being stolen annually. Statistically, that translates into a motor vehicle theft every 28 seconds at an annual cost to the American public of $4 billion in increased law enforcement costs and higher insurance costs.

Twenty years ago, motor vehicle theft was primarily a juvenile crime approximately 94 percent attributable to joyriders. In the 1980's motor vehicle theft has become increasingly professional with the recovery rate down to 55.5 percent, the lowest in history. The rate at which these crimes are solved is down to 12.6 percent. This is also an alltime low.

Police and other law enforcement agencies are finding it increasingly difficult to recover stolen motor vehicles and solve motor vehicle crimes because, most frequently, the stolen motor vehicles are being: First, chopped into their component parts with the result that identifiable portions no longer exist; second, altered and given a new identity, then fraudulently retitled; and/or; third, exported and therefore no longer in the country.

In addition to the problem of theft and insurance fraud there is the ever-increasing hazardous condition created by motor vehicles which have been extensively damaged or dismantled and then replaced with stolen parts. Frequently, these repairs have been made in a faulty manner and fail to meet the highway roadworthiness test and therefore are not safe. Many of these vehicles are being sold to purchasers who are unaware of the salvage history of the vehicle.

This bill establishes motor vehicle title and inspection requirements and procedures which will improve traffic safety by identifying motor vehicles which may be unsafe because necessary repairs have not been made or have been carried out in a faulty manner. It provides for the establishment of a system for canceling the title when the vehicle becomes nonsalvable and prohibits the operation of such vehicle on the highway.

Provision is made for a salvage motor vehicle to be repaired or otherwise restored to a condition suitable for highway operation after inspection by the appropriate State agency. The vehicle would then be given a salvage vehicle title which gives notice of its prior condition. States would be required to establish a system for titling and inspecting vehicles which have been titled in another State. Sales of motor vehicle parts would be prohibited when State or federally required identification numbers are missing. Insurance companies would be granted immunity from civil suit for releasing information relating to motor vehicle theft or accidents under investigation.

States are initially encouraged to establish motor vehicle and inspection programs on a voluntary basis. However, if a State fails to establish a program which meets with the approval and certification of the Administrator within 2 years after the enactment of this act, then the Administrator is required to take such steps as are necessary to prepare and administer the State program in accordance with this act.

Highway safety can be promoted and motor vehicle theft can be reduced only by breaking the connection between the theft and the lucrative illegal dealings that take place after the theft. Law enforcement agencies have repeatedly given assurance that one way of breaking this connection would be the enactment of State laws which would require the cancellation of titles for extensively damaged or dismantled motor vehicles.

Thousands of car owners throughout America are hopeful that we can alleviate the theft problem and also improve highway safety. This legislation is a response to that hope.●

PROCLAMATION ON THE EXCLUSIVE ECONOMIC ZONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, the Reagan administration has unilaterally proclaimed U.S. jurisdiction over the Exclusive Economic Zone (EEZ). This is its latest answer to the 17-part comprehensive Convention on the Law of the Sea that the administration refused, for ideological reasons, to sign last summer despite the fact that both Democratic and Republican administrations supported negotiations on this package deal at the highest levels for more than a decade.

The proclamation is based on the concept of the Exclusive Economic Zone in part V of the convention, which defines it "as an area beyond and adjacent to the territorial sea to 200 nautical miles." Coastal states

have sovereign rights to explore and exploit living and nonliving resources of the zone as well as jurisidiction over artificial islands, structures, and other edifices and marine scientific research and the protection of the marine environment. Foreign states retain high seas freedoms in the zone (navigation, overflight, fishing, and laying submarine cables) but must comply with relevant laws of the coastal state.

President Reagan's proclamation, however, does not precisely track the convention's provisons. One major difference concerns the Continental Shelf. The convention defines the outer limit of the Continental Shelf and established agreed upon principles for delimiting the shelf between states. The proclamation asserts jurisdiction over seabed resources beyond the shelf to 200 miles. Another difference concerns highly migratory fisheries, such as tuna.

This U.S. action is extremely ill-considered and potentially damaging to U.S. leadership. First, we set a poor example for other states to follow when we pick and choose provisions we like from a multilateral convention and disregard others. This simply means picking the obligations we want to fulfill and disregarding others. This is surely the wrong way for the United States to promote the rule of law in the world, a traditional principle of our foreign policy.

Second, there is a danger that this unilateral action will generate counter claims by other states, different from our own that will cause an unraveling of the treaty provisions on the EEZ that has been agreed upon by the vast majority of states. This in turn could lead to an erosion of other principles and obligations set forth in the convention. In this regard, I foresee serious consequences, especially for our navigation and overflight rights. Specifically our unilateral action could well harm our negotiations with Spain, Indonesia, and other countries by making more difficult and more expensive the conclusion of bilateral agreements with them to obtain rights of transit passage of straits in their jurisdiction to secure the global mobility of our naval fleet. The convention already sets forth the rights and duties of states regarding ocean straits and thereby protects U.S. interest. The proclamation offers us no additional protection in this regard, but it does threaten rights of transit that we already have.

Third, this unilateral assertion can only further damage what remaining goodwill exists toward the United States after we so arrogantly refused to sign the Law of the Sea Convention. The administration's unilateral alternatives to the treaty all strike out against multilateral diplomacy and multilateral solutions to global problems. The administration supports the conclusion of a minitreaty among European mining states and opposes sending an observer to the Preparatory Committee this March though we are entitled to do so. To underscore its opposition to the Preparatory Committee, the administration also withheld the U.S. share of the cost of that commission, and now this.

One hundred and twenty states of the international community have already signed the treaty. Several European Governments—the United Kingdom and the Federal Republic of Germany—have not yet signed, but are sending observers to the Preparatory Committee meeting this March. They have not withheld their fair share of the costs of that committee.

The administration has thus made a regrettable decision on ocean diplomacy. I feel it will have serious and negative repercussions for the United States in multilateral institutions, including NATO. My understanding is that the legislation to implement this proclamation is being introduced. The Committee on Foreign Affairs expects to consider this legislation very carefully and give particular attention to its foreign relations implications.

Further, under leave to extend my remarks. I include a copy of the President's proclamation and the accompanying ocean policy statement in the RECORD.

[A Proclamation by the President of the United States of America]

EXCLUSIVE ECONOMIC ZONE OF THE UNITED STATES OF AMERICA

Whereas the Government of the United States of America desires to facilitate the wise development and use of the oceans consistent with international law;

Whereas international law recognizes that, in a zone beyond its territory and adjacent to its territorial sea, known as the Exclusive Economic Zone, a coastal State may assert certain sovereign rights over natural resources and related jurisdiction; and

Whereas the establishment of an Exclusive Economic Zone by the United States will advance the development of ocean resources and promote the protection of the marine environment, while not affecting other lawful uses of the zone, including the freedoms of navigation and overflight, by other States;

Now, therefore, I, Ronald Reagan, by the authority vested in me as President by the Constitution and laws of the United States of America, do hereby proclaim the sovereign rights and jurisdiction of the United States of America and confirm also the rights and freedoms of all States within an Exclusive Economic Zone, as described herein.

The Exclusive Economic Zone of the United States is a zone contiguous to the territorial sea, including zones contiguous to the territorial sea, including zones contiguous to the territorial sea of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Island (to the extent consistent with the Covenant and the United Nations Trusteeship Agreement), and United States overseas territories and possessions. The Exclusive Economic Zone extends to a distance 200 nautical miles from the baseline from which the breadth of the territorial sea is measured. In cases where the maritime boundary with a neighboring State remains to be determined, the boundary of the Exclusive Economic Zone shall be determined by the United States and other State concerned in accordance with equitable principles.

Within the Exclusive Economic Zone, the United States has, to the extent permitted by international law, (a) sovereign rights for the purpose of exploring, exploiting, conserving and managing natural resources, both living and non-living, of the seabed and subsoil and the superjacent waters and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds; and (b) jurisdiction with regard to the establishment and use of artificial island, and installations and structures having economic purposes, and the protection and preservation of the marine environment.

This Proclamation does not change existing United States policies concerning the continental shelf, marine mammals and fisheries, including highly migratory species of tuna which are not subject to United States jurisdiction and require international agreements for effective management.

The United States will exercies these sovereign rights and jurisdiction in accordance with the rules of international law.

Without prejudice to the sovereign rights and jurisdiction of the United States, the Exclusive Economic Zone remains an area beyond the territory and territorial sea of the United States in which all States enjoy the high seas freedoms of navigation, overflight, the laying of submarine cables and piplines, and other internationally lawful uses of the sea.

In witness whereof, I have hereunto set my hand this tenth day of March, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN.

MARCH 10, 1983.

THE WHITE HOUSE,
OFFICE OF THE PRESS SECRETARY,
March 10, 1983.

Embargoed for release at 4 p.m. e.s.t.

FACT SHEET—UNITED STATES OCEANS POLICY

Today the President announced new guidelines for U.S. oceans policy and proclaimed an Exclusive Economic Zone (EEZ) for the United States. This follows his consideration of a senior interagency review of these matters.

The EEZ Proclamation confirms U.S. sovereign rights and control over the living and non-living natural resources of the seabed, subsoil and superjacent waters beyond the territorial sea but within 200 nautical miles of the United States coasts. This will include, in particular, new rights over all minerals (such as nodules and sulphide deposits) in the zone that are not on the continental shelf but are within 200 nautical miles. Deposits of polymetallic sulphides and cobal/manganese crusts in these areas have only been recently discovered and are years away from being commercially recoverable. But they could be a major future source of strategic and other minerals important to the U.S. economy and security.

The EEZ applies to waters adjacent to the United States, the Commonwealth of

Puerto Rico, the Commonwealth of the Northern Mariana Islands (consistent with the Covenant and UN Trusteeship Agreement), and United States overseas territories and possessions. The total area encompassed by the EEZ has been estimated to exceed two million square nautical miles.

The President's statement makes clear that the proclamation does not change existing policies with respect to the outer continental shelf and fisheries within the U.S. zone.

Since President Truman proclaimed U.S. jurisdiction and control over the adjacent continental shelf in 1945, the U.S. has asserted sovereign rights for the purpose of exploration and exploitation of the resources of the continental shelf. Fundamental supplementary legislation, the Outer Continental Shelf Lands Act, was passed by Congress in 1953. The President's proclamation today incorporates existing jurisdiction over the continental shelf.

Since 1976 the United States has exercised management and conservation authority over fisheries resources (with the exception of highly migratory species of tuna) within 200 nautical miles of the coasts, under the Magnuson Fishery Conservation and Management Act. The U.S. neither recognizes nor asserts jurisdiction over highly migratory species of tuna. Such species are best managed by international agreements with concerned countries. In addition to confirming the United States sovereign rights over mineral deposits beyond the continental shelf but within 200 nautical miles, the Proclamation bolsters U.S. authority over the living resources of the zone.

The United States has also exercised certain other types of jurisdiction beyond the territorial sea in accordance with international law. This includes, for example, jurisdiction relating to pollution control under the Clean Water Act of 1977 and other laws.

The President has decided not to assert jurisdiction over marine scientific research in the U.S. EEZ. This is consistent with the U.S. interest in promoting maximum freedom for such research. The Department of State will take steps to facilitate access by U.S. scientists to foreign EEZ's under reasonable conditions.

The concept of the EEZ is already recognized in international law and the President's Proclamation is consistent with existing international law. Over 50 countries have proclaimed some form of EEZ; some of these are consistent with international law and others are not.

The concept of an EEZ was developed further in the recently concluded Law of the Sea negotiations and is reflected in that Convention. The EEZ is a maritime area in which the coastal state may exercise certain limited powers as recognized under the international law. The EEZ is not the same as the concept of the territorial sea, and is beyond the territorial jurisdiction of any coastal state.

The President's proclamation confirms that, without prejudice to the rights and jurisdiction of the United States in its EEZ, all nations will continue to enjoy non-resource related freedoms of the high seas beyond the U.S. territorial sea and within the U.S. EEZ. This means that the freedom of navigation and overflight and other internationally lawful uses of the sea will remain the same within the zone as they are beyond it.

The President has also established clear guidelines for United States oceans policy by stating that the United States is prepared to accept and act in accordance with international law as reflected in the results of the Law of the Sea Convention that relate to traditional uses of the oceans, such as navigation and overflight. The United States is willing to respect the maritime claims of others, including economic zones, that are consistent with international law as reflected in the Convention, if U.S. rights and freedoms in such areas under international law are respected by the coastal state.

The President has not changed the breadth of the United States territorial sea. It remains at 3 nautical miles. The United States will respect only those territorial sea claims of others in excess of 3 nautical miles, to a maximum of 12 nautical miles, which accord to the U.S. its full rights under international law in the territorial sea.

Unimpeded commercial and military navigation and overflight are critical to the national interest of the United States. The United States will continue to act to ensure the retention of the necessary rights and freedoms.

By proclaiming today a U.S. EEZ and announcing other oceans policy guidelines, the President has demonstrated his commitment to the protection and promotion of U.S. maritime interests in a manner consistent with international law.●

INTERCIRCUIT TRIBUNAL OF THE U.S. COURTS OF APPEALS (H.R. 1970)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 10 minutes.

● Mr. KASTENMEIER. Mr. Speaker, last week I introduced—with 18 cosponsors—legislation to create an Intercircuit Tribunal of the U.S. Courts of Appeals. The proposed legislation (H.R. 1970) will provide help where it is needed most in the Federal judicial system: at the appellate level. It will play an important role in resolving conflicts between the circuit courts of appeals.

The Intercircuit Tribunal of the U.S. Courts of Appeals Act is a modest—but important—proposal which uses, for the most part, existing judicial resources. The new panel also will rely on existing manpower in the U.S. Marshals Service. It, therefore, will be extremely low in cost. The tribunal will be composed of between 14 and 22 circuit judges who are in regular active service or who are senior judges. The judges are to be designated by the judicial councils for the various circuits.[1]

The tribunal is a patch that fits neatly in the larger tapestry of the Federal judiciary. The new names symbolize this fit. Rather than creating a national court of appeals with transfer jurisdiction from the other courts of appeals—which actually suggests to some a lowered status for the existing circuit courts—the tribunal will have reference jurisdiction from the Supreme Court of the United States. Thus, all petitions for review continue to be routed to the Supreme Court. Furthermore, after the rendering of a judgment by the Intercircuit Tribunal, a petition for certiorari may once again be filed in the Supreme Court. In the final analysis, therefore, any argument that this new court would act as a gatekeeper and reduce access to the Supreme Court must fail analysis. The Supreme Court will remain, in the words of Chief Justice Earl Warren, "the ultimate tribunal to which all citizens, poor or rich, may submit their claims."

Moreover, the proposed legislation dovetails neatly with Public Law 97-164 which created a court of appeals for the Federal circuit. The merger of the Court of Customs and Patent Appeals with the Court of Claims occurred without hitch on October 1, 1982, and the new appellate court is on its way to a successful future. The CAFC, although it will play an important role in patent law conflicts, is without power to resolve conflicts between the circuits in areas outside its jurisdiction. That important task will be assigned to the Intercircuit Tribunal.

The tribunal will be a temporary entity since it is sunsetted after 5 years. Due to the court's experimental nature, there are provisions requiring an evaluation report to the Congress so that it might determine whether the court has been a success.

Before discussing the reasons for the legislation, I briefly would like to delineate its background. In 1971, Chief Justice Warren Burger, acting in his capacity as Chairman of the Federal Judicial Center, appointed a seven-member study group on the caseload of the Supreme Court. The so-called Freund Group studied the myriad of problems affecting the Supreme Court, and submitted recommendations for change in 1972.

In 1973 the Congress created a Commission on Revision of the Federal Court Appellate System—called the Hruska Commission after its chairman—to study the structure and internal procedures of the Federal circuit courts of appeal. In different forms, the Freund Group and Hruska Commission both recommended the creation of a National Court of Appeals. Their recommendation was in response to a finding by both commissions that serious caseload problems

[1] Much of the credit for the development of this proposal rests with others. As early as 1975 a distinguished jurist, Judge Harold Leventhal, advocated a similar proposal. "A Modest Proposal for a Multi-Circuit Court of Appeals," 24 Amer. Univ. L. Rev. 881 (1975). Several years later the idea was further clarified and advanced by an important article coauthored by one of the finest thinkers of our time on matters of jurisprudence, Dean Dan Meador. Haworth and Meador, "A Proposed New Federal Intermediate Appellate Court," 12 U. Mich. J. of Law Ref. 201 (1979). A great debt is owed to these individuals for advancing such a provocative idea.

existed in the Federal appellate system, requiring immediate attention by Congress.

Shortly thereafter, in 1977 my subcommittee—the Subcommittee on Courts, Civil Liberties and the Administration of Justice—held 7 days of oversight hearings on the state of the judiciary and access to justice. We received testimony from individuals who had participated in the foundation work of the Freund Group and the Hruska Commission. Testimony also was heard from the policymaking arm of the Federal judiciary: the Judical Conference of the United States. Because of the serious nature of the questions considered by the subcommittee, the Chief Justice of the United States, Warren E. Burger, participated by submitting a written statement into the record.

The testimony and statements presented by the respected witnesses confirmed that the Federal judiciary was suffering from endemic overload. As observed in a Department of Justice report submitted into the record by former Solicitor General Robert Bork:

> The federal courts, however, now face a crisis of overload, a crisis so serious that it threatens the capacity of the federal system to function as it should. This is not a crisis for the courts alone. It is a crisis for litigants who seek justice, for claims of human rights, for the rule of law, and it is therefore a crisis for the nation.

As regards the appellate capacity of the Federal court system, this overload was described as having especially deleterious effects. One of the main functions of appellate courts is to insure uniformity and consistency in the law by resolving conflicts in decisions between or among trial courts or lower appellate courts. The Supreme Court—which of course sits at the apex of the Federal judicial system—can devote plenary consideration only to about 150 cases a year. Hundreds of other petitions from the circuit courts have to be left unsettled. Some of these appeals are of high national priority or identify serious conflicts between circuits. Some of the neglected cases concern individual rights guaranteed by the Constitution and some relate to the delicate balance of powers in our Federal Union.

Since my subcommittee's hearings, appellate court problems have actually worsened. Congress has had a hand in this. In moving to resolve court congestion, we have substantially broadened the base of the judicial pyramid. Perhaps because problems are easier to identify at the trial level, perhaps because they are more amenable to legislative solution, Congress acted several times during the 95th and 96th Congresses to confront problems at the trial level of the Federal judiciary. The U.S. magistrates system was reformed, a comprehensive bankruptcy act was passed, and an omnibus judgeship bill was enacted. These legislative initiatives—considered collectively—dramatically broadened the ground floor of the judicial pyramid. The net result has been dramatic statistical increases in the number of appeals being taken from the district courts to the circuit courts and ultimately to the Supreme Court. With the exception of the creation of a handful of circuit judges, circuit council reform, the establishment of the Court of Appeals for the Federal Circuit, and the split of the Fifth Circuit into two autonomous circuits, nothing has been legislatively enacted that would improve the functioning of the Federal appellate system. It is noteworthy, in this regard, that the modest appellate improvements mentioned above have assisted the courts of appeals, while actually placing more burdens on the Supreme Court.

In short, the workload of the Supreme Court—which in 1972 was at the saturation point—is now assuming even more dangerous proportions. As a consequence, immediate remedial measures are called for. These measures should not dramatically alter the nature of the High Court. Rather, they will continue and preserve its essential role in the American judicial system.

Several things can be done. First, diversity of citizenship jurisdiction ought to be abolished. There are a high number of appeals in these cases; and therefore the elimination of diversity would actually improve the functioning of all elements—trial and appellate—in the Federal court system. Unfortunately bills to abolish diversity jurisdiction have not passed the other body. I will, however, continue to press for substantial revisions in the area of diversity of citizenship jurisdiction.

Similarly, the mandatory jurisdiction of the Supreme Court should be eliminated. We rely on the Supreme Court to resolve cases on the merits; we certainly can rely on the Court to determine which cases it can hear. My legislation to accomplish this end—see H.R. 6872, 97th Congress, 1st session (1981), House Report 97-827—passed the House last Congress only to die in the Senate.

Last, as I explained above, Congress should create an Intercircuit Tribunal—composed of sitting circuit judges to assist the Supreme Court in satisfying its enormous responsibilities. By deciding matters assigned to it by the Supreme Court, the tribunal would be of enormous assistance to the High Court especially in the area of resolving circuit conflicts and insuring national uniformity of the laws. I believe that the ultimate beneficiaries would be all the people in this country.

Mr. Speaker, I encourage my colleagues to take a hard look at his legislation. Many of the Members of the House and Senate Judiciary Committees have informally considered this idea at the last of our Williamsburg meetings. Their initial support has encouraged me to work on this legislative proposal. I already have shared a draft with Chief Justice Warren Burger and Prof. Leo Levin, Director of the Federal Judicial Center. As individuals, they have expressed support for this modest proposal, have encouraged its introduction and have asked for its careful consideration by all interested Members of Congress.

In closing, I urge your support for my bill, H.R. 1970.●

THE 1984 SUMMER OLYMPICS: THE PRESIDENT CANNOT KEEP THE FACTS STRAIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the press often notes that the President of the United States has trouble keeping his facts straight. Well, he has done it again. In a recent speech to the U.S. Olympic Committee, he said that "next year's games will show the world what Americans, without Federal subsidy, can accomplish when they set their minds to it." What the President neglected to mention in this salute to private sector fundraising is that these Olympics are, indeed, getting help from the Federal Government—in more ways than one.

I am somewhat surprised that the President is not aware of these Federal subsidies. In his very own defense budget for fiscal year 1984 is a $50 million request "for logistical support and personnel services provided by any component of the Department of Defense to the 1984 Games of the XXIII Olympiad." The Defense Department requested this money from the Federal Government because it will provide special transportation, communications, and medical services to the games.

And this is hardly the only way that the Federal Government is helping out. Last year, this Congress passed—and the President signed into law—the Olympic Commemorative Coin Act of 1982. This legislation authorized the striking of official U.S. coins to commemorate the 1984 Los Angeles summer Olympics and raise money for our amateur athletes. The coins are being minted and sold by the Bureau of the Mint with all of the proceeds from their sale going to support the staging of the Olympic games and the training of amateur athletes. To date, these beneficiaries have received more than $14 million as a result of this mint-managed Olympic coin program. And experts estimate that the Olympics could receive as much as $600 million if all of the coins are sold.

So while the President has every right to hail "America's heroic private sector initiative efforts," he should also give credit where credit is due. In this case that means remembering the support that the U.S. Government is giving to the 1984 summer Olympics. The President is always quick to criticize the Government. He should certainly pay it a well-deserved compliment every now and then.●

RULE 12, AS AMENDED, OF THE RULES OF THE COMMITTEE ON ARMED SERVICES

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD, rule 12, as amended, of the rules of the Committee on Armed Services which was adopted by the committee in open session on March 3, 1983:

RULE 12. THE FIVE-MINUTE RULE

(a) The time any one member may address the committee or subcommittee on any bill, motion or other matter under consideration shall not exceed five minutes and then only when the member has been recognized by the chairman, except that this time limit may be exceeded by unanimous consent. Any member, upon request, shall be recognized for not to exceed five minutes to address the committee or subcommittee on behalf of an amendment which the member has offered to any pending bill or resolution.

(b) When a meeting is originally convened members present at a meeting of the committee or subcommittee will be recognized by the chairman in order of seniority. Those members arriving subsequently will be recognized in order of their arrival. Notwithstanding the foregoing, the chairman and the ranking minority member will take precedence upon their arrival. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantge the members of the majority.

GENERAL LEAVE

Mr. CLARKE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order today of the gentleman from New York (Mr. OTTINGER).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MIKULSKI (at the request of Mr. WRIGHT), for March 15 and 16, on account of illness.

Mr. LEHMAN of Florida (at the request of Mr. WRIGHT), for today, on account of medical reasons.

Mr. BILIRAKIS (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CHAPPIE) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, March 16.

Mr. GILMAN, for 60 minutes, May 19.

Mr. GILMAN, for 60 minutes, May 20.

Mr. BURTON of Indiana, for 30 minutes, today.

(The following Members (at the request of Mr. CLARKE) to revise and extend their remarks and include extraneous material:)

Mr. BONKER, for 5 minutes, today.

Mr. WYDEN, for 5 minutes, today.

Mr. STOKES, for 10 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. MICA, for 15 minutes, today.

Mr. KASTENMEIER, for 10 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend his remarks was granted to:

(The following Members (at the request of Mr. CHAPPIE) and to include extraneous matter:)

Mr. O'BRIEN

Mr. GILMAN in two instances.

Mr. FRENZEL.

Mr. BURTON of Indiana.

Mr. FORSYTHE.

Mr. JEFFORDS.

Mr. CONTE.

Mr. FIELDS.

Mr. TAUKE.

Mr. SAWYER.

Mr. WALKER.

Mr. WEBER.

Mr. SCHULZE.

Mr. DAUB.

Mr. SHUMWAY.

Mr. CORCORAN.

Mr. HAMMERSCHMIDT.

(The following Members (at the request of Mr. CLARKE) and to include extraneous matter:)

Mr. OBERSTAR in two instances.

Mr. D'AMOURS in three instances.

Mr. LEVITAS.

Mr. HARRISON in two instances.

Mr. BOLAND in three instances.

Mr. DE LUGO.

Mr. GRAY.

Mr. ANNUNZIO in six instances.

Mr. FEIGHAN.

Mr. TORRICELLI.

Mr. FAUNTROY.

Mr. LEVINE of California.

Mrs. BOXER.

Mr. WHEAT.

Mr. VOLKMER.

Mr. BONKER in two instances.

Mr. STOKES.

Mr. BEDELL in two instances.

Mr. AUCOIN.

Mr. WYDEN.

Mr. BORSKI.

ADJOURNMENT

Mr. CLARKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 56 minutes p.m.) under its previous order, the House adjourned until tomorrow, Wednesday, March 16, 1983, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

582. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of July 2, 1962, to authorize intrastate quarantines under extraordinary emergency conditions; to the Committee on Agriculture.

583. A letter from the Deputy Administrator, General Services Administration, transmitting a report on violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

584. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of the Navy's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in a contract with Thai Airways International Ltd., for ground support services at Don Muang Airport, Thailand; to the Committee on Armed Services.

585. A letter from the Assistant Secretary of Defense, transmitting notice of proposed conversion to contractor performance of the Defense Audiovisual Still Photographic Depository at Anacostia Naval Station, Washington, D.C., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

586. A letter from the Deputy Assistant Secretary of Defense, transmitting the annual report for calendar year 1982 on special pay for duty subject to hostile fire, pursuant to 37 U.S.C. 310; to the Committee on Armed Services.

587. A letter from the Secretary of the Air Force, transmitting a report on the unit cost breaches reported in February (Executive Communication No. 316) to further comply with the requirements of section 1107 of Public Law 97-252; to the Committee on Armed Services.

588. A letter from the Secretary of Commerce, transmitting a draft of proposed leg-

islation to vest in the Secretary of Commerce certain responsibilities under the Chrysler Corporation Loan Guarantee Act of 1979; to the Committee on Banking, Finance and Urban Affairs.

589. A letter from the District of Columbia Auditor, transmitting reports entitled: "Rental Housing Conversion and Sale Act of 1980," and "District of Columbia General Hospital's 1982 Annual Report Is Not In Compliance With D.C. Law 1-134 (February 28, 1983)," pursuant to section 455(d) of Public Law 93-198; to the Committee on the District of Columbia.

590. A letter from the Secretary of Education, transmitting a report covering fiscal year 1981 on audits of programs funded under part A of the Indian Education Act of 1972, pursuant to section 1149(a) of Public Law 95-561; to the Committee on Education and Labor.

591. A letter from the Secretary of Energy, transmitting the annual report on activities under the Powerplant and Industrial Fuel Use Act of 1978 and section 2 of the Energy Supply and Environmental Coordination Act of 1974, pursuant to section 806 of Public Law 95-620; to the Committee on Energy and Commerce.

592. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Rail Passenger Services Act to authorize additional appropriations for the National Railroad Passenger Corporation and for other purposes; to the Committee on Energy and Commerce.

593. A letter from the General Counsel, Department of Energy, transmitting notice of meetings related to the international energy program to be held on March 17 and 18, 1983, in Castelandolfo, Italy, and on March 29, 1983, in White Plains, N.Y., to the Committee on Energy and Commerce.

594. A letter from the Secretary, Interstate Commerce Commission, transmitting a report advising that ICC has granted extensions of statutory deadlines for rail carriers to incorporate new rates in their tariffs, pursuant to 49 U.S.C. 10762(d)(2); to the Committee on Energy and Commerce.

595. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting notice of a proposed manufacturing license agreement for the co-development of certain defense equipment in Taiwan (Transmittal No. MC-5-83), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on Foreign Affairs.

596. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a report certifying that the security assistance programs of the United States for the fiscal year 1983 are in compliance with the requirements of section 502B of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

597. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment and services sold commercially to Mexico (Transmittal No. MC-8-83), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

598. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to the United Arab Emirates (Transmittal No. MC-6-83) pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

599. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of political contributions of Ambassador-designate John Davis Lodge and members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

600. A letter from the Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

601. A letter from the Secretary of Education, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

602. A letter from the Assistant Secretary for Administration, Department of Commerce, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

603. A letter from the Director, Office of Administration, Executive Office of the President, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

604. A letter from the Executive Director, Federal Labor Relations Authority; the Acting General Counsel, Office of the General Counsel; and the Executive Director, Federal Service Impasses Panel, U.S. Federal Labor Relations Authority, transmitting a report on the Authority's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

605. A letter from the Acting Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

606. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C 552(d); to the Committee on Government Operations.

607. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting a report of the Agency's activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

608. A letter from the Executive Secretary, Board of Regents, Uniformed Services University of the Health Sciences, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

609. President, Inter-American Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

610. A letter from the Chairman, National Credit Union Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

611. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

612. A letter from the Deputy Administrator, General Services Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1982, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

613. A letter from the Acting Assistant Secretary for Administration, Department of Transportation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

614. A letter from the Secretary, Postal Rate Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1982, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

615. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's activities under the Government in the Sunshine Act during calendar year 1982, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

616. A letter from the Public Printer, Government Printing Office, transmitting his annual report for fiscal year 1982; to the Committee on House Administration.

617. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $493,654.66 to Koch Exploration Co., for excess gas royalties, pursuant to section 10(a) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

618. A letter from the Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of $51,131.81 to Arco Oil & Gas Co., for excess gas royalties, pursuant to section 10(a) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

619. A letter from the Director, Department of Interior (Minerals Management Service), transmitting notice of the proposed refund of $577,222.38 to Arco Oil & Gas Co., for excess gas royalties, pursuant to section 10(a) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

620. A letter from the Acting Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the judgment funds awarded to the Colorado River Indian Tribes in Docket 283-B, before the U.S. Court of Claims, pursuant to section 2(a) and 4 of Public Law 93-124; to the Committee on Interior and Insular Affairs.

621. A letter from the Secretary of the Mineral Management Service, Department of the Interior, transmitting notice of the leasing systems to be used in oil and gas lease sale No. 70, St. George Basin, to be held on April 12, 1983, pursuant to section 8(a)(8) of the Outer Continental Shelf

Lands Act, as amended; to the Committee on Interior and Insular Affairs.

622. A letter from the Secretary of the Interior, transmitting a report on the Teton claims program for the period ending December 31, 1982, pursuant to section 8 of Public Law 94-400; to the Committee on the Judiciary.

623. A letter from the Attorney General, transmitting a report listing the recipients of the Young American Medals for Bravery and the Young American Medals for Service for calendar years 1980 and 1981, pursuant to section 5 of the act of August 3, 1950; to the Committee on the Judiciary.

624. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the patent laws of the United States; to the Committee on the Judiciary.

625. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1984 through 1986; to the Committee on Merchant Marine and Fisheries.

626. A letter from the Chairman, National Advisory Committee of Oceans and Atmosphere, transmitting the committee report on marine transportation in the United States; Constraints and opportunities; to the Committee on Merchant Marine and Fisheries.

627. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the U.S. Postal Service to provide to the Secretary of Commerce addresses or lists of addresses of housing units and other locations; to the Committee on Post Office and Civil Service.

628. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a report on the Corps of Engineers' minimum dredge fleet, pursuant to section 3(b) of the act of August 11, 1888; to the Committee on Public Works and Transportation.

629. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingess or egress; to the Committee on Veterans' Affairs.

630. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the expansion of the Board of Veterans' Appeals and the designation of certain individuals to act as members of the Board, and for other purposes; to the Committee on Veterans' Affairs.

631. A letter from the Deputy Administrator, General Services Administration, transmitting the 1982 status report on pubic building projects authorized for construction, alteration, and lease, pursuant to section 11(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

632. A letter from the Acting Executive Secretary of Defense, transmitting the quarterly report for October-December 1982 on the Defense Department's procurement from small and other business firms, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. H.R. 1983. A bill to amend certain housing and community development laws to provide emergency mortgage assistance to homeowners and emergency shelter for the homeless; with amendments (Rept. No. 98-32). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 138. Resolution providing for the consideration of House Joint Resolution 13, joint resolution calling for a mutual and verifiable freeze on and reductions in nuclear weapons (Rept. No. 98-33). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONKER (for himself, Mr. SWIFT, Mr. WYDEN, Mr. WILLIAMS of Montana, and Mr. AUCOIN):

H.R. 2098. A bill to provide for annual budget review of the Bonneville Power Administration by the Pacific Northwest Electric Power and Conservation Planning Council; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Ms. FERRARO:

H.R. 2099. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the deduction for retirement savings on the basis of the compensation of their spouses and to treat alimony as compensation for purposes of such deduction; to the Committee on Ways and Means.

H.R. 2100. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to provide greater protection to women under private pension plans; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. FRENZEL:

H.R. 2101. A bill to repeal the additional duties imposed until 1993 under the Omnibus Reconciliation Act of 1980 on imported ethyl alcohol, to the Committee on Ways and Means.

By Mr. HYDE (for himself, Mr. O'BRIEN, and Mr. ERLENBORN):

H.R. 2102. A bill to permit Federal participation in the construction of certain new toll roads, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KOGOVSEK:

H.R. 2103. A bill to provide long-term employment opportunities for the unemployed through the construction and reconstruction of vital public facilities, and for other purposes; to the Committee on Education and Labor.

By Mr. LEWIS of California:

H.R. 2104. A bill to repeal the provisions of the Tax Equity and Fiscal Responsibility Act of 1982 which impose withholding on interest and dividends; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 2105. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for investment in district heating and cooling systems; to the Committee on Ways and Means.

By Mr. PASHAYAN (for himself, Mr. ALBOSTA, Mr. BEVILL, Mr. BLILEY, Mr. BROWN of California, Mr. DANNEMEYER, Mr. DREIER of California, Mr. GINGRICH, Mr. GOODLING, Mr. HANSEN of Utah, Mr. HERTEL of Michigan, Mr. JEFFORDS, Mr. KASICH, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LIVINGSTON, Mr. MCGRATH, Mr. NIELSON of Utah, Mr. ORTIZ, Mr. PORTER, Mr. PRITCHARD, Mr. ROEMER, Mr. SCHEUER, Mr. SMITH of New Jersey, Mr. SUNIA, and Mr. WORTLEY):

H.R. 2106. A bill to strengthen law enforcement in the areas of child exploitation and pornography, and for other purposes; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 2107. A bill to authorize the Secretary of the Interior to enlarge the Jefferson National Expansion Memorial National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PRICE (for himself and Mr. DICKINSON) (by request):

H.R. 2108. A bill to amend title 10, United States Code, to repeal the requirement that suggestions for methods to improve defense procurement policies be solicited from certain retiring officers of the Armed Forces and civilian employees of the Department of Defense; to the Committee on Armed Services.

By Mr. ROYBAL:

H.R. 2109. A bill to amend the Older Americans Act of 1965 to provide for expanded counseling assistance for older persons; to the Committee on Education and Labor.

By Mr. STOKES:

H.R. 2110. A bill to require the National Highway Traffic Safety Administration to provide for the establishment by States of motor vehicle title and inspection requirements in order to promote traffic safety and deter motor vehicle theft, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WEAVER:

H.R. 2111. A bill entitled: "The Bonneville Power Administration Regional Accountability Act of 1983"; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. BORSKI:

H.J. Res. 197. Joint resolution designating March 15, 1983, as "Soviet Jewry Solidarity Day"; to the Committee on Post Office and Civil Service.

By Mr. DANIEL B. CRANE:

H.J. Res 198. Joint resolution calling for mutual and verifiable reductions in nuclear arsenals by the United States and the Soviet Union and expressing the full support of the Congress for the two ongoing arms reduction negotiations in Geneva between these two countries; to the Committee on Foreign Affairs.

By Mr. LEVITAS (for himself and Mr. CONTE):

H.J. Res. 199. Joint resolution designating the week of October 9, 1983, as "National Productivity Improvement Week"; to the Committee on Post Office and Civil Service.

By Mr. TORRICELLI (for himself and Mr. BROOMFIELD):

H.J. Res. 200. Joint resolution designating March 21, 1984, as "National Single Parent

Day"; to the Committee on Post Office and Civil Service.

By Mr. DREIER of California (for himself, Mr. KEMP, Mr. CONABLE, Mr. MICHEL, Mr. MARRIOTT, Mr. FIELDS, Mr. LEWIS of California, Mr. SKEEN, Mr. PETRI, Mr. WALKER, Ms. FIEDLER, Mr. BROWN of Colorado, Mr. SHUMWAY, Mr. SUNIA, Mr. HUNTER, Mr. PAUL, Mr. HANSEN of Idaho, Mr. ARCHER, Mr. GINGRICH, Mr. LOWERY of California, Mr. JEFFORDS, Mr. BADHAM, Mr. SOLOMON, Mr. LAGOMARSINO, Mr. GRADISON, Mr. WEBER, Mr. MCDONALD, Mr. ROBERTS, Mr. CORCORAN, Mr. CHAPPIE, Mr. BEREUTER, Mr. WHITEHURST, Mr. DANIEL, Mr. HANSEN of Utah, Mr. LIVINGSTON, Mr. PASHAYAN, Mr. LUNGREN, Mr. DENNY SMITH, Mr. PACKARD, Mr. MOORHEAD, Mr. DANNEMEYER, Mr. FORSYTHE, Mr. PORTER, Mr. WINN, Mr. DANIEL B. CRANE, Mr. EMERSON, Mr. MARLENEE, Mr. KINDNESS, Mr. NIELSON of Utah, Mr. HILER, Mr. THOMAS of California, Mr. GRAMM, Mr. MACK, Mr. MCCAIN, Mr. CAMPBELL, Mr. PARRIS, Mr. TAUKE, Mr. MCCANDLESS, Mrs. MARTIN of Illinois, Mr. ROE, Mr. COUGHLIN, Mr. STANGELAND, Mr. BLILEY, Mr. KASICH, Mr. DAUB, Mr. SENSENBRENNER, Mr. CHANDLER, Mr. GOODLING, Mr. ZSCHAU, Mr. MORRISON of Washington, Mr. FRENZEL, Mr. LOEFFLER, and Mr. BARTLETT):

H. Con. Res. 85. Concurrent resolution expressing the sense of the Congress that the provisions contained in section 1 of the Internal Revenue Code of 1954 relating to the adjustment of income tax brackets to prevent inflation-caused tax increases should not be repealed and the effective date of such provisions should not be postponed; to the Committee on Ways and Means.

By Mrs. BOXER (for herself, Mr. BARNES, Mr. DICKS, Mr. DIXON, Mr. DWYER of New Jersey, Mr. FAUNTROY, Mr. FAZIO, Mr. FOGLIETTA, Mr. HOWARD, Mr. HOYER, Mr. MATSUI, Ms. MIKULSKI, Mr. WASHINGTON, and Mr. WON PAT):

H. Res. 135. Resolution expressing the sense of the House of Representatives that it should take certain steps to insure the integrity of the civil service retirement system; to the Committee on Post Office and Civil Service.

By Mr. GARCIA:

H. Res. 136. Resolution commending the people of the Dominican Republic, the Congress of the Dominican Republic, President Jorge-Blanco, and the rest of the Government of the Dominican Republic, on their efforts to achieve a stable democracy; to the Committee on Foreign Affairs.

By Mrs. ROUKEMA:

H. Res. 137. Resolution expressing the sense of Congress that no changes will be made in the guaranteed student loan program for the academic year 1983-84; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

27. By the SPEAKER: A memorial of the Legislature of the State of New York, relative to the Department of Agriculture's assessment on dairy farmers; to the Committee on Agriculture.

28. Also, memorial of the Legislature of the State of Minnesota, relative to the presentation of the Congressional Medal of Honor; to the Committee on Armed Services.

29. Also, memorial of the Assembly of the State of New York, relative to the treatment of Lech Walesa; to the Committee on Foreign Affairs.

30. Also, memorial of the House of Representatives of the State of Arkansas, relative to mineral leases on Federal-owned lands; to the Committee on Interior and Insular Affairs.

31. Also, memorial of the Legislature of the State of Maine, relative to ratification of a proposed amendment to the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

32. Also, memorial of the Legislature of the State of West Virginia, relative to the ratification of the proposed amendment to the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

33. Also, memorial of the House of Representatives of the State of Kansas, relative to legislation establishing Teacher Day U.S.A.; to the Committee on Post Office and Civil Service.

34. Also, memorial of the Assembly of the State of New York, relative to the issuance of a commemorative stamp in honor of the "night-fighters" of World War II; to the Committee on Post Office and Civil Service.

35. Also, memorial of the Legislature of the State of Arkansas, relative to withholding Federal income tax on interest earnings; to the Committee on Ways and Means.

36. Also, memorial of the House of Representative of the State of Hawaii, relative to tax-exempt revenue bonds; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. JEFFORDS, Mr. GONZALEZ, Mr. FRANK, Mr. VENTO, Mr. SHELBY, Mr. BOEHLERT, Mr. DERRICK, Mr. WEAVER, Mrs. HALL of Indiana, Mr. STAGGERS, Mr. STUDDS, Mr. CHANDLER, Mr. BOLAND, Mr. MILLER of Ohio, and Mr. LEHMAN of California.

H.R. 638: Mr. GONZALEZ, Mr. GARCIA, Mr. ADDABBO, Mrs. HALL of Indiana, Mr. FAUNTROY, Mr. NOWAK, Mr. MITCHELL, Mr. SHELBY, Mr. ROE, Mr. SUNIA, Mr. ANNUNZIO, Mr. LOWRY of Washington, Mr. DWYER of New Jersey, Mr. HERTEL of Michigan, Mr. BEDELL, and Mr. TORRES.

H.R. 865: Mr. SIMON.

H.R. 869: Mr. SIMON.

H.R. 912: Mr. MCCOLLUM.

H.R. 1087: Mr. TORRICELLI and Mr. SUNIA.

H.R. 1093: Mrs. HALL of Indiana, Mr. OWENS, Mr. MITCHELL, and Mr. RATCHFORD.

H.R. 1104: Mr. WHITEHURST, Mr. TRAXLER, Mr. HUTTO, and Mr. FAUNTROY.

H.R. 1200: Mr. WEISS, Mr. SMITH of Florida, Mr. WON PAT, Mr. YATES, Mr. HYDE, Mr. ACKERMAN, Mr. RICHARDSON, Mr. ORTIZ, Mr. STOKES, Mr. BROWN of California, Mr. MADIGAN, Mrs. HALL of Indiana, Mr. MAVROULES, Mr. EDGAR, Mr. BIAGGI, Ms. MIKULSKI, and Mr. MORRISON of Connecticut.

H.R. 1254: Mr. ZABLOCKI.

H.R. 1375: Mr. EDWARDS of California, Mr. LANTOS, Mr. ROE, Mr. FRANK, Mr. STOKES, Mr. DYMALLY, Mr. PATMAN, Mr. SMITH of Florida, Mr. MATSUI, Mr. STARK, Mr. VANDERGRIFF, Mr. MILLER of California, Mr. BERMAN, Mr. MCNULTY, Mr. LAGOMARSINO, Mr. TALLON, Mr. WISE, Mr. OWENS, Mr. SUNIA, Mr. WAXMAN, Mr. RATCHFORD, Mr. PATTERSON, Mr. TORRES, and Mr. ANDERSON.

H.R. 1386: Mr. WISE, Mr. MORRISON of Connecticut, Mr. FEIGHAN, and Mr. DASCHLE.

H.R. 1623: Mr. MARRIOTT, Mr. DAUB, Mr. BROYHILL, Mr. TAUZIN, Mr. MADIGAN, Mr. WALKER, Mr. PARRIS, Mr. OXLEY, Mr. RUSSO, Mr. SAM B. HALL, JR., Mr. GREGG, Mr. STANGELAND, Mr. LEWIS of Florida, Mr. DANIEL B. CRANE, Mr. COATS, Mr. PATMAN, Mr. DANIEL, Mr. MARLENEE, Mr. WHITEHURST, Mr. SUNIA, Mr. KASICH, Mr. EMERSON, Mr. GEKAS, Mr. SUNDQUIST, and Mr. FRENZEL.

H.R. 1659: Mr. WASHINGTON and Mr. PATMAN.

H.R. 1691: Mr. ROGERS, Mr. FIELDS, and Mr. YOUNG of Alaska.

H.R. 1737: Mr. PORTER, Mr. OWENS, Mr. PRITCHARD, Mr. MADIGAN, and Mr. FRENZEL.

H.R. 1983: Mr. FEIGHAN, Mr. KOLTER, and Mr. KILDEE.

H.J. Res. 1: Mr. COUGHLIN.

H.J. Res. 97: Mr. AKAKA, Mr. TAUKE, Mr. DINGELL, Mr. KASTENMEIER, and Mr. CLAY.

H.J. Res. 103: Mr. DICKINSON and Mr. GONZALEZ.

H.J. Res. 120: Mr. BERMAN.

H.J. Res. 136: Mr. BARNES, Mr. BATES, Mr. FEIGHAN, Mr. FISH, Mr. GUARINI, Mr. MCCOLLUM, Mr. ORTIZ, Mr. REID, Mr. ROE, Mr. PORTER, and Mr. SEIBERLING.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

43. By the SPEAKER: Petition of the Adjutants General Association of the United States, Washington, D.C., relative to a national jobs program; to the Committee on Armed Services.

44. Also, petition of the Interim Joint Committee on Transportation of the Kentucky General Assembly, Frankfort, Ky., relative to an appropriation to complete the Jefferson Freeway; to the Committee on Public Works and Transportation.

45. Also, petition of the National Association of Retired Federal Employees, chapter No. 50, San Jose, Calif., relative to the packaging of legislation; to the Committee on Ways and Means.

46. Also, petition of the Supreme Council, the Knights of Equity, Philadelphia, Pa., relative to tuition tax credits; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.J. RES. 13

By Mr. BEREUTER:

—on page 3, delete lines 10 through 13, and insert in lieu thereof the following:

"(5) urges both powers to give special attention to the elimination of destabilizing weapons, especially those which give either nation capabilities which confer upon it even the hypothetical advantages of a first strike; and be it further".

By Mr. LEVITAS:

(An amendment in the nature of a substitute.)

—Strike out all after the resolving clause and insert in lieu thereof the following:

That it is the sense of the Congress that the President should propose to the Government of the Union of Soviet Socialist Republics, in the context of the relevant negotiations, immediate adherence by the Government of the United States and the Government of the Union of Soviet Socialist Republics to the principle of a guaranteed strategic build-down of nuclear forces, subject to agreed procedures of verification and compliance.

—Amend the preamble of the resolution to read as follows:

Whereas strategic stability is essential to the security and well-being of the United States and of the Union of Soviet Socialist Republics;

Whereas force survivability is indispensable to stability at the strategic nuclear level;

Whereas strategic stability requires the periodic replacement of vulnerable strategic nuclear weapons with more survivable weapon systems;

Whereas both the Government of the United States and the Government of the Union of Soviet Socialist Republics have pledged themselves to seek major reductions in strategic nuclear forces;

Whereas the goal of strategic stability thus requires a balanced blend of force modernization and force reduction of both the Government of the United States and the Government of the Union of Soviet Socialist Republics;

Whereas that goal could be served by a mutual guaranteed build-down of nuclear forces, under which the Government of the United States and the Government of the Union of Soviet Socialist Republics would each eliminate from its operational forces two nuclear warheads for each newly deployed nuclear warhead;

Whereas the principle of a guaranteed build-down is compatible with other proposals to reduce nuclear forces already advanced by the Government of the United States and the Government of the Union of Soviet Socialist Republics; and

Whereas the principle of a guaranteed build-down could be inaugurated immediately and remain in effect as a step toward achievement of such equal and lower levels of forces as may be agreed to by the two Governments: Now, therefore, be it

By Mr. SOLOMON:

—(1) Page 2, line 11 strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until all Soviet troops are withdrawn from Afghanistan."

—(2) Page 2, line 11, strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until political freedoms are granted in Poland, including, but not limited to, free and independent labor unions."

—(3) Page 2, line 11, strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until the President certifies to the Congress that the Soviet Union is complying with existing international agreements proscribing the use of chemical and biological weapons."

—(4) Page 2, line 11, strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until the governments of the Soviet Union and Bulgaria provide full disclosure of information and full cooperation to the Italian authorities in their investigation into the attempted assassination of the Pope."

—(5) Page 2, line 11, strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until the President makes a full report to the Congress on Soviet compliance with existing strategic arms agreements."

—(6) Page 2, line 11, strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until the Soviets comply with the provisions of the Helsinki Accords, to which they are a signatory, including freedom of emigration and an end to the use of slave labor."

—(7) Page 2, line 11, strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until the Soviets allow free and democratic elections in Eastern Europe as required by the Yalta agreement to which they are a signatory."

—(8) Page 2, immediately after line 24, insert the following new subparagraph:

(7) Providing for cooperative measures of verification, including provisions for on-site inspection, to complement National Technical Means of verification and to ensure compliance.

—(9) Page 2, line 11 strike out the period after "systems" and in lieu thereof insert ", however negotiations for a nuclear freeze do not endorse any type of unilateral disarmament of strategic weapons on part of the United States."

—(10) Page 2, line 11 strike out the period after "systems" and in lieu thereof insert ", except that negotiations for a nuclear freeze should not commence until the President certifies to the Congress that the Soviet Union is in compliance with all existing international agreements including but not limited to strategic arms agreements."

By Mr. STRATTON:

—At the end of the joint resolution, add a new section as follows:

SEC. 3. Nothing in this joint resolution shall be construed to prevent such modernization and deployment of United States weapons as may be required to maintain the credibility of the United States nuclear deterrent.

SENATE—*Tuesday, March 15, 1983*

(Legislative day of Monday, March 14, 1983)

The Senate met, at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our opening prayer will be offered by the Reverend Russell D. Burns, Minister of the Lavergne Presbyterian Church, Lavergne, Tenn. Reverend Burns is sponsored by the distinguished majority leader.

PRAYER

The Reverend Russell D. Burns offered the following prayer:

Let us pray.

Eternal God, who is the Heavenly Father of every human being, we are amazed at Your love, wisdom, creativity, and especially Your patience with all of us.

Silently You move among us to inspire and to motivate, so today be with the Members of this body as they feel the burdens of our Nation and the obligations to the world. Please enable them to have courage, faith, and wisdom to deal with the matters of this day.

As we acknowledge You to be the Lord of Lords, help us find a delightfulness in Your laws and commands.

May Your spirit lead us all away from temptations, but lead us in the paths of righteousness for the honor of Your name, for in the honor of Your name, we pray. Amen.

REVEREND BURNS COMMENDED

Mr. BAKER. Mr. President, I wish to thank and commend Reverend Burns for his prayer this morning, I am most pleased that he was able to join us this morning, and I am most proud of the fact that he is from Tennessee.

Reverend Burns is the minister of the Lavergne Presbyterian Church of Lavergne, Tenn., and is a certified counselor in alcohol treatment. He serves on the chamber of commerce and on the boards of several academic and civic groups.

All of us in the Chamber thank him for his participation in the opening of the Senate this morning and send him our best wishes.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate to date be approved.

Mr. BYRD. Mr. President, I meant to object to that.

Mr. STEVENS. I withdraw the request.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess from noon until 2 p.m. today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. STEVENS. Mr. President, the Senate will resume consideration of H.R. 1718, the emergency supplemental jobs bill, at 10:30 this morning. There will be pending then the amendment offered by the Senator from Rhode Island (Mr. CHAFEE) and the Senator from New York (Mr. MOYNIHAN) which relates to water projects. That is under a 60-minute time agreement.

Yesterday, Mr. President, the two leaders entered into time agreements on 33 amendments. You do not have to be a student of higher mathematics to arrive at the fact that those agreements add up to over 10 hours of debate. That does not include the time for rollcalls.

The majority leader stated yesterday this was going to be a busy day, and it appears to this Senator to be a rather long day.

It is the hope of the leadership to somehow resolve the issues surrounding the bill as rapidly as possible.

Following the disposition of this bill it is the intent of the leadership to take up the social security system reform bill. The first concurrent budget resolution, of course, is still in committee and we are hopeful we might be able to get to that before the recess. I think that is becoming less possible, Mr. President.

There will be a full day today.

MAJORITY LEADER'S TIME RESERVED

Mr. President, I ask unanimous consent that the remainder of the leadership time on this side be reserved for the majority leader with the right for him to put a statement in this portion of the RECORD when he makes that statement.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE ADELMAN NOMINATION

Mr. BYRD. Mr. President, will the acting majority leader yield?

Mr. STEVENS. I am happy to yield.

Mr. BYRD. The majority leader is also on the floor. My question is, is it anticipated that the Adelman nomination may be called up before the recess?

Mr. STEVENS. It is not my understanding that that will happen.

Mr. BYRD. I hear that that might happen. But that is not indicated?

Mr. STEVENS. If we ran out of anything else to do and could not get up the social security system reform bill and could not get this one finished, I have known majority leaders to change their minds.

Mr. BYRD. The distinguished acting majority leader has given a very clear and concise and, I would say, authoritative response to my question.

Mr. STEVENS. I thank the Senator.

Mr. BYRD. Madam President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER (Mrs. HAWKINS). The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Madam President, if I have any time remaining, I yield it back.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 a.m. during which Senators may speak for up to 3 minutes each.

NUCLEAR WARHEADS COME ON LIKE GANGBUSTERS AND BIGGER INCREASES ARE COMING UP

Mr. PROXMIRE. Madam President, for the most chilling story of the week I call the attention of the Senate to an article in the latest issue of U.S. News & World Report which begins with this warning shot across our bow:

Amid the swirling debate over a nuclear arms freeze, the United States is quietly

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

turning out atomic warheads at the fastest rate in 2 decades.

Throughout human history arms races have led to the use of those arms in war. We now find ourselves engaged in the most deadly arms race in history by far. Why should we expect that this arms race somehow can be an exception?

Oh sure, some contend that the very devastating power of these awesome weapons makes their use incomprehensible.

And the U.S. News article itself contends "The new weapons generally will be smaller, safer in case of accidents and tailored to specific jobs."

But then the article goes on to say: The new weapons "will allow the military to fine-tune nuclear response at any level, from a small demonstration to all-out retaliation."

Madam President, we know that this arms race is making this world far more dangerous and diminishing the prospects for human survival.

The arms race also makes negotiations for a mutual, verifiable freeze with the Soviet Union more imperative than ever. I ask unanimous consent that the article in U.S. News by Orr Kelly and K. M. Chrysler be printed, in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report]

WHILE PROTESTERS MARCH, BOMB BUSINESS FLOURISHES

(By Orr Kelly and K. M. Chrysler)

Amid the swirling debate over a nuclear-arms freeze, the United States is quietly turning out atomic warheads at the fastest rate in two decades.

The Pentagon won't say how fast, but outside experts estimate that at least 17,000 new warheads will be produced in the coming decade.

Of that sum, 11,500 will replace obsolete weapons—some dating back to the 1950s—and 5,500 will boost the U.S. stockpile to more than 31,000 warheads. That's a jump of more than 20 percent over the current 26,000-bomb arsenal.

The buildup will push U.S. warhead strength close to the peak reached in 1966. The level could go higher under a top-secret, 15-year plan approved by President Reagan on March 17, 1982.

The new weapons generally will be smaller, safer in case of accidents and tailored to specific jobs. They will allow the military to fine-tune a nuclear response at any level, from a small "demonstration" to all-out retaliation.

For example, warheads for the mighty MX, center of much controversy, could pulverize 10 separate missile sites and underground command centers. A Navy SM-2 could zap a fleet of bombers. A neutron bomb, exploded outside a town, could kill a defending army without blowing away the buildings.

In production are seven types of warheads for nine weapons. Nearing production are five other warheads for weapons ranging from MX intercontinental missiles to 155-mm artillery shells designed to stop a massive drive of tanks several miles away.

The leaner, meaner bombs will also arm other multiple-warhead projectiles plus thousands of cruise missiles. These weapons will augment the nation's current arsenal, which contains 24 different warheads on 26 different missiles or artillery projectiles.

Estimates of the magnitude of the buildup were made by William M. Arkin of the Institute for Policy Studies and Robert S. Norris of the Center for Defense Information. Officials say only that the increase in the arsenal will be "on the order of several thousand" warheads.

While arms-control agreements limit certain weapons, there is no overall ceiling on warheads.

The bomb business, contrary to popular assumption, is run by the Department of Energy rather than the Pentagon as part of an effort to retain civilian control over the atom. Energy is spending 4.7 billion dollars this year—more than half its budget—on warheads. This is separate from the Defense Department's 28.2-billion-dollar budget for strategic weapons to launch the warheads and its 238.6-billion total budget request for fiscal 1984.

Bomb designers. Two national laboratories operated by the Energy Department are the Macy's and Gimbels of the nuclear-bomb business, and they often compete fiercely in designing weapons for the U.S. arsenal.

The Los Alamos National Laboratory in New Mexico operates on a 421-million-dollar budget with 7,018 employes. The Lawrence Livermore Laboratory in Calfornia maintains a 515-million-dollar budget with 7,160 employes.

The rivalry between the labs, both run by the University of California for the Energy Department, is deliberate government policy—not a case of scientists running wild.

The theory is that each will be a check on the other to assure that the U.S. will not be surprised by Soviet developments. "We tend to push the frontiers of technology a little harder," says Roger Batzel, director of the Livermore lab. "It would be a major mistake to have only one lab."

Livermore was an early advocate of new artillery shells and short-range missile warheads for the Army. Both laboratories competed for the design, and Livermore won.

Los Alamos, 10 years older than Livermore, boasts that it has designed two thirds of the weapons in the stockpile. Its products include warheads for air and submarine-launched cruise missiles and for the new Pershing 2 missile.

Weapons from the labs are fitted with fuses and firing and safety devices by the Sandia National Laboratory, with branches in New Mexico, California and Nevada. Western Electric operates it for the government with a budget of 738 million dollars and 7,985 employes.

Sometimes, the laboratories respond to military requests for a certain kind of warhead. Often, the reverse is true: They come up with a new idea, and the generals or admirals find a way to use it.

"The military didn't think of the first atom bomb—scientists 'sold' it to the military," says Robert Thorn, deputy director of the Los Alamos lab.

Harold Agnew, former director of that laboratory, explains: "We used to emphasize cost and practicality until we learned that the 'gee-whiz-gosh, tail-fins-and-chrome approach' is the best way to go with the military."

Some devices are tiny, with no more explosive power than a conventional bomb. One such weapon is the 58.5-pound, special atomic-demolition munition that can knock out a bridge in advance of enemy tanks. At the other end are such monsters as the B-53 strategic bomb, with a 9-megaton payload. One B-53 airburst over Leningrad would level the city, whose population is 4.5 million.

Sub rosa controversies. Weapons experts often disagree strongly over which warhead to choose for development, although such differences seldom provoke public debate.

For example, some scientists at Los Alamos, where the first atomic bomb was built in 1945, question the decision to produce the Livermore-designed neutron bombs as artillery weapons.

"Many of us feel that standoff weapons, those with greater range, are more useful," says Los Alamos's Thorn.

Another hotly fought issue among insiders is whether the Navy should modernize its nuclear arsenal or focus on conventional weapons for war at sea.

Some experts worry that an initial nuclear blast would knock out the Navy's radar, leaving the fleet vulnerable to follow-up attacks.

The Reagan administration has brushed aside objections and given the go-ahead for a new Los Alamos-designed nuclear missile that could destroy attacking bombers or missiles before they strike the fleet.

Richard L. Wagner, assistant defense secretary for atomic energy, defends the decision: New radar can see around a nuclear blast and continue to watch incoming planes and missiles, he says. However, Wagner acknowledges that nuclear warfare could leave U.S. ships blind because atomic explosions generate mammoth electromagnetic pulses that can disable electronic gear.

"This is not a trival problem, and it is not being worked as hard as I think it should be," Wagner concedes.

Design tests. To avoid bad decisions, the U.S. runs a 233-million-dollar-a-year test program in the Nevada desert.

There, at the dry Yucca Lake site about 75 miles north of Las Vegas, the labs test prototypes of their warheads.

Each device is packed in a box called a rack and lowered into a hole as much as 10 feet across and a mile deep.

About every three weeks—18 times last year—the desert rumbles with a deep underground blast from a test.

Only 1 in 3 weapons passes. Once that happens, work orders fan out from the Energy Department's Albuquerque operations office to a dozen plants that produce nuclear materials, parts for weapons and the weapons themselves.

This industrial complex, employing 52,000 persons in 10 states and covering more territory than Delaware and Rhode Island combined, is a rare blend of government and industry.

The U.S. owns the plants; big private firms such as Monsanto, Bendix, Rockwell International and General Electric run them. If the complex were privately owned, it would rank near the top of the nation's 500 biggest corporations.

The whole effort comes together at Pantex, a plant spread over 16 square miles of the High Plains, 23 miles from Amarillo, Tex. Here, old weapons are dismantled and their nuclear material combined with parts from other plants to form new weapons.

So far, the nuclear-freeze movement seems to have had little impact on the nuclear-weapons community.

Some Livermore scientists have met with antinuclear groups in the nearby San Francisco Bay area to defend the need for and the morality of their work. Relatively few express serious doubts.

One of the critical minority is physicist Hugh DeWitt, a veteran of 25 years at Livermore. He describes the labs as "repositories of hawkish views of the world, distrust of the Russians, distrust of arms control, faith in the efficacy of high technology to provide protection and strong opposition to any measures that might limit nuclear-weapons development."

Talent magnet. Lab officials say they have no difficulty attracting the most promising young scientists.

The reason: The labs offer scientists a chance to join other bright people in demanding work with excellent equipment such as 13 Cray-1 computers, the world's most powerful.

Jerry Yonas of the Sandia lab in Albuquerque presides over a complex of machines designed to set off tiny hydrogen explosions and measure the results. His work may lead to "directed-energy weapons," those that can fire death rays.

But it may also lead to the electromagnetic launch of private-industry projectiles into orbit or a new way to sterilize sewage.

"I believe weapons are necessary and inevitable, but we are also doing many things that benefit mankind," Yonas insists. "I'm not afraid of new technology. Technology is not evil."

The labs are looking for a third-generation nuclear weapon that could have as big a political and military impact as the first atomic bomb.

Thorn, deputy director at Los Alamos, says: "Most of us believe our efforts will lead to a safer world, one in which arms control will play a part. I don't think we will ever eliminate nuclear weapons. I don't think we would have a safer or a better world if they were eliminated."

THE GENOCIDE CONVENTION: A SENSE OF THE HOUSE RESOLUTION

Mr. PROXMIRE. Madam President, in 1967, 16 years ago, I pledged to speak out on this Nation's shameful inaction in ratifying the Genocide Convention. I have done so almost every day the Senate has been in session for the last 16 years. Today, 16 years after I made my pledge and 34 years after the treaty's initial adoption, the United States has still not ratified the convention, choosing instead to stand conspicuously apart from the censensus of civilized nations.

Virtually every major organization in the United States has endorsed the treaty, including some that were once steadfastly against it. In 1976, the American Bar Association reversed its longstanding opposition to the Genocide Convention. Soon thereafter, the Department of Defense endorsed the treaty, thus greatly reducing the credibility of the arguments claiming that it would undermine the international position of the United States.

Now another major group is taking steps to endorse the ratification of the treaty. I can assure you that this group is well respected by every Member of the Senate. And on many occasions, we have listened very closely to this group's opinions on a wide variety of issues. The group that I refer to is the U.S. House of Representatives.

In February, Congresswoman GERALDINE A. FERRARO of New York introduced a resolution expressing the sense of the House that the United States should ratify the Genocide Convention.

I applaud the efforts of Congresswoman FERRARO and I urge the Members of the House to take quick action in support of her resolution. More importantly, I urge my colleagues in the Senate to make such a resolution unnecessary by taking immediate action to ratify the treaty.

Madam President, the time to act was 34 years ago. Those of us who care about human rights would settle for action now, but it would be very sad if the U.S. Senate allowed another 34 years to elapse before ratifying this vital international treaty.

I ask unanimous consent that Congresswoman FERRARO's resolution be printed in full in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

H. RES. 50

Whereas the twentieth century has witnessed repeated instances of genocide, including the massacre of the Armenians and the Holocaust against the Jews;

Whereas the United Nations General Assembly, in 1948, in order to prevent a repetition of the Nazis' systematic annihilation of a people, unanimously approved the text of the Convention on the Prevention and Punishment of the Crime of Genocide;

Whereas the United States representatives to the United Nations played an important role in drafting the Genocide Convention;

Whereas since 1948 eighty-eight other nations have become parties to the treaty;

Whereas Presidents of the United States, representing both major political parties, have since 1948 consistently requested the Senate to act favorably on the treaty;

Whereas the Senate Foreign Relations Committee has on four separate occasions reported favorably on the treaty and recommended that the Senate advise and consent to the ratification of the treaty;

Whereas the constitutional and legal objections to the treaty have been resolved to the satisfaction of the American Bar Association, which now supports ratification by the United States; and

Whereas the United States has always been a leader in efforts to bring to an end crimes against humanity and all human rights violations: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the United States should signify its continuing commitment to ending genocide by joining the eighty-eight other nations who have become parties to the Convention on the Prevention and Punishment of the Crime of Genocide.

THE WEST FRONT OF THE CAPITOL

Mr. HOLLINGS. Madam President, late yesterday I found out the Commission on the West Front is meeting this afternoon. As the principal author of the legislation establishing the Commission, I was glad to hear they are meeting but surprised that the meeting was not publicized. I would like to hope that the purpose of this meeting is to ratify the last position of the Senate that the necessary repairs to the west front be accomplished by restoration of the last remaining visible exterior wall of the original Capitol. However, the lack of notification alarms me.

As the chairman of the Legislative Branch Appropriations Subcommittee, I held the most comprehensive hearings ever held on this issue in 1973 and again in 1974. Following those hearings, the Senate voted to restore the west front in 1973 and 1974. The House of Representatives, by a close vote of 192 to 203 in 1974, narrowly defeated a motion to agree with the Senate's position. Furthermore, we provided for the additional space needs of the House by approving funds for an underground building immediately south of the Capitol.

It is tragic that we did not move forward with restoration at that time. We could have accomplished the necessary repairs for approximately $20,000,000 instead of sitting on our hands in the interim and neglecting this shrine that has been exclusively entrusted to our care. The taxpayers have been the big losers by the delaying tactics of those bent on entombing the last remaining visible facade of the original Capitol.

The driving force behind expanding the Capitol has to be intrepid Architect of the Capitol George White. When Mr. White appeared at our hearings in 1973, he stated that the wall could be sufficiently strengthened by either restoration or extension. Expansion was necessary to accommodate the additional space requirements of the Congress. The following year we went deeply into the allocation of space in the Capitol. We exposed the nonessential functions, such as the Architect's office and shops, barber shops, photographers rooms, joint committees, and so forth, that occupy so much of the space in this building and destroyed the notion that additional space was required. The Senate has now moved the document room and disbursing office out of the Capitol and the challenge still is to further clean out our closets instead of building an addition to our house.

The Architect's own professed desire to enlarge the Capitol gives me concern about his estimates. I suspect that his restoration costs are overstated, while the cost of extension are understated. Those of us that were

burned by the Architect's estimates for the Madison Library Building and the Hart Senate Building are wary of the Architect's estimates.

Madam President, restoration of the west front is supported by the American Institute of Architects and the National Trust for Historic Preservation. The testimony of these two outstanding organizations, to be presented at a hearing of the House Public Works Committee tomorrow, eloquently states their support of restoration. I note that both of these organizations make reference to the master plan for Capitol Hill. The master plan was something former Representative Bob Casey and I came up with when there was considerable outcry by our Capitol Hill neighbors to the expansion plans of the Congress. The Architect has stated that the master plan provides that the future space needs of the Congress can be accommodated without expansion of the Capitol.

In deference to the Architect, he has been entirely straightforward in his effort to gain the White addition to the Capitol. At least he has not erected the silly shoring that his predecessor put up to scare Congress into extending the west front. Our hearings in 1973 showed that effort to be "more theatrical than structural." The west front needs to be repaired, but it is not falling down. Five sticks of dynamite in 1971 did not damage it; nor did the downward thrust from President Nixon's helicopter, after years of shooing away planes for fear that the wall would tumble like Jericho.

In 1977, the Congress abolished the former Commission on the Extension of the west Front, and established a neutral-named commission on the west front. We also deleted the Architect of the Capitol as a member of the Commission. At the same time, the Architect was directed to develop complete drawings, specifications, and accurate pricing of both restoration of the west front and the construction of an extension to the west front. On October 12, 1979, the Architect reported to the Commission that the studies were complete, and that while the "reports and drawings indicate that the structure can be adequately strengthened with either method," he favored his miniextension.

As far as I know, those reports have not been deeply reviewed by the Commission or by any committee of the Congress. The AIA task force has reviewed them and has remained steadfast in support of restoring the west front, except that they now favor the restoration plans recommended by the 1979 Ammann & Whitney Report instead of the earlier report by Praeger-Kavanaugh-Waterbury in 1971.

Madam President, there is a renewed interest in the west front. A few weeks ago the chairman and the ranking minority member of the Legislative Branch Appropriations Subcommittee of the House of Representatives wrote the Commission and urged them to recommend either restoration or extension. Tomorrow a subcommittee of the House Public Works Committee will look into this matter. We have neglected the west front for far too long. I urge the Commission on the West Front to take advantage of the demonstrated interested and gathering momentum and recommend restoration of the west front, so that it will again be equal to the strong and vital image it represents to all of us as a symbol of freedom.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94-118, appoints the Senator from Hawaii (Mr. INOUYE) to the Japan-United States Friendship Commission.

Mr. HOLLINGS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Madam President, might I inquire of the Chair, are we in morning business?

The PRESIDING OFFICER. Until 10:30 a.m.

SYMMS AMENDMENT ON U.S. POLICY TOWARD CUBA

Mr. SYMMS. Madam President, it was an act of statesmanship by the Congress last August when the Symms amendment on U.S. policy toward Cuba passed both the Senate and the House by overwhelming majorities. The Symms amendment reaffirmed more strongly than ever the law of the land on what was U.S. policy toward Cuba for the last 20 years. The three essential elements of the Symms amendment were:

First, U.S. opposition, by force of arms if necessary, to Soviet and Cuban subversion and aggression in Central America;

Second, U.S. opposition to a Soviet military base in Cuba;

Third, U.S. support for self-determination for freedom-loving Cubans.

Madam President, I have just been informed by a senior official that the Reagan administration would support a legislative effort to enforce the Symms amendment in Central America. I am extremely pleased to hear that the Reagan administration would support an effort to put some real teeth in our Cuban policy to enforce the Symms amendment.

I am extremely pleased to hear that the President supported that effort.

Madam President, a matter related to the Symms amendment has just come to my attention. I have been informed by several reliable sources outside of the administration that the Soviets are up to something extremely dangerous in Cuba.

I would like to inquire of the administration on the record if the Soviets have deployed bomber variants of their TU-95 Bear aircraft to Cuba recently?

Have Bear bomber variants just been detected in Cuba? Have other types of Soviet aircraft not previously deployed in Cuba recently been seen there?

Second, I would like to ask whether the Soviets are increasing their deployment of TU-95 Bear bomber aircraft in Cuba, and whether they are building revetments for as many as a squadron of Bear bombers there?

Third, I would like to ask whether the United States has the capability to detect whether or not the Soviets have deployed nuclear weapons in Cuba?

Finally, Madam President, I would like to ask why the Reagan administration will not send to the Congress the complete diplomatic record of United States-Soviet agreements and understandings since 1962 regarding Soviet military activity in Cuba. The Kennedy-Khrushchev agreement of 1962, the essence of which is public, prohibits Soviet offensive weapons in Cuba. TU-95 Bear bomber variants would clearly be offensive weapons. Moreover, any variant of the TU-95 Bear could be regarded as an offensive weapon, because they all have the inherent capability for carrying nuclear bombs and missiles.

Madam President, I hope that the administration will answer my questions soon and I appreciate its expression of support for my efforts to enforce the Symms amendment. Soviet-Cuban aggression and subversion throughout Central America is extremely dangerous to United States national security.

REPORTS OF SOVIET BOMBERS IN CUBA

Mr. HELMS. Madam President, the distinguished Senator from Idaho (Mr. SYMMS) has performed a useful service in calling attention to several reports from outside the administration that the Soviets have deployed TU-95 Bear bombers in Cuba. I too have heard the reports and they appear to be reliable. This is the first time that the Bear has been reported to be in Cuba in the bomber configuration. There have been reports in the past of the Soviet Bear in reconnaissance configuration in Cuba; but the bomber configuration would be the first time that a long-range bomber has been in Cuba.

Madam President, if these reports are accurate, then we clearly have a case of offensive strategic nuclear weapons in Cuba. Moreover, these reports are ominous in the light of the testimony yesterday in the Western Hemishpere Subcommittee of Foreign Relations by Under Secretary of Defense for Policy Fred Ikle. Secretary Ikle provided photographs to the committee, which are reproduced in today's Washington Times, showing a new 10,000-foot runway in Granada, at Point Salines, which is currently under construction. When completed, the Granada runway would be capable of supporting Bear bomber operations.

Madam President, I call upon the administration to respond to the concerns raised by these reports directly and fully. It is time to put on the public record the documents relating to the Kennedy-Krushchev accords of 1962. The American people have a right to know what agreement was reached, particularly with regard to the placement of offensive nuclear weapons in Cuba.

Today I have written to Secretary of State George Shultz inviting him to appear before the Western Hemisphere Subcommittee at his earliest convenience to talk about the Kennedy-Krushchev accords, and to provide the subcommittee with the documents in question. I know that the Secretary has an enormously busy schedule right now, but I emphasize that I have asked him to come at his earliest convenience.

This is not the first time that the subcommittee has asked the administration to provide these documents. In the early months of 1982, then Secretary of State Alexander Haig declined similar invitations from the subcommittee five times. Even though he repeatedly offered to come and brief the subcommittee on the Kennedy-Krushchev accords in executive session, Secretary Haig never seemed to find the time to do even that.

Yesterday Secretary Ikle told the subcommittee that during 1982 along—that is to say, since my first invitation to Secretary Haig—the Soviet Union has delivered 68,000 tons of war materials to Cuba. This does not include subsequent amounts in 1983.

Madam President, when we put all this together—the bomber reports, the Granada airstrip, the tremendous deliveries of war material to Cuba—it is clear the problem is not going away. The Soviet Union's designs on Central America and the Caribbean must be acknowledged by the dispassionate observer. We might add that the takeover of Suriname, with a subsequent bloody purge and the installation of a top-rank Cuban intelligence chief as Ambassador, only confirms this plan.

I applaud the recent, renewed attention which the President has given to the Central American problem. The request for increased military assistance to the region will come under close scrutiny in this Chamber within a very short time, and it is necessary for them to have all of the historical data relating to the origin of this problem, as well as the present situation of Soviet deployment in this hemisphere. I hope that Secretary Shultz shares these concerns and will be able to accommodate the subcommittee's request as soon as possible.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

Mr. SYMMS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMERGENCY JOBS APPROPRIATIONS, 1983

Mr. HATFIELD. Madam President, is the Moynihan-Chafee amendment the pending business?

The PRESIDING OFFICER. Morning business is closed.

The clerk will state the pending business.

The acting assistant legislative clerk read as follows:

A bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under this previous order, the Senate will now consider the Moynihan-Chafee amendment, with debate limited to 60 minutes evenly divided and with debate on amendments thereto, debatable motions, appeals, or points of order which may be submitted to the Senate limited to 20 minutes, and provided that no motion to table be in order.

UP AMENDMENT NO. 43

(Purpose: To reduce appropriations for the Army Corps of Engineers and the Bureau of Reclamation and to make appropriations to the Environmental Protection Agency's construction grant program)

Mr. MOYNIHAN. I thank the Chair.

Madam President, I send the desk an unprinted amendment for myself and Mr. CHAFEE, Mr. HUMPHREY, Mr. STAFFORD, Mr. RUDMAN, Mr. BRADLEY, Mr. LUGAR, Mr. LAUTENBERG, Mr. PELL, Mr. HEINZ, and Mr. WARNER, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The acting assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself, Mr. CHAFEE, Mr. HUMPHREY, Mr. STAFFORD, Mr. RUDMAN, Mr. BRADLEY, Mr. LUGAR, Mr. LAUTENBERG, Mr. PELL, Mr. HEINZ, and Mr. WARNER, proposes an unprinted amendment numbered 43.

Mr. MOYNIHAN. Madam President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

ENHANCEMENT OF WATER RESOURCE BENEFITS

On page 28, strike lines 10 through 17 and insert in lieu thereof the following:

"For an additional amount to reduce unemployment while providing for necessary and urgent work on emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act, approved August 18, 1941, $25,000,000, to remain available until September 30, 1983, is hereby appropriated for 'Flood Control and Coastal Emergencies', Corps of Engineers—Civil, Department of the Army."

On page 28, line 21, strike "$164,000,000" and insert "$76,000,000".

On page 28, line 22, strike "expended" and insert "September 30, 1983".

On page 29, line 5, strike "$80,000,000" and insert "$40,000,000".

RECLAMATION AND IRRIGATION PROJECTS

On page 29, line 13, strike "$50,000,000" and insert "$39,400,000", and strike "expended" and insert "September 30, 1983".

On page 29, line 20, strike "$21,000,000" and insert "$13,800,000", and strike "expended" and insert "September 30, 1983".

On page 30, line 1, strike "$30,000,000" and insert "$26,100,000", and strike "expended" and insert "September 30, 1983".

ENVIRONMENTAL PROTECTION AGENCY CONSTRUCTION GRANTS

On page 29, after line 8, insert the following:

"To accelerate the completion of necessary water quality projects authorized by Title II of the Federal Water Pollution Control Act, as amended, other than sections 206, 208, and 209, $185,000,000, to remain available until September 30, 1983, and $15,000,000 for combined sewer overflow projects, to remain available until September 30, 1983, is hereby appropriated for 'Construction'—Environmental Protection Agency."

Mr. MOYNIHAN. Madam President, I offer this amendment with my good friend from Rhode Island (Mr. CHAFEE) to cut a total of $209.7 million from the Bureau of Reclamation and the Corps of Engineers and add $200 million to the Environmental Protection Agency's sewage treatment plant and sewer construction program.

I offer the amendment for three reasons:

First, neither the corps nor the Bureau can obligate all of the funds allotted by the committee in the current fiscal year. The money will

simply not be spent in the next several months when it is needed most.

Second, the committee bill and report do not specify in which States the corps and Bureau funds will be spent.

Third, the EPA construction grant program has a congressionally authorized allocation formula that distributes funds among all regions of the Nation.

I am all too well aware that the construction program of the Corps of Engineers has been steadily declining over the last 15 years—from $996 million in 1967 to $356 million in 1983—in 1965 constant dollars. This is a 63-percent decrease. I am disturbed by the fact that neither the House nor the Senate Appropriations Committees chose to explain exactly where the total of $430 million for the Corps of Engineers and the Bureau of Reclamation will be spent. Simply spending more money randomly will not solve the corps' problems. The program has declined because it has ceased to be national.

At the request of the Water Resources Subcommittee, the Library of Congress has examined the distribution of water resources expenditures among the States over the last 25 years. The findings are striking, but not surprising. Between 1956 and 1980, the West received 35.7 percent of corps, Bureau of Reclamation, Soil Conservation Service, and Tennessee Valley Authority funds; the South, 39.7 percent; the North Central States, 18.7 percent; and the Northeast, 6 percent.

The purpose of this bill is to provide for immediate and productive employment throughout the Nation. Use of the EPA construction program with its formula based on actual water quality needs is the fairest, most rational means of accomplishing this goal. The States have previously indicated that they are quite capable of obligating these additional sums within the next 6 months. Senator CHAFEE, the chairman of the Environmental Pollution Subcommittee, will explain the details of the construction grant program.

Madam President, even with our proposed cuts, the Corps of Engineers will still receive $141 million in supplemental appropriations for operation and maintenance, emergency flood control work, and maintenance along the Mississippi River. The Bureau of Reclamation will receive $79.3 million for construction, operation and maintenance, and its loan program.

Our amendment specifies that all funds appropriated to the corps, the Bureau of Reclamation, and EPA will remain available only until September 30, 1983. The committee bill would allow the funds to remain available until expended. We believe this provision is consistent with the purposes of this emergency jobs legislation.

Our amendment reduces the corps' construction appropriation from $85 million to zero. The Assistant Secretary of the Army testified before the Environment and Public Works Committee that the corps has requested Congress to defer a total of $180 million from the fiscal year 1983 construction budget. Obviously, the corps does not believe it can obligate additional construction funds in this fiscal year.

Part of the corps' $180 million deferral of construction funds will be directed to additional operation and maintenance, $110 million. Therefore, our amendment provides only an additional $76 million for operation and maintenance.

Our amendment further reduces the committee appropriation to the Mississippi River and tributaries project. This project is presently receiving $209 million in the fiscal year 1983 budget. The President's fiscal year 1984 budget request includes an additional $290 million. The total cost of this project is over $10 billion. Nearly $3.5 billion has already been spent.

Our amendment also provides $25 million for flood emergency preparation, flood fighting and rescue operations, and repair of flood control and Federal hurricane or shore protection works. It also will provide for emergency supplies of clean drinking water where the source has been contaminated and in drought-distressed areas, provision of adequate supplies of water for human and livestock consumption.

The allocations for the Bureau of Reclamation suggested by our amendment are identical to those proposed by the Bureau in its fiscal year 1983 supplemental appropriations request, which has not yet been sent to Congress. The President's fiscal year 1984 budget request includes an overall increase in the Bureau's construction budget of $115 million, a 20-percent increase over 1983 levels.

In summary, I believe our amendment is responsive to the national need to put Americans back to productive work, responsive to our desire for a regionally equitable distribution of scarce construction dollars, and responsive to the Nation's goal of achieving clean waters in the decade.

Madam President, the purpose which has brought Senator CHAFEE and me to the floor is something which has brought us and other Senators to the floor over the past half dozen years. It is the great disparity in both regional terms and in terms of the spectrum of available projects in our water resources program—a disparity which may once have served the regions and the sectors, you might say, of water that was advanced under these arrangements, but which no longer does. The disparities are such as to have produced a reluctance in the other regions, in Congress, in institutions across the Nation, to maintain these programs at the level at which they need to be retained.

One result is that the last real rivers and harbors bill, as it might be described, passed the Congress in 1970. The Carter administration came and went with none. This administration might well do the same. The construction programs of the Corps of Engineers declined precipitously across the seventies, and they will decline further into this time. The needs of general purpose water systems are neglected while the irrigation programs and flood control programs that are also needed are not funded, and this is the sectoral imbalance I speak of.

The program we have before us is characteristic. In the House an enormous amount of money, more than one-half of a billion dollars, was simply plugged into this bill for Corps of Engineers projects, to be open about it, as the House was, in the lower Mississippi; another $101 million was just tacked on to the Bureau of Reclamation, which is by definition 17 Western States; and nothing for any other purpose and nothing for any other region. This is a jobs bill but not a penny of the Corps of Engineers construction money can be spent in anything like a timeframe that would have effects upon employment unless you anticipate a decade of depression. The typical project of the corps takes 10 to 15 years to embark upon.

This is a jobs bill. The Bureau of Reclamation can put it into effect to the point that we provide for it. And here is the point I should like to make now. What do we propose? We propose to reduce the amount available to the Bureau of Reclamation from $101 million to $79.3 million; $79.3 million, Madam President, is exactly the sum the Bureau of Reclamation requested in writing on February 16, saying their moneys had been reduced for 1983; they would like more. They explained exactly what they would like, where they would like it—$79.3 million that can be spent and will be spent in the timeframe we are talking about.

For the Corps of Engineers we reduced the construction program to nothing, for the simple reason that there is no prospect of any construction taking place as a result of such an appropriation. We keep the operation and maintenance moneys which can be spent and should be spent, exactly the sums the House and its Appropriations Committee provided.

May I say, Madam President, that in testimony before the Committee on Environment and Public Works, the very able Assistant Secretary of the Army, who is responsible for the corps, Mr. William Gianelli, testified that he would like to have his construction appropriations for this year

reduced by $180 million as he had no prospect of spending them in any useful sense.

Now, Madam President, to conclude, what we then propose is to provide $200 million to the Environmental Protection Agency construction grant program with the provision that this money be obligated by the end of the fiscal year, September 30. It will create jobs. It will create jobs equitably and everywhere. No one knows this in more detail than the distinguished chairman of the Subcommittee on Environmental Pollution, my friend and colleague from Rhode Island, who is the cosponsor of this measure. I wonder if he would like to speak about what the program will do.

Mr. CHAFEE. I want to thank the distinguished senior Senator from New York, who is the chief sponsor of this amendment. I should like to stress some of the points that he has made, Madam President.

This is a jobs bill that we are dealing with. That is why it is on the floor. This proposal is not a regional proposal. It is not going against one section of the country in favor of another. As a matter of fact, under this proposal every single State in the Nation receives additional funds for their wastewater treatment facilities. What we are saying, as the senior Senator from New York has just indicated, is that in the bill that has come over from the House it provides moneys that just plain cannot be obligated in time to create jobs. Furthermore, we have taken care of the administration's proposals regarding the Bureau of Reclamation. As the chief sponsor of the bill just mentioned, every single cent that the administration has requested in its supplemental request dealing with the Bureau of Reclamation is provided for in the amendment that we are discussing this morning. Nothing has been taken out of the supplemental request. What we are saying is that $200 million should be taken from these funds, which are unauthorized, which cannot be obligated in time by the Corps of Engineers, and put into projects that can be obligated, that can be funded. That is the whole purpose of it.

Let us take a State. Let us take Louisiana. Louisiana under this amendment receives $2.24 million for their waste-water treatment facilities. These are obligations and requirements that are backed up in Louisiana.

Now, I know that some will say that there is money already in this program that has not been obligated. The fact of the matter is that the EPA in tracking this is behind. And EPA, as you know, has been occupied with other things than tracking the spending and obligations of moneys under waste-water treatment. We have received word from the National League of Cities, we have received word from the American Metropolitan Sewage Agencies, which is made up of the 85 largest cities in the country, that they need these moneys, that they can use them.

Furthermore, Madam President, I will make a statement that those in opposition to this amendment will not be able to make. That is, every cent of this money that is not obligated by the end of the fiscal year, September 30, goes back to the General Treasury.

Now, there is a claim that the supporters of the legislation as it stands on the floor cannot make because they know that the funds in this piece of legislation that we are considering cannot possibly be obligated in the required time.

Madam President, there came over from the House a very, very large bill dealing with water resources—$545 million. Now, even for those of us who are used to rather large sums, that is over a one-half of $1 billion. It provides $404 million for the Corps of Engineers. In the legislation that the Senate has before it, it is $329 million. So we know there is going to be a compromise somewhat higher than the Senate figure. What we are saying is that that money just cannot be obligated and will not end up in jobs, whereas the money we have will be obligated. We are prepared to stand behind that statement by saying that if it is not obligated by the end of this year, September 30, then it goes back into the general fund.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. CHAFEE. I will.

Mr. JOHNSTON. Will the Senator agree to put that in as part of the amendment, that that which is unobligated, not expended——

Mr. CHAFEE. It is in there.

Mr. MOYNIHAN. It is in there.

Mr. CHAFEE. We not only say it, we put it in there. I was wondering if the Senator is prepared to do the same.

Mr. JOHNSTON. Would the Senator from Rhode Island put in that it would revert to the Treasury?

Mr. CHAFEE. It is in the bill that way.

Mr. MOYNIHAN. An offer was made. Would the Senator be prepared, in the event this amendment is rejected, to provide that the appropriations in the committee bill will either be obligated by September 30 or will revert to the Treasury?

Mr. JOHNSTON. We will indeed put in all that is not obligated. This does not say it would revert to the Treasury. It says that it remains available until September 30, 1983. Under the law, the way it works with EPA waste-water grants, they are considered to be obligated when they are made available to the States, and there they sit year after year. Right now, there is $4.1 billion which is unobligated in EPA waste-water grants and another $12.5 billion which is unexpended. That is the problem here.

Mr. CHAFEE. I believe the Senator missed some of the pearls I delivered earlier, when I said that EPA is not accurate in its tracking of those figures and that the point is that when it goes to the States, it does not lie around—that is not right. It is being expended. Indeed, the cities and towns are back here saying that they need it.

We are prepared to say that if it is not obligated by September 30, it will go back to the General Treasury.

All I am asking is this: Is the Senator prepared to make the same statement? If the funds in the Senate bill before us are not obligated by the Corps of Engineers, $329 million, will it go back? Will the Senator have it obligated by the end of this year?

I suppose silence means lack of assent in this instance.

Mr. HATFIELD. Madam President, if the Senator will yield, there will be plenty of response.

Mr. CHAFEE. My only trouble is that I am delighted to yield for questions, except that we have a limited amount of time. The distinguished proponents of the legislation will have an adequate amount of time. Under the agreement, they have 30 minutes.

Madam President, I urge support of this legislation, for the following two principal reasons: First, it creates jobs. That is what the bill is. It is called a jobs bill. It is not some long term planning here. It is not something that will happen in out years. We are trying to create jobs—j-o-b-s—and this legislation does it.

The second point is that we have a backlog and a tremendous requirement by practically every city and town in the Nation to have their waste treatment facilities brought up to date in compliance with the EPA regulations. This legislation helps toward that. It does not solve it all. Every year we will need $2.4 billion in order to continue this. But this helps. We have the requirements and the requests coming in from practically all the major cities.

On those two points, I urge the approval of this modest amendment.

Mr. MOYNIHAN. Madam President, I ask unanimous consent to have printed in the RECORD the details of the proposal, the Bureau of Reclamations plans, and various endorsements.

I reserve the remainder of my time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MOYNIHAN-CHAFEE AMENDMENT

[In millions of dollars]

	House-passed bill	Senate committee	Moynihan-Chafee
PROPOSED REDUCTION IN APPROPRIATIONS			
Corps of Engineers (total)	404	329	141.0
Construction	125	85	0
Flood fighting and coastal emergencies	0	0	25.0
Operation and maintenance	76	164	76.0
Mississippi River and tributaries	203	80	40.0
Bureau of Reclamation (total)	101	101	[1] 79.3
Construction	50	50	39.4
Operation and maintenance	21	21	13.8
Loan program	30	30	26.1
TVA: Maintenance and renovation of permanent facilities	40	40	40.0
Total, water resources	545	470	260.3

MOYNIHAN-CHAFEE AMENDMENT—Continued

[In millions of dollars]

	House-passed bill	Senate committee	Moynihan-Chafee
ADDITIONAL APPROPRIATIONS			
EPA construction grant program	0	0	200
Sewage treatment plants	0	0	185
Combines sewer overflow	0	0	15

[1] Bureau of Reclamation proposed supplemental request for fiscal year 1983.

BUREAU OF RECLAMATION PROPOSED SUPPLEMENTAL FOR FISCAL YEAR 1983

The funds available to the Bureau under the Continuing Resolution are $175 million less than the President's request in FY 1983 for the Bureau of Reclamation's total program. Attached is information on Reclamation's five major appropriations that supports additional funding needs in FY 1983 to restore substantially the programs to levels presented in the FY 1983 justifications. It is estimated the proposed supplemental funding will support approximately 1,700 workyears of employment. The five major appropriations are summarized below.

Appropriation	*Funding* [1]
Operations and maintenance	$13,830,000
Construction program	[1] 39,410,000
Loan program	[2] 26,150,000
Total	79,390,000

[1] Fiscal year 1983 supplemental.

[2] Includes the construction and loan new starts in the fiscal year 1983 budget amendment.

FISCAL YEAR 1983 SUPPLEMENTAL REQUEST

[Dollars in thousands]

Project or activity/contract	Fund request	Justification for request
CONSTRUCTION		
Minidoka, Island Park Dam (SODP)	$1,000	Payment of claim settled with Osberg Construction Co. for work on modifying the spillway and outlet works tunnel on Island Park Dam. Interest is accruing on the unpaid claim.
Minidoka, Island Park Dam (SODP): Modification of dam and foundation treatment	300	About 40 percent of the dam and dike embankment is underlain by foundation materials which will liquify in the event of an earthquake as low as 6 on the Richter scale. The dam cannot safely accommodate the newly developed inflow design flood. Modifications should be started in 1983.
Columbia basin, irrigation facilities: Block 26 laterals	1,200	Funds needed to fully fund contractor earnings.
Columbia basin, third powerplant: Repair project roads	550	Project roads have been damaged by construction of third powerplant and need permanent repairs.
Permanent shop equipment	650	Third powerplant units are of such large size that present shop equipment is inadequate.
Chief Joseph Dam, Whitestone Coulee Unit (D&MC):		
Weedscreen	200	Work is required to correct construction deficiencies identified during turn over inspection to the irrigation district.
Modify North Branch Canal	70	Do.
Okanogan, Okanogan Irrigation District (R&B): Rehabilitate distribution system	70	Funds are needed to initiate rehabilitation work on district's distribution system.
Yakima, Yakima-Tieton Irrigation District	7,350	Funds are required to keep rehabilitation of the distribution system on schedule. Existing system is 60–70 years old and has deteriorated through use plus it is inefficient. New system will conserve water and energy.
Sacramento River Division:		
Colusa County Water District, contract 3A	600	Prevent program goals from slipping 1 year.
Colusa County Water District, contract 4	100	Do.
Replace 3 Corning pumping plant units	300	Current units unreliable (were used units when installed). Would allow work to stay on schedule for fishway.
Tehama Colusa Canal deer fence [1]	280	Prevent further deer drownings in canal and allow work to proceed as scheduled on the fishway.
Corning Canal safety fence	410	Do.
Modify Red Bluff farm bridges	40	To provide adequate access to farm lands in accordance with reclamation/landowner agreement.
Klamath, D&MC:		
Klamath Straits:		
East unit distribution and drainage system	600	Prevent program goals from slipping 1 year.
East unit subsurface drains	400	Do.
Central Arizona project	6,000	To maintain scheduled water delivery through the Salt Gila aqueduct and provide flood protection for the Salt River siphon. Contracts will be awarded for construction of S–G reach 1B, Spookhill substation, and Spookhill transmission line; scour control structure, Granite Reef aqueduct; plus provide adequate funds to meet contractor earnings.
CUP, Bonneville Unit:		
Garages and motor pool	150	Expansion of the Duchesne Camp is underway to accommodate increase in personnel to handle ongoing construction program. Garages and motor pool are needed to effectively utilize personnel.
Sheep Creek/Rays Valley Road	4,000	Delay in award of road will delay work on exploratory shaft for Diamond Fork and slow work on pumped back storage investigations.
Dolores project:		
Great Cut pumping plant switchyard	300	Delay of this contract will require a temporary source of power to operate gates and equipment at McPhee Dam.
Dolores-Norwood-May Canyon Road	800	Road is needed to provide required access to McPhee Dam and Reservoir during reservoir filling.
Lone Dome-Williams Draw Road	650	Do.
Dallas Creek project: Ridgway Dam (stage I)	1,000	Claims negotiations are underway with contractor for additional grouting and aggregate processing work. Current estimate of settlement is $1 million. Agreement is expected this spring.
McGee Creek: McGee Creek Dam	4,000	To provide adequate funds to meet contractor earnings.
San Luis Valley, closed basin: Stage 3 wells	500	Allow contract award for stage 3 salvage wells and keep project on schedule.
Riverton Unit	(500)	
Paradise Valley drains	315	Allow contract awards and fund contractor earnings for these contracts which will provide modern drainage installations and retain productive lands. Seepage from canals contribute to water table that needs to be lowered.
Ocean drain stabilization	50	
Pipe for Midvale Irrigation District	135	
WEB rural water development	3,000	Project is essential to providing good quality water to over 27,000 people in 51 communities in South Dakota. There is $1.9 million currently available. An additional $3 million would allow project to proceed at full capability.
Garrison unit	500	Negotiations with contractor on claims on McCluskey Canal work have resulted in agreement of $500,000 to resolve all claims.
Fryingpan-Arkansas project: Twin Lake Dam modification	1,200	To meet contractor earnings for as early award in fiscal year 1983 as possible on contract for modification of Twin Lakes Dam.
P-SMBP, North Loup Division: Mirdam pipe laterals	500	Funds would preclude a slip in the construction schedule as a result of the continuing resolution reduction.
North Platte: Guernesy Dam (SOD)	2,190	Funds will allow a late fiscal year 1983 award so work can be performed during nonirrigation season.
OPERATION AND MAINTENANCE		
Columbia Basin:		
Spare stator winding	500	Needed for reliability of generation.
Transformer replacement	970	Old transformers are deteriorated and tests show failure likely.
Boise Area: Road grader	70	Replacement of grader necessary for snow removal and road maintenance at Anderson powerplant.
Minidoka Area:		
Dump truck	40	Replacement needed as old truck is worn out.
Pave road to Black Trail Park and upgrade parking area	520	Need to pave approximately 3 miles of road leading to Black Trail Park. Existing road is rough with washouts.
Yakima: Boom truck	80	Needed for safety of operation and maintenance on power facilities.
Hungry Horse: Potential transformer	40	Needed for more reliable voltage control on 230 kV transmission system.
Central Valley	800	Restore activities on Shasta switchgear; Trinty uprate; Folsom Station service; and San Luis Canal asbestos removal.
Solano	800	Restore activities on Lake Berryessa administrative complex. Recreation area currently being operated out of several trailers, 12×12 metal sheds and open storage.
Boulder Canyon project	1,300	Contracts would be awarded for one transformer necessary to realize up to 44.5 megawatts of additional capacity from generator A–5 which was uprated in fiscal year 1982 and a stainless steel turbine runner providing an increase in capacity of approximately 12 percent from generator N–8.
Park-Davis project	360	To replace generator to transformer bus cables which are now unsafe at operating voltage. Failure of the bus cables could result in severe damage to the generators and/or transformers and loss of generating capacity at the powerplant. A power circuit breaker would be replaced at Davis Dam providing an increase in capacity of 8 megawatts and a spare breaker provided at Parker and Davis Dams to avoid outages due to failures and maintenance.
Yuma Area projects (consolidated)	3,000	To provide riprap stockpiles for levee and bankline protection against damage from anticipated excess flows in the Colorado River during 1983 and 1984.

FISCAL YEAR 1983 SUPPLEMENTAL REQUEST—Continued

[Dollars in thousands]

Project or activity/contract	Fund request	Justification for request
Collbran: Extraordinary maintenance, repair of Currier Dam	150	Currier Dam outlet works were investigated under the SEED program and was found to be of wood construction and had collapsed. The dam was breached as a safety measure. Funds are required to install an outlet works and repair embankment. Reservoir is needed to store water for power production at the Upper Molina powerplant.
Middle Rio Grande: Low-flow conveyance, channel rehabilitation	1,000	The additional funds are required to complete rehabilitation of the low-flow conveyance channel. These funds were included in the fiscal year 1983 budget but eliminated to comply with the continuing resolution restriction. Restoration of the low-flow conveyance channel was started in fiscal year 1982. The work is being accomplished in three phases. Phase I was completed in fiscal year 1982, Phase II is presently underway and will be completed in fiscal year 1983, and phase III was scheduled to be started during the summer of 1983. Channel rehabilitation is required to restore the 2,000 cfs capacity for conveyance of water to Elephant Butte Reservoir. Phase III channel rehabilitation must be completed to assure this capability. Satisfactory operation is dependent on completing all three phases.
Upper Missouri area: Yellowtail Unit, emergency cable bypass	1,400	This cable bypass is required to provide backup should the underground oil-filled cables fail. If the underground cables failed and no backup was available, some 2 years downtime would be experienced and $20 million in revenue lost. (The cables conduct electrical energy from the powerplant to the switchyard.)
North Platte area	700	Additional funds are required in fiscal year 1983 to meet anticipated contractor earnings for construction of the Casper Control Center addition.
Examination of existing structures program	1,640	Increased funding would allow for (1) full funding of field investigations programs to identify dam safety deficiencies for 4 dams begun in fiscal year 1982 plus 4 additional dams which the regions have scheduled for fiscal year 1983, (2) installation of instrumentation at 4 dams which had originally been scheduled for fiscal year 1983, and (3) preparation of 18 additional inundation maps to allow the regions to maintain the level of effort already initiated. The continuing resolution level of funding provides for only minimum salaries, partial funding for field investigation programs for 4 dams begun in fiscal year 1982, and continuation of the instrumentation installation and inundation mapping programs at a reduced level.
Water management and conservation (WMC): program	300	Additional funding will provide full funding of salaries, equipment, and travel of program staff which will allow restoration of assistance to 8 irrigation districts, initiation of assistance to 10 districts, and capability to assist in implementing section 210, "Water Conservation," of the Federal Reclamation Reform Act of 1982.
Soil and moisture conservation program	160	Funds are needed for ongoing activities to contain, control, or eradicate hydrilla—a noxious weed infesting the All-American Canal System, Boulder Canyon project.
LOAN		
Eastern Municipal Water District California	3,900	Continue construction of pipeline distribution system, pumping plants, and connections to existing storage facilities to provide service to approximately 92,000 acres and up to 60,000 acre-feet of municipal and industrial water annually.
San Benito	4,000	Restores a contract dropped because of continuing resolution. Would provide for minimal slip in project completion.
Delta Lake	1,000	Partial restoration of fiscal year 1983 continuing resolution reductions. Additional funds are required to continue work on a more realistic schedule.
Hidalgo No. 2	1,000	
Central Nebraska Public Power and Irrigation District—Phelps Systems improvement project	1,100	Funds are required to maintain construction schedule and meet contractor earnings.
Construction program:		
Buffalo Bill Dam modification—Wyoming	1,050	Initiate work on new start.
Headgate Rock hydroelectric—Arizona	3,800	Do.
Total	4,850	
Loan program:		
Buffalo Rapids Irrigation District—Montana	1,400	Do.
Ramona Municipal Water District—California	4,527	Do.
Roosevelt Irrigation District—Arizona	4,283	Do.
Yuba County Water Agency—California	600	Do.
Colusa County Water District—California	500	Do.
Glide Irrigation District—California	400	Do.
Fallbrook Public Utility District—California	2,440	Do.
Columbia Irrigation District—Washington	1,000	Do.
Total	15,150	

[1] This project is in the final wrap up stages of construction on the Tehama Colusa Canal. Staying on schedule would make most efficient use of staff, avoid delays in repayment, and eliminate need to reallocate ceiling.

NATIONAL UTILITY,
CONTRACTORS ASSOCIATION,
Arlington, Va., March 14, 1983.

Senator DANIEL PATRICK MOYNIHAN,
Russell Building,
Washington, D.C.

DEAR SENATOR MOYNIHAN: On behalf of the 2,200 companies comprising the National Utility Contractors Association (NUCA), I want you to be aware of our enthusiastic support for the Moynihan-Chafee amendment to H.R. 1718, appropriating an additional $200 million in fiscal 1983 for the EPA Construction Grants Program.

Unemployment within the construction industry stands at 20%. More than 11,000 construction companies nationwide have closed their doors in the last three years—5,000 in 1982 alone. The jobless rate within the utility construction industry currently exceeds 30%. Our studies indicate approximately 10,000 jobs will result from the infusion of an additional $200 million into the EPA wastewater program.

Significantly, the projects funded by your amendment will result in permanent public improvements, providing adequate wastewater treatment systems for the American people and aiding in the cleanup of the nation's waters. The most recent EPA Needs Survey indicates $118 billion in construction money must be spent to meet the cost of this nation's wasterwater treatment needs by the year 2000.

At the present time, nearly one-half of our municipalities are prohibited from adding new homes or businesses to their wastewater systems because they are already operating at full capacity. Clearly, this situation will inhibit economic expansion and community growth in the immediate future unless adequate funding is provided.

It is my understanding that the transfer of funding required by the Moynihan-Chafee amendment would not significantly restrict the Corps of Engineers operation and maintenance budget. In addition, the reduced Bureau of Reclamation appropriation merely reduces that agency's supplemental funding to the actual level requested by the Bureau.

The National Utility Contractors Association thanks you and Senator Chafee for offering this amendment, and we join in urging your colleagues to join in supporting it.

Sincerely,

WILLIAM BURGETT,
President.

NATIONAL LEAGUE OF CITIES,
Washington, D.C., March 14, 1983.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOYNIHAN: The National League of Cities supports your efforts to add $200 million for the wastewater construction grant program as part of the emergency jobs bill.

As you know, we worked with you last year to encourage the Administration and the appropriations committees to permit funding reimbursement under EPA's section 201 program. We found that there are many municipal publicly owned treatment works (POTWs) which are ready to go to construction, but which will be delayed because of reduced funding levels. We believe that an increased level of funding would assist in reducing the pressures generated by the annual uncertainties in the appropriations process.

Sincerely,

ALAN BEALS,
Executive Director.

NATIONAL TAXPAYERS UNION,
Washington, D.C., March 10, 1983.

DEAR SENATOR: The National Taxpayers Union, a leading organization in the fight to cut wasteful federal spending, opposes H.R. 1718, the Emergency Supplemental Appropriations legislation, in its present form. Not only does this make-work legislation fail to address the very real unemployment problem, it also clouds the equally real issue of funding inflationary porkbarrel projects during an era of unprecedented federal deficits. We also seriously question whether or

not this legislation represents just an acceleration of fiscal year 1984 spending or rather will result in an eventual increase in the fiscal year 1984 budget.

While our organization is concerned about the plight of the unemployed, we fail to see how handing $4.3 billion to a myriad of federal agencies can have any cumulative impact on current levels of unemployment. Such empty symbolism will instead merely send a greenlight to those federal agencies to once again operate in their highly inefficient, business-as-usual manner.

Keeping the need for fiscal responsibility in mind, we urge your support of the following amendments which curtail the excessive spending handouts in Title I to various degrees:

The Humphrey Amendment—Strikes all of Title I, and Small Business Administration and USDA funds from Title II.

The Mattingly Amendments—One cuts all of Title I except $325 million in funds for the Woman, Infants, Children and Nutrition Program, Emergency Shelter for the Homeless Program, and the USDA Distribution of Surplus Food Program—all left at the current funding proposals in the bill.

Another cuts $400 million from Title I in the Social Services Block Grants ($50 million), College Work-Study Loans Program ($50 million), Corps of Engineers Program ($100 million), and the Rural Water and Waste Disposal Grants and Loans Program ($100 million).

The Moynihan-Chafee Amendment—Cuts $210 million from the Corps of Engineers and Bureau of Reclamation Programs and adds $200 million to the EPA Sewer Construction Grants Program. Distributing funds to all states in known EPA allocation formulas is far more acceptable than handing $210 million to the Corps and Bureau of Reclamation to spend at their own discretion.

Please give these four amendments your thoughtful consideration.

Sincerely,

JILL LANCELOT GREENBAUM,
Congressional Affairs Director.

COALITION FOR
WATER PROJECT REVIEW,
Washington, D.C., March 9, 1983.

Re emergency supplemental appropriations "jobs" bill—H.R. 1718.

DEAR SENATOR: On behalf of conservationists throughout the country, we urge your support for the Moynihan-Chafee Amendment to reduce appropriations by $210 million for dams and drainage projects and add funds for wastewater treatment. As reported by the Committee, the Emergency Supplemental Appropriations Bill provides $470 million for water resources projects of the Army Corps of Engineers, Bureau of Reclamation, and Tennessee Valley Authority but no money for EPA's badly needed wastewater treatment program. The Moynihan-Chafee Amendment would restore some needed balance to the bill, while still allowing a generous amount of supplemental funds for water resources projects.

It should be noted that 30 percent more jobs per dollar are created through expenditures on sewage plants as contrasted with Corps of Engineers construction (see attached table). In addition, the Department of the Army has testified that the Corps could not obligate additional new construction funds in FY83. The reduction proposed by the amendment for the Bureau of Reclamation merely conforms the bill with the Bureau's pending FY83 Supplemental Request.

We urge the adoption of the Moynihan-Chafee Amendment to H.R. 1718.

Sincerely,

EDWARD R. OSANN,
Coordinator.

MOYNIHAN-CHAFEE AMENDMENT

[In millions of dollars]

	House-passed bill	Senate committee	Moynihan-Chafee
Proposed Reduction in Appropriations			
Corps of Engineers—total	$404	$329	$141
Construction	125	85	0
Flood fighting and coastal emergencies	0	0	25
Operation and maintenance	76	164	76
Mississippi River and tributaries	203	80	40
Bureau of Reclamation—total	101	101	[1] 79.3
Construction	50	50	39.4
Operation and maintenance	21	21	13.8
Loan program	30	30	26.1
TVA: Maintenance and renovation of permanent facilities	40	40	40
Total—water resources	545	470	260.3
Additional Appropriations			
EPA construction grant program	0	0	200
Sewage treatment plants	0	0	185
Combines sewer overflow	0	0	15

[1] Bureau of Reclamation proposed supplemental request for fiscal year 1983.

[From the Christian Science Monitor, Mar. 7, 1983]

THAT PORK IN THE JOBS BILL

Now that the Senate Appropriations Committee is taking up its version of a jobs bill, it—and indeed the full Senate—should make every effort to avoid turning such a measure into just another "pork barrel" political project.

The reason for such care is self-evident, following allegations that the $4.9 billion jobs bill passed by the House last week was not without its share of federal money for congressional districts and regions of the United States having only minimal unemployment—or for projects that would not really put that many persons back to work.

Given the seriousness of the nation's unemployment—unchanged at 10.4 percent for February—lawmakers should ensure that the dollars for jobs programs actually go to those persons needing the funds, namely, the unemployed.

The House measure does target funds on high-unemployment areas, thanks to a last-minute amendment requiring that 75 percent of the discretionary spending in the bill apply to such areas. That means that some $1.8 billion—or more than a third of the total—will go to areas where joblessness is 9 percent or more.

Still, there are disturbing elements in the measure that suggest that "politics as usual" is still being played out in Washington. The bill, for example, provides $125 million for the Corps of Engineers' general water projects; the corps would also get $76 million for operation and maintenance projects. The bill also provides $203 million for various Mississippi River water control projects; $50 million for U.S. Bureau of Reclamation construction programs; $21 million for bureau operation and maintenance programs; $30 million for bureau loan programs; another $40 million for TVA projects.

Such public works may, of course, be legitimate. But, as economists have pointed out, many water-related projects tend to provide additional work for persons already employed; they require a long time to get underway—in some cases, several years; and they usually occur in areas where unemployment is relatively low.

Because of considerations such as these House GOP lawmaker Silvio Conte argued that the bill had more than its share of "butcher shop"—i.e., pork barrel—provisions.

House lawmakers deserve credit for moving swiftly on the measure, which sailed through on a bipartisan 324-to-95 vote. In now taking up its own version, the Senate should make certain that what finally emerges for presidential signature aids the unemployed. This is hardly the time for an exercise in old-fashioned get-what-you-can-for-your-district politics.

EMPLOYMENT IMPACT OF SPENDING ON VARIOUS TYPES OF FEDERAL PROGRAMS—PREPARED BY ENVIRONMENTAL POLICY CENTER

Federal program and employment resulting from spending $1.13 billion on Army Corps of Engineers water projects or shifting it to the other programs indicated.

Corps of Engineers Construction: 73,380 jobs.

Mass Transit Construction: 78,443 jobs up +6.9%.

Tax Relief (i.e. leave the money in the private sector): 81,192 jobs up +10.6%.

Waste Treatment Construction: 95,609 jobs up +30.3%.

Social Security Benefits: 95,968 jobs up +30.5%.

National Health Insurance: 115,419 jobs up +57.3%.

Source: "Job Impact of Alternatives to Corps of Engineers Projects," Bruce Hannon and Roger Bezdek, Engineering Issues—Journal of Professional Activities, American Society of Civil Engineers, vol. 99, October, 1973, pp. 521-531.

Mr. HATFIELD. I yield myself 6 minutes.

Madam President, let me make sure the record is clear.

This amendment produces no jobs. This is a jobless amendment. That is the bottom line. It produces no jobs.

While the committee supports the water and sewer program, I oppose this amendment because it does not produce one job and severely reduces the employment benefits envisioned by the committee recommendations.

In developing this measure, each subcommittee was asked for those activities that could have the most immediate benefit to unskilled and semiskilled workers around the country and minorities who are unemployed, or for those programs which could help reduce unemployment in those trades, skills, and crafts where unemployment was high.

This is not the House bill that is before us; it is the Senate bill. So the reference made and the contrast to the House bill are irrelevant. The $475 million, the recommendation before the Senate today, which is $70 million below the House level, actually produces more jobs, because we have concentrated on those programs which can have immediate results.

Let me explain that, because it is obvious from the discussion thus far that the proponents of this amendment either have not read the bill or do not understand it.

The committee developed this recommendation with one thing in mind—maximum impact on unemployment. To do this, we changed significantly the approach reflected in the House-passed bill. The emphasis was placed on rehabilitation and operation and maintenance of existing projects, because the operation and maintenance programs provide immediate employment in every region of this country. It also affords the greatest opportunity for jobs to the unskilled, to the semiskilled, and to the minority groups.

This amendment would absolutely obliterate—even if it created jobs, which it does not—those potentials of unemployment for those categories of unemployed.

The committee, while reducing the construction funding—and I want to make this clear, because obviously it has been misrepresented—we reduced the construction funding of the House bill and felt that acceleration of ongoing and programed contract work—get this—the ongoing and programed contract work from 1984 into the current year, 1983, particularly in the reclamation program in the 17 Western States, produced sizable employment benefits while reducing outyear funding requirements.

Madam President, the focus of the committee recommendations is operation and maintenance—a program to repair and upgrade the deteriorated structures of the inland waterway systems, 42 percent of which are more than 40 years old; a program to repair and upgrade recreation facilities around the country where sizable benefits to unskilled minority workers can be realized immediately; a program to repair and restore floodwalls and flood control levees, and a program to fix damage to breakwaters and seawalls.

Madam President, this work can be undertaken within 6 weeks after the passage of this bill—general facility maintenance and restoration in virtually every State, which is not only a benefit to the unemployed but also is productive work, providing a lasting benefit to the local areas and the Nation.

The amendment by the Senator from New York and the Senator from Rhode Island also reduces the funding recommended for the Bureau of Reclamation where more than 100 contracts have been slipped or postponed, resulting in the delay of benefits and receipt of revenues by the Federal Treasury.

The funds recommended by the committee bill pull those contract awards back into 1983, which accelerates employment opportunities and the realization of project benefits.

Let us take a look at EPA construction grant programs. The 1983 HUD appropriation bill contained an additional $2.4 billion for the regular construction grant program, the full amount authorized in 1983. So this additional $185 million which the Senators want to add is not authorized. Every project in the bill, contrary to what we have heard this morning, is authorized.

Furthermore, to date, $4.1 billion has been allocated to the States but not obligated to specific projects—$4.1 billion waiting to be used by the States. Contrary to what we have heard this morning, that is not just some kind of false message being sent up here by EPA. That is affirmed by the OMB.

If Senators have any better sources to indicate primarily and precisely where these moneys are and why they are there, let them come forth, other than saying the National League of Cities. Certainly, they want the money, but they have not qualified because the money is there, and it is ready to move any time they can provide the qualifications.

We asked EPA if the program could be sped up, if it could be accelerated, because we are willing to put money there, and they said no. The highest priority work could not be accelerated. So there is no employment benefit in this amendment because regardless of what Congress does, the EPA still has to be the administering authority and they have $4.1 billion there waiting to be put into those projects.

In summary, the additional funds the Senators seek are not authorized. The States have funds which have not been utilized. And finally no jobs will be created by these additional funds, and if they were, it would not get to the level of unemployment that the committee bill seeks to move, to the unskilled, the semiskilled, and the minorities.

I yield to the Senator from Arizona.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I will not dwell long on this.

It is very interesting to me to observe Senators from east of the Mississippi constantly opposing reclamation and particularly my good friend from New York. The largest farming State in the country is New York from the standpoint of raising cattle. They do not need reclamation. They have rain. They do not have enough of it maybe to feed all the people in New York, but they have rain.

In the Far West where I come from, 7 inches a year is what we get, and let me remind my colleagues that with our growing population, by the year 2000 either the land we are now using for farming will have to produce 20 percent more, which I do not think it can do, or we are going to have to find about 20 percent more land to grow the food on to feed our growing population.

You may say reclamation has been a waste. It has not. I am not going to say it has been a complete success in every case.

I will cite the valley in which I was born. The Federal Government spent $11 million to build a Theodore Roosevelt Dam and since that time the private farmers in the valley have built the subsequent dams, with the exception of one, all to the total tune of less than $500 million, and last year the valley that I live in sent $500 million plus in Federal income taxes to the Federal Government. I call that a much, much better investment than some I can think of standing around here.

A total of $138 million is to be taken out of the Corps of Engineers and $21.7 million is to be taken out of reclamation.

We have a reclamation project going out there now that is going to require a substantial amount of money to finish. I will admit that. But what started out to be water for the land to grow crops on is now water to feed the people who have been moving from the east coast and east of the Mississippi out into the Far West where we do not have the water to feed them. And that is where this water is going, and it will be paid back, every single cent of it. This will prove to be one of the best investments ever made by the Federal Government. And we talk about employment. We have thousands of people working on reclamation in just our State alone, thousands of people. We have 1.5 million people living in the little valley I was born in and when I was born there there were 10,000 people. We have 1.5 million people working who would not be working if we did not have water. We are going to grow. Phoenix will be the sixth biggest city in the United States by the year 2000, but we are running out of water. The city of my colleague from southeastern Arizona, Senator DECONCINI, Tucson is running out of water. All we are asking is to borrow the money which we have always borrowed which we always paid back with great interest, which we have a far better payback record I can say than some of the cities I can think of that we have given or loaned money to around this country who needed it.

So I do not want to see reclamation disturbed. Again, I am not going to stand here and say every single project has been an unequivocal success. It has not been. But over 90 percent, 95 percent of the reclamation projects built in this country have been productive, and I might add I know of no

other reclamation projects even in the minds of men right now. I do not know where they might be built.

I can tell my friends from the East I do not think there will be any more high dams built on any of the rivers of the United States. I do not know if I would back such a project myself.

But I stand completely opposed to this effort. It is merely another effort to knock down reclamation. I do not care how you dress it up, put perfume on it, smell it all up so it sounds like it might create jobs. It is going to destroy jobs. It is going to destroy a concept that was originated by Theodore Roosevelt back in 1906 and has made much of the West, has provided food for most of the East where they could not grow enough food without our reclaimed land.

So, Mr. President, I sincerely hope that this amendment is defeated. It is not in the best interest of the United States. It is not in the best interest of my people.

Thank you.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, I rise in opposition to this amendment and I do it as the chairman of the HUD-Independent Agencies Subcommittee of the Appropriations Committee, which has authority over EPA.

The reason I mention that is because I do not think anyone would consider me an opponent of EPA's construction grants program.

The Senator from Rhode Island knows very well how hard I tried in the fall of 1981 during consideration of the first continuing resolution for fiscal year 1982, to get language included which would appropriate $2.4 billion immediately upon enactment into law of the legislation reforming the program. Then last year, we again worked carefully together, he as chairman of the authorizing subcommittee which authorized the $2.4 billion, and I as chairman of the HUD-Independent Agencies Subcommittee, to get the $2.4 billion appropriated for fiscal year 1983.

So I am not opposing the amendment as an opponent of the construction grants program. It is a necessary program and we should continue to fund it.

However, I think it is important to note that in accepting this amendment we would be exceeding the authorized level approved by the chairman of the authorizing subcommittee.

We did approve on September 30, 1982, $2.4 billion for the regular construction grants program and $30 million for combined sewer overflow. The amount appropriated for the regular program was fully authorized for fiscal 1983.

To date $4.1 billion is available in unobligated balances and $12.5 billion is unexpended in the regular program. In addition, all of the CSO money is unobligated.

At one time, I was an officer of the National League of Cities. As a matter of fact, I was the president-elect of that organization and so I speak with some knowledge. I believe that the National League of Cities has simply oversold the benefits of these funds.

I know that some of the projects are very complicated, and take a lot of planning time. However, these projects are just part of the reason why the program has $12.5 billion in unexpended funds and $4.1 billion in unobligated funds remaining at this time.

We asked the cities and the States for priority lists. They gave us these lists and we authorized and appropriated funds on the basis of that information.

If you ask the States if they can speed up the rate in which these funds are spent, you will find that they cannot because the lists are based on the most environmentally important projects. So even if the language of this amendment forces the obligation of these funds to be spent by September 30, what are we doing? We would go down to the bottom of the States' priority lists and possibily take projects that are not now considered priority projects. I believe that would be incredibly wasteful and would detract from the projects that the States recommend for funding.

I agree with the chairman of the Appropriations Committee that no jobs will be created by this amendment. More money for CSO does not make sense at this time since we have not determined what projects are eligible.

We did receive a letter this week from EPA but we have not yet analyzed that letter to determine which projects are even eligible.

Also, the unexpended balances for New York alone are $2 billion and for Rhode Island are $66.6 million.

Since there are such large unexpended and unobligated funds in the program, it would make a great deal more sense to me to see if there is some way we can speed up the rate in which existing funds are spent rather than adding more money to the construction grants program and taking money away from reclamation.

So as one who has supported the construction grants program and as a former mayor who thinks the cleanup of these water supplies is absolutely necessary and essential, I cannot disagree with my friend from Rhode Island at all about the importance of the program. But adding more money at this time in light of these unexpended and unobligated balances and trying to force the money into very low priority projects by September 30, just does not make a great deal of sense to me. I do oppose this amendment but I will continue to work through the regular process to see that the construction grants program is properly funded.

SEVERAL SENATORS addressed the Chair.

Mr. JOHNSTON. Mr. President, will the Senator yield to me?

Mr. GARN. I would be happy to yield to the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank the distinguished chairman.

Mr. President, I just want to underscore the point that was made by the distinguished chairman of the Appropriations Committee, Senator HATFIELD, when he said this amendment will not produce one job. The reason is you have, and it bears repeating, $4.1 billion unobligated, not even subject to obligation, and another $12.5 billion unexpended.

Now, Mr. President, to hear the proponents of this amendment talk you would think we had shortchanged waste water treatment plants. The fact of the matter is we have appropriated $35 billion in the last decade, for waste water treatment, and in the whole history of this Republic we only put up about $8 billion in capital investment for the Bureau of Reclamation.

Mr. President, why do we spend reclamation money in the West? It is because that is where it is dry and arid and that is where you need water projects to preserve a water supply for the people in these arid States. You do not need them in New York City. Why do we have the Corps of Engineers, which has navigation projects in the Gulf South, and in our port areas? It is because ports happen to occur in the sea, and floods happen to occur in the lowland coastal areas and river valleys, and in areas served by rivers. That is the reason we put them there, not because of some venal reason of Members of this body but we put the money for the corps and the Bureau of Reclamation where it is needed.

While we are on that subject, Mr. President, the $164 million which is the largest part of the corps expenditure here is for operation and maintenance, including ports up and down the east coast including New York City, the west coast, and the Great Lakes.

So, Mr. President, the committee was very careful in meeting needs that were national needs and not in just dividing this money up on a regional basis.

Mr. President, if you are going to talk about a regional basis, 11 percent of this money, to speak to New York about the fairness of it, 11 percent of the EPA money, would go to New York and I do not blame my distinguished colleague from New York for wanting 11 percent of the money but

is it needed? The answer is clearly, "No"; because New York has $521.2 million unobligated and almost $2 billion in EPA waste water construction grants which are unexpended.

So to put another $200 million which is not even authorized on top of that $4.1 billion unobligated and $12.5 billion which is unexpended would do nothing to produce jobs but would simply swell the increasing tide of money for EPA waste water construction grants.

Mr. President, it is very clear that the Appropriations Committee formula for giving this money not only meets national needs but produces jobs, and as we heard the people out on the front steps of the Capitol today, they want jobs and jobs now. They do not want an additional $200 million of unauthorized money which cannot be spent conceivably in the next year. I thank my colleague.

SEVERAL SENATORS addressed the Chair.

Mr. STEVENS. Will the Senator yield me 2 minutes?

The PRESIDING OFFICER. Who yields time?

Mr. GARN. I would be happy to yield 2 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Just 2 minutes.

These amendments are offered by responsible people, highly qualified, very sincere and are not taken lightly, and I certainly would not criticize them in the least.

But here we are, Mr. President, at this stage now we are forgetting and disregarding and abandoning all of the safeguards we ordinarily have, and that is the authorization for the appropriation of money for these purposes. Every dime that has been authorized in this field I am told has already been appropriated.

I have been here when you did not have to have appropriations for a great many of these projects. I have been here when you did not have to have appropriations for the military projects except for what we call military construction.

What has time done? It has driven us to a position that we need to benefit here on this floor of study by members of the committee and by competent staff members and testimony of professional witnesses in the field in which the work applies, the project applies, and others of responsibility concerning the authorization, just the authorization of a project. As I say, with all deference to these gentlemen, they just come in here without any of those safeguards, without any of those requirements, the money has been used up that is authorized for these projects currently, and to try to go it alone now without the benefit of these safeguards that we have learned by experience are necessary is, I respectfully submit, not only unsound but it is reckless. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. GARN. I would be happy to yield 2 minutes to the distinguished Senator from Arizona.

Mr. DECONCINI. I thank the Senator from Utah. I wanted to be sure the distinguished Senator from Mississippi had as much time as he needed.

Mr. President, I think this amendment is extremely unfortunate. It simply looks like an attempt to take jobs from one part of the United States and transfer them to someplace else.

If the Senators from Rhode Island and New York are asking to add some money for waste water treatment to create additional jobs, then I would probably consider that and be a Senator in support of that, and I urge them to consider doing that and withdraw this amendment. But let us just take a quick look at who the big winners would be if we adopt this amendment, New York and mostly Northern and Eastern States to the detriment of mostly Southern and Western States.

I would hope we could lay aside these regional raiding parties and work together to create jobs all over this country. I have supported jobs in New York and I will continue to support jobs in New York and in other parts other than the West. But why cannot the Senators understand that unemployment—there are unemployed workers in the West who are just as desperate today as unemployed workers in New York, or the Northeast, or anyplace else. In fact this bill has even less money in it, with less reclamation, than I would like to see and I plan to offer an amendment later today that would increase that because of jobs and then not all just in the West but also in the South.

So, Mr. President, I hope my colleagues, even though they feel it is very important, would consider laying aside this amendment so we do not have to continue to go through a battle between the different sections of our great Nation. I thank the distinguished chairman, the Senator from Utah.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield the Senator from Rhode Island such time as he desires.

Mr. CHAFEE. I thank the Senator. First of all I would like to acknowledge the support and efforts of the senior Senator from Utah on the Appropriations Committee for the waste water treatment effort. He has, as he mentioned, been truly interested in this, has worked manfully and heroically to obtain funds for this, as he mentioned, and I want to acknowledge the gratefulness that all of us who are interested in this program have to the distinguished senior Senator from Utah for what he has done.

I also would like to correct a couple of points, if I may, that have been raised on the floor. The Senators from Arizona, both of them, have addressed the matter of the Bureau of Reclamation. The Bureau of Reclamation under this amendment is not wiped out. It is not left without funds. What has happened under this amendment is the Bureau of Reclamation undergoes a very modest reduction. That comes about because we provide exactly the sum of money that the administration has requested for the Bureau of Reclamation in its supplemental.

The Bureau of Reclamation receives every single cent that the administration has requested. So I do not think that the Senators from Arizona should be as concerned as they indicate.

Second, as regards the suggested regionalism of this amendment, I do not think that is quite a fair charge, because anybody who examines the lists of States that receive money under this amendment will see that every single State in the Nation does. Indeed, the State that would receive a very substantial, the second largest in the Nation, is the most Western State in the Nation, namely, California.

Mr. MOYNIHAN. Will the Senator yield for a comment?

Mr. CHAFEE. I certainly will.

Mr. MOYNIHAN. Does the Senator not understand that a water bill becomes regional when any parts of the returns and the outlays goes to the North Central or Eastern part of the United States?

Mr. CHAFEE. I do not want to get into characterizing these matters.

Mr. MOYNIHAN. What otherwise would be the mindset to describe as regional a measure which would provide funds for every State on an existing statutory allocation formula that responds to need.

Mr. CHAFEE. That is right. The Senator is exactly correct.

First of all, clearly this is not a regional amendment. Furthermore, what we take from this sum, the total sum of $470 million, we leave $270 million purely regional and that $270 million is regional. And we are from the East and saying that is fine. We believe that Arizona should have Bureau of Reclamation funds to the extent of about $80 million as provided by the administration. And where it goes primarily to the South and indeed to the South and to the States with the large river systems, that is fine—$141 million, we are for that.

But what we are saying is that there is a crying need for the waste treatment facilities. It is backed up, as the Senator from Utah, who is so familiar with this area, well knows and has acknowledged and has worked so strongly to overcome.

There is one final point I would like to make. The suggestion has been made that these moneys would go out rather wastefully to low priority items. The fact is that they would go in accordance with the priorities that States have. In other words, it is not catch as catch can, anybody come forward and pick up some money in order to get it out. You have to follow the priorities that have been previously submitted by the States.

Finally, the point is made that somehow this does not provide jobs. I do not know what provides a more unskilled, basic job than digging a ditch. And that is what happens. We are putting in sewers. The unskilled, the minorities, whoever they might be, they are the ones that benefit from this effort. It is digging ditches to put in sewers.

So, Mr. President, I hope that the Senate would support this effort which is so important to the whole Nation.

I thank the senior Senator from New York for yielding me that time.

Mr. DECONCINI. Will the Senator yield for a question?

Mr. MOYNIHAN. On whose time?

Mr. GARN. Mr. President, I yield to the Senator from Arizona time for a question on my time.

Mr. DECONCINI. Mr. President, I would like to ask the Senator from Rhode Island and the Senator from New York a question. I agree with the need to dig these ditches and expand the sewer treatment for the waterways control, as far as I am concerned. The Senator from Utah has more knowledge of this than I do. But why do you not just ask for that additional money and move an amendment that does not get us into what this Senator interprets as an effort to strike a certain part of a bill that is absolutely necessary and create jobs for a region of this country? I think your region may need it and let us do it. I wonder if the Senators would respond.

Mr. MOYNIHAN. I will be happy to respond.

Mr. President, I suppose all debates of this kind on this subject will take this form until finally we have dried up all the water resources activities of this Congress.

On February 15 of this year, the Bureau of Reclamation sent out a statement of why they would like supplemental funds and what they would use them for. They asked for $79 million. They said they want $6 million more for the Central Arizona Project. We provide exactly that, and yet we have to hear that we have done nothing else.

But we provide what the Bureau said it could spend, $6 million for central Arizona to maintain scheduled water delivery through the Salt-Gila Aqueduct.

Mr. DECONCINI. Will the Senator yield 30 seconds?

Mr. MOYNIHAN. Not on our time.

Mr. GARN. I yield 30 seconds to the Senator.

Mr. DECONCINI. If the Senator looks carefully at that, you will see prior budget requests of at least $25 million and, over a 3-year period, $52 million more for just that one project.

Now, the Bureau of Reclamation can absorb it and they tell us they can. But OMB tells them what to spend and I think the Senator from New York knows that OMB puts on those restrictions, not the Bureau, and they have to follow the guidelines of the OMB.

Mr. MOYNIHAN. May I say, I do not question that. But I respect the Bureau when it says "to maintain scheduled water delivery."

Mr. President, I may come here someday with a proposal to allow barges in the New York City water tunnel that would give us 100 percent Federal funding instead of zero. But, I repeat, this is a bill for jobs.

I would like to ask the managers of the bill a question. We have provided that moneys not obligated by September 30, are no longer available. Would the managers of the bill accept an amendment on the present proposal that would be the equivalent or that would say that any Corps of Engineers construction project which is not obligated by September 30 would revert to the Treasury?

Mr. JOHNSTON. Is the question directed to me?

Mr. MOYNIHAN. Why not?

Mr. JOHNSTON. I think it would be a perfectly fair trade to treat both projects equally. As a matter of fact, we have some language which reads something like this:

Of the amounts heretofore appropriated for title II of the Federal Water Pollution Control Act, all funds which have been allocated to the States and remain unobligated and unexpended as of September 30, 1983, are rescinded as of that date.

Mr. MOYNIHAN. My good friend is speaking on our time, so let me say that he knows perfectly well that in large urban projects they have to store up the money until they have enough to build them. If the Senator would refer to the moneys appropriated by this bill only, the answer is we will trade.

Mr. JOHNSTON. The Senator puts his finger on it. You have $12.5 billion unexpended.

Mr. MOYNIHAN. This is a jobs bill.

Mr. JOHNSTON. You have another $4.1 billion not even obligated yet. How in the world are you going to get any more jobs by putting another measly $200 million on top of $12 billion?

Mr. MOYNIHAN. In exactly the way the League of Cities says we will. They have projects ongoing for which they need funds and could put people to work in the next 6 months.

Mr. JOHNSTON. Mr. President, the only way they can do that is to take the lowest priority projects, which are not funded now because they are so low priority. Has the Senator seen the GAO study and other reports that estimates that 50 percent of these projects are not good projects, not money well spent?

Mr. MOYNIHAN. The Senator is speaking on the very little time remaining to us. I see the Senator from Rhode Island, who is the chairman of our subcommittee on this matter, on his feet. Did he wish to comment?

Mr. CHAFEE. Mr. President, I just wanted to repeat that the concern the Senator from Louisiana raises is not a valid concern. We cannot go below the priority list. We have to follow the priority list. So it is not a question of going way down low and pulling something up.

As the Senator knows from the experience of his own city of Shreveport, it is necessary to accumulate some funds, then you go out and spend them. That is happening in various communities. As soon as they get enough, they go out and spend.

What we are trying to do is accelerate the expenditures through this legislation we are presenting here today. This will, indeed, provide jobs. If it is not obligated, it goes back. It seems to me a very fair deal.

Mr. MOYNIHAN. Mr. President, we reserve the remainder of our time.

Mr. ABDNOR addressed the Chair.

Mr. GARN. Mr. President, I yield 2 minutes to the Senator from South Dakota.

Mr. ABDNOR. I thank the Senator from Utah. I shall be very brief.

Mr. President, I have been following this discussion on this particular amendment with great interest, because I happen to be a member of the Public Works Committee and the chairman of the subcommittee that deals with the corps and its authorization. I am also a member of the subcommittee on appropriations that handles the water and energy appropriations. So I do have a deep concern.

Very little has been said about the corps, really. This does take money away from the Corps of Engineers. I would like to point out that there is a great need for additional revenues in the corps' budget. If we look at today's budget, the one we are talking about authorizing, we are talking about a budget that would be just a third—a third—of what the budget for the Corps of Engineers was 16 years ago. That is not moving ahead very rapidly. We have something like $35 billion worth of backlog of projects that could be ready to go. I am sure some of them will never go.

As the chairman of the Committee on Appropriations pointed out, we are talking about some very needed care and maintenance to be done with this money. This is not even talking about money that we could really spend if we wanted to take off on some new projects and some new programs. So I think it is a great mistake.

I was looking at the budget. The corps budget for construction presently in this 1984 budget is $800 million. It was something like $1.4 billion last year. Then we are even taking some money out of it. So I do not think we have been overly generous with the corps. I think overall, the money is needed.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. GARN. Mr. President, I yield 30 more seconds.

Mr. ABDNOR. I thank the Senator.

Mr. President, we are talking about the Bureau versus EPA appropriations. I have the figures. Obviously, I do not have the time to show where it goes. I do not want to get into sectionalism here, but obviously, for a very real reason and a need, it goes to the east.

Mr. President, I cannot support this amendment. My State of South Dakota stands to receive about $1 million of the $200 million proposed to be added to the Environmental Protection Agency's sewage treatment plant construction grant program. However, to cut $10.6 million from the Bureau of Reclamation's construction funds could be construed as an excuse, however, unjustified, to fund the WEB pipeline project at something less than the full $3 million level to which the Bureau is committed.

While the Bureau of Reclamation had indicated that $3 million would be allocated to WEB even at the $39.4 million appropriations level provided by the Moynihan amendment, I hesitate to take any action which could be construed by the Bureau as anything less than a wholehearted commitment to get the WEB project underway.

Based upon the Bureau's priority listing, WEB should not be hurt by reducing to $39 million the $50 million recommended by the committee, but too many times, I have seen a supposedly firm commitment to proceed with the project go by the boards on the basis of some lame excuse. If this amendment does in fact pass, I sincerely hope that the Bureau will still deliver on their word to fund WEB at the full $3 million level.

WEB FUNDING MUST BE PRESERVED

● Mr. PRESSLER. Mr. President, I am very concerned about the possible effects of this amendment on a very worthwhile project in my State of South Dakota. A reduction in the funding level for the Bureau of Reclamation may jeopardize funding of the WEB rural water system. The WEB project in South Dakota is included in the Bureau of Reclamation's priority list of projects to be funded in the jobs bill. A reduction in the Bureau of Reclamation portion of the bill could jeopardize funding for the WEB project.

The WEB rural water system was authorized in 1980 and again last year. The system would provide domestic water to over 30,000 people on 3,000 farms and over 50 rural communities. The State of South Dakota, the local conservancy subdistrict and the WEB organization have all committed funds to begin construction of the project this spring. However, if the project is to remain on schedule, an additional $2 to $3 million will be needed in 1983, and these essential funds are included in the jobs bill.

The WEB project is ideally suited for a jobs bill because it will not only create construction jobs, but will also help many rural communities in South Dakota attract businesses which have been reluctant to come to the State because of the poor and inadequate water supply in the area. It is estimated that the project will create 350 to 400 construction jobs alone and create a total of $400 million in business activity in South Dakota. Due to the importance of this project in South Dakota and the potential cut in funding for it by this amendment, I must oppose the amendment.

I agree with the need to protect our environment and to provide funding for the EPA grant program, but funding for water projects such as WEB is also important. I think my colleagues would agree that farmers and rural communities should have good quality water for domestic needs.●

Mr. GARN. Mr. President, I yield myself such time as I need.

I ask unanimous consent that a list of all the States, the Trust Territories, the Virgin Islands and everybody else, be printed in the RECORD. It shows the unobligated authority that has been referred to of almost $4 billion unobligated and over $12 billion unexpended.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Construction grants	Unobligated authority [1]	Senator Garn	Unexpended [1]
States and other areas:		States and other areas:	
Alabama	29,102,855	Alabama	110,949,605
Alaska	26,740,478	Alaska	59,454,138
Arizona	21,282,368	Arizona	43,061,287
Arkansas	29,974,535	Arkansas	81,849,028
California	216,804,360	California	971,743,497
Colorado	22,779,270	Colorado	75,204,915
Connecticut	20,918,512	Connecticut	152,038,410
Delaware	36,989,366	Delaware	84,799,332
District of Columbia	21,544,960	District of Columbia	107,107,161
Florida	99,624,100	Florida	347,468,449
Georgia	65,589,469	Georgia	239,973,575
Hawaii	37,837,837	Hawaii	98,077,129
Idaho	12,611,512	Idaho	31,535,212
Illinois	161,121,393	Illinois	553,986,794
Indiana	112,377,820	Indiana	298,455,298
Iowa	38,514,821	Iowa	115,892,589
Kansas	26,177,674	Kansas	91,222,210
Kentucky	48,730,664	Kentucky	157,568,020
Louisiana	45,209,892	Louisiana	183,231,413
Maine	25,633,602	Maine	67,326,324
Maryland	146,507,574	Maryland	493,173,195
Massachusetts	90,423,248	Massachusetts	400,266,106
Michigan	217,584,463	Michigan	451,296,488
Minnesota	96,500,518	Minnesota	175,839,091
Mississippi	36,905,292	Mississippi	101,412,375
Missouri	67,228,910	Missouri	251,274,122
Montana	17,740,109	Montana	49,004,169
Nebraska	15,398,184	Nebraska	43,910,941
Nevada	23,747,988	Nevada	48,523,439
New Hampshire	29,445,512	New Hampshire	83,811,341
New Jersey	184,628,754	New Jersey	580,728,539
New Mexico	20,471,942	New Mexico	42,825,579
New York	521,202,554	New York	1,987,041,535
North Carolina	58,686,910	North Carolina	200,127,978
North Dakota	12,774,964	North Dakota	44,713,440
Ohio	213,247,285	Ohio	794,175,097
Oklahoma	33,381,146	Oklahoma	105,832,234
Oregon	50,255,284	Oregon	84,194,043
Pennsylvania	192,709,546	Pennsylvania	523,840,300
Rhode Island	11,427,585	Rhode Island	66,426,677
South Carolina	48,313,322	South Carolina	120,431,977
South Dakota	19,570,506	South Dakota	38,455,460
Tennessee	50,697,057	Tennessee	128,545,549
Texas	137,647,165	Texas	495,145,042
Utah	7,092,787	Utah	45,890,504
Vermont	21,333,298	Vermont	46,733,035
Virginia	58,368,533	Virginia	166,167,461
Washington	76,140,914	Washington	109,500,343
West Virginia	77,235,269	West Virginia	237,277,402
Wisconsin	107,970,431	Wisconsin	140,036,626
Wyoming	13,359,060	Wyoming	43,567,819
American Samoa	3,596,615	American Samoa	6,719,796
Guam	3,955,097	Guam	15,082,518
No. Mariana Is	1,273,364	No. Mariana Is	3,502,708
Puerto Rico	103,252,913	Puerto Rico	218,041,017
Trust Terr. of Pac	5,443,211	Trust Terr. of Pac.	23,964,460
Virgin Islands	9,286,354	Virgin Islands	15,315,540
Undistributed	86,779,643	Adjustments	86,779,643
Total	3,971,118,795	Total	12,340,517,965.

[1] Feb. 28, 1983.

Mr. GARN. Mr. President, I made no reference in my statement of opposition to regions or jobs, and do not intend to. My opposition is that this amount of money will only add to the deficit problems and will not create jobs. OMB estimates that of the $2.4 billion already appropriated for the program this year, only $20 million will be expended because of the nature of the projects. If that same thing holds true of the money in this amendment, we would spend about $1 million. You are not going to create jobs. We simply cannot speed up many of these projects.

I did not mean to indicate to my friend from Rhode Island that the States would dip below a priority list and just go willy-nilly. If I did that, I apologize. What I meant to indicate is that the States would drop down to much lower projects on the list than those that had been established as environmentally necessary.

The PRESIDING OFFICER. All of the Senator's time has expired.

Mr. MOYNIHAN. If the distinguished chairman wishes another minute, I shall be happy to give it to him.

Mr. GARN. I thank the Senator from New York, but I am finished.

Mr. MOYNIHAN. Mr. President, may I say I appreciate the generous spirit in which the Senator from Utah responded. I wonder if he would hear what I have to say, that our amendment would reduce by a small amount

the water resource component of this bill, by about $9 million. We are not adding anything, we are reducing.

May I repeat, also, that the present proprietors of water resources in the U.S. Congress are going to regret the day they have excluded half the population of this Nation. They will regret it. This is a caricature. The bill that came from the House was a caricature of bad water policy. One chairman gets 60 percent and the ranking member gets 20 percent and the rest of the country gets the scraps that remain.

We know exactly what happened in the House. It was modified in the Senate. But when we go back to the House, it will come out looking more like that caricature of pork-barrel water projects of the rivers and harbors days, which is not giving this program the reputation it needs or the support it needs and for which reason, the urgent water resources needs of this country are not being met by this Congress. We have said it for 6 years, we shall be saying it 6 years hence.

I see my friend from Rhode Island has risen. Would he like to make some concluding remarks?

Mr. CHAFEE. I just want to say briefly, Mr. President, that in discussing this legislation, we cannot ignore what the House has done. That is the point the senior Senator from New York has made. Inevitably, this legislation is going to go to conference. In the conference, the Senate legislation is going to be increased. We know that. The House is not going to retreat completely. So what is going to happen is mammoth sums are going to end up going into the projects that the proponents of the Senate bill are in favor of. They are going to get theirs. What we are saying is let us slice off a portion of this for highly needed projects that will produce jobs in every State in the Nation.

I thank my colleague.

Mr. MOYNIHAN. I thank the Senator from Rhode Island, my friend and fellow committeeman.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD a rather remarkable communication from Mr. Robbie Aiken, Director of the Office of Congressional and Legislative Affairs of the Bureau of Reclamation, which expresses horror and consternation at the prospect of an amendment which might put water programs on a national basis as against the statutory regional basis of the Bureau of Reclamation.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION

From: Office of Congressional and Legislative Affairs.

To: Legislative Assistant for Water Issues in the Reclamation States.

Attached is a short analysis of the waste water treatment construction grants in the 17 Western Reclamation States.

As you can see, in comparison with grants to large Eastern states (primarily New York) the figures are startling!

I thought this information might be useful during consideration of the Moynihan Amendment to the "Jobs Bill."

ROBBIE AIKEN,
Director.

EPA's WASTE WATER TREATMENT CONSTRUCTION GRANTS

Cumulative allotments from February 1973 through December 1982 for the 17 Western Reclamation States represent 21 percent ($8.1 billion) of the total US/territories allotments ($37.9 billion).

New York received the highest amount ($4 billion plus), with California second (approximately $3.5 billion).

States receiving between $2-$3 billion: New Jersey, Illinois, Michigan, and Ohio.

States receiving between $1-$2 billion: Maine, Maryland, Pennsylvania, Florida, and Texas.

Other States and territories received less than $1 billion.

In 1970, population of the 17 Western Reclamation States was 26 percent of the total U.S. population; in 1980—28 percent. Those States received 5-7 percent less of EPA allotments for waste water treatment construction than prorating by population would have warranted.

Mr. MOYNIHAN. Mr. President, if the managers of the bill are prepared to yield back—well, their time has expired. I yield back such time as remains on our part and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senators from New York and Rhode Island. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Georgia (Mr. NUNN), are necessarily absent.

I also announce that the Senator from New Jersey (Mr. LAUTENBERG), is absent because of death in the family.

I further announce that, if present and voting, the Senator from New Jersey (Mr. LAUTENBERG), would vote "yea".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 45, nays 51—as follows:

[Rollcall Vote No. 24 Leg.]

YEAS—45

Bentsen	Exon	Moynihan
Biden	Glenn	Pell
Boschwitz	Grassley	Percy
Bradley	Hawkins	Proxmire
Bumpers	Heinz	Quayle
Chafee	Hollings	Riegle
Chiles	Humphrey	Roth
Cohen	Jepsen	Rudman
Cranston	Kennedy	Sarbanes
D'Amato	Leahy	Specter
Danforth	Levin	Stafford
Dixon	Lugar	Trible
Dodd	Mathias	Tsongas
Durenberger	Metzenbaum	Warner
Eagleton	Mitchell	Weicker

NAYS—51

Abdnor	Goldwater	Melcher
Andrews	Gorton	Murkowski
Armstrong	Hart	Nickles
Baker	Hatch	Packwood
Baucus	Hatfield	Pressler
Bingaman	Hecht	Pryor
Boren	Heflin	Randolph
Burdick	Helms	Sasser
Byrd	Huddleston	Simpson
Cochran	Inouye	Stennis
DeConcini	Jackson	Stevens
Denton	Johnston	Symms
Dole	Kassebaum	Thurmond
Domenici	Kasten	Tower
East	Laxalt	Wallop
Ford	Long	Wilson
Garn	Mattingly	Zorinsky

NOT VOTING—4

Lautenberg	McClure
Matsunaga	Nunn

So the amendment (UP 43) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, may I be recognized?

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I ask unanimous consent, first, that it may be in order for the Senator from North Carolina to be recognized for 2 minutes without charging that time to any amendment; second, that at the conclusion of the remarks by the distinguished Senator from North Carolina the Chair place the Senate in recess without further intervening business until the hour of 2 p.m. today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. GOLDWATER. Mr. President, reserving the right to object, can we not get to the work?

Mr. BAKER. If the Senator will permit me, there are caucuses on the Democratic side today, Tuesday, and there are caucuses on the Republican side. I believe I am right in saying that every Tuesday this year so far we have recessed for that period to accommodate those caucuses.

I am anxious to finish this bill, and I am willing to go as late as the manager and other Senators wish us to go.

I really would hope that the Senator would not object to that period so that both parties may caucus their Senators and plot and plan the remainder of the program for the week.

Mr. GOLDWATER. We can do without lunch 1 day.

Mr. BAKER. The Senator is, obviously, speaking about me. I could do without lunch for great profit and benefit, but I do not plan to.

Mr. President, I say most respectfully to my friend from Arizona that really I urge that we go ahead and have the recess as scheduled as we have during the course of this year.

I thank the Chair and I thank the most distinguished Senator from Arizona who has a legitimate concern about this. I am sympathetic.

Mr. GOLDWATER. There is an old Chinese proverb——

Mr. BAKER. I am about to hear an old Chinese proverb.

Mr. GOLDWATER. Smile.

Mr. BAKER. Smile.

I yield the floor.

(Mr. HELMS' remarks are printed earlier in today's RECORD.)

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. The Senate will stand in recess.

Thereupon, at 12:11 p.m., the Senate recessed until 2 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR.)

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Quayle amendment be temporarily laid aside on the unanimous-consent order we have on the calendar of business for today and we proceed to consider the amendments offered by the Senator from Pennsylvania (Mr. SPECTER).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. I thank the chairman of the Appropriations Committee.

The PRESIDING OFFICER. Under the previous order, the Senate will now consider two amendments to be offered by the Senator from Pennsylvania (Mr. SPECTER), one on targeting and one on unemployment benefits, with debate on each limited to 10 minutes evenly divided, and with debate on amendments thereto, debatable motions, appeals or points of order, which may be submitted to the Senate, limited to 5 minutes; provided, that no motion to table be in order.

The Senator from Pennsylvania is recognized.

UNEMPLOYMENT BENEFITS AMENDMENT

Mr. SPECTER. Mr. President, I wish to proceed, first, to the subject of the extension of unemployment compensation benefits, and I believe that the distinguished Senator from Kansas (Mr. DOLE), the chairman of the Finance Committee, is in the Chamber. It may be possible to resolve this issue without the introduction of this amendment at this time.

Mr. President, I had been proceeding on the unemployment compensation amendment. I had expected the Senator from Kansas to be on the floor. He is temporarily in the Cloak Room on the telephone.

Mr. HATFIELD. Will the Senator proceed with his other one on targeting?

UP AMENDMENT NO. 44

(Purpose: To strengthen the targeting provisions under title I)

Mr. SPECTER. I could do that.

Mr. President, in the absence of the Senator from Kansas I will proceed at this point with the amendment on targeting, and I send to the desk an amendment at this time and ask for its immediate consideration.

Mr. HATFIELD. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER) for himself, Senator QUAYLE, Senator PERCY, and Senator CRANSTON, proposes an unprinted amendment numbered 14.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. HATFIELD. Without objection, it is so ordered.

The amendment is as follows:

On page 54, between lines 5 and 6, insert the following:

(f)(1) Notwithstanding any other provision of law, the head of each Federal agency to which funds are appropriated or made available under this title for any program or project which is described in paragraph (3) shall, to the extent practicable, give priority to projects to be carried out in areas of high unemployment.

(2) For purposes of this subsection, an area of high unemployment is any State or county or county equivalent whose unemployment rate for calendar year 1982 exceeded 90 percent of the unemployment rate for the United States for such period as determined under the Bureau of Labor Statistics "Local Area Unemployment Statistics" program on the date of enactment of this Act.

(3) The provisions of this subsection shall apply to—

(A) Rural water and waste disposal grants and loans;

(B) Watershed and flood prevention operations;

(C) Agriculture Research Service;

(D) Small Business Administration loan guarantee program;

(E) Corps of Engineers, Construction Operations and Maintenance;

(F) Military Family Housing;

(G) Bureau of Reclamation Construction Loan Program, Operations and Maintenances;

(H) Veterans' Administration Hospital Repairs and Maintenance.

(4) Notwithstanding any other provision of law, the head of each Federal agency to which appropriations are made under this title, with respect to project grants or project contracts in this section, shall expedite final approval of projects in areas of high unemployment in order to allocate sums to areas of high unemployment as required by this section. Nothing required by this section shall impede the rapid expenditure of funds under this section.

(5) For projects encompassing several counties, only one of the several counties must meet the criteria for an area of high unemployment in subsection (2) in order to qualify for funds under this section.

Mr. SPECTER. Mr. President, the purpose of this amendment, which has been discussed with the distinguished chairman of the Appropriations Committee, Senator HATFIELD, is to supplement the targeting which Senator HATFIELD's amendment initially addressed itself to.

This amendment directs itself to approximately $1.2 billion of the jobs program or approximately one-quarter of the budget authority proposed in this bill. It has flexibility in that it calls for targeting to the maximum extent possible consistent with the kinds of projects which are involved. Its purpose is to direct the jobs bill's funding to the areas of the country which have the largest unemployment rates. Targeting is calculated at the county level, avoiding the problem of limiting the number of States, which might eliminate some areas of some States with high unemployment rates, where those rates do not extend to the entire State. That is the essence of the amendment, and in view of the crowded docket, I shall not explain it further unless there is some question on the matter.

Mr. HATFIELD. Mr. President, the Senator from Pennsylvania (Mr. SPECTER) during the committee markup very eloquently represented the needs of his State and the needs of many other States where there has been long-term unemployment, and our whole effort in the targeting program was to get some extra help to those States which had the longest need of help.

Even though the proposal made in the committee markup did not lend itself to mandatory formulas in some of these programs, the Senator from Pennsylvania has pursued this matter and this issue with diligence and has now, I believe, come up with an amendment that will achieve basically the same objective.

I certainly want to say to him that I will assist in every way possible, both in conference and later, to have the implementation of this idea to under-

score and to reinforce the whole targeting provision. I think it adds to the bill, gives greater strength to the whole targeting formula, and I am delighted the Senator from Pennsylvania has offered this amendment, and I very enthusiastically accept the amendment to the bill.

I want to commend the Senator for this kind of contribution. It is a very major contribution.

Mr. SPECTER. I thank the distinguished chairman of the Appropriations Committee for those very gracious remarks and very much appreciate the committee's acceptance of this amendment.

Mr. QUAYLE. Will the Senator yield? I just want to commend the Senator from Pennsylvania for this amendment. It certainly improves the targeting of funds in the bill. I am glad to work with him. I think the issue of targeting is very important and I know that the Senator from Pennsylvania and the Senator from Oregon also feel very strongly about the issue of targeting. I commend the chairman of the Appropriations Committee. I commend the Senator from Pennsylvania and wish to be associated with his remarks.

Mr. SPECTER. I thank the distinguished Senator from Indiana (Mr. QUAYLE) for those generous remarks. I should have noted that Senator QUAYLE and I have circulated a "Dear Colleague" letter and I ask unanimous consent that it be made a part of the RECORD. I might add that the letter does not reflect minor modifications made in the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 9, 1983.

DEAR COLLEAGUE: We intend to offer an amendment to the Senate Jobs Bill that will target certain appropriations provided by this bill to areas of high unemployment.

Our amendment would in no way conflict with the amendment offered by Senator Hatfield in the Appropriations Committee, which targets those programs that distribute funds according to formula grants by State. In fact, our amendment will compliment Senator Hatfield's amendment by targeting project grants and project contracts—to the extent practicable—not covered by the three-tier allocation formula contained in the bill reported by the Appropriations Committee.

This amendment would direct the appropriate Administrator to grant priority to projects in areas of high unemployment. Attached you will find a list of the programs and funding levels affected. A high unemployment area is defined as a State, county, or county equivalent, as listed by the Bureau of Labor Statistics in its Local Area Labor Statistics program, which experienced an unemployment rate that exceeded the national average during calendar year 1982.

Furthermore, this amendment requires the appropriate Administrator to expedite approval of project grants or contracts in areas of high unemployment in order to meet the targeting objectives set forth, and explicitly states that nothing may impede the rapid expenditure of funds for these projects.

Currently, less than one-half of the funds in this bill have been targeted to areas of high unemployment. Our amendment would target an additional $1.2 billion, thereby funneling three-quarters of this funding to areas that have suffered most from this extended recession.

The unemployment level is much greater in some States, and even exceeds 50 percent in some localities. Millions of families have suffered tragically from the burden of unemployment and many individuals, unemployed through no fault of their own, have become so discouraged that they no longer seek work. It is out duty to ensure that any jobs program be targeted to areas of high unemployment and these individuals.

If you wish to cosponsor this important amendment, please see us. If you need additional information, call either Steve Irwin (4-9023) or Bob Guttman (4-6306).

Sincerely,

DAN QUAYLE.
ARLEN SPECTER.
CHARLES PERCY.

Project grants and project contracts covered under Specter amendment

Project	*Amount*
Rural water and waste disposal grants:	
Appropriations	$125,000,000
Loans	400,000,000
Watershed and flood prevention operations: Appropriations	75,000,000
Agriculture Research Service	10,000,000
SBA loan guarantee program: Appropriations	2,000,000
Corps of Engineers:	
Construction	150,000,000
Operations and Maintenance	164,000,000
Military Family Housing	100,000,000
Bureau of Reclamation:	
Construction	50,000,000
Loan Program	30,000,000
Operations and Maintenance	21,000,000
VA Hospital Repairs and Maintenance	75,000,000
Total	1,202,000,000

The PRESIDING OFFICER. Is all time yielded back?

Mr. SPECTER. I yield back my time.

Mr. HATFIELD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (UP No. 44) was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for his second amendment.

UNEMPLOYMENT BENEFITS AMENDMENT

Mr. SPECTER. Mr. President, we can now revert to the other amendment which had been on the unanimous-consent agreement list and that relates to the extension of unemployment compensation benefits.

In the Appropriations Committee meeting I had proposed an amendment which would have extended unemployment compensation beyond the current deadline of March 31 and, beyond that, would have extended the coverage of unemployment compensation. I proposed the amendment at that time because of my concern that action be taken by the Congress with an opportunity for approval by the President by March 31. As of today, March 15, I am concerned that this will be accomplished in a timely way.

I am aware of the fact that jurisdictionally this issue would customarily go to the Finance Committee, and that we will be undertaking the social security bill next week. I have discussed this matter with the distinguished chairman of the Finance Committee, Senator DOLE, who has assured me that the matter will be considered and that there is a schedule for completion well in advance of the March 31 date. I think it advisable to have this colloquy on the RECORD so that it is plain what schedule is about to be undertaken.

Mr. DOLE. Will the Senator yield?

Mr. SPECTER. I do.

Mr. DOLE. I appreciate very much the distinguished Senator's raising the question because he properly expresses the concern we must take action by the end of this month and, as the Senator knows, an extension was passed in the House, it has been reported from the Senate Finance Committee, And it is my hope that everything, if it falls in place, we might be able to take up social security on Thursday of this week, and the Senator from Kansas does not see why it should take more than a couple of days on social security.

I have discussed going on to conference with the chairman of the Ways and Means Committee, Congressman ROSTENKOWSKI, and we believe we can complete the conference in about a 24-hour period, in a day, and have it back and approved by both the House and Senate and on the President's desk by no later than the 25th or 26th of March. So I can assure the Senator we are aware of his concerns and they were called to our attention in the committee. But our amendment would extend FSC for 6 months, from April 1 to September 30, 1983.

We also make some additional changes to help certain States with reference to interest payments including the States of Pennsylvania, Michigan, Ohio, and others where they are heavily hit. So we would hope we could move this jobs bill on very quickly and go on to social security and satisfy the real concerns the Senator has expressed.

Mr. SPECTER. Mr. President, I thank the distinguished chairman of the Finance Committee for those comments. I had concern that once we had a jobs bill on the floor this would have been the occasion to accomplish this

objective at an earlier date, but I understand the assurances which the distinguished Senator from Kansas has given, and in light of those representations and my evaluation of his ability to act before March 31, I shall not offer the amendment at this time.

Mr. DOLE. Will the Senator yield? There is one area the Senator from Kansas cannot totally address and that is whether or not there will be nongermane amendments added to social security, and there is still one of some import pending on this bill, but assuming those are disposed of and should we work out some way to debate that issue next month or sometime, then the Senator from Kansas sees no reason why we cannot move very quickly on social security, and it is my understanding we are trying to see whether or not we can get some revenue bill from the House in April on which we can debate withholding, so it will be to just give the bankers 3 or 5 days to work it out.

Mr. SPECTER. Will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. SPECTER. With that contingency, remote as it may be, why would it not be preferable to take up the extension of unemployment compensation at this time? I understand the jurisdictional problem, but given the possibility that the difficulty might arise, why not cover this very important area now?

Mr. DOLE. Well, first of all it would be legislation on an appropriations bill, which is not unprecedented, but this would be quite substantial. Second, the committee of jurisdiction would not be members of the conference. Third, we do some things in our amendment that are very important to the State of Pennsylvania and we do not want to fall between the cracks.

Mr. SPECTER. I would be delighted to yield to have the Senator from Kansas make the amendment to cover those substantive matters. I understand legislation on an appropriations bill and even in my short tenure I have seen it honored more in the breach, but my contention was when we entered into this colloquy, inevitably there might be some slippage, and if we should be faced next week with the Easter recess upon us and some procedural difficulty having arisen from the amendment of the distinguished Senator from Wisconsin (Mr. KASTEN), we might have wished we had acted at this time.

Mr. DOLE. At that point, if that should happen, then I would recommend at that point, not now, that we separate the unemployment compensation provision, pass that by itself, and send it on to the House. But I might suggest to the Senator from Pennsylvania there is still going to be an opportunity for amendment on this bill as late as tomorrow evening and by then it is my understanding we will have worked out or not have worked out the other problem, so you still have some protection; if you would withdraw this amendment now it could be reoffered even late tomorrow evening if there is no satisfaction on the other side.

But I believe I can assure the Senator from Pennsylvania with a 99-percent assurance that everything is going to happen on schedule and we are going to pass everything and that he will be satisfied with the results.

Mr. SPECTER. Well, Mr. President, that is only a 99-percent assurance.

Mr. DOLE. The other 1 percent is that you can do something tomorrow evening if the other folds up. I do not think the bankers are going to deny the jobless benefits. They may. But most bankers are not out of work. They look at these kinds of bills differently. But we hope they would lay off the jobless and the truly needy and the 37 million social security recipients. But the ABA is very powerful. They have not yet advised us on what we should do next.

Mr. SPECTER. Mr. President, I thank the Senator from Kansas. I accept his assurances and I shall be alert tomorrow evening to follow the progress at that time. I thank the Chair and I yield the floor.

Mr. HATFIELD. Mr. President, at this time I would like to propound a unanimous-consent request that has been cleared on both sides of the aisle.

I propose a unanimous-consent request at this time that we may proceed with the amendments which have been listed within the unanimous consent and outside of the unanimous-consent agreement on page 2 out of sequence. I would like to be able to take them up in random form in order to try to get through many of those amendments that will not require rollcalls in the next hour and a half.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask Senators to come to the floor who have either colloquies or amendments that will not require a rollcall vote, because during this particular period we would like to get these out of our agenda in order to be able to determine a little more precisely how long we are going to have to plan for this evening or for tomorrow in order to complete the bill.

We have so many amendments that Senators list, when we invite those Senators to put their amendments on a list, that sometimes are not called up or that will take very few minutes and will not require a rollcall. If we could just sift these out at this time during the next hour or hour and a half, it will be very helpful in being able to manage this bill.

So for those Senators who are listening on the communications system, I repeat that I hope they would now come to the floor because we have this window and we can take care of those amendments in an expeditious manner.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Jersey is recognized.

URBAN PARK RECREATION RECOVERY PROGRAM

Mr. BRADLEY. Mr. President, I have an amendment to send to the desk that deals with urban park recreation recovery programs.

This amendment will restore $50 million for the Urban Park Recreation Recovery program deleted by the committee. This amount is provided in the House version of the bill.

The UPARR program meets all the criteria of the jobs bill:

It will provide an estimated 3,125 full-time labor-intensive construction jobs in the private sector in masonry, plumbing, and heating;

The $50 million can be obligated within 70 days, by mid June;

The 246 cities now eligible are ready to spend quickly on high priority rehabilitation projects for which no Federal funds were made available in fiscal year 1983.

It is estimated that $4.7 billion is needed to restore America's deteriorated urban parks. UPARR has played an important role since its inception in 1979 in helping cities and towns of every type throughout the country to use local, State, and private resources to restore park and recreation facilities. Today, 246 cities have completed plans and now stand ready to use additional Federal assistance in partnership with local and private sources.

UPARR has been used in New Jersey on a number of exciting projects involving the private sector. In Jersey City, a coal bunker was converted to a boys club. UPARR provided $227,000 which has been matched by over $1 million in private donations.

In Perth Amboy, an old apartment complex was converted to a recreation facility in a low-income neighborhood. The Catholic Church and the YMCA now provide programs there.

Over 30 decayed park and recreation centers throughout the State have been rejuvenated.

UPARR has been strongly supported by the U.S. Conference of Mayors. On numerous occasions, mayors of cities

throughout the country have testified before congressional committees that this program has brought new life to many distressed neighborhoods.

In 1981, mayors from 20 cities testified personally before the House Subcommittee on Oversight and Investigations on this program. Mayor William Stansbury of Louisville, Ky., said at that time:

In Louisville we were overjoyed at the establishment of the Urban Parks Program. This program recognized the vital role recreational opportunities play in the physical and also the mental health of the individual as well as the social health of the community. . . .

For the first time there is some Federal assistance available for indoor recreational facilities to renovate community centers in housing projects. These centers provide vital recreational facilities for youth, adults, and particularly the elderly, in safe, pleasant, accessible facilities. Without UPARR we cannot do this.

And Mayor Charles Roger, now president of the National League of Cities said:

I think the single most important point to be made is that for the first time through this program the Interior Department has been brought into the effort to save—literally save—the park systems that have been built up by the investment of people living in cities for years and years.

The environmental community has also been strongly supportive of UPARR. The National Recreation and Park Association, the National Parks and Conservation Association, Friends of the Earth, and the Human Environment Center all have indicated that UPARR is making an important contribution to conserving and restoring urban park facilities.

The reasons cited in the Appropriations Committee report for not including UPARR in the Senate bill are incorrect. The report contends that money could not be obligated quickly. On the contrary, administration of this program and the rate of fund obligation has been exemplary. Within 1 year from the time the program was originally enacted, regulations were written, criteria determined, grants awarded and construction begun. The National League of Cities said at that time that UPARR proved that grant funds could be distributed by the Federal Government quickly and efficiently. Any delays in obligations have been primarily due to rescissions and deferral requests in 1980 and 1981.

The cities have also fulfilled their commitments under the program and very few grants have been canceled. The Interior Department staff originally associated with this program is still substantially in place in Washington and the regions and has maintained close contact with eligible cities and counties.

I call attention to the fact that there is now money in the bill for parks. I applaud the Appropriation Committee's attention to the condition of our national park system, and its recognition that State and local governments have contributed to environmental quality and employment opportunities through assistance from the land and water conservation fund.

My amendment would extend this concept and add funds to include the urban parks. The need to restore America's urban parks has been well documented. The "National Urban Recreation Study" mandated by Congress and completed in 1978, involved extensive research on 88 cities nationwide. The study concluded that the top priority park and recreation needs in urban areas was to reinvest in existing facilities. The results of a survey by the National Recreation & Park Association estimated the park rehabilitation needs in American cities to be $4.7 billion between 1980 and 1985.

The urban park and recreation recovery program was enacted in 1978 following recommendations of the study and was the country's first infrastructure replacement program. Congress authorized $725 million to help cities rehabilitate existing parks and recreation management and to plan for the revitalization of communities. Some $590 million remains unappropriated. In 246 targeted cities planning has been completed and quality rehabilitation projects can proceed quickly. A December 1982 survey of 14 sample cities found that they alone could obligate $80 million this spring to park reconstruction.

This program, when first authorized, generated strong enthusiasm and even excitement. People in urban areas began to renew their interest in parks and outdoor experiences. Plans were drawn up and projects prepared, some funds were made available, but by and large the Congress has dropped the ball. Now is the time to pick it back up.

Mr. President, this amendment has strong bipartisan support. I am pleased to have as cosponsors of this proposal Senators CRANSTON, HOLLINGS, MOYNIHAN, TSONGAS, KENNEDY, RIEGLE, and METZENBAUM.

The following is a compilation of facts about this program:

UPARR FACTS

UPARR MATCH REQUIREMENTS

Option 1: Without State participation—70 percent Federal funds, 30 percent Local match.

Option 2: With State participation—70 percent Federal funds, 15 percent State funds triggers, 15 percent Additional Federal funds, —percent Local funds.

TYPES OF GRANTS

(1) Rehabilitation of existing park and recreation facilities—(All funds in the "jobs bill" will be used for this brick and mortar program).

(2) Innovative programs.

(3) Planning.

EMPLOYMENT ESTIMATES

$50,000,000 will provide:

12,600: immediate 3-month separate construction contract jobs @ $4,000 each.

3,125: full-time year-long construction jobs @ $16,000 each.

ELIGIBLE STATES AND JURISDICTIONS

44 states have cities which participate in the program; 246 jurisdictions have completed plans and are ready to apply for rehabilitation funding; 80 percent of the American population lives in areas which will benefit from the program.

CRITERIA USED FOR TARGETING ELIGIBLE CITIES

Percent unemployed; Change in per capita income (over a 5 year period); Percent persons with incomes below 12.5% of poverty level; Total population under 18 and over 65; Population per square mile; and Percent of households without automobiles.

PAST APPROPRIATIONS HISTORY

With deferrals and rescissions shown.

Year	*Millions*
1979	$19.2
1980	62.1
1981	43.4
1982	7.6
Total	132.3

OBLIGATIONS

There are no uncommitted, unobligated funds in the program.

	Millions
Obligated	$126.8
Deobligations (Project savings on completed projects and defaulted projects)	2.9
Committed but not obligated (Awaiting NPS signature)	2.6
Uncommitted—unobligated	.....

GRANT DELIVERY SCHEDULE

Based on March 18 signature of President:

March 18—Federal Register announcement of grant round and waiver of retroactivity (to allow cities to start construction as soon as grants are announced).

May 15—City applications to regional offices.

June 15—Grant round announced by Department of Interior Construction begins.

This amendment would simply add funds to include urban parks in the broad general land and water conservation consideration and it would recognize the need to restore America's urban parks.

Mr. President, I know the chairman has a real interest in urban parks and indeed, the principal city—Portland—in his State has benefited immensely from earlier participation in this program. At the same time, I do share the interest of the chairman of the full committee in quickly getting this bill through the Senate and into conference with the House. Therefore, I shall consider not offering this amendment—if I could have some idea of what the chairman's thinking is with regard to the provision that is in the House bill, as to whether he will give favorable consideration to the amount provided by the bill for urban park rehabilitation when the bill does go before the conference.

I inquire of the chairman, is he in a position to give those of us who are interested in this program any assur-

ances on a favorable outcome in conference,

Mr. HATFIELD. Mr. President, I respond to the Senator from New Jersey with, first of all, my commendation for his bringing this issue into this very sharp focus that he has just done. This amendment would provide funds for park and recreational assistance to the cities and urban centers and counties. I assure the Senator from New Jersey that I share these interests and I recognize the close relationship between rehabilitation and restoration of the recreational resources and employment, economic growth, and environmental quality. All three factors are very important to this matter. I have a longstanding personal interest in parks and recreation and have personally given them my strong support.

This bill we have crafted in the Appropriations Committee at several points recognizes the strong relationship between economic development and rehabilitation of park and recreation services. I am very well aware of the House position on the urban parks program. It is my intention to consider carefully the value of this program, again in view of my colleague's interest, and when we go to conference with the House, we shall strongly represent that interest.

It is my hope that we shall be able to accommodate the House provision in the final bill insofar as overall spending limitations will allow and certainly it will have very high priority in my efforts to accommodate the Senator from New Jersey and, through him, that amendment—to provide resources for many of our great needs in our urban centers.

Mr. BRADLEY. I thank the chairman of the Committee on Appropriations on behalf of myself as well as Senators CRANSTON, HOLLINGS, MOYNIHAN, TSONGAS, KENNEDY, RIEGLE, and METZENBAUM.

● Mr. HOLLINGS. Mr. President, on March 7, 1983, I wrote to both the chairman and the ranking Democrat on the Appropriations Committee expressing my support for including $50 million in H.R. 1718 for the urban parks and recreation recovery program.

It is equally important today that the Senate at large have an understanding of the significant contribution the urban parks program would make to creating jobs. And in addition, as with all good programs, there are many other large benefits which spring from this effort. Not only is it labor intensive, but it provides for the replacement and renovation of crumbling infrastructure in our cities, some of which is in designated historic areas. But even more importantly, it would provide deeply needed recreational opportunities in some of our poorest urban areas. For all of these reasons, I am a cosponsor of the Bradley amendment.

If this amendment does not succeed today, I would point out that the House bill has included the funding for the urban parks program. I urge my colleagues on the conference committee to accept the House proposal to fund this program.

Mr. President, in order to provide additional details on this matter, I ask that my letter to the chairman of the Appropriations Committee be printed in the RECORD.

The letter referred to follows:

U.S. SENATE,
Washington, D.C., March 7, 1983.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to alert you to my support for providing $50 million for the Urban Parks and Recreation Recovery Program in the 1983 jobs supplemental bill. The House bill currently has included funding for this program. The bill pending before the Committee today, however, does not include similar funding.

If it is our purpose to stimulate jobs development with this bill, then I believe this commitment of Federal funds would be a wise investment. Passed in 1978 and our first infrastructure replacement program, the Urban Parks and Recreation Recovery Program creates labor intensive jobs in heavy and light industry, construction, plumbing, heating, bricklaying, plastering, landscaping, and tree planting, to name a few. In addition, this effort not only replaces lost jobs but replaces valuable infrastructure, and provides recreation in some of our poorest urban areas.

I understand there is some question as to whether these funds could be spent as rapidly as necessary to have the desired effect creating jobs. It is my understanding that this would not be a problem, due to the large number of cities which have completed planning and are ready to let construction contracts—some 241 cities, to the large number of cities which are presently prepared to provide their share of the 70/30 Federal matching fund requirement, to the Interior Department staff which are already in place, and to the Interior track record for fast turn-around on grant processing. I have attached a list of those cities which are financially prepared to proceed with the urban parks program.

Mr. Chairman, I would urge you and the Committee to keep an open mind on this issue and see what can be done to accommodate this worthy effort in the conference with the House. The U.S. Conference of Mayors, National Parks and Conservation Association, National Recreation and Park Association, and the Human Environment Center all support this effort.

Thank you for your consideration.

Sincerely,

ERNEST F. HOLLINGS.●

Mr. BRADLEY. Mr. President, I ask one final question: Is it the sense of the chairman of the committee that, indeed, what comes out of conference will be, if not the exact number in the House bill, close to it?

Mr. HATFIELD. Mr. President, I would like to do more, if possible, but within the constrictions and limitations in which we are operating at the conference level, let me assure the Senator that the figure will be as high as we can possibly make it.

Mr. BRADLEY. I thank the Senator.

Mr. HATFIELD. Mr. President, I thank the Senator from New Jersey for his cooperation in this matter and for not offering his amendment.

I yield to the Senator from Washington State for an amendment.

UP AMENDMENT NO. 45

(Purpose: To Protect Veterans Educational Benefits for Student Veterans at Evergreen State College in Washington)

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. GORTON), for himself and Mr. JACKSON, proposes an unprinted amendment numbered 45.

Mr. GORTON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

"Notwithstanding any provision of Title 38 United States Code, for the Evergreen State College of the State of Washington, an academic institution fully accredited by the Northwest Regional Association of Schools & Colleges, satisfactory proof to and certification by the state approving agency under contract to the Veterans Administration that a course of study is full-time shall be deemed satisfactory basis for full veterans educational benefits authorized by Title 38 United States Code.

"This section shall become effective on the date of enactment of this Act and shall apply to all courses previously or hereafter certified as full-time by the state approving agency."

Mr. GORTON. Mr. President, there is in the State of Washington a fully accredited 4-year institution of higher learning which has come under unmerited attack by the Veterans' Administration. This State-run school, Evergreen State College, produces graduates of the highest quality. I can state this unequivocally because of my personal knowledge of the school, which is located in the State's capital. In fact, my good friend and the distinguished former Governor of Washington, Daniel J. Evans, has been the school's president since 1977. Governor Evans and I could cite any number of testimonials to the school's quality from other experts in the field of education.

Evergreen is distinguished by a curriculum which is innovative by any standard.

It is somewhat similar to that of Reed College, a private institution in the home State of the distinguished manager of this bill.

A large emphasis is placed on independent student achievement, and time spent in classroom lectures makes up a relatively small portion of any student's course of study.

As I said, Evergreen College is fully accredited by the Northwest Association of Schools and Colleges. In all cases involving other colleges, this accreditation has been sufficient for the agency under contract to the Veterans' Administration to approve courses for reimbursable study by former members of the Armed Forces. Despite Evergreen's accreditation and the endorsement of the approving agency under contract to the VA, the Veterans' Administration has taken issue with the college's unorthodox curriculum. In 1977, Evergreen found it necessary to take the VA to court to continue to allow veterans to take courses and qualify for their education benefits. The effect of the Ninth Circuit Court's ruling was to allow courses taken by veterans prior to the court's ruling to qualify for reimbursement. But the court sustained the VA's authority to set reasonable standards for future courses which would qualify for reimbursement.

In my view, the Veterans' Administration has failed to act in a reasonable manner. I have been informed by Evergreen that more than 290 of its former students may be asked to reimburse the VA because their courses of study did not meet its criteria. The VA's threatened action is unwarranted because its critieria do not take into account the special nature of Evergreen's curriculum.

The amendment Senator JACKSON and I are offering would prevent the VA from taking action against veterans in cases where no fraud exists. Furthermore, in the future, it would require the Veterans' Administration to abide by the determinations of the State approving agency with respect to courses offered at Evergreen and taken by veterans who are enrolled in an approved program of study.

My amendment would not add any new costs to the veterans education benefits program. It would, however, prevent the VA from subjecting veterans to undue harassment on account of the courses they have taken at Evergreen. Finally, my amendment would recognize the legitimate and unique value of the education provided by Evergreen and would instruct the VA to do the same. My colleague from the State of Washington, Senator JACKSON, joins me in urging the adoption of this amendment which has been cleared with both the distinguished Senator from Utah, the subcommittee chairman having authority over the VA, and by the Senator from Wyoming (Mr. SIMPSON), the chairman of the Veterans Committee.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, this amendment which has been offered by the Senator from Washington State has been reviewed both by the counsel of the committee and by the subcommittee chairman, Senator GARN of Utah, and it is acceptable to the committee. Therefore, I urge its adoption.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HATFIELD. I yield back the time.

Mr. GORTON. Yes, I believe that I would do so.

I do remember that last evening the majority leader, partly in jest, stated that he might wish to make a statement about his last adventure at that college, and I have informed him that it was up. He is not here. It does not relate to the merits of the amendment, so I am prepared to yield back the remainder of my time.

Mr. HATFIELD. I ask unanimous consent that if the majority leader would like to recount his experience he be given a place in the RECORD to so present the information.

Mr. GORTON. I think that is quite appropriate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (UP No. 45) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 46

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. GORTON) proposes an unprinted amendment numbered 46.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At page 47, line 20, insert the following:

"*Provided*, That, the states shall use such funds to supplement and coordinate efforts to supply food and shelter by organizations such as the United Way agencies, the Salvation Army chapters, community action agencies church organizations and other voluntary groups and organizations."

Mr. GORTON. Mr. President, the House jobs bill includes a fairly elaborate scheme to utilize private groups such as the United Way and other similar organizations in a shelter and food distribution program. In this Senate bill the same amount of money is simply to be made available to the States by the Federal Emergency Management Agency. Through report language the States are encouraged to consult with these private organizations. Some organizations in my State and elsewhere have expressed their concern over the omission of private sector participation in the language of the Senate bill. They say that the State sometimes has a habit of forgetting about them. Clearly, the Senate wants consultation with such agencies on the part of the State. This amendment simply incorporates the committee report language as a requirement of the grant and would be greatly appreciated by these private organizations which include the United Way, Food Bank agencies, and the like.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, again, this is an amendment which has been reviewed by the committee, and it is satisfactory. We will accept the amendment.

I yield back the remainder of my time.

Mr. GORTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The amendment (UP No. 46) was agreed to.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. If the manager of the bill will yield, I should like to ask him a question.

Mr. President, I am also concerned that this bill does not adequately address the unusual and specific needs of refugees in the United States. Last year, we halved the amount of Federal assistance refugees could receive while they were adjusting to life here in the United States. Due to this action, an action which I opposed, these refugees have been hampered in their efforts to attain language and job skills which would increase their suitability for employment.

Adding to their difficulties, some of these refugees are concentrated—as are those in the State of Washington—in areas of already high unemployment. I ask that the Senator from Oregon (Mr. HATFIELD), whose State is similarly afflicted, give me some assurance that this particular group of unemployed residents be given particular consideration during the conference on this measure. Personally, I hope that some part of the moneys designated in the bill to go to the United Way be further directed toward areas where the refugee impact and the unemployment situation are as I have described above.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I share this particular concern for our

country's refugee problem. As the Senator from Washington State knows, we have similar problems in our own State of Oregon because I think we probably are two of the five States in the country which have received the highest percentage of refugees in ratio to our population. I assure him that I will make every effort to see that the concerns he has addressed, which are my concerns as well, are considered by the conference committee while maintaining the focus of the bill actually on creating jobs. I think possibly we can do that. So I am grateful to the Senator for raising this in the form of a colloquy, and I give him full assurance of my sympathy and my efforts to pursue it in conference.

Mr. GORTON. I thank my distinguished friend for his enlightened response.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. I thank the distinguished chairman.

UP AMENDMENT NO. 47

Mr. HUDDLESTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON), for himself, Mr. MELCHER, Mr. PRYOR, Mr. DECONCINI, Mr. SASSER, Mr. FORD, Mr. RANDOLPH, and Mr. HEFLIN, proposes an unprinted amendment numbered 47.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

Since the Administration has proposed to sell the weather (Metsat) and land (Landsat) satellite systems;

Since there are concerns about possible commercialization of the National Weather Service;

Since our country should provide weather service information for the protection of life and property;

Since our Nation's economy—its agriculture, aviation, ocean shipping, and construction—is heavily affected by weather and our ability to forecast and disseminate vital information about its behavior;

Now, therefore, it is the sense of the Senate that a reliable and comprehensive National weather information system responsive to the needs of national security; agriculture, transportation and other affected sectors; and individual citizens must be maintained through a strong central National Weather Service that can work closely with the private sector, other Federal and State government agencies, and the weather services of other nations.

Further, the Nation's civil operational remote sensing satellites (Metsat and Landsat) shall remain under the National Oceanic and Atmospheric Administration. No effort shall be made to dismantle, transfer, lease or sell any portion of these systems without prior Congressional approval.

Mr. HUDDLESTON. I announce to the body that joining as cosponsors on this amendment are Senators MELCHER, PRYOR, DECONCINI, SASSER, FORD, RANDOLPH, and HEFLIN. There are others who have expressed an interest and may desire to sign on later in the day. I ask unanimous consent they be permitted to do that before the close of business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, the administration's announced plan to sell the land—Landsat—and weather—Metsat—satellite systems has been received with a great deal of alarm. For over a century, the National Weather Service and its predecessor organizations have been charged with the Federal responsibility for monitoring and predicting atmospheric and marine conditions for the protection of life and property. Besides public safety, our Nation's economy—its agriculture, aviation, ocean shipping, and construction—is heavily affected by weather and our ability to forecast and disseminate vital information about its behavior.

There is also substantial reason for concern about the potential adverse impact on the military defense and national security of this country. Immediate and direct access to the information on worldwide climate conditions and related matters is vital to our military commanders and for other national security purposes. While we rely for national security primarily on other sources, we cannot anticipate the consequences of this action in this area. There is no question that it could diminish the Government's ability to obtain information that could have foreign or military intelligence value. To date, no assessment of the risks has been provided to the Intelligence Committees. As vice chairman of the Subcommittee on Collection and Foreign Operations of the Senate Intelligence Committee, I am deeply concerned about the risks and apparent disregard for an assessment of the security value of the proposed transfer.

There is no suggestion that other overt sources of national security information be placed in private hands. The Foreign Broadcast Information Service tells us what is being reported by the news media around the world, and no one believes that the State Department and CIA should rely on private news services for this coverage.

The agricultural weather program is not scheduled for continuation under the administration's fiscal year 1984 budget proposals. This action is a continuation of previous attempts by the administration to curtail weather services—which have been overwhelmingly rejected by the Congress. The agricultural weather program is an eminently cost-effective program that our farmers and our economy as a whole can ill afford to lose.

The elimination of the agricultural weather service program and the fruit frost forecast program would remove national service programs that provide an estimated return of $30 to $100 in crop and livestock savings for every $1 spent. Thus, the $1 million that the Federal Government may save by eliminating the program will come at a cost to the Nation of $30 to $100 million in weather-related crop losses.

Our farmers are already beleaguered by economic conditions and shifting Government policies. The Agricultural Weather Service, currently available in 16 States, is being operated at an annual cost of about $1 million. A complete service, based on National Weather Service estimates, would cost an additional $5 million a year.

Rather than eliminating these programs, the administration should follow the advice of the General Accounting Office, National Academy of Sciences, the Agricultural Research Institute, the National Advisory Committee on Oceans and Atmosphere, and others and finalize a national plan for agricultural weather services which would expand these vitally needed national services.

If the proposed satellite sale is carried out and current services curtailed, rural areas will suffer most. They do not have the ability to pay user fees and would receive little, if any, service or benefit from private management of the National Weather Service programs. It is a mistake for our country to abandon its responsibilities in this area.

I believe it is essential that we send a strong, direct, and immediate indication to the administration that the Federal responsibility must not be abandoned, and I ask that the attached resolution be included in the pending emergency jobs appropriations bill of 1983 (H.R. 1718).

Mr. President, the resolution expresses the sense of the Senate that such action as has been proposed relative to the disposal of the Landsat and the Metsat systems not occur without the consideration and approval of Congress.

Mr. HATFIELD. Mr. President, I understand the effort here of the Senator from Kentucky, and I certainly can empathize with him, but I wish to just ask the Senator if he would not agree that in that last line on this resolution the words, "No effort shall be made to dismantle, transfer, lease, or

sell any portion of these systems without prior congressional approval," that it is still understood here that there will be administrative flexibility under their normal procedure and routine that they are operating under now to make perhaps some modifications or changes without changing the basic idea of ownership.

I think the Senator from Kentucky is really getting at the question of future ownership. But I would not want this to be kind of a straitjacket that would inhibit in any way NOAA from performing its normal ongoing functions within the context of present ownership by the Federal Government.

Is that correct?

Mr. HUDDLESTON. I think what the Senator is saying is accurate. The flexibility that is now present is available as far as operating the system. The transfer of it, the transferring ownership or control of the operation of it would require congressional consideration.

Mr. HATFIELD. I thank the Senator for clarification.

Mr. President, this amendment is acceptable. It is a sense of the Senate resolution. It is acceptable to the committee, and I urge its adoption.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HATFIELD. I yield back the time.

Mr. HUDDLESTON. I yield back the time.

(The name of Mr. BENTSEN was added as a cosponsor of the amendment.)

Mr. HOLLINGS. Mr. President, I rise to express my objections to the President's decision to spinoff to the private sector the Government's meteorological and land remote sensing satellites. My distinguished colleague from Kentucky shares my concern over this decision, and I am privileged to join him in support of his Senate resolution on the matter. We must oppose any step by the administration toward the surrender of these valuable national assets until the Congress has taken a hard look at the underlying facts and circumstances and approved such a transfer.

The National Oceanic and Atmospheric Administration was established in 1970, a few short years after my arrival in the Senate. In my work on the Commerce and Appropriations Committees, I have followed with great interest the development and use of satellite technology in weather forecasting. NOAA, in partnership with NASA, has done an excellent job in employing satellites, first in atmospheric sensing and more recently in land remote sensing. There is also great promise for the remote sensing of the oceans.

All of these developments in space technology have been undertaken at the taxpayers' expense and appropriately so. This investment has paid off handsomely in improved public services. It is obvious how those improvements affect every American insofar as they produce better weather prediction. Every one of us in this country makes use of weather services. On a given day countless decisions are made based on weather prediction, ranging from the personal judgment of a vacationer when to start a trip, to the daily business decisions made by farmers, construction companies, airline pilots, and a host of others whose livelihoods are affected by the weather. The Landsat program, on the other hand, does not have quite the same sweep, although it offers vast potential for such uses as crop assessment, detection of population growth patterns, mineral exploration, and pollution monitoring.

I do not oppose commercialization of satellites in principle. In fact, I have long supported the efforts within NOAA to devise workable arrangements that would enable American businesses to market Landsat data worldwide. Until recently the debate has centered on the means for commercializing the Landsat system. NOAA's weather satellites, which are part of a global network for the collection of data used in forecasts, have been managed efficiently for the public good and have never been considered by the Congress as appropriate for private sector takeover.

The President's decision, as far as I can tell, is predicated on the fact that no one in the private sector can foresee a profit in a takeover of Landsat alone. There are entrepreneurs who are looking at launching their own satellites and gathering land remote sensing data independently, and I encourage this, which is in the true spirit of free enterprise. But I cannot support a proposal that has the makings of a giveaway of national assets. Nor can I support a decision that would upset the elaborate worldwide meteorological network or that would lead to restricted access for weather data.

In spite of numerous efforts of mine and of the Senate Commerce Committee to participate in the decisionmaking process, the administration has insisted on keeping us in the dark and has made this far-reaching decision without even notifying us before announcing the decision at a press conference. It is my understanding that no detailed cost analyses have been made that demonstrate the savings to U.S. taxpayers likely to flow from the proposed scheme. Estimates of savings have been presented by one company only. Those estimates are not supported by information generated within the administration nor by information from the President's own industry advisory committee. In addition, at Commerce Committee hearings on Monday, well-known experts in atmospheric research, weather services, and environmental satellites testified that they had similar grave doubts about the decision and that no one in the administration had attempted to consult with them in any manner on this question. My view is that if efficiencies are to be gained from the transfer of weather and land remote sensing satellites, the Congress should look hard at the data and do so in an open process. Considering that every one of our residents is affected by the quality and cost of weather services, a decision like this should not be made without a broad sampling of expert opinion.

In sum, I am surprised and disappointed about a decision like this, because it has been reached by a President who is a strong advocate of free enterprise. I am deeply troubled by the evidence that the proposed scheme is likely to entail the establishment of a monopoly for one company. Moreover, it is also my understanding that the administration is likely to sweeten the deal by offering that company a guaranteed Government market for satellite data. Such a monopolistic arrangement would not only fly in the face of free competition, but it would also inhibit the innovation and entrepreneurial energy of new firms. Small firms presently making investments in this emerging industry would be shut off. These kinds of questions must be examined before the Congress gives its blessing to any proposal to commercialize Landsat. At this time I know of no reason why the U.S. Government should consider transferring the weather satellites to the private sector. Such an idea is completely unacceptable.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Kentucky.

The amendment (UP No. 47) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 48

(Purpose: To modify the targeting formula for certain activities funded in the jobs bill)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) for himself, Mr. D'AMATO, Mr. ABDNOR, Mr. BYRD, Mr. STENNIS, Mr. JOHNSTON, and Mr. PRESSLER proposes an unprinted amendment numbered 48.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 50, beginning with line 5, strike out all through line 8 on page 52 and insert in lieu thereof the following:

SEC. 101. (a)(1) Notwithstanding any other provision of law, and subject to the provisions of subsection (d), the head of each Federal agency to which funds are appropriated or otherwise made available under this title, with respect to any program distributed according to a formula grant by State, shall allot the funds as follows:

(A) One-third of such sums for each such program shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all of the States.

(B) One-sixth of such sums for each program shall be allotted among "long-term unemployment States", to be allotted among "long-term unemployment States" on the basis of the relative number of unemployed individuals who reside in each "long-term unemployment State" as compared to the total number of unemployed individuals in all "long-term unemployment States".

(C) One-half of such sums for each such program shall be allocated among the States on the basis of the provisions of law authorizing each such program.

(2) Funds which are allotted to States in accordance with this section, but which cannot be rapidly or efficiently utilized shall be identified in a report transmitted to Congress not later than thirty days following enactment of this Act. Not later than ten days following transmittal of such report, such funds shall be reallotted on the basis of the provisions of law authorizing each such program.

(3) States receiving allotment of funds under this section shall to the extent practicable utilize such funds in areas of the State where unemployment is highest and has been high for the longest period of time and for authorized purposes which have the greatest immediate employment impact.

(4) For purposes of this section:

(A) The term "State" means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

(B) The number of unemployed individuals who reside in each State, as well as the total number of unemployed individuals in all of the States, shall be determined by the Bureau of Labor Statistics of the Department of Labor for the month of December 1982.

(C) The term "long-term unemployment State" means any State in which the average unadjusted unemployment rate was equal to or above the unemployment rate of 9.4 percent for the period of June 1982, through November 1982.

(b) Notwithstanding any other provision of law, and subject to the provisions of subsection (d), the head of each Federal agency to which funds are appropriated or otherwise made available under this title for any program which involves project grants or project contracts shall, to the extent practicable, give priority to projects to be carried out in States that are "long-term unemployment States" determined in accordance with subsection (a).

(c) Notwithstanding any other provision of law, and subject to the provisions of subsection (d).

Mr. HATFIELD. Mr. President, on behalf of the Senator from New York (Mr. D'AMATO), the Senator from South Dakota (Mr. ABDNOR) the Senator from West Virginia (Mr. BYRD), the Senator from Mississippi (Mr. STENNIS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. PRESSLER), and myself, this amendment is offered dealing with really what would be called pending business of the Senate and that is the amendment offered by the Senators from New York and South Dakota amending the targeting provision of the jobs bill title, title I.

We have had extensive consultation, recognizing that we come to this subject with perhaps different perspectives but recognizing as well the need to target in some way gaining as broad a base of results as possible those States and those areas of long-standing unemployment, high unemployment.

This, therefore, represents that compromise that has been reached.

This amendment would now distribute the targeting funds in this way: one-third to tier 1, one-sixth to tier 2, one-half to tier 3.

This leaves in place tier 2 funds for States that have suffered long-term unemployment almost $500 million to be distributed among the States that qualify by having unadjusted unemployment rate equal to or above 9.4 percent during the period of June through November 1982.

Also, Mr. President, this amendment includes in the definition of States the Commonwealth of Puerto Rico.

I believe, Mr. President, that this now has reached, as I say, that wonderful position of unanimity amongst the parties who have been participating in this issue for quite some time, and I wish to yield to Senator ABDNOR who has been the primary motivator behind this correcting and modification.

Mr. ABDNOR. Mr. President, I thank the Senator for yielding, and more so than that, I thank the Senator, the chairman of the Appropriations Committee, for being so willing to work out some kind of an agreement where we could come to a meeting of the minds.

I suppose at the very outset it looked like almost an impossible chore to bring the two groups together, but as in so many instances and throughout history, this Congress has always been able to come together on some kind of a compromise, the kind of compromise where probably neither side is completely happy but both are willing to settle for the outcome. That is certainly the situation we are facing today with the amendment that was just offered by the chairman of the Appropriations Committee.

Certainly, I would like to go back to what I offered in the beginning. I thought that was extremely fair. But I think after 4 days of debate on this issue it is time we come to a meeting of the minds. I guess we can both say that both groups fared well under this. Like so many instances it is a genuine compromise. It has been a pleasure to work with my colleague from New York, Senator D'AMATO. Senator D'AMATO has been a great help to us and our staffs working with the chairman of the Appropriations Committee. This is what we came up with for a solution. I think it is agreeable.

As I said, it is not exactly what we would like to have if we could have a whole loaf, but certainly it is a lot better than what we had before.

This substitute uses unemployment factors to allocate 50 percent of the funds and expands the number of States eligible for tier 2 funding from the original 15 to 21.

I ask unanimous consent to insert at this point in the RECORD a listing of the States which were favored by the perfecting amendment's targeting approach and those which were not.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

DOLLARS PER UNEMPLOYED PERSON UNDER THE HATFIELD PERFECTING TARGETING AMENDMENT

FAVORED STATES

[These States receive an average of $243 per person unemployed]

	Unemployed (December 1982)	Hatfield tier I and II (millions)
Alabama	275,000	$66.8
Arizona	141,000	34.2
Arkansas	107,000	26.2
California	1,346,000	326.6
District of Columbia	32,000	7.8
Illinois	702,000	170.3
Indiana	336,000	81.6
Kentucky	193,000	46.9
Louisiana	197,000	47.7
Michigan	747,000	181.2
Mississippi	118,000	28.7
Nevada	59,000	14.2
New Mexico	57,000	13.8
Ohio	712,000	172.8
Oregon	161,000	39.0
Pennsylvania	692,000	167.9
Rhode Island	53,000	12.8
South Carolina	164,000	29.8
Tennessee	286,000	69.3
Washington	259,000	62.8
West Virginia	138,000	33.4
Wisconsin	301,000	73.0

DISFAVORED STATES

[These States receive an average of $92 per person unemployed]

	Unemployed (December 1982)	Hatfield tier I (millions)
Alaska	20,000	$1.8
Colorado	141,000	13.0
Connecticut	113,000	10.4
Delaware	22,000	2.0
Florida	460,000	42.4
Georgia	209,000	19.3
Hawaii	29,000	2.7
Idaho	44,000	4.0
Iowa	123,000	11.3
Kansas	85,000	7.8
Maine	40,000	3.7
Maryland	170,000	15.7
Massachusetts	214,000	19.7
Minnesota	198,000	18.2
Missouri	222,000	20.5
Montana	36,000	3.3

DISFAVORED STATES—Continued

[These States receive an average of $92 per person unemployed]

	Unemployed (December 1982)	Hatfield tier I (millions)
Nebraska	54,000	5.0
New Hampshire	35,000	3.2
New Jersey	318,000	29.3
New York	673,000	62.0
North Carolina	263,000	24.2
North Dakota	24,000	2.2
Oklahoma	97,000	8.9
South Dakota	21,000	1.9
Texas	554,000	51.0
Utah	60,000	5.5
Vermont	18,000	1.7
Virginia	225,000	20.8
Wyoming	20,000	1.8

Mr. ABDNOR. For the benefit of my colleagues, let me point out a few of the things this table shows.

There are just under 260,000 unemployed persons in Washington State compared to over 670,000 in New York State. New York has over 400,000 more unemployed people than does Washington. However, each would receive about $62 million.

However, the substitute will modify this result so that New York will actually receive more than Washington, which is the way it should be. This results from a change in the formula by which the funds are to be distributed among the States.

Under this compromise, one-third of the funds for 15 major program areas will be allocated according to the number of unemployed persons residing within a State. One-sixth will be distributed to 21 States which meet the criteria of being "long-term employment States," and one-half will be distributed under existing authority.

While this formula is not my first choice, it is a fairer formula which is going to help put the funds we are appropriating to good use. Projects which have already been authorized but which were waiting for funding are going to move ahead and rapidly create many new jobs. Many people who are out of work and desperately seeking it are going to be helped.

Once again, I thank and commend my colleagues for their cooperation in coming to such a workable compromise. Particularly, I would like to commend Senator DECONCINI and Senator DOMENICI for not only voting to help relieve unemployment in their own States, but taking a statesmanlike position and voting for what they perceived to be a fair approach in dealing with the entire Nation's unemployment problem. I especially thank the chairman for being so willing to work this out.

Mr. HATFIELD. I thank the Senator.

Mr. President, I ask unanimous consent to add the Senator from New Mexico (Mr. DOMENICI) as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I yield to the Senator from New York who played a very important part in this whole compromise.

Mr. D'AMATO. Mr. President, I thank and commend the distinguished chairman of the Appropriations Committee, Senator HATFIELD, his staff, and my colleague from South Dakota, Senator ABDNOR, for their cooperation in this effort. I believe that we can all be proud of the process which led to this compromise on the targeting provisions of this jobs bill. We came from different perspectives yet have successfully hammered out an agreement which recognizes the long-term unemployment needs of 21 States plus the Commonwealth of Puerto Rico and the District of Columbia. All of us can go back to our constituents and to the unemployed of our States and say we have come forth with a product that makes sense.

These are difficult times.

But this amendment which allocates one-third of the targeted funds to tier 1, one-sixth of the funds to tier 2, and one-half of the funds to tier 3, represents a compromise which serves the interests of the Nation as a whole.

I once again thank Chairman HATFIELD for his consideration of our problems.

● Mr. JOHNSTON. Mr. President, included in this amendment at my request is an amendment designed to correct an oversight which I believe was inadvertent in the drafting of the definition of "State" in section 101(a)(4)(A). This definition omitted Puerto Rico, thereby making Puerto Rico ineligible for funding for many of the programs in which they now participate. This clarification will simply maintain the status quo in terms of eligibility for assistance recommended in this bill.

Puerto Rico has as serious a need as any part of the United States. Unemployment is currently at 25.3 percent, a higher rate than that found in any of the 50 States or the District of Columbia. In human terms, 250,000 workers out of a total work force of about 1 million are unemployed, creating serious economic and social problems in Puerto Rico. It is therefore critically important that Puerto Rico be included in the emergency assistance contained in this legislation and I urge that this amendment be adopted to so do.

Mr. BENTSEN. Mr. President, you and my colleagues here now will recall that I spoke vigorously against the proposal adopted by the Appropriations Committee to set aside one-third of funds for emergency employment in this legislation to 15 selected States. This was done under the proposal to allocate some $1 billion under the so-called tier 2 formula to those States with above-average unemployment rates during 1982. I joined with Senator ABDNOR and Senator D'AMATO plus several others, including Senator BOREN and Senator DECONCINI, last Thursday in successfully encouraging the committee to revise this provision. It was replaced with language expanding the provision to 21 States which I also opposed.

The subsequent negotiations between the committee chairman and those of us opposing this new provision have gone a long way toward easing my initial concerns regarding the tier 2 funding provision. As I understand the new amendment addressing this funding formula, one-sixth of the funds under title II or about $500 million will be allocated to those States with above-average unemployment, and one-half of the funds or some $1.5 billion will be allocated under the formula used in tier 3. The result of this amendment is to boost funds going to the some 15 programs funded under tier 3. It will increase emergency jobs funds flowing to Texas, for example, by approximately $30 million. In combination with funds already destined for emergency employment in Texas under tier 1, this legislation will provide almost $140 million in jobs assistance to ease the plight of men and women who have lost their jobs in my State. It increased funds going to my State by almost 30 percent.

Under the original provision first proposed by the Appropriations Committee, only some $109 million would have come to Texas out of slightly over $3 billion—an unfair and disproportionately low share in my view. I want to commend the committee chairman and those Senators who helped draft the revised version of this provision now in the final bill. It provides some funding for those States who have suffered above-average unemployment, while still providing the great bulk of funds to all the States based essentially on their relative unemployment levels.

In light of the reality that my State and other States contain major pockets of very high unemployment which in some cases are larger than States targeted for aid under tier 2, the reduction in tier 2 funding is appropriate. It is a fair decision, as well, and one I am pleased to support.

Should the President sign this legislation and the emergency assistance in it for jobs become available, none of us should lose sight of the fact that it is not an enduring solution to unemployment. It is only a Band-Aid when major surgery is called for in the form of a sustained and moderate monetary policy this year. That policy must be reinforced, as well, by efforts to trim the projected budget deficits in the coming years. That is a responsibility which Congress must assume promptly. Both Wall Street and Main Street

are looking us squarely in the eye for signs that we understand the urgency of trimming the looming deficits. We must meet that gaze and move this year to cut the outyear deficits. If we do not meet that challenge, we will run the real risk of sending interest rates soaring once again and cutting the promising recovery off at the knees. I for one intend to meet our responsibilities to trim the outyear deficits, and I hope my colleagues will join me in overwhelming numbers.

Mr. HATFIELD. Mr. President, this has not been accomplished without the cooperation of the Senators who have just spoken and the other Senators who are sponsoring this amendment.

I am ready to yield back the remaining period of my time.

Mr. HUDDLESTON. We yield back any time we may have remaining.

The PRESIDING OFFICER (Mr. PRESSLER). The question is on agreeing to the amendment of the Senator from Oregon.

The amendment (UP No. 48) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I yield to the Senator from New Hampshire for an amendment.

Mr. RUDMAN. I thank the chairman.

UP AMENDMENT NO. 49

Mr. President, I have an amendment at the desk which is unprinted and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. RUDMAN) for himself, Mr. HUMPHREY, and Mr. D'AMATO proposes an unprinted amendment numbered 49.

Mr. RUDMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 53, beginning on line 1, strike all through line 3.

Renumber paragraphs (6) through (15) of subsection (d) of Section 101 accordingly.

Mr. RUDMAN. Mr. President, I ask unanimous consent that Senators HUMPHREY and D'AMATO be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. Mr. President, I send an amendment to the desk on behalf of Senator D'AMATO, Senator LEAHY, Senator HUMPHREY, and myself and ask for its immediate consideration.

Mr. President, the amendment I am offering would delete the low-income weatherization program and the schools and hospitals weatherization program from the list of programs whose funds will be targeted on the basis of unemployment. It would affect only $175 million out of $2.14 billion currently subject to targeting or only 8.2 percent of the total.

Mr. President, I have no quarrel with the principle of targeting funds in this bill to those States with the most severe unemployment problem. I supported a rather stringent targeting provision in this bill during committee markup although it certainly does not benefit the State of New Hampshire. As I indicated to the minority leader at that time, I am relieved that I do not have to be concerned with the kinds of economic problems facing West Virginia, where statewide unemployment exceeds 13 percent and has been that high for a lengthy period of time. In addition, since New Hampshire is a net exporter of goods, effective steps taken to reduce unemployment in West Virginia and similarly situated States can only help New Hampshire in the long run.

While supporting the principle of targeting, I strongly believe that the weatherization programs are entirely inappropriate candidates for such targeting. It is true that the two programs create jobs. But, they serve the much more important purpose of helping low-income and elderly families save millions of dollars in energy costs, in many cases the same families suffering from underemployment or unemployment. This much more important purpose can only continue to be realized if the funds are distributed on the basis of the current law formula which takes into account both cold weather and the level of poverty.

Mr. President, the targeting provision of the jobs bill makes exceptions for programs for two basic reasons. First, some programs are exempted because of the unique nature of the services provided, such as the public health programs. Second, some programs are exempted because they are not truly nationwide in scope or, as the committee report states, because of "geographic realities." The weatherization programs fit this criteria on both counts. In this regard it must be noted that 6 of the 15 States singled out for special assistance in the targeting provision are Southern States while some with nearly as serious economic problems and much more severe weather, such as Alaska, Minnesota, and New York, would not be helped.

In conclusion, Mr. President, I would like to reiterate that I support the principle of targeting funds. However, I do not feel that such targeting is appropriate for the weatherization programs, the allocation formula of which already take into account poverty, and urge the adoption of my amendment.

Mr. President, in summary this is a fairly simple amendment. The original targeting provisions cover a great many Federal programs. One of those programs is the low-income weatherization program coupled with a special program that allows for weatherization of schools and hospitals.

Since the philosophy of targeting as adopted by the Appropriations Committee dealt with two separate criteria for involving targeting; namely, geography and use, it is my feeling and the feeling of the cosponsors and others that weatherization programs should not be included in the targeting.

I say this for a number of reasons, not the least of which is that a number of the States which will receive targeting and should under the general proposal are States in the deep South and the Southwest that essentially do not really participate in the weatherization program.

It is about $175 million. It is about 8 percent of the total program, and it is the feeling of the sponsors of this amendment that it would be best left to the normal allocation processes because, after all, Mr. President, this program was designed to help those who are in need of conserving fuel, who have great difficulty in paying for the high cost of fuel, and I would hope that the chairman might find it agreeable to accept the amendment.

Mr. HUMPHREY. Mr. President, I am pleased to join as a cosponsor of Senator RUDMAN'S amendment on weatherization programs. I believe that it is important to exempt moneys for low-income weatherization and school and hospital weatherization assistance from the targeting provisions included in this emergency appropriations bill.

Under current law, moneys in these weatherization programs are distributed through what I believe is a fair and reasonable formula which takes into account both poverty and cold weather. Under this formula, these weatherization programs have proven effective and worthwhile. To change the distribution formula at this time would be counterproductive and ill-advised. Basing weatherization moneys on unemployment figures strikes me as contradictory to the very purpose and nature of these programs.

In short, I hope that my colleagues will recognize that the need to weatherize homes, schools, and hospitals is not a function of unemployment rates, but rather of cold weather and poverty. I urge passage of this amendment.

Mr. D'AMATO. Mr. President, I rise as a cosponsor of the Rudman amendment. This amendment will insure that these low-income weatherization funds are targeted to those areas of the country in particular the Northeast, which so desperately need these moneys.

The low-income weatherization assistance programs are among the most enlightened of the Federal Government. Low-income families spend a far greater share of their income on basic energy needs. They are the least able to afford the necessary investments in insulation, storm windows and other means of energy conservation that result in eventual cost savings. You cannot invest money that you do not have. This means that these families will have to bear the high costs of energy in spite of the fact that measures exist that, with a small investment today, will save much greater amounts tomorrow. Additionally, the energy conservation measures of this portion of the population will help to ease our collective dependence on imported oil. I support this program.

The actions taken by the Congress to insure that greater amounts of funds are available for weatherization are among the most humanitarian actions taken in the jobs bill. Poor people spend a disproportionately high amount of their limited incomes for energy costs. It helps little if all the other vital aspects of this legislation are enacted while those we are looking to aid cannot afford to heat their homes and apartments. By giving this limited assistance in the conversion to energy-efficient housing, the Congress will provide assistance to those who live in those units, the truly needy, for years to come and will help America take another step in the direction of energy self-sufficiency.

Mr. HATFIELD. Mr. President, the Senator from New Hampshire always is so reasonable and always has some logic and persuasion behind his arguments that it is always difficult not to accept his proposals, and I am delighted in this case, even beyond his great skills, to say the substance of his amendment adds to the bill, and we are happy to accept it.

Mr. RUDMAN. I thank the chairman for those very kind remarks.

Mr. President, I also ask unanimous consent to add Senator LEAHY as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I yield back the remaining period of time.

Mr. RUDMAN. Mr. President, I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment (UP No. 49) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RUDMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, we have another targeting amendment that I yield to the Senator from Rhode Island to propose at this time.

AMENDMENT NO. 491

(Purpose: To change the determination of unemployment for the first tier to January 1983)

Mr. PELL. Mr. President, I call up my printed amendment No. 491.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes an amendment numbered 491.

On page 51, line 20 strike out "December 1982" and insert in lieu thereof "January 1983".

Mr. PELL. Mr. President, the amendment that I offer at this time would improve the targeting formula in H.R. 1718. By doing so, the targeting formula will better assist those unemployed individuals who should be assisted by this bill.

The targeting formula is intended to distribute money on the basis of current unemployment.

The amendment I am offering at this time would, I think, bring up to date the targeting formula in that it brings it up from December to January.

The problem, Mr. President, is that the targeting formula rely on current unemployment statistics as the basis for distributing this money. Subsection (a)(4)(B), on page 51 of the bill, states that the Bureau of Labor Statistics shall use the month of December 1982 to determine the number of unemployed individuals in all of the States. December, however, is not the most recent month for which the Bureau of Labor Statistics has unemployment figures for all of the States. The Bureau has issued unemployment figures for January 1983 for all of the States.

This is a significant point, Mr. President, because this bill does not address current unemployment if it relies on outdated employment figures. It is significant, Mr. President, for the 33 States whose share of the national unemployment total increased from December to January. In those 33 States, unemployment not only increased on an absolute basis, unemployment increased relative to the other States.

If we intend to help the millions of unemployed in the best way that we can, Mr. President, I think that we should try to make each tier of the jobs' bill targeting formula accomplish what it is designed to accomplish. This bill is intended to help the currently unemployed, on the basis of current unemployment figures. I, therefore, think that we should use most current unemployment figures available, Mr. President, and January figures are the most current figures available.

My amendment would remove the words "December 1982" as the month in which the Bureau of Labor Statistics should measure current unemployment, and substitute instead the words "January 1983." January unemployment, rather than December, would therefore be used to guide the distribution of these funds.

I am pleased to say, Mr. President, that this amendment is supported by the Republican floor manager of this bill, and is acceptable to the Democratic floor manager. I, therefore, urge that it be adopted.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, this amendment has been checked on both sides of the aisle, and I think again this is a refinement of the targeting program in the bill and, therefore, the committee is ready to accept it.

Mr. PELL. I thank my colleague and friend from Oregon very much indeed, and I yield back the remainder of my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (No. 491) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 50

(Purpose: To assure rapid availability and utilization of targeted funds by streamlining administrative procedures)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment numbered 50:

On page 54, after line 5, add the following new subsection:

( ) Notwithstanding any other provision of law, any agency rulemaking proceeding conducted in order to implement the provisions of this title shall be conducted expeditiously, and in no case shall an agency hearing on the record be required:

Mr. HATFIELD. Mr. President, this is basically the last of the targeting amendments that I am aware of.

The managers of the bill and those who have participated in the whole targeting process, both in committee and on the floor, recognize that in the administration of this targeting proposal there may arise some problems or some disputes with States or other entities, and we do not want the bill to be silent on the sort of administrative

relief which can be provided and, therefore, we are offering this amendment providing for a limited administrative remedy for targeting. It is merely a due process provision to give that kind of opportunity to groups or States that may want to raise questions about this targeting procedure.

In some ways it is a technical amendment. Yet it has an important principle here of administrative relief.

I know of no opposition to the amendment and I am ready to yield back the remainder of my time.

Mr. HUDDLESTON. We yield back any time we may have.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment (UP No. 50) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I yield to the Senator from New Jersey to offer an amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

UP AMENDMENT NO. 51

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment numbered 51.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 1, strike out "$6,000,000" and insert in lieu thereof "$26,000,000",

Mr. BRADLEY. Mr. President, the amendment I am proposing provides $20 million to improve bus maintenance facilities in New Jersey while creating as many as 500 jobs for residents of my State. Construction on these high-priority projects could begin as early as this summer.

Many of New Jersey's bus maintenance shops are very old and badly in need of repair. This funding will insure that the repairs and modernization will be completed, that the equipment will be upgraded and that in the process new jobs will be created.

Specifically, the funds proposed in my amendment will augment a $10.4 million State grant. This money will go to shops in Newark, Farview, Oradell, Orange, Turnersville, Maplewood, and Camden. It will be used for design engineering, construction and for the purchase of new equipment such as bus lifts and bus cleaning machines.

In sum, this amendment will benefit two important groups of New Jerseyites: Commuters who want safer, cleaner, more fuel-efficient buses and people in the State who are out of work and need a job.

Mr. HATFIELD. Mr. President, the amendment offered by the Senator from New Jersey (Mr. BRADLEY) as he indicated, provides an additional $20 million for interstate transfer grants, bringing the total up to $26 million.

Within that level funds would be provided for job-intensive efforts involving a bus maintenance facility, and this would, I believe, create some 500 jobs, and I am prepared to accept the amendment on behalf of the committee.

I believe this has been cleared with the minority side as well.

Mr. BRADLEY. Mr. President, I ask unanimous consent that Senator LAUTENBERG be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it so ordered.

Mr. BRADLEY. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (UP No. 51) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts.

UP AMENDMENT NO. 52

Mr. TSONGAS. Mr. President, I am introducing an amendment and I ask the clerk to call it up.

The PRESIDING OFFICER. The clerk will report.

Will the Senator send his amendment to the desk?

The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS) proposes an unprinted amendment numbered 52.

Mr. TSONGAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without, objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

Since the United States is experiencing the deepest economic contraction since the Great Depression, with unemployment among young people at unprecedented levels, an opportunity for national service would enable millions of young Americans to obtain productive skills and work experience that could be later utilized in the marketplace.

Since useful public service is essential for the educational and personal development of our youth;

Since the U.S. faces numerous challenges which can be better met if we draw upon the creative energies of young people and other individuals through a program of national service; and

Since national service represents a vast and essentially untapped resource which can and should be utilized to meet national and local needs;

Declared, that it is the sense the Senate that:

1. The Congress should in the immediate future carefully examine a proposal or proposals for the establishment of a Presidential Commission to study the potential benefits of national service and to make timely recommendations to the Congress on the various options for implementing a comprehensive program of national service, and

2. The Congress should provide sufficient resources to the Presidential Commission to ensure that it is fully able to ascertain and incorporate the views and recommendations of labor groups, the education community, business groups, and young people themselves as to the most broadly-based and effective means of implementing a program of national service.

Mr. TSONGAS. Mr. President, the amendment involves a concept of national service which passed the Senate some 2 years ago. It died in the House because of procedural problems. That same concept has now passed the House and, hopefully, at some point will pass the Senate as well.

What I am seeking to do in the amendment is to put the Senate again on record in favor of a commission to report back to Congress what the details should be of a national service bill.

I am proposing that the Senate examine, in the immediate future, legislation to establish a Presidential commission which would study the idea of national service for young Americans. National service is an idea that is both timely and practical.

National service has the potential to meet many human needs at home and abroad. In addition, I believe that a national program of service by Americans can help make ours a more cohesive, caring society. Today I will share with my colleagues same personal feeling about service. Then I will discuss the unresolved problems surrounding the issue of national service. Without answers to hard questions, we cannot achieve the consensus necessary for a program of national service to succeed. A Presidential commission is vital.

The benefits of service to others are shared between the recipient and the provider. This fundamental aspect of the service experience has been proven to me—and to thousands upon thousands of volunteers—powerfully and personally. My 2 years as a Peace Corps volunteer in a small Ethiopian town were a learning experience that surpassed any formal study before or after it. There I lived and learned with

students whose lives had been vastly different from my own. I was a Peace Corps teacher, but I hope my Ethiopian friends know how much they taught me.

We had a very personal sense of depending on each other, so it was natural for us to know that nations also must depend on each other. Nothing before or after that time has shaped my view of the world so deeply.

When jobs are scarce, as they are now for our citizens and particularly for our young citizens, there is all the more reason to offer a nonmilitary alternative to national service. Voluntary service of this kind would provide an opportunity for young Americans to obtain skills and experience qualifying them eventually for jobs in the marketplace. At the same time many of these volunteers might work on humanitarian projects that could relieve the hardship caused by unemployment.

National service would help young Americans understand the complexity of chronic problems. A new, national commitment to service could be the right medicine for our ailing national spirit. It might help turn our society away from the extremes of the "me generation" of the 1970's, when many young Americans have grown up to be fashion conscious, but unconscious—apparently unaware—that other Americans are struggling for basic needs.

It is an astonishing irony that, while many young people feel their lives lack meaning, many unmet social needs are crying for help. Day care centers go unstaffed. Elderly citizens are shuffled away to inadequate homes because there is no one to care for them. Local communities have many projects—energy conservation and neighborhood cleanups—which desperately need manpower.

Two of the most fundamental issues are voluntary service versus mandatory service, and the service program's relationship to military service.

I personally favor a volunteer service plan. I feel that the benefits derived from the national service experience would be seriously compromised by compulsory service, whether civilian or military. The idealism of Peace Corps volunteers, for example, has a major bearing on the quality of their work.

Regarding the military aspect, there is much confusion and much dissent. I oppose mandatory service, and so I oppose the draft. A system of national service should not be used as a "back door" method of filling the ranks of the All Volunteer Armed Forces. Fear that a service program will be compulsory has caused strong popular opposition. At the present time, I believe that a program of voluntary national service is more practical and is based on a better principle.

Many facets of national service deserve thorough analysis and debate. Whatever our opinions on specific features, it would be senseless to study legislation for a Presidential commission with preconceived conclusions. Our examination should be an open-minded, comprehensive inquiry into the range of national service possibilities.

This legislation would establish a 25-member Presidential commission to study this issue and report its findings within 2 years. At least seven of its members would be young people between the ages of 17 and 25, since young people have been seriously under-represented in past consideration of national service.

This legislative approach is preferable to introducing legislation for a full-scale national service program at this time. If national service is to be successful, it will require a wide base of support. It must be well-received by the intended participants, and by the Federal, State, and local officials and members of private agencies, who run the programs with volunteers. I fear that to go full steam ahead with a national service program could alienate many of these same people. They might see the program as an infrigement of their territory, rather than as the provider of expanded programs and services that it really is. A Presidential commission will make contact with these people during the study and involve them in the evolution of the idea.

Another factor arguing for a Presidential commission is the tremendous interest among young Americans. The Gallup youth survey on national service has found that an overwhelming majority of 13- to 18-year-olds—71 percent—favor a voluntary system of national service. When asked whether they would be interested in participating in such a program, 22 percent said they definitely would, and another 32 percent said they might.

The idea of national service has widespread support among young Americans now—nearly 70 years after William James first wrote in favor of it. James predicted that young Americans would get "the childness knocked out of them, and would come back * * * with healthier sympathies and soberer ideas." As a new decade begins, out situation cries out for the values inherent in national service.

I am delighted to be joined today by Senators PELL, LEVIN, CRANSTON, and BRADLEY in sponsoring this new initiative for a renewed society in the 1980's.

Mr. President, I ask unanimous consent that the text of this unprinted amendment on a Presidential Commission of National Service Act, be printed in the RECORD.

Let me add a few details. The commission would be a 25-member body. It would study the matter and bring its conclusions to us within 2 years. At least seven of its members would be young people between the ages of 17 and 25 since young people have been seriously underrepresented in past consideration of national service.

There are a lot of issues here—whether national service should be voluntary or mandatory and whether the military should be included or not, for example. And rather than having those issues decided on the floor by people, including myself, who are not experts, the idea was suggested, and I think has merit, to put together a group of highly qualified people and let them come back to us with this package intact.

I yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator.

Mr. President, I am pleased to join with Senator TSONGAS in offering this sense-of-the-Senate resolution in connection with national service.

One of our most critical long-range employment problems centers on the young people of America. Youth unemployment, especially black youth employment, has eluded our best corrective solutions and has sharply increased in the present recession. The social and economic costs of youth unemployment are staggering, in terms of welfare and jobs training programs, and in terms of alcoholism, drug abuse, and crime that we live with and pay for as a result of the millions of young Americans who are unemployed or underemployed.

Recognizing the unmet social needs in every one of our communities, which this jobs legislation is attempting to address, we should look to national service as an opportunity to involve millions of young people in productive endeavors. This idea is not new; it was tried successfully in this country during the depression in the form of the Civilian Conservation Corps. Today, with youth unemployment at record levels, national service is once again on the political agenda in this country.

The amendment that is proposed expresses the sense of the Senate that Congress immediately consider proposals for the establishment of a Presidential commission to study the potential of national service in the area of youth unemployment and other urgent problems.

As we consider emergency legislation to alleviate the deepest economic slump since the Great Depression, I believe we should incorporate this modest proposal to examine the role national service could play in addressing youth unemployment. Mr. President, I strongly urge my colleagues to include this amendment as part of the emergency jobs bill.

Mr. President, I ask unanimous consent that I may be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. I really have nothing more to add. I believe this issue has been cleared on both sides of the aisle. Does the Senator from Oregon wish to comment?

Mr. HATFIELD. The Senator is correct. It has been cleared on both sides of the aisle, and the committee is willing to accept the amendment.

Mr. TSONGAS. I might add to my friend from Oregon that when I went into the Peace Corps I was a Republican, and I then changed to being a Democrat. Would that change the Senator's mind? [Laughter.]

Mr. HATFIELD. I hope the situation would be very unique to the Senator from Massachusetts and would not be contagious.

Mr. TSONGAS. In that spirit I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusets.

The amendment (UP No. 52) was agreed to.

MR. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 53

(Purpose: To expand and improve the domestic commodity distribution program)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon (Mr. HATFIELD), for himself, Mr. DOLE, Mr. HUDDLESTON, Mr. DANFORTH, Mr. PRYOR, Mr. JEPSEN, Mr. BOREN, Mr. DOMENICI, Mr. BENTSEN, Mr. ANDREWS, Mr. MOYNIHAN, Mr. PERCY, Mr. DIXON, Mr. DURENBERGER, Mr. FORD, Mr. SPECTER, Mr. HEFLIN, Mr. LUGAR, Mr. BOSCHWITZ, Mr. WILSON, and Mr. PRESSLER, proposes an unprinted amendment numbered 53.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, beginning with line 16, strike out all through line 10 on page 44.

On page 54, between lines 14 and 15, insert the following new title:

TITLE II—DOMESTIC COMMODITY DISTRIBUTION AND FOOD ASSISTANCE ACT

SHORT TITLE

SEC. 201. This title may be cited as the "Domestic Commodity Distribution and Food Assistance Act", and is hereinafter in this title referred to as the "Act".

AVAILABILITY OF CCC COMMODITIES

SEC. 202. (a) Notwithstanding any other provision of law, in order to complement the domestic nutrition programs, make maximum use of the Nation's agricultural abundance, and expand and improve the domestic distribution of price supported commodities, commodities acquired by the Commodity Credit Corporation that the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary"), in the Secretary's discretion, determines are in excess of quantities needed for the fiscal year to—

(i) carry out domestic donation programs, including maintaining an effective school lunch program,

(ii) meet other domestic obligations (including quantities needed to carry out a payment-in-kind acreage diversion program), and

(iii) meet international market development and food aid commitments,

shall be made available in such year for use by eligible recipient agencies.

(b) Commodities made available under this Act shall be provided upon request, without charge or credit, and in a form suitable for institutional food use, except that commodities made available for use by organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons, shall, upon request, be provided in a form suitable for individual household food use.

(c) With respect to commodities made available under this Act and to the extent funds are appropriated or otherwise available under section 205(c) of this Act, the Secretary shall pay the costs of initial processing and packaging of such commodities into forms suitable for institutional or home use. The Secretary may pay such costs by providing commodities equal to the value of the processing and packaging costs. The Secretary shall ensure that such payments-in-kind will not displace commercial sales of such commodities.

(d) Not later than forty-five days after the date of enactment of this Act, the Secretary shall publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under this Act during the fiscal year ending September 30, 1983. Prior to the beginning of the fiscal year ending September 30, 1984, the Secretary shall publish such an estimate with respect to the commodities that the Secretary anticipates are likely to be made available under this Act during such fiscal year.

(e) Notwithstanding any other provision of law, if wheat stocks acquired by the Commodity Credit Corporation are not available for purposes of this Act, up to 500,000 metric tons of wheat designated under section 302(b)(1) of the Food Security Wheat Reserve Act of 1980 may be used for the purposes of this Act. Any amount of wheat used from the food security wheat reserve under this Act shall be replenished by an equivalent quantity of wheat under the provisions of section 302(b) of the Food Security Wheat Reserve Act of 1980 by such date as is practicable, but before October 1, 1984.

ELIGIBLE RECIPIENT AGENCIES

SEC. 203. As used in this Act "eligible recipient agencies" are public or nonprofit organizations that administer—

(1) activities and projects, including those operated by charitable institutions and food banks, providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons;

(2) school lunch programs, summer camps for children, and other child nutrition programs providing food service;

(3) nutrition projects operating under the Older Americans Act of 1965, including congregate nutrition sites and providers of home delivered meals;

(4) activities and projects that are supported under section 4 of the Agriculture and Consumer Protection Act of 1973;

(5) activities of charitable institutions, including hospitals and retirement homes, to the extent that needy persons are served; or

(6) disaster relief programs;

and that have been designated by the appropriate State agency, or by the Secretary, and approved by the Secretary for participation in the program established under this Act.

FEDERAL AND STATE RESPONSIBILITIES

SEC. 204. (a) The Secretary shall, as expeditiously as possible, provide the commodities made available under this Act in such quantities as can be used without waste to State agencies designated by the Governor or other appropriate State official for distribution to eligible recipient agencies, except that the Secretary may provide such commodities directly to eligible recipient agencies and to private companies that process such commodities for eligible recipient agencies under section 206 of this Act.

(b) State agencies receiving commodities under this Act shall, as expeditiously as possible, distribute such commodities in the quantities requested to eligible recipient agencies within their respective States. If a State agency cannot meet all requests for a particular commodity under this Act, the State agency shall give priority in the distribution of such commodity to organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons. To the extent funds are appropriated or otherwise available under section 205(c) of this Act, the Secretary may pay the costs of storage and distribution of such commodities within the States.

(c) In administering this Act, the Secretary shall minimize, to the maximum extent practicable, the regulatory, recordkeeping, and paperwork requirements imposed by the Secretary on eligible recipient agencies.

AUTHORIZATION AND APPROPRIATIONS

SEC. 205. (a) There is authorized to be appropriated to carry out the provisions of this Act not to exceed $100,000,000 for each of the fiscal years ending September 30, 1983 and September 30, 1984.

(b) There is appropriated $100,000,000, to remain available until March 31, 1984, to carry out the provisions of this Act: *Provided,* That not less than $10,000,000 of this amount shall be paid to the States for commodity storage and distribution expenses incurred by those eligible recipient agencies defined in section 203(1) of this Act, except that in no case shall payments to any State exceed 5 per centum of the total value of the commodities received by the eligible recipient agencies defined in section 203(1) of this Act within the State. The value of the commodities made available under this Act shall not be charged against this appropriation.

(c) In addition to the funds appropriated under subsection (b), the Secretary shall, in each of the fiscal years ending September 30, 1983 and September 30, 1984, expend funds of the Commodity Credit Corporation to carry out the provisions of this Act in an amount equal to those storage and spoilage costs that the Secretary estimates would have been incurred in such fiscal years but for this Act. Such funds may be expended by the Secretary to reprocess or further process available commodities into end-food products for use by those eligible recipient agencies defined in section 203(1) of this Act. The value of the commodities made available under this Act shall not be charged against these funds.

(d) To the extent practicable, the Secretary shall carry out the program established under this Act through the Commodity Credit Corporation.

PROCESSING AGREEMENTS

SEC. 206. Whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary, the Secretary shall encourage consumption thereof through agreements with private companies under which the commodity is processed into end-food products for use by eligible recipient agencies, with the expense of the processing to be borne by the recipient agencies.

PROGRAM SAFEGUARDS

SEC. 207. (a) The Secretary shall obtain such assurances as the Secretary deems necessary that any eligible recipient agency receiving commodities under this Act will provide such commodities to persons served by the recipient agency and will not diminish its normal expenditures for food by reason of the receipt of such commodities. The Secretary shall also obtain such assurances as the Secretary deems necessary that commodities made available under this Act will not displace commercial sales of such commodities or the products thereof.

(b) Commodities provided under this Act shall be distributed only in quantities that can be consumed without waste. No eligible recipient agency may receive commodities under this Act in excess of anticipated usage, based on inventory records and controls, or in excess of its ability to accept and store such commodities.

RELATIONSHIP TO FOOD STAMP ACT OF 1977

SEC. 208. Section 4(b) of the Food Stamp Act of 1977 shall not apply with respect to the distribution of commodities under this Act.

COMMODITIES NOT TREATED AS INCOME

SEC. 209. Notwithstanding any other provision of law, commodities distributed under this Act shall not be considered income or resources for any purpose under any Federal, State, or local law.

PROHIBITION AGAINST CERTAIN STATE CHARGES

SEC. 210. Whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary for distribution within the States to eligible recipient agencies, the State may not charge recipient agencies any amount that is in excess of the State's direct costs of storing and transporting the commodities to recipient agencies minus any amount the Secretary provides the State for the costs of storing and transporting such commodities.

PENALTIES FOR MISUSE OF COMMODITIES

SEC. 211. Section 4(c) of the Agriculture and Consumer Protection Act of 1973 is amended by—

(1) striking out "or section 709" and inserting in lieu thereof "section 709"; and

(2) inserting after "(7 U.S.C. 1446a-1)," the phrase "or the Domestic Commodity Distribution and Food Assistance Act,".

AMENDMENT TO AGRICULTURAL ACT OF 1949

SEC. 212. Clause (3) of the first sentence of section 416 of the Agricultural Act of 1949 is amended by inserting "in public or nonprofit postsecondary schools, penal institutions, and Veterans Administration medical care facilities," after "for children,".

PROGRAM TERMINATION

SEC. 213. The authorities provided in sections 202 through 210 of this Act shall not be effective after September 30, 1984.

SEC. 214. Clause (2) of subsection (a) of section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c, note) is amended by striking "amount appropriated for the provision of commodities to State agencies" and inserting in lieu thereof "sum of (i) the amount appropriated for the commodity supplemental food program and (ii) the value of additional commodities donated by the Secretary to State or local agencies for use in the commodity supplemental food program without charge against funds appropriated for such program that are included in food packages distributed to program participants".

On page 54, line 15, strike out "II" and insert in lieu thereof "III".

Mr. HATFIELD. Mr. President, this amendment is one that is listed here on page 2 of the calendar of business under my sponsorship relating to food assistance.

The amendment replaces the provisions of the reported bill dealing with distribution of surplus agricultural commodities to the needy.

The amendment creates a new title II of the bill and embodies much of what has been reported from the Senate Agriculture Committee in S. 17.

The basic thrust and purpose of both the programs contained in the reported version of H.R. 1718 and the amendment are the same. This amendment adds a number of clarifications and integrates several provisions contained in S. 17 which are needed to improve the Department of Agriculture surplus food distribution programs. The amendment was formulated at the suggestion of the Senator from Kansas (Mr. DOLE), who is the sponsor of S. 17 as well as a cosponsor of this amendment.

I understand it has approval of the chairman of the Senate Agriculture Committee (Mr. HELMS). I commend all parties to this proposal which will facilitate the rapid implementation of an expanded surplus food distribution program for America's needy.

I know of no opposition to this.

Mr. HUDDLESTON. Will the Senator Yield?

Mr. HATFIELD. Yes.

Mr. HUDDLESTON. We have stated what the differences in substance there are in the amendment as it is presented and S. 17 as it was favorably reported from the Agriculture Committee?

Mr. HATFIELD. This in effect is reconstructing our own jobs bill that we have before us in the bill that is pending in order to conform with the provisions made in S. 17.

Mr. HUDDLESTON. As a cosponsor of S. 17, along with the distinguished Senator from Kansas, who is on the floor at the present time, I, of course, heartily concur and endorse the proposal that is put forth here in this particular amendment.

May I inquire of the Senator from Kansas whether the fate of this particular bill and this provision of it could have any adverse effect on S. 17 itself, if it should become necessary to resort again to that bill, which has been favorably reported by the Agriculture Committee?

Mr. DOLE. If the Senator would yield, I would say in response to the first question, there have been a couple of changes made in S. 17, one suggested by Senator BOREN and one suggested by Senator LEVIN, that I think improve the bill. In addition the appropriations language would earmark $10 million of the $100 million to be spent on local distribution and storage costs.

My answer to the second question is that it would not have any adverse impact on S. 17. In fact, through the help of the Appropriations Committee and the distinguished chairman, Senator HATFIELD, we believe that the most important aspects of S. 17 are contained in the language of the amendment being offered right now by the chairman. If something should happen in conference, then we would still be in a position to pick up the pieces on S. 17.

Mr. HUDDLESTON. I thank the Senator.

Mr. President, I am pleased to support this important amendment.

While there are indications that the economy is beginning to recover from last year's severe recession, nonetheless, the number of people out of work now is at a postwar high.

With today's double-digit unemployment, we are seeing a dramatic rise in the number of people who are in desperate need of food, and in the number of soup kitchens and food bank operations.

We must address the food needs of our citizens suffering from the effects of the recession. Congress must provide the legislative authorization for practical and effective programs to provide food and other humanitarian aid to jobless workers and other citizens in need.

I commend Senator DOLE for his legislative initiatives in this regard. The pending amendment is—as has been stated—similar to S. 17, which was introduced by Senator DOLE and reported by the Committee on Agriculture,

Nutrition, and Forestry on March 9. I am pleased to be a cosponsor of S. 17.

Both the amendment and S. 17 are intended to make additional commodities available to eligible recipient agencies over and above commodities that are currently being distributed by the Department of Agriculture.

I believe the amendment is a practical and effective approach to meeting the emergency food needs of the Nation's hungry.

The amendment is designed to use our surplus agricultural commodities to the fullest extent possible to help those in need and to improve the domestic distribution of surplus commodities.

The amendment makes available all Government-owned surplus food commodities, including dairy products, rice, soybeans, and honey, at no cost, to eligible State and local assistance agencies.

The amendment also provides $100 million to remain available until March 31, 1984, to carry out the program, of which not less than $10 million shall be paid to the States for commodity storage and distribution expenses incurred by certain eligible recipient agencies. These are agencies that administer activities and projects providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons, or administer activities of charitable institutions, including hospitals and retirement homes, to the extent that needy persons are served. In addition, the amendment provides that funds—in an amount equal to those storage and spoilage costs that would have been incurred in such fiscal years, but for this program—will also be made available to carry out the program. These funds may be used to pay the costs of processing commodities into end-food products for food banks, soup kitchens, and other charitable institutions providing nutrition assistance to relieve situations of emergency and distress.

Mr. President, it would be contrary to our Nation's values and traditions if we let our people go hungry while warehouses are filled with Government-owned commodities.

I believe that farmers and taxpayers—as well as the needy—can be winners under the amendment. The program to be established under the amendment will serve to reduce the surpluses that have been depressing the prices of farm products, and will eliminate the expenses to the Government involved in storing the surpluses.

I urge my colleagues to join me in supporting this amendment.

Mr. DOLE. Mr. President, I rise in support of the amendment proposed by the distinguished Senator from Oregon (Mr. HATFIELD). This amendment carries out the intent of S. 17, the Domestic Commodity Distribution and Food Assistance Act, and will complement the existing language in the Senate version of the jobs bill with regard to emergency food assistance. This appropriations bill, which we are now considering, contains $100 million to be allocated to carry out a commodity distribution program as an emergency food assistance measure. This funding is to be regarded as new money to cover USDA efforts that are in addition to what the Department is already doing with regard to other nutrition programs, like school lunch, and the current cheese distribution. Of this $100 million, at least $10 million is earmarked for distribution of surplus commodities at the local level. This is the essential element for guaranteeing the success of a commodity distribution program, and I commend the distinguished chairman of the Appropriations Committee, Mr. HATFIELD, and the distinguished minority member, Mr. EAGLETON, for including this provision in the Senate bill.

PROVISIONS OF S. 17 AMENDMENT

Mr. President, on the first legislative day of the 98th Congress, I introduced S. 17, the Domestic Commodity Distribution and Food Assistance Act of 1983. This amendment would add similar language to the jobs bill. The purpose of this amendment is to make surplus agricultural commodities available to the food banks, soup kitchens, churches, and other local charitable organizations that serve low-income and unemployed individuals, who, for some reason, are not being reached or satisfied by benefits from existing nutrition programs. This amendment would provide a structure for implementing the kind of program intended by the appropriations language already in H.R. 1718. In addition, this amendment would expand the category of bonus commodities to include wheat, corn, rice, soybeans, honey, and any other product which the Secretary declares to be in surplus. Currently, only dairy products, such as cheese, butter, and nonfat dry milk are available on this basis.

The original S. 17 included some administrative funding to help local food banks, soup kitchens, and other nonprofit charitable organizations with local distribution and storage costs; $10 million of the $100 million appropriations is earmarked for this purpose.

When the USDA cheese giveaway began, there was a lot of volunteer support to carry out distribution, and so forth, but as the cheese giveaway continued this kind of effort became undependable, and it was clear that some funding assistance was necessary in order to make the program work at the local level. This Senator would encourage current volunteer efforts to continue, because this is a local program that should involve those who best understand and want to help out with the problems that are prevalent within their own communities.

The experience of the cheese distribution, which was carried out without administrative funding, strongly indicates that the program envisioned by S. 17 will not work without a modest amount of funding. Therefore this amendment sets aside $10 million to help defray local distribution and storage costs, and this corresponds directly to the Appropriations Committee action. This funding is necessary because local food banks just do not have the extra financial resources available for these purposes.

In a recently completed national survey of 24 of the largest food banks in the country, the Richmond, Va., food bank found that the costs at the local level for distribution and storage of the cheese averaged 10 cents a pound. Lack of funding for these costs was the single most major complaint recorded in the survey—15 of the 24 food banks said they could not continue in the cheese program without some funding for these costs. Right now, for example, some of the food banks, like the one in Portland, Oreg., are pulling out of the cheese program. Other food banks handle transportation costs by billing the food pantries and soup kitchens to whom they distribute the cheese—and some of these agencies are now dropping out. The Salvation Army in Philadelphia recently dropped out because it could not cover these costs.

In many areas where public agencies are distributing the cheese, the same thing is happening. In Virginia, the county and city welfare departments have been the principle distributors of the cheese. When the cheese distribution program began, 123 of 124 such departments in the State participated. In the second round of cheese distribution, half of these departments dropped out due to lack of funding for costs, and only 62 of the departments remained. Local welfare departments continue to drop out.

When even more commodities are provided, the costs of storage, transportation, and distribution will increase, and even greater numbers of these institutions will be unable to absorb these costs. As a result, many of the commodities may never reach the people they are intended to help.

SUPPORT FOR THIS PROGRAM

Mr. President, S. 17 had over 30 bipartisan cosponsors just about equally distributed, before the bill was marked up in committee; and 12 of these were members of the Agriculture Committee. I ask unanimous consent that a list of these cosponsors be printed in the RECORD as a demonstration of support for this kind of domestic commodity distribution effort.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COSPONSORS OF S. 17 INTRODUCED BY SENATOR DOLE

Senators DANFORTH, DOMENICI, LEAHY, HATFIELD, PRYOR, JEPSEN, HUDDLESTON, BOSCHWITZ, MOYNIHAN, ANDREWS, DIXON, WILSON, LEVIN, CHAFEE, RIEGLE, HAWKINS, HART, PRESSLER, RANDOLPH, PERCY, BOREN, KASSEBAUM, METZENBAUM, ABDNOR, DECONCINI, STEVENS, BAUCUS, STAFFORD, BENTSEN, LUGAR, FORD, HEINZ, SASSER, SPECTER, NICKLES, D'AMATO, and KASTEN.

Mr. DOLE. Mr. President, in order to continue this bipartisan support for an emergency food assistance measure, Senators HATFIELD, HUDDLESTON, and others have joined efforts by offering this amendment to the jobs bill to provide a structure for the implementation of the commodity food assistance already provided for by the $100 million appropriations. I commend all those who have participated in this effort on the Senate floor and especially thank the distinguished Senator from Oregon for his leadership.

EMERGENCY FOOD ASSISTANCE NEEDED

Mr. President, the Senator from Kansas became committed to this effort back in January, because it was evident that some kind of emergency food assistance was necessary to help those who are suffering from the extreme effects of current economic conditions. This legislation was inspired by an active concern that became even more focused when I saw a TV special and read a Sunday New York Times Magazine article entitled "Once Again Hunger in America."

It seems incomprehensible to most Americans that, in this land of great agricultural abundance, there could actually be people suffering from hunger and malnutrition at a time when agriculture surpluses are overloading our capacity to store them through the Commodity Credit Corporation.

This Senator believes that there has to be a practical, commonsense approach which would make surplus agricultural commodities available to eligible recipient agencies like food banks, soup kitchens, churches, and other nonprofit, charitable organizations that serve the increasing numbers of needy people in our society. It made little sense that we were paying millions of dollars to store these agricultural surpluses when this money could be better spent distributing them as food to needy families and individuals, and processing these commodities into usable food products where necessary—for example, converting raw wheat into flour or even further into bread.

It is a matter of some urgency that this program be enacted so that the assistance will be in place to help those who will benefit from the available food. There has been a lot of suffering within our society due to the high rate of unemployment and the prolonged recession. Where assistance can be given, we should provide it to our fellow Americans as expeditiously as possible.

Mr. JEPSEN. Mr. President, I was an original cosponsor of my good friend and colleague Mr. DOLE's bill, S. 17, the Domestic Commodity Distribution and Food Assistance Act.

I was very pleased to have joined Senator DOLE in supporting S. 17. The thrust of this legislation is to put more surplus farm commodities on the plates of those in genuine need of food. I supported this bill during markup in the Senate Agriculture Committee. The bill we reported out of committee is a good bill.

There is similar language in this jobs bill. However, this amendment is intended to complement the language in the jobs bill. In order to strengthen the jobs bill measure and to insure that it does not contradict the intent of the bill reported out of the Senate Agriculture Committee, an amendment is necessary.

This great Nation of ours is a land of plenty. But at the same time, in the midst of this, there are those who are going hungry. This should not be occurrring.

This legislation is designed to divert our surplus commodities to those in need—to those suffering from hunger.

It will help hasten a return to what agriculture is all about—that farmers should grow food for the stomach—not for storage.

We are in difficult times. Farmers face awesome surpluses and correspondingly low prices. We need to supplement nutrition programs already on the books. This legislation will fill the gap, assuring that those in need receive food assistance.

This provision is a commonsense piece of legislation. The amendment will clarify this intent. We have surpluses we need to get rid of and people in need of a better diet.

Mr. LEVIN. Mr. President, S. 1718 provides funds for the distribution of agricultural commodities. Not less than $10 million of the amount appropriated under this bill would be made available to compensate agencies distributing the commodities at the local level for the expenses they will incur. As I understand it, eligible agencies will receive up to 5 percent of the total value of the commodities they distribute for administrative expense.

Could the distinguished chairman of the Senate Appropriations Committee tell me whether commodity supplemental food operators fall within the definition of "eligible recipient agencies" under the committee's bill and are therefore qualified to receive administrative funding?

Mr. HATFIELD. To the extent that commodity supplemental food operators provide assistance in the manner specified in section 203(1) of the amendment, they would be eligible for administrative funds. Since it is my understanding that the participants eligible for commodity supplemental food program assistance must demonstrate need on the basis of income and that the program is targeted to pregnant women and young children whose nutritional needs are especially critical, it would be my view that surplus agricultural commodities received by the operators of this program would be subject to the amendment reimbursement provision for local distribution costs.

Mr. DANFORTH. Mr. President, I urge my colleagues to support this amendment.

Hunger and malnutrition are tragic realities for many Americans still struggling with the problems of a sluggish economy and high unemployment. In my home State of Missouri, and all across the country, public and private relief agencies, soup kitchens, food banks, and other organizations are making a valiant effort to meet the growing need for food aid. Not long ago, I met with many of these provider groups in Missouri and I saw at first hand their efforts to feed the needy. These groups are making a great effort to assist those who are falling between the cracks of our social programs; however, they cannot do the job alone and without our support.

The amendment which is now being offered will greatly aid in this effort to provide emergency relief to the needy by making more surplus commodities now in storage available to hungry Americans. This domestic commodities distribution program is not a substitute for existing Federal food programs, but a needed complement that will get surplus commodities out of warehouses and storage bins and into the hands of millions of needy Americans. Right now the United States owns billions of dollars worth of surplus commodities that are not being consumed. This proposal would commit more of these surplus resources to feeding the people instead of keeping this food on the shelf.

Moreover, this amendment would preserve the bill's requirement that $100 million will be used to pay for both the processing of these commodities and the local costs of storage and distribution for those emergency relief organizations and charitable institutions providing food aid to needy persons. Processing of these commodities is essential, because many of the commodities held in storage are not in a readily usable form. Also of crucial importance, however, is the requirement that these funds be used to pay local storage and distribution costs.

During the recent cheese distribution program, we learned that many emergency relief organizations had only limited funds for distribution costs and this hindered their ability to distribute the cheese. Reports from around the country indicated that some food banks and other organizations actually dropped out of the program because they did not have the resources to pay the distribution costs.

The additional commodities besides cheese that would be made available under this amendment will only increase the distribution costs for participating relief agencies and organizations. Again and again in Missouri, during my recent visit, I was told by relief groups that they could not afford the increased costs of distribution for these additional commodities without some Federal assistance. They indicated that without such aid, this program could not work.

Therefore, I am pleased to see that this amendment still requires that up to 5 percent of the value of the commodities distributed to these emergency relief agencies must be used to pay for their storage and distribution costs. This will assure that these surplus commodities reach the agencies and groups dealing directly with the needy and that the commodities ultimately reach the persons whom they are intended to help.

I am also pleased to see that the funds to be provided may be used to pay local distribution and storage costs for other eligible recipient agencies, including both public and nonprofit organizations.

Mr. LEVIN. Mr. President, the Dole-Hatfield food assistance amendment to the emergency jobs supplemental appropriations bill includes language which is designed to address an inequity in the administrative funding formula for the commodity supplemental food program that has resulted in critical operating deficits for local food programs like Focus: HOPE in my own State of Michigan. I want to take this opportunity to thank Senator DOLE, Senator HELMS, and Senator HATFIELD for working with Senator RIEGLE and I in reaching an agreement on this issue.

The language which has been agreed to will simply require that commodities included in the commodity supplemental food program food package which are not purchased with appropriations for the program be considered in calculating the administrative costs of local programs.

Prior to enactment of the 1981 farm bill, administrative funds were provided to local programs based on 15 percent of the value of the commodities made available to the programs. In the 1981 farm bill, the administrative funding formula was changed to 15 percent of the amount of funds appropriated for the purchase of food for the CSF program. It is my understanding that this technical change was designed to make it easier to calculate administrative costs and was not intended to reduce the amount of administrative funds made available to the local programs.

Beginning in 1982, however, the new formula resulted in a loss of administrative funds for operating the local programs because the USDA began to make available to the programs certain bonus commodities, which were not purchased from the amount appropriated for the CSF program. The amendment will simply insure that adequate administration funding is provided for the distribution of those bonus commodities which are distributed to participants in the food package.

In the fiscal year 1983 agriculture appropriations conference report, the conferees noted that the Secretary of Agriculture has the discretionary power to address this problem. The conferees stated:

> The Secretary should . . . use his existing discretionary authority to supplement the administrative grant to CSF operators with funds from the section 32 and CCC because certain food items that are regular elements of the CSF package are paid for with those funds rather than with direct appropriations.

Unfortunately, the Department has not acted on its own to correct this problem.

Mr. President, making "bonus" commodities available to local programs is an admirable undertaking, but the USDA must also be willing to provide the administrative funds necessary to handle the burden of distributing a greater quantity of food. Focus: HOPE and other food prescription programs in the Nation provide at-risk women and children up to 6 years old with the means of maintaining a balanced diet to insure normal birth and full physical, mental, and emotional development. In fiscal year 1982 alone, Focus: HOPE distributed over 21 million pounds of commodities to needy individuals.

The commodity supplemental food program is cost-efficient because the food purchased and shipped to local programs by the USDA are made available to low-income persons at a cost which is lower than purchasing the same food items at local retail stores. Last year Focus: HOPE experienced a deficit of over $400,000—even though the program reduced its administrative expenditures per participant—because the program did not receive any administrative funding for the distribution of bonus commodities. This amendment represents only a partial solution to that problem, but it is needed in order to avoid even greater deficits during 1983 and beyond.

Mr. PRYOR. Mr. President, I am pleased to support the amendment regarding emergency food assistance. The amendment will help alleviate hunger in this Nation and reduce burdensome surpluses of certain agricultural commodities.

The amendment will authorize an emergency food assistance program that is supplemental to existing commodity donation programs. The program to be established under the amendment will distribute excess supplies of agricultural commodities held by the Commodity Credit Corporation to help meet the critical food needs of people throughout the country.

Under the amendment, additional organizations will become eligible to receive surplus Government commodities, and additional commodities will be made available. The amendment provides administrative funding that will insure that surplus commodities will be delivered to those in need.

On February 15, 1983, the Subcommittee on Nutrition heard testimony on the merits of S. 17, a bill very similar to the pending amendment. It is apparent from the testimony given by representatives of State distribution agencies, farmers, volunteer organizations, and others that there is strong support for the type of program to be authorized under the amendment. I was encouraged by the support the proposal received and the willingness expressed by the groups to join together to make this program work.

Across our country, we see people without resources turning to emergency shelters and soup kitchens for assistance. More than 5 million people are now drawing unemployment—an increase of 75 percent over a year ago. Over the past year, another 2 million people have exhausted their unemployment benefits. Further, the number of people who live below the poverty line has increased during the past 2 years. And because many public and voluntary agencies lack the resources to meet growing demands for emergency services, some of those seeking aid must be turned away.

I have long been impressed by the dedication of the professionals and volunteers who valiantly work in agencies providing relief and assistance. They perform invaluable services, in many cases with extremely limited budgets and resources. If these agencies are to continue to provide adequate assistance to those in need, they must be provided with more resources.

The amendment meets this need in an efficient and cost-effective way by using Government-held stocks of surplus commodities.

I urge my colleagues to join me in supporting this necessary legislation.

Mr. BOREN. Mr. President, I am pleased to join my distinguished colleagues, Senator HATFIELD, Senator DOLE, and Senator HUDDLESTON, in offering this amendment to H.R. 1718,

emergency jobs supplemental appropriations. This amendment would require the Secretary of Agriculture to distribute surplus agricultural commodities to eligible domestic recipient agencies, food banks, schools, churches, and other organizations that provide food to low-income and unemployed persons.

During the Great Depression, unemployment reached an unprecedented level. Soup lines in the cities were numerous and for the unemployed provided the only hope for a meager sustenance. I mention this today because everywhere one goes in this country, one sees reminders of the Great Depression.

Mr. President, the entire economy of the United States is in a recession. Unemployment has again reached levels comparable to the Great Depression. Soup lines are again springing up all over this Nation. Food banks, churches, and other organizations are attempting to provide those persons in genuine need, enough food to survive. Yet, these organizations have been unable to meet the growing demand for food.

At a time when we are storing in this country 60 percent of the world's surplus food, it saddens me to think that we are allowing some people in this Nation to go hungry. Yet, this is what is happening as our social programs are apparently not providing the truly needy with an adequate diet. Mr. President, I believe this is an unacceptable situation.

Specifically, the amendment we are offering today requires the Secretary of Agriculture to give surplus agricultural commodities, owned by the Commodity Credit Corporation, to eligible recipient agencies for distribution to needy persons. Schools, nutrition programs for the elderly, child care food programs, and others would continue to be eligilbe to receive free bonus commodities.

The commodities made available under this amendment would be provided without charge or credit to the recipient agencies in a form suitable for their use; the Secretary of Agriculture will deliver the commodities to either an approved State agency responsible for distributing the commodities or directly to recipient agencies.

The amendment also requires the Secretary to use $10 million to pay for the storage and distribution expenses incurred by recipient agencies which relieve situations of emergency and distress through the provision of food to low-income and unemployed persons.

Regretfully, Mr. President, we were unable to appropriate enough money to cover all the costs of storage and distribution of commodities to the recipients. It is my hope that the Secretary will reimburse the States for these costs to the greatest extent possible. The economic recession has also hit State budgets extremely hard and if the States were forced to pay these costs entirely, some States would be unable to distribute the commodities. In my opinion, we should provide enough money to the State to pay these costs and the States should be prohibited from charging the recipients any fee to cover the local cost of transportation and storage of commodities. However, we were unable to include in this amendment enough money to cover all these costs. Consequently, if we were to prohibit States from charging a fee, some States would still not have the funds to offer the program. The very least we can do is prohibit the States from charging the recipient agencies an unreasonable amount. I am pleased that we were able to include, in the amendment, a provision which will prohibit the States from charging more than the direct cost of storing and transporting of the commodities to recipient agencies less any funds the Secretary of Agriculture provides to the States to cover these costs. This would prevent the States from charging more than the State actually pays. Further, this provision would prevent the States from charging at a level high enough to pay salaries or other costs not directly related to the direct cost the State is actually liable for. This provision is particularly crucial to the survival of our school nutrition programs. If schools are charged any fee, the result will be less money available for the school nutrition programs. Some schools would simply not be able to afford the commodities and others could only do so if they increase their prices for their lunches or breakfasts. If this occurs, fewer children will be able to afford a school lunch. The worst thing we can do is allow the children of this Nation to go hungry.

It is my hope that no States will charge schools or recipient agencies fee for the commodities. However, over 50 percent of the States currently charge the schools a service fee for bonus commodities. In the event that States do charge schools or any other agencies receiving free commodities, the provision in this amendment will at least prevent the States from charging an unreasonable amount.

This amendment also contains a provision which will make flour available for distribution. As many of you know, we have a huge surplus of wheat in this country. Yet, that surplus does not belong to the Government; it is in the hands of the farmers. The Government does own 4 million metric tons of wheat, but this wheat is in the food security wheat reserve and the Secretary of Agriculture is currently prevented from distributing this wheat within this country.

There has been some controversy over allowing the Secretary of Agriculture to borrow wheat from this reserve in order to make flour available for distribution. Some have argued if we allow the Secretary to borrow from the reserve, the reserve would be dismantled. This is simply not true. The provision in this amendment requires the Secretary of Agriculture to replenish the reserve no later than September 30, 1984. Further, the provision only permits the Secretary to borrow 500,000 tons from the reserve, less than one-eighth of the amount of wheat in the reserve. Without this provision, flour will not be one of the commodities distributed to needy persons. Without flour, obviously, hungry people will not receive bread. We simply must make bread available to the needy.

Mr. President, this amendment will complement the existing nutrition programs and fill a gap that has surfaced in those programs. This will allow us to channel our commodity surpluses to those who are in need of food.

I want to commend the Senator from Kansas for his efforts to ensure that all Americans receive an adequate diet.

I urge my colleagues to support this amendment.

Mr. RIEGLE. Mr. President, the commodity supplemental feeding program is an excellent example of a Federal program that works. It enjoys a broad range of support across the political spectrum and it demonstrates beautifully what cooperation between Government and the private sector can accomplish. For example, with the help of an extensive volunteer network, in fiscal year 1981, Focus: HOPE in Detroit distributed over 21 million pounds of food to low income pregnant and post partum mothers, infants and preschool children. From a central warehouse and three food outlets, Focus: HOPE⅛ receives and distributes USDA commodities to over 50,000 low-income persons monthly on prescription from 420 cooperating clinics, hospitals, and health service clinics—and at a cost substantially less than most other Federal food programs.

Unfortunately, as the result of what I believe is an unintended change in the law, many commodity supplemental feeding programs are facing devastating deficits. Prior to 1981, CSFP operators received administrative funding as a fixed percentage of the total value of all the commodities they received. In fiscal year 1981, at the request of the USDA, and with the assurance that no program would be adversely affected, the law was changed to base administrative funding on a fixed percentage of the total commodity supplemental feeding program appropriation. However, during fiscal year 1982, for the first time the USDA supplemented the regular food pack-

age with surplus commodities available through the Commodity Credit Corporation and section 32. Since these bonus commodities were not purchased with CSFP appropriations, the USDA made no adjustment in the administrative funding formula. Consequently, those food programs which accepted the additional food items are incurring budget deficits.

Through the cooperation of Senators HELMS, DOLE, HATFIELD, and LEVIN we have taken a step toward resolving the problem. Included in the Dole-Hatfield substitute to the commodity food section of the emergency jobs bill is language to require USDA to provide local CSFP operators with 15-percent administrative funding for distributing, as a part of the food package, commodities not purchased with CSFP appropriations. Congress has a long and impressive record of support for the commodity supplemental food program, and I am pleased to see this support continue.

Mr. HATFIELD. I ask unanimous consent that the Senator from North Carolina (Mr. HELMS), the chairman of the Senate Agriculture Committee, be added as a cosponsor of the amendment, as well as the Senator from Alabama (Mr. DENTON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Will the Senator yield?

Mr. HATFIELD. I am happy to yield to the Senator.

Mr. HELMS. Mr. President, I am pleased to see this provision offered to the jobs bill. Senator DOLE has done an outstanding job in developing this legislation, and in guiding it through the Agriculture Committee where we ordered the bill reported on March 3.

Senator HATFIELD has also shown tremendous leadership in expediting the inclusion of appropriations for this important legislation.

Under the amendment, the substance of S. 17, as reported by the Committee on Agriculture, Nutrition, and Forestry, together with appropriations instructions from the Committee on Appropriations are both incorporated into the bill. I believe this is the most expeditious and efficient way to handle these provisions.

Under the amendment, $100 million is authorized and appropriated to provide surplus CCC commodities to various organizations that have been designated by State agencies, or the Secretary of Agriculture, and which have been approved by the Secretary.

The amendment includes a provision from the Appropriations Committee to specify that organizations that provide food assistance to low-income and unemployed persons—such as food banks, soup kitchens, and church-related, and other private initiatives to help the poor—would receive priority in receiving the surplus commodities. A specified amount of $10 million is set aside to assist such organizations with local distribution costs.

I believe that the amendment, as presented, is a fine consolidation of these two efforts by both of our committees, and I again commend both Senators DOLE and HATFIELD for their leadership and cooperation.

Mr. President, I think this amendment is a fair, comprehensive approach. I did not support some of the provisions included in this consolidated approach when the Agriculture Committee considered this legislation. Standing on their own, I would oppose some of them. However, the amendment, as a whole, is a responsible approach. It will complement the efforts initiated by President Reagan and Secretary of Agriculture John Block.

I supported the use of these surpluses for foreign humanitarian purposes, and I think this amendment establishes a fine domestic program to distribute these temporary surpluses.

I would emphasize that all these donations are temporary. We must strengthen American agriculture and simultaneously encourage exports of farm products not sold in domestic markets.

I believe the amendment's focus is appropriate with its emphasis on assistance to organizations serving the poor. I have been impressed and gratified by the efforts of so many Americans who have volunteered to assist their fellow citizens, disadvantaged by temporary economic conditions. These efforts should be encouraged.

I ask unanimous consent that the following excerpts from the Senate Report 98-21 to accompany S. 17 be printed at this point in the RECORD to outline the background and explanation of the new commodity distribution program to be established.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

BACKGROUND

Commodities available.—Although commodities used in various commodity donation programs are popularly spoken of as one broad category, there are two distinct types of commodities which are distributed by the U.S. Department of Agriculture. These types of commodities are acquired and donated under different authorities.

The first category of commodities are those which are acquired under the price support programs of the Department. These are the commodities affected by S. 17, as reported by the Committee. The Department of Agriculture uses two principal methods of supporting farm prices: (1) nonrecourse loans to farmers and (2) Government purchases of commodities. In the case of nonrecourse loans, price-supported commodities are acquired by the Commodity Credit Corporation (CCC) when a farmer forfeits the crop used as collateral for the loan (generally when market prices are below the amount of the loan plus accrued interest).

The following are commodities which are "price supported" through nonrecourse loans and which may be acquired by the CCC: wheat, rice, barley, corn, grain sorghum, oats, rye, soybeans, honey, upland and extra long staple cotton, peanuts, tobacco, and sugar. (Only price-supported commodities which can be used for food use are covered by S. 17.) Section 416 of the Agricultural Act of 1949 authorizes donation of price-support commodities acquired by the CCC.

The second method of supporting commodity prices—through direct Government purchases in the market—is used primarily to support the price of milk.

In recent years, actual CCC acquisitions of price-supported commodities have been primarily dairy products. Approximately 67 percent of the $5 billion value of CCC stocks at the beginning of fiscal year 1983 were dairy products. Rice, wheat, corn, grain sorghum, soybeans, honey, and some nonfood commodities (e.g., cotton) comprised the remaining existing stocks held by the CCC. A substantial portion of price-supported commodities, especially corn and wheat, are held in farmer-held reserves and are not available to the CCC for donation.

The following table outlines commodities (currently committed and uncommitted) held by CCC for the week ending February 25, 1983:

CCC COMMODITY INVENTORY ACTIVITY [1] FOR WEEK ENDING FEBRUARY 25, 1983

Commodity/million units [2]	Feb. 23, 1983		Committed	CCC-owned inventory		Total
	Outstanding under loan	Farmer-owned reserve		Unavailable for disposition [3]	Available for disposition	
Butter (pound)	0	0	45.2	([4])	430.7	475.9
Cheese (pound)	0	0	64.9	([4])	783.3	848.2
Nonfat dry milk (pound)	0	0	179.5	([4])	1,163.0	1,342.5
Barley (bushel)	33.1	82.2	[5] 2.7	0.3	2.1	5.1
Corn (bushel)	307.2	2,600.1	[5] 44.3	14.4	401.1	459.9
Grain sorghum:						
(Bushel)	15.9	453.2	[5] 28.0	1.4	18.5	47.9
(Hundredweight	(8.9)	(253.8)	(15.7)	(0.6)	(10.3)	(26.6)
Oats (bushel)	5.4	4.3	0	0	0.7	0.7
Rye (bushel)	1.3	0	0	0	0.04	0.04
Soybeans (bushel)	378.0	0	0	1.1	16.0	17.1
Wheat (bushel)	95.5	1,109.5	[6] 147.0	5.3	34.1	186.4
Rice (hundredweight)	55.3	0	0	3.0	16.8	19.8

CCC COMMODITY INVENTORY ACTIVITY [1] FOR WEEK ENDING FEBRUARY 25, 1983—Continued

Commodity/million units [2]	Feb. 23, 1983		Committed	CCC-owned inventory		Total
	Outstanding under loan	Farmer-owned reserve		Unavailable for disposition [3]	Available for disposition	
Honey (pound)	86.6	0	0	0	26.0	26.0
Upland cotton (bale)	6,987,900	0	0	0	86,576	86,576
ELS cotton (bale)	75,300	0	0	0	4,013	4,013
Peanuts (pound)	[7] 175.5	0	0	0	0	0
Tobacco (pound)	[7] 767.7	0	0	0	0	0

[1] Open-market purchases for specific donations excluded.
[2] Cotton in single units.
[3] In transit, etc.
[4] Not available.
[5] Disaster Reserve.
[6] Food Security Wheat Reserve.
[7] As of Feb. 18, 1983.

The second category of commodities donated by the Department are perishable agricultural commodities. The commodities in this category are primarily meat, poultry, fruits, and vegetables. Under section 32 of the Act of August 24, 1935, the Secretary of Agriculture is permitted to purchase perishable commodities to remove surpluses of those commodities in the markets. These commodities are subsequently donated, under section 32 and other authorities, to schools for use in the national school lunch program and to certain other regular Department of Agriculture feeding programs. These commodities are often described as "section 32 commodities" or "surplus removal" commodities, and are not affected by the provisions of S. 17, as reported, although it is intended that the existing policy of purchasing and donating specific surpluses under section 32 authority will continue.

The existing system.—Commodity donations for two types of outlets are mandated by law. The National School Lunch Act (section 6) requires that a minimum level of commodities (or, in some limited instances, cash in lieu of commodities) be provided to child nutrition programs. In fiscal year 1982, the minimum mandated level of commodity support for school lunch and child care food programs was 11 cents per meal served. Total Federal commodity support amounted to approximately $440 million in fiscal year 1982 (including approximately $30 million in cash in lieu of commodities). This was in addition to approximately $2.8 billion in cash assistance to the various child nutrition programs.

(Note: Section 8 of the Child Nutrition Act of 1966 also specifically authorizes donation of commodities to schools. Section 14(a) of the National School Lunch Act permits the use of section 32 and CCC funds to purchase commodities for the school lunch program.)

In addition, section 311 of the Older Americans Act of 1965 requires that a minimum level of commodity support (or, cash in lieu of commodities) be provided to elderly nutrition projects assisted under that Act. In fiscal year 1982, the support level was 51.5 cents per meal served, and Federal assistance of this type totaled approximately $94 million, with the majority ($85 million) made up of cash in lieu of commodities.

Regular commodity support for other types of outlets is authorized by section 4 of the Agriculture and Consumer Protection Act of 1973. Under this authority, the Department of Agriculture is authorized, using direct appropriations, to purchase commodities to maintain traditional levels of commodity support for Indians, commodity supplemental food programs (serving women, infants, children, and the elderly), charitable institutions, summer camps for children, the Trust Territory of the Pacific Islands, and disaster areas. Section 32 of the Act of August 24, 1935, and section 416 of the Agricultural Act of 1949 supplement this authority by authorizing donations to these outlets of commodities acquired through surplus removal or price-support operations. Approximately $180 million in regularly programmed commodities were provided to these outlets in fiscal year 1982, including certain dairy donations to charitable institutions not charged to appropriations.

The commodities provided to these regular outlets are a mixture of section 32 commodities described earlier and those price-supported commodities acquired by the Commodity Credit Corporation. In fiscal year 1982, some 80 percent of the mandated commodities to schools and those provided to the outlets described above—$400 million of the $500 million total—was made up of section 32 commodities while the remainder was composed of price-supported commodities, such as dairy products, (wheat) flour, peanut butter, rice, and soybean oil, made available under section 416 of the agricultural Act of 1949.

Commodities furnished under these authorities are usually referred to as mandated or entitlement commodities, particularly with reference to the commodities provided for the child nutrition programs, such as the national school lunch program.

In addition to the authorities requiring commodity donations, the Secretary has discretionary authority to donate what are termed "bonus commodities". These bonus commodities may consist of both section 32 commodities or those acquired by the CCC through its price-support activities.

Historically, the Secretary of Agriculture has chosen to donate bonus commodities to the same types of outlets or organizations that receive commodities under the mandated programs (i.e., schools and elderly nutrition projects) and those described as section 4 outlets—Indian tribes, the commodity supplemental food program, summer camps for children, disaster areas, and the Trust Territory of the Pacific Islands. As noted earlier, most mandated commodities are furnished from section 32 commodities. Most bonus commodities are furnished from price-supported commodities.

Section 1114 of the Agriculture and Food Act of 1981 provides additional authority to donate CCC-acquired commodities to child and elderly nutrition programs and to a new category of outlet: food banks serving needy persons.

Section 1335 (a) of the same Act amends section 5 of the Agriculture and Consumer Protection Act of 1973 to provide for the establishment of two pilot projects to distribute food commodities to low-income elderly persons via the commodity supplemental food program.

Finally, section 110 of the Omnibus Budget Reconciliation Act of 1982 amended section 416 of the Agricultural Act of 1949 to allow the Secretary to donate CCC-held dairy products for aid to needy persons without regard to the type of outlet.

During fiscal year 1982, bonus commodity donations in excess of regularly programmed or mandated levels of support totaled about $800 million in value—over 500 million pounds of commodities. Approximately $300 million in bonus commodities (primarily section 416 commodities) were donated to regularly supported types of outlets—schools, elderly nutrition projects, etc. An additional $500 million in CCC-held dairy products (primarily cheese and butter) were donated to food banks, soup kitchens, and other outlets serving needy persons.

(Note: Section 709 of the Food and Agriculture Act of 1965 authorizes the Secretary to use CCC funds to purchase sufficient supplies of dairy products for schools and certain other organizations when there are no surplus CCC dairy stocks. However because of large surpluses of CCC dairy stocks in recent years, the authority is not being used.)

The donation of bonus CCC commodities, whether to regular outlets or to new special outlets such as food banks, is, as a practical matter, discretionary with the Secretary of Agriculture. Release of commodities held by the Commodity Credit Corporation under section 416 authority depends on the Secretary's judgment as to the potential for waste if they are not disposed of in normal channels or sold abroad, the possibility of displacing normal food purchases, and the effect this would have on the need for further price support acquisitions. Release of commodities held by the CCC under section 1114 of the Agriculture and Food Act of 1981 is required, but only for those CCC stocks of commodities that are, in the Secretary's judgment, not likely to be sold or otherwise used in programs of commodity sale or distribution.

In effect, the Secretary has much discretion over when bonus commodities are donated, and the types and amounts to be donated, under the various provisions of present law.

In addition, discretionary authority for the Secretary to pay for processing, packaging, storing, and transporting bonus commodities is provided in the various authorizing laws. The Secretary has discretion over how much money will be spent for these purposes and typically pays for initial processing (e.g., wheat to flour), packaging (into usable sizes appropriate to the outlet), and storing and transporting to State-designated receiving points. The Secretary does not

usually pay for end-product processsing and packaging (e.g., flour to bread) or the storage and transportation costs within a State, unless large volumes of commodities are going to a particular final destination.

The Secretary's discretion to specify the types of outlets that may receive various bonus CCC commodities is controlled by legislation. Under the various laws authorizing commodity donations, CCC commodities of all types can, in effect, go to any type of outlet, regardless of whether the outlet is a meal-service program (e.g., schools, elderly nutrition projects, soup kitchens) or an outlet distributing food (not meals) directly to needy persons. However, section 4(b) of the Food Stamp Act of 1977 has the effect of dictating which outlets can get which commodities.

Section 4(b) prohibits the direct distribution of CCC commodities (as opposed to the institutional provision of commodity-supported meals) in areas where the food stamp program is in operation—i.e., virtually everywhere in the United States and its possessions. The prohibition has been waived by legislation only for (1) Indian reservations; (2) disaster relief projects; (3) commodity supplemental food programs; (4) food banks; and (5) dairy product distribution.

Recent efforts.—The special dairy product distribution program was initiated by President Reagan on December 22, 1981, to reduce surplus inventories of cheese and butter in CCC storage. Under that program, cheese and butter are donated to needy persons through food banks and other outlets. State distribution agencies for the program determine the eligibility of the agencies carrying out the distribution and also the eligibility criteria for persons receiving the foods.

The initial allocation of cheese for the program was 30 million pounds. This amount was increased by 70 million pounds on March 9, 1982, and by another 120 million pounds on June 15, 1982, for a total of 220 million pounds in calendar year 1982. In addition, 50 million pounds of butter was authorized for similar distribution on July 23, 1982.

The special dairy product distribution program has been extended through calendar year 1983. The amount of cheese authorized for distribution in the program has been increased to 500 million pounds and the amount of butter authorized for distribution has been increased to 125 million pounds.

Through January 28, 1983, 183.3 million pounds of cheese—valued at $248 million—had been distributed since the program began. Another 101 million pounds has been ordered for distribution. Orders for distribution and actual deliveries account for 57 percent of the total cheese—500 million pounds—included in the announced distribution.

Again, through January 28, 1983, some 24.4 million pounds of butter had been distributed, valued at $39 million; an additional 56.9 million pounds had been ordered for distribution. Orders and deliveries account for 65 percent of the total reserved for distribution.

Three States—Washington, Minnesota, and Florida—have been participating in the nonfat dry milk distribution pilot program. Recently, distribution was expanded to include Wayne County (Detroit) Michigan. The Secretary has been analyzing data collected from the pilot areas to determine what effects the distribution of nonfat dry milk may have on local milk markets.

It is these kinds of efforts that the Committee intends S. 17 to expand.

PURPOSE AND NEED

Need to expand domestic commodity distribution

The purpose for this legislation is to establish an effective program to increase the amount of commodities owned by the Commodity Credit Corporation that are distributed for domestic nutrition purposes, particularly to emergency relief organizations providing assistance to needy persons.

The cornerstone of the program is to use existing surpluses as supplemental food assistance for needy persons during the current economically distressed period and for other nutrition programs historically assisted through commodity donations.

At the same time, the Committee emphasizes that this is a temporary program to utilize only those commodities that are in temporary surplus. It should not be the policy of the Federal Government to encourage the acquisition of surpluses that will dampen farm prices or to establish an expectation that such surpluses will be available in future years for distribution to organizations, though worthwhile, that are defined as eligible recipient agencies under the bill. During fiscal years 1983 and 1984, the program is meant to supplement the other feeding and nutrition programs operated by the Department of Agriculture, which are to remain the primary means of permanent Federal support for nutrition.

The program is designed to build upon existing, discretionary authority which the Secretary has been exercising in attempting to reduce the amount of commodities held by the CCC.

The Committee commends the voluntary and local public commitment that has been so important to the success of the special dairy product distribution program, and wants to provide for further expansion of these efforts with existing surplus commodities, including dairy.

Requirement for increased commodity donations

Concerns about the Secretary of Agriculture's existing discretionary authority to release CCC bonus commodities have centered around the contention that more and different commodities could be made available and distributed, especially to organizations and agencies serving the needy.

As noted earlier, approximately two-thirds of the commodities held by the Commodity Credit Corporation at the beginning of fiscal year 1983 were dairy products—cheese, butter, and nonfat dry milk.

S. 17, as reported by the Committee, outlines a priority system which the Secretary of Agriculture is to use in determining whether stocks of a particular commodity are in excess of quantities needed during the fiscal year, and therefore are required to be made available for purposes of domestic commodity distribution.

Under the bill, the Secretary is to assess the domestic obligations that are likely to be incurred during the fiscal year that will require use of CCC held commodities.

On January 11, 1983, the Secretary of Agriculture announced a payment-in-kind (PIK) land diversion program for the 1983 crops of wheat, corn, grain sorghum, cotton, and rice. Under the program, a farmer who takes additional acres out of production over and above those which he agrees to take out under existing programs will receive, as payment, a certain amount of the commodity he would be expected to have grown on those PIK acres. Commodities for the PIK program will come from farmer-owned reserve, regular loan, or CCC-owned stocks.

The bill requires that the Secretary take into account a PIK land diversion program before determining what commodities are in surplus.

Additionally, the Secretary is to take account of the likely requirements of existing commodity distribution programs, such as those outlined in the background portion of this report.

Further, the Secretary is to assess the international market development commitments that may require the use of CCC-held commodities. For instance, the Secretary recently announced the sale of 1 million tons of wheat flour to Egypt. The sale arrangement involves the use of approximately 36 million bushels of CCC-owned wheat to reduce the effective price of the flour. The committee marked up several bills on March 2 and 3 which contained export payment-in-kind provisions. These are the types of market development uses of commodities which would be encompassed in the Secretary's assessment.

The Secretary is to assess the international food aid commitments requiring CCC-held commodities. These would include commitments under P.L. 480.

Those commodities which the Secretary determines will not be needed to fulfill the obligations and commitments discussed above would be required to be made available for distribution under the provisions of S. 17. The Committee expects that S. 17 will result in an expansion of the types and amounts of commodities held by the Commodity Credit Corporation that are donated for domestic distribution.

S. 17 also permits the Secretary to process and distribute up to 500,000 tons of wheat from the food security wheat reserve if the CCC is unable to provide other wheat stocks for use for the commodity distribution program established by the bill. The food security wheat reserve currently contains 4 million tons of wheat which may be used for international humanitarian purposes.

If the Secretary does use wheat from the food security wheat reserve, the reserve must be replenished before October 1, 1984. The reserve may be replenished through designation of stocks of wheat acquired by the CCC or through purchase. However, if purchasing of wheat is the method used to replenish the reserve, use of funds for such purposes must be authorized in appropriations acts.

Eligible recipient agencies

S. 17, as amended, provides that public or nonprofit organizations may be eligible to receive the available surplus commodities if such organizations administer—

(1) Activities and projects providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons;

(2) School lunch programs, summer camps for children, and other child nutrition programs providing food service;

(3) Nutrition projects operating under the Older Americans Act of 1965, including congregate nutrition sites and providers of home delivered meals;

(4) Activities and projects that are supported under section 4 of the Agriculture and Consumer Protection Act of 1973 (these include the commodity supplemental food program as well as commodity distribution

for the U.S. Trust Territory of the Pacific Islands and Indians);

(5) Activities of charitable institutions, including hospitals and retirement homes, to the extent that needy persons are served; or

(6) Disaster relief programs.

In addition to meeting the criteria outlined above, the organizations or agencies must be designated by the appropriate State agency, or by the Secretary, and be approved by the Secretary for participation in the commodity distribution program established in the bill. The Secretary may establish such approval criteria as he deems relevant for administration of the program. Designation or approval may be withdrawn from any agency which fails to meet, or fails to maintain, the established criteria.

Priority consideration in the distribution of commodities under the bill is to be given to organizations that administer activities and projects providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons. This is to be accomplished by requiring State agencies that coordinate commodity requests to give priority consideration to such organizations. Such organizations include nonprofit food banks, soup kitchens and churches and other private initiatives that serve needy persons.

As noted earlier, there is an extensive food distribution system already in place for the distribution of commodities authorized by other statutes. It is intended that existing State food distribution systems be used to the extent they can be used efficiently, rather than setting up a separate system for the additional commodities provided and distributed under the bill.

Generally, the commodities will be furnished to State agencies designated by the Governor or other appropriate State official for distribution to eligible recipient agencies. However, the Secretary may provide the commodities directly to the recipient agencies.

In addition to defining which organizations are eligible, the bill adds to existing discretionary authority by allowing the Secretary to provide surplus commodities to certain other institutions. Section 416 of the Agricultural Act of 1949 is amended to permit the Secretary to provide surplus commodities to public or nonprofit post secondary schools, penal institutions, and Veterans Administration medical care facilities. In a letter of February 15, 1983, to Senator Dole, Secretary of Agriculture John Block stated that the Department was preparing legislation to accomplish this objective.

FEDERAL COSTS

Commodities acquired by the Commodity Credit Corporation that the Secretary determines are in excess of other needs designated in the bill, and thus eligible for distribution under the bill, are typically in a form suitable for bulk storage. Some commodities are stored in the form the farmer produces them—that is, unprocessed grains. Dairy products are delivered to the Commodity Credit Corporation in forms suitable for bulk stroage—e.g., cans of butter, 40 pound wheels of hard cheddar cheese, and 10 pound bags of nonfat dry milk. These commodities cannot be distributed for domestic consumption without some degree of processing or packaging.

According to the Department of Agriculture, the costs of processing or packaging dairy products, the major bonus commodity donated up to this point, into forms suitable for donation have averaged about 12.5 cents per pound. Some examples of the processing of dairy products include the processing and packaging of cheddar cheese into smaller packages of processed cheese, and the processing and packaging of nonfat dry milk into smaller packages of instantized nonfat dry milk which can be mixed with water for immediate use.

In existing commodity distribution programs, the Department has usually given away the commodity in processed form. However, this has not always been the case, and the Department has not been required to process the commodity before giving it away. S. 17, as reported, requires that the Department provide the commodities which are to be given away in forms suitable for institutional or home food use and to pay for the necessary processing. To the extent that the commodities are to be used by institutions, such as schools, the commodities shall be furnished in forms suitable for institutional use. At the option of those organizations that provide food assistance to needy persons, including low-income and unemployed persons, the Department will be required to process or package such commodities into units suitable for home use. The Department will also pay these processing or packaging costs. The following table outlines recent costs of CCC commodities.

FEDERALLY SUPPORTED COMMODITIES AND ASSOCIATED PROCESSING COSTS

	Repackaging or reprocessing cost (dollars)
Cheddar cheese	0.12 per lb.
Butter	0.05 per lb.
Nonfat dry milk	0.14 per lb.
Wheat	4.50 per cwt. for 5/10/25 lb. bags.
Corn	4.50 per cwt. for 5/10/25 lb. bags.
Rice	4.50 per cwt. for 5/10/25 lb. bags.
Honey	15 cents per lb. (5 lb. can).
Soybeans	12 cents per lb. (1 gal. can).

Source: U.S. Department of Agriculture.

The Secretary of Agriculture is also to pay the costs of transporting the commodities to State-designated distribution points for subsequent distribution to eligible recipient agencies. The Agricultural Stabilization and Conservation Service (ASCS) estimates that under the current commodity distribution programs the Department spends about 5 cents for the transportation of each pound of CCC commodities which is delviered to the States.

The Department's total cost to carry out the program under the bill is not to exceed $100 million per year, plus an amount equal to the savings in storage and spoilage costs which the Secretary estimates will be achieved each year by reason of donations under the bill. Storage costs vary among commodities because of a number of factors, including whether the commodity requires refrigeration and the size or form of the bulk storage. According to the Department, storage costs amount to approximately .7 cents per pound per year.

Under existing commodity distribution programs, including the special dairy distribution and section 416 commodity donations to schools, the Department of Agriculture typically ships surplus food commodities to central distribution points in States at no cost to the States. Under S. 17, this procedure would continue. State distributing agencies which have been designated by the State Governor, the State legislature, or by proper Federal authorities, and approved by the Department, enter into agreements with the Department whereby they arrange for further storage, transportation, and distribution to the eligible recipient agencies within the States. These further costs are generally borne by the States or the recipient agencies.

S. 17, as introduced would have established a formula for providing Federal payment of the costs of distribution within the States. During mark-up of the bill, Deputy Secretary of Agriculture Richard Lyng, representing the Administration, voiced opposition to the suggestions that the Departmnent be required to assume these costs. He pointed out that States and volunteer organizations have responded well to the special dairy product distribution program, in which they bore the costs of distribution within the States. Several Committee members expressed concern that additional bureaucracy would result from the introduction of Federal funding for local distribution costs. They also indicated that local agencies, including volunteer agencies, were doing a commendable job which should be encouraged and continued.

Secretary Lyng pointed out that the Department pays for the commodity provided, the initial processing, and the transportation to the States, and he stated further that this should be a sufficient Federal contribution. Secretary Lyng noted that, in the special dairy product distribution, it is the Department's current practice to deliver without charge, a full truckload of cheese, which is comprised of 36,000 pounds, to individual recipient agencies that can handle that quantity. He noted that the Department "probably would deliver 18,000 or 12,000 pounds" to such individual agencies. He also pointed out that Federal assumption of the costs for distribution within the States would reduce the amount of money available to pay for processing of the commodities made available under the bill. Several Senators stated that the $100 million should be used, to the maximum extent possible, to pay for processing and distributing commodities to the States, in order to maximize the amount of commodities which could be made available for distribution . . .

The Secretary may use funds to pay the costs associated with transporting large quantities of commodities to individual participating agencies or organizations, as he does in other commodity distribution programs. Additionally, the Secretary may, in his discretion, use . . . funds not needed for Federal costs or that he determines appropriate . . . to make payments to States and eligible recipient agencies for storage and distribution expenses incurred within the States.

[The following description was not included in the Committee report on S. 17, but reflects the content of the amendment:

The amendment to H.R. 1718 incorporates a concept included in the Appropriations bill, but not by the Agriculture Committee, which would set aside $10 million specifically for local distribution costs of nonprofit organizations that serve low income and unemployed individuals. This would provide funding for such worthwhile volunteer organizations as food banks, soup kitchens, and other church and private initiatives to assist in feeding low income individuals.

The amendment provides that the Secretary may pay up to an amount equal to five percent of the value of the commodities received by such organizations for this purpose. This provision should provide sufficient funds and sufficient flexibility to allow the Secretary to pay some of the distribution costs incurred by these agencies.]

SUBSTITUTION OR DISPLACEMENT IMPACT

An important purpose of S. 17, in addition to providing food to needy persons, is to assist in reducing Government stocks of price-supported commodities by distributing such commodities to outlets, and ultimately to individuals, who would not otherwise purchase them. Several safeguards have been included in the bill to ensure that the commodity distribution program meets this objective, rather than resulting in the displacement of food which would otherwise be purchased. If displacement or substitution occurs, there will be no net reduction in Government held stocks.

For example, if a recipient agency or individual recipient that currently purchases $40 worth of a commodity per month were provided the same amount of the commodity, and this is the only amount of the commodity that is desired, the program merely supplants normal market purchases of the commodity. Because the CCC stands ready to buy future dairy surpluses or to acquire other commodities through price-support activities, the Government may simply give away commodities with one hand and be forced to purchase or acquire additional stocks with the other.

The impact on agriculture of donating surplus commodities to needy households and organizations depends upon (1) whether donated commodities displace commodity purchases by the intended recipients or (2) whether the donated commodities increase the food consumption of recipient households and organizations.

Displacement of commercial sales of commodities distributed under S. 17 is a concern of the Committee. The bill requires the Secretary to obtain such assurances as he deems necessary that recipient agencies will not diminish their normal expenditures for food by reason of the commodity donations made under the bill. The Secretary is also to obtain such assurances as he deems necessary that commodity donations (to organizations or through organizations to individuals) will not displace commercial sales of such commodities or the products thereof.

Under a provision of the bill requiring the Secretary to pay for processing the commodities into a form suitable for institutional or home food use, the Secretary is permitted to pay for such processing "in kind"—that is, through payment in commodities to the processors. However, in so doing, the Secretary is to ensure that such payments-in-kind will not displace commercial sales of such commodities. The Committee accepted assurances from the Department of Agriculture that it would continue to move cautiously in providing payment-in-kind to commodity processors.

WAIVER OF FOOD STAMP ACT PROHIBITIONS

Under the Food Stamp Act of 1977, a commodity distribution program may not operate in areas in which the food stamp program is in effect. As noted in the background portion of this report, this situation has been waived by legislation only in the cases of Indian reservations, disaster relief, commodity supplemental food programs, food banks receiving CCC commodities, and the special dairy product distribution program, thereby limiting the types of outlets that may participate in commodity distribution activities.

S. 17 includes a provision to exempt this new program from the prohibition contained in the Food Stamp Act of 1977 and, in so doing, expands the types of outlets that may receive bonus commodities. Under the bill, commodities furnished to individuals may be granted in addition to any available food stamp benefits. As noted earlier, the Committee intends that this new program be a temporary complement to existing programs, including the food stamp program.

In addition, the bill includes language, similar to that in the Food Stamp Act of 1977, which states that the commodities received shall not be treated as income or resources under any Federal, State, or local law.

PENALTIES FOR WRONGDOING

During mark-up of the bill, several Senators expressed concern that commodities distributed under the bill would not reach the intended eligible recipients, but rather might be diverted for financial gain by agencies and other individuals. Concerns were expressed that abuses exist in the present special dairy distribution program.

As reported by the Committee, S. 17 contains antifraud criminal penalties to discourage this type of abuse and to penalize those who might engage in it. The penalties applicable to commodities distributed under the bill are the same as those applicable to other commodity distribution programs operated by the Secretary of Agriculture. These penalties are included within the Agriculture and Consumer Protection Act of 1973, as amended by the Agriculture and Food Act of 1981.

These penalties include a fine of up to $1,000 or imprisonment for up to 1 year, or both, for wrongdoing in obtaining or using commodities valued at less than $100 and a fine of up to $10,000 or imprisonment for up to 5 years, or both, for wrongdoing in obtaining or using commodities valued at $100 or more.

PROCESSING AGREEMENTS

In most States, State agencies that receive commodities on behalf of existing recipient agencies, primarily schools, enter into inventory agreements or contracts with companies that process the commodities received into a more usable end product.

For example, cheese distributed to the agency can be processed, in combination with other ingredients, for use in the school lunch program into the form of pizza or tacos, according to testimony received by the Nutrition Subcommittee.

However, some States have not established such processing agreements. In the absence of such agreements, commodities often are not requested, or if requested, the commodities are delivered to the State agencies which then distribute them to the schools. Schools in these States have sought to enter into such inventory agreements with the Federal Government. Under such contracts, the commodities could be delivered first to the processor, thereby saving transportation and storage costs currently incurred by the States or the schools.

The Secretary of Agriculture announced his intention to implement such a plan in May of 1982. However, regulations to permit such processing agreements have not been issued. The Committee supported the establishment of such agreements in legislation, S. 3074, last fall, which did not pass the Senate during the post-election session of the 97th Congress.

Such agreements may be used at the option of the State agency, with the processing costs to be borne by the recipient agencies. Such processing agreements would provide schools, and institutions with additional options for using free, bonus commodities, including, but not limited to, those provided under S. 17. The provision places no obligation on individual schools or States. It is expected that this system will result in an expansion of surplus commodity usage and would benefit many participants in all the Department's food assistance programs.

Mr. HELMS. Mr. President, I would like to give a summary of the provisions which were not contained in either S. 17, as reported, or the appropriations bill, as reported.

STATE CHARGES

The amendment also addresses a concern raised by Senator BOREN after the markup of S. 17, regarding charges by States to recipient agencies.

I have concerns about including this provision in the pending amendment, but will not object at this time.

Under the Boren provision, States would be prohibited from charging any recipient agency more than the costs associated with storing and transporting the commodities to the recipient agencies less any amount the Secretary may choose to provide the States for the costs of storing and transporting such commodities.

Under current practice, some States charge some recipient agencies for the costs relating to delivery of commodities from State distribution points to individual agencies, such as schools.

The Nutrition Subcommittee heard testimony from the representative of the American School Food Service Association opposed to this practice, specifically with concern to schools. However, neither the subcommittee nor the full committee have had an opportunity to hear from the States on the basis for these charges or to examine whether, in fact, the charges currently made are unreasonable.

Indeed, we have no information that any State that currently charges for distribution would be affected by the provision. As far as I know, States have portrayed these charges as those necessary to cover transportation and storage costs within their States. These State charges, if assessed, vary a good deal, as I understand it, depending on a number of factors.

Also if there are legitimate charges other than those necessary to cover storage and transportation, we may find that States will not make requests for commodities, because to do so would cause the States to incur costs which they would be prohibited from passing on to the ultimate recipient agencies.

Additionally, we may need to monitor the situation on charges. I am concerned that though the intent of the author is to limit charges, the exact opposite may be the result—i.e., that States not now assessing a charge may opt to do so in the future.

Because of these concerns, I would urge that this provision be accepted only on a tentative basis. Our committee may need to hear from States, in

order to learn their position on the Boren provision, especially if any of the current charges, in fact, do exceed those necessary for storage and transportation of the commodities.

END PRODUCT PROCESSING

The amendment also incorporates another provision not included in either S. 17, as reported, or in the appropriations bill. Under the provision, the Secretary of Agriculture would be permitted to use the money saved through reduced storage and spoilage costs for reprocessing or further processing commodities into end products for certain organizations. Only nonprofit organizations that administer activities and projects such as food banks and soup kitchens would be eligible to receive these end products.

I want to emphasize that this provision is discretionary, at the option of the Secretary of Agriculture. Obviously, we are establishing considerable new responsibilities for the Secretary in terms of processing and transporting these additional commodities.

He will have to consider the capacity of various processors to handle any "end product" processing in addition to the initial processing—such as wheat into flour—that is required under the bill.

Nevertheless, the money saved from reduced storage and spoilage costs may be used for this purpose in addition to being available for the other purposes specified—processing and transportation to the States.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

Mr. President, also included in this amendment is a provision offered on behalf of Senator LEVIN. This provision would modify the administrative funding formula for the commodity supplemental food program by amendment section 5(a) of the Agriculture and Consumer Protection Act of 1973.

The commodity supplemental food program provides commodities to women, infants, and children who are likely to suffer from malnutrition because of low income and poor health conditions. The participants in the program receive one of five available food packages. Each package is geared to meet the nutritional needs of its target group—either infants, children, or women, the food packages includes infant formula, rice cereal, canned juice, milk, canned meat or poultry, egg mix, dehydrated potatoes, peanut butter, or dry beans.

"Bonus" commodities have been made available by USDA to the commodity supplemental food program projects. Bonus commodities are those made available to CSFP projects in addition to the commodities purchased with funds appropriated for the program. Some of the bonus commodities are a part of the USDA approved commodity supplemental food program food package and others are not. Those that are part of the food package will be included in determining administrative funding under this amendment.

The administrative funding formula for the commodity supplemental food program is determined according to the amount of funds appropriated for the program. However, the donation of commodities by USDA over and above those purchased with appropriated funds has increased the amount of commodities handled by projects receiving the bonus commodities.

This provision would modify the administrative funding formula to take into account the value of the bonus commodities being distributed by CSFP projects which are a part of the approved food package. An amount not to exceed 15 per centum of the value of commodities donated by USDA for use in the commodity supplemental food program as part of the food package will be made available to CSFP projects.

Based on fiscal year 1982 data, this amendment would make approximately $500,000 available for additional administrative expenses resulting from the donation of bonus commodities. The amount of funds available for food purchases for use by the commodity supplemental food program will be reduced by this amount. The appropriation level is unaffected.

In fiscal year 1982, the commodity supplemental food program operated in 12 States at 26 local sites. Those States operating a commodity supplemental food program were: District of Columbia, one site; Colorado, six sites; Iowa, one site; Nebraska, six sites; South Dakota, one site; Michigan, one site; Minnesota, one site; Kentucky, one site; Tennessee, five sites; North Carolina, one site; Louisiana, one site; and California, one site.

Participation in the commodity supplemental food program is heavily concentrated in five cities—Denver, Detroit, New Orleans, San Francisco, and Washington, D.C. For fiscal year 1981, these areas accounted for approximately 67 percent of the entire participation in the commodity supplemental food program and approximately 68 percent of the costs. Detroit represented 30 percent of the program in that year.

During fiscal year 1982, the total value of commodities distributed in the commodity supplemental food program was $29.44 million. Of this total, commodities valued at $22 million were purchased from funds appropriated to the program and commodities valued at $7.44 million were purchased using other funds. Of these "bonus" commodities, cheese represented $4.090 million of the total value and nonfat dry milk represented $3.353 million of the total value. Nonfat dry milk is a component of the CSFP food package; cheese is not. Applying the proposed administrative cost formula in fiscal year 1982, $502,950 would have been available for administrative funding, in addition to payments made to distributing agencies totaling $3.82 million.

I ask unanimous consent that the following section-by-section analysis of the amendment be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF COMMODITY DISTRIBUTION AMENDMENT TO H.R. 1718

SHORT TITLE

Section 201 provides that the amendment may be cited as the "Domestic Commodity Distribution and Food Assistance Act".

AVAILABILITY OF CCC COMMODITIES

Section 202(a) provides that the Secretary of Agriculture shall make certain Commodity Credit Corporation commodities available for use by eligible recipient agencies. Those commodities which shall be made available are those acquired by the Commodity Credit Corporation which the Secretary, in his discretion, determines are in excess of quantities needed during the fiscal year to (a) carry out domestic donation programs, including maintaining an effective school lunch program, (b) meet other domestic obligations (including quantities needed to carry out a payment-in-kind acreage diversion program), and (c) meet international market development and food aid commitments.

Section 202(b) provides that commodities made available for use by eligible recipient agencies shall be provided upon request, without charge or credit, and in a form suitable for institutional food use, except that commodities made available for use by organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons, shall, upon request, be provided in a form suitable for individual household food use.

Section 202(c) provides that, with respect to commodities made available under the amendment and to the extent funds are appropriated or are otherwise available under section 205(c) of this amendment, the Secretary shall pay the costs of initial processing and packaging of such commodities into forms suitable for institutional or home use. The Secretary may pay such costs by providing commodities equal in value to the processing and packaging costs. The Secretary shall ensure that such payments-in-kind will not displace commercial sales of such commodities.

Section 202(d) provides that, not later than 45 days after the date of enactment of the amendment, the Secretary shall publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available for use by eligible recipient agencies during fiscal year 1983. Prior to the beginning of the next fiscal year, the Secretary shall publish such an estimate with respect to the commodities that the Secretary anticipates are likely to be made available for use during such fiscal year.

Section 202(e) provides that, if wheat stocks acquired by the Commodity Credit Corporation are not available for purposes of the amendment, the Secretary may use up to 500,000 metric tons of wheat from the food security wheat reserve for purposes of

the amendment. Any wheat from the food security wheat reserve used for this purpose must be replenished with an equivalent quantity of wheat in accordance with the provisions of section 302(b) of the Food Security Wheat Reserve Act of 1980 by such date as is practicable, but before October 1, 1984. Under section 302(b) of the Food Security Wheat Reserve Act of 1980, the reserve may be replenished through designation of existing stocks of wheat acquired by the Commodity Credit Corporation or through purchases. However, use of funds for purchases of wheat to replenish the food securiity wheat reserve must be authorized in appropriation Acts.

ELIGIBLE RECIPIENT AGENCIES

Section 203 defines eligible recipient agencies as public or nonprofit organizations that administer—

(1) activities and projects, including those operated by charitable institutions and food banks, providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons;

(2) school lunch programs, summer camps for children, and other child nutrition programs providing food service;

(3) nutrition projects operating under the Older Americans Act of 1965, including congregate nutrition sites and providers of home delivered meals;

(4) activities and projects that are supported under section 4 of the Agriculture and Consumer Protection Act of 1973;

(5) activities of charitable institutions, including hospitals and retirement homes, to the extent that needy persons are served; or

(6) disaster relief programs; and that have been designated by the appropriate State agency, or by the Secretary, and approved by the Secretary for participation in the program established under the amendment.

FEDERAL AND STATE RESPONSIBILITIES

Section 204(a) provides that the Secretary shall, as expeditiously as possible, provide the commodities made available under the amendment in such quantities as can be used without waste. These commodities shall be provided to State agencies designated by the Governor or other appropriate State official for distribution to eligible recipient agencies, except that the Secretary may provide such commodities directly to eligible recipient agencies and to private companies that process such commodities for eligible recipient agencies under section 206 of the amendment.

Section 204(b) provides that each State agency receiving commodities under the provisions of the amendment shall, as expeditiously as possible, distribute those commodities in the quantities requested to eligible recipient agencies within the State. If a State agency cannot meet all requests for a particular commodity distributed to it under the amendment, the State agency shall give priority to requests from nonprofit organizations that relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

Section 204(b) also gives the Secretary discretionary authority, to the extent funds are appropriated or are otherwise available under section 205(c) of this amendment, to pay the storage and distribution costs associated with the intrastate distribution of these commodities.

Section 204(c) provides that the Secretary shall, to the maximum extent practicable, minimize the regulatory, recordkeeping, and paperwork requirements which the Secretary may impose on eligible recipient agencies.

AUTHORIZATION AND APPROPRIATIONS

Section 205(a) provides that there is authorized to be appropriated to carry out the provisions of this amendment not to exceed $100,000,000 for each of the fiscal years ending September 30, 1983 and September 30, 1984.

Section 205(b) provides that there is appropriated $100,000,000, to remain available until March 31, 1984, to carry out the provisions of this amendment. Not less than $10,000,000 of this amount shall be paid to the States for commodity storage and distribution expenses incurred by those eligible recipient agencies defined in section 203(1) of this amendment. In no case shall payments to any State exceed 5 per centum of the total value of the commodities received by the eligible recipient agencies defined in section 203(1) of this amendment within the State. The value of the commodities made available under this amendment shall not be charged against this appropriation.

Section 205(c) provides that, in addition to the funds appropriated under subsection (b), the Secretary shall, in each of the fiscal years ending September 30, 1983 and September 30, 1984, expend funds of the Commodity Credit Corporation to carry out the provisions of this amendment in an amount equal to those storage and spoilage costs that the Secretary estimates would have been incurred in each fiscal year, but for this amendment. Such Commodity Credit Corporation funds may be expended by the Secretary to reprocess or further process available commodities into end food products for use by those eligible recipient agencies defined in section 203(1) of this amendment. The value of the commodities made available under this amendment shall not be charged against these funds.

Section 205(d) provides that, to the extent practicable, the Secretary shall carry out the program established under this amendment through the Commodity Credit Corporation.

PROCESSING AGREEMENTS

Section 206 provides that, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary, the Secretary shall encourage consumption thereof through agreements with private companies under which the commodity is processed into end-food products for use by eligible recipient agencies, with the expense of the processing to be borne by the recipient agencies.

PROGRAM SAFEGUARDS

Section 207(a) provides that the Secretary shall obtain such assurances as the Secretary deems necessary that any eligible recipient agency receiving commodities under the amendment will provide such commodities to persons served by the recipient agency and will not diminish its normal expenditures for food by reason of the receipt of such commodities. The Secretary shall also obtain such assurances as the Secretary deems necessary that commodities made available under the amendment will not displace commercial sales of such commodities or the products thereof.

Section 207(b) provides that commodities provided under the amendment shall be distributed only in quantities that can be consumed without waste. No eligible recipient agency may receive commodities under the amendment in excess of anticipated usage, based on inventory records and controls, or in excess of its ability to accept and store such commodities.

RELATIONSHIP TO THE FOOD STAMP ACT OF 1977

Section 208 provides that section 4(b) of the Food Stamp Act of 1977 shall not preclude the commodity distribution program authorized under the amendment. Section 4(b) prohibits, with certain exceptions, the distribution of federally donated foods to households in jurisdictions where the food stamp program is in operation.

COMMODITIES NOT TREATED AS INCOME

Section 209 provides that, notwithstanding any other provision of law, commodities distributed under the amendment shall not be considered income or resources for any purpose under any Federal, State, or local law.

PROHIBITION AGAINST CERTAIN STATE CHARGES

Section 210 provides that, whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary for distribution within the States to eligible recipient agencies, the State may not charge the recipient agencies any amount that is in excess of the State's direct costs of storing and transporting the commodities to the recipient agencies, minus any amount the Secretary provides to the State for the costs of storing and transporting such commodities.

PENALTIES FOR MISUSE OF COMMODITIES

Section 211 amends section 4(c) of the Agriculture and Consumer Protection Act of 1973 to make fraudulent misuse of commodities or funds received under the amendment subject to criminal penalties.

AMENDMENT TO THE AGRICULTURAL ACT OF 1949

Section 212 amends section 416 of the Agricultural Act of 1949 to give the Secretary discretionary authority to donate surplus Commodity Credit Corporation stocks of commodities to public or nonprofit postsecondary schools, penal institutions, and Veterans Administration medical care facilities.

PROGRAM TERMINATION

Section 213 provides that the authorities provided in sections 202 through 210 of the amendment shall not be effective after September 30, 1984.

COMMODITY SUPPLEMENTAL FOOD PROGRAM ADMINISTRATIVE FUNDING

Section 214 changes the limit on the amount of funds which the Secretary must provide to States to pay the costs of administering the commodity supplemental food program. Under this provision, the amount of funds provided to State agencies to pay these administrative costs may not exceed 15 percent of the sum of (i) the amount appropriated for the commodity supplemental food program and (ii) the value of additional commodities donated by the Secretary to State or local agencies for use in the commodity supplemental food program, without charge against funds appropriated for such program, that are included in food packages distributed to program participants.

I thank the Senator for yielding.

Mr. DOLE. Will the Senator from North Carolina yield?

Mr. HELMS. Yes; I am delighted to yield.

Mr. DOLE. Let me take a second to thank the distinguished chairman of the Agriculture Committee. He has indicated his support for the legislation.

It would not be on the floor today if it were not for the thoughtfulness of the chairman and his willingness to expedite the process. So I want to thank the distinguished Senator from North Carolina.

I would also note that part of this idea was floating around last year as originally introduced by the distinguished Senator from Kentucky, Senator HUDDLESTON, and the distinguished Senator from Mississippi (Mr. COCHRAN). So it is an idea that has been around. There is nobody who really put it all together. I think there have been a number of us—the Senator from North Carolina, the Senator from Kansas, the Senator from North Dakota, the Senator from Missouri, the Senators from Michigan and Minnesota, and a number of others, who have had an interest in this legislation. But it would not be on the floor today had the chairman of the committee not been willing to help us and expedite hearings and a markup. I appreciate his cooperation.

Mr. HELMS. I thank the Senator for his generous comments.

Mr. ANDREWS. Will my colleague yield?

Mr. HELMS. Certainly.

Mr. ANDREWS. I want to join in what my colleague from Kansas has said. We are indeed indebted to the chairman of the Agriculture Committee and we are also indebted to the chairman of the Appropriations Committee, Chairman HATFIELD, for recognizing the urgency of this particular piece of legislation.

This gives our Government the opportunity to use the surplus commodities from the farms to nonprofit feeding organizations in the inner cities where we are having so much of a problem today. By attaching it to the jobs bill, it allows us to move it along much faster than if we had gone through the normal legislative route.

So I think a great deal of credit goes to my colleague from North Carolina and to Senator HATFIELD, our colleague from the great State of Oregon and the chairman of the Appropriations Committee, for allowing S. 17 to emerge as an integral part of this jobs bill. It is in the best context of a jobs bill because it addresses the issue of hunger and malnutrition in our Nation, and it is a darn sensible way to go because it is an investment in the future that can save us in medical costs and a lot of other problems down the line.

As a cosponsor of S. 17, I am most grateful for the cooperation of the two committee chairmen involved and also Senator HUDDLESTON from the other side of the aisle, the ranking member of the Agriculture Committee, who has been a long-time supporter of this approach. I think it is something that we can be very proud of and it makes this overall bill much better.

Mr. HELMS. I thank the Senator. And I wish to emphasize the contribution and the leadership of the distinguished ranking minority member on the Agriculture Committee, Mr. HUDDLESTON. As always, he has been most diligent and effective in his promotion of this proposal.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senator from Montana (Mr. MELCHER) and the Senator from North Dakota (Mr. ANDREWS) be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon (Mr. HATFIELD).

The amendment (UP No. 53) was agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the amendment was agreed to.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, we have now completed the amendments that do not require a rollcall. We have 17 amendments left to complete and probably another 5 or 6 or 7 that have not yet been agreed to in terms of time agreements that I am aware of. Very shortly Senator QUAYLE will be here to offer the next amendment, which will require a rollcall vote, following 30 minutes of debate equally divided. While we await the presence of Senator QUAYLE, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, turning to page 2 of our calendar of business, I would like to yield to the Senator from California (Mr. WILSON).

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I thank the Chair.

AMENDMENT NO. 503

Mr. WILSON. Mr. President, I call up my amendment No. 503 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from California (Mr. WILSON) proposes an amendment numbered 503.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 20, delete "$72,000,000" and insert "$74,300,000" in lieu thereof and in line 21, delete "$66,000,000" and insert "$68,300,000" in lieu thereof.

Mr. WILSON. Mr. President, the purpose of this amendment is to accelerate fiscal year 1984 funds already budgeted for the renovation of the city of San Francisco's famed cable cars.

This amendment has been cleared by the Committee on Appropriations and by its Subcommittee on Transportation and Related Agencies. I ask that the chairman accept the amendment and that my colleagues support it.

The purpose of these funds is to allow highly labor-intensive work to begin while renovation is underway. This advancement of budgeted funds will allow still further work to be done by the city of San Francisco on other transit projects, notably the rehabilitation of the transit terminal.

Again, these funds are an acceleration of funds included in the fiscal year 1984 budget and I would ask the support of my colleagues for this amendment.

Mr. ANDREWS. Mr. President, will my colleague yield?

Mr. WILSON. I yield.

Mr. ANDREWS. Mr. President, let me ask one question of the Senator from California: Does this amendment merely speed up action on the program and accelerate those funds that have already been allocated?

Mr. WILSON. That is correct, Mr. President. This amendment would simply accelerate funds already budgeted and by that acceleration will allow some local funds presently assigned in the interim to go to still other job-creating use.

Mr. ANDREWS. Does this put any relief on local funds in any way or allow the local contribution that has already been earmarked to be cut back?

Mr. WILSON. It does not allow it to be cut back. What it does is it allows it to be expended in the creation of other jobs.

Mr. ANDREWS. But can the Senator assure us that the earmarked amount of local contributions to the cable car restoration will stay where it is?

Mr. WILSON. Yes.

Mr. ANDREWS. It will stay where it is?

Mr. WILSON. Yes, Mr. President, the amount of money that is involved in this will not change. What is going to change is that local funds in addition to those that have been budgeted as part of the partnership agreement——

Mr. ANDREWS. Mr. President, if my colleague will yield, he said a moment ago that it freed up local funds that had been earmarked for this project to let them be used elsewhere. That is where the Senator from Oregon and the Senator from North Dakota misunderstood. It is my understanding that what this does is accelerate the Federal portion of an ongoing project.

Mr. WILSON. That is correct.

Mr. ANDREWS. It does not change the Federal obligation, nor does it lessen the local obligation. All it does is speed up the final date of the rehabilitation of the San Francisco cable cars and provide additional job opportunities at this point, with no more Federal funds allocated than would be allocated over a longer period of time?

Mr. WILSON. The Senator from North Dakota is correct in his understanding. What has happened is that we have begun the work in San Francisco by using local funds.

The Senator is correct, those local funds now will be used for still further jobs.

Mr. ANDREWS. On that basis, Mr. President, I assure my colleague that we shall accept the amendment and take it to conference.

Mr. WILSON. I thank the Senator. I thank the chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 503) was agreed to.

AMENDMENT NO. 492

Mr. HATFIELD. Mr. President, I yield to the Senator from New York for the purpose of offering an amendment.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, I have a printed amendment numbered 492 at the desk. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. Moynihan), for himself and Mr. D'Amato, proposes a printed amendment numbered 492.

Mr. MOYNIHAN. I ask unanimous consent that further reading be dispensed with

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

Insert at the appropriate point: Upon request of the city of Buffalo, New York, the Secretary of Commerce shall authorize such city to sell or lease to any person the Shea's Buffalo Theater and Kleinhans Music Hall, without affecting the Federal assistance provided by a grant under the Public Works and Economic Development Act of 1965 (project number 01-51-22675) or any other law, if such transfer documents provide for the operation of such facilities as performing arts centers for at least 25 years after the date of such transfer.

Mr. MOYNIHAN. First, Mr. President, I express my great appreciation to the chairman for allowing us to consider this amendment.

In downtown Buffalo, a city of great economic distress at this moment, there are two fine theaters—a theater and a music hall—built by the Public Works Administration in the 1930's, renovated with an Economic Development Administration grant in the 1970's, owned by the city of Buffalo, and used by that community as performing arts centers. The city is in economic difficulty—as is its excellent symphony orchestra, which provides a great range of benefits to that community, not least of which is the employment of the performing artists and those associated with such activities. The city would like to sell the two buildings and lease them back and, with the proceeds, to fund and to subsidize the orchestra and associated activities.

As a technical matter of law, permission must be given by Congress for the sale of any piece of work built by the PWA or renovated with EDA assistance. Congress so gave its assent last year with respect to a nearly identical arrangement involving a theater hall in the State of Washington, as I recall. This law complies with the provisions that I believe were in last year's statute, that permission to sell is conditioned upon the transfer documents providing for the operation of such facilities as performing arts centers for at least 25 years after the date of such action.

That is the simple annals of this proposal.

There are a great many performing artists who would be much in the debt of the chairman if he could accept this measure. It is offered in order to keep the Buffalo Philharmonic in operation and to guarantee that the two facilities will be open as public performing arts centers for another quarter century. There is no budgetary cost to the Treasury.

● Mr. D'AMATO. Mr. President, I am pleased to support this amendment offered by my good friend, the distinguished senior Senator from New York. I will not here restate his excellent presentation of the amendment and the facts involved in this issue. Rather, I will make only a few salient observations.

We live in an era today in which many of our urban centers, such as Buffalo, are confronted with the dual problems of a declining local revenue base and an increased demand for municipal services. As a former local official myself, I well understand the predicament this creates for local governments. Not all demands can be met equally well and the decision over which sections of the budget to reduce or eliminate is agonizing. All too frequently, when the hard choices are finally made, those programs which contribute to the local culture are the first to go.

This amendment, therefore, is addressed to the need to preserve some of the cultural amenities of urban living. Without this amendment, which requires no additional Federal appropriations, the Buffalo Philharmonic Orchestra may be lost forever.

The city of Buffalo has come up with an admirable solution on how to save the orchestra, but is currently blocked due to a technicality in Federal law. It is that technicality which we are today addressing. By permitting the sale and leaseback of Kleinhans Music Hall and Shea's Buffalo Theater—the Buffalo Philharmonic's two homes—we will be taking an important step in the effort to preserve a renowned orchestra.

Mr. President, this amendment is technical in nature. It adds nothing to the cost of the jobs bill. I urge its adoption.●

Mr. HATFIELD. Mr. President, if the Senator will yield, I affirm the Senator's statement that there is no budgetary impact in his amendment, merely to provide the authorization based on ancient law of Congress that when these buildings were constructed, it would require the approval of Congress for the communities to have disposition of the buildings when they no longer provided the needs or served the purpose for which they were originally constructed. Even though there may be slight jobs implication or impact in this as well, I certainly want to say to the Senator from New York that I am willing to accept the amendment, take it to conference and see if we can hold it in conference.

Mr. MOYNIHAN. I thank the chairman so much. May I say that it is the intent of the city of Buffalo that they should continue to be used for the purpose for which they were constructed.

Mr. HATFIELD. I am glad to be corrected in that.

Mr. MOYNIHAN. Mr. President, I move the adoption of the amendment.

The amendment (No. 492) was agreed to.

Mr. HATFIELD. Mr. President, I yield now to the Senator from Indiana for the purpose of offering an amendment.

The PRESIDING OFFICER. The Senator from Indiana.

UP AMENDMENT NO. 54

(Purpose: To accelerate spending and provide fiscal savings, and for other purposes)

Mr. QUAYLE. Mr. President, I send an amendment to the desk on behalf of myself and Senator HAWKINS.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana (Mr. QUAYLE), for himself and Mrs. HAWKINS, proposes an unprinted amendment numbered 54.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, between lines 5 and 6, insert the following new section:

AVAILABILITY OF FUNDS

SEC. 102. Notwithstanding any other provision of this Act, no funds under this title may be obligated or expended for any program or project unless—

(1) the Congressional Budget Office has estimated that more than 50 percent of the funds to be expended under the program will be expended in fiscal years 1983 and 1984; or

(2) the head of the administering agency certifies that 50 percent of the funds available for such program or project will be expended in fiscal years 1983 and 1984.

On page 14, line 4, strike out "1985" and insert in lieu thereof "1984".

On page 14, lines 13 and 14, strike out "these funds" and insert in lieu thereof "funds under this heading".

On page 14, line 20, strike out "$250,000,000" and insert in lieu thereof "$350,000,000".

On page 33, line 21, strike out "$257,400,000" and insert in lieu thereof "$357,400,000".

On page 33, line 23, strike out "$100,000,000" and insert in lieu thereof "$150,000,000".

On page 33, line 24, strike out "$125,000,000" and insert in lieu thereof "$175,000,000".

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, this amendment does two things. First, it adds $50 million to the dislocated worker program and $50 million to the summer youth program. Second, Mr. President, it prohibits the expenditure of funds for programs or projects for which 50 percent or more of the funds will be outlayed after fiscal year 1984.

As a matter of fact, the total effect of these two provisions will be a net savings. According to our assumptions and CBO spendout projections, there will be a net savings of over $400 million. Although my amendment adds money to two very worthwhile programs, we are going to save money; there will be a net savings from this particular piece of legislation.

Now, in an earlier debate, it seemed that we were pitting one region of the country against the other. At least that was the tenor of the debate. My amendment does not do that.

I have attempted to establish objective criteria that will target spending for the public works projects in this legislation. If 50 percent of the moneys will not be spent out in fiscal years 1983 and 1984, the projects fail to target on the short-term emergency and will not be funded.

I would like to explain to you how the amendment will do this. Under section 1, funds will not be available for expenditure unless one of two criteria are met: One, that the Congressional Budget Office has estimated that more than 50 percent of the funds for the program will be expended in fiscal years 1983 or 1984 or—either/or—the head of the administrating agency certifies that 50 percent of the funds available for such programs or projects will be expended in fiscal years 1983 or 1984.

Mr. President, this committee under the leadership of the distinguished chairman, the Senator from Oregon, has made great progress in trying to provide emergency jobs legislation and this just goes a step further toward meeting that goal. I hope that many Senators, particularly on this side of the aisle, will be sensitive to the ultimate savings of this amendment.

Also, I believe that the two programs for which I have proposed additional funds are good programs. I have proposed an additional $50 million for the dislocated worker program. I would like to share with Senators information on how the Department of Labor is progressing on implementing the Job Training Partnership Act. All of the $25 million that was appropriated in the lameduck session has been allocated; 46 States have participated and provided the required matching funds. It was far too little. The administration has requested $240 million for fiscal year 1984. Increasing the funds available for fiscal year 1983 will ease the acceleration that we need to get the dislocated worker program off the ground. I have already introduced an amendment, which has been approved, to waive the Governor's matching fund requirement. This will accelerate the implementation of the program by making it easier for States to receive the money so late in the fiscal year.

Also, for the summer youth program we are asking for an additional $50 million. There is no doubt that our young people have a tremendously high unemployment rate, this is particularly true of our minority young people, who in some places have unemployment as high as 50 percent. This is totally unacceptable and it is something that we are trying to remedy. I believe that this amendment, if adopted, would allow for a proper level of funding for these two very important programs. Yet, if the Congress establishes objective criteria based on spend-out rates, we will still be able to achieve savings.

There have been a lot of accusations, not only in the Senate but in the House, about pork-barrel projects. If we want to eliminate the pork-barrel projects and respond on an, emergency basis, these are criteria that I can come up with. If somebody else can come up with different criteria, so be it; I would be glad to enter into discussions. But I do believe we are confronted with a situation where the Congress should not say, "OK, we are going to spend money." This is a jobs proposal; we ought to stand back and say what kind of criteria we should apply to the expenditure of funds.

What the Congress will be saying, on the adoption of this amendment, is that no expenditure of the funds will take place unless conditions are met. So Congress will be involved in making the determination of how these funds are going to be appropriated.

I hope that my colleagues will join with me in supporting this amendment. I reserve the remainder of my time.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, the Senator from Indiana and I have been shoulder to shoulder on this whole jobs bill for quite some time, even before the committee made its report. The Senator has been very much involved in giving leadership to and assisting those who have been unemployed and has played a very important part in bringing up the jobs bill we are considering today.

However, this is where I have to divide. I reluctantly do so, because I am very fearful that in an effort to put the agencies under pressure to get these moneys expended, and so forth, the Senator is raising a very, very serious problem.

I can recall many years ago when the Congress appropriated moneys and where we found the President, acting through his Budget Director, deciding he did not want to spend the moneys and just actually unilaterally impounded the money in those agencies that had authorization by Congress, had had careful hearings and had appropriations action behind them, and here was one man after he signed the bill later on saying "I have decided not to carry out the intent of Congress as represented by the appropriations action."

This led to the Anti-impoundment Act by Congress to again insist that once a bill had been signed into law the President would execute that law because an appropriations bill becomes a law.

We went through a lot of turmoil. We went through a lot of interaction between the executive branch and the legislative branch of Government in order to prove that Congress was going to maintain its rightful constitutional role and the President could not, in effect, frustrate or thwart that legislative role by his impoundment actions.

What the Senator from Indiana is doing here is resurrecting the old im-

poundment by actually giving again to the executive branch of Government the right to impound.

Let me read the first part of his amendment, section 102:

Notwithstanding any other provision of this Act, no funds under this title may be obligated or expended for any program or project unless—

(1) the Congressional Budget Office has estimated that more than 50 percent of the funds to be expended under the program will be expended in fiscal years 1983 and 1984; or

(2) the head of the administering agency certifies that 50 percent of the funds available for such program or project will be expended in fiscal years 1983 and 1984.

In effect, there we are delegating back to the agencies the authority to veto, to frustrate, to thwart what we have actually indicated was the legislative desire or intent in these program allotments.

I think that is a very, very serious step for this Congress to take on an amendment procedure to reemploy or to resurrect that kind of authority that evoked so much legislative debate, discussion, and final action on the anti-impoundment legislation that we finally worked out.

Second, I say to the Senator from Indiana that I had received commitments from the administration that there will be two bills independently requested by the administration to more adequately and more appropriately fund the dislocated workers program of which we have already $125 million in this bill, and that will be part of the total package of the retraining and Job Partnership Act that we have already authorized and that will be sent up to the Hill and, therefore, we will be able to deal with that in a more comprehensive fashion than we have done so in this bill.

In fact, we have put that money in this bill, $125 million, to indicate legislative interest in getting this kind of program underway as quickly as possible.

Second, the administration has given me commitment that they will send up a summer job program and again we have indicated in this bill our legislative desire to see that program undertaken in a more comprehensive fashion.

In other words, we put both of these measures in this bill to clearly communicate the legislative priority in our thinking on these programs.

As a result, the administration has responded but said, in effect, do not try to do the whole comprehensive thing in the jobs bill especially since summer is a number of months away before it could be implemented which, in effect, contradicts the Senator's efforts here to have this thing expended out at a rapid rate. You cannot expend those moneys out at all until we come to the summer period anyway.

So what I am saying, in effect, is that I agree with the basic underlying intention of the Senator to see these moneys expended out quickly to get the job implementation underway.

Let me suggest an alternative. I say this to the Senator that I think we can accomplish all the objectives he has in this amendment.

No. 1, I think we can accomplish the objective of the dislocated worker that he wants to more adequately fund in the independent vehicle that I have already outlined.

We can, No. 2, accommodate the Senator's objective in the summer job program again by an independent vehicle which we have been given a commitment for by the administration.

And third, I say as far as the spending policy or the rate of expenditure is concerned, I will give to the Senator full assurances as we in the appropriations process work out the 1984 appropriations measures that are down the line enough for us to be able to get a review of the progress of this jobs bill once it is implemented, that the Senator can have my full assurance, at least as chairman of the committee, that we will make adjustments in those programs that have not been expended out as rapidly as we anticipate they will be by the adjustments in the 1984 request.

In other words, if they have not been expended out, we can make those reductions of the 1984 request level so that we can accomplish, I believe, all of the objectives in the Senator's amendment.

I think they are worthy objectives. I do not disagree with the objectives. I just fear, frankly, I say to the Senator, that this particular vehicle will do far more than what the Senator from Indiana really wants to do in terms of returning to the executive agencies of Government the kind of impoundment authority that they could exercise under the wording of this amendment.

I think we can accomplish that in the outline that I have just given. I wonder if the Senator would care to respond to that and, if he is willing at that point, if he can see the logic of this argument, would he consider withdrawing his amendment?

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. HATFIELD. I am happy to yield.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from Indiana.

Mr. QUAYLE. Mr. President, let me just try to outline my response and see if we can, if fact, come to some agreement.

I think that the Senator makes a very interesting point about impoundment. As a matter of fact, it is something that had crossed our minds, but we did not consider it to be impoundment. We think of impoundment as moneys that are authorized to be expended by the executive agency and then the executive agency decides not to expend the money. That is impoundment. The Senator from Oregon, who was here in the Senate knows far better than I the whole history of impoundment by agencies and anti-impoundment legislation.

Under this amendment, we are not giving the executive branch any authority to impound or withhold. As a matter of fact, we are saying you cannot expend. We are saying that the executive agencies cannot expend the money unless they meet certain criteria. So it is different from impoundment. I do not think it is precisely the impoundment issue that was addressed in the early 1970's because what we are doing is precluding an expenditure until certain criteria are met.

Second, I believe that the Senator also makes a good point about the appropriations vehicles that are coming down the line that will also fund the dislocated worker program and the summer youth program. At least the legislation that I have been privy to, in serving as the chairman on the Employment Productivity Subcommittee, this second phase that my good friend from Oregon refers to is really for fiscal year 1984. I do not believe that the administration has contemplated additional funding for fiscal year 1983, and which this amendment does on an emergency basis.

We wanted to do the two things, speed up the public works projects and, if they do not spend out 50 percent of the funds in fiscal year 1983 or 1984, drop them. This will get, as I say, a net savings because, according to CBO estimates, there are over $600 million worth of projects in the bill of which 50 percent or more of the funds will be expended beyond fiscal years 1983 and 1984.

I know the distinguished Senator from Oregon is interested and concerned about the add-ons, and this amendment is a way to get some savings.

But I think, finally that what we are really doing is talking about a very difficult problem. I come more from the perspective of the authorizing committee. I want to try to come up with some criteria that we can use on this jobs bill to make it be emergency jobs legislation. The Senator from Oregon and I have worked very closely together and I am most appreciative for that. Unfortunately, there appears to be a parting of the ways right now. But maybe there is some way we can make these accommodations with having to proceed any further. I just want to outline my concern that the additional funds be made available in fiscal year 1983 and I really think that we could also achieve some savings. The impoundment argument, though inter-

esting, does not really apply in this particular case.

Mr. HATFIELD. Mr. President, I think that really if you look at this it is pretty clear. It says:

* * * no funds under this act under this title may be obligated or expended for any program unless—There are two choices.

But the second choice is the head of the administering agency certifies that 50 percent of the funds available for such program or project will be expended in fiscal year 1983 and 1984.

What if the agency head decides "We do not want to spend these funds. We really do not want to spend these funds on this program." We have lots of certifications about peace and progress in El Salvador, and we probably have lots of agencies that do not want this jobs bill, and we are delegating to the agency, therefore, the authority to actually thwart and veto this jobs bill as it relates to their own agency. That is impoundment under any way you look at it, it is a form of impoundment, and I just think regardless of all the intentions behind the amendment—and I do not question the intentions of the Senator—I am not willing to vest in the executive agencies of Government the authority and final determination, because he says either the CBO or the head of the agency will decide and, therefore, it gives that kind of power to the executive agencies of Government.

If we pass a jobs bill I want it implemented according to the legislative intent and according to the legislative structure which is in the final form of this bill not on some kind of a hopeful certification by some executive agencies downtown that probably are not very happy about the jobs bill to begin with.

Mr. QUAYLE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes and 34 seconds.

Mr. QUAYLE. Mr. President, let me try to respond to the impoundment issue that my chairman has raised. Impoundment is the blocking of funds. I suppose I should get a precise definition, but I believe it is the blocking of funds. I believe three would be general agreement that that is what impoundment is, blocking funds.

This in no way allows the blocking of funds. What this does is allow the release of funds. That is just the opposite of what impoundment does.

I do not want to give impoundment authority to the administration or to the executive branch, I would be opposed to that.

Furthermore, as the chairman of the Appropriations Committee has pointed out, the people downtown may not want to spend this money or they may not want this jobs program. But what we are talking about is emergency jobs legislation for which there is great need. Let us be perfectly candid. If you are going to have an emergency jobs bill, therefore, the jobs attached to this bill ought to be available in 1983, hopefully, or at least 1984. At least half the funds ought to be spent during that time.

If, in fact, these projects, which, I am sure were put in there for good and sufficient reasons, cannot expend at least 50 percent of the funds in the next 2 fiscal years, they should not be funded. I do not know of any better way—and if there is a way, maybe the chairman can help me out, to get better targeting criteria. I think what we both want is to keep the projects that are on an emergency basis, that are absolutely necessary, and that are going to translate into a lot of jobs immediately. We want those jobs and projects to go forward.

We do not want to go forward with projects which are just for the sake of projects. We do not want to go ahead and say, "Well, we have got this in our district or State, and let us put some money in there. We do not care how long it takes the money to spendout, even though this is emergency jobs legislation to respond to on an emergency appeal from the American people."

If there is some other criterion that I could incorporate in my amendment, I would be glad to modify it to get the same results and to satisfy any of the problems the chairman may have with this sort of upside down impoundment. But I do not think it is impoundment because, as I said, that is the blocking of funds, and this in no way allows funds to be blocked. It only allows funds to be released.

Mr. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. QUAYLE. I would be glad to yield for a question.

Mr. HATFIELD. Will the Senator indicate to me which programs will not be funded and which will be funded?

Mr. QUAYLE. What programs will be funded and which ones will not?

Mr. HATFIELD. Yes.

Mr. QUAYLE. That decision will be made at a later time.

Mr. HATFIELD. At a later time by whom?

Mr. QUAYLE. It will be made either/or by Congress. They have to come up with certain criteria. Once those criteria are made, the intent of Congress is saying "We are not going to spend funds on these programs or projects unless certain criteria are adhered to."

I suppose we can probably go through and select out these programs and list them and delete those; that would be a far more cumbersome process. I do not know that we have the equipment or data available to us to achieve that.

Mr. HATFIELD. Mr. President, will the Senator yield? In other words, Congress will not decide which of these programs will be funded.

Mr. QUAYLE. Congress will make the determination that none of these funds will be appropriated unless those criteria are met, and I think that is the objective standard we are trying to get.

In no way does it allow funds to be blocked because the agency simply decides not to spend these funds.

Mr. HATFIELD. Mr. President, the bottom line of this amendment, and I think the Senator has just acknowledged this, is not the Congress but CBO or the agency will determine which programs will be funded. That is precisely the bottom line. Not the Congress but CBO and/or the agency will determine which programs will be funded. That is the simple question: Do we want to delegate that, do we want to abdicate that, responsibility to CBO and to the agency? If we do, you vote "aye," on this amendment. If you want to determine as a Member of Congress which programs will be funded, then you vote "no."

Mr. QUAYLE. Mr. President, I think this amendment is very similar to what we do in other amendments. The foreign aid bill is an example. We say we are not going to appropriate funds unless certain conditions are met, and I know a lot of Senators in this Chamber want to put restrictions of foreign aid, to detrmine whether we are going to spend funds for, say, El Salvador. I have not heard anybody say that is impoundment legislation. I do not believe anybody would say that making the State Department certify that certain criteria are met, before they expend the money, is impoundment legislation.

Maybe that argument will be made this year, because we are going to get into such a debate on foreign assistance.

This is simply Congress setting some criteria for the expenditure of funds. What is wrong with Congress trying to establish objective criteria for how these funds are to be expended? Quite frankly, I wish we had a little bit more time for the emergency jobs legislation and some of the other things that should have been considered for incorporation. But I understand the process, I understand it very well, and we have had an adequate discussion. But this is a reasonable way for us to say there are some programs in the bill that really cannot provide jobs on an emergency basis, and if they cannot do that, let us not put them in an emergency jobs bill. They do not belong in an emergency jobs bill—I will tell you what is an emergency, and that is helping out some of the young people; the $50 million that is going to the summer youth employment program will help them.

I will tell you what will provide assistance to the unemployed during this emergency, and that is to implement the dislocated worker portion of the Job Training Partnership Act. I hope Senators realize that the $100 million we are talking about, $50 million in the summer youth program and $50 million in the dislocated workers program, is of an emergency nature. I am not sure we can wait for another vehicle in order to provide additional funding for them, as the chairman of the Appropriations Committee has suggested.

By the time it goes through the fiscal year 1984 appropriation process, it will not be fiscal year 1983 but 1984. We will need to do a lot in fiscal year 1984, but the emergency is now, in fiscal year 1983.

Mr. HATFIELD. Mr. President, will the Senator yield for a question.

Mr. QUAYLE. I yield.

Mr. HATFIELD. Let me ask the Senator what would happen to the money that he wanted to add to the dislocated worker program if the agency downtown does not want to spend it and has instructions from the White House not to spend it because they have another vehicle, and the administration indicated they wanted to work that out? What will happen, because the head of the agency in subsection 2 will make the determination, not the Congress—the head of the agency, what is going to happen to that dislocated worker's additional money? Let me tell you this is not a hypothetical situation. You have an administration downtown that does not want this amount of money in this dislocated workers program in the budget.

Mr. QUAYLE. The application of the 50-percent spendout does not apply to the dislocated worker provision. We are talking about two entirely separate matters.

Mr. HATFIELD. Why does it not apply?

Mr. QUAYLE. Because according to the CBO spendout estimates there is no doubt 100 percent of the funds for the dislocated worker program will be spent in fiscal year 1983 and 1984. There is no doubt about that.

Mr. HATFIELD. Who says there is no doubt?

Mr. QUAYLE. According to CBO estimates, the dislocated worker program is not on the list of programs which will spend out 50 percent or more of their funds after fiscal years 1983 and 1984.

Mr. HATFIELD. CBO is making a list of what we are going to spend on.

Mr. QUAYLE. There is a list of potential——

Mr. HATFIELD. Potential?

Mr. QUAYLE. The dislocated worker program easily meets the 50-percent spendout criteria.

Mr. HATFIELD. Why cannot the dislocated workers be on this?

Mr. QUAYLE. It goes to projects, such as construction projects. The dislocated worker program, as well as the summer youth program, are of an emergency nature.

Some of these projects that are not going to spend out soon and are just put in there for other reasons than a need for emergency jobs can certainly wait.

As I said, I see nothing wrong with trying to put a criterion into this on how we ought to go about appropriating an emergency jobs legislation. Again, our dislocated worker provision meets the emergency. Funding the summer youth program will address the emergency. But funding projects that are not going to come on line until 1987 and 1988 does not take care of the emergency.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired.

Mr. HATFIELD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes and fifty-five seconds.

Mr. HATFIELD. Mr. President, any way you slice it, any way you look at this, it is very clear that no funds under this title may be obligated or expended for any programs unless, No. 2—there are two choices—CBO approves or the head of the administering agency certifies that 50 percent of the funds available for such program or project will be expended in fiscal year 1983-84. That includes dislocated workers. Anything in this bill is included in that in title I.

Mr. President, what is the so-called objective criterion that this amendment is supposed to set up? I will tell you what the objective criterion is. It is to delegate to some bureaucrat downtown whether he wants to spend the money or not. That is the objective criterion. There is no criterion in that. That is delegating to an agency downtown that may be unsympathetic to the dislocated worker program or any other program or project that has power to say, "We can't do it. Therefore, we won't do it."

Mr. SARBANES. Will the chairman yield for a question?

Mr. HATFIELD. I am happy to yield.

Mr. SARBANES. Mr. President, under the proposed amendment, could an agency head who did not want to carry out a program for which the Congress is appropriating money in the jobs bill say, "Well, I am not going to spend at the rate that meets the 50-percent criteria," and, therefore, certify that they will not spend and therefore not have to carry out the program?

Mr. HATFIELD. It would appear so.

Mr. SARBANES. If that is the case, the agency head is really free to do or not to do as he pleases with respect to what is expressed in the jobs bill.

Mr. QUAYLE. Will the chairman yield?

Mr. HATFIELD. Yes.

Mr. QUAYLE. Once it goes through the CBO gate and CBO determines that 50 percent or more is going to be spent in fiscal years 1983 and 1984, the head of the agency downtown, has no say in this whatsoever. So that will not be the case.

Mr. HATFIELD. Mr. President, it does not say "and," it says "or."

Mr. QUAYLE. If CBO determines that you can not spend 50 percent in fiscal years 1983 and 1984 and the agency downtown says yes they can, the agency downtown would be superseded. However, once it goes through the CBO determination and they say you can meet the criteria, in fact, spend the money, the agency downtown has no jurisdiction.

Mr. SARBANES. I think there is trouble reading the amendment that way. But, second, even if the Senator from Indiana is correct, I do not see why we should abdicate our responsibility to our own bureaucrats rather than the bureaucrats downtown. But that is not my reading of the amendment.

In any event, there is no criteria here other than the subjective judgment of the agency head which will enable the agency head not to carry through the program if he did not want to carry it through, as I understand the amendment.

Mr. HATFIELD. The Senator from Maryland, I believe, states my understanding of this.

We are not determining what programs will be funded. We are saying to the CBO or to an agency downtown, in effect, through this kind of circular way, "You determine it." And I am not about ready to abdicate that responsibility that we have in the Congress to either the CBO, our own bureaucracy, or to an agency downtown.

Mr. STENNIS. Will the Senator yield?

Mr. HATFIELD. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I have been away from the Chamber for a few minutes.

This amendment, with great deference to the author, who is one of our better Members, is legislation on an appropriations bill. I will not make that point of order now, because I understand there has become other complications that go with the making of that point of order. But I do want to pause to say that I believe it is one of the most salient rules that we have had in the Senate for many years whereby you could just cut to the core of a question that came out on the floor and get a real ruling and determination of whether or not it was legislation on an appropriations bill. If it was, then it went where all bad legisla-

tion goes, and in a hurry, unless there were highly exceptional circumstances to rescue it.

I deplore the fact that we are having to lay aside, or doing it for one reason or another, some of the most effective weapons that we have in our legislative arsenal in this vast body and the vast amount of legislation to get to the very heart of it.

The PRESIDING OFFICER. All time has now expired.

Mr. HATFIELD. Mr. President, I ask unanimous consent that another minute be allocated to the Senator from Mississippi and 1 minute be allocated to the Senator from Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. I thank the chairman.

Mr. President, I wish to make the point that certainly we are out of order ourselves all the way through here in legislating on vast, extensive, far-reaching bills of this kind, contrary to our own rules. But we are excusing ourselves on the basis that it is an emergency, to a large extent. I hope that we will put a checkrein on ourselves. This is one reason that I want to emphasize this point about this amendment. There had been no hearings, no determinations, no staff work, no record, and there is nothing that anyone can follow except an educated guess as to what this amendment means.

I thank the Senator for yielding me the extra time. I hope we can defeat the amendment.

Mr. McCLURE. Mr. President, I thank the Senator for yielding this time to me and for the Senate permitting an additional 1 minute.

I just want to set the record straight on one statement that has been made. I understand the distinguished Senator from Indiana has been given the information from CBO which I believe to be erroneous with respect to the spendout rates and the construction programs in the Bureau of Indian Affairs. We consulted with BIA on their construction program. We are assured, and I believe, that the amount of money included in this can be expended within the time limits that the Senator has set forth in his amendment, in spite of the fact that CBO, if asked to make the certification, would certify today that it cannot be spent. That is one of the problems I see with the amendment given to us.

CBO simply looks at the aggregate of the entire program and says you cannot spend out after all because it is not all ready, but the amount we have included in this are construction items that are on the shelf ready to go, ready to move to contract immediately. I believe they can be extended and I think they would provide jobs within the timeframe the Senator from Indiana suggested in his amendment.

I wanted the record to reflect that fact because I think if there was a statement to the contrary it might be misleading.

Mr. QUAYLE. Will the Senator yield?

Mr. McCLURE. Yes.

The PRESIDING OFFICER. All time has expired.

Mr. QUAYLE. I ask unanimous consent that the Senator have an additional 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. QUAYLE. Will the Senator yield?

Mr. McCLURE. Yes, I am happy to yield.

Mr. QUAYLE. The CBO spendout estimates on all of this was done on an aggregatge basis. The amendment permits determinations to be made project by project. So if certain projects would spend out in 1983 and 1984, they could be funded. But I believe that the CBO estimates were based on aggregates rather than individual projects.

Mr. McCLURE. I think the Senator is correct. That is the reason I thought it was important to state for the record that our information is that the projects that are included would be able to move to contract and construction in the timeframe and that the aggregate approach, if they were asked today to certify it, they would certify it could not be done but if they will wait and see they will find out it can be done.

I thank the chairman and I thank the Senator from Indiana.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Indiana.

The amendment (UP No. 54) was rejected.

Mr. HATFIELD. I move to reconsider the vote by which the amendment was rejected.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I yield to the Senator from Alaska for the purpose of his offering an amendment.

UP AMENDMENT NO. 55

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS), for himself, Mr. COCHRAN, and Mr. MITCHELL proposes an unprinted amendment numbered 55.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, after line 15, insert the following and renumber accordingly.

"Not withstanding 15 U.S.C. 713(c)(2), the Secretary of Agriculture shall purchase from funds appropriated under section 32 of the Agriculture Adjustment Act of 1935, 49 Stat. 744, P.L. 74-320, and distribute through eligible recipient agencies, up to $30,000,000 each year of domestically produced fresh and processed fishery products that have been made surplus by irregular international trade, market dislocations or for other reasons, or when such purchase increases employment and stability in the domestic fishery industry."

Mr. STEVENS. Mr. President, I have discussed this amendment with the distinguished manager of the bill. It increases the amount of money which would be made available from the food assistance and food production programs for the purchase of fish products. It is an amendment which brings fish within a program that was originally designed in 1939. The original program was for agricultural products and fish products.

Mr. President, that has not been adjusted to the level where fish products could participate. I am hopeful that my friend will be able to accept this amendment.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum in order to have a moment to look over this amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, my good friend from North Carolina raised a question about this. I wanted to assure him that we are not mandating the purchase of $30 million worth of fish. We want to require the purchase of products up to the value of $30 million.

As I stated, there has currently been the purchasing of $1.5 million out of a $1.4 billion program, and there is a considerable surplus now that exists in the fishing industry, particularly the canned salmon area.

This amendment is designed to tell the Department that they should be doing more and to specifically give them authority to purchase up to $30 million worth of fish and fish products out of this program.

Mr. HELMS. Will the Senator yield for a question?

Mr. STEVENS. I will be happy to do so.

Mr. HELMS. I thank the Senator.

I am a little puzzled by the wording of the amendment. On line 2 it says "shall purchase" and on line 5 it says "up to $30 million each year" and so forth.

Am I correct in my understanding that the Department is already purchasing about $1.5 million worth a year?

Mr. STEVENS. That is correct.

Mr. HELMS. And if the Department purchased more than that or less than that, but substantially less than $30 million, the Senator would not consider, under the amendment, that the Department violated the intent of the amendment?

Mr. STEVENS. The Senator is correct. We would hope that they would use this authority and carry out the original intent of the 1939 act. We have never been able to do that, but it is our hope that this would push them in that direction. The Senator is correct.

Mr. HELMS. What the Senator is trying to do is to try to nudge the Department to do a little more on the purchase of salmon and other seafoods.

Mr. STEVENS. Yes. We believe that eventually the fish products ought to be recognized on a parity with other food products in this program, but we have not been able to get really anywhere. I think $1.5 million out of a $1.4 billion program is not even de minimus. We are trying to edge them up toward the realization that they should be more active in the area of purchasing fish products.

Mr. HELMS. Mr. President, I thank the Senator from Alaska. I must confess that I have just read the amendment for the first time but, based on the colloquy with the distinguished Senator from Alaska, I see no problem with it. However, in a private discussion with Senator STEVENS, he assured me that if a problem develops which I do not now foresee, we can take care of it in conference. I have no objection to the amendment.

Mr. STEVENS. Mr. President, we in the State of Alaska recognize that the recent dislocations in our economy are a temporary and inevitable consequence of the genuine need to adopt the painful reforms necessary to get our country back on a sound economic footing. However, as our esteemed colleague, the Senator from Kansas (Mr. DOLE), and other Members of Congress have stated in recent days, the conscience of our Nation demands that Americans cannot be allowed to fall through the cracks in our domestic social programs.

It is indeed ironic that, with mounting agricultural surpluses in Federal warehouses and with the agricultural sector in crisis because of falling prices and abundant harvests, churches and other community groups are unable to service the growing demand on soup kitchens and food banks all over this country.

Hunger and malnutrition are two scourges which have the potential of limiting the health and productivity of workers today and, through their children, long into the future. Government attempts to ease the burden of suffering now make good sense not only because they are humanitarian, but because they are cost-effective. What we spend to prevent disability and illness due to malnutrition is an investment in lower health care and social program costs tomorrow.

My amendment will ask the Secretary of Agriculture to purchase surplus fishery products as part of the effort to meet emergency domestic food needs. Although the Secretary has held the authority since 1939 to purchase, from funds available under section 32, fish for domestic commodity programs, this authority has never been exercised and is too limited to have an impact.

Beyond the humanitarian reasons already stated by my colleagues, this amendment will help spur the recovery of the depressed domestic fishing industry, which has been devastated by unexpected market dislocations and unreliable international markets.

Congress has declared its intention to improve the domestic fishing industry and to better utilize this extraordinarily valuable national resource. In the very first section of the Magnuson Fishery Conservation and Management Act, we stated that "these fishery resources contribute to the food supply, economy, and health of the nation" (16 U.S.C. 1801(a)(1)). We have repeatedly passed legislation to improve the economy of coastal areas dependent upon fishing and related activities, particularly when foreign fishing fleets contribute to their demise and, in recent years, when irregular foreign markets or temporary bans on U.S. exports have threatened the survival of our fishing fleet. Fishing, like the on-land agricultural industry, needs economic stability to grow and to see it through market fluctuations. The Federal Government insures some degree of stability for on-land agricultural products by purchases for distribution in institutional programs. Now we have the perfect opportunity to do the very same for the fishing industry. Exogenous forces have caused dramatic market dislocations, yielding severe economic hardships, bankruptcies, unforeseeable product surpluses and uncertain short-term future. If we can assist the industry in its recovery, we foresee a robust domestic fleet bolstered not only by Federal purchases, but by decreasing fuel costs and reduced interest rates. If we lose much of our fishing industry due to recent conditions, it will take many, many years to rebuild.

Additionally, a rejuvenated domestic fleet will reduce the presence of large foreign fishing fleets in our 200-mile fisheries conservation zone and will reduce the embarrassingly large international trade deficit item that imported fish products represent. As Congress stated in the Magnuson Act,

> A national program for the development of fisheries which are underutilized or not utilized by the United States fishing industry * * * is necessary to ensure that our citizens benefit from the employment, food supply and revenue which could be generated thereby (16 U.S.C.§ 1801(a)(7)).

Under the Domestic Commodity Distribution Program Act, the Secretary of Agriculture has provided a limited number of surplus foods to eligible recipient agencies. Let me point out that in order to maintain and improve nutritional status, it is crucial to expand the variety of foods in the diet.

Nutritionists maintain that without an adequate variety of foods, it is all but impossible to attain a diet which meets human biological needs. Fish products which will be made available through this legislation are healthful foods. Fish is prized for its outstanding nutritional contributions of protein, vitamins and minerals, and moderate levels of fat and calories. The fish products are packaged in convenient forms for family and group feeding, and require little additional preparation for use in meals. Fish will expand the variety of meal staples in programs serving the needy, and relieve some of the monotony which invariably accompanies congregate feeding and food distribution participation.

The section 32 program is intended:

> To encourage the domestic consumption of * * * [agricultural] commodities or products by diverting them * * * from the normal channels of trade and commerce or by increasing their utilization among persons in low income groups.

My amendment not only furthers this statutory purpose, it adds new nutritional products to the program.

I urge my colleagues' support for it.

Mr. COCHRAN. Mr. President, I rise in support of the amendment offered by my colleague, Senator STEVENS.

Language was originally included in 1939 in section 32 of the Agriculture Adjustment Act of 1935 to provide for the Secretary of Agriculture's discretionary purchase of surplus fishery products.

My distinguished colleague's amendment simply increases the amount of that authority from $1.5 million each year to $30 million.

The domestic fishery industry has been severely depressed because of current economic conditions.

Last week, Senator STEVENS and I authored a bill, S. 790, which will amend both section 32 of the Agricul-

ture Adjustment Act and the Commodity Credit Corporation Charter Act to clarify the Secretary's authority to purchase fish and fish products, and I hope that my colleagues will join me in supporting both this amendment and S. 790 when it is considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 55) was agreed to.

Mr. STEVENS. I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the amendment I had intended to offer would add $100 million to this appropriations bill in behalf of myself and Senators RANDOLPH, RIEGLE, EAGLETON, METZENBAUM, and DODD for the summer jobs program. I have talked about this matter with the manager of the bill. The fact remains that they have added $100 million over and above the administration's budget and there will probably be, in the administration's bill, money for some 715,000 young people who will be involved in the summer jobs for youth program. This will still be less than the number served in 1979 and even in 1980. Mr. President, I ask unanimous consent that a chart showing the spending for summer jobs since 1979 be included in the RECORD. I also request that the full text of my prepared statement on this amendment be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUMMER JOBS

[Dollar amounts in millions]

	1979	1980	1981	1982	1983 (administration budget)	Committee bill	Kennedy amendment
Funding	$785	$725	$839	$700	$725	$825	$925
Youth served	888,000	839,000	766,000	679,000	715,000	813,000	912,000

SUMMER JOBS AMENDMENT

Mr. KENNEDY. Mr. President, the amendment was designed to address one of the most serious and urgent problems facing the country—unemployment among our Nation's youth. One of the real tragedies of this recession is the toll that it has taken on our young people. One out of every five teenagers who wants to work cannot find a job and for black youth, the story is even grimmer. Only half of the black teenagers who want a job can find one.

My amendment would add $100 million to the committee's bill for summer jobs. It would mean opportunity for another 100,000 young people this June and July.

There are now 11½ million men and women out of work in this country. Almost 2 million, or 17 percent of those now unemployed are teenagers. Yet, the bill now before the Senate earmarks far less than 1 percent of the funds to put these young people to work.

Even with the $100 million in the committee bill, there will still be fewer jobs for young people this summer than there were in 1980 when the unemployment rate was 7.2 percent.

I want to make it clear to my colleagues that I consider my proposal for $100 million totally inadequate to deal with the crisis we are facing. I shall continue to press for a new national initiative to address youth unemployment. I direct my colleagues' attention to the emergency jobs bill I introduced a few weeks ago. That bill (S. 493) calls for a $1 billion youth employment and education initiative that is designed to give young people both the education and work experience they need to successfully compete in the job market.

That program would offer job opportunities to needy youngsters who agree to complete their high school educations. Business, working in partnership with educators and elected officials, would be actively involved in designing the program. The jobs would be in the private as well as public sector and youngsters would have to perform in school as well as on the job in order to stay in the program.

I am hopeful that Senator QUAYLE and the other members of the Human Resources Committee will give that measure careful consideration in the weeks and months ahead.

In the meantime, we can do something to insure that 100,000 more young people are working and earning and paying their way.

I think all of us are very mindful of the problems that the young people are facing, particularly in unemployment. The manager of the bill has responded to me in our conversation about the plan of the administration to send up additional legislation. I am wondering if he would make a statement or a comment now, just generally, about how he views the current situation and what he thinks we shall end up with in terms of the youth summer jobs program.

Mr. HATFIELD. Mr. President, I am happy to respond. When the administration first sent up its proposal or discussed the proposal that was in the so-called House bipartisan jobs bill, the administration had indicated support for about 715,000 jobs. The House leadership, along with some of the leadership on our side—it was particularly my own feeling about it—felt that this was really only tokenism and did not represent a sufficient amount of money for the magnitude of the summer jobs program. After a number of negotiations with the administration, the administration agreed that if we would make an appropriation here that is within certain limits as an indication of good faith and of our support for the jobs program, the administration would support a separate vehicle for consideration of a more comprehensive and larger amount of money for a summer jobs program in time to deal with the summer months ahead.

I say to the Senator that that is a commitment that I clearly understood from the administration, but even if somehow, that alternative or that option were not to arise, the Senator from Massachusetts and others of us who strongly support this program would have the regular supplemental that comes along in May to deal with this issue, still in time for this coming summer's efforts.

I say to the Senator that he is certainly in no way foreclosed from his opportunity to give the leadership more adequate funding of the jobs program if he fails to offer his amendment at this time because of these other vehicles we shall have an opportunity to act upon.

Mr. KENNEDY. I thank the Senator from Oregon for his explanation. As I understand it, then, he expects the ad-

ministration to come back to Congress with a summer jobs program in addition to the funding for this program and should the administration, for whatever reason, not come forward with such a program, we would have an opportunity to offer this amendment in time to address this issue for this summer. At that time, if the administration fails to come forward, we might even gain the support of the Senator from Oregon on that issue for this amount. Would I be correct in assuming that?

Mr. HATFIELD. The Senator is correct. That is my understanding and those are the options that are open to the Senator.

Mr. KENNEDY. Mr. President, I would rather win with the Senator from Oregon in May than to lose in March.

I thank the Senator from Oregon for his comments and most specifically for his longstanding and strong support of the summer jobs program.

I yield the floor.

Mr. HATFIELD. Mr. President, I thank the Senator from Massachusetts. At this time, I yield to the Senator from Maine for the purpose of offering an amendment.

UP AMENDMENT NO. 56

Mr. MITCHELL. Mr. President, I send to the desk a sense-of-the-Senate resolution and ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MITCHELL) for himself, Mr. MOYNIHAN, Mr. BRADLEY, Mr. RANDOLPH, and Mr. BIDEN proposes an unprinted amendment numbered 56.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new title:

"TITLE III—ENVIRONMENTAL POLICY

POLICY STATEMENT

"SEC. 301. (a) The Congress finds that—

"(1) It is in the national interest to preserve and stengthen the long-standing bipartisan national consensus which has supported the enactment and enforcement of laws to protect and enhance the quality of the environment, and to protect the public health and welfare from toxic substances and hazardous waste;

"(2) This consensus is jeopardized by the controversy over the administration and enforcement of the Comprehensive Environmental Response, Compensation and Liability Act, otherwise known as the "Superfund" program;

"(3) Public confidence in the nation's environmental policies have been undermined as a result of the following:

"(A) the former Administrator of the Environmental Protection Agency has been held in contempt of Congress;

"(B) several top Environmental Protection Agency officials have resigned or been dismissed;

"(C) several top positions within the Environmental Protection Agency; have not been filled on a permanent basis;

"(D) the actions of several former or top Environmental Protection Agency officials have lead to the convening of FBI and Congressional investigations into allegations of political manipulation and conflict of interest at the Agency;

"(E) the capability of the Environmental Protection Agency to enforce environmental laws may be jeopardized by the substantial reductions in the Environmental Protection Agency's operating budget and personnel for the past three years.

"(b) It is the sense of the Congress that—

"(1) The President of the United States, in the exercise of his constitutional responsiblity to "take care that the laws be faithfully executed", should move expeditiously to restore the credibility and effectiveness of the Environmental Protection Agency;

"(2) The President should act to reaffirm the bipartisan consensus which has been the foundation of this nation's commitment to environmental protection;

"(3) such action should include, but not be limited to, the expeditous nomination of an individual of high integrity and impeccable professional credentials and experience in the area of environmental policy to fill the position of Administrator. The nominee should also have a demonstrated personal commitment to the bipartisan environmental goals supported by the bipartisan national consensus;

"(4) the President should also act expeditiously to fill the top administrative positions within the Environmental Protection Agency on a permanent basis with individuals of high integrity and impeccable professional credentials and experience in the area of environmental policy; and

"(5) the Senate reaffirms its duty to carefully and thoroughly scrutinize any and all nominees for the top positions within the Environmental Protection Agency in the exercise of its responsibility to advise and consent.".

Mr. MITCHELL. Mr. President, this amendment calls for the adoption of a sense-of-the-Congress resolution regarding the necessity to recreate in our Nation the bipartisan consensus in support of strong environmental laws and the effective enforcement of those laws that has existed for much of our recent history. I think it is imperative that that occur soon.

Thirteen years ago the American people celebrated Earth Day. That was a sobering recognition that the Earth's resources are finite and its ability to absorb abuse is limited.

The Congress responded in the 1970's to the developmental contamination that was the result of years of propagate use of our air, water, and land, and the laws we enacted have produced some results. The air is somewhat cleaner, the water somewhat purer, and the land less dank.

But the most complex deadly environmental threat created by our industrial society, toxic chemicals, initially went unnoticed and unanswered, and we as a people are now paying a high price for this belated recognition. We have come to respect the regular discovery of a Love Canal or a Times Beach.

In 1980, the Surgeon General of the United States told the Senate, and I quote:

The public health risk associated with toxic chemicals is increasing and will continue to do so until we are successful in identifying chemicals which are highly toxic and controlling the introduction of these chemicals into the environment.

It is important that the American people understand the dimensions of this problem. There are now in existence and on the market in this country 50,000 chemicals, 35,000 of which are classified by the Environmental Protection Agency as either definitely or potentially hazardous to human health, and each year about 1,000 new chemicals are created in this country.

Just in the past few days researchers have indicated the presence of the deadly toxic chemical dixoin is much more widespread than previously believed in both Michigan and Missouri, and there is no one in this country, there is no part of this country that can be certain that these deadly chemical time bombs are not ticking somewhere beneath the soils of their communities.

This resolution simply calls upon the President in the exercise of his constitutional responsibility to restore the credibility and effectiveness of the Environmental Protection Agency. This is the agency charged by law with dealing with this and other serious environmental problems, and it is that agency's credibility and effectiveness which has been called into question and which in my judgment the confidence of the American people no longer reposes. This resolution calls upon the President to act to reaffirm the bipartisan consensus which has been the foundation of this Nation's commitment to environmental protection and that he should begin that process by nominating promptly to be Administrator of the EPA an individual of the highest integrity and impeccable professional credentials and experience in the area of environmental policy. It is critically important that the people of this country understand that the U.S. Government is concerned about the poisoning of America that is occurring, that the Government of the United States, including the President and the Congress, is prepared to act in a prompt and responsible way to reassure the American people that their Government will respond to this crisis meaningfully. I believe the resolution ought to be supported strongly by every Member of this Senate, because I know the Members of the Senate are as deeply concerned about the events of the past several months as I am.

Mr. President, I urge my fellow Senators to support this resolution, and I now yield the floor to the distinguished chairman.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I am going to suggest the absence of a quorum and I ask unanimous consent that it be equally charged against both sides, since all the time thus far has been charged against my side.

Mr. MITCHELL. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes remaining.

Mr. MITCHELL. I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the President, and I thank my distinguished colleague from Maine.

Mr. President, may I ask am I recorded as a cosponsor of this amendment?

Mr. MITCHELL. Not yet.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I wish to take this very brief moment to address the Senate on a matter of some considerable constitutional and legal concern, and that has to do with the pattern which can be discerned in the present administration of repealing legislation or congressional intent by appointing to office persons who do not support the purposes of laws enacted by Congress, or of failing to fill positions necessary to carry out those laws, and to do so in possible violation of the Vacancies Act of 1868.

Let me in a very circumscribed time period speak to both these matters.

As members of the committee with oversight over the Environmental Protection Agency, it very early became clear to some of us that the persons such as they were who had been appointed to carry out the agency's purposes were not doing so, and meaning no personal remark whatever I wish to observe that on October 15, 1981, the Administrator of the Agency came before our committee and was asked how she was carrying out her duties to implement the law.

Her answers were anything but complete, defending a position in many ways indefensible, the slow pace at which this administration was moving to clean up hazardous waste sites with the Superfund.

I said to her, not in a threatening way, not in a rancorous way, but in a pleading for understanding way that if she felt she could not administer faithfully the laws passed by Congress, then she surely would be at a point where she should give some thought to resigning.

And I quote what I then said next. I said:

> When the time comes, you will recognize it and you will give it thought. You will have to live with the reputation you leave behind.

Of course, Mr. President, the time did come. But I now speak to a matter which I know the Senator from Maine as a former member of the Federal judiciary will be concerned with. The President initially allowed five of the six administrative position at EPA to remain vacant for between 7 and 15 months. The sixth Administrator position, research and development, has never been filled. Courtney Riordan, whom the President finally nominated to that position on February 24, has been serving as an Acting Assistant Administrator since December 1981. Even the Administrator and Deputy Administrator positions were not filled for the first few months of the administration. On February 24 of this year, in addition to announcing that he was nominating Riordan, the President made three appointments for Acting Assistant Administrators of EPA and for an acting inspector general. Under the Vacancies Act of 1868, as amended, the President can only make acting appointments for a period of 30 days. The 30 days will expire on March 24, next Thursday. And there is no indication that the President will formally nominate anyone to fill those positions by next Thursday. If this is the case, it is my view, which I offer not as a definitive one but as one which this body should consider, it is indeed possible that the President will be in violation of the Vacancies Act of 1868. Not only will the purposes of the environmental laws have been evaded but it may be that an actual statute of the Congress will have been violated. It seems to me that this is not a matter which is to be treated lightly. We are a government of laws or we are something other than what we have thought ourselves to be.

Mr. President, my time will shortly have expired.

I ask unanimous consent that I may place in the RECORD at this point a copy of the White House press announcement of February 24 and excerpts from the United States Code embodying the Vacanies Act of 1868.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VACANCIES ACT OF 1868

(As amended by Public Law 89-554)

Cited from Title 5 United States Code:

§ 3345. Details; to office of head of Executive or military department

When the head of an Executive department or military department dies, resigns, or is sick or absent, his first assistant, unless otherwise directed by the President under section 3347 of this title, shall perform the duties of the office until a successor is appointed or the absence or sickness stops. (Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 425.)

§ 3346. Details; to subordinate offices

When an officer of a bureau of an Executive department or military department, whose appointment is not vested in the head of the department, dies, resigns, or is sick or absent, his first assistant, unless otherwise directed by the President under section 3347 of this title, shall perform the duties of the office until a successor is appointed or the absence or sickness stops. (Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 426.)

§ 3347. Details; Presidential authority

Instead of a detail under section 3345 or 3346 of this title, the President may direct the head of another Executive department or military department or another officer of an Executive department or military department, whose appointment is vested in the President, by and with the advice and consent of the Senate, to perform the duties of the office until a successor is appointed or the absence or sickness stops. This section does not apply to a vacancy in the office of Attorney General. (Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 426.)

§ 3348. Details; limited in time

A vacancy caused by death or resignation may be filled temporarily under section 3345, 3346, or 3347 of this title for not more than 30 days. (Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 426.)

§ 3349. Details; to fill vacancies; restrictions

A temporary appointment designation, or assignment of one officer to perform the duties of another under section 3345 or 3346 of this title may not be made otherwise than as provided by those sections, except to fill a vacancy occurring during a recess of the Senate. (Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 426.)

THE WHITE HOUSE

Office of the Press Secretary

The President today announced a series of appointments to the Environmental Protection Agency.

The appointments were made after consultation with EPA Administrator Anne

Burford and are intended to strengthen the management of the agency.

Those appointed are as follows:

Assistant Administrator for Research and Development: The President is nominating Courtney Riordan as an Assistant Administrator of EPA for Research and Development. Dr. Riordan has been the acting administrator in that position since 1981 and has been with the agency since 1971. Prior to joining EPA, Dr. Riordan was an assistant professor at Cornell University.

Acting Assistant Administrator for Solid Waste and Emergency Response: Lee M. Thomas, who is currently serving as an Associate Director of the Federal Emergency Management Agency, has been designated by the President to be Acting Administrator of the Environmental Protection Agency for Solid Waste and Emergency Response. He will succeed Rita M. Lavelle. Among other duties in the past, Mr. Thomas has been responsible for the administration's efforts to alleviate the toxic waste problems at Times Beach, Missouri.

Acting Assistant Administrator for Legislation: Lee Verstandig, now serving as Assistant Secretary of Transportation for Governmental Affairs, has been designated by the President to be Acting Assistant Administrator of EPA for Legislation. This is a new, elevated position at EPA, created by the President with the concurrence of Administrator Burford. Dr. Verstandig, a former associate dean at Brown University, served as administrative assistant and legislative director to Senator John H. Chafee from 1977-81. Currently, legislative affairs at EPA are the responsibility of Lee Modesitt, who holds the title of Director, Office of Legislation. Modesitt will become an assistant to the Administrator at EPA.

Acting Assistant Administrator for Administration: The President has designated Alfred M. Zuck, currently the Assistant Secretary for Administration and Management, as the Acting Administrator of EPA for Administration. Mr. Zuck is a career civil servant, who has served in a variety of positions in government and has been awarded the Presidential Distinguished Executive Rank (1980), the Distinguished Career Service Award (1974), and the William A. Jump Memorial Award (1974). Mr. Zuck replaces John Horton, who has resigned from the agency.

Acting Inspector General: The President has designated Charles Dempsey, currently the Inspector General of HUD, to be Acting Inspector General at EPA. Mr. Dempsey, who has been IG at HUD since 1977, received the HUD Outstanding Achievement Award in 1978 and the HUD Distinguished Service Award in 1980. He replaces Matthew N. Novick, who has resigned from the agency.

The PRESIDING OFFICER. The Chair informs the Senator from New York that his time has expired.

Mr. MOYNIHAN. I thank the Chair most graciously.

● Mr. KENNEDY. Mr. President, I would like to express my support for sense of the Senate resolution offered by Senator MITCHELL.

It is time to reaffirm this Nation's commitment to a public morality of conservation and a priority of sound environmental management.

Congress created EPA in 1970, in response to the increasing dangers posed by the pollution generated by our modern industrial society. The Agency is charged with the fundmental trust of protecting the American people from hazards to health and safety in the air we breathe, the water we drink, and the soil in which we grow our food.

During its first decade, EPA secured impressive gains in air and water quality. Between 1974 and 1978, we achieved a major reduction in the number of days when air quality in metropolitan areas was classified as unhealthy. And over the same period, average concentrations of carbon monoxide went down by 33 percent, sulfur dioxide by 20 percent, and suspended particulates by 7 percent. And some of the greatest success stories involve some of America's greatest rivers, such as the Hudson, which is now open to swimming along most of its length; the Detroit, where the water quality has improved to the point that families can swim in Lake Erie again; and the Connecticut, where the salmon are returning for the first time in several years. All of us who support a healthy environment take pride in these milestones of environmental quality. We use them to mark the years of difficult but steady progress we have made.

But the laws which are in place are no longer being enforced. In 1980, Congress passed the Superfund bill, which established a fund for the EPA to utilize in cleaning up dangerous toxic waste sites. It also provided funds to conduct health studies in communities which were impacted by hazardous dump sites. Now, over 2 years later, not one site in the Commonwealth of Massachusetts has been cleaned up with Superfund money. And not one health study has been performed in the entire Nation.

There are 14 toxic waste sites in Massachusetts that pose serious health and environmental risks. At this very moment, in large measure because of the neglect of EPA. The residents of Lowell are deeply concerned over the potentially dangerous levels of toxic chemicals that continue to fill the air and jeopardize their health.

I join with the Senator from Maine in calling for this administration to join the bipartisan consensus which has supported protection of the environment.●

Mr. MITCHELL. Mr. President, I yield 5 minutes to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the resolution we propose today expresses our dismay with the mismanagement of the Superfund and, indeed, of the entire Environmental Protection Agency.

Public confidence in the commitment of this administration to a clean and healthy environment has been undermined by its own policies and appointees. As I wrote to the President last Thursday:

> It is not difficult to see why citizens in my state and across the country are concerned. The resources available to EPA to enforce existing environmental laws have steadily declined . . . over the past two years . . . . You have also left the EPA with fewer people to carry out its responsibilities . . . . (Further,) your top EPA appointees have neither instilled confidence nor provided leadership, . . . (and) reports that environmental experts have been systematically removed . . . have added to doubts that your Administration will aggressively enforce the strong environmental laws enacted over the past 10 years.

I believe that the President, and this Congress, must act now, in the wake of last week's resignation by Administrator Anne Burford, to restore public confidence in the Agency.

I am personally concerned with the Superfund. In 1980, I was a prime sponsor of that legislation. My own State of New Jersey has possibly the worst hazardous waste problem in the Nation—we have 65 sites on EPA's national priority list, more than any other State, and 6 of the Nation's 20 worst sites, also more than any other State. And yet, despite an aggressive State agency, the Superfund has yet to clean up a single site in New Jersey.

In New Jersey and throughout the Nation, EPA's progress has been very slow. It has maintained a policy of negotiating before cleaning up sites; and it has attempted to stretch its dollars by pursuing cosmetic cleanups, rather than the thorough cleanups we envisioned in 1980.

Because of EPA's slow start, Senator LAUTENBERG and I intend to introduce legislation tomorrow to extend the Superfund program through 1990. This will provide the additional time and funds that EPA needs for the enormous task of cleaning up the worst of the thousands of hazardous waste sites across the Nation.

But, as we call for in today's resolution, President Reagan must take the lead in our mutual effort to restore public faith in our commitment to the environment.

First, the President must reaffirm his personal commitment to an aggressive pursuit of environmental goals. Second, he must expeditiously send to the Senate nominees for the top positions at the EPA, particularly the Administrator, who have demonstrated personal commitment to environmental goals, with strong professional credentials and experience in environmental policy. Finally, I urge the President to support an extension of the Superfund, and to propose or support other legislation, as may be necessary, to improve and expedite the Superfund program.

I thank the Senator from Maine for his initiative, and I am pleased to join with him in what I am sure will be a resolution that is, if not adopted by unanimous consent, widely supported, as it should be.

Mr. MITCHELL. Mr. President, I have only a few moments but I would like to make one closing argument that I think dramatizes the necessity for this resolution and for further action on this serious problem. As I said in my earlier remarks, there are now in existence and on the market in this country 50,000 chemicals, 35,000 of which have been classified by the Environmental Protection Agency as definitely or potentially hazardous. Each year we are creating a thousand new chemicals.

The EPA has a program for the specifically established purpose of examining, and evaluating, and classifying these toxic substances, a task that is enormous in its complexity and that is increasing each year. What has been the President's response to this program? Incredibly enough, the President of the United States had proposed that the toxic substances program be funded at a level 35 percent less than it was when he took office, a 35-percent cut in the toxic substances program at a time when the people of Michigan, the people of Missouri, people all over this country are deeply conerned, and understandably and justifiably so, about the widespread presence of deadly toxic chemicals in their environment.

That is an astonishing fact. It is a fact I think that if every American were aware of it they would rise up and express their concern and demand that the U.S. Government act promptly and meaningfully to deal with this problem. And you cannot take an agency whose responsibilities are increasing dramatically as the number of new chemicals increases each year, cut its budget 35 percent and tell it to go on and do the job.

All that means is that the problems of the past will be carried forward in the future, that we will not be able to deal with this problem and the people of this country will have no confidence that the poisoning of America will stop.

I urge, Mr. President, the adoption of this resolution.

The PRESIDING OFFICER. Who yields time?

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

Mr. HATFIELD. On whose time will this quorum be charged?

The PRESIDING OFFICER. This time will be charged against the Senator from Maine.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I am ready to accept the amendment offered by the Senator from Maine.

The PRESIDING OFFICER. Does the Senator from Oregon yield back his time?

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielding back, the question is on agreeing to the amendment of the Senator from Maine.

The amendment (UP No. 56) was agreed to.

Mr. HATFIELD. Mr. President, I believe the Senator from Montana, Senator MELCHER, will be ready very shortly to offer his amendment dealing with national forest lands upon which there is a 1-hour time agreement. The Senator from Idaho (Mr. MCCLURE) will handle the committee side of the issue.

In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I am ready to go to third reading on this bill. There are a few amendments, I know, that people are expecting to offer. I hope if they are listening they will understand they had better be on the floor shortly because if we do not go to third reading, the other option is to call up the amendments and quickly vote them down and move on with the final wrap-up of the bill. We have been on it a long while. I think, frankly, it is a very inconsiderate matter that we are forced to wait around for Senators when they know that this bill is being considered and it is the pending business of the Senate and must take priority over all other activity in Senators' offices.

Frankly, within the next 10 or 15 minutes, if we do not have any response, I am going to recommend that the leadership do call the bill up for third reading.

I notice a Senator has responded quickly. I am very happy to yield to the Senator from Arizona for the purpose of an amendment.

I hope others are waiting in the wings of the Senate because the amendment of the Senator from Arizona will not take very long and we will be ready to take up the next one.

The PRESIDING OFFICER. The Senator from Arizona.

UP AMENDMENT NO. 57

Mr. DECONCINI. Mr President, I thank the chairman. I have been listening to his admonition or suggestion that we get over here and get on with this. I know the majority leader is anxious to do that.

With that in mind, Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 57.

On page 29, line 13, strike "$50,000,000,", and insert in lieu thereof: "$100,000,000,"

Mr. DECONCINI. Mr. President, this amendment simply adds $50 million to the construction program of the Bureau of Reclamation. I offered this amendment at the full Appropriations Committee markup but withdrew it at the recommendation of the chairman. There was, at the time, a lack of an agreement on the current spending capacity and capability of the Bureau.

Since the markup, I have been informed by the Bureau that it has a total additional capability of $75 million to accelerate the completion of projects in fiscal year 1983. That is $25 million more than is presently in the bill.

I would like to point out, however, that the bill stipulates that the funds will "be made available until expended." This means that the money does not have to be spent by October 1, 1983. The money will simply be obligated to ongoing construction projects, as it would be normally distributed by the Bureau. For example, the Bureau has stated that it has additional capability of $14.5 billion in fiscal year 1983 for the central Arizona project.

But because funds do not have to be spent by October 1, 1983, the capability for the Bureau is, for all practical purposes, unlimited. Let us set aside the technical question of capability and talk about the real issue of this legislation and that, of course, is jobs.

If we are really serious about creating jobs, then let us fund these ongoing projects to their full extent. This $50 million, using the very conservative Bureau estimates of 20 jobs per $1 million, will create a minimum of 1,000 jobs.

These are near-term jobs and in areas of high unemployment. These are construction jobs, which is exactly what we are trying to target in this bill. These are private sector jobs in the sense that these are companies and construction companies that will be bidding for these contracts.

As my distinguished colleague, Senator GOLDWATER, pointed out this morning, the Bureau is paid back, which means the Government is paid back, by the users of these reclamation projects.

The Secretary of the Interior recently came to the Appropriations Committee and testified that there will be general project delays, "contract slippage" was his term, delays in new construction starts. Of course, that results

in fewer jobs. This is because, he says, the continuing resolution gave the Department less money than what he had asked for.

I disagree with the Secretary's explanation. There are a number of reasons for project delays. Mostly, inadequate requests by the administration. Whatever the reason, we now have an opportunity not to dwell upon why, or when, or where, or whose fault, but to correct it and put the project back on last year's schedule, and put people back to work right away.

Mr. President, I hope the committee will accept this amendment. The chairman of the committee has made a tremendous effort in maximizing the efficiency and effectiveness of this bill and I congratulate him and the ranking minority member for their accomplishments, for their patience in proceeding with all the amendments that have been brought before us. I hope that the chairman and ranking minority member will accept this amendment.

Mr. HATFIELD. Mr. President, I would like to ask the Senator if I have a correct understanding of what his amendment actually does.

My understanding is that the Senator is, in effect, advancing the 1984 and 1985 capability, or, let us say, he is pulling them back into 1983. We are talking about the central Arizona project, are we not?

Mr. DECONCINI. Yes, partially. But half of this the Bureau has the capability of absorbing in 1983, $25 million. So to me, there is little or no question about that. I have the answer to a question which I submitted to the Bureau which I will be glad to read to the Senator as to at least $25 million.

Mr. HATFIELD. I would say to the Senator that in budget testimony by the Bureau they indicated they had capability of somewhere between $12 million and $14 million over the funding level, the 1983 funding level, and now we have incorporated that $12 million to $14 million in the $50 million that we have put into the jobs bill. They have a net capability for 1983. Anything for 1984 and 1985 is something else. We have the vehicle of 1984 coming up and the vehicle of a supplemental coming up. I do not understand the Senator's reason for trying to attach it to this jobs bill.

Mr. DECONCINI. The Senator talks about $12 million to $14 million. I hope he is not confusing that. That is the capability for one single project, the central Arizona project.

Let me ask the Senator the question I submitted to the Bureau when they came before the Appropriations Committee: What is your estimate of your total capability in fiscal years 1983, 1984, and 1985 for the central Arizona project?

My amendment does not designate any of these funds for any project, but just as it relates to the central Arizona project the additional capability in fiscal 1983 is $14.5 million.

I wonder if that is where the distinguished chairman might get that figure of between $12 million and $14 million of additional capability.

Mr. HATFIELD. Mr. President, all that will be laid out to the Senator a step at a time here. When we began to draft the jobs bill, we made an inquiry as to what capability the Bureau would have over and above the 1983 funding level. The Bureau gave to us the data that they would have in total projects—not just central Arizona, but total projects—of $50 million to put out in orderly fashion and meet their full capability. The Senator, in effect, is doubling that in this amendment. I just do not understand where the Senator is getting justification for it.

Mr. DECONCINI. Mr. President, I shall be glad to explain to the chairman where there is justification;

Three days ago, we talked to Commissioner Broadbent. He informed us, as my statement said, that the capability for 1983 is $75 million. We have $50 million in the bill. I am suggesting that we add $50 million. That is twice what he says the capability is.

Mr. HATFIELD. That is right. That is absolutely contrary to what he told us, told me as chairman of the committee, told the chairman of the subcommittee as well, as the chairman knows.

Mr. DECONCINI. I talked to Mr. Broadbent, the head of the Bureau, 3 days ago.

Let me ask the Senator this: Based on my information, and that is what I am going on, I assure the chairman that when we had the Bureau before the committee, there was a real disagreement whether or not there was any capability. At the time, I thought there was capability of $50 million, and the chairman said he would like an opportunity to discuss that with the proper people. I agreed and withdrew the amendment. Now I have discussed it with some people.

Mr. HATFIELD. We have discussed it, too.

Mr. DECONCINI. I have come up with the figure from Mr. Broadbent—I do not know who could give us a better figure—of $25 million. That is far less than my amendment, and I would be happy to accept the figure of $25 million based on what Mr. Broadbent offered. But before I even talked to Mr. Broadbent, based on my discussions in the committee, I had the amendment drawn for $50 million.

Mr. HATFIELD. Mr. President, I understand and I appreciate the Senator's dilemma, because it is the same as my dilemma. I would like to suggest that we temporarily lay aside the amendment and let the Senator from Arizona and me join together and call and get the same story. Obviously, the Senator from Arizona is getting different information from what I am getting.

I think that is the principal problem. We ought to be sure these agencies are talking with one voice, regardless of who calls them. I know this has happened in the past and it puts Senators in a very difficult position on the floor here. I think it is time we called a halt to that practice downtown.

Frankly, it makes me very unhappy that we have to face each other off on the floor here on something that we should have have the same information on, the same data, regardless of who made the inquiry.

Mr. DECONCINI. If the chairman will yield, that is most satisfactory with me. I am only interested, because it is a jobs bill, in maximizing the amount. I would be happy to do what the chairman suggests.

Mr. HATFIELD. I understand the Senator's purpose. It is a worthy purpose.

Mr. President, I ask unanimous consent that we lay aside temporarily at this moment the amendment of the Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HATFIELD. Mr. President, I shall yield to the Senator from Arkansas for the purpose of offering an amendment.

Mr. STENNIS. Mr. President, before the Senator starts on that, I want to ask the manager a question, if I may, about the remaining amendments.

We are down, as I understand it, to the possibility of finishing the bill tonight. May I ask the Senator from Oregon how many amendments he has left?

Mr. HATFIELD. On page 2 of our calendar, based on the unanimous-consent agreements that we reached yesterday, we have remaining seven amendments plus the amendment that is now under consideration. Then we have, in addition to that, four I know of and perhaps another two or three.

If I were to make a rough estimate, I would say about 12 to 15 amendments.

Mr. STENNIS. I thank the Senator.

Mr. President, I notice the chairman has to wait to get people in here to offer their amendments. That is a natural process but, at the same time, we can go on here until midnight and still not get through with that process. I think the chairman would be justified in reading out these amendments that are here in the order in which they appear if he has them listed there, and just say that they will be called up now in the order in which he has them listed. He may want to give notice now on the loudspeaker. They are moving pretty fast, and, in order to finish, it is

going to be necessary to do something like that.

I think the average Senator would appreciate it and would get ready and respond. The Senator is a victim now of having to wait so long; it is not fair to him.

Mr. HATFIELD. Mr. President, I appreciate the comments by the Senator from Mississippi, who is ranking member of our committee. About 15 or 20 minutes ago, I did indicate, with the approval of the majority leader, that we had two options ahead of us that we are going to begin to exercise. One is that we call the bill up for a third reading if the people who are supporters or writers of amendments are not here to offer those amendments.

Second, the majority leader would call up the amendments and we would have a very quick disposition of them. In a remarkable time period, the Senator from Arizona arrived on the floor and we began the amendments process. I am grateful to him.

Let me follow through on the recommendation of the Senator from Mississippi and say we have the following that have been listed and we have been going around them in order to protect their rights. Those rights have been amply protected now, I think, at quarter to 6.

Senator LEVIN has an older Americans employment amendment with 20 minutes; Senator LEVIN has an anti-make-work amendment with 20 minutes; Senator MELCHER has a national forest lands jobs amendment with 1 hour. Senator BUMPERS, who is here on the floor, ready to go, has a Texarkana criminal justice amendment with 20 minutes; Senator DODD has a CDBG amendment with 30 minutes; Senator PRYOR has one relating to private charities with 30 minutes; Senator LONG on revenue sharing, no time agreement; Senator DODD, an amendment on El Salvador with no time agreement; Senator METZENBAUM, interest on State borrowing from trust fund amendment, no time agreement; Senator HEFLIN on a reclamation project, on which I think we are working now, trying to work it out for him, no time agreement.

Senator DIXON has one here, ready now, which will probably be very expeditiously handled.

Mr. DIXON. Fifteen minutes will be plenty.

Mr. HATFIELD. I say to the Senator from Mississippi that we are making some progress, and I think we can move it quickly now, perhaps with the cooperation of our colleagues.

Mr. STENNIS. The Senator certainly deserves the cooperation he is getting. The prospects look good.

Mr. HATFIELD. Mr. President, I yield now to the Senator from Arkansas.

UP AMENDMENT NO. 58

(Purpose: To provide additional funds for "Law Enforcement Assistance" Office of Justice Assistance, Research, and Statistics, $7,000,000 to complete the Bi-State Criminal Justice Assistance Center at Texarkana, Arkansas and Texas)

Mr. BUMPERS. I thank the Senator very much. I call up an amendment I have at the desk.

The PRESIDING OFFICER. The Chair will inform the Senator from Arkansas that there are two amendments at the desk.

Mr. BUMPERS. With the Chair's indulgence, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas, Mr. BUMPERS, proposes for himself and Mr. PRYOR an unprinted amendment numbered 58.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30 after line 23 insert: "For an additional amount for 'Law Enforcement Assistance', Office of Justice Assistance, Research, and Statistics, $7,000,000 to complete the Bi-State Criminal Justice Assistance Center at Texarkana, Arkansas, to be made available under the same terms and conditions that previous Federal assistance was made available for construction of this facility."

Mr. BUMPERS. Mr. President, this amendment deals with a facility in Texarkana, Ark. and Tex. It is a facility that was begun in 1978 and it is called the Bi-State Criminal Justice Center. The center is on the State line, half in Arkansas and half in Texas, as most government buildings are in Texarkana. But this building was started with an LEAA grant of about $4.85 million. The Federal Government originally committed $5 million to what at that time was anticipated to be a $7 million facility. It was a facility that would combine law enforcement, corrections, records, communications, and judiciary systems for Texarkana, Tex. and Ark., into one common center.

The concept was very good. The concept is still good. There was just one little problem that occurred along the way. The cost of this $7 million project, $5 million of which was to be financed by LEAA and $2 million by local sources, by the time they got started, the construction escalated to the point where this building was going to cost $12 million. And so Bowie County, Tex., Miller County, Ark., both municipalities, and the respective States, started trying to fund enough money from their coffers to complete construction of it.

The State of Texas put up $1 million, the city of Texarkana, Tex., put up $3.5 million, the city of Texarkana, Ark., put up $2.5 million, Miller County, Ark., put up $150,000, and Bowie County, Tex., put up $175,000. In short, the Federal Government now has $5 million invested in it, and the local jurisdictions and the States of Texas and Arkansas have $7 million invested. We have $12 million total invested, but the building still is not complete and is going to cost another $7 million to complete.

That may sound on the face of it as very bad planning, and I am not here to defend or to accuse or anything else. All I want to say is that at the time this building was begun, construction costs were escalating at anywhere from 20 to 35 percent a year, depending on the kind of construction. The fact remains that the Government, the Federal Government, has $5 million invested into the superstructured frame of a building, and the local and State governments have invested $7 million, there is a total of $12 million invested, and it really is the height of folly not to finish this facility. My amendment just does one thing. It appropriates $7 million to complete this facility.

There is absolutely no way that the local authorities can come up with any more money. They have stretched out. They originally intended to put $2 million into the facility. They have put $7 million in it, they have gone as far as they can go, and it is going to take another $7 million to finish it. Providing the $7 million would create 163 jobs starting 24 hours after the President signs this bill.

The contractor is from Louisiana, he is ready to go, and he has the people employed, so if we pass this amendment that will be 163 jobs created immediately. When the center is completed, 308 jobs will also be created for the maintenance and operation of the facility. It was a good concept then, it is now, and I hope my colleagues will join me in passing this amendment and completing something that I can tell you without doubt is someday going to be completed. The Federal Government is going to have to put up the money to finish the building. We can do it now or we can do it later. If we do it later it probably will cost more. If we do it later we may be doing it at a time when we do not need the jobs nearly as desperately as we do now. So I am asking my colleagues to join me in something that will create a fine facility for the criminal justice system in a whole section of Arkansas and Texas. The center will have some jail cells connected with it, and court rooms; the police departments will be located there. It is a great coordinated concept and I hope my colleagues will support this.

BISTATE CRIMINAL JUSTICE CENTER

Mr. PRYOR. Mr. President, funds for the Bi-State Criminal Justice Center are desperately needed by the States of Arkansas and Texas, and also by the local governments in the Texarkana area.

Over $12 million in Federal, State, and local money has been spent on this facility. It is going to be a model. It will contain a jail, and facilities for the police as well as the courts. Therefore, in one facility, serving both sides of the State line, we will have all of the people necessary to administer criminal justice.

This facility will serve the States of Arkansas and Texas and the counties and municipalities around the Texarkana area, but it will also serve the needs of the Federal Government. Approximately one-third of the space in the jail will be used to house Federal prisoners.

This facility will also create jobs. The construction phase will add 163 jobs in this area of the country; and when the facility is finally complete and operational, it is estimated that there will be 278 permanent jobs in the Texarkana area.

We need to provide funds to allow the construction of this facility to go forward. It should be a priority item for congressional action.

Mr. President, I would like to add my support to the Bumpers amendment

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I have been in contact with the chairman of the subcommittee on State, Justice, Commerce, the Judiciary, and related agencies, Senator PAUL LAXALT, and he assures me if the Senator from Arkansas withdraws his amendment he will work with the Senator from Arkansas to attempt to resolve the problem in the regular appropriations bill.

There are serious questions of precedents involved in the Bumpers amendment if enacted. Also there are concerns about the final cost of the project and size of the Federal contribution.

Finally the amendment is legislation on an appropriations bill and if pushed to a vote today I would be forced to oppose the amendment.

However, I am hopeful the concerns can be resolved through the regular appropriations process, and I know Senator LAXALT is committed to working with the Senator from Arkansas (Mr. BUMPERS) to try to find the necessary answers and funds.

I am also a member of that same subcommittee, as the Senator from Arkansas knows, and I too pledge to him to assist in working out this problem through the subcommittee.

I wonder if the Senator would be willing to withdraw his amendment on those assurances.

Mr. BUMPERS. Mr. President, I want to thank the Senator from Oregon for his magnanimous statement and with that understanding I would be willing to withdraw my amendment and look forward to working with Senator LAXALT in trying to resolve this in the appropriations process.

I would also like at this point, Mr. President, to ask unanimous consent that a letter from Congressman SAM B. HALL to me regarding this matter be inserted in the RECORD and that a statement from Senator BENTSEN also joining with me in supporting this project be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 7, 1983.

Hon. DALE BUMPERS,
Washington, D.C.

DEAR DALE: As you know, the House-passed jobs bill contains construction money that could possibly be used for the Bi-State Criminal Justice Center in Texarkana. I believe the Mayor of Texarkana, Arkansas visted with your office about this last week.

In view of the hard work, strong interest, and leadership that you have provided on this project, I want to reaffirm my interest and support of your efforts to obtain adequate funding in the Senate bill for construction money that could help us finish the Criminal Justice Center.

I appreciate your time and attention to my comments.

With kindest regards and best wishes, I am

Sincerely,

SAM B. HALL, Jr.

● Mr. BENTSEN. Mr. President, I join with my colleague from Arkansas in supporting a proposal to provide funding to complete the Bi-State Criminal Justice Center in Texarkana. This project represents a major effort on the part of a community that is located in two States, Arkansas and Texas. In concept it would consolidate the offices of various criminal justice activities in one building. It would include the local criminal judges, the local district attorneys and the local law enforcement officials. It would thereby facilitate the interaction between these important officials to carry out their legal responsibilities and would allow for these interactions to take place between officials from both States, an interaction that is essential for effective law enforcement in the metropolitan area of Texarkana. It is a building that has been supported in the past by the Federal Government. The Law Enforcement Assistance Administration has provided approximately $5 million toward the construction of this project. If we fail to complete the project, those funds would be lost.

My colleague from Arkansas has proposed an amendment to provide adequate funding to complete this building. Action to include funding for this project would mean immediate employment opportunities. A contractor already exists who has worked on the project. As soon as this bill is signed, it could mean that 160 jobs in this community will be available for further construction activities.

I join with Senator BUMPERS in urging the Senate to adopt this reasonable proposal.●

Mr. HATFIELD. Mr. President, I want to thank the Senator from Arkansas, both Senators from Arkansas, for their cooperation in this matter and I know we can work it out.

Mr. President, at this time, as we have temporarily laid aside the amendment of the Senator from Arizona I would like to yield to the Senator from Illinois for the purpose of submitting an amendment.

The PRESIDING OFFICER. Does the Senator from Arkansas wish to withdraw his amendment?

Mr. BUMPERS. I withdraw the amendment.

UP AMENDMENT NO. 59

(Purpose: To increase assistance to the unemployed through permanent staff for state unemployment insurance offices)

Mr. DIXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois (Mr. DIXON) for himself, Mr. PERCY and Mr. THURMOND proposes an unprinted amendment numbered 59.

Mr. DIXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In title II under the heading "Grants to States for Unemployment Insurance and Employment Services" on page 55, line 7, delete the word "which" and add the following in lieu thereof: "of which $138,050,000 shall be expended for state unemployment insurance staff being permanent or temporary at the discretion of the State and of which $138,050,000".

Mr. DIXON. Mr. President, this amendment, which is cosponsored by my colleague from Illinois, Senator PERCY, and Senator THURMOND of South Carolina, will not add one

penny to this bill. The House and Senate have both included $276,100,000 in advances to the unemployment insurance trust fund.

The purpose of our amendment is to make half of that money available for permanent staff, rather than temporary staff, at the States' discretion.

Currently, the average number of claims filed, which these staff process, is 5.5 million per week. There are only enough permanent staff to handle 2.1 million claims per week. The remaining 3.4 million claims are processed by temporary personnel.

A fiscal year 1981 Department of Labor study on this issue, based on 1975 figures, found that there is a direct relationship between inadequate UI staff levels and payment errors. specifically, the study indicated that the fiscal year 1982 cut by the administration would result in $1.1 billion in erroneous payments. That projection was based on an average unemployment rate of 7.4 percent in 1982. It is now estimated that we will have unemployment levels above 10 percent for this year. The cost of those errors, without a change in permanent staff, could well be in excess of $2 billion in erroneous payments. This simple change, that could save that much, seems prudent to me.

Last December 18, I engaged in a colloquy with Senator Harrison Schmitt, then chairman of the Labor-HHS Subcommittee on Appropriations, and Senator THURMOND on this matter. It resulted in report language in the continuing resolution conference report which reads as follows:

The conferees also agree to consider in a supplemental bill the need for additional permanent unemployment insurance service staff, instead of relying solely on additional temporary staff, in order to more efficiently and accurately process the workload.

Contrary to that report language, we are now engaged in deliberations on the supplemental for this year, and neither the House nor the Senate have addressed this critical issue.

I am delighted that Senator WEICKER, chairman of the Labor-HHS Subcommittee on Appropriations has agreed to accept this amendment. It addresses one of the most critical problems currently facing the unemployment insurance system, and will go a long way in making these offices operate at a more efficient level.

By allocating $138,050,000 to permanent staff, it will increase the number of claims able to be processed by permanent staff to 2.8 million claims per week. It is not anticipated that the workload will be reduced to below that level for the next 5 years, judging from prior trends.

This amendment is strongly endorsed by the Interstate Conference of Employment Security Administrators, the American Federation of State, County & Municipal Employees, and the Service Employees International Union.

It does not involve in any way, may I say to my distinguished ranking minority member who is listening to my remarks, any additional funds. It simply authorizes the use of some of these funds on a discretionary basis for permanent rather than temporary employees in the appropriate unemployment insurance claims offices in the various States of the Union.

It has been cleared through Senator WEICKER and Senator HATFIELD, and I believe there is no objection.

If there is none, Mr. President, I move the adoption of the amendment.

Mr. STENNIS. Mr. President, does the Senator from Connecticut have any remarks?

Mr. WEICKER. Mr. President, I recommend the amendment of the distinguished Senator from Illinois be accepted.

What this, in effect, does is to restore the fact that those States that care to hire permanent employees in the unemployment insurance staff may do so. It is not mandatory. In case of those States that feel more comfortable with temporary employment in this area they may.

The experience of the State of Illinois, as articulated by its distinguished Senator, Senator DIXON, is that the permanent staff is preferable.

Apparently, this has run afoul of the administration that just prefers temporary staff.

Apparently the job is not accomplished as well with temporary staff as permanent staff.

I think the amendment makes sense. It is discretionary to the State whatever particular system works in their best interest.

I thoroughly approve and accept the amendment of the distinguished Senator from Illinois.

Mr. DIXON. I thank my colleague.

The PRESIDING OFFICER (Mr. TRIBLE). Is there further debate on this amendment?

Mr. STENNIS. Mr. President, did the Chair rule on it? If so, what was the ruling?

The PRESIDING OFFICER. The amendment is still pending.

If there be no further debate, the question is on agreeing to the amendment of the Senator from Illinois.

(Putting the question.)

The amendment (UP No. 59) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 57, AS MODIFIED

Mr. HATFIELD. Mr. President, I believe the Senator from Arizona will seek recognition for the purpose of modifying his amendment which has been temporarily laid aside.

I yield to the Senator for that purpose.

Mr. DECONCINI. Mr. President, I thank the Senator.

Mr. President, we have had healthy debate here about what the capability is of the agency in 1983 on the jobs portion of the bill.

I ask unanimous consent that my amendment that is at the desk be amended to the figure of $15 million.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be so modified.

The modified amendment is as follows:

On page 29, line 13, strike "$50,000,000,", and insert in lieu thereof: "$65,000,000",

Mr. DECONCINI. Mr. President, I am prepared to move the adoption of the amendment.

Mr. HATFIELD. The Senator's modification is a figure of adding $15 million rather than the $50 million.

Mr. DECONCINI. The chairman is correct.

Mr. HATFIELD. Mr. President, I am ready to yield back the remainder of my time.

Mr. DECONCINI. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Arizona.

The amendment (UP No. 57), as modified, was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, on our list the Senator from Montana is present in the Chamber and I yield to the Senator from Montana for the purpose of an amendment.

Mr. MELCHER. Mr. President, I thank the chairman.

UP AMENDMENT NO. 60

(Purpose: To provide jobs and provide for the future productivity of the national forest system by increasing funds for site preparation and reforestation $20,000,000, and timber stand improvement $35,000,000)

Mr. MELCHER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 60.

On page 22, line 10 and line 11, strike "$35,000,000 for "National Forest system," Forest Service" and insert in lieu thereof the following:

"$90,000,000 for "National Forest System", Forest Service. *Provided further,* That of this amount $35,000,000 shall be made available for site preparation work and reforestation, and $55,000,000 shall be made available for timber stand improvement."

Mr. MELCHER. Mr. President, I was earlier detained in my office this afternoon going over some of the proposals that the Department of Agriculture has on the possibility of selling 6 million acres of national forest land. Of that amount 872,000 acres would be in Montana alone.

I mention this now to dramatize that this will start a large amount of work to determine whether or not these lands should actually be offered for sale. It is a very costly procedure and will, no doubt, in almost all instances be rejected by Congress.

They must have approval from Congress in order to make these sales.

Every time we discuss sales of national forest land, it has been rejected in the final analysis, and that goes back for more than one generation. It goes back for a couple generations.

I mention that now because this involves a great amount of money that will be spent right in the office preparing papers and going over maps and going over detail, just paperwork, probably to no avail at all.

As to all of the small parcels of land that cannot be managed properly by the Forest Service, there are two provisions of law that permit them to be sold, but it is very restrictive and additional bigger sales have to be approved by Congress.

What they are proposing here is a long detailed job of preparing for what probably is not going to happen. I make these comments because I believe there is too much paperwork and that we have somehow gotten the Forest Service, our own people, in a rut doing it, and not enough work is done right out in the national forest lands and in particularly reforestation and timber stand improvement, which should be augmented.

The bill that is before us now has $35 million in it for these particular purposes, and I applaud the committee for doing that. And the House bill has $25 million in it.

But both amounts are very scant, and I seek by this amendment to strengthen this bill to do what we are attempting to do to provide jobs for people who are now unemployed and to put them at productive work, and there is no better place for the productive work to be done than in our national forests.

So I offer this very modest amendment of an increase of $55 million for that purpose, for timber stand improvement which should be thinning or whatever is necessary to grow trees better and to grow them faster, or for reforestation itself.

There is unemployment in our forest areas. It dates back to the time when the housing starts were so low that there was no demand for timber. That improved slightly, and I welcome that improvement, with the lower interest rates and the start of housing and some construction different from housing and the demand for lumber products.

But it is all too scant yet, and in some of the counties in my State as well as some of the counties throughout the country that depend upon the forest products industry we find the unemployment rates are staggering and higher by far than the statewide averages and higher by far than the averages throughout the country.

So this very modest amendment will provide jobs for loggers and sawmill workers who are now unemployed and also provide an opportunity to some students who rely on summer employment in the forest or wood products industry.

How quickly can it start? Very promptly. The Forest Service tells me that on thinning contracts or other methods of timber stand improvement, they can run them out as quickly as 10 days, generally 2 to 3 weeks, but it is work that is there. It is legitimate work. It is a good investment for the future and would greatly enhance this bill if the amendment is accepted.

There are some 43 different States in the United States that do have some national forest land. Some of it is very small, indeed, in quantity, but it is safe to say that over 35 States have significant amounts of Forest Service lands. All the national forests throughout the country do have a huge backlog of timber stand improvement work and reforestation that is waiting to be done. This modest increase in the bill, I believe, will create a little more employment opportunity. I hope that the Senate will accept it.

Mr. HATFIELD. Mr. President, the Senator from Idaho (Mr. McCLURE), the subcommittee chairman handling this matter, has indicated he is willing to accept the amendment.

I yield back the remainder of my time.

Mr. MELCHER. Mr. President, I yield back the remainder of my time. I thank the Chair.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment (UP No. 60) was agreed to.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 61

(Purpose: To Clarify the purposes for which some sums are appropriated under "Enchancement of Water Resources Benefits" may be expended)

Mr. HATFIELD. Mr. President, I believe the Senator from Alabama has an amendment to offer.

Mr. HEFLIN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) proposes an unprinted amendment numbered 61.

Mr. HEFLIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the portion of the bill entitled "Enchancement of Water Resources Benefits," specifically on page 29, after line 8, insert the following: In order to further clarify the purposes for which appropriations may be expended including those under the portion of the bill entitled "Enchancement of Water Resources Benefits." the Secretary of the Army, acting through the chief of Engineers, may take such action as may be necessary to meet emergency requirements and remedy damages resulting from rains, floods and other disasters and to remedy erosion and slope failures on the banks of navigable streams which will cause disastrous results to abutting areas that contain public facilities, railroads, highways, sewers, parks, Indian mounds, historical and archaeological sites, plants, factories, and other industrial activity.

Mr. HEFLIN. Mr. President, this amendment does not seek any additional money. It is an effort to clarify language that is contained in the bill entitled "Enhancement of Water Resource Benefits." It deals with the matter pertaining to emergency requirements and the remedying of damages resulting from rains, floods, and other disasters, and to remedy erosion and slope failures on the banks of navigable streams which will cause disastrous results to abutting areas that contain public facilities, railroads, highways, sewers, parks, Indian mounds, historical and archeological sites, plants, factories, and other industrial activity.

The purpose of this is to allow the Corps of Engineers to be able to act; if you have a flood, if you have damage, you ought to be able to act.

It is a discretionary amendment. It gives them the authority to act in an emergency that arises. It would mean that if something would occur, they would not have to come back and seek an authorization, but it would be available in general terms to take care of these matters as they might arise.

Mr. HATFIELD. Mr. President, this is a very difficult situation I find myself in, because we have had telephone information that the chairman of the authorizing committee opposes this amendment on the basis that it is really an effort to legislate on an appropriation measure. It is an area that is under the jurisdiction of the chairman of the Environment and Public Works Committee.

We have sent notification to the chairman, and I find myself in the very difficult role of making record that the chairman of such committee has indicated his opposition, but I do not see the chairman on the floor at this time. I am not in a position to carry that particular role. With the understanding that there is this feeling on the part of the chairman, making a record on his behalf, I have no alternative at this point but to accept the amendment, or to let the amendment come to a vote.

Mr. HEFLIN. Mr. President, I do not want to take any undue disadvantage. I would be glad to set it aside for a while until he comes to the floor and see if we cannot discuss it and work it out. I do not want to take any undue disadvantage of anyone because of that. There may be some reason he is not on the floor. So if it is agreeable, I will set it aside.

Mr. HATFIELD. I have just received information that the ranking minority member (Mr. MOYNIHAN) of New York is on his way to the floor to speak on this amendment. If the Senator from Alabama would so permit us to temporarily lay this aside, then we can proceed with an amendment by the Senator from Michigan, who I believe has two amendments.

Mr. HEFLIN. Of course.

Mr. HATFIELD. May I inquire of the Senator from Michigan if he plans to raise either or both of his amendments or neither?

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is the Senator asking that the Heflin amendment be set aside at this time?

Mr. LEVIN. If that is agreeable with the chairman. I perhaps misunderstood his request to me. I did not realize there was a pending amendment.

The PRESIDING OFFICER. Is the Senator from Oregon asking that the Heflin amendment be set aside at this time?

Mr. HATFIELD. I had asked to set aside the Heflin amendment so the Senator from Michigan could proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 62

(Purpose: To increase appropriations for senior citizen employment)

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Michigan (Mr. LEVIN) proposes an unprinted amendment numbered 62.

Mr. LEVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, line 13, strike out "$19,500,000" and insert in lieu thereof "$58,500,000".

On page 34, line 17, strike out "$5,500,000" and insert in lieu thereof "$16,500,000".

Mr. LEVIN. Mr. President, this amendment would add $50 million for jobs for seniors. It would add to the money approved by the committee for the senior community service employment program under title V of the Older Americans Act.

The employment program makes grants to national contractors such as the Retired Teachers Association, the Urban League, and the Farmers Union, or the State Agencies on Aging, and these grants make possible part-time jobs for low-income persons 55 years of age or over with priority being given to placing persons 60 years of age or over. Jobs which can be funded under this program include those for day care aides, conservation workers, legal aides, nutrition and home health care aides, and librarians.

This amendment is for two-thirds of the amount which was included for this program in the omnibus amendment which we offered last Friday.

I happen to still believe that the full amount which we offered last Friday was justified, but I am hoping that the chairman and ranking minority member might be able to accept this amendment. I have reduced the amount of that so at least they might be able to consider it.

This is for seniors. This is a proven program. The House Appropriations Committee has issued a report which indicates that this program is a valuable program.

Quoting from that report from the Committee on Appropriations of the House:

The title V program has amply demonstrated the valuable contribution that older workers can make in their communities. The committee reaffirms its strong support for this effective program.

Mr. President, because this is such a proven program, because the House Appropriations Committee has given this program such a strong sendoff, because we have 800,000 unemployed Americans over the age of 55—800,000 Americans—it makes sense to me that we do a little more than what is already in this bill.

As I have indicated, the amendment that I offered last week had $75 million additional for this program. I am hopeful that the floor managers of this bill might be able to accept this smaller amount and in that hope that they might consider that I have reduced the increase from $75 million to $50 million. This would create an additional 10,000 jobs. It would be added to the 5,000 jobs that is in the committee bill.

While it is true that it only makes a dent in the estimated 800,000 unemployed over the age of 55, it is an important improvement in the committee bill.

Again, Mr. President, this program has a proven track record for efficient and productive job creation. Senior community service employment program participants serve their communities even beyond the direct scope of the program. As a result of this program, individuals purchase more goods and services, reduce their dependency on public entitlements, and contribute to the Federal, State, and local tax base. In addition, employing agencies report that senior community service employment program participants are among the most reliable, punctual, trainable, and productive employees that they have.

This amendment addresses a job need of older Americans. It is for a program which the committee thought was worthy enough to receive additional funding in this supplemental.

It is a too modest an amount to be called a budget-buster. It is not. It is not a provocation for a congressional veto. It is simply an additional small amount, given the circumstances in our communities for senior citizens jobs.

I ask unanimous consent that Senators BYRD and DODD be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I did want to make one inquiry of the Chair. I understand that we are under a time agreement; is that correct?

The PRESIDING OFFICER. The Senator is correct. 10 minutes allotted to each side.

Mr. LEVIN. I thank the Chair. I yield the floor.

Mr. WEICKER. Mr. President, I would ask my good friend from Michigan as to whether or not this is the appropriate time to raise the issue, in light of the fact, as he is well aware, that there was a lengthy debate on this matter last year involving not just money but who was empowered to spend the money. With this amend-

ment the whole issue is opened up in terms of whether it should be the States that should have control over it or various contracting units.

If I may ask my good friend from Michigan, is this an attempt on his part to rearrange the formula agreed upon last year or is it merely an attempt to raise the amounts included in the bill for this purpose?

Mr. LEVIN. I thank my friend from Connecticut. Indeed, I am aware, as he is, of the problems to which he refers. There is no intent here to change that ratio. The amendment preserves the same ratio as the committee bill. I think it is important that we do so for the reasons that the Senator from Connecticut has just indicated and that he is so familiar with.

Mr. WEICKER. I ask my good friend from Michigan what the net dollar effect is in terms of this bill?

Mr. LEVIN. The amendment adds $50 million to the bill in the same ratio as the $25 million for senior citizen jobs that is in the bill allocates to public agencies and to private contractors.

Mr. BYRD. Mr. President, I support increased funding for the senior jobs program under title V of the Older Americans Act.

The Senate expressed its support for this jobs program last year. The Senate passed a resolution which I introduced, to express the sense of the Senate that this program remain intact and not be folded into a block grant, as the administration had proposed in its fiscal year 1983 budget. This body further expressed its support of the senior jobs program by providing funding in fiscal year 1983 to increase the number of jobs currently funded from 54,200 to 55,200. Funding for this program has been well spent in providing part-time employment to individuals 55 years of age or older who have little or no income and are existing below the poverty level.

Unemployment is at near record-breaking levels for persons 55 or older. Unemployment for the older worker has risen some 61 percent in 2 years—from 497,000 in April 1981 to 802,000 in February 1983.

These figures do not adequately reflect the full story because there is substantial hidden unemployment among older Americans. For example, 419,000 persons over 55 were classified as "discouraged workers" during the fourth quarter of 1982.

This recession has impacted adversely on older Americans. Many have exhausted their unemployment benefits and are too old to readily find new employment and too young to draw social security. These individuals, in all probability, will be the last to return to work. Inclusion of $25 million in additional funding will provide approximately 5,000 part-time jobs which will help, at least in part, to reach these unemployed workers, and provide some type of employment until the economy improves.

Mr. WEICKER. Are there any other Senators desiring to speak on this amendment at this time?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, I wonder if my friend, the distinguished Senator from Michigan, would consider splitting the amount that is involved here. I know the distinguished Senator from Mississippi feels very strongly as to the subject matter of the amendment of the distinguished Senator from Michigan. I am sure he is joined certainly by me and others on this floor.

By the same token, we do have certain fiscal constraints that we have to recognize. I wonder, instead of the $50 million addition that is being recommended here, if we might not split the difference and suggest that the amendment might be modified to include an additional $25 million for employment for the senior citizens.

Mr. LEVIN. I thank my friend from Connecticut. I would be happy to accept that proposal. I think it is a reasonable compromise given the needs there and the position that the committee has taken and the fiscal constraints that we face. I would be happy to send a modified amendment to the desk and I now do so.

Mr. President, that does have the same cosponsors as my original amendment, Senator BYRD and Senator DODD. I thank both of them. I also thank my friend from Mississippi and my friend from Connecticut for their efforts on this.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (UP No. 62), as modified, follows:

On page 34, line 13, strike out "$19,500,000" and insert in lieu thereof "$39,000,000".

On page 34, line 17, strike out "$5,500,000" and insert in lieu thereof "$11,000,000".

Mr. STENNIS. Mr. President, may I express my satisfaction with the settlement of this matter, and the way these Senators have handled it. The way they have handled it is certainly splendid.

The PRESIDING OFFICER. Is all time yielded back?

Mr. WEICKER. I yield back the remainder of my time.

Mr. LEVIN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 62) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I am trying to work out some language on my second amendment. If the floor managers have a minute, I might explain what is in this next amendment, if no one would like to offer an amendment at this time. If the Senator from Ohio is ready to proceed, I will withhold my second amendment for the time being.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 61

Mr. HEFLIN. Mr. President, I had offered an amendment and I would like to withdraw the amendment, after having a discussion with Senator ABDNOR, Senator STAFFORD, and Senator MOYNIHAN relative to it. I believe there is a better way of trying to remedy the matters in which I am interested.

With that, I would like to withdraw my amendment.

Mr. STAFFORD. Will the distinguished Senator yield to me?

Mr. HEFLIN. I yield.

Mr. STAFFORD. Mr. President, I want to express my appreciation to the most able Senator for withdrawing the amendment at this time. We have discussed another method by which we believe we can attain the ends the able Senator wishes to attain, which we believe will be preferable.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (UP No. 61) was withdrawn.

ORDER OF BUSINESS

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont withhold?

Mr. STAFFORD. Yes; I withhold on the suggestion.

Mr. METZENBAUM. Mr. President, do I understand correctly that in order to offer an amendment at this time

that is not on the list, I need unanimous consent? Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that I be afforded an opportunity to call up an amendment at this time.

Mr. HATFIELD. Mr. President, if the Senator will yield, let me assure the Senator he is on the list. I have already protected the Senator.

Mr. METZENBAUM. I thank the Senator.

Mr. HATFIELD. If the Senator will withhold, we have promised the Senator from California a brief time for colloquy on an amendment of his that is on the list as well. Then I shall be glad to come back to the Senator from Ohio.

Mr. METZENBAUM. I have no problem. I just do not want to impinge on the very valuable time of the distinguished chairman of the Finance Committee.

Mr. HATFIELD. I have the Senator on the list for the State borrowing from trust fund amendment.

Mr. METZENBAUM. I thank the Senator.

DAMAGED CORPS OF ENGINEERS PROJECTS IN CALIFORNIA

Mr. HATFIELD. I yield to the Senator from California.

Mr. WILSON. Mr. President, those of my colleagues who followed the news of the travels of the Queen of England through my State of California, no doubt are aware of the severe weather which has struck the State. Since the beginning of this year, California has learned, in a very graphic fashion, that Mother Nature can be cruel, indeed.

In late January and again 3 weeks ago, torrential rain and wind pounded California and caused $93 million of damage to public property and facilities. This figure does not include the loss to private persons and property. Moreover, how can we calculate the human pain and suffering?

In Santa Cruz County, a recent landslide caused by last week's storm has left thousands of people isolated and land locked. In Kern County, destruction to water and sewer lines has meant that water and food must be trucked or flown to those unfortunate families in the Caliente area.

Finally, in my own San Diego County, the first storm caused $4 million of damage to public facilities. Unfortunately, the second storm doubled that total.

While the first storms basically caused beach erosion problems, the second storm ravaged piers, water and sewer facilities and other public property, as well as causing massive flooding; 23 of California's 58 counties are currently included in the emergency declaration. The damage total to date, for 19 of these counties—and it could go higher—is $33 million. In addition, in the remaining four delta counties, where levee flooding was extreme, $30 million in damage is already known. I believe 8 or 9 more counties will be added to the original 23 counties already declared disaster areas. In these, another $30 million in damage is expected to be found.

Again, the storms have caused damage of at least $93 million to public facilities. Millions and millions of dollars of additional damage have been done to homes and businesses.

Mr. President, I trust that my colleagues recognize the severity of the storm damage in California. I trust that they recognize that mother nature is fickle and can strike with unrestrained severity at any time at any place in our Nation. And, I trust that they recognize the need for Federal relief efforts—first and foremost to protect the public safety.

Mr. President, my office has been in contact with the Corps of Engineers offices both in Washington and California in order to ascertain, to the greatest extent possible, how much damage has been inflicted on corps projects by the recent terrible Pacific storms and what the corps is in a position to do to repair it.

The corps has given me an extensive list of the places along the California coastline that have been damaged. I will not read the list of 19 corps projects which have suffered damages ranging from $75,000 to $3 million. I do ask unanimous consent that a chart encompassing a list of areas damaged, and the extent of the damage in each area, be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILSON. Mr. President, it is a matter of knowledge, I think, to virtually every Member who has had occasion to read newspapers that great devastation has been done by the recent storms. I do want this body to be aware of the total estimated damage to date: $21,945,000.

Mr. President, I have intended to offer an amendment that would instruct the corps to direct adequate resources to work in any area which in 1983 has been declared by the President to be a disaster area, with priority to be given to any work required to avoid deterioration or further danger or risk to the public.

EXHIBIT 1

Damage to ocean shore in California to Corps of Engineers projects in 1983

[Estimates—Mar. 10, 1983]

Breakwaters:	
Long Beach Harbor	$3,000,000
Morro Bay	2,000,000
Redondo Beach	500,000
Port San Luis	2,000,000
Imperial Beach	2,403,000
San Diego River-Mission Bay (timber pile)	600,000
Noyo Harbor	250,000
Humbolt Harbor	1,000,000
Crescent City	2,000,000
Santa Cruz Harbor	750,000
Subtotal	14,503,000
Dredging:	
Port Hueneme	2,000,000
Noyo Harbor	75,000
Humbolt Harbor	300,000
Moss Landing Harbor	125,000
Santa Cruz Harbor (Monterey Bay)	225,000
San Francisco Harbor	360,000
Marina Del Rey	300,000
Subtotal	3,385,000
Shore protection-beach erosion:	
Surfside-Sunset	1,857,000
Oceanside	2,200,000
Subtotal	4,057,000
Total	21,945,000

Mr. WILSON. Mr. President, it has been suggested to me by the distinguished chairman of the Appropriations Committee (Mr. HATFIELD) that this amendment is not necessary—that the corps is already authorized to give priority attention to the damaged areas in California.

For clarification, I should like to engage in a brief colloquy with the chairman of the Appropriations Committee. I ask the chairman if I am correct in my understanding:

First, that the various enabling acts which originally directed the Corps of Engineers to construct the projects noted on the list to which I have made reference, which I have provided to the Senator from Oregon, and which I have asked to have printed in the RECORD, also assigned the corps continuing responsibility for the maintenance of those projects;

Second, that the corps responsibility requires repair of the damage inflicted on these same projects by the Pacific storms which ravaged the coast of California; and

Finally, that existing law directs the corps, in performing this continuing responsibility, to assign priority to repairing damage, such as that to the breakwaters in the list to which I have made reference, which—if left unrepaired—would threaten risk to property and human safety?

Mr. HATFIELD. Mr. President, the Senator from California is correct in what he has said in his statement. We are all well aware of the damage which Mother Nature has seen fit to inflict on the State of California. In addition to the damage to private homes and businesses, as the Senator from California has made clear, Corps of Engineer facilities are in need of extensive repairs as well.

Having worked closely with the Corps of Engineers over many years, particularly in the aftermath of the eruption of Mount St. Helens up in our part of the Pacific Northwest, I have every reason to expect and do expect the corps to respond swiftly and effectively to the situation in California.

I am very anxious to work with the Senator from California (Mr. WILSON) to that end.

Mr. WILSON. I thank the chairman.

Mr. President, I thank the distinguished Senator from Oregon for his expressed willingness to work with me on this matter. Seeing he has suffered so much damage in his home State, I feel sure that his cooperation will be most effective.

On the basis of the chairman's assurances, I ask unanimous consent that the amendment be withdrawn.

Mr. HATFIELD. I thank the Senator for his cooperation in this matter.

UP AMENDMENT NO. 63

(Purpose: To delay payment of interest charges on loan to State unemployment funds, and for other purposes)

Mr. HATFIELD. Mr. President, I yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I send an amendment to the desk on behalf of myself, Senator HEFLIN, Senator LEVIN, Senator GLENN, Senator BYRD, and Senator RANDOLPH and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. HEFLIN, Mr. LEVIN, Mr. GLENN, Mr. BYRD, and Mr. RANDOLPH, proposes an unprinted amendment numbered 63.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following new sections:

DELAY OF PAYMENT OF INTEREST CHARGES ON LOANS TO STATE UNEMPLOYMENT FUNDS

SEC. . Section 1202(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding any other provision of this section, any interest which would otherwise be payable with respect to the period beginning on October 1, 1982 and ending on October 1, 1983 shall not be required to be paid until October 1, 1985. No interest shall accrue on any unpaid interest (payment of which is suspended under this paragraph) with respect to the period beginning on October 1, 1982 and ending on September 30, 1984.".

LIMITATION ON CREDIT REDUCTION UNDER THE FEDERAL UNEMPLOYMENT TAX ACT

SEC. . Section 3302 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(g) SUSPENSION OF CREDIT REDUCTION.—

"(1) SUSPENSION.—Notwithstanding any other provision of this section, the reduction under subsection (c)(2) in credits otherwise applicable to taxpayers subject to the unemployment compensation law of any State for any taxable year beginning before January 1, 1985 shall not exceed the reduction which was in effect with respect to such State under subsection (c)(2) for taxable year 1983.

"(2) CREDIT REDUCTIONS FOR SUBSEQUENT YEARS.—For purposes of applying subsection (c)(2) to taxable years beginning on or after January 1, 1985, the taxable year 1984 (and January 1 thereof) shall not be taken into account.".

Mr. METZENBAUM. Mr. President, the amendment I am offering today will help a number of States—and the employers in those States—get back on their feet from the current recession. In brief, my amendment would delay interest payments owed by the States on funds borrowed from the unemployment insurance trust fund for a period of 2 years.

Second, my amendment freezes the tax burden on employers, so payroll taxes will not be automatically increased on employers in those States just as they are getting over the effects of the recession.

I believe this amendment strikes at the heart of the concerns embodied in this emergency legislation. The underlying reason for this bill, after all, is to replenish the unemployment insurance trust fund with $5 billion, because States have been forced to draw down from the fund at greater-than-expected levels in order to pay the high costs of unemployment compensation. I support the overall thrust of this bill, but I believe we must also take steps to protect those States and employers who have been ravaged by the recession. My amendment will partially alleviate the problems they face.

At the beginning of fiscal year 1983, State unemployment systems owed the Federal general fund $8.6 billion. Last year, we enacted legislation designed to reduce the amount of funds States would need to borrow. In the Tax Equity and Fiscal Responsibility Tax Act of 1982, Congress increased the Federal unemployment tax rate and taxable wage base. At that time, the Department of Labor projected that the outstanding State balance would peak at $12.8 billion by the end of fiscal year 1984. But, Mr. President, that estimate was based on overly optimistic economic assumptions. Now we find that the debt is projected to be nearly double that amount—reaching $23.4 billion.

This enormous debt caused by the recession has created two major problems. First, the States must take steps to repay the interest on the loans borrowed. Second, employers in these States—the employers who have held on through the recession—will be hit with automatic tax increases in the coming months in order to pay off the principal of those loans.

Let me first address the problem of State interest payments. In 1981, the Omnibus Budget Reconciliation Act, for the first time, imposed an additional penalty on States which have been forced to borrow to meet their unemployment benefit obligations. Effective April 1, 1982, through December 31, 1987, States are required to pay an interest penalty of up to 10 percent on their outstanding loan balances. These interest payments may not come directly or indirectly from a State's unemployment trust fund, but must come out of a State's general revenues.

The Department of Labor now projects that in fiscal year 1984, an additional $7.5 billion in new loans will be required by 39 States.

Interest liabilities which will total $474 million in fiscal year 1983 will balloon to $1.3 billion in fiscal year 1984. By fiscal year 1986, interest payments will increase to more than $2 billion.

To give some prespective, my State of Ohio currently owes $1.9 billion to the Federal trust fund. As of March 1, 1983, my State is accruing interest charges in excess of one-quarter million dollars a day. And on October 1, 1983, Ohio will be required to pay $96 million in interest. This in a State which already faces a deficit of over $1 billion.

In order to help these States recover from the recession, my amendment will simply delay the interest payments for 2 years. It does not forgive that interest debt. Since it is a deferral, not a waiver, it will not increase the overall total of the Federal deficit. I believe this is the least we can do to help those States.

I would add that we must take this action as soon as possible. Most States are now drawing up their own budgets for fiscal year 1984 and beyond.

Now let me address the second part of my amendment, which deals with employer taxes. As I mentioned earlier, the outstanding debt owed by the States to the trust fund will be an astounding level of $23.4 billion by fiscal year 1984. These are loans, not grants. And the law requires States to begin immediate repayment of the principal on those loans. Under current law, payroll taxes on employers in those States will be automatically increased in order to start repayment on the principal. In other words, we are adding to the tax burden of the employers in the States that have been hardest hit by the recession. These are the employers who we hope will bring us out of the recession. We want them to expand and to hire new workers. Yet, in a contradictory fashion, we are forcing payroll taxes to increase. It is unfair to the States. It is unfair to the

employers. And it does not make good economic sense.

To deal with this second problem, my amendment prevents the additional payroll taxes from increasing—as they would under current law—for a period of 1 year. According to Congressional Budget Office, this provision will cost the Treasury an estimated $355 million in lost payroll tax revenues in fiscal year 1984. For those of my colleagues who are concerned about new business taxes, I believe this should be a special concern, because this kind of tax on all employers, large and small alike, is a hindrance to economic expansion.

Mr. President, I believe most of my colleagues agree that the jobs program we are debating here today is only a partial answer to the problem of unemployment in this country. The real answer is to get the economy turned around, so that employers will hire people and State and local governments can do their job to provide services that are needed. My amendment buys the States and the employers some time. I believe it is a relevant amendment. It is a timely amendment. I urge my colleagues—both those from the States directly affected and those in other parts of the country—to support this amendment.

Mr. DOLE. Mr. President, I have discussed this amendment with the distinguished Senator from Ohio and, as I understand it, it would suspend for 2 years the loan provision of the Federal-State compensation law.

We wrestled with this in the Senate Finance Committee, as they did in the House Ways and Means Committee, and the House Ways and Means Committee finally determined they probably could not do anything about it at this point.

We tried to make some changes in the Senate Finance Committee, and we will be discussing those in greater detail when we have the social security package before us, hopefully tomorrow.

I would advise other interested Senators that the Finance Committee has approved the loan and interest relief proposal as a part of the Social Security Act Amendments of 1983.

The loan repayment and interest provisions are highly complicated, and we tried to consider the relief proposals, taking into account our budget constraints because even though the States, as the Senator from Ohio has clearly stated, have very severe fiscal problems, I think in the case of Ohio since 1977 they have been borrowing, and there is about a $1.7 billion indebtedness, plus $1 billion since April 3, 1982, so we understand the problems the States have.

Illinois has the same problem, Michigan has a somewhat different problem, Pennsylvania—the most industrialized States obviously have the most severe problems.

The Senator from Kansas met with Governors and State legislators. It just does not seem to me we can seek forgiveness or waiver of interest on loans. But I do not, we do not, have closed minds. If there are things that can be done then we will make further accommodations in some way, and we certainly want to discuss this with the Senators involved. There are probably six or eight primarily involved in this effort, and we hope we might have an opportunity to do that on the social security package since we have offered an unemployment package to that provision.

I hope the Senator from Ohio will be willing to address this in more detail either tomorrow or Thursday or Friday when the social security bill may be before the Senate.

Mr. METZENBAUM. I appreciate very much the efforts of the distinguished chairman of the Finance Committee to take some action with respect to this clearly very difficult problem for a State such as my own and for a number of other industrial States that have been very hard hit.

I point out my own State has just increased general taxes 90 percent, for income taxes. They have taken actions to increase unemployment taxes $178 million a year. They have cut $64 million in benefits, and yet Ohio still would not qualify for the relief that is being discussed or talked about in the Finance Committee measure or the amendment to the social security bill.

The problem is that it suddenly has climbed up on some of the States and they have no way to do much about it. They have increased their own taxes on employers; they have cut benefits. But the problem is we still have a 14-percent unemployment rate in the State of Ohio, and we have got to be careful that we do not chase more industry out of the State because if you increase it too much that becomes a worse problem.

I would like to suggest to the distinguished Senator from Kansas that perhaps there could be some modification in the efforts that have already been made in the Finance Committee bill. I am not particularly anxious to press this amendment to a vote at the moment. I am perfectly willing to take it down, but I would like to feel that the proposal that is coming forth from the Finance Committee is not a final package and that, perhaps, we can find some effort of partial deferral or some means of not being quite as rough as the provisions of 30-percent, and 40-percent, and 50-percent increases which are presently provided in that bill.

I certainly know he has been extremely reasonable in connection with a number of other matters, and if I felt that the amendments contained in the present social security bill were not the final solution, and he is still willing to do a little negotiating, I certainly would be much inclined to take this amendment down so that we might discuss it further in the next couple of days.

Mr. DOLE. Let me assure the Senator from Ohio we are certainly willing to discuss it. There may be some areas where we can make some changes that might be of specific help to the State of Ohio. I am not certain whether I would have any administration support, not that they are opposed to helping Ohio. But if we start doing too many things then somebody has to pay the bill. The Government has to pay interest on the money that is borrowed, and we know the problems the States have. But I certainly would be willing and, as I understand, we have been discussing this at a staff level in the past couple of days, and we want to continue that. There may be some adjustments we can make that might not go as far as the Senator would like to go, but we have an open mind.

We are also trying to work on a package that would provide some health care benefits to the unemployed workers in Ohio, Michigan, and Kansas might qualify, and other heavily hit States, so we are certainly willing to try to negotiate something.

Mr. METZENBAUM. Under those circumstances——

Mr. LEVIN. Mr. President, will the Senator from Ohio yield? I just want to add one word in behalf of the Senator from Kansas' efforts.

I am delighted to hear that the Senator will continue his efforts to find ways, reasonable ways, of assisting States through this very difficult period where they have got to borrow money from the trust fund, and I emphasize the words "continue his efforts" because the Senator from Kansas has indeed used some really extraordinary efforts already to try to soften the blow on States such as mine, that have had to borrow from these funds.

I personally am indebted for those efforts on the part of the Senator from Kansas. The fact that he is going to continue to try to find ways to accommodate these States that are in this position is very reassuring to me as well.

I commend the Senator from Oregon for offering this amendment. I was proud to cosponsor it. I think it is on the right track, and I hope that he has some additional success.

Mr. METZENBAUM. I thank the Senator from Michigan.

Mr. DOLE. I thank the Senator from Michigan for his remarks. We will be working with all Senators who have a direct interest and it may be that we can make further changes. We will do the best we can.

Again, I am not suggesting that the House of Representatives did not act. They tried to bring everyone together. They just did not have time. We can make some changes. We might be able to work on it in conference with the House of Representatives. We will try to do that.

Mr. METZENBAUM. Mr. President, I wish to point out to the Senator from Kansas that, in the main, I am really not suggesting any loss of revenue to the Federal Government. I am suggesting deferral of taxes which I think is a horse of a different color.

Mr. DOLE. That is correct. Some ask for forgiveness. We just cannot accede to that. But deferral is another matter.

There are some real concerns particularly I guess in the State of Illinois and the State of Ohio.

We have been consulted in contact by Senators DIXON and PERCY, and we are looking at their problems as we look at the problems of the Senator from Ohio.

Mr. METZENBAUM. I thank the Senator from Kansas.

We will continue to work together.

Mr. President, under those circumstances I withdraw the amendment at this point.

The PRESIDING OFFICER (Mr. PRESSLER). The amendment is withdrawn.

Mr. HATFIELD. Mr. President, we are now down to the last two, possibly three amendments, and Senators who are the authors of these amendments have been notified, and we are ready now to yield.

I yield to the Senator from Connecticut (Mr. DODD) for the purpose of offering one of those last amendments.

UP AMENDMENT NO. 64

(Purpose: To increase the community development appropriations)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD) for himself and Mr. TSONGAS, proposes an unprinted amendment numbered 64.

Mr. DODD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 3, strike out "$250,000,000" and insert in lieu thereof "$1,000,000,000".

On page 14, line 20, strike out "$250,000,000" and insert in lieu thereof "$625,000,000".

Beginning with page 15, line 11, strike all through page 16, line 11.

Mr. DODD. Mr. President, as presently drafted, a major provision of the bill before us gives the appearance of providing resources to our States and cities to undertake urgently needed activities which will create useful employment opportunities. The reality, Mr. President, is that a significant portion of the additional $1 billion in loan authority provided for the community development block grant program is likely to go unutilized and, in no event will this authority translate into quick, productive activities and jobs.

This amendment strikes the $1 billion in community development block loan authority under the bill and replaces it with $750 million in direct appropriations. Passage of this amendment would make that portion of the legislation consistent with the House approach.

There are five reasons why this approach is superior to the language now in the bill.

First, much more money will go into job creation under this approach. It is unlikely that much of this loan authority under section 108 will ever be used, even if we pass the $1 billion amount.

It is not a popular program. In the 9 years since the program was authorized, cities have drawn down little more than $20 million annually on the average.

Cities quite legitimately are reluctant to mortgage their own futures by pledging future community development grants to pay for current programs. It is simply bad policy to ask a mayor to make that kind of commitment.

Second, the amendment would foster better municipal finance practices.

Useful community service jobs include such things as operating day care centers and repairing sidewalks. It is a Lewis Carroll kind of finance to capitalize those expenditures. Yet the approach in the bill asks cities to pay current salaries from funds not available until up to 3 years in the future.

Third, this amendment makes better procedural sense. This is an appropriations bill; it ought to limit itself to questions of appropriations. Right now, the loan program it authorizes clearly legislates by making numerous changes in the 108 program.

It expands the allowable activities, it makes States eligible, it eliminates the requirement of interest payments, and so forth.

Those are all legislative changes in the section 108 bill that we are doing on the appropriations bill.

Fourth, this amendment gets funding into job creation much more quickly.

By its very nature, a loan program is much slower than a direct allocation. The proof of the pudding is in the current status of the 108 program: HUD has approved $521 million since 1974 but only $364 million have reached the guarantee stage and cities have drawn down $163 million.

Fifth, this amendment makes jobs creation funds available to more jurisdictions that need them.

Section 108 loans are not available to smaller communities which do not receive entitlement grants under the CDBG program to pledge for future repayment. Not only do these communities get shortchanged now, but under 108, it is likely that future funds earmarked for rural areas will be lost.

So smaller cities across America can virtually forget about getting any assistance regardless of their unemployment if in fact we retain the present loan program under section 108.

In short, Mr. President, without increasing the dollar figure in the legislation, in fact by slightly reducing it, a change from loan guarantees to direct appropriations creates: More jobs, more quickly, through more appropriate municipal finance practices, in more jurisdictions, by a more appropriate congressional procedure.

I also find it somewhat ironic that the administration would argue for using section 108 for this purpose. Just this week the Secretary of HUD testified before the Senate Banking Committee in favor of repeal of this program.

Finally, we should not mislead the American people that something will happen when it will not. It has been said often in connection with this legislation that we are sending a signal of concern and hope.

That, in relation to the massive numbers of the unemployed, the assistance in this bill is a drop in the bucket. Today's economic stimulus cannot be allowed to become a drag on the ongoing development needs of urban and rural America. If we continue to pursue budgeting gimmicks for which there are no takers, the American people may discover that even that budget has a false bottom.

Mr. President, I hope that the manager of the bill, the distinguished Senator from Oregon, Senator HATFIELD, would understand that what I am trying to do is to make this a genuine appropriation and not just a loan guarantee.

We are really doing a great disservice by excluding smaller cities from the legislation and by relying on a program that has not been utilized very much for the past 10 years that it has been in existence.

Cities are going to be very reluctant to borrow and then have to repay these funds. Even though we are providing an interest subsidy to those cities over 3 years, they are very shortly going to have to pay this money back.

How many cities, given their difficulties, will want to get in that situation, facing their own fiscal problems.

I feel that this amendment, which will save us a few dollars and equals the amount of the House, is superior. It is an appropriation rather than a loan, which really is not going to do what its proponents suggest it will.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, I say to the Senator from Connecticut that he and I are on the same wavelength as it relates to the basic thrust of this program. Therefore, I am in total sympathy with his statement of advocacy on behalf of this program.

Let me explain the basic difference we have here in the House version and the Senate version.

The House version is $250 million under the Senate version but is a direct appropriation for grants. The Senate version is a mix. We are $250 million total figure above, but we have a combination of loans and direct grants.

When we go to the conference with the House, I assure the Senator from Connecticut that we start from the same premise of wanting to provide adequacy of funding and to continue this program.

The Senator is aware, as I am, that the administration is not in sympathy with this program. When we were negotiating with the OMB in the development of this jobs bill, I say frankly to the Senator that we were in a position where we had to provide some give and take on this program in order to maintain it as an integral part of this bill.

When we go to the conference with the House Members, we, of course, are going to be in the context of the full range of how we go about funding this, from loans to direct grants.

I have a twofold purpose. I am not looking at the dollar volume alone, but I want to see how we can underscore and undergird this program, not only in this bill but also as we look down the road in 1984, with appropriation bills, and even beyond 1984.

I hope the Senator will not press this at this time, for the reason that it is still becoming an issue in the conference. We must have some kind of negotiating room.

The Senator has made a record of this. I know of his strong advocacy of this program. I assure the Senator that I shall be an advocate in the conference with the House. But it does give us a range of options, of perhaps being able to negotiate something that will be more satisfactory to the Senator from Connecticut than the Senate version. But I am only indicating that as my objectives and my effort on behalf of this amendment, within the context of the conference.

Mr. DODD. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. DODD. Mr. President, I express my gratitude to the distinguished manager of the bill. I appreciate his comments and his concern about this amendment.

Let me see if we are on the same wavelength. I have suggested that by moving from a loan to an appropriation, in some ways we would be fostering better municipal finance practices at the local level.

Does the Senator from Oregon agree generally with that approach, rather than the loan approach, which would require spending money now, drawing upon future revenues? Would it not make more sense at the local level if they could finance current operating expenses out of current revenues? Would the Senator agree with that?

Mr. HATFIELD. I certainly could not disagree with the Senator's analysis of the framework, the objectives, and the purposes of this program. Certainly I have to agree with the Senator.

Mr. DODD. The second point is that in section 108 of the appropriations bill we have changed the legislation. We have expanded the program, changed eligibility, forgiven interest payments, and done a variety of other things which strike me to be legislating on an appropriations bill. Is the distinguished chairman concerned, as I am, about that approach?

Mr. HATFIELD. The Senator is correct.

Mr. DODD. The last point I raise is that the section 108 program does de facto exclude smaller communities, rural areas, cities, and towns with population of over 50,000.

Mr. HATFIELD. The Senator is correct.

Mr. DODD. And that is also a problem with this loan approach.

Mr. HATFIELD. That is correct.

Mr. DODD. I thank the chairman for his recognition of those concerns.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. STENNIS. Mr. President, I also commend the Senator from Connecticut. He is always thorough and always diligent, and he has worked on this a great deal.

Mr. President, I was not in on the conferences that went to make up the body of the bill, and that is all right. I am not complaining. I just do not know what happened there. However, we have heard a very direct report from our chairman.

After all, this is a temporary bill, a relatively small bill, and its design is to take care of a situation to some degree now.

I am a great believer in the conference, particularly as a parliamentary means of reaching a sound bill, and I certainly will be in accord with the sentiments expressed by the chairman. With great deference, I believe it is too late to switch horses now, after this thing has already crystallized and has gone as far as the bill has, even on this floor. It is just prior to passage, within a matter of hours—not necessarily tonight, but tomorrow, anyway.

I thank the Senator again for his work. I am very glad he did present his proposal and laid it out for the record. But if it comes to a vote, I will be compelled to oppose it, for the reasons I have given.

Mr. DODD. I thank the Senator for his comments.

Mr. President, in light of the assurances that have been made by the distinguished manager of the bill and expressions of his concern, as well as those of the distinguished Senator from Mississippi, I ask unanimous consent that the amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I thank the Senator from Connecticut for this cooperation. I underscore again our colloquy and my commitment to this.

Mr. President, I yield to the Senator from Arkansas for the purpose of offering an amendment.

Let me put the Senate on notice that we are now at the point where I know of no other amendments, except possibly by the Senator from Nebraska (Mr. EXON), outside of technical amendments. That means we have completed the list of amendments at that point, and it is hoped that the leadership will have resolved the matter on withholding, so that we can go to third reading.

Mr. STENNIS. Mr. President, I do not speak for Mr. EXON, but I did try to get him on the phone, and I had someone speak to one of his staff members.

He is just not available. It seems he is not in his office and perhaps not on the Hill at this time.

Mr. HATFIELD. I appreciate the effort of the Senator from Mississippi but I think we have given ample notice throughout the day that we have these amendments. We are moving to third reading. I am very happy to protect any Senator's right as we have done all day, but I do say in all candor that we have reached the point where we are at third reading. I am going to ask for third reading if Senators who have amendments are not present, but we only have one more that I know of. We are completing now the next to the last amendment, that of the Senator from Arkansas.

UP AMENDMENT 65

(Purpose: To provide $100 million to the Federal Emergency Management Agency to carry out an emergency food and shelter programs.)

Mr. PRYOR. Yes, I do have an amendment. Mr. President, I have an

amendment I send to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) for himself, Mr. MOYNIHAN, Mr. LEVIN, Mr. SASSER, and Mr. BINGAMAN proposes an unprinted amendment numbered 65.

Mr. PRYOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

(a) There is hereby appropriated $50,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $50,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations, state or local government entities, or community action agencies.

Eligible private voluntary organizations should be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a recipient organization's or agency's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Community Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

(b) There is hereby appropriated $50,000,000 to the Federal Emergency Management Agency to carry out an emergency food and shelter program. Notwithstanding any other provision of this Act or any other law, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency in consultation with the Director of the Office of Community Services, Department of Health and Human Services shall, within thirty days of the enactment of this Act, make grants totaling $50,000,000 to States (as defined in section 673(4) of Public Law 97-35) for the purposes of carrying out a program of shelter and food distribution within the States. The Director of the Federal Emergency Management Agency shall make grants to States in amounts based upon the procedure established for determining allotments to States in section 674 of Public Law 97-35 except that the Director of the Federal Emergency Management Agency shall disregard subsection (B) of section 674(a)(1).

No part of the appropriation provided herein shall be expended for the administrative costs of the Federal Emergency Management Agency or any other Federal agency. Administrative costs shall be limited to 2 per centum of the total appropriation.

Mr. STENNIS. Mr. President, may we now have quiet and order along with it. The Senator is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order. The persons carrying on conversation will move into the cloakrooms and staff in particular in the rear and in the front will please cease their conversations.

The Senator from Arkansas.

Mr. PRYOR. Mr. President, I am indebted to the distinguished Senator, my friend from Mississippi, for asking that order be restored, and I am very grateful to the Chair. I am also very grateful to the distinguished chairman of the Appropriations Committee. I think that he has handled this bill in a meaningful fashion, and I am very appreciative of the way he has conducted the business on the floor with such dispatch and such efficiency.

Mr. President, I am joined by my colleagues Mr. MOYNIHAN, Mr. LEVIN, Mr. SASSER, and Mr. BINGAMAN in offering an amendment to provide funding to meet our nationwide emergency food and shelter needs.

The amendment would retain the Senate Appropriations Committee language appropriating $50 million to the States based on the community services block grant formula and reinstate, with a modification, the language passed by the House of Representatives providing an additional $50 million. This funding is desperately needed in addition to the funds approved by the Appropriations Committee to adequately address this truly crisis situation.

The House-passed provisions to be reinstated would appropriate $50 million to the Federal Emerency Management Agency which would distribute the funding within 30 days to a special national board constituted to assess the emergency food and shelter needs throughout the country. The national board would be made up of members from the United Way of America, the Salvation Army, the National Council of Churches, the National Conference of Catholic Charities, the Council of Jewish Federations, the American Red Cross, and FEMA.

Once a locality is designated by the national board to receive funds, a local board would determine how its funds would be distributed. The local board would consist, to the extent possible, of representatives of the organizations on the national board, with the mayor or appropriate head of government replacing the FEMA member. The modification to the House-passed language would expand the eligible recipients at the local level to include private voluntary organizations, State or local government entities, or community action agencies.

Mr. President, both the Senate and House of Representatives approved a similar program providing $50 million for emergency food and shelter in the continuing resolution passed last session, regrettably only to be dropped by the Conference Committee.

Our economic situation has not changed in these last few months since our previous passage of this needed emergency program. In fact, with the onset of brutal winter conditions and continuing unemployment, this emergency program is needed now more than ever. Across our country we see people without resources available to them other than emergency shelters and soup kitchens, and in some cases nothing more than heating grates and cars for warmth and shelter.

Mr. President, we now have the highest unemployment rate since the postwar period—12 million men and women unemployed. There are 5 million people who are drawing unemployment, which is an increase of 75 percent over 1 year ago. Millions of others have exhausted entitlement to benefits. In addition, the number of people who live below the poverty line has increased during the past 2 years. And because the public and voluntary agencies lack the resources to meet growing demands for emergency services, people have had to turn to the streets and abandoned buildings.

Although exact numbers are impossible to compile, experts have estimated that there are between 250,000 and 1 million homeless in the United States today, which is 1½ to 2 times as many people on the streets as there were 1 year ago. There has thus been an explosion of homeless people and those who need food which is no longer restricted to so-called street

people. Those now needing assistance include the elderly, the indigent, battered women, runaways, those affected by recent weather catastrophes, and the "new poor." The "new poor" are those who now find themselves unemployed for the first time, unable to retain their homes, and victims of cutbacks in Federal and State assistance.

The increased numbers of citizens seeking emergency food and shelter can be traced to many reasons:

Not enough jobs and the record number of 12 million unemployed—which includes those no longer receiving benefits.

Urban renewal projects which have displaced many families.

Reduced Federal benefits in social services such as medicare, social security disability, and nutrition programs.

High heating costs.

Difficulty of communities to provide adequate shelter for the increased numbers of needy.

We often find a catch-22 factor at work. The unemployed cannot find jobs; and the welfare laws do not permit able-bodied people to receive assistance. On the other hand, many disabled people cannot hold a job, and yet have their benefits terminated also. More than 158,000 persons have been taken off disability rolls in a stepped-up review process that began over 1 year ago. The problems, Mr. President, simply feed on each other: The lack of funds going to emergency services, lack of jobs, and a tragic insufficiency of public housing.

I have long been impressed by the dedication of the professionals and volunteers who valiantly work in agencies providing relief and assistance. They have performed invaluable services on extremely limited budgets and with decreasing resources.

But they cannot continue to carry this burden on the meager funds now provided to them. This appropriation is desperately needed as quickly as possible. It is also intended that this $50 million is not to be used as a substitute for existing public or private resources and that there should not be any reduction in Federal, State, or local assistance programs to recipients.

Mr. President, we simply have a crisis situation in our Nation and we cannot turn our backs on those who are in need. I fully support the provisions approved by the Appropriations Committee which would send money to the States based on the community services block grant formula. However, the homeless situation is such that an additional $50 million can be quickly absorbed, and I believe that it is vitally important that we have a mechanism such as the national board to assess present nationwide needs and be able to target these most valuable resources.

These funds are to help those who are without food and homes, and those who have no other place to turn. We must not fail to come to the aid of our fellow men and women. George Bernard Shaw said, "The worse sin toward our fellow cretures is not to hate them, but to be indifferent to them. That is the essence of humanity." Let us not be indifferent to those who so desperately need our assistance at this time.

Mr. President, I should also like to bring to the attention of my colleagues two letters in support of this amendment: the first from Mr. Jack Moskowitz on behalf of the United Way of America, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the National Council of Churches, the Salvation Army, and the American Red Cross; and the second from Mr. John J. Gunther on behalf of the United States Conference of Mayors. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED WAY OF AMERICA,
Alexandria, Va., March 9, 1983.

DEAR SENATOR: The undersigned organizations support reinstatement of the House provision in HR 1718, the urgent supplemental appropriations, granting $50 million to a national board of voluntary organizations chaired by FEMA for distribution of emergency food and shelter relief. We welcome the opportunity under the House provision to demonstrate the capacity of voluntary organizations to distribute emergency funds expeditiously.

The nationwide problem of increased demand for emergency food and shelter services needs federal funding that would be available as soon as possible. A distribution system designed by voluntary organizations would not be encumbered by administrative processes and would be able to move quickly and fairly.

The House language provides voluntary organizations with an unprecedented opportunity to assist the federal government in a time of emergency need. The legislation would allow the national and local voluntary boards to use their experience in service delivery and expertise in assessing need to develop a quick and equitable distribution system.

We would appreciate your support for reinstatement.

Sincerely,

JACK MOSKOWITZ,
Senior Vice President,
United Way of America.

(On behalf of: National Conference of Catholic Charities, Council of Jewish Federations, Inc., National Council of Churches, The Salvation Army, American Red Cross).

UNITED STATES
CONFERENCE OF MAYORS,
Washington, D.C., March 10, 1983.

Hon. DAVID H. PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR PRYOR: This is to indicate the support of the U.S. Conference of Mayors for your amendment to the jobs legislation that would increase the funds available for humanitarian aid by $50 million and allow the funds to go to community action agencies and local governments, as well as nonprofit organizations.

There is no question that the additional funds are desperately needed. The problems of hungry and homeless people are staggering. It is important, also, that some funds be available to local governments. Many cities have expended substantial amounts of money, and have been greatly involved in addressing the problems, but do not have additional local resources to allocate.

The Conference of Mayors urges passage of the Pryor/Moynihan Amendment.

Sincerely,

JOHN J. GUNTHER,
Executive Director.

Mr. MOYNIHAN. Mr. President, I rise to join my distinguished colleague from Arkansas (Mr. PRYOR), in offering an amendment to provide $100 million in emergency assistance for shelters for the homeless.

This amendment would appropriate $50 million to the Federal Emergency Management Agency (FEMA) to distribute grants to the States to carry out a program of shelter and food distribution within the States. The States in turn would be free to fund local governments and nonprofit groups for the operation of shelters for the homeless.

This amendment would also appropriate $50 million to the FEMA that would be awarded to a national board composed of represenatives of six national nonprofit agencies and the Director of FEMA. The national board would distribute funds to local boards who in turn would fund nonprofit organizations, States and local governments, and community action agencies.

A total funding level of $100 million is reasonable and it is needed. States, local governments, and nonprofit agencies should all be eligible for Federal assistance.

There are some 500,000 to 2 million homeless Americans. It is a measure of our neglect that we do not even have a precise estimate of their number.

New York City alone will spend $38 million to operate 13 shelters this year; this is up from $7 million to operate 3 shelters in 1978. The problem is visible and growing throughout the Nation, in particular in our major urban areas such as Los Angeles, San Francisco, Denver, Philadelphia, Boston, Houston, Washington, D.C., and New York. The State of New York will spend $34 million this year to support the operation of shelters in New York City and elsewhere around the State.

The number of homeless has risen dramatically most recently. New York City, for example, is sheltering 1,000 more individuals a night this year than last year. In all, New York City is providing emergency shelter to more individuals than at any time since the depression.

Current national economic conditions being what they are—many families and individuals are finding themselves homeless, unable to pay rent or a mortgage, after the loss of a job. People are leaving their homes in search of work in other States only to find that none is available. Jobless and homeless, they often resort to living in their automobiles or other unsuitable places.

I therefore urge my colleagues to support this amendment to provide $100 million in funding for shelter assistance for the homeless. Such Federal assistance is most appropriate and most necessary.

● Mr. SASSER. Mr. President, I rise in support of the amendment being offered by Senator PRYOR which would provide $50 million for emergency food and shelter to needy individuals.

Across the Nation soup kitchens, food banks, and shelters have become a way of life for many people because of the recession. It is estimated that as many as 1 million are homeless and millions are seeking various forms of assistance. These are not only the so-called street people or historically poor but a new breed, the new poor.

The new poor are those who find themselves unemployed for the first time and are unable to maintain their living standards. Many had successfully held well paying jobs in smokestack industry but because of economic downturn and emerging technologies find themselves without jobs or necessary skills for the new job market. Some are young, the last hired and first fired, who are trying to build futures and start families. Others are working women with children who are trying to enter the job market but lack experience or skills. And, of course, there are countless others.

I know in Tennessee the problem is severe. Many of our cities have a large homeless population, but more substantial are the numbers of people with shelter but without food. Let me give a few examples.

In Nashville, the Council of Community Services estimates there are 1,100 homeless. This homeless population is comprised of a number of subgroups: The unemployed, transient workers, indigents, and deinstitutionalized individuals. I am told that the biggest problem in Nashville, however, is the unemployed.

I am also told that there are a substantial number of women with small children taking emergency assistance. Sadly, there are the side-effects of unemployment, too—increased child abuse and more cases of spouse abuse.

Officials in the Memphis-Shelby County area estimate that there are as many as 6,200 homeless individuals. The Salvation Army in Memphis housed over 6,000 individuals in 1982, and not only did indigent men fill the center—100-percent occupancy—but emergency family centers averaged 77-percent capacity for the year. Moreover, the Salvation Army provided over 2,000 families with food during 1982 and at Christmas provided assistance to 15,000.

In Knoxville, the Volunteers of America shelter provided service to over 2,000 people in the last 8 months and in Chattanooga, the Salvation Army served 11,679 meals in 1982 and over 1,315 men, women, and children spent the night in their facilities.

Mr. President, this amendment offers a sensible and humane solution to the emergency food and shelter crisis. The amendment broadens the base for the number of recipients by allowing not only nonprofit organizations but also government entities and community action agencies to participate in the distribution.

At this time, I urge my colleagues to support this amendment which will help the growing numbers in need of food and shelter and have no place to turn.●

Mr. HATFIELD. Will the Senator permit me to interrupt?

Mr. PRYOR. I would certainly be glad to hear from the distinguished chairman of the Appropriations Committee.

Mr. HATFIELD. Mr. President, I wonder if the Senator would indulge me and grant another request, and that is if he would permit me to put in a quorum call for a very few minutes.

Mr. PRYOR. I see no problem with that.

Mr. HATFIELD. Without losing his right to the floor.

Mr. PRYOR. Certainly, without losing my right to the floor.

Mr. HATFIELD. And on my time.

Mr. PRYOR. I thank the chairman again.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that we temporarily set aside the Pryor amendment in order to yield to the Senator from Georgia for the purpose of making a statement on an amendment that he has.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. Mr. President, the bill which we have under consideration, H.R. 1718, contains $100.5 million for the family housing account of military construction.

This money will be spent on improvements, maintenance, and repair to military family housing units. All the projects funded with these moneys were to be included in the fiscal year 1984 budget request and all are projected to be under contract prior to September 1, 1983.

As most of my colleagues are aware, providing suitable family housing for those serving in our Armed Forces has been and continues to be one of the most vexing problems that we face.

It was in an effort to address that most serious of problems that I as chairman of the Military Construction Subcommittee, contemplated offering an amendment to the bill that would have made existing Davis-Bacon wage provisions inapplicable to the military construction funds contained in this bill.

Initial estimates indicated that at least $5 million could have been saved from the $100 million if Davis-Bacon had been dropped. These savings would have enabled an additional, new 50 additional badly needed family housing units and would have provided 175 jobs.

It was my belief that this legislation provided a timely and suitable opportunity for the deletion of Davis-Bacon from certain specified projects. Such a pilot program would have provided Congress with some firsthand results and would have been of much assistance during further, extended debate on this matter during the coming months.

The distinguished chairman of the Armed Services Committee has assured me of his intention to include such a provision or similar provision in the fiscal year 1984 mil-con authorization bill that will be emerging from his committee. His efforts, presumably, would be in conjunction with those of the distinguished Senator from South Carolina who has done so much valuable research and work on this matter.

I agree with the Senator from Texas that his mil-con authorization bill would be a better vehicle for such a pilot program.

The majority leader has also assured me of his cooperation to provide me and Senator NICKLES an opportunity for comprehensive legislative reform on this issue during this session of Congress. For those reasons, I have agreed to withdraw my amendment at this time. But I want to serve notice that I am serious in my conviction to correct the costly and abusive Davis-Bacon wage provisions.

I want to recognize Senator NICKLES of Oklahoma for his valuable work and input on this issue. And I want to thank my colleagues for their consideration. Mr. President, I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I wish to thank the Senator from Georgia for his excellent cooperation here in trying to resolve this jobs bill. I know the Senator has strong feelings about this issue that he raised in his amendment. But, recognizing there are other vehicles that he will have an opportunity to raise this on without in any way obstructing the jobs bill, I wish to thank him again for the magnanimous action he took in raising the issue and then withdrawing it. I assure him that whatever help I can be in the future to find an appropriate vehicle for him to have a full debate on this issue I will certainly assist him in doing so.

Mr. MATTINGLY. I thank the distinguished chairman of the Appropriations Committee.

Mr. STENNIS. I join in the Senator's sentiments.

Mr. MATTINGLY. I thank the Senator from Mississippi. I will be calling on your support later this year.

UP AMENDMENT NO. 65

The PRESIDING OFFICER. The question recurs on the Pryor amendment.

Mr. HATFIELD. Mr. President, I yield the floor at this time to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I am very grateful to the distinguished chairman of the Appropriations Committee, Senator HATFIELD.

Mr. President, during the period of the quorum call, I had the opportunity to discuss this amendment and its impact on the full body of this appropriations bill. Because of the very good conversation that I had with the distinguished chairman, the distinguished Senator from Mississippi, and several cosponsors of the amendment and because I believe that we are proceeding forward in a spirit of cooperation and attempting to accomplish the same purpose, I would at this time, Mr. President, ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HATFIELD. Mr. President, I will say that I am very grateful to the Senator from Arkansas. We have had a discussion on this matter, and I am thoroughly convinced, Mr. President, that we can achieve the objectives that the Senator's amendment is attempting to achieve through the conference committee. I want to assure him that that will certainly be a goal that I have, to try to work it out in the conference so that the Senator's amendment can, in effect, become a reality.

Mr. PRYOR. I am very appreciative of the Senator from Oregon.

Mr. MOYNIHAN. Mr. President, I would like to express appreciation to the manager of the bill, the distinguished chairman, and the ranking member, for their help in this matter on an objective which we share.

UP AMENDMENT NO. 66

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment numbered 66.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, strike all after "agencies" on line 3 through "employment" on line 5, and insert after "State" on line 8 "in those States or areas within States experiencing high levels of unemployment".

On page 50, after line 4, insert "Targeting Jobs To States of High Unemployment".

On page 52, line 12, after "funds" insert "or other authority provided by this title".

On page 52, line 14, insert a comma after "State".

On page 52, line 15, insert a comma after "(a)(3)".

On page 56, line 8, strike "377" and insert "98".

On line 3 of the Huddleston unprinted amendment number 47, strike "proposed" and insert "possible".

On page 9, line 20, delete the dollar amount and insert in lieu thereof: $94,300,000

Mr. HATFIELD. Mr. President, these are the normal, usual technical amendments that we have to offer for the bill. The Senator from Mississippi and the staff on both the majority side and the minority side have cleared these technical amendments and they are ready for adoption.

The PRESIDING OFFICER. The Senate will be in order.

Is all time yielded back?

Mr. HATFIELD. All time is yielded back.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (UP No. 66) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Now, Mr. President, we have reached a point in the bill, I think, in which all amendments have been adopted or disposed of. We are now ready for the committee amendment which was the excepted amendment when we adopted them en bloc and was the amendment set aside to give the opportunity to the Senator from Arkansas to offer his amendment, which he has just withdrawn. That is all clear. We are now ready to adopt the committee amendment.

Mr. President, let me withdraw that because there are further complications that I had ignored. That is that there is an amendment pending to that amendment.

Mr. President, at this point I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, could I have the attention of the Senate for a moment? Could we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. I thank the Chair.

Mr. President, we are sort of coming down the homestretch now. There are virtually no amendments left. The Senator from Kentucky understands my delight.

Mr. FORD. Very definitely.

Mr. BAKER. We, of course have the Abdnor amendment, we have the Kasten amendment, we have the committee amendment, and I think that is all we have. There may be something else I am not aware of. But, in any event, we are down to the last stages of this bill.

The distinguished manager of the bill wants to finish tonight and so would I. I would like to go to social security tomorrow.

The remaining issue is whether or not we have to vote tomorrow on cloture—first on the motion by the distinguished Senator from Kansas, the chairman of the Finance Committee (Mr. DOLE), then on the motion of the distinguished Senator from Wisconsin on further debate on his amendment.

I have been working for the last couple of days, Mr. President, in good faith and with good cooperation on both sides. In this case, I am speaking

of Senators DOLE, and KASTEN, and others who have been involved in trying to find some way to assure that the Senator from Wisconsin would have his—if the Senator from Kentucky will listen once more—his laying down rest at an early time.

Mr. FORD. I listen all the time.

Mr. BAKER. At the same time, Mr. President, we could avoid putting that measure on this bill or on social security, either one.

Mr. President, I have talked to the Speaker, I have talked to the chairman of the Committee on Ways and Means in the House, I have talked to the chairman of the Committee on Finance here, to Senator KASTEN, and others. It is possible, I believe, that the House will send us a measure, a revenue bill, to which this can be offered. But I am not sure of that. So, since we are about out of amendments and getting to a place where we might finish this bill, I ask the distinguished chairman of the Committee on Finance if he would be willing to report a revenue measure to which this amendment might be offered when we return after the Easter recess.

I shall not presume to speak for Senator DOLE. He may do that for himself. But this is my proposition and this is what I would like to do.

I would like to ask the chairman of the Committee on Finance to report a bill on or about the 15th of April, which will be within a week or 10 days of the time we get back, to which the Kasten amendment could be offered. I would like to assure the Senator from Wisconsin that I will call up that bill on or about the 15th, as soon as I can qualify it and get it before the Senate.

The Senator from Wisconsin understands that I am not going to vote for his amendment. I am opposed to his amendment. But I will call up the bill and do my best to see that from a parliamentary standpoint, he has every opportunity to offer his amendment to that bill.

Both the Senator from Kansas and the Senator from Wisconsin know that I am not proposing that there be a time limitation on that bill or on that amendment, because, frankly, we cannot get one. Even so, we are right back where we started from here, because the only way the Senate can deal with that is through cloture.

I fully expect the Senator from Wisconsin will offer a cloture motion, either against the bill or against further amendment to his amendment to the bill. I will make one further proposition. I will facilitate that for him. He does not need it under the rules. But I will see that I can help him in filing that amendment or that bill.

That is what it boils down to. When we first started this flap, as I understand it, the Senator from Wisconsin wanted to make sure that he got a chance to offer his amendment to something in a timely way, to some revenue bill. That we are not able to provide.

The Senator from Wisconsin is properly concerned about whether the House will take up that bill or not if we pass it. I say to my friend from Wisconsin, I do not think that is a serious concern. I regret to say that I think there is so much support for his bill or his amendment on the House side that it would be virtually impossible for the House to do that. I never try to say absolutely what the House will do because I never understand absolutely what the House will do.

Mr. President, I am convinced that this is the best arrangement we can reach. I think it protects the opportunity of the Senator from Wisconsin to have his vote on this issue, to provide a vehicle for him to offer it to. It does not guarantee that it is going to pass, but it gives him his opportunity, free of the clutter of any other bill. I feel that the Senator from Kansas has gone a long way in agreeing to report such a measure. Mr. President, I hope that we can go ahead and do that.

I would not be describing all this to the Senate in such excruciating detail if I had that deal already. I do not. What I want to propose next, Mr. President, is that reason prevail. I am going to ask that we recess now for a little while so Members may have a chance to think about this, because if we can do this, we can finish the bill tonight. We can get on with the business of the Senate and we can get out of here by the end of the week. We are going to have to be back next week to await the report of the conferees on these two bills.

I have announced previously and I have advised the minority leader that the three things we started out with to finish before the 25th of March were the budget resolution, the jobs bill, and social security. I now say we do not have to do the budget resolution. That leaves just these two. Both cloakrooms have solicited requests on amendment time to the social security bill and I am convinced we can do that bill in a couple of days.

So, Mr. President, I do not intend to bait the hook, but what I am telling my colleagues is if we get this going, we can finish our "must" list of legislation by the end of this week. Then we shall be in next week to the extent that it is necessary for us to be in order to deal with conference reports as they become available.

Mr. KASTEN. Will the majority leader yield?

Mr. BAKER. Yes, Mr. President.

Mr. KASTEN. First, Mr. President, if we are going to be finished with our "must" legislation this week, would there be any opportunity of meeting my original hope, which was that the Senate would be able to vote up or down on this question before the spring break? In other words, would there be a way that he and I and the chairman of the Committee on Finance could report out a bill next week if we were finished with critical legislation?

I would not put my amendment on this bill, I would not put my amendment on the social security bill, but we would work together in cooperation and have a bill before the Senate by the middle of next week so we can get this issue resolved as well.

Mr. BAKER. Mr. President, as the Senator knows, there are about six elements of this controversy. One of them is whether or not it can be added to another measure. One of them is whether that measure will be called up. One is whether or not there will be any technical attack on it as a point of order or otherwise. I could go on. One of them also is when we do it.

I am convinced that one of the essential elements of any agreement we reach is that we take it up shortly after we return rather than before. As a practical matter, if we have the jobs bill and the social security bill in conference, there is no way that the Senator from Kansas can leave that conference and come here and deal with that matter. I think he is right about that. I think that, as a practical matter, the only way we can deal with this matter in the manner I have described is to do it after we come back on the 5th of April.

Mr. President, the Senator needs time to consider. I am sure the Senator from Kansas needs to do as much. If the minority leader has no problem with that, I shall ask unanimous consent that the Senate stand in recess until the hour of 8:45 p.m. First, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I have listened very carefully to the majority leader. I think I generally agree with what might be possible, except he has indicated he would facilitate, help the Senator from Wisconsin as far as any cloture motion is concerned. I hope he would not facilitate that too early, because I really believe that the only way to offset this avalanche of mail is to have a discussion of this issue for several days. I hope I am not going to bring out a bill on one day and have a cloture motion filed that day and have to vote 2 or 3 days later.

In the view of this Senator, when we are not dealing with the bankers versus the jobless, the bankers versus the poor, and the bankers versus the social security recipients, but put just the cold glare of public opinion on the bankers and the ABA lobby, in my view, we can probably do a lot to educate a lot of people in this country about this issue.

I would not want to agree to anything that will say I am going to bring out a bill on a certain day and the

same day, somebody will file a cloture motion and I am shot out of the saddle 2 days later.

I hope the majority leader was not indicating that. I do not suggest he was or was not.

Mr. BAKER. Mr. President, as far as I am concerned, I do not intend to file a cloture motion at all. I am on the side of the Senator. What I meant is that I would see that the Senator from Wisconsin has an opportunity to file such a motion.

I shall tell the Senator from Kansas the same thing I told him: When that comes up, I will vote against cloture, because I do oppose this amendment and will continue to.

I think it should be clear to everyone that what we have done is provide the Senator from Wisconsin with an opportunity to offer his measure. We have provided it at some expense to the Senator from Kansas and to me, because I oppose it as well. But I believe it is the best arrangement we can make, and I shall be happy to sit down with the Senator from Kansas and discuss it with him.

Mr. KASTEN. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I do not have the floor.

Mr. BAKER. I yield.

Mr. KASTEN. I just wanted to ask is there a House-originated bill in the Senate Committee on Finance right now that could be used as a suitable vehicle, then pass a similar Senate bill, which then could be passed in the House and not be squirreled away by the House of Representatives Ways and Means Committee?

The reason I ask that question is there are a large number, even a majority, of the people in the House of Representatives who want to vote on this issue and, in fact, who wanted to vote on this issue when the tax bill was passed, but through maneuvering by the leadership they were prevented from that vote by a vote in the Rules Committee and they never had a chance to consider this issue.

I would like very much for this not to occur once more. Is there any House-originated bill that we know would have to go to conference?

Mr. DOLE. I might just say very quickly that we have no House bills in our committee. That is why I offered—at least would indicate I might work out—some arrangement with the Senate-passed bill.

Mr. BAKER. Mr. President, the question put by the Senator from Wisconsin is a good question and, no doubt, is one he will wish to discuss with the Senator from Kansas, but that is exactly the reason why we ought to have a recess.

I ask unanimous consent that we recess until 8:45 p.m.

There being no objection, the Senate, at 8 p.m., recessed until 8:45 p.m., whereupon the Senate reassembled, when called to order by the Presiding Officer (Mr. RUDMAN).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I would like for as many Senators as possible to be on the floor when we conclude our arrangements for the evening. First, Mr. President, though, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, so Senators may have an opportunity to reach the floor, I am going to put in a quorum in just a moment and then we will make certain announcements that I am afraid will not be happily received, at least by some of us.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, if I could have the attention of the distinguished chairman of the Appropriations Committee, the distinguished chairman of the Finance Committee, who I believe is within earshot, and the Senator from Wisconsin, and while the Senator from Kansas is coming to the floor, let me say that there are special order requests noted at the desk. I would hope, may I say to the minority leader, that we might arrange a time later in the day, tomorrow, to accommodate Senators wishing special orders.

We have an order for the Senate to convene at 10. After the two leaders are recognized under the standing order, the time under the rule would begin to run and the first cloture vote would occur within an hour thereafter. Could I inquire of the minority leader if it would be agreeable to him to try to provide for those speical orders later in the day?

Mr. BYRD. I think it would be agreeable to those who have special orders. I would be very willing to give my 10 minutes to any one of them.

Mr. BAKER. So will I, Mr. President.

Mr. BYRD. That will probably take care of the matter. In the event cloture is invoked, because statements are supposed to be germane under cloture, we would have to get unanimous consent that notwithstanding cloture they would be allowed to speak out of order.

Mr. BAKER. The point is very well taken.

Mr. President, I put that request. I ask unanimous consent that in the event cloture is invoked, notwithstanding the rule relating to germaneness, that the equivalent to special orders that may be granted to Senators by unanimous consent during the day will not be barred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I see the Senator from Kansas is on the floor, as is the Senator from Wisconsin.

I do not want to rehash the situation but when we recessed, I suggested that we try to nail down an arrangement for a bill to be reported from the Finance Committee on which the Kasten amendment could be attached after the Easter recess. I would like to yield now, Mr. President, to the distinguished chairman of the Finance Committee, who has not made a remark in respect to that, before we proceed.

Mr. DOLE. Will the majority leader yield?

Mr. BAKER. I yield.

Mr. DOLE. Let me say that in an effort to get this bill moving yet tonight, if we can, the Senator from Kansas has discussed this with the majority leader and other Senators, as well as indirectly with the Senator from Wisconsin. I have also had a discussion with the chairman of the Ways and Means Committee during the past 30 minutes and he indicates there is not much likelihood though he cannot give us a definite date. It seems to me that one way to resolve it which I think would serve the ends of those who want to repeal the withholding and others who want to retain it would be to permit or authorize the Finance Committee—or I would agree for the Finance Committee—to report an S. numbered bill to the floor on or about the 15th of April without any time agreements, and that there would be free standing debate. Then we could spend as much time as necessary on the legislation. That would give the Senator from Wisconsin and others who have a like mind to make whatever statements they would like to make and those of us who feel that we should not fritter away $11 billion in revenue over the next few years to satisfy the American Bankers Association the chance to state our views.

It would seem to me that should accommodate the jobless and those who are waiting for us to act on social security, and I think would even satisfy a number of the good intentioned bankers in this country.

I cannot say precisely what bill we would report. There are a number of bills pending: the tuition tax credit, the enterprise zones, the Caribbean Basin, and I am certain there are many others that I am not aware of. But these are the principal measures that the administration has a great interest in.

I cannot specify what we might report, but we would have something here which would serve the ends of the Senator from Wisconsin, and there would be an opportunity, obviously, to vote on whatever proposal he may offer at that time.

Mr. BAKER. Mr. President, I thank the chairman of the committee.

I want to say, Mr. President, this is in no way meant to be critical of the Senator from Wisconsin, but it is a simple truth: we have come a long, long way. We have come a long way from the time we first began discussing this thing when there was no agreement there was ever going to be a vote on it and then no agreement that there would ever be a freestanding measure. Now we have a situation when the chairman of the committee, though I do not think he is very happy about it, has agreed that at a time certain shortly after we return to report a bill which is a revenue measure presently in his committee.

I have made the commitment to the Senator from Wisconsin that I would call it up and the Senator from Wisconsin can offer his amendment to that bill. I have even said privately and I have said publicly that I would facilitate his offer of a cloture motion on that debate, if he cares to file it. He knows I will not vote for it because he knows I do not support his proposal.

I will do that. I will do it once, twice, and even a third time, to make sure that he has a fair chance at cloture if he does not get the cloture vote the first time.

So we have come a long, long way. The only trouble is that the target keeps receding. I keep finding other things I have to do. I have done all I know how to do.

Mr. President, I hope that the Senator from Wisconsin—who has indicated to me privately that he fears that his bill either might not get to the House, that the House might not take it up, or that something other bad will happen to it and he will not agree to it—will reconsider that. Otherwise, what we have to do is go out of here and come in tomorrow and have a cloture vote.

I do not know how that cloture vote is going to turn out. All I know is that at some point we have to pass this bill, Mr. President, and I am determined to try to do that.

Mr. President, I hope that the Senator from Wisconsin will consider that the Senator from Kansas has indeed come a long, long way as chairman of the Finance Committee to try to accommodate his request and that he will agree to it.

I yield to the Senator from Wisconsin if he wishes me to.

Mr. KASTEN. I thank the majority leader. There is one option that we should discuss, which I think is important to bring to the attention of the Senate. We can simply right now call for regular order and go back under the committee amendment to which the Kasten amendment is pending. We can vote on that matter. I am willing to vote right now. I am willing to vote at midnight. I am willing to vote at 3 a.m. I am willing to vote at 9 o'clock tomorrow morning. I am willing to vote on the matter at any time, just as I have been willing to vote on this matter from the moment I introduced the amendment on Thursday.

I beg to differ, respectfully, with the majority leader. The target has been and is that we sought a vote before the 25th when we are going to go out on the Easter recess. If we are going to deal with this matter, we might just as well deal with it sooner rather than later to prevent unnecessary and wasteful expenditures of money that thrift institutions would have to go through as they prepare to try to comply with this burdensome regulation.

I would hope that we could, right now, go on regular order and debate the question and vote on the question. I have no further interest in taking up any more of the Senate's time because I, too, like the majority leader, want to work to pass the jobs bill, to pass the unemployment compensation section of the jobs bill in particular. But I am concerned that there are no firm assurances and I am concerned that we are missing the 25th deadline. I am concerned that the bill could be a bill that would not make it through the process. I am concerned that it would frustrate the efforts of the process yet another time.

We have been through this process now for a couple of days. We have been able to put some amendments aside, but I would hope that we could proceed at this time with the bill and not wait until tomorrow, voting tonight on the issue and go forward with the debate.

Mr. BAKER. Mr. President, of course, the Senator can call for regular order. Perhaps I will do that. At some point, we are going to get back to the first committee amendment. That is a matter I prefer to leave to the judgment and discretion of the chairman of the Committee on Appropriations, who is managing this bill.

I hope there is no threat implicit in that. I have no fear of returning to the committee amendment.

Mr. GOLDWATER. Will the Senator yield?

Mr. BAKER. Yes, I yield.

Mr. GOLDWATER. Why would it not be possible for Senator KASTEN to introduce the bill to accomplish this repeal and therefore not have to rely on an amendment once the bill got to the floor? Why could not the distinguished Senator from Kansas hold hearings on this repeal bill and treat it as legislation? It is going to pass sometime.

Mr. BAKER. Mr. President, I yield to the Senator from Kansas. I believe he is willing to do that, but let me yield to him on that question.

Mr. DOLE. As I understand, Mr. President, the Senator from Wisconsin wants to vote on repeal. We thought we had accommodated that. Now he has another provision; he wants to name the bill it comes out on; now he wants to vote tonight.

I think I understand that. As we look at the mail that is beginning to slow down, the ABA, the powerful American Bankers Association, wants the vote now. They have already spent millions of dollars and they do not want it to cool off. They do not want to wait to hear the other side. They do not want the American people to hear the truth.

They have been telling people this is a new tax. It is not a tax at all. It is compliance. I do not think we ought to have to debate that. I do not want to debate that. That is what the Senator from Wisconsin wants. That is what the ABA wants.

We have offered to report out a Senate numbered bill. He can offer it if he wants, or offer a substitute. That is what the Senator from Arizona (Mr. GOLDWATER) suggests in an effort to accommodate the Senator from Wisconsin if he wants to be accommodated.

If he does not want to be accommodated, we cannot accommodate him. I do not think he wants to be. He talked about accommodation until we made the offer. Now he does not like that. He wants something else. Tomorrow he will want something else.

There are a lot of people out there waiting for this jobs bill to pass. Some of them have been out a long time. Not many bankers are out of work. I have checked. They are still in their tellers' cages. Not a single banker showed up in the cheese line the last time they had one. So there are not too many bankers worrying about getting through the winter or getting through the spring, whatever it is. I cannot even remember what day it is.

We have been trying to accommodate the bankers, but we think there ought to be some people in this country who ought to have help ahead of the bankers or the American Bankers Association.

We are talking about poor, destitute people. We ought to pass out this bill, take off the nongermane amendments,

and let us report out a Senate numbered bill on April 15. But let us have a full debate. The Senator from Wisconsin does not want to have a full debate. He wants to roll us now because the bankers say this is a tax. We will take our chances with the poor people.

I suggest we ought to have a full debate. Then we shall find out where the merits are. There may not be any merits to withholding, but it is $11 billion over the next 3 years and I have not seen anybody suggest where else we are going to pick up the $11 billion.

Mr. BAKER. Mr. President, from listening to the dulcet and gentle terms in which the chairman of the Finance Committee is describing the bankers, I believe we now know a man who has no demand notes. There is perhaps no hope for him.

Mr. President, I yield to the Senator from Connecticut. In just a moment, Mr. President, so everyone will be aware of the circumstances, I intend to ask the Senate to recess under the order previously entered.

Mr. WEICKER. Mr. President, I hope my good friend from Wisconsin will do everything he can to arrive at some accommodation here with the majority leader and the chairman of the Finance Committee. I say that because I believe there is one miscalculation being made. I keep reading how the Senator from Wisconsin has the votes to pass this. I want to point out, speaking for this Senator, I voted against this tax bill, voted against it last summer, everything included, including withholding. I am not committed to voting for the Senator from Wisconsin. I think there may be quite a few of us here, on the floor, who are in that position. If those votes are being counted as being for the Senator from Wisconsin, I think that is the miscalculation. Nobody has contacted me.

I would hope that everybody would make sure as to what it is they have in their folder here before they go ahead and hardnose them.

I would hope, just as put forth by my good friend, BOB DOLE, that we get as good as we can, which is the jobs bill. I hope my good friend from Wisconsin will worry about stripping it when we get into conference so we get a jobs bill.

But more importantly, I am saying this as a friend of the good Senator from Wisconsin, let us see if we can work this out among ourselves. I think it should be worked out. I am not so sure any of us would like to see this hardnosed to an immediate vote. It might just operate to the detriment of the Senator from Wisconsin.

Mr. BAKER. Mr. President, if any other Senator seeks recognition, I am prepared to yield, but I am also prepared to go out.

Mr. DOLE. Mr. President, I hope the Senator from Wisconsin would just think about what the majority leader indicated earlier, that we cannot control what is done on the House side. We have tried. I have had three visits today, three conversations with the Ways and Means chairman. I know the majority leader has talked to the Speaker and, at one time, the Ways and Means Committee chairman. So I want the record to show there has been a good-faith effort to do precisely what the Senator from Wisconsin wanted, to send over a revenue bill and we would have it up here and he could offer any amendment he wanted.

We cannot control what the House does. Then when we thought we could do that, the Senator from Wisconsin said, "I want a statute, I want a significant bill." I cannot control what the House does.

I was told just 40 minutes ago that it is not possible to do anything. I think everybody ought to know what we have been trying to do.

We have not been trying to foreclose the Senator from Wisconsin, we have been trying to assist the Senator from Wisconsin, even when we thought he is totally wrong.

So, I said as a last resort, even though some may think it is an improper procedure, that we will try to report out of our committee an S. numbered bill. We will try to do that about April 15. That is taxpaying time. People have it on their minds about then. Then I would bring it to the floor quickly, without any delay, and we would have a debate.

Let us face it. The House is going out next Wednesday. We thought we might be going out then, but it is obvious we will not be going out then. And we are going to be out until the 5th of April. We are talking about bringing a bill to the floor around the 15th or 16th of April.

It just seems to this Senator, that is a very reasonable offer. The Senator from Wisconsin is not the only one in this Chamber who wants to repeal withholding. There are others who feel just as strongly as he does about that. Some of us feel just as strongly on the other side.

Now it has become a question not of whether we are going to have a debate, but whether we are going to satisfy one Senator. The Senator from Kansas cannot satisfy one Senator, because I do not have anything to say in the House.

I hope the Senator from Wisconsin would indicate we have been, in good faith, trying to work this out. He does not agree with a good-faith effort. Now we are going to have it all back where it is. They do not want to work it out. They do not want a debate.

Mr. KASTEN. Will the majority leader yield to me for just a moment?

Mr. BAKER. I yield.

Mr. KASTEN. I want to say to the Senator from Kansas that I am aware of the fact that he, the majority leader, and others have been trying to work this out. I am aware that things have not worked out. I am not saying it is his fault or anyone else's fault. The fact is that under the agreement, the different kinds of circumstances that are coming forward, it is not possible to get a vote up or down on this question before the 25th in any of the ways that have been proposed. Those were the originial hopes and requirements and I hope the Senator understands that I do not in any way feel that he has blocked or slowed down efforts in order to bring a bill back from the House of Representatives, which is something that we all hoped for.

It is not his fault it did not work out. It is not my fault it did not work out, either. Under the present circumstances, we can still proceed, either tonight or within a couple of hours into the morning, and we can, hopefully, resolve this question.

(During today's proceedings statements were delivered or submitted on the bill, H.R. 1718, as follows:)

Mr. GLENN. Mr. President, H.R. 1718, now before the Senate, is properly called the "Emergency Jobs Appropriations" bill because, we are indeed, in the midst of an emergency. We may disagree about the specifics of the bill, but one fact is clear: Congress must act now. By simultaneously creating jobs and extending much-needed humanitarian assistance in the form of food and health care, this legislation will ease the suffering of 250,000 Americans, who have suffered for far too long.

Ohio, and other States where unemployment is most severe, should be targeted for special attention, but every State, no matter what its jobless rate, will benefit from H.R. 1718. This is evident in the proposed expenditures for social services and heavy construction. These expenditures address abroad array of projects including community development block grants, summer jobs for youth, home weatherization, day care, Small Business Administration direct loans, repairs to Federal buildings, and distribution of surplus agricultural commodities to the poor.

We must be candid and tell the American people that this measure will not create a job for every unemployed worker. Nevertheless, it serves a vital purpose by officially recognizing the scope of our current economic crisis and responding to the human suffering it entails. February's statistics report a 10.4 percent national unemployment rate. This cold figure represents about 11.5 million Americans without jobs. The future is not yet bright for these men and women. Business failures are up 49 percent over

last year and almost one-third of our business capacity remains idle.

Unfortunately, our unemployed will not go back to work until we have an economic policy that works. While supporting emergency jobs legislation founded on compassion, fairness, and appreciation of the costs to taxpayers, we must also recognize that true recovery requires an integration of our fiscal and monetary policies to lower deficits and interest rates; promotion of education, training, research, and development to renew America's human resources, and a consistent, aggressive foreign trade policy to meet our foreign competition.

The challenge is demanding, the emergency is real. That is why I urge my colleagues to support H.R. 1718.

EMERGENCY EXPENDITURES TO MEET NATIONAL NEEDS

Mr. CRANSTON. Mr. President, before the Senate votes on final passage of the pending measure, H.R. 1718, a bill providing for emergency expenditures to meet national needs, I want to take a few moments to share with my colleagues some of my concerns about those needs and this bill.

Clear and unmistakable evidence of the very real hardships arising from sustained rates of unemployment is all around us—hardships for those who have been laid off, hardships for these seeking jobs that are just not there, hardships for those being forced to try to pay full-time bills with part-time salaries and substandard pay, and hardships for the families of all of these displaced workers.

Added to those hardships are the hardships imposed because of drastic cuts in social and community services that have been the hallmark of the Reagan administration. The feeding program for elderly persons, the community health center's care for young children, the day-care programs that permit women to go to work are—where they even still exist—dramatically and harshly curtailed.

The waste, the despair, the tragic and unnecessary suffering for countless Americans is truly a national disgrace.

Mr. President, we must begin to address the needs of those Americans and we must begin to put people back to work.

And this measure—despite the fact that in many respects it is both too little and too late—can be a means of beginning that process.

Accelerating construction jobs already in the pipeline—the major focus of the pending measure—is a useful first step. But that is all it is, a first step. And, it is a step that should have been taken last year when the Congress first proposed it at the close of the 97th Congress but was backed away by President Reagan's veto threat.

However, Mr. President, I cannot help but feel that a large part of what we are considering here will amount to little more than a broken promise to jobless, hopeless Americans. A close examination of the committee's report reveals very little in terms of what the actual job creation impact of the measure is. Adding up the numbers actually used in the report, one finds that direct references to the actual number of jobs that will be generated by the measure are few and far between. Nevertheless, there will be some jobs created and that is, at least, a start.

Mr. President, there are a number of specific items in this measure that I would like to highlight at this time.

COMMUNITY DEVELOPMENT BLOCK GRANTS

Mr. President, I am very disappointed that the Senate has rejected efforts in which I and others joined with Senator LEVIN to increase the level of funding for jobs through the community development block grant authority—CDBG. Despite that, however, I am very pleased that the measure as reported by the Appropriations Committee addresses the issue of the provision in existing law—section 105(a)(8) of the Housing and Community Development Act of 1974—that would, unless modified in some fashion, impose a 10-percent limitation on public service jobs under the CDBG authority.

Although the provisions in the measure as reported do not go nearly as far as the provisions in the House-passed version of H.R. 1718, I do believe that permitting up to 50 percent of the CDBG funds to be used for jobs in community-service activities will help to insure an equitable distribution of job opportunities made available under this measure for women, disabled individuals, and elderly persons.

Mr. President, permitting community-service jobs, particularly in public safety and health activities—such as child abuse and domestic violence activities, such as assisting in nutrition programs for elderly and handicapped individuals, such as crime-prevention programs, and such as assisting public health programs, including paraprofessional staff support for community health centers—and in activities designed to enable parents to work—such as child-care activities—we will insure the participation of many individuals who are often excluded from road and bridge repair, rehabilitation of public mass transit systems, and installation of drainage pipes in flood areas.

Despite attempts to insure equal employment opportunities for all Americans, we still find that women, who comprise 40 percent of those who are unemployed, and disabled, and elderly persons are not being given a fair chance to share equally in jobs.

Furthermore, community-service jobs will provide badly needed support to a wide variety of community programs which have been curtailed sharply or abruptly shut down by administration cuts in funding to State and local government. Thus, community-service jobs offer a double measure of relief to Americans now in desperate situations—by providing them with jobs and by making available to them through those jobs some of the assistance and services they so very badly need.

Mr. President, these community-service jobs are valuable activities providing services that are of particular benefit to needy individuals in local communities. They are jobs that generally have a far lower cost per job and can be created more quickly than brick-and-mortar-type construction and public works jobs which require expenditures for equipment and materials and advance project design and planning.

At the same time altering the 10-percent restriction does not mean that local communities will be required to spend any specific amount on community-service activities. Instead, it will give them a substantial measure of needed flexibility to tailor programs to best meet their own communities' needs and the needs of their jobless, their hungry, and their homeless citizens.

With respect to the concern of some that these community-service jobs would provide less than valuable contributions to their community, it seems to me most unlikely, given the economic strictures facing virtually all levels of government, that any local government would create jobs that were not truly needed. Can it really be said that relief activities for victims in disaster areas, or food and nutrition programs for elderly persons, or work in community health centers are not necessary? And what about child- and spouse-abuse prevention and neighborhood and home security for elderly individuals? Or support for adult and juvenile correctional facilities, or emergency food and shelter activities for the thousands of homeless and hungry drifting families?

In my opinion, these are all worthwhile endeavors. Who among us will say that they are any less important than repaving a road?

Mr. President, as a member of Senate Banking Committee, I have been intricately involved in the development and oversight of the community development block grant (CDBG) program, and I believe that the funds provided in the pending measure can be of significant assistance to unemployed individuals. However, it should be made clear that, in using the CDBG program in this emergency situation to offer much needed assistance to States and cities that are ravaged by the effects of the President's

recession, we are in no way altering the primary purpose of this program, which, according to section 101(c) of the Housing and Community Development Act of 1974, is the development of viable urban communities by providing decent housing and a suitable living environment and expanded economic opportunities, principally for persons of low and moderate income. Thus, these emergency funds must be used in a manner that will principally benefit low- and moderate-income people.

The principal benefit test is designed to insure that assistance is targeted to those most in need. Recipients of CDBG funds should be aware that Congress will be vigilant in its oversight of this program, especially with an eye to the principal benefit test, and urge that the Secretary of HUD not hesitate to impose the highest sanctions provided for by the law on those communities and States that do not comply with this test.

CHILD CARE AND HEAD START

Mr. President, I was pleased that the Appropriations Committee increased the House-passed funding levels for the social services block grant program, formerly title XX, from $150 million to $300 million. These funds are sorely needed and even at these levels would not restore funding to the 1981 title XX level. I was, however, disappointed that the committee deleted the earmark for child-care services which was included in the House-passed measure and also refused to include the appropriation of $30 million for the Head Start program which had been approved by the House.

The House-passed bill included an earmark of $50 million in additional social services funds to be used for child-care services. The Senate Appropriations Committee's rationale for deleting that earmark was expressed as a desire to avoid setting a precedent of earmarking funds for particular purposes within the social services block grant and the expectation that States would utilize some of the additional money for child care without such an earmark.

Mr. President, with respect to the issue of setting a precedent, I would note that such an earmark for child-care services—of $200 million—existed for a number of years prior to 1981. Including a child-care earmark in this legislation would not be setting a new precedent, but would simply restore an old and very sound one.

I also have problems with the committee's expectation and assumption that because States in the past utilized roughly 20 percent of their title XX funds for child-care services they will channel a similar portion of the new funds into child-care programs. The available data on such State expenditures on child-care services is derived from a period when there was a statutory earmark for child care. It does not reflect what has happened since the earmark was removed; nor does it reflect how the reduction in funds for this program—$500 million in 1982—has affected child-care programs.

Reports from individual States indicate that there have been substantial reductions in child-care services. Numerous States are reported to have reduced child-care assistance by raising eligibility criteria, eliminating particular groups of children—such as non-AFDC children—and reducing the number of subsidized child-care positions. An earmark of a certain portion of the new funds for child-care services would guarantee that some of these reductions would be restored. This would seem to be a particularly important area of emphasis in a measured focus upon employment-related issues. Lack of adequate child-care services directly reduces the ability of parents to enter the work force, and it is particularly critical for working women, many of whom are heads of households.

I urge the Senate conferees to reconsider their position and accept the wisdom of the House conferees on this point.

Mr. President, I am also deeply concerned with the committee's rationale for deleting the $30 million included in the House-passed bill for the Head Start program. The committee expressed concern that the additional funds would be used to create new Head Start projects. I am quite confident that the existing Head Start programs could quite readily put these funds to immediate use.

There has been somewhat of a myth perpetuated that the Head Start program has been unaffected by the budget cuts of the last 2 years. That is simply not true. Although the Head Start appropriation itself has been increased, the increase has been more than offset by reductions in other sources of funding and assistance previously available to Head Start programs. Reductions in funding for the child-care food program and the loss of CETA workers has had a severe adverse impact upon many Head Start programs. It has been estimated that, since October 1981, Head Start programs have lost 6,000 CETA workers, serving more than 50,000 children. In that same period, Head Start programs lost almost $20 million from the child-care food program. Head Start programs have also been affected by sharp cutbacks in medicaid, community health, and other health-care programs and have been forced to pay from their program budgets for health services previously available from other sources.

The families served by Head Start programs have also been hurt by reductions in other programs, such as food stamps and AFDC. Head Start programs have been reporting that children are coming to the program hungrier than in previous years and that waiting lists for admission to programs are longer, reflecting the growing number of poor families who now meet the Head Start eligibility criteria.

Mr. President, I urge that the conferees pay attention to these facts and restore the additional funds included in the House-passed bill for the Head Start program.

EMERGENCY HEALTH CARE PROVISIONS

Mr. President, one of the most pressing needs of unemployed workers is for health care for themselves and their families; 80 percent of all unemployed workers lose their family health insurance within 3 months of being laid off. This loss of health coverage could not come at a worse time since the health needs of these families, aggravated by the stress of economic hardship, may require spending what savings they have, thus forcing many into poverty. At special risk are the children in these families—their unmet health needs could disable them for life.

Community and migrant health centers, maternal and child health clinics, and the women, infants, and children special feeding program, can provide vital assistance to these families. Many of these programs are located in communities with high unemployment rates and are already serving large numbers of persons who have lost their health insurance coverage.

Unfortunately, however, these programs are still reeling from the past 2 years of Reagan budget cuts which have seriously eroded their ability to meet increased demands for services. I have strongly supported additional funding for these programs above the meager allocation by the Appropriations Committee, in order to help extend health services to more families in need so that we do not continue in the future to see, very literally, the unhealthy effects of the Reagan recession.

PROJECTS WITH INDUSTRY

Mr. President, I would like to note that among seriously disabled persons, the unemployment rate is estimated to be approximately 50 percent. In addition to the economic conditions that are forcing millions of Americans—able bodied and disabled alike—into unemployment, disabled persons often face additional barriers to employment. The projects with industry—PWI—program, authorized by section 621 of the Rehabilitation Act of 1973, constitutes a partial response to the unique employment obstacles facing handicapped persons and has proven to be one of the most successful, cost-effective mechanisms for training and placing disabled persons in competitive employment. As a result of the

partnerships PWI has created between the Federal Government, private employers, labor groups, rehabilitation counselors, and disabled individuals, many handicapped persons have been successfully trained for and placed in permanent private-sector jobs and have become increasingly independent and self-supporting. I believe that expansion of PWI is feasible and will be productive and, thus, am pleased to note that this bill contains an additional appropriation of $5 million for the projects with industry program.

NATIONAL SERVICE COMMISSION

Mr. President, I was pleased that the Senate agreed to adopt the amendment offered by the Senator from Massachusetts (Mr. TSONGAS), which I cosponsored, expressing the sense of the Senate that consideration should be given to legislation to establish a commission to study the desirability and feasibility of a voluntary national service program.

I have been a strong supporter of efforts to establish a commission to study the national service concept and cosponsored legislation in the past two Congresses to achieve that goal. In 1980, the Senate passed such legislation which unfortunately died in the House because of jurisdictional conflicts between various House committees. A similar bill, however, was reported last fall by the House Committee on Education and Labor. There continues to be a strong interest in both bodies in seeing such a commission established.

Mr. President, the concept of a voluntary national service program deserves thorough consideration. Establishment of national service program could well provide a stimulus to tap the enormous natural reservoir of energy and compassion within our Nation to help one another and work for the common welfare.

Mr. President, I can envision a time when it will be the thing to do—the prestigious as well as patriotic or compassionate thing to do—for people of all ages to devote a year or two of their ives, through a national service program, to public service. The establishment of a commission to examine the concept of national service and to weigh all the various options for developing an effective program would be an essential and important step toward achieving that goal. The amendment offered by the Senator from Massachusetts brings us closer to that goal, and I was pleased to join him in these efforts.

CONCLUSION

Mr. President, the pending measure offers nothing in the way of assistance to hundreds of thousands of Americans in danger of losing their homes because they are unable to make monthly mortgage payments. It offers little help to those who are unemployed and have no medical insurance. And, in the face of more than 11 million Americans who are seeking jobs and the nearly 2 million more who have given up looking and the hardships they and their families face in so many respects, it offers far too little. It is, as I noted at the outset of my remarks, at best a beginning.

My commitment and my efforts to address the urgent needs of our citizens during this very trying period do not and will not end here. I hope that those of my colleagues will not either.

We need to continue to push ahead in these areas. This phase I needs to be followed by phase II and phase III. Congress needs to pursue enactment of other job creation programs—such as that proposed in the measure I introduced on January 27, S. 266, the proposed Community Renewal Employment Act, as a companion to the House Education and Labor Committee bill introduced by my friend from California, GUS HAWKINS. We also need to explore and develop means of providing badly needed assistance and relief to meet emergency needs in terms of mortgage assistance, health care, and other areas.

And, while addressing these emergency short-term needs in a fair and equitable fashion, we need to be moving ahead with measures designed to produce sustained economic growth and vitality and increased productivity in the longer run. I intend to join with those of my colleagues who share my concerns and will continue to work very hard for fair and equitable programs, policies, and initiatives in these critical areas.

Mr. PRYOR. Mr. President, on December 2 of last year a terrible tragedy struck the State of Arkansas. Tornadoes and torrential rains ripped through the State, unleashing incredible damages to life and limb. One of the most serious accidents to ever occur on the Arkansas River happened that day when 33 industrial barges broke free of their tow lines and raced down the river unattended and unguided. These runaway barges converged on dam No. 2 near Pendleton, Ark. Most of the barges sank, several made it through the dam, and the remainder lodged against the facility. The cost of cleaning up this terrible accident and removing the sunken barges, and of repairing structural damage to the dam, has been estimated by the division engineer at $10 million.

Mr. President, it had been my earlier intention to ask for the committee's early consideration of funds and guidance to resolve this problem in my State. I also considered offering an amendment to this bill in view of the fact that this work is of an emergency nature and would conform very easily to the requirements of a jobs program. In fact because of the nature and seriousness of this matter the Corps of Engineers has already begun work on the cleanup using funds from emergency accounts.

But, Mr. President, I realize also the desires of the administration and the Senate to try to hold the line somewhere on the total cost of this package, and I do not wish to ask my colleagues to burden themselves with additional projects that will require more money. Therefore, I have chosen not to offer an amendment at this time to rectify this traffic situation. I do this with the confidence and understanding that the Appropriations Committee will look very closely at this problem in the coming weeks and move to provide the necessary funding and guidance to resolve the problem and keep river navigation on the Arkansas River a viable and strong factor in our economy.

Mr. President, I am authorized to say that Mr. BUMPERS joins me in this matter.

Mr. JOHNSTON. Mr. President, I assure the distinguished Senator from Arkansas that we on the committee will carefully consider this matter, and I will certainly urge the committee to provide the funds necessary to maintain navigation.

Mr. PRYOR. I thank the distinguished Senator from Louisiana.

Mr. LEVIN. Mr. President, I was going to offer an amendment which would require that no funds in this bill be used to fund make-work projects. I note that the heading of the bill excludes make-work jobs, and I had intended to put language in the body of the bill consistent with that sentiment.

However, recognizing that we have been on this bill for several days already and that its passage is a pressing matter, I was wondering if I might engage in a colloquy with the chairman of the Appropriations Committee for a few brief minutes?

In the chairman's opinion, are there any make-work jobs which would be funded by this bill?

Mr. HATFIELD. I appreciate the concern of the Senator from Michigan. I can assure him that jobs funded by this bill are productive jobs. As the Senator suggests, we made this clear in the heading of the bill itself.

Mr. LEVIN. I thank the chairman. Let me ask further, are moneys for community development block grants, for summer youth employment, and for older Americans and for other programs in this bill going to fund jobs which would fulfill a productive purpose.

Mr. HATFIELD. Yes.

Mr. COHEN. Mr. President, unemployment is, and will continue to be, one of the most serious and complicated problems of the 1980's. Reducing unemployment, as well as preparing the American work force to meet the

demands of the technological revolution now underway, will be the challenge of this decade.

The severity of the current recession has been felt throughout all sectors of the economy, but its effects have been particularly devastating in the manufacturing sector which encompasses those basic U.S. industries which, until recently, have represented the foundation and strength of the American economy and the source of the majority of jobs.

Our economy, however, is being transformed. Even after we make our way out of the depths of the recession, many of our old industries, such as autos and steel, will never regain their past prominence. Many jobs have been permanently lost and more will be as the pace of technological innovation increases.

How to relieve the hardship and suffering, which prolonged unemployment has caused many Americans, is our immediate concern. Equally crucial to the well-being of the American labor force is how well and how quickly it can adapt to the fundamental changes which are occurring in the structure of our economy. New job opportunities will be of little benefit to U.S. workers if they lack the skills demanded by new and growing industries.

According to the latest figures released by the Department of Labor, the unemployment rate for February remained at the previous month's level of 10.4 percent, down slightly from the 41-year record high of 10.8 percent in December 1982. The official number of unemployed rose slightly to 11.49 million.

The 10.4 percent rate of unemployment is only part of the larger unemployment picture. It does not include discouraged workers, the thousands of individuals who have given up searching for employment because they believe no jobs are available for them, nor the workers who are underemployed, those wanting full-time but finding only part-time employment.

It does, however, encompass both the cyclical and structural unemployed. Cyclical unemployment, caused by the economic downturn, will steadily decline as the economy recovers. On the other hand, the structurally unemployed will remain ill-equipped to find employment even after the recovery when jobs are available. These workers are individuals with few job skills or little work experience, and those who have been displaced by structural changes in the economy, and who are unlikely to regain their former jobs.

A high rate of unemployment has been one of the more severe consequences of the current recession. Yet, the recession is only partly to blame for the millions of jobless workers. A portion of the unemployment problem is the result of a significant increase in the number of Americans entering the labor force in recent years.

Women have experienced the strongest labor force growth. Changing social values and roles, greater educational opportunities, and economic necessity have all contributed to the increased participation of women in the work force. In 1959, 37 out of 100 adult women were in the labor force. Today, 52 out of 100 women are working, constituting 43 percent of the total work force. It is projected that the participation rate of women will continue to rise and that by the year 2000, it will be nearly equal to the participation rate for men.

Total employment in the United States has grown from 78 million in 1970 to over 99 million in 1982. Over 20 million new workers have been absorbed into the labor force during the past 12 years. Despite this significant growth, the number of new entrants into the labor force has continued to outpace the growth of jobs.

In 1981, total civilian employment was at its highest level at 100.3 million. While the recession has caused a decline in the total number of jobs available, the economy's greatest failure has been its inability to create a sufficient number of new jobs to employ all of those seeking to enter the work force.

No one questions the severity of the current unemployment problem, nor the fact that it has had devastating social and economic costs. Unemployment, depending upon its duration, can create severe financial hardships. Of the 12 million unemployed in December, the average duration of unemployment was 18 weeks. More than 2.6 million had been out of work for 27 weeks or longer. The current recession has been so prolonged that the average length of unemployment has significantly increased in comparison to prior economic slumps, and thousands of workers have exhausted their eligibility for unemployment compensation.

In addition, joblessness can have painful and far-reaching consequences beyond the economic hardships it imposes. An individual's inability to provide the financial resources to meet personal and family needs can cause emotional and psychological trauma, and a loss of self-confidence and self-esteem. According to one recent study, each 1 percent increase in unemployment corresponds to a 4.1-percent increase in suicide, a 5.7-percent increase in homicide, and a 1.9-percent increase in deaths from heart disease and other stress-related disorders. The total cost of unemployment to society in terms of health, crime, divorce, child abuse, and other social problems is incalcuable.

Clearly, the Federal Government has a central role to play in addressing the current unemployment situation and in relieving the suffering and hardship it has caused. However, we must recognize the practical limitations of what the Federal Government can achieve, and we must accept the economic realities before us.

Only sustained economic recovery and growth will create the number of jobs necessary to significantly reduce the unemployment rate and put millions of unemployed Americans to work. Indications are that we have hit the depths of the recession and that recovery is beginning. However, even the most optimistic forecasts predict slow economic growth and high, but decreasing, levels of unemployment for the next few years.

In the long term, the outlook for jobs is good. According to the Bureau of Labor Statistics, the labor force will grow from 105 million in 1980 to between 122 and 128 million in 1990. The vast majority of the baby-boom generation has reached working age. From now on we will see a steady decline in the number of young people entering the work force and a lower rate of growth in the total number of new entrants into the labor market.

The issue of the late 1980's and 1990's is not likely to be an inadequate number of jobs but instead an inadequate supply of workers. That the available workers may not have the skills needed to support an expanding economy will be an added problem.

Even as we see the beginning of the long-awaited recovery and look forward to a more prosperous economic climate, we must begin to address the new problems and challenges that lie ahead. Presently in a period of transition, the U.S. economy is undergoing a structural change as dramatic as that which occurred during the industrial revolution. In the next decade, we will see a transformation in the economy altering the nature of work and the work force, creating new job opportunities, and placing new demands on American workers.

The economy is shifting from a predominantly manufacturing to a service economy. Service industries have accounted for 84 percent of all new jobs in the past three decades and will continue to be the fastest growing sector in the foreseeable future. As an indication of the service sector's growing importance, services constituted 66 percent of the GNP in 1979, while manufacturing represented 23 percent.

The structure of the economy will become increasingly complex as the rapid pace of technological change accelerates and creates vast new industries, some of which have not even been thought of yet. The growth of high-technology industries, including electronics, computers, robotics, bio-

technology, transmission technologies and others, will accelerate the displacement of workers in many existing occupations but at the same time will create new jobs which demand a more highly skilled work force.

Thousands of manufacturing jobs lost during the recession have been lost permanently because of foreign competition and automation. As firms increase their investment programs in new technology, in order to improve productivity and remain competitive, additional jobs will be eliminated.

Recent studies estimate that automation could eliminate 200,000 jobs in the auto industry by 1985. According to a Congressional Budget Office study, microelectronics—particularly robotics—could replace 3 million manufacturing jobs by the end of the decade and 7 million by the year 2000.

The number of dislocated workers will grow as technology eliminates many skilled and semiskilled jobs. Individuals, many with extensive work experience, will be unemployed and lacking marketable labor skills. Unless these workers can be retrained, increasing numbers of Americans will be condemned to prolonged unemployment, marginal participation in the labor force, or low wages in unskilled jobs.

The transition into the computer and high-technology age will not be easy. For the mature worker, whose skills have been made obsolete and are no longer in demand, it will be particularly difficult and potentially very painful. Even for the young, who currently represent 40 percent of the unemployed, the transition will not be an easy one.

The Job Training Partnership Act (JTPA), which Congress enacted last year to replace the expiring CETA program, includes programs for dislocated workers, youth, and other disadvantaged workers to obtain the assistance and training they need to increase their long-term employability. Job search and relocation assistance and retraining will enable many dislocated workers to reenter the labor force. Youth and disadvantaged workers will benefit from basic education and training programs.

Unfortunately, the JTPA cannot solve all of our employment problems, and it can only help a portion of workers find productive employment in the private sector. The major solutions lie with the business community and with our education system.

A few companies are beginning to assume responsibility for upgrading the skills for their employees as changes in technology make old jobs obsolete and require new skills. This may be an important trend in the future, not only as our philosophy of work changes but out of necessity. If the growing demand for skilled workers cannot be met by our education system, we will see an increasing gap between the supply of and the demand for skilled labor.

The decline of math and science education is a matter of growing concern. The performance of students on various math and science achievement tests has recently deteriorated. If this trend is not reversed, we may have a growing class of citizens who lack the knowledge and skills to fully participate in an increasingly complex and technological society.

Education must be improved at all levels. Because of changing technology, skills upgrading and retraining will be an ongoing necessity for many workers. Unless the labor force possesses the basic skills and the ability to adapt to rapid changes in the labor market, the task of retraining will be an even more difficult one.

Despite the fact that millions of Americans are out of work, a number of fields are currently experiencing a shortage of skilled labor. These shortages will grow more serious in the years ahead unless we begin to prepare now. If we do not, we may face the dilemma of a tremendous unfilled demand for skilled labor and, at the same time, thousands of unemployed and unemployable workers.

Today, however, our primary concern is not the potentially critical shortage of skilled labor in the next decade. It is how to address the needs of the more than 11 million Americans who are currently unemployed.

Although I do not endorse every element of H.R. 1718, the so-called emergency jobs bill, I intend to support it. I will support the package not as the solution to our unemployment problems, but as a measure which will help to stimulate employment opportunities while providing humanitarian aid to relieve the suffering of thousands of unemployed workers. As the Appropriations Committee recognizes in its report on the measure, "only a sustained recovery will restore many of these recession victims to prosperity, but their critical human needs must be addressed now."

Funds are included in the bill for needed capital improvement projects which will create jobs and provide long-term benefits to the Nation. Additional funding for employment and training, child care, and education programs will assist women, minorities, youth, and disadvantaged workers who have been severely affected by the recession. Humanitarian relief will be provided in the form of housing, food, and health care.

Only sustained noninflationary economic growth will put millions of Americans back to work and substantially reduce the 10.4-percent rate of unemployment. Indications that the recovery is beginning are encouraging. Congress can contribute to restoring a healthy economy and easing unemployment by reducing the Federal deficit, easing regulatory burdens, and stimulating investment through tax incentives. In the short term, however, H.R. 1718 will stimulate new jobs and will provide urgently needed assistance to relieve the plight of thousands of our citizens.

Mr. PRYOR. Mr. President, the Buffalo National River has long been recognized as one of this Nation's great natural treasures. The Congress, in recognizing its value to this Nation, has generously supported the development of the Buffalo as a major recreational facility with funding for land acquisition and facilities construction, as well as with protective legislation designed to preserve this area for generations to come. Last November, I had an opportunity to visit the Buffalo River during its most beautiful season.

Mr. President, just a few short weeks after my visit, the Buffalo River was devastated by flooding described as 23 percent higher than the flood of 1915, which represents the 100-year flood in this basin. During the height of the flooding, the Buffalo was running 20 feet above flood stage at most reporting stations. At the community of St. Joe, the river, which normally runs at 3 feet here, was reported to be at 54 feet, covering the bridge there. To fully understand the devastation one needs only to look at the water flow at this location. River flows at St. Joe normally run at 1,000 cubic feet per second. The maximum channel capacity is about 25,000 cubic feet per second. On December 2 the flow here was actually measured at 155,000 cubic feet per second. The river measured 58 feet at the Highway 14 bridge south of the town of Yellville, another record.

Mr. President, the National Park Service has development plans for the Buffalo River, which would normally continue this year, making more facilities available for the general public to enjoy. The Congress provided funds for this development in the fiscal year 1983 budget. However, I am concerned that this work cannot proceed properly until we get the river cleaned up from this devastation and the existing facilities repaired in time for the coming recreational season. The Department needs to take immediate action to effect this repair, and the jobs bill is an appropriate vehicle to address the problem. It would be my desire to include funding for this in the bill. However, as yet we do not have a formal estimate from the Department on the financial requirements. I have asked for that from Secretary Watt, and I think we will have it in a few days. The preliminary estimates from the park superintendent indicate about $900,000 will be needed.

In the interest of time and economy I will not offer an amendment at this

time with the understanding from the distinguished chairman of the Senate Appropriations Committee, the Senator from Oregon, that the committee will look closely into this problem and take appropriate actions to effect a solution. I look forward to communicating further with the committee as we develop more information.

Mr. BUMPERS. I join my colleague in urging the Department of the Interior to initiate the needed repairs resulting from recent flood damage in the Buffalo River National Park. Extensive damage was done to campsites, roads, visitor facilities, and bridges by last fall's flooding. More than 500,000 people visited the Buffalo River last year. Besides depriving those who might wish to visit the park in the upcoming season, the flood damages will result in tremendous losses to the small communities near the park.

The Park Service's initial estimate of the cost of the necessary repairs is $970,000. This figure represents the cost of replacing roads, constructing temporary boat launch facilities, and correcting numerous hazardous situations that could endanger visitors to the park.

During the Senate's consideration of the fiscal year 1983 Interior and related agencies appropriations bill, I asked the Senate to direct the Park Service to spend available funds for the first phase of the needed repair work. Language to that effect was included in the conference report adopted by both the House and the Senate. I hope that the chairman of the committee and the Interior Subcommittee chairman will join my colleague and myself in urging the Park Service to make funds available for this critical work, and that the committee will review this matter to determine whether an additional appropriation should be made for this purpose.

Mr. DECONCINI. I would like to take a few minutes to discuss with the very able and distinguished manager of the bill before us a matter which I raised during the Appropriations Committee's markup on this measure. Mr. Chairman, as you well know, during the markup I attempted to make a small portion of the funds for construction activities of the Bureau of Reclamation available for a project in Yuma, Ariz. At that time, Mr. Chairman, you stated that you did not wish to earmark any of the funds contained in the Bureau account and, accordingly, I withdrew my amendment.

I would ask the chairman if he feels the construction of a new operational headquarters for the Valley Division of the Yuma reclamation project is the type of project which could qualify for funds available in this measure.

Mr. HATFIELD. I believe the Yuma project might very well qualify for funds contained in this measure. I do not wish to earmark these funds. I believe the Bureau should decide which projects might best accomplish the purpose of maximizing employment without designating funds for specific projects. However, the Yuma project could certainly be considered in the Bureau's decisionmaking process and I would encourage them to look at this project for possible construction this year. If not, Senator, I assure you the committee will consider this project in the fiscal year 1984 bill and will work with you to provide a resolution to the problem.

Mr. DECONCINI. I thank the chairman and will not attempt to raise a floor amendment on this issue at this time.

WIC

Mr. SARBANES. Mr. President, this bill includes money for the special supplemental food program for women, infants, and children (WIC), a program which has worked exceedingly well. I would like to address a question to the chairman of the committee and to thank him and Senator EAGLETON for their concern for this program.

Mr. Chairman, my State is particularly concerned with how the WIC money is to be distributed. It is my understanding that the USDA has a considerable degree of discretion in allocating funds for the WIC program. In order to assist States in planning their caseloads, is it the intent of the committee that the additional money in this bill for WIC be allocated to the States on the same basis as the allocation of the funds appropriated in the fiscal year 1983 Agriculture Appropriations Act?

Mr. HATFIELD. Yes, the Senator is correct. WIC was not included in the list of programs to which the targeting provisions will apply, and therefore, these additional funds will be allocated under existing law. It would be my expectation that the allocations will be roughly proportionate to that made with the regular appropriation.

Mr. SARBANES. I thank the chairman of the Appropriations Committee for his explanation.

Mr. HATCH. Mr. President, the water level of Utah Lake is currently rising at a rate of 1 to 3 inches per week. The likelihood of severe flooding is substantial; some flooding is already occurring. When the snow pack in the mountains, which is at 130 percent above normal levels, begins to melt, and runoff begins to flood rivers running into Utah Lake, engineers predict that damage to the community surrounding the lake and the inhabitants of Utah County will be devastating.

Early estimates indicate that initial flood damages will exceed $70 million, a cost that will be repeated with future floodings. Moreover, engineers believe a significant portion of Interstate 15 will be destroyed, cutting the principal highway in my State in half. The city of Provo, Utah County, and the State of Utah simply do not have the financial resources to meet this immediate emergency which will have long-term effects. The waters, once flooded, may not recede for 1 to 3 years.

As you can imagine, it is a hopeless sensation to watch the inexorable rise of the water level, waiting for that moment when the existing protection will burst and the area is flooded. Many of the residents in the area are retired on fixed incomes or are young families just becoming established in the community. Flooding will result in the permanent destruction of their homes and businesses; 400 jobs alone will be lost at the nearby airport should it be destroyed.

The height of the existing dikes must be increased and dikes completed in order to prevent the catastrophic yet inevitable flooding. In addition, pumps must be purchased to remove the water from existing low areas. It has been estimated that the cost of preventing flooding will not exceed $2 million; a small cost given the potential damage of the flooding to the State.

I have prepared an amendment which would provide the necessary $2 million to build and raise the dikes surrounding Utah Lake and the Jordan River and to purchase and install the needed pumps, by amending the section of H.R. 1718, entitled "Enhancement of Water Resource Benefits." The controlled distribution of water from Utah Lake through the Jordan River to the Great Salt Lake will be made possible by this amendment.

I believe that the amendment is correlative with the spirit of this legislation; it will provide jobs and will protect businesses and homeowners in my State from a preventable destruction.

I understand, however, that the Senate Appropriations Committee has already addressed the emergency flooding situation at Utah Lake and along the Jordan River. The committee indicated within the debate on the continuing resolution that this effort should have the highest priority. I am very grateful for this consideration, but I am sorry to report to the distinguished chairman of the Appropriations Committee that the Corps of Engineers has not yet undertaken any substantive action to prevent continued destruction by this uncontrolled flow of water. I wish all of my colleagues could put on their waders and come out for a look at people's homes and businesses floating away.

Mr. GARN. I rise in support of Senator HATCH's observations regarding the severity of this problem. Our constituents are in danger of losing their homes and their businesses—in some cases, everything they have worked

for. The damage costs are mounting up.

I was pleased with the committee's decision last December to press for action by the Army Corps of Engineers and I am very appreciative of the consideration shown to the State of Utah. But the need becomes more acute by the day and the Corps of Engineers has not sufficiently addressed it. In fact, the Corps of Engineers has placed the city of Provo in a hammerlock, requiring them to pay the full costs of the needed pumps—which amount to more than 10 times the original cost estimate given to the city last December. This problem cannot be overlooked or put aside any longer. The Corps of Engineers must accept responsibility and begin paying attention to the directives given it by the Congress.

Mr. HATFIELD. Mr. President, I can surely understand the deep concern of both my colleagues from Utah. It is always a burden for local and State governments to undertake such projects. The main purpose of the bill seeks to assist in repairing much of America's infrastructure, while at the same time creating new jobs and providing various types of humanitarian aid for the unemployed.

However, I must say to my colleagues that I am reluctant to adopt any kind of specific earmark. We have tried to keep specific earmarking in the text of the bill at a minimum, particularly in this section. I have also been faced with the unpleasant task of turning down earmarks for important projects in other Senator's States because the situation would soon get out of hand. My having to do this, however, does not dilute my sympathy for the situation in Utah or any of my fellow Senators' States.

I cannot accept an amendment, but I will pledge to Senators GARN and HATCH my continued cooperation in their efforts to make appropriate assistance and funding by the Army Corps of Engineers available. The committee will continue to emphasize the importance of the Utah Lake/Jordan River project in future reports and oversight.

Mr. HATCH. Mr. President, I thank the distinguished Senator from Oregon for his understanding of our problem. Given his assurance that the Appropriations Committee will not let the Corps of Engineers drop the ball, and ignore the intent of the committee, I will withhold my amendment.

PROPOSED BUDGET CUTS FOR FISHERIES

Mr. GORTON. Mr. President, the National Marine Fisheries Service performs and funds activities which are vital to the health of this Nation's fisheries industry. The fisheries area is unique, because in many ways, it is truly an apppropriate subject for Federal funding. Fish do not respect political boundaries, and in recognition of that fact, management and conservation of U.S. fisheries is carried out on a regional, not State, basis. Many of these programs could not be carried out by the individual States without the leadership and support of the National Marine Fisheries Service.

I am concerned, therefore, to see that the proposed budget for the Fisheries Service represents a cut of nearly 40 percent, as compared to the Service's budget for fiscal year 1983. I am particularly concerned that vital State programs, and programs affecting Northwest fisheries, such as the Columbia River Hatcheries program and the salmon vessel buyback program, are among the programs most affected by the budget cuts.

Moreover, other programs, also of crucial importance to the Northwest fisheries industry, are slated for large cuts. For example, the National Marine Fisheries Service funds fishery research which is conducted by laboratories, sea grant colleges, and State and private research institutions. This basic research is at the heart of wise and informed fishery management and development. Without it, the risks of overfishing increase, with the concomitant impact on the lives and welfare of those who depend on marine resources for their livelihood. We have seen such occurrences in the Northwest, and the results often are fish stocks which take decades to return to healthy levels.

The Nation's fisheries and the industry they support have tremendous potential. But the potential cannot be realized without a basic understanding of sound management and development practices. The National Marine Fisheries Service funds programs which provide that basic understanding. The industry cannot carry out many of these programs; the States cannot carry out many of these programs. While I strongly support reducing deficits to manageable levels, I believe that the cuts in the Fisheries Service budget are unnecessarily harsh.

Mr. ABDNOR. Mr. President, I would like, if I may briefly to turn to the provisions of the jobs bill pertaining to the community development block grant program and to request the distinguished chairman of the Appropriations Committee to comment on the concerns I have in this regard.

The bill now before us provides for an additional $250 million of CDBG funds under the regular CDBG program. This portion, therefore, is to be allocated on a basis of 70 percent for metropolitan cities and urban counties and 30 percent for small cities or communities. The bill further provides an additional $250 million of CDBG funds exclusively for metropolitan cities and qualified urban counties.

Under the foregoing scheme there is little reserved for nonmetropolitan areas, which should be a matter of special concern to my fellow colleagues since, according to determinations made by the Department of Housing and Urban Development (published in the Federal Register for March 1, 1983), there are approximately 8,500 small communities scattered throughout the Nation with populations of 50,000 or under which meet the criteria that indicate physical and economic distress. These criteria include: Loss of population and jobs; low per capita income change; deteriorating housing; and, a given minimum percentage of persons within the community at or below the poverty level. The number of people, Mr. President, who reside in these distressed small cities exceeds 20 million.

Now, to compound the troubles for these distressed small cities, the three-tier targeting amendment applies to 15 designated programs, the first of which is community development grants. So as my colleagues will note, we not only set aside $250 million for metropolitan cities and urban counties, we proceed to target the $250 million in the regular CDBG program, thereby reducing it by one-third for the benefit of 21 States with the balance to be allocated as provided in the tier 1 and tier 3 formulae.

Even without targeting, the small distressed cities were left with little in CDBG funding—only 30 percent of $250 million. I find it difficult to believe that it was intended to superimpose targeting on this small fraction of assistance remaining for these small communities.

In view of what might well be considered double targeting against distressed small cities, I wonder if the distinguished chairman of the Appropriations Committee could work to relieve the situation as these provisions are taken up in conference with the other body.

Mr. HATFIELD. Mr. President, I think the Senator from South Dakota has pointed to some real concerns in the community development grants legislation affecting the small cities, particularly those in physical and economic distress, and I shall be glad to seek a resonable solution to the problems as we proceed in conference.

Mr. GLENN. Mr. President, I strongly support the provision in this bill to direct $500 million of the CCC funds included in the bill to capitalize the agricultural export credit revolving fund authorized in the 1981 Farm Act. This amendment was included in the bill by the Appropriations Committee. It was authorized by the senior Senator from Missouri, Mr. EAGLETON.

Exports of agricultural commodities are vital not only to our agricultural industry but to our Nation. Farm exports account for every third acre that farmers plant. Some 60 percent of our

wheat, 25 percent of our corn, and 50 percent of our soybeans are marketed overseas. These exports contribute some $20 billion to our balance of payments.

Agricultural exports mean jobs—jobs for Americans. According to recent USDA statistics, more than 1.2 billion Americans are employed as a direct result of our agricultural exports. Again, according to USDA, for every billion dollars of agricultural exports, some 31,700 jobs are created.

Mr. President, after a sensational increase in our agricultural exports during the decade of the 1970's, the last 2 years have witnessed a sharp and distressing decline. Farm exports have declined from a peak of nearly $44 billion to around $36 billion this year. This loss of some $8 billion in overseas sales of our farm products has contributed greatly to the current, severely depressed conditions in rural America.

What can we do to reverse this trend? First, we must make sure that American farmers have access to credits to develop export markets. The Eagleton amendment to fund the agricultural export credit revolving fund is an important step in this direction. I should point out that these funds will not be just another "war chest" for an agricultural trade war. The 1981 farm bill specifically limits the use of these funds "to extend credit for purposes of market development and expansion and where there is substantial potential for developing or enhancing regular commercial markets for United States agricultural commodities."

The agricultural export credit revolving fund does just that. Once capitalized, this fund will be available for decades ahead as a reliable and continuous source.

Mr. President, in the long run this program could well be one of the most important actions we take to insure a healthy agricultural economy and benefit the well-being of our entire Nation. I commend the senior Senator from Missouri for bringing this matter to our attention.

ROUTINE MORNING BUSINESS

(During today's proceedings, statements were delivered or submitted and morning business transacted, as follows:)

WHERE MAY HAPPINESS BE FOUND?

Mr. HOLLINGS. Mr. President, a few Sundays ago I listened to the son of a slave, Dr. Benjamin Mays. He never had the advantage of wealth or opportunity. Taught by his sister to read, not graduating from elementary school, he won his doctorate degree and became dean of divinity at Howard University. Later as president of Morehouse College in Atlanta, he instructed and inspired the likes of Dr. Martin Luther King and Mayor Andrew Young. Physically, Dr. Mays is in a wheelchair but mentally he is on top of the clouds. The other Sunday he raised himself from that wheelchair holding the podium at the Third Baptist Church in Southside Chicago and delivered his ministry on "Where May Happiness Be Found?" I found his sermon revealing. Here he was talking of philosophers and oracles to a lay congregation and we could all understand and feel his words.

Dr. Mays is an inspiration to us in South Carolina. His birthplace has been designated a historical site, a highway has been named in his honor and his portrait hangs in the State House of the State of South Carolina. If you read this, you will hang on his every word.

Mr. President, I ask unanimous consent that the sermon may be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

WHERE MAY HAPPINESS BE FOUND?

(By Dr. Benjamin E. Mays)

We are writing about something we cannot adequately define. But we are not alone. The experts in psychiatry and psychology, in sociology and religion, in philosophy and science, cannot define happiness to the satisfaction of everybody. We talk about it, but we cannot define it.

Great minds have tried to tell us what happiness is, but without complete success. In one place, Aristotle says happiness is the greatest good—the summum bonum. But one has the right to ask, what is the greatest good? Few people could agree on what the greatest good is.

Plato identifies happiness with spiritual well-being, a harmony in the soul, inner peace. We would call it peace of mind. But what makes a mind peaceful?

Socrates argued that the just man is happier than the unjust man. The happy are made happy by living justly. But what is justice?

Pascal writes: Men want happiness and only wish to be happy. Pascal is saying that all of our striving is for happiness. But what is it? Some men strive for money, some for position, and some for fame.

John Locke thought that the one thing that moves men above all else is the desire to be happy. And yet we ask, we are moved to do what in order to attain happiness?

Immanuel Kant argued that happiness consists in the satisfaction of all our desires. And yet Kant says that moral worth alone deserves happiness. What is moral worth? Man must do his duty, says Kant, but not for happiness. He goes on: The motive of happiness is so indefinite that although every man wants to attain it, yet he can never say definitely and consistently what it is.

Where then may happiness be found?

Phillips translates the beatitudes in terms of happiness: How happy are the humble-minded, for the kingdom of Heaven is theirs.

How happy are those who know what sorrow means for they will be given courage and comfort.

Happy are those who claim nothing, for the whole earth will belong to them.

Happy are those who are hungry and thirsty for goodness, for they will be fully satisfied.—Matthew 5:3-6.

Phillips goes on: "And what happiness will be yours when people blame you and ill-treat you and say all kinds of slanderous things against you for my sake. Be glad then, yes, be tremendously glad—for your reward in heaven is magnificent." (Matt. 5: 11-12).

Phillips throws light on the subject, and yet I do not quite know what happiness is.

Suppose we should ask you to give us your recipe for happiness. You might say a sound mind in a sound body will give you happiness. Will it?

You might say, friends and someone to love and to be loved—this will make you happy.

We are sure that some would say economic security: Houses and land, stocks and bonds, fat bank accounts, beautiful cars and expensive clothes, position and prestige, marriage and children, college and university degrees. Get these and you will be happy. Will you?

One might say: If I had these things, I would be happy. We would say, wunderbar. Wonderful. Get them. But we would also be compelled to tell you that: millionaires have economic security, yet some have committed suicide: men of prestige and power have committed suicide: men with college and university degrees may be, and some are, miserable. We would tell you that the United States is the richest country in the world, with 45 percent of all the wealth, 85 percent of all the automobiles, 80 to 90 percent of the bathtubs, the highest standard of living, and the most college and university graduates of any nation in the world: yet Liebman's "Peace of Mind" was a best seller some years back. Americans are not necessarily the happiest people on earth.

We would argue further and say to you that the search for happiness is an unworthy goal. If you go out looking for happiness, you don't know what to look for or where to look. If you marry looking for happiness, it is an unworthy aim. People should marry because they love each other; not happiness, but for better, for worse, for richer, for poorer.

We would go still further: We contend that it is not important that people be happy. Was Moses happy? He led a rebellious, complaining people out of bondage and died before he reached the promised land. Was Moses happy? We do not know. And it is not important. But it was important that the Jews were freed from bondage to Egypt. That was important. Moses' happiness was inconsequential.

Was Socrates happy? He was a lonely man, ostracized, and eventually killed by his government. Was Socrates happy? We don't know. We don't think it is important. But it is important that he stood up for free speech and academic freedom. The thing that university professors will fight for.

Was Jesus happy? Members of his own family thought he was out of his mind. The government crucified him between two thieves. Was Jesus happy? We do not know. And we don't think it matters. It is not important. But it is important that Jesus showed what God is like and pointed the way to salvation. That's important.

Was Mahatma Gandhi happy? We do not know. But why pile up more examples? The point should be clear.

We argue still further, what right have we to be happy? They tell me half of the peoples of the earth are starving. Why should we have bread enough and to spare while our brother starves? So who am I to be happy? But for the grace of God, I, too, might be starving. Who am I to ride around in pullman cars and jets while others starve?

Where may happiness be found?

If happiness is to be found, it will be found in noble endeavor, endeavor that gives satisfaction and is beneficial to mankind. It will be found in struggling, in toiling, and in accomplishing something worthwhile; happiness, if it is to be found, will be found in a job well done, however lowly the job.

The surgeon must be happy when he saves life by performing successful operations. The lawyer must be happy when through him justice comes to his clients. The teacher must be happy when her pupils, inspired by her, succeed in the world. The inventor must be happy when his inventions benefit all mankind. The man who eventually will find a cure for cancer should be a happy man, leaping with joy. Salk, who discovered the polio vaccine, must be happy. Happiness, if found at all, will be found in accomplishing something worthwhile. The man who does nothing worthwhile can hardly be happy.

If happiness is to be found, it will be found in pursuing and accomplishing something worthwhile, and the quest must be continuous—no complacency and no satisfaction. What I mean is summed up in the words of Louis Untermeyer:

PRAYER

God, though this life is but a wraith,
  Although we know not what we use,
Although we grope with little faith,
  Give me the heart to fight—and lose.
Ever insurgent let me be,
  Make me more daring than devout,
From sleek contentment keep me free,
  And fill me with a buoyant doubt.
Open my eyes to vision girt
  With beauty, and with wonder lit—
But let me always see the dirt,
  And all that spawn and die in it.
Open my ears to music: Let
  Me thrill with spring's first flutes and drums—
But never let me dare forget
  The bitter ballads of the slums.
From compromise and things half done,
  Keep me, with stern and stubborn pride:
And when, at last, the fight is won,
  God, keep me still unsatisfied.

If happiness is to be found, it will be found in noble living. A man lives nobly when he has an honest conscience, when he can say: The community is better off because I gave my best to it. I did not exploit people for my personal gain. I lived nobly as a teacher because I gave my students the best I had.

I didn't cheat on the job. I prepared daily, I read, I knew my subject, I wrote articles, I wrote books. I did not cheat my students. I lived nobly as a physician because I never used my skill to deceive people. This is another way of saying that I was honest in serving the people.

If happiness is to be found, it will be found when we live more for others than we do for ourselves. Remember Goethe's Faust? As long as Faust sought happiness for himself, he never found it. He was a scholar and an investigator, and could find neither satisfaction nor happiness. For fifty years he sought it and never found it. At age of fifty, he entered into a contract with the devil. "Take me in charge," Faust said to the devil, "and tempt me with all the pleasures of mind and body at your disposal. If you can satisfy my innate desires, if you can make me say to any passing moment, 'stay, thou art so fair,' then blind my soul in your bond."

For fifty years, Faust enjoyed banqueting, revelings, woman's love, the revelation of magic, the comradeship of nature, the achievement of intellect, and the witchery of all forms of beauty. But he found no satisfaction, no happiness, because his quest was selfish, self-centered.

At the age of 100, blind and bent with years, he obtained a bit of seashore, redeemed it from the waves, and colonized it with happy laborers. He started the work to exhibit the mastery of mind over nature. But when he thought of the good he was doing, that millions yet unborn would benefit from what he had done, Faust found happiness. The selfish man can never find it.

Finally, if happiness is to be found, it will be found in the right attitude toward all mankind, for if one man is better than another it is largely accidental. Two babies are born toady in Atlanta, Georgia, one rich, one poor: Two babies were born years ago in India, one of Brahman parents (Nehru), the other of low caste parents (Gandhi); two babies were born in Alabama, one white, the other black. None of these did anything to get themselves born. Nehru and Gandhi, George Wallace and the Negro born on the same day in the slums, the rich white boy and the poor Negro boy, Barnett and Evers of Mississippi, did not choose their parents or the places where they were born. We are what we are by accident, by fate, or by God's grace.

The destiny of every man is the same. We are born, we live a little while, we get sick or grow old and we die. No time for arrogance and none for pride.

I agree with Immanuel Kant: "Treat humanity whether in your own person or in the person of another always as an end and never as a means."

I agree with the Gospel of Christ: ". . . As you did it to one of the least of these my brethren, you did it to me (Matt. 25:40).

If happiness is to be found, it will be found in pursuing and accomplishing worthwhile things, in noble living, in living more for others than for ourselves, in holding the right attitude toward all mankind.

These are the paths that may lead to happiness.

VERMONT OPINION ON EL SALVADOR

Mr. LEAHY. Mr. President, my home State of Vermont is a conservative State, a hard-headed State. A careful State, when something does not make sense, our citizens say so. And in Vermont, the administration's war policy in El Salvador just does not make sense. To give my colleagues a sample of Vermont opinion, I ask unanimous consent that two recent editorials from the Burlington Free Press and the Sunday Rutland Herald/Times Argus be included in the RECORD. I note that both of these newspapers are traditionally conservative and that the editorial in the Burlington Free Press, written by Leo O'Connor, represents a new position for that newspaper. Both of these editorials provide a more coherent policy analysis of the situation in El Salvador than anything I have heard yet from this administration.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Sunday Rutland Herald/Times Argus, Mar. 13, 1983]

SAVING "THE SAVIOR"

Like many of its neighbors, El Salvador has been plagued since its orgins as a republic in the mid-1800's by three grim specters: military dictatorship, extremes of wealth and poverty, and disputes with its neighbors.

Like many of its neighbors, it has also had very limited success in broadly distributing its real and potential wealth—land, money and education—throughout the general population. Annual per capita income in 1978 was a dismally low $639 and most of the land remains controlled by a minority.

Failing in that crucial economic area, it has also failed to create a strong middle class on which a strong, self-reliant democratic government might firmly rest and flourish. And lacking that, it has been unable to provide the kind of stability for itself that its neighbors could confidently regard as a buffer for their own security.

Why, then, is President Reagan giving such short shrift to these historical and present realities, arguing instead that unrest-as-usual in El Salvador has suddenly become an unusually huge threat to the national security of the United States? And why, most astoundingly, is the President now virtually trying to blackmail Congress into throwing another $110 million in military aid at the symptoms of El Salvador's unstable internal conditions, when such actions will perpetuate the very problems that created the instability in the first place—unenlightened government?

Unless Congress goes along, the President says, he will send more military advisers into the country. It is a bluff the Congress must call and smother or lose all public credibility.

The truth is, one of the most powerful figures in El Salvador's provisional government who would stand to benefit from this largess, Roberto d'Aubuisson, was implicated by official documents and news reports last year in the murder of an influential bishop. The government as a whole has also been sanctioning violence as usual ever since, with only token bows to U.S. entreaties to clean up its human rights act, implement effective land reforms and hold new elections.

For the United States to continue winking at that can only persuade El Salvador to continue avoiding what needs to be done.

And while the President has included in his latest economic proposal some non-military aid for the region, whatever good it might do has been negated by his military aid proposal for El Salvador.

If Congress really wants to save "The Savior," it should start by denying killers more money with which to kill other killers. It should then explore with America's better friends in Central America how best to help reverse the social, economic and political decay that keeps making so many Central Americans miserable and the lives of communists easier.

Treating Mexico, our most immediate and stable Central American neighbor, as a leader in that pursuit—instead of as a second-class citizen—would be a big step in the right direction.

[From the Burlington Free Press, Mar. 2, 1983]

U.S. GUNS WON'T STOP CONFLICT IN EL SALVADOR

Years of oppression by tinpot dictators have transformed Latin America into a hemispheric powder keg which could be touched off almost at will by dissidents in several countries.

Not only can the region's volatility be traced to domestic repression but it also can be attributed to a blundering American foreign policy that has put a higher price on alliances with Latin American tyrants in the name of stability than on the welfare of the people who have suffered under the oppressors.

Cuba is perhaps the most dreadful example of the failure of U.S. policy in the past several decades. Once Fidel Castro had overthrown the despotic Fulgencio Batista regime, there were indications that Castro would welcome the opportunity to maintain close ties with the United States. But his overtures were rejected and he turned to Moscow for support and assistance.

Had the American government been more flexible in dealing with Castro, today it might not have a nagging pest on its flank. But the lesson of Cuba apparently was not well learned by the State Department bureaucrats who direct foreign policy.

Time after time, they have misread the mood of Latin Americans and later have discovered that Americans have lost credibility in the eyes of the new leadership. If that trend continues, the United States will only be able to watch helplessly as one after another Latin American nation follows the Cuban path.

Fundamental changes are needed and they must begin with an evaluation of the rising expectations of peoples who have been victimized for years by their governments. Because the tyrants held absolute power, there was little hope of relieving the misery of the millions of people who lived in poverty and squalor in Latin America.

The ascendance of guerrilla movements has given a semblance of hope to the people but it could fade if it merely means that one oppressor is overthrown and is replaced by another. Events in Nicaragua since the victory of the Sandinistas are testimony to the fragile promises of radical movements.

But American policy in Latin America is still intransigent. After reviewing the military situation in El Salvador, President Reagan has proposed an increase of $60 million in military aid for a regime which has yet to demonstrate tht it has a minimum of respect for human rights. And a senior White House adviser said Monday that the administration is weighing the possibility of increasing the number of American military advisers in El Salvador.

While officials contend that the larger contingent will be better able to train Salvadoran troops to deal effectively with the guerrillas, there always is the possibility that the advisers will be allowed to fight with the Salvadoran army. Such a move would be reminiscent of this country's early involvement in Vietnam and should be disturbing to many Americans who do not want another Vietnam war in El Salvador.

Reagan is pressing Congress to win support for an increase in military assistance to the Salvadoran government. Senate Republican Leader Howard Baker of Tennessee has said the president told congressional leaders that the Salvadoran government cannot survive without additional military aid.

Secretary of State George P. Shultz told the Senate Appropriations Subcommittee on Foreign Relations that the $60 million increase in arms aid was crucial because the guerrillas were "dedicated to tearing the country up." He rejected the idea of negotiations because he said the insurgents want to "shoot their way" into power and will not accept the idea of democratic elections and other democratic processes.

Since U.S. officials have had little or no contract with the guerrillas, Americans must wonder how Shultz can presume to speak for the Insurgents. And his claim that democracy exists in a country where those who oppose the government are tortured, imprisoned and murdered is a denial of reality.

If the administration is genuinely concerned about the plight of the people of El Salvador, it will continue to press the country's government to carry out long-promised land reform and take other steps to alleviate the misery of the populace.

If the administration is truly fearful of the spread of Communism in Latin America, it will send food, clothing and medical supplies to El Salvador and the other countries, where they are needed. Such humanitarian measures will do far more to prevent a regional shift toward the Eastern bloc than all the guns and bullets which could be sent there.

Unless there is a drastic change in American foreign policy in the coming months, there may be two, three or four Vietnams in Latin America and the United States will be unable to deal with the catastrophes.

When Latin American and U.S. officials realize that people with food in their stomachs, clothes on their backs and small plots of land for farming are poor candidates for leftist uprisings, the hoped for stability will return to the region and democracy will finally flourish.

FIFTH ANNIVERSARY OF APPOINTMENT OF WILLIAM F. BOLGER AS POSTMASTER GENERAL

Mr. STEVENS. Mr. President, I want to bring to the attention of the Members that today is the fifth anniversary of the appointment of William F. Bolger as Postmaster General. Mr. Bolger is only the second Postmaster General ever to rise out of the ranks of the Postal Service, having served for 38 years in the Postal Service, starting as a clerk in the Bureau of Finance in the old Post Office Department. I am convinced that Mr. Bolger's accomplishments in these past 5 years will elevate him to the legendary status of Ben Franklin, Jim Farley, and other such outstanding individuals who have presided over the one Federal department that touches practically every American every day.

When we passed the Postal Reorganization Act of 1970, we attempted to craft a balance between the maintenance of an essential service to the public and the attainment of fiscal discipline within the postal system, believing that both could be achieved with the tools provided in the act. Except for some fine tuning, we were correct. We were correct because of the diligence of individuals such as Bill Bolger who share the belief that providing service and cost consciousness are not opposites. Bill has made incredibly effective use of the flexibility offered by the law to round out the system.

Bill's accomplishments during his leadership are many and are all the more dramatic because they occurred during a tremendous rise in inflation and the numerous cuts in Federal spending. He has not come running to Congress to complain that his department cannot function without an increase in appropriations. Rather, he has accepted the fact that we all must tighten our belts and simply accomplished what Congress demanded of him and his organization. We estimate that if the Postal Service was operating under the system prior to the Postal Reorganization Act of 1970, it would be necessary to appropriate over $8 billion in addition to the income derived from postage.

There have been many significant achievements during the 5 years Mr. Bolger has been at the helm of the U.S. Postal Service. I will list only a few:

The Postal Service has lived within the statutory break-even mandate, achieving surpluses in 2 of the last 5 years. This was no minor task, considering the fact that this was during a time of declining subsidies and was accomplished without borrowing and with a postage rate increase below the Consumer Price Index.

Postal rates have remained steady for the last 3 years. We now have one of the lowest postal rates of any nation in the free world.

Funds have been made available to pay back current indebtedness and to modernize postal buildings and mail processing operations.

Levels of postal service have remained constant and, in fact, new and expanded services have been introduced. Two such examples are the presort program available to business mailers, which has blossomed into one of the most popular postal programs in the history of the Service, and the Express Mail, which is the Postal Service's expedited delivery service.

Postmaster General Bolger has taken the lead in bringing the Postal Service into the 21st century by authorizing the use of electronic technology to transport mail with both the International Electronic Post (Intelpost) and the Electronic Computer Originated Mail (E-COM) services.

PMG Bolger has initiated the ZIP+4 program, which when finalized will allow the Postal Service to reap the in-

credible benefits of improved mechanization of sorting mail.

One aspect of Bill Bolger's tenure which I know Members will especially appreciate and concur with is his total responsiveness to congressional interest. There was a time when it appeared to some that the Postal Service did not seriously consider the views of the American public as exemplified by congressional interest. That is not true today.

I can remember a time when the mailers were unhappy with the Postal Service management because they appeared to side with labor unions. We saw a period when the labor unions were unhappy because management appeared to side with the mailers in attempting to cut costs. It is incredible to find an individual who has garnered the admiration and support from all segments of the postal community that the current Postmaster General has.

I congratulate you, Bill Bolger, on 5 years of outstanding service to and stewardship of the Postal Service. This Nation needs people like you and I am counting on you to stick around for a long time.

SENATE RESOLUTION 49—SENATOR MATHIAS COSPONSOR

Mr. HOLLINGS. Mr. President, in the printing of Senate Resolution 49, as reported by the Committee on Appropriations on March 8, Senator MATHIAS' name was apparently overlooked by the printer. I regret that this error happened, but it was beyond our control. The senior Senator from Maryland has always been steadfast in his support of restoring the vitality of the economically distressed areas of the Nation. I am assured by the bill clerk that the official records in the Secretary's office show Senator MATHIAS as a cosponsor, and that the bound CONGRESSIONAL RECORD will also reflect his support of Senate Resolution 49.

ROBERT C. BYRD, A LEADER THROUGH SERVICE

Mr. MATSUNAGA. Mr. President, due to illness I was unable to be in the Chamber yesterday.

But in reviewing the remarks of my colleagues yesterday in recognition of the 10,000 rollcalls—10,000 decisions in public legislative service—answered by the distinguished Senator and outstanding minority leader of this body, ROBERT C. BYRD of West Virginia, I was struck by his remarkable record of managing time to the Nation's best advantage.

The distinguished Senator from Oregon (Mr. HATFIELD) observed how the minority leader attended law school over a period of years while serving in both the House and the Senate. Yet in a congressional career spanning just over 30 years he has achieved an attendance record of almost 98 percent. This achievement is all the more remarkable in light of the fact that he has kept in such close contact with his State—through some 200 public appearances there last year alone. I understand his goal is to visit each one of West Virginia's 55 counties annually and that he comes close to it most years. This is an extraordinary feat of time management, Mr. President, and one that we can all appreciate.

What is the secret of his success? I recall when the distinguished Senator from West Virginia first approached me for my support in his bid for majority leader back in 1976, I posed him this question: "What, in your concept, does leadership mean as it relates to the Senate majority leader?"

The response he gave me was something which sold me on him immediately. He said, "To serve the Members of the Senate so that they, in turn, may better serve the great people of this country."

He has applied the Biblical injunction regarding aspirations of leadership expressed in service to all. He has never skimped in his allotment of time to either his colleagues, his constituents, or his family. He has taken painstaking care in the application of time to each of his duties. He has done all things well. So, I too extend my heartiest congratulations to Senator ROBERT C. BYRD, whose record is an inspiration to all his colleagues, including this humble Senator from Hawaii.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-564. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Census Bureau Needs to Plan Now for a More Automated 1990 Decennial Census"; to the Committee on Governmental Affairs.

EC-565. A communication from the Chairman of the District of Columbia Council, transmitting, pursuant to law, D.C. Act 5-11; to the Committee on Governmental Affairs.

EC-566. A communication from the Assistant Secretary of Transportation for Administration, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-567. A communication from the Assistant Attorney General for Administration, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-568. A communication from the Assistant Secretary of the Interior for Indian Affairs, transmitting, pursuant to law, a proposed plan for the use and distribution of certain Indian judgment funds; to the Select Committee on Indian Affairs.

EC-569. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the foundation's freedom of information report for calendar 1982; to the Committee on the Judiciary.

EC-570. A communication from the Deputy Administrator of the General Services Administration, transmitting, pursuant to law, the GSA's calendar year 1982 Freedom of Information report; to the Committee on the Judiciary.

EC-571. A communication from the Director of ACTION, transmitting, pursuant to law, the Agency's calendar 1982 Freedom of Information report; to the Committee on the Judiciary.

EC-572. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the Board's calendar 1982 Freedom of Information report; to the Committee on the Judiciary.

EC-573. A communication from the Director of the Office of Legislative Affairs of AID, transmitting, pursuant to law, the Agency's calendar 1982 Freedom of Information report; to the Committee on the Judiciary.

EC-574. A communication from the Deputy Director of the CIA for Administration, transmitting a corrected page 1 for its annual report of March 1, 1983; to the Committee on the Judiciary.

EC-575. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the Commission's calendar 1982 Freedom of Information report; to the Committee on the Judiciary.

EC-576. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend appropriation authorizations for child abuse prevention and treatment and adoption reform programs; to the Committee on Labor and Human Resources.

EC-577. A communication from the Director of the Office of Management and Budget, transmitting, pursuant to law, the cumulative report on rescissions and deferrals; jointly, pursuant to the order of January 30, 1975, to the Committee on Agriculture, Nutrition, and Forestry; the Committee on Armed Services; the Committee on Banking, Housing, and Urban Affairs; the Committee on Commerce, Science, and Transportation; the Committee on Energy and Natural Resources; the Committee on Finance; the Committee on Foreign Relations; the Committee on Governmental Af-

fairs; the Committee on the Judiciary; the Committee on Labor and Human Resources; and the Committee on Veterans Affairs.

EC-578. A communication from the Acting General Counsel of the Department of Energy, transmitting a draft of proposed legislation to authorize appropriations for Department of Energy national security programs; to the Committee on Armed Services.

EC-579. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize the Secretary of Defense and the Secretary of Transportation to increase the term of service in the armed forces under their jurisdiction and to pay bonuses for enlistment and reenlistment in the reserve components; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, without amendment:

S. Res. 91. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1; referred to the Committee on the Budget.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NUNN (for himself and Mr. MATTINGLY):

S. 806. A bill to provide for a plan to reimburse the Okefenoke Rural Electric Membership Corporation for the costs incurred in installing electrical service to the Cumberland Island National Seashore; to the Committee on Energy and Natural Resources.

S. 807. A bill to amend the boundaries of the Cumberland Island National Seashore; to the Committee on Energy and Natural Resources.

By Mr. PACKWOOD (by request):

S. 808. A bill to enhance the transfer of technical information to industry, business, and the general public by amending the act of September 9, 1950 (15 U.S.C. 1151 et seq.) to establish a Technical Information Clearinghouse Fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GORTON (for himself and Mr. PACKWOOD):

S. 809. A bill to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HUMPHREY (for himself and Mr. DENTON):

S. 810. A bill to amend the Federal Election Campaign Act of 1971 to provide for adjustments in campaign contribution limits; to the Committee on Rules and Administration.

By Mr. SPECTER (for himself and Mr. HEINZ):

S. 811. A bill to provide block grants to States for the purpose of providing health insurance or health care benefits to unemployed workers; to the Committee on Labor and Human Resources.

By Mr. DOMENICI:

S. 812. A bill to authorize the construction of a project for flood control in the vicinity of Albuquerque, N. Mex., and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 813. A bill to prohibit all United States economic and military assistance and exports (except food and medicine) to, and all imports from, any country whose government has failed to take adequate measures to prevent opium and its illicit derivatives from being produced or refined for export to the United States; to the Committee on Finance.

By Mr. KENNEDY:

S. 814. A bill to provide for control of health's escalating costs, and for other purposes; to the Committee on Finance.

By Mr. HATFIELD (for himself, Mr. BAUCUS, Mr. NUNN, Mr. RANDOLPH, Mr. NICKLES, Mr. PROXMIRE, Mr. EAST, Mr. DOMENICI, Mr. ABDNOR, Mr. GARN, Mr. SIMPSON, Mr. BIDEN, Mr. JOHNSTON, Mr. DECONCINI, and Mr. EXON).

S. 815. A bill to provide that it shall be unlawful to discriminate against any meetings of students in public secondary schools and to provide the district courts with jurisdiction; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATHIAS (for himself, Mr. LEVIN, Mr. HATFIELD, Mr. DANFORTH, Mr. SARBANES, Mr. DOLE, Mr. MELCHER, Mr. PRESSLER, Mr. DECONCINI, Mr. HOLLINGS, Mr. D'AMATO, Mr. PACKWOOD, Mr. DURENBERGER, and Mr. BUMPERS):

S. Res. 90. Resolution expressing the sense of the Senate that the Soviet Government should immediately release Anatoly Shcharansky and allow him to emigrate; to the Committee on Foreign Relations.

By Mr. DOLE:

S. Res. 91. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1; from the Committee on Finance; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PACKWOOD (by request):

S. 808. A bill to enhance the transfer of technical information to industry, business, and the general public by amending the Act of September 9, 1950 (15 U.S.C. 1151 et seq.) to establish a Technical Information Clearinghouse Fund, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TECHNICAL INFORMATION CLEARINGHOUSE FUND ACT OF 1983

● Mr. PACKWOOD. Mr. President, I am pleased to introduce today on behalf of the administration the National Technical Information Clearinghouse Fund Act of 1983.

The National Technical Information Service (NTIS) is the central source for the public sale of research, development, and engineering reports and other analyses prepared by Government agencies, their contractors, and selected nongovernmental entities. The NTIS sells its products and services on a self-sustaining basis with gross revenues of about $22 million annually.

When the NTIS was established in 1970, the Secretary of Commerce transferred the Clearinghouse for Federal Scientific and Technical Information from the National Bureau of Standards to NTIS, in order to consolidate their activities, and assigned a trust fund to NTIS for revenues derived from its activities.

The Department of Commerce, the General Accounting Office, and the Office of Management and Budget have jointly concluded that the NTIS trust fund is not adequate to enable NTIS to function efficiently. In fact, it has actually caused problems. First, because of the nature of a trust fund, NTIS constantly experiences broad fluctuations in its cash-flow and regularly lacks needed working capital. NTIS cannot retain net earnings and must draw upon funds advanced by its customers to help finance operations. Second, NTIS lacks the statutory authority to use the trust fund to purchase needed capital assets; accordingly, appropriations are constantly required to replace old equipment and purchase new equipment.

This bill, a similar verson of which was passed by the Senate in the 97th Congress, will replace the trust fund of NTIS with a revolving fund in the Treasury of the United States. This revolving fund will be available to the Secretary of Commerce to fund the activities of NTIS. The bill will also authorize a one-time appropriation of $5 million to provide working capital during periods of low cash-flow. During periods of high cash-flow, money drawn from the $5 million would be restored; thus, no net budget outlay would result. This will eliminate NTIS's reliance and deposit accounts. The bill also authorized NTIS to retain earnings to replace capital assets and inventories. The bill modernizes the financial practices of NTIS, assists in matching costs with revenues, and generally improves management control over NTIS operations. In addition, Mr. President, by allowing NTIS to retain its earnings, in order to purchase capital assets, I believe we are encouraging more efficient and effective management of this agency.

Mr. President, I request that the bill as introduced be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Technical Information Clearinghouse Fund Act of 1983".

SEC. 2. The Act of September 9, 1950 (15 U.S.C. 1151 et seq.) is amended by adding at the end thereof the following:

"TECHNICAL INFORMATION CLEARINGHOUSE FUND

"SEC. 8. (a)(1) There is established in the Treasury of the United States the Technical Information Clearinghouse Fund (hereinafter referred to as the 'Fund'). The Fund shall be available to the Secretary, without fiscal year limitation, for use as a revolving fund to carry out clearinghouse activities.

"(2) For purposes of this section, the term 'clearinghouse activities' means the activities authorized in this Act and any other activities lawfully assigned by the Secretary to the clearinghouse established under section 2 of this Act.

"(b) There shall be deposited or included in the Fund—

"(1) all fees, advances, and reimbursements received from any source for products and services furnished, or to be furnished, by the clearinghouse;

"(2) all receipts from the sale, rental, or exchange of property used by the clearinghouse and all receipts in payment for any loss or damage to such property;

"(3) all receivables, inventories, and other assets associated with clearinghouse activities; and

"(4) any sums appropriated by law for the conduct of clearinghouse activities.

"(c)(1) The Fund shall be available to the Secretary for the payment of all costs of conducting clearinghouse activities, including the payment of any financial obligations related to clearinghouse activities which were undertaken by the Secretary prior to the establishment of the Fund or which are subsequently transferred to the Fund by law or in conjunction with any reorganization authorized by law.

"(2) As used in this subsection, the term 'cost' or 'costs' shall include all directly-related expenses and appropriate charges for indirect and administrative expenses, including: accured leave; uncollectible accounts; cost of sales; developmental costs; depreciation; inventory obsolescence; and financial obligations related to clearinghouse activities undertaken before the establishment of the Fund or subequently transferred to the Fund by law or in conjunction with any reorganization authorized by law.

"(d) The Secretary may refund from the Fund any fee paid by mistake or in excess of a required fee.

"(e) At the close of each fiscal year, the Secretary shall transfer to the general fund of the Treasury any amount in the Fund that exceeds any present and reasonable future requirements of the Fund.

"(f) There is authorized to be appropriated to the Secretary not to exceed $5,000,000 for working capital for the Fund.".

"SEC. 3. Section 3 of the Act of September 9, 1950 (15 U.S.C. 1153) is amended by adding at the end of the first paragraph the following: "Such schedule or schedules shall, to the fullest extent feasible, reflect the costs of the products and services offered.".●

By Mr. GORTON (for himself and Mr. PACKWOOD):

S. 809. A bill to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; and for other purposes; to the Committee on Commerce, Science, and Transportation.

FIRE PREVENTION AND CONTROL ACT REAUTHORIZATION

● Mr. GORTON. Mr. President, I am introducing today a bill to reauthorize the Federal Fire Prevention and Control Act.

The United States continues to lead the industrialized world in loss of life and property due to fire. In 1981, more than 7,000 Americans, civilians and firefighters, lost their lives due to fires, over 30,000 Americans were injured, and the direct dollar losses for that year were estimated to be more than $6.6 billion. Clearly, the Fire Prevention and Control Act, signed in 1974, has lost none of its timeliness or urgency.

The Fire Prevention and Control Act established the U.S. Fire Administration, the National Fire Academy, and the Center for Fire Research in the National Bureau of Standards. Although fire is primarily a State and local problem, and State and local governments have provided productive and dedicated service to the public in this area, the Federal effort serves to support and encourage these efforts.

The Fire Administration serves as the focus of Federal fire prevention and control activities. It was recently reorganized within the Federal Emergency Management Agency. This reorganization was accomplished with the active cooperation of the Joint Council of National Fire Service Organizations, and reflects the true needs of the fire service community in the United States.

The National Fire Academy provides advanced technical and management courses to improve the professional development of America's firefighters and allied professionals. The Academy provides not only college-level courses at its Emmitsburg, Md., campus but also has an ongoing "outreach" effort, in close collaboration with State and local fire services, to bring training to thousands of firefighters throughout the Nation. I believe that the Fire Academy program represents not only a model for interaction of State, local, and Federal governments, but an efficient and effective use of Federal dollars.

Mr. President, I am pleased to introduce this legislation on behalf of the administration, and I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 809

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended by adding at the end thereof the following:

"(e) Except as otherwise specifically provided with respect to the payment of claims under section 11 of this Act, there is authorized to be appropriated an amount not to exceed—

"(1) $14,720,000 for the fiscal year ending September 30, 1984; and

(2) $15,500,000 for the fiscal year ending September 30, 1985.

The funds authorized under this subsection shall be in addition to funds authorized in any other law for research and development at the Center for Fire Research of the National Bureau of Standards.●

By Mr. HUMPHREY (for himself and Mr. DENTON):

S. 810. A bill to amend the Federal Election Campaign Act of 1971 to provide for adjustments in campaign contribution limits; to the Committee on Rules and Administration.

ADJUSTMENTS IN CAMPAIGN CONTRIBUTION LIMITS

● Mr. HUMPHREY. Mr. President, today I am introducing a bill which would adjust current contribution limits set by the Federal Election Campaign Act to reflect real dollar values as of the dates of their respective enactment.

We are all very much aware of the devastating impact that inflation has had on purchasing power. Since 1967 when the CPI was indexed at 100, we have witnessed inflation devaluate the dollar by close to 200 percent. The purchasing power of every U.S. dollar has been affected, including, of course, those which can legally be contributed to a candidate or an appropriate political entity.

Our current contribution limits were established in 1974 and 1976 to check advantages previously held by candidates who had wealthy or special interest supporters. At the time of their enactment, these limits had been developed by the Congress as an appropriate consensus approach to the problems they were designed to address. At that time, the then chairman of the Rules Committee, Senator Cannon, characterized our contribution limits as "* * * setting reasonable ceilings on contribution * * *" and as a "* * * fair compromise * * *" Indeed, Senator MATHIAS, who now sits as chairman of the Rules Committee, remarked during consideration of the 1974 FEC Amendments Act that, "For the first time, we will have reasonable limits on both campaign contributions and campaign spending."

Mr. President, it is imperative we recognize that the situation today presents a different picture. While we still have the same contribution limit numbers in our statutes, the real contribution levels provided by law have diminished considerably. The fair and reasonable limits which were amply praised years ago are no longer with

us, but rather the consequences of inflation have left us with close to one-half of what we had to work with less than a decade ago. It is with these considerations in mind that I ask Members to join with me in an effort to adjust our current contribution limits to reflect their real dollar values as of the dates of their respective enactment. These adjusted limits would restore to contribution limits the purchasing power originally intended by Congress. I ask unanimous consent that a breakdown of current contribution limits and their adjustments for inflation through 1982 appear in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

APPENDIX I

FECA CAMPAIGN CONTRIBUTION LIMITS

	Current	Year set	Adjusted [1]
INDIVIDUALS			
To a Federal office candidate (per election)	$1,000	1974	$2,000
To a political committee (per calendar year)	5,000	1976	8,500
To political committees of a national political party (per calendar year)	20,000	1976	33,900
To all Federal office candidates and political committees (per calendar year)	25,000	1974	48,900
MULTICANDIDATE POLITICAL COMMITTEES			
To a Federal office candidate (per election)	5,000	1974	9,800
To a political committee (per calendar year)	5,000	1976	8,500
To political committees of a national political party (per calendar year)	15,000	1976	25,400
Republican/Democratic Senatorial Committee and/or National Committee of a political party: to a candidate or nominee (per election year)	17,500	1976	29,700

[1] All adjusted limits calculated in accordance with the Consumer Price Index and rounded to the nearest $100.

Mr. HUMPHREY. Mr. President, political campaigns, like everything else, are more expensive today than they were in 1974 or 1976. It seems only reasonable that our campaign contribution limits should be adjusted for inflation. While some might prefer to adjust only some of the existing contribution limits, I believe that all should be adjusted in a spirit of fairness. If contribution limits are not adjusted for inflation, running for public office will become more and more the select pursuit of those having great personal wealth, and such a development would certainly not be in the public interest. I sincerely hope Members will see the reasonableness and simplicity of this approach and respectfully urge their support for the reinstatement of contribution limits to their intended levels.

Mr. President, I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441 (a)) is amended in paragraph (1)—

(1) by striking out "$1,000" and inserting in lieu thereof "$2,000" in subparagraph (A);

(2) by striking out "$20,000" and inserting in lieu thereof "$33,900" in subparagraph (B); and

(3) by striking out "$5,000" and inserting in lieu thereof "$8,500" in subparagraph (C);

(b) Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441 (a)) is amended in paragraph (2)—

(1) by striking out "$5,000" and inserting in lieu thereof "$9,800" in subparagraph (A);

(2) by striking out "$15,000" and inserting in lieu thereof "$25,400" in subparagraph (B); and

(3) by striking out "$5,000" and inserting in lieu thereof "$8,500" in subparagraph (C); and

(c) Section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441 (a)) is amended in paragraph (3) by striking out "$25,000" and inserting in lieu therof "$48,900".

(d) Section 315(h) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a (h)) is amended by striking out "$17,500" and inserting in lieu thereof "$29,700".●

By Mr. SPECTER (for himself and Mr. HEINZ):

S. 811. A bill to provide block grants to States for the purpose of providing health insurance or health care benefits to unemployed workers; to the Committee on Labor and Human Resources.

HEALTH CARE FOR DISPLACED WORKERS

Mr. SPECTER. Mr. President, I rise today to introduce a bill on behalf of my colleague, Senator HEINZ, and myself which will establish a block grant to States for the purpose of providing health care benefits to unemployed workers.

Almost 12.4 million Americans are presently out of work. It is clear that unemployment is accompanied by aggravated health problems for displaced workers and their families. According to the Congressional Budget Office, almost 90 percent of the unemployed, or close to 11 million persons, have already lost employer-based health insurance coverage—most within 30 days of job termination. In Pennsylvania, almost 400,000 people who have dependents receive unemployment compensation but have lost their health insurance.

This loss could not come at a worse time, since unemployment exacts a heavier than normal toll on the physical and psychological health of its victims. One recent study found that increases in the unemployment rate correspond to even greater increases in suicides, homocides, and deaths from heart disease and other stress related disorders. Further, reports from several major cities with high unemployment rates point to significant increases in infant death and sickness rates. These statistics, however, only begin to tell the story of these millions of jobless Americans struggling to obtain adequate health care.

The effects of this massive loss of coverage are now being felt by hospitals and clinics as well as by individuals across the Nation. A survey conducted in Mon Valley, Pa., reveals that three of four of the area's unemployed are without any medical coverage. At least one of every five surveyed had immediate need of medical care. Philadelphia's Health Commissioner has identified hospitals which are scaling back basic, prevention health services for the poor. A hospital in Alabama had to close its emergency room on weekends to curb the flood of requests for free care in order to avoid bankruptcy. Early this year, an unemployed man in Michigan was convicted for falsifying insurance documents to get health care for bleeding ulcers.

Unemployed workers in St. Louis have discovered that transferring their group health insurance coverage to a direct-pay plan could cost as much as a $100 premium per month for an individual and $260 per month per family. In Pennsylvania, similar costs have been quoted and yet, the average weekly benefit in our State is $136. This would mean that unemployed workers could obtain health insurance only if they are willing to pay as much as 25 to 50 percent of their monthly compensation check. Obviously, there are few who would or could afford such an option.

Senator HEINZ' and my proposal will provide Federal assistance to States in order that they can expeditiously and efficiently target resources to assist those unemployed workers most in need. States are encouraged to develop cost-effective financing and delivery structures such as competitive bidding among carriers or providers or capitation based reimbursement systems while taking into account the existence of related programs or financing structures in a given area.

ALLOCATION OF FUNDS

Our legislation would establish a block grant to be distributed by the Secretary of Health and Human Services to qualifying States according to the following formula:

First, one-third on the basis of the number of unemployed in each state to the total number of unemployed in all states;

Second, one-third on the basis of the "excess number" of unemployed in each State to the total "excess number" of unemployed in all States. "Excess number" means the number representing unemployed individuals in excess of 6 percent of the civilian labor force in a State; and

Third, one-third on the basis of the number of persons unemployed for 15 weeks or more in each State to the

total number of such persons in all States.

Although this allocation formula is very similar to the dislocated workers program under the Job Training Partnership Act (Public Law 97-300) it does not include the 25-percent discretionary fund for the Secretary. It does, however, permit the Secretary to reallocate amounts to the extent the Secretary determines that any State will be unable to obligate such an amount within 1 year. States will be required to assure their compliance with the provisions of this bill in addition to conducting outreach programs to notify eligible unemployed workers, permitting Federal audits, using no more than 10 percent of these funds for administrative costs and holding hearings for those individuals who have been denied claims assistance.

ELIGIBILITY

This health plan would be available to persons who are unemployed and not able to receive health care benefits under any other health care insurance policy including medicare and medicaid.

It is expected that the State will maximize use of existing resources, such as coverage of a working spouse, before expending funds under this program.

Unemployed workers who would qualify for such a program would include a person who:

First, is entitled to regular, extended or Federal supplemental benefits on or after enactment;

Second, exhausted such benefits within the 12-month period prior to enactment and who is still unemployed as defined under applicable State law relating to eligibility for regular compensation; and

Third, was a participant in an employer group health plan immediately prior to becoming unemployed and eligible for any unemployment compensation.

Family members may receive coverage as well. A family member is defined as the unemployed worker's spouse and children under 19 or under 23, if they are a full-time student.

COST

Unfortunately, there is no easy solution to this complex problem. Senator HEINZ and I are proposing a 3-year authorization of $1 billion each year.

It will take a tremendous commitment from the U.S. Congress and Government to help those people who have lost their health benefits through no fault of their own. Millions of men, women, children, and even unborn children are being exposed to the hazards of poor health care due to unemployment.

The need for health care coverage for the unemployed can no longer be overlooked. We cannot run the risk of having the health of breadwinners deteriorate to the extent that they may be unable to return to employment once the economy recovers. When we solve our unemployment problems in this country, then we can go back to the former system of health care because it works.

I urge my colleagues to join us in supporting this measure, and ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Care for Displaced Workers Act of 1983".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the unemployment rate in the United States exceeds ten percent of the labor force, and that as a result many workers have lost their health insurance coverage, causing severe financial hardship for workers and their families and impeding access to needed medical care for such workers and their families;

(2) many of the unemployed workers most in need of access to health care are not currently receiving unemployment compensation, and are not currently eligible for existing health care programs (many of which are not properly structured to meet the particular needs of unemployed workers and their families); and

(3) there is a need for Congress to provide funds to States so that the States can expeditiously and efficiently target Federal resources to assist those unemployed workers most in need.

(b) It is the purpose of this Act to provide access to needed health care services for unemployed workers, and to allow State flexibility to use funds to target services to those most in need and to meet the need for such services in the most efficient and economical way possible.

DEFINITIONS

SEC. 3. (a) For purposes of this Act—

(1) the term "Secretary" means the Secretary of Health and Human Services;

(2) the term "eligible unemployed worker" means an individual who—

(A)(i) is entitled to regular, extended, or Federal supplemental compensation on the date of the enactment of this Act or at any time thereafter, or

(ii) was entitled to such compensation within the 12-month period preceding the date of the enactment of this Act but lost such entitlement by reason of exhaustion of any such compensation available to him (other than for cause), and is unemployed (as defined with respect to hours and wages for purposes of eligibility for regular compensation under the applicable State law); and

(B) was a participant in a group health plan sponsored or contributed to by his employer at the time immediately prior to his becoming unemployed and becoming eligible for compensation described in subparagraph (A);

(3) the term "family member" means, with respect to an eligible unemployed worker, that worker's spouse, or that worker's child who is—

(A) 18 years of age or younger, or

(B) 22 years of age or younger and a full-time student;

(4) the term "period of eligibility" means, with respect to an eligible unemployed worker and his family members, the period consisting of—

(A) any week for which such worker is entitled to regular, extended, or Federal supplemental compensation,

(B) the 30-day period following the week in which such worker lost his entitlement to such compensation by reason of a return to employment (as determined under applicable State law), and

(C) any week in the 52-week period following the week in which such worker lost his entitlement to such compensation by reason of exhaustion of any such compensation available to him (other than for cause), if such worker is unemployed (as defined with respect to hours and wages for purposes of eligibility for regular compensation under applicable State law); except that such 52-week period shall not begin until such time as the eligible unemployed worker has applied for and been accepted into a health benefits program provided by the State under this Act; and

(5) the term "health benefits program" means a program established by a State to provide health care, directly or through insurance or otherwise, for eligible unemployed workers and their family members during their period of eligibility, which may (but need not necessarily)—

(A) provide partial or total payment of health insurance premiums,

(B) establish group health insurance for unemployed workers and their families,

(C) take into account income or assets in structuring benefits or determining premium payments, or

(D) provide for cost-effective financing and delivery structures such as competitive bidding among carriers or providers, or capitation reimbursement systems, while taking into account the existence of related programs or financing structures in given areas.

(b) For purposes of subsection (a)(5), any health benefits program must provide that no payments made under this Act may be used to provide health care for any individual who is eligible for such health care under any other program or insurance.

ALLOCATION AND PAYMENT OF FUNDS

SEC. 4. (a) The Secretary shall allot the amount appropriated to carry out this Act for any fiscal year among the States as follows:

(1) One-third of such amount shall be allotted among the States on the basis of the relative number of unemployed individuals who reside in each State as compared to the total number of unemployed individuals in all the States.

(2) One-third of such amount shall be allotted among the States on the basis of the relative excess number of unemployed individuals who reside in each State as compared to the total excess number of unemployed individuals in all the States. For purposes of this paragraph, the term "excess number" means the number which represents unemployed individuals in excess of 6 percent of the civilian labor force in the State.

(3) One-third of such amount shall be allotted among the States on the basis of the relative number of individuals who have been unemployed for 15 weeks or more and

who reside in each State as compared to the total number of such individuals in all the States.

(b) Allotments shall be made on the basis of the most recent 12-month period, preceding the month in which the Secretary makes such allotments, for which adequate data is available.

(c) The Secretary is authorized to reallot any amount of any allotment to a State to the extent that the Secretary determines that the State will not be able to obligate such amount within one year of allotment.

(d) From its allotment under subsection (a), the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968, for use under this Act.

APPLICATIONS AND REQUIREMENTS

SEC. 5. (a)(1) Each State desiring to receive an allotment for any fiscal year under this Act shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will meet the conditions enumerated in subsection (b).

(2) After the expiration of the first fiscal year for which a State receives funds under this Act, no funds shall be allotted to such State for any fiscal year under this Act unless such State conducts public hearings with respect to the proposed use and distribution of funds to be provided under this Act for such fiscal year.

(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to—

(1) use the funds available under this Act for the purpose of carrying out health benefit programs in accordance with the requirements of this Act;

(2) conduct outreach activities designed to assure that eligible unemployed workers are made aware of the assistance provided under this Act;

(3) coordinate its activities under this Act with similar and related programs administered by the Federal Government and such State;

(4) provide that—

(A) in each fiscal year, the State may use for planning and administering health benefit programs under this Act an amount not to exceed 10 percent of its allotment under this Act for such fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the programs assisted under this Act and will not use Federal funds for such remaining costs;

(5) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this Act, including procedures for monitoring the assistance provided under this Act, and provide that at least every year the State shall prepare an audit of its expenditures of amounts received under this Act;

(6) permit and cooperate with Federal investigations undertaken in accordance with section 7; and

(7) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness.

The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection.

(c)(1) As part of the annual application required in subsection (a), the chief executive officer of each State shall prepare and furnish to the Secretary a plan which contains provisions describing how the State will carry out the assurances contained in subsection (b). The chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

(2) Each plan prepared under paragraph (1) shall be made available for public inspection within the State involved in such a manner as will facilitate review of, and comment upon, such plan.

(d) Each audit required by subsection (b)(5) shall be conducted by an entity independent of any agency administering activities or services carried out under this Act and shall be conducted in accordance with generally accepted auditing principles. Within 30 days after the completion of each audit, the chief executive officer of the State shall submit a copy of such audit to the legislature of the State and to the Secretary.

(e) Notwithstanding any other provision of the law, the amount of any health care or payments provided to an eligible unemployed worker or family under this Act shall not be considered income or resources of such worker or family for any purpose under any Federal or State law, including any law relating to taxation, food stamps, public assistance, or welfare programs.

(f) The State shall repay to the United States amounts found not to have been expended in accordance with this Act or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this Act.

(g) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this Act in order to assure that expenditures are consistent with the provisions of this Act and to determine the effectiveness of the State in accomplishing the purposes of this Act.

NONDISCRIMINATION PROVISIONS

SEC. 6. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 also shall apply to any such program or activity.

(b) Whenever the Secretary determines that a State which has received a payment under this Act has failed to comply with subsection (a) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable; or (3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

WITHHOLDING

SEC. 7. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not utilize its allotment substantially in accordance with the provisions of this Act and the assurances such State provided under section 5.

(2) The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this Act or the assurances provided by the State under section 5. For purposes of this paragraph, a violation of any one of the assurances contained in section 5(b) which constitutes a disregard of such assurance shall be considered a serious complaint.

(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this Act in order to evaluate compliance with the provisions of this Act.

(2) Whenever the Secretary determines that there is a pattern of complaints from any State in any fiscal year, he shall conduct an investigation of the use of funds received under this Act by such State in order to ensure compliance with the provisions of this Act.

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this Act by a State in order to ensure compliance with the provisions of this Act.

(c) Pursuant to an investigation conducted under subsection (b), a State make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefore.

(d) In conducting any investigation under subsection (b), the Secretary may not request any information not readily available to such State or required that any information be complied, collected, or transmitted in any new form not already available.

AUTHORIZATION

SEC. 8. For the purpose of carrying out the provisions of this Act there are authorized to be appropriated $1,000,000,000 for each of the fiscal years 1984, 1985, and 1986.

SECTION-BY-SECTION ANALYSIS OF S. 811—HEALTH CARE FOR DISPLACED WORKERS ACT OF 1983

SECTION 1—SHORT TITLE

Section 1 cites the short title of the bill as the "Health Care for Displaced Workers Act of 1983."

SECTION 2—STATEMENT OF FINDINGS AND PURPOSE

Section 2(a) states the findings of Congress that—

(1) As the result of high unemployment, many workers have lost their health insurance coverage, causing severe financial hardship for workers and their families and is impeding access to needed medical care;

(2) Many workers most in need of care are not receiving unemployment compensation and are ineligible for existing health care programs; and

(3) There is need for Congress to provide funds to the States to enable them to target resources to assist unemployed workers.

Section 2(b) declares, as the purpose of the bill, to provide access to needed health services for unemployed workers and to allow States flexibility to use the funds for such purpose in the most efficient and economical way possible.

SECTION 3—DEFINITIONS

Section 3(a) defines the terms used in the bill to include—

(1) "Secretary," meaning the Secretary of Health and Human Resources.

(2) "Eligible unemployed worker," meaning a person (i) who is entitled to regular, extended or Federal supplemental benefits on or after enactment, (ii) who exhausted such benefits within the 12-month period prior to enactment and who is still unemployed as defined under applicable State law relating to eligibility for regular compensation, and (iii) who was a participant in an employer group health plan immediately prior to becoming unemployed and eligible for any unemployment compensation.

(3) "Family member," meaning an eligible unemployed worker's spouse and children under 19 (or under 23, if they are full-time students).

(4) "Period of eligibility," meaning (i) any week during which an eligible unemployed worker is entitled to regular, extended or Federal supplemental compensation, (ii) a 30-day period following the week in which the worker loses entitlement to compensation by reason of return to employment (as determined under State law), or (iii) a 52-week period after the week in which the worker exhausts compensation benefits, if the worker is still unemployed. The 52-week period does not begin until the eligible unemployed worker applies for and is accepted by the State into the program provided under the bill.

(5) "Health benefits program," meaning a program established by a State to provide health care for eligible unemployed workers and their family members during their period of eligibility. Such program could involve partial or total payment of health insurance premiums, establishment of group health insurance for such persons, take into account income or assets in structuring benefits or premiums, and provide for cost-effective financing arrangements.

Section 3(b) provides that no payments may be made for a health benefits program under the bill for the care of any individual who is eligible for such care under any other program or insurance.

SECTION 4—ALLOCATION AND PAYMENT OF FUNDS

Section 4(a) directs the Secretary to allot amounts appropriated under the Act for any year among the States as follows—

(1) One-third on the basis of the number of unemployed in each State to the total number of unemployed in all States;

(2) One-third on the basis of the "excess number" of unemployed in each State to the total "excess number" of unemployed in all States. "Excess number" means the number representing unemployed individuals in excess of 6 percent of the civilian labor force in a State; and,

(3) One-third on the basis of the number of persons unemployed for 15 weeks or more in each State to the total number of such persons in all States.

Section 4(b) requires allotments to be determined on the basis of the most recent 12-month period, preceding the month of the determination, for which adequate data are available.

Section 4(c) permits the Secretary to reallot amounts to the extent that the Secretary determines that any State will be unable to obligate such amount within one year of the allotment.

Section 4(d) requires the Secretary to make payments to the States in accordance with section 203 of the Intergovernmental Cooperation Act of 1968.

SECTION 5—APPLICATIONS AND REQUIREMENTS

Section 5(a) requires States to file an application with the Secretary for allotments under the Act, in which the chief executive officer of the State includes assurances of compliance with the conditions described in subsection (b). States would be required to conduct public hearings regarding the use and distribution of funds under the Act in order to receive additional funds for the second or any fiscal year thereafter.

Section 5(b) requires the chief executive officer to certify in any application to the Secretary that—

(1) Funds available will be used to carry out the purpose of the bill;

(2) Outreach activities will be carried out to assure that eligible unemployed workers are made aware of the assistance provided under the bill;

(3) Activities under this bill will be coordinated with similar and related programs; and,

(4) States will use no more than 1 percent of the allotment for planning and administration and that States will pay from non-Federal sources any remaining costs of such activities.

(5) Fiscal control and fund accounting procedures will be established, and that States provide an annual audit of the expenditures of amounts received;

(6) States permit and cooperate with Federal investigations undertaken in accordance with section 7 of the bill; and,

(7) Opportunity be provided for fair administrative hearing for individuals who have been denied claims for assistance;

Section 5(c) requires the chief executive officer of a State to prepare and furnish a plan (as part of the State application) showing how the State will carry out the assurances that are required as part of such application. Such plan would have to be available for public inspection, review and comment.

Section 5(d) requires that the State audit be conducted by an independent entity and that a report of such audit be provided the State legislature and the Secretary within 30 days following its completion.

Section 5(e) precludes any amount of health care payments made to an eligible unemployed worker or family from being considered as income or resources under any other Federal or State law.

Section 5(f) requires States to repay the Federal Government any amounts not expended in accordance with the provisions of the bill, and permits the Federal Government to offset such amounts against any other amounts to which States are or may become entitled.

Section 5(g) requires the Comptroller General to evaluate State expenditures from time to time to assure that they are made consistent with the provisions of the legislation and to determine the effectiveness of the State in accomplishing the purpose of the bill.

SECTION 6—NONDISCRIMINATION PROVISIONS

Section 6(a) prohibits exclusion from participation in, denial of benefits of, or discrimination under any program or activity funded under the bill, on the grounds of race, color, national origin, or sex. Prohibitions against discrimination on the basis of age under the Age Discrimination of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 would also apply to this program.

Section 6(b) requires the Secretary to notify the chief executive officer of a State and to request him to secure compliance if the Secretary determines that such State has failed to comply with the nondiscrimination provisions in section 6(a) or an applicable regulation. If the chief executive officer fails or refuses to secure compliance within a reasonable period of time, not to exceed 60 days, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that appropriate civil action be instituted; (2) exercise powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as applicable; or (3) take other action as provided by law.

Section 6(c) authorizes the Attorney General to bring a civil action in any appropriate district court for appropriate belief, including injunctive relief, when a matter is referred to him pursuant to subsection (b) or when he has reason to believe that a State is violating the nondiscrimination provisions of this section.

SECTION 7—WITHHOLDING

Section 7(a) requires the Secretary, after adequate notice and opportunity for a hearing in the State, to withhold funds from any State which does not use its allotment substantially in accordance with the provisions of the bill and the assurances provided by the State under section 5. The Secretary is required to respond quickly to substantial or serious complaints that a State has failed to use funds in accordance with the bill or the assurances it provided under section 5. A violation of any of the assurances in section 5(b) would be considered a serious complaint.

Section 7(b) requires the Secretary to conduct in several States each fiscal year investigation of the use of funds received by the States under this bill in order to evaluate compliance with the bill. Whenever the Secretary determines that there is a pattern of complaints from any State in a fiscal year, he is required to conduct an investigation of the use of funds received under the bill by the State in order to ensure compliance with the provisions of the bill. The Comptroller General is authorized to conduct an investigation of the use of funds received by a State under the bill in order to ensure compliance.

Section 7(c) requires a State to make appropriate materials available to the Secretary or the Comptroller General or any of their authorized representatives, pursuant to an investigation conducted under subsection (b), for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity when a reasonable request for such material has been made.

Section 7(d) prohibits the Secretary, in conducting an investigation under subsection (b), from requesting any information not readily available to the State or from re-

quiring that any information be compiled, collected, or transmitted in any new form not already available.

SECTION 8. AUTHORIZATION

Section 8 authorizes the appropriation of $1 billion for each of the fiscal years 1984, 1985, and 1986, for the purpose of carrying out the provisions of this bill.

HEALTH CARE FOR DISPLACED WORKERS ACT OF 1983
ESTIMATES OF STATE ALLOTMENTS

[Authorization level equals $1 billion]

State	State allotment (percent)	State allotment
Alabama	2.84	$28,399,370
Alaska	0.22	2,240,166
Arizona	0.66	6,645,799
Arkansas	1.11	11,106,672
California	9.85	98,459,342
Colorado	0.54	5,364,411
Connecticut	0.82	8,214,465
Delaware	0.28	2,812,911
District of Columbia	0.41	4,123,093
Florida	3.01	30,096,487
Georgia	1.46	14,589,454
Hawaii	0.17	1,674,876
Idaho	0.39	3,850,292
Illinois	6.44	64,368,010
Indiana	4.13	41,308,228
Iowa	1.18	11,807,542
Kansas	0.38	3,758,157
Kentucky	1.72	17,248,267
Louisiana	1.86	18,592,708
Maine	0.37	3,683,011
Maryland	1.92	19,227,019
Massachusetts	1.79	17,922,450
Michigan	9.37	93,728,814
Minnesota	0.87	18,652,686
Mississippi	1.07	10,737,827
Missouri	2.14	21,411,909
Montana	0.30	2,958,267
Nebraska	0.22	2,209,305
Nevada	0.32	3,204,483
New Hampshire	0.18	1,773,891
New Jersey	2.98	29,820,686
New Mexico	0.39	3,922,705
New York	6.93	69,329,301
North Carolina	1.85	18,476,906
North Dakota	0.13	1,307,537
Ohio	7.75	77,472,255
Oklahoma	0.32	3,193,536
Oregon	1.86	18,602,887
Pennsylvania	6.55	65,474,612
Rhode Island	0.41	4,057,946
South Carolina	1.63	16,255,067
South Dakota	0.11	1,067,391
Tennessee	2.63	26,293,758
Texas	2.33	23,342,227
Utah	0.40	3,999,029
Vermont	0.12	1,234,458
Virginia	1.30	12,958,259
Washington	2.68	26,769,499
West Virginia	1.22	12,229,857
Wisconsin	2.35	23,481,902
Wyoming	0.05	540,271

Unemployment data based on monthly average for May, 1981 through April 1982. State allotments will change if more recent data are used.

Note.—Puerto Rico and the territories not included due to lack of data.

● Mr. HEINZ. Mr. President, today I am pleased to join with Senator SPECTER in introducing the Health Care for Displaced Workers Act of 1983. This bill, which would establish an emergency grant program to States, would support vital access to health care services for unemployed workers. The grant program is structured to give States maximum flexibility to target Federal funds to meet local health needs.

The pressing need for medical benefits for the jobless requires an emergency solution; but, local unemployment conditions vary too much throughout the Nation for Congress to design a uniformly structured program at the Federal level. Instead, any Federal effort to deal with the health problems of the jobless must give States enough authority to tailor a Federal program to meet local needs and circumstances.

Our bill establishes an emergency assistance grant which would be made available to States. This type of grant approach is elegant in its simplicity. When a State applies to participate in the grant program, it won't be tied down in a web of Federal redtape. A State can design and direct its own emergency program to provide the jobless with affordable access to health care services.

Mr. President, the current unemployment rate of 10.4 percent represents the largest proportion of jobless workers in the labor force since 1949, when the unemployment rate was 14.6 percent. According to figures released by the Congressional Budget Office, in December 1982, over 12 million Americans were unemployed, and among those who had lost jobs, about 5.3 million had already lost health insurance coverage under their former employer's health insurance plan. If dependents are included, approximately 10.7 million persons lacked health insurance coverage in December because of job loss. About 60 percent of group-insured workers lose coverage within 30 days after their jobs end.

This bill meets a need that other programs cannot adequately meet. Many insurance companies do offer unemployed workers a variety of plans to continue coverage, but most jobless workers cannot afford the premiums. Existing public health care programs are targeted toward other specific population groups. The eligibility requirements for State medicaid programs preclude most jobless workers from obtaining benefits. Hospital charity care or care provided by the Veterans' Administration provides only limited access to medical services.

To make matters worse, the unemployed often need medical care more than the working population. According to a congressional report written by Johns Hopkins University professor, Harvey Brenner, "each 1 percent increase in the unemployment rate corresponds to a 4.1-percent increase in suicide, a 5.7-percent increase in homicide, and a 1.9-percent increase in deaths from heart disease, cirrhosis of the liver, and other stress-related disorders." Professor Brenner is now updating the report for the Joint Economic Committee. In a recent interview he said he has found the percentages of disease increases are higher, and the impact of joblessness on the health of individuals lasts longer than he had previously reported.

Yet another alarming trend is the recent increase in infant mortality rates related to high unemployment in Johnstown, Pa., where there is an 18.6-percent unemployment rate, there has been a sudden increase in infant deaths for the first time in recent years, because mothers lacked access to adequate prenatal care. In only 1 year, the number of infant deaths per 1,000 births in Johnstown jumped from 21.3 to 25.2. In Wilkes-Barre, the infant mortality rate jumped from 11.1 to 18.9 per 1,000 births in 1 year.

Mr. President, the loss of health insurance coverage for the Nation's jobless workers is not a new problem. But during this past year, the number of workers who have lost their jobs, the steady increase in the duration of unemployment, and high cost of health care services, have made this problem an urgent Federal concern. Yesterday, we joined with our colleague from Missouri, Senator EAGLETON, in sponsoring the amendment to the jobs bill which added $115 million to existing health care block grants to provide some immediate, short-term relief for the medical needs of the unemployed. The legislation we introduce today, however, provides a more adequate and comprehensive solution to the problems faced by families who have lost their health insurance protection with their jobs.●

By Mr. DOMENICI:

S. 812. A bill to authorize the construction of a project for flood control in the vicinity of Albuquerque, N. Mex., and for other purposes; to the Committee on Environment and Public Works.

FLOOD CONTROL IN VICINITY OF ALBUQUERQUE, N. MEX.

● Mr. DOMENICI. Mr. President, I am today introducing legislation affecting four water resources issues in the State of New Mexico.

The first section of the bill authorizes this U.S. Army Corps of Engineers to construct a flood control project at Albuquerque. The project would extend the present corps system of levees north and south of the city. While this would not affect the levees that now exist in the city's central area, these improvements provide the area with protection against floods with a frequency of once every 300 years.

My proposal, however, could lead to even higher levels of flood protection for the citizens of Albuquerque. This is true because this bill authorizes the corps to dredge the Rio Grande channel to increase its capacity to move water past the city. Thus, instead of raising the existing levees, the corps could lower the river bed, expanding the river's capacity to move flood waters past the city.

I am pleased that this project carries wide support from the people of Albuquerque. It has been approved in the past by the Senate's Subcommittee on Water Resources, although that bill was never taken up in full committee. In addition, the Congress has enacted legislation setting the maximum size of this project, an action allowing local

interests to rebuild the existing system of bridges across the Rio Grande.

The bill also establishes that the local cost-sharing ratio on the project at the level currently established by law.

As many of my colleagues know, I strongly support a system for more equitably sharing the cost of water resources development projects. I believe such a change is necessary to restore confidence to this program, providing new sources of funding. But this must be accomplished on a national, not a piecemeal, basis. This section is written to assure that the Albuquerque project is treated like all others.

In the meantime, it continues to be my hope that Congress will pass major water reform legislation.

The bill's second section is a relatively small item, one which has been approved previously by the Senate, but never enacted into law, as Congress has failed to pass an omnibus water resources bill since 1976. This section authorizes $250,000 in additional funds to assure the completion of important archeological recovery work at Santa Rosa Lake in New Mexico.

Section 3 requires the Army Corps of Engineers to retain, at its current size, all district offices that are at least 500 miles from the nearest existing corps district office. This provision will encourage the corps to take a broader, more national approach to its water development program.

Finally, section 4 of the bill requires the transfer of those portions of New Mexico that presently fall under the corps district offices in Sacramento and Los Angeles, Calif., to the Albuquerque, N.Mex., district office. This change will provide more continuity to the State of New Mexico's planning efforts in the water area. In addition, the Albuquerque office will be able to be more responsive to the needs of those New Mexico communities now under the jurisdiction of the two California offices.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 812

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized to construct a project for flood control in the vicinity of Albuquerque, New Mexico, in conformity with the report of the Chief of Engineers entitled "Middle Rio Grande, Bernalillo to Belen, New Mexico," dated June 23, 1981, at an estimated Federal cost of $39,200,000, provided, that the Chief of Engineers is authorized to increase flood protection through the dredging of the bed of the Rio Grande in the vicinity of Albuquerque, New Mexico, to an elevation lower than existed on the date of enactment of this Act; and, provided further, that no non-Federal interest shall be required to participate in the financing of the project, other than to provide the necessary lands, easements, and rights-of-way, unless prior to the enactment of this Act, a standard for sharing costs on local flood protection projects has been established by law, in which case the non-Federal share shall be that established by such enactment.

SEC. 2. The project for Santa Rosa Lake, Pecos River, New Mexico, authorized by section 203 of the Flood Control of 1954 (68 Stat. 1280), is hereby modified to authorize the expenditure of not to exceed $250,000 for the recovery of cultural resource data, in addition to any amounts authorized for this purpose pursuant to the Reservoir Salvage Act of 1960, as amended (88 Stat. 174).

SEC. 3. The Secretary of the Army, acting through the Chief of Engineers, is prohibited from closing, downgrading, or decreasing the staff, by more than 5 per centum of any office under the direction of a District Engineer, unless such office, as of the date of enactment of this Act, is located within five hundred miles of another office of the Corps of Engineers of the same rank.

SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, shall promptly transfer to the responsibility of the District Engineer in Albuquerque, New Mexico, those portions of the State of New Mexico that as of the date of enactment of this Act, were under the responsibility of the District Engineers in Sacramento, California, and Los Angeles, California.●

By Mr. MOYNIHAN:

S. 813. A bill to prohibit all U.S. economic and military assistance and exports (except food and medicine) to, and all imports from, any country whose government has failed to take adequate measures to prevent opium and its illicit derivatives from being produced or refined for export to the United States; to the Committee on Finance.

HALTING INTERNATIONAL HEROIN TRAFFIC

● Mr. MOYNIHAN. Mr. President, I am today introducing legislation to amend the Foreign Assistance Authorization Act. Quite simply, I propose to make it very difficult for countries to obtain economic and security assistance from the United States if they are not helping us bring a halt to the international heroin traffic. There is, I believe, no higher national priority than to stop this traffic and the crime and death that inevitably follows.

In particular, I am concerned about Pakistan's role as the single largest supplier of heroin to the American market. As I expect Members of the Senate are aware, a report prepared for the Governor of New York last June by Joseph A. Califano, Jr., former Secretary of Health, Education, and Welfare indicated that the number of heroin addicts in New York City had increased by 50 percent since 1978. A Rand Corp. study quoted in the Califano report indicated that heroin addicts averaged 167 crimes a year. And the trends in both instances were upward.

I believe that these twin problems of drug addiction and the crime that inevitably flows from it should be considered among the highest priorities in American foreign policymaking. And Pakistan should be at the center of these deliberations.

My own involvement in this aspect of foreign policy goes back to the time of my service in the White House as a domestic policy adviser. As the history of this involvement may help place the current problem with Pakistan—and my recent visit there—in a proper context, I would ask the indulgence of the chairman as I relate a bit of this history.

In 1969, President Nixon asked me to be assistant for urban affairs. I agreed. I proposed to Mr. Nixon that among the first things to be done about American cities was to place the international drug traffic on the agenda of American foreign policy. He in turn agreed, and in the course of 1969, this was done. In August of that year, I flew eastward to Calcutta, Istanbul, and, lastly, Paris. At each place, I talked with American and local officials, stating that the United States could no longer tolerate the extraordinary commerce in smuggled heroin then flooding our cities, especially on the east coast, and bringing with it a plague of death and crime.

During the course of the sixties for reasons I don't think anyone yet fully understands, heroin addiction had become epidemic in our larger cities. Inevitably, crime, and the fear of crime, became epidemic also. This profoundly transformed American urban life. The fear was genuine. The most elemental of civil rights—the right to move about safely in one's own society—was being denied as effectively as if a law were passed abolishing it. We may not frequently think of the freedom to move as a "right." But citizens of the Soviet Union surely do. In the course of the sixties we were in the process of losing that right as surely as Soviet citizens had already done.

I reached Istanbul on September 2, 1969, and met with the Turkish Foreign Minister the next day. I explained that the heroin flowing into the United States began as opium grown in Turkey then processed in Marseilles, France. Most of it was grown in the province of Afyon, which in Turkish means "opium." It had been a traditional crop, grown for poppy seeds—seeds long associated with bread and life, but which we were now to associate with the slow death in our cities. The Foreign Minister knew more about the drug traffic than perhaps he let on at the time, but he listened with courtesy to the proposition that the American Government would in effect buy out the opium farmers, by providing the money to substitute new crops and markets.

I next flew to Paris where my reception was more distant. For one thing,

the American Embassy had never heard of a heroin problem, much less the "French Connection." Nor were the French authorities much interested, at first, in the fact that we did not seem able to enforce our own laws. Slowly, however, after several more trips, more discussion, the French became convinced that they were part of our problem.

In 1969, there was one death on the Riviera from heroin overdose. It apparently occurred to the French that heroin could become their problem also, but, in the main, they responded out of a civilized sense of responsibility. Not, I might add, without a touch of contempt, or at least wonder. That winter, I finally met the head of the French "Securite," a man whose name is known, but whose picture is rarely seen. He came to the American Embassy for lunch. I described the extent of the heroin problem in the United States, and stated that it was coming from heroin factories in Marseilles, and asked if it could not be stopped. He listened. As he left, he asked "What kind of people are you?"

That we were only now coming to them about a matter which, had the roles been reversed, they would have been storming at us about decades earlier.

No matter. We were able to work together. The French connection was broken. The Turkish opium fields closed down.

Whereupon in the seventies heroin production moved to Mexico. The U.S. Government was much better organized now. The issue was on the agenda of American foreign policy. By the end of that decade, the Mexican connection had been broken, too.

Whereupon heroin production moved to Pakistan, where it remains today. The speed of the transfer is astonishing. The National Narcotics Intelligence Consumers Committee produces an annual "Narcotics Intelligence Estimate." The most recent NIE reports that, in 1976, negligible amounts of heroin came into the United States from Southwest Asia. Proportion: zero. By 1980, the proportion has risen to 60 percent. It is now probably three-quarters. Moreover, though "Southwest Asia" is a term that normally refers to Pakistan, Afghanistan, and Iran, last year's NIE explains that the chaos in Iran and the war in Afghanistan have all but eliminated these two countries as suppliers of heroin to the world market. So we are talking about Pakistan.

As, I did in the last Congress, I am today introducing legislation that would deny any economic or security aid to any foreign country that is the source of illegal drugs coming into our country and, at the same time, that is not cooperating with us in trying to stamp it out. My proposal would also prohibit trade—except for food and medicine—with such a country.

Certainly, Pakistan is a recipient of much aid—we are in the midst of a 5-year program that will provide $3.2 billion in aid to Pakistan. Is it cooperating in halting the heroin traffic?

On Sunday, February 6, I met with President General Mohammad Zia-ul-Haq, and raised the issue, much as I had done in other places at other times. This time, I would have to say the response was considerably more forthcoming. General Zia is, of course, a fundamentalist Moslem who, having placed his nation under martial law, has restored much traditional Islamic law. Among other things, this bans intoxication while at prayer and that is deemed to extend to the use of opium and its higher derivatives.

Specifically, he declared his government's determination to get hold of the opium-heroin problem "for our own sake, more than for anyone else's." He said that legislation would soon be promulgated providing penalties of up to life imprisonment for narcotics offenses. Very soon, indeed, he said.

There is a hitch. There always is. The opium fields and the morphine and heroin laboratories are mostly located in the Northwest Frontier Province. This is the land of the Pathans, a warrior race, whose first recorded battles were with Alexander the Great—remembered still as "Iksander"—and who have battled on, more or less continuously, through history. The terrain in this area is the natural environment of the guerrilla fighter—as the Soviet Union is learning across the border in Afghanistan. When Pakistan became an independent state in 1948, it retained the nominal suzerainty over the area which the British had exercised, and indeed kept the name of Northwest Frontier Province for the region. The laws of Pakistan in some ways do and some ways do not extend to the region, which is referred to simply as being "tribal."

How seriously, then, should we take General Zia's assurances on opium and heroin if he does not actually control the area?

My own visit to the poppy growing heart of the Northwest Province the following day was not altogether heartening. I traveled with Mr. Stan Samuelson, an Embassy officer with long experience in agricultural matters. With what would seem the complete cooperation of the central government authorities of Pakistan—always keeping in mind the limits of their authority—he is working with farmers who have been growing opium, trying to persuade them to try other crops and helping them do so.

We went through valley after valley which last year, he reported, were covered with poppies, but now "clean." We had tea at every village and were introduced to ex-opium farmers now "reborn" and sinners no more. But after listening to one large landowner announce that there was not a single poppy growing on a single one of his fields this spring, Samuelson asked how much opium he had stored up from last spring's crop. Much body language. Shrugs of the shoulders. No answer.

Finally, we drove through the valleys that were not "clean." Not one bit. Covered with opium plants, about 4 inches high, still in the leaf stage. They will produce opium in May. By September, this could produce death in New York, or Chicago, or Los Angeles.

So there is good news and bad news. But surely only one conclusion: If Pakistan desires economic and military aid—four F-16 fighter-bombers were delivered just before I arrived, but many more are scheduled—it must wipe out heroin production at every stage in what is its national territory no matter what the British called it.

And our Government must be implacable on this point. Else the question arises again: What kind of people are we?

My own suggestion, which I have respectfully urged the members of the Foreign Relations Committee to consider as they proceed through their deliberations of this year's foreign aid bill, would be that the Congress enact legislation along the lines I proposed last year in S. 2670; that is, we should simply require that governments such as Pakistan's eliminate the heroin production facilities, and the poppy crops, in their countries before we will give them money, or equipment, or subsidized loans for buying American military equipment. We should further require that, in the case of countries which have been identified by the National Narcotics Intelligence Consumers Committee as countries of origin of illicit narcotics, the President would have to certify to Congress that such a country's government has actually made progress—not just announced its intention to make progress—in the eradication of poppy crops, opium refineries, and heroin factories.

It seems to me quite reasonable that we should insist that the countries we sustain should in return be required to help us stop the deadly international narcotics traffic.

I hope my colleagues will be able to support this initiative. I invite any who wish to do so to join me in sponsoring this legislation.

Mr. President, I ask that the full text of the legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the President is authorized and directed to—

(a) suspend all United States assistance to or for,

(b) prohibit all United States exports to, and

(c) prohibit the importation into the United States of any article that is the growth or manufacture of, any foreign country whose government has failed to take adequate measures to prevent opium or any of its illicit derivatives from being produced or refined for illegal export to the United States. Such prohibition shall continue in force until the President determines, and reports to Congress in writing, that the government of such country has taken adequate measures to prevent opium or its illicit derivatives from being produced or refined for illegal export to the United States.

SEC. 2. (a) Section (1) does not require that assistance which involves only the provision of food or medicine be suspended and does not require that export of food or medicine be prohibited.

(b) Subsection (a) does not apply with respect to the production and export of opium or its derivatives solely for licensed pharmaceutical purposes.

SEC. 3. As used in this Act—

(a) the term "United States assistance" includes any assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to or for the benefit of any foreign country, including assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation, but excluding programs under chapter 8 of part I, relating to international narcotic control assistance); sales, credits, and guaranties under the Arms Export Control Act; sales under title I and title III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities; financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; financing under the Export-Import Bank Act of 1945; assistance under the Migration and Refugee Assistance Act of 1962; programs under the Peace Corps Act; assistance under the Inter-American Foundation Act; assistance under the African Development Foundation Act; financial assistance for foreign persons or groups under the Mutual Educational and Cultural Exchange Act of 1961; and assistance of any kind under any other Act; and

(b) the term "United States exports" includes any export, which is subject to United States control, of any item or service of any kind (including technical data or other information) which is licensed or which is subject to licensing under the Export Administration Act of 1979, section 38 of the Arms Export Control Act of 1954, or any other Act; and

(c) the term "illicit derivative" includes opium, morphine, heroin, or any other opiate derivative which is a controlled substance (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970).

(d) the term "adequate measures" shall be deemed to mean only those actions which result in tangible, significant and substantial reductions in the levels of production or stockpiles or supplies to the United States of opium or any of its illicit derivatives.

SEC. 4. Not later than March 1 of each year, and on the basis of the annual Narcotics Intelligence Estimate published by the National Narcotics Intelligence Consumers Committee, the President shall report to the Congress which of the foreign countries for which the President has requested economic or security assistance for the next fiscal year have taken adequate measures and which have not taken adequate measures, as defined by this Act, during the fiscal year in which the report is submitted.●

By Mr. KENNEDY:

S. 814. A bill to provide for control of health's escalating costs, and for other purposes; to the Committee on Finance.

IT IS TIME TO CONTROL HEALTH'S ESCALATING COSTS

Mr. KENNEDY. Mr. President, the Nation is facing a crisis, a crisis that threatens the health and well-being of every citizen of our country. Runaway health costs are bankrupting our business and industry, disrupting our Federal, State, and local budgets, and imperiling the security of our senior citizens in their old age. No American is immune from the ravages of health inflation, but its impact is harshest on the most vulnerable in our society—the young and the old, the sick and the poor, the struggling family trying to make ends meet. For too long, Congress and the executive branch have failed to show the leadership necessary to tackle this critical question. The time has come to lay aside excuses and take the action necessary to control health's escalating costs. The bill I am introducing today represents a critical step toward dampening the fires of health care inflation and assuring the citizens of our country that quality health care can be affordable.

This program, to control health's escalating costs (CHEC), will:

Put an immediate end to runaway health care inflation—and provide substantial savings to Federal, State, and local governments—and the American consumer of health care;

Encourage States to develop their own, creative approach to health care cost containment, by providing positive incentives and substantial flexibility;

Create new incentives for efficiency in health care by moving the health care system toward prospective payment for all payers;

Protect the quality of health care of the elderly and disabled, by holding the line against further medicare cuts that threaten to relegate senior citizens to second-class care; and

Put an end to massive cost-shifting to employers and workers—who must pay increasingly high insurance premiums to compensate for medicare cuts.

This bill is a constructive alternative to the administration's unfair plan of attack against medicare. Rather than shift billions to the elderly, the sick and the working American, this approach will actually save billions—over $11 billion in the first 3 years in hospital expenses alone according to preliminary estimates by the Center for Hospital Finance & Management at Johns Hopkins University.

The administration's reponse to health care inflations has been predictable. Rather than address the true source of health care inflations, the administration has been concerned only with slashing the size of the medicare and medicaid program, regardless of the cost in human suffering and anxiety. Over the past 3 years they have waged a relentless assault against medicare and medicaid. They have proposed substantial cuts in benefits and increases in costs, placing the lion's share of the burden on the elderly and the poor; reserving only the lightest of burdens for the providers of health care. In this year's budget, for example, about 80 percent of the medicare cuts will fall directly on the elderly, while only about 20 percent will affect providers.

The grim tale of health care inflation is all too familiar. In just a decade, health costs have grown from a little over 7 percent of our gross national product to a point today where they consume 10.5 cents of every dollar generated by the U.S. economy. Despite the enactment of medicare and medicaid, the elderly still pay about 20 percent of their income for health care. Out-of-pocket costs for the elderly have increased from $330 per person in 1965, when medicare was enacted, to $1,430 today, far faster than the overall rate of inflation.

Rising health costs not only harm the elderly and the working American, they also place enormous pressures on Federal, State, and local governments. In the past 5 years, for example, medicare has grown at an average of 19 percent per year—with no significant expansion of benefits. If nothing is done to curb the rising costs of care, medicare will be bankrupt by 1987. Growing medicare and medicaid costs during times of high deficits threaten to crowd out other worthwhile activities assisted by the Federal, State, and local governments, such as education, social services, and job training, posing a needless Hobson's choice—that could be avoided if only we have the courage to act firmly and act now.

The need for immediate action is clear. In the years since Congress rejected hospital cost-containment, the Nation's health bill has increased by $98 billion, and its hospital bill alone has increased by $50 billion. If we do nothing, hospital costs will double in less than 6 years.

The administration's approach, limited to cutting Federal health pro-

grams, does not guarantee that the spiraling growth of health care costs will be abated. As hospitals receive less for the treatment of medicare patients, they look more and more to private patients—workers and their families—to make up the difference. The same flaw applies to the administration's approach to prospective payments for health care services. I have always been a staunch supporter of prospective payment. There is no better example of an efficient way to organize and deliver services than an HMO, the model of prepaid care. But if prospective payment is limited to medicare only, hospitals will not spend their energy trying to be more efficient. Rather, they will use their ingenuity to game the system, making a profit from medicare where they can, shifting the cost to private payers rather than cutting inefficiency and waste. Until the positive incentives of prospective payment are extended to all payers, the promise of significant cost savings through greater efficiency cannot be achieved. For this reason, the all payers approach is at the heart of my bill.

This legislation emphasizes State creativity and ingenuity—by allowing the States to devise payment systems to meet unique local needs. While Congress and the President have fiddled, a number of States have taken the initiative to develop effective cost containment programs. States such as New Jersey, Maryland, New York, and my own State of Massachusetts, have recognized that only with an all payers prospective system could they finally provide their citizens with protection against uncontrolled health care inflation. Each State has found its own, unique approach, to implementing this general concept. New Jersey pioneered the way with diagnosis related groups (DRG's) which have demonstrated their effectiveness in holding down the rate of growth of hospital costs. But Maryland too has been successful, in its budget review process, saving money not only for private patients in the State, but for the Federal Government, in the medicare program.

The administration would stifle these efforts, by requiring that all new prospective payment systems be based on DRG's. This is a strange policy from an administration that likes to talk of New Federalism. Rather than dictate the method of prospective payment, this bill simply asks the States to stay within an overall target for all hospital revenues and for the medicare program, and leaves it to the State to design the system best suited to its needs.

Hospital costs are only one part of the problem of health care inflation. Physician fees, lab tests, and other procedures also are growing far more quickly than the rate of inflation. The growth of physician fees is of deep concern to millions of our citizens. Although a substantial percentage of Americans have reasonable protection against hospital costs, insurance protection for doctors' visits is much less comprehensive. Even under medicare, physician fees are only covered up to 80 percent by the Federal Government—even then 80 percent only applies where the physician takes assignment. The result has been growing out-of-pocket expenses for the elderly and working American as a result of uncontrolled growth in physician and other outpatient fees. For this reason CHEC also contains provisions to control the growth of outpatient and physician costs. Recognizing the uniqueness of the physician's services, the bill provides that, in State cost containment systems, maximum fee schedules shall be established, but through a process of negotiation, one that involves the physicians as well as consumers, the State, and other interested parties. This process will allow fair consideration of the legitimate concerns of health care providers.

The maximum fee schedules will not protect the elderly or working American if they apply only to the amount insurer, or medicare, will pay. If the physician is free to supplement the insurers' payment at will from the patient receiving care, then there will be no restraint on health cost. For this reason, CHEC provides that the fee schedule shall represent the maximum that a physician or other service provider may receive, aggregating the amount that is paid by the insurers and patients themselves.

This legislation is the product of long study and analysis, to develop a solution that meets the realities of health care in the 1980's. I am particularly appreciative of the assistance of the Health Security Action Council, a coalition of 70 labor, consumer, senior citizens, civil rights, religious, women's, civic, fraternal, and farm organizations, who played an important role in helping me develop this legislation.

I ask unanimous consent that a statement by Douglas Frazier, president of the United Auto Workers and chairman of the Health Security Action Council, be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF DOUGLAS A. FRASER ON LEGISLATION TO CONTROL ESCALATING COSTS INTRODUCED BY SENATOR EDWARD M. KENNEDY

Douglas A. Fraser, President of the United Auto Workers Union and Chairman of the Health Security Action Council today issued the following statement in support of CHEC, the comprehensive health care cost containment proposal introduced today by Senator Edward M. Kennedy:

"The legislation introduced by Senator Edward Kennedy to 'Control Health Escalating Costs,' or CHEC, represents a constructive and workable approach to restraining the explosive inflation in health care costs which is damaging our economy, crippling government budgets, driving up the cost of employee benefit plans, and threatening to price needed health services beyond the means of additional millions of Americans. The Senator's bill, developed in consultation with the Health Security Action Council, would put an immediate brake on health cost escalation, while a new series of state controls, based on prospective budgets and negotiated arrangements for paying hospitals, doctors, and other providers of care, are put into place. States would have considerable flexibility in designing and running their own programs, as long as they meet nationally established goals."

After established goals an advisory panel of some of the nation's leading health care experts has been working with the Health Security Action council for the past year to design such a program.

"CHEC is a positive alternative to Reagan Administration proposals to reduce the health care benefit coverage of the elderly, the poor and the disabled and to tax employee health benefits. It is better than merely shifting costs from the federal government to the private sector and to state and local governments, as the current Administration has done and would like to continue to do in its 1984 budget proposals. Senator Kennedy's plan is an "all payor" approach, whereby total health care costs would be contained without such cost shifting. This is a better and humane approach which will save money and protect people.

"Of course, as Senator Kennedy knows, his proposal is not the full answer to this country's health care problems. In particular, there is an urgent need for health care coverage for the millions of unemployed Americans who are without such needed protection. CHEC is, however, a realistic and achievable cost containment program which protects benefits and patients while controlling costs. It is a consumer oriented program aimed at those who are reaping profits from the health care system rather than at patients and the public who are the real victims of rampant medical care inflation.

"We in the Health Security Action Council look forward to working with Senator Kennedy in fine-tuning the bill and steering it through the legislative process. And we will continue to work over the long term toward a comprehensive national health insurance program".

The Health Security Action Council is a coalition of some seventy labor, consumer, senior citizens, civil rights, religious, women's, civic, fraternal and farm organizations working together to reform the nation's health care system and to extend access to care to millions of Americans who are underserved or left out of that system.

Mr. KENNEDY. Mr. President, I urge my colleagues to study this proposal carefully. I look forward to working with the Members of the Senate to devise a program that will, at last, control health's escalating costs.

I ask unanimous consent that a summary of the bill and the text be printed in the RECORD at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

"SECTION 1. This Act may be cited as the "Health Care Cost Control Act of 1983".

TABLE OF CONTENTS

"Sec. 1. Short title; table of contents.
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"Sec. 2123. Administration of phase I program by states.
"Sec. 2124. Exemption from limits in the case of certain experiments and demonstrations.
"Sec. 2125. Increased federal medical assistance percentage for states indicating an intention to submit a state health care cost control plan or administering phase I program.
"PART B—PHASE II PROGRAM
"Sec. 2141. State health care cost control plans.
"Sec. 2142. Requirements of State cost control plans.
"Sec. 2143. Requiring medicare assignment for physicians' services.
"Sec. 2144. Federal option to continue part A limits or to operate cost control plans in the absence of state cost control plans.
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"Sec. 2161. Definitions."
Sec. 3. Reduction and elimination of a return on equity capital for certain proprietary facilities.
Sec. 4. Long-term care demonstration projects.
Sec. 5. Modification of demonstration project provisions.

AMENDMENT TO SOCIAL SECURITY ACT

SEC. 2. (a) The Social Security Act is amended by adding at the end the following new title:

"TITLE XXI—CONTROL OF HEALTH'S ESCALATING COSTS

"PART A—PHASE I PROGRAM

"SUBPART I—CONTROL OF COSTS OF INPATIENT HOSPITAL SERVICES

"CONTROL OF COSTS FOR INPATIENT HOSPITAL SERVICES

"SEC. 2101. (a) For any accounting period of a hospital ending after the effective date (as defined in section 2105(b)(1)) and on or before the transition date (as defined in section 2105(b)(2)), the total inpatient revenues of the hospital for the period may not exceed the total inpatient revenues for the hospital's base accounting period by a percentage which is greater than the compounded sum of the percentage limits computed by the Secretary (or State, where its application is approved under section 2123) under section 2102 for that accounting period and previous accounting periods of the hospital after the base accounting period.

"(b)(1) For the purpose of calculating under subsection (a) the total inpatient revenues for the base accounting period, the total inpatient revenues for that period shall (except as provided in paragraph (2)) be reduced by an amount equal to any inpatient revenues for the base accounting period for elements of inpatient hospital services that cease to be furnished in the accounting period subject to this part during which those services are not furnished.

"(2) Paragraph (1) shall not apply with respect to inpatient hospital services—

"(A) that have been found inappropriate by the State health planning and development agency for hospital, or

"(B) to the extent other health services, determined to be appropriate by the agency described in subparagraph (A), are being substituted, if the services for which they have been substituted have been found to be inappropriate by such agency.

"(3) Upon request by a hospital, the State health planning and development agency for the hospital shall make a finding as to the appropriateness of specific health services for purposes of paragraph (2), after requesting the recommendations of the health systems agency for the hospital. The finding of a State health planning and development agency under this paragraph shall not be subject to further review.

"(c) In the case of a hospital that has not been in operation for a full accounting period before the effective date, the Secretary (or State, where its application is approved under section 2123) shall provide for establishment of total inpatient revenues for the base accounting period based on the median for the average inpatient revenues per admission for a hospital of the same type, bed capacity, and location as that hospital.

"(d) The Secretary may provide by regulation that in the determination of total inpatient revenues, there shall be excluded revenues due to philanthropy (as described in section 1134).

"COMPUTATION OF PERCENTAGE LIMITATION

"SEC. 2102. (a) For purposes of this subpart, the percentage limit—

"(1) for a hospital's accounting period which began before the effective date shall be equal to the sum of—

"(A) the product of (i) the fraction of the accounting period that occurred before such date, and (ii) the percentage increase in the institution's inpatient expenses in the preceding accounting period over its inpatient expenses in the second preceding accounting period, and

"(B) the product of (i) the fraction of the accounting period that occurred after such date and (ii) the percentage computed under subsections (b) through (d) for that accounting period; and

"(2) for any other such accounting period shall be equal to the percentage computed under subsections (b) through (d) for that period.

"(b)(1) The base percentage for each hospital for an accounting period is equal to the sum of—

"(A) the percent increase in the labor-related expenses of the hospital (as defined in paragraph (2)) for the accounting period, and

"(B) the percent increase in the nonwage marketbasket of the hospital (as defined in paragraph (3)) for the accounting period of the hospital.

"(2) As used in paragraph (1)(A), the term 'percent increase in labor-related expenses' means, for a hospital for an accounting period, the product of—

"(A) the average percentage increase in the labor-related expenses paid in the period over the labor-related expenses paid in the preceding period per employee per hour to employees (other than to doctors of medicine or osteopathy and to supervisors (as defined in section 2(12) of the National Labor Relations Act)) of the hospital (or zero if there are not sufficient data to make a reasonable estimate), and

"(B) the average fraction (as computed by the Secretary, or State, where its application is approved under section 2123, from time to time) of the hospital's expenses attributable to such labor-related expenses.

"(3) As used in paragraph (1)(B), the term 'percent increase in the nonwage marketbasket' means, for an accounting period for a hospital, the sum of the products of—

"(A) the average percentage increase in the United States (or in the area or State in which the hospital is located, if data for the hospital's area or State are available) in the price of each appropriate class (as determined by the Secretary, or by the State, where its application is approved under section 2123) of goods and services in the period over the price of the class in the preceding accounting period, and

"(B) 1 minus the average fraction computed under paragraph (2)(B) for that accounting period.

"(c)(1) The Secretary shall establish, by regulation, a method for the adjustment of the base percentage (computed under subsection (b)) for the accounting period to reflect changes in the number and types of admissions and case mix in the period compared to the number and types of admissions and case mix in a previous accounting period. In promulgating these regulations he shall take into account—

"(1) the marginal costs associated with changes in admissions in one accounting period compared to a previous accounting period,

"(2) shifts in admissions caused by a hospital's entering into (or ending) contracts with health maintenance organizations,

"(3) the impact of appropriate reductions in inpatient utilization, and

"(4) the intensity of inpatient hospital services provided.

"(2) The Security shall not permit an adjustment for changes in the number of admissions if he determines that the change is due to inappropriate or unnecessary admissions.

"(d)(1) On the request of a hospital, the Secretary (or State, where its application is

approved under section 2123), in his discretion, may modify the percentage limit for an accounting period otherwise computed under this section to allow for higher revenues than would otherwise be permitted. Any such request shall be filed, in such manner and form as the Secretary shall prescribe, with the appropriate agency or organization with which the Secretary has entered into an agreement under section 1816.

"(2) The Secretary shall establish, by regulation, guidelines for the grounds for exceptions under paragraph (1). Such grounds shall include the following changes and circumstances which, the hospital can demonstrate, result in higher revenues per admission than would otherwise be permitted:

"(A) A significant change in the capacity or character of inpatient hospital services available in the hospital.

"(B) A major renovation or replacement of physical plant which has been approved by the State health planning and development agency (or other appropriate agency of the State).

"(C) The hospital is a sole community provider which would otherwise be insolvent and the State health planning and development agency for the hospital has determined that the hospital should be maintained.

"(D) Higher expenses associated with the special needs and circumstances (including greater intensity of care) of the hospital because it is a regional tertiary care institution, children's hospital, or rehabilitation hospital.

"(E) Higher costs incurred by a hospital which provides a disproportionate percentage of its services, in comparison with facilities of similar size and urban or rural location, to low income patients.

"(3) In applying exceptions described in paragraph (2) to individual hospitals, the Secretary (or State, where its application is approved under section 2123) shall take into account, as appropriate, (A) the ability of the hospital to meet its costs through its own resources and (B) the extent to which the hospital's actions conformed with the health plans for the area in which it is located.

"(4) The Secretary (or State, where its application is approved under section 2123) shall act on a request for an exception filed under this subsection within 60 days of the date of its filing.

"CONSOLIDATED TREATMENT OF CERTAIN HOSPITALS WITH COMMON OWNERSHIP

"SEC. 2103. (a) Subject to subsections (b) and (c), an organization that totally owns in a State two or more hospitals of the same type, the accounting periods of which are subject to limits established under this part, which have the same accounting period, and which were totally owned by the organization as of the date of the enactment of this title shall have the limits under this part on total revenues (and any civil penalty thereon under section 2106) computed and applied in the aggregate for all such hospitals with the same accounting period in the State, rather than on each such hospital, if—

"(1) the organization requests the Secretary (or State, where its application is approved under section 2123), in a timely manner, to have such treatment made, and

"(2) the Secretary (or State, as appropriate) determines that the organization has provided adequate assurances that the organization will provide, on a timely basis, the data necessary to determine these limits on the hospitals.

"(b) A hospital treated on a consolidated basis with another hospital or hospitals under subsection (a) shall have such consolidated treatment discontinued if—

"(1) the hospital is no longer totally owned by an organization which owns the other hospital or hospitals, is no longer subject to a limit under this part, or no longer has the same accounting period as the other hospital or hospitals; or

"(2) the organization requests such discontinuance and the Secretary (or State, as appropriate) approves of such discontinuance.

"(c) The Secretary (or State) may not grant any exception under section 2102(e) with respect to any hospital that is treated on a consolidated basis with another hospital or hospitals under subsection (a).

"IMPROPER CHANGES IN ADMISSIONS PRACTICES

"SEC. 2104. (a)(1) Except as provided in paragraph (2), no hospital may change its admission practices in a manner which results in—

"(A) a significant reduction in the proportion of its patients who have no third-party coverage and who are unable to pay for inpatient hospital services provided by the hospital,

"(B) a significant reduction in the proportion of persons admitted to the hospital for inpatient hospital services for which payment is (or is likely to be) less than the anticipated charges for or costs of such services,

"(C) the refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital, or

"(D) the refusal to provide emergency services to any person who is in need of emergency services if the hospital provides such services.

"(2) Subparagraphs (A) and (B) of paragraph (1) shall not apply to a hospital which provides a disproportionate percentage of its services, in comparison with facilities of similar size and in comparable locations, to low income patients, so long as the reduction does not result in the denial of care to any person.

"(b) The Secretary shall monitor, on a periodic basis, the extent of each hospital compliance with subsection (a).

"(c)(1) Upon written complaint by any hospital or upon receiving such volume of written complaints or such reasonable documentation from any persons (as the Secretary finds sufficient) that a hospital has changed its admission practices in a manner in violation of subsection (a), the Secretary shall investigate the complaint and, upon a finding by him that the complaint is justified, he may—

"(A) exclude the hospital from participation in any or all of the programs established by title XVIII or XIX of this Act, or

"(B) reduce the total amounts otherwise reimbursable to the hospital under title XVIII or XIX in an amount equal to $3,000 for each of the number of persons who were not admitted as patients or provided services because of the change,

or both.

"(2) In addition the Secretary may take any other action authorized by law (including an action to enjoin such a violation brought by the Attorney General upon request of the Secretary) which will restrain or compensate for a violation of subsection (a).

"(d) Any hospital aggrieved by a determination of the Secretary under subsection (c) shall, upon timely request, be entitled to a hearing on the record on such determination (in accordance with section 554 of title 5, United States Code), and no reduction in reimbursement may be made under subsection (c)(1)(B) with respect to a hospital until the hospital has had the opportunity for such a hearing and judicial review (under chapter 7 of such title) on the determination after the hearing.

"(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any other statute or at common law to seek enforcement of this Act or to seek any other relief.

"DEFINITIONS

"SEC. 2105. (a) As used in this part:

"(1) The term 'accounting period' means, with respect to a hospital—

"(A) except as provided in subparagraph (B)—

"(i) in the case of a hospital participating in the program established by title XVIII, the period of twelve consecutive calendar months utilized as the reporting period for reimbursement purposes under that program,

"(ii) in the case of a hospital not participating in the program established by title XVIII, a calendar year, or, if requested by the hospital, such other period of 12 consecutive calendar months as the Secretary (or State, where its application is approved under section 2123) may approve, and

"(B) in the case of a hospital whose period under subparagraph (A) is changed from one twelve-month period to another, such shorter period as the Secretary (or State, as appropriate) may establish.

"(2) The term 'base accounting period' means a hospital's last accounting period not subject to a limit under this part.

"(3) The term 'inpatient hospital services' has the meaning assigned by section 1861(b) of the Social Security Act, but includes in addition the services specified in section 1861(b)(5) of that Act.

"(4) The term 'cost payer' means—

"(A) a Federal or State program, or

"(B) a carrier (as defined in section 1842(f)(1)),

that reimburses a hospital for services on a basis related to the hospital's costs in furnishing those services or on any other basis than charges.

"(b) As used in this part:

"(1) The term 'effective date' means the first day of the first month beginning more than 90 days after the date of the enactment of this title.

"(2) The term 'transition date' means—

"(A) for a hospital located in a State, the first accounting period of the hospital that begins on or after the earlier of—

"(i) the date the program in that State has been approved and is in effect under part B; or

"(ii) the later of—

"(I) September 30, 1984, or

"(II) if the Secretary decides to establish a program in the State under section 2143(a)(2), the date such program becomes effective with respect to that State; and

"(B) for another health care provider located in a State, the earlier of—

"(i) the date the program in that State has been approved and is in effect under part B; or

"(ii) the later of—

"(I) September 30, 1984, or

"(II) if the Secretary decides to establish a program in the State under section 2143(a)(2), the date such program becomes effective with respect to that State.

"SUBPART II—OUTPATIENT AND PHYSICIANS' SERVICES AND STUDY RESPECTING COSTS OF SKILLED NURSING FACILITY AND INTERMEDIATE CARE FACILITY SERVICES

"CONTROL OF CHARGES AND COSTS FOR OUTPATIENT AND PHYSICIANS' SERVICES

"SEC. 2111. (a)(1) The charges, amount recognized as the reasonable charge under part B of title XVIII, and the schedule of medicaid payment of a person furnishing outpatient services (as defined in section 2161(5)) or of a person furnishing physicians' services to an inpatient of a hospital or other medical institution may not exceed the customary charge, amount recognized as the reasonable charge under part B of title XVIII, or schedule of medicaid payments, respectively, of the person for furnishing such service as established as of January 1, 1983, by a percentage greater than the applicable percentage (computed under subsection (b)) for the calendar quarter in which the service is furnished.

"(2) The average reimbursement payable per unit of service to a hospital by a cost payer for outpatient services may not exceed the average reimbursement payable to the hospital per unit of service by the cost payer as estimated as of January 1, 1983, by a percentage greater than the applicable percentage (computed under subsection (b)) for the calendar quarter in which the service is furnished.

"(3) This subsection shall only apply to services furnished on or after 90 days after the date of the enactment of this title and before the transition date (as defined in section 2105(b)(2)).

"(b)(1) In the case of a person (other than a hospital), the applicable percentage for a service furnished in a calendar quarter is a percentage equal to the sum of—

"(A) the product of—

"(i) the overhead proportion for the class of such service (determined under subsection (c)(1)), and

"(ii) the office overhead index for that quarter (determined under subsection (c)(2)(C)); and

"(B) the product of—

"(i) one minus the overhead proportion described in subparagraph (A)(i), and

"(ii) the percentage increase in the Consumer Price Index for all urban consumers (U.S. city average), published by the Bureau of Labor Statistics, for the period beginning January 1983 and ending with the second month in the calendar quarter.

"(2) In the case of a hospital, the applicable percentage for a service furnished in the accounting period of the hospital is a percentage equal to the percentage limitation computed under subsections (b) through (d) of section 2102 for the hospital for the period.

"(c)(1) The Secretary shall establish, and may from time to time change, a classification of services covered under subsection (a) and shall from time to time determine, for each such class, the average proportion of costs incurred, with respect to providing services in such class, attributable to costs for medical office overhead (as defined in paragraph (3)). Physicians' services furnished to inpatients of hospitals or other medical institutions shall be classified separately from other services.

"(2)(A) The Secretary shall determine, for the 12-month period ending on March 30th of each year, the average annual rate of increase in the costs of medical office overhead expenses for that period.

"(B) The cost-of-living factor for medical office overhead for each of the four calendar quarters occurring during the 12-month period beginning on July 1 of a year is one-quarter of the annual rate determined under subparagraph (A) for the period ending on March 30th of that year.

"(C) The office overhead index for a quarter is equal to the sum of the cost-of-living factors for medical office overhead for quarters beginning with the quarter beginning January 1, 1983, and ending with the calendar quarter involved.

"(3) For purposes of this section, the term 'costs of medical office overhead' means expenses (other than expenses incurred for professional services or fees) associated with the provision of outpatient services or with the provision of physicians' services to inpatients.

"(d) A health care provider may not charge, in the aggregate with respect to provision of an outpatient service (or physicians' services furnished to an inpatient of a hospital or other medical institution), before the transition date, more than the maximum amount permitted under this section.

"STUDY ON CONTROL OF COSTS OF INPATIENT SERVICES IN SKILLED NURSING FACILITIES AND IN INTERMEDIATE CARE FACILITIES

"SEC. 2112. (a) The Secretary shall provide for an analysis of the feasibility and desirability of providing for control of the inpatient costs of skilled nursing facilities and of intermediate care facilities in a manner similar to that provided under section 2101 with respect to inpatient services of hospitals.

"(b) The Secretary shall report to Congress on the analysis not later than two years after the date of the enactment of this Act.

"SUBPART III—ENFORCEMENT, ADMINISTRATION, AND GENERAL PROVISIONS

"CIVIL PENALTY

"SEC. 2121. (a)(1) If the Secretary determines that—

"(A) the total inpatient revenues of a hospital for an accounting period exceed the applicable limit for the hospital for the accounting period under this part, and

"(B) subject to paragraph (2)(B), the hospital fails to deposit an amount equal to the amount of such excess revenues in an escrow accounting (established and maintained pursuant to paragraph (3)) and fails to withdraw the amount before the end of the succeeding accounting period pursuant to paragraph (3)(B),

the hospital is subject to a civil penalty of 150 percent of the difference between (i) the amount of the excess described in subparagraph (A), and (ii) subject to paragraph (2)(B), the amount deposited with respect to such excess in the escrow account and withdrawn pursuant to paragraph (3)(B).

"(2) A hospital which has established an escrow account pursuant to paragraph (3) and—

"(A) withdraws an amount from such account in a manner not permitted under paragraph (3)(B), is subject to a civil penalty in an amount equal to 150 percent of the amount so withdrawn, and

"(B) has a balance in such account after the end of its accounting period beginning in the fiscal year in which the transition date occurs, is subject to a civil penalty in an amount equal to the amount remaining in such account.

"(3)(A) In order to avoid liability for a civil penalty under paragraph (1), a hospital which has total inpatient revenues for an accounting period in excess of its applicable limit under this part may establish, in a manner prescribed by the Secretary, an escrow account for the deposit of amounts with respect to one or more of the hospital's accounting periods for which the hospital has excess inpatient revenues.

"(B) If the Secretary certifies that the total inpatient revenues of a hospital for an accounting period subject to a limit fall below the applicable limit established under this part for that accounting period, the hospital may withdraw from any escrow account (described in subparagraph (A)) previously established an amount determined by the Secretary to be equal to the the amount by which the inpatient revenues of the hospital for that accounting period could be increased without causing the hospital's total inpatient revenues for that accounting period to exceed the applicable limit established under this part for that accounting period.

"(b)(1) If the Secretary determines that—

"(A) a person has charged an amount in excess of the amount which exceeds the applicable limit for the person under subpart II of this part, and

"(B) subject to paragraph (2)(B), the person fails to deposit an amount equal to the amount of such excess charges or payment in an escrow account (established and maintained pursuant to paragraph (3)) and fails to withdraw the amount pursuant to paragraph (3)(B) before the end of the one-year period beginning on the date the amount is deposited,

the person is subject to a civil penalty of 150 percent of the difference between (i) the amount of the excess described in subparagraph (A), and (ii) subject to paragraph (2)(B), the amount deposited with respect to such excess in the escrow account and withdrawn pursuant to paragraph (3)(B).

"(2) A person which has established an escrow account pursuant to paragraph (1) and—

"(A) withdraws an amount from such account in a manner not permitted under paragraph (3)(B), is subject to a civil penalty in an amount equal to 150 percent of the amount so withdrawn, and

"(B) has a balance in such account after the transition date, is subject to a civil penalty in an amount equal to the amount remaining in such account.

"(3)(A) In order to avoid liability for a civil penalty under paragraph (1), a person which has charges or payment in excess of the applicable limit under subpart II of this part may establish, in a manner prescribed by the Secretary, an escrow account for the deposit of amounts with respect periods for which the person has made excess charges or had excess payments.

"(B) If the Secretary certifies that the charges, reasonable charges, or medicaid payment for a period for a subsequent period subject to a limit fall below the applicable limit established under subpart II of this part, the person may withdraw from any escrow account (described in subparagraph (A)) previously established an amount determined by the Secretary to be equal to the product of (i) the amount by which such charges or payments for that subsequent period could be increased without causing the person's charges or payments for that period to exceed the applicable limit established under subpart II of this part for that period, and (ii) the fraction (as determined by the Secretary) of those charges and payments either attributable to

charge payers or the medicaid program, respectively.

"(c)(1) The civil penalties provided under subsection (a) or (b) shall be assessed by the Secretary only after the hospital or person has been provided written notice and opportunity for a hearing on the record at which the hospital or person is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the hospital or person.

"(2)(A) A hospital or person adversely affected by an assessment by the Secretary under subsection (a) or (b) may obtain a review of such assessment in the United States court of appeals for the circuit in which the hospital is located by filing in such court within 60 days following the date the hospital is notified of the Secretary's determination as to the assessment a written petition praying that the assessment be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record in the proceeding as provided in section 2112 of title 28, United States Code. Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such records a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the assessment of the Secretary and enforcing the same to the extent that such order is affirmed or modified.

"(B) No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances.

"(C) The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive.

"(D) If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and he shall file such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive, and his recommendations, if any, for the modification or setting aside of his original order. Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

"(3)(A) Civil penalties and assessments imposed under this subsection may be compromised by the Secretary and may be recovered in a civil action in the name of the United States brought in the United States district court for the district in which the hospital is located. Amounts recovered shall be deposited as miscellaneous receipts of the Treasury of the United States. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sum then or later owing by the United States to the hospital or person against which the penalty has been assessed.

"(B) A determination by the Secretary to assess a penalty under this subsection shall be final upon the expiration of the 60-day period referred to in paragraph (3)(A) unless the hospital or person against which the penalty has been assessed files for a review of such assessment as provided in that paragraph. Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to paragraph (3) may not be raised as a defense to a civil action by the United States to collect a penalty assessed under this subsection.

"(d)(1) Any hospital dissatisfied with a determination made on behalf of the Secretary under this section may obtain a hearing before the Provider Reimbursement Review Board (established under section 1878(h) and hereinafter in this subsection referred to as the 'Board') if the amount in controversy is $10,000 or more and the request for such hearing is filed within 180 days after notice of the determination.

"(2)(A) The provisions of subsections (c), (d), (e), (f), and (i) of section 1878 shall apply to hearings provided under paragraph (1). In addition, the Board shall have the power to affirm or reverse any final determination (described in paragraph (1)) of a fiscal intermediary or another entity acting on behalf of the Secretary.

"(B) After completing a hearing provided under paragraph (1) with respect to a determination, the Board shall render its decision on the determination not later than 60 days after the last day of the hearing.

"(3) In addition to the members appointed under section 1878(h), the Secretary shall appoint four additional members to the Board, each of which shall be a member of the general public and a representative of consumers of inpatient hospital services. Those provisions of section 1878(h) which relate to compensation and terms of office of members of the Board shall also apply to members appointed under this paragraph.

"LIMITATIONS ON MEDICARE AND MEDICAID PAYMENTS

"SEC. 2122. (a) Notwithstanding any provision of title XVIII, reimbursement for inpatient services under the program established by such title or payment for other services furnished by a person shall not be payable, on an interim basis or in final settlement, to a hospital for an accounting period or to another person which is exempted from such a limit under this part because the hospital or person is located in a State with a cost control plan approved under part B or because of continuation of a demonstration project under section 2124, to the extent that the reimbursement exceeds the limit prescribed under such plan or demonstration project.

"(b) Notwithstanding any provision of title XIX, payment shall not be required to be made by any State under such title, nor shall payment be made to any State under such title, with respect to any amount paid for inpatient services to a hospital for an accounting period or for other services furnished by a person which is exempted from such a limit under this part because the hospital or person is located in a State with a cost control plan approved and in effect under part B or because of continuation of a demonstration project under section 2124, to the extent that the amount exceeds the limit prescribed under such plan or under demonstration project.

"ADMINISTRATION OF PHASE I PROGRAM BY STATES

"SEC. 2123. (a) The chief executive officer of each State may apply to the Secretary, before the initial effective date, for the State to administer the limitations imposed under this part with respect to services furnished in that State. The Secretary shall approve such application only if the Secretary determines that the application provides for—

"(1) administration by or through either (A) an independent commission appointed by the chief executive officer, or (B) the department which administers health affairs for the State, and

"(2) assurances that the State has the capability to administer this part (including the enforcement of appropriate civil penalties for violations of the provisions of this part).

"(b) If the Secretary has approved the application of a State under subsection (a) and the Secretary determines that the State has failed to administer this part in accordance with its provisions the Secretary may, after notice and opportunity for rebuttal by the State, terminate approval of the State's application and provide for administration of this part by other than that State.

"EXEMPTION FROM LIMITS IN THE CASE OF CERTAIN EXPERIMENTS AND DEMONSTRATIONS

"SEC. 2124. (a) The Secretary may exempt hospitals and other persons from limits under this part if he determines that—

"(1) the exemption is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967, section 222 of the Social Security Amendments of 1972, section 1526 of the Public Health Service Act, or section 1115 of this Act, and

"(2) the experiment or demonstration is consistent with the purposes of this title.

"(b)(1) The Secretary shall exempt hospitals in a State from the limits under subpart I of this part if the chief executive officer of the State requests such treatment and if—

"(A) the State has a hospital reimbursement control system in effect as of January 1, 1983, for which a waiver of certain requirements of title XVIII has been approved pursuant to section 402 of the Social Security Amendments of 1976 or section 222 of the Social Security Amendments of 1972;

"(B) the Secretary determines that the system applies (i) to substantially all non-Federal acute care hospitals (as defined by the Secretary) in the State and (ii) to the review of at least 75 percent of all revenues or expenses in the State for inpatient hospital services and of revenues or expenses for inpatient hospital services provided under the State's plan approved under title XIX;

"(C) the Secretary has been provided satisfactory assurances as to the equitable treatment under the system of all entities (including Federal and State programs) that pay for hospitals inpatient hospital services, of hospital employees, and of hospital patients; and

"(D) the Secretary has been provided satisfactory assurance that under the system, over 36-month periods, (i) the amount of revenues for inpatient hospital services will not exceed the amount of revenues which would otherwise have been made if subpart I of this part applied, and (ii) the amount of payments allowable for inpatient hospital services under title XVIII will not exceed the amount of payments which would otherwise have been made under that title (as

such title was in effect before the date of the enactment of this title).

"(2) In the case of a demonstration project described in paragraph (1) which, but for this subsection, would otherwise expire, if the Secretary—

"(A) determines that the project has accomplished its objectives, and

"(B) has been provided satisfactory assurances that operation of the project continues to meet the requirements of subparagraphs (B), (C), and (D) of paragraph (1),

the Secretary shall provide for continuation of the approval of the project's waivers described in paragraph (1) until such time as the project fails to meet the assurances described in subparagraph (B) of this paragraph.

"INCREASED FEDERAL MEDICAL ASSISTANCE PERCENTAGE FOR STATES INDICATING AN INTENTION TO SUBMIT A STATE HEALTH CARE COST CONTROL PLAN OR ADMINISTERING PHASE I PROGRAM

"SEC. 2125. If—

"(1) a State has applied and is approved to administer this part under section 2123, or

"(2) the chief executive officer of a State transmits to the Secretary, not later than 90 days after the date of the enactment of this title, a statement indicating that the State intends to submit, not later than March 1, 1984, a state health care cost control plan described in part B,

for purposes of making payments to such a State under section 1903 of this Act (and notwithstanding any other provision of title XIX) the Federal medical assistance percentage otherwise determined under section 1905(b) for that State shall be increased for each quarter before the transition date (as defined in section 2105(b)(2)(B)) by two percentage points.

"PART B—PHASE II PROGRAM

"STATE HEALTH CARE COST CONTROL PLANS

"SEC. 2141. (a) The chief executive of any State may apply to the Secretary for the approval of a medical cost control plan for that State for a fiscal year (beginning on October 1) and subsequent fiscal years.

"(b)(1) The Secretary may not approve the plan for a fiscal year unless (A) the application for the plan has been submitted by not later than 120 days preceding the first day of the fiscal year (or July 1, 1983, for fiscal year 1984) and (B) he determines that the plan meets the requirements of section 2142, except as provided in subsection (d). The Secretary shall approve or disapprove the application within 60 days after the date the application is submitted (or August 15, 1983, for fiscal year 1984).

"(2) If the Secretary does not approve a plan, the Secretary shall provide the State with a notice of the reasons why the plan may not be approved and an opportunity for a hearing on such disapproval.

"(c) In the case of any State with a plan approved under subsection (a) for a fiscal year—

"(1) the Secretary shall waive requirements for reimbursement under title XVIII for services furnished in such a State and covered under the plan during the fiscal year, and

"(2) for purposes of making payments to such a State under section 1903 of this Act (and notwithstanding any other provision of title XIX) the Federal medical assistance percentage otherwise determined under section 1905(b) for that State shall be increased for each quarter in the fiscal year by two percentage points.

"(d) In the case of a State that has a hospital reimbursement demonstration project approved and in effect under section 402 of the Social Security Amendments of 1967 or section 222 of the Social Security Amendments of 1972 as of January 1, 1983, and which applies under subsection (a) for approval of a State plan—

"(1) the State may, in lieu of meeting the requirement of section 2142(b), provide for continuation of the project, if it provides assurances satisfactory to the Secretary that continued operation of the project will not result over 36-month periods in inpatient revenues of hospitals in the State (in the aggregate and separately under titles XVIII and XIX) in excess of the inpatient revenues which would have occurred if the project met the requirements of such section, and

"(2) subsection (c), (d), and (e) of section 2142 shall not apply until October 1, 1985.

"REQUIREMENTS OF STATE COST CONTROL PLANS

"SEC. 2142. The requirements of a State health care cost control plan referred to in section 2141 are as follows:

"(a) ADMINISTRATION.—(1)(A) Subject to subparagraph (B), the plan must be designed and administered in a manner that provides assurances satisfactory to the Secretary as to the equitable treatment under the plan of all entities (including Federal and State programs) that pay for health services covered under the plan, of employees of hospitals, and of patients receiving such services.

"(B) The plan must take into account the proportion of expenses associated with the different payors, including the medicare and medicaid programs and individual payors, and may not permit undue shifting of proportions of costs among the different payors.

"(2) The plan may be mandatory or voluntary and may, with the approval of the Secretary, exempt hospitals and other persons from limits under the plan if—

"(A) the exemption is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967, section 222 of the Social Security Amendments of 1972, section 1526 of the Public Health Service Act, or section 1115 of this Act, and

"(B) the experiment or demonstration is consistent with the purposes of this title.

"(3) The plan must provide for such reports to the Secretary (in lieu of cost and other reports, identified by the Secretary, otherwise required of hospitals and other persons under title XVIII) as the Secretary may require in order to properly monitor assurances provided under this section and the operation of the plan.

"(4) The plan must permit health maintenance organizations to negotiate lower rates for inpatient hospital services and other services than those otherwise established with respect to other payors.

"(b) CONTROL OF COSTS OF INPATIENT HOSPITAL SERVICES.—(1)(A) Subject to subparagraph (B), the plan must apply to all payors and to at least 75 percent of all revenues or expenses for inpatient hospital services (including revenues or expenses under the programs under title XVIII and XIX of this Act) in the State.

"(B)(i) The plan may provide that it does not apply to philanthropic payments.

"(2) The amount of the total inpatient revenues may not increase at a rate greater than the permissible percentage increase (established under methodology established by the State panel under paragraph (3)(B)) based upon such amount determined for—

"(A) the previous year,

"(B) a typical year in the previous three years, or

"(C) the average of the previous three years,

at the choice of the State, except that the plan may provide for adjustments to reflect changes in volume and case mix and, with respect to individuals entitled to hospital insurance benefits under part A of title XVIII, the amount of inpatient revenues under the plan may not exceed the amount for which payment may be made under title XVIII, under the law in effect before the date of the enactment of this title, as determined for the applicable period described in subparagraph (A), (B), or (C).

"(3)(A) The chief executive officer of the State shall provide for the appointment of a panel consisting of seven members, with expertise in health care economics, to develop the methodology for establishing the permissible percentage increase, as follows:

"(i) One member selected from a list of qualified individuals submitted by unions that represent health care workers.

"(ii) One member who represents employers that provide health care coverage for their employees.

"(iii) One member who is consumer of health care services and is not affiliated with the health care industry.

"(iv) One member who is a representative of third-party payors for health care services.

"(v) One member who is a representative from a hospital.

"(vi) One member who is a physician.

"(vii) One member who is an independent economist and who shall serve as chairman of the panel.

The chief executive officer of the State shall appoint the members described in clauses (i) through (vi) and such members shall appoint the member described in clause (vii).

"(B) The panel shall establish the methodology for establishing a permissible percentage increase to be used under the plan. Such methodology shall include the use of appropriate external price indicators and the use of data from major collective bargaining agreements for nonsupervisory hospital employees. The Secretary shall approve the methodology and permissible percentage increase established by the panel under this paragraph unless the Secretary determines that the rate of increase exceeds the sum of (i) 1.5 percentage points, and (ii) the average rate of increase determined for hospitals in that State pursuant to section 2102.

"(C) The plan shall provide a procedure whereby, upon the request of a hospital, an adjustment can be made to the permissible percentage increase to reflect—

"(i) a significant change in the capacity or character of the inpatient hospital services available in the hospital;

"(ii) a major renovation or replacement of physical plant which has been approved by the State health planning and development agency (or other appropriate agency of the State);

"(iii) a significant increase in the coverage of inpatient hospital services by a cost payer;

"(iv) funds necessary to prevent the insolvency of the hospital if the hospital (I) is a sole community hospital, (II) would otherwise be insolvent, and (III) should be main-

tained in the judgment of the State health planning and development agency;

"(v) higher expenses associated with the special needs and circumstances (including greater intensity of care) of the hospital because it is a regional tertiary care institution, children's hospital, psychiatric hospital, or rehabilitation hospital;

"(vi) higher costs incurred by the hospital if the hospital provides a disproportionate percentage of its services, in comparison with facilities of similar size and urban or rural location, to low income patients; and

"(vii) increase costs for compensation of employees, including collectively bargained increases to correct for past lags in compensation compared to major collective bargaining agreements, adjustments to remedy shortage of personnel, or other adjustments necessary to maintain a qualified staff.

The plan may provide for such other modifications of the permissible percentage increase if the modification is consistent with the State health plan approved by the State health planning and development agency.

"(4) The plan must provide for prospective payment of hospitals under a methodology (which may include budgeting by category of hospital, formulae to set limits on what could be charged various payors, budget reviews on each hospital, payment by diagnosis-related group classifications, and capitation payments with respect to defined populations) under which rates or amounts to be paid for inpatient services of classes of hospitals during a specified period are established under the plan prior to the defined rate period.

"(5) The plan must have a mechanism for providing fair hearings for hospitals aggrieved by determinations made under the plan.

"(6)(A) Amounts permitted for hospitals must take into account the higher costs incurred by hospitals which provide a disproportionate percentage of their services, in comparison with facilities of similar size and urban or rural location, to low income patients and must, subject to subparagraph (B), provide for an amount to reflect payment for charity care. Payment of such amounts to hospitals in a State shall be allocated, subject to subparagraph (B), among payors for inpatient hospital services in a manner that reflects the relative proportion of the payments for such services that are made by that payor (or class of payor).

"(B) The additional amount provided for charity care, in the case of payment under title XVIII, may not exceed (for Federal fiscal years 1984, 1985, and 1986) the amount which, in addition to payments otherwise made under that title in the fiscal year, will exceed the amount which would have been paid for inpatient hospital services under that title under the law as in effect before the enactment of the Health Care Cost Control Act of 1983.

"(7) The plan must take account of findings of the State health planning and development agency and health systems agencies respecting the need and appropriateness of services.

"(8) The plan must assure that hospitals continue to meet Federal and State certification standards for quality of care.

"(9)(A) Except as provided in subparagraph (B), the plan must provide assurances that operation of the plan will not result in any change in the admission practices of hospitals which result in—

"(i) a significant reduction in the proportion of patients (receiving inpatient services under the plan) who have no third-party coverage and who are unable to pay for inpatient services,

"(ii) a significant reduction in the proportion of individuals admitted to hospitals for inpatient services for which payment is (or is likely to be) less than the anticipated charges for or costs of such services,

"(iii) the refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital, or

"(iv) the refusal to provide emergency services to any person who is in need of emergency services if the hospital provides such services.

"(B) Clauses (i) and (ii) of subparagraph (A) shall not apply to a hospital which provides a disproportionate percentage of its services, in comparison with facilities of similar size and urban or rural location, to low income patients.

"(c) SCHEDULES OF MAXIMUM PAYMENT TO LIMIT COSTS OF OUTPATIENT SERVICES AND PHYSICIANS' SERVICES FURNISHED TO INPATIENTS.—(1)(A) The plan shall provide in accordance with this subsection for the development of schedules of maximum payment for outpatient services (other than diagnostic laboratory and x-ray services) and for physicians' services furnished to inpatients of hospitals or other medical institutions to be developed only after providing opportunity for negotiations described in paragraph (2).

"(B) Such schedules shall provide for equitable treatment of all payors and shall permit differentials in the level of maximum reimbursement only to the extent that such differentials are justified by economic considerations.

"(C) The fee schedules must initially be based on fees permitted to be charged consistent with part A of this title.

"(D) Under the plan, the total of charges that may be imposed on all payors with respect to an outpatient services described in subparagraph (A) or physicians' services furnished to inpatients may not exceed the maximum payment amount provided under the applicable schedule developed under this subsection.

"(2) The plan shall provide a method whereby representatives of persons furnishing outpatient services and physicians furnishing inpatient services are regularly and periodically invited to meet and negotiate with representatives of third-party payors, the State, employees, and representatives of the public concerning the schedules of maximum reimbursement described in paragraph (1). Such negotiations shall be supervised by the State entity administering the plan (or by the Secretary if the Secretary is exercising the option described in section 2143(a)(2)).

"(3) The amount determined under such schedules for professional services furnished to individuals as inpatients of a hospital, skilled nursing facility, or other medical care facility shall be the maximum total amount that may be charged with respect to such services.

"(4) The plan may provide for a capitation or other fee arrangement if it is determined that under such arrangement the total amount of payments would not exceed the amount otherwise paid for similar inpatient and outpatient services.

"(d) LIMITATION ON COSTS OF DIAGNOSTIC LABORATORY AND X-RAY SERVICES.—(1) The plan must provide for establishment of a committee, representative of the administering agency, the medicare program, providers of diagnostic laboratory and X-ray tests, third-party payors, and consumers, which would develop schedules of maximum reimbursement for diagnostic laboratory and X-ray services (as defined in section 2161(1)).

"(2) Such committee may establish standards for utilization of such services and may provide for reduced schedule of reimbursement for such services where the use or frequency of use of such services is not appropriate.

"(e) LIMITATION ON CHARGES OF HEALTH MAINTENANCE ORGANIZATIONS.—(1) The plan must provide for capitation payment to health maintenance organizations not in excess of the prevailing rates for comparable services of providers (other than such organizations), with appropriate adjustments to reflect the differences in the demographic characteristics between its members and those residing in the area generally.

"(2) The plan may provide for an additional allowance of up to 5 percent for new health maintenance organizations during the first 3 years of their operation, if it is necessary to cover initial organizational costs.

"FEDERAL OPTION TO CONTINUE PART A LIMITS OR TO OPERATE COST CONTROL PLANS IN THE ABSENCE OF STATE COST CONTROL PLANS

"SEC. 2143. (a) In the case of health care services furnished in a fiscal year beginning on or after October 1, 1985, in any State which does not have a plan approved and in effect under section 2141 for that year (or, in the case of a State described in section 2141(d), to the extent that the State plan does not meet the requirements of subsection (c), (d), or (e) of section 2142) the Secretary shall publish a determination that either (1) the limitations described in part A shall continue to apply to such services furnished in the State during that fiscal year or (2) the Secretary shall establish and implement a cost control plan, meeting the requirements of section 2142 (other than those contained in subsection (a)(1)(A)), for those services furnished in that State during that fiscal year not covered under the State plan.

"(b) If the Secretary makes the election described in clause (2) of subsection (a) for a fiscal year for services furnished in a State, the requirements for reimbursement under title XVIII for the furnishing of such services shall be superseded to the extent they are inconsistent with the cost control plan described in that clause.

"REQUIRING MEDICARE ASSIGNMENT FOR PHYSICIANS' SERVICES

"SEC. 2144. In the case of medical and other health services (as defined in section 1861(s)) for which services payment may be made on a charge basis under title XVIII of this Act, payment may only be made on the basis of an assignment described in section 1842(a)(3)(B)(ii).

"REVIEW OF TECHNOLOGIES AND PROCEDURES

"SEC. 2145. (a)(1) There is hereby established an Advisory Committee on Health Care Technologies and Procedures (hereinafter in this section referred to as the 'Advisory Committee'), to be composed of 15 individuals, including individuals who are distinguished in the fields of medicine, engineering, or science (including social science), representatives of business entities engaged in the development or production of health care technology, physicians, individuals distinguished in the fields of economics, law,

and bioethics, and individuals who are members of the general public who represent the interests of consumers of health care.

"(2) The Secretary shall request the Institute of Medicine of the National Academy of Sciences to appoint members to the Advisory Committee and to supervise the administrative operations of the Advisory Committee under an arrangement under which the actual expenses incurred by the Institute in assisting the Advisory Committee will be paid by the Secretary as an administrative cost of the operations of title XVIII. If the Institute is unwilling to enter into such an arrangement, the Secretary shall appoint the members and provide for the supervision of the administrative operations of the Advisory Committee.

"(3) Members shall first be appointed to the Advisory Committee not later than 120 days after the date of the enactment of this title.

"(b)(1) The Advisory Committee shall examine the appropriateness of the various interventions and the conditions under which they are needed, the safety and efficacy of alternative therapeutic and preventive regimens, and the standards for availability and utilization of various technologies, and shall publicly report on whether or not payments should be made for such services and, if so, under what conditions and frequency of service.

"(2) In carrying out its responsibilities, the Advisory Committee shall give priority to expensive interventions and to approaches which may constitute ways of reducing the use of expensive interventions and which hold promise of preventing disease and promoting health.

"(c)(1) Members of the Advisory Committee who are not officers or employees of the United States shall receive for each day they are engaged in the performance of the functions of the Advisory Committee compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule, including traveltime; and all members, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as such expenses are authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(2) If the Advisory Committee is not operated through an arrangement with the Institute of Medicine, the Secretary shall make available to the Advisory Committee such staff, information, and other assistance as it may require to carry out its functions.

"(d) The Advisory Committee shall be subject to the Federal Advisory Committee Act, except that the Advisory Committee shall terminate 27 months after the month in which this Act is enacted.

"PART C—DEFINITIONS

"DEFINITIONS

"SEC. 2161. As used in this title:

"(1) The term 'diagnostic X-ray and laboratory services' has the meaning given such term by the Secretary, but does not include such services furnished to inpatients of a hospital or other medical institution.

"(2) The term 'hospital' means, with respect to any period, an institution (or distinct part of an institution if the distinct part participates in the program established by title XVIII) that satisfied paragraphs (1) and (7) of section 1861(e) during all of the period, but does not include any such institution if it—

"(A) does not impose charges or accept payments for services provided to patients,

"(B) is a Federal institution during any part of the period,

"(C) derived 75 percent or more of its inpatient care revenues from one or more eligible organizations (as defined in section 1876(b) of the Social Security Act) during the preceding 12 months, or

"(D) is a psychiatric hospital (as described in section 1861(f)(1)) and is operated by an authority of a State.

"(3) The terms 'health systems agency' and 'State health planning and development agency' mean, for a hospital, such agencies as designated under sections 1515 and 1521, respectively, of the Public Health Service Act for the area or State, respectively, in which the hospital is located.

"(4) The terms 'medicaid' and 'medicaid program' refer to the plans or plans of States approved under title XIX of this Act and the terms 'medicare' and 'medicare program' refer to the program under title XVIII of this Act.

"(5) The term 'outpatient services' means medical and other health services (as defined in section 1861(s)), and also includes services described in numbered paragraphs of section 1905(a) furnished to individuals other than as inpatients of hospitals and other medical institutions.

"(6) The term 'State' includes the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

"(7) The term 'wage-related expenses' means wages (as such term is used under the Fair Labor Standards Act of 1938) and includes overtime wages and shift differential, taxes imposed 1401, 3101, or 3111 of the Internal Revenue Code of 1954 (relating to the Federal Insurance Contributions Act taxes), and expenses relating to unemployment compensation, workmen's compensation, and fringe benefits (including pensions and health benefits) as established by the Secretary by regulation.".

(b)(1) Section 1886(a)(1)(A)(ii) of such Act is amended—

(A) by inserting "and" at the end of subclause (I),

(B) by striking out "1984" in subclause (III) and inserting in lieu thereof "1983", and

(C) by striking out subclause (II) and redesignating subclause (III) as subclause (II).

(2) Section 1886(b) of such Act is amended by striking out paragraph (2).

(3) Effective for cost reporting periods beginning on or after October 1, 1983, section 1886(b)(3)(B) of such Act is amended by striking out "1 percentage point plus".

REDUCTION AND ELIMINATION OF A RETURN ON EQUITY CAPITAL FOR CERTAIN PROPRIETARY FACILITIES

SEC. 3. (a) Subparagraph (B) of section 1861(v)(1) of the Social Security Act is amended by striking out "one and one-half times".

(b) Such subparagraph is amended to read as follows:

"(B) Such regulations shall not include any provision for specific recognition of a return on equity capital.".

(c)(1) Subject to paragraph (2), the amendment made by subsection (a) shall apply to cost reporting periods ending after September 30, 1982.

(2) In the case of a cost reporting period beginning before October 1, 1982, any reduction in payments resulting from the amendment made by subsection (a) shall be imposed only in proportion to the part of the period that occurs after September 30, 1982.

(d)(1) Subject to paragraph (2), the amendment made by subsection (b) shall apply to cost reporting periods ending after September 30, 1984.

(2) In the case of a cost reporting period beginning before October 1, 1984, any reduction in payments resulting from the amendment made by subsection (b) shall be imposed only in proportion to the part of the period that occurs after September 30, 1984.

LONG-TERM CARE DEMONSTRATION PROJECTS

SEC. 4. (a) Notwithstanding any other provision of titles XIX and XX of the Social Security Act, States (including Puerto Rico and the District of Columbia) with plans approved under both such titles may provide, with the approval of the Secretary of Health and Human Services and under such plans, for demonstration projects to encourage the care of individuals who are chronically ill or severely disabled outside of institutions where it is determined to be appropriate and cost effective.

MODIFICATION OF DEMONSTRATION PROJECT PROVISIONS

(b) The Secretary shall not approve any demonstration project which would reduce the type or amount of benefits which would be available to any person in the absence of the waiver granted by subsection (a).

SEC. 5. The Secretary of Health and Human Services shall provide that, upon the request of a State which has a demonstration project, for payment of hospitals under title XVIII of the Social Security Act approved under section 402(a) of the Social Security Amendments of 1967 or section 222(a) of the Social Security Amendments of 1972, which (1) is in effect as of March 1, 1983, and (2) was entered into after August 1982, the terms of the demonstration agreement shall be modified so that the demonstration project is not required to maintain the rate of increase in medicare hospital costs in that State below the national rate of increase in medicare hospital costs.

SUMMARY OF THE MAJOR PROVISIONS OF CHEC

(Cost Containment program consists of two phases—a transitional Federal program (Phase I) and State Oriented Prospective Payment System (Phase II))

PHASE I

Hospitals

Ninety days after CHEC is enacted, a new limit will be placed on the permissible rate of increase of hospital revenue, from all sources. the permissible rate of increase is determined by a formula that is based on increases in the hospital's market basket and increases in its wage rate. The Secretary has authority to adjust the rates and the base year in certain circumstances, e.g., in the case of a hospital which has new contruction costs, when that construction has been approved by the appropriate state agency.

Medicare will continue to pay according to existing reimbursement limits during the transitional period, with the following modifications: The section 223 limits, now at 120 percent of mean would be adjusted to 110 percent of mean on October 1, 1983 (as opposed to 115 percent in current law); the target rates would be reduced from market-basket +1 percent to market basket; and return on equity would be phased out over a two-year period. Savings to Medicare are approximately $500 million annually from those provisions.

States with existing all payers cost containment systems operating under a waiver

from the Department at HHS would be permitted to continue those demonstrations during the transitional phase, and beyond, so long as the rates of growth of hospital revenues in the states does not exceed what would otherwise be required under Phase II.

Physicians

Physicians fees and the charges associated with outpatient services would also be controlled under this program. The bill establishes a maximum permissible rate of increase for physician fees, which is designed to allow physicians to recoup increased expenses due to inflation in the cost of overhead and goods and services.

Physicians could not charge, in the aggregate, more than the maximum fee established by this bill. In other words, assignment would be mandatory.

Enforcement

The bill provides for civil penalties, up to 150 percent of the overcharges, from any person whose revenues and/or fees exceed the maximum permissible under the Act. A mechanism is provided to allow hospitals and physicians who inadvertently exceed the revenue limits in one year to reduce their revenue the following year and apply the overcharges to that following year. Thus flexibility is provided to assure that providers may adjust to unforseen fluctuations in their revenues.

A state, if it wishes to do so, may apply to administer the Phase I program. States which administer the Phase I program receive an increase in their Medicaid payments equal to two percentage points additional on their federal medical assistance percentage.

PHASE II

Phase II is the state oriented phase of the cost containment program.

Administration

At any time a state may apply to operate its own cost containment program. States are given broad flexibility in designing and implementing their own cost containment system. The system may be mandatory or voluntary. The principal requirements are:

The program must cover at least 75% of all payers;

The program must provide for some form of prospective reimbursement;

All payers must be treated equitably—undue differentials not based on economic considerations are not permissible.

Hospitals

Each state establishes its own methodology for determining permissible rates of increase for hospital costs. The methodology is developed by economists representing affected parties (consumers, labor, business, insurers, providers) and must be approved by the Secretary of HHS so long as the overall rate of increase does not exceed the permissible rate of increase using the Phase I formula plus 1.5% (for increase in intensity). This additional 1.5% will allow states to accommodate new technology and help reduce unjustified differentials among payers.

1. Medicare would participate in the state system just like any other payer. The only requirement for Medicare is that the overall Medicare payment to the state could not exceed the amount Medicare would pay under existing law over a 3-year period. (The state would not have to meet the lower target rates and 223 limits established by this bill.)

2. The federal medical assistance percentage for Medicaid would be increased by two percentage points in any state with a Phase II cost containment program.

3. The cost of uncompensated care must be apportioned equitably among all payers.

Physicians and other services

Physicians, outpatient services and diagnostic and x-ray services would also be subject to limits under Phase II. Unlike Phase I, those limits would not be based on a formula. Rather, there would be maximum fee schedules derived from negotiations between providers, consumers, the state and other interested parties. The Phase I limits would be the starting point for these negotiations.

Cost containment in states which elect not to set up a statewide system

If, after October 1, 1984, a state has not elected to set up its own program, the Secretary has two choices. He may continue to operate the Phase I limits in the state, or alternatively, may develop a prospective reimbursement system for the state. This prospective system may apply to one or more of states which do not choose to set up their own system.

LONG-TERM CARE

The Secretary is directed to study the applicability and appropriateness of extending the cost containment program to nursing home care. The Secretary is also given authority to enter into demonstration projects for non-institutional long-term care, so long as the demonstration does not result in a reduction in the number and types of benefits of beneficiaries.

TECHNOLOGY

An advisory committee on health care technology is created to review procedure for appropriateness and cost effectiveness.

By Mr. HATFIELD (for himself, Mr. BAUCUS, Mr. NUNN, Mr. RANDOLPH, Mr. NICKLES, Mr. PROXMIRE, Mr. EAST, Mr. DOMENICI, Mr. ABDNOR, Mr. GARN, Mr. SIMPSON, Mr. BIDEN, Mr. JOHNSTON, Mr. DECONCINI, and Mr. EXON):

S. 815. A bill to provide that it shall be unlawful to discriminate against any meetings of students in public secondary schools and to provide the district courts with jurisdiction; to the Committee on the Judiciary.

RELIGIOUS SPEECH PROTECTION ACT OF 1983

● Mr. HATFIELD. Mr. President, today I am reintroducing legislation that is similar to S. 2928 which was introduced in the 97th Congress, with 14 of my colleagues, to protect the free speech rights of high school students. I want to thank Senators BAUCUS, NUNN, RANDOLPH, NICKLES, PROXMIRE, EAST, DOMENICI, ABDNOR, GARN, SIMPSON, BIDEN, JOHNSTON, DECONCINI, and EXON for joining me in this effort.

Unfortunately, a growing number of Federal court decisions have singled out religious speech as violative of the first amendment to the U.S. Constitution when it involves only student-initiated groups that seek equal access to the use of school premises during nonclassroom hours. The bill I am reintroducing would provide a judicial remedy for high school students who are aggrieved by a discriminatory policy that is formulated and carried out by public schools which receive Federal financial assistance.

The bill is a straightforward measure to apply the Supreme Court's decision in *Widmar* v. *Vincent* (454 U.S. 263 (1981)), to public high schools which receive Federal aid. In Widmar, the Court held that, absent a compelling purpose, a public university may not deny the use of its facilities to student groups who wish to meet and speak on religious subjects if it makes its facilities generally available to student groups for meetings on nonreligious subjects. The Court based this holding not on the free exercise of religion clause, but on the freedom of speech clause of the first amendment as made applicable to the States through the 14th amendment. "Having created a forum generally open for use by student groups," the Court said the university could not "discriminate against student groups and speakers based on their desire to * * * engage in religious worship and discussion * * *." The lower courts, however, have refused to apply this principle to the high school setting. Let me cite just two examples:

First, at Guilderland High School in New York, Christian students sought and have been denied the right to meet before classes for prayer. The meetings were voluntary, required no school announcements or sponsorship. A Federal district court and appeals court have upheld the school board's refusal to allow the group to meet. *Brandon* v. *Guilderland Control School District* (635 F.2d 971 (2d Cir. 1980), cert. denied, 102 S.Ct. 970 (1981)).

Second, in Lubbock, Tex., the school board drafted a careful policy that accommodated student-initiated religious activity on an equal basis with other student groups in the use of school facilities for meetings before and after school. The U.S. Court of Appeals for the Fifth Circuit struck down this school board policy and forced a total ban of voluntary, student-initiated religious activity. *Lubbock Civil Liberties Union* v. *Lubbock Independent School District* (669 F.2d 1308 (5th Cir. 1982), cert. denied, 51 U.S.L.W. 3533 (January 18, 1983)).

Mr. President, 23 of my colleagues joined me in filing an extraordinary amicus curiae brief with the Supreme Court on behalf of the Lubbock School Board. That brief made three basic arguments:

First, there is nationwide confusion concerning proper policies for religious activities in public schools that justifies guidance from the Supreme Court.

Second, the fifth circuit's opinion violates the principle of neutrality toward religion.

Third, the Lubbock decision violates the free speech rights of students.

Unfortunately, however, the Supreme Court on January 17, 1983, failed to grant a writ of certiorari to the Lubbock School Board with the effect of allowing the Fifth Circuit Court of Appeals' decision to stand. That decision struck down this policy:

> The school board permits students to gather at the school with supervision either before or after regular hours on the same basis as other groups as determined by the school administration to meet for any educational, moral, religious or ethical purposes so long as attendance at such meetings is voluntary.

It was my hope that the Supreme Court would seize the opportunity at the urging of 24 Senators to give guidance to 90,000 public schools on what the law should be regarding the use of school facilities during nonclassroom time periods by student-initiated religious groups on an equal basis with other extra-curricular activities. It now becomes imperative that the Congress give guidance to school districts receiving Federal funds that religious speech is not to be given second-class treatment.

Mr. President, I personally have serious reservations with statutory approaches which would deny jurisdiction of Federal courts to hear school prayer cases or with constitutional amendments which open the door to the writing of prayers by school or government officials. But we should be able to agree that the Constitution does not require the State to become the adversary of religion. I believe this principle of equal access deserves to be debated in the Congress on its own merits, independently of other school prayer alternatives.

The question should be this: Does the Constitution require that public schools be so totally secularized that even voluntary student-initiated religious discussion during nonclassroom hours must be denied access to school facilities despite the fact that other nonreligious student groups can meet on school property?

The answer, I believe, is found in the free speech clause of the first amendment. When students can meet to discuss philosophy, politics, drama, or languages, or aline themselves with a multitude of extracurricular causes, must we say that the first amendment bars a group of students from meeting voluntarily during noninstructional time periods to read and study the Bible or pray? Mr. President, I find this ridiculous in a free society that is dedicated to the principles of free thought.

What should the law say if a political club meeting were allowed and the students then decided they wanted to discuss Karl Marx and communism? I would defend the right of that student group to engage in that discussion as I would defend anyone's rights, but I would also defend the right to have a meeting to study the Bible and discuss the person of Jesus Christ, or Buddha, or Mohammed, and, yes, even Reverend Moon.

School boards and school administrators should have no right to abridge the first amendment's guarantee of free speech by declaring what the content of those meetings will be to insure that religious discussion or prayer is not conducted. In *Tinker* v. *Des Moines School District* (393 U.S. 503 (1969)), the Court stated:

> In our system, state-operated schools may not be enclaves of totalitarianism. School officials do not possess absolute authority over their students . . . In our system, students may not be regarded as closed-circuit recipients of only that which the state chooses to communicate. They may not be confined to the expression of those sentiments that are officially approved.

The legislation I introduce today leaves intact the discretion of school officials that is necessary to insure that outside adult groups do not unduly influence or initiate the meeting and to insure that the meetings are lawful, orderly, and voluntary. But the rules should be administered fairly across the board.

Some who view a policy of equal access to on-campus discussion privileges, as in itself religion, claim that the mere opportunity for prayer or Bible study is so dangerous that it must be confined to our churches and private homes. These objections go much further than Supreme Court decisions which prohibited State-initiated prayers, or Bible readings or the inculcation of religious belief by the State. These critics are satisfied only when religious influence of any type is banished to private institutions. The Supreme Court has never adopted this view of the first amendment.

In Walz, the Supreme Court recognized that a benevolent neutrality toward religion was in order:

> We will not tolerate either governmentally established religion or government interference with religion. Short of those expressly prescribed governmental acts, there is room for play in the joints productive of a benevolent neutrality which will permit religious exercise to exist without sponsorship and without interference.

Mr. President, this bill will withstand scrutiny under the establishment clause and free speech clause of the first amendment. Moreover, Congress has power under its legislative authority to make appropriations to enact this legislation. I ask unanimous consent that the bill and accompanying materials be printed in the RECORD as read.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 815

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Religious Speech Protection Act of 1983".

SEC. 2. (a) Any individual aggrieved by a violation of this Act may bring a civil action in the appropriate district court of the United States for damages or for such equitable relief as may be appropriate, or both.

(b) The district courts of the United States shall have jurisdiction of actions brought under this Act without regard to the amount in controversy.

(c) Each district court of the United States shall provide such equitable relief, including injunctive relief, as may be appropriate to carry out the provisions of this Act.

(d) It shall be the duty of the chief judge of the district (or in his absence, the acting chief judge) in which the case is pending immediatley to designate a judge in such district to hear and determine the case. In the event that no judge in the district is available to hear and determine the case, the chief judge of the district, or the acting chief judge, as the case may be, shall certify this fact to the chief judge of the circuit (or in his absence, the acting chief judge), who shall then designate a district or circuit judge of the circuit to hear and determine the case.

SEC. 3. It shall be unlawful for a public secondary school receiving Federal financial assistance, which generally allows groups of students to meet during noninstructional periods, to discriminate against any meeting of students on the basis of the religious content of the speech at such meeting, if (1) the meeting is voluntary and orderly, and (2) no activity which is in and of itself unlawful is permitted.

SEC. 4. Nothing in this Act shall be construed to permit the United States or any State or political subdivision thereof to (1) influence the form or content of any prayer or other religious activity, or (2) require any person to participate in prayer or other religious activity.

SEC. 5. The provisions of this Act shall supersede all other provisions of Federal law that are inconsistent with the provisions of this Act.

QUESTIONS AND ANSWERS CONCERNING A BILL REQUIRING NONDISCRIMINATION AGAINST RELIGIOUS SPEECH IN PUBLIC HIGH SCHOOLS

Q. Why should Congress act to ensure equal treatment of religious speech with non-religious speech on public secondary school campuses?

A. American public schools have a tradition of instilling in our young citizens the value of the free exchange of ideas. Our schools have taught that robust debate between differing views leads toward mutual understanding, and fuels the search for truth and meaning. Veneration for the right of free speech has even led one court to require a public school to allow a communist speaker to lecture students in the public school environment. *Wilson* v. *Chancellor,* 418 F. Supp. 1358 (D.C. Or. 1976).

Yet, for some reason, a recent line of court decisions have singled out religious speech as the one form of speech unworthy of protection in our public schools. Worse, these decisions are only the tip of the iceberg. Many school officials now believe that they are legally required to ban all religious speech from public schools.

These officials have banned purely voluntary student-initiated meetings for prayer or

Bible study during school club periods or before or after school. Many officials wrongly believe that such prohibitions are required by Supreme Court decisions forbidding *school-initiated, state-sponsored, teacher-led* forms of prayer in the schools.

Congress must act to correct these misconceptions by school administrators and lower courts by requiring equal treatment of religious and non-religious speech under the constitutional principle of content-neutrality.

Q. What is the free speech principle of content-neutrality that was articulated in *Widmar* v. *Vincent?*

A. In *Widmar* v. *Vincent*, 454 U.S. 263 (1981), the Supreme Court held that a public university may not deny the use of its facilities to student groups who wish to meet and speak on religious subjects if it makes its facilities generally available to student groups for meetings on non-religious subjects. The Court based its holding not on the free exercise of religion clause, but on the freedom of speech clause of the First Amendment. "Having created a forum generally open for use by student groups," the university could not discriminate against student groups and speakers based on their desire to ". . . engage in religious worship and discussion. . . ." The bill applies the *Widmar* principle to public secondary schools that receive federal financial assistance.

Q. Is this a backdoor approach to getting school prayer in the schools?

A. No. This bill should be considered independently of the President's Prayer Amendment. It specifically states that no state shall be allowed to: (1) influence the form or content of any prayer or religious activity, or (2) require any person to participate in prayer or other religious activity.

Q. Why shouldn't religion be left to our churches and parents in the sanctify of our homes?

A. The argument implies that religion is so dangerous that our public schools must be totally secularized. In its extreme form, this argument would restrict religious speech to church buildings, as is commonly done in many Soviet-dominated countries.

Moreover, our courts have recognized that the "nation's elementary and secondary schools play a unique role in transmitting basic and fundamental values to our youth." *Brandon* v. *Board of Education of Guilderland Central School District*, 635 F.2d 971 (2nd Cir. 1980), cert,. denied 454 U.S. 1123 (1981). Given this important role for public education, we cannot allow our public schools to be hostile to religion. As eloquently stated by Justice Douglas in *Zorach* v. *Clauson*, 343 U.S. 306 (1952):

"When the state encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs. . . . To hold that it may not would be to find in the Constitution a requirement that the government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who do believe. . . . But we find no constitutional requirement which makes it necessary for government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence."

Q. To what degree will public school teachers be involved in student religious activity guaranteed by the content-neutrality principle?

A. The proposed bill does not purport to guarantee the rights of teachers to engage in religious activity in public schools. It refers only to student rights. Therefore, participation of teachers in student religious meetings will remain subject to the discretion of local school officials.

On the other hand, many public schools may require faculty supervision of student religious meetings. Other schools may allow other adults such as parents to provide the necessary supervision, or may require no supervision at all. In any event, faculty or adult supervision of student religious groups is perfectly proper under the Establishment Clause as long as the school is not undertaking the shaping of the religious content of the meeting through the supervision process. This supervisory function would be similar to that performed by a security guard at an athletic or social event. The purpose of the supervision is to provide protection, rather than to influence the subject matter of the meeting.

Q. Will the bill allow teachers to proselytize their students?

A. No. No teacher could use instructional time periods to influence their students to participate in religious meetings because the meetings must be student-initiated. However, a school board could require that the student meeting have a faculty sponsor to ensure that there is supervision of the religious club. Again, the supervisory role by the teacher is not to censor the content of the meeting.

Q. Would the mere provision of school facilities or supervision of teachers constitute an establishment of religion?

A. No. In *Lubbock Civil Liberties Union* v. *Lubbock School Board*, 669 F.2d 1038 (1982), the 5th Circuit Court of Appeals stated that an equal access policy for student-initiated religious meetings implied government's sponsorship of religious activities as an integral part of the district's extra-curricular program. The Court worried that impressionable young people would misapprehend the school's role in providing the equal access for religious meetings.

In a high school setting, glee clubs, language and philosophy clubs, debating societies, dramatic groups and political action meetings are ordinarily eligible for the use of school facilities. The bill merely permits students-initiated religious activities to compete in the marketplace of student ideas and activities on an equal basis.

Q. Does the proposed content-neutrality bill mean that school officials will have to let students engage in religious discussions whenever and wherever they please?

A. No. The Supreme Court has said that public schools and other state agencies always have discretion to limit the expression of protected forms of free speech by reasonable time, place, and manner restrictions. See *Heffron* v. *ISKCON*, 101 S. Ct. 2559 (1981). The proposed bill would leave this discretion intact in public schools, as long as school officials promulgate time, place, and manner restrictions in content-neutral terms. See id. at 2564.

Q. How does the bill apply to public schools that allow *no* student clubs to use school facilities for club meetings?

A. The bill would allow any public school to adopt a policy allowing *no* student group, religious or non-religious, to use school facilities. Schools would simply have to treat religious and non-religious groups in the same manner. Students who wish to meet for religious discussion should not receive preferred treatment, but they should not be discriminated against either.

Q. Would this legislation force a school board administrator to allow unorthodox religions to use school facilities?

A. Not necessarily. The Religious Speech Protection Act leaves intact the discretion of local officials to ensure that meetings are *student-initiated* and lawful instead of promoted by adult outsiders. Local officials, however, could not deny access to a student-initiated group with student membership solely because of the religious content of the speech. The First Amendment, after all, was designed to protect the free speech rights of minority, unorthodox, and even unpopular views.

Q. What are the "non-instructional periods" during which the content-neutrality principle limits state regulation of student speech?

A. A non-instructional period is any time, either before or after classroom hours or during the school day, during which students are not scheduled for classroom instruction. Non-instructional periods might include recess, lunchtime, study hall, club period, or any other time when a public school allows student clubs or groups to meet in general. By contrast, the principle of content-neutrality would not apply during periods when students are undergoing instruction in or out of the classroom.

Q. Why does the proposed bill apply only to public secondary schools, and not to elementary schools?

A. The proposed bill applies the content-neutrality requirement only to secondary schools in recognition that the immaturity of elementary students may cause them to misperceive a public as non-religious speech as state sponsorship of religion. See *Widmar v. Vincent*, 454 U.S. 263, 270 n.14. Students in secondary schools generally are accustomed to choosing among a variety of student groups in which to participate; elementary school students generally are not.

Q. Does the proposed bill apply to all public schools?

A. No. It applies only to schools which accept federal financial funds. Congress has authority to attach conditions to its grants of appropriations under its Article I legislative powers. *Steward Machine Company* v. *Davis*, 301 U.S. 548 (1937); *Fullilove* v. *Klutznick*, 448 U.S. 448 (1980).

Q. What is the remedy with which a student would be provided to enforce the Equal Access principle?

A. If a student can prove that the school board has discriminated against a student-initiated meeting because of the religious content of the speech, a federal district court is empowered to grant damages or other appropriate equitable relief. It does not cut off federal funds to non-complying school districts.

Q. Does the bill add a new layer of administrative regulations on school board officials?

A. No. Presently, school boards must comply with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973. Duties include providing assurances of compliance and access to federal investigators that might be relevant to ascertain compliance. The Department of Education performs periodic compliance reviews of its recipients which can range from desk audits to requests for additional information to on-site investigations. Finally, the Education Department can refer matters to

the Justice Department to compel compliance or can itself refuse to grant or continue financial aid. This bill avoids this regulatory process and puts the burden on aggrieved students to file an action for violation of civil rights in federal district courts.

EXPLANATION OF TERMS IN SENATOR HATFIELD'S BILL

1. The proposed statute limits the application of *Widmar* to secondary schools. The statute omits reference to primary schools. This is in recognition that Congress, and perhaps the Supreme Court as well, might consider the danger of perceiving state sponsorship from equal treatment of religious activity too great for primary-age children.

2. The statute applies only against those schools that receive federal financial assistance. This self-limitation should satisfy those who defend the rights of local schools that do not accept federal funds to administer their programs free from federal intervention. Regarding the time period during which a school must have accepted federal funds to come within the requirements of this statute, the statute leaves this matter open as the subject of reasonable and appropriate regulation by proper federal administrative officials, in light of legislative history that should be clearly established after hearings.

3. The statute applies to schools that "generally" allow student meetings. Use of the term "generally" conforms to the decision of the Supreme Court in *Widmar* v. *Vincent*, 454 U.S. 263, 271 (1981). The significance of the term is that by its use, the statute applies not to schools which have allowed one or two groups to meet on a one-time basis, but to schools that allow many student groups to meet in general.

4. Use of the term "groups" of students also comports with the Supreme Court's decision in *Widmar*. The statute by its terms does not require content-neutrality regarding the isolated religious speech of one student absent a listener.

5. The statute limits application of content-neutrality to "students". Thus, the statute does not address whether faculty, staff, or school administrators may engage in religious group meetings on a public school campus. Again, this limitation comports with *Widmar*, where the Court expressly limited its holding to students.

6. The statute demands that the state must not discriminate against any student "meeting" on the basis of speech. Use of the limiting term "meeting" mirrors the holding in *Widmar*, which precluded content-based discriminations only against student "meetings".

7. By use of the term "non-instructional periods", the statute intends to mean any period of time, either before, during, or after the school day, during which the students who wish to meet as a group for religious purposes do not have classes or other scheduled activities. A time period unscheduled for class for several group members constitutes a "non-instructional period" allowing those members to meet for purposes of this statute, even though other members officially part of the group have classes scheduled, and therefore cannot meet at that time.

8. The statute uses the term "discrimination" instead of the word "exclusion" as used in *Widmar* v. *Vincent* for several reasons. First, the term "discrimination" better represents the hostility toward religion that a school board shows by denying meeting privileges to student religious groups on an equal basis with non-religious groups. Second, "discrimination" is a broader term than "exclusion". The term "discrimination" includes a prior restraint policy of total refusal of access to meeting facilities as was the case in *Widmar*, as well as after-the-fact penalties against students who chose to attend a religious meeting, and subtler forms of discrimination against student religious groups falling short of a total exclusion from meeting privileges.

9. The statute's requirement that student meetings must be "voluntary" ensures that a public school will neither use student meetings as a means of infringing the free exercise of religion rights or freedom of speech "right to hear" rights of students, nor as a vehicle for state-initiated religious or non-religious activity of the sort that would violate the Establishment Clause.

10. The statute requires that student meetings must be "orderly". The term "orderly" is intended to summarize and represent the right and duty of school officials to administer an educational program without material disruption by students, as established in the case of *Tinker* v. *Des Moines Independent School District*, 393 U.S. 503 (1969).

11. The statute used the phrase "in and of itself unlawful" to designate those types of speech that are not normally protected forms of speech under the First Amendment, such as criminal speech. A school could prevent students from meeting to discuss illegal narcotic deals.

CHRISTIAN LEGAL SOCIETY,
Springfield, Va.

MEMORANDUM

To: Samuel E. Ericsson.
From: Kimberlee W. Colby and Curran Tiffany.
Date: March 1, 1983.

Question Presented: What are some of the key issues to consider in evaluating legislative efforts applying the *Widmar* v. *Vincent* principles to the public school context?

SUMMARY

In the last session of Congress, the Senate considered various measures to resolve the controversy generated by the decisions of the United States Supreme Court in the early 1960's against state-initiated prayer and Bible-reading in public schools. Among the measures considered were an amendment to the Constitution to allow state-initiated prayer in public institutions, including public schools, and legislation to remove the "prayer" issue from the jurisdiction of federal courts.

In contrast to these measures addressing state-initiated religious activities in public schools, other legislation sought to remedy recent lower federal court decisions prohibiting religious speech and activities by public school students even where such activities were purely voluntary and initiated by students (during noninstructional periods) with no sponsorship by the state or school. Many school districts, reacting defensively to these lower court decisions are singling out student clubs that are religious in nature banning small group meetings even outside regular school hours.

These court decisions and actions by school districts go far beyond the parameters and rationale of the decisions by the Supreme Court and fly in the face of the reasoning of the Supreme Court in its *Widmar* v. *Vincent* decision of December, 1981. *Widmar* rests squarely on the First Amendment principle that regulation of speech must be "content-neutral" and that a state may not discriminate as to the content of speech without offering a compelling interest for doing so. This memorandum reviews some basic issues to consider in evaluating a legislative remedy to this problem.

I. THE PROBLEM: PUBLIC SCHOOL AUTHORITIES AND LOWER FEDERAL COURTS HAVE REFUSED TO ENFORCE THE WIDMAR CONTENT-NEUTRALITY PRINCIPLE WITH RESPECT TO PUBLIC SCHOOLS

A. The Supreme Court decisions on state-initiated religious activity in public schools.

In the context of public schools, the Supreme Court has held unconstitutional those religious activities initiated or sponsored by the state. Specifically, the Court has ruled unconstitutional state policies: 1) that initiated student recitation in the classroom of a prayer written by state officials, *Engel* v. *Vitale*, 370 U.S. 421 (1962); 2) that established devotional readings from the Bible in the classroom, *School District of Abington Township* v. *Schempp*, 374 U.S. 203 (1963); 3) that brought religious teachers on campus for religious indoctrination in the classroom, *McCollum* v. *Board of Education*, 333 U.S. 203 (1948); 4) that authorized the Ten Commandments on classroom walls, *Stone* v. *Graham*, 449 U.S. 39 (1980); and 5) that allowed teachers to choose a student volunteer to lead in prayer in the classroom, *Karen B.* v. *Treen*, 653 F. 2d 897 (5th Cir. 1981), *aff'd*, 455 U.S. 913 (1982). The Supreme Court decided these practices violated the principle of state neutrality toward religion, because the state initiated the religious activity, the context constituted state sponsorship of the religious activity, and the students could avoid the religious activity only by taking the affirmative step of asking to be officially excused. Significantly, in no case has the Supreme Court held against a religious activity which was solely initiated and run by students, whose participation was purely voluntary, and where the school merely *allowed* the meeting on the same basis as other student-initiated non-religious activities.

B. Actions of school authorities and lower courts.

A sampling of public schools across the country has uncovered the following examples of actions by school authorities which violate the principles laid down by the Supreme Court with respect to religious activities among public school students.

1. In Williamsport, Pennsylvania, about 40 high school students have sought recognition as a school club for prayer, Bible study, and discussion, and have asked permission to meet on the school premises during the early morning student activity period. Other student groups regularly meet during this activity period. The students' request has been denied based on the opinion of the school district's attorney that recognition of the group would violate the First Amendment. On June 2, 1982, the students filed a complaint against the school board in federal court seeking a declaration that the refusal to permit the students to meet violates their First Amendment rights.

2. The Little Axe School District in Oklahoma has been sued by individuals represented by the American Civil Liberties Union for allowing students to meet one day a week before school for meetings with religious content. Of 750 students at the school, only 25 to 30 students normally participate in the purely voluntary activity. The case is before a federal district court for decision.

3. Two Pennsylvania school districts, the West Perry and Carlisle School Districts, have been sued by the American Civil Liberties Union in state court, in actions to require the school districts to prohibit students from meeting during or after school hours for prayer, discussion of religious topics, Bible study or inviting speakers on campus to discuss religious topics. The school districts disbanded the groups and entered into a settlement agreement to prohibit such groups. However, the court refused to enter a consent decree, and its refusal is being appealed by the A.C.L.U.

4. In Saddleback, California, a written school policy permitted student groups to meet to discuss issues without regard to content and subject matter. The policy distinguished between sponsored clubs, which received financial support and supervision from the school, and student-initiated groups, which received no such support. A student-initiated group met during the school lunch period to discuss topical issues and read passages from the Bible. The American Civil Liberties Union filed suit against the school board, asking that the policy, as applied, be declared unconstitutional. The suit was dropped when a newly elected school board promulgated a new policy that allows only sponsored clubs.

5. In Sonoma, California, a group of high school students who had been meeting to discuss religious topics was recently disbanded by the school's principal after nearly ten years as a recognized student group. The school district's legal counsel, after reviewing the Supreme Court's decision in *Widmar* and the Fifth Circuit's decision in *Lubbock Civil Liberties Union* v. *Lubbock Independent School District*, 669 F. 2d, 1308 (5th Cir. 1982), *cert. denied*, —— U.S. —— (Jan. 17, 1983), advised the principal that *Lubbock* controlled in the high school setting and thus prohibited the group's activities.

6. In Anderson County, South Carolina, students have been meeting weekly in school facilities for the past two years, before school buses arrived, for prayer, Bible study and religious discussions. The students have met on school premises pursuant to a written policy applying to non-student groups allowing use of the school facilities "to promote the general cultural, civic, religious, educational and social welfare of the community." The policy was clarified in November 1982, to make explicit that religious activity is not permitted during the school day. The group may continue to meet under this policy. The local affiliate of the American Civil Liberties Union has threatened to sue the school board if the religious activities continue.

7. For several years prior to 1981, students at North Allegheny High School in Pittsburgh, Pennsylvania, met before school hours on school grounds for Bible study and prayer. When the practice was challenged, the school district denied a request by the students to use a classroom for future meetings.

8. In *Johnson* v. *Huntington Beach Union High School District*, 68 Cal. App. 3d 1, 137 Cal. Rptr. 43, *cert. denied*, 434 U.S. 877 (1977) (certiorari denied on technical grounds not related to the merits), the California Court of Appeals held that student Bible clubs could not meet in public school facilities during the non-curricular periods of the school day. The court held that such accommodation violated the Establishment Clause.

9. In *Brandon* v. *Guilderland Central School District*, 635 F.2d 971 (2d Cir. 1980), *cert. denied*, 454 U.S. 1123 (1981), the United States Court of Appeals for the Second Circuit upheld the decision of the Guilderland Board of Education to ban voluntary, student-initiated religious meetings from school property during, before, and after school hour with language implying that no religious activity whatsoever is permissible in public schools. The Second Circuit said that an "adolescent may perceive 'voluntary' school prayer in a different light if he were to see the captain of the school's football team, the student body president, or the leading actress in a dramatic production participating in communal prayer meetings in the 'captive audience' setting of a school." 635 F.2d at 978. Under this rationale, school officials may conclude that student should not be allowed to bow their heads to say a prayer before lunch, carry their Bible to school, or do any other overt act of free exercise of religion on public school real estate. The Supreme Court declined to review, without comment, this decision shortly after its *Widmar* decision.

10. In *Lubbock*, *supra*, the United States Court of Appeals for the Fifth Circuit extended the *Brandon* restrictions by requiring a campus ban of all voluntary, student-initiated religious activities. In *Lubbock*, the school district adopted an "equal access" policy accommodating students to meet voluntarily before or after school for moral, ethical, religious or other educational purposes. The Fifth Circuit found that this policy violated the Establishment Clause. The Supreme Court declined to grant certiorari on January 17, 1983.

II. THE PRINCIPLE OF WIDMAR V. VINCENT

In *Widmar* v. *Vincent*, 454 U.S. 263, a student group called "Cornerstone" requested access to public facilities on the campus of the University of Missouri, for the purpose of holding religious meetings. Cornerstone sought access on the same terms that applied to the use of university facilities by more than 100 other student groups. The University denied the request pursuant to a university policy prohibiting religious meetings on campus. The Supreme Court ruled against the University, holding that it could not deny use of its facilities for religious meetings if it allowed similar use by non-religious groups on a general basis.

In so ruling, the Supreme Court reaffirmed the First Amendment principle that regulation of speech must be "content-neuatral." *See Heffron* v. *International Society for Krishna Consciousness, Inc.*, 452 U.S. 640 (1981). This principle means that a state may not discriminate against a particular type of speech based on the content of the speech, without offering a compelling interest in justification. *See Carey* v. *Brown*, 447 U.S. 455 (1980).

The *Widmar* decision confirms that the principle of "content-neutrality" governs state action in the context of a state university. *Widmar* holds that once a state university creates an "open forum" for speech—for instance, by allowing student groups to meet freely on campus—it may not discriminate against meetings where the speech has religious content or any other lawful subject matter. The *Widmar* Court left open, however, the question of how the principle of content neutrality will apply in the context of student meetings in public *secondary and elementary schools.*

III. OVERVIEW OF APPLICABLE FIRST AMENDMENT PRINCIPLES

The content-neutrality principle underlying the *Widmar* decision is fundamental to the First Amendment rights and, therefore, should apply equally to student-initiated meetings in any public educational facilities. The Supreme Court has clearly held that public school students have free speech rights which may be exercised on school property. *Tinker* v. *Des Moines Independent Community School District*, 393 U.S. 503(1969). In *Tinker*, the Court stated that public school students do not "shed their constitutional rights to freedom of speech or expression at the schoolhouse gates." 393 U.S. at 506.

The *Widmar* Court seemingly reserved the question of possible circumstances under which an equal access policy might not of itself be sufficient to demonstrate the appearance of state neutrality toward religion. The Court raised as a possible factor the "impressionability" of younger students. 454 U.S. at 274 n.14. However, the issue of impressionability cuts both ways, since the state must avoid not only the appearance of state support for religion but also the appearance of state hostility toward religion. *School District of Abington Township* v. *Schempp*, 374 U.S. at 222.

Most recently, the Supreme Court has indicated that the issue, whether public school students have free speech rights which may be exercised on school property without violating the Establishment Clause, is not closed. On January 17, 1983, the Supreme Court denied a writ of *certiorari* to review the decision of the Fifth Circuit in the *Lubbock* case. A denial of *certiorari* has no precedential value for lower courts deciding the merits of the same issue. *Daniels* v. *Allen*, 344 U.S. 443, 489, 1492 (1953). Especially important, however, is the fact that the court denied *certiorari* rather than summarily deciding the issue, as it has done in its two most recent decisions involving the Establishment Clause and religious activity on public school property. *See, Karen B.* v. *Treen*, 653 F.2d 897 (5th Cir. 1981), *Aff'd*, 455 U.S. 913 (1982) (the Court summarily affirmed a Fifth Circuit decision which struck down a state statute and local school board regulations establishing prayer in the public classrooms at the beginning of each day); *Stone* v. *Graham*, 449 U.S. 39 (1980) (the Court in a *per curiam* opinion without oral argument granted *certiorari* and summarily reversed a state supreme court decision which had upheld state legislation requiring that the Ten Commandments be posted upon every public school classroom wall). If the Supreme Court viewed voluntary student meetings, with religious content, on public campuses as a violation of the Establishment Clause, it could have simply summarily affirmed the *Lubbock* decision rather than issuing a denial of *certiorari*.

The line drawn by the Supreme Court as to permissible religious activities by students in the public school context is one between state-initiated, teacher-led and school-sponsored religious activities and truly voluntary, student-initiated and student-conducted religious activities. The Establishment Clause prohibits the state from the former, but clearly not the latter. *Stone* v. *Graham, supra; School District of Abington Township* v. *Schempp, supra; Engel* v. *Vitale, supra; McCollum* v. *Board of Education, supra.*

The Establishment Clause does not prohibit the accommodation by school officials of religious activity of students. In *Zorach* v. *Clauson*, 343 U.S. 306 (1952), the Supreme Court articulated the principle of accommodating neutrality in upholding the right of school boards to work cooperatively with re-

ligious groups in programs releasing students for off-campus religious instruction during the official school day. Justice Douglas, writing for the Court, said:

"When the state encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs. . . . To hold that it may not would be to find in the Constitution a requirement that the government show a callous indifference to religious groups. That would be preferring those who believe. . . . But we find no constitutional requirement which makes it necessary for government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence." 343 U.S. at 314.

As a general principle, the lower federal courts have recognized that the Establishment Clause does not require the removal of all religious activity from public school property. For example, the Eighth Circuit has held that religious songs and literature may be used in official school programs observing holidays in public schools. The court noted: "The First Amendment does not forbid all mention of religion in public schools; it is the *advancement* or *inhibition* of religion that is prohibited. . . . [W]hen the primary purpose served by a given school activity is secular, that activity is not made unconstitutional by the inclusion of some religious content." *Florey* v. *Sioux Falls School District 49-5*, 619 F.2d 1311, 1315-16 (8th Cir. 1980), *cert. denied*, 449 U.S. 101 (1980).

Again, in *Reed* v. *Van Hoven*, 237 F. Supp. 48 (W.D. Mich. 1965), the federal district court approved a school policy allowing student-initiated voluntary prayer groups to meet before school. The Court viewed this as an accommodation of the spiritual needs of students and the desires of their parents. It recognized that the First Amendment rights of students could be exercised without violating the Establishment Clause through a policy allowing truly voluntary, student-initiated prayer on school grounds.

In *Walz* v. *Tax Commission*, 397 U.S. 664 (1970), the Court reinforced the principle of accommodating neutrality in upholding tax exemption for churches. Chief Justice Burger said: "Short of those expressly proscribed governmental acts there is room for play in the joints productive of a *benevolent neutrality* which will permit religious exercise to exist without sponsorship and without interference." *Walz*, 397 U.S. at 669 (emphasis added).

In *Roemer* v. *Board of Public Works of Maryland*, 426 U.S. 736 (1976), the principle of accommodating neutrality was again aired. In a suit challenging the constitutionality under the Establishment Clause of a state statute providing public aid in the form of non-categorical grants to eligible colleges and universities, Justice Blackmun, announcing the judgment of the Court upholding the statute, said:

"A system of government that makes itself felt as pervasively as ours could hardly be expected never to cross paths with the church. In fact, our state and Federal Governments impose certain burdens upon, and impart certain benefits to, virtually all our activities, and religious activity is not an exception. The Court has enforced a scrupulous neutrality by the State, as among religions, and also as between religious and other activities, but a *hermetic separation of the two is an impossibility it has never required.*" *Roemer*, 426 U.S. at 745-46 (emphasis added).

Finally, in *McDaniel* v. *Paty*, 435 U.S. 618 (1978), a state constitutional provision forbidding ministers from holding public office was held unconstitutional. In his concurring opinion, Justice Brennan gave heed to the notion of accommodation, stating:

"[T]he Court's decisions have indicated that the limits of permissible governmental action with respect to religion under the Establishment Clause must reflect an appropriate accommodation of our heritage as a religious people whose freedom to develop and preach religious ideas and practices is protected by the Free Exercise Clause." *McDaniel*, 435 U.S. at 638, citing *Abington School District* v. *Schempp*, 374 U.S. at 212-214.

IV. CONGRESS IS THE PROPER FORUM TO ADDRESS BASIC ISSUES IMPACTING FIRST AMENDMENT RIGHTS OF PUBLIC SCHOOL STUDENTS

The actions of many public school officials and decisions by some lower federal courts go far beyond the parameters of the decisions by the Supreme Court concerning religious activities by students on public school campuses. Congress, through its investigatory, hearing, factfinding, and other legislative powers, is well suited to address these issues. It can review the extent to which public student's First Amendment rights are being circumvented in schools across the nation. Moreover, Congress can assess what, if anything, need accompany an equal access policy to ensure neutrality toward religion, and what practices, if any, would be appropriate to guard against improper appearances of favoritism or hostility towards religion.

Congress is empowered to relate the immediate issues of religious speech in cases such as *Brandon* and *Lubbock* to the broader issues affected by a nationwide resolution of these issues. Among the broader issues are the exodus of students from the public schools to religious and other private schools for a wide range of reasons including asserted lack of discipline, compulsory participation in sex education and other problems perceived as deprecating traditional moral values.

Since the McCollum decision in 1948, the teaching of religious values as one approach to the problems of discipline and morality has been largely excluded from the curriculum aspects of many public schools. The tone in the public education sector is exclusively secularized. The opportunity for students to have alternatives open to them during non-instructional periods to address these issues is therefore of great importance to those parents and students who hold to more traditional religious, and less secularized, values.

Congress may find that the basic national interest in assuring pluralism in our public institutions would be undermined by a sweeping ban on religious speech by students as seen in Lubbock. The concept of pluralism assumes that the state may not prohibit individual expression of private values in public places when those values are not inimical to the public safety or morals.

Congress, as a body whose members are sworn to uphold the Constitution, has the duty to weigh potentially competing constitutional values to determine the stronger interest to be protected in a particular instance. In this instance, Congress might conclude that even if there were a threat of potential infringement of the Establishment Clause, the possible infringement would be heavily outweighed by the actual harm inflicted upon individual rights of free speech, free association and free exercise of religion. As Professor Tribe of Harvard Law School states in his treatise, *American Constitutional Law*, § 14-7:

"The free exercise principle should be dominant in any conflict with the anti-establishment principle. Such dominance is the natural result of tolerating religion as broadly as possible rather than thwarting at all costs even the faintest appearance of establishment."

V. CONGRESS HAS AUTHORITY TO PROVIDE A SOLUTION TO THE PROBLEM

A. Congressional power under Section Five of the Fourteenth Amendment.

The Fourteenth Amendment's due process and equal protection clauses incorporate several individual constitutional rights as binding on the states, including the freedom of speech, *Fiske* v. *Kansas*, 274 U.S. 380 (1927), and the freedom of assembly, *DeJonge* v. *Oregon*, 299 U.S. 353 (1937). Section Five of the Fourteenth Amendment provides that "Congress shall have power to enforce, by appropriate legislation, the provisions of this article." Therefore Congress has general authority to enact legislation requiring states to respect constitutional rights of free speech and free association.

The content-neutrality requirement, a fundamental incident of the right of freedom of speech, also falls within the due process and equal protection obligations imposed on the states by the Fourteenth Amendment. *See Widmar* v. *Vincent*, 454 U.S. 263 (1981). Therefore, Congress has authority pursuant to Section Five of the Fourteenth Amendment to enforce the content-neutrality principle upon state administered public schools, by appropriate legislation.

Congress should not be deterred from applying *Widmar* to public schools merely because of the refusal of two circuit courts to do so. *See Lubbock Civil Liberties Union* v. *Lubbock Independent School District, supra; Brandon* v. *Guilderland Central School District, supra.* Since the Supreme Court has not ruled on this issue, Congress has authority under Section Five to make its own determination and legislate accordingly. *See Fitzpatrick* v. *Bitzer*, 427 U.S. 445 (1976); *Katzenbach* v. *Morgan*, 384 U.S. 641 (1966).

B. Congressional authority over the appropriations of the federal government.

A bill applying the *Widmar* principle to public schools is independently supported by Congressional authority over federal government appropriations. Congress has broad power to attach conditions to its grant-in-aid programs, as long as those conditions are themselves constitutional. *See, e.g. Fullilove* v. *Klutznick*, 448 U.S. 448 (1980); *Steward Machine Co.* v. *Davis*, 301 U.S. 548 (1973); *cf. Harris* v. *McRae*, 448 U.S. 297, *reh. den.* 448 U.S. 917 (1980).

The absence of any definitive statement by the Supreme Court on whether content-neutrality at the public secondary school level violates the Establishment Clause as applied to religious speech leaves Congress free to enact a statute that would apply the *Widmar* principle of content-neutrality to public schools in a manner consistent with the Establishment Clause.

ADDENDUM

11. In *Nartowiz* v. *Clayton County School District*, C83-1A (No. D. Ga. 1983), Judge Shoob issued a preliminary injunction that would, among other things, enjoin the

school district from permitting any religious club from meeting on school premises under faculty supervision. The court specifically forbade a Youth For Christ Club that had been in existence for over 11 years from using school facilities after school hours.●

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 4, a bill to provide assistance and coordination in the provision of child care services for children living in homes with working parents and for other purposes.

S. 121

At the request of Mr. ROTH, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 121, a bill to establish as an executive department of the Government of the United States a Department of Trade, and for other purposes.

S. 222

At the request of Mr. KASTEN, the names of the Senator from Utah (Mr. HATCH), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 222, a bill to repeal the withholding of tax from interest and dividends and to require statements to be filed by the taxpayer with respect to interest, dividends, and patronage dividends.

S. 421

At the request of Mr. PROXMIRE, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 421, a bill to require the Comptroller General of the United States to ascertain increases in the cost of major acquisition programs of the civilian agencies of the executive branch; to limit the obligation and expenditure of Federal funds to carry out any major civil acquisition program after there has been a major increase in the cost of such civil acquisition program until enactment of a law providing new authority to carry out such acquisition program, and for other purposes.

S. 450

At the request of Mr. PRYOR, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 450, a bill to amend title 39, United States Code, to strengthen the investigatory and enforcement powers of the Postal Service by authorizing certain inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representation or lotteries), and for other purposes.

S. 554

At the request of Mr. PELL, the name of the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 554, a bill to authorize the Secretary of Education to provide financial assistance to States for the training and retraining of older Americans.

S. 591

At the request of Mr. INOUYE, the name of the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 591, a bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the United States Olympic Committee.

S. 595

At the request of Mr. NICKLES, the names of the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Virginia (Mr. WARNER), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 595, a bill to amend title II of the Social Security Act to restrict the payment of benefits under such title to certain aliens.

S. 602

At the request of Mrs. HAWKINS, the names of the Senator from Idaho (Mr. SYMMS), and the Senator from Indiana (Mr. QUAYLE) were added as cosponsors of S. 602, a bill to provide for the broadcasting of accurate information to the people of Cuba, and for other purposes.

S. 617

At the request of Mr. STENNIS, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 617, a bill to promote the use of energy-conserving equipment and biofuels by the Department of Defense, and for other puposes.

S. 721

At the request of Mr. GRASSLEY, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 721, a bill to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes.

SENATE JOINT RESOLUTION 20

At the request of Mr. INOUYE, the name of the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Joint Resolution 20, a joint resolution to authorize and request the President to designate March 27, 1983, as "National Recovery Room Nurses Day."

SENATE JOINT RESOLUTION 28

At the request of Mr. TSONGAS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of Senate Joint Resolution 28, a joint resolution calling for immediate negotiations for a ban on weapons of any kind in space.

SENATE JOINT RESOLUTION 31

At the request of Mr. THURMOND, the names of the Senator from Oregon (Mr. HATFIELD), the Senator from New Jersey (Mr. BRADLEY), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oklahoma (Mr. NICKLES), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Joint Resolution 31, a joint resolution to authorize and request the President to designate April 23, 1983, as "Army Reserve Day."

SENATE JOINT RESOLUTION 32

At the request of Mr. SYMMS, the names of the Senator from Washington (Mr. GORTON), the Senator from Vermont (Mr. LEAHY), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Iowa (Mr. GRASSLEY), the Senator from Florida (Mrs. HAWKINS), the Senator from Arkansas (Mr. BUMPERS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of Senate Joint Resolution 32, a joint resolution to provide for the designation of May 1983, as "National Arthritis Month."

SENATE JOINT RESOLUTION 35

At the request of Mr. HUDDLESTON, the name of the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of Senate Joint Resolution 35, a joint resolution designating the week beginning March 20, 1983, as "National Mental Health Counselors Week."

SENATE JOINT RESOLUTION 36

At the request of Mr. PRYOR, the names of the Senator from Iowa (Mr. GRASSLEY), the Senator from California (Mr. CRANSTON), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Florida (Mr. CHILES), the Senator from Oklahoma (Mr. BOREN), the Senator from Mississippi (Mr. STENNIS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from New Jersey (Mr. BRADLEY), the Senator from Michigan (Mr. RIEGLE), the Senator from Montana (Mr. MELCHER), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of Senate Joint Resolution 36, a joint resolution designating April 29, 1983, as "National Nursing Home Residents Day."

SENATE JOINT RESOLUTION 41

At the request of Mr. STAFFORD, the names of the Senator from Idaho (Mr. SYMMS), the Senator from Illinois (Mr. DIXON), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Connecticut (Mr. DODD), the Senator from Florida (Mr. CHILES), the Senator from Alaska (Mr. STEVENS), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of Senate Joint Resolution 41, a joint resolution to authorize and request the President to designate the week of April 10, 1983, through April 16, 1983, as "National Education for Business Week."

SENATE JOINT RESOLUTION 52

At the request of Mr. QUAYLE, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Washington (Mr. GORTON), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Joint Resolution 52, a joint resolution to authorize and request the President to designate the week of April 10, 1983, through April 16, 1983, as "National Mental Health Week."

SENATE JOINT RESOLUTION 58

At the request of Mrs. HAWKINS, the name of the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution to authorize and request the President to designate May 25, 1983, as "Missing Children Day."

SENATE RESOLUTION 52

At the request of Mr. QUAYLE, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Washington (Mr. GORTON), and the Senator from Kentucky (Mr. HUDDLESTON) were withdrawn as cosponsors of Senate Resolution 52, a resolution expressing the Senate's opposition to an imposition of a fee on domestic and imported crude oil and refined products.

SEANTE RESOLUTION 66

At the request of Mr. BAKER, the names of the Senator from Arizona (Mr. GOLDWATER), the Senator from South Dakota (Mr. PRESSLER), the Senator from Delaware (Mr. ROTH), the Senator from Illinois (Mr. PERCY), the Senator from Connecticut (Mr. WEICKER), the Senator from North Dakota (Mr. ANDREWS), the Senator from Wisconsin (Mr. KASTEN), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Idaho (Mr. SYMMS), the Senator from Alaska (Mr. STEVENS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Indiana (Mr. QUAYLE), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of Senate Resolution 66, a resolution to establish regulations to implement television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 90—RELATING TO THE IMPRISONMENT OF ANATOLY SHCHARANSKY

Mr. MATHIAS (for himself, Mr. LEVIN, Mr. HATFIELD, Mr. DANFORTH, Mr. SARBANES, Mr. DOLE, Mr. MELCHER, Mr. PRESSLER, Mr. DECONCINI, Mr. HOLLINGS, Mr. D'AMATO, Mr. PACKWOOD, Mr. DURENBERGER, and Mr. BUMPERS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 90

Whereas Anatoly Shcharansky, an eminent Soviet computer scientist, has been a leader of the Moscow Jewish community since 1973 when he first applied for and was denied permission to emigrate to Israel;

Whereas the Government of the Soviet Union has engaged in a systematic campaign of harassment and intimidation against Anatoly Shcharansky, culminating in his arrest in March 1977 on trumped-up charges of treason;

Whereas in July 1978, after sixteen months of being detained incommunicado, Anatoly Shcharansky was tried and sentenced to thirteen years of imprisonment;

Whereas since his conviction Anatoly Shcharansky has been subject to extremely harsh prison treatment, including isolation, severe cold, and inadequate food, sleep, and health care, resulting in a deterioration of his health;

Whereas on September 26, 1982, Anatoly Shcharansky began a hunger strike to protest the severe prison conditions which have further harmed his health;

Whereas Anatoly Shcharansky symbolizes the plight of Soviet Jewry whose level of emigration is at its lowest point in a decade and who is increasingly harassed by Soviet authorities; and

Whereas by its treatment of Anatoly Shcharansky and others, the Soviet Union is violating its international obligations, including its obligations under the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the Union of Soviet Socialist Republics should immediately release Anatoly Shcharansky from prison and allow him to emigrate; and

(2) the President and the Secretary of State should, at every suitable opportunity and in the strongest terms, express to the Government of the Union of Soviet Socialist Republics the opposition of the United States to the imprisonment of Anatoly Shcharansky.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President with the request that the President transmit such copy to the Ambassador of the Soviet Union to the United States.

Mr. MATHIAS. Mr. President, I would like to draw my colleagues' attention to the tragedy of Anatoly Shcharansky; 6 years ago today, Mr. Shcharansky was imprisoned by Soviet officials. His crime was that he dared to speak out for the rights of Soviet Jews, and other minorities. For this he has suffered incalculable hardships, including separation from his wife, Avital, since the day after their wedding, and most recently, a 4-month hunger strike.

The plight of Mr. Shcharansky is of particular importance to those of us in the Senate. Part of the evidence presented in the 5-minute trial which led to his imprisonment was a meeting in 1975 with eight U.S. Senators, of which I was one. The Soviet authorities knew of our meeting in advance. As we explained in a letter to Mr. Shcharansky soon after her husband's trial. "Neither the fact of that meeting, nor its substance were secret." Sadly, this was of little consequence to the Soviet officials who sentenced Mr. Shcharansky to 13 years imprisonment for treason and anti-Soviet agitation and propaganda.

While in prison, Anatoly Shcharansky has been subjected to treatment Americans can scarcely imagine. In 1980, he was transferred to a labor camp, put in solitary confinement, and fed only once every other day. But despite his weak condition, he began a hunger strike on September 26, 1982, to protest the confiscation of his mail by Soviet authorities and their refusal to allow family visits. He ended his strike this past January, when the authorities allowed him to exchange letters with his family. None of his relatives has been permitted to see him yet.

Anatoly Shcharansky's story is unfortunately similar to that of other Soviet Jews who wish to leave the Soviet Union. Emigration has been made particularly difficult in the past few years. The number of Jews permitted to emigrate from the U.S.S.R. has dropped to its lowest level in 12 years. Recent figures show that in 1979, 51,000 Jews were permitted to leave Russia. But in 1982, only 2,670 individuals were granted exit visas—a 95-percent decrease.

Equally distressing is the daily struggle which Jews in the Soviet Union must endure to maintain their religious identity. They are not allowed to have religious schools in which to train future rabbis and teachers. The Soviet Government withholds official permission for Jews to gather to study the Hebrew language and Jewish history.

We cannot accept the Soviet Government's contention that their denial of these basic human rights is an internal matter. The right of any individual to leave any country, including his own, is an internationally recognized human right and is upheld by international law. It is incorporated in the Universal Declaration of Human Rights, which the Soviet Union has accepted, as well as in the International Convention on the Elimination of Racial Discrimination and the Helsinki agreement, also signed by the U.S.S.R.

It is incumbent upon all who love justice to insist that Moscow comply with international law. To that end I am introducing a resolution today which calls upon the President and the Secretary of State to protest to the Soviet Government the continued imprisonment of Anatoly Shcharansky.

I have long been a supporter of positive relations between the United States and the Soviet Union. Only by dialog and by concrete gestures can we remove the impediments to constructive relations between our two countries. Allowing Anatoly Shcharansky

to join his wife and family would be one such gesture.

I urge my colleagues to join me in sponsoring this resolution, and to take a moment today to acknowledge the sixth anniversary of Mr. Shcharansky's arrest. The hardships which he, and other Soviet Jews endure, should not go unnoticed anywhere in the free world.

Mr. LEVIN. Mr. President, I am pleased to join Senator MATHIAS in introducing the resolution calling on the Government of the Soviet Union to release Anatoly Shcharansky from prison and allow him to emigrate. I am pleased to contribute to this gesture of support for one of the world's foremost human rights activists, but I am at the same time dismayed that these efforts continue to be necessary.

Anatoly Shcharansky is today marking the sixth anniversary of his arrest—an arrest that subsequently resulted in one of history's most ludicrous and farcical trials—an arrest made not to apprehend a criminal, but to incapacitate a leader in the Soviet Jewry emigration movement.

On March 15, 1977, Mr. Shcharansky was arrested and accused of working for the CIA—despite President Carter's unequivocal refutation of the charge. The deeds that so disturbed the Soviet authorities had nothing to do with espionage and covert dealings. On the contrary, his energies were directed toward bringing issues to light and holding them up before the world to see. Mr. Shcharansky wanted the world to know that the Soviet Government was falling far short of keeping commitments made in the Universal Declaration of Human Rights and the Helsinki accords. Mr. Shcharansky consequently wound up a victim of the human rights abuses he so strongly and vocally protested.

Mr. Shcharansky's character and his motivation for promoting the cause of human rights are revealed in remarks he made at his trial:

In March and April 1977, during the preliminary interrogations, those conducting the investigations warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence, or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, then I will be given a short sentence, quick release and even the possibility of joining my wife.

Five years ago, I applied for a visa to Israel, but now I am further than ever away from the attainment of my dream. It might appear that I must have regrets about what has happened. But this is not so. I am happy, I am happy that I have lived honestly, in peace with my conscience and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people. I am proud to have known brave people as Sakharov, Orlov, Ginsburg—they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews in the U.S.S.R. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people. My near ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.

For more than 2,000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, each year they have repeated: "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem.

While serving his sentence of 3 years in prison and 10 years in a hard-labor camp, he has been kept almost totally isolated—in 1981, he spent one half year in solitary confinement—and has been the target of excessive harassment at the hands of guards. In late 1981, he was sentenced to 3 more years in prison for failing to work at rehabilitation and continuing to consider himself innocent.

The circumstances of his imprisonment deteriorated further in 1982 when his mail and visitation rights were suspended. In late September 1982, he began a hunger strike to protest the denial of these rights. We learned from a letter of February 7, 1983, from Anatoly to his mother, Ida Milgrom, that he had resumed eating January 14, 1983, after he was finally allowed to communicate with her.

Although Mr. Shcharansky's moral courage remains strong, his physical condition continues to deteriorate—he is weak and emaciated, he suffers from headaches and eye disorders, and he has been experiencing heart troubles. Mr. President, the resolution introduced today is important not only because it promotes Anatoly Shcharansky's emigration so that he could rejoin his wife, Avital, in Israel, but it urges his release from conditions that are eroding what remains of his physical health. It is my hope, Mr. President, that the ultimate objective of this resolution will be realized—that we will again see the information Mr. Shcharansky brings to light concerning respect for human rights.

Mr. DOLE. Mr. President, March 15, 1983, marks the sixth anniversary of the arrest of Anatoly Shcharansky, a leading figure in the movement for Soviet Jewish emigration, and one of the charter members of the Moscow Group for Monitoring the Helsinki Accords in the Soviet Union.

Anatoly Shcharansky's arrest and subsequent imprisonment represent a classic case of the response by a totalitarian police state to one citizen's demand for those human rights that we in the free world tend to take for granted. For his unremitting efforts on behalf of Soviet citizens—Jewish and non-Jewish alike—to emigrate from the Soviet Union, for his insistence that the Soviet Government observe and implement the civil, religious, and national rights pledged to Soviet citizens by their Government through the Helsinki Final Act of 1975, for his pursuit of those rights which are enunciated in the Soviet constitution itself, Anatoly Shcharansky found himself the object of unremitting persecution by the all-encompassing power of the KGB. The culmination of this persecution would have seemed to be his conviction in July 1978 on trumped-up charges of anti-Soviet agitation and propaganda, and spying for the United States. These spurious charges and the subsequent sentence of 3 years prison and 10 years labor camp caused a wave of international protest that has hardly abated to this day.

FURTHER PERSECUTION

But the Kremlin was not finished with this courageous dissident. After serving this term at the dreaded Chistopol Prison, Shcharansky was transferred to the political prisoners camp at Perm, in the Urals. For attempting to practice his Jewish faith and refusing to submit to humiliating work assignments meant to demean him, he spent 185 days in 1981 in the camp punishment cell, including one period of 75 consecutive days. It took 33 days in the prison hospital to recover from this treatment, after which Shcharansky was again put in the punishment cell. During this time, the prison authorities withheld his mail and deprived him of visits with his relatives. In November 1981, a kangaroo court at the camp ordered him sent back to Chistopol Prison for refusing to admit his guilt and for being a bad influence on other prisoners.

On September 27, 1982, Anatoly Shcharansky initiated a hunger strike at Chistopol to protest interruption of his mail and denial of visits from his family, guaranteed by the Soviet Constitution. After forced feeding, and a serious decline in his already precarious health, and responding to the pleadings of his mother, Mrs. Ida Milgrom, Shcharansky ended his fast in February 1983. His mother, incidentally, had still not been allowed to visit her son, but had been only able, after days of pleading with prison authorities, to pass a note to her son from outside the prison walls.

Mr. President, we have recently heard repeated statements on the part of Soviet officials as to that nation's genuine interest in achieving peace, disarmament, and peaceful coexistence throughout the world. The presence of Anatoly Shcharansky, isolated from the outside world, deprived of contact with his loved ones, forced to engage in hunger strikes to call attention to his treatment, is a constant reminder of the disparity between

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Kremlin rhetoric and Kremlin actions. The release of Anatoly Shcharansky would be a giant step in establishing creditability in the dialog between East and West, and for resolving those issues of peace and mutual security for which the entire world longs.

● Mr. TSONGAS. Mr. President, it saddens me to think that after 6 long years of unjustified imprisonment we are still pleading the case of Soviet dissident Anatoly Shcharansky and so many others like him.

Today marks the sixth anniversary of his arrest by Soviet officials on charges of alleged espionage, and anti-Soviet agitation and propaganda. Shcharansky was imprisoned in 1977 for over a year before he stood trial. In July 1978 he was sentenced to 13 years in Christopol Prison, a harsh and remote confinement.

Anatoly Shcharansky, a brave human rights activist, was incarcerated because of his concern for human freedom. A man active in Soviet Jewish emigration questions and involved with the Moscow Helsinki Group—a broad based human rights organization—he was a major contact between Soviet human rights activists and the Western press.

In September of last year, Shcharansky staged a hunger strike to show his anger and despair at the loss of communication between himself and his family as Soviet officials had refused his requests for such contact. Finally, in January of this year, he was able to exchange a note with his mother and he apparently ended his fast.

The United States prides itself on human rights. We glory in our freedom of speech and press. Yet, we have let this situation continue far too long. The final act of the Helsinki accords calls upon Soviet authorities to respect human rights agreements to which they are signatories, and to allow citizens to emigrate to the country of their choice.

I urge my colleagues to work for the release of Anatoly Shcharansky and others like him who have sought freedom from Soviet oppression. Let me also remind my colleagues of the tireless efforts of Anatoly's wife, Avital who has made it her life's work to obtain her husband's freedom. Mr. President, we must do everything possible to assist these courageous people.●

THE PLIGHT OF ANATOLY SHCHARANSKY

● Mr. D'AMATO. Mr. President, I wish to reiterate my concern over the plight of Anatoly Shcharansky, a founding member of the Moscow Helsinki Monitoring Group who has been the subject of repeated harassment and imprisonment by the Soviet authorities. Today marks the sixth anniversary of Shcharansky's arrest for "anti-Soviet agitation and propaganda" and treason. Currently, this brave individual is serving a 13-year sentence in the notorious Chistopol Prison. His treatment demonstrates the blatant disregard for human rights displayed by the Kremlin. Despite its repeated profession of support for the Universal Declaration on Human Rights and the Helsinki Final Act, the Communist leadership continues to deprive its citizens, and particularly members of the Jewish community, of even the most basic of human rights including the right to emigrate. Anatoly Shcharansky first requested permission to rejoin his family in 1973.

Since his imprisonment, Shcharansky has faced one travesty after another. While in prison, he had been placed in complete isolation, had his Bible confiscated, while being denied visits and letters from his family. We cannot and must not abandon Anatoly Shcharansky. Instead, it is our responsibility to focus world public opinion on this grave situation.

The tragic circumstances surrounding Shcharansky's imprisonment are best described by his mother Ida Milgrom. Mr. President, I request that a copy of a letter which I received from Mrs. Milgrom be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

In March 1977, my son Anatoly Shcharansky was arrested and accused of spying for the CIA. On July 14, 1978, the Supreme Court of the Russian Federated Socialist Republic—in a farce resembling the Dreyfus Trial—handed him a brutal, unfounded sentence of thirteen years deprived of freedom: three years in prison and ten years in forced labor camp under the most severe conditions.

At the so-called trial, my son declared that his case had been trumped up in order to crush the Jewish emigration movement in the Soviet Union. Despite blackmail and threats of capital punishment, he did not plead guilty and proclaimed that the accusations against him were absurd.

Anatoly spent three terrible years in prison and then was transferred to a forced labor camp. Acts of lawlessness and humiliation have been continuously committed against him. We have just found out that from January through October 1981, Anatoly was isolated in solitary confinement in the internal prison of the camp. Between October 1980 and October 1981, he spent 185 days in the infamous special punishment cell. Seventy-five days of this torture were given in succession. (The "kartser"—the special punishment cell is so severe that even Soviet law forbids a prisoner to be confined in it for more than 15 days at a time.)

The food ration in the internal prison of the camp is a starvation one, containing absolutely no meat or fats. In the special punishment cell, this ration is given only once in two days. In this way my son was tortured by full starvation for 93 days and by partial starvation for an equal amount of time. As result, he became completely physically exhausted and had to be removed from prison and taken to a hospital. From the hospital, Anatoly was medically transferred directly back to the special punishment cell.

At the end of October 1981, another scene of this grotesque farce took place. Anatoly Shcharansky was put on one more trial. This one was held at the camp and took exactly five minutes. Only a procurator, a judge and two jury members were present. No lawyer participated. This so-called trial hardened the already monstrous sentence.

The "guilt" found was that my son still will not plead guilty for the crimes with which he was incriminated in the 1978 "trial".

My son is now sentenced to three more years of labor camp under the strict regime conditions described above. The repression is continuing, the humiliation is growing. They want to break my son physically and morally.

Is there any way that this world can prevent the destruction of an innocent victim of arbitrary cruelty?

IDA MILGROM,
Moscow.

Mr. D'AMATO. Mr. President, the answer to Mrs. Milgrom's question must be loud and clear. We will not tolerate the continued enslavement of Anatoly Shcharansky. I would encourage my colleagues to join me in voicing outrage over this grave injustice.●

SENATE RESOLUTION 91—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. DOLE, from the Committee on Finance, reported the following original resolution; which was referred to the Committee on the Budget:

S. Res. 91

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1, an Act to implement the consensus recommendations of the National Commission on Social Security Reform and with respect to the consideration of H.R. 1900, dealing with the same subject matter. Such waiver is necessary because the recommendations of the National Commission on Social Security Reform require prompt action in order to insure the stability of the social security system.

AMENDMENTS SUBMITTED FOR PRINTING

EMERGENCY JOBS APPROPRIATION, 1983

AMENDMENTS NOS. 510 AND 511

(Ordered to be printed and to lie on the table.)

Mr. KASTEN (for himself, Mr. HELMS, Mr. BOREN, Mr. HEFLIN, Mr. MATTINGLY, Mr. RANDOLPH, Mr. EAST, Mr. GLENN, Mr. FORD, Mr. NUNN, Mr. DENTON, Mr. NICKLES, Mr. BAUCUS, Mr. HOLLINGS, Mr. MURKOWSKI, Mr. HUMPHREY, Mr. DECONCINI, Mr. EXON, Mr. MELCHER, Mr. D'AMATO, Mr. PRYOR, and Mr. GOLDWATER) submitted two amendments intended to be proposed by them to the bill (H.R. 1718) making appropriations to provide emergency

expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

SOCIAL SECURITY REFORM

AMENDMENT NO. 512

(Ordered to be printed and to lie on the table.)

Mr. LONG (for himself, Mr. BOREN, Mr. BURDICK, Mr. CHILES, Mr. CRANSTON, Mr. DECONCINI, Mr. HOLLINGS, Mr. JOHNSTON, Mr. PRYOR, and Mr. SARBANES) submitted an amendment intended to be proposed by him to the bill (S. 1) to implement the consensus recommendations of the National Commission on Social Security Reform.

● Mr. LONG. Mr. President. I submit an amendment that I intend to propose to the social security financing legislation reported from the Committee on Finance, and I ask unanimous consent that it be printed in the RECORD following my remarks.

My amendment provides that the coverage of new Federal employees under the social security program will become effective on January 1, 1984, as provided by the Finance Committee bill unless Congress has been unable by that time to enact legislation providing a supplemental retirement program for those employees. In such an event, social security coverage would become effective as soon as that legislation is in fact enacted.

The provision for social security coverage of Federal employees in the committee bill assumes the adoption of a supplemental program for the affected new employees. This amendment simply assures that both elements of this arrangement will be carried out.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 512

On page 66, strike out lines 13 through 15 and insert the following:

(c) The amendments made by this section shall be effective with respect to remuneration paid after December 31, 1983, if, prior to such date, there has been enacted into law, a supplemental pension program for Federal workers hired after such date which the Congress may determine to be appropriate to coordinate coverage under the Federal civil service retirement system with the coverage of such Federal workers under title II of the Social Security Act. If no such program has been enacted by such date, the amendments made by this section shall not become effective until (and with respect to remuneration paid after) the last day of the first month ending at least 20 days after the date of enactment of legislation described in the preceding sentence, and all references to "December 31, 1983" in section 210(a)(5) of the Social Security Act and section 3121(b)(5) of the Internal Revenue Code of 1954 shall be deemed to be references to the last day of such later month.

AMENDMENT NO. 513

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself and Mr. SIMPSON) submitted an amendment intended to be proposed by them to the bill S. 1, supra.

VETERANS' ADMINISTRATION PERSONNEL TRANSFER

Mr. CRANSTON. Mr. President, I am pleased to join with my good friend, the chairman of the Veterans' Affairs Committee (Mr. SIMPSON), in submitting for printing a noncontroversial amendment to S. 1 that we intend to offer during Senate consideration of S. 1 later this week. The substance of the amendment—relating to a staffing reorganization in the Veterans' Administration—is not related to the subject matter of S. 1. Rather, we are proposing to add it to S. 1 because of the need to insure early enactment of the provisions of our amendment.

Mr. President, I will ask that a February 1, 1983, letter from Administrator of Veterans' Affairs Harry N. Walters to me be printed in the RECORD at the conclusion of my remarks. In that letter, Mr. Walters explains in some detail the situation that prompts our amendment. Stated very briefly, the VA is seeking to accomplish an intra-agency transfer of 25 full-time equivalent employees from an office in one VA department to an office in another in connection with the agency's efforts to develop a decentralized automated data processing—ADP—system in the VA health-care system. As Administrator Walters noted in his letter, the transfer is considered necessary by the VA in order to comply with the thrust of provisions in Public Law 97-377, the current fiscal year 1983 continuing resolution signed into law on December 21, 1982, that are aimed at eliminating certain centralized ADP activities at VA medical facilities. The 25 employees proposed to be transferred have been operating a centralized ADP system that the VA considers outdated and wished to eliminate in light of the congressional mandate in that public law. However, under a provision applicable only to the VA—section 210(b)(2) of title 38, United States Code—generally prohibiting the VA from reducing the staff at any of its offices by more than 10 percent in any fiscal year without advance notice to the Congress approximately 8 months prior to the beginning of that fiscal year, this transfer cannot take place until October 1, 1983, the start of the fiscal year 1984.

Mr. President, I know of no opposition to the proposed transfer; it is important for the transfer to take place much sooner than October 1, and enactment of the amendment we are proposing will allow the transfer to take place in a more appropriate time frame. I note also, Mr. President, that the transfer will not involve any actual moving of staff; rather, those transferred will remain at the same location but under a different VA organizational unit.

Mr. President, I ask unanimous consent that the letter mentioned earlier from the Administrator of Veterans' Affairs, dated February 1, 1983, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

FEBRUARY 1, 1983.

Hon. ALAN CRANSTON,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: The continuing resolution signed into law on December 21, 1982, Pub. L. No. 97-377, states that no appropriated funds shall be used to further develop or maintain this Agency's Computerized Medical Information Support System (COMISS). It also mandates the transfer of a full-time equivalent employment (FTEE) ceiling of 69 positions (on an annualized basis), previously assigned to COMISS development, from the Office of Data Management and Telecommunications (ODM&T) to the Department of Medicine and Surgery (DM&S) for the support of the Decentralized Hospital Computer Program (DHCP). However, the law states that funds can also be used to operate the Automated Pharmacy, Prescription Labeling, Editing and Storage (APPLES) system at locations where that system is currently operating.

We are taking the actions that are necessary to transfer the specified 69 FTEE ceiling, plus an additional 11 positions previously assigned to COMISS development, from ODM&T to DM&S. This transfer includes the total FTEE ceiling for COMISS in Central Office and at the Hines Data Processing Center and therefore complies with both the letter and intent of Pub. L. No. 97-377.

In order to further comply with the thrust of that law, I have decided that the transfer should also include an FTEE ceiling of 25 positions that currently support the operation and maintenance of the APPLES system at the Los Angeles VA Data Processing Center. The APPLES system is a centrally maintained and operated hospital outpatient pharmacy system that currently supports VA hospitals in Southern California. The intent of the Congressional directive to terminate COMISS development is to ensure that hospital-based automation is accomplished by DM&S through DHCP. The APPLES system is an outdated centralized system which will eventually be replaced by a DHCP system. Logically, therefore, the FTEE ceiling for APPLES should also reside within DM&S and not ODM&T.

However, since including this FTEE ceiling of 25 positions exceeds 10% of that office's total FTEE ceiling of 80 positions, I am reporting to you, in accordance with 38 USC 210(b)(2), my intention to transfer that FTEE ceiling to the West Los Angeles VA Medical Center on October 1, 1983. Later, during fiscal year 1984, it may become necessary to further realign that FTEE within DM&S to ensure support for the orderly development of DHCP. The purpose of the reorganization is to help accomplish the gradual transition from centralized to decentralized hospital computer support. The Congress has spoken clearly in Pub. L. No. 97-

377 and on pages 8 through 10 of House Report No. 97-359 to point the VA in this direction.

We wish to maintain ADP support during this transition period while minimizing potential adverse impact on affected VA employees. We believe that we can best accomplish these goals by moving the FTEE for APPLES at the Los Angeles DPC as soon as possible.

I will be pleased to provide any additional information which you may desire concerning this planned reorganization.

Sincerely,

HARRY N. WALTERS,
Administrator.●

EMERGENCY JOBS APPROPRIATION, 1983

AMENDMENTS NOS. 514 AND 515

(Ordered to be printed and to lie on the table.)

Mr. PRYOR (for himself, Mr. MOYNIHAN, Mr. LEVIN, Mr. SASSER, and Mr. BINGAMAN) submitted two amendments intended to be proposed by them to the bill (H.R. 1718) making appropriations to provide emergency expenditures to meet neglected urgent needs, to protect and add to the national wealth, resulting in not make-work but productive jobs for women and men and to help provide for the indigent and homeless for the fiscal year 1983, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee's hearing on umbrella contracting and its impact on small business, scheduled for March 23, 1983, has been rescheduled for April 5, 1983, at 9:30 a.m. in room 428A, Senate Russell Office Building. Senator RUDMAN will chair.

Mr. President, I would like to announce that the Senate Small Business Committee will hold a full committee meeting with its National Advisory Council on April 12, 1983, beginning at 2 p.m. in room 428A of the Senate Russell Office Building. For further information, please contract Mary Meyers of the committee staff at 224-3840.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to continue consideration of pending natural gas legislation (S. 615, S. 60, S. 239, S. 291, S. 293, S. 370, and S. 689). The hearing will be held on Tuesday, March 22, beginning at 9 a.m. in room SD-366 of the Dirksen Senate Office Building.

For further information regarding this hearing you may wish to contact Mr. David Doane at 224-7144 or Mr. Howard Useem at 224-5205.

ADDITIONAL STATEMENTS

OPPOSITION TO NUCLEAR WEAPONS FREEZE RESOLUTION

● Mr. SYMMS. Mr. President, last week President Reagan stated his strong opposition to the nuclear weapons freeze resolution. He stated that the Soviet Marxist government is the embodiment of evil in the world. Later this week the other body will probably debate and vote on the nuclear freeze resolution.

I am opposed to the nuclear freeze resolution, although I share the objective of its proponents. We are all in favor of peace and preventing nuclear war. I am opposed to the nuclear freeze resolution because President Reagan and other U.S. political and military leaders have stated that the Soviet Union is today superior to the United States in nuclear weapons capability. Soviet military leaders agree that the U.S.S.R. is superior, and this fact is confirmed by all the numbers, ratios, and trends. A nuclear freeze would codify permanently American strategic inferiority. The law of the land on U.S. arms control objectives, the Jackson amendment to SALT I in 1972, states that any future U.S. arms control agreement with the Soviets must establish equal United States-Soviet levels of intercontinental strategic forces. Today, the Soviets are clearly superior. A nuclear weapons freeze resolution is contrary to the U.S. law of the land on arms control objectives, the 1972 Jackson amendment to SALT I, which requires United States-Soviet equality.

Mr. President, I ask that the following article be entered into the RECORD. The article is entitled "Soviet Violations of Existing Arms Control Treaties May Make Future Treaties Ineffective." Much of this article will be published soon by the Coalition for Peace Through Strength. It has been carefully reviewed by the CIA, and it contains no classified information. Moreover, the Defense Department documents attached were declassified by the Defense Department. I want to make the entire article available now to my colleagues, so that those both opposed and in favor of the nuclear weapons freeze resolution may have available for their consideration the arguments and documentation contained in this article.

The material follows:

SOVIET VIOLATIONS OF EXISTING ARMS CONTROL TREATIES MAY MAKE FUTURE TREATIES INEFFECTIVE

(By Senator Steve Symms and David S. Sullivan, February 1983)

SUMMARY

This article describes the many examples of Soviet non-compliance with treaties, in particular, arms control treaties. President Reagan himself has recently accused the Soviet Union of violating the SALT II Treaty, and all the facts establishing this violation are contained in official, public, government documents. Former Secretary of State Kissinger and former Defense Secretary Laird have accused the Soviets of violating the SALT I Agreements. President Reagan has also accused the Soviets of violating the Biological and Chemical Warfare Conventions, and the Kennedy-Khrushchev Agreement which settled the Cuban Missile Crisis of 1962. Official Defense and State Department documents of 1959 and 1962 accuse the Soviets of 50 other treaty violations. The conclusion emerges from official U.S. government documentation that while the Soviets have violated, evaded or circumvented almost every international treaty they have signed since 1917, the U.S. has been unable to enforce Soviet compliance with arms control treaties.

There are three main explanations for American acquiescence in Soviet arms control treaty violations. First, the shift in the strategic balance in Soviet favor makes enforcement of compliance difficult. This factor would make U.S. enforcement attempts provocative and dangerous. Second, U.S. advocacy of a minimum deterrence posture makes it possible to deem Soviet strategic advantages derived from their arms control treaty violations insignificant and irrelevant. A third factor is the deleterious effect that U.S. challenges of Soviet arms control violations could have on the process of arms control negotiations and the possibility of new arms control treaties. Some arms control enthusiasts believe that enforcement of existing arms control agreements should not occur at the expense of negotiations for future arms control treaties. But continued Soviet violations could easily turn future arms control treaties into worthless scraps of paper similar to current treaties.

In sum, the value of arms control treaties in ensuring international security may have been over-estimated, especially if enforcement of existing treaties is held hostage to the negotiation process for future treaties. Arms control treaties may actually damage international security, to the extent that one-sided compliance means that they disarm one side while the other illegally arms. American willingness to continue to negotiate arms control treaties with the Soviets, even in the face of their arrogant violations of all existing arms control treaties, suggests an American blindness to the danger of unenforceable arms control treaties. The Soviets, however, seem quite willing to engage in a hypocritical approach to arms control, especially when it allows them to increase their strategic superiority in violation of arms control treaties. The Soviets seem to be deceptively and cynically using arms control treaties and negotiations as an instrumentality of their military buildup aimed at world supremacy.

Dr. Henry Kissinger warned Senators and Congressmen on June 15, 1972:

"The possibility always exists that the Soviets will treat the Moscow (i.e. 1972 SALT I) Agreements as they have sometimes treated earlier ones, as just another tactical opportunity in the protracted conflict. If this happens, United States will have to respond. . . If this agreement were being circumvented, obviously we would have to take compensatory steps in the strategic field."

During the decade since SALT I, the Soviets have in fact circumvented and violated both SALT I and SALT II, just as they violated all treaties between 1917 and 1962.

The U.S. has yet to take compensatory counter-measures, as Dr. Kissinger pledged.

INTRODUCTION: ARMS CONTROL'S LAST CHANCE?

Some observers are now arguing that the present arms control negotiations underway with the Soviet Union—in particular START (Strategic Arms Reduction Talks) and INF (Intermediate Range Nuclear Forces) talks in Geneva—are the world's last chance for meaningful arms control. They fear that the world is on the brink of new U.S. and Soviet strategic modernization programs which, if unconstrained before deployment by new arms control treaties, will make the world increasingly dangerous and thus perhaps remove the possibility of arms control agreements forever. These fears for the prospects of arms control surely exaggerate its past effect, however, because the world is already exceedingly endangered by an altogether unprecedented and highly destabilizing Soviet military build-up, largely in violation of a whole panoply of existing arms control agreements.

The increasing popular pressure for progress in arms control negotiations with the Soviets is curious, in light of the fact documented from official U.S. government sources that the Soviets are violating all existing arms control agreements with varying degrees of provocativeness and certainty. The respected columnist, George Will, stated on television recently that world public opinion was not at all a deterrent to Soviet violation of arms control treaties, because the U.S. has explicitly accused the Soviets of violating several important arms control treaties, yet there has been neither an outburst of international public outrage nor a cessation of the Soviet violations. Will argued that previously many American arms control enthusiasts had posited that arms control agreements with the Soviets would be self-enforcing, due to Soviet reluctance to be publicly accused before the world of even possible violations.

This concept now must be abandoned, because not only do U.S. accusations of Soviet arms control violations not deter further Soviet violations, but they do not even affect the arms control negotiations process itself. U.S. and world public opinion evidently assumes that, despite Soviet violations of all existing arms control treaties, some concrete security gains can be forthcoming in continued negotiations for further scraps of treaty paper. Thus if existing arms control agreements are worthless because they are not being kept by the Soviets, perhaps some future agreement will somehow nevertheless bring security and peace.

Accompanying this wishful thinking is a strange example of circular reasoning: the U.S. should not insist too firmly on accusations of Soviet arms control violations, for fear that these U.S. accusations of Soviet arms control violations will preclude further agreements. Always there is the noble but forlorn hope that, despite the historical record of Soviet arms control negotiating deception and treaty non-compliance, somehow the Soviets will eventually become "good faith" partners in arms control accords of the future.

Also implicit in this wishful thought-world is the idea that nuclear weapons and other weapons of mass destruction are just so horrible and uncivilized that their reality must be denied and they must be negotiated away. Forgotten is the fact that a nuclear balance has deterred general war for over 38 years, but that this balance of deterrence is increasingly tenuous due to Soviet gains. The utility and value of negotiated arms control treaties is therefore nil if the compliance of all parties cannot be enforced. Indeed, unenforceable arms control treaties can even be counterproductive to security and peace if they provide a license for one party to cheat, while convincing the other complying party that the current arms control agreement, while faulty, cannot be sacrificed over current violations charges without also foreclosing the prospects for future agreements.

One analogy worth noting relates to the fact that in a bipolar power relationship, one party can be indisputably sincere in its quest for equitable and verifiable arms control agreements, while the other can be just as disagreeable and duplicitous as possible. Due to the bipolar relationship, the sincere power will indefinitely tolerate and even encourage continued treachery by the other power. A recent movie, The Duelists, contained the analogy of a noble Napoleonic officer continuing to be forced to duel with a constantly duplicitous, aggressive fellow officer, who was oblivious to all attempts at peacemaking from the first. Thus the Soviets can be as hostile an arms control partner as they want to be, because the bipolar nature of world power means they are the only power around to negotiate with, and arms control is the only alternative to cold war.

Another analogy, is even more illustrative of the American enforcement problem. One must be prepared to whip the big dog who has messed on the living room floor's rug, when the big dog knows that you know that he did it. Thus far in the second decade of Strategic Arms Limitation Treaties—SALT—America has been both unable and unwilling to whip the big Soviet dog, who knows that we know he is violating SALT treaties. Yet we are also willing to continue to negotiate arms control treaties with the Soviets, even in the face of their arrogant violations of all existing arms control agreements. Perhaps this continued American blindness to Soviet arms control hypocrisy is proof that the overwhelming power the Soviet Union has long developed in defiance of arms control has significant political effect.

THE SAD RECORD OF SOVIET TREATY COMPLIANCE

Former ACDA Director Eugene Rostow testified to Congress in July 1981 that "No arms control agreement can contribute to the goal of a peaceful world unless we have confidence that the Soviet Union is abiding by its terms." There are 14 reported examples of Soviet negotiating deception in SALT I and II. Former Arms Control Agency Director Eugene Rostow has confirmed that the Soviets negotiated deceptively in SALT I. Henry Kissinger has charged the Soviets with "sharp practice" in SALT I, and a top Reagan White House official has accused the Soviets of "sharp practice" in SALT II. President Reagan and Henry Kissinger have accused the Soviets of violating the SALT Treaties. There are more than 30 reported violations or circumventions of SALT I and II and other arms control agreements, as well as over 50 examples of Soviet treaty violations, disinformation and diplomatic duplicity. (See *The Bitter Fruit of SALT, A Record of Soviet Duplicity,* by David S. Sullivan, The Texas Policy Institute, 1982.) For example, in May 1920, the Soviets signed a treaty with the independent Georgian Republic pledging noninterference in its internal affairs. Less than one year later, Soviet troops invaded the country and incorporated it into the USSR. The Soviets signed similar nonaggression bilateral treaties with Czechoslovakia, Lithuania, Estonia, Latvia, Poland, Romania, and Afghanistan. Eventually, the Soviet Union took military action against all of these treaty partners and imposed new Soviet-dominated governments on all of them.

An Official U.S. State Department Soviet Affairs Note published in 1959 stated:

"Few nations can match the USSR in vociferous protestations of loyalty to international obligations. However, such declarations—which are typical of Soviet propagandists and scholars alike—diverge widely from actual Soviet practice. In the years since the Bolshevik Revolution the Soviet government, while consistently accusing others of bad faith in international dealings, has not hesitated to violate its own treaty obligations when such action appeared to be in its interest."

It is indisputable that there have been many Soviet treaty violations. The Soviets use international law, like warfare and subversion, as an instrument of policy. A Soviet international legal expert succinctly confided:

"Those institutions of international law which can facilitate the accomplishment of the stated tasks (of Soviet foreign policy) are recognized and applied in the USSR; those which contradict these aims in any way are rejected."

Soviet foreign policy explicitly serves the objectives of world revolution and world domination.

The above official 1959 State Department document authoritatively concluded that:

"The history of the last 40 years provided numerous examples of deliberate treaty violation by the Soviet regime. A cursory examination of the public conventions entered into by the Soviet Union during this period reveals well over *50 violations.* The USSR has disregarded treaty provisions inconvenient to itself, has unilaterally denounced conventions to which it was a party, has threatened abrogation as a means of intimidation, and has on several occasions attacked fellow signatories to treaties of friendship and nonaggression." (Emphasis added).

An *official* U.S. government book entitled *Soviet Treaty Violations* was published by the Department of Defense on November 5, 1962. This official book also describes over 50 Soviet treaty violations since 1917. In the view of early Soviet theorists, the purpose of treaties "was not to stabilize world order, or world peace, but rather to function as a temporary armistice in the movement towards the world revolution." (Grzybowski, *Soviet Theory of Treaties,* in S. Agrawala, *Essays on the Law of Treaties,* p. 198 (1972). As V. I. Lenin declared frankly in 1918 in regard to the March 1918 Soviet-German Brest-Litovsk peace treaty: "Yes, of course we are violating the treaty. We have already violated it 30 or 40 times." The Soviets then went on to assist the German Weimar Republic in violating the disarmament provisions of the Versailles Treaty. The Soviets violate their own Constitution. They violate the Litvinov Agreement of 1933 establishing U.S.-Soviet relations. The Soviets aided and encouraged the North Vietnamese to violate the Paris Accords on Peace in Southeast Asia throughout the 1973-1975 period. There are also credible reports that the KGB was responsible for the attempted assassination of the Pope in 1981, which was an affront to mankind and God.

A. Soviet SALT violations

An advisor to President Reagan, Laurence Beilenson, stated in a recent book:

"We consider ourselves sagacious in staking our survival on treaties with the USSR, whose ideology blesses cheating as a virtue."

And as Reagan's National Security Advisor, Judge William Clark, stated, "Historically, Soviet behavior does not give us great confidence in their willingness to live up to their word."

Analysis of Soviet compliance with Strategic Arms Limitation Treaties (SALT) has long been complicated by the ambiguity of many of the provisions of the agreements. But this ambiguity was deliberately intended by the Soviets and is the direct result of Soviet negotiating deception to create loopholes to protect their strategic programs from constraints. Analysis of Soviet SALT compliance is also hindered by the well known ambiguity of U.S. intelligence data and judgments. But this ambiguity also stems largely from Soviet behavior. Since 1972, the Soviets have engaged in a massive camouflage, concealment, and deception program involving all Soviet strategic forces. This program has deliberately and clearly interfered with U.S. national technical means of verification. The harmful effects of Soviet camouflage, concealment, and deception can be recognized in the role it had in misleading U.S. intelligence estimates of both the basic Soviet Intercontinental Ballistic Missile (ICBM) and Submarine Launched Ballistic Missile (SLBM) levels during SALT I. These were the key verification parameters of SALT I, and U.S. intelligence miscounted and underestimated both of them.

Thus the Soviets deceptively negotiate ambiguous SALT provisions, and then try to confound U.S. monitoring and analysis of their compliance behavior by throwing sand in our eyes. To add injury to insult, the Soviets often deliberately circumvent and even violate arms control treaties and other treaties. Nevertheless, the Soviets have had the gall to claim frequently that the U.S. should "trust" the Soviets to comply with SALT agreements, and in one case, to even wrongly accuse the U.S. of a SALT violation.

Both the SALT I ABM Treaty and the SALT I Interim Agreement on Strategic Offensive Arms explicitly stated in their preambles that their purpose included the "strengthening of 'trust' between states." Dr. Kissinger also emphasized several times in May and June of 1972 that SALT I was supposed to strengthen U.S.-Soviet "*trust.*" The Soviets themselves have also stated that trust was important in SALT:

"The SALT II agreement presupposes *mutual trust* and the creation of an atmosphere of *good will* which would promote the improvement of relations between the USSR and the United States." (Emphasis added.)

"Trust" was therefore an important concept in SALT. However, recently published analyses of Soviet negotiating deception in May 1972, together with the massive Soviet camouflage and concealment effort since 1972, and the Soviet record of non-compliance with important provisions of SALT I, cast certain doubt on the concept of "trust" and "good faith" in the SALT negotiations.

In fact, the Carter Administration was ambivalent about trust in SALT. In the State Department SALT Compliance White Paper released in 1978, the Carter Administration contradicted itself on the issue of "trust." On page 8 the document stated: ". . . confidence and *trust* . . . are *important* to mutual efforts to establish and maintain strategic arms limitations." Five pages later the same document stated: ". . . The United States does not rely on *trust,* on Soviet intentions . . . in assessing whether verification of a SALT agreement is adequate."

Probably because the Carter Administration did not want to admit the fact that there was substantial evidence of Soviet deception and bad faith in SALT negotiating and compliance, the preamble to the SALT II Treaty contained absolutely *no* reference at all to "trust." This omission is remarkable, and should raise important questions about our ability to verify the Treaty. The Carter Administration conceded that although we cannot trust the Russians, we could still "adequately" monitor, verify, and enforce Soviet compliance with SALT II. But the question of Soviet negotiating and operational deception was ignored by the Administration, as were the problems of defining a violation and enforcing compliance.

The conclusion that the Soviets have violated SALT treaties should not be surprising, however, when viewed against the background of the history of Soviet diplomatic duplicity and treaty violations since the Bolshevik Revolution of 1917. Moreover, the conclusive evidence of Soviet negotiating deception throughout the SALT negotiations is a good indication of Soviet compliance behavior. This pattern of negotiating deception, operational camouflage and concealment, and treaty violations and circumventions is part of a much larger Soviet effort in diplomatic duplicity which involves propaganda, disinformation ploys, and "active measures" of covert action and subversion designed to totally defeat the West. Marxist-Leninist ideology justifies and rationalizes all Soviet foreign policy behavior, from treaty violations to propaganda, and "active measures" such as forgeries. The Soviets are merely behaving like the same Russians of the Cold War era.

The record of Soviet non-compliance with arms control treaties suggests that evasion, circumvention, and violation are endemic to Soviet ideology and diplomatic behavior. The SALT negotiating and compliance record confirms that the Soviets have entirely different and hostile objectives in arms control which are fundamentally incompatible with those of the U.S. These Soviet arms control objectives are derived directly from Marxist-Leninist ideology. Thus the Soviets have found evasion, circumvention, and violation of arms control agreements to be in their interest and have behaved accordingly. They have circumvented, evaded, or violated SALT agreements in order to further the shift in the correlation of forces in their favor. Yet thus far the U.S. has failed to respond with compensatory strategic programs or even to challenge Soviet SALT violations. The ultimate irony is that Soviet peace propaganda has successfully obfuscated Soviet SALT cheating, and instead made the U.S. seem to be the main villain and obstacle to successful arms control.

The Soviet Union is guilty of more than 30 reported violations or circumventions of the SALT I ABM Treaty, SALT I Interim Offensive Weapons Agreement, SALT II, and other arms control agreements. The SALT violations "coverup" began under the Nixon Administration and was orchestrated by Dr. Henry Kissinger, who continued to perpetuate the coverup under the Ford Administration. It was continued and expanded under the Carter Administration, which extended the coverup to Soviet violations of SALT II. The Nixon, Ford, Carter Administrations and now even the Reagan Administration either suppressed these Soviet SALT violations and circumventions from the American people, or distorted or misleadingly presented them. The arms control violations and circumventions are as follows:

1. SALT I violations and circumventions—Anti-Ballistic Missile (ABM) Treaty

Soviet SAM testing in ABM mode for Surface to Air missile (SAM) upgrade for nationwide defense; (Henry Kissinger himself has acknowledged this SALT I violation.)

Soviet deployment of ABM Battle Management Radars for nationwide defense;

Soviet ABM camouflage and concealment;

Soviet falsification of ABM deactivation;

Soviet creation of a new ABM Test Range without required prior notification;

Soviet development of a rapidly deployable, mobile ABM, also for nationwide defense.

2. SALT I violations and circumventions—Interim Agreement.

Soviet deployment of the heavy SS-19 ICBM as the replacement of the light SS-11, which is the most dangerous and demonstrable of all Soviet SALT violations or circumventions;

Soviet failure to deactivate old ICBMs on time, and continuous falsification of official deactivation reports;

Bringing back ICBM equipment to deactivated ICBM complexes;

Keeping 18 SS-9 ICBMs at an ICBM test range illegally operational;

Soviet deployment of "IIIX" silos with a configuration too similar to a missile-launch silo;

Soviet massive use of deliberate camouflage, concealment, and deception which actually increased after 1972;

Encryption of missile telemetry (electronic encoding of signals sent during flight testing);

Camouflage of ICBM testing, production, deployment;

Concealment of SLBM submarine construction, berthing, dummy subs, construction of berthing tunnels;

Constructing over 68 strategic submarines, when only 62 were allowed;

SS-20 Intermediate Range Ballistic Missile (IRBM) deployment, which should count as ICBM deployment;

Violation of Brezhnev's pledge not to build mobile ICBMs;

Deploying SS-11 ICBMs at SS-4 Medium Range Ballistic Missile (MRBM) sites, probably having a covert soft launch capability;

Keeping about 1,300 to several thousand old ICBMs stockpiled for both covert soft launch and rapid reload of silos for refire.

As former Director of the U.S. Arms Control and Disarmament Agency Eugene Rostow stated on October 20, 1981: ". . . The SALT I Agreements and the process of negotiating SALT II did not prevent the worst decade of the Cold War or the extraordinary buildup of the Soviet nuclear arsenal." According to Under Secretary of Defense Richard DeLauer in the FY 1984 Defense R&D Report, "The Soviets, in fact, never slowed or even perturbed their strategic development and deployment programs in spite of detente, active arms control negotiations, or the SALT agreements."

3. Four other arms control violations.

There have been over 15 Soviet underground nuclear tests over 150 kilotons, in clearcut violation of the 1974 Threshhold Test Ban Treaty put into effect in 1976. Several of these high yield underground tests

are unambiguous violations; indeed, the Soviets actually tested more weapons above 150 kilotons after 1976 than before. As former ACDA Director Rostow testified to the Senate on July 29, 1982: ". . . We have real concerns about a number of tests conducted by the Soviets since the TTBT and PNET Agreements were signed." Defense Secretary Weinberger stated on August 11, 1982 that some Soviet tests have been big enough "to raise serious questions about compliance" with the 150 kiloton threshold of the TTBT;

There have been over 30 unambiguous Soviet ventings of radioactive debris from underground nuclear tests in clearcut violation of the 1963 Limited Test Ban Treaty. These ventings are all unequivocal, and resulted in the spread of radioactive debris outside of Soviet borders;

In addition to the Soviet Combat Brigade deployed in Cuba, there has been Soviet deployment to Cuba since 1970 of Golf and Echo class submarines carrying long-range nuclear missiles. There has been deployment of nuclear-capable MIG-23 fighter bombers to Cuba, and deployment of long-range Bear bomber type aircraft capable of carrying nuclear bombs and missiles to Cuba, all in direct violation of the 1962 and 1970 Agreements Prohibiting Offensive Weapons and their support facilities in Cuba. This clearcut arms control violation is even more serious than SS-19 deployment. President Reagan and 3 other top officials have directly accused the Soviets of violating the Kennedy-Khrushchev Agreement of 1962.

CIA Director William Casey was asked in U.S. News and World Report of March 8, 1982 "Does what is happening now in Cuba violate the 1962 Kennedy-Krushchev Agreement ending the missile crisis?" CIA Director Casey answered: "Oh sure it does, because the 1962 agreement said the Soviets would send no offensive weapons, and it also said there would be no export of revolution from Cuba. *The agreement has been violated for 20 years.*" (Emphasis added.)

On March 8, 1982, Congressman Jack Kemp asked the then Chairman of the Joint Chiefs of Staff: ". . . Is it not true that . . . there is a *de facto*, if not a *de jure* violation by the Soviet Union of understandings that this country has had with them?" General Jones answered: "We interpret . . . Soviet actions in Cuba as a *violation* . . . In my judgement, *they* [the Soviets] *have gone beyond the 1962 accords* . . ." (Emphasis added.)

On March 11, 1982, Under Secretary of Defense for Policy Fred Ikle confirmed that the Soviets had bases in Cuba capable of nuclear attack, and testified to Congress that the 1962 Kennedy-Khrushchev Agreement "had been eroded away to nothing" by Soviet actions.

In May, 1982, President Reagan stated in a nationally televised press conference that: "The only place he [i.e., the late Soviet President Brezhnev] could install them [Soviet nuclear weapons] in this hemisphere would be in Cuba, which is his [Brezhnev's] satellite now . . . But this would be in total violation [i.e., of the 1962 Kennedy-Khrushchev Agreement.] *You know there's been other things we think are violations, also of the 1962 agreement.*" (Emphasis added.) If the Soviets are violating the very agreement that settled the Cuban-Missile Crisis, then the world must be back in a crisis situation. Indeed, the Soviet threat from Cuba is today greater than it was in 1962.

There is also the now confirmed April 1979 germ warfare accident of Sverdlovsk, indicating conclusive Soviet violation of the 1975 Convention banning germ warfare. Moreover, there is now also conclusive evidence of illegal Soviet use of biological toxins and chemical agents in Southeast and Southwest Asia. And the Soviets also have an intercontinental delivery capability for Biological Warfare (BW) weapons. These clearcut Soviet arms control treaty violations are easily understandable, and all by themselves have graphically demonstrated the duplicitous Soviet approach to arms control. President Reagan has twice explicitly accused the Soviets of violating the 1975 Biological and 1925 Chemical Warfare Conventions. For example, on January 26, 1983, President Reagan stated that there is "overwhelming evidence of Soviet violations of international treaties concerning chemical and biological weapons." He stated at the United Nations on June 17, 1982 that: "The Soviet Union and their allies are violating the Geneva Protocol of 1925, . . . and the 1972 Biological Weapons Convention. There is conclusive evidence . . ." The State Department has also directly accused the Soviets of violating the BW and CW Conventions. (But in 1977, Soviet Foreign Minister Gromyko even hypocritically told the UN that BW weapons were "cruel and barbaric.")

There has long been more than adequate evidence to challenge Soviet SALT violations. The shift in the strategic balance in Soviet favor, and U.S. advocacy of a minimum deterrence posture in which Soviet strategic advantages are deemed meaningless, are the principal causes for U.S. acquiescence in the Soviet SALT violations. Soviet circumventions and violations have shifted the strategic balance further in Soviet favor, which in turn has made it more provocative and dangerous for the United States to challenge these violations. It is now almost impossible for the U.S. to enforce Soviet arms control compliance, and the Soviets know that this U.S. paralysis gives them added incentive to continue to violate arms control treaties, while hypocritically continuing negotiations for further arms control treaties.

Ambassador Seymour Weiss, former Director of the State Department's Office of Political-Military Affairs, has succinctly explained the problem of Soviet SALT violations for the U.S.:

"Once a democracy has committed itself to a major, formal arms control treaty, a treaty seen as the linchpin of a broader policy of detente, finding the partner in violation of that treaty tends to undermine its own foreign policy. It amounts to an admission of past failure. Violations—and their political as well as military implications—must be explained to the electorate and to one's allies. This means that further arms control proposals will be difficult if not impossible to advance. The consequences are almost endless and all bad, from the point of view of those supporting arms control and those who insist agreements must be and in fact are verifiable. The violation must be made to go away. It did not occur, or if it did it was a passing aberration, of no military or political consequences, unworthy of open discussion. At all costs, the process of arms control must be protected. These are not overstatements. It is this pressure of political events that bears most heavily on verification, that causes even relatively clearcut violations to be rationalized away. Unfortunately, our failure to confront the Soviets can only be interpreted by them in one way: as proof that the massive shift in the "correlation of forces" away from capitalism and toward socialism has left the leaders of the West no choice but to accommodate themselves to the Soviet position that no violations have occurred. This, in their view, is a "forced concession" caused by Soviet possession of superior power. The Soviet world view allows them no other interpretation of our acquiescence in the face of *overwhelmingly objective evidence that the Soviets have violated SALT and other arms control agreements* and the West has taken no action to repudiate or modify them." (Emphasis added.)

Ambassador Weiss has thus answered the question of why the United States has not acted upon Kissinger's 1972 warning that the United States would abrogate SALT if the Soviets were circumventing or cheating. Detente and continuing the SALT process are evidently more important than U.S. unilateral actions to preserve U.S. national security.

Probably the most authoritative accusation of Soviet SALT violations ever made has been completely ignored. According to the *Washington Times* of September 15, 1982, Dr. Henry Kissinger stated: "On actual Soviet SALT violations, I am familiar with one . . .". Kissinger went on to describe this Soviet SALT violation was testing SAMs in an ABM mode. Thus by explicit admission of the chief architect of detente, Henry Kissinger, the Soviets have violated SALT Treaties.

Another authoritative accusation was made by Ambassador Paul Nitze, who is now Chief U.S. Negotiator for Intermediate Range Nuclear Force Negotiations. He was asked by Senator Zorinsky during Senate Foreign Relations Committee SALT II hearings in 1979: "Do you know of any violations that have come before the SALT I Standing Consultative Commission that were not resolved under SALT I?" Ambassador Nitze replied: "No, but how were they resolved? *They were resolved by accepting what had been done in violation.*" (Emphasis added.) Thus, Paul Nitze, one of our most knowledgeable and experienced SALT negotiators, has strongly bolstered the thesis that the Soviets have violated SALT agreements.

Roberta Wholstetter has also written that:

"The cheater in an arms agreement and the side cheated . . . both need to preserve the illusion that the agreement has not been violated. The British fear of an arms race (i.e., in the 1930s) so skillfully manipulated by Hitler, led to a (1935) naval agreement, in which the British . . . tacitly revised the Versailles Treaty. And British fear of an arms race prevented them from recognizing violations of the new agreement."

VERIFICATION HANDICAPS

Effective verification is widely recognized as the crux of the arms control problem. One indication of the unreliability of our intelligence and verification process is the fact that the historical record of Soviet activities in SALT can be tampered with for political reasons by the White House. Both evidence and analysis of SALT verification issues have on occasions been suppressed within the U.S. intelligence community. As the Pike Congressional Committee reported in 1975:

"The spectre of important information, suggesting Soviet violation of strategic arms limitations, purposely withheld for extended periods of time from analysts, deci-

sion-makers, and Members of Congress, has caused great controversy within the Intelligence Community."

And, as Admiral Elmo Zumwalt clearly demonstrated in a January 1976 *Aviation Week* article.

". . . in six cases cited by Chairman Pike, key intelligence times were withheld at Kissinger's direction for periods in excess of two months—in one case for almost six months."

Moreover, Congressman Jack Kemp has noted recently that key Communications Intelligence evidence related to the large size of the Soviet SS-19 ICBM and the Soviet commitment to its large scale deployment was intercepted by the U.S. in May 1972. Kemp then notes the contradictions between Dr. Kissinger's assurances to Congress in June 1972, that the Soviets could not deploy heavy ICBMs the size of the then still secret SS-19 in place of light ones, and the intercepted evidence.

Kemp goes on to ask: "Was any vital evidence ever suppressed within the intelligence community, and did Dr. Kissinger have any role in this?"

The public statements of Dr. Kissinger in June 1972, juxtaposed against Congressman Kemp's analysis of the intercepted COMINT evidence, suggest either the suppression of intelligence information, the failure of intelligence analysis, or both.

The official unclassified report of the Senate Select Committee on Intelligence published on October 4, 1979, concerning the verifiability of SALT II confirms that:

"It is *clear* from the SALT I record that intelligence of possible Soviet violation of the Treaty [sic] *was*, in some cases, and for a time, *withheld* from Executive branch officials who had a need for such information. (Emphasis added.)

A fundamental problem with verification is the need to restore the integrity of the intelligence analysis and dissemination process. This is inherently a very fragile process, and damage to its integrity, timeliness, and accuracy is extremely dangerous. Intelligence evidence should never be suppressed. Competing and dissenting analysis must instead be brought to the attention of our policymakers. Common sense, the "American way," and the need for duplication of functions and debate within the intelligence community suggest that dissent and competitive analysis should be encouraged, rather than being penalized as is so often the case. Evidence that is withheld distorts intelligence analysis, and delays in reporting findings prevent recognition of Soviet deceptions, as the record of SALT I verification efforts clearly indicates.

But the Senate Intelligence Committee has so far failed to require procedural changes in the Executive branch which would prevent intelligence from being withheld in the future from Executive offices with a "need to know." Moreover, there are still no procedures to prevent information on Soviet SALT violations from being withheld from Congress. There have also been public reports that Dr. Zbigniew Brzezinski has participated in the Carter Administration's suppression of a highly-classified CIA study on Soviet SALT deception. Taken with the evidence presented above, one cannot avoid conculuding that elements within the U.S. government have suppressed intelligence concerning Soviet noncompliance with all of the SALT-related accords. This suppression, in the opinion of some Senators, constitutes a clear and present danger to our national security.

Second, even without considering the suppression and distortion of intelligence regarding Soviet compliance with SALT, it is readily apparent that the record of U.S. intelligence collection and analysis in counting the numbers of both Soviet ICBMs and SLBMs, the main quantitative constraints of SALT I, is not good. In fact, U.S. intelligence miscounted both of these levels during SALT I, and the bias was to underestimate as throughout the 1960's. These heretofore unrevealed miscounts were the result mostly of bad analysis. Our declining collection capabilities suggest that such errors are all too likely to be repeated in the future.

Third, there are long delays in the analysis of Soviet SALT compliance. Collection, analysis, and enforcement are in fact not prompt, despite Carter Administration claims. In three cases it took respectively seven, three, and two and one-half years after detection to "resolve" a compliance question. Of even greater importance, after these long delays, final resolution of *all* significant compliance problems amounted to U.S. acquiescence in Soviet circumvention or violation. The Soviets themselves have also falsified basic data in SALT negotiations, treaties, and compliance questions, and they have officially lied to the U.S. several times. The U.S. has only once challenged Soviet falsification, but the Soviets evidently never corrected the record or rectified the situation.

Former Arms Control Agency Director Eugene Rostow stated to the U.N. on February 9, 1982:

"Troubling questions have arisen about Soviet compliance with international agreements concerning chemical and biological warfare. . . they cast a shadow over the possibility of verifying Soviet compliance with treaties on the control of other arms, *particulary nuclear arms.*" (Emphasis added.)

In the same speech, Rostow directly accused the Soviet Union of flagrantly violating both the U.N. Charter and the Helsinki Final Act by intimidating the Polish people. Rostow was willing to accuse the Soviets of violating vaguely worded agreements, but not precisely worded SALT agreements. The closest Rostow has apparently come to questioning Soviet SALT compliance is the following statement also made on October 20, 1981:

"During the last ten years we have had many shocks and surprises in attempting to follow and anticipate the growth of the Soviet nuclear arsenal, and to monitor Soviet compliance with existing arms control agreements. Officials . . . (are) troubled about the effectiveness of verification and of our procedures for ensuring the enforcement of arms control treaties and disturbed about the implications of their experience. *Their concern is easy to understand.*" (Emphasis added.)

Rostow added realistically, however, that the American public have "a healthy skepticism about what the Soviets are up to."

SOVIET SALT II VIOLATIONS: A U.S. NATIONAL SECURITY AND CONSTITUTIONAL CRISIS

This section provides evidence that the Soviet Union is flagrantly violating the second Strategic Arms Limitation Treaty—SALT II—in seven significant cases, as well as other arms control agreements. As noted above, there are also massive Soviet violations of the Biological and Chemical Warfare Conventions (the "Yellow Rain" situation), and also Soviet violation of the Thresh-hold Nuclear Weapons Test Ban and the Kennedy-Khrushchev Cuba Agreement of 1962. The Reagan Administration (and the President himself) has officially charged the Soviets with violations of the Biological and Chemical Warfare Conventions, with violation of the Yalta and Potsdam Agreements, and with violating the Kennedy-Khrushchev Agreement, while stating its grave concern over probable Soviet violations of the Thresh-hold Test Ban Treaty. This dangerous Soviet noncompliance gravely threatens U.S. national security and the preservation of world peace, because it contributes to the strengthening of Soviet strategic superiority. In stark contrast to this ongoing Soviet strategic buildup in violation of SALT II, the U.S. is complying strictly and unilaterally with the unratified SALT II Treaty. U.S. strategic forces have been constrained in nine significant but little publicized cases in order to comply unilaterally with the unratified SALT II Treaty. Further, this U.S. unilateral compliance with SALT II is occurring in violation of the U.S. Constitution and law.

The Soviets thus have all the benefits of U.S. SALT II compliance, while themselves accepting no obligations. This situation is allowing already significant Soviet strategic superiority to grow dangerously, further shifting the world balance of power against the U.S.

A. Soviet SALT II violations

In his recently published memoirs, "Keeping Faith," former President Carter declared that there was: "an erroneous belief . . . that the Soviet leaders have habitually violated earlier [SALT] agreements, but that their defaults were somehow concealed by disloyal American leaders". (p. 214)

But in the same book, Carter contradictorily quotes former Secretary of State Henry Kissinger as conceding that the Soviets have violated or circumvented SALT Treaties:

"He [Kissinger] added that the Soviets . . . would honor the letter of an understanding, but that one had to be very careful because they would probe for every loophole in the language in order to gain some advantage, even if it violated the intent of the original deal." (p. 188)

Carter was acknowledging Soviet SALT circumventions by so citing Kissinger.

As noted, according to the Washington Times of September 15, 1982, Henry Kissinger stated, "On actual violations, I'm familiar with one . . .". This Soviet SALT violation was SAM testing in an ABM-mode. Thus, according to Jimmy Carter, the Soviets have at least circumvented SALT Treaties, and by explicit admission of the chief architect of detente and SALT, Henry Kissinger, the Soviets have actually violated SALT Treaties. Many other American leaders have authoritatively accused the Soviets of SALT violations, ranging from INF negotiator Paul Nitze, former Defense Secretary Melvin Laird, retired Admiral Elmo Zumwalt, Senators Jake Garn, Gordon Humphrey, Jesse Helms, Steve Symms, former Senator James Buckley, former Congressman David Emery, defense analyst Colin Gray, and Ambassador Seymour Weiss.

The clear fact of massive Soviet violation of SALT Treaties under Carter and Kissinger was recognized by President Reagan's 1980 Republican Party Platform. The 1980 Republican Platform *twice* explicitly accused the Carter Administration of a "coverup" of Soviet violations of SALT I, II, and other arms control agreements:

"The Republican party deplores the attempts of the Carter Administration to

cover-up Soviet non-compliance with arms control agreements, including the now overwhelming evidence of blatant Soviet violation of the Biological Warfare Convention by secret production of biological agents at Sverdlovsk . . . *We pledge to end the Carter cover-up of violations of SALT I and II,* to end the coverup of Soviet violation of the Biological Warfare Convention . . ." (Emphasis added.)

The Soviets have been violating the SALT II Treaty ever since they signed it in 1979. President Reagan himself recognized the existence and danger of Soviet SALT II violations when he stated on May 9, 1982:

"So far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict U.S. defense programs, and in conjunction with their own arms buildup, as a means to enhance Soviet power and prestige. *Unfortunately, for some time suspicions have grown that the Soviet Union has not been living up to its obligations under existing arms control treaties."* (Emphasis added.)

Defense Secretary Weinberger added in the FY 1984 Defense Posture Statement that:

"Our experience with the effects of some previous arms control agreements has not been positive. They had the effect of limiting our own forces while enabling the Soviets to continue a massive arms buildup. *Despite the SALT accords, the Soviet Union has steadily increased its nuclear arsenal,* making our missile forces much more vulnerable and our deterrent capability less stable and secure." (Emphasis added.)

This statement is tantamount to an official Reagan Administration acknowledgement of at least Soviet circumvention of SALT I and SALT II.

President Reagan's and Defense Secretary Weinberger's suspicions of Soviet SALT II circumventions and violations are well founded. A top Reagan Administration verification official has testified to Congress that he has "grave concerns about Soviet compliance with SALT I and SALT II."

Another set of factors suggests that the Reagan Administration should move toward charging Soviet violations of SALT II. Soviet diplomatic behavior has been officially linked to Soviet arms restraint under the SALT II Treaty. Even before the Soviet Combat Brigade in Cuba was discovered and the Soviet invasion of Afghanistan occurred in late 1979, the leadership of the Senate realized that SALT II could not be passed. Since then, the Soviets have continued their repression in Afghanistan, intimidated the Polish people, and have increased their arms shipments to Cuba threefold over the rate of 1962. Moreover, as noted four top officials of the Reagan Administration have confirmed that the Soviets have violated the Kennedy-Khrushchev Agreement ending the 1962 Cuban Missile Crisis.

These aggressive Soviet actions totally contradict the 1972 agreement on Basic Principles of U.S.-Soviet Relations. This agreement states that the principles of: "Cooperation"; "peaceful co-existence"; "equality"; "avoidance of military confrontation"; "restraint"; "mutual accommodation"; "no efforts to obtain unilateral advantages"; "and renunciation of the use of threat or force" are the basis of the U.S.-Soviet relations. Recent Soviet aggressive actions in Cuba, the Caribbean, Central America, Poland, Afghanistan, Southern Africa, West Europe, Japan and elsewhere in the world totally contradict the principles of the 1972 agreement.

But the preamble to the SALT II Treaty explicitly states that the SALT II treaty *"proceeds" from the 1972 agreement.*

Thus the very foundation of the SALT II Treaty is being violated by the Soviets.

The Soviets have been violating or circumventing the SALT II Treaty flagrantly. The following examples of Soviet SALT II violations or circumventions have been widely reported in the press, and are well known:

First, the reported Soviet rapid reload and refire exercises for their giant SS-18 cold-launched ICBM. This violates or circumvents all the SALT II ceilings on launchers, and also specific provisions prohibiting such a capability. It enormously increases the already overwhelming Soviet counterforce capability. The new March 1983 Defense Department book, *Soviet Military Power,* confirms the facts of this case on pages 17 and 19 and 21.

Second, the reported Soviet covert deployment of 100 to 200 camouflaged and concealed mobile SS-16 ICBMs at the Plesetsk test range. This activity explicitly violates several provisions of SALT II specifically prohibiting SS-16 deployment and prohibiting operational use of test range launchers. It also violates the SALT II Data Exchange, an integral part of the Treaty. It is similar to the Soviet illegal deployment of 18 SS-9 ICBMs at the Tyuratam test range during SALT I. It provides the Soviets with a significant, covert strategic reserve force. (See *SALT II Agreement,* U.S. Department of State, Selected Document No. 12B, 18 June 1979, p. 37.) Assistant Defense Secretary Perle on November 27, 1982 stated in regard to the SS-16 that there "was some considerable evidence that could well have indicated a violation." On October 3, 1982, former ACDA Director Rostow stated "certainly evidence has come along that causes great concern about whether the SS-16 provisions of SALT II are being respected." The Arms Control and Disarmament Agency has reportedly recently done a study confirming Soviet deployment of SS-16s in violation of SALT II.

Third, the Soviet deployment of AS-3 "Kangaroo" long-range air-to-surface missiles on 100 TU-95 Bear intercontinental bombers, in explicit violation of several provisions and launcher ceilings of SALT II. An official Defense Department publication, *Soviet Military Power* (October, 1981) establishes the fact of this violation. This is also a Soviet falsification of the Data Exchange, an integral part of the Treaty, calling into question all Soviet supplied data.

Fourth, Soviet deployment of long-range air-to-surface missiles on the intercontinental Backfire bomber. This deployment explicitly violates several provisions and launcher ceilings of SALT II, as well as the Brezhnev Backfire Statement, another integral part of the Treaty. The 1983 DOD book *Soviet Military Power* on page 26 establishes this violation. Moreover, according to Congressional testimony by Under Secretary of Defense DeLauer on March 4 and 9, 1983, the Soviets are producing more than 30 backfires per year, which also violates the Brezhnev Backfire Statement.

Fifth, as reported in the *Congressional Record,* p. S 15698, December 20, 1982, and May 13, 1982, p. S. 5164, the continued *almost total encryption* (or encoding) of telemetry signals from the following Soviet missile programs: the SS-NX-20 SLBM, the SS-NX-19 SLCM, the SS-18 Mod X ICBM, the SS-20 IRBM, and now reportedly even the new Soviet medium-heavy ICBM equivalent to the U.S. MX ICBM. Moreover, 2 to 4 more new Soviet ICBMs are reportedly ready for flight-testing at any time. These new missiles will surely be almost completely encrypted as well. This almost complete Soviet encryption is in clearcut, flagrant, conclusive violation of several provisions of SALT II, as will be seen below.

Sixth, the fact that the massive Soviet strategic camouflage, concealment, and deception program is intended to deliberately interfere with U.S. National Technical Means of SALT verification—satellite reconnaissance—and therefore constitutes another SALT II violation. This violation is confirmed by a Soviet military dictionary dated as early as 1966, which states explicity that all Soviet interference with U.S. satellite reconnaissance is deliberate, thereby proving the violation. Moreover, there are recent reports in the *New York Times* and *Aviation Week and Space Technology* that the Soviets damaged a U.S. digital imaging satellite by beaming a laser weapon on it. This is another flagrant SALT violation.

Explanation of the Soviet camouflage, deception, and telemetry encryption violations in straighforward. The SALT II Treaty states in paragraph 3 of Article XV:

"Each Party undertakes *not* to use *deliberate* concealment measures which impede verification by national technical means . . ." (Emphasis added.)

More specifically, the Second Common Understanding to paragraph 3 states further that:

"Each Party is free to use various methods of transmitting telemetric information during testing, including its encryption, except that, in accordance with the provisions of paragraph 3 of Article XV of the Treaty, neither Party shall engage in deliberate denial of telemetric information, such as through use of telemetry encryption, *whenever such denial impedes verification of compliance with the provisions of the Treaty."* (Emphasis added.)

In regard to the new Soviet missiles now undergoing testing, the text of the SALT II Treaty itself specifies that the U.S. needs to be able to verify: launch-weight; throw-weight; number of warheads; number of stages; length; type of propellant; diameter of stages; procedures for releasing warheads.

All of these characteristics of the new Soviet missiles now reportedly being flight-tested are being concealed from U.S. verification monitoring by the almost total Soviet telemetry encryption.

The Carter Administration pledged that it would have immediately challenged as SALT II violations Soviet telemetry encryption as complete as is now reported on the new Soviet medium-Heavy ICBM and the SS-NX-20 Typhoon SLBM. The *Soviets are reportedly encrypting 95%* of the telemetry on these missiles. (See Evans and Novak, *The Washington Post,* December 15, 1982, "Of Hostages and Cheats," and *New York Post,* December 15, 1982, "Soviets Black Out New Missile Tests".) As Former President Carter stated to a Joint Session of Congress on 18 June, 1979 after returning from the Vienna SALT II Summit:

"It is the SALT II agreement itself which forbids concealment measures . . . it forbids the encryption or the encoding of crucial missile test information. *A violation* of this part of the agreement—which we would quickly detect—*would be just as serious as a violation of the limits on strategic weapons themselves."* (Emphasis added.)

Carter's statement means that complete Soviet encryption must be regarded as being

just as serious a SALT II violation as exceeding the launcher ceilings, which the Soviets are also doing. Telemetry encryption would be irreversible and would defeat the object and purpose of SALT II, according to Robert F. Turner ("Legal Implications of Deferring Ratification of SALT II," *Virginia Journal of International Law*, Summer, 1981). The U.S. thus has compelling grounds for declaring the SALT II Treaty null and void.

Moreover, a Carter Administration State Department White Paper on SALT II verification published in August 1979 stated:

"Deliberate concealment efforts are themselves a *Violation*, and if detected *could be grounds for abrogating the Treaty*, even if we are not certain what activity is being concealed . . . concealment measures designed to impede verification would themselves be violations." (Emphasis added.)

The Senate Foreign Relations Committee, by a 15 to 0 vote in 1979, adopted an understanding to the SALT II Treaty proposed by Senator Biden. This understanding stated that telemetry encryption that impedes verification "will be raised by the United States in the Standing Consultative Commission and, if the issue is not resolved to the satisfaction of the U.S., the U.S. reserves the right to exercise all other available remedies, including but not limited to the *right to withdraw from the treaty.*" (Emphasis added.) Thus Senator Biden was concerned about Soviet encryption of telemetry in 1979.

In sum, the Carter Administration and the Senate Foreign Relations Committee in 1979 pledged to abrogate SALT II if the Soviets used concealment measures such as almost complete telemetry encryption. The Reagan Administration, in contrast, until recently has tolerated and covered-up Soviet SALT II violations, while charging the Soviets with violations of the no less significant BW and CW Conventions, the Kennedy-Khrushchev Agreement, and the Threshhold Test Ban Treaty.

But there is now, overwhelming evidence of a seventh significant violation of the SALT II Treaty. According to the recent *Human Events* of February 26, 1983, p. 4:

". . . The Soviet fired a new intercontinental ballistic missile which many in the U.S. intelligence community believe is a *'Triple violation'* of the SALT II Treaty. . . On February 8, the Soviets tested a small, solid-fuel missile from Plesetck in northern Russia that has alarmed members of the intelligence community. Known as PL-5 (Plesetsk Range 5), it has four MIRV warheads and is mobile. Its radio signals . . . telemetry . . . which the SALT II pact says are supposed to be uncoded so the U.S. can determine critical ICBM performance characteristics—were *'100 percent encrypted'* says Defense Department intelligence. The information known about the test, according to intelligence information circulating at the Pentagon, establishes the following three violations of SALT II . . . 1) As an SS-16 derivative, the PL-5 violates the prohibition on SS-16 testing, development, production and deployment contained in SALT II and its protocol (i.e., Common understanding to point 8 of Article 4, and Article I of the Protocol); 2) The PL-5 is a *second new type* of Soviet ICBM tested since SALT II, yet Article II [Sic. i.e., Article IV of SALT II] allows the U.S. and the Soviets to build only *one* new type of ICBM. The U.S. confirmed last year that the Soviet Union had flight-tested a new type of ICBM in October. In December, amid reports that the Soviets were preparing for another missile test, State Department spokesman Alan Romberg said that, *'if they begin to test another new type of ICBM, this would conflict with the terms of SALT II.'; 3) The 100 per cent encryption of the PL-5's telemetry signals conclusively violate Sic. i.e., violates SALT II's article XV prohibiting encryption from interfering with U.S. verification. As a Defense intelligence summary says, 'This new Soviet missile, coming on the heels of the new Soviet PL-4 medium-heavy ICBM with 10 MIRVed warheads and 98 per cent telemetry encryption, makes the Reagan Administration's policy of not undercutting the unratified SALT II Treaty as long as the Soviet show 'equal restraint' untenable.* The Soviets are undercutting SALT II by violating its provisions conclusively, thereby showing no restraint at all." (Emphasis added.)

In six places in the 1983 DOD book *Soviet Military Power* it is stated that the Soviets are testing 2 new ICBMs, pp. I, 7, 18, 21, 79, 102. SALT II allows only 1 new ICBM on each side (see attachment), according to both the Carter and Reagan administrations.

According to Evans and Novak (*New York Post*, February 24, 1983) President Reagan himself has confirmed this Soviet SALT II violation. They report: "Regarding Moscow's February 8 missile test, Reagan virtually accused the Russians of breaking an informal agreement to obey the unratified SALT II treaty's provisions."

President Reagan stated at the press breakfast on February 23, 1983, that:

". . . There have been hints (i.e., of Soviet SALT II violations) and yet so far and up until this last case . . . *you could say I'm convinced that these are violations*, but it would have been very difficult to find the hard evidence to make it hold up in court. *This last one comes the closest to indicating that it is a violation* . . . but there is no question that while there was a kind of informal agreement that since the (i.e., SALT II) Treaty had not been ratified but was still in existence there, having been signed, that both sides would agree in good faith that they would observe the things that they had arrived at in that (i.e., SALT II) Treaty. *This one, (i.e., the second new Soviet ICBM test) I think, makes it plain. The Soviet Union has really continued its buildup* . . ." (Emphasis added.)

Thus the President himself has indeed virtually accused the Soviets of violating the SALT II Treaty. The President evidently believes that a mobile SS-16 follow-on is prohibited by SALT II, that the Soviets are only allowed *one* new type ICBM under SALT II, and that almost complete telemetry encryption is inconsistent with SALT II. The President's interpretation of the provisions of SALT II and of the intelligence evidence is sound. The Carter Administration repeatedly emphasized that SALT II allowed the Soviets only one new type ICBM, and the U.S. put the Soviets on notice during the SALT II negotiations that we would challenge the testing of more than one new type in the SCC.

But, as noted, the Soviets stated in *Izvestia* of May 6, 1979 that:

"The SALT II Agreement presupposes *mutual trust* and the creation of an atmosphere of *good will* which would promote the improvement of relations between the USSR and the United States." (Emphasis added.)

B. Unconstitutional U.S. compliance with the unratified SALT II Treaty

In December, 1979, the U.S. Senate Armed Services Committee stated that the SALT II treaty was not in the U.S. national security interest, because it was deemed unequal, unbalanced, destabilizing, and unverifiable.

Regrettably, former President Carter and President Reagan have both defied the U.S. Senate's prerogatives in contravention of the Treaty-making power of the Constitution. Both Carter and President Reagan committed the U.S. to compliance with the SALT II Treaty, without the advice and consent of the Senate.

In January 1980 former President Carter sent a letter (attached) to then majority leader Senator Robert Byrd requesting that Senate consideration of the SALT II Treaty be deferred pending an assessment of Soviet foreign policy "intentions and actions" worldwide by both the President and the Congress. No such assessment was ever completed.

This U.S. SALT II compliance policy began under the Reagan Administration in March, 1981 with a State Department announcement that the U.S. would not "undercut" the SALT II Treaty, as long as the Soviets "showed equal restraint." But the U.S. Senate is supposed to have a voice in U.S. compliance with treaties. Moreover, the U.S. SALT II compliance policy is conditioned upon reciprocal Soviet behavior. But the U.S. Constitution says nothing about giving the Soviets a role in deciding whether or not the U.S. complies with a treaty.

Further, despite his suspicions of Soviet violations of "existing arms control treaties" expressed on May 9, on May 30, 1982 President Reagan himself stated:

"As for existing strategic arms agreements, we will refrain from actions which undercut them, *so long as the Soviet Union shows equal restraint.*" (Emphasis added.)

On June 1, 1982, the Soviet organ *TASS* stated: "One should also welcome President Reagan's statement about his intention not to take actions capable of undermining the SALT II Treaty. This can not but be evaluated as an indirect admission of the erroneousness of former assessment of this treaty by Washington." Thus the Soviets gloated over U.S. de facto ratification of the SALT II Treaty without the advice and consent of the U.S. Senate.

The above listing of seven Soviet SALT II violations or circumventions clearly indicates that the Soviets are not showing any restraint at all. SALT II is an existing strategic arms agreement, although it is an unratified Treaty. The U.S. Constitution states that:

"He the President shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur . . .

This constitutional language is being contradicted by President Reagan's policy that the U.S. not undercut the unratified SALT II Treaty contingent upon similar Soviet restraint. Logically, in order not to undercut SALT II, the U.S. should do nothing to defeat its object and purpose. *This means that the U.S. should abide precisely with all its provisions. Indeed, the Secretary of State has testified to Congress that the "no undercut policy means full U.S. compliance.* This concept could even be further interpreted to mean that the U.S. is bound to comply not only with the precise provisions of SALT II, but also with the undefined "spirit" of SALT II, as interpreted by the President or

even by the Soviets. Thus the President's policy of not undercutting SALT II is in effect Presidential ratification of the SALT II Treaty, committing the U.S. to complete compliance with all of SALT II's precise provisions. But not only have the Soviets officially never informed the U.S. that they will not undercut SALT II, they are themselves in fact flagrantly undercutting SALT II with their many SALT II violations. Moreover, the Soviets have authoritatively informed the U.S. several times that they will not comply with SALT II until it is ratified. (The Soviet propagandist Zamyatin told *TIME* magazine in 1981 that the USSR would not undercut SALT II as long as the U.S. did not, but this was not an official USSR statement in a Soviet publication.)

Thus, the Soviets have all the benefits of U.S. compliance with SALT II, while they themselves have accepted no obligations.

The President's policy of compliance with the unratified SALT II Treaty has official, formal status as Department of Defense Directives 5100.7, 5100.72 and Air Force Regulation 28-1, which require U.S. compliance with the unratified SALT II Treaty. Further, these directives (attached) require quarterly reports from the military services on U.S. compliance with the unratified SALT II Treaty. Indeed, these directives even require U.S. compliance with the Unilateral Statements of SALT. Meanwhile, the Soviets have directly violated five of the seven U.S. Unilateral Statements attached to SALT I, which were misleadingly presented to Congress as integral parts of SALT I.

There are many significant examples of U.S. unilateral compliance with the unratified SALT II Treaty during the Reagan Administration. The following is only a partial listing:

First, the U.S. unilateral deactivation of 292 strategic delivery vehicles—160 Polaris SLBMs, 54 Titan II ICBMs, 80 B-52 bombers—counted in the unratified SALT II Treaty and in its Data Exchange, an integral part of the Treaty. These delivery vehicles constitute about 13% of the delivery vehicles allowed the U.S. under SALT II, and they carry over 500 warheads. They constitute about 33% or *one third* of existing U.S. deliverable nuclear firepower (megatonnage). Hence, this U.S. SALT II unilateral deactivation is extremely significant. Meanwhile, as the Reagan Administration has cut these 292 delivery vehicles, the USSR has added almost 100 more delivery vehicles and twice as many warheads.

Second, U.S. cancellation of deployment of 50 (or 100) stockpiled Minuteman III MIRVed ICBMs, in compliance with the unratified SALT II Treaty's ceiling of 1,200 MIRVed missiles. This extremely cheap deployment costing only about $50 million was originally intended to partially compensate for the Titan II ICBM deactivation, and it would have increased U.S. counterforce capability by about 15%. Hence, here another extremely significant case of U.S unilateral compliance with the unratified SALT II Treaty.

Third, the U.S. modification of B-52 bombers to carry "strakelets" on those models which are being equipped with air-launched cruise missiles. These rather expensive "strakelets" costing about $80 million are supposed to be "Functionally Related Observable Differences" (FRODs) required by the unratified SALT II Treaty. This action demonstrates that the U.S. is willing to spend large sums to comply with the unratified SALT II Treaty, but not to increase U.S. strategic capabilities in the case of the cancelled Minuteman III deployment.

Fourth, the redesigning by the U.S. of the B-1B bomber in order to carry 2 fewer air-launched cruise missiles—20 instead of the 22 each bomber is capable of carrying, in unilateral compliance with the unratified SALT II Treaty. This is about a 10 percent reduction in the B-1B's payload, a fairly significant constraint of an expensive new system.

Fifth, the U.S. limitation of the throw-weight of the MX ICBM to only somewhat above, 3,600 kilograms, in compliance with the unratified SALT II Treaty.

Sixth, the U.S. limitation of the launch-weight of the MX ICBM to 90,000 kilograms, in compliance with the unratified SALT II Treaty.

Seventh, the U.S. limitation of the number of warheads on the MX ICBM to 10, instead of the 14 originally intended in 1973, in compliance with the unratified SALT II Treaty. This constitutes a reduction in the payload of the already expensive MX ICBM of about 30 percent, an extremely significant constraint. Meanwhile, in 1982 the Soviets deployed more MX type warheads than the U.S. plans to deploy on the MX between 1987 and 1989—1000. The Soviets have been deploying warheads at this yearly rate since 1975.

Given the above seven examples, President Reagan's November 22, 1982 decision to deploy the MX ICBM in the "Dense Pack" basing mode is not surprisingly being justified as being in full compliance with the unratified SALT II Treaty. This is the eighth case of U.S. unilateral SALT II compliance.

Both Defense Secretary Weinberger and Assistant Defense Secretary Perle argue that MX Dense Pack does not violate the unratified SALT II Treaty. The Reagan Adminstration argues (unconvincingly) that the MX canister, not its silo, is the launcher, and that this launcher is mobile. The SALT II Treaty allows deployment of mobile ICBMs, after 1981. Thus, in sum, the U.S. has already constrained its strategic forces in at least 8 significant ways. Over 33 percent of the capability of our existing strategic forces has been cut-back, and about 55 percent of the capability of our modernized strategic forces has been cut-back.

Given the fact that the U.S. has already constrained its strategic forces in 8 important ways, in unilateral compliance with the unratified SALT II Treaty, we should again not be surprised even by a recent *ninth* example.

On December 20, 1982, Senator Gary Hart (Democrat of Colorado and Presidential Candidate) offered an amendment to the Fiscal year 1983 Extended Continuing Resolution Appropriations Bill. This amendment, which passed by voice vote, is the *ninth case* of U.S. unilateral compliance with SALT II. Senator Jake Garn (R-Utah) and Senator Steven Symms (R-Idaho) were the only senators to speak and vote against the Hart amendment. The Hart amendment states:

". . . no initial flight test of the MX missile may be conducted until *after* both Houses of the Congress have agreed . . . [to] a basing mode for such missile." (Emphasis added.)

The Congress did not agree by 1 March 1983 and may not ever act at all on a basing mode for MX. Hence, MX flight-testing under the Hart amendment is delayed indefinitely and may in fact be completely prevented from ever beginning. The Hart amendment will delay MX flight testing indefinitely due to the U.S. unilateral policy of complying with the unratified SALT II Treaty. While the wording of the Hart amendment itself does not specifically mention the unratified SALT II Treaty as the reason for delaying indefinitely the first flight test of the MX ICBM, it is clear that the intent and purpose of the Hart amendment is to comply with SALT II.

In his December 16, 1982 Senate speech justifying the Hart amendment, Senator Hart stated that under SALT II, ". . . each side was limited to the testing of *one* new ICBM type." Article IV of SALT II in fact limits both the U.S. and the USSR to only *one* new type ICBM each. This was what the Carter Administration told the Congress that SALT II achieved. Indeed the Carter Administration argued that the *main constraint of SALT II* was the prohibition on no more that *one* new type ICBM on a side. Senator Hart argued correctly that the MX ICBM was the one new type ICBM allowed for the U.S., and that any "common missile" or road mobile missile would not be allowed to the U.S.

Indeed, the sole and only reason for the Hart amendment is to comply with the unratified SALT II Treaty. This is because under the second agreed statement to paragraph 9 of Article IV of the unratified SALT II Treaty, the U.S. should not flight test a "new type" ICBM which has a different number of stages than that of the first new ICBM type to be flight-tested. In other words, once the U.S. initially flight tests the first MX—with its four stages—we could not under SALT II then legally test launch a second new ICBM type with three stages, which would probably be the number of stages on a small mobile ICBM.

For the past six years, the first flight test of the MX ICBM has been scheduled for January 1983. Now, under the Hart amendment, this test is delayed indefinitely, and perhaps permanently, all because of continued U.S. compliance with the unratified SALT II Treaty.

Beyond the above constitutional, legal, and political problems, the Hart amendment would also have the following deleterious effects on the MX program:

First, it delays MX R&D indefinitely, which previously the Congress, the President, and the Joint Chiefs of Staff had all agreed should go forward as soon as possible as a top priority.

Second, it will increase the cost of the MX program.

Senator Garn stated on December 16, 1982 in a speech against the Hart Amendment: "I said to the Senator from Colorado the Soviets are testing two or three new type ICBMs right now. Under the Senator's Hart's interpretation, right now the Soviets are in absolute violation of SALT II three or four times over for the new generation of missiles they are testing." Thus, the Soviets are violating SALT II by testing at least *two* new type ICBMs, while the U.S. is prohibited from testing even *one* new type ICBM. The Soviets reportedly also have 2 to *4 more* new type ICBMs ready for testing at any time. In sum, SALT II is not affecting Soviet ICBMs testing, but it is affecting U.S. ICBM testing.

The Hart amendment is probably unconstitutional, as is each of the other 8 cases of U.S. unilateral compliance with the unratified SALT II Treaty presented above. The evidence is growing ever greater that the constitutional treaty-making power and pre-

rogatives of the U.S. Senate are being contravened and circumented by the U.S. "interim" SALT II compliance policy. Someday, U.S. Senators may begin to challenge U.S. unilateral SALT II compliance directly, on the Senate floor.

In addition to being unconstitutional, the nine cases of U.S. unilateral compliance with the unratified SALT II Treaty contradicts Section 33 of the Arms Control and Disarmament Act of 1961. Section 33 states:

"No action shall be taken under this or any other law that will obligate the U.S. to disarm or reduce or to limit the armed forces or armaments of the U.S., except pursuant to the treaty-making power of the President under the Constitution, or unless authorized by further affirmative legislation by the Congress of the U.S."

The legislative history of this language makes it clear that Congress intended that it be consulted in any U.S. agreement or policy to comply with an arms control regime. Many of the 9 cases of U.S. SALT II compliance described above are not only occurring without the "further affirmative legislation" stated above, but in at least one case it is being done in *defiance* of affirmative legislation. Deployment of 50 to 100 MIRVed Minuteman III ICBMs was authorized by Congress in both Fiscal Years 1981 and 1982, yet it is not being done, in order to comply with SALT II.

The 1980 Republican Party Platform stated: "The Republican Party rejects the fundamentally flawed SALT II Treaty." Presidential candidate Reagan's own personal opposition to U.S. ratification of or compliance with the SALT II Treaty was made crystal clear to the whole world many times. The best example of Reagan's views was expressed during the climactic, nationally televisioned Reagan-Carter debate of October 30, 1980 in Cleveland, Ohio. In that debate, candidate Reagan stated that:

"SALT II is illegal, because the law of the land, passed by Congress, says we cannot accept a treaty in which we are not equal, and we're not equal in this treaty for one reason alone: our B-52 bombers are considered to be strategic weapons; their Backfire bombers are not." (Emphasis added.)

Reagan was referring to the "Jackson Amendment" to SALT I, or Public Law 92-448, which required equal force levels in any SALT II Treaty. (SALT II not only excluded the intercontinental Backfire, but gave the Soviets a monopoly over the U.S. on heavy and very heavy ICBMs, and a great advantage in ICBM throw-weight and counterforce capability.)

Another good example of candidate Reagan's views on the SALT II Treaty was supplied to the Arms Control Association by the Reagan Campaign Committee in May 1980. Reagan's answer to a question on SALT II compliance stated:

"I believe the SALT II Treaty should be withdrawn, and I especially believe that the U.S. should *not abide* by its terms prior to ratification. To abide by the terms of the proposed agreement would *violate* Article XXXIII of the Arms Control and Disarmament Act of 1961." (Emphasis added.)

On September 17, 1979, candidate Reagan stated this about SALT II:

"I believe the Senate should declare that this treaty, fatally flawed as it is, be shelved . . ."

On August 18, 1980, candidate Reagan added that:

"I cannot, however, agree to any treaty, including the SALT II Treaty, which, in effect, *legitimizes the continuation of a one-sided arms buildup."* (Emphasis added.)

On May 25, 1982, former Arms Control Agency Director Eugene Rostow stated that the Soviet lead over the U.S. in missile capabilities is the most profound and difficult foreign policy problem America faces. Professor Rostow also stated in London on November 30, 1981:

The fruits of SALT I and SALT II have turned to ashes in our mouths.

Rostow added in an article published in 1979 by the Committee On the Present Danger that the SALT II Treaty was an act of "appeasement" and as such actually increased the danger of world war. (See below.)

In a letter to President Reagan of 21 May, 1981, a bi-partisan group of 21 Senators led by Senators Garn and Stevens stated that the Soviets "continue with a standard practice which contradicts the very spirit of SALT." Yet President Reagan somehow believes that the Soviets are showing "equal restraint" to the U.S. in their strategic programs.

In a Committee on the Present Danger paper published on July 25, 1978 entitled "SALT II—A Soft Bargain, A Hard Sell," former ACDA Director Eugene Rostow stated in regard to continued U.S. compliance with SALT I:

"We have had a SALT I agreement with the Soviet Union since 1972. It expires in 1977, but we and the Soviet Union announced simultaneously that its terms remain in effect, despite the provisions of an American statute [i.e., Section 33 of the ACDA Act] which specifies that *the U.S. can undertake arms limitation obligations only by treaty or statute.* Far from stabilizing world politics, SALT I has been part of the most turbulent and dangerous period of the Cold War." (Emphasis added.)

This statement confirms that President Reagan's SALT I and SALT II compliance policy, like President Carter's is illegal in Rostow's view.

In regard to SALT II, Rostow stated in the same 1978 paper:

"The kind of SALT II agreement the Carter Administration is so frantically trying to sell the country is not a step toward detente or toward peace, but an act of *appeasement* which can only invite more Soviet pressure and more risk. It would *freeze* us in a position of *inferiority,* deny us the opportunity to redress the balance, weaken our alliances, and isolate us. It [the SALT II Treaty] would be a step toward *war,* not peace." (Emphasis added.)

Such pre-Reagan Administration statements as the above from former ACDA Director Eugene Rostow further suggest that the Reagan Administration will eventually be forced by events to reject U.S. unilateral compliance with SALT II and declare the conslusive evidence of Soviet SALT violations.

C. Conclusion: The Soviets violate SALT I while the U.S. violates its own laws to comply with SALT II

In sum, we have seen how President Carter's denial that there had been a U.S. coverup of Soviet SALT violations has been first charged by the 1980 Republican platform, but then the SALT violations coverup itself has at least until very recently been perpetuated under President Reagan. Carter at least told Congress that extensive Soviet telemetry encryption was as serious a violation of SALT II as breach of the weapons ceilings themselves. In contrast, President Reagan is still allowing both Soviet complete missile testing encryption, as well as breach of the weapons ceilings in the form of SS-18 rapid refire and covert SS-16 capabilities. President Reagan is also allowing Soviet violation of SALT II's prohibition on more than one new type of ICBM. Thus, Carter pledged strong enforcement of Soviet compliance with SALT II, while Reagan also pledged strong enforcement, but instead has at least until recently continued the coverup of the seven Soviet SALT II violations and engaged in no SALT II enforcement.

The nine cases of significant U.S. compliance with the unratified SALT II Treaty are indisputable, and the evidence for most of the seven Soviet SALT II violations is mostly from official sources and ranges from strong to conclusive. Thus, we have two concurrent crises: one involving safeguarding U.S. national security and the other involving compliance with the Constitution.

Resolution of the national security crisis is simple, but difficult enough. We could simply expose the many examples of Soviet SALT cheating, and begin to rebuild American strategic power to at least equality with the Soviets. The difficulty here is that challenging Soviet violations in order to enforce compliance is extremely provocative. The Soviets will react with extreme hostility, and even with nuclear blackmail threats. We must then be prepared to stand up to the Soviets, and to live without SALT, in order to try to enforce their compliance with SALT.

Resolution of the Constitutional crisis is also simple, but even more difficult—all the Senate has to do is vote its advice and consent to ratify the SALT II Treaty, or alternatively, vote to send the treaty back to the President as unratifiable. Such a weighty vote would be dramatic, but the U.S. Senate has ample reason to send the unequal, destabilizing, fatally flawed SALT II Treaty back to the President, even beyond the seven Soviet violations of SALT II.

As President Reagan himself stated so eloquently before the United Nations General Assembly on June 17, 1982:

"Simply collecting agreements will not bring peace. Agreements genuinely reinforce peace only when they are kept. Otherwise we are building a paper castle that will be blown away by the winds of war."

THE AUTHORS

U.S. Senator Steve Symms (R-Idaho) was elected to the Senate in November, 1980, defeating the former Chairman of the Senate Foreign Relations Committee, Frank Church. Symms holds a B.S. in horticulture from the University of Idaho, served for four years as U.S. Marine Corps Officer, and four terms in the House of Representatives. He serves on the Senate Budget, Finance, and Environment and Public Works Committees.

Mr. David S. Sullivan is an honors graduate of Harvard and Columbia Universities. He was decorated for service as a U.S. Marine Captain in Vietnam, and served for seven years with distinction a senior strategic and Soviet foreign policy analyst at CIA. He then resigned to work as a Legislative Assistant to several U.S. Senators. He has helped with some significant defense and foreign policy legislation. He now serves as Legislative Assistant for Budget, Defense, and Foreign Affairs to Senator Steve Symms (R., Idaho) of the Budget Committee, and as Defense L.A. to Senator James McClure (R., Idaho) of the Defense Appropriations Subcommittee. He is the author of over 25 books and articles on international relations, SALT, verification, and defense

policy. His most recent book is *The Bitter Fruit of SALT: A Record of Soviet Duplicity*, published in 1982 by the Texas Policy Institute, The Conservative Caucus, Inc., 450 Maple Avenue East, Vienna, VA 22180, $3.00.

1. The Reagan Administration is clear on the fact that the Soviets are testing two new ICBMs, when SALT II only allows one.

The March 1983 *Soviet Military Power*, Department of Defense, contains 6 references to 2 new Soviet ICBMs:

(1) Page I: "The USSR has begun test flights of two new land-based Intercontinental Ballistic Missiles . . ."

(2) Page 7: "At least two new solid propellant ICBMs are under development; flight testing began in 1982 and 1983."

(3) Page 18: "New Programs since 1981. First tests of a new solid-propellant ICBM similiar in size and payload to the U.S. MX, the first test of a new small solid-propellant ICBM, which could be deployed on mobile transporters."

(4) Page 21: "Two new solid-propellant ICBMs are currently being developed. One of these is about the size of the U.S. MX. ICBM intended for silo deployment; the other is a smaller missile, which will probably be designed for deployment on mobile launchers similar to those used with the SS-20."

(5) Page 79: "Two new ICBMs are now being test flown."

(6) Page 102: "Flight testing of two new solid-propellant ICBMs has begun."

Secretary Vance's Letter of Submittal of SALT II Treaty, June 21, 1979, (page 7, SALT II Agreement, U.S. Department of State) shows that the Carter Administration interpreted the SALT II Treaty as allowing the testing and deployment of only one new ICBM.

Secretary Vance's Letter of Submittal of SALT II, June 21, 1979:

"The (SALT II) Treaty also limits qualitative improvements in ICBMs. Article IV permits each party to *flight test* and deploy only one new type of ICBM, which must be 'light' as defined by the Treaty. Certain key parameters of each existing ICBM type may not be varied by more than five percent, plus or minus, from previously tested missiles of that type . . ." (Emphasis added.)

State Department SALT II Glossary, June 18, 1979, p. 62:

"New Type of ICBM. The U.S. and USSR have agreed, for the period of SALT II, to limit each side to only one new type of ICBM. Specific technical criteria have been established to distinguish between new types of ICBMs and existing types of ICBMs. These criteria include such physical parameters as missile length, maximum diameter, throw-weight, launch weight, and fuel type . . ."

June 1979, State Department selected documents #12 A, *The SALT II Agreement:*

"The Treaty also limits qualitative improvements in ICBMs. Article IV permits each party to *flight-test* and deploy only one new type of ICBM, which must be 'light' as defined by the Treaty." (Emphasis added.)

Page 16, State Department analysis of SALT II Treaty, June 1979:

"In paragraph 9, each party undertakes not to flight-test or deploy new types of ICBMs with the exception of one new type of ICBM for each party . . . The Soviet Union will also be limited to only one new type of light ICBM. They must choose, for example between 1) replacing the multiple RV SS-17 (4RVs) and SS-19 (6 RVs) with a 10 RV light ICBM and 2) replacing their SS-11 with a single-warhead light ICBM that differs substantially from the SS-11. They cannot do both."

The State Department analysis went on to say (P. 16): ". . . This inhibits a party from actually *testing* more than one new type of ICBM under the guise of a test program for a single new type." (Emphasis added.)

This statement clearly establishes the fact that the Carter Administration did not interpret SALT II's Article IV paragraph 9 as allowing the Soviets 12 free flight tests of a second new type missile, or one free flight test of 12 new type missiles.

And as noted, the Reagan Administration also is on record that SALT II's Article IV only allows one new ICBM to be tested. In December 1982, the State Department stated "If they (i.e., the Soviets) begin to test another new type of ICBM, *this would conflict with the terms of SALT II.*" (Emphasis added.)

Additional Carter Administration Policy Statements on SALT II allowing only one new ICBM:

SALT II—In perspective, Background Report, Office of Media Liaison, White House Press Office, May 1979, pp. 8, 9:

"Each side will be permitted to deploy only one new type ICBM for the duration of the Treaty."

"(Note. This means the United States has the right to proceed with the MX missile, while permitting the Soviet Union only one new type of ICBM.)"

"The Soviet Union may choose to use its exemption to deploy a single warhead missile, or it may deploy a new MIRVed missile to replace the SS-17 and SS-19 . . . This also means that future modifications of existing ICBMs must be merely minor variations of current models."

State Department Current Policy No. 73, *Limiting the Strategic Arms Race*, Secretary of State Vance, July 24, 1979, p. 2:

"Each side will be limited to one entirely new strategic land-based missile."

State Department Current Policy No. 72, *SALT II: Secretary Vance's Testimony*, July 9-10, 1979, pp. 2:

"Based on their (i.e. the Soviets) past practices, they could be expected to acquire several entirely new types of strategic land-based missiles by 1985; the treaty holds them to one."

SALT II Basic Guide, Department of State, May, 1979, pp. 6:

"Each side will be permitted *to test* and deploy only one new type of ICBM for the duration of the treaty. This exception gives the United States the right to proceed with the MX missile. In permitting the Soviets only one new type of ICBM, this provision will inhibit the Soviets in their past practice of deploying three or four completely new types of ICBMs, with substantially different and improved characteristics, with each new generation of ICBMs." (Emphasis added.)

Department of State Current Policy No. 65, April 1979, *The Facts of Salt II*. P. 1:

"That limitation to only one new type of ICBM is itself *a most significant qualitative control.* To insure that it has real meaning, the modernization of existing ICMBs will be limited so that *neither side can circumvent the limitation to one new ICBM.* There will also be other qualitative limitations which are designed to slow the strategic competition." (Emphasis added.)

SALT II: The Reasons Why, Department of State, May 1979, pp. 2:

"For the period of the treaty, for example, each nation will be permitted only one new type of intercontinental ballistic missile (ICBM)."

U.S. Department of State Special Report #46 (Revised) May 1979 *The Strategic Arms Limitation Talks.* pp. 6:

SALT II provided for "A ban on *flight-testing* or deployment of new types of ICBMs, with an exception of one new type of light ICBM for each side" (Emphasis added.)

U.S. Department of State Special Report #46 (Revised) May 1979 pp. 2:

"For the period of the treaty, for example, each nation will be permitted only one new type of Intercontinental Ballistic Missile (ICBM)."

SALT II: Two Views, U.S. Department of State, current Policy No. 62, April, 1979, pp. 3:

"The Treaty limits each side to *developing*, (emphasis added) and deploying one completely new ICBM before 1985. This provision will inhibit the *qualitative* expansion of the arms race.

"Limit each side to one new ICBM type, with a maximum of 10 re-entry vehicles." pp. 9.

THE UNDER SECRETARY OF DEFENSE,
Washington, D.C., March 24, 1980.

Memorandum for the Secretary of the Army, Secretary of the Navy, Secretary of the Air Force.

Subject: United States programmatic actions relative to the SALT II Treaty.

The United States made clear at the summit meeting in Vienna that, pending the ratification of the SALT II Treaty, the United States will take no actions which would defeat the object and purpose of the Traaty, so long as the Soviet Union follows the same policy. This position has been reaffirmed since the President's request to defer seeking a Senate vote on the Treaty so that the Congress and he can assess Soviet actions and intentions and devote their primary attention to legislative and other measures required to respond to the Afghanistan crisis.

Secretary Brown has directed that we avoid actions in this interim period which would plausibly raise questions about the Department of Defense's close observation of the foregoing policy. Please ensure that all US programs are conducted in a manner which is fully consistent with this policy, and that no action which may be inconsistent with the provisions of the SALT II Treaty is taken without Secretary Brown's prior knowledge and authorization.

The attached list provides guidance for specific programs which could be affected. Note that it is not intended to be an exhaustive list.

If there is a question regarding applicability or interpretation of a Treaty provision or the consistency of any action with the foregoing policy, contact should be made with the SALT/Arms Control Support Group, Office of the Assistant to the Secretary of Defense (Atomic Energy).

WILLIAM J. PERRY.

ATTACHMENT

MX

Design and development of the missile should proceed such that the flight-test schedule can be maintained without any delay or excessive cost if relevant SALT II provisions enter into force (e.g., throw-weight no greater than 3600 kg, launch-weight no greater than 90,000 kg, and no flight tests with more than 10 reentry vehicles).

Design and development of missile/launcher assembly techniques and basing mode should proceed so that the system may be deployed without incurring any delay or excessive costs to make it verifiable (by the standard of whether the US could verify such a Soviet system).

Neither of these requirements will require any change in current MX plans.

Cruise missiles/RPV's

Cruise missiles (including their propulsion test vehicles) and RPVs should not be developed with, or flight-tested to, or deployed with ranges in excess of 600 kilometers without regard to distinguishing them from cruise missiles of lesser range or from UPGVs, or without regard to the types and characteristics (e.g., functionally-related observable features) of any aircraft equipped for them.

B-52's

Operational B-52's should not be equipped for long-range (greater than 600 km) cruise missiles without regard to observable differences to make them distinguishable from other B-52s.

Telemetry encryption

Deliberate denial of telemetric information, such as through the use of telemetry encryption, should not be employed whenever such denial would impede verification of compliance with the provisions of the SALT II Treaty. USDRE memorandum of 23 April 1979 regarding protection of telemetry used in weapon systems testing provides applicable guidance in this matter.

MAY 31, 1977.

RESTRICTIONS RESULTING FROM THE SAL AND MEASURES AGREEMENTS WHICH REQUIRE DOD COMPLIANCE (U)

A. (U) CONSTRAINTS

(U) The SAL and Measures Agreements have imposed certain constraints and undertakings upon the United States Government. These can be divided into four major categories: (1) Those affecting defensive weapons systems; (2) those affecting offensive weapons systems; (3) certain general limitations and (4) notification requirements established in the Measures Agreements. The specific restrictions will be defined separately below (in sections B.-F.)

B. (U) DEFINITIONS

(U) to provide consistency in implementation, the following definitions apply (U):

1. (U) *ABM System*—For the purpose of this Instruction, an ABM system is a system to counter strategic ballistic missiles or their elements in flight trajectory.

2. (U) *ABM interceptor missile*—A missile which has been constructed and deployed for an ABM role, or of a type which has been tested in an ABM mode.

3. (U) *ABM launcher*—A launcher constructed and deployed for launching ABM interceptor missiles, or of a type tested in an ABM mode.

4. (U) ABM radar—A radar constructed and deployed for an ABM role, or of a type tested in an ABM mode.

5. (U) *ABM system components* currently consist of any or all of the following: ABM interceptor missiles, ABM launchers, and ABM radar, including those which are operational, under construction, undergoing test, undergoing overhaul, repair or conversion.

6. (U) *Deployment*—Transfer of equipment to control of field units in an operationally usable condition.

* * * * *

8. (U) *Early Warning*—Early notification of the launch or approach of unknown weapons or weapon carriers.

9. (U) *ICBM*—A land-based ballistic missile capable of a range in excess of 5,500 km.

10. (U) *Modern submarine-launched ballistic missiles.*—Ballistic missiles installed in any nuclear-powered submarines or submarine-launched ballistic missiles, first flight tested since January 1, 1965 and installed in any submarine, regardless of type.

11. (U) *Testing*—Verification of prototype, or breadboard model performance, or training under field conditions. (This term does not apply to laboratory experiements.)

C. (S) RESTRICTIONS ON U.S. DEFENSIVE WEAPON SYSTEMS (U)

1. (U) Operational ABM systems and components thereof may be deployed at only one area. The area currently authorized is the ICBM silo launcher complex near Grand Forks, N. Dak.

2. (U) The ABM system deployment area shall be limited to no more than 100 ABM launchers and no more than 100 interceptor missiles at launch sites. All equipment at each deployment area shall be located within a circle of 150 Km radius. The center of the circle at Grand Forks may be any point within the ICBM complex.

3. (U) No more than 20 ABM radars shall be deployed in the ABM deployment area at Grand Forks. Two of these ABM radars may be the Missile Site Radar (MSR) and the Perimeter Acquisition Radar (PAR), or similar large, phased-array-type radars, comparable in potential (the product of mean emitted power in watts and antenna area in square meters). Each of the remaining 1B radars shall have a potential of less than 3 million Wm. (The numerical limitations at the area include any deployed training AEM system components capable of operational use.)

4. (U) There shall be no development, testing or deployment of ABM systems or components which are air based, sea based, space based or mobile land based.

5. (U) There shall be no development, testing or deployment of ABM launchers for launching more than one ABM interceptor missile at a time from each launcher; or modification to deployed launchers to provide them with such a capability; or development, testing or deployment of automatic or semiautomatic or other similar systems for rapid reload of ABM launchers.

6. (U) There shall be no development, testing or deployment of any ABM interceptor missile equipped with more than one independently guided warhead.

* * * * *

8. (U) All ABM system component R&D testing shall take place only at approved sites. At present, these are located at White Sands Missile Range and Kwajalein Missile Range. (Verification and performance testing may also be conducted at the Grand Forks, N. Dak. site.) Range safety and instrumentation radars may be located outside test sites.

9. (U) ABM systems or their components shall not be deployed outside U.S. national territory.

10. (U) Missiles, launchers, and radars, other than ABM interceptor missiles, ABM launchers, and ABM radars, shall not be given capabilities to counter strategic ballistic missiles or their elements in flight trajectory. Non-ABM missiles, non-ABM launchers, and non-ABM radars (including range safety and instrumentation radar and especially SAM radars) shall not be tested in an ABM mode.

Any of the following events would constitute testing in an ABM mode:

a. (U) A launcher is used to launch an ABM interceptor missile;

b. (U) An interceptor missile is flight tested against a target vehicle which has a flight trajectory with characteristics of a strategic ballistic missile flight trajectory, or is flight tested in conjunction with the test of an ABM interceptor missile or an ABM radar at the same test range, or is flight tested to an altitude inconsistent with interception of targets against which air defenses are employed; or

c. (U) A radar makes measurements on a cooperative target vehicle of the kind referred to in b., above, during the reentry portion of its trajectory or makes measurements in conjunction with the test of an ABM interceptor missile or an ABM radar at the same test range.

11. (U) Future radars for early warning of strategic ballistic missile attack shall be deployed along the periphery of national territory and oriented outward.

12. (U) ABM systems and components limited by the ABM Treaty shall not be transferred to any foreign state. Technical descriptions and blueprints, specially worked out for the construction of those ABM systems and components limited by the ABM Treaty, shall not be provided to any foreign state.

13. (U) No more than a total of 15 ABM launchers are permitted at currently specified test ranges (see section c.8., above).

14. (U) Procedures for the replacement, dismantling and destruction of excess ABM test launchers at ABM test ranges were formulated in the document, *Protocol on Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof, for ABM Systems and Their Components of July 3, 1974 (reference (f)).* Implementing instructions for this Protocol were forwarded to the appropriate DoD activities by DDR&E memorandum of August 13, 1974, "Dismantling of ABM Systems and Their Components." *A Supplementary Protocol* to the above Protocol was signed by both nations on October 28, 1976 (reference (g)) and governs replacement or destruction of ABM systems or components and exchange of ABM deployment areas. Implementing instructions for this Supplementary Protocol were issued by DDR&E memorandum of January 13, 1977.

15. (U) There shall be no deliberate concealment measures which impede verification by national technical means of compliance with the provisions of the ABM Treaty. This obligation shall not require changes in current construction, assembly, conversion, or overhaul practices.

16. (U) The Military Departments, the Organization of the Joint Chiefs of Staff, and the Defense Agencies shall not enter into any international obligations which conflict with the ABM treaty.

D. (U) RESTRICTIONS ON U.S. STRATEGIC OFFENSIVE WEAPON SYSTEMS (U)

1. (U) Construction of additional fixed operational ICBM launchers shall not be started. Furthermore, the total number of deployed ICBM launchers—other than test and training launchers—shall not exceed 1,054.

2. (U) The number of SLBM launchers shall be limited to 656, unless some or all of the older ICBM launchers (Titan II) are replaced by SLBM launchers. Then the total number of SLBM launchers may go as high

as 710. The total number of modern ballistic missile submarines shall not exceed 44.

3. (U) Replacement, dismantling or destruction of strategic offensive arms will be performed in accordance with provisions contained in the *"Protocol on Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof, for Strategic Offensive Arms"* (reference (h)). Implementing instructions for this Protocol were forwarded to the appropriate DoD agencies by DDR&E memorandum of August 13, 1974, "Dismantling of Strategic Offensive Arms."

E. (U) GENERAL LIMITATIONS (U)

1. (U) The United States is committed not to interfere with the national technical means of verification of the Soviet Union as long as the Soviet Union is using those means in accordance with the provisions of the ABM Treaty and Interim Agreement, and in a manner consistent with generally recognized principles of international law.

2. (U) No phased-array radars may be deployed having a potential exceeding 3 million Wm^2, except at the permitted ABM site, and except for purposes of tracking objects in outer space or for use as national means of verification. ("Potential" is defined in C.3., above.)

F. (U) CERTIFICATION OF COMPLIANCE WITH THE MEASURES AGREEMENTS AND THE IMMEDIATE NOTIFICATIONS PROTOCOL (U)

(U) The Military Departments are required, under the provisions of JCS publication VI "Joint Reporting Structure," to report events falling within the purview of the Measures Agreement (reference (i)) and the Immediate Notifications Protocol (reference (j)). The Military Departments and the Organization of the Joint Chiefs of Staff shall notify DDR&E, in the quarterly compliance report, of DOD compliance with the provisions of the Measures Agreements.

* * * report will provide pertinent information covering current projects and future actions to insure continuing compliance with the SAL Agreements, Measures Agreements, and guidelines. The report shall be submitted within 30 days of the end of each calendar quarter. Report Control Symbol DD-DR&E(Q) 1229 is assigned to this series of reports. The reports will be entitled. "The Strategic Arms Limitation—Agreements-Quarterly Report."

3. The USDRE may request Special Reports to provide more detailed information on any topic covered in the Quarterly Report, or to answer specific questions which may arise in connection with DoD compliance with the Agreements.

4. Questions of interpretation of the above Agreements will be referred to the USDRE to be resolved on a case-by-case basis. No project or program which reasonably raises an issue as to compliance with the SAL Agreements shall enter into the testing, prototype construction, or deployment phases without prior clearance from the USDRE. If such a compliance issue is in doubt, USDRE approval shall be sought. In conjunction with the General Counsel, Department of Defense, the USDRE will apply the provisions of the SAL Agreements and other supplementary instruments, as appropriate.

5. The USDRE will submit timely reports to the Secretary of Defense concerning the compliance program, including recommendations on issues which may be raised in the National Security Council (NSC) and Standing. Consultative Commission (SCC).

6. The USDRE will maintain a central file of the pertinent correspondence, analyses, and supporting materials. When required, the USDRE will prepare and collect such material for the Secretary of Defense for his use at meetings of the NSC, and for the Deputy Secretary of Defense for his use at meetings of the NSC.

7. The Military Departments, the Organization of the Joint Chiefs of Staff, the Defense Advanced Research Projects Agency, and the National Security Agency shall designate an office or individual who will monitor his Department or Agency to insure that it is in compliance with the SAL Agreements and Measures Agreements.

8. As provided for in DoD Directive 5100.70 (reference (k)), the USDRE may conduct or request an inspection of field and laboratory facilities to insure compliance with the provisions of this Instruction. The Secretary of any Military Department may be called upon to provide Inspector General assistance with such investigations.

E. EFFECTIVE DATE

This Instruction is effective immediately. Forward two copies of implementing documents to the Under Secretary of Defense for Research and Engineering within 60 days.

WILLIAM J. PERRY,
Under Secretary of Defense for Research and Engineering.

REFERENCES

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(e) Protocol to the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, July 3, 1974 (TIAS 8276).

(f) Protocol on Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof for ABM Systems and Their Components, July 3, 1974.

(g) A Supplementary Protocol to the Protocol on Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof, for ABM Systems and Their Components, October 28, 1976.

(h) Protocol on Procedures Governing Replacement, Dismantling or Destruction, and Notification Thereof, for Strategic Offensive Arms, July 3, 1974.

(i) Agreement on Measures to Reduce the Risk of Outbreak of Nuclear War Between the United States of America and the Union of Soviet Socialist Republics, dated September 30, 1971 (TIAS 7186).

(j) Protocol on the Use of Immediate Notification in Implementation of the Agreement on Measures to Reduce the Risk of Outbreak of Nuclear War Between the United States of America and the Union of Soviet Socialist Republics of September 30, 1971, dated September 30, 1976.

(k) DoD Directive 5100.70, "Implementation of SAL Agreements," January 9, 1973.

STRATEGIC ARMS LIMITATION TREATY

(Statement by the White House Press Secretary on the President's Request for a Delay in Senate Consideration of the Treaty. January 3, 1980)

After consultation with the Senate leadership, the President has asked Senate Majority Leader Robert Byrd to delay consideration of the SALT II treaty on the Senate floor.

While the President continues to believe that ratification of SALT II is in the national security interest of the United States, he has concluded that the Soviet invasion of Afghanistan, in defiance of the United Nations Charter, has made consideration of the SALT II treaty inappropriate at this time.

The President has asked that the delay continue while he and the Congress assess Soviet actions and intentions and devote their attention to legislative and other measures required to respond to the crisis created by the Soviet invasion of Afghanistan.

NOTE: Press Secretary Jody Powell read the statement to reporters assembled in the Briefing Room at the White House.

STRATEGIC ARMS LIMITATION TREATY

(Letter to the Majority Leader of the Senate Requesting a Delay in Senate Consideration of the Treaty. January 3, 1980)

DEAR SENATOR BYRD: In light of the Soviet invasion of Afghanistan, I request that you delay consideration of the SALT II Treaty on the Senate floor.

The purpose of this request is not to withdraw the Treaty from consideration, but to defer the debate so that the Congress and I as President can assess Soviet actions and intentions, and devote our primary attention to the legislative and other measures required to respond to this crisis.

As you know, I continue to share your view that the SALT II Treaty is in the national security interest of the United States and the entire world, and that it should be taken up by the Senate as soon as these more urgent issues have been addressed.

Sincerely,

JIMMY CARTER.

[The Honorable Robert Byrd, Majority Leader of the United States Senate, Washington, D.C.]

[From Defense Daily, Mar. 10, 1983]

SOVIETS BUILDING 36-40 BACKFIRES A YEAR

The Soviet Union is now producing its Backfire strategic bomber at a rate of about 4 per month or 36 to 40 a year, Under Secretary of Defense Richard DeLauer told the R&D Subcommittee of the House Armed Services Committee yesterday.

The action violates the Soviet pledge in the SALT II Treaty to limit Backfire production to 2½ a month or 30 per year.

At the same time, DeLauer also disclosed that:

The Soviets are not deactivating and dismantling their older nuclear-powered ballistic missile submarines as they are replaced by newer SSBN's as required under SALT (and which the U.S. is doing with its Polaris submarines) but are modifying them to carry cruise missiles. The Soviets "never throw anything away," he noted.

The Soviets are progressing rapidly on a new SA-X-12 Ballistic Missile Defense missile system. Under questioning, DeLauer said the SA-X-12 is not the BMD system the Soviets are looking at to counter shorter range ballistic missiles, such as Pershing II, that it is farther in the future. He said the Soviets are also developing a new super ABM radar.

The Soviets have a "large number" of SS-16 mobile ICBM's that are not counted in the SALT II limits. He added that U.S. intelligence is not certain what number of the 351 SS-20 IRBM's now deployed by the Soviet Union are using the first two stages of former SS-16s and how many third stages, which would make the SS-20 into an SS-16, are in storage and ready for rapid deployment.

Asked what would be required to verify a Strategic Arms Reduction Treaty (START),

DeLauer said the U.S. would need to know: (1) the Soviet production rate, not just deployments, to ascertain their breakout capability; (2) the inventory of strategic weapons, i.e., the ICBM reload capability, for example, whether they have 2000 third stages for the SS-16 in storage; and, (3) accuracy.

After questioning from the committee, DeLauer's assistant T. K. Jones acknowledged, "it would require onsite inspection."

DeLauer noted that verification is one of the major problems with the nuclear freeze proposal, that the Soviets won't even talk about verification or reduction in their forces if the United States does not have a meaningful deterrent.

He said that a freeze would lock the Soviets into a position of superiority so that they could continue their steps toward world domination without even having to fire any weapons.

"They've got superiority now," he said. "They don't have to pull the trigger. They're doing just great. And you want to freeze that?"

Asked if the Backfire has an intercontinental capability, DeLauer said that with inflight refueling it does. He added that the U.S. does not have evidence that all of the Backfires are equipped with a refueling capability. However, he also acknowledged that if the Backfires were to land at Cuba or Grenada after an attack on the U.S. they could do so without refueling.

He said the U.S. believes that the new Soviet Blackjack bomber is intercontinental but the Soviets have not yet demonstrated that capability. He said the Blackjack could be armed with cruise missiles, making it both a penetrator and cruise missile carrier.

DeLauer also agreed with staff member Tony Battista that the Soviets are allowed too much encryption under SALT II.

U.S. SENATE,
Washington, D.C., March 9, 1983.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Recently there have been press reports of yet another new Soviet violation of the SALT II Treaty. You and your Administration have already accused the Soviet Union of violating the Biological Warfare Convention, the Chemical Warfare Convention, and the Kennedy-Khrushchev Agreement which resolved the 1962 Cuban Missile Crisis. Your Administration has expressed concern that the Soviets may be violating the Thresh-hold Test Ban Treaty. Last September, Dr. Henry Kissinger conceded that the Soviets had violated the SALT I Agreements. Official Defense and State Department documents of 1962 and 1959 accused the Soviets of violating 50 other treaties. Thus there are now official U.S. government sources supporting the conclusion that the Soviets have violated almost every international agreement and arms control treaty they have signed since 1917.

The Preamble to the SALT II Treaty explicity states that the treaty "proceeds" from the 1972 agreement on Basic Principles of U.S.-Soviet Relations, yet there is overwhelming evidence that the Soviets are violating the Basic Principles Agreement by their aggressive actions in Cuba, Afghanistan, Poland, Central America, Southern Africa, the Middle East, Western Europe, and Japan. Thus the very foundation of SALT II is being violated by the Soviets.

Specifically, there are press reports that the Soviets are exceeding the 2250 SALT II ceiling on strategic delivery vehicles, and also the 1320 ceiling on MIRVed missiles and bombers equipped with Long-range cruise missiles. There is Administration testimony before Congress that the Soviets are producing more than 30 Backfire bombers per year in violation of SALT II. Your Administration has expressed strong concern that the Soviets are almost completely encrypting the telemetry on their new missiles, in violation of the SALT II ban on deliberate interference with U.S. verification. Finally, there are reports that the Soviets are testing a second new type of ICBM, the PL-5, that is specifically disallowed by Article IV, paragraph 9, of the SALT II Treaty.

In your meeting with the press on February 23, you stated that:

"This last one comes the closest to indicating that it is a violation."

Thus you are on the record with a virtual accusation the Soviet PL-5 violates SALT II.

We have several specific questions. First, do your Defense and State Departments agree that the PL-5 violates SALT II? Second, what is your view on the other SALT II compliance issues? Third, what is the definition of Soviet actions which would "undercut" SALT II, and how would you define Soviet "equal restraint?" Fourth, if the U.S. is still uncertain about Soviet violations of SALT II, what specific time and U.S. resources will be required to resolve this uncertainty? Finally, is there still a tendency by the bureaucracy to apologize for Soviet misbehavior and violations which you criticized other Administrations for exhibiting? We believe these are important questions that need to be answered.

We agree with you that the SALT II Treaty is "fatally flawed," unequal, destabilizing, and not in the U.S. national security interest. It is our view that U.S. unilateral compliance with SALT II in the face of Soviet non-compliance even further undermines our national security. If the arms control process is to ever become meaningful and productive, we must hold the Soviets to the highest standards of compliance with the spirit and letter of SALT II, just as we have historically strictly complied with arms control treaties ourselves.

Very respectfully,

JOHN P. EAST.
JESSE HELMS.
JIM MCCLURE.
STEVE SYMMS.
J. A. DENTON.
GORDON J. HUMPHREY.
CHUCK GRASSLEY.

U.S. SENATE,
Washington, D.C, January 31, 1983.

The Honorable RONALD REAGAN,
President of the United States, the White House, Washington, D.C.

DEAR MR. PRESIDENT: On January 25, 1983, NBC television showed a documentary narrated by Marvin Kalb about Soviet involvement in the plot to assassinate the Pope. It was a very good program, which clearly established the evidence linking the Soviet KGB to the plot against the Pope. One statement at the end of the show by Mr. Kalb caught our attention in particular.

Kalb stated that CIA aides in Rome were trying to discourage journalists from pursuing promising leads on the KGB's role in the assassination plot. If accurately reported, the CIA's behavior in this case is very puzzling.

Mr. President, this plot has enormous implications for U.S.-Soviet relations and the prospects for arms control negotiations.

Accordingly, we respectfully request that this be investigated. Specifically, we would appreciate having a report about the CIA's behavior in uncovering or suppressing evidence of the KGB's role in the plot. Further, we hope your Foreign Intelligence Advisory Board will also look into this problem. A Senate Intelligence Committee hearing may also be appropriate.

Respectfully yours,

ALFONSE M. D'AMATO,
U.S. Senator.
STEVE SYMMS,
U.S. Senator.

[From the Washington Times, Mar. 14, 1983]

REAGAN URGED TO CONDEMN ALLEGED SALT II VIOLATIONS

In a development coming at a crucial time in the nuclear freeze debate, an interagency national security group is recommending that President Reagan denounce the Soviet Union for violations of the SALT II Treaty, according to well-placed Capitol Hill sources.

And, those sources say, there has been a deep division in segments of the national security group, with some State Department officials taking a hard line and asking that Reagan take the Soviets to task, and some Defense Department officials wanting a softer line.

According to those sources, an interagency group consisting of representatives of the State and Defense Departments, the National Security Council, the Arms Control and Disarmament Agency, and the Central Intelligence Agency met last week and concluded there were significant Soviet violations of the SALT II treaty.

According to Senate sources, State Department officials there took a hard line and wanted to condemn Soviet violations. The main dissenter on that was William H. Taft IV, the Defense Department's general counsel.

Taft did not return a reporter's telephone calls about the reasons for his objections to condemning the Soviets.

The group then recommended that the heads of their departments be told that there was a good case on treaty violations, and their agency heads could then take that position to William Clark, Reagan's national security adviser, the sources said.

Words of the session apparently leaked to Capitol Hill, and a group of seven conservative Republican senators wrote Reagan asking him to answer several questions about possible SALT II violations.

According to those sources, the senators wanted to get Reagan on record about the violations in the same week that the House will be voting on the nuclear freeze resolution.

The letter reminded Reagan that on Feb. 23 he came close to charging the Soviets were in violation when he said about a new Soviet missile, the PL-5:

"This last one comes the closest to indicating that it is a violation."

"Thus," the senators said, "you are on the record with a virtual accusation that the Soviet PL-5 violates SALT II.

The senators said they were concerned about several areas of possible SALT II violations, including the PL-5, the Soviets building more bombers than the treaty calls for and violations limits on strategic and cruise missiles.

Signing the letter were Sens. Jesse Helms and John East of North Carolina, Steve

Symms and James McClure of Idaho, Jeremiah Denton of Alabama, Gordon Humphrey of New Hampshire and Charles Grassley of Iowa.

One Senate aide said, "It's been an open secret what the interagency group did. It gives Reagan a perfect opportunity to spike the nuclear freeze movement."

Meantime, Defense Secretary Caspar Weinberger said yesterday the United States might consider an interim proposal for reducing nuclear missiles in Europe if the Soviets promise to keep talking about more extensive disarmament.

"Our worry is: What is the inducement to the Soviets to come back to the table if they get an agreement that satisfied their needs and none of ours?" Weinberger said on CBS' "Face the Nation."

In a separate interview Sunday, West German Chancellor Helmut Kohl also called on President Reagan to seek an interim agreement to break the deadlock in U.S. Soviet arms talks.

"It certainly is time for new proposals, but this does not mean we will have to give up the Reagan zero solution as an ultimate objective," said Kohl whose pro-U.S. conservative government won in West Germany's elections last week.

U.S. SENATE,
Washington, D.C., March 15, 1983.

Hon. GEORGE SHULTZ,
Secretary of State, Department of State, Washington, D.C.

DEAR SECRETARY SHULTZ: I have been informed by several reliable sources outside of the Administration that the Soviets are up to something extremely dangerous in Cuba. I therefore would like to ask several questions of the utmost urgency:

(1) First, have the Soviets deployed bomber variants of their TU-95 Bear aircraft to Cuba recently?

(2) Second, have other types of Soviet aircraft not previously deployed in Cuba recently been seen there?

(3) Third, are the Soviets increasing their deployment of TU-95 Bear aircraft in Cuba, and are the Soviets building revetments for as many as a squadron of Bear aircraft there?

(4) Fourth, does the U.S. have the capability to detect whether the Soviets have deployed nuclear weapons to Cuba?

(5) Fifth, why has the Administration not yet sent to Congress the complete diplomatic record of U.S.-Soviet Agreements and understandings since 1962 regarding Soviet military activity in Cuba, for which there have been repeated requests from the appropriate members?

Finally, Mr. Secretary, I would like to express my appreciation for the recent expression of support I have received from a Senior Administration official for a legislative effort to enforce the Symms Amendment in Central America. I am extremely pleased to hear that the Reagan Administration would support an effort to put some real teeth in our Cuban policy to enforce the Symms Amendment. I think you would agree that Soviet-Cuban aggression and subversion throughout Central America is extremely dangerous to U.S. national security.

Sincerely,

STEVE SYMMS.

NEW SOVIET THREAT IN CUBA

WASHINGTON, March 15.—Senator Steve Symms, R-Idaho, asked the State Department today to confirm or deny the truth of reports that the Soviet Union has introduced new offensive weapons in Cuba, which are a threat to our national security and a clear violation of the 1962 Kennedy-Khrushchev agreements.

Speaking on the floor of the Senate, Symms said that he has just received information from several reliable sources outside of the administration that the Soviets have recently deployed TU-95 Bear-type long-range bomber aircraft in Cuba capable of carrying nuclear bombs and missiles. In his statement, and in a separate letter to Secretary of State George Shultz, Symms asked for confirmation or denial of these reports.

He also asked if other Soviet aircraft or offensive weapons not previously deployed in Cuba have been seen there, and if the U.S. has the capability of detecting whether the Soviets have introduced nuclear weapons in Cuba. And he asked why the State Department has not yet given Congress a complete record of the 1962 U.S.-Soviet agreements and understandings.

Symms was the author of an amendment passed overwhelmingly by both the Senate and the House last summer reaffirming the 1962 Cuban Resolution, calling for the U.S. to resist Soviet aggression in the Western hemisphere.

"If these alarming reports of new Soviet activity in Cuba are correct, this is scarcely the time to be talking about a nuclear 'freeze.' The Russians appear to be rattling sabers in our own backyard and are blatantly violating a 20-year-old agreement not to place offensive weapons in Cuba," Symms said.

Mr. SYMMS. Mr. President, it was an act of statesmanship by the Congress last August when the Symms amendment on U.S. policy toward Cuba passed both the Senate and the House by overwhelming majorities. The Symms amendment reaffirmed more strongly than ever the law of the land on what was U.S. policy toward Cuba for the last 20 years. The three essential elements of the Symms amendment were:

First, U.S. opposition, by force of arms if necessary, to Soviet and Cuban subversion and aggression in Central America;

Second, U.S. opposition to a Soviet military base in Cuba; and

Third, U.S. support for self-determination for freedom-loving Cubans.

Mr. President, I have just been informed by a senior official that the Reagan administration would support a legislative effort to enforce the Symms amendment in Central America. I am extremely pleased to hear that the Reagan administration would support an effort to put some real teeth in our Cuban policy to enforce the Symms amendment.

Mr. President, a matter related to the Symms amendment has just come to my attention. I have been informed by several reliable sources outside of the administration that the Soviets are up to something extremely dangerous in Cuba.

Mr. President, I would like to ask the administration if the Soviets have deployed bomber variants of their TU-95 Bear aircraft to Cuba recently? Have Bear bomber variants just been detected in Cuba? Have other types of Soviet aircraft not previously deployed in Cuba recently been seen there?

Second, I would like to ask whether the Soviets are increasing their deployment of TU-95 Bear bomber aircraft in Cuba, and whether they are building revetments for as many as a squadron of Bear bombers there?

Third, I would like to ask whether the United States has the capability to detect whether or not the Soviets have deployed nuclear weapons in Cuba? Finally, Mr. President, I would like to ask why the Reagan administration will not send to the Congress the complete diplomatic record of United States-Soviet agreements and understandings since 1962 regarding Soviet military activity in Cuba. The Kennedy-Khrushchev agreement of 1962, the essence of which is public, prohibits Soviet offensive weapons in Cuba. TU-95 Bear bomber variants would clearly be offensive weapons. Moreover, any variant of the TU-95 Bear could be regarded as an offensive weapon, because they all have the inherent capability for carrying nuclear bombs and missiles.

Mr. President, I hope that the administration will answer my questions soon, and I appreciate its expression of support for my efforts to enforce the Symms amendment. Soviet-Cuban aggression and subversion throughout Central America is extremely dangerous to U.S. national security.

REPORTS OF SOVIET BOMBERS IN CUBA

Mr. HELMS. Mr. President, I was deeply interested to hear the statement of the junior Senator from Idaho (Mr. SYMMS) this morning in which he stated that he had heard several reports from outside the administration that the Soviets have deployed TU-95 Bear bombers in Cuba. This is the first time that the Bear has been reported to be in Cuba in the bomber configuration. There have been reports in the past of the Soviet Bear in reconnaissance configuration in Cuba; but the bomber configuration would make the first time that a long-range bomber has been in Cuba.

Mr. President, if these reports are accurate, then we clearly have a case of offensive strategic nuclear weapons in Cuba. Moreover, these reports are ominous in the light of the testimony yesterday in the Western Hemisphere Subcommittee of Foreign Relations by Under Secretary of Defense for Policy Fred Ikle. Secretary Ikle provided photographs to the committee, which are reproduced in today's Washington Times, showing a new 10,000-foot runway in Granada, at Point Salines, which is currently under construction. When completed, the Granada runway would be capable of supporting Bear bomber operations.

Mr. President, I call upon the administration to respond to the concerns

raised by these reports directly and fully. It is time to put on the public record the documents relating to the Kennedy-Khrushchev accords of 1962. The American people have a right to know what agreement was reached, particularly with regard to the placement of offensive nuclear weapons in Cuba.

Today I have written to Secretary of State George Shultz inviting him to appear before the Western Hemisphere Subcommittee at his earliest convenience to talk about the Kennedy-Khrushchev accords, and to provide the subcommittee with the documents in question. I know that the Secretary has an enormously busy schedule right now, but I emphasize that I have asked him to come at his earliest convenience.

This is not the first time that the subcommittee has asked the administration to provide these documents. In the early months of 1982, then Secretary of State Alexander Haig declined similar invitations from the subcommittee five times. Even though he repeatedly offered to come and brief the subcommittee on the Kennedy-Khrushchev accords in executive session, Secretary Haig never seemed to find the time to do even that.

Yesterday Secretary Ikle told the subcommittee that during 1982 alone—that is to say, since my first invitation to Secretary Haig—the Soviet Union has delivered 68,000 tons of war materiel to Cuba. This does not include subsequent amounts in 1983.

Mr. President, when we put all this together—the bomber reports, the Granada airstrip, the tremendous deliveries of war materiel to Cuba—it is clear the problem is not going away. The Soviet Union's designs on Central America and the Caribbean must be acknowledged by the dispassionate observer. We might add that the takeover of Suriname, with a subsequent bloody purge and the installation of a top-rank Cuban intelligence chief as ambassador, only confirms this plan.

I applaud the recent, renewed attention which the President has given to the Central American problem. The request for increased military assistance to the region will come under close scrutiny in this Chamber within a very short time, and it is necessary for them to have all of the historical data relating to the origin of this problem, as well as the present situation of Soviet deployment in this hemisphere. I hope that Secretary Shultz shares these concerns and will be able to accommodate the subcommittee's request as soon as possible.●

INLAND WATERWAY TAXES

● Mr. STAFFORD. Mr. President, Congress in 1978 enacted the first commercial waterway fuel tax. That tax, currently costing barge operators 6 cents per gallon on selected waterways, is deposited in the inland waterways trust fund.

Recently, I asked the Department of the Treasury for information on receipts under this tax. Mr. President, as the level of this tax income may affect the need for further user contributions to future work on the inland waterways, I ask that a copy of the Department of the Treasury letter to me be printed in the RECORD.

The letter follows:

DEPARTMENT OF THE TREASURY,
Washington, D.C., February 24, 1983.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: This is in response to your letter of January 25, 1983, to Secretary Regan requesting information on fuel taxes credited to the Inland Waterways Trust Fund.

Actual collections credited to the trust fund during fiscal years 1981 and 1982 were $20,399,361.00 and $29,925,289.00, respectively. Our estimate for fiscal year 1983 fuel tax collections remains at $36 million as indicated in the President's 1984 Budget.

Any further questions concerning tax collections may be addressed directly to Ms. Sonya Conly in the Office of Tax Analysis on 566-4484.

Sincerely yours,

W. DENNIS THOMAS,
Assistant Secretary (Legislative Affairs).●

THE ISSUE OF UNWARRANTED LEGISLATION

● Mr. D'AMATO. Mr. President, I submit for the RECORD an article authored by Earl Lifshey from the January 24, 1983, issue of HFD-Retailing Home Furnishings for the benefit of my colleagues.

As a Senator who was elected by people who believed that there was already too much governmental intrusion into their lives, I must commend this article to my colleagues.

The issue discussed is whether the Federal Government should legislate contractual relationships between parties; contracts which do not involve Government procurements or Government contracts.

The article follows:

IF YOU ASK ME

UNWARRANTED LEGISLATION

(By Earl Lifshey)

When are we going to learn to stand firmly on our own two feet and not run to Congress every time something displeases us to demand, "There ought to be a law . . .?

How much more of a bellyfull of federal rules and regulations do we want controlling our lives and, in the best Big Brother tradition, tell us precisely what we can and what we can't do?

About four or five years ago, it will be recalled, a delegation of manufacturer's reps and sales agents, unhappy about the headaches they had to suffer in their day-to-day dealings with their factories, decided to put an end to their troubles once and for all; they attempted to have Congress pass a law. Of course it failed.

But, since a good salesman rarely takes "No" for an answer, some time ago this particular portion of the sales force—but by no means all of it—managed to have such a bill revived. Before this month is over, I'm informed, it will again be introduced in Congress.

So, as if our legislators aren't already overwhelmed with such less important matters as the federal budget, social security and the arms race, they can now devote their time to a law, H.R. 3496, titled: "To correct inequities in the relationship between sales representatives and their principals for other purposes."

The Senate version, in case you're interested, S. 1399, puts a kind of reverse twist to it with this title: "To encourage equitable contracts between sales representatives and their principals."

Any day now I expect to learn that a bill has been introduced to eliminate friction between buyers and the salesmen that call on them! Or one to make secretaries happier!

At a time when our sad and stumbling economy requires all the intelligent, constructive help it can get, once again we find ill-advised and thoughtless people trying to throw sand into the marketing mechanism, so to speak. How counter-productive can you get?

Of course no one can deny that there are unquestionably serious malpractices in the marketplace that demand federal regulation. But "inequities in the relationship between sales representatives and their principals" hardly qualifies as a potential national crisis as some of its proponents imply.

Moreover, it is manifestly impossible to legislate a solution for the innumerable and varied problems that must, of necessity, exist in any such business relationship. For one simple example, how long should a sales rep be protected until he can make a penetration at the account level? Note this brief excerpt from one of the hearings between Rep. James Florio, chairman of the Subcommittee on Commerce, Transportation and Tourism, and Raymond Hall of the Electronic Representatives Association:

Rep. Florio explains that the 18-month period specified in the bill "is designated to provide a reasonable period of time to make a determination whether he (the manufacturer) wants to maintain a relationship with the agent." But Hall points out, the time factor must necessarily vary in different industries. When Forio asks, "What are you suggesting?" Hall replies. "That it does not work. You can't regulate the value or a set of criteria for the evaluation of the performance of a sales representative based on 18 months . . . in the petroleum field it could be five years; you can't put a number on that."

Hall is only one of many sales reps who are intelligent and determined enough to oppose this unwarranted legislation; even the Federal Trade Commission, the National Assn. of Manufacturers and the Federation of Apparel Manufacturers, among many others, strongly oppose it.

Although the sales reps managed to get more than 100 Congressmen to join in introducing the bill, many are now having second thoughts.

One who changed his mind said, "I am not now convinced that a government standard, in lieu of market forces, should affect this particular business relationship."

Of course it shouldn't. And hopefully it never will. America is already bogged down far too deeply in unnecessary federal regulation and special interest legislation, includ-

ing unwarranted subsidies, that strangles the free enterprise system that made our economy the world's greatest. Existing laws governing the marketplace should suffice to cope with the reps' gripes.●

WESTVACO CO. ASSISTS WICKLIFFE, KY., IN RESOLVING WATER PROBLEM

● Mr. FORD. Mr. President, let me bring to the Senate's attention an example of how a small community in my State, with the assistance of a major local employer, resolved a serious problem without either calling on the Federal Government for help or increasing the local tax burden.

For some time now, the city of Wickliffe in western Kentucky has encountered quality problems with its water supply. The city's source of supply is well water which has a high iron content.

However, as a result of an agreement worked out between the city and the Westvaco Co. papermill, that situation will soon be corrected.

The papermill, which has its own water treatment facility, has agreed to supply the city-owned water system with its daily need for 250,000 gallons of water at cost. Had a new treatment facility been required, the community of 1,200 would have been faced with spending at least $500,000. With local revenues strapped the way they are these days in most places, that would have been a most difficult task.

It would have required a new bond issuance and would have resulted in higher water bills for consumers.

The agreement to use the Westvaco treatment facility will save the community approximately $200,000. The lone city expense will be assuming the costs associated with connecting its facility to the mill's water treatment plant.

I am proud of what happened here. It is a credit to both the community and the company that they took the initiative to solve this problem on their own doing.

If there is a moral to this story, it is that the private sector and local governments can work together to address vital community needs and we should continue to encourage this spirit of cooperation.

I ask that an article from the Paducah Sun, describing how this problem was solved, be printed in the RECORD.

The article follows:

[From the Paducah Sun, Jan. 13, 1983]

TOWN WILL SAVE OVER $200,000—WESTVACO TO SUPPLY WICKLIFFE WATER

(By Bill Bartleman)

WICKLIFFE, KY.—Usually, the large manufacturing plants go to the local government looking for water. But the roles have been reversed here.

The Westvaco Co. paper mill here will soon be selling water to the city of Wickliffe.

City and company officials have agreed to an arrangement under which the company will supply the city-owned water system with its daily need for 250,000 gallons of water.

The city services about 1,200 residents.

The agreement is a "long-hoped-for solution" to a serious water problem, said Mayor Keith Kelley, explaining that the city now gets its water from wells, and that the water has a high iron content.

"We were facing spending at least $500,000 to build a treatment plant (to remove the iron), but our cost is now going to be much less," Kelley said.

Westvaco, which gets its water from the Mississippi River, gives primary treatment for the removal of sediment. The city will soon begin two-pronged construction of distribution lines from Westvaco to the city, and a smaller, less complex treatment plant than would have been required.

Kelley said the work, expected to be completed this summer, will cost about $300,000. He said that while that still is a large figure for the city of 1,200, he believes it can be paid without borrowing money or increasing water rates.

Had the city been forced to build the larger treatment plant, at a cost of about $500,000, Kelley said, it would have meant a bond issue and an increase in water rates of as much as 70 percent.

Westvaco will sell water to the city at its cost of production.

"While the city will be responsible for all expenses related to connecting its facility to the mill's raw water treatment plant, this will be offset by the reduced cost of the water we will be purchasing from Westvaco," Kelley said.

Kelley said the city will continue to maintain its well as a backup source in case Westvaco has to interrupt its water supply.

Westvaco Manager Anthony Androski said the mill has a large intake and primary treatment capacity which should allow the company to meet the city's needs for many years.

Dick Boyd, the mill's public relations manager, said the mill uses 15 to 18 million gallons of water daily in its pulp and papermaking operations. Prior to water conservation changes made several years ago, the mill used about 28 million gallons a day.

"While the Wickliffe mill has never before sold water, our excess capacity arrangement gives us an opportunity to provide the city with a new source of raw water and to help solve this difficult quality problem (the city is facing)," Androski said.

He added that quality of water from the Mississippi River has "always been excellent for (mill) process use." He said the city's additional treatment "should make very fine potable water."

Kelley said the city is not concerned about poor water quality from the Mississippi, noting that it does not have high mineral content and has proven through the years to be a reliable source.

"Paducah and Cairo have been using rivers as their source of water for years and have had good experience with this supply," the mayor said.●

STATUS REPORT ON THE BUDGET

● Mr. DOMENICI. Mr. President, I submit to the Senate a status report on the budget for fiscal year 1983 pursuant to section 311 of the Congressional Budget Act. Since my last report the House has passed resolutions disapproving the deferral of budget authority that are estimated to increase 1983 outlays by $11 million.

The report follows:

STATUS OF THE FISCAL YEAR 1983 CONGRESSIONAL BUDGET—ADOPTED IN SENATE CONCURRENT RESOLUTION 92

REFLECTING COMPLETED ACTION AS OF MAR. 11, 1983

[In millions of dollars]

	Budget authority	Outlays	Revenues
Second budget resolution level	822,390	769,818	665,900
Current level	831,338	779,953	665,298
Amount remaining	0	0	0

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $0 million for fiscal year 1983, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 92 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $0 million for fiscal year 1983, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 92 to be exceeded.

REVENUES

Any measure would result in revenue loss exceeding $0 million for fiscal year 1983, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 92.●

TRIBUTE TO MAX M. KAMPELMAN

● Mr. MOYNIHAN. Mr. President, I recently had the good fortune to attend a dinner in honor of Ambassador Max M. Kampelman at the Woodrow Wilson International Center for Scholars, at the Smithsonian Institution building on the Mall here in Washington, D.C.

Ambassador Kampelman was honored for his work these past 2½ years as the chief American delegate to the Madrid review conference of the 1975 Helsinki accords on security and cooperation in Europe. Indeed, it is entirely fitting and proper that Max Kampelman should have been so honored at the Wilson Center, for he has spoken eloquently and forcefully on behalf of American liberal democratic principles—in a forum not always anxious to hear about such principles—in the finest traditions of President Woodrow Wilson himself. The words Herbert Hoover used to describe Wilson's own efforts to establish international peace through the rule of law, in his biography "The Ordeal of Woodrow Wilson," could apply as well to Ambassador Kampelman:

With his courage and eloquence, he carried a message of hope for the independence of nations, the freedom of men, and lasting peace.

Before Ambassador Kampelman spoke, at dinner on March the first, my friend and colleague the senior Senator from Washington, Senator HENRY M. JACKSON, spoke about Max Kampelman. I should like to share with other Senators, and the many readers of the CONGRESSIONAL RECORD, the complete texts of the addresses delivered by Ambassador Kampelman and Senator JACKSON.

Having served as a member of the Board of Trustees of the Wilson Center from 1969, when the Center was established, until 1976—and as vice chairman of the board of trustees from 1972 until 1976—I have attended a number of similar events. Seldom, however, has the rostrum been graced by the presence of two individuals who have emulated as well the life and work of Woodrow Wilson. I commend these remarks to the attention of the Senate.

The remarks follow:

MAX KAMPELMAN: CITIZEN-DIPLOMAT

(Remarks by Senator Henry M. Jackson)

It is an honor for all of us to be here to participate in this wonderful occasion.

This is truly a "gathering of the clans"—the Kampelman clans. All of us here have joined with Max—on one front or another—in spirited efforts for the public weal. Max and I especially share the old associations with Hubert Humphrey—the Wilson Center's first and founding Chairman of the Board of Trustees.

As all of us know, there is something very special about Max.

All his life, he has immersed himself in difficult, urgent national problems—in the field of labor, in the rough and tumble of the legislative arena, in academic circles, in a demanding Washington, D.C. law practice, and in the turbulent uncertainties of great national political campaigns.

If ever there was a more seasoned, sophisticated political personality, I have yet to find one! Max knows what it is to wrestle with the recalcitrance of the great issues at home and abroad. He has fended off the narrow pressures and spotted the slick maneuvers. He has learned how to pick the right people for the job. He has discovered the difficulties and possibilities in building and maintaining coalitions of friends and allies. He learned the value of both fairness and firmness in adversary negotiations.

I believe it is this superb political talent and savvy that has made possible Max's unique service as private citizen on the diplomatic frontline—as Ambassador and head of our delegation to the Madrid Conference on Security and Cooperation in Europe.

The career foreign service is obviously essential. A President, in making key appointments, should avail himself of the great reservoir of skills found inside the government. Yet the private citizen, the seasoned generalist—with abilities forged in the thick of political controversy—can play a special role in our American system. My friends, Max Kampelman is the living proof. He is the epitome of the Citizen-Diplomat—an example for others to try to follow.

Max has never succumbed to the notion that, in the struggle for human rights, sound policy consists only in quiet diplomacy. With both friends and opponents, quiet diplomacy may at times be the right tactic. It all depends. But why downplay the United Nations Declaration of Human Rights, and other landmark agreements—including the Helsinki Final Act—which affirm internationally recognized human rights? It is not interference in the internal affairs of a nation to encourage it to respect rights it has solemnly agreed to observe and promote.

Max has protested in meticulous detail the internal exile of Andrei Sakharov, the scandalous harassment and dispersal of the Helsinki monitoring committees in the USSR, the persecution of Anatoly Shcharansky, Ida Nudel, Viktor Brailovsky, Yuri Orlov—and so many others. This steady public use of individual cases has helped to protect a host of courageous freedom-loving human beings.

In fact, Max has been the leader in saving the Helsinki Final Act from ending up a thoroughly bad deal. Beyond anyone's expectations, he has skillfully and tenaciously worked to focus the Madrid meetings on the human rights component of the Helsinki accords, and to successfully unite the Western delegations in this undertaking. I for one would—if I could—award Max Kampelman the Nobel Prize for Coalition Management and Staying Power in Adversary Negotiations.

If western civilization is to continue, and with it our American democracy, we have to demonstrate that we understand what our tradition of individual liberty is all about.

As John Stuart Mill put it, freedom is the essential condition for the growth of individuality in its richest diversity. "It is not by wearing down into uniformity all that is individual in themselves," Mill said, "but by cultivating it, and calling it forth, within the limits imposed by the rights and interests of others, that human beings become a noble and beautiful object of contemplation."

This country's identity and purposes are deeply involved with the historic struggle for individual liberty. The first settlers came here seeking religious freedom and propounding a political philosophy that linked ligitimacy of government to the consent of the governed. Our forefathers pioneered the development of government limited by law, public accountability, and natural rights. This nation did not just develop—it was created with the specific purpose in mind of promoting fundamental liberties.

So "human rights" isn't something we add on to our national policy. It is at its heart. We can content ourselves with nothing less than resolute effort to safeguard civil and religious liberties, to oppose all forms of discrimination at home, and to champion international human rights abroad.

Max Kampelman will testify that this is all a most formidable challenge—in which the tyrannies of the world have some evident advantages. In the short term, stifling freedom is easier than promoting it; brute force works faster than tolerance and persuasion; falsehoods are easy to spread, truth can be difficult to convey.

The hard fact is that the only way to safeguard and promote liberty is to staunchly outperform the adversary. Time after time, our opponents have foretold dire troubles for the free world, only to have these predictions confounded by what free societies have done. If America, rather than turning out to be the "great disappointment," proves a "pleasant surprise," then the enemies of freedom may not fall heir to the world and their predictions may be refuted. If the free nations hold together, work together, and fortify each other, then the tyrannies will not command the future and the age-old quest for human freedom can flourish.

REMARKS BY MAX M. KAMPELMAN

Thank you, Mr. Chairman. This has been overwhelming. I had not anticipated this kind of an event. Thank you.

We have heard some lovely exaggerations this evening and I am grateful for all of them.

There is, I am told, a precious morsel of ancient wisdom to be found in the Jewish Talmud, passed down, I believe, from the Hebrew prophets, who gleaned its essence, in all probability, from the Old Testament. Experts in other disciplines may even find similar passages in the New Testament and in the Koran.

It goes something like this: "Quit when you are ahead!" An English wit put it another way. "Better to be silent and thought to be a fool, than to open up one's mouth and remove all doubt."

But with the pleasant encomiums running through my brain, I find that silence on my part might signify acquiescence and I cannot permit that misperception to last beyond the immediate glow of pleasure.

Jeane Kirkpatrick and Henry Jackson are long time personal friends. We have been partners in many political struggles. Their references to me are, therefore, devoid of objectivity. I warn you, furthermore, that they have permitted the softness of their hearts to overcome the sharpness of their brains. For that I am, of course, deeply grateful.

You are aware that I was weaned in the traditions of Hubert Humphrey. It will, thus, not surprise you if I choose to forego the opportunity to remain silent. But, as I respond, I will be guided by the admonition once given by Muriel Humphrey when she said: "Remember Hubert, a speech does not have to be eternal to be immortal."

This is obviously a grand evening for me, for Maggie, and for my children. It is also good for my partners in the firm of Fried, Frank, Harris, Shriver and both Kampelman and Jacobson, with offices in Washington, New York and London, to have a clearer idea of what I've been doing in recent years.

The opportunity to serve as Chairman of the Woodrow Wilson International Center for Scholars has been for me one of the most satisfying public experiences of a busy life.

I vividly recall the excitement with which Hubert Humphrey joined the effort to create a living memorial of scholarship through which to perpetuate Woodrow Wilson in our nation's capital. Thomas Jefferson, Abraham Lincoln, Woodrow Wilson and Franklin Delano Roosevelt were the Presidents whom Hubert revered and studied most during his growing years. They were the Presidents whose essence Hubert emulated during his life's service to our country.

I recall the deep sense of honor that he felt in being appointed by the President to serve as the Center's first Chairman. With my long association with Hubert, you will appreciate my keen sense of privilege to be

appointed by President Carter to serve as the third Chairman of this Center.

My long time friend, William Baroody, whose son now serves as chairman of our Board, succeeded Hubert as its Chairman. Bill, your dad was a giant of a man. You have giant shoes to fill.

It might seem strange that Baroody, the Republican, a Lebanese Christian with strong ties to the Arab world—and Max Kampelman, a Democrat, a Jew with strong ties to Israel, would be friends. But it did not seem strange to either Bill or to me; although I do recall once wondering whether, were I a Republican, he would have served me at least once something more sumptuous than a sandwich and ice cream at his desk for lunch. But I understood that this informality reflected the ease and comfort of our relationship and I appreciated it.

Bill's greatest service to our Center during his long tenure as Chairman was his good judgment in asking Dr. James Billington to serve as our Center's Director. The most lasting benefit to me from my service as Chairman was to come to know Jim. The world of scholarship knows him as one of our nation's more profound historians, whose books have become 20th Century classics and whose illustrious qualities of leadership have brought luster to our Center. I know him as a caring and loyal friend, as a champion of democratic values and as an active participant in the continuing and inevitably successful struggle for human dignity.

And this brings me to our speakers this evening.

No two persons in public life mean more to me today than Scoop Jackson and Jeane Kirkpatrick, both of whom are among my oldest friends in Washington and both of whom, like Jim Billington, are clear headed and realistic leaders in the constant, ever-demanding and yet noble effort proudly, patriotically and effectively to declare the virtues of our free society and the need unmistakably to champion and defend that society and its values.

I first met "Scoop" Jackson in 1949, my first year in Washington. He was a young Member of the House of Representatives. A stubborn Norwegian, he saw the need to build a strong, vibrant domestic society to prove the superiority of our democracy and the need for a strong national defense to help defend and deter the continuing threat to our democracy from the totalitarian right and the totalitarian left.

Just as I will always be proud of my efforts to help Hubert Humphrey become our Nation's Vice President and to help him seek the Presidency of the United States, so am I proud of my identification thereafter with those who believed that Henry M. Jackson should be given the opportunity to serve our country as its President.

Jeane Kirkpatrick and I worked together in both of these causes, just as Jeanne and Kirk and Maggie and I worked and lived together for nearly 30 years, tied to a common commitment to the cause of democracy and freedom.

Jeane and I and, incidentially, Hubert had the same dedicated and gifted teacher—Evron Kirkpatrick. Kirk was my faculty advisor when I received my doctorate in Political Science from the University of Minnesota.

Jeane, we are immensely proud of your role as a voice of the United States to the world. You represent our values with clarity and determination. You reached the heights of your profession as a teacher and as a political scientist. You have now become a leader of the free world. The success of your mission is proved by the intensity of the opposition to it. You can be proud of your friends and supporters, whose numbers are great all over the world.

Reference has been made to my current service as head of the American Delegation to the Madrid Conference on Security and Cooperation in Europe. That conference is in many respects just a side show within the total picture of our country's international responsibilities, but it is an integral part of that totality. I conclude my remarks this evening with a brief reference to a lesson to be learned from our Madrid meeting.

Our country today faces a serious external threat. The Soviet Union represents the most direct danger to our society and its values in this century. The depth of that danger lies in the Soviet ability to camouflage its totalitarian commitment, its imperialist intentions, and its powerful military machine with the rhetoric of peace and democracy. Soviet authorities have no illusions as to what they seek and what and whom they oppose. They understand the need to mobilize all of their resources in order to win; and they do not shy away from the word "win."

The battle is being joined in all areas of the world. In Europe, 1983 is a year of decision. Confrontation in the Middle East remains imminent. In Asia, blood continues to be spilled to satisfy Soviet ambitions. In Africa, storm clouds are not far from the horizon as the Soviet Union fully appreciates the strategic position occupied by that continent and its rare strategic minerals. And in Central America, the danger is clearly at hand and obvious to those who would only look.

A united America is a strong America. It is one that can fulfill its responsibilities to itself and to others who seek freedom. A united America, determined to be strong, can help assure us all that we can deter and discourage aggressors and thus further the prospects for peace.

Differences between the United States and the Soviet Union are profound ones. Our systems and our values conflict. Our cultures are different. Our perceptions of human nature diverge. The task of overcoming these problems without war and violence merits all of the patience, perserverence and ingenuity we can provide. We have the strength to preserve that peace and to preserve our values if we will remain united and determined.

A 19th Century de Tocqueville understood the serious dimensions of the problem for democracy posed by this emphasis on the strength that comes from unity. He discussed the vitality of democracy and it institutions and predicted the United States would realize its maximum growth through the exercise of the freedoms that were inherent in our democratic system. He suggested, however, that we would face a serious challenge from growing aristocracies. With uncanny accuracy, he juxtaposed the freedom of the United States with the servitude of a Russia growing stronger.

We must today ask ourselves whether a democratic society can mobilize its resources to meet the danger to itself emanating from strong authoritarian and totalitarian societies that are not encumbered by open debate, internal divisions, frequent free elections, and the need for full public disclosure of all affairs os state?

Franklin Delano Roosevelt understood this danger to democracy and out of that understanding came his innovative verison of a bipartisan foreign policy. The need is even greater today for an imaginative bipartisan non-partisan national approach to foreign policy.

We cannot afford in foreign policy the polarity and divisiveness that frequently becomes a characteristic of partisan politics. A modern bi-partisanship limited to vital questions of our national security will not diminish in any way the opportunity for free debate and criticism which is, after all, the essence of our democratic system. But we must try to eliminate the tendency on the part of Republicans to oppose the policies of a Democratic President and of Democrats instinctively to oppose the foreign policy of a Republican President. This blind partisanship is destructive to our strength and counterproductive to the cause of peace. Let us support or oppose foreign policy positions not on the basis of whether we are Democrat or Republicans, but on the basis of our own individiual intelligent and rational thoughts as Americans.

In some small measure, my continued presence in Madrid, originally appointed by a Democratic President and reappointed by a Republican President, represents a step toward that bipartisanship. Jeane Kirkpatrick represents yet another illustration of that which I urge. Henry Jackson,'s distinguished career as a United States Senator illustrates a lifetime commitment to that concept.

For bipartisanship to be effective it requires more than lip service and more than symbols. It requires intense collaboration on all levels of foreign policy development. Were Senator Jackson to be consulted on how best to formulate and seriously inaugurate such a realistic program, our nation would be enriched and more secure.

The task requires a commitment of scholarship to its realization. Scholars such as may be found in our Center should be asked to respond to the challenge of whether a democratic government can successfully meet the external challenge of totalitarianism short of war. This is a study that requires our total participation. It goes to the very core of what Congress intended when it created the Woodrow Wilson International Center for Scholars and urged it to concern itself with the interrelationship between "the world or learning" and "the world of public affairs."

And now to Bill, to Jim, to my Board colleagues, to Bob and Cecilia Packwood, to members of the Hill's staff and scholars, to my friends—thank you.●

AMERICAN CONSERVATION CORPS

● Mr. MOYNIHAN. Mr. President, last Thursday the Senate Budget Committee approved funding for the proposed American Conservation Corps. Companion legislation passed the House 10 days earlier by an overwhelming margin, 301-87. I expect the full Senate will soon follow suit. The New York Times recently ran a characteristically thoughtful editorial supporting the ACC, and I ask that it be printed in the RECORD.

The editorial follows:

[From the New York Times, Mar. 12, 1983]

JOBLESS YOUTH AND USEFUL WORK

In the rush to do something about unemployment, the full House and the Senate's Budget Committee have given quick approval to reviving the New Deal's idea of the conservation corps. It would help only a fraction of the chronically unemployed youth, probably not more than 100,000 a year, but it has merit nonetheless.

The 1983 version of this recurring idea is called the American Conservation Corps. The House would spend $50 million this year and $250 million a year for the next six years to hire young people for full-time and summer work on public, even some private lands—urban, rural and wilderness.

Support for the bill brings together environmentalists, mayors, the N.A.A.C.P., organized labor and others concerned with conservation and jobs. Their mixed motives suggest one problem: Is it a conservation program or a jobs program? In this time of budget cutting, does it merit enactment because it will provide jobs, or just because it's a good idea? We think it's a good idea that, incidentally, also addresses the unemployment problem.

Concern about unemployment obviously propels it now, but the sponsors want it to last well beyond the recession. The Administration is opposed, mainly because of cost but also because it thinks it's temporary "make-work," leading nowhere.

The critics are half right: this need not be a $3 billion program funded now for six years. It could work just as well if funded for only three or four years, at less cost.

A conservation corps evokes memories of the Depression, but there are much more recent models. The best is the thriving California Conservation Corps, which grew from a program begun by, of all people, Gov. Ronald Reagan. The Nixon Administration began the Youth Conservation Corps in 1970, and it was augmented by the Carter Administration's Young Adult Conservation Corps in 1977.

It is these recent programs, now severely cut back, and not the C.C.C., that the new corps would revive and improve upon. It would be managed by one Federal Department, Interior, rather than several, with half the money going to the states to apportion as they feel necessary. Areas with especially high unemployment would get preference; so would young people suffering particular hardship. Part of the money could be used for schooling after work hours.

One disturbing feature of the House bill is that it would finance the program from fees charged for various activities on Federal lands. That would probably draw money away, without examination, from other worthwhile conservation projects. Since the benefits would be to the general welfare, let it be financed from general funds.●

ARTS CUTS IN RHODE ISLAND

● Mr. PELL. Mr. President, it is now 2 years since the President first proposed reducing by half the budget for the National Endowment for the Arts. This recommendation came after 15 years of steady growth under both Republican and Democratic administrations and it caught the arts community and the Congress by surprise. The Federal role in the arts and the very structure of the Arts Endowment itself were suddenly not as assured as everyone had come to believe.

The Congress, however, took on the challenge and softened the blow by approving a reduction of about 10 percent in the arts budget in fiscal year 1982. The National Endowment for the Arts was forced to make some difficult decisions at this time is to where cuts would be made in its own budget. The National Council on the Arts directed that, under the circumstances, the Endowment should concentrate on promoting excellence and on supporting organizations whose primary focus is the arts themselves. Regrettably, this also meant less support for outreach and fewer dollars for grassroots endeavors.

The impact of this policy realinement is now being felt by arts organizations across the country, particularly the small- to medium-size institutions whose very survival may hinge on the availability of Federal and State aid. Foundations are stretched to their spending limit now and are having a difficult time meeting commitments that have already been made while corporations are unlikely to increase their charitable giving as long as the economy remains sluggish. Neither group, as once hoped, can be expected to make up the shortfall in Federal arts spending at least for the foreseeable future.

Arts organizations in my own State of Rhode Island are experiencing crises of varying severity. Hours are being cut back, staff positions eliminated and programing for the public curtailed. No one can be certain where the next dollar is coming from. The situation in Rhode Island is bleak, but it is no worse than that in any other State in the country. I respectfully urge my colleagues to read an article that appeared recently in the Providence Sunday Journal that details how various arts groups in my own State are being hurt by the current economic situation and the cuts in the arts budget. The article by Channing Gray, the Journal-Bulletin arts writer, appeared on February 27, 1983. I ask that it be printed in the RECORD.

The article follows:

[From the Providence Sunday Journal, Feb. 27, 1983]

HOLE APPEARS IN CANVAS OF ARTS FINANCING

(By Channing Gray)

For a couple of years now, there's been a lot of talk about how cuts in the National Endowment for the Arts coupled with the unusually severe recession would spell trouble for arts groups, historically the first to feel the pinch when times are tough. What this would mean in terms of dollars and cents, however wasn't clear—until now.

In recent months, a number of arts groups have either had to lay off staff, close offices, or cut back on programming, all strong evidence that the cuts plus the impact of the economy have hit home.

Consider these recent developments, for instance:

The Rhode Island Historical Society, among the elite of the state's cultural groups, decided last month that it would, in order to "stabilize" its finances, "scaledown" its museum program during the next 18 to 24 months. It notified two of its three curators that they will be laid off in the coming months.

Providence Inner City Arts, the group that puts on the Florentine Faire, layed off its three-member staff and gave up its office in the Providence Performing Arts Center last month. It is hoping to continue on a volunteer basis.

The board of Looking Glass Theater last month discussed disbanding the 18-year-old children's theater, but decided to stay in business despite reductions in staff and actors, and despite a budget about half that of a few years ago.

The State's arts groups are in a squeeze.

Groups that had relied heavily on federal and state subsidies are being forced to look for private money and finding there is little or none to be had. Corporations and foundations have either reduced their charitable giving, or they are turning first to the growing number of requests for human service programs, programs to feed and house the needy.

"When you look at corporations coming up with smaller profits," said Frank Cook, a local fund-raiser who frequently works with arts groups, "and then consider the need for human service programs, there's not much left to give to the arts."

And as expected, the groups that are being squeezed hardest are the smaller ones, those that have grown beyond the volunteer stage but are still not established enough to cover overhead without the help of federal and state subsidies.

In a way, that is what happened to Inner City Arts. It had in recent years been making the transition from a grassroots, volunteer organization to one with a paid staff, an office and expanded programs. It had gotten start-up money for salary from the State Council on the Arts, but was trying to wean itself from reliance on public money and to lure corporate sponsorship for its activities.

Inner City Arts was toying with the idea, for example, of operating a van that would bring performances and art instruction to schools and senior citizen centers. The project would be co-sponsored by, say, a local bank or restaurant. And it was hoping to get business involved in a festival, examining the relationship between art and technology.

But time ran out, in a sense. Inner City Arts could not support the administrative expenses during the transition, and when it turned to its supporters for emergency donations, it found a lot were out of work or were giving what money they had to other causes.

"We might have made it if we'd had money to carry us through the winter," said John Gottleib, the group's former director.

"But that's one of the things that's so frustrating for arts groups like us; a few thousand dollars can make all the difference."

Looking glass began to feel the cuts almost immediately. Not only did several federal grant programs dry up, but a local operating grant was cut deeply by the state arts council. (The arts council, in fact, is facing the possibility of a $50,000 cut next year, money the administration says will come out of the grants program.) That, plus the failure of the United Arts Fund, which

raised money from local businesses, sent Looking Glass's budget plummeting from about $90,000 two years ago to $55,000 last year.

At the same time, the theater's chief sponsor, the state's schools, were losing money for arts programs.

"We were getting hit at both ends," said Pam Messore, the group's director.

"It was a little hard for schools to think about the arts when they were having trouble paying for a lunch program," she added.

Part of the problem, said Miss Messore, was that Looking Glass had come to depend on government grants, but had no long-range plans in the event they began to fall off.

"It was a matter of taking the money and running," she said recently. "This theater was run by people who were tacking on programs and building up overhead—projecting a $130,000 budget—but who never stopped to think where it was all leading. They never stopped to think of it from a management standpoint."

If there is any question about the severity of the problem facing arts groups, recent events at the Historical Society provide a gauge. When the foundations of such a prestigious group begin to rumble, it is clear things are in tough shape.

The Historical Society's troubles began last June, when the State Council on the Arts cut its annual grant by $5,500, saying that in difficult times it had to think of arts groups first.

Then in September, the Historical Society was told it wouldn't be getting a $35,000 grant from the federal Institute for Museum Services, money it had already budgeted.

As a result, the society had to trim its budget from $619,000 to $583,000. Next year's projected budget is $543,000, although, had things continued as before, said the group's director, Albert Klyberg, the society probably would have a budget of $650,000.

Faced with shrinking sources of revenue, the Historical Society decided last month that the museum program, which puts on exhibits at Aldrich House, would have to absorb most of the shortfall. The Aldrich House exhibits, which are relatively new, had not drawn large enough audiences to generate much revenue. Therefore, Klyberg, said, they seemed the most expendable.

"It's not to say that if we didn't hang in there for four or five more years it wouldn't click," said Klyberg, "but right now, we can't afford to keep it at the level we have in the past.

"I don't want to sound alarmist about this, though. The place will be open and there will be shows there. What we have done is scale things down in such away that we will be in a position to beef them up again when times are better."

Will things get worse, or are we about to see the light at the end of the tunnel? Diane Disney, who has just completed a survey of local arts groups for the Rhode Island Foundation, says the "full impact of Reaganomics has definitely not been felt." It takes at least a year before government policies trickle down to the local level, said Miss Disney, former director of the State Council on the Arts and now a teacher in the business college at the University of Rhode Island. "If money were restored to the National Endowment today," said Miss Disney, "that wouldn't be felt until the middle of next year."

Klyberg said he's not sure what's in store for the future, but said he plans to concentrate more on increasing local support, launching an endowment drive for the John Brown House, for example, and wooing new members.

"I think it's a lot more sensible than relying on a flock of grants that may or may not come through. They are sort of the icing on the cake," he said, and what we need right now are the eggs, butter and milk." ●

A FAMILY TRAGEDY AND THE NEED FOR INCREASED DEFENSE

● Mr. HELMS. Mr. President, it is often dismaying to hear some Americans question the need for increased funds to modernize and upgrade our national defense. We hear repeated declarations that the United States is somehow escalating the arms race. There is the orchestrated impression that the United States is militarily strong, has been militarily strong, and will automatically remain militarily strong.

Obviously, Mr. President, that is not the case. We have indeed been strong in the past, and we are strong in the present. But time is passing us by, and it is also passing by the equipment that made the United States strong in the past. In short, much of our equipment is growing old; and when it grows old, it is no longer reliable. The equipment shows up in inventories or in analyses of our force structure; but numbers alone do not tell the whole story.

Mr. President, I have at hand a deeply moving letter from one of my constituents in Kitty Hawk, N.C. It is a letter that tells of a family tragedy, a tragedy that brings home to bear the deteriorating condition of our military equipment. It is ironic that this story comes from Kitty Hawk, the birthplace of aviation, and a symbol of America's preeminence in flight.

The story concerns the family of Mr. and Mrs. Burnley L. Rudiger, Sr., and the death of their two fine sons in 2 successive years. Both sons were Air Force officers with distinguished flying records. Both died in crashes of their planes in routine flights, apparently due to defective equipment—the one in an F-4, in 1981 and the other in an F-111 in 1982. As Mr. Rudiger notes in his letter to me, "As with everything else, planes deteriorate with age."

As a result, Mr. Rudiger has written urging the Senate to approve increased funds for the military so that our men will have good equipment for the job they have to do. His letter says it far more eloquently than I could:

The records of both these young men will bear out that they were two of the finest officers and pilots in the Air Force. John had been selected to attend the prestigious weapons school at Nellis AFB and Burnley had 2800 hours in the F-111, with more hours in the F-111 than any pilot in the Air Force. You perhaps know better that I of the number of F-4 and F-111 crashes in the past couple of years.

It is because of the loss of these two young men, not only to their families, but also to the Air Force, that we respectfully urge you to pass a strong defense budget so that our well-trained and heroic young men may have the best equipment available.

Mr. President, to that, I can only say, "Amen."

Mr. President, I ask that Mr. Rudiger's entire letter be printed in the RECORD at the conclusion of my remarks.

The letter follows:

KITTY HAWK, N.C.,
February 22, 1982.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: I am writing as a constituent to urge you to vote favorably on the President's budget as regards the defense section. My wife and I feel very strongly about this since we have had two recent tragedies in our family which might not have occurred. We feel that replacements are now needed for the old and outdated equipment, especially in the Air Force's inventory of fighter planes.

The tragedies in our lives make this the No. 1 priority to our mind.

On January 14, 1981, our youngest son, Captain John M. Rudiger, USAF, was killed in the crash of his F-4 fighter plane near Madrid, Spain. He left a wife, a one-year old daughter and a three-year old son. On December 7, 1982, our remaining son, Lieutenant Colonel Burnley L. Rudiger, Jr., USAF, was killed in the crash of his F-111F fighter plane. He left a wife, a daughter 10, and a son 6.

This is in no way to say that the maintenance is less than first class in the Air Force. Our sons had nothing but the highest praise for the maintenance personnel on their aircraft. But, as everything else, planes deteriorate with age.

The records of both these young men will bear out that they were two of the finest officers and pilots in the Air Force. John had been selected to attend the prestigious weapons school at Nellis AFB and Burnley had 2800 hours in the F-111, with more hours in the F-111 than any pilot in the Air Force. You perhaps know better than I of the number of F-4 and F-111 crashes in the past couple of years.

It is because of the loss of these two young men, not only to their families, but also to the Air Force, that we respectfully urge you to pass a strong defense budget so that our well-trained and heroic young men may have the best equipment available.

Sincerely,

BURNLEY L. RUDIGER, Sr.●

OUTER CONTINENTAL SHELF MORATORIUM BILL OF 1983

● Mr. CRANSTON. Mr. President, last Thursday, March 10, Senator KENNEDY, Senator TSONGAS, and I introduced S. 760, a bill that would impose a moratorium on offshore oil and gas leasing in certain economically vulnerable and environmentally sensitive areas off the coasts of California and Massachusetts. The language of the bill was not printed in the CON-

GRESSIONAL RECORD at the time we introduced the bill. I ask that a copy of S. 760, the Outer Continental Shelf moratorium bill of 1983, be included in today's RECORD.

The bill follows:

S. 760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337), the Secretary of the Interior may not issue any oil and gas lease on any submerged lands located within the geographical areas described in section 4(a) and the additional area referred to in section 4(b).

(b) Notwithstanding sections 11 and 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340 and 1351), the Secretary of the Interior may not grant any license or permit for any activity which—

(1) affects the geographical areas described in section 4(a), and

(2) involves drilling for oil or gas.

(c) Notwithstanding sections 11 and 25 of the Outer Continental Shelf Lands Act (43 U.S.C. 1340 and 1351), the Secretary of the Interior may not approve any exploration plan, or any development and production plan, which—

(1) provides for any activity affecting the geographical area described in section 4(a), and

(2) involves drilling for oil or gas.

SEC. 2. This Act shall not affect the authority of the Secretary of the Interior to approve any plan, or to grant any license or permit, which allows scientific exploration or other scientific activities.

SEC. 3. This Act shall take effect on the date of the enactment and shall remain effective—

(1) until January 1, 2000 in the case of the areas referred to in section 4(a), and

(2) until January 1, 1990 in the case of the additional area referred to in section 4(b).

SEC. 4. (a) The geographical areas specified in the preceding sections of this Act are:

(1) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Pacific Ocean off the coastline of the State of California with the boundaries of—

(A) on the north, the line between the row of blocks numbered N968 and the row of blocks numbered N969 of the Universal Transverse Mercator Grid System based on the Clarke Spheriod of 1866; and

(B) on the south, the line between the row of blocks numbered N808 and the row of blocks numbered N809 of the Universal Transverse Mercator Grid System based on the Clarke Spheroid of 1866;

(2) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Pacific Ocean off the coastline of Santa Monica Bay, State of California, which begins at the point of intersection of a seaward extension of the boundary line between Los Angeles County and Ventura County with the seaward limits of the California State Tidelands; thence due south to the midpoint of Block 39N-52W; thence diagonally southeast to the southeast corner of Block 35N-45W; thence due east to the first point of intersection with a line extended south from Pt. Fermin along the eastern boundary of the State of California Oil and Gas Sanctuary in effect on June 1, 1982; thence north along that line to the first point of intersection with seaward boundary of the California State Tidelands; thence northwesterly to the point of beginning along the seaward boundary of the California State Tidelands; and

(3) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Pacific Ocean off the coastline of Orange and San Diego Counties, State of California, which begins at the intersection of the southern border of Row 34N with the seaward boundary of the California State Tidelands; thence due west to the northwest corner of Block 33N-35W; thence due south to the southwest corner of Block 31N-35W; thence diagonally southeast to the southwest corner of Block 21N-25W; thence due south to the point of intersection with the International Boundary line between the United States and Mexico; thence easterly along said International Boundary line to its first point of intersection with the seaward boundary of the California State Tidelands; thence northwesterly along the seaward boundary of the California State Tidelands to the point of beginning.

(4) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Pacific Ocean off the coastline of the State of California and consisting of the following tracts identified on the official Outer Continental Shelf Leasing Map for the Channel Islands Area (map numbered 6B):

(A) All of block 50 north, 67 west

(B) The northwestern quarter of the northwestern quarter of block 51 north, 65 west

(C) All of block 51 north, 66 west

(D) All of block 51 north, 67 west

(E) All of block 51 north, 68 west

(F) All of block 51 north, 69 west

(G) The eastern half and the eastern half of the western half of block 51 north, 70 west

(H) All of block 52 north, 64 west

(I) All of block 52 north, 65 west

(J) All of block 52 north, 66 west

(K) All of block 52 north, 67 west

(L) All of block 52 north, 68 west

(M) All of block 52 north, 69 west

(N) The eastern half and the eastern half of the western half of block 52 north, 70 west,

and any submerged lands within that part of the Channel Islands National Marine Sanctuary which lies 3 to 6 miles out from the baseline from which the State waters are measured San Miguel and Prince Islands, Santa Rosa, Santa Cruz, Anacapa, and Santa Barbara Island;

(5) an area of the Outer Continenatal Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts and extending from the baseline, defined as the seaward limit of the Commonwealth of Massachusetts' territorial sea, to a line every point of which is 50 nautical miles seaward of the nearest point of the base line;

(6) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 (a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, known as the Great South Channel, which runs northerly from the head of Hydrographer Canyon, and which has southern points at latitude 40°36'N/Long., 68°30'W and Lat. 40°36'N/Long. 69°30'W, and which has northern points at Lat. 41°39'N/Long., 68°30W, and Lat. 41°38'N/Long. 69°30W;

(7) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying in water of 60 meters depth or less, and within an area described by the following four corners:

(A) Lat. 41°39'N/Long. 68°27'W;

(B) Lat. 42°7'N/Long. 67°3'W;

(C) Lat. 41°12'N/Long. 67°8'W;

(D) Lat. 41°41'N/Long. 68°46'W; and

(8) an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, Munson Canyon, and Corsair Canyon, and consisting of the following blocks respectively:

(A) On OCS Protraction Diagram NJ 19-1; tracts, 36, 37, 38, 42-44, 80-82, 86-88, 124, 125, 130-132, 168, 169, 174-176, 212, 213.

(B) On OCS Protraction Diagram NJ 19-2; tracts, 17-19, 51-52, 61-63, 95-96, 105, 106, 139, 140, 149, 183, 184.

(C) On OCS Protraction Diagram NK 19-10; tracts, 921, 922, 965-967, 960, 961, 1003-1005, 1009-1011.

(D) On OCS Protraction Diagram NK 19-11; tracts, 521, 522, 566, 609, 610, 654-656, 697-699, 741-743, 778-781, 785-787, 813, 824-826, 829-831, 857, 858, 868-869, 873-875, 901, 902, 911-913, 917, 936-938, 955-957, 989-991, 999.

(E) On OCS Protraction Diagram NK 19-12; tracts, 281, 282, 321-326, 369-371, 413-416, 445, 446, 450, 451, 490, 491, 494, 495, 531, 534, 535, 538, 539, 574, 575, 578, 579, 560, 561, 582, 583, 605-607, 618, 619, 622, 623, 626, 627, 662, 663, 666, 667, 649-651, 671, 672, 693-695, 706, 707, 710, 711, 738, 739, 750, 751, 754, 755, 794, 795, 798, 799.

(F) On OCS Protraction Diagram NK 20-7; tracts, 626, 670, 671, 14.

(b) The additional geograhical area referred to in the preceding sections of this Act is: an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, bounded by the following line, but not including those areas described in subsection (a): from the intersection of the seaward limit of the Commonwealth of Massachusetts Territorial Sea and the 71°W longitude line south along that longitude line to its intersection with the 200 meter insobath, thence easterly along the 200 meter isobath around Georges Bank. At the intersection of the 200 meter isobath line with the 68° longitude line north of any part of that protion of Georges Bank defined in subsection (a)(7), the boundary runs south until it intersects with the 42°N latitude line. From there, the boundary follows the 42°N latitude to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts Territorial Sea, thence southwesterly along the seaward limit of the Territorial Sea to the point of beginning at the intersection of the seaward

limit of the Territorial Sea and the 71°W longitude line.

(c) The northern and southern boundaries of the geographical area described in subsection (a)(1) are marked on the map entitled "United States Department of the Interior Bureau of Land Management Index of Outer Continental Shelf Official Protraction Diagrams Pacific Coast", dated March 1982. The areas described in subsections (a)(2) and (3) are those areas contained on a map entitled "U.S. Department of the Interior Bureau of Land Management, Pacific Outer Continental Shelf Office, Southern California Offshore Area."●

ORDER OF BUSINESS

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. There are Members all over this city. It is 9:10 in the evening, and I see the minority leader shaking his head. I do not know really any way of getting them back, and I think it would be unfair to Members who are absent from the Chamber to vote on this matter tonight.

Therefore, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 a.m. tomorrow morning.

The motion was agreed to; and the Senate, at 9:09 p.m. recessed until Wednesday, March 16, 1983, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 15, 1983:

THE JUDICIARY

William H. Barbour, Jr., of Mississippi, to be U.S. district judge for the southern district of Mississippi, vice William H. Cox, retired.

CORPORATION FOR PUBLIC BROADCASTING

Harry O'Connor, of California, to be a Member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 1, 1984, vice Charles W. Roll, Jr., term expired.

IN THE ARMY

The following-named officer, under the provisions of title 10, United States Code, section 3034, to be Chief of Staff, U.S. Army:

Gen. John A. Wickham, Jr. xxx-xx-xxxx, U.S. Army.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, provided that in no case shall any of the following officers be appointed in a grade higher than captain.

LINE OF THE AIR FORCE

Abbott, Craig R., xxx-xx-xxxx
Abel, Howard P., xxx-xx-xxxx
Abernathy, Gary L., xxx-xx-xxxx
Ackerman, William D., IV, xxx-xx-xxxx
Akers, Thomas D., xxx-xx-xxxx
Albert, James R., xxx-xx-xxxx
Alberti, George L., Jr., xxx-xx-xxxx
Alday, Charles L., xxx-xx-xxxx
Alexander, David W., xxx-xx-xxxx
Alexander, John E., xxx-xx-xxxx
Alexander, Leslie M., xxx-xx-xxxx
Alford, William C., xxx-xx-xxxx
Alledredge, Kevin L., xxx-xx-xxxx
Alleman, David J., xxx-xx-xxxx
Allen, Daniel W., xxx-xx-xxxx
Allen, James L., xxx-xx-xxxx
Allen, Kevin J., xxx-xx-xxxx
Allen, Ronald L., xxx-xx-xxxx
Allen, Stephen B., xxx-xx-xxxx
Allison, Jack E., Jr., xxx-xx-xxxx
Allison, Larry C., xxx-xx-xxxx
Allmer, Douglas F., xxx-xx-xxxx
Alls, Vermon K., xxx-xx-xxxx
Alonso, Felipe T., xxx-xx-xxxx
Alston, Joseph B., xxx-xx-xxxx
Alvey, David B., xxx-xx-xxxx
Amato, Daniel T., xxx-xx-xxxx
Amond, Thomas J., xxx-xx-xxxx
Anderson, Johathan B., xxx-xx-xxxx
Anderson, Kurt C., xxx-xx-xxxx
Anderson, Mark E., xxx-xx-xxxx
Anderson, Mark, xxx-xx-xxxx
Anderson, Richard L., xxx-xx-xxxx
Anderson, Silvia S., xxx-xx-xxxx
Andino, George, Jr., xxx-xx-xxxx
Andrews, Jeffrey I., xxx-xx-xxxx
Andrews, Mark J., xxx-xx-xxxx
Angele, Joseph D., Jr., xxx-xx-xxxx
Angeron, Philip A., xxx-xx-xxxx
Annis, D., Glenn, xxx-xx-xxxx
Anstead, John R., xxx-xx-xxxx
Apgar, Rodney L., xxx-xx-xxxx
Applegate, John H., xxx-xx-xxxx
Archibald, James E., xxx-xx-xxxx
Armour, Julianne T., xxx-xx-xxxx
Armstrong, Jeffrey C., xxx-xx-xxxx
Arrol, Keith C., xxx-xx-xxxx
Arthur, Kenneth M., xxx-xx-xxxx
Asbury, Carleta L., xxx-xx-xxxx
Asher, Terry E., xxx-xx-xxxx
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Aumen, Carl P., xxx-xx-xxxx
Austin, Foster K., xxx-xx-xxxx
Austin, Wayne K., xxx-xx-xxxx
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Baciak, Mark G., xxx-xx-xxxx
Backes, Charles M., xxx-xx-xxxx
Backlin, Mark A., xxx-xx-xxxx
Bader, John W., xxx-xx-xxxx
Badsky, Floyd A., xxx-xx-xxxx
Baena, Daniel D., xxx-xx-xxxx
Bailey, John C., xxx-xx-xxxx
Bailey, Roger W., xxx-xx-xxxx
Bain, Wesley H., xxx-xx-xxxx
Baird, Douglas B., xxx-xx-xxxx
Baker, Carl W., xxx-xx-xxxx
Baker, Sandra L., xxx-xx-xxxx
Baker, Warren K., xxx-xx-xxxx
Baldwin, Mark W., xxx-xx-xxxx
Baldwin, Robert S., xxx-xx-xxxx
Ball, James E., xxx-xx-xxxx
Ballard, Boyd L., xxx-xx-xxxx
Ballentine, Ronald M., xxx-xx-xxxx
Ballew, Sandra Jean, xxx-xx-xxxx
Baltes Adrienne R., xxx-xx-xxxx
Baradon, Daniel A., xxx-xx-xxxx
Barber, Dennis E., xxx-xx-xxxx
Bard, Gary G., xxx-xx-xxxx
Barlow, Jasen B., xxx-xx-xxxx
Barnash, Eugene W., xxx-xx-xxxx
Barnes, Charlene K., xxx-xx-xxxx
Barnes, David E., xxx-xx-xxxx
Barnett, Daniel P., xxx-xx-xxxx
Barrera, Leah J., xxx-xx-xxxx
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Barry, Joseph M., xxx-xx-xxxx
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Basgaard, Arnold F., xxx-xx-xxxx
Basham, Christopher D., xxx-xx-xxxx
Basque, Ronald A., xxx-xx-xxxx
Bates, Marion I., xxx-xx-xxxx
Bates, Robert R., xxx-xx-xxxx
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Bean, Judd R., xxx-xx-xxxx
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Begley, William K., xxx-xx-xxxx
Behan, Carl R., xxx-xx-xxxx
Behymer, John W., xxx-xx-xxxx
Belknap, Robert W., xxx-xx-xxxx
Bell, Gregory A., xxx-xx-xxxx
Bellis Rosalyn, xxx-xx-xxxx
Belna, James, xxx-xx-xxxx
Belt, Nellie M., xxx-xx-xxxx
Bender, Harry J., xxx-xx-xxxx
Benjamin, Ralph H., xxx-xx-xxxx
Benner, Stephen W., xxx-xx-xxxx
Bennett, Bruce C., xxx-xx-xxxx
Bennett, Rodney G., xxx-xx-xxxx
Benson, James R., xxx-xx-xxxx
Bentley, Barbara A., xxx-xx-xxxx
Benton, Gene R., xxx-xx-xxxx
Berghorn, Edward J., xxx-xx-xxxx
Bernacki, David M., xxx-xx-xxxx
Best, Cynthia E., xxx-xx-xxxx
Best, David O., xxx-xx-xxxx
Bettencourt, Gloria A., xxx-xx-xxxx
Bickner, Larry K., xxx-xx-xxxx
Biddulph, Catherine Ann, xxx-xx-xxxx
Bigelow, Steven, D. C., xxx-xx-xxxx
Binkley, Robert J., xxx-xx-xxxx
Binniker, James A., xxx-xx-xxxx
Bintzler, James R., xxx-xx-xxxx
Bione, Phyllis M., xxx-xx-xxxx
Bird, William L., xxx-xx-xxxx
Birdwell, Billy E., xxx-xx-xxxx
Bishop, Ellis V., Jr., xxx-xx-xxxx
Bishop, Robert J., xxx-xx-xxxx
Bishop, Steven N., xxx-xx-xxxx
Bitler, Lynne D., xxx-xx-xxxx
Blair, John T., Jr., xxx-xx-xxxx
Blair, Johnny W., xxx-xx-xxxx
Blake, Aurelia A., xxx-xx-xxxx
Blake, Douglas G., xxx-xx-xxxx
Blanchard, Philip T., xxx-xx-xxxx
Blanchard, Scott D., xxx-xx-xxxx
Blanchette, Louise A., xxx-xx-xxxx
Blemker, Michael B., xxx-xx-xxxx
Bliss, Randy L., xxx-xx-xxxx
Block, David O., xxx-xx-xxxx
Blume, Thomas M., xxx-xx-xxxx
Bobbitt, Westanna H., xxx-xx-xxxx
Boehmke, Bryon K., xxx-xx-xxxx
Boiko, Ronald K., xxx-xx-xxxx
Boland, John T., xxx-xx-xxxx
Bollert, Lee D., xxx-xx-xxxx
Bollwahn, Keith L., xxx-xx-xxxx
Bonnier, Paul H., xxx-xx-xxxx
Booker, Carl T., xxx-xx-xxxx
Booth, Richard W., Jr., xxx-xx-xxxx
Booth, Richard E., xxx-xx-xxxx
Borecky, Steven J., xxx-xx-xxxx
Borger, Gerald R., xxx-xx-xxxx
Boring, Jack E., Jr., xxx-xx-xxxx
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Boron, Stephen A., xxx-xx-xxxx
Boswell, Dean, xxx-xx-xxxx
Botsford, Robert D., xxx-xx-xxxx
Botts, Paul E., xxx-xx-xxxx
Bourland, Andrew M. II, xxx-xx-xxxx
Bousquet, Roy V., xxx-xx-xxxx
Boutte, Verdell, xxx-xx-xxxx
Bouwman, Michael D., xxx-xx-xxxx
Bouwman, Pamela R., xxx-xx-xxxx

Bowers, Karen L., xxx-xx-xxxx
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Bowes, Philip A., xxx-xx-xxxx
Bowling, Glen V., xxx-xx-xxxx
Bowling, Steven J., xxx-xx-xxxx
Bowman, Paul S., xxx-xx-xxxx
Bowra, Matthew A., xxx-xx-xxxx
Boyd, Paul D., xxx-xx-xxxx
Boye, Clinton A., xxx-xx-xxxx
Boylan, Colleen A., xxx-xx-xxxx
Boyle, Joseph F., xxx-xx-xxxx
Boyum, Dennis R., xxx-xx-xxxx
Braboy, Andrea A., xxx-xx-xxxx
Bradford, Jeffrey L., xxx-xx-xxxx
Bradley, Arthur J., xxx-xx-xxxx
Bradley, Jonathan B., xxx-xx-xxxx
Bradshaw, Alan P., xxx-xx-xxxx
Bradshaw, Judy M., xxx-xx-xxxx
Brady, Mark G., xxx-xx-xxxx
Brandt, Steven J., xxx-xx-xxxx
Brannock, John W., xxx-xx-xxxx
Braud, Priscilla J., xxx-xx-xxxx
Bray, Carl A., xxx-xx-xxxx
Brazil, Joe J., xxx-xx-xxxx
Breed, John T., Jr., xxx-xx-xxxx
Breen, Edward M., xxx-xx-xxxx
Brewer, Jeffrey N., xxx-xx-xxxx
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Brienza, Louis N., xxx-xx-xxxx
Brindell, Charles M., xxx-xx-xxxx
Bringle, G., Steven, xxx-xx-xxxx
Britanik, Shelley M., xxx-xx-xxxx
Britton, William J., xxx-xx-xxxx
Broadwell, James H., xxx-xx-xxxx
Brock, Timothy R., xxx-xx-xxxx
Brockett, David N., xxx-xx-xxxx
Brodersen, Jacob K. III, xxx-xx-xxxx
Brodfuehrer, Brian P., xxx-xx-xxxx
Brodhecker, Stephen A., xxx-xx-xxxx
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Brown, Carlton F., Jr., xxx-xx-xxxx
Brown, Garland B., xxx-xx-xxxx
Brown, Gerald L., xxx-xx-xxxx
Brown, Gregory M., xxx-xx-xxxx
Brown, Jerry D., xxx-xx-xxxx
Brown, Mark A., xxx-xx-xxxx
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Bruha, Michael L., xxx-xx-xxxx
Brummett, Jeffrey L., xxx-xx-xxxx
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Bryson, Andrew M., Jr., xxx-xx-xxxx
Buchanan, Bradley W., xxx-xx-xxxx
Buchanan, Douglas W., xxx-xx-xxxx
Buchberger, Gary L., xxx-xx-xxxx
Buchholtz, William R., xxx-xx-xxxx
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Bullard, Donna F., xxx-xx-xxxx
Burgess, Holly K., xxx-xx-xxxx
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Cherry, Lee J., xxx-xx-xxxx
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Chisholm, Alonzo, xxx-xx-xxxx
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Duff, James M., xxx-xx-xxxx
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EXTENSIONS OF REMARKS

FOSTER FURCOLO'S EDUCATION RECORD WHILE GOVERNOR CITED BY FORMER HEW SECRETARY JOSEPH CALIFANO DURING DEDICATION OF FOSTER FURCOLO HALL, SCHOOL OF EDUCATION, UNIVERSITY OF MASSACHUSETTS, AMHERST

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. BOLAND. Mr. Speaker, former Gov. Foster Furcolo of Massachusetts was honored recently by the University of Massachusetts which named its School of Education Building the Foster Furcolo Hall.

Former Secretary of Health, Education and Welfare Joseph Califano, who was the keynote speaker, described Foster Furcolo as having been "our Nation's foremost Governor committed to education. He pushed, pulled, and cajoled funds from the State until higher education in Massachusetts became the citadel of learning we know today."

In presenting the dedication certificate of Foster Furcolo Hall to the former Governor, Robert Quinn, chairman of the board of regents of the University of Massachusetts, said, "You had a vision, you made the right decisions, and future generations of students will be in your debt."

Foster Furcolo served two terms as Governor of Massachusetts, from 1957 to 1961, and two terms as my predecessor in the Congress from the Second Massachusetts District. He was also Massachusetts State Treasurer, 1953-54, and is currently U.S. administrative law judge in Boston and a member of the board of regents of Massachusetts higher education.

During his two terms as Governor, Foster Furcolo was credited with fathering an expanded University of Massachusetts, including the University Medical School at Worcester; creating the Massachusetts community college system, Southeastern Massachusetts University, Lowell University, and the improved State college system.

Mr. Speaker, I include with my remarks the inscription on the Foster Furcolo Hall dedication certificate and the text of former Secretary Califano's address of November 13, 1982:

[Seal of the University of Massachusetts (1863)]

THE HONORABLE FOSTER FURCOLO

Distinguished son of the Connecticut Valley; lawyer and teacher; Congressman (1949-1952); State Treasurer and Receiver General (1952-1955); Governor of the Commonwealth (1957-1961).

The Horace Mann of the twentieth century: prime sponsor of expanded public and private loan and scholarship program for needy students; father of an expanded University of Massachusetts; creator of the Community College System, Southeastern Massachusetts University, Lowell University, and the improved state college system.

THE DEDICATION OF THE SCHOOL OF EDUCATION BUILDING IN HONOR OF THE HONORABLE FOSTER FURCOLO

(Keynote address by Joseph Califano, former Secretary of Health, Education, and Welfare)

Chairman Quinn, I have to tell you that it was not personal ability . . . like Foster Furcolo, my mother is Irish, although it's irrelevant in Massachusetts today, I realize that.

Governor and Chancellor Duffey, other distinguished guests here, I have to confess one other thing. The last time I talked at an educational institution was at Stoneridge School. It's a little school outside of Washington where my daughter Claudia is in the seventh grade. I talked to the girls in her class just a few weeks ago, and after I spoke each one of them, about 22 of them, came up to shake hands. I bent over and I said to one of the little girls, "How did you like it?" She said, "It was boring." My daughter Claudia was standing next to me, she grabbed my jacket and said, "Daddy, Daddy, don't pay any attention to her. She's a smart aleck. The only thing she ever does is repeat what everybody else in the class says."

It is truly a privilege to be part of the ceremony today, dedicating this building to Foster Furcolo. This event brings together the finest of both parties to this transaction, this great University and this great Governor and public servant. The University of Massachusetts here at Amherst and in Boston and Worcester has served the people of this great Commonwealth by providing especially high-quality education and producing very well-trained citizens, and 80 percent of this University's graduates work and live in this great State. In Computer Sciences and International Studies and in Paleomar Sciences, that's chemistry, the University of Massachusetts ranks among the top ten institutions in all the United States. This University has served the people of this State with excellence, integrity and energy, and so too, has Foster Furcolo served the people of Massachusetts. He is worthy of the honor you do him today. His is the perfect name with which to christen this School of Education Building. For, Foster Furcolo, as no Governor of his time, conducted his public life with the firm conviction that education is the master key that opens all the doors of opportunity in America.

Education is not just the best hope of men and women today; it is their only hope. Poverty has many roots, but it's tap root is ignorance. Education opens the way to progress in the struggle against want and injustice. Education is the path to a society that is not only free but civilized; and most importantly, it is the path to peace. For it is education that elevates reason above force. Foster Furcolo understands this. He has a special faith in the importance of education as an investment in the future of our nation and in the future of our people as individuals.

I speak this morning of university education not in a narrow sense. It is the responsibility of a university to provide its students with the capacity to look beyond the narrow horizons of their major and minor subjects, to develop in students the creative imagination that spawns new ideas, to stir in students a curiosity that will enrich their lives and enrich our nation for years to come, and to nourish in students a better understanding of the human condition and how to improve it. Years before President Lyndon Johnson's Great Society heralded a new era of Federal support for education, Governor Foster Furcolo argued, persuaded, prayed, cajoled, shoved, pulled and pushed the resources of this State into public education at all levels, until Massachusetts became a citadel where every young citizen could get all the education he or she could absorb.

Governor Furcolo often spoke of the importance of excellence personal achievement in public service and of the key role of education in all three. Universities should train students not just for a future as a lawyer or an engineer or computer expert or chemist, they should prepare them for a future in which professional specialties change as rapidly as new discoveries appear on the scene. Facing such a future, the university has a special responsibility to imbue its students with fundamental human and spiritual values that endure long after changes in occupation.

I tried to think of some way to convey the level and depth of Foster Furcolo's commitment to education and the role of the university in public service. So, I went back and I read the speeches that Foster Furcolo gave to my alma mater, Holy Cross, when he was Governor. Each spring as Governor of Massachusetts he would travel to Worcester to deliver the commencement address. Now let me quote in some of those addresses.

In June of 1957, to the graduating class at Holy Cross College, Foster Furcolo said, "What must be enlarged, however, is the creative and moral vision of those whom we must educate so that their creative capacities can be more effectively applied to the problems pressing upon the world today." And the following year, 1958, after Sputnik at the dawn of the Space Age, I quote, "Science has abolished frontiers by annihilating space, yet our minds have not yet stretched to keep pace. It has given us the power to abolish poverty, yet we use it to impoverish men and destroy life. We have suddenly come into a vast fortune," said Foster Fur-

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

colo, "but are uneducated to spend it wisely. For science alone is not enough, it is character even more than intellect that moves the world. Science unchecked by moral and spiritual values is a positive menace to mankind. Knowledge and power in the hands of evil and unprincipled men threatens our survival today. The corruption of the best is the worst of all." And in that same address in 1958, "The need is for more than intellectual competence, it is for conscience too, conscience guided by morality and principle."

And the following year in 1959, Foster Furcolo told those graduates, "A creative mind must be free to search for truth, and intellectual freedom inexorably leads to a desire for spiritual and political freedom. Russian scholars aiming for the moon and for the stars searching the depths of the celestial universe will sooner or later find God. The more man comes to know, the less he will be satisfied to worship himself or the Marxian state. Scientific man recoils from annihilation and will resist universal suicide. Recall the horror of our own scientists toward misuse of their atomic discoveries, and you will realize how Russian scientists will oppose a Third World War."

And in 1960, Foster Furcolo said, "A major purpose of education is the elevation of the reason of the human power. The pursuit of excellence is far more exhilerating than conforming to mediocrity." And also in that year to those graduates, he said, "No society can survive without a moral order. We know that the shape of things to come will depend largely upon the quality and training of those who do the shaping so that when we talk of building a better world we must start with ourselves. If we're going to build a good world, we shall have to begin by building good men." And also that year, "Brains will help you get a good start in life, but to carry that start to a successful conclusion requires more than intellect alone, it requires character and perseverence and loyalty—loyalty to your land, to your faith, and to your friends and superiors." And one more quote from that commencement address on June 8, 1960, to the Holy Cross graduates, seven months before John F. Kennedy's stirring call to service in his 1961 inaugural address.

Here is what Foster Furcolo said in Worcester, Massachusetts, on June 8, 1960: "Yours then is the greatest task of all, and your reward will be more in service than in salary. Yet doesn't our society need most urgently to recapture the ideals of beauty, morality and grandeur of service rather than of mere income. Should not creative individuals strive to see how best to serve their fellow man rather than how their fellow man or the community can best serve them."

It is especially fitting to single out this man at this great public University in his home state. For in June of 1960, three years before Lyndon Johnson would become our Nation's greatest education President, Foster Furcolo made it clear that he was our Nation's greatest education Governor. In East Glacier, Montana, at the National Governors' Conference, on June 27, 1960, Foster Furcolo proposed a new and revolutionary education plan. An ingenious insurance annuity plan for the Federal government, designed to provide adequate financial assistance so that any student in our Nation could go to the university of his or her choice without regard to his or her financial pedigree.

What a contrast we see in the world today. We all realize that this is a time of belt-tightening for Americans, a time when we must navigate the treacherous straits from affluence to austerity. There is simply less money available to us, and we have to choose among pressing and deserving public needs. There have to be some cuts in the Federal budget, at least until the economy is well again. We all have our disagreements about the wisdom, the fairness, even the harshness of some of those cuts. But none, none is so short-sighted, so certain to lose the war by winning the wrong battle, so subversive of our National interests, and so offensive to fundamental precepts of social justice as the hatcheting of higher education.

We have at the head of our Nation an extraordinarily gifted Pied Piper of politics, but I cannot believe that the American people want to follow him back to the days when the amount of education a young citizen of this country received depended not on his or her ability to absorb it, but on how thick Daddy's wallet was. Foster Furcolo led Massachusetts out of those dark days. He put in place the laws and resources necessary to begin the job of providing educational opportunity to every person in this State. He never wavered in his commitment to higher education. His bright faith in its value as a civilizing and humanizing force was never shadowed with doubt. But most importantly, Foster Furcolo had the courage to care. He cared while he was Governor. He kept caring through difficult years when he lost his first wife and suffered the humiliation of false witness. He cared enough to serve in the National Congress, to serve as Governor, to persevere with courage through the deep and dark valleys of unfair difficulties, and then to serve again with dignity and courage as a lawyer and as a prosecutor in Middlesex County.

Let me close with what the great Jesuit calamitologist, Neondis Chardin, meant when he said: "Some day, after mastering the winds, the waves, the tides and gravity, we shall harness for God the energy of love, and then for the second time in the history of the world, man will have discovered fire."

Governor, it is a pleasure to be here.●

ANDROPOV SEIZES POWER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. McDONALD. Mr. Speaker, the seizure of power by Yuri Andropov has been remarkably swift and certain. Most of the so-called experts spoke of the time Andropov would need to consolidate his power and how long the jockeying for power would go on. None of that is apparent. How and why Andropov was able to do this, and how he may proceed in the future, was very ably set forth in the new intelligence publication Early Warning, in its February 1983 issue. It makes excellent reading for those of my colleagues who wish to learn more about Mr. Andropov.

ANDROPOV SEIZES POWER

Viewed from afar, the transition from Brezhnev to Andropov appeared remarkably smooth as well as exceptionally swift—within two days of Brezhnev's death on November 10, 1982, Andropov was consecrated as the new General Secretary. Since then, he has been able to move some of his own men into key positions, aided considerably by the advanced years and ailing health of many of the men in the Politburo and the Central Committee.

In fact, there are indications that a bitter struggle for the succession was being waged behind the scenes for about a year before Brezhnev succumbed to his terminal stroke, and that Andropov made full use of his KGB dossiers in elbowing his competition aside. The corruption scandal involving Brezhnev's own daughter Galina (whose husband was a Deputy Minister of Interior) and a colorful cast including her flashy lover, a diamond thief called Boris ("The Gypsy") Buryatia and the Director of the Moscow Circus may have been made public by Andropov in order to show that Brezhnev's grip was slipping and to intimidate his Kremlin colleagues with a glimpse of how their peccadilloes might be used against them.

As a result, Andropov seems to have succeeded in avoiding a protracted power struggle following Brezhnev's death. By contrast, it might be recalled that it took Stalin six years to consolidate his power after Lenin's death; it took Khrushchev five years to emerge supreme after Stalin's demise; and it took Brezhnev all of eight years to establish is ascendancy over the troika that replaced Khrushchev.

However, first impressions may be deceptive. In assessing the new power set-up in Moscow, it should be remembered:

1. Andropov will be 69 this year, and that his health is not good. He is suffering from heart disease, and some Western analysts believe that his very poor eyesight is a symptom of diabetes. West German delegates who accompanied Hans-Jochen Vogel to Moscow in January reported that the new Soviet General Secretary seemed pale and drawn, and staggered, rather than walked, across the room to receive his guests—although, in the meeting itself, he seemed sharp-witted as ever.

2. The Soviet leadership as a whole is a gerontocracy, and most of the familiar faces—including Andropov's—are likely to be replaced within the next 3-5 years by a new generation of leaders, probably men in their mid-50s. Unlike the present elite, many of them will be too young to have fought in the "Great Patriotic War" (at least in any senior position) or to have achieved important political positions in Stalin's time. They will have climbed the Party ladder in a period when the Soviet Union was not seriously threatened from outside and was emerging—rapidly, with Brezhnev's breakneck military build-up—as the foremost military power in the world. They are likely to be cynical about ideology, but may be more aggressive than the present generation in pursuing adventurist policies abroad, because they rose to the top at a time when the Soviets were more powerful, and more confident of their place in the world, than ever before.

3. Resentment against Andropov probably still simmers among displaced rivals like Konstanin Chernenko (widely believed to have been groomed by Brezhnev as his successor) and may run deep if—as seems likely—he made full use of the intimidatory power of the KGB to ensure his emergence as General Secretary.

4. The Soviet armed forces have reason to be thankful to Brezhnev, who devoted about 15 percent of the GNP to defense, at the ex-

pense of consumers and the economy in general. Both Brezhnev, in his last year, and Andropov, since taking over, have been careful to make unusual obeisances to the armed forces. (In his first public statement, Andropov talked of "the invincible might of the Soviet armed forces.") Andropov has reason to be concerned that the Soviet generals may be bidding for a larger place in the political system, and there is reason to believe that he gave various assurances to Marshal Ogarkov, the Chief of the General Staff, in order to buy the generals' approval for his assumption of the top Party job. These assurances probably included (a) a guarantee that Ogarkov would succeed the aging Dimitri Ustnov, a civilian, as Defense Minister and (b) that there would not be significant defense cuts. In addition, there is an elaborate KGB and Party control structure designed to keep tight guiding reins on the military. However, in the event of major social disturbances inside the Soviet Union, Andropov may face a political threat from a combination of the high command and his opponents inside the Party.

KEY LIEUTENANTS

Further sweeping changes in the composition of the Politburo and the Soviet government are in store, and may come to pass in a matter of months. Here are some of the key men to watch:

Geidar Aliyev, born in Soviet Azerbaijan in 1923, has been elevated by Andropov to full membership of the Politburo and the post of First Deputy Prime Minister. For 28 years, Aliyev was a career KGB officer, before becoming Party boss in Azerbaijan. According to a West European intelligence source, Aliyev let slip (at a meeting in Baku in June 1982) what could be an important clue to a Soviet plan to intervene in Iran after Ayatollah Khomeini's death. Aliyev contrasted the "backwardness" of Iran's Azerbaijanis with the "progress" of their Soviet conationalists. He then said that the solution could be for Azerbaijanis on both sides of the border to be "united." If his remarks have Andropov's backing, the Soviets may be embarked on a plan to take advantage of the confusion that will follow Khomeini's death to attempt a carve-up of Iran.

Marshal Nikolai Ogarkov, the Chief of the General Staff, may have worked with Andropov as early as the 1940s, when he was stationed on the Karelian front. The most fascinating thing to observe about Ogarkov is that he was formerly head of the Thirteenth Chief Directorate of the General Staff, which is responsible for strategic deception. In other words, he was the key man responsible for deceiving the United States about Soviet military programs and for covering up the massive and systematic Soviet violations of strategic arms accords. He will be an appropriate ally for Andropov, the master of political deception, in the next phase of the Soviet campaign to persuade the West to disarm unilaterally.

Vitaly Fedorchuk succeeded Andropov as head of the KGB in May last year (when Andropov moved back to the Party Secretariat to put some apparent distance between himself and his sinister functions as chief of the secret police preparatory to succeeding Brezhnev—in other words, to clean up his act). Andropov has since moved Fedorchuk over to the Interior Ministry and charged him with rooting out the flagrant corruption within the Ministry and the militia. Fedorchuk is regarded by Western analysts as an A-grade thug. During World War II, he was a "military chekist," one of the chiefs of the SMERSH in the Ukraine, where he specialized in rounding up Ukrainian nationlists and others of doubtful loyalties and organizing mass executions. In 1954-55, Fedorchuk personally arranged the kidnapping of two East European emigrees off the streets in Vienna. He is a close crony of General Piotr Ivashutin, the head of the GRU (and a former top KGB man).

Viktor Chebrikov and Georgiy Tsinëv, respectively the Chairman and First Deputy Chairman of the KGB, are both members of the old Brezhnev mafia—men who worked with the late General Secretary in his early days in the Ukraine. Both have clearly made their accommodations with Andropov, although he is thought to have more trust in Tsinëv than in Chebrikov. It is worth noting that Tsinëv, like Fedorchuk, is a "military chekist" by professional formation—in other words, a specialist in spying on the military. Andropov will rely on Tsinëv, as well as on the Chief Political Directorate of the Soviet Armed Forces (the commissariat) for forewarning of any plotting among the generals.

SOVIET PROSPECTS

Economic reform is urgently needed in Russia. According to the official figures, the GNP grew by 2.6 percent in 1982; Western experts think that in fact there was zero or minus growth. Russia, a large grain exporter under the Tsars, has to expend a large portion of its foreign exchange on importing cereals. There is a real fear among the Kremlin leaders that shortages of food and consumer goods could lead to major popular disturbances, perhaps even on the Polish scale. Strikes reported at large automobile plants over the past two years are a warning flare.

The man in charge of agriculture, Gorbachev, is one of the youngest and most vigorous members of the Politburo. Effective reform would involve:

(a) Heavy investment in improving rural transportation networks.

(b) Decentralization of decision-making.

(c) A "Hungarian-style" restoration of incentives for production—something that, given his Budapest experience, Andropov might be expected to know a good deal about.

But what remains unclear is whether Andropov will be able—or willing—to run the political risk of diverting investment away from the country's enormous war machine. Unless he is prepared to do that, economic reform is likely to be still-born, leaving plenty of scope for rising popular frustration. Apparently anticipating this, he has already surrounded himself with experts in repression like Fedorchuk, and what could be in store is a domestic crackdown of Stalinist proportions.

Andropov has made considerable noise about clamping down on corruption, which is rife throughout the Soviet system. This does not mean that he is seriously bent on removing the enormous perquisites of the Party elite—that would mean attacking the very heart of the system. He is likely, however, to use the cover of the anticorruption campaign to remove political rivals.

ANDROPOV'S TARGETS ABROAD

For several months of last year, Soviet foreign policy seemed to have entered the doldrums. The Soviets did not move expeditiously to exploit the Middle East situation resulting from the Israeli invasion of Lebanon, for example, and might have done more to exploit the Falklands war. Wth Andropov installed as General Secretary, the whole style and tempo has changed decisively. The Soviets have already embarked on a new "peace offensive" intended to derail the NATO plan for the deployment of medium-range missiles to offset Russia's 340 SS-20s in Europe. The Soviets are seeking to recoup some of their Middle East losses with a new arms build-up in Syria and behind-the-scenes efforts to sabotage the Reagan peace plan. They are openly intervening in West Germany's election process, adopting a threatening tone that could signal increasingly brutal efforts to use the threat of military force to make the West Europeans accede to their political demands.

In addition, Andropov is embarked on a new round of diplomacy with China. Whether Western fears of a Soviet-Chinese detente will be realized remains in doubt. A possible condition for that would be Soviet withdrawal from Afghanistan, and it is uncertain whether Andropov would be willing to pay that price—at least until (and unless) the Soviets establish an alternative landbridge toward the Gulf via Iran. It would be less expensive for Andropov to offer the Chinese a negotiated settlement in Cambodia, involving a coalition government headed by Prince Sihanouk in place of the present Vietnamese- and Soviet-backed puppet regime.

But the options available to Andropov to stymie U.S. foreign policy are considerable. The Soviets and the Cubans are making tremendous inroads in Latin America. The debt problems of Mexico and Venezuela (deepened by OPEC disarray), the political chaos in Argentina and the shaky democratic experiments under way in Bolivia and above all, Brazil, all present them with huge new opportunities for mounting a flank attack on the United States, beyond the revolutionary upheavals now shaking Central America.

What makes all these challenges more acute for the United States and its allies is the success of the vast operation that the KGB has mounted, on Andropov's orders, to conceal the real nature of what is happening from the Western public through media manipulation and other "active measures." The West has yet to offer an effective counter to this hidden offensive.

The fact that much of the public discussion about Andropov in the West has focused on whether or not he will "maintain detente" must appeal to the former KGB chief's sense of irony, since he knows that the rhetoric of detente was cynically exploited to lull the U.S. into failing to respond to the largest military build-up the world has ever seen—a build-up that is Brezhnev's enduring legacy to the Soviet Union. Andropov is perfectly conscious that, if the Reagan Administration's defense plans are allowed to proceed substantially unobstructed, the United States will be able to close the defense gap that has opened up by the second half of the 1980s. The Soviets will use every weapon in the arsenal of active measures to prevent that from coming to pass.●

THE IOWA VOICE OF DEMOCRACY WINNER

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. TAUKE. Mr. Speaker, I am extremely proud to call my colleagues attention to the achievements of an outstanding high school student from my congressional district. Her name is Stacey M. Paisley, and she is Iowa's winner in this year's Veterans of Foreign Wars Voice of Democracy contest.

Stacey is 16 years old, and already she has a string of honors that must make her parents, Thomas and Linda Paisley, very proud. She is a first place winner in the impromptu interpretation competition of the Iowa Forensics League; a second place winner in the Optimist International oratorical contest; and she has been named an outstanding performer in book review presentations by the Iowa High School Speech Association.

Stacey lives in rural Zwingle and attends Maquoketa High School, where she is also involved in thespian activities. She plans to attend the University of Iowa and hopes to become a lawyer. She is one of 250,000 secondary school students who participated in the scholarship contest by preparing speeches. The theme of this year's contest was "Youth—America's Strength."

I would now like to share Stacey's award-winning remarks with my colleagues, and insert them into the CONGRESSIONAL RECORD.

The room is large and clean; it smells vaguely of disinfectant, as most hosptial rooms do. But this room is special. A miracle is taking place in this very room.

Everything is suddenly quiet. All noise ceases as the occupants of the room wait to hear about the miracle they are seeing.

"It's . . . a boy", the doctor informs everyone in the room.

Deftly he turns the newborn upside-down and spanks its behind, giving the baby the gift of his first breath along with his lustful cries.

And so another miracle has taken place. Another child has been born. This child is different from all others the world has ever seen before. He will have new ideas, talents, and gifts to offer to our society. He will grow up to be our youth; America's strength.

The democratic way of life has flourished in the United States because we refuse to be satisfied with what we have already accomplished. We are always looking to the future for bigger and better things. We do this by looking to our youth for new and creative ideas.

We generally attribute qualities such as ambition, imagination, and determination to our youth. These are the very qualities which keep America moving, and keep America strong.

Pearl S. Buck once said, "The young do not know enough to be prudent, and therefore they attempt the impossible—and achieve it, generation after generation."

With youth being our strength, there will always be another generation to fill the place of the last. Decades in the future, that same miracle, the birth of a child, will still be occurring.

Each generation will be more imaginative, will have more ideas which others consider as "impossible". And when they prove that those ideas weren't impossible after all, they broaden the world of knowledge for the next generation. It's a never-ending cycle which can only serve to make our country more creative, more intelligent and stronger.

The youth of the future might solve some of our problems with natural resources by coming up with solutions which others now think of as impossible, or they might find a cure for a disease we now think of as incurable.

We really can't predict the extent of the answers our youth will give us, because everytime we set up boundaries or limits to what we think they can or can't do, they cross those boundaries exceeding our expectations. This, to me, is what makes youth the strength of our nation.

Ralph Waldo Emerson once wrote, "The power which resides in him is new in nature, and none but he knows what that is which he can do, nor does he know until he has tried."

Youth is willing to try. The youth of America demonstrate this idea everyday.

We refuse to believe hand-me-down answers. We have to find out for ourselves, and often our answers are far different from what others expected they would be.

Across the nation, rooms are silent. Doctors announce, "It's a boy" or, "It's a girl."

As America hears the cries of these children, we welcome these newest Americans, nurture them, and watch them go out into the world as individuals to build a stronger America, carrying with them the ideals of past generations; for indeed youth is America's strength.●

SOCIAL SECURITY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. CORCORAN. Mr. Speaker, on March 9, we debated and cast our votes for a proposal designed to rectify both the short- and long-term deficits facing social security. While I supported President Reagan's efforts to find a bipartisan solution for the persistent difficulties that threatened to deprive the Nation's social security recipients of their benefits in July 1983, I did not support the Commission's solution.

The final bill, H.R. 1900, contained many provisions from the Social Security Commission report, but the House Ways and Means Committee provided its guidance by amending Commission recommendations and adding its own provisions to form the final legislation. I commend my colleagues on the Ways and Means Committee for producing a much improved package. These improvements allowed me to vote in favor of H.R. 1900. As has been noted by many of us though, this bill is far from perfect. I objected to the acceleration of and the increases in payroll taxes, and the burden which the self-employed have been asked to carry by increasing their contributions to social security. I also recognized the opposition of Federal employees to the inclusion of new Federal workers, and I am committed to insuring the solvency of the civil service retirement system.

The long-term deficits which are predicted for the social security trust funds without reform gave rise to perhaps the most heated discussion. Both the Commission and the Ways and Means Committee only addressed two-thirds of the projected deficit. Two amendments were introduced to deal with the remaining one-third. An amendment introduced by my distinguished colleague from Texas, Mr. PICKLE, filled that gap in what I believe to be an equitable fashion. By raising the retirement age in a two-step process to 67 beginning in the year 2000, and concluding the phase-in in 2027, the Pickle amendment solves the long-term deficiencies without another tax increase. It would also allow workers to retire at 62 if they chose to at 70 percent of the full benefit. I believe this is a fair compromise.

In the final analysis, this legislation does not satisfy everyone, but a vote for H.R. 1900 was a vote for the restoration of a system which many retirees cannot live without, and a system on which future retirees can depend.●

GOOSE LAKE BASIN COMPACT

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. DENNY SMITH. Mr. Speaker, today, Congressman BOB SMITH, Congressman SHUMWAY, and I are introducing a bill I sponsored in the 97th Congress which grants consent to the Goose Lake basin compact between the States of California and Oregon.

The Oregon-California Goose Lake interstate compact was ratified by the State Legislatures more than 17 years ago but still needs the consent of Congress if its provisions are to take effect.

The major purposes of this compact are to facilitate the orderly use, conservation, and control of the water resources of Goose Lake basin; and to provide for intergovernmental cooperation which would remove any present and future controversies. This can be accomplished by providing for continued development of the water resources of Goose Lake basin by the States of California and Oregon and by prohibiting the export of water from Goose Lake basin without consent of the Legislatures of California and Oregon.

Congressional action on this legislation is long overdue. With the increasing demands for water to be diverted from existing basins in the West to locations that lack water, it is imperative that this compact be consented to by the Congress. I intend to push for early passage in the 98th Congress.●

ADMINISTRATION: "SORRY, NO MONEY FOR SMALL BUSINESS ENERGY RESEARCH"

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. BEDELL. Mr. Speaker, I have often taken the floor of the House to speak out against the misguided energy policies of the Reagan administration. In keeping with my efforts to point out the folly of the administration's policies in the area of renewable energy technologies, I would like to share with my colleagues a letter I received from an Iowa business that manufactures small wind-powered generators.

The problems that Winpower Corp. is having obtaining Federal support for their research and development project parallels those of other small firms. Winpower manufactures generators that are used for standby power in the event of utility power failures on farms. They have been working in conjunction with Iowa State University to develop a wind-driven generator system specifically designed to provide primary power on the farm. The Department of Energy has decided that it is no longer interested in funding small machine research any more. Consequently the $50,000 to $100,000 that Iowa State University needs to keep the wind project operating in 1984 has been cut from the fiscal 1984 budget.

But wait, it appears the DOE is applying a double standard to its funding for wind energy research. According to the project's research leader at Iowa State, the DOE wants to spend over $28 million on wind energy systems. However, most of that money will be committed to large, centralized systems research and development. Thus, in wind energy research, there is no money for the small, but plenty for the big.

I must say, at least, that the administration is consistent in its energy research policies. In the last Congress, I was the chairman of the Small Business Committee's Energy Subcommittee. Many small business firms had research contracts from the DOE canceled without review in midcourse. Some of these projects were 3-year contracts with only 1 year left to run when President Reagan took office. We found that the new administration canceled these projects without even looking at the files in order to judge the merits of the work. The contracts were with small businesses, and that is all the budget cutters needed to know. In this administration, there is no money for small scale energy research, yet there are huge subsidies for large control power generators.

Mr. Speaker, it is policies like this that so clearly are taking us in the wrong direction. If we continue on this course we will pay a tremendous price in the future when oil prices skyrocket once again. We cannot afford to turn our backs on small scale energy alternatives.

The letter I referred to earlier follows:

WINPOWER CORP.,
Newton, Iowa, March 2, 1983.

Hon. BERKLEY BEDELL,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BEDELL: I am writing to express my disappointment in the Department of Energy's budget reduction as it applies to small wind system research.

Let me familiarize you with the Winpower Corporation. We are a 58 year old company located in Newton, Iowa. We manufacture generators and engine driven generator sets which are used primarily for standby purposes in the event of utility power failure on the farm. Generator sets are also used to provide electrical power for building projects prior to power service being run to the construction site.

Our business in recent years as many other businesses related to the farm economy and construction market has been suffering. In 1979 our employment level was close to 200 employees. Today we are at 36. We attribute in part this drastic reduction in business to administration policies starting with a grain embargo and of course reduced housing starts and high interest rates. Frankly, we are struggling.

In order to diversify we acquired in the Fall of 1982 a small wind electric company and established a wholly owned subsidiary by the name of Winpower Wind Systems, Inc. Our plans are to market a wind driven electric generator in the Spring of 1983.

The purpose of this letter is to advise that we have been working with the Iowa State University located in Ames, Iowa, who has established in the past several years a wind energy test program and has been funded by the Department of Energy as well as with USDA Research funds. Being a small wind electric company we had depended upon test programs at the University to aid us in getting back into the wind electric program. However, we have recently learned that funds have now been cut off and the testing program must be shut down as of October 1, 1983.

This news was very discouraging to us and I respectfully ask that you review the progress which has been made by Dr. Soderholm and associates to see of there is a possibility of reactivating this program, even at some reduced level.

I have taken the liberty of including with this letter a copy of Dr. Soderholm's letter which we requested. I only regret that Winpower Corporation does not have the funds to underwrite this type of program in part or in whole.

Anything that you can do to keep funds available for this testing project will be appreciated. Hopefully you will be able to come to our aid.

Should you be in the Newton area and wish to visit our plant we would welcome the opportunity to familiarize you with our product line as well as our facilities.

Sincerely,

THOMAS C. GRAHAM,
General Manager.

Enclosure.

U.S. DEPARTMENT OF AGRICULTURE,
SCIENCE AND EDUCATION ADMINISTRATION, AGRICULTURAL RESEARCH, NORTH CENTRAL REGION,
MID-GREAT PLAINS AREA, AGRICULTURAL ENGINEERING RESEARCH UNIT, IOWA STATE UNIV.,
Ames, Iowa, February 16, 1983.

Mr. TOM GRAHAM,
Winpower Corp.,
Newton, Iowa.

DEAR MR. GRAHAM: In answer to the questions that have been raised regarding the future of small wind system research (SWECS) by USDA—Agricultural Research Service, at the present time, all such small machine research both at Ames and Bushland, Texas will be discontinued and dismantled as of October 1, 1983. The Dept. of Energy has decided that they will not fund small machine research in 1984. Of their $28.4 million wind-energy budget, $18.5 million is slated for Mod 5 development, and the majority of the rest for large machine (Mod 2) development testing and repair ($1.0 million for Mod 2 shaft replacement).

Our activity has been devoted primarily to the development testing and application of small wind systems for agriculture. Under the present research emphasis within USDA there is not a great chance for USDA to provide the needed support dollars to continue this activity unless Congress intervenes.

We feel that the basic research needed is not within the financial capabilities of individual manufacturers of small wind systems and the discontinuing of such research will severely limit the application of SWECS in an area where they might make a major contribution to energy conservation of non-renewable energy resources.

The only remaining SWECS research will be the Rocky Flats test center and they will be operating on a very reduced budget. Our needs for operating funds other than salary are not substantial as the major instrumentation and facilities have already been established. Operating funds of $50-$100 thousand at Ames could make a substantial contribution to ongoing work. To dismantle the present facilities seems very inappropriate at this time after all the effort and progress that has been made.

We hope that the above information will provide the general information requested as to the status of what is slated for small wind system research. If there are further questions, I would be glad to supply all the information that I can.

Sincerely,

L. H. SODERHOLM,
Research Leader.●

SOVIET JEWRY SOLIDARITY DAY

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. BORSKI. Mr. Speaker, today is the opening of the third World Conference on Soviet Jewry in Jerusalem and communities all over the United States are observing a day of solidarity with Soviet Jews. To commemorate this occasion and demonstrate support for Soviet Jewry, I am introducing legislation proclaiming March 15, 1983, "Soviet Jewry Solidarity Day."

The history of the Jewish people in the Soviet Union is a legacy of anti-Semitism. Soviet Jews have been deprived of their cultural and linguistic identity, and the exercise of Jewish religion has long been the target of government assault.

The courage and determination of Soviet Jews to overcome persecution is being severely tested today. The Soviet Government is intensifying its efforts to harass and isolate the Soviet Jewish community. Soviet authorities have embarked upon a campaign to ban Hebrew education programs, confiscate religious books and articles and give prominence to anti-Semitic statements in the media. Discrimination against Jews in employment and education is on the rise, and increasing numbers of Jews are being arrested and imprisoned for engaging in Jewish cultural activities.

The deteriorating condition of Soviet Jewry is dramatically reflected in last year's emigration figures. In 1982, only 2,688 Jews were allowed to leave the Soviet Union, as compared to 51,320 in 1979.

The Helsinki Final Act recognizes the basic right of emigration for persons seeking family unification. As a signatory of the Helsinki accords, the Soviet Government is violating its agreement to respect the right of Soviet Jews to join their families abroad.

The struggle of Soviet Jews is a struggle for justice, compassion, and humanity. Soviet Jewry's greatest hope lies in knowing the world has not forgotten their plight. We must continue to speak out against Soviet human rights abuses, and do everything in our power to exert pressure on the Soviet Government to comply with international law and improve its treatment of Soviet Jews.

I urge you to join with me in demonstrating our support for the cause of Soviet Jewry by proclaiming March 15, 1983, "Soviet Jewry Solidarity Day."●

END NUCLEAR ARMS BUILDUP

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Ms. KAPTUR. Mr. Speaker, before the House of Representatives votes tomorrow on House Joint Resolution 13, the bilateral nuclear freeze resolution, I would like to commend to the attention of my colleagues, both a letter which all of us received from the Business Executives for National Security, Inc. (BENS), and an op-ed piece from the New York Times on March 15, by a former U.S. arms control negotiator, Mr. Alan Neidle.

BENS clearly explains that House Joint Resolution 13 is the first step toward ending the massive nuclear arms buildup that is eroding the military and economic stability of the United States and the Soviet Union. In the New York Times piece, Mr. Alan Neidle argues that passage of the freeze resolution does not undermine prospects for effective negotiation, but rather raises the chances that the U.S.S.R. may decide to engage in a genuine discussion. I hope that my colleagues will take the time to read these two insightful pieces.

MARCH 11, 1983.

DEAR REPRESENTATIVE: On behalf of Business Executives for National Security (BENS), Inc., a national, non-partisan organization of business executives and entrepreneurs concerned about America's fundamental national security, I would like to share with you our thoughts on House Joint Resolution 13, which was reported out of the Foreign Affairs Committee March 8th. BENS presented a statement to that Committee on the bilateral nuclear weapons "freeze" proposal and has given very careful consideration to it.

BENS examined the proposal from this point of view: the best defense for the United States would be based on comprehensive and up-to-date assessments of our most pressing security needs, with an effective long-range strategy for a strong national defense based on those needs. America's defense budget is enormous, and we are all being asked to make sacrifices to support it. BENS wants to know whether the benefits produced are sufficient in the light of our investment.

BENS is deeply concerned that our strategic priorities are not at all clear. Senior defense analysts such as John Collins and George Kuhn are increasingly describing our highest-level military decisions as products of institutional momentum, inter-service competition, and the sheer availability of new technologies. As we told the Foreign Affairs Committee during the recent hearings, "The United States must have a strong defense. . . . Effectively countering our Soviet adversaries requires a security policy based on more than constantly reacting and confronting one another with doomsday. Rather, we must see our national security in its total economic and political context. . . . Good business sense tells us that making defense decisions without clear strategies backed by careful cost-benefit analyses probably threatens America's national security."

As Americans whose way of life depends upon a secure defense, and as business leaders whose quality of life depends upon a sound economy, we must emphasize our considered judgment that the present massive build-up of nuclear armaments by the superpowers is eroding the military and economic stability of both the United States and the Soviet Union. Enough is enough. Rather than waiting for the Soviet Union to define the terms of the debate, America should lead the way in breaking the nuclear stand-off. We must now take comprehensive, workable steps to halt the destabilizing technological escalation of Soviet and American nuclear stockpiles. Business Executives for National Security believes that, on balance, a necessary first step toward real security is the proposal expressed in House Joint Resolution 13.

The call for negotiations on an immediate, bilateral nuclear weapons freeze merits your support for many reasons. Building on past negotiations, a comprehensive freeze would be more easily verified than previous piecemeal accords. By holding the approximate parity of advantages and disadvantages in U.S./U.S.S.R. force structures, the freeze is a pragmatic, balanced option likely to elicit some Soviet support. Moreover, passage of this measure will add great credibility to our efforts to halt nuclear proliferation to less stable regions.

Certainly, the costs of verification procedures, economic conversion, and job security measures will divert some investment. But according to budget authority estimated by the Congressional Budget Office for the relevant weapons systems, we can reasonably expect the freeze to save at least $84,200,000,000 over the next five years. Recent budgetary analyses by Pentagon officials indicate that the freeze might save much more, due to underestimated costs of the planned military build-up.

BENS recognizes that negotiating an acceptable nuclear weapons freeze presents a difficult short-term challenge. But this is clearly offset, in our judgment, by the proposal's long-term benefits—benefits such as initiation of a thorough review of our national security strategy, avoidance of unnecessary destabilization, a better chance of halting nuclear proliferation, and lower military expenditures. Unless we move now, as House Joint Resolution 13 envisions, these decisive benefits will be lost.

More significant than the direct budgetary savings are the likely indirect effects of the freeze on the economy. The stabilizing effect of an ease in arms race tensions could stimulate East-West trade and expand our foreign markets. National productivity could be improved as resources, capital, and skilled workers move from non-productive weapons procurement to civilian industrial research and development. We could then rebuild our domestic competitiveness while expanding our exports.

A bilateral halt to the nuclear arms race is in the best interests of our businesses and our nation. We strongly urge you to support House Joint Resolution 13 to press the Soviet Union to adopt a mutual, verifiable nuclear weapons freeze at this time. Such action is essential if the United States is to maintain its place as an economic, political, and moral leader of nations.

Sincerely,

STANLEY A. WEISS.

President, Business Executives for National Security, Inc., and Chairman, American Minerals, Inc.

[From the New York Times, Mar. 15, 1983]

A FREEZE BENEFITS US BOTH

(By Alan Neidle)

ALEXANDRIA, VA.—Would passage of the House resolution calling for a verifiable United States-Soviet freeze on nuclear weapons undercut President Reagan's ability to negotiate sound treaties limiting and reducing strategic and intermediate-range nuclear systems?

The answer is no. On the contrary, the greater the Congressional support for the resolution, the more likely it is that serious and productive negotiations can take place with Moscow—whether they concern reductions of nuclear arms, freezing various elements of nuclear development or some combination.

Unfortunately, the United States and Soviet Union have not yet begun genuine negotiations on either strategic or intermediate-range nuclear weapons. Proposals have been issued; views have been exchanged. The positions of the two sides, however, remain far apart on a great many major issues. Some observers believe that they can discern the broad outlines of possible deals. But the two Governments have not begun to hammer out specific solutions to numerous points of difference.

When, and if, that process begins, one basic principle may be taken as axiomatic. Neither Government will accept proposals from the other that it considers heavily weighted to its disadvantage. The application of this principle—which is akin to the instinct for survival—will not be affected one iota by whether the freeze resolution is passed or defeated. For example, if the resolution were adopted, even by both houses of Congress, there would still be no chance that the Reagan Administration would accept the present unbalanced proposals put forward by the Soviet Union. Moscow certainly knows this.

Conversely, if the freeze resolution were defeated, there would still be no chance that the Soviet Union would accept Administration proposals that it feels are one-sided. The United States Government ought to understand this.

What will be essential for any progress toward arms control that serves the interests of both sides is genuine compromise. But this will be extremely difficult to achieve.

On the Soviet Union's side, there will have to be greater readiness to accept limitations on, and reductions of, its most modern unclear weapons—the ones that it considers most effective. Within the Soviet Government, the process of deciding how many of its best weapons to give up in exchange for which concessions from the American side probably will be nothing less than excruciating. Soviet military leaders, who take great pride in their new technological achievements doubtless will struggle hard to retain as many of their best weapons as possible.

The Soviet Government surely will ask itself hard questions before it decides to go through the tough process of knocking heads together in its bureaucracy. It will want to know whether going through the agony of offering, or acceping, genuine compromises is likely to bring a concrete payoff at the end of the road. It will ask itself whether the United States Government really is capable of carrying a treaty project through to completion—and bringing it into force through ratification.

The United States' recent performance in this regard is, of course, less than reassuring. Three treaties negotiated by Republican and Democratic Presidents in the last decade—SALT II, the threshold test ban and a treaty regulating peaceful nuclear explosions—have not been ratified by the United States.

Senior Soviet officials, and those whose duty it is to give them unsentimental advice, will at the very least have serious doubts whether compromise by the Soviet Union is likely to lead, in the end, to concrete benefits.

No single move by the Reagan Administration can erase the impediments resulting from American's accumulated reputation for inconstancy. But broad support by the public for a freeze and reductions, especially endorsed by the Congress, can help to establish a stronger national constituency for arms-control. And that in turn enlarges the long-range prospect that any genuinely worthwhile arms-control treaty will be ratified.

Adoption of the freeze resolution, accordingly, does not undermine prospects for effective negotiation with the Soviet Union. Instead, it increases the chances that the Soviet Union may at some point judge that it is potentially profitable to engage in genuine negotiations with the United States. But for that day to come, the United States must also be prepared to seek not perfect solutions but those based on mutual compromise. Only when both powers are prepared to proceed on this basis will there be any prospect of significant progress.●

WINNER OF CAMDEN COUNTY VOICE OF DEMOCRACY CONTEST

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. FORSYTHE. Mr. Speaker, today I would like to recognize a young woman from Camden County, N.J., who is the winner of the Camden County Voice of Democracy Contest. Michele S. Goldman, of Cherry Hill West High School, has realized the full import of America's concepts of freedom and democracy, as well as the knowledge that America looks to its youth for its strength. I submit for the RECORD a copy of Michele S. Goldman's script:

YOUTH—AMERICA'S STRENGTH

America. A land that evolved from the pride and diligence of its creators; our forefathers. A land in which any person, of any race, color or creed can live in freedom.

We exercise this freedom everyday, even if we don't realize it. For instance, the freedom of speech, the freedom to vote, and the freedom of religion, just to name a few. These freedoms are sacred to Americans because they insure further development and improvement. Something well worth fighting for.

And this didn't just happen. It took years of fighting for the freedom we have not achieved, which is envied all over the world. The reason this was achieved was because each generation's youth played an important role in developing our great nation into what it is now. Our youth of today is not different.

In World War I, we were the Doughboys. young men who courageously fought for American's future, some only to lose their lives. But I have confidence that if they could see America today, the America they helped shape, that they would go through all of it again, just to help preserve it.

Then there was World War II, and once again, America's youth came shining through. On December 7, 1941, our proud American forces quallantly fought and struggled through the hardest times known to man. To them, no sacrifice was too great for America. Men all over America were called upon to fight for their country. To stand up for the rights we have today. Without those men, those rights would not be possible. Men like my grandfather, who left his wife and young baby to fight for the assurance of their future. America's future.

They were once the youth of our country. Now I am, along with the generation left behind by those brave men. History has proven that America must turn to its youth for strength, as in world War I and World War II and America will continue to do the same. Now America turns to the youths of the '80's and we will not turn our back. We will do everything possible to contribute our strength to America, just as our forefathers did so many years ago. And hopefully, my generation will be able to leave our children a nation even more powerful, more influential, and more just than the one left to us by our parents. Because, as much as I am America's past and present, I am, more importantly, her future, along with the others of my generation. Without our help, this nation cannot go on. For we are the youth of America. The product of her past; the hope of her future—a future of peace through strength.●

SOVIET JEWRY SOLIDARITY DAY

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. PATTERSON. Mr. Speaker, I rise today in recognition of March 15, 1983, as Soviet Jewry Solidarity Day.

Soviet Jewry Solidarity Day, today March 15, 1983, marks the opening of the Third World Conference in more than a decade to consider the worsening condition of Soviet Jewry. The purpose of the conference is to focus the conscience of the world on the denial to Soviet Jews of a most basic human right, the right to emigrate. Attention will be directed toward the Soviet Union's ceaseless war on Jewish culture, discrimination against Jews who want to practice their faith and to identify with Jewishness and Israel, as well as the vicious anti-Semitic campaign in the Soviet press.

Emigration of Jews from the Soviet Union has fallen 95 percent from the 1979 high of 51,320. In 1982 only 2,600 Jews were allowed to leave the Soviet Union and further, in January 1983

only 81 were granted exit visas, initiating a trend which, if it continues, will bring a projected total of less than 1,000 emigrants for the entire year. This drastic reduction appears to be the result of the freeze in East-West relations. Jews in the Soviet Union have become one of the obvious scapegoats of worsening relations between the United States and the Soviet Union. While a quarter of a million Jews have left the Soviet Union during the decade of the 1970's even more who wish to leave are being prevented from doing so. Soviet officials have stepped up arrests and harassment of those who want to emigrate. Jews wishing to emigrate are demoted or dismissed from their jobs, deprived of access to research centers or libraries, subject to arrest for parasitism; their children are expelled from universities, or conscripted into the military where they learn so-called state secrets that make them ineligible to emigrate.

The right to emigrate is guaranteed by international law, and the Soviet Union is a contracting party to several international treaties and agreements which uphold this right. The agreements include: The International Covenant on Civil and Political Rights; the International Convention Against Racial Discrimination; the Helsinki Final Accords. Yet activists have been arrested for merely expressing the wish to leave. One of the most well-known Prisoners of Conscience is Anatoly Shcharansky, sentenced in 1978 to 13 years in prison and labor camps. Shcharansky began a hunger strike last September to protest his isolation enforced by no mail and no family visits. Reportedly, prison officials are force feeding Shcharansky, but his condition is believed to be extremely poor.

Today, Soviet Jewry Solidarity Day will be marked by observances all over the United States and the world in recognition of the persecution of Jews within the Soviet Union. It is my hope that, through this strong expression of global concern for the plight of Jews in the Soviet Union, we can make a difference. I ask my colleagues to join with me in recognizing the importance of this cause.●

MIGRANT EDUCATION "A MODEL PROGRAM"

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. HAMMERSCHMIDT. Mr. Speaker, the President's proposed budget reductions for migrant education in fiscal year 1984 are of great concern to me. I have long been a strong supporter of the migrant student record transfer system (MSRTS) in Arkansas since its inception and have witnessed its maturation, and great value to the migrant community.

I think my colleagues will agree that considering the legislative history of the program, the preponderance of evidence overwhelmingly supports the position that Federal categorical funding is required if the needs of migrant children are to be met and served adequately. As you will recall, States given their own priorities and concerns have never responded to this mobile population. Prior to Public Law 89-750, in 1966 only three States had appropriated any funds for migrant education. The migrant program differs from other educational programs in that the highly mobile child is often the concern of many school districts in more than one State. Therefore, the success and continuity of the migrant child's education depends largely on the leadership of the Department of Education with the joint cooperation of the States.

Under this law for the first time, payments were provided under title I, ESEA to State education agencies to provide and meet the special education and health needs of migrant children between the ages of 5 and 17. In this act, States were required to coordinate with other States in the transmitting of pertinent information in respect to school records for migrant education. The National Migrant Student Record became the eventual result of this provision.

Education of migrant children presents unique workload problems for the school districts. These children move frequently from school district to school district for periods which often do not coincide with normal school terms. The lack of educational and health histories prior to MSRTS made grade placement difficult and medical needs unknown.

The U.S. Department of Education with the cooperation of the States moved swiftly to correct these various inequities and developed curriculums in reading, math, early childhood, and oral language. They also developed a very extensive health record which provides teachers and administrators immediate access in connection with the placement and provision of health care for migrant children. Since that time you can find many exemplary demonstration models for coordination, teaching exchange, and joint curriculum development, through this program. Interagency coordination has become a reality, with the Department of Edcuation working with both the U.S. Health Department and the Rehabilitative Service in providing much needed and complex service to the migrant population.

Since the original amendment of 1966, Congress has strengthened this law on several occasions in order to be sure that the total needs of migrants and handicaps were being met. Public Law 90-247, signed into effect on January 2, 1968, was the basis of calculation for payment to the States. Again in 1970, Public Law 91-230 was signed into effect on April 13, 1970, which required the States receive their money based on the number of migrant children served. Then later Public Law 93-380 was signed into effect on August 21, 1974, which allowed the States to operate the programs for migrant children directly through the local education agencies (LEA's) which was a clear indication even at this late date that some States did not really care about this mobile population of migrant children. The latest amendment to that act was Public Law 95-561 dated November 1, 1978, which even went further and strengthened MSRTS and the transferring of the education and health information on migrant children. Prior to 1966, 9 out of 10 children of migrant farmworkers never entered high school and only 1 out of 10 who entered ever graduated. Most migrant children up to that time usually dropped out of school in the fourth or fifth grades. As one can understand, their attendance was erratic due to their traveling, and with the need of the families to have them working in the field, as well as other conditions of the poverty which surrounds them continually, there was a great lack of continuity of curriculum and instruction. Above all, a prevalent negative attitude by the local community, coupled with the migrant student's commitment to their families and their poor health and nutrition, certainly detracted from their ability to learn when they did attend school. Since the Federal Government moved so humanely and has continued its efforts to strengthen the migrant program, it has become one of the most effective Federal programs. A large part of the credit for this is due to the cooperation of the Federal and State authorities. To date the migrant program currently serves approximately 800,000 migrant children in 49 States plus Puerto Rico. I firmly believe that the migrant program is a model that can be used in the development of many other educational programs, and therefore deserves to continue at the fiscal year 1983 funding level.

In light of the $9.9 million rescission from State administration, evaluation, and migrant education under title I for fiscal year 1983, and the proposed 49-percent reduction in migrant education programs in the proposed budget for fiscal year 1984, I feel compelled to pose the following pertinent questions to the Secretary of Education, which I hope will highlight the need for a restoration of funding for migrant education. I hope that my colleagues will

join with me in assuring that this success story is continued.

The questions follow:

INTERROGATORIES AS POSED TO THE SECRETARY OF EDUCATION

1. How do you plan to fund the Migrant Student Transfer System (MSRTS) and other interstate coordination activities since they are not specifically mentioned in the budget?

2. Since ECIA references statutory stipulations under Title I of the Elementary and Secondary Education Act, did the administration consult with the States in its making recommendations for budget expenditures to specifically carry out the interstate coordination activities and MSRTS?

3. Mention is made that the number of migrant children served by the program was taken from the RTI Study. Can you defend those figures since then director of the Study questions the use of those figures?

4. Why do you wish to cut back the five year provision migrant students to two year when in fact the Chapter 1, LEA program children are funded and served up to ten years through the use of the census count?

5. How do you propose to differentiate between the migrant children and the Chapter 1, LEA program children in determining the length of time they shall be served?

6. If the Congress were to support your recommendation that the five year provision children be reduced to 2 years, how do you propose that those children be served in the future?

7. How did you arrive at the figure that 70 percent of the migrant children were not moving when it is our understanding that the States can document that a larger percent actually move?

8. What prompted the administration to recommend a change in the definition of active migrant children when the Congress in passing the ECIA did not intend that such a change be made?

9. How many letters and/or comments have been received from the migrant community and general public opposing the changes in the regulations?

10. Does the administration, as it has constantly emphasized, intend to listen to the community reactions to regulatory changes and to the wishes of the States in determining what is best for them?

11. How can the continuity of education of migrant children be carried out fully if the Federal government does not give full support to a program that addresses a national problem?

12. In the case of migrant children, does the administration understand why the Congress passed Public Law 89-750 as an amendment to Public Law 89-10?

13. Is the administration aware that the migrant program is primarily a rural program and that in many cases there are not Chapter 1, LEA programs available to serve these children? How then do the enhancements to the LEA program address this problem?

14. Has the administration conducted a study or comparisons of federal funds going to and related service offered by urban school districts as opposed to rural school districts? ●

LET'S FORGET THE MX

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. O'BRIEN. Mr. Speaker, the Chicago Tribune, in the following editorial published March 11, makes the point that all the ideas for basing the MX missile have one thing in common: They are all bad.

"If fixed land-based missiles are vulnerable to Soviet attack," the Tribune goes on to say, "and if there is no sensible way to make them mobile and therefore invulnerable, then the strategic emphasis must be shifted to the sea. There are advantages and disadvantages to a seaborne emphasis . . . But when the advantages of a seaborne strategic emphasis are weighed against the disadvantages, it is clear that the MX program and its corollary concept of land-based mobility should be scrapped."

Hard as it is for the Air Force, and for World War II Air Corps veterans like myself, to accept, the Tribune is right when it says:

To question the validity of the triad is almost like questioning the concept of the trinity. But it is becoming increasingly clear that this attitude has to change.

The editorial follows:

[Editorial from the Chicago Tribune, Mar. 11, 1983]

LET'S FORGET THE MX

There is something about the MX missile that brings out the harebrained in strategic thinking. The brainstormers in the Pentagon and in the defense industry have come up with dozens of basing systems for the inaptly named "Peacekeeper," each more outlandish than the last.

The planners have given us racetrack, drag strip, big bird, sea sitter and dense pack. We've had the missiles rolling around the country on interstate highways and railroads. We've had them popping up through the earth from tunnels, hiding on the south sides of mesas, floating untended on the ocean and lurking on the bottom of Lake Michigan. In desperation, the planners have thrown up their hands and recommended sticking MX in the same holes now being used for Minuteman missiles.

Some of the ideas are bad because they are prohibitively expensive, such as the racetrack scheme that would have used more concrete than in any project in history. Some are bad because they are politically ridiculous, such as dodging the missiles through traffic on the interstates. Some are bad because nobody knows for sure if they'll work, such as dense pack. Some are bad because they would violate international agreements, such as putting them in Lake Michigan. Some are bad because they are dangerous, such as leaving them untended in ocean canisters that could be lost or stolen. Some are bad because they don't solve the problem, such as putting them in Minuteman silos.

What all the ideas have in common is that they are bad. None can make the MX missile invulnerable to surprise Soviet attack in a way that is safe and at a price, both political and financial, that the country can reasonable afford. That, in turn, means that the MX missile cannot become a sensible replacement for the Minuteman as the land leg of the strategic triad. That, in turn, means that the MX should not be built. And that, finally, would mean trimming a minimum of $20 billion from deficit-ridden federal budgets.

So why does the Defense Department remain so adamant in insisting that the MX program should continue and that the brainstormers can find an acceptable basing mode if they tear their hair long enough? There are two main reasons: the ambitions of the Air Force and the resistance of U.S. strategic thinking to consider fundamental changes.

The Air Force wants the MX because it wants to remain the dominant service in strategic weapons. It now controls two legs of the strategic triad: manned bombers (soon to be diversified into a combination of manned bombers and unmanned cruise missiles) and land-based strategic missiles, mainly the 1,000 Minutemen in their silos. The Navy, with its missile-carrying submarines, controls the third leg of the triad.

The missile leg is becoming obsolescent because of the increasing accuracy of Soviet missiles. If the Soviet accuracy is as great as it is said to be (and there are many who dispute that contention) then the Minuteman force could be suddenly wiped out in a surprise Soviet attack, leaving the United States in a strategically vulnerable position. If no way can be found to overcome that vulnerability, then it will become necessary to shift the emphasis to submarines at sea—meaning that the rival U.S. Navy would be the preeminent strategic service. That is enough to wilt the wings of any square-jawed man in blue.

Which brings us to the basic tenet of strategic doctrine: the venerable triad, which has acquired an almost religious significance in strategic planning for the missile age. To question the validity of the triad is almost like questioning the concept of the trinity. But it is becoming increasingly clear that this attitude has to change.

If fixed land-based missiles are vulnerable to surprise Soviet attack, and if there is no sensible way to make them mobile and therefore invulnerable, then the strategic emphasis must be shifted to the sea. There are advantages and disadvantages to a seaborne emphasis. One advantage is the firm expectation that strategic missile-carrying submarines will remain invulnerable for the foreseeable future. Another is that it makes targets on the U.S. land mass, where we all live, less attractive to the Soviets who aim the missiles. Still another is the steadily improving range, accuracy and undetectability of submarine missile systems as the Trident II system becomes operational.

Disadvantages include the difficulties of communicating with submarines at sea—although some of the worst of those difficulties can be overcome. Another disadvantage is that the Soviets will be able to shift military resources to the problem of detecting and destroying strategic submarines, perhaps hastening the day when strategic submarines become obsolescent.

But when the advantages of a seaborne strategic emphasis are weighed against the disadvantages, it is clear that the MX program and its corollary concept of land-based mobility should be scrapped. Enough time, money and Rube Goldberg thinking has gone into that ill-fated missile. Let's let it go.●

MILTON FIRESTONE

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. WHEAT. Mr. Speaker, I am greatly saddened by the death March 6, 1983, of a leading Kansas Citian, Milton Firestone, president and editor of the Kansas City Jewish Chronicle.

A graduate of Central High School in Kansas City, Mr. Firestone received his bachelor's degree in economics at the University of Kansas in 1947. He was a Phi Beta Kappa and president of the Jewish Union while at KU.

Through his dedicated service as editor of the Kansas City Jewish Chronicle since 1963, Mr. Firestone played an influential role in the Jewish community, articulating common concerns and chronicling events of community interest. He served as a bridgebuilder between people of all religions and cultures, always seeking ways to help the downtrodden and the needy.

Mr. Firestone was a member of the National Association for the Advancement of Colored People, the Congress of Racial Equality, the American Jewish Press Association and had served as treasurer and vice president of the World Federation of Jewish Journalists.

He will be sorely missed by all people of the Greater Kansas City area.●

OREGON WILDERNESS ACT OF 1983

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. AuCOIN. Mr. Speaker, within a few days the House of Representatives will have the opportunity to vote on the Oregon Wilderness Act of 1983. This bill provides the means by which a decade-long debate over which remaining roadless lands in Oregon should be designated wilderness.

H.R. 1149 sets 1 million acres aside as wilderness and frees 2 million acres for commercial and multiple use. If we fail to enact this legislation, all 3 million acres will surely be the subject of a lawsuit—a lawsuit that will lockup all 3 million acres. That is no solution for those that believe we should set aside some last, few pristine areas as wilderness.

It is no solution for the timber industry which must have some degree of certainty over what will and will not be allowed for commercial use. A lawsuit is no solution for Oregon's counties which depend so heavily on a portion of the receipts generated by timber harvesting.

Most important, if we do not enact this legislation, 6,400 jobs will be adversely affected because none of the 3 million roadless acres will be available for hunting, fishing, hiking, or commercial activities.

Mr. Speaker, I commend to the attention of our colleagues an article written by Rod Munro, former president of the Izaak Walton League's Oregon Division. It is a thoughtful and well-reasoned piece which should be carefully read before the vote on the Oregon wilderness bill. Let me also add that this guest editorial appeared in the Oregonian, Oregon's largest newspaper which has endorsed the Oregon Wilderness Act.

[From the Oregonian, Mar. 4, 1983]

WILDERNESS ACT OFFERS SENSIBLE COMPROMISE TO OPPOSING FACTIONS

(By Rod Munro)

The Oregon Wilderness Act of 1983, a compromise beneficial to timber industry interests and advocates for preserving a little bit of Oregon in its original state, soon will be debated and voted on by the U.S. House.

At stake are some 3 million acres of undeveloped public lands in Oregon, the roadless status of which has been argued for more than a decade. The current bill would add about 1.2 million acres to Oregon's existing 1 million acres of wilderness, with the remainder of the roadless areas reverting to multiple use management, including logging. Eight separate hearings on whether these lands should be designated as wilderness have been held since 1979 in Washington, D.C., and Oregon. In addition, numerous field inspections by several congressional committees have examined the merits of most of these roadless areas. Probably no other single piece of national legislation directly affecting Oregon has been the subject of such scrutiny.

Now, because of recent federal court rulings setting aside U.S. Forest Service planning, it is time for Congress to make a final decision on how much land should be designated wilderness.

Some individuals charge that the bill is biased against jobs and that passage would cause great hardship to Oregon's depressed economy. This is simply not true. The facts are clear for anyone to examine and judge.

According to the U.S. Forest Service, failure to pass a bill would keep approximately 6,400 Oregonians from working in the forests and mills because all 3 million acres will be in a holding pattern until the issue is decided. Passage of this bill would mean jobs to Oregonians in the fishing, outdoor recreation, sport fishing, hunting and tourist industries. It is time for critics of the bill to take a long, hard look at the facts.

The many unique and diversified features of the proposed wilderness areas offer physical, scenic and geological attractions unsurpassed in beauty and wonder. Oregon wilderness areas are experiencing an ever-increasing use by large numbers of people for aesthetic enjoyment, outdoor recreation and restoration of health, peace and tranquility. By any yardstick, these values outweigh the dollars and cents value of the minimal amount of harvestable timber the lands contain. The Oregon Wilderness Act of 1983 permanently will protect these invaluable lands and end the controversy between commodity-use-oriented groups and those that want a small part to remain undeveloped.

Section 4(h) of the Pacific Northwest Electric Power Planning and Conservation Act requires federal concern for natural resources. The act requires the Pacific Northwest Electric Power Planning and Conservation Council to protect, mitigate and enhance fish and wildlife resources of the Columbia River Basin affected by projects. Passage of the wilderness bill would give the best of all possible protection to resources necessary to achieve that goal.

Much of the area proposed for wilderness is at the higher elevations, above the productive, lower cutover timber-producing lands held by the federal and state governments and private owners. Several hundred thousand acres of these lower, highly productive cutover timberlands that presently have not been reforested by their owners should be replanted to provide future timber. Improved managment of these lands would maximize wood fiber growth and provide a continued supply of jobs.

Individuals should be aware that commodity-use decisions on public lands by the Reagan administration frequently preclude potential fish, wildlife and outdoor recreation opportunities. Only firm action by Congress in the form of law as proposed by the 1983 wilderness bill is capable of reversing this trend.

Future generations of Oregonians will have some idea of their forest heritage from the few stands of old-growth timber preserved by this bill. If enough Oregonians take action now, future generations will have at least a limited opportunity to see a herd of elk, hunt or hike in an unspoiled atmosphere, fish for wild salmon or trout and observe other wildlife in their natural habitat.

As a native Oregonian with a love and concern for maintaining Oregon's great outdoor diversity, I personally would prefer all of the 3 million acres in wilderness. Sufficient areas of natural habitat for plant and animal species to maintain genetic diversity must be designated to preserve Oregon's flora and fauna.

One of the principal findings of "Global 2000 Report To The President" was that significant losses of Earth's forests will continue because demand for timber products will increase. Growing stocks of commercial-size timber are projected to decline 50 percent per capita. The extinction of plant and animal species are projected to increase dramatically—perhaps by more than 20 percent of all species on Earth—as their habitats disappear.

It is up to elected representatives in Congress to forge the necessary compromises. The Oregon delegation sponsoring this bill—U.S. Reps. Les AuCoin and Ron Wyden, Democrats, and Jim Weaver, Republican—deserve special thanks for having the courage to introduce and promote this bill. It probably is not the best bill possible, but it at least gets us moving again. The Oregon Wilderness Bill of 1983 is a fair compromise to all interests.●

THE NEED FOR PRODUCTIVITY—NATIONAL PRODUCTIVITY IMPROVEMENT WEEK

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. LEVITAS. Mr. Speaker, we are beginning to emerge from the worst recession since the 1930's. But the problems of the American economy will not come to an end unless some basic fundamental changes are made.

At the top of the list, there is a weapon in our economic arsenal that has been too long overlooked, and it is a weapon that most of us can agree on. What is more, it is a weapon which individual citizens, business enterprises, and governments—local, State, and Federal—can pick up and use. This unheralded weapon is productivity improvement.

Productivity is a comparison—comparing the values of what is produced with what is neended to produce it. In other words, productivity is input compared with output. Productivity encompasses the contributions of all resources of production: Technology, capital, energy, and the human effort and skills needed to manage them. A nation or an industry advances by using less of these resources to turn out more products and services.

This has been true throughout American history, our ability to produce more in less time and with fewer resources has helped raise our standard of living.

This natural yielding of more benefits from improved use of resources works well when allowed to function. The problem comes when increases in productive output or quality fail to cover increases in the cost of labor or other resources used. This creates inflationary prices because when productivity falters while a producer's costs go up, there is often no other choice—the producer must charge more for its goods or services in order to stay in business.

Thus at least one major remedy for inflationary ills is to increase American productivity, which for the past entire decade has lagged sadly behind increases of other industrial nations.

Since World War II, America has watched other countries close the gap on its productivity leadership. In 1950, for instance, one U.S. worker produced as much as seven workers in Japan and as much as three in Germany. By 1977, it took fewer than 3 Japanese or 1.3 Germans to match 1 American. And by early in 1979 the productivity path of America not only sputtered, but showed a downward turn.

There are several things we can do to improve productivity over the long run—tax incentive and fewer governmental restrictions to encourage more research, development, and capital investment and better training of workers to give some examples—but there is one thing that we can do to get the ball rolling and that is to stress the relationship of productivity to inflation by bringing it to the attention of the American people.

The American Institute of Industrial Engineers is again sponsoring the National Productivity Improvement Week, to focus more attention on this vital subject. AIIE chapters all over the Nation are participating in this event. The theme is "Pride and Productivity—A Rewarding Team," and posters extolling this fact will be on bulletin boards throughout hundreds of communities. They will also be contacting the media—newspapers, radio, television, and others—to help explain the importance of productivity improvement and help turn this around for America.

Today I am joined by SILVIO CONTE in introducing a House joint resolution to proclaim October 3 through 9 as National Productivity Improvement Week and we invite each of you to join us in this effort.

The Joint Economic Committee in a report on productivity and inflation said:

> A rising rate of productivity growth can reduced inflation over time and will generate greater incentives to capital formation and productivity growth.
>
> * * * * *
>
> The time has come to end the long neglect of lagging productivity growth in the analysis of economic events—not only in the analysis of real growth over the longer run, but the dynamic process of accelerating inflation.

We urge each of you to join in this effort.●

WHAT WE EXPECT

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. WALKER. Mr. Speaker, the following college officials recently sent me some valuable information dealing with the necessary preparation for college. They are: Mr. George Allan, dean of the college at Dickinson College; Ms. Mary Maples Dunn, dean of the undergraduate college at Bryn Mawr College; Ms. Frances D. Fergusson, vice president for academic affairs at Bucknell University; Mr. Andrew T. Ford, dean of the college at Allegheny College; Mr. Robert M. Gavin, provost at Haverford College; Mr. Thomas J. Hershberger, dean of the faculty at Chatham College; Mr. John W. Hunt, dean of the College of Arts and Science at Lehigh University; Mr. William A. Jeffers, dean of the college at Lafayette College; Mr. David B. Potts, dean of the college at Gettysburg College; Mr. Riachard P. Traina, dean of the college at Franklin & Marshall College; Mr. Richard L. Van Horn, Provost at Carnegie-Mellon University; and Mr. Harrison M. Wright, provost at Swarthmore College. I commend their statement to my colleagues attention.

WHAT WE EXPECT—A STATEMENT ON PREPARING FOR COLLEGE BY THE DEANS OF 12 PENNSYLVANIA COLLEGES

Most freshmen entering highly competitive colleges arrive on campus with top-ranked secondary school averages and impressive SAT scores. Some, from their first day in class, do well, fulfilling our high expectations for them. Others falter educationally, not sure why they are in college, or how to study, or what to study, or why. Some college students take several semesters to begin gaining full advantage of the opportunities for learning that surround them; some never gain that advantage.

Secondary school teachers and administrators see the same problem from their perspective, and some have shared their concerns with us. We think a major reason some students succeed and others are not as successful lies in the kind and character of their secondary school preparation, not in their test scores and grades.

We are sharing our observations for two purposes. First, we want to offer high school students guidance in their selection of courses. Second, we want to assist parents, faculty, administrators, and school boards as they seek to offer high school students an education that will serve them well in a challenging world. We believe that the pluralism of American higher education, beneficial though it is, confuses some college-bound students. Even among the institutions we serve, the requirements for admission and for graduation vary widely, as do the available majors and areas of specialization. Despite these differences, we, as academic deans, share a belief in a basic set of priorities for collegebound students.

Our concern here is with preparation for college-level work, and not with the requirements for admission to a college. Our concern is with the special skills, attitudes, and motivation which students bring to college that let them participate effectively in the learning experiences open to them. Securing admission to college is important; more important is whether the student is prepared to make the best use of that opportunity.

We hope students—especially those who plan to attend selective colleges—will accept our advice. We hope, too, that our views will form the basis of a new cooperative effort between colleges and secondary schools leading to the improvement of education at both levels. Toward that end, we began the preparation of this statement by talking with many secondary school educators. We applaud other such efforts.

We find that students who benefit most from our educational programs are those who enter with certain identifiable attitudes and skills—such as persistent curiosity, broad intellectual interests, skill at analytical and critical thinking, a concern for exploring and applying values, an ability to manage time responsibly, and a willingness to work hard.

The development of such attributes is, of course, only partially within the influence of secondary schools. We believe, however, that the content and expectations of secondary school courses can be shaped to en-

hance those characteristics that students will later need. Critical thinking skills can be improved, for example, by the regular practice of writing papers that require analysis and interpretation of material. They can be improved, too, by examinations that require students to assess and integrate information and ideas, rather than repeating only what they have memorized. Students who must master demanding course material within a series of deadlines can learn to manage time responsibly and appreciate the rewards of hard work.

Participation in well-managed extracurricular and cocurricular activities can, as well, help students develop constructive attitudes and sharpen useful skills. Writing for the school newspaper, participating in forensic and theatrical activities, playing in musical organizations or on athletic teams can, if purposefully performed, contribute forcefully to the development of characteristics valuable to college students. We believe that most college-bound students have the capacity to complete the academic program we recommend and have ample time to participate in useful, substantial cocurricular and extracurricular activities.

We believe strongly that our incoming students need to be well-grounded in seven specific subject areas. These are the arts, English language, foreign language, history, literature, mathematics, and science. In fact, we recommend that in these areas students go beyond the typical minimum requirements both for secondary school graduation and for admission to college. Competence in each of these areas is crucial for productive study at the college level.

We do not believe our colleges should be expected to provide general remedial work to overcome basics deficiencies in preparation. Some college students, by extra effort, do overcome inadequate preparation in these essential areas; for other students, however, an initial experience of inadequacy in the basis inhibits their intellectual growth during their entire college years. The stronger the secondary school preparation is, the more easily a college student can begin immediately to experience the benefits of serious academic pursuits.

Without being prescriptive or intrusive, we want to indicate briefly what we mean by solid preparation in each of the seven vital subject areas.

THE ARTS

The arts provide a uniquely valuable mode of seeing ourselves and the world around us. In a bureaucratic and technological age, the arts present a necessary balance, a sensitive link to that which makes us more fully human. Students should be familiar with the work of some major artists. They should develop an awareness of artistic sensibility and judgment and an understanding of the creative process. Students should select one or two semester-long courses, taught in an exacting manner, in the areas of music, theatre, and/or art.

ENGLISH LANGUAGE

Students must have a command of English grammar and well-developed compositional skills. Students should take courses in several subject areas that require closely reasoned compositions involving both concrete and abstract thought, as well as some fundamental library research activities. Courses that develop student abilities to use writing to form and exchange ideas and to write and speak English with clarity and style are among the most important courses they can take.

FOREIGN LANGUAGE

Competency in a foreign language, modern or classical through the third or fourth year of a demanding secondary school program develops a student's language resourcefulness in a world community that increasingly expects that capacity. Such competency improves the comprehension of a student's native language and culture, and enhances the student's understanding of humankind. Such competency, which is most efficiently gained at an early age, also provides a good basis for further language study in college and adds to students' scholarly capability by freeing them from dependency upon translations.

HISTORY

The study of American history and culture and of Western traditions, from the ancient world to the present, is important to an understanding of the contemporary world. Familiarity with a non-Western culture (or cultures) adds substantially to that comprehension. Further, an appreciation of good government and civic responsibility is characteristically rooted in an understanding of history. An appreciation of historical perspective is, itself, an important educational objective. Indeed, serious conversation is not possible when students are ignorant either of major historical events, movements, and people or of the general mode of historical discussion and explanation. Such references are fundamental to much of higher education. At least two years of historical study at the secondary school level are highly valuable.

LITERATURE

The study of traditional literary texts adds greatly to a student's understanding of humankind and human associations. Systematic literary study can also better prepare a student for the reading of contemporary literature. The experience of reading, for example, the comedies and tragedies of ancient Greek playwrights, the Judaic and Christian scriptures, the writings of Shakespeare, and the work of more recent writers of enduring reputation, provides an excellent foundation for further literary inquiry and a fine context for study in many fields. The student is best prepared by confronting excellent works in all the major genres—plays, novels, essays, poetry, and short fiction. Some combination of four years of strong English language courses and literature courses is expected.

MATHEMATICS

The field of mathematics grows ever more important. Quantitative analysis is crucial to understanding the complexities of the modern world. Valuing and decision-making activities often require quantitative judgments. The use of algebra, calculus, and statistics is now commonplace in the study of many disciplines in college. Computer literacy is useful even in the humanities. Sufficient preparation for this range of mathematical applications normally requires four years of secondary school study, resulting in a readiness for beginning college calculus.

SCIENCE

The study for one year each of biology, chemistry, and physics is highly desirable; at the very least, a student should take one year of two of these sciences and perhaps two years of one science. Familiarity with the basic sciences has long been a hallmark of the educated person and is now a common, practical necessity. To understand the relationships among science, technology, and public policy makes crucial some knowledge of the basic issues, nomenclature, and methods of science—not the least because the survival of humanity is at stake.

Circumstances may make it difficult for some students to take the maximum number of academic courses available in each of the seven subject areas. Some students may have to exercise choices—depending upon the strengths of the particular secondary school program, the aspirations of the individual student, and even the peculiarities of scheduling. Yet, despite these considerations, we stress that students should remain determined to complete a strong academic program and not substitute other courses for those that are fundamental and exacting.

The excitement of higher learning is more easily gained by those students who arrive on campus properly equipped for the challenge. Successful college students regularly cite with admiration secondary school teachers who helped prepare them well. Those students do, in fact, find the learning experience at each level of their education to be part of the same grand adventure.●

A SALUTE TO THE SIOUX CITY ELKS LODGE, BPOE NO. 112

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. BEDELL. Mr. Speaker, I wish to recognize the invaluable contribution that the Sioux City Elks Lodge, BPOE No. 112, has made to the small business community in Siouxland.

For several years the Sioux City Elks Lodge has been the home of Chapter No. 104 of the Service Corps of Retired Executives. SCORE is an operating division of the U.S. Small Business Administration that provides volunteer consulting services to the local small business community.

While most of the SCORE Chapter in American are furnished with space in Federal office buildings, the Sioux City Elks Club is gracious enough to provide their local SCORE Chapter with office space free of charge. This has made it possible for SCORE counselors to serve hundreds of new and existing small businesses with added speed and efficiency.

I salute the productive relationship that exists between SCORE Chapter No. 104 and the Sioux City Elks Lodge, BPOE No. 112.●

LAW OF THE SEA TREATY: GLOBAL PATERNALISM

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1983

● Mr. FIELDS. Mr. Speaker, Mrs. Kirkpatrick has probably done more than any other individual to reveal the true nature of the United Nations and its resulting antics. I insert in the

RECORD her recent article which appeared in Regulation magazine.

Once again, Mrs. Kirkpatrick points out the ideological, political, and technical distortions which afflict U.N. regulatory efforts generally, and the Law of the Sea Treaty specifically. Mrs. Kirkpatrick points out that U.N. regulation is little more than an instrument for the redistribution of what is called the world's wealth. She observes, "Global socialism is the expected and, from the point of view of many, the desired result."

Mr. Speaker, this persistent, ideological drive to institute global socialism as the keystone of international relations and international law under the title of the New International Economic Order, is precisely why the Law of the Sea Treaty has been, and must continue to be rejected. The international class struggle theorists at the U.N. persist in the curious notion that there is such a thing as the world's property, and that it all belongs to them for their enlightened administration and rule. Their collective ambition reaches literally to the stars.

The article follows:

GLOBAL PATERNALISM—THE UNITED NATIONS AND THE NEW INTERNATIONAL REGULATORY ORDER

(By Jeane J. Kirkpatrick)

(Jeane J. Kirkpatrick, United States permanent representative to the United Nations and a member of President Reagan's Cabinet, is on leave from her posts as resident scholar of the American Enterprise Institute and distinguished university professor at Georgetown University.)

The range, the sheer proliferation, of United Nations activities aimed at the regulation of international business and commerce is simply awesome. These UN regulatory initiatives extend quite literally from the depths of the oceans to the heavens, from the Law of the Sea Convention to an agreement—and this is a formal title—An Agreement Covering the Activities of States on the Moon and Other Celestial Bodies. Nor are the more mundane economic activities in between neglected. The UN pursues regulatory codes of a very general nature—for example, the Commission on Transnational Corporations' draft code on the conduct of transnational corporations—as well as some aimed at specific industries, such as the infant formula code adopted by the World Health Organization (WHO) in 1981. A very small sampling of UN activities undertaken in the last two years would include negotiations within the UN Conference on Trade and Development (UNCTAD) on a code of conduct for the transfer of technology, and another code on conditions for the registration of ships; efforts within the World Intellectual Property Organization (the acronym is WIPO) to revise the Paris Industrial Property Convention governing the international patent system; the Food and Agriculture Organization's deliberations on a code of conduct in the trade and use of pesticides; work done under the aegis of the UN Environmental Program on toxic chemicals and on a convention for the protection of the stratospheric ozone layer; efforts within the UN Commission on Transnational Corporations to develop international standards on accounting and reporting as well as on transborder data flow; and so forth.

There has been, in recent years, a veritable explosion of UN regulatory activity. It has occurred for a number of reasons, some very good and obvious ones. Important among these is the emergence of a number of new areas of activity that seem to many to require some sort of multinational agreement. The driving forces have included technological advance and, of course, growing interdependence in the world economy. These are very real forces and require a response.

Moreover, international regulation is not always hostile to free enterprise, or to the smooth operation of markets, or to economic development, or to the efficient production of wealth. Some kinds of multinational agreements under some circumstances—consider GATT, the General Agreement on Tariffs and Trade, for example—can serve to facilitate commerce by achieving mutual reductions in national barriers to international trade and investment, by harmonizing national regulations, by providing a secure legal framework for international economic activities.

The tendency toward greater intergovernmental consultation can be both helpful and healthy. It would prevail, almost surely, even if the United Nations did not exist, because of the growing interdependence of the world economy. That is demonstrated, I believe, by the increasing use of such consultative mechanisms by the industrialized market economies in the Organization for Economic Cooperation and Development.

THE POWER OF NEGATIVE MOTIVATION

But the United Nations does exist, and within it an ever more active role is played by those organizations involved in one or another kind of international regulatory activity. And within the UN context, even when genuine problems are being addressed, there are invariably some powerful factors and motives at work pushing UN regulatory initiatives in some very unfortunate directions. The process of regulation in the United Nations is distorted at several levels—at the ideological level, the political level, the technical level and, finally, at the level of implementation.

Ideological distortion

The first distortion occurs, I think, at the ideological level. How an issue is defined has obvious consequences for how it is going to be dealt with. And in the UN context the definition of the issue gets shaped, naturally, by the dominant ideology. Unfortunately for us Americans—and for anyone interested in economic growth and development—the dominant ideology in the United Nations concerning economic regulation is a version of class war that has been developed by a kind of gross adaptation of Marxist categories to relations among nations. According to this version of class war, the many poor nations are locked in a bitter and ongoing struggle with the few rich nations, very much as the working class or proletariat is, according to Marxist ideology, locked in an ongoing struggle with the few capitalists inside nations.

According to this theory, if property isn't theft, it is something very much like it. And because poverty, in this view, is caused by exploitation, the very fact of underdevelopment is seen as proof that a nation has been exploited. Wealth, on the other hand, is seen as won by exploiting others. The very fact of affluence proves that a nation has been guilty of exploitation. Disparities of wealth, in this view, are seen as intrinsically unjust. Justice, therefore, requires redistributing wealth from the rich nations to the poor nations. That is another way of saying that the political culture that prevails in the UN system on economic matters has two distinctive characteristics: It asserts the need for a more equal distribution of the world's wealth and it provides a moral justification for that redistribution. It is hostile or at best indifferent to the production of wealth in general and to those corporations in particular which operate across national boundaries (transnationals) or whose ownership is multinational.

Political distortion

These ideological factors inevitably come into play as regulatory negotiations are undertaken and carried out under UN auspices. To this ideological context is added the political structure of the United Nations, a very important and very little understood factor. The United Nations is not simply a body in which representatives of 157 sovereign nations meet. It is a body in which groups interact very much as individuals form parties in legislatures.

Nations in the United Nations are organized into a series of overlapping groups, or blocs, and the business of the United Nations takes place through the interaction of these groups. There is, for example, the Soviet bloc, there is the European Community bloc, there is the Nonaligned bloc, there is the Group of 77. (The G-77 is the third world organized for economic purposes; the Nonaligned is the third world organized for political purposes.) Each of these blocs has its own particular dynamic. Each of them has a problem, too—which is to maintain its own internal unity and cohesion. The blocs are formed as small nations try to develop greater strength by joining together, and they get that strength only at the price of maintaining their own internal unity.

But each of the blocs is filled with internal contradictions because of their members' conflicting interests and very different perspectives. They maintain unity chiefly by aggregating concern for all the specific interests of all the specific members. At last count, the G-77 had 126 members, and it is not much of an exaggeration to say that the G-77's bargaining positions very frequently turn out to be the sum total of all those members' demands. That adds up to a lot of demands. This method of establishing a negotiating position by accumulation, so to speak, naturally results in some very unrealistic demands. It also gives the most extreme positions of the most extreme members of the group a decisive effect on the negotiating position of the total group. A bloc's unity—particularly the unity of a big bloc, and to a certain extent of a smaller bloc, too—is bought, in many cases, at the price of the group's acquiescence in the most extreme demands of its most extreme members.

Technical distortion

And that is not all. There is also distortion at the technical level where it is important to note, the people who shape the negotiations and the debates concerning regulation almost invariably utterly lack technical expertise about the matters to be negotiated, to be regulated. Therefore, political concerns dominate. The process of goalsetting and problem-defining is governed not by consideration of what is technically necessary, desirable, or feasible, but quite simply

by the politics of the blocs, in the political culture of international class struggle.

Politics at the UN takes a rather pure form, worthy of our state legislatures at the turn of the century. There is a good deal of vote trading, arm-twisting, demagoguery, playing to the galleries, a certain amount of buying and selling, logrolling, and pork-barreling. All those highly developed political skills are very much in fashion at the UN. There is widespread cynicism and tacit understanding that a good many of the declarations of intentions that are made there will never be implemented.

The result of all this is that the problems that are going to be addressed by the regulatory mechanisms are often defined ideologically, unrealistically, and in a manner that is technically inappropriate. In most legislatures, such political dynamics exist of course, but their distorting impact is moderated once the technical experts take over and try to translate into technically meaningful terms the broad commands of general policy. Unfortunately, that does not necessarily happen in the UN context. There, the technical level, too, is not only bureaucratic and suffers from all the problems endemic to bureaucracies, but there is another problem: inside the United Nations, technicians are drawn from 157 countries. Not all technical bodies have technicians from all 157 countries, but there are always a good many nations represented and all the major blocs are represented. To the usual array of bureaucratic problems, such as red tape and duplication, are added the conflicting codes of international civil service behavior. Whether you think you ought to represent your technical expertise or your nation is an open question. Whether the conflicting national codes of bureaucratic and technical behavior can be made harmonious is also an open question and frequently, unfortunately, it is a question that cannot be answered in the affirmative.

Implementational distortion

Finally, even at the level of implementation, we find another distorting factor. Many of the regulations enacted by the United Nations have consequences for the member states. And since the people who are implementing these regulations are representatives of member states, some of which think it is the job of all their citizens to work all the time for their own state, there is a level of nationalist distortion that takes place at the implementation level and affects everything that goes on. The consequence is a hodgepodge of ideological, political, bureaucratic, and national practices—and theories—that frequently distorts the regulatory process in the UN context beyond anything dreamed of in the national regulatory context.

LAW OF THE SEA ON THE BIAS

The interaction of all these factors comes into play in almost every regulatory negotiation and almost every regulatory implementation. The consequence is that while there are agreements that are ostensibly aimed at the benefit of all nations, in fact these agreements often turn out to be, above all, instruments for global redistribution or wealth and a new global paternalism which works to the advantage of somebody besides those nations and people interested in the production of wealth and economic development in the world.

The clearest case, I believe, of a UN regulatory effort being vitiated by this drive for global redistribution is the Law of the Sea Convention. During the last several decades, the economic resources of the ocean have become much more important—or, more accurately, we have thought of ways to make them more important to us. The world's harvest of fish has grown sharply, oil in increasing amounts is being extracted from the continental shelf, and, of course, the prospects of deep-sea mining of valuable minerals not too long ago seemed on the verge of realization, and may still be realized someday. At the same time, coastal nations were declaring various and conflicting economic and territorial claims to adjoining areas. In these circumstances, it seemed to many that useful rules and agreements on the use of the oceans might require international collaboration.

In fact, in most of its aspects the Law of the Sea Convention is a constructive response to the problems it was designed to solve. The United States has affirmed on several occasions that it finds acceptable many of the convention's provisions dealing with navigation, overflight, continental shelf, marine research, environment, and many other aspects. But we were not among the nations signing the Law of the Sea Convention in Montego Bay, Jamaica last December 10, because we could not accept the convention's provisions on seabed mining. The seabed regime established by the convention represents the full flowering of the redistributionist outlook I described before. Mistakenly concluding from the fact that the seabed belongs to no one that it is the joint property of all, the convention creates an International Seabed Authority, a gigantic bureaucracy, governed and structured along typical United Nations lines.

"Typical United Nations lines" means, of course, that there is an enormous gap between the nations bearing the costs and the nations making the decisions. This disjunction was reflected in the final vote on the Law of the Sea Convention. The four nations that voted against the convention and the seventeen that abstained not only produce more than 60 percent of the world's GNP and provide more than 60 percent of the United Nations' contributions, but they also include virtually all of the nations likely to develop seabed mining technology. Robert Goldwin of the American Enterprise Institute, in a succinct statement of what the convention's seabed regime would entail, has pointed out "that mining companies could invest billions of dollars to scoop up the nodules of manganese, copper, nickel, and cobalt that lie at the bottom of the sea only as licensed by the new International Sea-bed Authority; that they would have to pay the Authority for the privilege; that they would have to put the Authority's own operating company (called the Enterprise) into business with capital and technology; that the United States and other developed nations would have a minimal voice within the Authority; and that all disputes, regulations, production levels (and hence, prices and profits) would be set by one or another organ of the Authority." (Commentary, June 1981.) In all of which we would have a very large responsibility and a very minor voice.

As President Reagan noted in explaining the United States' decision not to sign the Law of the Sea Convention, such provisions are likely to "deter future development of deep seabed mineral resources, when such development should serve the interests of all countries." The redistributionist bonanza some third world countries aimed at will almost certainly never materialize. Moreover, the United States has made clear its position that its right to carry out seabed mining, subject to reasonable regard for the interests of other states, will not be affected by its decision not to sign the convention. Clearly, however, it would have been in the best interest of all parties if the convention had contained an acceptable seabed mining section that would have permitted all the leading seabed mining countries (and all those likely to develop the capacity) to join.

GLOBAL TECHNOCRATS KNOW BEST

The goals sought in the Law of the Sea Convention, as in many other UN regulatory initiatives, are clear. Those goals are to gain economic benefit by securing and legitimizing a claim on the wealth and technology generated by the developed countries and their corporations. But there is another class of UN regulations also championed by third world representatives, where economic motives are less prominent. I refer to recent international regulatory efforts ostensibly aimed at protecting human health and safety, such as WHO's infant formula code. Another example of this new wave of paternalistic regulation emerged in the 1982 General Assembly session in the form of a resolution on harmful products, which in its original version would have totally prohibited the export of any product banned from domestic use for any reason whatsoever.

There are genuine problems of health and safety requiring intergovernmental cooperation, especially in terms of improved information exchange. Attempts to deal with these problems within the United Nations, however, too often are caught up in a very crude kind of anticapitalist ideology that is more concerned with restricting and discrediting multinational/transnational corporations, claiming they are very bad institutions which do harm to the countries in which they operate. There is a single exception to this: it is also assumed, when the question of investment in South Africa is considered, that multinational corporations help South Africa—the only example in the world in the UN context in which multinational corporations are seen as of economic benefit to the country in which they operate.

Multinational corporations are bad guys on the UN scene. I was visited a few weeks ago by a group of parliamentarians of a friendly European democracy, and one of them asked me why it was that the United States had voted "no" on a particular paragraph of a particular resolution. This asserted that women's rights were horribly abused all over the world, but especially in rural areas, and that the principal cause of these miseries and deprivations of rural women in less-developed areas was—you guessed it—exploitation by transnational corporations. (The U.S. delegation at the UN generally votes "no," I observed, on ludicrous distortions of reality.)

Transnational corporations, as they are usually called in the UN, are regularly tried and found guilty of the most extraordinary range of crimes. Naturally, therefore, punitive regulation of transnational corporations becomes a kind of a good in itself. The rhetoric used gives the game away—rhetoric "killing babies for profit" and that sort of thing. Some people apparently think that that rhetoric has greater resonance in the West than do the standard third world appeals about redistributing wealth, which may be one of the reasons it is emphasized.

An interesting role is played in this regulatory process by nongovernmental organizations—which, loosely defined, include nu-

merous public interest groups from both ends of the political spectrum. Apparently, some of the nongovernmental organizations that do not achieve much success in this country, or in other Western countries, have focused very heavily on the United Nations as the point at which to try to secure adoption of the regulatory and punitive policies they cannot get adopted in their own political systems. It has been observed, at the UN, that there is emerging a kind of recognizable "iron triangle" uniting nongovernmental organizations, third world representatives (particularly of the radical third world countries), and ideologically sympathetic international bureaucrats in quest of restrictive international health and safety regulations. Interestingly, this new international paternalism almost invariably advocates adoption in the UN of restrictions on activities which could just as easily, in principle, be adopted within the specific countries of the member nations, if those countries chose to do so. If, for example, the countries of Africa did not desire the marketing and advertising of infant formula, there is no reason in the world that their governments could not so decide, and adopt such policies at the national level.

The fact that this regulatory thrust is focused at the level of the international bureaucracy is, I think, a suggestive clue about the strategy for establishing this new global socialism, this new paternalism, in which an international bureaucracy believes it knows what is better for everyone—better for us, better for the third world, better for everyone. In the UN system, the view is widespread that the institutions of the United Nations itself are the arena in which the "new international economic order" can be achieved. They are, after all, the institutions in which a majority exists that can be counted on—on the basis of one country, one vote—to favor projects that are highly discriminatory from the point of view of the most powerful nations in the world, including our own. The powerful nations are outnumbered in the UN; we constitute a reliable minority. There has been a lot of talk about the automatic majority in the UN. But for every automatic majority there is an automatic minority, and that's us.

UN agencies, then, are the scene of a struggle that we seem doomed to lose. Regulation is the instrument for the redistribution of what is called the world's wealth. The international bureaucracy functions as the "new class" to which power is to be transferred. Global socialism is the expected and, from the point of view of many, the desired result.

The problem with this is, of course, that it is bad theory. It is bad theory in the technical sense that its major terms do not accurateley describe the world with which they deal. Wealth is not created by theft or transfer from less developed countries to more developed countries. It is created, as Adam Smith well understood, by innovation, investment, entrepreneurship. Wealth is created by growth. Computers, automobiles, aviation, looms, locomotives, the steam engine itself were not stolen from the third world. They were invented in the first world. Neither was the poverty of the least developed countries caused by the ravages of multinationals, or even by colonialism—for which, by the way, we Americans had no responsibility. The theory of international class war is equally misleading with regard to development. Poverty cannot be ended by redistribution. It can only be ended by economic development which, as we all know, is a creative process in which all sectors of a society become involved.

Finally, at the core of this theory of international class struggle lies another very curious notion: the idea that there is such a thing as the world's property—sea, space, whatever—and that the United Nations has a right to it. On exactly this theory rests the claim, the United Nations' claim, of sovereignty over oceans and space. The argument is that whatever belongs to no one belongs to the United Nations. It is a strange doctrine of property, a mistaken theory of development, and a destructive doctrine of regulation. Doubtless, international regulation is needed in a good many domains. Doubtless, consumers in remote places need protection against unscrupulous multinationals. (They need protection in ways that do not inhibit economic development and growth, I may say, as well.) And doubtless, too, all of us need protection against the arrogance of the new international "new class."●